

SAINDAK METALS LIMITED (SML)

INTRODUCTION

The Saindak Metals Limited (SML), formerly known as Resources Development Corporation of Pakistan (RDC), is a national company, which deals in exploration, exploitation and development of non-ferrous minerals and extraction of base metals like copper.

The construction work of Saindak Copper-Gold Project (SCGP) was completed by Metallurgical Construction Corporation (MCC) of China in the year 1995 and handed over to SML in January 1996, after successful trial production of 1,500 Tons of Blister Copper. The project remained closed between 1996 to 2002. In February 2000, it was decided by the Federal Cabinet to restart the project through leasing option by inviting International bids. Accordingly, GoP awarded the lease to M/s Metallurgical Construction Corporation of China (MCC) for a period of 10 years to operate the project as joint venture. M/s MCC Resources Development Company (Private) Limited (MRDL) arranged finances including working capital for maintenance, preparation, and rehabilitation and production activities amounting to US \$ 25.915 million as per terms of contract. The project was handed over to M/s MCC China and commercial production started in August, 2003. On expiry for the first term of 10 years on 31st October 2012 the agreement was extended for further 5 years with the consent of Government of Balochistan and Ministry of Petroleum & Natural Resources and on expiry of five years extension the lease agreement has been extended for further five years with the consent of Government of Balochistan and Ministry of Energy (Petroleum Division).

ACHIEVEMENTS FOR THE PERIOD OF 2018:

PRODUCTION

The SCGP remained in production during the period of January 2018 to December 2018 and following quantities were produced:

i.	Copper Ore	4,384,927.00 MT
ii.	Copper Concentrate	59,375.95 MT
iii.	Blister Copper	12,538.23 MT

SALES STATUS

MRDL exported following quantities of blister copper during the year 2018.

Blister Copper	12,540.42	M Tons
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GOVERNMENT TAXES:

The Lessee paid **US\$ 4,882,051** as royalty @ 5% on sale value to Government of Balochistan. Similarly, 1% Presumptive Tax amounting to **US \$ 976,410** and EPZ service charges @ 0.5% amounting to **US \$ 488,205** were paid to EPZ authorities. On account of Corporate Social Responsibilities (CSR) **US \$ 725,694** paid to Government of Balochistan for Social Upliftment Activities.

COMPANY'S PROFILE:

a) Name and Address of the company with telephone and fax number:

Saindak Metals Limited, Gul Bagh, Samungli Road, Quetta. (PAKISTAN)
Tel +92- 081-9201645, 9201646, 9201475, 9201690, 9201815,
9201082, 9201084
Fax : 081-9204067.
E-Mail: saindak.smlho@gmail.com, info@saindak.com.pk

b) Name of Chief Executive:

Mr. Muhammad Raziq Sanjarani

c) Type of Company:

Limited Liability Company, 100% owned by the Government of Pakistan.

d) Type of Business/Manufacturing:

Metal Mining

e) Auditors:

M/s Deloitte Yousaf Adil Chartered Accountant, 18-B/ 1, Chohan Mansion, G-8
Markaz, Islamabad

f) Legal Advisor:

Mr. Mohammad Riaz Ahmed

g) Company Secretary

Mr. Ghazi Khan

Vision:

To make the country economically and financially sound through leasing out Saindak Copper Gold Project to a Chinese company, M/s MCC Resources Development Company (Pvt.) Limited (MRDL).

Mission:

To make Saindak Metals Limited, a vibrant organization, capable of bringing the mineable resources to a stage where investors (local and foreign) are attracted.

TOTAL STRENGTH OF THE MANAGEMENT:

EXECUTIVE / NON-EXECUTIVE STAFF:

Executives	13
Regular / Non-Executive Staff (BPS 1-16)	42
Sub-Total:	55
Contract Employees	4
Piecework basis workers/miners	15
Sub- Total:	19

a. **Province / Region-wise Breakup:**

Province/Region	Punjab	Sindh	KP	Balochistan	AJK	FATA	TOTAL
Officers	-	3	1	08	1	-	13
Regular / Non-Executive Staff (BPS 1-16 Staff)	1	1	3	34	3	-	42
Sub Total:	1	4	4	42	4	-	55
Contract Employees	-	-	-	4	-	-	4
Piecework basis workers/miners	-	-	-	15	-	-	15
Grand Total:	1	4	4	61	4	-	74

b. **Category and post-wise breakup of officer's strength:**

Category /Post	MD	Company Secretary / G.M (F)	Manager (A&P)	Chief Engineer (Mining)	Coord. Officer, Sr. Accounts Officer	Admn Officer/ Law Officer, Engineer, Geologist	APO, AAO, APO PS to MD, Asstt Store Officer, Asstt Engineer	TOTAL
Head Office, Quetta	1	-	-	-	-	6	4	11
Branch Office, Islamabad	-	-	1	-	-	1	-	2
Grand Total:	1	-	1	-	-	7	4	13

C. Category and post-wise breakup of contractual officer's strength

Category/Post	Company Secretary	Chief Engineer Mining	Assistant Manager (Admin)	Principal (TTC)
Head Office, Quetta	1	1	1	-
TTC Dalbandin	-	-	-	1
Grand Total:	1	1	1	1

D. Breakup of regular / contractual / piecework basis workers etc.

Head Office, Quetta	61
Branch Office, Islamabad	9
Contract Employees	4
Total:	74

Corporate Social Responsibility (CSR) Activities for Social Uplift of the local Community:

- ✓ Since 2002, MRDL in close collaboration/coordination with Saindak Metals Limited (SML) has spent **Rs. 618.932 Million** on CSR related activities, including, Health, Education, Power Generating, Communication, Water Supply Schemes, Infrastructure, Employment etc. *Since 2013 till 2017 MRDL has paid **US\$ 5.501 Million** to Government of Balochistan for CSR related activities.*
- ✓ Construction and establishment of “Saindak Model School” for improving the existing educational capacities of the deprived and underprivileged community children of the locality;
- ✓ Construction and establishing of a (20) bed hospital for provision of free medical services to the residents of the nearby villages, facilities including: (chemical examination, electrocardiogram, B-Ultrasound examination, X-Ray fluoroscopy, treatment Debridement, suture, medical dressing change, injection), provision of medicines & vaccination on reduced charges, approximately 3,860 local populations are getting benefited by the Saindak Hospital.
- ✓ Flawless supply of purified/clean drinking water to the nearby villages and also for the law enforcement agencies such as, FC, Police, BC & Levies, spending more than \$20,000 each year for transportation of clean drinking water from Taftan to project site Saindak.
- ✓ Installation and activation of power-supply equipment for free electric power to the neighboring villages (namely: Killi Saindak, Killi, Sarwar, Killi Amalaf, Killi Noor Ahmed & Killi Syed Abad).
- ✓ Providing Scholarships to the talented students around Balochistan, particularly focusing from District Chagai, to various reputed Schools & Cadet colleges around the country. The management took the initiative to boost up the quality education in the area and to encourage the education among the masses of the district by launching a Scholarship Scheme in 2010. Majority of the students belong from Balochistan province, out of which approximately 90% of the students are mainly focused from district Chagai.
- ✓ Construction and establishment of a state of the art Technical Training Centre at Dalbandin, to enhance the technical skills of the local youth of the region in exploring and exploiting the natural resources of the mineral rich District as well as creating job opportunities. The Managing Director SML with coordination of MRDL management established the TTC at Dalbandin with a positive approach for providing technical and professional skills to the unskilled youth particularly in the Mineral and Mining fields to be helpful in exploring the natural rich resources of the district. The Centre would further help in strengthening the economy of the country in particular and a source for job opportunities for the demoralized youth of the area in general, this ingenuity will also attract foreign investors in mining sector to invest in establishment of mining companies where local technical human resource would be available which ultimately would lead to development of the area.
- ✓ Repairing and restoration of a 15 kilometer road from Taftan to Saindak for easy trouble free easy access;

- ✓ Out of 1,800 employees at Saindak project; around 1500 employees belonging from District Chagai.

Basic necessities of life such as; Clean Drinking Water are lacking in the district of Chagai. In this connection, SML in close collaboration with Government of Balochistan initiated a Clean Drinking Water Supply Project for the inhabitants of the area. SML and Public Health Engineering (PHE) Department, GoB started a project for providing drinking water from Gath Baroth from a distance of approximately 64 KM away from Nokkundi with a cost of Rs. 406.590 Million and by the grace of Al-mighty ALLAH the project is successfully completed and functional.

- ✓ SML in close collaboration with Balochistan Welfare Agency (BWA) has established a mobile health unit and free eye camps for the deprived and disadvantaged community of District Chagai by providing, free lenses & glasses, medicines, MHU awareness programs for the community, (a highly backward and underdeveloped area of Balochistan province with scattered population lacking health facilities).

PAYMENTS TO NATIONAL EXCHEQUER 2018

Particulars	US \$
Royalty	4,882,051
Development Surcharges	488,205
Presumptive Tax	976,410
SML Share of profit	6,894,086
GoP against payable of liabilities (Loan)	-
GoB Social Upliftment	725,694

ACTIVITIES/PROPOSALS TO BE UNDERTAKEN FROM 2018

i. Further exploration/Development of East Ore Body (EOB) of SML Saindak Copper Gold Project

SML has three ore bodies i.e. South, North and East. The contract has been extended with MCC/MRD L from Oct 2017 to 31st Oct 2022. The remaining mineable ore of South and North ore body will sustain the project up to the mid of 2021. On 23rd January 2019 MRDL submitted Design Scheme of Supplementary Geological Exploration for Saindak **East Ore Body**. As per plan, 23 exploratory holes (7551m) drilled for copper & gold along with combination analysis elements for Moly, S and Ag. The exploratory the drilling was started on 1st March 2019 and was completed on May 21st 2019. Due to mineralization conditions, the exploratory holes were increased up to 46 at the depth of 10875.25 meters. As per initial analysis report, the following estimations concluded;

- The mineable ore reserves with in the pit limit stands at 80 million tons@ 0.34% Cu on 0.25% cut-off grade.
- The EOB overburden is about 9 million tons and at least 2 years would be required to remove it.
- According to the preliminary calculations by MRDL, on copper prices ranges from US\$ 6500/ton to US\$ 7000/ton the project may profit a little bit.
- Keeping in view the time factor and the existing ore reserves at Saindak project, EOB development is the sole and only solution to the sustainability of the project and looking to the prevailing economic situation in the country where unemployment is at peak the project is not only providing employment to the youth but also generating profit for the country

ii. Induction and Preparation of exploration team;

The SML board in its 134th Meeting held on June 30th, 2018, approved three Geology/Mining Software's along with hiring of professionals i.e Mining Engineers/Geologists, Financial expert and software engineer for training and operating the Software. Now it is in the process of tendering. SML is expecting to establish a well-equipped exploration team for geological modeling, pit designing and development/exploitation of existing ore bodies of Saindak as well as to be utilized in rest of the country.

iii. Dasht- E- Kain Porphyry Copper Gold Molybdenum Deposits

Dasht-e- Kain is located at a distance of 48 km northwest of Chagai village in the Chagai arc, very close to the Pakistan- Afghanistan border.

During 1978-82 Geological Survey of Pakistan carried out initial exploration and produced a geological and geochemical/geophysical IP anomaly maps. Three bore holes have been drilled in western stock. Average copper values in quartz sericite zone vary from 0.1-0.17% and in the potassium silicate zone from 0.25 to 0.54 %. The breccia pipe zone in the eastern stock contains surface values up to 4.5% copper but not drilled.

These preliminary results are very encouraging for further exploration. In 2007, prospecting License (PL) was granted to Saindak Metals limited (SML), in 2009 SML submitted exploration scheme in MMDD Government of Balochistan which was approved. But unfortunately the PL license was cancelled in 2010, SML lodge appeal with Secretary Mine and Minerals Gobi which is still pending. At present project is operational and earning profit.

SML BOARD OF DIRECTORS

1	Mr. Muhammad Raziq Sanjrani Managing Director, Saindak Metals Limited
2	Syed Tauqir Hussain Additional Secretary (I&JV), MoE (PD)
3	Mr. Muhammad Iqbal Director General (Mineral), Ministry of Energy (Petroleum Division)
4	Mr. Sajid Mehmood Qazi Managing Director, PMDC
5	Dr, Tanvir Ahmed Qureshi Director General Geological Survey of Pakistan, GoP
6	Mr. Abdul Rehman Buzdar Addl. Chief Secretary (Dev.) Development, GoB
7	Mr. Zahid Saleem Secretary, Mines & Minerals Department, GoB