

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 i.e. till October 2022 with the consent of Government of Balochistan and Ministry of Energy (Petroleum Division).

ACHIEVEMENTS FOR THE PERIOD OF 2021:

PRODUCTION

The SCGP remained in production during the period of January 2021 to December 2021 and following quantities were produced:

i.	Copper Ore	5.101 Million Ton
ii.	Copper Concentrate	67,283.21 Metric Ton
iii.	Blister Copper	18,805.71 Metric Ton

SALES STATUS

MRDL exported following quantities of blister copper during the year 2021.

Blister Copper	15,860 M Tons
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GOVERNMENT TAXES:

The Lessee paid US\$ **9,613,262** as royalty @ 5% on sale value to Government of Balochistan. Similarly, 1% Presumptive Tax amounting to **US\$ 1,922,652** and EPZ service charges @ 0.5% amounting to **US\$ 961,326** were paid to EPZ authorities. On account of Corporate Social Responsibilities (CSR) **US \$ 3,400,111** 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 Street, 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 Sanjrani
- 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. BDO Ebrahim & Co.
2nd Floor, Block'C' Lakson Square,
Building No. 1, Sanrvar Shaheed Road,
Karachi. Tel: +92 (021)35633030
Fax: +92 (021) 35684239
- f) Legal Advisor:**
Mr. Muhammad 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	
Regular / Non-Executive Staff (BPS 1-16)	40
Sub-Total:	
Contract Employees	35
Piecework basis workers/miners	
Sub- Total:	

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

Province/Region	Punjab	Sindh	KP	Balochistan	AJK	FATA	TOTAL
Officers		3	1	12	1	-	17
Regular / Non-Executive Staff (BPS 1-16 Staff)	1	1	3	33	2	-	40
Sub Total:	1	4	4	45	3	-	57
Contract Employees	3	-	1	40	-	-	44
Piecework basis workers/miners		-				-	
Grand Total:	4	4	5	85	3	-	101

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

Category/Post	MD	Company Secretary / G.M (F)	Manager (Cord.)	Chief Engineer (Mining)	Accounts Officer, Sr.	Coord. Officer, Engineer.	Admn Officer/ Law Officer,	APO, AAO, APO PS to MD, Assst Store	TOTAL
Head Office, Quetta	1	-	-	-	2	8	4	15	
Branch Office, Islamabad	-	-	1	-	1	-	-	2	
Grand Total:	1	-	1	-	3	8	4	17	

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

Category/Post	Company Secretary	Manager (Finance)	Audit Officer, CSE	Chief Engineer Mining	Assistant Manager (Admin)	Principal (TTC)	Asst. Officers/ Asst. Engineer	Total
Head Office, Quetta	-	1	2	1	1	-	-	5
TTC Dalbandin	-	-	-	-	-	1	-	1
Saindak Project Site	-	-	-	-	-	-	8	8
Grand Total:	-	1	2	1	1	1	8	14

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

Head Office, Quetta	49
Branch Office, Islamabad	8
Contract Employees	44
Total:	101

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. 659.255 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).
- ✓ During the recent COVID-19 Pandemic, SML Provided Rs. Ten (10) million for provision of ration and other needs to the deserving people of District Chagai in the prevalent crisis due to COVID-19 Pandemic induced lockdown through the Provincial Disaster Management Authority (PDMA) Balochistan.
- ✓ A sum of Rs. 10 Million were granted to Balochistan University of Information Technology, Engineering and Management Sciences Quetta (BUITEMS) for purchase of DNA extraction kit for Forensic DNA Lab at BUITEMS.

PAYMENTS TO NATIONAL EXCHEQUER 2021

Particulars	US \$
Royalty	9,613,262
Development Surcharges	961,326
Presumptive Tax	1,922,652
SML Share of profit	32,301,052
GoB Social Upliftment	3,400,111

i) ACTIVITIES/PROPOSALS TO BE UNDERTAKEN FOR THE YEAR 2021

SML had three ore bodies i.e South Ore body(SOB), North Ore body(NOB) and East Ore body(EOB), while NOB has been fully depleted in December 2020 .The remaining mineable high grade ore of South ore body will give back up to low ore grade of East ore body till the end of this year.

II. East ore body final feasibility study has been submitted in December 2020 and pre-stripping activities are in progress. The contract has been extended with MCC/MRD from Oct 2017 to Nov 2022 and further extension beyond 2022 for mining of EOB with addition of some points to balance the main contract agreement between SML & MCC is in process, would increase the responsibility of SML especially in terms of strengthening Technical /Financial team.

III. To boost up the feed ore grade for whole life of Saindak project, further deep exploration of SOB Scheme already submitted by MRDL and exploration activities are also started on 29th May 2021. The involvement of SML technical team with MRDL is very essential as soon as possible.

IV. Saindak Metals limited earlier applied for E/L 174, adjacent to North ore Body of Saindak project vide letter No. 6(340)/SML/TEC/MM/2017 dated October 1st 2018 (Copy enclosed). GoB granted this area to Balochistan Mineral Resource Limited (BMRL) as E/L-202 and recently GoB has sent a proposal to establish an Alliance of BMRL, SML and MRDL to form a Joint Venture Company (JVC) to be registered under the companies' act 2017. The purpose of this alliance is the assessment of mineral potentiality of the area by application of geological studies and geophysical surveys in the first phase. SML participation in this alliance with high caliber professional team would be required.

ii. Induction and Preparation of exploration team;

The SML board in its 134th Meeting held in Pearl Continental Hotel Karachi 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. **COPPER/GOLD/MLYBDNUM DEPOSITS OF CHIGENDIQ MASHKICHA NEAR DURBANCHA AREA CHAGAI DISTRICT BALOCHISTAN.**

Copper/Gold/Mlybdnum deposits of Chigendiq Mashkicha near Durbancha are located about 32 km NW of Nokundi Chagai District Balochistan. Exploration of the said area started by Saindak Metals limited (SML) through geological survey of Pakistan (GSP). IP survey and then three exploratory holes were completed (320 meter each) in 2017.

Some samples were randomly selected for geochemical analysis, the percentage of copper from 0.013 to 0.9%, gold varies from 0.2-3.08ppm, and silver varies from 0.4-0.6 ppm while molybdenum varies from 6.5-290ppm. This project need further exploration, the prospecting license of the said leased area has been expired and SML already applied for ML License in 2016 but still waited from Govt of Balochistan.

iv. **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 Govt of Balochistan which was approved. But unfortunately the PL license was cancelled in 2010.The case is in the court.

SML BOARD OF DIRECTORS

1	Dr. Rehanul Haq Siddiqui Chairman SML BoD
2	Mr. Muhammad Raziq Sanjrani Managing Director, Saindak Metals Limited
3	Mr. Muhammad Anwer Sheikh Additional Finance Secretary, (Finance Division) Govt. of Pakistan.
4	Ms. Saira Najeeb Ahmed Additional Secretary (I&JV), MoE (PD)
5	Mr. Muhammad Iqbal Director General (Mineral), Ministry of Energy (Petroleum Division)
6	Mr. Noor Ahmed Pirkani Secretary, Mines & Minerals Department, GoB

7	Lt. Col Khalid Rafique Shah (Retd) Independent Director
8	Mr. Jahanzaib Durrini Independent Director
9	Mr. Bashir Ahmed Khan Bazai Secretary Energy, Government of Balochistan
10	Dr. Sajjad Ahmed Geological Survey of Pakistan. Government of Pakistan
11	Mr. Abid S. Mustikhan, Independent Director.
