MA'ADEN

SAUDI ARABIAN MINING COMPANY (MA'ADEN)
(A Saudi Arabian joint stock company)

Consolidated financial statements
for the year ended December 31, 2014

Contents

Commercial registration number	1010164391
Directors	Engr. Abdallah Bin Saif Al-Saif – Chairman H.E. Sulaiman Bin Abdulrahman Al Gwaiz H.E. Mohammed Bin Abdullah Al-Kharashi Dr. Ziad Bin Abdulrahman Al-Sudairy Mr. Sultan Bin Jamal Shawli Engr. Khalid Saleh Al Mudaifer Mr. Mansour Bin Saleh Al-Maiman Engr. Khalid Bin Hamad Al-Senani
Registered address	Building number 395 Abi Bakr Asseddiq Road, South Exit 6, North Ring Road Riyadh Kingdom of Saudi Arabia
Postal address	P.O. Box 68861 Riyadh 11537 Kingdom of Saudi Arabia
Banker	The Saudi British Bank (SABB)
Auditors	Ernst & Young Al Faisaliah Office Tower, 3rd Floor King Fahad Road P.O. Box 2732 Riyadh 11461 Kingdom of Saudi Arabia

The following statement, which should be read in conjunction with the independent auditor's responsibilities stated in the independent auditor's report, set out on page 4, is made with a view to distinguish the responsibilities of management and those of the independent auditors in relation to the consolidated financial statements of Saudi Arabian Mining Company (Ma'aden) (the "Company") and its subsidiaries (the "Group")

Management is responsible for the preparation of the consolidated financial statements that present fairly the consolidated financial position of the Group as at December 31, 2014, the results of its operations, changes in equity and cash flows for the year then ended, in accordance with the accounting standards issued by the Saudi Organization for Certified Public Accountants ("SOCPA").

In preparing the consolidated financial statements, the management is responsible for:

- selecting suitable accounting policies and applying them consistently;
- making judgments and estimates that are reasonable and prudent;
- stating whether SOCPA accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements and
- preparing and presenting the consolidated financial statements on a going concern basis, unless it is inappropriate to presume that the Group will continue its business for the foreseeable future.

The management is also responsible for:

- designing, implementing and maintaining an effective system of internal controls throughout the Group;
- maintaining statutory accounting records in compliance with local legislation and accounting standards in the respective jurisdictions in which the Group operates;
- taking steps to safeguard the assets of the Group and
- detecting and preventing fraud and other irregularities.

The consolidated financial statements for the year ended December 31, 2014 set out on pages 5 to 64, were approved and authorized for issue by the Board of Directors on January 20, 2015 and signed on its behalf by:

Engr. Khalid H. Al-Senani Authorized by the Board	Engr. Khalid Al Mudaifer President and Chief Executive Officer	Mr. Khalid Al-Rowais Chief Financial Officer

29 Rabi' I 1436H
January 20, 2015
Riyadh
Kingdom of Saudi Arabia

Building a better working world

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Independent auditor's report

To the shareholders of Saudi Arabian Mining Company (Ma'aden)
(A Saudi Arabian Joint Stock Company)

Scope of audit

We have audited the accompanying consolidated statement of financial position of Saudi Arabian Mining Company (Ma'aden) (the "Company") and its subsidiaries (collectively referred to as the "Group") as at December 31, 2014 and the related consolidated statements of income, changes in equity and cash flows for the year then ended and the notes from 1 to 50 which form an integral part of the consolidated financial statements. These consolidated financial statements are the responsibility of the Group's management and have been prepared by them in accordance with the provisions of Article 123 of the Regulations for Companies and submitted to us together with all the information and explanations which we required. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the Kingdom of Saudi Arabia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion on the consolidated financial statements.

Unqualified opinion

In our opinion, the consolidated financial statements taken as a whole:

i) present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with accounting standards generally accepted in the Kingdom of Saudi Arabia.

ii) comply with the requirements of the Regulations for Companies and the Company's by-laws in so far as they affect the preparation and presentation of the consolidated financial statements.

For Ernst & Young

Rashid S. AlRashoud
Certified Public Accountant
Registration No. 366

إرنست ويونغ
ترخيص مهني رقم ٤٥
PROFESSIONAL LICENCE No. 45
ERNST & YOUNG

Riyadh: 1 Rabi Thani 1436H
(21 January 2015)

(All amounts in Saudi Riyals unless otherwise stated)

	Notes	December 31, 2014	December 31, 2013
Assets			
Current assets			
Cash and cash equivalents	7	**11,973,968,055**	4,336,642,990
Short-term investments	8	**523,320,360**	-
Trade and other receivables	9	**1,245,127,333**	762,883,785
Inventories	10	**2,440,872,603**	1,883,019,869
Advances and prepayments	11	**232,711,854**	147,361,191
		16,416,000,205	7,129,907,835
Non-current assets			
Property, plant and equipment	12	**38,376,128,047**	18,145,146,277
Capital work-in-progress	13	**27,083,158,695**	36,993,696,476
Exploration and evaluation assets	14	**175,506,312**	145,883,817
Deferred stripping expense	15	**49,082,983**	33,381,669
Intangible assets	16	**409,876,545**	274,183,998
Investment in jointly controlled entities	17	**618,889,332**	441,370,614
Due from joint venture partners	18	**720,000,000**	720,000,000
Long-term investment	19	**50,000,000**	50,000,000
Long-term loan	20	**626,197,939**	-
Advances and prepayments	11	**16,541,800**	17,657,616
		68,125,381,653	56,821,320,467
Total assets		**84,541,381,858**	63,951,228,302
Liabilities			
Current liabilities			
Projects and other payables	21	**2,435,631,580**	2,051,281,265
Accrued expenses	22	**2,558,469,084**	3,261,021,743
Zakat payable	23.2	**58,735,918**	54,295,070
Severance fees payable	24	**29,727,477**	36,430,433
Current portion of obligation under capital lease	27	**10,948,977**	9,881,978
Current portion of long-term borrowings	28.4	**1,574,221,379**	1,198,190,354
		6,667,734,415	6,611,100,843
Non-current liabilities			
Employees' benefits	25	**290,375,429**	214,830,581
Provision for mine closure and reclamation	26	**131,295,730**	83,490,623
Obligation under capital lease	27	**39,164,376**	50,113,352
Long-term borrowings	28.4	**43,337,698,408**	31,544,709,390
Due to joint venture partners	29	**558,313,877**	439,533,088
		44,356,847,820	32,332,677,034
Total liabilities		**51,024,582,235**	38,943,777,877
Equity			
Share capital	30	**11,684,782,610**	9,250,000,000
Statutory reserve			
Share premium	31	**8,391,351,697**	5,250,000,000
Transfer of net income	32	**697,394,239**	561,660,119
Retained earnings		**5,919,705,879**	4,698,098,798
Equity attributable to shareholders' of the parent company		**26,693,234,425**	19,759,758,917
Non-controlling interest	33.6	**6,823,565,198**	5,247,691,508
Total equity		**33,516,799,623**	25,007,450,425
Total liabilities and equity		**84,541,381,858**	63,951,228,302
Commitments and contingent liabilities	45		

	Notes	Year ended December 31, 2014	Year ended December 31, 2013
Sales	34	**10,791,882,887**	6,047,264,545
Cost of sales	35	**(7,676,872,584)**	(4,537,780,359)
Gross profit		**3,115,010,303**	1,509,484,186
Operating expenses			
Selling, marketing and logistic expenses	36	**(482,841,815)**	(286,471,343)
General and administrative expenses	37	**(445,709,638)**	(477,597,313)
Exploration and technical services expenses	38	**(189,559,465)**	(141,835,064)
Operating income		**1,996,899,385**	603,580,466
Other (expenses) / income			
Share in net loss of jointly controlled entities	17.1	**(24,963,928)**	(3,481,121)
Income from short-term investments	39	**10,563,669**	26,627,550
Finance charges	40	**(302,969,573)**	(182,585,150)
Other income, net	41	**101,534,028**	1,427,382,095
Income before provision for zakat		**1,781,063,581**	1,871,523,840
Provision for zakat	23.2	**(44,434,257)**	(55,448,293)
Net income for the year		**1,736,629,324**	1,816,075,547
Net income attributable to:			
Shareholders' of the parent company	6.1	**1,357,341,201**	1,682,378,450
Non-controlling interest	33.6	**379,288,123**	133,697,097
		1,736,629,324	1,816,075,547
Earnings per ordinary share (Saudi Riyals)			
Operating income per share inclusive of non-controlling interest's share		**2.02**	0.62
Basic and diluted earnings per share from continuing operations attributable to shareholders' of the parent company	42	**1.38**	1.73

Consolidated statement of changes in equity for the year ended December 31, 2014
(All amounts in Saudi Riyals unless otherwise stated)

		Equity attributable to shareholders' of the parent company					Non-controlling interest				
			Statutory reserve								
	Notes	Share capital	Share premium	Transfer of net income	Retained earnings	Sub-total	Share capital	Payments to increase share capital*	Net income attributable to non-controlling interest	Sub-total	Total equity
January 1, 2013		9,250,000,000	5,250,000,000	393,422,274	3,183,958,193	18,077,380,467	3,773,381,742	731,891,457	502,009,343	5,007,282,542	23,084,663,009
Dividend paid to non-controlling interest during the year	33.6	-	-	-	-	-	-	-	(450,000,000)	(450,000,000)	(450,000,000)
Net income for the year		-	-	-	1,682,378,450	1,682,378,450	-	-	133,697,097	133,697,097	1,816,075,547
Net income transferred to statutory reserve	32	-	-	168,237,845	(168,237,845)	-	-	-	-	-	-
Payments to increase share capital during the year*	33.6	-	-	-	-	-	-	556,711,869	-	556,711,869	556,711,869
Increase in non-controlling interest / share capital contributed during the year	33.6	-	-	-	-	-	1,174,171,855	(1,174,171,855)	-	-	-
December 31, 2013		9,250,000,000	5,250,000,000	561,660,119	4,698,098,798	19,759,758,917	4,947,553,597	114,431,471	185,706,440	5,247,691,508	25,007,450,425
Proceeds from the right issue offering		2,434,782,610	3,165,217,434	-	-	5,600,000,044	-	-	-	-	5,600,000,044
Transaction costs of right issue offering		-	(23,865,737)	-	-	(23,865,737)	-	-	-	-	(23,865,737)
Net income for the year		-	-	-	1,357,341,201	1,357,341,201	-	-	379,288,123	379,288,123	1,736,629,324
Net income transferred to statutory reserve	32	-	-	135,734,120	(135,734,120)	-	-	-	-	-	-
Payments to increase share capital during the year*	33.6	-	-	-	-	-	-	344,584,817	-	344,584,817	344,584,817
Increase in non-controlling interest / share capital contributed during the year	33.6	-	-	-	-	-	1,154,928,470	(302,927,720)	-	852,000,750	852,000,750
December 31, 2014		**11,684,782,610**	**8,391,351,697**	**697,394,239**	**5,919,705,879**	**26,693,234,425**	**6,102,482,067**	**156,088,568**	**564,994,563**	**6,823,565,198**	**33,516,799,623**

*These payments, to ultimately increase share capital of the applicable subsidiaries over a period of time, are treated as part of the total equity in these subsidiaries in accordance with the SOCPA clarification number 14/1 issued on March 14, 2012, although no shares have been issued yet and the Commercial Registration certificate has not yet been amended, but will be once these prepayments have been converted to share capital.

(All amounts in Saudi Riyals unless otherwise stated)

	Notes	Year ended December 31, 2014	Year ended December 31, 2013
Operating activities			
Income before provision for zakat		**1,781,063,581**	1,871,523,840
Adjustments for non-cash flow items:			
Reversal of allowance for inventory obsolescence	10	**(1,046,546)**	(2,265,620)
Depreciation	12	**1,526,786,955**	1,034,014,800
Adjustment / written-off property, plant and equipment	12	**816,277**	(46,933)
Impairment of exploration and evaluation asset	14	**21,306,251**	-
Deferred stripping expense	15	**1,759,937**	8,971,469
Amortization of intangible assets	16	**34,307,746**	20,011,009
Adjustment / written-off intangible assets	16	**-**	62,984,671
Share in net loss of jointly controlled entity for the year	17.1	**24,963,928**	3,481,121
Provision for severance fees	24	**35,068,957**	37,828,408
Provision for employees' termination benefits	25.1	**92,706,633**	52,392,909
Contribution for the employees' savings plan	25.2	**21,992,430**	13,759,930
Accretion of provision for mine closure and reclamation	26.2	**568,400**	-
Provision for inventory loss	35	**76,849,341**	65,877,481
Income from short term investments	39	**(10,563,669)**	(26,627,550)
Finance charges	40	**302,969,573**	182,585,150
Changes in working capital:			
Trade and other receivables	9	**(483,419,008)**	(197,405,113)
Inventories	10	**(767,041,120)**	(856,697,353)
Advances and prepayments	11	**(84,234,847)**	(58,255,113)
Projects and other payables – Trade	21	**720,034,302**	(20,541,484)
Accrued expenses – Trade	22	**355,701,491**	113,255,547
Zakat paid	23.2	**(39,993,409)**	(64,753,414)
Severance fees paid	24	**(41,771,913)**	(92,914,728)
Employee s' termination benefits paid	25.1	**(31,701,678)**	(14,903,351)
Employees' savings plan withdrawal	25.2	**(7,452,537)**	(7,374,009)
Provision for mine closure and reclamation utilized	26.1	**(5,529,621)**	(7,252,533)
Finance charges paid		**(290,196,305)**	(271,319,150)
Net cash generated from operating activities		**3,233,945,149**	1,846,329,984
Investing activities			
Income received from short-term investments		**11,739,129**	41,774,971
Increase in restricted cash		**(56,664,893)**	(50,151,025)
Short-term investments	8	**(523,320,360)**	3,003,763,250
Additions to property, plant and equipment	12	**(120,213,102)**	(92,589,888)
Additions to capital work-in-progress	13	**(11,659,192,255)**	(12,693,893,494)
Additions to exploration and evaluation assets	14	**(50,928,746)**	(236,872,324)
Additions to deferred stripping expense	15	**(17,461,251)**	-
Additions to intangible assets	16	**(52,490,238)**	(4,075,515)
Investment in a jointly controlled entity	17	**(202,482,646)**	-
Due from joint venture partners	18	**-**	(720,000,000)
Long-term loan to a jointly controlled entity	20	**(626,197,939)**	-
Projects and other payables – Projects	21	**(335,683,987)**	60,372,004
Accrued expenses – Projects	22	**(1,071,027,418)**	330,688,275
Net cash utilized in investing activities		**(14,703,923,706)**	(10,360,983,746)

(All amounts in Saudi Riyals unless otherwise stated)

Continued

	Notes	Year ended December 31, 2014	Year ended December 31, 2013
Financing activities			
Obligation under capital lease	27	**(9,881,977)**	59,995,330
Proceeds from long-term borrowings	28.4	**13,129,205,397**	6,936,512,961
Repayment of long-term borrowings	28.4	**(960,185,354)**	(864,409,329)
Due to joint venture partners	29	**118,780,789**	387,121,096
Proceeds from rights issue offering	30,31	**5,576,134,307**	-
Payments to increase share capital by non-controlling interest, net	33.6	**344,584,817**	556,711,869
Increase in share capital of non-controlling interest	33.6	**852,000,750**	-
Dividend paid to non-controlling interest	33.6	**-**	(450,000,000)
Net cash generated from financing activities		**19,050,638,729**	6,625,931,927
Net change in cash and cash equivalents		**7,580,660,172**	(1,888,721,835)
Unrestricted cash and cash equivalents at beginning of the year		**3,853,720,885**	5,742,442,720
Unrestricted cash and cash equivalents at end of the year	7	**11,434,381,057**	3,853,720,885
Non-cash flow transactions			
Transfer of capital spares to property, plant & equipment from inventories	12,10	**133,385,591**	-
Transfer to property, plant and equipment from capital work-in-progress	12,13	**21,514,836,134**	496,656,304
Provision for mine closure capitalized as part of property, plant and equipment	12, 26.1	**34,478,197**	-
Depreciation capitalized as part of capital-work-in-progress	13,12	**27,508,167**	-
Transfer to capital work-in-progress from exploration and evaluation assets	13,14	**-**	438,278,833
Amortization capitalized as part of capital-work-in-progress	13,16	**1,362,790**	-
Provision for mine closure and reclamation capitalized as part of capital-work-in-progress	13, 26.2	**18,288,131**	-
Transfer to intangible assets from property, plant and equipment	16,12	**16,819,855**	-
Transfer to intangible assets from capital work-in-progress	16,13	**102,052,990**	25,033,511
Transfer from payments to increase share capital to share capital pertaining to non-controlling interest	33.6	**1,154,928,470**	1,174,171,855

1. General information

Saudi Arabian Mining Company ("Ma'aden") (the "Company") was formed as a Saudi joint stock company pursuant to Royal Decree No. M/17 dated 14 Zul Qaida 1417H (corresponding to March 23, 1997) and the Council of Ministers Resolution No. 179 dated 8 Zul Qaida 1417H (corresponding to March 17, 1997), with Commercial Registration No. 1010164391 dated 10 Zul Qaida 1421H (corresponding to February 4, 2001). The Company has an authorized and issued share capital of SAR 11,684,782,610 divided into 1,168,478,261 ordinary shares with a nominal value of SAR 10 each (Note 30).

The objectives of the Company and its subsidiaries (the "Group") are to be engaged in various projects related to all stages of the mining industry, including development, advancement and improvement of the mineral industry, mineral products and by-products. These activities exclude:

- petroleum and natural gas and materials derived there from;
- any and all hydrocarbon substances, products, by-products and derivatives and
- activities related to all stages of the oil industry and the industries associated therewith and supplementary thereto.

The Group's principal mining activities are at the Mahd Ad' Dahab, Al-Hajar, Bulghah, Al-Amar, Sukhaybarat, As Suq, Al Jalamid, Az Zabirah, Al-Ghazallah and Al Baitha mines. Currently the Group mainly mines gold, phosphate rock, bauxite, low-grade bauxite, kaolin and magnesite.

The Group is involved in the following two major projects:

Aluminum project

The Group's objective with the aluminum project is to develop the Al Baitha bauxite mine, the alumina refinery, smelter and rolling mill as well as a power plant for the production of aluminum and related products in the Kingdom of Saudi Arabia. In December 2009, the Company entered into a joint venture agreement with Alcoa Incorporated, ("Alcoa Inc.") for the development of the aluminum project. The Company has a 74.9% interest in the aluminum project and Alcoa Inc. has a 25.1% interest. The estimated capital cost of the project is SAR 40.5 billion. Alcoa Inc. has reimbursed the Company for 25.1% of the aluminum project's costs incurred by the Company before Alcoa Inc.'s participation.

On February 14, 2012 the Board of Directors approved a plan developed by Ma'aden in collaboration with their joint venture partner Alcoa Inc. (Note 29) to extend the product mix of their aluminum complex, currently under construction at Ras Al Khair, to include:

- automotive heat treated and non-heat treated sheet,
- building and construction sheet, and
- foil stock sheet

Phosphate production facility

On March 19, 2013, Ma'aden signed Heads of Agreement with The Mosaic Company ("Mosaic") and SABIC to jointly develop a fully integrated phosphate production facility located at the King Abdullah Project for the development of Wa'ad Al Shamal Mineral Industrial City, in the Northern Region, near the city of Turayf in the Kingdom of Saudi Arabia. Ma'aden, Mosaic and SABIC will own 60%, 25% and 15% of the joint venture respectively. On August 5, 2013, the shareholders agreement to jointly develop a fully integrated phosphate production facility was signed by Ma'aden, Mosaic and SABIC (Note 18 and 41).

This project is based on the exploitation of the Al-Khabra phosphate deposit for which Ma'aden owns the mining license and includes the utilization of captive national resources such as groundwater and sulfur, and taking advantage of the existing railway infrastructure, linking the Northern Borders Province to Ras Al Khair in the Eastern Province to have access to the port facilities at the Arabian Gulf. The estimated capital cost of the project is SAR 26 billion.

(All amounts in Saudi Riyals unless otherwise stated)

2. Group structure

The Company has the following subsidiaries and jointly controlled entities, all incorporated in the Kingdom of Saudi Arabia:

Subsidiaries	Type of company	Effective ownership as at December 31, 2014	2013
Ma'aden Gold and Base Metals Company ("MGBM")	Limited liability company	**100%**	100%
Ma'aden Infrastructure Company ("MIC")	Limited liability company	**100%**	100%
Industrial Minerals Company ("IMC")	Limited liability company	**100%**	100%
Ma'aden Aluminum Company ("MAC")	Limited liability company	**74.9%**	74.9%
Ma'aden Rolling Company ("MRC")	Limited liability company	**74.9%**	74.9%
Ma'aden Bauxite and Alumina Company ("MBAC")	Limited liability company	**74.9%**	74.9%
Ma'aden Phosphate Company ("MPC")	Limited liability company	**70%**	70%
Ma'aden Wa'ad Al Shamal Phosphate Company ("MWASPC")	Limited liability company	**60%**	-
Jointly controlled entities			
Sahara and Ma'aden Petrochemical Company ("SAMAPCO")	Limited liability company	**50%**	50%
Ma'aden Barrick Copper Company ("MBCC")	Limited liability company	**50%**	-

The financial year end of all the subsidiaries and jointly controlled entities coincide with that of the parent company.

MGBM

The company was incorporated in the Kingdom of Saudi Arabia, on August 9, 1989. The objectives of the company are:

- the exploration and mining of gold and associated minerals within their existing mining lease area by way of drilling, mining, concentrating, smelting and refining;
- extract, refine, export and sell such minerals in their original or refined form; and
- construct, operate and maintain all mines, buildings, highways, pipelines, refineries, treatment plants, communication systems, power plants and other facilities necessary or suitable for the purposes of the lease.

MIC

The company was incorporated in the Kingdom of Saudi Arabia on August 17, 2008. The objectives of the company are to:

- manage the infrastructure project to develop, construct and operate the infrastructure; and
- provide services to Ras Al-Khair area and other mining and industrial locations in the Kingdom of Saudi Arabia.

IMC

The company was incorporated in the Kingdom of Saudi Arabia on March 31, 2009. The objectives of the company are:

- the exploitation of industrial minerals within the existing mining lease area by way of drilling, mining, concentrating, smelting and refining; and
- extract, refine, export and sell such minerals in their original or refined form.

The company currently operates a kaolin and low grade bauxite mine in the central zone of Az Zabirah and a high grade magnesite mine at Al Ghazallah and a processing plant at Al Madinah Al Munawarah which partially commenced operations during 2011 and the remaining project is still in development stage.

MAC

The company was incorporated in the Kingdom of Saudi Arabia on October 10, 2010 and is owned:

- 74.9% by Saudi Arabian Mining Company ("Ma'aden") and
- 25.1% by Alcoa Saudi Smelting Inversiones S.L. ("ASSI"), a foreign shareholder, a company wholly owned by Alcoa Incorporated ("Alcoa Inc."), which is accounted for as a non-controlling interest in these consolidated financial statements.

The objectives of the company are the production of:

- aluminum ingots;
- aluminum T shape ingots;
- aluminum slabs; and
- aluminum billets.

MRC

The company was incorporated in the Kingdom of Saudi Arabia on October 10, 2010 and is owned:

- 74.9% by Saudi Arabian Mining Company ("Ma'aden") and
- 25.1% by Alcoa Saudi Rolling Inversiones S.L. ("ASRI"), a foreign shareholder, a company wholly owned by Alcoa Incorporated ("Alcoa Inc."), which is accounted for as a non-controlling interest in these consolidated financial statements.

The objectives of the company are the production of:

- can body stock; and
- can ends stock.

The company is currently in its project development phase.

MBAC

The company was incorporated in the Kingdom of Saudi Arabia on January 22, 2011 and is owned:

- 74.9% by Saudi Arabian Mining Company ("Ma'aden") and
- 25.1% by AWA Saudi Limited ("AWA"), a foreign shareholder, which is owned 60% by Alcoa Inc. and 40% by Alumina Limited, an unrelated third party, which is accounted for as a non-controlling interest in these consolidated financial statements.

The objectives of the company are to:

- produce and refine bauxite; and
- produce alumina.

The company is currently in its commissioning phase.

MPC

The company was incorporated in the Kingdom of Saudi Arabia on January 1, 2008 and is owned:

- 70% by Saudi Arabian Mining Company ("Ma'aden") and
- 30% by Saudi Basic Industries Corporation ("SABIC") which is accounted for as a non-controlling interest in these consolidated financial statements.

The objectives of the company are to:

- exploit the Al Jalamid phosphate deposits;
- utilize local natural gas and sulphur resources to manufacture Diammonium Phosphate ("DAP") fertilizers at the processing facilities at Ras Al-Khair; and
- produce ammonia as a raw material feed stock for the production of fertilizer and the excess ammonia is exported and sold domestically.

MWASPC

The company was incorporated in the Kingdom of Saudi Arabia on January 27, 2014 and is owned:

- 60% by Saudi Arabian Mining Company ("Ma'aden");
- 25% by Mosaic Phosphate B.V., a foreign shareholder, a limited liability company registered in Netherlands wholly owned by The Mosaic Company ("Mosaic") which is accounted for as a non-controlling interest in these consolidated financial statements; and
- 15% by Saudi Basic Industries Corporation ("SABIC") which is accounted for as a non-controlling interest in these consolidated financial statements.

The objectives of the Company are the production of:

- purified phosphoric acid,
- phosphoric acid,
- sodium tripolyphosphate,
- Di-calcium and Mono-calcium phosphate,
- Di-ammonium and Mono-ammonium phosphate,
- ammonia,
- nitro phosphate and nitro phosphate potash,
- sulphuric acid,
- products used in the manufacturing of lime; and
- purified phosphate rock.

SAMAPCO

The company was incorporated in the Kingdom of Saudi Arabia on August 14, 2011 and is owned:

- 50% by Saudi Arabian Mining Company ("Ma'aden"); and
- 50% by Sahara Petrochemical Company.

SAMAPCO is a joint venture project and is accounted for as an investment in a jointly controlled entity under the equity method of accounting in these consolidated financial statements.

The objectives of the company are the production of:

- concentrated caustic soda;
- chlorine; and
- ethylene dichloride.

The operations of the company includes the production and supply of concentrated caustic soda feed stock to the alumina refinery at MBAC and to sell the excess production in the local wholesale and retail market.

MBCC

The company was incorporated in the Kingdom of Saudi Arabia on November 2, 2014 and is owned:

- 50% by Saudi Arabian Mining Company ("Ma'aden"); and
- 50% by Barrick Middle East PTY Limited ("Barrick").

MBCC is a joint venture project and is accounted for as an investment in a jointly controlled entity under the equity method of accounting in these consolidated financial statements.

The objectives of the company are the production of:

- copper;
- silver;
- zinc;
- nickel;
- gold;
- lead;
- sulphur; and
- cobalt.

3. Basis of preparation

The accompanying consolidated financial statements have been prepared under the historic cost convention on the accrual basis of accounting and in compliance with the accounting standards promulgated by the Saudi Organization for Certified Public Accountants ("SOCPA").

These consolidated financial statements are presented in Saudi Riyals which is both the functional and reporting currency of the Group.

4. Summary of significant accounting policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented.

4.1 Basis of consolidation

Subsidiaries

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies to obtain economic benefit generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets acquired or liabilities incurred or assumed at the date of acquisition. Costs directly related to the acquisition, other than those associated with the issue of debt or equity securities that the company incurs in connection with an acquisition, are expensed as incurred and included in general and administrative expenses. The excess of the aggregate of the consideration transferred and the fair value of the minority interest over the fair value of the identifiable net assets acquired is recorded as goodwill. Goodwill arising from acquisition of subsidiaries is reported under "intangible assets" in the accompanying consolidated statement of financial position. Goodwill is tested annually for impairment and carried at cost, net of any accumulated amortization and impairment losses, if any.

Inter-company investments, transactions, balances and unrealized gains or losses on transactions between Group companies are eliminated. The accounting policies of the subsidiaries are in consistency with those adopted by the Group.

Jointly controlled entity

A joint venture exists where the Group has a contractual arrangement with one or more parties to undertake activities typically, however not necessarily, through entities that are subject to joint control.

The Group recognises its interests in a jointly controlled entity using the equity method of accounting. The Group's share of the results of joint ventures is based on the financial statements prepared up to a date not earlier than three months before the consolidated statement of financial position date, adjusted to conform with the accounting polices of the Group, if any. Intragroup gains on transactions are eliminated to the extent of the Group's interest in the investee. Intragroup losses are also eliminated unless the transaction provides evidence of impairment in the asset transferred.

4.2 Foreign currency translation

Foreign currency transactions are translated into Saudi Riyals at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the consolidated statement of financial position date are translated at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in the consolidated statement of income.

4.3 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, cash in banks and time deposits with an original maturity of three months or less at the date of acquisition, which are convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Restricted cash and cash equivalents are excluded from cash and cash equivalents for the purpose of the consolidated statement of cash flows. Restricted cash and cash equivalents are related to the following:

- cash accumulated in the debt service reserve account for the next scheduled repayment of long-term borrowings, six months prior to the due date, as per the financing agreements, and
- employees' savings plan obligation

4.4 Short-term investments

Short-term investments include placements with banks and other short-term highly liquid investments with original maturities of more than three months but not more than one year from the date of acquisition.

4.5 Trade receivables

Trade receivables are carried at the original sales invoice amount less an allowance for doubtful debts (if any). An allowance for doubtful debts is established when there is objective evidence that the Group will not be able to collect all the amounts due according to the original terms of the receivables. Such allowances are charged to the consolidated statement of income and reported under "General and administrative expenses". When a trade receivable is uncollectible, it is written-off against the allowance for doubtful debts. Any subsequent recoveries of amounts previously written-off are credited against "General and administrative expenses" in the consolidated statement of income.

4.6 Inventories

Finished goods

Finished goods are measured at the lower of unit cost of production or unit realizable value. The unit cost of production is determined as the total cost of production divided by the saleable unit output.

Production costs include:

- labor costs, materials and contractor expenses which are directly attributable to the extraction and processing of ore;
- the depreciation of mining properties and leases of property, plant and equipment used in the extraction and processing of ore and the amortization of any deferred stripping assets;
- production overheads and
- the revenue generated from the sale of by-products is credited against production costs.

By-products are valued at net realizable value, with reference to the spot price of the commodities ruling at the reporting date.

Work-in-process

The cost of work-in-process is determined using unit cost of production for the period based on percentage of completion at the applicable stage and includes:

- labor costs, materials and contractor expenses which are directly attributable to the extraction and processing of ore;
- the depreciation of mining properties and leases of property, plant and equipment used in the extraction and processing of ore and the amortization of any deferred stripping assets and
- production overheads;

(All amounts in Saudi Riyals unless otherwise stated)

Ore stockpiles

Ore stockpiles represent ore that has been extracted and is available for further processing. If there is significant uncertainty as to when the stockpiled ore will be processed, the cost is expensed as incurred. Where the future processing of this ore can be predicted with confidence because it exceeds the mine's cut-off grade and is economically viable, it is valued at the lower of cost of production or realizable value. Quantities and grades of stockpiles and work-in-process are assessed primarily through surveys and assays.

Spare parts, consumables and raw materials

Spare parts, consumable and raw materials are valued at the weighted average cost basis less an allowance for obsolete and slow moving items.

Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

4.7 Financial assets and liabilities

Financial assets and liabilities carried on the consolidated statement of financial position principally include cash and cash equivalents, short-term investments, trade and other receivables, projects and other payables, accrued expenses and borrowings.

A financial asset and liability is offset and net amount reported in the consolidated financial statements, when the Group has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis, or to realize the asset and liability simultaneously.

4.8 Property, plant and equipment

Property, plant and equipment are carried at the cost less accumulated depreciation. Land is not depreciated. Depreciation is charged to the consolidated statement of income, using the straight line method or on a unit of production basis for certain mining assets and processing plants where applicable, to allocate the costs of the related assets less their residual values over the following estimated economic useful lives:

	Number of years
• Buildings	9 – 40
• Heavy equipment	5 – 40
• Mobile and workshop equipment	5 – 10
• Laboratory and safety equipment	5
• Civil works	4 – 50
• Fixed plant and heap leaching facilities	4 – 20
• Other equipment	4 – 20
• Office equipment	4 – 10
• Furniture and fittings	4 – 10
• Computer equipment	4 – 5
• Motor vehicles	4
• Mining assets	Over life of mine

Maintenance and normal repairs which do not materially extend the estimated economic useful life of an asset are charged to the consolidated statement of income as and when incurred. Major renewals and improvements, if any, are capitalized and the assets so replaced are retired.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the consolidated statement of income.

Borrowing costs related to qualifying assets are capitalized as part of the cost of the qualified assets until the commencement of commercial production.

4.9 Capital work-in-progress

Assets in the course of construction are capitalized in the capital work-in-progress account. On completion, the cost of the related asset is transferred to the appropriate category of property, plant and equipment. The cost of property, plant and equipment comprises its purchase price and any costs directly attributable to bringing it into working condition for its intended use. Costs associated with commissioning the plant are capitalized net of proceeds from the sale of any production during the commissioning period. Capital work-in-progress is not depreciated.

4.10 Exploration and evaluation assets

Exploration expenditures are the costs incurred in the initial search for mineral deposits with economic potential or in the process of obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with:

- acquisition of exploration rights to explore;
- topographical, geological, geochemical and geophysical studies;
- exploration drilling;
- trenching;
- sampling and
- activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource.

Evaluation expenditures are the costs incurred to establish the technical and commercial viability of developing mineral deposits identified through exploration activities or by acquisition. Evaluation expenditures include the cost of:

- establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a mineral resource or a proven and probable reserve;
- determining the optimal methods of extraction and metallurgical and treatment processes;
- studies related to surveying, transportation and infrastructure requirements in relation to both production and shipping;
- permitting activities and
- economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibilities studies.

All exploration and evaluation costs are expensed until it is concluded that a future economic benefit is more likely to be realized than not, i.e. 'probable'. The information used to make that determination depends on the level of exploration as well as the degree of confidence in the ore body. Exploration and evaluation expenditures are capitalized if management determines that probable future economic benefits will be generated as a result of the expenditures.

Exploration and evaluation expenditure relating to extensions of mineral deposits which are already being mined or developed, including expenditure on the definition of mineralization of such mineral deposits, is capitalized as mine development cost following the completion of an economic evaluation equivalent to a feasibility study.

All exploration and evaluation costs incurred after it is concluded that economic benefit is more likely to be realized than not, i.e. 'probable' are capitalized as "Exploration and evaluation assets" only until the technical feasibility and commercial viability of extracting of mineral resource are demonstrable. Once the technical and commercial viability is demonstrable i.e. economic benefit will or will not be realized, the asset is tested for impairment and any impairment loss is recognized. Based on the final technical scope, receipt of mining license and commercial feasibility, if the economic benefit will be realized and management intends to develop and execute the mine, exploration and evaluation asset is reclassified to "Capital work-in progress". Cash flows attributable to capitalized exploration and evaluation expenditures are classified as investing activities in the consolidated statement of cash flow. Once the commercial production stage is reached, the capitalized capital work-in-progress is reclassified to "Property, plant and equipment".

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Company measures, presents and discloses any resulting impairment loss.

For the purposes of exploration and evaluation assets only, one or more of the following facts and circumstances are considered for identifying that exploration and evaluation asset that may be impaired. These include the following:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed.
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Once it has been identified that exploration and evaluation asset may be impaired, the entity performs impairment and reversal of impairment on exploration and evaluation assets as specified in note 4.13.

4.11 Stripping ratio and deferred stripping expense

The Group also defers waste mining costs and has estimated the average of the waste-to-ore ratio for the quantities contained within the final pit design of the mine. This average is used to calculate the annual waste mining costs to be expensed as follows:

Average ratio of waste to ore mined x Quantity of ore mined x Average unit cost of total tonnes mined

In periods when the actual costs of waste are higher than the costs expensed according to this formula, the difference is deferred to be expensed in a future period when the actual costs are less than the amount to be expensed.

4.12 Intangible assets

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses, where applicable. Intangible assets acquired as part of a business combination are capitalized where those assets are separable or arise from contractual or legal rights and their fair values can be measured reliably on initial recognition. Goodwill arising from a business combination and those intangible assets that are estimated to have indefinite lives are tested annually for impairment. Intangible assets are amortized over the shorter of their estimated economic / statutory useful lives using the straight-line method. Amortization methods, residual values and estimated economic useful lives are reviewed at least annually.

Pre-operating expenses and deferred charges deemed of having future economic benefits are capitalized as Intangible assets and are amortized when completed over seven years.

4.13 Asset impairment

The Group assesses its assets at each reporting date for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value-in-use. In assessing value in use, the estimated future cash flows are discounted to their net present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which estimates of future cash flows have not been adjusted.

Assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. When it becomes evident that the circumstances which resulted in the impairment no longer exist, the impairment amount is reversed (with the exception of goodwill) and recorded as income in the consolidated statement of income in the year in which such reversal is determined.

4.14 Projects, other payables and accrued expenses

Liabilities in respect of contract costs for capital projects, including trade payables, are recognized at amounts to be paid for goods and services received. The amount recognized is the present value of the future obligations; unless they are due in less than one year.

Liabilities in respect of other payables are recognized at amounts to be paid for goods and services received.

4.15 Zakat, income tax and withholding tax

The Company is subject to zakat in accordance with the regulations of the Department of Zakat and Income Tax (the "DZIT"). A provision for zakat for the Company and zakat related to the Company's subsidiaries is charged to the consolidated statement of income. Differences, if any, at the finalization of final assessments are accounted for when such amounts are determined. Foreign shareholders in subsidiaries are subject to income tax which is included in non-controlling interest in the consolidated statement of income.

The Group withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law.

4.16 Severance fees

Effective from year 2005 onwards, as per Article No. 71 of the Saudi Mining Investment Code issued based on the Royal Decree No. 47/M dated 20 Sha'aban 1425H (corresponding to October 4, 2004), the Group is required to pay to the Government of Saudi Arabia severance fee representing 25% of the annual net income per mining license or the equivalent of the hypothetical income tax, whichever is the lower.

The Zakat due shall be deducted from gross severance fee and the net severance fee amount is shown as part of cost of sales in the consolidated statement of income (Note 35).

4.17 Provisions

Provisions are recognized when the Group has:

- a present legal or constructive obligation as a result of a past event;
- it is probable that an outflow of economic resources will be required to settle the obligation in the future and
- the amount can be reliably estimated.

4.18 Employees' termination benefits

Employee termination benefits are payable as a lump sum to all employees employed under the terms and conditions of Saudi Labor and Workman Law on termination of their employment contracts. The liability is calculated as the current value of the vested benefits to which the employee is entitled, should the employee leave at the consolidated statement of financial position date. Termination payments are based on employees' final salaries and allowances and their cumulative years of service, as defined by the conditions stated in the laws of the Kingdom of Saudi Arabia.

4.19 Employees' savings plan program

In accordance with Article 145 of the Labor Regulations, and in furtherance to Article 76 of the Company's Internal Work Regulation approved by resolution No. 424 dated 6th of Rabi II 1420H (corresponding to July 19, 1999) issued by H.H. Minister of Labor and Social Affairs, a Savings Plan Program was introduced to encourage the Saudi employees of the Group to save and invest their savings in areas more beneficial to them, to secure their future and as an incentive for them to continue working with the Group.

Participation in the Savings Plan Program is restricted to Saudi nationals and optional with employees required to contribute a monthly minimum installment of 1% to a maximum of 15% of their basic salary subject to a minimum of SAR 300. The Group will contribute an amount equaling 10% of the monthly savings of each member per annum for the first year and increase it by 10% in the year after it reaches 100% at the 10th year, which will in turn be credited to the savings accounts of the member. The Group's portion is charged to the consolidated statement of income on a monthly basis. The Group's portion will only be paid upon termination or resignation of the employee.

4.20 Mine closure and reclamation

The mining, extraction and processing activities of the Group normally give rise to obligations for site closure or reclamation. Mine closure and reclamation works can include facility decommissioning and dismantling; removal or treatment of waste materials; site and land rehabilitation. The extent of work required and the associated costs are dependent on the requirements of current laws and regulations.

Provisions for the cost of each closure and reclamation program are recognized at the time the mining activities occur. When the extent of the mining activities increases over the life-of-mine, the provision is increased accordingly.

Costs included in the provision encompass all closure and reclamation activity expected to occur progressively over the life-of-mine and at the time of closure in connection with the mining activities at the reporting date. Costs arising from unforeseen circumstances, such as the contamination caused by unplanned discharges, are recognized as an expense and liability when the event gives rise to an obligation which is probable and capable of reliable estimation. The timing of the actual closure and reclamation expenditure is dependent upon a number of factors such as:

- the life-of-mine;
- developments in technology;
- the operating license conditions;
- the environment in which the mine operates and
- changes in economic sustainability.

The full estimated costs are capitalized as part of mining assets under property, plant and equipment and then depreciated as an expense over the expected life-of-mine on a straight-line basis.

Adjustments to the estimated amount and timing of future closure and reclamation cash flows are a normal occurrence in light of the significant judgments and estimates involved. Factors influencing those changes include:

- revisions to estimated ore reserves, mineral resources and lives of mines;
- developments in technology;
- regulatory requirements and environmental management strategies;
- changes in the estimated extent and costs of anticipated activities, including the effects of inflation and changes in economic sustainability.

4.21 Leasing

Leases are classified as capital leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under capital leases are recognized as assets of the Group at the lower of the present value of the minimum lease payments or the fair market value of the assets at the inception of the lease. Depreciation is provided over the estimated economic useful lives of the assets.

Finance costs, which represent the difference between the total lease commitments and the lower of the present value of the minimum lease payments or the fair market value of the assets at the inception of the lease, are charged to the consolidated statement of income over the term of the relevant lease in order to produce a constant periodic rate of return on the remaining balance of the obligation for each accounting year.

Rentals payable under operating leases are charged to consolidated statement of income on a straight-line basis over the term of the operating lease.

4.22 Borrowings

Borrowings are initially recognized at the proceeds received, net of transaction costs incurred, if any. Subsequent to initial recognition long-term borrowings are measured at amortized cost using the effective interest rate method. Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of those assets. Other borrowing costs are charged to the consolidated statement of income.

4.23 Revenue recognition

Revenue is recognized when all the following conditions are met:

- the significant risks and rewards of ownership of goods / services have been transferred to the buyer;
- neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold, has been retained;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the sale will flow to the Group and
- the costs incurred or to be incurred in respect of the sale can be measured reliably.

Revenues are shown net of all discounts and rebates and after eliminating sales within the Group.

Sales revenue is commonly subject to an adjustment based on an inspection of the product by the customer or post assay finalization. In such cases, sales revenue is initially recognized on a provisional basis using the current market price and adjusted subsequently within revenue at the market price when finalized.

Revenue from the sale of by-products is credited against production costs.

Investment income consists of earnings on bank deposits and is recognized on an accrual basis.

4.24 Selling, marketing and logistic expenses

Selling, marketing and logistic expenses comprise of all costs for selling and marketing the Group's products and include expenses for advertising, marketing fees and other sales related overheads. Basis of allocations between selling, marketing and logistic expenses, general and administrative expenses and cost of sales, when required, are made on a consistent basis.

4.25 General and administrative expenses

General and administrative expenses include direct and indirect costs not specifically part of cost of sales as required under generally accepted accounting standards. Allocations between selling, marketing and logistic expenses, general and administrative expenses and cost of sales, when required, are made on a consistent basis.

5. Critical accounting estimates, assumptions and judgments

The preparation of consolidated financial statements in conformity with accounting standards generally accepted in the Kingdom of Saudi Arabia, requires management to make estimates and assumptions that affect amounts reported in the consolidated financial statements and accompanying notes. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The accounting estimates will, by definition, seldom equal the related actual results.

The most significant areas requiring the use of management's assumptions, estimates and judgments relate to:

- ore reserve and mineral resource estimates;
- economic useful lives of property, plant and equipment;
- impairment and reversal of impairment of assets;
- allowances;
- mine closure and environmental obligation;
- zakat and income taxes and
- contingencies.

Ore reserve and mineral resource estimates

There is a degree of uncertainty involved in the estimation and classification of ore reserves and mineral resources and corresponding grades being mined or dedicated to future production. Until ore reserves or mineral resources are actually mined and processed, the quantity of ore reserve and mineral resource grades must be considered as estimates only. What is more, the quantity of ore reserves and mineral resources may vary depending on, amongst other things, metal prices and currency exchange rates.

The ore reserve estimates of the Group have been determined based on management long-term commodity price, forecasts cut-off grades and costs that may prove to be inaccurate. Any material change in the quantity of reserves, grades or stripping ratio may affect the economic viability of the properties. In addition, there can be no assurance that gold recoveries or other metal recoveries in small scale laboratory tests will give the same result in larger scale tests under on-site conditions or during production.

Fluctuation in commodity prices, the results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may require estimates to be revised. The volume and grade of ore reserves mined and processed and recovery rates may not be the same as currently anticipated. Any material reductions in estimates of ore reserves and mineral resources, or of the Group's ability to extract these ore reserves, could have a material adverse effect of the Group's business, prospects, financial condition and operating results.

Economic useful lives of property, plant and equipment

The Group's mining assets, classified within property, plant and equipment, are amortized on a straight-line basis over the lesser of their economic useful lives or the life-of-mine. When determining the life-of-mine, assumptions that were valid at the time of estimation, may change when new information becomes available.

The factors that could affect estimation of the life-of-mine include the following:

- changes in proven and probable ore reserves;
- the grade of ore reserves varying significantly from time to time;
- differences between actual commodity prices and commodity price assumptions used in the estimation and classification of ore reserves;
- unforeseen operational issues at mine sites and
- changes in capital, operating, mining, processing and reclamation costs, discount rates could possibly adversely affect the economic viability of ore reserves.

Any of these changes could affect prospective depreciated of mining assets and their carrying value. The economic useful lives of non-mining property, plant and equipment is reviewed by management periodically. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Group.

Impairment and reversal of impairment of assets

The Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets are impaired or whether there is any indicator that an impairment loss recognized in previous years may no longer exist or may have decreased.

Allowances

The Group also creates an allowance for obsolete and slow-moving spare parts. At December 31, 2014, the allowance for obsolete slow-moving items amounted to SAR 15,359,183 (December 31, 2013: SAR 16,405,729 million) (Note 10). These estimates take into consideration fluctuations of price or cost directly relating to events occurring subsequent to the consolidated statement of financial position date to the extent that such events confirm conditions existing at the end of the year.

Mine closure and environmental obligations

The Group's mining and exploration activities are subject to various environmental laws and regulations. The Group estimates environmental obligations based on management's understanding of the current legal requirements in the various jurisdictions in which it operates, terms of the license agreements and engineering estimates. Provision is made, for decommissioning and land restoration costs as soon as the obligation arises. Actual costs incurred in future years could differ materially from the amounts provided. Additionally, future changes to environmental laws and regulations and life-of-mime estimates could affect the carrying amount of this provision.

Zakat and income taxes

During the year ended December 31, 2014 an amount of SAR 39,993,409 (December 31, 2013: SR 64,753,414) was paid to DZIT pertaining to the year ended December 31, 2013 but no zakat assessments were finalized by the DZIT. Where the final zakat outcome of these matters is different from the amounts that were initially recorded, such differences will impact the zakat provisions in the year in which such determinations are made.

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

6. Segmental information

Segment reporting

6.1 Business segment

A business segment is a group of assets, operations or entities:

- engaged in revenue producing activities;
- results of its operations are continuously analyzed by management in order to make decisions related to resource allocation and performance assessment; and
- financial information is separately available.

The Group's operations consist of the following business segments:

- **Phosphate Strategic Business Unit Segment,** consist of operations related to:
  - ***MPC*** - the mining and beneficiation of phosphate concentrated rock at Al Jalamid. The utilization of natural gas and sulphur to produce DAP and MAP fertilizers as well as ammonia products at Ras Al Khair.
  - ***IMC*** - the mining of industrial minerals at a kaolin and low grade bauxite mine in the central zone of Az Zabirah and a high grade magnesite mine and processing plant at Al Madinah Al Munawarah.
  - ***MWASPC*** - the development of a mine to exploit the Al-Khabra and Umm Wu'al phosphate deposits. The project is in the development stage (Note 1).
  - ***Phosphate and Industrial Minerals division under Corporate*** – related cost, marketing fees and exploration expenses in Ma'aden Corporate has been allocated to this segment.
  - ***MIC*** – is responsible for the development, construction and delivery of services to Ma'aden entities in the Ras Al Khair area and other mining and industrial locations in the Kingdom of Saudi Arabia. Therefore, a proportionate share of MIC's revenues, costs and assets have been allocated to this segment.
- **Aluminum Strategic Business Unit Segment**, consists of the operations related to:
  - ***MAC*** – operates the smelter at Ras Al Khair and it currently processes the alumina feedstock that it purchases from Alcoa and produces aluminum products. MAC started commercial production on September 1, 2014.
  - ***MRC*** – in the process of constructing a rolling mill. The project is in the development stage.
  - ***MBAC*** – the mining of bauxite at the Al Baitha mine and the transportation thereof to its refinery at Ras Al Khair. The refinery is in its commissioning phase. Once the refinery is in commercial production MAC will process alumina supplied by MBAC's Al Baitha mine.
  - ***SAMAPCO*** – a jointly controlled entity that produces concentrated caustic soda, chlorine and ethylene dichloride and supply all the required feedstock for use in the alumina refinery at MBAC, any excess production is sold in the international and domestic market. SAMAPCO started commercial production on July 1, 2014.
  - ***Automotive sheet*** project include automotive heat treated and non-treated sheet, building and construction sheet and foil stock sheet. The project is in the development stage (Note 1).
  - ***Aluminum division under Corporate*** – related cost and external sales revenue have been allocated to this segment.
  - ***MIC*** – is responsible for the development, construction and delivery of services to Ma'aden entities in the Ras Al Khair area and other mining and industrial locations in the Kingdom of Saudi Arabia. Therefore, a proportionate share of MIC's revenues, costs and assets have been allocated to this segment.

- **Precious and Base Metals Strategic Business Unit Segment**, consists of operations related to:
  - ***MGBM*** – that operates four gold mines, i.e. Mahd Ad Dahab, Al Amar, Bulghah, and As Suq (which came into commercial production on July 1, 2014) and a processing plant at Sukhaybarat which are located in different geographical areas in the Kingdom of Saudi Arabia. The segment also include the Ad Duwayhi mine project which is in the development stage.
  - ***MBCC*** – a jointly controlled entity that produces copper, silver, zinc, nickel, gold, lead, sulphur and cobalt located in the southeast of Al Madinah Al Munawarah. This project is still in the development stage.
  - ***Precious and base metals division under Corporate*** – related cost and exploration expenses in Ma'aden Corporate has been allocated to this segment.

  - **Corporate** – is responsible for effective management and governance including funding of subsidiaries and jointly controlled entities that carry out various projects related to all stages of the mining industry, including development, advancement and improvement of the mineral industry, mineral products and by products.

(All amounts in Saudi Riyals unless otherwise stated)

6.1 Business segment (continued)

	Notes	Phosphate	Aluminum	Precious and base metals	Corporate	Total
December 31, 2014						
Sales	34	**5,577,754,186**	**4,498,996,234**	**715,132,467**	**-**	**10,791,882,887**
Gross profit		**1,853,439,493**	**958,687,317**	**302,883,493**	**-**	**3,115,010,303**
Income from short-term investments	39	**4,979,169**	**1,036,663**	**905,004**	**3,642,833**	**10,563,669**
Net income / (loss) attributable to shareholders' of the parent company		**955,338,692**	**680,022,342**	**85,662,145**	**(363,681,978)**	**1,357,341,201**
Property, plant and equipment	12	**16,899,127,067**	**20,896,710,314**	**396,247,582**	**184,043,084**	**38,376,128,047**
Capital work-in-progress	13	**7,082,221,342**	**18,262,630,161**	**1,711,662,424**	**26,644,768**	**27,083,158,695**
Exploration and evaluation assets	14	**-**	**-**	**154,251,619**	**21,254,693**	**175,506,312**
Deferred stripping expense	15	**27,704,327**	**-**	**21,378,656**	**-**	**49,082,983**
Intangible assets	16	**115,822,626**	**263,644,483**	**14,371,039**	**16,038,397**	**409,876,545**
Investment in a jointly controlled entities	17	**-**	**416,406,686**	**202,482,646**	**-**	**618,889,332**
Total assets		**31,141,658,919**	**42,834,246,703**	**3,008,123,856**	**7,557,352,380**	**84,541,381,858**
December 31, 2013						
Sales	34	4,322,356,447	1,015,654,471	709,253,627	-	6,047,264,545
Gross profit		1,073,701,782	82,540,567	353,241,837	-	1,509,484,186
Income from short-term investments	39	14,704,929	398,485	4,059,283	7,464,853	26,627,550
Net income / (loss) attributable to shareholders' of the parent company		1,883,289,018	23,362,791	167,173,639	(391,446,998)	1,682,378,450
Property, plant and equipment	12	17,330,732,762	539,102,655	133,089,708	142,221,152	18,145,146,277
Capital work-in-progress	13	1,467,247,206	34,424,247,619	1,051,446,195	50,755,456	36,993,696,476
Exploration and evaluation assets	14	-	-	105,615,678	40,268,139	145,883,817
Deferred stripping expense	15	28,556,017	-	4,825,652	-	33,381,669
Intangible assets	16	100,150,466	170,787,716	222,422	3,023,394	274,183,998
Investment in a jointly controlled entity	17	-	441,370,614	-	-	441,370,614
Total assets		21,148,056,549	38,577,440,041	1,631,259,903	2,594,471,809	63,951,228,302

6.2 Geographical segment

A geographical segment is a group of assets, operations or entities engaged in revenue producing activities within a particular economic environment that are subject to risks and returns different from those operating in other economic environments. The Group's operation is conducted only in the Kingdom of Saudi Arabia.

(All amounts in Saudi Riyals unless otherwise stated)

7. Cash and cash equivalents

	December 31, 2014	December 31, 2013
Term deposits with original maturities equal to or less than three months at the date of acquisition		
- unrestricted	**10,561,438,968**	3,377,583,347
- restricted	**502,412,645**	450,506,302
Sub-total	**11,063,851,613**	3,828,089,649
Cash and bank balances		
- unrestricted	**872,942,089**	476,137,538
- restricted	**37,174,353**	32,415,803
Sub-total	**910,116,442**	508,553,341
Total	**11,973,968,055**	4,336,642,990

Restricted cash and cash equivalents are related to the following:

Cash accumulated in the debt service reserve account for the next scheduled repayment of long-term borrowings, six months prior to the due date, as per the financing agreement	**1,242,532**	11,023,875
Employees' savings plan obligation (Note 4.19 and 25.2)	**35,931,821**	21,391,928
Sub-total	**37,174,353**	32,415,803
Balance portion accumulated for the scheduled repayment of long-term borrowings, six months prior to the due date, invested and included in short-term deposits with original maturities equal to or less than three months at the date of acquisition	**502,412,645**	450,506,302
Total restricted cash	**539,586,998**	482,922,105
Total unrestricted cash	**11,434,381,057**	3,853,720,885

8. Short-term investments

	December 31, 2014	December 31, 2013
Term deposits with original maturities of more than three months and less than a year at the date of acquisition	**523,320,360**	-

Short-term investments yield financial income at prevailing market rates.

(All amounts in Saudi Riyals unless otherwise stated)

9. Trade and other receivables

	December 31, 2014	December 31, 2013
Trade*	**1,011,948,967**	561,424,851
Due from SAMAPCO (Note 43.2)	**47,998,419**	47,998,419
Due from Saudi Mining Polytechnic ("SMP") (Note 43.2)	**4,813,789**	50,464,149
Insurance claims**	**141,738,693**	98,300,773
Withholding tax receivable	**31,973,072**	-
Investment income receivable	**1,262,316**	2,437,776
Other	**5,392,077**	2,257,817
Total	**1,245,127,333**	762,883,785

*Trade receivables includes:

Due from Alcoa Inc. (Note 43.2)	**-**	23,948,991
Due from SABIC (Note 43.2)	**426,937,770**	242,382,717

**Insurance claims relate to:

• one of the aluminum pot lines on which the production was halted in October 2013. The temporary shutdown was undertaken after a period of pot instability. The pot line has been restored during second quarter of 2014.	**113,934,773**	98,300,773
• an ammonia reformer and conveyor belt claim	**27,803,920**	-
Total	**141,738,693**	98,300,773

10. Inventories

	December 31, 2014	December 31, 2013
Finished goods – ready for sale	**236,049,195**	303,757,498
Work-in-process	**497,089,525**	360,307,241
Stockpile of mined ore	**187,614,794**	105,632,033
By-products	**9,127,012**	3,764,780
Sub-total	**929,880,526**	773,461,552
Spare parts and consumables materials	**838,757,537**	715,312,264
Allowance for obsolete slow-moving spare parts and consumable materials	**(15,359,183)**	(16,405,729)
	823,398,354	698,906,535
Raw materials	**687,593,723**	410,651,782
Sub-total	**1,510,992,077**	1,109,558,317
Total	**2,440,872,603**	1,883,019,869

The spare parts inventory primarily relates to plant and machinery.

Movement in the allowance for inventory obsolescence is as follows:

	2014	2013
January 1	**16,405,729**	18,671,349
Reversal of allowance for obsolescence (Note 35)	**(1,046,546)**	(2,265,620)
December 31	**15,359,183**	16,405,729

(All amounts in Saudi Riyals unless otherwise stated)

11. Advances and prepayments

	December 31, 2014	December 31, 2013
Current portion:		
Advances to contractors	**158,811,879**	77,482,678
Advances to employees	**22,122,089**	13,700,858
Prepaid rent	**18,913,734**	28,179,145
Prepaid insurance	**15,356,641**	19,774,522
Other prepayments	**17,507,511**	8,223,988
Sub-total	**232,711,854**	147,361,191
Non-current portion:		
Other prepayments	**16,541,800**	17,657,616
Sub-total	**16,541,800**	17,657,616
Total	**249,253,654**	165,018,807

(All amounts in Saudi Riyals unless otherwise stated)

12. Property, plant and equipment

	Notes	Land	Mining assets	Motor vehicles	Heavy equipment	Fixed plant and heap leaching	Buildings	Civil works	Other equipment	Office equipment	Furniture and fittings	Total
Cost												
January 1, 2013		61,550,000	61,018,120	25,637,190	218,575,960	18,002,601,737	1,555,969,969	455,213,530	74,975,322	34,231,646	33,526,246	20,523,299,720
Additions during the year		-	-	-	60,781,150	29,901,062	-	-	-	1,907,676	-	92,589,888
Transfer from capital work-in-progress	13	-	-	3,678,979	27,829,783	1,806,952	408,282,435	35,653,736	4,711,102	2,107,429	12,585,888	496,656,304
Adjustments / write-offs		-	-	-	-	-	-	-	104,984	(27,070)	(618,774)	(540,860)
December 31, 2013		61,550,000	61,018,120	29,316,169	307,186,893	18,034,309,751	1,964,252,404	490,867,266	79,791,408	38,219,681	45,493,360	21,112,005,052
Additions during the year		-	-	-	-	120,100,602	-	48,000	-	-	64,500	120,213,102
Transfer of capital spares from inventory		-	-	-	-	133,385,591	-	-	-	-	-	133,385,591
Transfer from capital work-in-progress	13	-	397,660	28,700,930	44,908,531	9,406,935,485	6,170,394,284	3,808,101,145	1,973,695,252	35,071,712	46,631,135	21,514,836,134
Transfer to intangible assets	16	-	-	-	-	(16,819,855)	-	-	-	-	-	(16,819,855)
Provision for mine closure capitalized	26.1	-	34,478,197	-	-	-	-	-	-	-	-	34,478,197
Adjustments / write-offs		-	-	(2,692,117)	-	(3,179,387)	-	-	(927,591)	(33,960)	32,492	(6,800,563)
December 31, 2014		**61,550,000**	**95,893,977**	**55,324,982**	**352,095,424**	**27,674,732,187**	**8,134,646,688**	**4,299,016,411**	**2,052,559,069**	**73,257,433**	**92,221,487**	**42,891,297,658**
Accumulated depreciation												
January 1, 2013		-	40,253,516	21,882,172	68,122,011	1,337,751,767	143,828,862	252,529,100	36,781,064	18,089,622	14,193,654	1,933,431,768
Charge for the year		-	4,255,225	2,082,557	20,161,032	897,628,369	68,429,775	16,048,266	12,036,724	4,808,901	8,563,951	1,034,014,800
Adjustments / write-offs		-	-	-	-	-	-	-	10,531	(4,550)	(593,774)	(587,793)
December 31, 2013		-	44,508,741	23,964,729	88,283,043	2,235,380,136	212,258,637	268,577,366	48,828,319	22,893,973	22,163,831	2,966,858,775
Charge for the year		-	8,064,018	4,967,314	19,513,849	1,128,358,858	215,936,516	53,820,349	101,127,444	1,222,967	21,283,807	1,554,295,122
Adjustments / write-offs		-	-	(2,692,117)	-	(2,326,141)	(180,621)	-	(790,898)	(873)	6,364	(5,984,286)
December 31, 2014		**-**	**52,572,759**	**26,239,926**	**107,796,892**	**3,361,412,853**	**428,014,532**	**322,397,715**	**149,164,865**	**24,116,067**	**43,454,002**	**4,515,169,611**
Net book value												
December 31, 2013		61,550,000	16,509,379	5,351,440	218,903,850	15,798,929,615	1,751,993,767	222,289,900	30,963,089	15,325,708	23,329,529	18,145,146,277
December 31, 2014		**61,550,000**	**43,321,218**	**29,085,056**	**244,298,532**	**24,313,319,334**	**7,706,632,156**	**3,976,618,696**	**1,903,394,204**	**49,141,366**	**48,767,485**	**38,376,128,047**

(All amounts in Saudi Riyals unless otherwise stated)

12. Property, plant and equipment (continued)

Property, plant and equipment of MPC, MAC, MRC and MBAC with a net book value at December 31, 2014 of SAR 37,117,483,423 (December 31, 2013: SAR 16,941,872,846) are pledged as security to lenders under the Common Term Financing Agreement (Note 28.7).

Property, plant and equipment of MBAC with a net book value at December 31, 2014 of SAR 52,544,181 (December 31, 2013: SAR 60,145,555) was acquired under a capital lease and are pledged as security to the lessor (Note 27).

	Notes	Year ended December 31, 2014	Year ended December 31, 2013
Allocation of depreciation charge for the year to:			
Capital work-in-progress	13	**27,508,167**	-
Cost of sales	35	**1,497,774,622**	1,019,386,513
General and administrative expenses	37	**29,012,333**	14,628,287
Total		**1,554,295,122**	1,034,014,800

(All amounts in Saudi Riyals unless otherwise stated)

13. Capital work-in-progress

Cost	Notes	Phosphate	Industrial minerals	Aluminum	Precious and base metals	Infra-structure	Corporate	Total
January 1, 2013		241,388,816	81,116,854	23,074,340,867	426,359,292	270,867,316	289,140,819	24,383,213,964
Additions during the year		769,886,622	4,977,430	10,981,730,735	562,062,144	188,684,007	386,107,953	12,893,448,891
Transfer to property, plant and equipment	12	(239,917,991)	-	-	(12,970,178)	(242,747,148)	(1,020,987)	(496,656,304)
Transfer from exploration and evaluation assets	14	362,283,896	-	-	75,994,937	-	-	438,278,833
Transfer to intangible assets	16	-	-	-	-	(25,033,511)	-	(25,033,511)
Advances to contractors, net		172,446,542	-	(378,586,332)	-	33,424,447	(26,840,054)	(199,555,397)
December 31, 2013		1,306,087,885	86,094,284	33,677,485,270	1,051,446,195	225,195,111	647,387,731	36,993,696,476
Additions during the year		5,388,270,447	2,932,848	4,252,048,096	979,219,801	67,021,569	604,631,049	11,294,123,810
Transfer to property, plant and equipment	12	(367,949,799)	-	(20,571,307,229)	(302,600,769)	(213,764,716)	(59,213,621)	(21,514,836,134)
Transfer to intangible assets	16	(9,939,659)	-	(75,710,528)	(16,402,803)	-	-	(102,052,990)
Provision for mine closure capitalized	26.2	-	-	18,288,131	-	-	-	18,288,131
Advances to contractors, net		661,433,362	-	(213,977,794)	-	(32,576,041)	(20,940,125)	393,939,402
December 31, 2014		**6,977,902,236**	**89,027,132**	**17,086,825,946**	**1,711,662,424**	**45,875,923**	**1,171,865,034**	**27,083,158,695**
Advances to contractors capitalized as part of additions to capital work-in-progress								
December 31, 2013		182,646,011	-	240,106,600	-	51,283,138	36,001,755	510,037,504
December 31, 2014		**844,079,373**	-	**26,128,806**	-	**18,707,096**	**15,061,630**	**903,976,905**

(All amounts in Saudi Riyals unless otherwise stated)

13. Capital work-in-progress (continued)

	Notes	Phosphate	Industrial minerals	Aluminum	Precious and base metals	Infra-structure	Corporate	Total
Borrowing cost capitalized as part of capital work-in-progress during the year								
December 31, 2013	40.1	-	-	481,163,536	-	-	-	481,163,536
December 31, 2014	40.1	**71,439,588**	-	**519,445,927**	-	-	-	**590,885,515**

Capital work-in-progress includes borrowing cost relating to the qualifying assets of MAC, MRC, MBAC and MWASPC with a book value before consolidation elimination at December 31, 2014 of SAR 23,402,531,540 (December 31, 2013: SAR 34,459,633,329) which are pledged as security to the lenders under the Common Term Financing Agreement (Note 28.7).

	Notes	Phosphate	Industrial minerals	Aluminum	Precious and base metals	Infra-structure	Corporate	Total
Depreciation capitalized as part of capital work-in-progress during the year								
December 31, 2013	12	-	-	-	-	-	-	-
December 31, 2014	12	-	-	**27,029,110**	-	**479,057**	-	**27,508,167**
Amortization capitalized as part of capital work-in-progress during the year								
December 31, 2013	16	-	-	-	-	-	-	-
December 31, 2014	16	-	-	**1,362,790**	-	-	-	**1,362,790**
Provision for mine closure capitalized as part of capital work-in-progress during the year								
December 31, 2013	26.2	-	-	-	-	-	-	-
December 31, 2014	26.2	-	-	**18,288,131**	-	-	-	**18,288,131**

(All amounts in Saudi Riyals unless otherwise stated)

14. Exploration and evaluation assets

	Note	Phosphate	Precious and base metals	Corporate	Total
January 1, 2013		194,027,658	127,306,058	25,956,610	347,290,326
Additions during the year		168,256,238	54,304,557	14,311,529	236,872,324
Transfer to capital work-in-progress	13	(362,283,896)	(75,994,937)	-	(438,278,833)
December 31, 2013		-	105,615,678	40,268,139	145,883,817
Additions during the year		-	48,635,941	2,292,805	50,928,746
Impairment during the year	38	-	-	(21,306,251)	(21,306,251)
December 31, 2014		-	**154,251,619**	**21,254,693**	**175,506,312**

15. Deferred stripping expense

	Notes	Phosphate	Precious and base metals	Total
Cost				
January 1, 2013		75,666,881	11,227,159	86,894,040
Stripping cost incurred during the year		-	-	-
December 31, 2013		75,666,881	11,227,159	86,894,040
Stripping cost incurred during the year		-	17,461,251	17,461,251
December 31, 2014		**75,666,881**	**28,688,410**	**104,355,291**
Accumulated amortization				
January 1, 2013		38,838,055	5,702,847	44,540,902
Expensed to cost of sales during the year	35	8,272,809	698,660	8,971,469
December 31, 2013		47,110,864	6,401,507	53,512,371
Expensed to cost of sales during the year	35	851,690	908,247	1,759,937
December 31, 2014		**47,962,554**	**7,309,754**	**55,272,308**
Net book value				
December 31, 2013		28,556,017	4,825,652	33,381,669
December 31, 2014		**27,704,327**	**21,378,656**	**49,082,983**

(All amounts in Saudi Riyals unless otherwise stated)

16. Intangible assets

	Note	Phosphate	Aluminum	Precious and base metals	Infra-structure	Corporate	Total
Cost							
January 1, 2013		23,929,635	-	5,902,120	272,842,879	70,328,710	373,003,344
Additions during the year		-	-	4,075,515	-	-	4,075,515
Transfer from capital work-in-progress	13				25,033,511		25,033,511
Adjustments / write-offs		-	-	(3,336,141)	-	(66,344,755)	(69,680,896)
December 31, 2013		23,929,635	-	6,641,494	297,876,390	3,983,955	332,431,474
Additions during the year		-	38,825,791	-	-	13,664,447	52,490,238
Transfer from property, plant and equipment	12	16,819,855	-	-	-	-	16,819,855
Transfer from capital work-in-progress	13	9,939,659	75,710,528	16,402,803	-	-	102,052,990
December 31, 2014		**50,689,149**	**114,536,319**	**23,044,297**	**297,876,390**	**17,648,402**	**503,794,557**
Accumulated amortization							
January 1, 2013		4,387,100	-	5,445,124	28,708,682	6,391,786	44,932,692
Charge for the year		4,785,927	-	973,948	12,986,134	1,265,000	20,011,009
Adjustments / write-offs		-	-	-	-	(6,696,225)	(6,696,225)
December 31, 2013		9,173,027	-	6,419,072	41,694,816	960,561	58,247,476
Charge for the year		6,362,645	12,230,133	2,254,186	14,174,128	649,444	35,670,536
December 31, 2014		**15,535,672**	**12,230,133**	**8,673,258**	**55,868,944**	**1,610,005**	**93,918,012**
Net book value							
December 31, 2013		14,756,608	-	222,422	256,181,574	3,023,394	274,183,998
December 31, 2014		**35,153,477**	**102,306,186**	**14,371,039**	**242,007,446**	**16,038,397**	**409,876,545**

Intangible assets of MAC, MRC and MBAC with a net book value at December 31, 2014 of SAR 102,306,186 (December 31, 2013: Nil) are pledged as security to lenders under the Common Term Financing Agreement (Note 28.7).

(All amounts in Saudi Riyals unless otherwise stated)

16. Intangible assets (continued)

Intangible assets for MIC comprises the infrastructure and support services assets at Ras Al Khair that are transferred to Royal Commission of Jubail and Yanbu ("RCJY") as stated in the Implementation Agreement signed between Ma'aden and RCJY. The cost of the intangible assets comprises its purchase price and any costs directly attributable to bringing such assets to working condition for their intended use. Such intangible assets are carried at historical cost less accumulated amortization. Amortization is provided over the remaining period of LUSA (Land Usage and Service Agreement) term.

	Notes	Year ended December 31, 2014	Year ended December 31, 2013
Allocation of amortization charge for the year to:			
Capital work-in-progress	13	**1,362,790**	-
Cost of sales	35	**23,951,854**	18,746,009
Selling, marketing and logistic expenses	36	**9,706,448**	-
General and administrative expenses	37	**649,444**	1,265,000
Total		**35,670,536**	20,011,009

(All amounts in Saudi Riyals unless otherwise stated)

MA'ADEN

17. Investment in jointly a controlled entities

	December 31, 2014	December 31, 2013
SAMAPCO (Note 17.1)	**416,406,686**	441,370,614
MBCC (Note 17.2)	**202,482,646**	-
Total	**618,889,332**	441,370,614

17.1 SAMAPCO

The investment of 50% in the issued and paid-up share capital is as follows:

	December 31, 2014	December 31, 2013
Shares at cost (Note 50)	**450,000,000**	450,000,000
Share of the accumulated loss	**(33,593,314)**	(8,629,386)
Total	**416,406,686**	441,370,614

Share of the accumulated loss in SAMAPCO

	2014	2013
January 1	**(8,629,386)**	(5,148,265)
Share in net loss for year	**(24,963,928)**	(3,481,121)
December 31	**(33,593,314)**	(8,629,386)

17.2 MBCC

The investment of 50% in the issued and paid-up share capital is as follows:

	December 31, 2014	December 31, 2013
Shares at cost (Note 50)	**5,000,000**	-
Payment to increase share capital	**197,482,646**	-
Total	**202,482,646**	-

18. Due from joint venture partners

	December 31, 2014	December 31, 2013
Due from Mosaic	**450,000,000**	450,000,000
Due from SABIC	**270,000,000**	270,000,000
Total	**720,000,000**	720,000,000

Due from joint venture partners represents the second installment of the remaining 50% of SAR 1.44 billion due on June 30, 2016 as per the Shareholders Agreement signed on August 5, 2013 (Note 1 and 41).

(All amounts in Saudi Riyals unless otherwise stated)

19. Long-term investment

	December 31, 2014	December 31, 2013
Securities with original maturities of more than a year at the date of acquisition	**50,000,000**	50,000,000

20. Long-term loan

	December 31, 2014	December 31, 2013
Ma'aden Barrick Copper Company	**626,197,939**	-

During the year ended December 31, 2014, the Company entered into a loan agreements with MBCC. The purpose of this loan facility is to provide funding to MBCC for business. The loan is non-interest bearing with no fixed repayment date.

21. Projects and other payables

	December 31, 2014	December 31, 2013
Projects	**1,417,680,157**	1,743,690,739
Trade	**810,982,797**	234,551,557
Advances from customers	**143,597,425**	9,673,405
Non-refundable contribution*	**38,000,000**	38,000,000
Other	**25,371,201**	25,365,564
Total	**2,435,631,580**	2,051,281,265

Project payables mainly represents the liability in respect of contracts cost arising from MRC, MBAC and MWASPC.

*Contributed by one of the MAC's contractors to support the company's objective to establish a social responsibility fund for the development of a community project.

22. Accrued expenses

	December 31, 2014	December 31, 2013
Projects	**1,452,648,671**	2,543,895,556
Trade	**789,400,136**	447,109,110
Employees	**198,710,822**	185,300,357
Accrued expenses – Alcoa Inc. (Note 43.2)	**103,982,687**	83,763,220
Finance charges	**13,726,768**	953,500
Total	**2,558,469,084**	3,261,021,743

Accrued expenses for projects mainly represents the contracts cost accruals in relation to MRC, MBAC and MWASPC.

Accrued expenses for Alcoa Inc. mainly represents the personnel and other cost accruals related to the Alcoa Inc. employees seconded to MAC, MRC and MBAC.

(All amounts in Saudi Riyals unless otherwise stated)

23. Zakat

23.1 Components of zakat base

The significant components of the zakat base of each company under the zakat and income tax regulation are as follows:

- shareholders' equity at the beginning of the year;
- provisions at the beginning of the year;
- long term borrowings;
- adjusted net income;
- spare parts and consumable materials:
- net book value of property, plant and equipment;
- net book value of capital work-in-progress;
- net book value of exploration and evaluation assets;
- net book value of intangible assets;
- carrying value of investment in a jointly controlled entity; and
- other items.

Zakat is calculated at 2.5% of the higher of the zakat base or adjusted net income.

23.2 Zakat payable

	2014	2013
January 1	**54,295,070**	63,600,191
Provision for zakat	**44,434,257**	55,448,293
Current year	**58,735,918**	54,295,070
Prior year (over) / under provision	**(14,301,661)**	1,153,223
Paid during the year to the authorities	**(39,993,409)**	(64,753,414)
December 31	**58,735,918**	54,295,070

23.3 Provision for zakat consists of:

	Year ended December 31, 2014	Year ended December 31, 2013
Saudi Arabian Mining Company	**18,759,042**	29,155,558
Ma'aden Phosphate Company	**25,728,204**	13,051,361
Ma'aden Gold and Base Metals Company (Note 24.2)	**2,463,124**	4,317,839
Industrial Minerals Company	**8,404,180**	5,125,202
Ma'aden Infrastructure Company	**3,381,368**	2,645,110
Total (Note 23.2)	**58,735,918**	54,295,070

23.4 Status of final assessments

The Company and its subsidiaries received provisional zakat certificates from the years ended December 31, 2009 to December 31, 2013, however, no zakat assessments were finalized by the DZIT.

(All amounts in Saudi Riyals unless otherwise stated)

24. Severance fees payable

	2014	2013
January 1	**36,430,433**	91,516,753
Provision for severance fee (Note 35)	**35,068,957**	37,828,408
Current year (Note 24.1)	**29,638,171**	36,341,127
Previous year under provision	**5,430,786**	1,487,281
Paid during the year to the authorities	**(41,771,913)**	(92,914,728)
December 31	**29,727,477**	36,430,433

In accordance with the Saudi Mining Code based on the Royal Decree No. 47/M dated 20 Sha'aban 1425H (corresponding to October 4, 2004), the Group is required to pay to the Government of Saudi Arabia severance fees, representing 25% of the annual net income per mining license, as defined, or the equivalent of a hypothetical income tax, based on the annual net income, whichever is lower. The zakat due shall be deducted from this amount. As a result of the above:

- The net income for each mining license of MGBM is subject to severance fees,
- for low grade bauxite, kaolin and magnesia a fixed tariff per tonne is paid as severance fees

Severance fee for both are shown as part of cost of sales in the consolidated statement of income.

24.1 Provision for severance fees consists of:

	Year ended December 31, 2014	Year ended December 31, 2013
Gold mines (Note 24.2)	**27,848,051**	34,658,401
Low grade bauxite	**1,450,961**	1,410,647
Kaolin	**173,620**	136,440
Magnesia	**165,539**	135,639
Total (Note 24)	**29,638,171**	36,341,127

24.2 The provision for severance fees payable by gold mines is calculated as follows:

	Year ended December 31, 2014	Year ended December 31, 2013
Net income from operating mines before severance fee for the year	**146,976,824**	210,962,881
25% of the year's net income as defined	**36,744,206**	52,740,720
Hypothetical income tax based on year's taxable net income	**30,311,175**	38,976,240
Provision based on the lower of the above two computations	**30,311,175**	38,976,240
Provision for zakat (Note 23.3)	**(2,463,124)**	(4,317,839)
Net severance fee provision for the year (Note 24.1)	**27,848,051**	34,658,401

(All amounts in Saudi Riyals unless otherwise stated)

25. Employees' benefit

	December 31, 2014	December 31, 2013
Employees' termination benefits (Note 25.1)	**254,443,608**	193,438,653
Employees' savings plan (Note 7 and 25.2)	**35,931,821**	21,391,928
Total	**290,375,429**	214,830,581

25.1 Employees' termination benefits

	2014	2013
January 1	**193,438,653**	155,949,095
Provision for the year	**92,706,633**	52,392,909
Paid during the year	**(31,701,678)**	(14,903,351)
December 31	**254,443,608**	193,438,653

25.2 Employees' savings plan

	2014	2013
January 1	**21,391,928**	15,006,007
Contribution for the year	**21,992,430**	13,759,930
Withdrawals during the year	**(7,452,537)**	(7,374,009)
December 31 (Note 4.19 and 7)	**35,931,821**	21,391,928

(All amounts in Saudi Riyals unless otherwise stated)

26. Provision for mine closure and reclamation

	December 31, 2014	December 31, 2013
Gold mines (Note 26.1)	**110,389,199**	81,440,623
Al-Baitha bauxite mine (Note 26.2)	**18,856,531**	-
Low grade bauxite, kaolin and magnesite mines (Note 26.3)	**2,050,000**	2,050,000
Total	**131,295,730**	83,490,623

The movement in the provision for mine closure and reclamation for each of the mines along with the year in which they commenced commercial production and expected date of closure is as follows:

26.1 Gold mines

	Mahad mine	Al Hajar mine	Sukhaybarat mine*	Bulghah mine	Al Amar mine	As Suq mine	Total
January 1, 2013	22,436,284	10,911,200	20,467,221	21,661,407	13,217,044	-	88,693,156
Utilization during the year	(1,721,053)	(5,379,390)	(152,090)	-	-	-	(7,252,533)
December 31, 2013	20,715,231	5,531,810	20,315,131	21,661,407	13,217,044	-	81,440,623
Additions during the year (Note 12)	5,416,381	1,727,802	4,457,752	3,286,600	2,611,812	16,977,850	34,478,197
Utilization during the year	-	(5,377,621)	(152,000)	-	-	-	(5,529,621)
December 31, 2014	**26,131,612**	**1,881,991**	**24,620,883**	**24,948,007**	**15,828,856**	**16,977,850**	**110,389,199**
Commenced commercial production in	1988	2001	1991	2001	2008	2014	
Expected closure date in	2019	2014**	2043	2020	2030	2018	

* The Sukhaybarat mine ceased its mining activities and current operations are limited to the carbon in leach ("CIL") processing of ore transferred from Bulghah mine.

** The feasibility study of the Al Hajar copper project, focusing on the resources and reserves estimates was completed on May 15, 2013 and the financial module of the project is currently under evaluation. After the finalization of evaluation, the expected date will be determined.

26.2 Al-Baitha bauxite mine

	Notes	Total
December 31, 2013		-
Additions during the year	13	18,288,131
Accretion of provision	37	568,400
December 31, 2014		**18,856,531**
Commenced commercial production in		2014
Expected closure date in		2059

26.3 Low grade bauxite, kaolin and magnesite mines

	Az Zabirah mine	Al-Ghazallah mine	Total
December 31, 2013	1,600,000	450,000	2,050,000
December 31, 2014	**1,600,000**	**450,000**	**2,050,000**
Commenced commercial production in	2008	2011	
Expected closure date in	2026	2028	

(All amounts in Saudi Riyals unless otherwise stated)

26. Provision for mine closure and reclamation (continued)

The provision for mine closure and reclamation represents the full amount of the estimated future closure and reclamation costs for the various operational mining properties, based on information currently available including closure plans and applicable regulations. Future changes, if any, in regulations and cost assumptions may be significant and will be recognized when determined.

The provision for mine closure and reclamation relates to the Group's gold, bauxite, low grade bauxite and kaolin mining activity, and, an update estimation of the phosphate mine and plant closure and rehabilitation works including facility decommissioning and dismantling; removal or treatment of waste materials; site and land rehabilitation is in progress.

27. Obligation under capital lease

During 2013, MAC on behalf of MBAC entered in a capital lease agreement with a financial institution. The lease payments under such agreements are due in monthly installments. The amounts of future payments under the leases are as follows:

	December 31, 2014	December 31, 2013
Future minimum lease payments	**61,108,225**	76,710,325
Less: financial charges not yet due	**(10,994,872)**	(16,714,995)
Net present value of minimum lease payments	**50,113,353**	59,995,330
Less: Current portion shown under current liabilities	**(10,948,977)**	(9,881,978)
Long term portion of obligation under capital leases	**39,164,376**	50,113,352

Maturity profile

Minimum lease payment falling due during years ending December 31:

2014	-	15,602,100
2015	**15,602,100**	15,602,100
2016	**15,602,100**	15,602,100
2017	**15,602,100**	15,602,100
2018	**14,301,925**	14,301,925
Total	**61,108,225**	76,710,325

The present value of minimum lease payments has been discounted at an effective interest rate of approximately 0.858% per month. The leased assets of SAR 52,544,181 (December 31, 2013: SAR 60,145,555) are pledged as security to the lessor (Note 12).

(All amounts in Saudi Riyals unless otherwise stated)

28. Long-term borrowings

28.1 Facilities approved

MPC, MAC, MRC, MBAC and MWASPC entered into Common Terms Agreements ("CTA") with the Public Investment Fund and consortiums of financial institutions and the Company (Ma'aden) entered into a Shariah compliant Syndicated Revolving Credit Facility Agreement.

The Group facilities granted comprise of the following as at December 31, 2014:

Facilities under Common Term Agreement	MPC facility granted on June 15, 2008	MAC facility granted on Nov. 30, 2010	MRC facility granted on Nov. 30, 2010	MBAC facility granted on Nov. 27, 2011	MWASPC facility granted on June 30, 2014	Ma'aden facility granted on Dec. 18, 2012	Total
Public Investment Fund ("PIF")	4,000,001,250	4,875,000,000	3,078,750,000	3,750,000,000	7,500,000,000	-	23,203,751,250
Islamic and commercial banks							
Procurement*	4,269,892,500	5,047,500,000	1,041,000,000	2,690,712,844	4,299,854,651	-	17,348,959,995
Commercial*	1,491,562,500	900,000,000	-	258,750,000	5,450,145,349	-	8,100,457,849
Al-Rajhi Bank	2,343,750,000	-	-	-	-	-	2,343,750,000
The Export Import Bank of Korea	1,500,000,000	-	-	-	-	-	1,500,000,000
Korea Export Insurance Corporation	750,000,000	-	-	-	-	-	750,000,000
Wakala	-	787,500,000	-	768,750,000	1,650,000,000	-	3,206,250,000
	10,355,205,000	6,735,000,000	1,041,000,000	3,718,212,844	11,400,000,000	-	33,249,417,844
Saudi Industrial Development Fund ("SIDF")	600,000,000	600,000,000	600,000,000	900,000,000	-	-	2,700,000,000
Riyal Murabaha facility (a working capital facility)	-	375,000,000	-	-	-	-	375,000,000
Sub-total	**14,955,206,250**	**12,585,000,000**	**4,719,750,000**	**8,368,212,844**	**18,900,000,000**	**-**	**59,528,169,094**
Syndicated Revolving Credit Facility Agreement	-	-	-	-	-	9,000,000,000	9,000,000,000
Total facilities granted	**14,955,206,250**	**12,585,000,000**	**4,719,750,000**	**8,368,212,844**	**18,900,000,000**	**9,000,000,000**	**68,528,169,094**

The financing agreements imposed the following conditions and financial covenants on each of the borrowing legal entities of the Group and if the conditions are met, the financial institutions will provide the long-term borrowing:

- the limitation on creation of additional liens and/or financing obligations by MPC, unless specifically allowed under the CTA;
- financial ratio maintenance;
- maximum capital expenditures allowed; and
- restriction on dividend distribution to shareholders.
- restriction on the term of the short-term investment with maturities of not more than six (6) months from the date of acquisition, of any Saudi Arabian commercial bank or any other international commercial bank of recognized standing.

MPC facility

*Banque Saudi Fransi and Mizuho Corporate Bank Limited act as agents for procurement facility and commercial facility, respectively.

MAC facility

On November 26, 2012, the contracts for US Dollar procurement and Saudi Riyal procurement were revised to increase the respective facility amounts. Accordingly, the CTA was also revised to reflect the new facility arrangement.

*Standard Chartered Bank acts as inter-creditor agent and as commercial facility agent, Bank Al Jazira acts as US Dollar procurement facility agent, as Saudi Riyal procurement facility agent, as US Dollar Wakala facility agent and as Saudi Riyal Wakala facility agent, SABB Securities Limited acts as onshore security agent and Riyadh Bank, London Branch acts as offshore security trustee and agent.

MRC facility

Facility Agent, SABB Securities Limited acts as Onshore Security Agent and Riyadh Bank, London Branch acts as Offshore Security Trustee and Agent.

MBAC facility

HSBC Saudi Arabia limited acts as Inter-creditor Agent and as Commercial Facility Agent, National Commercial bank acts as Dollar Procurement Facility Agent and Riyal Procurement Facility Agent, Bank Al Jazira acts as Wakala Facility Agent, HSBC Saudi Arabia limited acts as Onshore Security Agent and Riyad Bank, London Branch acts as Offshore Security Trustee and Agent.

MWASPC facility

*Islamic Development Bank and HSBC Saudi Arabia act as agents for procurement facility and Mizuho Corporate Bank Limited and Sumitomo Mitsui Banking Corporation act as agents for commercial facility.

Saudi Arabian Mining Company ("Ma'aden")

On December 18, 2012, the Company entered into a Shariah compliant Syndicated Revolving Credit Facility Agreement ("Murabaha Facility Agreement") and other agreements (together referred to as "financing agreements") totaling to SAR 9 billion. Final maturity for repayment of the loan is five years from the date of signing of the agreement. The facility is with a syndicate of local and international financial institutions, comprising of the following financial institutions:

Al-Rajhi Bank
Arab National Bank
Bank Al-Bilad
Bank AlJazira
Banque Saudi Fransi
J.P.Morgan Chase Bank, N.A., Riyadh Branch
Riyad Bank
Samba Financial Group
The National Commercial Bank
The Saudi British Bank
The Saudi Investment Bank

The financial covenants and conditions include the following with respect to standalone parent company only:

- EBITDA to Interest ratio shall not be less than three times otherwise dividend block will be triggered; and
- the total net debt to tangible net worth (parent company only) shall be less than or equal to three times otherwise an event of default will be triggered which is subject to a cure period of six months, or nine months if the Company has acted expeditiously to cure such breach by initiating the process for a rights issue.

(All amounts in Saudi Riyals unless otherwise stated)

28.2 Facilities utilized under the different CTAs

MPC facility

	December 31, 2014	December 31, 2013
Public Investment Fund	**3,334,401,042**	3,667,201,146
Less: Repaid during the year	**332,800,104**	332,800,104
Sub-total (Note 43.2)	**3,001,600,938**	3,334,401,042

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period, is in the range of LIBOR plus 0.5% per annum. Loan repayment started on June 30, 2012, on a six monthly basis, in equal principal repayments of SAR 166.4 million, with the final repayment of SAR 172.8 million on December 31, 2023 (Note 7).

Islamic and commercial banks		
Saudi Riyal procurement	**3,906,951,637**	4,099,096,800
Al-Rajhi Bank	**2,144,531,250**	2,250,000,000
The Export Import Bank of Korea	**1,337,250,000**	1,419,750,000
Commercial	**1,021,654,688**	1,071,900,000
Korea Export Insurance Corporation	**668,625,000**	709,875,000
	9,079,012,575	9,550,621,800
Less: Repaid during the year	**547,385,250**	471,609,225
Sub-total	**8,531,627,325**	9,079,012,575

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period is in the range of LIBOR plus 0.5% to 1.15% per annum.

The repayment of facilities started on June 30, 2012. All the repayments of the above facilities will be on a six monthly basis, starting at SAR 255.1 million and increasing over the term of the loan with the final repayment of SAR 1,285 million on December 31, 2023 (Note 7).

Saudi Industrial Development Fund	**540,000,000**	600,000,000
Less: Repaid during the year	**80,000,000**	60,000,000
Sub-total	**460,000,000**	540,000,000

The project follow-up cost paid during the drawdown amounted to SAR 6.3 million. Repayment of this loan started on February 26, 2013, on a six monthly basis, starting at SAR 40 million and increasing over the term of the loan with the final repayment of SAR 50 million on June 19, 2019 (Note 7).

Total MPC borrowings (Note 28.4)	**11,993,228,263**	12,953,413,617

(All amounts in Saudi Riyals unless otherwise stated)

28.2 Facilities utilized under the different CTAs (continued)

MAC facility

	December 31, 2014	December 31, 2013
Public Investment Fund (Note 43.2)	**4,775,062,500**	4,875,000,000

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period is LIBOR plus 1.5%.

The repayment of the loan will be in 24 installments on a six monthly basis starting from December 31, 2014. The repayments are starting at SAR 99.9 million and increasing over the term of the loan with the final repayment of SAR 1,218 million on June 30, 2026.

	December 31, 2014	December 31, 2013
Islamic and commercial banks		
Dollar procurement	**910,935,000**	930,000,000
Saudi Riyal procurement	**4,033,091,250**	4,117,500,000
Commercial	**881,550,000**	900,000,000
Wakala	**771,356,250**	787,500,000
Sub-total	**6,596,932,500**	6,735,000,000

The rate of commission on the principal amount (lease base amount in case of Wakala facilities) of the loan drawn for each commission period on all the US Dollar facilities is LIBOR plus a margin (mark-up in case of Wakala facilities) that varies over the term of the loan. The rate of commission on the principal amount (lease base amount in case of Wakala facilities) of the loan drawn for each commission period on all the Saudi Riyal facilities is Saudi Interbank Offered Rate ("SIBOR") plus a margin (mark-up in case of Wakala facilities) that varies over the term of the loan. The margin/mark-up on the principal amount of the loan drawn for each commission period is in the range of 1.65% to 2.75% per annum.

The repayment of the principal amounts of loans will start from December 31, 2014. The repayments are starting at SAR 138 million and increasing over the term of the loan with the final repayment of SAR 1,684 million on June 30, 2026.

	December 31, 2014	December 31, 2013
Saudi Industrial Development Fund	**570,000,000**	420,000,000

Repayment of the SIDF facility will start from February 4, 2015. The repayments are starting at SAR 25 million and increasing over the term of the loan with the final repayment of SAR 62.5 million on June 7, 2020.

	December 31, 2014	December 31, 2013
Riyal Murabaha facility	**375,000,000**	-

The rate of profit on the purchase price i.e. principal amount of the loan drawn for each commission period is Saudi Interbank Offered Rate ("SIBOR") plus 1.75%. The repayment of Murabaha facility is on 31 Mar 2016.

	December 31, 2014	December 31, 2013
Total MAC borrowings (Note 28.4)	**12,316,995,000**	12,030,000,000

(All amounts in Saudi Riyals unless otherwise stated)

28.2 Facilities utilized under the different CTAs (continued)

MRC facility

	December 31, 2014	December 31, 2013
Public Investment Fund (Note 43.2)	**2,938,383,972**	2,321,849,292
The rate of commission on the principal amount of the loan draw for each commission period is London Interbank Offered Rate ("LIBOR") plus 1.5%.		
The repayment of the principal amount of loan will be in 20 installments on a six monthly basis starting from December 31, 2016. The repayments are starting at SAR 30.8 million and increasing over the term of the loan with the final repayment of SAR 153.9 million on June 30, 2026.		
Islamic and commercial banks		
Riyal procurement	**983,317,601**	774,852,281
The rate of commission on the principal amount of the loan drawn for each commission period on all the Saudi Riyal facilities is Saudi Interbank Offered Rate ("SIBOR") plus a margin that varies over the term of the loan. The margin/mark-up on the principal amount of the loan drawn for each commission period is in the range of 1.65% to 2.45% per annum.		
The repayment of the principal amounts of loans will start from December 31, 2016. The repayments are starting at SAR 10.4 million and increasing over the term of the loan with the final repayment of SAR 13.5 million on June 30, 2026.		
Saudi Industrial Development Fund	**540,000,000**	480,000,000
Repayment of the SIDF facility will start from January 25, 2016. The repayments are starting at SAR 25 million and increasing over the term of the loan with the final repayment of SAR 62.5 million on July 19, 2021.		
Total MRC borrowings (Note 28.4)	**4,461,701,573**	3,576,701,573

(All amounts in Saudi Riyals unless otherwise stated)

28.2 Facilities utilized under the different CTAs (continued)

MBAC facility

	December 31, 2014	December 31, 2013
Public Investment Fund (Note 43.2)	**3,220,543,013**	1,961,113,684

The rate of commission on the principal amount of the loan drawn for each commission period is London Interbank Offered Rate ("LIBOR") plus 1.5%.

The repayment of the principal amount of PIF facility will be in 21 installments on a six monthly basis starting from June 30, 2017. The repayments are starting at SAR 75 million and increasing over the term of the loan with the final repayment of SAR 435 million on June 30, 2028.

	December 31, 2014	December 31, 2013
Islamic and commercial banks		
Dollar procurement	**678,624,769**	410,114,437
Riyal procurement	**1,605,283,155**	970,123,442
Commercial	**219,629,971**	132,729,346
Wakala	**768,749,963**	708,703,645
Sub-total	**3,272,287,858**	2,221,670,870

The rate of commission on the principal amount (lease base amount in case of wakala facilities) of the loan drawn for each commission period on the all the dollar facilities is LIBOR plus a margin (mark-up in case of wakala facilities) that varies over the term of the loan. The rate of commission on the principal amount (lease base amount in case of wakala facilities) of the loan drawn for each commission period on all the Saudi Riyal facilities is Saudi Interbank Offered Rate ("SIBOR") plus a margin (mark-up in case of wakala facilities) that varies over the term of the loan. The margin/mark-up on the principal amount of the loan drawn for each commission period is in the range of 1.45% to 2.4% per annum.

The repayment of the principal amounts of Islamic and commercial total approved facilities will start from June 30, 2017. The repayments are starting at SAR 74 million and increasing over the term of the loan with the final repayment of SAR 431 million on June 30, 2027.

	December 31, 2014	December 31, 2013
Saudi Industrial Development Fund	**375,000,000**	-

Repayment of the SIDF facility will start from July 2017. The repayments are starting at SAR 40 million and increasing over the term of the loan with the final repayment of SAR 80 million in April 2021. SIDF has withheld loan processing and evaluation fee of SAR 75 million.

	December 31, 2014	December 31, 2013
Total MBAC borrowings (Note 28.4)	**6,867,830,871**	4,182,784,554

(All amounts in Saudi Riyals unless otherwise stated)

28.2 Facilities utilized under the different CTAs (continued)

MWASPC facility

	December 31, 2014	December 31, 2013
Public Investment Fund (Note 43.2)	**2,149,327,518**	-

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period, is in the range of LIBOR plus 1.5% per annum.

The repayment of the principal amount of loan will be in 24 installments on a six monthly basis starting from June 30, 2019. The repayments are starting at SAR 112.5 million and increasing over the term of the loan with the final repayment of SAR 606 million on December 31, 2030.

	December 31, 2014	December 31, 2013
Islamic and commercial banks		
Dollar procurement facility	**90,144,283**	-
Saudi Riyal procurement facility	**775,955,587**	-
Wakala	**448,518,845**	-
Commercial facility	**1,378,217,847**	-
Sub-total	**2,692,836,562**	-

The rate of commission on the principal amount of the loan drawdown and outstanding for each commission period is LIBOR plus 1.25% to 2.10% per annum.

The repayment of the principal amounts of loans will start from June 30, 2019. The repayments are starting at SAR 171 million and increasing over the term of the loan with the final repayment of SAR 809 million on December 31, 2030.

	December 31, 2014	December 31, 2013
Total MWASPC borrowings (Note 28.4)	**4,842,164,080**	-

28.3 Facilities utilized under the Syndicated Revolving Credit Facility

Ma'aden

	December 31, 2014	December 31, 2013
Syndicated Revolving Credit Facility (Note 28.4)	**4,430,000,000**	-

The rate of commission on the principal amount of the borrowing drawdown is SIBOR plus 0.85% per annum.

28.4 Total borrowings

	December 31, 2014	December 31, 2013
Facilities utilized under:		
CTA (Note 28.2):		
MPC	**11,993,228,263**	12,953,413,617
MAC	**12,316,995,000**	12,030,000,000
MRC	**4,461,701,573**	3,576,701,573
MBAC	**6,867,830,871**	4,182,784,554
MWASPC	**4,842,164,080**	-
Syndicated Revolving Credit Facility (Note 28.3):		
Ma'aden	**4,430,000,000**	-
Sub-total	**44,911,919,787**	32,742,899,744
Less: Current portion of borrowings shown under current liabilities		
MPC	**1,048,211,379**	960,185,354
MAC	**526,010,000**	238,005,000
Sub-total	**1,574,221,379**	1,198,190,354
Long-term portion of borrowings	**43,337,698,408**	31,544,709,390

28.5 Maturity profile of long-term borrowings

	December 31, 2014	December 31, 2013
2014	-	1,198,190,354
2015	**1,574,221,379**	1,574,221,379
2016	**1,756,319,904**	1,756,319,904
2017	**6,601,245,918**	2,171,245,918
2018	**2,403,152,068**	2,403,152,068
Thereafter	**32,576,980,518**	23,639,770,121
Total	**44,911,919,787**	32,742,899,744

28.6 Facilities' currency denomination

Essentially all of the Company's facilities have been contracted in United States Dollar (US$) and the drawdown balances in US$ are shown below:

	December 31, 2014 (US$)	December 31, 2013 (US$)
Public Investment Fund	**4,289,311,451**	3,331,297,071
Islamic and commercial banks		
Procurement	**2,957,627,895**	2,605,180,630
Al-Rajhi Bank	**540,625,000**	571,875,000
The Export Import Bank of Korea	**328,000,000**	356,600,000
Korea Export Insurance Corporation	**164,000,000**	178,300,000
Commercial	**918,726,501**	547,835,742
US Dollar procurement	**447,921,081**	357,363,850
Wakala	**530,300,015**	398,987,639
Sub-total	**5,887,200,492**	5,016,142,861
Saudi Industrial Development Fund	**518,666,667**	384,000,000
Riyal Murabaha facility	**100,000,000**	-
Syndicated Revolving Credit Facility	**1,181,333,333**	-
Total	**11,976,511,943**	8,731,439,932

(All amounts in Saudi Riyals unless otherwise stated)

28.7 Security

The following assets were pledged as security for these long-term borrowings in accordance with the applicable CTAs:

	December 31, 2014	December 31, 2013
Property, plant and equipment (Note 12)	**37,117,483,423**	16,941,872,846
Capital work-in-progress (Note 13)	**23,402,531,540**	34,459,633,329
Intangible assets (Note 16)	**102,306,186**	-
Total	**60,622,321,149**	51,401,506,175

29. Due to joint venture partners

	December 31, 2014	December 31, 2013
Due to Alcoa Inc.*	**241,875,238**	139,561,363
Due to Mosaic **	**203,949,242**	187,482,328
Due to SABIC **	**112,489,397**	112,489,397
Total	**558,313,877**	439,533,088

*Due to Alcoa Inc. represents their share of 25.1% in joint venture project cost to extend the product mix of their aluminum complex, currently under construction at Ras Al Khair, to include automotive heat treated and non-heat treated sheet, building and construction sheet and foil stock sheet (Note 1).

**Due to Mosaic and SABIC represents their capital contribution to jointly develop a fully integrated phosphate production facility at Wa'ad Al Shamal Mineral Industrial City, such facility was incorporated in the Kingdom of Saudi Arabia under MWASPC (Note 1).

30. Share capital

		December 31, 2014	December 31, 2013
Authorized, issued and fully paid			
925,000,000	Ordinary shares with a nominal value of SAR 10 per share	**9,250,000,000**	9,250,000,000
243,478,261	Ordinary shares with a nominal value of SAR 10 per share, following a rights issue	**2,434,782,610**	-
1,168,478,261		**11,684,782,610**	9,250,000,000

On 20 Rabi Awal 1436H (corresponding to November 13, 2014) in the Extraordinary General Assembly Meeting, the shareholders of the Company approved the Board of Directors' recommendation to increase the share capital of the Company by way of a rights issue offering, amounting to SR 5,600,000,000. The rights issue offering resulted in the issuing of 243,478,261 ordinary shares at an exercise price of SR 23 per share (SR 10 nominal value plus premium of SR 13 per share) thereby increasing the share capital by SR 2,434,782,610 and share premium by SR 3,165,217,434.

During December 2014, the Company completed the rights issue offering and received the proceeds from the offering.

(All amounts in Saudi Riyals unless otherwise stated)

MA'ADEN

31. Share premium

		December 31, 2014	December 31, 2013
525,000,000	Ordinary shares with a nominal value of SAR 10 per share, issued at a premium of SAR 10 per share	**5,250,000,000**	5,250,000,000
243,478,261	Ordinary shares with a nominal value of SAR 10 per share, issued at a premium of SAR 13 per share	**3,165,217,434**	-
	Less: Transaction cost	**23,865,737**	-
	Net increase in share premium	**3,141,351,697**	-
768,478,261		**8,391,351,697**	5,250,000,000

32. Transfer of net income

	2014	2013
January 1	**561,660,119**	393,422,274
Transfer of 10% of net income for the year	**135,734,120**	168,237,845
December 31	**697,394,239**	561,660,119

In accordance with Regulations for Companies in Saudi Arabia, the Company has established a statutory reserve by transferring of 10% of the annual net income until such reserve equals 50% of the share capital. Such transfer is made on an annual basis and this reserve is not available for dividend distribution.

33. Non-controlling interest

	Share capital	Payments to increase share capital	Net income / (loss) attributable to non-controlling interest	Total
33.1 Ma'aden Aluminum Company				
January 1, 2013	1,206,249,381	-	(2,608,941)	1,203,640,440
Share of net loss for the year	-	-	(4,561,284)	(4,561,284)
Payments to increase share capital during the year	-	443,761,869	-	443,761,869
Increase in non-controlling interest during the year	443,761,869	(443,761,869)	-	-
December 31, 2013	1,650,011,250	-	(7,170,225)	1,642,841,025
Share of net income for the year	-	-	17,240,749	17,240,749
December 31, 2014	**1,650,011,250**	-	**10,070,524**	**1,660,081,774**

(All amounts in Saudi Riyals unless otherwise stated)

33. Non-controlling interest (continued)

	Share capital	Payments to increase share capital	Net income / (loss) attributable to non-controlling interest	Total
33.2 Ma'aden Rolling Company				
January 1, 2013	482,453,375	67,955,695	(1,016,960)	549,392,110
Share of net loss for the year	-	-	(1,130,129)	(1,130,129)
December 31, 2013	482,453,375	67,955,695	(2,147,089)	548,261,981
Share of net loss for the year			(4,263,464)	(4,263,464)
Payments to increase share capital during the year	-	85,185,220	-	85,185,220
Increase in non-controlling interest during the year	132,247,720	(132,247,720)	-	-
December 31, 2014	**614,701,095**	**20,893,195**	**(6,410,553)**	**629,183,737**
33.3 Ma'aden Bauxite and Alumina Company				
January 1, 2013	222,134,986	663,935,762	(1,536,772)	884,533,976
Share of net loss for the year	-	-	(3,499,601)	(3,499,601)
Payments to increase share capital during the year	-	112,950,000	-	112,950,000
Increase in non-controlling interest during the year	730,409,986	(730,409,986)	-	-
December 31, 2013	952,544,972	46,475,776	(5,036,373)	993,984,375
Share of net loss for the year			(2,406,099)	(2,406,099)
Payments to increase share capital during the year	-	259,399,597	-	259,399,597
Increase in non-controlling interest during the year	170,680,000	(170,680,000)	-	-
December 31, 2014	**1,123,224,972**	**135,195,373**	**(7,442,472)**	**1,250,977,873**
33.4 Ma'aden Phosphate Company				
January 1, 2013	1,862,544,000	-	507,172,016	2,369,716,016
Dividend paid during the year (Note 43.1)	-	-	(450,000,000)	(450,000,000)
Share of net income for the year	-	-	142,888,111	142,888,111
December 31, 2013	1,862,544,000	-	200,060,127	2,062,604,127
Share of net income for the year	-	-	369,953,099	369,953,099
December 31, 2014	**1,862,544,000**	**-**	**570,013,226**	**2,432,557,226**
33.5 Ma'aden Wa'ad Al Shamal Phosphate Company				
January 27, 2014 – date of incorporation	600,750	-	-	600,750
Issuance of non-controlling interest during the period	851,400,000	-	-	851,400,000
Share of net loss for the period	-	-	(1,236,162)	(1,236,162)
December 31, 2014	**852,000,750**	**-**	**(1,236,162)**	**850,764,588**

(All amounts in Saudi Riyals unless otherwise stated)

33. Non-controlling interest (continued)

33.6 Summary total

	Share capital	Payments to increase share capital	Net income / (loss) attributable to non-controlling interest	Total
January 1, 2013	3,773,381,742	731,891,457	502,009,343	5,007,282,542
Dividend paid during the year (Note 43.1)	-	-	(450,000,000)	(450,000,000)
Share of net income for the year	-	-	133,697,097	133,697,097
Payments to increase share capital during the year (Note 43.1)	-	556,711,869	-	556,711,869
Increase in non-controlling interest during the year	1,174,171,855	(1,174,171,855)	-	-
December 31, 2013	4,947,553,597	114,431,471	185,706,440	5,247,691,508
Share of net income for the year			379,288,123	379,288,123
Payments to increase share capital during the year (Note 43.1)	-	344,584,817	-	344,584,817
Increase in non-controlling interest during the period / year	1,154,928,470	(302,927,720)	-	852,000,750
December 31, 2014	**6,102,482,067**	**156,088,568**	**564,994,563**	**6,823,565,198**

(All amounts in Saudi Riyals unless otherwise stated)

34. Sales

	Year ended December 31, 2014	Year ended December 31, 2013
Phosphate segment		
Diammonium phosphate fertilizer	**4,098,250,476**	3,091,386,007
Ammonia	**1,302,796,696**	1,080,169,556
Low grade bauxite	**99,531,392**	95,875,428
Caustic calcined magnesia	**49,855,257**	33,410,744
Kaolin	**26,793,657**	21,265,319
Sub-total	**5,577,227,478**	4,322,107,054
Aluminum segment		
Since commencement of commercial production September 1, 2014	**2,376,424,767**	-
Before commencement of commercial production	**2,121,518,050**	1,015,155,686
Sub-total	**4,497,942,817**	1,015,155,686
Precious and base metals segment		
Gold	**715,132,467**	709,253,627
Infrastructure		
Infrastructure revenue	**1,580,125**	748,178
Total	**10,791,882,887**	6,047,264,545
Gold sales analysis		
Quantity of gold ounces (Oz) sold	**151,582**	138,512
Average realized price per ounce (Oz) in:		
US$	**1,258**	1,365
Saudi Riyals (equivalent)	**4,718**	5,121

(All amounts in Saudi Riyals unless otherwise stated)

35. Cost of sales

	Year ended December 31, 2014	Year ended December 31, 2013
Salaries and staff related benefits	**464,574,216**	263,455,759
Contracted services	**261,196,410**	125,841,850
Repairs and maintenance	**67,569,105**	51,856,427
Consumables	**110,504,633**	110,807,050
Overheads	**104,139,350**	70,470,827
Raw material and utilities consumed	**5,223,561,025**	3,021,983,236
Provision for inventory loss	**76,849,341**	65,877,481
Reversal of inventory obsolescence (Note 10)	**(1,046,546)**	(2,265,620)
Deferred stripping expense (Note 15)	**1,759,937**	8,971,469
Severance fees (Note 24)	**35,068,957**	37,828,408
Sale of by-products (Note 35.1)	**(32,611,346)**	(31,550,694)
Total cash operating costs	**6,311,565,082**	3,723,276,193
Depreciation (Note 12)	**1,497,774,622**	1,019,386,513
Amortization (Note 16)	**23,951,854**	18,746,009
Total operating costs	**7,833,291,558**	4,761,408,715
Increase in inventory (Note 10)	**(156,418,974)**	(223,628,356)
Total	**7,676,872,584**	4,537,780,359

35.1 Sale of by-products comprise of the following commodities:

Copper	**15,327,002**	18,218,080
Zinc	**13,339,033**	9,571,533
Silver	**3,945,311**	3,761,081
Total	**32,611,346**	31,550,694

36. Selling, marketing and logistic expenses

	Year ended December 31, 2014	Year ended December 31, 2013
Salaries and staff related benefits	**26,271,024**	21,624,168
Contracted services	**32,367,085**	2,617,306
Freight and overheads	**109,177,070**	14,576,398
Consumables	**234,946**	187,995
Deductibles	**144,417,478**	124,093,201
Marketing fees	**132,489,189**	101,231,466
Other selling expenses	**28,178,575**	22,140,809
Amortization (Note 16)	**9,706,448**	-
Total	**482,841,815**	286,471,343

(All amounts in Saudi Riyals unless otherwise stated)

37. General and administrative expenses

	Year ended December 31, 2014	Year ended December 31, 2013
Salaries and staff related benefits	**278,692,388**	241,184,415
Contracted services	**87,922,295**	140,560,114
Overheads and other	**44,300,370**	75,091,816
Consumables	**3,618,949**	4,335,954
Repair parts	**945,459**	531,727
Depreciation (Note 12)	**29,012,333**	14,628,287
Amortization (Note 16)	**649,444**	1,265,000
Accretion of provision for mine closure and reclamation (Note 26.2)	**568,400**	-
Total	**445,709,638**	477,597,313

38. Exploration and technical services expenses

	Year ended December 31, 2014	Year ended December 31, 2013
Salaries and staff related benefits	**61,667,647**	45,570,625
Contracted services	**88,945,684**	71,694,410
Overheads and other	**12,693,334**	13,144,135
Consumables	**3,407,632**	9,821,878
Repair parts	**1,538,917**	1,604,016
Impairment of exploration and evaluation asset (Note 14)	**21,306,251**	-
Total	**189,559,465**	141,835,064

39. Income from short-term investments

	Year ended December 31, 2014	Year ended December 31, 2013
Income received and accrued on short-term investment	**10,563,669**	26,627,550

40. Finance charges

	Year ended December 31, 2014	Year ended December 31, 2013
Public Investment Fund	**57,944,575**	35,096,061
Procurement	**86,722,727**	50,691,813
Al-Rajhi Bank	**26,727,423**	28,432,241
The Export Import Bank of Korea	**11,739,610**	14,382,631
Korea Export Insurance Corporation	**6,194,535**	7,532,282
Commercial	**20,512,072**	16,524,306
US Dollar procurement	**7,404,592**	-
Wakala	**9,370,520**	-
Saudi Industrial Development Fund	**8,748,000**	5,650,000
Riyal Murabaha Facility	**3,474,935**	-
Revolving Credit Facility	**62,238,584**	24,275,816
Others	**1,892,000**	-
Total (Note 40.1)	**302,969,573**	182,585,150

(All amounts in Saudi Riyals unless otherwise stated)

40.1 Summary of finance charges

	Year ended December 31, 2014	Year ended December 31, 2013
Expensed during the year (Note 40)	**302,969,573**	182,585,150
Capitalized as part of qualifying assets in capital work-in-progress during year (Note 13)	**590,885,515**	481,163,536
Total	**893,855,088**	663,748,686

41. Other income, net

	Year ended December 31, 2014	Year ended December 31, 2013
Other income, net	**101,534,028**	1,427,382,095

On August 5, 2013, the Company entered into an agreement with Mosaic and SABIC to jointly develop a fully integrated phosphate production facility known as the Umm Wu'al phosphate project (Note 1).

As per the agreement Mosaic and SABIC are liable to pay contractual dues to Ma'aden of SAR 1.44 billion in two installments and thereby recorded as other income. This amount is in addition to the historical cost incurred by Ma'aden on the project. First installment, 50% of SAR 1.44 billion, is received by Ma'aden during the year ended December 31, 2013 while the second installment of remaining 50% of the amount is due on June 30, 2016 (Note 18).

42. Earnings per ordinary share

	Year ended December 31, 2014	Year ended December 31, 2013
Net income attributable to the shareholders of the parent company	**1,357,341,201**	1,682,378,450
Weighted average number of ordinary shares in issue during the year (Note 30)	**986,920,191**	970,791,589
Basic and diluted earnings per ordinary share from continuing operations	**1.38**	1.73

Basic earnings per ordinary share is calculated by dividing the income attributable to the share-holders of the parent company by the weighted average number of ordinary shares in issue during the year.

(All amounts in Saudi Riyals unless otherwise stated)

43. Related party transactions and balances

43.1 Related party transactions

Transactions with related parties carried out during the year under audit, in the normal course of business, are summarized below:

	Year ended December 31, 2014	Year ended December 31, 2013
Sales through SABIC	**2,036,470,447**	2,626,763,424
Sales to Alcoa	**1,093,112,211**	327,839,306
Cost of seconded employees from Alcoa Inc.	**466,488,587**	410,233,253
Technology fee paid to Alcoa Inc.	**18,750,000**	18,750,000
Dividend paid to SABIC (Note 33.4 and 33.6)	-	450,000,000
Payments to increase share capital received from:		
Alcoa Inc. (Note 33.6)	**344,584,817**	556,711,869

43.2 Related party balances

	December 31, 2014	December 31, 2013
Amount due from / (to) related parties arising from transaction with related parties are as follows:		
Receivables from related parties		
Due from Alcoa Inc. (Note 9)	-	23,948,991
Due from SABIC (Note 9)	**426,937,770**	242,382,717
Due from SAMAPCO (Note 9)	**47,998,419**	47,998,419
Due from Saudi Mining Polytechnic (Note 9)	**4,813,789**	50,464,149
Due from Ma'aden Barrick Copper Company (Note 20)	**626,197,939**	-
Total	**1,105,947,917**	364,794,276
Payable to related parties		
Accrued expenses – Alcoa Inc. (Note 22)	**103,982,687**	83,763,220
Payments to increase share capital received from Alcoa Inc. (Note 33.6)	**156,088,568**	114,431,471
Total	**260,071,255**	198,194,691
Long-term borrowings from PIF, a 50% shareholder in Ma'aden		
Due to PIF for the financing of the :		
MPC facility (Note 28.2)	**3,001,600,938**	3,334,401,042
MAC facility (Note 28.2)	**4,775,062,500**	4,875,000,000
MRC facility (Note 28.2)	**2,938,383,972**	2,321,849,292
MBAC facility (Note 28.2)	**3,220,543,013**	1,961,113,684
MWASPC facility (Note 28.2)	**2,149,327,518**	-
Total	**16,084,917,941**	12,492,364,018

44. Operating lease agreements

	Year ended December 31, 2014	Year ended December 31, 2013
Payments under operating leases recognized as an expense during the year	**15,048,473**	19,782,551

Future minimum operating lease commitments due under these operating leases are as follows:

2014	-	20,088,856
2015	**8,428,856**	8,428,856
2016	**8,428,856**	8,428,856
2017	**7,206,356**	7,928,856
2018 through 2041	**55,655,288**	45,405,288
Total	**79,719,356**	90,280,712

Operating lease payments represent mainly rentals payable by the Group for mining lease areas. Leases are negotiated for an average term of 15 to 30 years.

45. Commitments and contingent liabilities

	December 31, 2014	December 31, 2013
Capital expenditures:		
Contracted for	**15,228,351,512**	12,717,132,437
Guarantees:		
Guarantees in favor of Saudi Aramco, for future diesel and gas feedstock supplies	**220,962,362**	220,962,362
Guarantees for the development of aluminum project*	**225,000,000**	225,000,000
Others	**157,080**	321,445
Total	**446,119,442**	446,283,807

*Ma'aden has received a back-to-back letter of credit, for the development of the aluminum project, from Alcoa for their proportionate share of 25.1% in aluminum companies, of the total amount of letter of credits submitted by Ma'aden to the Government.

Ma'aden has also provided guarantees to SIDF for making financing facilities available to:

- MAC, MRC and MBAC to the extent of its shareholding of 74.9% (Note 28.1 and 28.2), and
- MPC to the extent of its shareholding of 70% (Note 28.1 and 28.2).

46. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value risk, commission rate risk and commodity price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

46.1 Currency risk

Is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group transactions are principally in Saudi Riyals, Euros and US Dollars. Management monitors the fluctuations in currency exchange rates and believes that the currency risk is not significant.

46.2 Fair value risk

Is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. As the Group's financial instruments are compiled under the historical cost convention, differences can arise between the book values and fair value estimates. Management believes that the fair values of the Group's financial assets and liabilities are not materially different from their carrying values.

46.3 Commission rate risk

Is the exposure to various risks associated with the effect of fluctuations in the prevailing commission rates on the Group's financial position and cash flows. The Group's commission rate risks arise mainly from its short-term investments and long term-borrowings, which are at floating rate of commission and are subject to re-pricing on a regular basis. The Group monitors the fluctuations in commission rate.

Based on the Groups net debt outstanding as at December 31, 2014, the effect on net earnings of a 1% movement in the US Dollar LIBOR commission rate would be SAR 399 million (December 31, 2013: SAR 288 million). These balances will not remain consistent throughout 2014.

46.4 Commodity price risk

Gold is priced in an active market in which prices respond to daily changes in quantities. The Group's normal policy is to sell its products at prevailing market prices. The Group does not generally believe commodity price hedging would provide long-term benefit to the shareholders.

46.5 Credit risk

Is the risk that one party will fail to discharge an obligation and cause the other party to incur a financial loss. The Group is exposed to credit risk from its operating activities (pertaining to trade receivables mainly). However, the cash collection is made at time of sales delivery and from its financing activities, including deposits with banks and financial institutions. Credit limits are established for all customers based on internal rating criteria. Outstanding trade receivables are regularly monitored and any credit concerns highlighted to senior management. Cash and short-term investments are substantially placed with commercial banks with sound credit ratings.

The Group currently has two major customers which account for sales of approximately SAR 715 million, representing 7% of the Group's sales for the year ended December 31, 2014 (December 31, 2013: SAR 709 million representing 12% of Group's sales from two major customers). Trade receivables are carried net of allowance for doubtful debts, if needed.

46.6 Liquidity risk

Is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet any future commitments.

47. Events after the reporting date

No events have arisen subsequent to December 31, 2014 and before the date of signing the audit report, that could have a significant effect on the consolidated financial statements as at December 31, 2014.

48. Comparative figures

Certain comparative figures of the previous year have been reclassified, wherever necessary, to conform with the current year's presentation. Such reclassifications did not affect either the net worth or the net income of the Group for the previous or current year.

49. Contingent assets held and liabilities incurred under fiduciary administration

On January 6, 2013 MIC, a wholly owned subsidiary of Ma'aden, received an amount of USD 140 million (in a fiduciary capacity) from the Ministry of Finance of the Kingdom of Saudi Arabia, in accordance with the Council of Ministers' Resolution No 87, dated 28 Rabi ul Awal 1433H (corresponding to February 20, 2012), for the purpose of establishing an industrial city in the Northern Borders Province, by the name of "Waad Al-Shamal City for Mining Industries". The aggregate amount represents part payment of the following two amounts approved by the Council of Ministers:

- USD 500 million for the design and construction of the basic infrastructure and required utilities of the industrial city, and
- USD 200 million for the design and construction of the housing and required social facilities for the proposed industrial city.

An additional amount of USD 250 million has been received during the year and these amounts have been deposited in a separate bank account and does not form part of MIC's available cash resources and has been accounted for in its own standalone accounting records and has not been integrated with MIC's accounting records. The amounts can only be utilized for the designated purpose in accordance with the Council of Ministers Resolution and replenished based on the presentation of supporting documents for the expenditures incurred, in accordance with the applicable Governments Regulations. Total net assets of the project as of December 31, 2014 amounted to SAR 1,462,500,000 million (December 31, 2013: SAR 525,000,000).

(All amounts in Saudi Riyals unless otherwise stated)

50. Detailed information about the subsidiaries and jointly controlled entities

		Issued, paid-up and partly paid-up share capital		Effective group interest %		Cost of investment by parent company	
Subsidiary	**Nature of business**	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Ma'aden Gold and Base Metals Company ("MGBM")	Gold mining	**867,000,000**	300,000,000	**100**	100	**867,000,000**	300,000,000
Ma'aden Infrastructure Company ("MIC")	Manage and develop infrastructure projects	**500,000**	500,000	**100**	100	**500,000**	500,000
Industrial Minerals Company ("IMC")	Kaolin, low grade bauxite and magnesite mining	**344,855,200**	344,855,200	**100**	100	**344,855,200**	344,855,200
Ma'aden Aluminum Company ("MAC")	Aluminum ingots, t-bars, slabs and billets	**6,573,750,000**	6,573,750,000	**74.9**	74.9	**4,923,738,750**	4,923,738,750
Ma'aden Rolling Company ("MRC")	Aluminum sheets for can body and lids	**2,449,008,348**	1,922,125,000	**74.9**	74.9	**1,834,307,253**	1,439,671,625
Ma'aden Bauxite and Alumina Company ("MBAC")	Bauxite mining and refining	**4,474,999,888**	3,794,999,888	**74.9**	74.9	**3,351,774,916**	2,842,454,916
Ma'aden Phosphate Company ("MPC")	Phosphate mining and fertilizer producer	**6,208,480,000**	6,208,480,000	**70**	70	**4,345,936,000**	4,345,936,000
Ma'aden Wa'ad Al Shamal Phosphate Company ("MWASPC")	Phosphate mining and fertilizer producer	**2,130,001,875**	-	**60**	-	**1,278,001,125**	-
						16,946,113,244	14,197,156,491
Jointly controlled entity							
Sahara and Ma'aden Petrochemical Company ("SAMAPCO")	Production of concentrated caustic soda and ethylene dichloride	**900,000,000**	900,000,000	**50**	50	**450,000,000**	450,000,000
Ma'aden Barrick Copper Company ("MBCC")	Production of copper, silver, zinc, nickel, gold, lead, sulphur and cobalt	**10,000,000**	-	**50**	-	**5,000,000**	-

All the subsidiaries and jointly controlled entity listed above are incorporated in the Kingdom of Saudi Arabia (Note 1).