

Future Minerals Forum: Saudi Ministry of Industry and Mineral Resources announces landmark Licensing Round

The Licensing Round for a major mineral exploration license opens a new chapter in KSA's mining journey

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- The tender will unlock the Kingdom's resources and attract international investment in support of the Kingdom's [Vision 2030](#)



In line with Saudi Arabia's Vision 2030 objective of diversifying its economy and growing mining to become the third pillar of its industrial growth, the country's Ministry of Industry and Mineral Resources (MIM) today announced the launch of a Licensing Round for a mineral exploration license in respect of the Khnaiguiyah deposits in Al Rayn Terrane.

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*Abdulrahman AlBelushi,
Director of the Mining
Strategy at the Ministry*

The new Licensing Round, one of the significant milestones to have been announced at the inaugural [Future Minerals Forum](#), is intended to complement the existing license-award process which has been used previously for first come-first serve. Based on the new Saudi Mining Investment Law, this new tender process is designed to help meet the 2030 targets for attracting private sector investment into the Saudi Mining sector, and to increase exploration initiatives across the Kingdom.

From a local content and communities perspective, the SAR2bn Khnaiguiyah project could potentially generate

2,000 to 3,000 direct and indirect jobs, as well as contribute to developing the country's zinc and

copper downstream industries.

“The Kingdom’s first mineral tender for Khnaiguiyah opens a new chapter in our journey towards unlocking our country’s vast mineral resources by fast-tracking exploration activity. What better place to make this announcement than at the Future Minerals Forum, where global industry leaders have come to set the vision for new lands of opportunity” Abdulrahman AlBelushi, Director of the Mining Strategy at the Ministry and leader of the auction project.

The Ministry reports that extensive exploration work has been carried out at Khnaiguiyah over the past few years, with three exploration campaigns conducted, covering 100,000 meters drilled, and a 3D geological model recently developed by SRK Consulting.

“This is another important strategic step that Saudi Arabia is taking to ensure a robust mining sector and leverage its rich mineral resources to benefit its economy and contribute to a sustainable future for the Kingdom and the world,” said renowned geologist Douglas Kirwin, who attended the Forum in Riyadh. “With commitments to transparency and best practice data validation, the Saudi Geological Survey is playing a key role for the future development of natural resources throughout the Kingdom.”

The SGS has confirmed the deposit’s considerable geological potential of approximately 26 million tons for zinc and copper, respectively, both critical minerals for the global energy transition.

In keeping with Saudi Arabia’s aspirations to make its mining industry an even more attractive opportunity for foreign investments, the Licensing Round will follow the principles of transparency, compliance and security of tenure, as laid out in the new Mining Investment Law. These include a fully digitized license application process for complete transparency, and a number of investment incentives, among them co-funding of up to 75 percent of any new investment, a five-year royalty holiday for mining operators and a royalty discount of up to 90 percent for sales to local downstream projects.

“We are watching this tender closely. It opens the door for major international players to get involved, and shows concrete action around the new Mining Law in concert with Vision 2030. There’s a high level of interest from global and domestic investors to support the growth of the mining industry in Saudi Arabia. I expect this strategic initiative to lead to many more exciting opportunities,” said Matthew Fifield, Managing Partner at Pacific Road Capital.

[Details of the tender](https://mining.mim.gov.sa/pages/public/MiningLicensingRound.xhtml) process and the data room can be found at the dedicated tender website: <https://mining.mim.gov.sa/pages/public/MiningLicensingRound.xhtml>

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