SAINDAK METALS LIMITED

MINISTRY OF ENERGY (PETROLEUM DIVISION)
GOVERNMENT OF PAKISTAN

STATEMENT OF CORPORATE INTENT

Prepared under Section 8(4) and Schedule-III of the
State-Owned Enterprises (Governance and Operations) Act, 2023

FINANCIAL YEARS COVERED

FY 2026-27, FY 2027-28 and FY 2028-29

SML Head Office Building, Gull Bagh Street, Samungli Road, Quetta

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Preamble

This Statement of Corporate Intent (“Statement”) is prepared pursuant to sub-section (4) of Section 8 and Schedule-III of the State-Owned Enterprises (Governance and Operations) Act, 2023 (“the Act”). It sets out, in the form and sequence prescribed under Schedule-III of the Act, the Company’s business goals, performance measures, strategies, financial outlook and related matters for the financial year 2026-27 and the following two financial years, namely FY 2027-28 and FY 2028-29.

This Statement has been prepared on the basis of, and is fully consistent with, the Company’s approved Three-Year Business Plan FY 2026-27 to FY 2028-29 (“the Business Plan”), which itself has been prepared in compliance with Section 8 of the Act and the Business Plan and Statement of Corporate Intent Guidelines issued by the Central Monitoring Unit (CMU), Finance Division.

1. Name of State-Owned Enterprise

Full Name	Saindak Metals Limited
Status	Federal Government-owned State-Owned Enterprise, administratively attached to the Ministry of Energy (Petroleum Division)
Registered Office	SML Head Office Building, Gul Bagh, Samangli Road, Quetta.

2. Date of Incorporation / Establishment

Saindak Metals Limited was originally incorporated as a private limited company on 15 April 1974 under the Companies Act, 1913 (now the Companies Act, 2017), under the name Resource Development Corporation, for the purpose of exploration, mining and metallurgical processing of copper, gold and other minerals at Saindak, District Chagai, Balochistan.

The Company's name was subsequently changed to Saindak Metals (Private) Limited on 3 October 1993, and it was converted into a public limited company on 16 January 1996, with its equity wholly owned by the Government of Pakistan through nominee ex-officio shareholders.

3. Subsidiaries Included in this Statement of Corporate Intent

Saindak Metals Limited does not have any subsidiary as on the date of this Statement. Accordingly, no subsidiary is included in this Statement of Corporate Intent, and the consolidated reporting requirement under Clause 11 of Schedule-III does not arise.

4. Description of the Main Business of the State-Owned Enterprise

Saindak Metals Limited holds title to the Saindak Copper-Gold Project located in District Chagai, Balochistan, and is constituted for the exploration, mining and metallurgical processing of copper, gold and other minerals at Saindak. Under the Lease Contract dated 30 November 2001, as extended through successive addenda, most recently the Fourth Addendum of October 2022, extending the lease term by fifteen years to October 2037, SML functions as the Lessor, asset owner and contract administrator of the Project, while MCC Resources Development Company (Private) Limited (MRDL), a Chinese lessee, is responsible as Lessee and Operator for mining, beneficiation, smelting, and the sale and marketing of blister copper.

SML's principal functions comprise:

- Asset owner and Lessor of the Saindak Copper-Gold Project.
- Contract administrator for the Lease Contract and its addenda.

- Revenue collection, verification and reconciliation in respect of rent, royalty, profit share, EPZ surcharge and social uplift payments.
- Project oversight and performance-monitoring institution vis-à-vis MRDL.
- Government representative and reporting conduit to the Ministry of Energy and the Central Monitoring Unit, Finance Division.
- Custodian of exploration and resource-development opportunities beyond the existing lease area.
- Lead entity for SML's diversification and research and development programme in Chagai and beyond.

5. Summary of the Business Goals of the State-Owned Enterprise

Consistent with the approved Business Plan, the Company's Vision is to systematically explore, evaluate and develop the Saindak Copper-Gold Deposits and other copper, mine and mineral resources in District Chagai, Balochistan and Pakistan. Its Mission is to make Saindak Metals Limited a vibrant organization capable of bringing mineable resources to a stage where investors, local and foreign, are attracted, while ensuring uplift and improvement in the lives of the local population.

The Company's principal business goals for FY 2026-27 to FY 2028-29 are to:

- Sustain and build upon SML's strong historical profitability through disciplined revenue assurance and prudent management of accumulated reserves.
- Strengthen the monitoring of MRDL's production and capital expenditure performance.
- Advance research and development and resource-expansion initiatives, including mining software, slag and tailings recovery, to enhance long-term asset value.
- Build SML's institutional capacity through targeted recruitment and a functioning project-monitoring framework.
- Execute SML's diversification strategy across all initiatives comprising the Pig Iron facility, Buzgawana exploration, PL83 development, tailings/slag recovery R&D, the BMEC MoU collaboration, and ESG implementation.

6. Summary of Performance Measures and Benchmarks against the State-Owned Enterprise's Business Goals and Primary Objective

SML's primary objective to operate efficiently as Lessor and contract administrator of the Saindak Copper-Gold Project, while generating sufficient revenue to remain financially sustainable, is measured against the following Key Performance Indicators, consolidated from the Business Plan's Strategic Objectives and KPI framework:

Strategic Objective	Key Performance Indicator	FY2026-27	FY2027-28	FY2028-29
Revenue assurance	% of MRDL lease payments received within due dates	100%	100%	100%
Contract administration	MRDL production/financial reports reconciled per year	4 (Quarterly)	4 (Quarterly)	4 (Quarterly)
Governance compliance	SOE Act 2023 Business Plan/SCI submissions on schedule	Yes	Yes	Yes
Monitoring framework	Site monitoring/inspection visits to Saindak per year	4	4	4
HR capacity	Key positions filled and HR Plan implementation	CS & GM HR appointed; HR Plan approved	Additional positions filled per organizational requirements	HR structure expanded and aligned with business growth
R&D initiatives	R&D/feasibility studies completed (slag/tailings, software, chimney)	2	2	2
Diversification — Pig Iron	Blast Furnace procurement and commissioning	Approval & procurement	Commissioning	Operational
Diversification — Buzgawana/Zamran	Exploration phases completed per agreed timeline	Phase 1 mapping	Phase 2 drilling	PFS report
Diversification — PL83	Development plan prepared and approved	Assessment	Plan approved	Implementation
Diversification — BMEC MoU	Work programmes initiated on BMEC licensed areas	MoU active	2 areas assessed	Report to Board

Strategic Objective	Key Performance Indicator	FY2026-27	FY2027-28	FY2028-29
ESG & Sustainability	ESG framework adopted; first sustainability report published	Framework adopted	First report	Annual report
Financial sustainability	Growth in SML revenue over base year (FY2025-26)	≥5%	≥5%*	≥5%*

Growth rates for FY2027-28 and FY2028-29 reflect feasibility-study-based production assumptions; actual outcomes depend on MRDL's operational plans and prevailing market prices. Annual plans will be revised on an annual basis based on MRDL's plan and external factors and submitted to the Board for approval. The Strategic Objectives and KPIs set out are based on current assumptions and projections and are subject to change in response to the prevailing security situation, MRDL's operational performance and production plans, commodity prices, regulatory and government approvals, market conditions, and other unforeseen circumstances beyond the SML's control.

7. Summary of Strategies for Achieving the Business Goals and Primary Objective, and Key Risks

In accordance with Clause 7 of Schedule-III, commercially sensitive strategic details are not included in this Statement. The strategic priorities and principal risks summarized below are presented at a level of generality consistent with the Business Plan and appropriate for an official, publicly disclosable document.

7.1 Strategic Priorities, FY 2026-27 to FY 2028-29

- Revenue assurance and contract compliance monitoring.
- Diversification across the Pig Iron facility, Buzgawana / Zamran Manganese exploration, PL83 development, and BMEC MoU collaboration.
- Research and development on low-grade ore, tailings recovery, smelter slag copper extraction, and stack chimney redesign.
- ESG implementation and sustainability reporting.
- Governance strengthening under the State-Owned Enterprises (Governance and Operations) Act, 2023.
- Institutional and human resource capacity building.
- Stakeholder and community engagement.

7.2 Summary of Key Risks

The principal risks identified in the Business Plan's Risk Management Framework, together with their mitigation approach, are summarized below:

Risk	Impact / Likelihood	Mitigation Approach

Operational dependency on MRDL for all production and financial data	High / High	Strengthening of the independent monitoring framework; quarterly reconciliation; in-house geochemical laboratory capacity.
Commodity price volatility (copper, gold, silver)	High / Medium	Scenario-based financial planning and periodic revision of revenue assumptions.
Lease/contractual non-compliance by MRDL	Medium / Low	Quarterly contract compliance audits and legal review of lease addenda.
Security risks in Chagai/Balochistan	High / Medium	Coordination with MRDL's security arrangements and liaison with the Frontier Corps and provincial authorities.
Revenue/receivables risk (delayed payments)	Medium / Low	Defined payment timelines under the lease addenda, with escalation procedures.
Regulatory risk — SOE Act 2023 compliance	Medium / Low	A dedicated compliance calendar with Board governance committee oversight.
Environmental risk (tailings, emissions, water)	High / Medium	Monitoring of MRDL's tailings dam, independent site inspections, and chimney-redesign R&D.
Exchange rate risk on USD-denominated receipts	Medium / Medium	Periodic PKR exposure assessment and Treasury coordination with the Finance Division.
Diversification project risk (technical, community, regulatory)	Medium / Medium	Phased approvals, Board oversight, and NDA/MoU frameworks with tribal stakeholder engagement.
ESG / reputational risk	Medium / Low	ESG framework adoption, annual sustainability reporting, and community liaison.

8. Current or Anticipated Borrowing of the State-Owned Enterprise

Saindak Metals Limited does not undertake mine-level capital expenditure, which remains MRDL's contractual responsibility under the Lease Contract. The Business Plan confirms that SML itself does not plan major capital expenditure on the existing Saindak mine, and the diversification capital expenditure is intended to be funded from SML's own accumulated reserves and short-term investment portfolio rather than through external borrowing.

9. Accounting Policies to be Applied for Financial Records and Reporting

The financial statements of Saindak Metals Limited (SML) are prepared in accordance with the International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB), as notified under the Companies Act, 2017. The financial statements also comply with the applicable provisions of, and directives issued under, the Companies Act, 2017, the State-Owned Enterprises (Governance and Operations) Act, 2023, and other applicable statutory and regulatory requirements.

10. Summary Indicative Balance Sheet and Profit and Loss Statement

10.1 Historical Financial Position (Rs. Million)

Item	FY2021	FY2022	FY2023	FY2024	FY2025
Share Capital and Reserves	(2,942)	(505)	3,841	7,322	21,925
Short-Term Investments	11,555	17,790	20,645	23,135	32,711
Total Assets	14,418	20,589	23,197	27,484	47,069
Cash from Operating Activities	3,757	5,331	85	367	3,293
Cash and Cash Equivalents at Year End	1,349	11,239	10,946	8,474	3,571

10.2 Historical Income Statement Summary (Rs. Million)

Item	FY2021	FY2022	FY2023	FY2024	FY2025
Income	2,791	6,593	4,752	3,349	13,657
Share of Government of Balochistan	1,029	2,598	1,529	973	3,890
Gross Profit	**1,763**	**3,995**	**3,223**	**2,376**	**9,767**
Expenditure	421	411	889	879	1,793
Other Income	642	1,076	2,623	4,102	4,444
Profit Before Taxation	**1,984**	**4,661**	**4,956**	**5,599**	**12,254**
Taxation	604	2,224	563	2,131	3,777
Profit After Taxation	**1,380**	**2,437**	**4,394**	**3,467**	**8,476**

10.3 Indicative Income Statement (Rs. Million)

Item	FY2026-27	FY2027-28	FY2028-29
Revenue	7,980	7,125	7,125
Operating Expenditure	2,000	2,000	2,000
Operating Profit	**5,980**	**5,125**	**5,125**
Profit Before Taxation	**5,980**	**5,125**	**5,125**
Taxation (29% corporate + 8% super tax)	2,213	1,896	1,896
Profit After Taxation	**3,767**	**3,229**	**3,229**

These projections represent a prudent base-case scenario aligned with current production plans and feasibility assumptions, anchored to MRDL's 2026 Production and Operation Plan (copper US$ 9,200/t; gold US$ 3,000/oz; 25,500 tons blister copper) with a more conservative cross-check *for FY2027-28 and FY2028-29 derived from the Feasibility Study's longer-term production and revenue schedule. With LME copper prices exceeding US$ 13,000/ton as of mid-2026, actual performance may exceed these base-case projections.*

10.4 Key Projected Financial Ratios

Ratio	FY2026-27	FY2027-28	FY2028-29
Operating Profit Margin	74.94%	71.93%	71.93%
Net Profit Margin	47.21%	45.32%	45.32%

11. Consolidated Summary Indicative Balance Sheet and Profit and Loss Statement (Group)

As recorded under Section 3 of this Statement, Saindak Metals Limited does not have any subsidiary. This section is not applicable and has accordingly not been completed.

12. Proposed Dividend Declaration and Distribution Policy

The Business Plan records continued growth in SML's short-term investment portfolio (from Rs. 11,555 million in FY2021 to Rs. 32,711 million in FY2025) and in Share Capital and Reserves (from a negative Rs. 2,942 million in FY2021 to Rs. 21,925 million in FY2025), reflecting the Company's practice of retaining and reinvesting accumulated profits rather than a stated distribution policy.

13. Description of Public Service Obligations and Their Impact on Forecasted Financial Outcomes

The Business Plan does not identify any Public Service Obligation Agreement of the type contemplated under Schedule-II of the Act as applicable to SML during the Plan period.

For completeness, it is noted that under the Lease Contract (Fourth Addendum, 2022), SML is required to channel a Social Uplift payment of 6.5% of net profit plus Rs. 10 million per annum to the Government of Balochistan for community uplift in District Chagai. This is a contractual lease obligation rather than a Public Service Obligation Agreement as agreed with the Federal Government, and has been disclosed here in the interest of completeness and transparency.

Should the Federal Government communicate any Public Service Obligation requiring SML to provide or cease providing a specified service or activity in terms of Schedule-II of the Act, this Statement will be revised accordingly and the financial impact disclosed under this Section.

14. Any Other Matter Directed to be Included by the Federal Government

As on the date of this Statement, no specific direction has been received from the Federal Government requiring inclusion of any additional matter under Clause 14 of Schedule-III. This Statement will be updated to reflect any such direction as and when received.