



Ministry of Industry  
& Mineral Resources

# JABAL QARAN LICENSING ROUND

## INFORMATION MEMORANDUM

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## Foreword

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

In August 2019, the Ministry of Industry and Mineral Resources was established as an independent government body with responsibility for regulating the mining sector in the Kingdom. This is a clear representation of the government's priority to develop this sector of the Saudi economy and provide opportunities to local and foreign investors while maximizing their benefits.

The mining sector is set to become the third pillar of the Kingdom's economy (after oil & gas and chemicals). To enable this sector growth, the Kingdom's mining strategy includes a comprehensive set of initiatives to develop and enhance the mining ecosystem in the Kingdom, including areas such as accelerating exploration by promoting investor protection, clarifying the legal and fiscal regimes and in promoting geodata acquisition and distribution through the Regional Geological Survey Program and the creation of the National Geoscience Database.

The new mining law that came into effect in 2021 targets the exploitation of the Kingdom's mineral resources and the development of its mineral-based manufacturing industry, all of which is expected to reduce imports to the Kingdom by c. \$10 billion and generate more than 200,000 jobs by 2030.

The Kingdom's competitive Licensing Rounds are a continuation of a successful, new chapter in our journey towards unlocking our country's vast mineral resources by fast-tracking exploration activity. The Jabal Qaran project is an example of an enticing exploration project with the potential to contribute to the Kingdom's future copper economy.

This Licensing Round will enable the Kingdom to identify the most suitable exploration partners for long-term growth and investment in the mining sector of the Kingdom, and provides interested investors with open access to data relating to the Jabal Qaran project.

We look forward to showcasing Jabal Qaran on a global stage so that, together, we can create value for our partners and the Kingdom.

## EXECUTIVE SUMMARY

As announced on 10<sup>th</sup> January 2024, the Ministry is conducting a competitive licensing round for the exploration of the Jabal Qaran site ("**Licensing Round**" or the "**Project**") pursuant to which the Ministry will award the successful bidder ("**Successful Bidder**") an exploration license for the Jabal Qaran site ("**Exploration License**"). The Licensing Round is designed as a transparent, standards-based, competitive process, which will result in the selection of the most appropriate licensee for the Jabal Qaran site ("**Jabal Qaran**" or the "**Site**").

**Bidders are hereby invited to submit their best offer for the Exploration License as part of a valid and binding proposal to become a licensee for the Site ("Proposal"). Proposals must be submitted to the Ministry on or before 1<sup>st</sup> May 2024 ("Proposal Submission Deadline") by completing the application form set out in the Ministry's data room ("Application Form") which can be accessed via the data room created on the Ministry's website <https://mim.gov.sa/en/initiatives/31907/> ("Data Room").**

### The Site

Jabal Qaran is situated in the far southwest of the Kingdom, covering an area of 57.7 km<sup>2</sup>. Accessible by sealed roads to the north from Dhahran Al Janub, the Project is strategically located on the Arabian Shield within the Asir Terrane—a region renowned for its high prospectivity in various mineralization styles, notably volcanic massive sulphides (VMS).

Further details are set out in Section 2 of this Information Memorandum

### Minimum Qualification Criteria

Bidders must demonstrate that they meet the Minimum Qualification Criteria in order for the Ministry to continue evaluating their respective Proposals, as summarised in the below table and further described in Section 4 of this Information Memorandum.

Whilst the Minimum Qualification Criteria is scored on a 'Pass/ Fail' basis and does not have a weighting score attributed to it, bidders must demonstrate that they satisfy all the Minimum Qualification Criteria in order for their respective Proposals to be evaluated further in this Licensing Round.

| Section           | Criteria                       | Description  |
|-------------------|--------------------------------|--|
| Technical Ability | <i>Internal Capability</i>     | Bidders must demonstrate internal capabilities in mineral exploration.   |
|                   | <i>Track Record / Examples</i> | Bidders must demonstrate track record experience in VMS or similar style mineralisation including capability in projects through the development cycle and developing exploration projects beyond the discovery stage through pre-feasibility and feasibility studies. |

|                   |                                |  |
|-------------------|--------------------------------|--|
| Financial Details | <i>Exploration Expenditure</i> | Bidders must have undertaken a minimum expenditure of USD five hundred thousand (\$500,000) in exploration activities in the last twelve (12) months.  |
|                   | <i>Exploration Funding</i>     | Bidders must demonstrate access to at least USD five hundred thousand (\$500,000) to fund the first three months of any exploration work program to be undertaken in the Kingdom in connection with the Project. |

## Scoring Methodology

Proposals submitted by bidders who satisfy all the Minimum Qualification Criteria will be further evaluated by the Ministry and scored in accordance with the following scoring methodology, and as further detailed in Section 5.8 of this Information Memorandum.

The bidder whose Proposal receives the highest score will be announced as the Successful Bidder for the Site and will be awarded the Exploration License by the Ministry once the legal and regulatory requirements are satisfied.

| Section                                       | Criteria  | Weighting  |
|---|---|------------|
| Proposed Work Program and Exploration Spend   | Proposals will be evaluated on the thoroughness and soundness of the bidder's proposed Work Program for the entire licensed area.                             | 50%        |
| Resource Exploration and Discovery Activities | Proposals will be evaluated on the bidder's experience in relation to focused exploration activities.   | 20%        |
| Innovation                                    | Proposals will be evaluated based on the innovative solutions and technologies used by the bidder in mineral exploration activities.                          | 10%        |
| Social Impact Management Plan                 | Proposals will be evaluated on the demonstrated ability to successfully implement social development in and around the Site, and local community expenditure. | 20%        |
| Financial Capability                          | Proposals will be evaluated on the bidder's financial resources, and its capability to fund its Work Program.   | Pass/ Fail |
| Environmental Impact Management Plan          | Proposals will be evaluated on the basis of whether the bidder has the demonstrated ability to ensure the protection of the environment.                      | Pass/ Fail |
| Corporate and Legal Requirements              | Proposals will be evaluated on the basis of the bidder's corporate and legal information.   | Pass/ Fail |
| Performance Financial Guarantee               | Proposal will be evaluated on the bidder's commitment to provide a Performance Financial Guarantee if selected as a Successful Bidder.                        | Pass/ Fail |
| Model Exploration License                     | Proposals will be evaluated on the bidder's commitment to accept the terms of the Model Exploration License.  | Pass/ Fail |

## **PART A: GENERAL INFORMATION**



## 1. Introduction

The Ministry has launched the Licensing Round with the objective of identifying a Successful Bidder to whom it will award the Exploration License in accordance with the Mining Investment Law (issued by Royal Decree No. M/140 dated 10/19/1441H) ("**Mining Investment Law**") and its Implementing Regulations issued by Ministerial Resolution (3293/1/1444) dated 05/06/1444H ("**Implementing Regulations**"). The Licensing Round is designed as a transparent, standards-based, competitive process, which will result in the selection of the most appropriate licensee for the Site.

**Bidders are hereby invited to submit their best offer for the Exploration License as part of a valid and binding Proposal to become a licensee for the Site. Proposals must be submitted to the Ministry on or before the Proposal Submission Deadline.**

The Licensing Round requires that the Successful Bidder possesses, demonstrates and dedicates to the Project qualified management personnel and resources, adherence to principles of sustainability and conformity with the laws of the Kingdom. The Successful Bidder will have demonstrated that it is committed to working with the Government to explore the Project in a timely manner to define future options for local and regional economic growth.

To that end, the Ministry suggests that the following points be considered seriously by the bidders in preparing their Proposals:

- 1) A clear commitment to conduct an accelerated exploration programme for the Site along a suitable timeline, coupled with the technical and financial capability to do so; and
- 2) To the extent possible during the exploration period, the provision of employment for the local population with a particular focus on the education and training of those hired locally.

Responses should be unambiguous and include detailed information.

This Information Memorandum is intended to be used by bidders to provide further information on the Site and the Licensing Round. It also sets out the rules for submission of a valid Proposal and participation in subsequent stages of the Licensing Round, as set out in Part B of this Information Memorandum ("**Proposal Submission Rules**").

### 1.1 Jabal Qaran Gold and Base Metal Project

Jabal Qaran is situated in the far southwest of the Kingdom, covering an area of 57.7 km<sup>2</sup>. Accessible by sealed roads to the north from Dhahran Al Janub, the Project is strategically located on the Arabian Shield within the Asir Terrane—a region renowned for its high prospectivity in various mineralization styles, notably volcanic massive sulphides (VMS).

Of particular significance, the Asir Terrane is recognized for hosting several well-established VMS mineral belts, including the prominent Kutam-Al Masane VMS belt. This geological feature is home to the nearby Al Masane Copper-Zinc Mine and Kutam Copper-Zinc deposit, exhibiting mineralization styles analogous to those identified at Jabal Qaran.

Exploration activities at Jabal Qaran encompass surface sampling, electromagnetic surveys, and diamond drilling. Historical exploration efforts in the 1970s identified a gold-base metal prospect within the Project area. A total of 10 drill holes were completed, targeting gossanous surface mineralization and dolomite alteration zones over a strike length of approximately 1,000 m. These drills intersected both massive sulphide and stringer mineralization.

Noteworthy intersections include **8.50 m @ 8.67 g/t Au, 18.5 g/t Ag, 0.29% Cu, 0.18% Pb, 3.18% Zn from 80.50 m in hole FG-3** (Smith and Mawad, 1982). No modern exploration has taken place at the Project since the 1980s.

The Project holds significant promise as a gold and base metal prospect. The region boasts numerous mineralized zones of VMS style mineralization, extending along a prospective strike length of approximately 9 km. The Project area is easily accessible, and further exploration targeting defined, walk-up targets, could potentially rapidly define an initial mineral resource.

### ***Prospectivity***

The Project stands out as a highly prospective gold and base metal exploration project. The Jabal Qaran region boasts numerous mineralized zones of VMS style mineralization along an approximately 9 km strike length. Situated within the Asir Terrane, the Project site is in the Kutam-Al Masane VMS Belt, one of several underexplored VMS belts characterized by numerous VMS occurrences. The mapped rock units (Halaban Group units) within the Project align closely with those hosting the Al Masane deposit.

Historical drilling activities in the area suggest that mineralization at the Farah Garan prospect extends to depths exceeding 100 m below the surface, indicating an open mineralized system along both strike and dip. The descriptions of mineralization in the drillholes are consistent with the VMS style observed at Al Masane.

The Project area is easily accessible, and with minimal further exploration, there is a likelihood of identifying walk-up drill targets. Early success in exploration could pave the way for a swift determination of an initial mineral resource.

## **1.2 Structure of this Information Memorandum**

This Information Memorandum is structured in two main parts as follows:

### **PART A: GENERAL INFORMATION**

- Section 2 provides information about the Site;
- Section 3 introduces the Data Room, an online resource with further information about the license opportunity, including geological survey data as well as the Application Form to be submitted by bidders as part of their Proposal;

## PART B: PROPOSAL SUBMISSION RULES

- Section 4 sets out the Minimum Qualification Criteria that bidders must meet in order for their Proposals to be further evaluated for the Project;
- Section 5 sets out the Licencing Round process and Proposal requirements including the criteria and scoring methodology; and
- Section 6 provides additional information regarding participation in the Licensing Round and submission of a Proposal.

### 1.3 Key Dates

The table below sets out the key dates relating to the Licensing Round. All dates set out in this Information Memorandum are subject to change at the Ministry’s absolute and sole discretion. Any revised dates will be notified to bidders through email to the confirmed address(es) submitted by the bidders to the Ministry in their expression of interest submission.

**Table 1: Key Dates**

| <b>Date</b>                                   | <b>Process stage</b>                          |
|---|---|
| 17:00 (Riyadh time) 01 <sup>st</sup> May 2024 | Proposal Submission Deadline                  |
| 23 <sup>rd</sup> May 2024                     | Announcement of outcome of the Proposal Stage |
| 23 <sup>rd</sup> May 2024                     | Announcement of the Successful Bidder         |

The Ministry will be available continuously to support bidders through each stage of the Licensing Round.

## 2. The Site

### 2.1 Location

The Jabal Qaran area (covering 57.7 km<sup>2</sup>) includes the drill-tested Farah Garan prospect and is located approximately 13 km east of Dhahran Al Janub city, Najran Region, in the far southwest of the Kingdom. The Project is situated in the Mayza quadrangle (1:100,000 sheet 17/43B) approximately 240 km from the port of Jazan on the Red Sea (Figure 1).

The Project is accessible by sealed roads north from Dhahran Al Janub along Highway 15 for 2 km then east for approximately 10 km to Hadiqat Lidamih in the centre of the Project area. From there, minor roads or tracks appear to lead southeast through rugged, hilly terrain to the Jabal Qaran prospect.

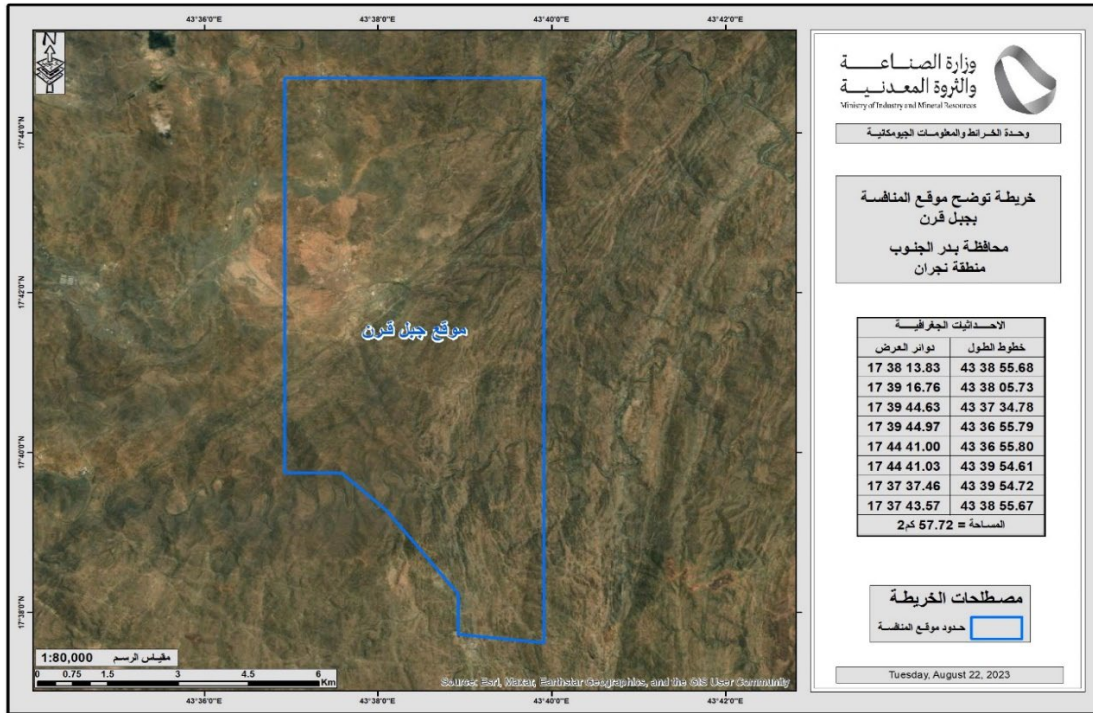


Figure 1: Project location.

Table 2: The Site Coordinates

| Point | Latitude      | Longitude     |
|-------|---------------|---------------|
| 1     | 17° 38' 13.83 | 43° 38' 55.68 |
| 2     | 17° 39' 16.76 | 43° 38' 05.73 |
| 3     | 17° 39' 44.63 | 43° 37' 34.78 |
| 4     | 17° 39' 44.97 | 43° 36' 55.79 |
| 5     | 17° 44' 41.00 | 43° 36' 55.80 |
| 6     | 17° 44' 41.03 | 43° 39' 54.61 |
| 7     | 17° 37' 37.46 | 43° 39' 54.72 |
| 8     | 17° 37' 43.57 | 43° 38' 55.67 |

## 2.2 Exploration History

Earliest mining activity at Jabal Qaran is undated but comprises ancient copper/zinc workings at the Farah Garan, exploiting near surface gossans. The workings were re-discovered by Anderson (1979) during geological mapping of the quadrangle by the USGS, with intermittent exploration activity through to the early 1990s. A summary of past exploration works is shown in Table 3.

### USGS

Geological mapping, rock chip sampling and geophysical surveys of the Farah Garan workings were undertaken (Smith and Blank, 1979), during which 1,100 rock chip and vein samples were collected across the hydrothermally altered zone at Al Ashyab and historical workings at Hemair (MODS 1129), Lejourah (MODS 1130) and Al Asharfat (MODS 1133).

Mapping of the Farah Garan prospect identified numerous historical mine workings and slag dumps in a north to north-northeast striking sequence of intermediate to felsic metavolcanics, metavolcaniclastics and metasediments. The north-northeast striking, steeply west-dipping Farah Garan Fault is mapped as separating a western block dominated by metavolcanics from an eastern block dominated by metasedimentary rocks. Numerous gossans, quartz veins and lenses of marble are oriented parallel to the north-northeast strike of the stratigraphy and foliation in both the western and eastern blocks.

The USGS was also involved in the 1970s mapping and compilation of 1:100,000 geological maps, which were used in the production of the later 1:250,000 maps in the early to mid-1980s.

In 1979-80 the USGS Geological Mission drilled three diamond holes for 809.40 m at Jabal Qaran (Smith and Mawad, 1982), which were followed up in 1987 by detailed mapping, surface geochemistry and a Crone Electromagnetic geophysical survey ("Crone-EM") and in 1988 by an additional seven drill holes. Details of the drilling site locations are not available as of the date on which this Information Memorandum is published, but the information that is available in open file reports is summarised in the later section on Drilling Programmes. Bookstrom et al, 1990 conducted geological mapping and nine lines of semi-continuous rock channel-chip sampling across the Farah Garan East prospect.

### Riofinex

During 1979-81, Riofinex Limited undertook an extensive wadi sediment sampling programme across the region (report RF-OF-02-22), with samples analysed for Cu, Pb, Zn, Ni, Co, Fe, Mn. This programme successfully identified over 100 base metal anomalies, which were followed up in 1981, and led to the identification of the Al Halahilah prospect located 30 km east of Jabal Qaran.

### The French Geological Survey (Bureau de Recherches Géologiques et Minières (BRGM))

The BRGM conducted regional airborne magnetic surveys in the 1980s (reports BRGM-OF-04-11 BRGM-TR-05-39). Prospect-scale geophysical surveys were conducted at Jabal Qaran in the 1970s and 1980s, including ground electro-magnetic (TURAM) and self-potential (SP) surveys, which were also conducted at Jabal Qaran NE (Farah Garan East).

**Table 3 Summary of past exploration (latest at the top).**

| Key Reports                    | Entity   | Location                 | Activities  |
|--------------------------------|--|--------------------------|---|
| BRGM-OF-04-11<br>BRGM-TR-05_39 | BRGM 1980-1985 AD<br>1401-1406 AH              | Regional                 | Geophysical map interpretations and compilations, regional VHMS metallogeny.  |
| RF-1978-3                      | Riofinex Ltd. 1977-1978 AD<br>1397-1398 AH     | Regional                 | Mapped the geology, mineralisation and exploration potential, a geochemical wadi-sediment survey over 500 km <sup>2</sup> , assess mineral occurrences and pyrite deposits at Wadi Wassat. The main outputs included the map: A Reconnaissance Geological Map of South East Asir 1:100,000,   |
| RF-OF-01-23                    | Riofinex Ltd. 1978 - 1981 AD<br>1398-1400 AH   | Regional                 | Reconnaissance assessment of the mineral potential in selected areas of the Arabian Shield: summary of results for the programme years 1398-1399 and 1399-1400,   |
| RF-OF-02-22;<br>RFO-1979-2     | Riofinex Ltd. 1978 - 1981 AD<br>1398 - 1401 AH | Regional                 | Reconnaissance of areas identified from a review of previous geological data; 1:50,000 geological mapping; 6,477 regional wadi samples over an area of 1,700 km <sup>2</sup> ; Prospects identified were gridded, mapped at 1: 1000, geochemically sampled and, if required, subject to geophysical surveys (SP, IP, mag), and drilled  |
| DM-OF-04-01                    | Riofinex Ltd. 1978-1984 AD<br>1398-1404 AH     | Regional                 | A Summarised Compilation of Prospects Drilled by the Riofinex Mission 1398-1404   |
| RF-OF-04-11                    | Riofinex Ltd. 1983 AD<br>1403 AH               | Farah Garan<br>Al Majmaa | Seventeen rock chip samples of quartz veins and host rocks from Farah Garan; 170 channel chip samples across workings and alteration zones at Hemair; geological traverses along wadis in the Farah Garan - Hemai district with four rock chip samples; 29 channel chip plus rock chip samples taken at Al Majmaa prospect; 13 channel chip samples at Al Majmaa South; other anomalies checked and sampled; sample splits of earlier wadi sediments were assayed by NAA Au and multi-element XRF |
| RF-OF-05-1                     | Riofinex Ltd. 1984 AD<br>1404 AH               | Regional                 | Detailed review of the geological framework, exploration history to 1984, and the mineral resource potential of the Kingdom of Saudi Arabia, recommendation of priorities and an action plan for the Ministry, and review the value of expenditures   |
| Bulletin 25                    | USGS 1979 AD                                   | Regional                 | Geological mapping of the Mayza quadrangle at 1:100,000 scale; re-discovered the Farah  |

| Key Reports   | Entity                             | Location         | Activities   |
|---|------------------------------------|------------------|--|
|   |                                    |                  | Garan workings and discovered an alteration zone at Al Ashyab  |
| USGS-OF-02-04 USGS OF 82-942                        | USGS 1982 AD 1402 AH               | Farah Garan      | Drilling, assay results and interpretation of three diamond drill holes  |
| 1:100k Sheets, including USGS-OF-02-1, USGS-OF-01-4 | USGS 1973 - 1981 AD 1393 - 1401 AH | Regional         | Regional mapping and compilation of 1:100,000 map sheets, which were later compiled into 1:250,000 sheets  |
| USGS-OF-09-10 / USGS OF 90-418                      | USGS                               | Regional         | Phase 1 - detailed investigation of previously determined wadi sediment anomalies around the Farah Garan, Hemair, Al Asherfat workings returned rock chip sample assays up to 3.1 g/t Au, 110 g/t Ag, 1.7% Cu, ~1% Pb, ~1% Zn; Phase 2 - chip sampling across sulphide mineralisation at Raiah, Al Masadij, Kuhaym and Khathl                              |
| USGS-OF-10-4  | USGS                               | Regional         | Wadi sediment samples (panned-concentrate and minus-80-mesh) collected at 450 sites across 580 km <sup>2</sup> (1.5 samples /km <sup>2</sup> ), analysed for Ag, As, Cu, Pb and Zn by AAS and for Au by AAS graphite-furnace   |
| USGS-TR-09-5 / USGS OF 90-420                       | USGS                               | Farah Garan      | Geochemical traverses; Crone-EM electromagnetic survey; seven additional drillholes at Farah Garan   |
| USGS-OF-90-421                                      | USGS                               | Farah Garan East | Geological mapping at 1:2000, 128 x 3m semi-continuous rock chip samples were collected along nine traverses across the trend of the prospect; assays for gold and other metals by AAS; petrographic thin sections; Crone electro-magnetic surveys were done along 14 profiles perpendicular to strike of the dolomite; only weak conductors were detected |
| USGS-SA(IR)-243 / USGS OF 79-1659                   | USGS 1975-1976 AD 1395-1396 AH     | Farah Garan      | Farah Garan workings (400 rock chip samples), alteration zone at Al Ashyab (556 rock chip samples); mapping and sampling at Al Asharfat, Lejourah, Hemair 35.2 line-km of SP and 9.0 line-km of Turam EM at Farah Garan and Al Ashyab, 1975-76   |
| USGS-TR-10-3  | USGS                               | Regional         | Geological mapping at 1:25,000, along wadis and canyon rims; 300 petrographic thin sections; 22 whole rock sample assays; geological assessment  |

Source: National Geoscience Database of Saudi Arabia (NGD)

## 2.3 Geology and Mineralisation

### Tectonic Overview

The Project is located on the Arabian Shield within a Terrane that is regionally highly prospective for several different mineralisation styles including VMS. The tectonic evolution of the Kingdom is fundamental for formation of various deposit styles across the region. The Arabian Shield and can be divided into two main regions: the Arabian Shield and the Arabian Platform (Figure 2). The Arabian Shield, a segment of the Arabian Nubian Shield (ANS), underwent separation from the Nubian Shield to the west during rifting and extension of the Red Sea from ~30 Ma (Bosworth, 2015; Hamimi et al., 2021). The Arabian Platform comprises layered Phanerozoic rocks, with thicknesses of up to 10 km, which were deposited on the Arabian Shield during the Phanerozoic. The rock units and structures of the shield can be tracked beneath the Phanerozoic cover rocks using magnetic anomalies, up to 300 km laterally from the exposed shield margins (Hamimi et al., 2021).

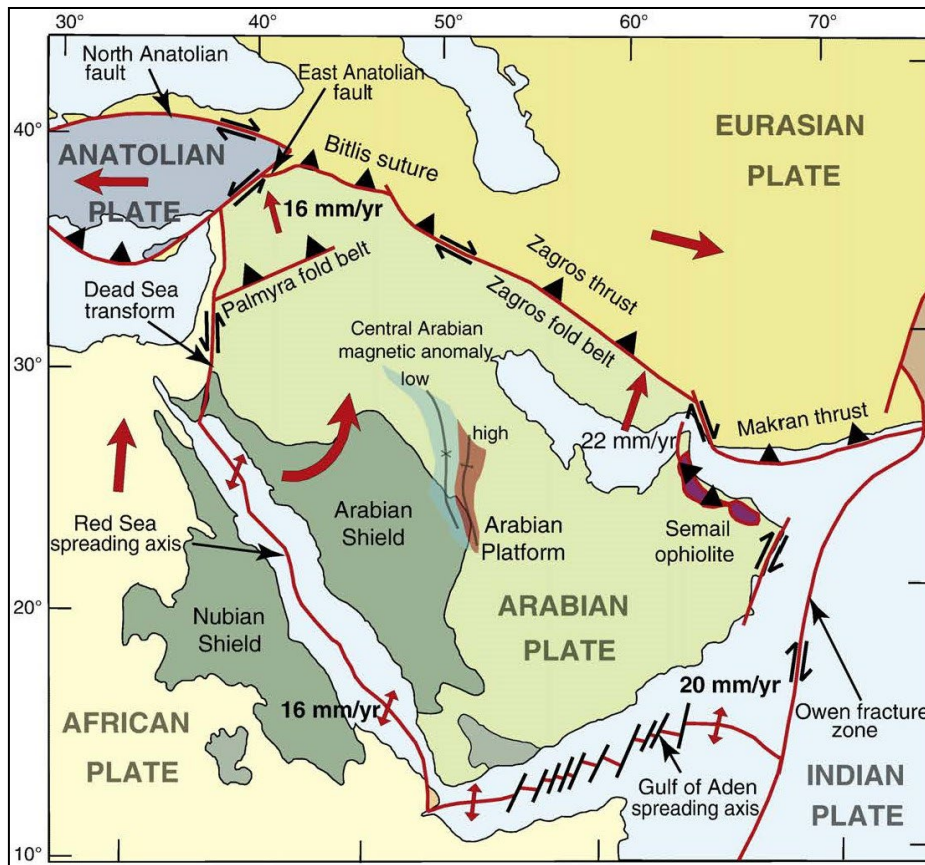


Figure 2: Tectonic framework of the Arabian Peninsula, with plate boundaries, approximate convergence vectors, and major fault zones (Stern and Johnson, 2010).

The ANS underwent a complex geological evolution spanning over 300 Myr (Figure 3) (Stern and Johnson, 2010). The juvenile crust of the ANS formed in primitive arc systems throughout the existence of the Mozambique Ocean, a basin which opened as a result of the break-up of the Rodinia supercontinent ~870–800 Ma (Mole et al., 2018). The magmatic arcs, ophiolites, and clastic sediments forming the ANS including the Asir Terrane were accreted on the margin of West Gondwana, gradually accumulating through a series



of subduction-related events referred to as the Nabitah Orogeny (Stern and Johnson, 2010). Culminating ~630–600 Ma, the accretionary margin of West Gondwana collided with East Gondwana, resulting a major Neoproterozoic mountain belt, the East Africa-Antarctica Orogen (EAAO) (Stern, 1994). The accretion resulted in the formation of tectonostratigraphic terranes that are separated either by major north-, northwest- and northeast-trending suture zones or by major northwest-trending faults. The suture zones host serpentinised ultramafic rocks, comprised of dismembered ophiolites, along with synorogenic plutonic complexes and transpressional gneissic domes (Nehlig et al., 2002). This collisional event produced a vast mountain chain comparable to the present-day Alpine-Himalayan range.

The final stages of the EAAO's evolution were marked by movement along continental-scale shear zones (escape tectonics), orogenic collapse, crustal delamination, and the exhumation of gneissic domes and the deposition of sediments, which occurred from 600–550 Ma (Hamimi et al., 2021). Following the assembly of the newly amalgamated arc terranes, volcanosedimentary assemblages were deposited in post amalgamation basins from ~650 Ma (Figure 4) (Johnson et al., 2011).

The Arabian Shield is partially overlain by Phanerozoic rocks, including Lower Palaeozoic siliciclastic rocks and Mesozoic-Cenozoic rocks (Haq and Al-Qahtani, 2005). These Phanerozoic sediments host significant mineral deposits, such as phosphates, evaporites, and potentially stratabound Zn-Pb deposits. Carbonate replacement-type Zn-Pb-Ag deposits also formed in the limestones of the Red Sea coast (Taylor et al., 2005).

Early Cambrian uplift led to widespread erosion, the subsequent Cambrian-Devonian sequences were typically deposited on a peneplained platform (Konert et al., 2001). Gentle subsidence in the Late Cambrian and Early Ordovician was followed by increased subsidence in the mid Ordovician that led to marine transgressions (Sharland et al., 2001).

During the Late Ordovician, a glacial episode occurred while the Arabian Shield resided at a relatively high southern latitude. The Plate started to drift northwards into lower latitudes in the Early Devonian, reaching tropical environments by Permian times (Konert et al., 2001). The Late Silurian saw an uplift, and a broad regression and stratigraphic gaps on the Arabian Platform (Sharland et al., 2001).

The Hercynian Orogeny, the Late Devonian to Permian diastrophic movements in Europe and North America, resulted in multiple phases of compression and block faulting (Konert et al., 2001). The northern edge of the Plate saw the initiation of back-arc rifting and basaltic eruption. The compression, uplift of central Arabia, and the clockwise rotation of the Plate produced widespread inversion and erosion, leading to the removal of several kilometres of sediment from the uplifted areas (Konert et al., 2001).

In the early Permian, another phase of major crustal extension weakened the crust enough to allow sediment load alone to drive subsidence and facilitate the accumulation of thick carbonate sediments in subtropical latitudes. In the Late Permian, further rifting, and block faulting, along the northeastern front of the Arabian Shield resulted in the initiation of continental break-up of this region, and the creation of a passive margin along most of the northeast boundary of the Plate fronting the newly opened Neo-Tethys Ocean. During this period, sedimentation on the Arabian Platform was dominated by carbonates over a break-up unconformity. The subsidence at the northeastern passive margin was initially largely post-rift thermal, to be replaced by sediment loading (Bishop and Al-Husseini, 1995).

Rifting in the central Mediterranean also began in the Early Jurassic, affecting the northern part of the Arabian Shield. Jurassic rifting at the northwestern boundary of the Plate led to later development of a new passive margin and new accommodation space along this subsiding shelf (Sharland et al., 2001). The Mediterranean rifting continued into the Early Cretaceous, which may have been partially responsible for uplift in western Arabia (Haq and Al-Qahtani, 2005).

Before the Eocene the ANS formed the northernmost corner of the African continental plate, which progressively moved northwards towards Eurasia, resulting in the closure of the Tethys Ocean. The Arabian Shield separated from the African Plate with the formation of the Red Sea and the Gulf of Aden rift system, which initiated ~35–30 Ma. Rifting was centred in the Afar region of Ethiopia, where a mantle plume resulted in volcanism and uplift from ~45 Ma, with peak activity ~30 Ma (Bellahsen et al., 2003).

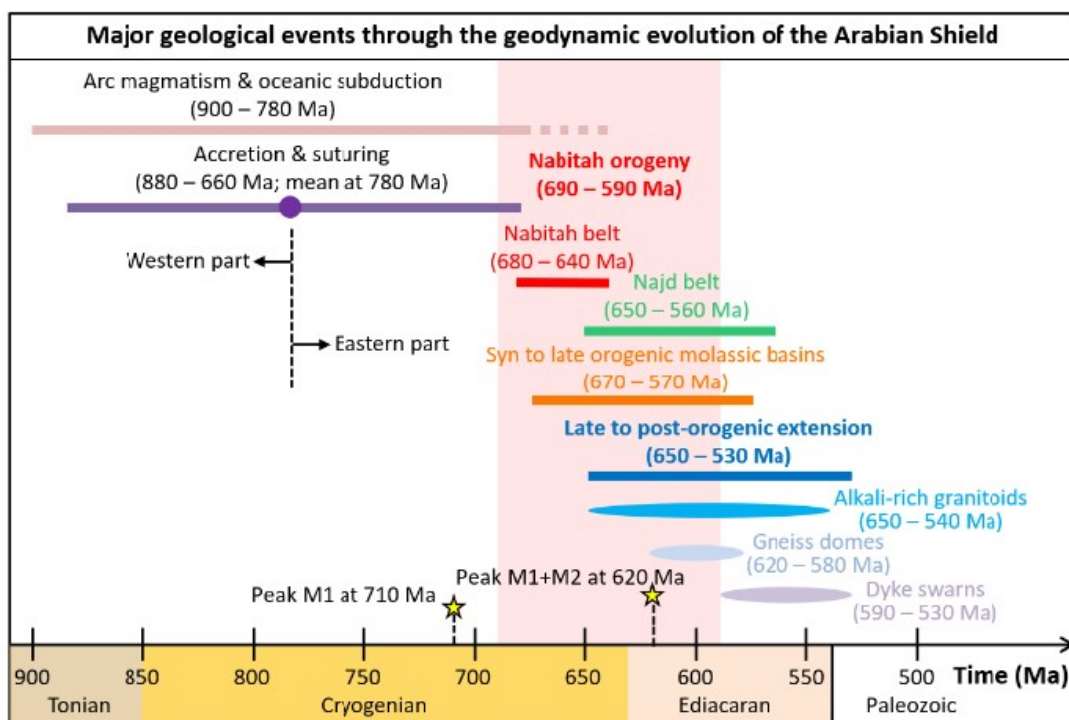


Figure 3: Chronology of major geological events through the geodynamic evolution of the Arabian Shield (Bonnetti et al., 2023).

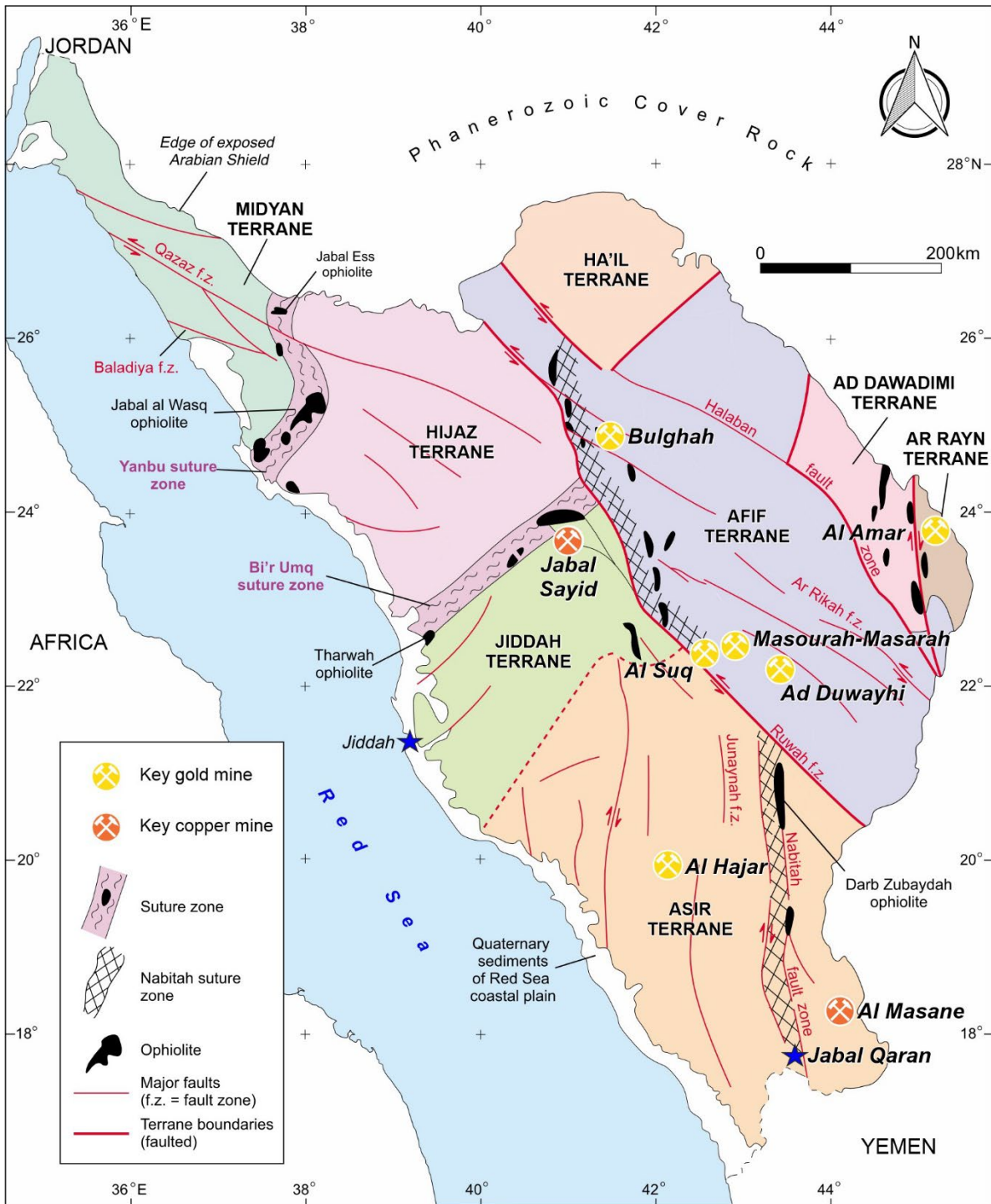


Figure 4: Simplified geological map of the Arabian Shield of major tectonostratigraphic terranes, including the Khida sub-terrane after Stoeser and Frost (2006), ophiolite belts, sutures and fault zones, post-accretionary basins, and the distribution of alkaline/peralkaline granites (modified after Gahlan et al. (2021)).

### Asir Terrane

Jabal Qaran is located within the Asir Terrane within the Khadra structural belt (the southern end of the Nabitah suture zone) of the Proterozoic Asir terrane of south-eastern Saudi Arabia, and which forms the south-eastern extent of the Nubian-Arabian Shield within the country (Figure 4). The Asir Terrane hosts

numerous gold and base metal mineral deposits and mineralisation styles. Importantly the terrane hosts several well-known VMS mineral belts including:

- ArRjum VMS belt
- Muhadad VMS belt
- Wadi Bidah VMS belt
- Wadi Shwas VMS belt
- Kutam-Al Masane VMS belt
- Ash Shib VMS belt

Isoclinal north-trending folds, and north-trending ductile shear zones, strongly deformed the rocks of the Asir Terrane. The metamorphosed volcanic, sedimentary, and plutonic rocks evolved by the assembly of ocean-plateau, island-arc and spreading-centre deposits that outcrop in two large north-trending structural belts: the Tarib (>720 Ma) and the An Nimas (840–810 Ma) arcs. The arc deposits were intruded by large volumes of arc-related calc-alkaline diorite, tonalite, granodiorite, and trondhjemite, as well as two phases of syn-tectonic orthogneiss. The younger orthogneiss phase was dated at ~680–640 Ma (Stoeser and Stacey, 1988). The assembly of the Asir Terrane is estimated at 720–680 Ma; hence, after the formation of the Tarib arc and before the emplacement of the younger orthogneiss phase (Johnson and Kattan, 2001).

### 2.3.1 Local Geology

The Project consists largely of the Halaban Group rocks, which comprises the oldest outcropping rocks in the terrane and consists of several interbedded volcanic and sedimentary units. Stratigraphic relationships are however unclear in places, with contacts commonly being faulted, and the package being deformed and metamorphosed to greenschist facies, with widespread development of schistose fabrics.

The main Halaban Group units in the Project area (Figure 5) are part of the Malahah Belt, sandwiched between the post-orogenic Tarib Batholith and the Hadadah Pluton, and in which the north-northeast structural orientation of the southern part of the Khadra Structural Belt is clear.

The Halaban Group includes, as in the explanatory notes to the Najrah Quadrangle 1:250,000 geological map sheet (the youngest at top):

- metadacite, correlated with hvd but including diorite/tonalite sills and dykes (hvd)
- metadacite, pyroclastics and volcanoclastics (hvd)
- metasediments - schist, slate, metagreywacke, metatuff and minor marble (hs)
- meta-andesite, metabasalt and breccia (hva),
- bimodal metavolcanics and metasediments (hvs).

Original mapping also noted dolomitic units at the stratigraphic position of the mineralisation, with later work interpreting this as dolomitic alteration associated with the mineralisation.

At Jabal Qaran the bedding/fabric strikes N-S to NNE-SSW, subparallel to the NNE trend of the Malahah Mobile Belt, is generally steeply west-dipping and is transected by the structurally concordant Farah Garan Fault and related fault splays.

Two large bodies of plutonic rocks occur within the Project area:

- i. In the northeast corner, a slice of metadiorite/metagabbro of the ~730 Ma Mushrifah Complex (dio) is faulted into the Halaban Group rocks of approximately the same age.
- ii. In the central-west, a body of the 640-615 Ma Ibn Hashbal suite biotite monzogranite (mgb), of intracontinental, post-amalgamation origin, intrudes the older Halaban Group rocks; this intrusive hosts the Lidimah/Lejourah mineral occurrence MODS 1130 (Figure 5); gold-silver mineralized, pyritic quartz veins within weakly foliated basalt flows that occupy the contact between quartz monzonite pluton that intrudes the basalt to the northwest, and to the southeast, Halaban Group metabasalt and meta-andesite which is isoclinally folded, sheared, strongly foliated, and metamorphosed to greenschist facies (Smith and Blank, 1979). Six samples of waste pile quartz vein assayed in the range 0.90-13.40 g/t Au.

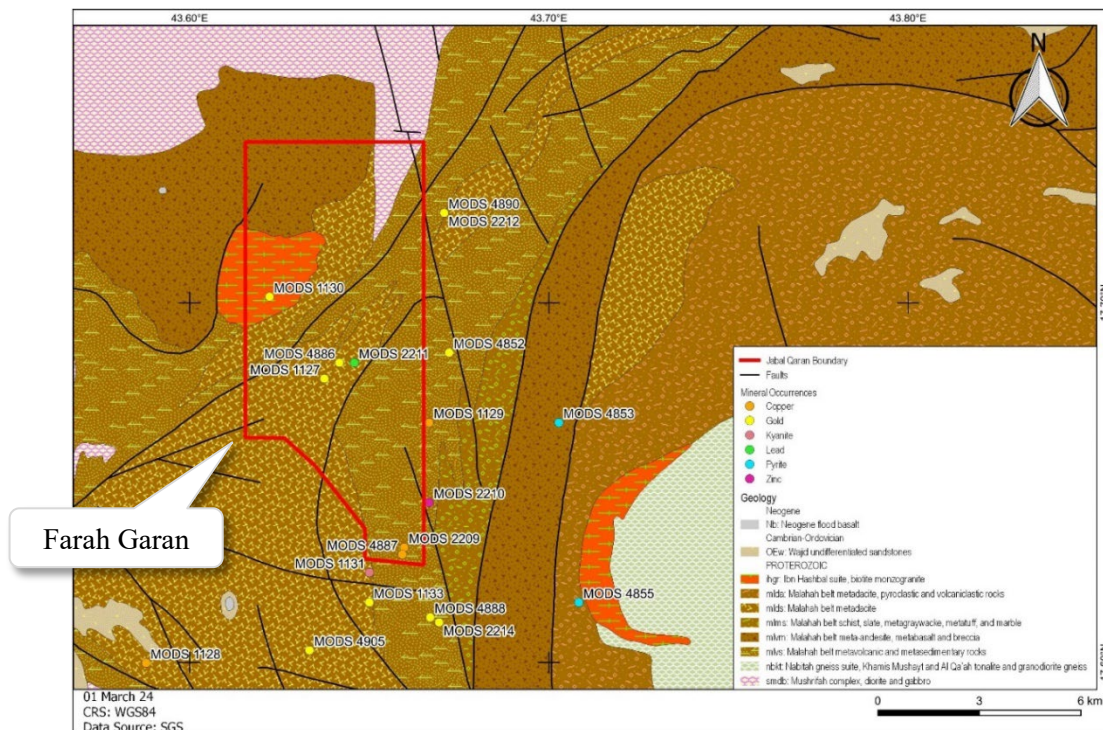


Figure 5: Jabal Qaran Project Geology and Mineral Occurrences Source: NGD and Geological Map of the Najran GM-078A 1:250,000 Sheet 1, KSA

### 2.3.2 Mineralisation

#### Kutam – Al Masane VMS Belt

The Kutam – Al Masane belt is located in the southern part of the Asir Terrane, covering an area of over 8,000 km<sup>2</sup> (Figure 6). It is comprised mainly of the rocks of the Malahah belt and associated Halaban Group rocks. Key deposits in the belt are Al Masane and Kutam, however examples of volcanogenic massive sulphide mineralisation can be found between Nuqrah to Najran.

The mineralisation at Al Masane mine varies from thinly bedded zinc-rich massive sulphide, copper-rich massive sulphides, sulphide breccia and massive pyrite as well as disseminated or interbedded sulphides

(Workman et al., 2016). Al Masane appears to not have an underlying zone of stringer mineralisation (Workman et al., 2016).

At Kutam, the mineralisation consists of disseminated and stringer chalcopyrite and sphalerite in quartz-sericite and quartz-chlorite schists near the contact with a large intrusion of felsic quartz-feldspar porphyry (Workman et al., 2016).

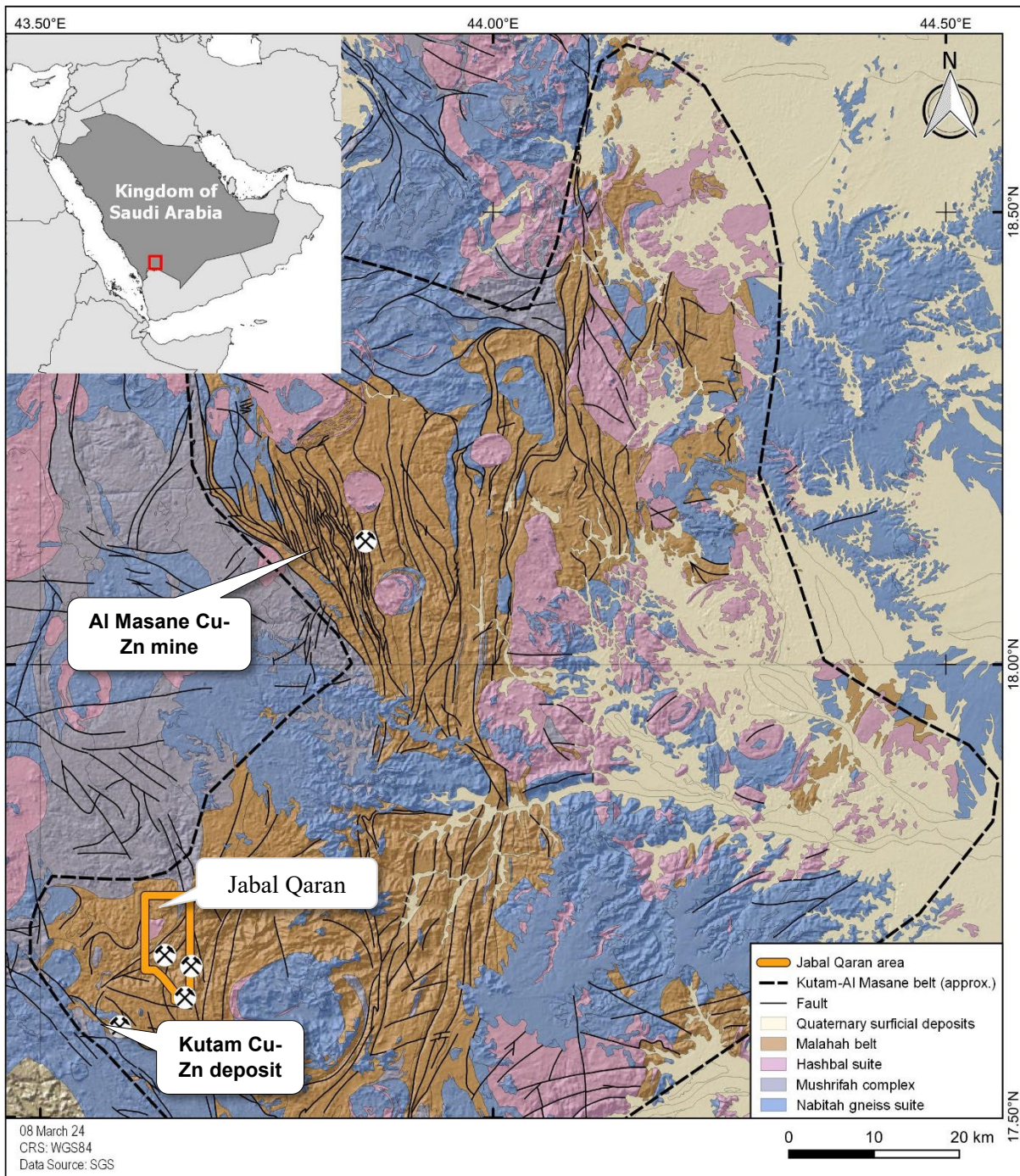


Figure 6: Kutam - Al Masane VMS Belt; Jabal Qaran in southwest corner of image (Workman et al., 2016)

### 2.3.3 Nearby Occurrences

Gold and base metal mineral occurrences (MODS) are distributed throughout the Malahah Mobile Belt within and surrounding the Project (Table 4, Figure 5).

**Table 4: Summary of Mineral Occurrences (MODS)**

| MOD       | English name                               | Long DD    | Lat DD     | Adm Regn | Main Metals | Minor Metals   | Works             | Strat. Unit           | Host rocks                            | Geology             | Min Style                           |
|-----------|--|------------|------------|----------|-------------|----------------|-------------------|-----------------------|---------------------------------------|---------------------|-------------------------------------|
| MODS 1127 | JABAL QARAN (FARAH GARAN)                  | 43.6375000 | 17.6788889 | Asir     | Au          | Cu; Pb; Zn; Ag | Slag area; Trench | Halaban Group         | Grph Shst; Dol; Metased               | Au QV; Volc.; Hyd'l | Diss; Lens; Msv; Vns; Stkww         |
| MODS 1129 | WADI AL ARIN (HEMAIR)                      | 43.6666667 | 17.6666667 | Najran   | Cu          | Ag; Au; Pb     | Stope             | Halaban Group         | Grph Shst; Dol; Metased               | Au QV; Hyd'l        | Lens; Strbnd; Msv; Vns; Stkww       |
| MODS 1130 | LIDIMAH (LEJOURAH)                         | 43.6222222 | 17.7016667 | Asir     | Au          | Ag             | Trench            | Granite-syenite Suite | Bslt; Grph Shst; Dol; Metased         | Hyd'l               | veins                               |
| MODS 1133 | QAHARAT AD DULAYF ASH SHARQI (AL ASHARFAT) | 43.6500000 | 17.6166667 | Asir     | Au          | Ag             | Trench            | Halaban Group         | Dac; Phyl; Qz Dio                     | Au QV; Hyd'l        | veins                               |
| MODS 2209 | WADI AL ARG-NE1 (HEMAIR SOUTH)             | 43.6597222 | 17.6319444 | Asir     | Cu          | Ag; Zn         | Undefined         | Halaban Group         | Ands; Grph Shst; Dio; Dol             | Hyd'l               | Diss; veins                         |
| MODS 2210 | JABAL QUDAH (HEMAIR Goss)                  | 43.6666667 | 17.6444444 | Najran   | Zn          | Null           | Undefined         | Halaban Group         | Shst (Hyd'l)                          | Hyd'l               | Diss; Bx; veins                     |
| MODS 2211 | JABAL QARAN-NE1 (FARAH GARAN)              | 43.6458333 | 17.6833333 | Asir     | Pb          | Ag; Zn; Cu     | Opencut           | Halaban Group         | Grph Shst; Chl Shst; Dol; Goss; Porph | Hyd'l               | Diss; Lens; Strbnd; Msv; Vns; Stkww |
| MODS 2212 | QAHARAT AL GHARISH (AL QARN)               | 43.6708333 | 17.7250000 | Najran   | Au          | Ag; Cu         | Tailings          | Halaban Group         | Ca-Shst; Ca-Sil Shst; Metavolc        | Au QV; Hyd'l        | Diss; veins                         |
| MODS 4886 | JABAL QARAN-NE (FARAH GARAN EAST)          | 43.6416667 | 17.6833333 | Asir     | Au          | Cu; Zn; Ag     | Trench            | Halaban Group         | Grph Shst; Dol; Phyl; Metavolc        | Hyd'l               | Lens; Stratiform                    |

|              |   |                |                |        |    |        |         |                      |   |       |                |
|--------------|---|----------------|----------------|--------|----|--------|---------|----------------------|---|-------|----------------|
| MODS<br>4887 | WADIAL<br>ARG-NE<br>(DEGART<br>H)           | 43.659166<br>7 | 17.630000<br>0 | Asir   | Cu | Zn; Au | Opencut | Halaba<br>n<br>Group | Ands;<br>Grph<br>Shst;<br>Dio; Dol;<br>Phyl | Hyd'l | Lens           |
| MODS<br>4890 | QAHARA<br>T AL<br>GHARISA<br>H (AL<br>GARN) | 43.670833<br>3 | 17.725000<br>0 | Najran | Au | Null   | Trench  | Halaba<br>n<br>Group | Metavolc                                    | Hyd'l | Diss;<br>veins |

Source: National Geoscience Database NGD of Saudi Arabia

### 2.3.4 Project Mineralisation

Local observations suggest that there is an association between dolomitization of carbonate rocks and the presence of significant, “exhalative style” massive sulphide mineralisation.

Kellog *et al*, 1990 studying intrusive units, concluded that:

- subeconomic precious and base-metal mineralisation was associated with large, lenticular, quartz-veined dolomitic bodies interpreted to be submarine exhalative deposits;
- the highest metal concentrations were associated with ancient mines;
- anomalously high precious- and base-metal values were also found to be associated with several small, isolated quartz veins;
- the study did reveal two aspects of mineralisation in the area that should be considered in future exploration.
  - Firstly, zones of disseminated pyrite are virtually barren of any precious- or base-metal mineralisation
  - Secondly, this study served to reinforce strongly the notion that almost all significant mineralisation is associated with exhalative dolomite
  - Smith and Blank (1979) also noted the association between mineralisation and the nearby presence of "quartz porphyry," the "quartz-eye" quartz-sericite phyllite of the study.

Bookstrom et al, 1990 concluded that at Farah Garan East prospect: “*the highest concentrations of gold, silver, arsenic, antimony, tellurium, and base metals generally are in the following volcanic-related hydrothermal rock types at Farah Garan East: exhalative dolomite, dolomite-talc breccia, carbonate-sericite phyllite and strongly carbonate-altered rocks. This indicates that geochemically anomalous concentrations of metals are cogenetic with the carbonate-rich hot-spring deposits in which they occur. However, the occurrence of tennantite in quartz veins that cut dolomite and the occurrence of malachite in talcose fractures, which also cut dolomite, both indicate at least minor remobilization of ore minerals, during metamorphism, deformation, and subaerial weathering of the original submarine exhalative deposits*”.



### 2.3.5 Nearby Deposits

#### Al Masane Coppe- Zinc Mine

The mine is located approximately 55 km to the north-northeast of the Project (Table 5, Figure 6). The mine is currently exploited as an open pit (Guyan; Figure 7) and underground where development has occurred on the Saadah and Al Houra orebodies. Operations extend 291 m underground (Al Masane Al Kobra Mining Co). The mine began in 2012 and at the time of commissioning the mineral resource was over 5 Mt (Table 4).

**Table 5: Al Masane mineral resources, reporting code unknown (source Workman et al., 2016)**  
Mineral Resources for the Al Masane Deposit, 2012

| Classification | Tonnes<br>(t x 000's) | Zn<br>(%) | Cu<br>(%) | Au<br>(g/t) | Ag<br>(g/t) |
|----------------|-----------------------|-----------|-----------|-------------|-------------|
| Measured       | 535                   | 4.0       | 1.5       | 0.83        | 23          |
| Indicated      | 5,279                 | 3.8       | 1.3       | 0.84        | 25          |
| Inferred       | 108                   | 4.0       | 1.1       | 1.13        | 30          |

These estimates do not account for recent mining activities.



**Figure 7: Guyan open pit (source: <https://amak.com.sa/>)**

## Kutam Copper-Zinc Deposit

The deposit is located approximately 5 km southwest of the Project (Table 5, Figure 6). Workman et al. (2016) notes the following for the Kutam Deposit:

*“The Kutam deposit is the largest in the entire belt and it has significant potential for expansion. This deposit (MODS 1128) is located within the southern Asir mountains. The ancient workings marking the deposit were discovered by the USGS in 1973 during a regional mapping program covering the half-degree Mayza Quadrangle (17/43B). The USGS subsequently carried out geological, geochemical and geophysical surveys as well as drilling eight diamond drill holes totalling 1,929 m (Smith and others, 1977). Noranda obtained an exploration license for the area in 1976 and carried out more detailed geological mapping and geophysical surveying (ground and airborne), followed by the drilling of 15 cored holes (3,495 m). After Noranda completed its program, Riofinex carried out an economic assessment of the deposit and concluded that it was not viable if it was assumed that no additional tonnage or higher-grade mineralisation would be discovered (Riofinex; 1978a). The metal zoning at Kutam was studied and Riofinex postulated that a high-grade copper stringer zone may exist at depth. A resource was estimated for the prospect that totalled 16.43 Mt grading 1.03% Cu, 0.51% Zn and 0.1 g Au/t (Lawson Gold independent Technical Report, 2012). Coffey considered the resource estimate to have deficiencies however they recommended that the resource be considered as Inferred Resources. The resources were open to depth and Coffey recommended additional drilling at depth down plunge to potentially increase the resource base.”*

## 2.3.6 Exploration Data

### Regional Geophysical Data

Diverse geophysical data covering almost the entire Kingdom were available. Some of the data compilation included surveys flown by the USGS and still used for interpretation today; although, since 2006, many areas have been re-surveyed. Table 6 summarises the acquisition parameters of various airborne geophysical surveys. RSC accessed various data compilations primarily as processed grids to assess the quality of the data. The compilations are comprised of surveys stitched together, rather than merged and blended, which reduces the overall quality of the data. Line spacings vary between 300 m and 2,500 m, which is evident in the compilations despite gridding to a consistent cell size. All data analysed by RSC were only available in basic corrected form (i.e. reduced to pole, first vertical derivative) and as images (i.e. geotiffs). To produce enhancements and filter the data to highlight attributes, original grid data are necessary.

**Table 6: Overview of available geophysical data.**

| Survey Name  | Method                       | Coverage (km <sup>2</sup> ) | Line Spacing (m) | Grid size (m)                 |
|--|------------------------------|-----------------------------|------------------|-------------------------------|
| Arabian Shield Magnetic Compilation                      | Magnetic                     | Compilation                 | 300-2,500        | 200                           |
| Habla, Sukhaybarat, Najadi/Shabah and Najadi/Quartz Hill | Magnetic, EM and Radiometric | 952                         | 200              | 50 (magnetic and radiometric) |
| Al Hajar   | Magnetic, EM                 | 748                         | 250              | no information available      |
| Wadi Bidah, Hamdah                                       | Magnetic, EM                 | 4,236                       | 250-300          | 50                            |

## **Magnetic Data**

The magnetic data (total magnetic intensity, TMI) were provided alongside reduction to pole (RTP), the first vertical derivative (1VD), analytical signal (AS), and tilt derivative enhancements. The compilation grids have been stitched together rather than blended so the individual surveys are delineated, which gives the appearance of a change in resolution (Figure 8). While this does not necessarily hinder interpretation, a coherent blended grid would allow further enhancements of the dataset without creating edge artefacts within the data during processing. RSC notes that an RTP magnetic grid may not reflect the location of source bodies due to the Kingdom's location relative to the magnetic equator. There appears to be discord between the analytical signal and RTP grids, implying that a reduction to equator (RTE) may have provided better results for accurately locating source bodies.

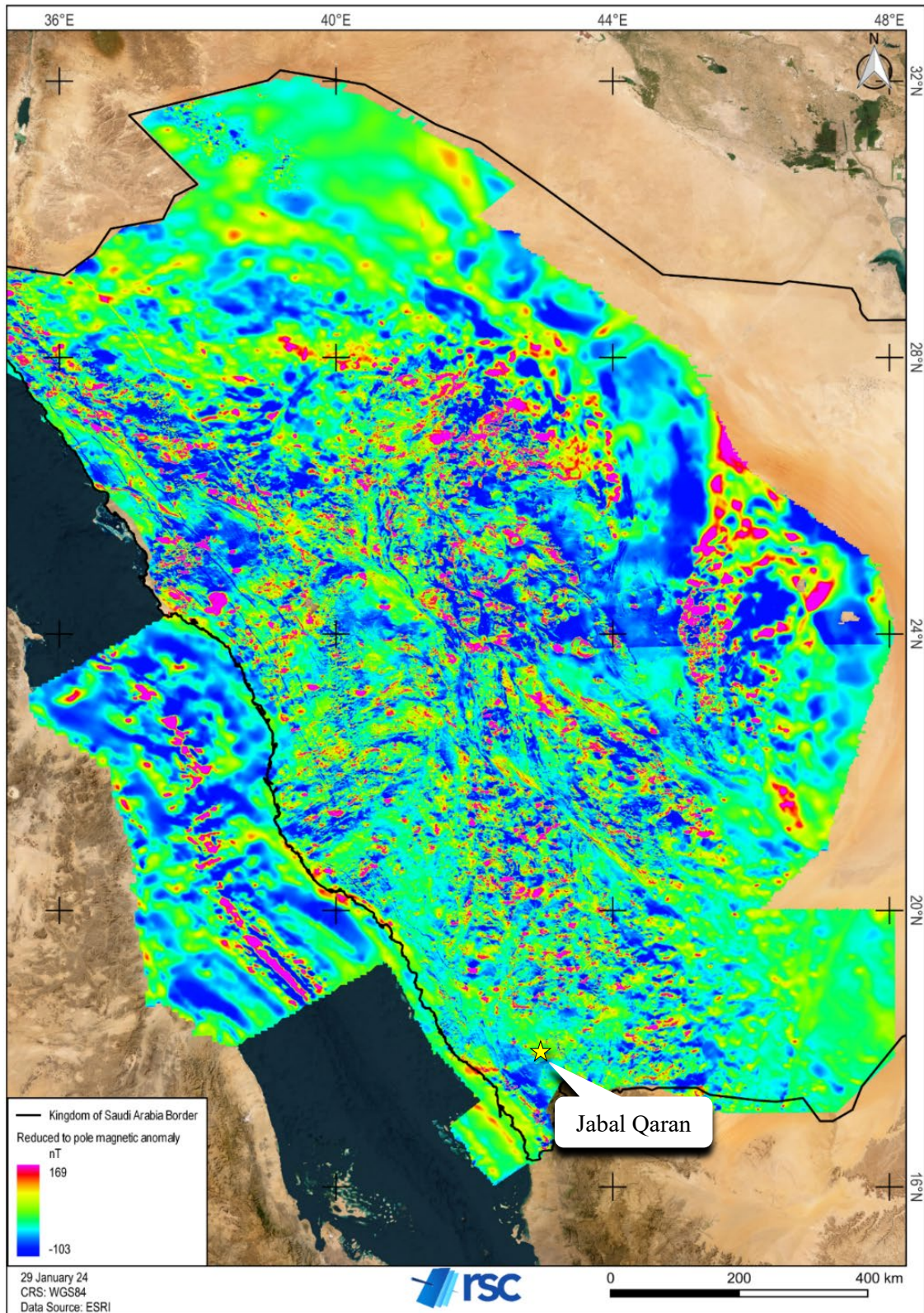


Figure 8: Magnetic data compilation available across the Kingdom.

## Gravity Data

Gravity data coverage was limited to imaging swaths of western KSA and a thin section of the eastern coast (Figure 9). The resolution of the data was low (1,000 m) compared to the resolution of targets expected to be generated in this report. No further corrections or enhancements of the data were available to RSC, beyond a Bouguer correction and free air correction. Although there are some small-scale trends in the data, including these data in a regional study is problematic as the coverage is limited and often perpendicular to the structural trends of the region. However, gravity data highlighting the density contrasts between various lithologies, at a resolution suitable for the target, is likely particularly useful here.

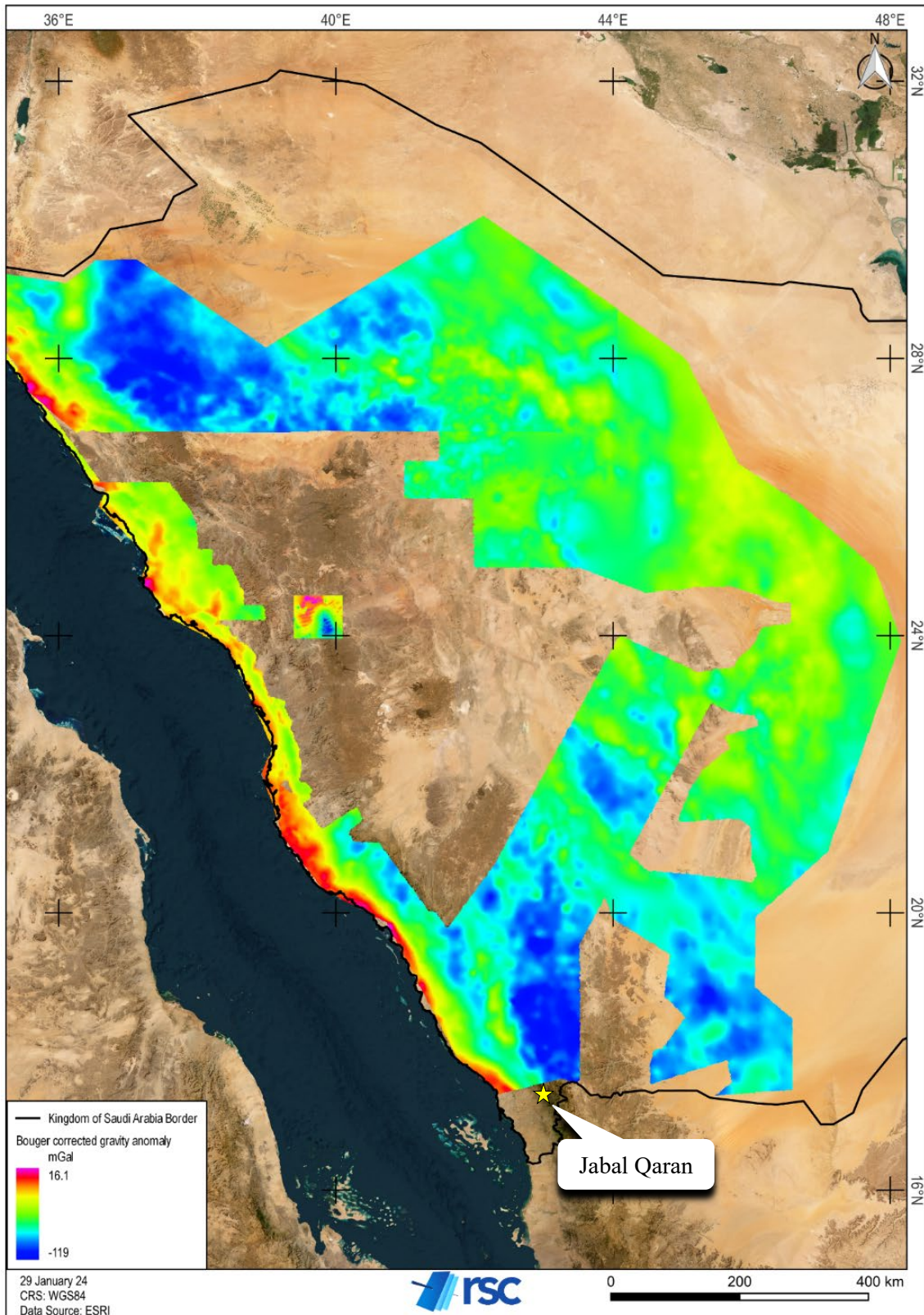


Figure 9: Gravity data coverage of the Kingdom.

### 2.3.7 Project Geophysics

The most significant geophysical programme at Farah Garan was the 1987 Crone Ground Electromagnetic survey conducted along 23 x 50 m spaced east-west traverses for 21.3 line-km, perpendicular to the interpreted strike of potential ore bodies (Doebrich and Bazarri, 1989).

Three anomalous zone were detected:

- Zone A - a very strong anomaly associated with extensive exposures of graphitic phyllite in the northeastern part of the survey area.
- Zone B - a moderately strong anomaly associated with ancient workings at surface coinciding with the eastern and southern exhalative units, their associated sulphide mineralisation and intercalated graphitic phyllite.
- Zone C - consisting of a northern subzone associated with gossan and ancient workings, and a southern subzone located between dolomitic outcrops and a north-trending fault; it partly corresponds with the western exhalative unit and associated sulphides, and the southern subzone is the strongest graphite-free anomaly but is in very rugged terrain.

As the geophysical survey data were not available at the time of writing, RSC cannot comment on the survey quality. While Doebrich and Bazarri (1989) note that the anomalies do not indicate massive sulphides, Bookstroom et al. (1989), recommends targeting the large hydrothermally altered zones associated with dolomitic exhalites.

### 2.3.8 Surface Geochemistry

Approximately, 1100 rock chip and vein samples were collected across the hydrothermally altered zone at Al Ashyab and historical workings at Hemair (MODS 1129), Lejourah (MODS 1130) and Al Asharfah (MODS 1133) by Smith and Blank (1979). At Farah Garan zinc-copper-lead-gold-silver metallisation (Figure 10, Figure 11) was seen in an area 1.1 by 0,5 km (Smith and Blank, 1979). Epigenetic sulphide minerals, accompanied by gold and silver, were deposited along sheared contacts of marble lenses and partly replaced the marbles. In addition, gold was deposited in quartz veins perhaps independently and in more restricted areas (Smith and Blank, 1979).

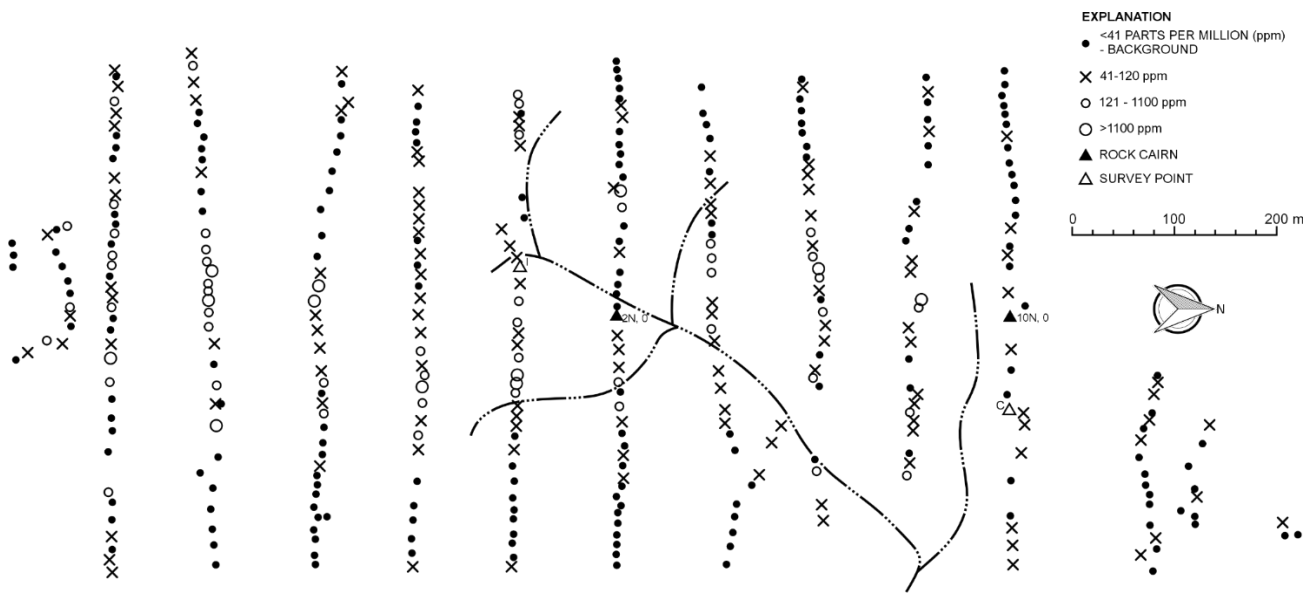


Figure 10: Copper content of rock chip samples (Smith and Blank, 1979)

Bookstrom *et al*, 1990 conducted geological mapping and nine lines of semi-continuous rock channel-chip sampling across the Farah Garan East prospect.

During 1979-81, Riofinex Limited undertook an extensive wadi sediment sampling programme across the region (report RF-OF-02-22), with samples analysed for Cu, Pb, Zn, Ni, Co, Fe, Mn.

### 2.3.9 Drilling

Ten diamond holes were drilled by the USGS in the 1980s (Appendix: Farah Garan Drilling and Significant Assays), but at the time of writing details of the drilling and assay results are only partly available for the first three holes from Figure 11 and the drillhole locations are not available for the second stage of seven holes.

The three diamond holes drilled for 809.40 m in 1979-80 by the USGS Geological Mission at Jabal Qaran (Smith and Mawad, 1982) intersected highly significant VHMS style mineralisation and are summarized below.

Drill hole FG-1 collared just west of the Farah Garan Fault and drilled easterly under the eastern, footwall block of metasediments, marble / dolomitized zones and at least five gossanous zones. Drill holes FG-2 and FG-3 were collared 200-250 m west of the fault and 300 m apart north-south, drilling under the western block of metavolcanics, marble, gossanous zones and quartz veins. Two of these holes returned mineralised intercepts (Appendix – Farah Garan Drilling). Hole FG-1 intersected a narrow 0.82 m zone of silver-copper-zinc mineralisation (disseminated sphalerite, pyrite, chalcopyrite and minor tetrahedrite) within a silicified, talc-chlorite altered (fault?) breccia (Table 7).



**Table 7: drillhole significant intersections**

| Hole ID | From (m) | Length (m) | Au g/t | Ag g/t | Cu%  | Pb%  | Zn%  |
|---------|----------|------------|--------|--------|------|------|------|
| FG-1    | 123.92   | 0.82       | --     | 22.0   | 1.25 | 0.06 | 3.10 |
| FG-2    | --       | --         | --     | --     | --   | --   | --   |
| FG-3    | 80.50    | 8.5        | 8.67   | 18.5   | 0.29 | 0.18 | 3.18 |
| Incl.   | 81.45    | 3.55       | 20.06  | 32.8   | 0.68 | 0.25 | 6.28 |
| FG-4    | 245.15   | 3.90       | 2.78   | 50.8   | 0.68 | 0.93 | 3.21 |
| Incl.   | 81.45    | 0.90       | 10.8   | 180    | 2.30 | 3.60 | 9.50 |
| FG-5    | 139.26   | 3.49       | 2.08   | 30.7   | 0.57 | --   | 1.33 |
|         | 158.00   | 6.60       | 2.67   | 40.0   | 1.12 | --   | 2.73 |
| I       | 187.50   | 5.75       | 14.6   | 99.0   | 1.21 | --   | 3.68 |
| FG-6    | --       | --         | --     | --     | --   | --   | --   |
| FG-7    | --       | --         | --     | --     | --   | --   | --   |
| FG-8    | --       | --         | --     | --     | --   | --   | --   |
| FG-9    | --       | --         | --     | --     | --   | --   | --   |
| FG-10   | --       | --         | --     | --     | --   | --   | --   |

The best mineralized intersection was in hole FG-3, collared 400 m northwest of FG-1, which tested a surficial breccia zone anomalous in zinc and copper (Figure 11, Table 7). A silicified breccia zone with quartz-calcite flooding and lesser chlorite, abundant sphalerite (massive, clots, veins and disseminations) accompanied by pyrite, moderate chalcopyrite and minor tetrahedrite returned the following, highly significant intercept, **8.50 m @ 8.67 g/t Au, 18.5 g/t Ag, 0.29% Cu, 0.18% Pb, 3.18% Zn from 80.50 m** (Table 7). Drill hole FG-3 intersected quartz crystal tuff to 77.80m, separated by the silicified fault zone from an underlying sequence of massive dolomite or calcareous tuffs. The Farah Garan Fault was intersected at 194.05m then the deeper sequence of carbonaceous quartz crystal tuff, calcareous siltstone and andesite dykes in which the hole was terminated at 291.55 m. Significantly, FG-3 terminated in a 10 cm interval of tuff and carbonaceous argillite which hosts bands of red-brown sphalerite indicating that additional mineralisation is present at depth. The 10 cm interval does not appear to have been assayed.

In addition to the analysis of precious and base metals by AAS, wet chemical analyses for arsenic and antimony showed good correlation with tetrahedrite in drill core samples. All arsenic and antimony results were well above average crustal abundances and considered to be useful pathfinder elements for gold and base metals. Semi-quantitative spectrographic analyses of the FG-1 to 3 was undertaken by Smith and Black (1979), with anomalous elements of barium, molybdenum and tin.

A later programme of seven diamond drill holes was undertaken by the USGS at Farah Garan in 1988 (Doebrich and Bazzari, 1989), such that three lenticular units of exhalative dolomite with associated ore minerals had been tested by two or more drill holes each. Smith and Mawad (1982) reported a high-grade gold intercept in drill hole FG-3 at the north end of the western exhalative dolomite unit and four additional holes (FG-7, FG-8, FG-9, and FG-10) were drilled across the western exhalative unit, but the rocks intersected were relatively barren.

At the eastern exhalative unit, one new drill hole (FG-6) backed up the old drill hole (FG-1) but was also relatively barren. Two new drill holes (FG-4 and FG-5) tested the south exhalative unit and encountered a steeply dipping, deformed sequence of phyllite, graphitic phyllite, metadacite, talc-chlorite altered rock, metabasalt sills and talcose, cherty dolomite with significant mineralized intercepts, "estimated to

represent approximately 225,000 t containing 2.8 ppm Au, 33 ppm Ag, 0.9 percent Cu, and 2.5 percent Zn<sup>11</sup> (Doeblich and Bazzari, 1989). This historic estimate is not reported or estimated in line with any international reporting code including Ni 43-101 and JORC Code. It is provided for reference only and has not been validated.

This historical tonnage was estimated from intersections in FG-4 and FG-5 in a steeply dipping unit of talcose dolomite, chert and graphitic phyllite with strongly anomalous Au, Ag, Cu, Pb, Zn plus elevated As, Sb, Te between 196.7 m and 266.07 m (Table 7). The anomalous interval contains thinner zones of significant precious and base metal mineralisation (Doeblich and Bazzari, 1989):

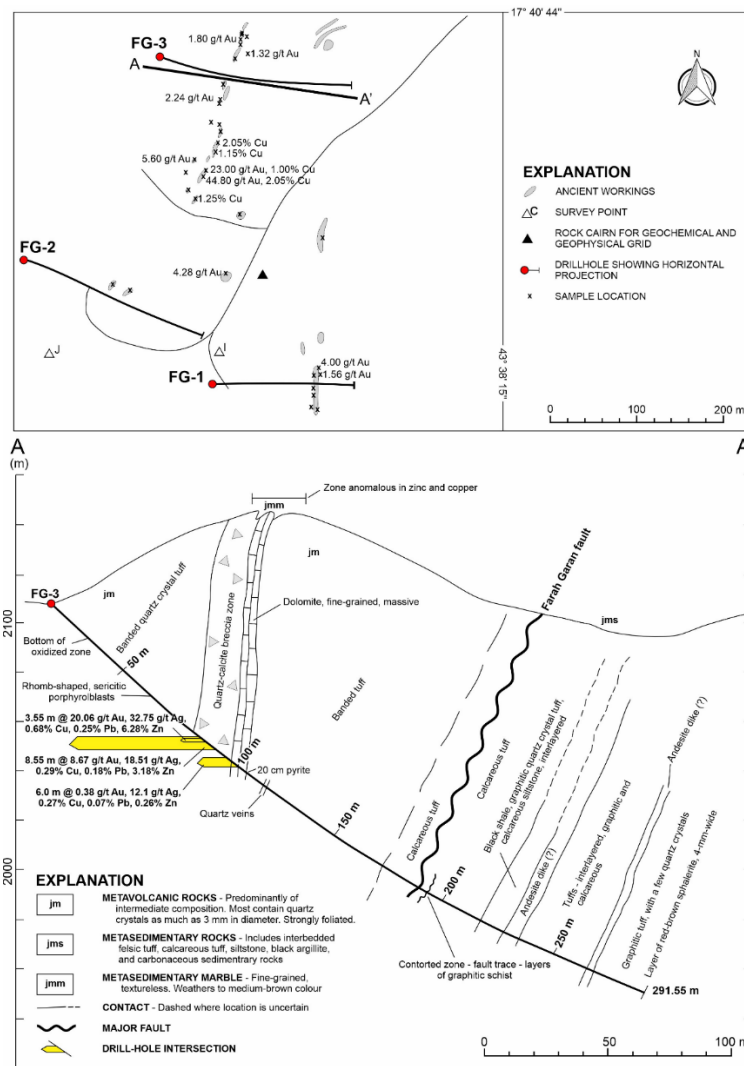


Figure 11: Approximate locations of Drillholes FG-1 to FG-3 and Drill Section Hole FG-3, Farah Garan Prospect. Source: Smith and Mawad, 1982

### 3. Data Room Overview

Technical and other data is hosted in the Data Room (<https://mim.gov.sa/en/initiatives/31907/>) and can be accessed through the Ministry’s website or any other link provided by the Ministry.

#### TECHNICAL INFORMATION

The technical information folder in the Data Room includes the files described in the table below and will remain open to bidders until the award of the Exploration License.

**Table 8: File Overview**

| Key Reports                    | Entity   | Location                 | Activities   |
|--------------------------------|--|--------------------------|--|
| BRGM-OF-04-11<br>BRGM-TR-05_39 | BRGM 1980-1985 AD<br>1401-1406 AH              | Regional                 | Geophysical map interpretations and compilations, regional VHMS metallogeny.   |
| RF-1978-3                      | Riofinex Ltd. 1977-1978 AD<br>1397-1398 AH     | Regional                 | Mapped the geology, mineralisation and exploration potential, a geochemical wadi-sediment survey over 500 km <sup>2</sup> , assess mineral occurrences and pyrite deposits at Wadi Wassat. The main outputs included the map: A Reconnaissance Geological Map of South East Asir 1:100,000,  |
| RF-OF-01-23                    | Riofinex Ltd. 1978 - 1981 AD<br>1398-1400 AH   | Regional                 | Reconnaissance assessment of the mineral potential in selected areas of the Arabian Shield: summary of results for the programme years 1398-1399 and 1399-1400,  |
| RF-OF-02-22;<br>RFO-1979-2     | Riofinex Ltd. 1978 - 1981 AD<br>1398 - 1401 AH | Regional                 | Reconnaissance of areas identified from a review of previous geological data; 1,50,000 geological mapping; 6,477 regional wadi samples over an area of 1,700 km <sup>2</sup> ; Prospects identified were gridded, mapped at 1: 1000, geochemically sampled and, if required, subject to geophysical surveys (SP, IP, mag), and drilled   |
| DM-OF-04-01                    | Riofinex Ltd. 1978-1984 AD<br>1398-1404 AH     | Regional                 | A Summarised Compilation of Prospects Drilled by the Riofinex Mission 1398-1404  |
| RF-OF-04-11                    | Riofinex Ltd. 1983 AD<br>1403 AH               | Farah Garan<br>Al Majmaa | Seventeen rock chip samples of quartz veins and host rocks from Farah Garan; 170 channel chip samples across workings and alteration zones at Hemair; geological traverses along wadis in the Farah Garan - Hemai district with four rock chip samples; 29 channel chip plus rock chip samples taken at Al Majmaa prospect; 13 channel chip samples at Al Majmaa South; other anomalies checked and sampled; sample splits of earlier wadi |

| Key Reports   | Entity                                | Location         | Activities   |
|---|---------------------------------------|------------------|--|
|   |                                       |                  | sediments were assayed by NAA Au and multi-element XRF   |
| RF-OF-05-1  | Riofinex Ltd.1984 AD<br>1404 AH       | Regional         | Detailed review of the geological framework, exploration history to 1984, and the mineral resource potential of the Kingdom of Saudi Arabia, recommendation of priorities and an action plan for the Ministry, and review the value of expenditures  |
| Bulletin 25   | USGS 1979 AD                          | Regional         | Geological mapping of the Mayza quadrangle at 1:100,000 scale; re-discovered the Farah Garan workings and discovered an alteration zone at Al Ashyab   |
| USGS-OF-02-04<br>USGS OF 82-942                           | USGS 1982 AD 1402<br>AH               | Farah Garan      | Drilling, assay results and interpretation of three diamond drill holes  |
| 1:100k Sheets, including<br>USGS-OF-02-1,<br>USGS-OF-01-4 | USGS 1973 - 1981 AD<br>1393 - 1401 AH | Regional         | Regional mapping and compilation of 1:100,000 map sheets, which were later compiled into 1:250,000 sheets  |
| USGS-OF-09-10 / USGS OF 90-418                            | USGS                                  | Regional         | Phase 1 - detailed investigation of previously determined wadi sediment anomalies around the Farah Garan, Hemair, Al Asherfat workings returned rock chip sample assays up to 3.1 g/t Au, 110 g/t Ag, 1.7% Cu, ~1% Pb, ~1% Zn; Phase 2 - chip sampling across sulphide mineralisation at Raiah, Al Masadij, Kuhaym and Khathl                              |
| USGS-OF-10-4  | USGS                                  | Regional         | Wadi sediment samples (panned-concentrate and minus-80-mesh) collected at 450 sites across 580 km <sup>2</sup> (1.5 samples /km <sup>2</sup> ), analysed for Ag, As, Cu, Pb and Zn by AAS and for Au by AAS graphite-furnace   |
| USGS-TR-09-5 / USGS OF 90-420                             | USGS                                  | Farah Garan      | Geochemical traverses; Crone-EM electromagnetic survey; seven additional drillholes at Farah Garan   |
| USGS-OF-90-421  | USGS                                  | Farah Garan East | Geological mapping at 1:2000, 128 x 3m semi-continuous rock chip samples were collected along nine traverses across the trend of the prospect; assays for gold and other metals by AAS; petrographic thin sections; Crone electro-magnetic surveys were done along 14 profiles perpendicular to strike of the dolomite; only weak conductors were detected |

| Key Reports                       | Entity                            | Location    | Activities   |
|-----------------------------------|-----------------------------------|-------------|--|
| USGS-SA(IR)-243 / USGS OF 79-1659 | USGS 1975-1976 AD<br>1395-1396 AH | Farah Garan | Farah Garan workings (400 rock chip samples), alteration zone at Al Ashyab (556 rock chip samples); mapping and sampling at Al Asharfah, Lejourah, Hemair 35.2 line-km of SP and 9.0 line-km of Turam EM at Farah Garan and Al Ashyab, 1975-76 |
| USGS-TR-10-3                      | USGS                              | Regional    | Geological mapping at 1:25,000, along wadis and canyon rims; 300 petrographic thin sections; 22 whole rock sample assays; geological assessment  |

## APPLICATION FORM

The Data Room includes the Application Form that must be completed by bidders as part of their Proposal. The Application Form includes the below sections as referenced in this Information Memorandum.

| Section    | Description  |
|------------|--|
| Section A  | Proposal Cover Letter  |
| Section B  | Minimum Qualification Criteria   |
| Section C  | Technical Requirements   |
| Section D  | Resource Exploration and Discovery Activities                                  |
| Section E  | Innovation   |
| Section F  | Social Impact Management Plan  |
| Section G  | Environmental Impact Management Plan   |
| Section H  | Financial Information Requirements   |
| Section I  | Corporate and Legal Requirements   |
| Appendix 1 | Model Exploration License  |
| Appendix 2 | Form of Statement of Confirmation (to be used for Consortium submissions only) |

## **PART B: PROPOSAL SUBMISSION RULES**

## 4. Minimum Qualification Criteria

Bidders must demonstrate that they meet the below minimum technical and financial criteria ("**Minimum Qualification Criteria**") in order for the Ministry to continue evaluating their respective Proposals. Bidders must provide responses relating to the Minimum Qualification Criteria in accordance with the form set out in Section B of the Application Form.

The below Minimum Qualification Criteria will be evaluated on a "Pass/Fail" basis. Bidders who do not pass **all** the Minimum Qualification Criteria or do not provide the supporting documents required by the Ministry in relation to any or all of such criteria will be disqualified from the Licensing Round and their Proposal will not be evaluated any further.

**As such, bidders are encouraged to consider the Minimum Qualification Criteria and exercise their own judgment in ensuring that they meet such criteria and are able to provide the supporting documents before they proceed with preparing their Proposal for the Project. The Ministry is not liable to any bidder who submits a Proposal and following evaluation by the Ministry, such bidder is deemed unqualified for the Project for any reason including not satisfying the Minimum Qualification Criteria and is therefore disqualified from the Licensing Round.**

For the avoidance of doubt, where the bidder is a Consortium (as defined in Section 5.13), the technical and financial criteria may be satisfied by separate (and not all) Consortium members. The identity of the relevant Consortium member satisfying the relevant requirement must be indicated clearly in the relevant section and response.

### PART A: TECHNICAL CAPABILITY

#### 1. Internal Capability

Bidders must demonstrate internal capabilities in mineral exploration, and are encouraged to demonstrate the following experience in relation to their personnel:

- access to and ability to appoint, as required, sufficient qualified and experienced geoscientists to carry out the exploration work program as agreed with the Ministry to be undertaken by the bidder, if successful, following the award of the Exploration License, the requirements for which are set out in Section C of the Application Form ("**Work Program**").
- base metals and/ or precious metals experience; and
- ability to develop (or manage the development of) assets through pre-feasibility and feasibility studies.

*Bidders must provide CVs of proposed staff for the Projects (including the exploration manager) and are encouraged to demonstrate the following experience in relation to its personnel:*

- *access to and ability to appoint, as required, sufficient qualified and experienced geoscientists to carry out the Work Program;*
- *base metals experience; and*

- *ability to develop (or manage the development of) assets through pre-feasibility and feasibility studies to construction and operation.*

## 2. Track Record / Examples

Bidders must demonstrate the following in relation to their past relevant experience:

- a track record of at least one greenfield site and/or two brownfield sites;
- experience in volcanogenic massive sulphide (VMS) or similar style mineralisation;
- capability in base metal/ precious metal projects through the development cycle, from discovery to preliminary economic assessment, via feasibility studies; and
- capability in developing exploration projects beyond the discovery stage.

*Bidders must include the following in relation to each project:*

- *details of minerals being explored;*
- *any significant reliance upon third-party sub-contractors;*
- *details of any geophysical surveying conducted;*
- *details of any relevant technologies used; and*
- *details of any geological activity including mapping and drilling (diamond drilling and reverse drilling).*

## PART B: FINANCIAL CAPACITY

### 3. Exploration Expenditure

Bidders must have undertaken a minimum expenditure of USD five hundred thousand (\$500,000) in exploration activities in the last twelve (12) months, and be able to provide suitable evidence of this.

### 4. Exploration Funding

Bidders must demonstrate access to at least USD five hundred thousand (\$500,000) to fund the first three months of the Work Program to be undertaken in the Kingdom in connection with the Project.



## 5. Licensing Round Process and Proposal Requirements

### 5.1 Overview of Licensing Round

After the announcement of made by the Ministry in January 2024 in relation to the launch of the next series of the exploration licensing rounds, prospective bidders were invited to submit a nonbinding expressions of interest confirming their interest in participating in licensing rounds launched by the Ministry in the year 2024. Prospective bidders are now invited to participate in the subsequent stage of the Jabal Qaran Licensing Round by submitting a Proposal in response to this Information Memorandum.

**Bidders are hereby invited to submit their best offer for the Exploration License as part of a valid and binding Proposal.**

It should be noted that all bidders must satisfy the Minimum Qualification Criteria set out in Section 4 of this Information Memorandum in order for the remainder of their Proposal to be considered and evaluated by the Ministry.

Bidders who do not satisfy all the Minimum Qualification Criteria or do not provide the supporting documents required by the Ministry will be disqualified from the Licensing Round and their Proposal will not be evaluated any further.

As such, bidders are encouraged to consider the Minimum Qualification Criteria and exercise their own judgment in ensuring that they meet such criteria and are able to provide the supporting documents before they proceed with preparing their Proposal for the Project. The Ministry is not liable to any bidder who submits a proposal and following evaluation by the Ministry, such bidder is deemed unqualified for the Project and will therefore disqualify from the Licensing Round.

The Proposal stage will identify a single Successful Bidder. The Ministry may then proceed to final discussions with the Successful Bidder, with an expectation that an Exploration License will be awarded to that bidder as quickly as possible.

### 5.2 Proposals

Bidders participating in the Licensing Round should submit a complete Proposal by the Proposal Submission Deadline. **The Proposal must be prepared using the Application Form included in the Data Room.**

Proposals will be assessed and scored based on a number of criteria, including technical and commercial terms and environmental and social impact management plans, including commitment to local communities development.

The bidder whose Proposal receives the highest score following evaluation will be declared as the Successful Bidder for the Site and will be awarded the Exploration License by the Ministry once the legal and regulatory requirements are satisfied.

If the Ministry selects a single Successful Bidder, they will proceed directly to the final stage of the Licensing Round. In this case, the relevant Successful Bidder will be invited by the Ministry to proceed straight to conclusion of the final terms of its Proposal. The second highest scoring bidder in such circumstances shall be the "**Reserve Bidder**".

### 5.3 Model Exploration License

Bidders will be required to confirm in as part of the Proposal Cover Letter (Section 1 of the Application Form) that they accept the terms and conditions of the model exploration license in the form set out as Appendix 1 of the Application Form ("**Model Exploration License**").

Bidders are advised that the terms of the Model Exploration License are non-negotiable, and this should be taken into account in the course of preparing their submissions.

### 5.4 Performance Financial Guarantee

Bidders will be required to confirm in the Application Form and particularly in the Proposal Cover Letter (Section 1 of the Application Form) that, if they are announced as the Successful Bidder, they will provide a performance financial guarantee in favor of the Ministry to guarantee the Successful Bidder's due and punctual performance of the Work Program submitted as part of its Proposal ("**Performance Financial Guarantee**").

The Successful Bidder must submit a Performance Financial Guarantee within the timeline specified by the Ministry (not to be less than 30 days) from when it is announced as the Successful Bidder. The Performance Financial Guarantee must be for an amount equal to at least fifteen per cent. (15%) of the Successful Bidder's projected expenditure throughout the Work Program.

The Performance Financial Guarantee should take the form of an irrevocable on demand bank guarantee, in accordance with the forms approved by the Saudi Central Bank.

The Performance Financial Guarantee shall be provided by a bank licensed to operate in the Kingdom and made in favour of the Ministry and with a validity period of not less than thirty (30) months from the Exploration License issuance date, renewable automatically on a rolling basis for one (1) year periods throughout the term of the Exploration License.

The Performance Financial Guarantee may be called upon by the Ministry at any time during the term of the Exploration License in the event that the relevant Licensee fails to meet the agreed performance requirements and targets as set out in the Work Program.

### 5.5 Social Impact Management Plan

Bidders must submit a social impact management plan ("**Social Impact Management Plan**"), identifying proposed contributions to the local community, and how the applicant will address the communities' needs and mitigate any negative impacts. The form of the Social Impact Management Plan to be submitted by bidders is set out in Section G of the Application Form.

## 5.6 Environmental Impact Management Plan

Bidders must submit an environmental impact management plan ("**Environmental Impact Management Plan**") in accordance with the form set out in Section H of the Application Form.

## 5.7 Proposals Evaluation

The Proposal stage evaluates both the technical and financial aspects of each submission. This analysis will look at the bidder's capabilities, as well as its plans and proposed investments with regards to the exploration and possible development of the Site including community engagement and employment and training opportunities for the Local Communities.

It should be noted that pursuant to the Implementation Regulations, Local Communities for the purposes of preparing Proposals means natural persons who permanently reside in communities within one hundred (100) kilometers from the Site. Please refer to the Mining Investment Law and its Implementing Regulations for the further clarify on the definition of Local Communities.

**When submitting any Proposal, bidders are to always adhere to the Proposal Submission Rules and this Information Memorandum. Proposals that are not compliant with the requirements to this Information Memorandum, or are incomplete, may be rejected by the Ministry. All Proposals must be received by the Ministry by the Proposal Submission Deadline.**

**The bidder whose Proposal receives the highest score will be announced as the Successful Bidder for the Site and will be awarded the Exploration License by the Ministry once the legal and regulatory requirements are satisfied.**

## 5.8 Scoring Methodology

Each Proposal shall be assessed by the evaluation Committee in accordance with the scoring method set out in the following table.

**Table 9: Scoring Criteria Weighting**

| Section                                       | Criteria   | Weighting |
|---|--|-----------|
| Proposed Work Program and Exploration Spend   | Proposals will be evaluated on the thoroughness and soundness of the bidder's proposed Work Program for the entire area and the knowledge and understanding of the regional and license area geology, including stage planning, contingency planning and whether the bidder has the ability to attain the objectives in a timely manner. Bidders must address the requirements set out in Part 1.1 of Section C of the Application Form. | 50%       |
| Resource Exploration and Discovery Activities | Proposals will be evaluated on the bidder's experience in relation to focused exploration activities, based on its responses to the information required in Section D of the Application Form.   | 20%       |

| Section                              | Criteria  | Weighting  |
|--------------------------------------|---|------------|
| Innovation                           | Proposals will be evaluated based on the innovative solutions and technologies used by the bidder in mineral exploration activities and discovery of mineral potential in base metals, based on the responses provided by bidders to the information required in Section E of the Application Form.   | 10%        |
| Financial Capability                 | Proposals will be evaluated on the bidder's financial resources, and its capability to fund its Work Program and other proposed expenditure, in accordance with the form and requirements set out in Section F of the Application Form. Each bidder should provide an outline of its potential financing plan for the first two license years to support such funding requirements. | Pass/ Fail |
| Social Impact Management Plan        | Proposals will be evaluated on the basis of whether the bidder has the demonstrated ability to successfully implement social development in and around the Site, as well as their proposed local community expenditure based on its responses to the information required in Section G of the Application Form.   | 20%        |
| Environmental Impact Management Plan | Proposals will be evaluated on the basis of whether the bidder has the demonstrated ability to ensure the protection of the environment based on its responses to the information received in the form set out in Section H of the Application Form.  | Pass/ Fail |
| Corporate and Legal Requirements     | Proposals will be evaluated on the basis of the bidder's corporate and legal information regarding the structure, activities and litigation history of the bidder and its group, as set out in Section I of the Application Form.   | Pass/ Fail |
| Performance Financial Guarantee      | Proposal will be evaluated on the bidder's commitment to provide a Performance Financial Guarantee if selected as a Successful Bidder.  | Pass/ Fail |
| Model Exploration License            | Proposals will be evaluated on the bidder's commitment to accept the terms of the Model Exploration License.  | Pass/ Fail |

## 5.9 Final Satisfaction of Legal and Regulatory Requirements Stage

The announcement of the Successful Bidder will be made promptly after the Evaluation Committee<sup>1</sup> has concluded its evaluation of the Proposals. Following the announcement, the Ministry will invite the Successful Bidder into final discussions and conclusions on the details of any proposed Work Program,

<sup>1</sup> The evaluation committee appointed by the Ministry to assess the Proposals, comprising of experts in mining, environmental, legal, and commercial matters

Environmental Impact Management Plan or Social Impact Management Plan, to the extent that the Ministry believes any such discussions are required.

### **5.10 Award of Exploration License**

Once a Successful Bidder is selected, the Ministry may seek to clarify with the Successful Bidder certain final points on the Successful Bidder's Work Program, the Environmental Impact Management Plan and the Social Impact Management Plan.

If discussions are concluded successfully, and subject to the satisfaction of all legal and regulatory requirements (including issuance and delivery of the Performance Financial Guarantee) the Ministry shall award the Exploration License to that Successful Bidder.

In the event that the final discussions referred to above are not successfully concluded with the Successful Bidder, the Ministry shall have the right to approach the Reserve Bidder to enter into such discussions.

If, subject to the satisfaction of all legal and regulatory requirements (including issuance and delivery of the Performance Financial Guarantee) the Reserve Bidder becomes the Successful Bidder, the Ministry shall award the Exploration License to that Successful Bidder.

If no agreement is reached with either the Successful Bidder or the Reserve Bidder, the Ministry reserves the right to approach such other bidders who have submitted a valid and binding Proposal as it sees fit.

### **5.11 Bidders' Information Requests and Clarifications**

Bidders may wish to raise clarifications or request further information concerning this Information Memorandum.

All clarification and information requests concerning this Information Memorandum must be written in Arabic or English and submitted via email to [miningbidding@mim.gov.sa](mailto:miningbidding@mim.gov.sa) no later than 21<sup>st</sup> April 2024 ("**Information Request Deadline**").

Bidders should not contact any person within, or associated with, the Ministry or the Government, or persons associated with their Project advisors, in connection with any requests for additional information or clarifications relating to this Information Memorandum, except via email as set out above.

To the extent possible, such information requests shall receive written responses by email communication as soon as practicable and where the question is of relevance to all bidders, the question and response will be distributed to all bidders may not respond to information requests submitted after the Information Request Deadline. The Ministry may, in its sole and absolute discretion, delete or remove any of the clarifications or request for further information if in the Ministry's view the clarification or request will result in any confusion in respect of the Information Memorandum or contains indications to certain items such as costs and prices.

## 5.12 Bidder Site Visits

In the event a bidder wishes to visit the Site in advance of submitting its Proposal, such bidder may liaise with the Ministry to arrange a site visit by sending a request via [miningbidding@mim.gov.sa](mailto:miningbidding@mim.gov.sa).

## 5.13 Consortium Proposals

Bidders may form a consortium (including as a joint venture, special purpose vehicle with multiple shareholders or other similar arrangements) ("**Consortium**") and the lead consortium member should be identified in the Proposal ("**Lead Consortium Member**"). Responses must enable the Ministry to assess the overall Consortium.

For the avoidance of doubt, the Consortium does not necessarily need to include a KSA national partner or KSA incorporated entities; however, Consortium members should note that, pursuant to Article 17 of the Implementation Regulations, the members of the Consortium that are part of a successful bid for the Project are required to incorporate a legal entity in KSA, with the shareholdings of each member in that legal entity being equal to the members' interests in the Consortium. The Exploration License is then required to be issued to the KSA-incorporated legal entity, within the period prescribed by the Ministry.

Proposals submitted by Consortiums must include the following:

1. Details of the arrangement to establish the consortium (maximum 500 words).
2. Proposed percentage shareholding and governance rights of each member in the Consortium.
3. The elements of the Proposal and the wider Project for which will each Consortium member be responsible.
4. Confirmation statement signed by all proposed members of the consortium (in the form set out as Appendix 2 of the Application Form).

In responding to the Minimum Qualification Criteria on behalf of the Consortium, technical and financial requirements may be satisfied by separate (and not all) Consortium members. The identity of the relevant Consortium member satisfying the relevant requirement must be indicated clearly in the relevant response.

## 6. Other Terms of the Proposal Submission Rules

### 6.1 Documents and Information

This Information Memorandum is and shall remain the property of the Ministry and is provided to the bidders solely for the purpose of preparing and submitting their Proposal.

The provisions of this section shall also apply to Proposals and all other documents submitted by the bidders in relation to their Proposals, and the Ministry will not be under any obligation to return to the bidders any bid, document or any information provided along therewith.

### 6.2 Proposal Submission Rules

Submissions must be received no later than the Proposal Submission Deadline and shall be deemed to be the bidder's binding offer with respect to the award of the Exploration License.

Bidders are required to prepare their Proposals in the English language and submit their Proposal electronically via email to [miningbidding@mim.gov.sa](mailto:miningbidding@mim.gov.sa).

The Ministry will provide written acknowledgement of receipt of each submission, indicating the time and date of such receipt, as soon as is reasonably practicable.

The Ministry may, in its sole discretion, extend the Proposal Submission Deadline, by issuing an amendment to the Proposal Submission Rules that is made available to all bidders.

### 6.3 Costs of Proposal

The bidders shall be responsible for all costs and expenses associated with the preparation of their Proposal and their participation in the Licensing Round. The Ministry will not be responsible or in any way liable for such costs and/or expenses, regardless of the outcome of the Licensing Round.

### 6.4 Verification of information by the Bidders

By submitting a Proposal, each bidder is deemed to have:

- (1) made a complete and careful examination of the Information Memorandum and unconditionally and irrevocably agreed and accepted the terms thereof;
- (2) reviewed all relevant information provided by the Ministry or SGS as may be relevant to the Proposal;
- (3) undertaken their own review of any information provided in the Data Room and which is publicly available, taken any professional advice they deem appropriate and accepted the risks of inadequacy, error or mistake of the information provided in this Information Memorandum or furnished by or on behalf of the Ministry relating to any of the matters related to the Licensing Round;

- (4) satisfied itself on all matters regarding the Licensing Round and the submission of the Proposal, in accordance with this Information Memorandum and the Mining Regime (including in relation to the performance of any obligations);
- (5) acknowledged and agreed that inadequacy, lack of completeness or incorrectness of information provided in this Information Memorandum shall not be a basis for any claim for compensation, damages, extension of time for performance of its obligations and loss of profits from the Ministry, or a ground for termination of the Exploration License by the Successful Bidder; and
- (6) agreed to be bound by and to comply with the terms of the undertakings provided by it.

The Ministry shall not be liable for any omission, mistake or error in respect of any of the information provided or on account of any matter or thing arising out of or concerning or relating to the Information Memorandum or the linked documents, including any error or mistake therein or in any information or data given by the Ministry.

## **6.5 Information Requests, Verification by the Ministry and Disqualification**

The Ministry reserves the right to verify all statements, information and documents submitted by the bidder in response to the Information Memorandum, and to request any further information it requires in order to make an informed assessment of any Proposal. The bidder shall, when so required by the Ministry, make available all such information, evidence and documents as may be reasonably requested by the Ministry. A bidder is encouraged to provide a written response to such request or clarification promptly and in all cases, within five (5) business days. Any such verification or lack of such verification by the Ministry shall not relieve the bidder of its obligations or liabilities hereunder or under the Mining Investment Law and its Implementing Regulations nor will it affect any rights of the Ministry thereunder.

The Ministry reserves the right to reject any Proposal in the event that any of the following occurs:

- a. at any time a misrepresentation is made by the relevant bidder or the Ministry becomes aware of any such misrepresentation;
- b. the bidder does not provide, within the time specified by the Ministry, any supplemental information requested by the Ministry to complete its evaluation of the Proposal; or
- c. any act or omission of the bidder which results in violation of or non-compliance with this Information Memorandum, or any other document referred to therein or issued pursuant thereto or the Mining Regime and any other applicable laws relevant for the award process.

Any rejection of a Proposal under the above terms may lead to a disqualification of the bidder for bidding in any stage of the Licensing Round or any other Licensing Round(s) conducted by the Ministry for a period of five (5) years commencing from the submission date of the Proposal or any other earlier date specified by the Ministry.



## **6.6 Non-Compliant Proposals**

Notwithstanding Section 6.5, bidders may submit non-compliant Proposals which depart from the terms set out in this Information Memorandum, including without limitation, the various requirements set out in Section 5. However bidders are advised that in evaluating Proposals, preference will be given to compliant Proposals and any non-compliant Proposals will only be considered when there is demonstrable and substantial commercial or technical benefit to the Kingdom, such assessment to be made solely at the Ministry's discretion.

## **6.7 Amendments to this Information Memorandum**

At any time prior to the Proposal Submission Deadline, the Ministry may, for any reason, whether on its own initiative or in response to clarifications requested by a bidder, amend this Information Memorandum.

Any amendment to this Information Memorandum shall be made in writing and shall be made available to all bidders. Any such amendment shall be deemed as an integral part of this Information Memorandum.

In order to provide the bidders reasonable time to take into account any such amendment, or for any other reason, the Ministry may, in its sole discretion, extend the Proposal Submission Deadline.

## **6.8 Modifications/Substitutions/Withdrawal of Proposals**

A bidder may modify, substitute or withdraw its Proposal after submission, but prior to the Proposal Submission Deadline.

No Proposal shall be modified, substituted or withdrawn by the bidder on or after the Proposal Submission Deadline, unless the modification, substitution or withdrawal has been expressly requested by the Ministry.

## **6.9 Rejection of Proposals**

Notwithstanding anything contained in this Information Memorandum, the Ministry reserves the right to reject any Proposal and/ or to annul or elect not to proceed with the Licensing Round and reject all Proposals at any time without any liability or any obligation for such acceptance, rejection or annulment, and without assigning any reasons therefor.

Without prejudice to the generality of the foregoing, the Ministry reserves the right to reject any Proposal based on any conditions specified in this Information Memorandum, including without limitation, the following:

- a. the relevant Proposal has not been submitted with all the information and details listed as being required in this Information Memorandum; or
- b. the relevant Proposal is non-compliant with the terms of this Information Memorandum.

## 6.10 Validity of the Proposals

A Proposal must be and remain valid for a period of one hundred and eighty (180) days from the Proposal Submission Deadline.

If the Successful Bidder is not announced within of one hundred and eight (180) days from the Proposal Submission Deadline, the Licensing Round shall be annulled.

## 6.11 Changes affecting Bidders

Upon submission of the Proposal, any changes of information which have been submitted by the bidder must be immediately communicated to the Ministry.

## 6.12 Fraud and Corrupt Practices

Bidders and their respective officers, employees, agents and advisers shall observe the highest standard of ethics during the Licensing Round and subsequent to the grant of the Exploration License. Notwithstanding anything to the contrary contained herein, the Ministry may elect to reject a Proposal and/or revoke the Exploration License, without being liable in any manner whatsoever to the bidder, Reserve Bidder, or the Successful Bidder, as the case may be (each a "**Relevant Bidder**"), if the Ministry determines that the Relevant Bidder has, directly or indirectly or through an agent, engaged in Corrupt Practices, Fraudulent Practice, Coercive Practice, Undesirable Practice or Restrictive Practice as part of the Licensing Round.

Without prejudice to the rights of the Ministry hereinabove and the rights and remedies which the Ministry may have under the Exploration License, or otherwise if a Relevant Bidder is found by the Ministry to have directly or indirectly or through an agent, engaged or indulged in any Corrupt Practices, Fraudulent Practices, Coercive Practices, Undesirable Practices or Restrictive Practices during the award process, or after the grant of the Exploration License, such Relevant Bidder shall not be eligible to participate in any Licensing Round undertaken by the Ministry for a period of five (5) years from the date the Ministry becomes aware of the same.

For the purposes of this Information Memorandum, the following terms shall have the meaning hereinafter respectively assigned to them:

### **Corrupt Practice**

means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the actions of any person connected with the Licensing Round (for avoidance of doubt, offering of employment to or employing or engaging in any manner whatsoever, directly or indirectly, any official of the Ministry who is or has been associated in any manner, directly or indirectly, with the Licensing Round, or at any time prior to the expiry of 1 (one) year from the date such official resigns or retires from or otherwise ceases to be in the service of the Ministry, shall be deemed to constitute influencing the actions of a person connected with the award process);

|                             |   |
|-----------------------------|---|
| <b>Fraudulent Practices</b> | means a misrepresentation or omission of facts or suppression of facts or disclosure of incomplete facts, in order to influence the award process;  |
| <b>Coercive Practices</b>   | means impairing or harming, or threatening to impair or harm, directly or indirectly, any person or property to influence any person's participation or action in the award process;  |
| <b>Undesirable Practice</b> | means <ul style="list-style-type: none"><li>i. establishing contact with any person connected with or employed or engaged by the Ministry with the objective of canvassing, lobbying or in any manner influencing or attempting to influence the award process; or</li><li>ii. violating of the Mining Regime or any other applicable laws; and</li></ul> |
| <b>Restrictive Practice</b> | means forming a cartel or arriving at any understanding or arrangement among other bidders with the objective of restricting or manipulating a full and fair competition in the award process.  |

## 6.13 Correspondence

Unless otherwise provided in this Information Memorandum, all communications and correspondence from bidders to the Ministry in connection with the Licensing Round prior to the award of the Exploration License must be in English and submitted via email to [miningbidding@mim.gov.sa](mailto:miningbidding@mim.gov.sa).

For the avoidance of doubt, clarifications relating to the Information Memorandum should be sent by bidders to the Ministry in accordance with Section 5.11.

## 6.14 Governing law

The Licensing Round shall be governed by, and construed in accordance with, the laws of the Kingdom.

## 6.15 Rights of the Ministry

The Ministry, in its sole discretion and without incurring any obligation or liability, reserves the right, at any time, to:

- a. suspend and/ or cancel the Licensing Round and/or amend and/or supplement the award process or modify the dates or other terms and conditions relating thereto;
- b. consult with any bidder as it may deem fit in connection with the Licensing Round;
- c. seek clarification of any Proposal, to interview, or to hold discussions with any bidder at any time after the Proposal Submission Deadline;

- d. retain any information and/ or evidence submitted to the Ministry by, on behalf of, and/ or in relation to any bidder; and/or
- e. independently verify, disqualify, reject and/ or accept any and all submissions or other information and/ or evidence submitted by or on behalf of any bidder.
- f. establish the rules and procedures governing the bid preparation, submission, evaluation, and selection processes;
- g. cancel or modify the terms and conditions of Proposal Submission Rules and/or cancel the evaluation process at any stage;
- h. select the Successful Bidder and Reserve Bidder;
- i. appoint an Evaluation Committee;
- j. use the Transaction Advisory Team and/or any third-party consultants to assist with any aspect of the Proposal submission, evaluation, selection, and/or negotiation processes; or
- k. waive any deficiency, irregularity, or omission in any Proposal provided that such waiver does not materially affect the substance or validity of the tender process as outlined in this Information Memorandum.

By submitting a Proposal, a bidder agrees to release the Ministry, its employees, agents and advisers, irrevocably, unconditionally, fully and finally from any and all liability for claims, losses, damages, costs, expenses or liabilities in any way related to or arising from the exercise of any rights and/ or performance of any obligations hereunder, pursuant hereto and/ or in connection with the Licensing Round and waive, to the fullest extent permitted by applicable law, any and all rights and/or claims it may have in this respect, whether actual or contingent, whether present or in future.

## **6.16 Bidder Acknowledgements**

In addition to the acknowledgments set out in Section 6.4, by submitting a Proposal, each bidder acknowledges the following:

- a. neither the Ministry nor its representatives makes any express or implied representation or warranty as to the completeness, accuracy, currency, reliability or suitability of this Information Memorandum and none of such persons will have any liability to the bidder or its representatives relating to or arising from their use of any information or for any errors therein or omissions therefrom nor will they be obliged to update or correct any inaccuracy in the information or otherwise provide additional information;
- b. reliance upon or use of the information contained in this Information Memorandum is at the sole risk of the bidder and its representatives;
- c. the Ministry will not be under any legal obligation or have any liability to the bidder of any nature whatsoever by virtue of the instructions in this Information Memorandum;

- d. the Ministry will not be deemed to have accepted any offer, and no contract or agreement with respect to the Site would be deemed to be entered between the Ministry and any bidder, unless and until the Exploration License has been executed by the Ministry and awarded to the Successful Bidder; and
- e. the Ministry has the right at any time and in its absolute discretion to terminate, change or delay the award process and terms and the Ministry will not be obliged to accept any or the highest or best offer and may, at any time and in its absolute discretion, request that the bidder return or destroy any document or information provided to it in connection with this Information Memorandum.

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