



OMAN'S MINING SECTOR: A WEALTH OF OPPORTUNITIES



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INTRODUCTION

The Sultanate of Oman is steadfastly establishing itself as a prominent player in the global mining arena. Oman's mining sector, bolstered by a wealth of natural resources, strategic location, and a government dedicated to economic diversification, is primed for substantial growth and presents enticing investment prospects. This report aims to provide a comprehensive overview of Oman's mining sector, highlighting its strengths, investment opportunities, and the government's commitment to sustainable development.

2 WHY OMAN?

Oman offers a compelling combination of factors that make it an attractive destination for mining investment:

Abundant & Diverse Mineral Resources:

Oman boasts a diverse array of mineral reserves, including:

- **Metallic Minerals:** Copper, silver, zinc, chromite, manganese, and lead.
- **Industrial Minerals:** Gypsum, limestone, dolomite, marble, silica sand, clays, and other construction aggregates.
- **Rare Earth Elements:** Untapped potential for heavy rare earth elements (HREEs) crucial for advanced technologies.

These abundant resources offer a wide spectrum of investment opportunities across various mineral segments.



Strategic Location and Infrastructure:

Oman's strategic positioning along major international shipping routes, complemented by its well-developed ports and logistics infrastructure, facilitates the efficient export of minerals to key markets in Europe, Asia, and beyond. This ensures seamless access to international markets and reduces transportation costs for mining companies. Key ports include:



1

Port of Duqm:

A rapidly developing port with a special economic zone focused on logistics and industrial activities.

2

Port of Salalah:

A strategically located transshipment hub with connections to major shipping lines.

3

Port of Sohar

A major deep-water port with container terminals, bulk cargo handling facilities, and a free zone.

Pro-Business Government Support and Policies:

The Omani government is actively involved in facilitating the growth of the mining sector by providing comprehensive support and implementing investor-friendly policies. Key initiatives include:



Mineral Wealth Law of 2019:

This law streamlines the process for obtaining mining licenses, ensures transparency and fairness in the licensing process, and offers competitive royalty rates.

Tax Incentives:

The government provides attractive tax breaks and exemptions to encourage mining investment.



Foreign Ownership:

Oman allows 100% foreign ownership of mining projects, making it a welcoming environment for international companies.

Ease of Doing Business:

Oman has implemented reforms to simplify business procedures and create a more efficient regulatory environment.

Geological Surveys and Exploration:



Oman is committed to investing in geological surveys and exploration programs to identify and evaluate new mineral resources. This ensures the sustainable development of its mining sector and provides valuable geological information to potential investors. The Ministry of Energy and Minerals (MEM) conducts extensive geological mapping and airborne geophysical surveys to enhance understanding of the country's mineral potential.

Environmental Sustainability:

Oman is dedicated to implementing robust environmental regulations and promoting sustainable mining practices to minimize the environmental impact of mining operations. This commitment ensures responsible resource development and protects Oman's pristine natural environment. The country adheres to international best practices for environmental management in the mining sector.



Water Resource Management:

Recognizing the importance of sustainable water use in arid mining regions, Oman utilizes water-efficient technologies, water recycling, and explores alternative water sources such as desalination to address water scarcity challenges in the mining sector.



Community Engagement:

Oman prioritizes building strong relationships with local communities in mining areas. This includes implementing community development programs, providing employment and training opportunities for local residents, and ensuring transparent communication to address community concerns and foster mutually beneficial partnerships.

3 OMAN'S GEOLOGY AND MINERAL WEALTH

Historical Context:

Oman has a rich mining heritage, dating back to ancient times when it was renowned as Majan, the land of copper. This historical legacy underscores Oman's deep-rooted connection to the mining industry and its significance in the country's economic development. Archaeological evidence indicates copper mining in Oman as early as the 3rd millennium BCE.

Geological Significance:

Oman stands as a geological marvel, a testament to millions of years of natural evolution that has endowed the country with an extraordinary diversity of mineral resources. From vast reserves of industrial minerals to metallic treasures like chromite and copper, Oman's mineral endowment stands as a cornerstone for its economic potential and a beacon for innovation in the global mining sector.

Geological Formations:

1

The Semail Ophiolite:

This is the world's largest and most intact section of ancient oceanic lithosphere.

It is rich in chromite & copper, both critical to modern industries. The Semail Ophiolite is a unique geological feature that attracts researchers & geologists from around the world.

2

The Hawasina Series:

This formation contains deep-water sediments that host deposits of manganese, chert, and other minerals, contributing to Oman's diverse mineral resources.

3

Late Cretaceous to Tertiary Limestones:

These thick marine limestone deposits crown Oman's geology, supplying indispensable materials for construction, cement, and glass production.



Key Mineral Resources:



Chromite:

Abundantly found in the Semail Ophiolite, chromite is a key ingredient in stainless steel production and other industrial applications. Oman is one of the world's leading producers of chromite.



Copper:

High-grade copper deposits in Oman meet global demands for electrical wiring, plumbing, and industrial applications. The country has significant potential to increase copper production.



Industrial Minerals:

Extensive reserves of limestone, dolomite, and gypsum support thriving construction and manufacturing industries in Oman and the region.



Rare Earth Elements (REEs):

Oman has untapped potential for heavy REEs (HREEs) in ultramafic rocks, offering opportunities for use in renewable energy technologies, electronics, and other advanced applications.

4 INVESTMENT OPPORTUNITIES ACROSS THE MINING VALUE CHAIN

Oman's diverse geological landscape presents a wealth of opportunities for investors across the entire mining value chain. From exploration and extraction to processing and manufacturing, the Sultanate offers fertile ground for ventures seeking to capitalize on its mineral wealth.

4.1 Upstream Opportunities:

Exploration Concessions:

Investors can secure exclusive exploration rights in highly prospective areas and unlock the potential of undiscovered mineral deposits. Oman's varied geology, ranging from the Semail Ophiolite to the Hawasina Series, offers exciting possibilities for discovering new sources of copper, chromite, and other valuable minerals. Advanced geological mapping, surveying, and cutting-edge exploration technologies are readily available to assist in this endeavor.

Exploration Services:

There is strong demand for specialized exploration services, including:

- Remote sensing and satellite imagery analysis
- Geographic Information Systems (GIS) studies
- Geophysical surveys (magnetic, gravity, seismic)
- Detailed geological mapping
- Geochemical sampling and analysis
- Drilling and core logging

4.2 Midstream Opportunities:

Mine Construction & Processing Facilities:

Opportunities exist to develop and operate state-of-the-art open-pit or underground mines, along with mineral processing facilities. This includes:



Beneficiation plants to concentrate ores



Metallurgical plants to extract valuable metals (e.g., smelters, refineries)



Infrastructure development (roads, power, water supply)

Oman's rich deposits of copper, gypsum, and chromite offer excellent prospects for establishing efficient and profitable mining operations.

Upstream Mining Services:

Investors can provide essential operational services for mine construction, excavation, and other upstream activities. This includes:



Supplying heavy machinery & equipment (excavators, loaders, trucks)



Equipment maintenance & repair services



Mine planning & engineering



Technical expertise and training

4.3 Downstream Opportunities:

Mineral Processing and Refining:

Establish facilities to transform raw minerals into value-added products. This includes:

- Smelting and refining of metals (copper, etc.)
- Processing of industrial minerals (gypsum, limestone) to create construction materials, chemicals, and other products.

Industrial Minerals Complex:

Develop integrated industrial complexes to utilize Oman's vast reserves of gypsum, limestone, and dolomite. These complexes can produce a wide range of products, including:

- Gypsum boards and plaster
- Cement
- Quicklime
- Other construction materials

Sea Salt Mining:

Capitalize on Oman's extensive coastline by investing in sea salt mining initiatives. Sea salt has diverse applications in:

- Industrial chemicals
- Pharmaceuticals
- Food processing

Building Materials:

Engage in the quarrying and production of high-quality building materials such as:

- Gabbro
- Limestone
- Gypsum
- Marble

These materials are essential for Oman's thriving construction industry and infrastructure development projects.

4.4 Value Chain Integration:

Oman encourages investors to explore opportunities across the entire mining value chain, from exploration and production to downstream processing and manufacturing. This integrated approach allows for:

- Greater control over operations
- Maximizes resource utilization
- Enhances profitability
- Reduces reliance on imports
- Creates more value-added products within Oman

4.5 Specific Investment Opportunities:

The Ministry of Energy and Mining has identified specific concession areas with high potential for mineral development, inviting investors to participate in exploration, mining, and processing ventures. These areas include:

Al-Burami	1089 km ²	Chromite, copper, basalt, and gabbro
North of the Southeastern	747 km ²	Manganese, nickel, and laterite
South of the Eastern	637 km ²	Manganese, coal, nickel, and laterite
Ad Dakhilia	1050 km ²	Barite, silica, and kaolin
Ad Dakhilia & Central	1075 km ²	Silica and clays
Dhofar	1714 km ²	Feldspar

4.6 Support Services:

Consulting Services:

Offer expert consulting services to mining companies, providing guidance on:

- Mining operations
- Resource management
- Environmental compliance
- Strategic planning
- Financial modeling
- Legal and regulatory issues

Laboratory Services:

Establish advanced chemical and metallurgical analytical laboratories to support the mining industry with essential testing, analysis, and quality control.

Trade and Supply Services:

Facilitate trade and logistics by providing supply chain services for mining and mineral processing equipment and materials.

Oman's mining sector is a vibrant hub of activity and growth, driven by innovative projects that are setting new standards for the industry. Spearheaded by key players like Mineral Development Oman (MDO), the industry is committed to sustainable and responsible resource development.

Here are some examples of successful mining projects in Oman:

1

Mazoon Copper Project: This is the largest copper mine in Oman, operated by Al Hadeetha Resources LLC. It is expected to produce a significant amount of copper concentrate each year, contributing to Oman's position as a major copper supplier.

2

Oman Mining Company (OMCO): OMCO has a long history of mining copper in Oman. It previously operated the Lasail Copper Mine and a copper smelting and refining plant. OMCO also produced as a by-product. The company is now working on a new project to extract minerals from a different type of deposit.

3

Oman Chromite Company: This company is a leader in producing chromite, a valuable mineral used in various industries. It has been very successful, earning millions of Omani Rials in sales.

4

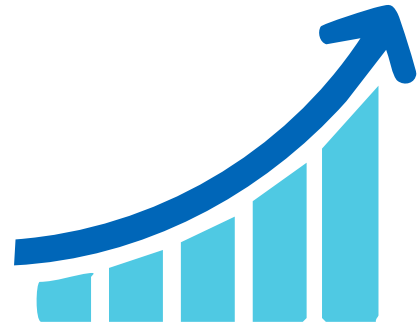
Ash Shiwaymiyyah Industrial Minerals Project: This is a massive project that utilizes Oman's large reserves of gypsum, limestone, and dolomite to produce materials needed by industries around the world. The project is being developed by Minerals Development Oman (MDO).

5

Naqa Salt Project: This project focuses on extracting sea salt, which has many uses in industry and medicine. It shows how Oman is finding new and innovative ways to use its natural resources.

6

Kunooz Oman Holding: This company produces important building materials like limestone and marble, which are used in construction projects throughout Oman.



Vision 2040: The integration of geological resources into Oman's Vision 2040 underscores their importance for economic diversification. By developing upstream & downstream industries, Oman can transform its mineral wealth into a sustainable engine for growth while fostering global partnerships in research and resource management.

Economic Diversification: The growth of the mining sector will contribute significantly to Oman's economic diversification efforts, reducing its reliance on oil and gas revenues and creating a more resilient and sustainable economy.

Job Creation: The mining industry is expected to generate numerous employment opportunities across various skill levels, from unskilled laborers to highly skilled engineers & technicians. This will help to reduce unemployment & boost the economy.

GDP Growth: The mining sector's contribution to Oman's GDP is projected to increase significantly, supporting economic growth and development.

Regional Development: Mining operations will stimulate economic activity in rural areas, leading to improved infrastructure, amenities, and an overall better quality of life in those regions.

Foreign Direct Investment (FDI): The mining sector is attracting significant FDI into Oman, contributing to economic growth and development.

CHALLENGES AND MITIGATION STRATEGIES

While Oman's mining sector offers significant opportunities, there are also challenges that need to be addressed:

Environmental Sustainability:

Oman recognizes the importance of minimizing the environmental impact of mining operations. The country is committed to:



Implementing strict environmental regulations



Adopting sustainable mining practices



Investing in rehabilitation & closure planning for mine sites



Using technology to reduce environmental impact

Water Resource Management:

Sustainable water use is a key challenge in arid mining regions. Oman is actively:



Exploring and implementing water-efficient technologies



Promoting water recycling



Developing alternative water sources (desalination)

Community Engagement:

Building and maintaining strong relationships with local communities is essential for the success of mining projects. Oman prioritizes community engagement through



Community development programs



Employment and training opportunities



Transparent communication



Addressing concerns & fostering mutually beneficial partnerships

The development of a thriving mining sector in Oman involves a range of stakeholders:



Government Entities:

- Ministry of Energy and Minerals (MEM)
- Public Authority for Mining
- Other relevant ministries & agencies

These entities play a crucial role in providing policy support, regulatory frameworks, and facilitating land allocation for mining projects.



Investors and Developers:

- Local and international mining companies
- Investment funds
- Financial institutions

These stakeholders contribute capital, expertise, and technology to the development and growth of Oman's mining sector.



Technology Providers:

- Companies specializing in mining equipment
- Technology solutions providers
- Environmental consulting services

These companies play a vital role in enhancing operational efficiency and sustainability in the mining sector.



Local Communities:

- Residents of areas impacted by mining operations

Engaging and collaborating with local communities is essential for ensuring the social and environmental sustainability of mining projects.

The Omani government is committed to fostering a thriving and sustainable mining sector through a range of supportive initiatives:

Infrastructure Development:

To ensure the efficient transportation of minerals, the government is investing in robust infrastructure, including:



Dedicated mining ports:

These specialized ports, particularly in the southern region, will streamline the export of minerals and enhance logistical capabilities.



Mineral line railway:

This dedicated railway line will improve connectivity between mining areas and ports, facilitating the smooth flow of minerals from mine to market.



Road networks:

Upgrading and expanding road networks to connect mining areas with processing facilities and ports.

Investment Facilitation:

Attracting and retaining investment in the mining sector is a priority. The government achieves this through:



Streamlined regulatory processes:

Clear and efficient regulatory processes make it easier for investors to navigate the mining sector.



Transparent land allocation:

A fair and transparent system for allocating land for mining operations ensures investor confidence.



Tax incentives:

Generous tax incentives, including exemptions and deductions, make mining projects more financially attractive.



Flexible foreign ownership laws:

Foreign investors are welcome to participate in Oman's mining sector, with flexible ownership laws that encourage international collaboration.

Geological Mapping and Exploration:

The government continues to invest in geological surveys and exploration programs to identify and assess mineral resources. This provides valuable data to potential investors and supports the discovery of new mineral deposits.

Skills Development:

Building a skilled workforce is essential for the long-term success of the mining sector. The government is committed to:



Training programs: Establishing specialized training programs to equip Omanis with the skills and knowledge needed to excel in the mining industry.



Education initiatives: Partnering with educational institutions to develop mining-related curricula and promote careers in the mining sector.

Sustainability:

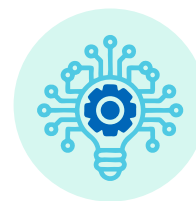
Oman is dedicated to building a mining ecosystem that balances economic advancement with environmental responsibility. This includes:



Environmental protection: Implementing strict environmental regulations and promoting sustainable mining practices to minimize the impact on ecosystems.



Community well-being: Prioritizing the well-being of local communities by ensuring that mining operations benefit surrounding areas and contribute to social development.



Technological advancements: Encouraging the use of state-of-the-art technology to improve efficiency and reduce the environmental footprint of mining operations.

10 CONCLUSION

Oman's mining sector is brimming with opportunities for investors seeking to participate in a dynamic and growing industry. The country's abundant mineral resources, strategic location, supportive government policies, and commitment to sustainable development create a compelling investment proposition. By partnering with Oman, investors can contribute to the country's economic diversification and sustainable growth while reaping the rewards of a thriving mining sector.

Oman's proactive approach to developing its mining industry, combined with its stable political environment and commitment to responsible practices, positions it as a promising destination for mining investment in the years to come.

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