

*In the Name of God*

**IMI DRO**

Iranian Mines and Mining  
Industries Development  
& Renovation Organization

 **PRODUCED BY:  
DEPUTY OF PLANNING & EMPOWERMENT  
ECONOMIC, FINANCE & INVESTMENT  
DEVELOPMENT DEPARTMENT**



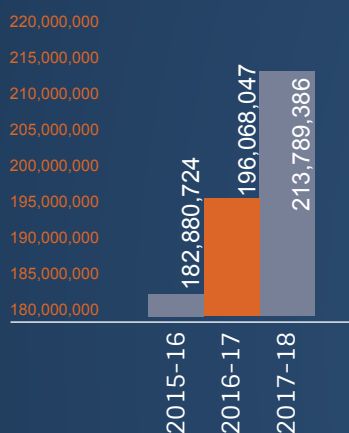
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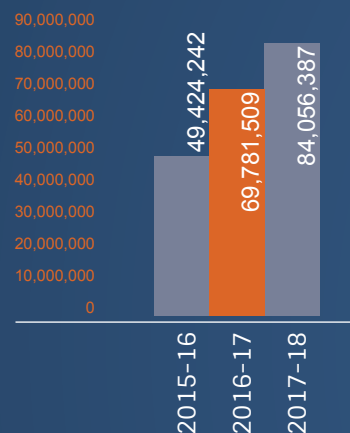


# FINANCIAL HIGHLIGHTS

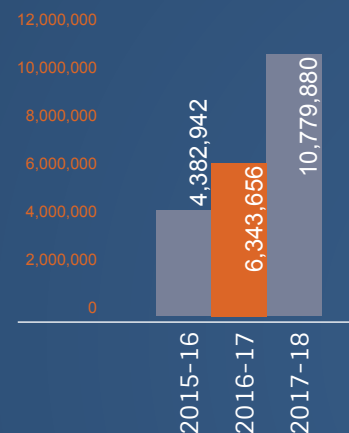
**Total Assets**  
(million IRR)



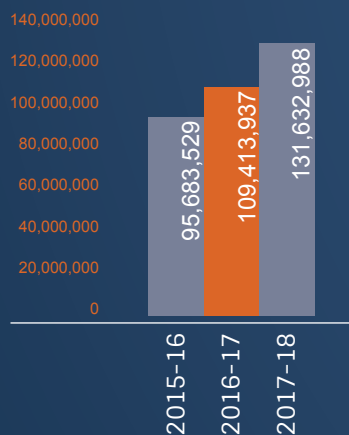
**Long-term Investments**  
(million IRR)



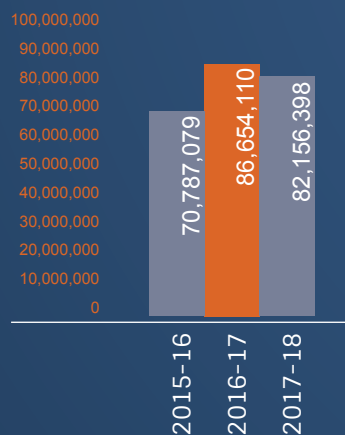
**Capital Increase in Progress**  
(million IRR)



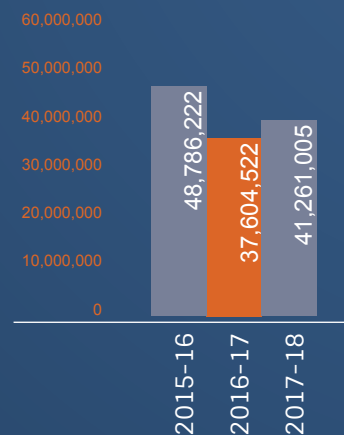
**Total Shareholders' Equity**  
(million IRR)



**Total Liabilities**  
(million IRR)



**Retained Earnings at Beginning of Year**  
(million IRR)



\* The Company's fiscal year ends on March 20<sup>th</sup>.

# CHAPTER | 1 | **IMIDRO AT A GLANCE**



# CHAIRMAN'S STATEMENT

## *Chairman's Statement*

*Taking appropriate strategies and policies to offset the effect of imposed sanctions, IMIDRO played the most effective role in mining industries and sector. The sanctions imposed resulted in IMIDRO's assets decrease and subsequently financing capabilities decrease, governmental complex regulations that make working and decision making processes complex. Following strategies adopted in reference with attracting the maximum financial resources from private sector to develop and enhance productivity of mining industries, to control costs and financial position of projects and subsidiaries, to boost synergy in the Parent Company and its subsidiaries along with putting strategies into practice, IMIDRO could take the following measures since the 11<sup>th</sup> Government inaugurated:*

*1. Completing dormant projects and utilizing projects worth over USD2 billion. The most important of them include completing main reduction of steel projects in provinces, launching downstream projects in Sangar Mining Region to complete value chain, to prevent selling crude products and some significant copper projects. From March to July 2018, 4 projects worth USD500 million were utilized and other projects which worth over USD2.5 billion will be expected to be launched by March 2019.*

*3. Exploration operations carried out by IMIDRO and its subsidiaries include 41 areas covering 272 thousand kilometers out of which 198 thousand kilometers is going to be transferred to private sector after exploration operations are carried out and the remaining which is 66 thousand kilometers have been transferred to private sector so far. It is noteworthy that the mentioned areas*

*were explore using aerial technologies and geophysics.*

*4. To boost export of minerals and mining products by which non-oil export product of the country reached 20% in the reporting period. To export various products to different countries and to decrease export risk is a trade goal achieved in the current year.*

*5. To formulate mine and mining industries road map in order to identify policies required to turn the mine and mining industries into an economic pioneer in the country. The road map which was prepared by IMIDRO's experts and managers and contribution of private sector was approved by parliament members, undersecretary and private sector societies.*

*Regarding the risks arising from international limitations, it is expected that production, export and expansion projects will encounter noticeable challenges. Therefore, Special Measures Council was formed to inspect the international sanctions and propose solutions to offset adverse effects. For example, the Council has held many meetings with major mining companies to design a model to evaluate sanctions-related risks. This made companies intelligent and raw material and parts supplied. In addition, IMIDRO had meetings with Shipping Organisation, Iran Insurance, Ports Organisation and Iranian banks which have oversea branches as well as international attorneys to find solutions for the problems. It is necessary to adopt financial, industrial and trading policies to minimise the mentioned risks by solving domestic problems.*

**MEHDI KARBASIAN**



# EXECUTIVE BOARD

## MEHDI KARBASIAN

Chairman

## MEHDI SAGHAFI

Member

## SEYYED HOSSEIN HASHEMI

Member

## SEYYED ABOLHASAN SEYYED KHAMOUSHI

Member

## ARDESHIR SADMOHAMMADI

Member

## OUR PROFILE

In execution of Article 6 of the Centralization of Industrial & Mining Activities Act and for the purpose of evaluating and determining the overall strategies and policies, executing the projects relating to the construction and the renovation of metal related industries, extraction and processing of mineral products as well as executing exploration projects, the Iranian Mines and Mining Industries Development & Renovation Organisation (IMIDRO) was established and officially registered on 1380/12/02 (2001.05.02).

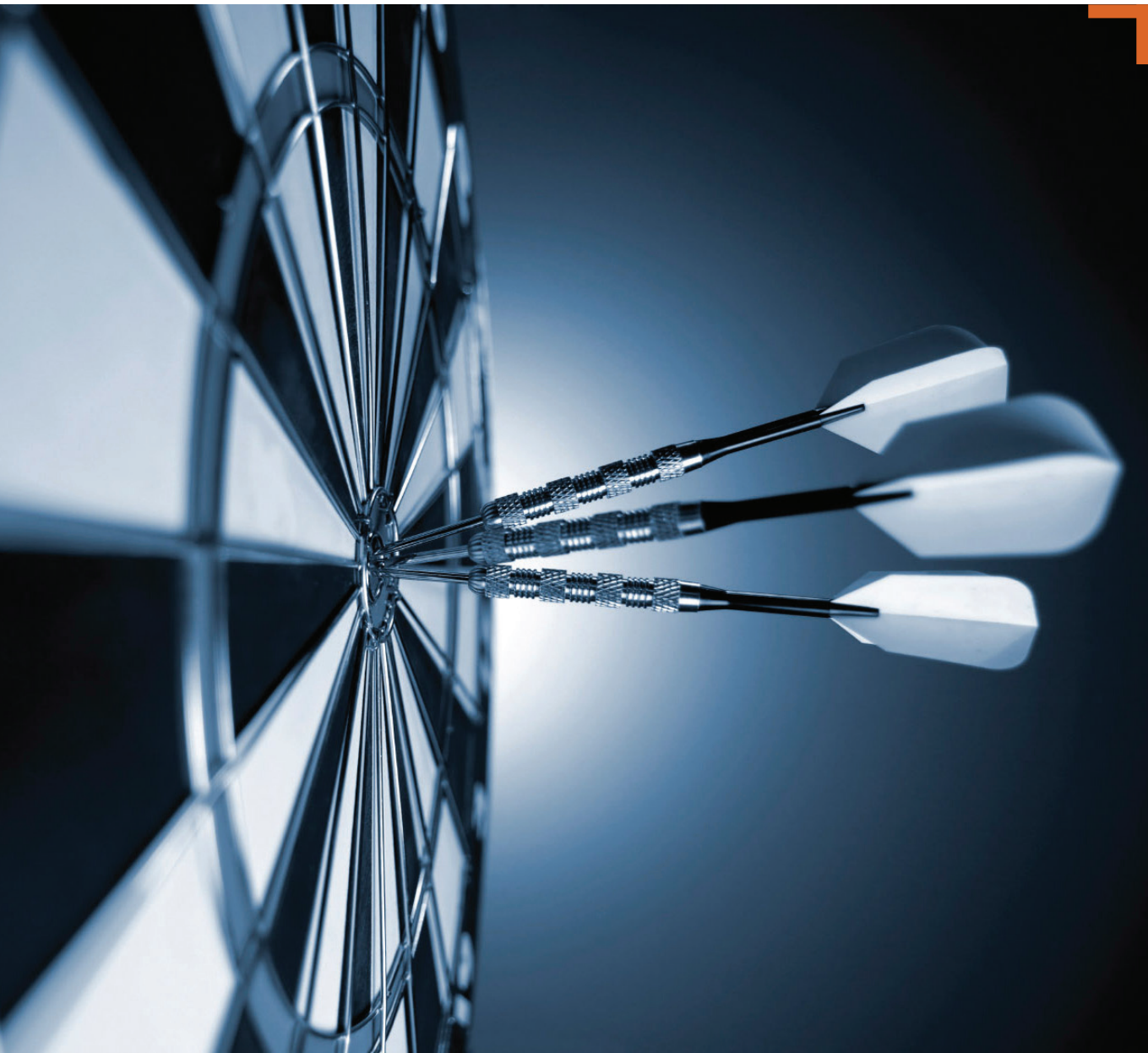
It was then decided that this organization is to be administered in accordance to the Establishment of Industrial Development & Renovation Organisation of Iran (IDRO) Act of 1346 (1967-68) and the articles of associations of this organisation.

Based on the cabinet decree and in accordance to clause A of article 4 of Iran's 4th Economic, Social and Cultural Development Plan Act, IMIDRO was defined as a specialised parent company of Ministry of Industries & Mines, which runs 50 subsidiary companies. However, a number of such companies have been privatised and IMIDRO has been through some structural changes since that time. Consequently, today, this organisation controls 34 companies in total, which are active in steel, copper, mine and cement industries.



# LONG-TERM OBJECTIVES

- To make Iranian mine industries competitive.
- To achieve sustainable development of Iran's mines and mining industries.
- To increase Iran's global share of production and exports of base metals.
- To pay a special attention towards environmental concerns and to protect natural resources.



# STRATEGIES

Our main strategies are as follows:

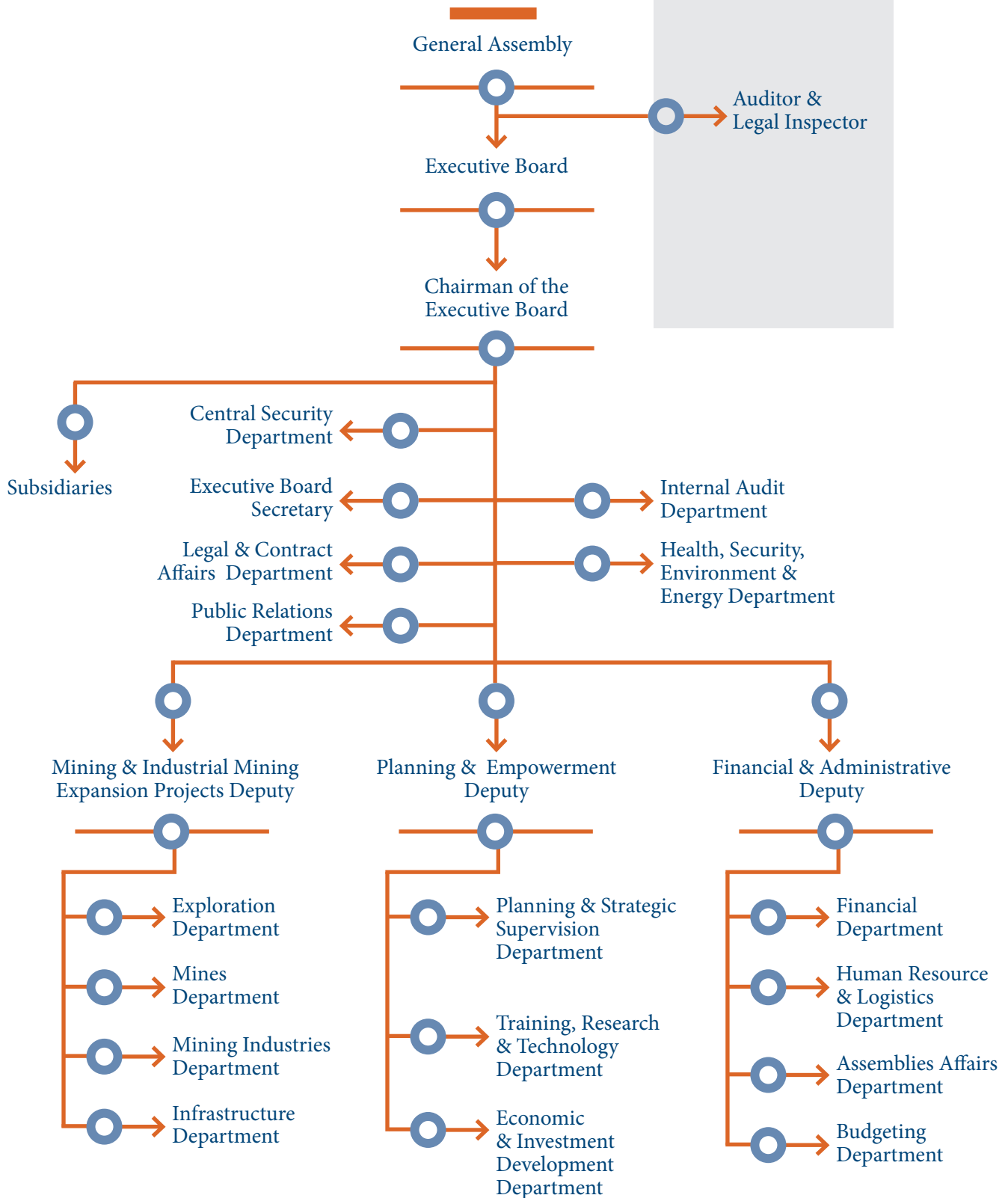
- Developing mining related industries and activities within the less developed regions of Iran which have competitive advantages.
- Boosting investments in the creation of high risk mining and industrial mining units supported by the latest technologies.
- Increasing overseas mining and mining industries in order to complete the current value chain.
- Developing modern financing methods to fund expansion projects.
- Further optimising and creating synergy and boosting compatibility within Iran's mines and mining industries sector.
- Developing know-how and applied research and technology, required by the mines and mining industries sector.
- Boosting investment in the private sector, specialising in mines or mining industries and its related infrastructures.
- Developing human resources in mines and mining industries sector.
- Engaging in strategic marketing in order to further boost product and service (technical and engineering services) exports.



# MISSION

Our main mission is to contribute towards creating wealth for our country by supporting, developing, further strengthening Iran's mining and mining industries sectors and making such sectors more competitive.

# ORGANISATIONAL CHART



# SUBSIDIARY COMPANIES

Company	Market Value	IMIDRO's Ownership Stake	IMIDRO's Shares Value
	04.12.2018	%	IRR Billion
Isfahan Mobarakeh Steel Co.	394,125	17.2	67,790
National Iranian Copper Industries Co.	240,540	12.05	28,985

Company	Ownership Stake (%)
National Iranian Steel Co.	100
Iranian Minerals Production and Supply Co. (IMPASCO)	100
Ehdas Sanat Co.	100
Persian Gulf Mining & Industries Special Economic Zone	100
Mining Investment Insurance Corporation	100
Azerbaijan Steel Co.	100
Shahre Babak Copper Co.	100
West Alborz Coal Co.	100
Industrial & Commercial Services Co. (ICS)	100
Iran Alumina Co.	100
East Iran Iron Ore Co.	100
Ascotec	100
Lamerd Parsian Mineral & Industrial Talashgaran Co.	100
Iran Mineral Processing Research Center	100
Talaye Zarshouran Mines & mining Industries Development Co.	100
Parsian Energy Intensive Industrial Special Economic Zone	100
Iran Roll Commercial Services Development Co.	96.5
South Aluminum Co. (SALCO)	49
Societe des Bauxite de Dabola-Tougue (SBDT)	49
Foolad Sanat Qgaenat Co.	49
Kurdistan Mines & Mining Industries Co.	40
Opal Parsian Sangan Industrial and Mineral Co.	40
Shadegan Steel Industry Co.	35
Neyriz Ghadir Steel Co.	35
Sefid Dasht Steel Complex	35
Novin Electrode Ardakan Co.	34
Yongoul Beton Yaghout Khakhal Co.	30
Ehya Steel Foolad Baft Co.	20
Gohar Farzanegan Kharam Industrial & Mining Co.	17
Pars Foolad Sabzevar Co.	15
Makran Steel Company in Chabahar Free Zone	8.51
Infrastructure Supply & Development of the East of Iran Co.	-

# CHAPTER | 2 | **PROJECTS**

## Main Projects

Project/Company/Complex	Investment Amount (USD Million)
Exploration *	72
South Aluminium Co.	1314
Makran Chabahar Steel Co.	159
Savadkouh Mazandaran Plant Project	174
Electrod Graphite Ardakan Project	280
Infrastructures Required in Mines & Mining Regions Project	83
Special Zones to Establish Lamerd Energy Industry Project	81
Petroleum Coke Project *	1061
Titanium Kahnouj Project *	123
Parvarde 4 Tabas Coal Project	121
Parsian Special Economic Zone Project	201
Nepheline Project *	710
Zarshouran Complex *	110
Mahdi Abad Lead & Zinc Complex	906
Persian Gulf Mining & Metal Industries Special Zone	47
Sefid Dash Steel **	442
Miyaneh Steel **	424
Neyriz Steel **	413
Shadegan Steel **	421
Ghaenat Steel **	436
Sabzevar Steel **	404
Baft Steel **	389

\* Looking for investors

\*\* Provincial steel projects

# CHAPTER | 3 | PERFORMANCE

# EXPLORATION

In spite of Iran's abundant natural resources and its available mines, we constantly look for new sources of raw material to feed our mining industries for years to come. Hence, we dedicate a considerable amount of our time and resources towards exploration activities and we welcome foreign and domestic investments in this regard.

We also focus our exploration investments in Iran's less developed areas, so that whilst ensuring of constant future supply of raw material, we fulfil our corporate social responsibilities by contributing towards the development of such areas.





Significant exploration projects and mining of IMIDRO in recent years are stated below:

- Iron ore, coal and polymetal explorations including 50 thousand meters drilling carried out by IMPASCO.
- Increasing the proven reserves and exploration data in Eastern and Western of Sangan and 1,200 meters of drilling to track iron reserves carried out by Sangan Iron Ore Co.
- To increase gold reserves in the main mine via carrying out 30 thousand meters drilling operation carried out by Zarshouran Gold mines & mining Industries Development Co.
- Naderkhaki elements exploration operations were carried out in central and northeast of Iran.

The following table provides details of IMIDRO's exploration budget and performance in recent years:

Description 2016-17		Drilling (Thousand Meters)		Total Progress (%)	Investment (Billion IRR)			Progress
		2017- 18	2016- 17		2017- 18	2016- 17	2015- 16	
Iran Minerals Production and Supply Co. (IMPASCO)	Iron, Coal & Polymetal Exploration	24	38	31.8	110.4	169.5	327	14.8
Sangan Iron Ore Complex	Eastern & Central General Exploration	14.5	11	9.2	57.2	43.3	55	3.8
Iran Alumina Co.	Bauxite Index Exploration	16.5	14.5	12.1	79.7	70.5	9.1	6.1
Exploration Empowerment Project	Exploration & Prospecting	11	11.3	9.4	474.8	639.8	526.9	55.8
Talaye Zarshouran Mines & mining Industries Development Co.	Mines Completion Exploration	0	1.9	1.6	9.6	7.3	50.8	0.6
Naderkhaki Elements Project	Exploration	0	2	1.6	6.1	7.3	0.9	0.6
Kurdistan Mines & Mining Industries Co.	Kurdistan Mines & Mining Industries Co.	0	0	0	0	6	44.7	0.5
National Iranian Copper Industries Co.	Copper Exploration	34.5	40.9	34.2	319	203	307	17.7
<b>Total</b>		<b>105</b>	<b>119.5</b>	<b>100</b>	<b>1080.2</b>	<b>1147</b>	<b>1,321.4</b>	<b>100</b>

IMIDRO aims to carry out exploration projects in 1397 (2018/19) in 22 provinces of Iran covering 270 thousand kilometers and 400 indices. The expected investment for mentioned operations amount to IRR120 billion.

# RESEARCH, TECHNOLOGY & TRAINING

## Background

Our main mission in reference with research and technology development is to integrate our resources and to carry out research in order to serve our business ventures. Our main areas of concern for research, technology development during the reporting fiscal period are stated below:

- Further developing the mining activities of strategic elements.
- Renovating & enhancing the productivity of our mines and mining industrial units.
- Introducing hi-technologies to serve the development of our mining operations.
- Developing know-how.
- Supporting applied research.
- Developing new and advanced R&D software.
- Supplying R&D hardware and infrastructure.

The following table details the research, training and technology performance of IMIDRO in the reporting period:

Field of Activity	Amounts (Million IRR)
Signing 12 contracts for research projects	218,811.4
Approving 2 research projects regarding Clause 10	4,451.4
Sponsoring 24 conferences & books	10,896.3
Sponsoring 65 theses	3,630.8
Sponsoring holding general & specialised tests to issue employment permits of mining engineers	1,000
Contribution towards providing equipment for petrology & surveying laboratories of Tehran University	5,000
Contribution towards providing equipment & utilisation of mining machineries laboratory in Isfahan University of Technology	267
Sponsoring Mashhad Geology Museum	5,000
Training expenses	28,000
<b>Total</b>	<b>277,029.9</b>



# TRAINING

	2016-17			2017-18		
	No. of Courses	No. of Participants	Man/Hours	No. of Courses	No. of Participants	Man/Hours
Staff	151	786	13,947	162	1,300	12,818
Companies & Projects	112	1,687	3,742	50	1,579	18,138
Private Sector	359	8,315	245,300	426	8,500	255,600
Invited Foreign Tutors	18	1,081	12,967	24	2,113	15,648
<b>Total</b>	<b>640</b>	<b>1,189</b>	<b>275,956</b>	<b>662</b>	<b>134,492</b>	<b>302,204</b>

## Training Courses in Subsidiaries

Company	No. of Courses	No. of Participants	Man/Hours	Training Per Capita
National Iranian Steel Co.	36	254	2,854	37.4
Iran Minerals Production and Supply Co. (IMPASCO)	280	3,300	8,995	24
Sangan Iron Ore Complex	10	238	1,604	-
Iran Mineral Processing Research Center	80	598	10,147	92.5
Persian Gulf Mining & Industries Special Economic Zone	62	1,577	13,597	18
Mining Investment Insurance Corporation	4	11	93	14
Ehdas Sanat Co.	19	61	854	3
Iran Alumina Co.	195	7,131	88,705	57
<b>Total</b>	<b>686</b>	<b>13,170</b>	<b>126,849</b>	<b>-</b>

# CHAPTER | 4 | **CSR & HSE**



## CORPORATE SOCIAL RESPONSIBILITIES (CSR)

Corporate Social Responsibility can be defined as an integrated social, environmental and economical factors turning into values and operations to convert to transparent and accountable manner. It has become a very important tool for long term planning and business success and growth in mining companies as well as IMIDRO.

**At IMIDRO we aim to fulfil our social responsibility:**

- To decrease consumption of fresh water in IMIDRO's plants and utilize the latest technologies to recycle the used water in mines and plants
- To preserve the environment and work on environmental stability and social stability to increase quality of life of the local people
- To keep the environment free from harm due to the processes of the IMIDRO'S Mines and Plants as well.
- To focus on contributing to education, health and environment, culture and recreation, economic development
- To improve social and community development outcomes and To develop Iran's less developed regions, to create job as safeguarding the interest of local populations

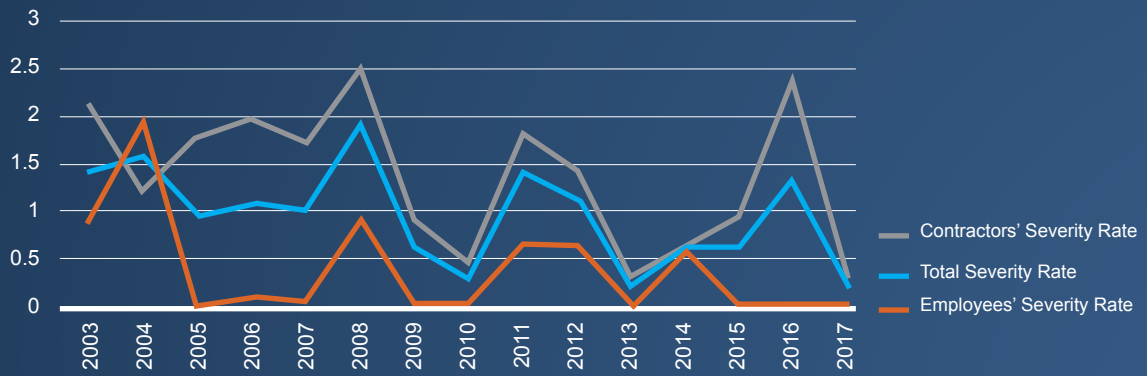


## HEALTH, SAFETY & THE ENVIRONMENT (HSE)

During the reporting period, we carried out the following HSE measures:

- The Severity Rate (SR) stood at 0.19, indicating the lowest rate since 2003-04.
- The Frequency Rate (FR) stood at 1.78 which ranks the second best performance in recent years.
- 9 environmental permissions were obtained for projects in Talaye Kouhdam, Parsian Port, 6 expansion project in Sangan region and Kashan Special Economic Zone.
- Evaluating the HSEE performance of 29 managers and subsidiaries. The subsidiaries have been notified of the evaluation results to improve HSEE performance.
- To carry out 2,152 man/hours HSEE inspections from subsidiaries.
- To provide 20 HSEE motor vehicles for subsidiaries including 11 firefighting and 9 patrol vehicles.
- To perform 51 HSEE projects out of which 24 projects have been completed and the rest will be done in the current year.

Severity Rate Trend from 2003 to 2017



Frequency Rate Trend from 2003 to 2017

