MINING & METALS

GOLD REFINERY

Opportunity Description: Opportunity to develop a 30 TPA refinery to supply the regional and global market

INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS
- Expected investment size of USD 800 Mn
- Plant capacity: 30 tpa
- Gold is a valuable yellow metallic element that occurs naturally in pure form and is used especially in coins, jewelry, and electronics.

VALUE PROPOSITION
- Saudi Arabia imports Gold primarily from the United Arab Emirates ($2.02B), South Africa ($243M), Switzerland ($122M), Egypt ($36.2M), and Singapore ($5M), a domestic supply would be optimal for the local market.
- The KSA possess abundant resources of precious and base metals, this includes 15 Mn ounces of gold.
- Gold prices are based on the interaction of different drivers including wealth and economic expansion, market risk and uncertainty, opportunity cost, and momentum and positioning.

MARKET OVERVIEW

GLOBAL TREND
- The global gold market is estimated at 3,200 MT in the year 2020 and is expected to witness a CAGR of 3.5% between 2020 and 2027.
- Gold is a mainstream asset driven by jewellery, investment, technology & central banks.
- The world’s gold reserves are estimated at 50 KT of metal content. Over 78.5 KT of gold is estimated to be held by investors in vaults around the world.

KEY DEMAND DRIVERS
- In 2020, Gold demand in the KSA was 45 TPA, growing at 4.6% YoY
- From a long term perspective, the price of the yellow metal is expected to increase significantly with the current changes in the global reserve currencies and the usage of the product in advanced manufacturing, boosting its strategic demand and hedge against inflation than crypto currencies.
- Saudi Arabia gold & diamond jewelry market stood is projected to surpass USD 6 Bn by 2022, mainly driven by rising young population, consumer spending power, and jewelry demand

VALUE CHAIN ANALYSIS

Opportunity Focus

Feedstock
Concentrate

Process
Smelter & Cooling Tunnel

Product
Gold Bars

Applications
Dentistry and Medicine
Jewellery
Electronics Computers
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<td>Business drivers</td>
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<td>Investment highlights</td>
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<td>Scalability and localization</td>
<td>Ease of scaling the business across the value chain or into new adjacent products or geographies that would maximize the opportunity’s investment returns and the ability and potential to locally manufacture the product and its components</td>
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<td>Cost of doing business in KSA</td>
<td>Key factors that position KSA as a competitive destination for investment in the region. Productivity adjusted wages do not include cost of $1.23/hour towards annual recurring charges including work permit, resident identity (iqama) and health insurance</td>
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