MA'ADEN

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

Unaudited consolidated interim financial statements
for the quarter and nine months ended September 30, 2011

Commercial registration number	1010164391	
Directors	Engr. Abdallah Bin Saif Al-Saif	Chairman
	Mr. Mansour Bin Saleh Al-Maiman	
	H.E. Soliman Bin Saad Al-Hamyyd	
	H.E. Mohammed Bin Abdullah Al-Kharashi	
	Mr. Sultan Bin Jamal Shawli	
	Dr. Ziad Bin Abdulrahman Al-Sudairy	
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Independent auditor's review report to the shareholders of
Saudi Arabian Mining Company (Ma'aden)
(A Saudi Arabian joint stock company)

Scope of review

We have reviewed the accompanying consolidated interim balance sheet of Saudi Arabian Mining Company ("Ma'aden" or the "Company") and its subsidiaries (collectively referred to as the "Group") as of September 30, 2011 and the related consolidated interim statements of income for the three-month and nine-month periods ended September 30, 2011 and the changes in shareholders' equity and cash flows for the nine month period then ended, and the notes from 1 to 40 which form an integral part of these consolidated interim financial statements. These consolidated interim financial statements are the responsibility of the Group's management.

We conducted our limited review in accordance with the standard of review of interim financial reporting issued by the Saudi Organization for Certified Public Accountants. A limited review consists principally of applying analytical procedures to financial data and information and making inquiries of persons responsible for financial and accounting matters. The scope of the limited review is substantially less than an audit conducted in accordance with the auditing standards generally accepted in Saudi Arabia, the objective of which is the expression of an opinion regarding the consolidated interim financial statements taken as a whole. Accordingly, we do not express such an opinion.

Conclusion

Based on our limited review, we are not aware of any material modifications that should be made to the accompanying consolidated interim financial statements of the Group for them to be in conformity with the accounting principles generally accepted in Saudi Arabia appropriate to the circumstances of the Group.

PricewaterhouseCoopers

By: ____________________
Omar M. Al Sagga
License Number 369

برايس وترهاوس كوبرز
محاسبون قانونيون
ترخيص رقم ٢٥
PRICEWATERHOUSECOOPERS
CERTIFIED PUBLIC ACCOUNTANTS
LICENSE NO. 25

October 17, 2011
Riyadh
Kingdom of Saudi Arabia

SAUDI ARABIAN MINING COMPANY (MA'ADEN)
(A Saudi Arabian joint stock company)
Consolidated interim balance sheet as at September 30, 2011 (Unaudited)
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	September 30 2011	September 30 2010	December 31 2010
Assets				
Current assets				
Cash and cash equivalents	7	**2,984,022,366**	1,658,685,495	2,922,153,380
Short-term investments	8	**5,812,434,348**	9,765,731,628	8,783,974,813
Trade and other receivables	9	**455,481,455**	74,596,444	29,962,995
Inventories	10	**629,660,768**	216,687,365	303,911,264
Advances and prepayments	11	**627,835,988**	373,563,181	327,637,445
Due from Government	12	**-**	61,045,987	61,045,987
		10,509,434,925	12,150,310,100	12,428,685,884
Non-current assets				
Advances and prepayments	11	**75,546,935**	30,992,204	85,759,425
Investment in joint venture	13	**450,000,000**	-	-
Property, plant and equipment	14	**181,623,892**	206,770,881	212,586,444
Pre-operating expenses and deferred charges	15	**3,539,023,193**	1,783,134,882	2,007,235,144
Capital work-in-progress	16	**23,235,760,265**	18,190,516,294	19,982,591,888
		27,481,954,285	20,211,414,261	22,288,172,901
Total assets		**37,991,389,210**	32,361,724,361	34,716,858,785
Liabilities				
Current liabilities				
Projects and other payables	17	**1,649,237,899**	576,726,527	768,220,438
Accrued expenses	18	**924,420,014**	826,317,386	1,266,691,257
Zakat payable	19.2	**62,071,136**	100,222,708	207,342,181
Severance fees payable	20	**62,496,731**	36,865,948	54,454,280
Current portion of long-term borrowings	23	**630,279,772**	-	-
		3,328,505,552	1,540,132,569	2,296,708,156
Non-current liabilities				
Provision for mine closure and reclamation	21	**90,923,831**	91,293,571	90,923,831
Employee termination benefits	22	**124,611,071**	102,632,927	104,607,572
Long-term borrowings	23	**15,140,764,854**	12,140,298,653	13,517,087,339
		15,356,299,756	12,334,225,151	13,712,618,742
Total liabilities		**18,684,805,308**	13,874,357,720	16,009,326,898
Shareholders' equity				
Share capital	24	**9,250,000,000**	9,250,000,000	9,250,000,000
Statutory reserve				
Share premium	25	**5,250,000,000**	5,250,000,000	5,250,000,000
Transfer of net income	26	**242,996,397**	242,996,397	242,996,397
Retained earnings		**1,963,810,504**	1,890,976,830	1,830,125,296
Equity attributable to shareholders' of the parent company		**16,706,806,901**	16,633,973,227	16,573,121,693
Non-controlling interest	27	**2,599,777,001**	1,853,393,414	2,134,410,194
Total equity		**19,306,583,902**	18,487,366,641	18,707,531,887
Total liabilities and equity		**37,991,389,210**	32,361,724,361	34,716,858,785
Commitments and contingent liabilities	36			

SAUDI ARABIAN MINING COMPANY (MA'ADEN)
(A Saudi Arabian joint stock company)
Consolidated interim statement of income for the quarter and nine months ended September 30, 2011 (Unaudited)
(All amounts in Saudi Riyals unless otherwise stated)

		Quarter ended		Nine months ended		Year ended
	Notes	September 30 2011	September 30 2010	September 30 2011	September 30 2010	December 31 2010
Sales	28	**224,956,970**	159,410,441	**675,760,284**	510,209,599	706,512,774
Cost of sales	29	**(72,401,596)**	(75,370,918)	**(235,021,652)**	(235,946,052)	(321,174,545)
Gross profit		**152,555,374**	84,039,523	**440,738,632**	274,263,547	385,338,229
Operating expenses						
General and administrative expenses	30	**(56,198,886)**	(61,863,961)	**(171,311,774)**	(158,061,775)	(214,156,213)
Exploration expenses	31	**(22,798,061)**	(20,517,696)	**(76,590,901)**	(53,636,126)	(78,156,089)
Technical services expenses		**(4,460,930)**	(4,122,883)	**(14,532,998)**	(9,285,685)	(14,050,195)
Operating income		**69,097,497**	(2,465,017)	**178,302,959**	53,279,961	78,975,732
Other (expenses) / income						
Provision for severance fees	20	**(26,209,110)**	(12,338,479)	**(64,095,626)**	(36,584,267)	(54,543,721)
Income from short-term investments	32	**15,176,741**	45,434,908	**61,086,224**	129,145,752	168,259,012
Other (expenses) / income		**465,292**	2,696,594	**(2,638,746)**	3,487,573	247,295
Income before zakat		**58,530,420**	33,328,006	**172,654,811**	149,329,019	192,938,318
Provision for zakat	19.2	**(31,344,016)**	(34,085,427)	**(40,510,547)**	(100,369,170)	(207,317,723)
Net income / (loss) for the period / year		**27,186,404**	(757,421)	**132,144,264**	48,959,849	(14,379,405)
Net income / (loss) attributable to:						
Shareholders' of the parent company		**27,413,864**	(202,187)	**133,685,208**	51,663,720	(9,187,814)
Non-controlling interest's share of period's / year's loss in a subsidiary company	27	**(227,460)**	(555,234)	**(1,540,944)**	(2,703,871)	(5,191,591)
		27,186,404	(757,421)	**132,144,264**	48,959,849	(14,379,405)
Earnings per ordinary share (Saudi Riyals)						
Operating income per share		**0.08**	(0.003)	**0.19**	0.06	0.09
Basic and diluted earnings / (loss) per share from continuing operations	33	**0.03**	(0.001)	**0.14**	0.06	(0.01)

MA'ADEN

Consolidated interim statement of changes in shareholders' equity for the nine months ended September 30, 2011 (Unaudited)

(All amounts in Saudi Riyals unless otherwise stated)

	Notes	Equity attributable to shareholders of the parent company						
			Statutory reserve					
		Share capital	Share premium	Transfer of net income	Retained earnings	Total	Non-controlling interest	Total
January 1, 2010		9,250,000,000	5,250,000,000	242,996,397	1,839,313,110	16,582,309,507	1,782,303,285	18,364,612,792
Net income / (loss) for the period		-	-	-	51,663,720	51,663,720	(2,703,871)	48,959,849
Increase in non-controlling interest	27	-	-	-	-	-	73,794,000	73,794,000
September 30, 2010		9,250,000,000	5,250,000,000	242,996,397	1,890,976,830	16,633,973,227	1,853,393,414	18,487,366,641
Net loss for the remainder of the period		-	-	-	(60,851,534)	(60,851,534)	(2,487,720)	(63,339,254)
Increase in non-controlling interest	27	-	-	-	-	-	283,504,500	283,504,500
December 31, 2010		9,250,000,000	5,250,000,000	242,996,397	1,830,125,296	16,573,121,693	2,134,410,194	18,707,531,887
Net income / (loss) for the period		-	-	-	133,685,208	133,685,208	(1,540,944)	132,144,264
Increase in non-controlling interest	27	-	-	-	-	-	466,907,751	466,907,751
September 30, 2011		**9,250,000,000**	**5,250,000,000**	**242,996,397**	**1,963,810,504**	**16,706,806,901**	**2,599,777,001**	**19,306,583,902**

MA'ADEN

Consolidated interim statement of cash flows for the nine months ended September 30, 2011 (Unaudited)
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	Nine months ended September 30 2011	Nine months ended September 30 2010	Year ended December 31 2010
Operating activities				
Income before zakat		**172,654,811**	149,329,019	192,938,318
Adjustments for non-cash flow items:				
(Reversal) / increase of allowance for inventory obsolescence	10	**(2,985,832)**	-	8,447,524
Depreciation	14	**47,984,424**	61,784,261	77,850,130
Adjustment / written-off property, plant and equipment	14	**-**	-	106,432
Amortization of pre-operating expenses and deferred charges (mine closure)	15	**15,770,854**	14,591,271	17,566,221
Written-off pre-operating expenses and deferred charges	15	**-**	-	1,165,457
Provision for severance fees	20	**64,095,626**	36,584,267	54,543,721
Provision for employee termination benefits	22	**29,008,239**	19,731,092	27,413,350
Income from short term investments	32	**(61,086,224)**	(129,145,752)	(168,259,012)
Changes in working capital:				
Trade and other receivables	9	**(425,518,460)**	(43,035,707)	1,597,742
Inventories	10	**(322,763,672)**	(10,928,515)	(106,599,938)
Advances and prepayments	11	**(289,986,053)**	(93,875,272)	(102,716,757)
Due from Government	12	**61,045,987**	-	-
Projects and other payables	17	**881,017,461**	(46,733,974)	141,234,124
Accrued expenses	18	**(342,271,243)**	(142,322,970)	298,050,901
Zakat paid	19.2	**(185,781,592)**	(268,706,962)	(268,536,042)
Severance fee paid	20	**(56,053,175)**	(44,861,234)	(45,232,356)
Employee termination benefits paid	22	**(9,004,740)**	(2,085,988)	(7,793,601)
Net cash (utilized in) / generated from operating activities		**(423,873,589)**	(499,676,464)	121,776,214
Investing activities				
Income received from short-term investments		**84,081,755**	30,656,823	146,637,549
Short-term investments	8	**2,948,544,934**	(1,497,168,839)	(592,279,490)
Investment in joint venture	13	**(181,730,185)**	-	-
Additions to pre-operating expenses and deferred charges	15	**(1,579,498,790)**	(820,523,933)	(602,948,541)
Additions to capital work-in-progress	16	**(3,506,520,177)**	(2,356,834,510)	(4,613,557,956)
Net cash utilized in investing activities		**(2,235,122,463)**	(4,643,870,459)	(5,662,148,438)
Financing activities				
Proceeds from long-term borrowings received	23	**2,253,957,287**	3,357,300,481	4,734,089,167
Changes in non-controlling interest	27	**466,907,751**	73,794,000	357,298,500
Net cash generated from financing activities		**2,720,865,038**	3,431,094,481	5,091,387,667

(All amounts in Saudi Riyals unless otherwise stated)

	Notes	Nine months ended September 30 2011	Nine months ended September 30 2010	Year ended December 31 2010
Net change in cash and cash equivalents		**61,868,986**	(1,712,452,442)	(448,984,557)
Cash and cash equivalents at beginning of period / year		**2,922,153,380**	3,371,137,937	3,371,137,937
Cash and cash equivalents at the end of the period / year	7	**2,984,022,366**	1,658,685,495	2,922,153,380
Non-cash flow transactions :				
Utilization of mines closure provision	21	**-**	-	3,525,813
Transfer from capital work-in-progress to property, plant and equipment	14,16	**17,940,195**	27,760,360	39,708,413
Provision for mine closure charged to pre-operating expenses and deferred charges	15, 21	**-**	-	3,156,073
Transfer from pre-operating expenses and deferred charges to investment in joint venture	13,15	**31,939,887**	-	-
Transfer from capital work-in-progress to investment in joint venture	13,16	**236,329,928**	-	-

(All amounts in Saudi Riyals unless otherwise stated)

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 share capital of SAR 9,250,000,000 (Nine billion and two hundred fifty million Saudi Riyals) divided into 925,000,000 (Nine hundred and twenty five million) ordinary shares with a nominal value of SAR 10 each.

The objectives of the Company and its subsidiaries (the "Group") are to engage 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 therefrom; 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 and Kaolin mines. Currently the Group mainly mines gold and low-grade bauxite.

The Group's major projects are phosphate, aluminum, and infrastructure and these are principally in the development stage.

The objective of the phosphate project is to exploit the Al Jalamid phosphate deposits in the Kingdom of Saudi Arabia and to manufacture diammonium phosphate ("DAP"), monoammonium phosphate ("MAP") and ammonia fertilizer products. The capital cost of the project is estimated to be SAR 21 billion.

The objective of the aluminum project is to develop the 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 an agreement with Alcoa Inc 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 total cost of the project is estimated to be SAR 40.5 billion. Alcoa Inc also agreed to reimburse the Company for 25.1% of the aluminum project's costs incurred by the Company before Alcoa Inc's participation. As of September 30, 2011, an amount of Saudi Riyals 127.5 million has been received from Alcoa Inc in respect of its agreed portion of the aluminum project's costs. The remaining portion of Alcoa Inc's share related to the aluminum project is currently under review.

The infrastructure project relates to the development, construction and delivery of services in the Ras Al-Khair area, and other mining and industrial locations of the Company as required.

2. Group structure

The Company has the following subsidiaries and joint venture, all incorporated in the Kingdom of Saudi Arabia:

Subsidiary	Type of company	Effective ownership at September 30, 2011	2010
Ma'aden Gold and Base Metals Company ("MGBM")	Limited liability company	**100%**	100%
Ma'aden Phosphate Company ("MPC")	Limited liability company	**70%**	70%
Ma'aden Infrastructure Company ("MIC")	Limited liability company	**100%**	100%
Ma'aden Industrial Minerals Company ("MIMC")	Limited liability company	**100%**	100%
Ma'aden Aluminum Company ("MAC")	Limited liability company	**74.9%**	-
Ma'aden Rolling Company ("MRC")	Limited liability company	**74.9%**	-
Ma'aden Bauxite and Alumina Company ("MBAC")	Limited liability company	**74.9%**	-
Joint venture			
Sahara and Ma'aden Petrochemical Company ("SAMAPCO")	Limited liability company	**50%**	-

MGBM was incorporated on August 9, 1989, which was then managed by Petromin and thereafter its assets were transferred to Ma'aden as a part of its capital. MGBM's activities are mainly related to the production and exploration of gold and associated minerals existing within their leased area by way of drilling, mining, concentrating, smelting to than extract, refine, export and sell such minerals in their original or refined form.

MPC was incorporated on January 1, 2008 to be a phosphate fertilizer producer and is currently in the development stage. Saudi Basic Industries Corporation ("SABIC") holds a 30% interest in MPC, and it is accounted for as non-controlling interest in these consolidated interim financial statements. Accordingly, non-controlling interest in the consolidated interim balance sheet, and loss/profit attributable to non-controlling interest in these consolidated interim statement of income, represent SABIC's share in the net assets and loss of MPC. During March 2010, the shareholders of MPC passed a resolution to increase the share capital of MPC by issuing 24,598 ordinary shares at a nominal value of SAR 245,980,000. The Company and SABIC paid their proportion of the increase in share capital amounting to SAR 245,980,000 during the year ended December 31, 2010.

MIC was incorporated on August 17, 2008 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 of the Group.

MIMC was incorporated on March 31, 2009 to manage the industrial minerals sector of the Group. Its activities are mainly related to exploring and developing industrial minerals.

MAC was incorporated on October 10, 2010 and is currently in the development stage. Its activities are mainly related to production of aluminum ingots, t-bars, slabs and billets. Alcoa Inc, through its subsidiary Alcoa Smelting Inversiones S.L Company ("ASC") holds a 25.1% interest in MAC, which is accounted for as non-controlling interest in these consolidated interim financial statements. MAC is a company incorporated in Saudi Arabia and is a subsidiary of Ma'aden.

MRC was incorporated on October 10, 2010 and is currently in the development stage. Its activities are mainly related to the production of aluminum sheets for can body and lids. Alcoa Inc, through its subsidiary Alcoa Saudi Rolling Inversiones S.L Company ("ARC") holds a 25.1% interest in MRC, which is accounted for as non-controlling interest in these consolidated interim financial statements. MRC is a company incorporated in Saudi Arabia and is a subsidiary of Ma'aden.

MBAC was incorporated on January 22, 2011 and is currently in the development stage. Its activities are mainly related to the production and refining of bauxite and to the production of alumina. Alcoa Inc, through its subsidiary AWA Saudi Limited holds a 25.1% interest in MBAC, which is accounted for as non-controlling interest in these consolidated interim financial statements. MBAC is a company incorporated in Saudi Arabia and is a subsidiary of Ma'aden.

SAMAPCO was incorporated on August 14, 2011 and is currently in the development phase. Its activities are mainly related to the production of concentrated caustic soda and ethylene dichloride and to the supply of the entire production of concentrated caustic soda to alumina refinery at Ma'aden Bauxite and Alumina Company. The project is a 50:50% joint venture between Ma'aden and Sahara Petrochemicals, which is accounted for as an investment in joint venture under equity method of accounting in these consolidated interim financial statements. SAMAPCO is a company incorporated in Saudi Arabia and is a joint venture company of Ma'aden.

The financial year ends of all the subsidiaries and joint venture coincide with that of the parent company.

3. Basis of preparation

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

The consolidated interim financial statements have been prepared in accordance with SOCPA's standard of interim financial reports, on the basis of integrated periods, which views each interim period as an integral part of the financial year. Accordingly, revenues, gains, expenses, and losses of the period are recognized during the relevant period.

The results of the operation for an interim period may not be indicative of the annual results of operations.

These consolidated interim 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 interim financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

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 fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase 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, plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Goodwill arising from acquisition of subsidiaries is reported under "intangible assets" in the accompanying balance sheet. Goodwill is tested annually for impairment and carried at cost, net of any accumulated amortization and impairment losses, if any.

Inter-company transactions, balances and unrealized gains or losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Joint venture

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 financial statements prepared up to a date not earlier than three months before the date of the consolidated statement of financial position, 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 interim balance sheet 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 interim statement of income.

4.3 Cash and cash equivalents

Cash and cash equivalents balance includes cash on hand, cash in banks and time deposits with original maturity of three months or less at the date of acquisition.

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 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 interim 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 interim statement of income.

4.6 Inventories

Refined metals

Refined metals are measured at the lower of net cost of production or net realizable value. The net 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
- production overheads.

Work-in-process

The cost of work-in-process is determined using weighted average basis.

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 it 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 due to economic viability, it is valued at the lower of net cost of production of net realizable value. Quantities of stockpiles and work-in-process are assessed primarily through surveys and assays.

Stores and materials

Stores and spares 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 interim balance sheet 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 amounts reported in the consolidated interim 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 stated at historical cost less accumulated depreciation. Depreciation is provided over the shorter of estimated useful lives of the applicable assets or the estimated life-of-mine using the straight-line method. The estimated useful lives of the principal classes of assets are as follows:

	Number of years
• Buildings	9 – 20
• Heavy equipment	5 – 13
• Office equipment	4 – 10
• Furniture and fixtures	4 – 10
• Fixed plant and heap leach facilities	4 – 6
• Motor vehicles	4
• Civil works	4
• Other equipment	4

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

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

Borrowing costs related to qualifying assets are capitalized as part of the cost of the related assets.

4.9 Pre-operating expenses and deferred charges

Exploration, evaluation, development and pre-operating expenses are expensed in the period incurred until a prospective exploration project or mine is identified as having economic development potential. Once a prospective exploration project or mine has been determined to have economic development potential, the subsequent development and pre-operating expenses incurred on the project or mine are deferred net of proceeds from the sale of any production during the development period and then amortized over the expected life-of-mine or a period of seven years whichever is lower. If a project or mine is no longer considered economical, the accumulated project costs are charged to consolidated interim statement of income in the period in which the determination is made.

Deferred charges on the infrastructure projects consist of consultancy and other costs with respect to the site preparation at MPC and aluminum project, the costs will be recovered from these projects (Note 14).

4.10 Striping ratio

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 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 amortized in a future period when the actual costs are less than the amount to be expensed.

4.11 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 a start-up period are capitalized where the asset is available for use but incapable of operating at normal levels including the commissioning period. Capital work-in-progress is not depreciated.

4.12 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.

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 (in exception of goodwill) and recorded as income in the consolidated interim statement of income in the period in which such reversal is determined.

4.13 Trade payable and accruals

Liabilities are recognized for amounts to be paid for goods and services received, whether or not billed to the Company.

4.14 Zakat

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 interim statement of income. Additional amounts payable, if any, at the finalization of final assessments are accounted for when such amounts are determined.

4.15 Severance fees

Effective from period 2005 onwards, as per 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 Company is required to pay to the Government of Saudi Arabia severance fee representing 25% of the annual net income or the equivalent of the hypothetical income tax, whichever is lower. Severance fee is charged to income on a monthly basis and is adjusted at the end of each quarter. The Zakat due shall be deducted from the amount.

4.16 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event and 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.

4.17 Mine closure and reclamation

The mining, extraction and processing activities of the Group normally give rise to obligations for site closure or rehabilitation. Mine closure and rehabilitation 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 rehabilitation 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 rehabilitation 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 rehabilitation expenditure is dependent upon a number of factors such as:

- the life-of-mine,
- the operating license conditions, and
- the environment in which the mine operates.

The full estimated costs capitalized are deferred and then amortized as an expense over the expected life-of-mine on straight-line basis but not exceeding seven periods. Adjustments to the estimated amount and timing of future closure and rehabilitation cash flows are a normal occurrence in light of the significant judgments and estimates involved. Factors influencing those changes include:

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

4.18 Employees termination benefits

Employees' end-of-service 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 balance sheet date. Termination payments are based on employees' final salaries and allowances and their cumulative periods of service, as defined by the conditions stated in the laws of the Kingdom of Saudi Arabia.

4.19 Borrowings

Borrowings are recognized at the proceeds received, net of transaction costs incurred, if any. 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 consolidated interim statement of income.

4.20 Revenue recognition

Revenue is recognized when all the following conditions are met:

- the significant risks and rewards of ownership of the product 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 Company; and
- the costs incurred or to be incurred in respect of the sale can be measured reliably.

Revenues are shown net of discounts and transportation expenses, and after eliminating sales within the Group.

Sales revenue is commonly subject to adjustment based on an inspection of the product by the customer. In such cases, sales revenue is initially recognized on a provisional basis using the Company's best estimate of contained metal, and adjusted subsequently.

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

4.21 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 general and administrative expenses and cost of sales, when required, are made on a consistent basis.

4.22 Savings plan program

In accordance with clause 137 of the Labor Regulations, and in furtherance to clause 76 of the Company's Internal Work Regulation approved by resolution no. 424 dated 6/4/1420H issued by H.H. Minister of Labor and Social Affairs, a Savings Plan Program was introduced to encourage Saudi employees of the Company 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 Company.

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 Company will contribute an amount equaling 10% of the monthly savings of each member per annum for the first period and increase it by 10% in the period after it reaches 100% at the 10^{th} period, which will in turn be credited to the savings accounts of the member. The Company's portion is charged to the consolidated interim statement of income on a monthly basis. The Company's portion will only be paid upon termination or resignation of the employee.

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

5. Critical accounting estimates, assumptions and judgments

The preparation of consolidated interim financial statements in conformity with generally accepted accounting standards requires management to make estimates and assumptions that affect amounts reported in the consolidated interim 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:

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

Reserve and 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 mineral resource and ore reserve grades must be considered as estimates only. What is more, the quantity of ore reserves and mineral resources may vary depending on, among other things, metal prices and currency exchange rates. The ore reserve estimates of the Company have been determined based on assumed gold prices, cut-off grades and costs that may prove to be inaccurate. Any material change in the quantity of mineral reserves, mineral resources, grade 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 gold 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 Company's ability to extract these ore reserves, could have a material adverse effect of the Company'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 amortization of mining assets and their carrying value. Useful economic 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 periods may no longer exist or may have decreased.

Allowances

The Group also creates an allowance for obsolete and slow-moving spare parts. At September 30, 2011, the allowance for obsolete slow-moving items amounted to SAR 20 million (September 30, 2010: SAR 14.6 million, December 31, 2010: SAR 23 million). These estimates take into consideration fluctuations of price or cost directly relating to events occurring subsequent to the consolidated interim balance sheet date to the extent that such events confirm conditions existing at the end of the period.

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 periods 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

During the period ended September 30, 2011, an amount of SAR 186 million relating to year ended 2010 was paid to DZIT 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 period 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

(a) Business segment

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

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

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

- **The corporate segment**, includes the corporate operations, and projects under development.
- **The gold segment**, consists of operations related to the mining of gold and is carried out through MGBM. This segment currently operates Mahd Ad Dahab, Al-Hajar, Bulghah, Sukhaybarat and Al Amar mines which are located in different geographical areas in the Kingdom of Saudi Arabia.
- **The phosphate segment**, consist of operations related to mining of phosphate and utilization of national resources of natural gas and sulphur to manufacture DAP, MAP and ammonia fertilizer products and is carried out through MPC. This segment is currently in its development stage and has commenced trial run testing in the last quarter of 2010 and is expected to start commercial operation during 2011.
- **The aluminum segment**, consists of the operations related to the development of an aluminum mine, refinery, smelter, rolling mill and power plant for the production of aluminum and related products. This segment is currently in the development stage and is expected to commence commercial operation during 2013 and 2014. Chlor alkali segment consists of the operations related to the development of concentrated caustic soda and ethylene dichloride complex for the production of concentrated caustic soda, chlorine and ethylene dichloride and the supply of entire production for use in alumina refinery at Ma'aden Bauxite and Alumina Company. This segment is currently in the development stage and is expected to commence commercial operation during 2013
- **The industrial minerals segment**, consist of operations related to the mining of industrial minerals carried out through MIMC, which currently operates a kaolin and low grade bauxite mine in the central zone of Az Zabirah and is in the final stage of developing a high grade magnesite mine and processing plant at Al Madinah Al Munawarah and is expected to commence operations during 2012.
- **The infrastructure segment,** relates to the development, construction and delivery of services in the Ras Al-Khair Area, and other mining and industrial locations of the Group as required. This segment is currently in its development stage.

There are no significant inter-segment revenues

(All amounts in Saudi Riyals unless otherwise stated)

	Corporate	Gold	Phosphate	Aluminum	Industrial minerals	Infra-structure	Total
September 30, 2011							
Sales	-	**634,001,198**	-	-	**41,759,086**	-	**675,760,284**
Gross profit	-	**426,257,180**	-	-	**14,481,452**	-	**440,738,632**
Income from short-term investments	**58,482,758**	**2,595,586**	-	-	**7,880**	-	**61,086,224**
Net income / (loss) attributable to shareholders' of the parent company	**(142,172,055)**	**268,705,829**	**(5,136,475)**	-	**12,287,909**	-	**133,685,208**
Property, plant and equipment	**63,633,029**	**110,006,900**	**3,706,870**	**326,896**	**3,950,197**	-	**181,623,892**
Pre-operating expenses and deferred charges	**141,649,254**	**136,369,776**	**728,659,890**	**2,310,923,361**	**130,756,614**	**90,664,298**	**3,539,023,193**
Capital work-in-progress	**58,438,741**	**22,144,286**	**17,805,459,260**	**4,601,236,224**	**215,189,381**	**533,292,373**	**23,235,760,265**
Investment in joint venture	-	-	-	**450,000,000**	-		**450,000,000**
Total assets	**5,815,135,274**	**1,151,280,401**	**21,343,639,106**	**8,563,164,197**	**393,275,338**	**724,894,894**	**37,991,389,210**
September 30, 2010							
Sales	-	486,979,798	-	-	23,229,801	-	510,209,599
Gross profit	-	261,023,336	-	-	13,240,211	-	274,263,547
Income from short-term investments	127,580,299	1,560,889	4,564	-	-	-	129,145,752
Net income / (loss) attributable to shareholders' of the parent company	(109,044,880)	156,948,404	(9,012,902)	-	12,773,098	-	51,663,720
Property, plant and equipment	59,697,278	134,877,073	3,812,116	587,618	7,796,796	-	206,770,881
Pre-operating expenses and deferred charges	25,776,278	85,180,043	618,890,716	782,082,592	106,025,633	165,179,620	1,783,134,882
Capital work-in-progress	64,046,011	30,333,841	16,850,299,697	570,653,805	194,712,209	480,470,731	18,190,516,294
Total assets	9,989,897,436	796,415,936	19,142,726,757	1,335,692,300	348,172,149	748,819,783	32,361,724,361
December 31, 2010							
Sales	-	676,381,347	-	-	30,131,427	-	706,512,774
Gross profit	-	371,255,322	-	-	14,082,907	-	385,338,229
Income from short-term investments	166,276,472	1,982,540	-	-	-	-	168,259,012
Net income / (loss) attributable to shareholders' of the parent company	(220,848,539)	215,837,507	(17,305,305)	-	13,128,523	-	(9,187,814)
Property, plant and equipment	70,506,067	138,316,059	3,764,318	-	-	-	212,586,444
Pre-operating expenses and deferred charges	8,527,351	105,530,174	618,890,716	1,007,796,209	115,383,041	151,107,653	2,007,235,144
Capital work-in-progress	60,553,051	21,792,745	17,645,426,158	1,560,760,704	206,972,833	487,086,397	19,982,591,888
Total assets	8,196,446,026	871,745,514	20,616,685,931	4,004,761,199	361,730,427	665,489,688	34,716,858,785

The net income amount of the corporate segment excludes share in earnings of subsidiary companies. Also, the total assets amount in this segment excludes investment balances with respect to subsidiary companies.

b) 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 Saudi Arabia.

(All amounts in Saudi Riyals unless otherwise stated)

7. Cash and cash equivalents

	September 30 2011	September 30 2010	December 31 2010
Term deposits with original maturities equal to or less than three months at acquisition	**2,875,346,550**	1,555,125,000	2,248,600,000
Cash and bank balances	**108,675,816**	103,560,495	673,553,380
Total	**2,984,022,366**	1,658,685,495	2,922,153,380

8. Short-term investments

	September 30 2011	September 30 2010	December 31 2010
Short-term deposits placed with commercial banks	**5,812,434,348**	9,765,731,628	8,783,974,813

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

9. Trade and other receivables

	September 30 2011	September 30 2010	December 31 2010
Trade receivables	**388,442,445**	66,147,690	20,469,398
Other receivables	**22,334,374**	8,448,754	9,493,597
Due from SAMAPCO (Note 13, 34)	**44,704,636**	-	-
Total	**455,481,455**	74,596,444	29,962,995

Trade receivables as of September 30, 2011 includes due from SABIC amounting to SAR 234 million in respect of sale of ammonia in ramp-up-phase (Note 34).

10. Inventories

	September 30 2011	September 30 2010	December 31 2010
Steady state mining operations (Gold and low grade bauxite):			
Finished goods – ready for sale	**62,008,864**	80,515,949	86,296,731
By-products	**25,550,425**	13,122,450	21,002,116
Work-in-progress at net production cost	**31,314,928**	40,724,784	35,796,051
Total inventories for sale	**118,874,217**	134,363,183	143,094,898
Project in its ramp-up phase (Phosphate):			
Finished goods – ready for sale	**120,834,934**	-	-
Work-in-progress at production cost	**57,098,599**	-	61,336,103
Stockpile of mined phosphate ore	**28,060,872**	-	8,066,838
Phosphate raw material	**210,172,523**	-	11,459,884
Total inventories	**416,166,928**	-	80,862,825
Spare parts and consumables materials	**114,678,463**	96,921,330	102,998,213
Allowance for obsolete slow-moving spare parts and consumable materials	**(20,058,840)**	(14,597,148)	(23,044,672)
Total spare parts and consumables	**94,619,623**	82,324,182	79,953,541
Total	**629,660,768**	216,687,365	303,911,264

The spare parts inventory primarily relates to plant and machinery and, accordingly, this inventory is expected to be utilized over a period exceeding one year.

(All amounts in Saudi Riyals unless otherwise stated)

Movement in the allowance for inventory obsolescence is as follows:

	September 30 2011	September 30 2010	December 31 2010
January 1	**23,044,672**	14,597,148	14,597,148
(Reversal) / increase of allowance for obsolescence	**(2,985,832)**	-	8,447,524
September 30 / December 31	**20,058,840**	14,597,148	23,044,672

11. Advances and prepayments

	September 30 2011	September 30 2010	December 31 2010
Current portion:			
Advances to contractors	**563,863,638**	321,056,908	295,361,176
Advances to employees	**13,819,888**	11,392,743	2,074,284
Other prepayments	**50,152,462**	41,113,530	30,201,985
Total	**627,835,988**	373,563,181	327,637,445
Non-current portion:			
Advances to contractors	**67,503,602**	22,983,871	81,009,425
Other prepayments	**8,043,333**	8,008,333	4,750,000
Total	**75,546,935**	30,992,204	85,759,425

Advances and prepaid expenses mainly represent advances paid by MAC, MRC, MBAC and MPC in relation to the development of their sites.

12. Due from Government

The balance represents cost incurred to finance the required feasibility studies for the Railway Line Project, linking the Northern Area (Al Jalamid) with the fertilizer plant at Ras Al-Khair (Note 34).

During 2006 and pursuant to the Council of Ministers resolution Number 72 dated 2 Rabi Al Thani 1427H (corresponding to April 30, 2006). The amount has been repaid in full on July 13, 2011.

13. Investment in joint venture

	September 30 2011	September 30 2010	December 31 2010
Investment of 50% in the issued share capital of SAMAPCO, at cost	**450,000,000**	-	-
Total	**450,000,000**	-	-

The investment in SAMAPCO comprises of transferring pre-operating expenses and deferred charges amounting to SAR 31,939,887, capital work-in-progress amounting to SAR 236,329,928 and an amount of SAR 181,730,185 was paid in cash.

Trade and other receivables as of September 30, 2011 includes due from SAMAPCO amounting to SAR 45 million in respect of capital expenditures incurred on behalf of SAMAPCO (Note 9).

(All amounts in Saudi Riyals unless otherwise stated)

14. Property, plant and equipment

	Notes	Land	Motor vehicles	Heavy equipment	Fixed plant and heap leaching	Buildings	Civil works	Other equipment	Office equipment	Furniture and fittings	Total
Cost											
January 1, 2010		22,550,000	23,933,387	55,847,670	352,957,344	101,681,944	216,378,789	24,891,216	23,826,672	12,445,447	834,512,469
Transfer from capital work-in progress	16	-	506,101	9,064,250	244,000	3,910,022	5,432,363	4,794,205	3,091,328	718,091	27,760,360
Adjustment / disposal		-	(138,300)	(6,407,338)	-	-	-	(1,366,023)	-	(2,171,369)	(10,083,030)
September 30, 2010		22,550,000	24,301,188	58,504,582	353,201,344	105,591,966	221,811,152	28,319,398	26,918,000	10,992,169	852,189,799
Transfer from capital work-in-progress	16	-	538,824	7,699,164	2,851,260	756,582	-	3,085,025	2,063,685	4,898,243	21,892,783
Transfer to pre-operating expenses and deferred charges	15		-	-	-	-	-	-	(318,648)	-	(318,648)
Adjustment / disposal		-	-	-	-	-	-	-	(11,351)	-	(11,351)
December 31, 2010		22,550,000	24,840,012	66,203,746	356,052,604	106,348,548	221,811,152	31,404,423	28,651,686	15,890,412	873,752,583
Transfer from capital work-in-progress	16	-	2,721,000	1,580,668	2,867,746	-	2,717,921	3,155,760	3,457,575	1,439,525	17,940,195
Disposals / write-offs		-	(158,500)	-	(63,281)	-	(3,844,672)	-	(772,096)	-	(4,838,549)
September 30, 2011		**22,550,000**	**27,402,512**	**67,784,414**	**358,857,069**	**106,348,548**	**220,684,401**	**34,560,183**	**31,337,165**	**17,329,937**	**886,854,229**
Accumulated depreciation											
January 1, 2010		-	23,145,186	28,397,111	268,573,976	37,291,133	182,583,635	13,279,948	21,485,984	8,920,903	583,677,876
Charge for the period		-	862,968	5,836,471	32,238,307	6,502,758	11,279,970	3,055,140	1,703,853	304,794	61,784,261
Adjustment / disposal		-	(43,219)	-	-	-	-	-	-	-	(43,219)
September 30, 2010		-	23,964,935	34,233,582	300,812,283	43,793,891	193,863,605	16,335,088	23,189,837	9,225,697	645,418,918
Charge for the period		-	551,391	1,477,564	7,215,137	2,118,002	2,765,263	1,088,501	352,343	497,668	16,065,869
Transfer to pre-operating expenses and deferred charges	15	-	-	-	-	-	-	-	(318,648)	-	(318,648)
December 31, 2010		-	24,516,326	35,711,146	308,027,420	45,911,893	196,628,868	17,423,589	23,223,532	9,723,365	661,166,139
Charge for the period		-	1,433,910	3,288,381	19,572,151	6,356,848	10,537,403	4,060,339	1,538,934	1,196,458	47,984,424
Disposals / write-offs		-	(158,500)	-	(63,281)	-	(3,066,098)	-	(632,347)	-	(3,920,226)
September 30, 2011		**-**	**25,791,736**	**38,999,527**	**327,536,290**	**52,268,741**	**204,100,173**	**21,483,928**	**24,130,119**	**10,919,823**	**705,230,337**
Net book value											
September 30, 2010		22,550,000	336,253	24,271,000	52,389,061	61,798,075	27,947,547	11,984,310	3,728,163	1,766,472	206,770,881
December 31, 2010		22,550,000	323,686	30,492,600	48,025,184	60,436,655	25,182,284	13,980,834	5,428,154	6,167,047	212,586,444
September 30, 2011		**22,550,000**	**1,610,776**	**28,784,887**	**31,320,779**	**54,079,807**	**16,584,228**	**13,076,255**	**7,207,046**	**6,410,114**	**181,623,892**

Property, plant and equipment of MPC are mortgaged to lenders under the Common Term Financing Agreement (Note 23). The net book value of the assets as of September 30, 2011 for MPC amounts to SAR 3.7 million.

(All amounts in Saudi Riyals unless otherwise stated)

	Notes	Quarter ended		Nine months ended		Year ended
		September 30	September 30	September 30	September 30	December 31
		2011	2010	2011	2010	2010
Allocation of depreciation charge for the quarter/period/year						
To cost of sales	29	**13,404,591**	15,170,285	**42,886,334**	58,766,875	73,779,722
To general and administration expenses	30	**1,535,585**	1,217,442	**5,098,090**	3,017,386	4,070,408
Total		**14,940,176**	16,387,727	**47,984,424**	61,784,261	77,850,130

(All amounts in Saudi Riyals unless otherwise stated)

15. Pre-operating expenses and deferred charges

	Note	Corporate	Gold	Phosphate	Aluminum	Industrial minerals	Infra-structure	Total
Cost								
January 1, 2010		27,898,608	175,036,925	430,795,626	643,333,098	83,312,355	165,642,698	1,526,019,310
Additions during the period		23,783,912	7,257,068	194,787,478	253,499,494	24,772,235	63,217,586	567,317,773
Adjustments/written-off		(3,600,276)	-	(6,692,388)	(114,750,000)	(730,500)	(63,680,664)	(189,453,828)
September 30, 2010		48,082,244	182,293,993	618,890,716	782,082,592	107,354,090	165,179,620	1,903,883,255
Additions during the period		-	18,136,422	-	225,713,617	10,383,782	18,563,696	272,797,517
Deferred cost of mine closure and reclamation, net		-	3,156,073	-	-	-	-	3,156,073
Adjustments/written off		(15,807,758)	-	-	-	(434,957)	(32,635,663)	(48,878,378)
December 31, 2010		32,274,486	203,586,488	618,890,716	1,007,796,209	117,302,915	151,107,653	2,130,958,467
Additions during the period		135,184,424	43,786,024	112,367,178	1,335,067,039	27,339,136	43,699,160	1,697,442,961
Adjustments/written off		-	-	(2,598,004)	-	(11,203,652)	(104,142,515)	(117,944,171)
Transfer to SAMAPCO	13	-	-	-	(31,939,887)	-	-	(31,939,887)
September 30 , 2011		**167,458,910**	**247,372,512**	**728,659,890**	**2,310,923,361**	**133,438,399**	**90,664,298**	**3,678,517,370**
Amortization								
January 1, 2010		19,261,313	85,965,869	-	-	929,920	-	106,157,102
Charge for the period		3,044,653	11,148,081	-	-	398,537	-	14,591,271
September 30, 2010		22,305,966	97,113,950	-	-	1,328,457	-	120,748,373
Charge for the period		1,441,169	942,364	-	-	591,417	-	2,974,950
December 31, 2010		23,747,135	98,056,314	-	-	1,919,874	-	123,723,323
Charge for the period		2,062,521	12,946,422	-	-	761,911	-	15,770,854
September 30, 2011		**25,809,656**	**111,002,736**	**-**	**-**	**2,681,785**	**-**	**139,494,177**
Net book value								
September 30, 2010		25,776,278	85,180,043	618,890,716	782,082,592	106,025,633	165,179,620	1,783,134,882
December 31, 2010		8,527,351	105,530,174	618,890,716	1,007,796,209	115,383,041	151,107,653	2,007,235,144
September 30, 2011		**141,649,254**	**136,369,776**	**728,659,890**	**2,310,923,361**	**130,756,614**	**90,664,298**	**3,539,023,193**

Pre-operating expenses and deferred charges of MPC, MAC, MRC and MBAC are mortgaged to lenders under the Common Term Agreement (Note 23). Certain amounts included within pre-operating expenses and deferred charges, due to the development stage activities, will be transferred to capital work-in-progress following the conclusion of the related engineering review process.

(All amounts in Saudi Riyals unless otherwise stated)

MA'ADEN

	Notes	Quarter ended September 30 2011	Quarter ended September 30 2010	Nine months ended September 30 2011	Nine months ended September 30 2010	Year ended December 31 2010
Allocation of amortization charge for the quarter/period/year						
To cost of sales	29	**3,379,384**	3,877,269	**13,708,334**	11,546,617	16,134,349
To general and administration expenses	30	**269,336**	1,418,107	**2,062,520**	3,044,654	4,514,218
Total		**3,648,720**	5,295,376	**15,770,854**	14,591,271	20,648,567

16. Capital work-in-progress

	Notes	Corporate	Gold	Phosphate	Aluminum	Industrial minerals	Infra-structure	2011
Cost								
January 1, 2010		60,047,900	21,295,817	14,716,231,636	251,688,734	101,492,387	257,985,871	15,408,742,345
Additions during the period		5,116,333	31,767,340	2,137,731,983	331,764,671	93,419,122	222,484,860	2,822,284,309
Transfer to property, plant and equipment	14	(1,118,222)	(22,729,316)	(3,663,922)	(49,600)	(199,300)	-	(27,760,360)
Adjustments		-	-	-	(12,750,000)	-	-	(12,750,000)
September 30, 2010		64,046,011	30,333,841	16,850,299,697	570,653,805	194,712,209	480,470,731	18,190,516,294
Additions during the period		743,249	-	795,510,343	990,245,199	12,266,424	6,615,666	1,805,380,881
Transfer to property, plant and equipment	14	(4,242,709)	(8,541,096)	(377,382)	(138,300)	(5,800)	-	(13,305,287)
December 31, 2010		60,546,551	21,792,745	17,645,432,658	1,560,760,704	206,972,833	487,086,397	19,982,591,888
Additions during the period		163,526	14,390,702	832,542,269	3,276,805,448	8,216,548	46,205,976	4,178,324,469
Transfer to property, plant and equipment	14	(2,271,336)	(14,039,161)	(1,629,698)	-	-	-	(17,940,195)
Credit for pre-commercial production revenue net of cost		-	-	(670,885,969)	-	-	-	(670,885,969)
Transfer to SAMAPCO		-	-	-	(236,329,928)	-	-	(236,329,928)
September 30, 2011		**58,438,741**	**22,144,286**	**17,805,459,260**	**4,601,236,224**	**215,189,381**	**533,292,373**	**23,235,760,265**

During the period ended September 30, 2011, MPC capitalized an additional SAR 151 million (September 30, 2010: SAR 201 million, December 31, 2010: SAR 258 million) of finance costs. The borrowing relates to qualifying assets. Capital work-in-progress of MPC, MAC and MRC is mortgaged to lenders under the Common Term Financing Agreement (Note 23).

(All amounts in Saudi Riyals unless otherwise stated)

17. Projects and other payables

	September 30 2011	September 30 2010	December 31 2010
Projects	**983,716,051**	502,786,517	677,921,490
Trade payables	**45,765,655**	54,444,603	61,803,994
Savings plan	**9,051,039**	3,073,353	4,979,880
Advances from Alcoa Inc. (Note 34)	**594,445,267**	-	-
Other	**16,259,887**	16,422,054	23,515,074
Total	**1,649,237,899**	576,726,527	768,220,438

Projects payable mainly represents the liability in respect of contracts cost arising from MAC, MRC, MBAC and MPC.

Advances from Alcoa Inc. mainly represents funds received from Alcoa Inc. for the development of MAC, MRC and MBAC.

18. Accrued expenses

	September 30 2011	September 30 2010	December 31 2010
Projects	**617,115,961**	761,350,201	1,191,342,890
Trade payables	**48,037,935**	29,498,037	36,113,922
Employees	**47,380,348**	35,469,148	39,234,445
Accrued expenses – Alcoa Inc. (Note 34)	**211,885,770**	-	-
Total	**924,420,014**	826,317,386	1,266,691,257

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

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.

19. Zakat payable

19.1 Components of zakat base

The significant components of the Zakat base of each company under the zakat and income tax regulation are comprised of

- shareholders' equity,
- provisions at the beginning of the period,
- long term borrowings,
- adjusted net income,
- net book value of property, plant and equipment,
- net book value of pre-operating expenses and deferred charges, and
- certain other items.

19.2 Zakat payable

	Quarter ended		Nine months ended		Year ended
	September 30 2011	September 30 2010	September 30 2011	September30 2010	December 31 2010
July 1 / January 1	**216,508,712**	66,137,281	**207,342,181**	268,560,500	268,560,500
Provision for zakat	**31,344,016**	34,085,427	**40,510,547**	100,369,170	207,317,723
Current period / year	**31,344,016**	34,085,427	**62,071,136**	100,222,708	207,342,181
Previous period / year (over) / under provision	**-**	-	**(21,560,589)**	146,462	(24,458)
Paid during the period / year to the authorities	**(185,781,592)**	-	**(185,781,592)**	(268,706,962)	(268,536,042)
September 30 / December 31	**62,071,136**	100,222,708	**62,071,136**	100,222,708	207,342,181

(All amounts in Saudi Riyals unless otherwise stated)

The provision for zakat consist of:

	Quarter ended		Nine months ended		Year ended
	September 30 2011	September 30 2010	September 30 2011	September30 2010	December 31 2010
Saudi Arabian Mining Company	**29,725,196**	32,125,384	**52,237,922**	89,687,791	196,834,815
Ma'aden Gold and Base Metals Company (Note 20)	**1,388,514**	1,960,043	**9,132,279**	10,534,917	10,507,366
Ma'aden Industrial Minerals Company	-	-	**470,629**	-	-
Ma'aden Infrastructure Company	**230,306**	-	**230,306**	-	-
September 30 / December 31	**31,344,016**	34,085,427	**62,071,136**	100,222,708	207,342,181

19.3 Status of final assessments

The Company and its subsidiaries received provisional zakat certificates for the period ended December 2010, however, no zakat assessments were finalized by the DZIT.

20. Severance fees payable

	Quarter ended		Nine months ended		Year ended
	September 30 2011	September 30 2010	September 30 2011	September30 2010	December 31 2010
July 1 / January 1	**91,824,561**	69,388,703	**54,454,280**	45,142,915	45,142,915
Provision for severance fee	**26,209,110**	12,338,479	**64,095,626**	36,584,267	54,543,721
Current period / year	**24,986,966**	12,159,728	**62,873,482**	36,405,516	54,364,970
Previous period / year (over) / under provision	**1,222,144**	178,751	**1,222,144**	178,751	178,751
Paid during the period / year to the authorities	**(55,536,940)**	(44,861,234)	**(56,053,175)**	(44,861,234)	(45,232,356)
September 30 / December 31	**62,496,731**	36,865,948	**62,496,731**	36,865,948	54,454,280

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, as defined, or the equivalent of the actual 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 income from the gold mines and kaolin mine is subject to severance fees.

Provision for severance fees consists of:

	Quarter ended		Nine months ended		Year ended
	September 30 2011	September 30 2010	September 30 2011	September30 2010	December 31 2010
Gold mines	**24,658,281**	12,010,374	**62,253,656**	36,038,444	53,849,796
Low grade bauxite and kaolin mines	**328,685**	149,354	**619,826**	367,072	515,174
September 30 / December 31	**24,986,966**	12,159,728	**62,873,482**	36,405,516	54,364,970

(All amounts in Saudi Riyals unless otherwise stated)

The additional provision of severance fees payable by gold mines is calculated as follows:

	Nine months ended September 30 2011	Nine months ended September 30 2010	Year ended December 31 2010
Net income from operating mines before severance fee for the period / year	**340,685,759**	201,446,605	281,127,318
25% of the period's / year's net income as defined	**85,171,440**	50,361,651	70,281,830
Hypothetical income tax based on period's / year's taxable net income	**71,385,935**	46,752,112	64,357,162
Provision based on the lower of the above two computations	**71,385,935**	46,752,112	64,357,162
Provision for zakat (Note 19)	**(9,132,279)**	(10,534,917)	(10,507,366)
Net severance fee provision for the period / year	**62,253,656**	36,217,195	53,849,796

21. Provision for mine closure and reclamation

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

	Note	Mahad mine	Al Hajar mine	Sukhaybarat mine*	Bulghah mine	Al Amar mine	Total
January 1, 2010		27,723,149	15,195,759	20,467,221	14,658,102	13,249,340	91,293,571
September 30, 2010		27,723,149	15,195,759	20,467,221	14,658,102	13,249,340	91,293,571
(Reversal) / provision for the period	15	-	(3,814,936)	-	7,003,305	(32,296)	3,156,073
Utilization		(3,525,813)	-	-	-	-	(3,525,813)
December 31, 2010		24,197,336	11,380,823	20,467,221	21,661,407	13,217,044	90,923,831
September 30, 2011		**24,197,336**	**11,380,823**	**20,467,221**	**21,661,407**	**13,217,044**	**90,923,831**
Commenced commercial production in		1988	2001	1991*	2001	2008	
Expected closure date in		2016	2013	2015	2017	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 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 mining activity only, as MPC and the aluminum project are currently in the development stage.

22. Employee termination benefits

	Quarter ended September 30 2011	Quarter ended September 30 2010	Nine months ended September 30 2011	Nine months ended September30 2010	Year ended December 31 2010
July 1 / January 1	**110,587,651**	92,768,613	**104,607,572**	84,987,823	84,987,823
Provision for the period / year	**15,517,232**	8,875,007	**29,008,239**	19,731,092	27,413,350
(Paid) / Reversal during the period / year	**(1,493,812)**	989,307	**(9,004,740)**	(2,085,988)	(7,793,601)
September 30 / December 31	**124,611,071**	102,632,927	**124,611,071**	102,632,927	104,607,572

(All amounts in Saudi Riyals unless otherwise stated)

23. Long-term borrowings

a) Facilities approved

MPC, MAC and MRC entered into Common Terms Agreements ("CTA") with the Public Investment Fund and consortiums of financial institutions, comprising of:

	MPC Facilities granted June 15, 2008	MAC Facilities granted Nov. 10, 2010	MRC Facilities granted Nov. 30, 2010	Total
Public Investment Fund ("PIF")	4,000,001,250	4,875,000,000	3,078,750,000	11,953,751,250
Islamic and commercial banks				
Procurement*	4,269,892,500	4,447,500,000	1,041,000,000	9,758,392,500
Commercial*	1,491,562,500	900,000,000	-	2,391,562,500
Al-Rajhi facility	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	-	787,500,000
	10,355,205,000	6,135,000,000	1,041,000,000	17,531,205,000
Saudi Industrial Development Fund ("SIDF")	600,000,000	-	-	600,000,000
Total facilities granted	14,955,206,250	11,010,000,000	4,119,750,000	30,084,956,250

MPC facility

The financing agreement imposed special conditions and covenants and if the conditions are met, the financial institution will provide long-term borrowing totaling to SAR 15 billion for financing the construction and operation of MPC. Special covenants imposed include the limit of creation of additional liens and/or financing obligations by MPC, unless specifically allowed under the CTA. Other covenants include financial ratio maintenance, maximum capital expenditures allowed and restriction on dividend distribution to shareholders.

The abovementioned CTA facilities are secured by a pledge of all the assets of MPC.

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

MAC facility

The financing agreement imposed special conditions and covenants and if the conditions are met, the financial institution will provide long-term borrowing totaling to SAR 11 billion for financing the construction and operation of MAC. Special covenants imposed include the limit of creation of additional liens and/or financing obligations by MAC, unless specifically allowed under the CTA. Other covenants include financial ratio maintenance, maximum capital expenditures allowed and restriction on dividend distribution to shareholders.

Riyadh Bank, Saudi Hollandi Bank, Standard Chartered Bank, APICORP, National Commercial Bank, Banque Saudi Fransi, SAMBA, Arab National Bank and Bank Al Jazira act as agents for procurement facility and Al Rajhi Bank and Alinma Bank act as agents for wakala facility, respectively.

MRC facility

The consortium of financial institutions and PIF, subject to certain conditions precedent, approved a facility SAR 4.1 billion for MRC. This facility was not utilized as at September 30, 2011.

(All amounts in Saudi Riyals unless otherwise stated)

b) Facilities utilized under the different CTA

MPC facility

	September 30 2011	September 30 2010	December 31 2010
Public Investment Fund:			
July 14, 2008 commitment fees charged in respect of the facility	**20,000,000**	20,000,000	20,000,000
November 18, 2008 first draw down	**800,000,256**	800,000,256	800,000,256
January 15, 2009 second draw down	**870,000,000**	870,000,000	870,000,000
April 30, 2009 third draw down	**543,483,656**	543,483,656	543,483,656
March 8, 2010 fourth draw down	**928,188,694**	928,188,694	928,188,694
December 29, 2010 fifth draw down	**475,761,503**	-	475,761,503
July 26, 2011 final drawdown	**362,567,141**	-	-
Sub-total (Note 34)	**4,000,001,250**	3,161,672,606	3,637,434,109

The rate of commission on the principal amount of the loan draw down and outstanding for each commission period, is LIBOR plus 0.5% per annum. Loan repayments will start from June 30, 2012, on a six monthly basis, in equal principal repayments of SAR 166.4 million, with the final repayment on December 31, 2023.

	September 30 2011	September 30 2010	December 31 2010
Islamic and commercial banks			
Procurement	**4,269,892,500**	3,364,867,758	3,878,480,095
Al-Rajhi facility	**2,343,750,000**	2,327,820,812	2,338,094,785
The Export Import Bank of Korea	**1,500,000,000**	1,356,035,894	1,358,868,876
Korea Export Insurance Corporation	**750,000,000**	750,000,000	750,000,000
Commercial	**1,116,562,500**	879,901,583	1,014,209,474
Sub-total	**9,980,205,000**	8,678,626,047	9,339,653,230

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 will start from June 30, 2012. All the repayments of the above facilities will be on a six monthly basis, with the final repayments during 2023.

	September 30 2011	September 30 2010	December 31 2010
Saudi Industrial Development Fund			
April 26, 2010 first draw down	**300,000,000**	300,000,000	300,000,000
December 10, 2010 second draw down	**240,000,000**	-	240,000,000
September 26, 2011 third draw down	**30,000,000**	-	-
Sub-total	**570,000,000**	300,000,000	540,000,000

The annual fee paid during the drawdown amounted to SR 4 million. Repayment of this facility will start on February 26, 2013, on a six monthly basis, with the final payment on June 19, 2019

Total borrowings	**14,550,206,250**	12,140,298,653	13,517,087,339

MAC facility

	September 30 2011	September 30 2010	December 31 2010
Public Investment Fund: (Note 34)	**466,231,305**	-	-

The rate of commission on the principal amount of the loan draw down and outstanding for each commission period, is LIBOR plus 0.5% per annum. The repayment of the loan will be in 24 installments on a six monthly basis starting from December 31, 2014. The repayments 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.

Islamic and commercial banks			
Dollar Procurement	**87,149,389**	-	-
Riyal Procurement	**338,196,639**	-	-
Wakala	**243,187,569**	-	-
Commercial	**86,073,474**	-	-
Sub-total	**754,607,071**	-	-

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 the loan will start from December 31, 2014. The repayments starting at SAR 125.8 million and increasing over the term of the loan with the final repayment of SAR 1,534 million on June 30, 2026.

Total borrowings	**1,220,838,376**	-	-

Total borrowings	**15,771,044,626**	12,140,298,653	13,517,087,339
Less: Current portion of long-term borrowings	**630,279,772**	-	-
Long term portion	**15,140,764,854**	12,140,298,653	13,517,087,339

c) Maturity profile of long-term borrowings

2012	**841,498,029**	699,264,855	793,401,273
2013	**903,906,352**	755,366,505	843,759,108
2014	**990,072,317**	833,058,694	925,127,583
2015	**1,068,496,074**	902,856,919	998,612,718
Thereafter	**11,967,071,854**	8,949,751,680	9,956,186,657
Total	**15,771,044,626**	12,140,298,653	13,517,087,339

d) 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:

(All amounts in Saudi Riyals unless otherwise stated)

	September 30 2011 (US$)	September 30 2010 (US$)	December 31 2010 (US$)
Public Investment Fund	**1,190,995,348**	843,112,695	969,982,429
Islamic and commercial banks			
Procurement	**1,161,877,837**	897,298,069	1,034,261,358
Al-Rajhi Bank	**625,000,000**	620,752,216	623,491,943
The Export Import Bank of Korea	**400,000,000**	361,609,572	362,365,034
Korea Export Insurance Corporation	**200,000,000**	200,000,000	200,000,000
Commercial	**320,702,926**	234,640,422	270,455,860
Riyal Procurement	**90,185,770**	-	-
Wakala	**64,850,018**	-	-
Saudi Industrial Development Fund	**152,000,000**	80,000,000	144,000,000
Total	**4,205,611,899**	3,237,412,974	3,604,556,624

24. Share capital

	September 30 2011	September 30 2010	December 31 2010
Authorized, issued and fully paid			
925,000,000 Ordinary shares, with a nominal value of SR 10 per share	**9,250,000,000**	9,250,000,000	9,250,000,000

25. Share premium

	September 30 2011	September 30 2010	December 31 2010
Share premium balance	**5,250,000,000**	5,250,000,000	5,250,000,000

26. Transfer of net income

	September 30 2011	September 30 2010	December 31 2010
Transfer of net income balance	**242,996,397**	242,996,397	242,996,397

In accordance with Regulations for Companies in Saudi Arabia, the Company has established a statutory reserve by the appropriation of 10% of net income until such reserve equals 50% of the share capital. This reserve is not currently available for dividend distribution.

27. Non-controlling interest

	Quarter ended		Nine months ended		Year ended
	September 30 2011	September 30 2010	September 30 2011	September30 2010	December 31 2010
July 1 / January 1	**2,600,004,461**	1,780,154,648	**2,134,410,194**	1,782,303,285	1,782,303,285
Increase in non-controlling interest (Note 2)	-	73,794,000	**466,907,751**	73,794,000	357,298,500
Share of current period's / year's loss	**(227,460)**	(555,234)	**(1,540,944)**	(2,703,871)	(5,191,591)
September 30 / December 31	**2,599,777,001**	1,853,393,414	**2,599,777,001**	1,853,393,414	2,134,410,194

(All amounts in Saudi Riyals unless otherwise stated)

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28. Sales

	Quarter ended September 30 2011	Quarter ended September 30 2010	Nine months ended September 30 2011	Nine months ended September30 2010	Year ended December 31 2010
Gold revenue	**202,860,807**	149,477,618	**611,578,276**	462,941,489	642,068,377
Low grade bauxite revenue	**22,351,659**	9,932,823	**41,759,086**	23,229,801	30,131,427
Zinc revenue	**(255,496)**	-	**22,422,922**	24,038,309	34,312,970
Total	**224,956,970**	159,410,441	**675,760,284**	510,209,599	706,512,774
Gold sales analysis					
Value of gold sales	**202,860,807**	149,477,618	**611,578,276**	462,941,489	642,068,377
Quantity of gold sold in ounces (Oz)	**31,657**	32,339	**106,793**	104,850	140,028
Average realized price per ounce (Oz) in:					
US$	**1,709**	1,233	**1,527**	1,177	1,223
Saudi Riyals	**6,408**	4,622	**5,727**	4,415	4,585

29. Cost of sales

	Quarter ended September 30 2011	Quarter ended September 30 2010	Nine months ended September 30 2011	Nine months ended September 30 2010	Year ended December 31 2010
Personnel cost	**32,959,906**	30,836,549	**79,624,228**	70,404,953	95,628,545
Contracted services	**12,833,978**	16,439,525	**32,771,780**	36,203,914	48,461,887
Repairs and maintenance	**6,800,547**	6,612,222	**16,167,656**	17,038,115	21,352,866
Consumables	**21,703,536**	21,829,152	**58,497,584**	59,156,059	82,778,560
Overheads	**3,801,154**	4,275,660	**14,886,124**	14,687,639	17,722,568
Reversal of inventory obsolescence	**-**	-	**(2,985,832)**	-	8,447,524
Sale of by-products	**(16,982,964)**	(9,118,369)	**(44,755,237)**	(19,507,150)	(36,180,302)
Total cash operating costs	**61,116,157**	70,874,739	**154,206,303**	177,983,530	238,211,648
Depreciation (Note 14)	**13,404,591**	15,170,285	**42,886,334**	58,766,875	73,779,722
Amortization (Note 15)	**3,379,384**	3,877,269	**13,708,334**	11,546,617	16,134,349
Total operating costs	**77,900,132**	89,922,293	**210,800,971**	248,297,022	328,125,719
(increase) / decrease in metal inventory	**(5,498,536)**	(14,551,375)	**24,220,681**	(12,350,970)	(6,951,174)
Cost of sales	**72,401,596**	75,370,918	**235,021,652**	235,946,052	321,174,545

30. General and administrative expenses

	Quarter ended September 30 2011	Quarter ended September 30 2010	Nine months ended September 30 2011	Nine months ended September 30 2010	Year ended December 31 2010
Salaries and staff related benefits	**43,855,444**	43,032,650	**130,059,615**	112,609,418	148,730,043
Contracted services	**4,676,390**	9,628,750	**17,578,919**	24,915,108	33,120,717
Overheads and other	**2,426,067**	5,637,100	**10,529,823**	10,363,734	14,756,721
Consumables	**2,724,423**	590,255	**4,119,020**	2,043,614	5,445,589
Directors' remuneration and allowances	**620,822**	290,000	**1,659,378**	1,913,345	3,269,368
Repair parts	**90,819**	49,657	**204,409**	154,516	249,149
Depreciation (Note 14)	**1,535,585**	1,217,442	**5,098,090**	3,017,386	4,070,408
Amortization (Note 15)	**269,336**	1,418,107	**2,062,520**	3,044,654	4,514,218
Total	**56,198,886**	61,863,961	**171,311,774**	158,061,775	214,156,213

(All amounts in Saudi Riyals unless otherwise stated)

The Board of Directors' remuneration represents accrual based on management's estimate and will be finalized upon approval by the Company's shareholders at the General Assembly.

31. Exploration expenses

	Quarter ended		Nine months ended		Year ended
	September 30 2011	September 30 2010	September 30 2011	September 30 2010	December 31 2010
Salary and staff related benefits	**12,268,362**	7,762,588	**34,512,151**	19,871,062	28,737,841
Contracted services	**7,762,886**	11,130,573	**34,975,704**	27,799,090	41,265,059
Overheads and other	**1,848,690**	944,442	**3,141,687**	3,015,984	1,057,985
Consumables	**686,544**	566,650	**2,772,423**	2,261,480	3,217,666
Repair parts	**231,579**	113,443	**1,188,936**	688,510	3,877,538
Total	**22,798,061**	20,517,696	**76,590,901**	53,636,126	78,156,089

32. Income from short-term investment

	Quarter ended		Nine months ended		Year ended
	September 30 2011	September 30 2011	September 30 2011	September 30 2010	December 31 2010
Income received and accrued on short-term investment	**15,176,741**	45,434,908	**61,086,224**	129,145,752	168,259,012

33. Earnings per ordinary share

	Quarter ended		Nine months ended		Year ended
	September 30 2011	September 30 2011	September 30 2011	September 30 2010	December 31 2010
Net income / (loss) attributable to the shareholders of the parent company	**27,413,864**	(202,187)	**133,685,208**	51,663,720	(9,187,814)
Weighted average number of ordinary shares in issue during the period / year	**925,000,000**	925,000,000	**925,000,000**	925,000,000	925,000,000
Basic and diluted earnings / (loss) per ordinary share from continuing operations	**0.03**	(0.001)	**0.14**	0.06	(0.01)

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

(All amounts in Saudi Riyals unless otherwise stated)

34. Related party transactions and balances

Transactions with a related party carried out during the period under review, in normal course of business, is summarized below:

	Nine months ended September 30 2011	Nine months ended September 30 2010	Year ended December 31 2010
Sales to SABIC	**873,457,295**	-	-

Amount due from / (to) related parties arising from transaction with related parties are as follows:

	September 30 2011	September 30 2010	December 31 2010
Long-term borrowings from a 50% shareholder in Ma'aden			
Due to PIF (Note 23 b)	**4,466,232,555**	3,161,672,606	3,637,434,109
Payable to a related party			
Advances from Alcoa Inc. (Note 17)	**594,445,267**	-	-
Accrued expenses - Alcoa Inc. (Note 18)	**211,885,770**	-	-
Receivable from a related party			
Due from Government (Note 12)	-	61,045,987	61,045,987
Due from SABIC (Note 9)	**233,720,531**	-	-
Due from SAMAPCO (Note 9)	**44,704,636**	-	-

35. Operating lease agreements

	Nine months ended September 30 2011	Nine months ended September 30 2010	Year ended December 31 2010
Payments under operating leases recognized as an expense during the period / year	**9,382,500**	2,039,640	7,285,000

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.

36. Commitments and contingent liabilities

	September 30 2011	September 30 2010	December 31 2010
Capital expenditures:			
Contracted for	**13,808,371,176**	9,320,086,311	10,246,508,913
Guarantees:			
Guarantees in favor of Saudi Aramco, for future diesel and gas feedstock supplies	**170,962,000**	170,962,000	170,962,000
Letters of credit:			
For the development of the aluminum project	**1,726,046,285**	1,726,046,285	1,726,046,285

MAC 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 MAC, of the total amount of letter of credits submitted by MAC to the Government.

37. 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.

37.1 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 U.S. dollars. Management monitors the fluctuations in currency exchange rates and believes that the currency risk is not significant.

37.2 Fair value

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 Company's financial assets and liabilities are not materially different from their carrying values.

37.3 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 rates and believes that the effect of the commission rate risk is not significant, also see Note 23.

37.4 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 shareholders.

37.5 Credit risk

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 three major customers which account for sales of approximately SAR 612 million, representing 91% of the Group's sales for the period ended September 30, 2011 (September 30, 2010: SAR 463 million representing 91% of Group's sales from two major customers, December 31, 2010: SAR 636 million representing 90% of Group's sales from two major customers). Trade receivables are carried net of provision for doubtful debts, if needed.

37.6 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.

38. Post balance sheet events

No events have arisen subsequent to September 30, 2011 and before the date of signing the review report, that could have a significant effect on the consolidated interim financial statements as at September 30, 2011.

39. Comparative figures

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

(All amounts in Saudi Riyals unless otherwise stated)

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40. Detailed information about subsidiaries

Subsidiary	Nature of business	Issue share capital	Effective group interest 2011 %	Effective group interest 2010 %	Cost of investment by parent company 2011	Cost of investment by parent company 2010
Ma'aden Gold and Base Metals Company ("MGBM")	Gold mining	30,000,000	100	100	300,000,000	300,000,000
Ma'aden Phosphate Company ("MPC")	Phosphate mining and fertilizer producer	620,848	70	70	4,345,936,000	4,345,936,000
Ma'aden Industrial Minerals Company ("MIMC")	Kaolin, low grade bauxite and magnesite mining	3,093,224	100	100	307,330,867	293,556,088
Ma'aden Infrastructure Company ("MIC")	Managed and develop infrastructure projects	6,349,832	100	100	635,925,768	632,629,577
Ma'aden Aluminum Company ("MAC")	Aluminum ingots, t-bars, slabs and billets	2,007,565,250	74.9	-	1,503,666,372	492,373,875
Ma'aden Rolling Company ("MRC")	Aluminum sheets for can body and lids	472,125,000	74.9	-	353,621,625	353,621,625
Ma'aden Bauxite and Alumina Company ("MBAC")	Bauxite mining and refinery	510,000,000	74.9	-	381,990,000	-
					7,828,470,632	6,418,117,165
Joint venture						
Sahara and Ma'aden Petrochemical Company	Production of concentrated caustic soda and ethylene dichloride	900,000	50	-	450,000,000	-
					8,278,470,632	6,418,117,165

All the subsidiaries and joint venture listed above are incorporated in the Kingdom of Saudi Arabia.