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Eurasian Resources Group

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MEDIA RELEASE

Eurasian Resources Group enters the Kingdom of Saudi Arabia, plans long-term investment

Foundation for tech-enabled early-stage exploration, collaborative initiatives and local talent acquisition already in place.

RIYADH (25 January 2023) – Following the World Economic Forum (WEF) held in Davos last week and the agreements achieved at the Future Minerals Forum in Saudi Arabia, Eurasian Resources Group (“ERG” or “The Group”) discloses its intention to invest in the Kingdom for the long term. A leading diversified natural resources group headquartered in Luxembourg, ERG plans to invest \$50 million in the market, with the potential to grow this figure year-on-year.

ERG’s market entry to the Kingdom is a natural move to expand its existing global footprint, now spanning more than 16 countries. ERG states that its two offices, in Riyadh and Jeddah, will be central to the Group’s regional development strategy focused on its growth in the Middle East and North Africa regions.

ERG will prioritise large scale, tech-enabled early-stage exploration for battery transition minerals in the Ad Dawidimi region of the Kingdom, where it has already secured licenses and is actively pursuing further exploration ground.

Benedikt Sobotka, CEO of ERG, said, “The World Bank estimates 75% of global exploration spend goes to only 10 countries. This is not sustainable if we want to meet the exponential demand for minerals needed to power the global energy transition. ERG is seasoned in entering new frontier markets, those previously overlooked, untapped or underexplored, and is looking forward to embarking on this journey with the Kingdom. Saudi Arabia provides exceptional conditions to help us to continue producing essential materials for the production of batteries and renewable energy systems in the long term: large-scale maiden exploration ground with sound prospectivity, a young, ambitious and highly-skilled workforce, established infrastructure, stable and affordable power, a supportive legal framework for investment and the political will to capitalise on its mineral wealth.”

“Under *Vision 2030* and its Mining Strategy, Saudi Arabia has taken steps through legal reform and access to high-quality geological data to make its estimated \$1.3 trillion worth of minerals attractive to explorers and investors. ERG is committed to long-term investment in the region and intends to

leverage the full suite of incentives under the new Mining Investment Law to support its efforts,” said **Dr. Alexander Machkevitch, ERG Chairman of the Board of Directors.**

At WEF, Dr Machkevitch joined His Excellency Khalid A. Al-Falih, the Kingdom’s Minister of Investment, in a closed session hosted by his ministry to discuss how the energy transition is impacting downstream industries.

This session holds particular relevance as ERG is assessing opportunities to identify and develop resources, and, where possible, to increase captive supplies through downstream facilities – which could potentially include processing facilities for battery precursors.

In addition, through ERG Technology Intelligence, ERG plans to employ the latest technologies in its exploration and mining activities, including incubating prototypes such as the NOMAD (a Tele-operated Remote Sampling System) directly in the field.

Jonathan Cordero, Head of Corporate Development at ERG, said, “Implementing smart technologies from the get-go will allow us to leapfrog traditional exploration and mining methods and reap significant benefits – from improved workforce safety and lower carbon emissions, to enhanced productivity and efficiency. Sustainable development is the bedrock of our business strategy and starting operations with a blank canvas gives us the opportunity to innovate and embed sustainable practices right from the start.”

With collaboration being central to its DNA, ERG intends to advance technological development through industry partnerships in the Kingdom. During the Future Minerals Forum, ERG signed an MOU with Ma’aden to build a best-in-class technology hub to further investigate efficient and cutting-edge ways to accelerate exploration within the Kingdom to sustainably meet mineral demand. This collaboration will be extended to include other relevant industry players in the future.

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About Eurasian Resources Group:

Eurasian Resources Group (ERG) is a leading diversified natural resources group headquartered in Luxembourg with integrated mining, processing, energy, logistics, and marketing operations. The Group operates in 16 countries and is a major employer in the industry with more than 75,000 people working for it.

In **Kazakhstan**, ERG represents one third of the metals and mining industry. It is also a key power supplier and a large railway operator in Central Asia. ERG is the world’s largest high-carbon ferrochrome producer by chrome content. It is also one of the largest suppliers of alumina and iron ore in Eurasia and the only producer of high-grade aluminium in the Republic of Kazakhstan. In 2022 ERG announced plans to invest nearly KZT 110 billion (ca. USD 230 million) in building a major wind power plant in Kazakhstan to be commissioned in 2024. The new renewable energy facility will have a capacity of up to 155 MW and is expected to reduce CO2 emissions by around 520,000 tons annually.

In the **Kingdom of Saudi Arabia**, ERG is focused on adopting a technological leadership position through industry partnerships, with the Kingdom serving as a strategic base for an advanced, high-

impact hub to sustainably meet mineral demand. ERG intends to expedite early-stage exploration in the Kingdom to help meet the surging demand for battery metals, by deploying innovative and sustainable exploration technologies through its Technology Intelligence division.

In **Africa**, ERG mines and produces copper and cobalt hydroxide in the Democratic Republic of the Congo and is the world's second largest standalone cobalt producer. The Group has further development projects in thermal coal, manganese, platinum, bauxite and fluorspar in South Africa, Zimbabwe, Mali and Mozambique. ERG controls its own supply chain on the continent through its logistics company SABOT.

In the State of Bahia in **Brazil**, ERG is pioneering an integrated mining and logistics project comprising the Pedra de Ferro iron ore mine, the Porto Sul deep-water port and the associated new FIOLE broad-gauge railway.

ERG is a Strategic Partner Associate of the **World Economic Forum** and a founding member of the **Global Battery Alliance** (GBA) which is dedicated to establishing a sustainable and responsible global supply chain for the lithium-ion batteries that can power the Fourth Industrial Revolution and a low carbon economy through mobile devices, electric vehicles and renewable energy systems. Since its establishment in 2017, the GBA has grown into a partnership with of more than 130 businesses, governments, academics, industry actors, international and non-governmental organisation.

ERG is also a co-founder of the **Re|Source** initiative, working together with CMOC, Glencore, Umicore and Tesla. The initiative uses blockchain to track cobalt and other battery materials in real operating conditions from the mine to an electric vehicle.

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