



OIL & GAS DEVELOPMENT COMPANY LIMITED
(BOARD SECRETARIAT)

CS04-08 (PSX/LSE/SECP)
November 08, 2022

1. The General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi-74000, Pakistan.
2. London Stock Exchange Plc.,
10 Paternoster Square,
London EC4M 7LS.

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5136

Subject: **NOTICE OF 13th EXTRAORDINARY GENERAL MEETING**

Dear Sir,

Enclosed please find a copy of the Notice of 13th Extraordinary General Meeting of the Company to be held on November 30, 2022 at 11:30 a:m at Marriott Hotel, Islamabad for approval of investment in an associated company, by the shareholders of the Company.

The Notice will be published in the daily newspapers shortly.

Thanking you

Yours sincerely,


(Ahmed Hayat Lak)
Company Secretary

Copy to:

Executive Director/HOD,
Offsite-II Department, Supervision Division,
Securities & Exchange Commission of Pakistan,
63, NIC Building, Jinnah Avenue, Blue Area,
Islamabad.

OIL AND GAS DEVELOPMENT COMPANY LIMITED
Notice of 13th Extraordinary General Meeting

NOTICE is hereby given that Thirteenth Extraordinary General Meeting of Oil & Gas Development Company Limited will be held on November 30, 2022 at 11:30 a:m at Marriot Hotel, Islamabad to transact the following business:

SPECIAL BUSINESS:

1. To consider, and if thought fit, to approve and authorize an investment of up to 1/3rd of the total paid up and issued capital in a proposed associated company bearing the name of Pakistan Minerals (Private) Limited (or such other name that may be mutually agreed amongst the SOEs) ("**SOE SPV**") incorporated in or outside Pakistan which entity shall act as a holding company through which each of: (i) the Company; (ii) Pakistan Petroleum Limited; and (iii) Government Holdings (Private) Limited (collectively, the "**SOEs**" and singly "**SOE**") shall participate in the Reconstituted Reko Diq Project. The total issued and paid-up capital of the SOE SPV shall be equally subscribed by each SOE. Therefore, to pass the following resolution as and by way of a Special Resolution, namely, in accordance with Section 199 of the Companies Act 2017:

***RESOLVED THAT,** the Company be and is hereby authorized to subscribe up to 33.33% or 1/3rd of the total issued and paid up capital of and act as promoters with respect to the Pakistan Minerals (Private) Limited (or such other name that may be mutually agreed) incorporated in or outside Pakistan which entity shall act as a holding company through which each of: (i) the Company; (ii) Pakistan Petroleum Limited; and (iii) Government Holdings (Private) Limited, shall participate in the Reconstituted Reko Diq Project.*

2. To consider, and if thought fit, to approve and authorize the acquisition by the SOE SPV of a shareholding in Tethyan Copper Company Pakistan (Pvt) Limited to be re-named as Reko Diq Mining Company (Private) Limited ("**Project Company**") representing 25% of the total issued and paid up capital of the Project Company, from its present holding company Tethyan Copper Company Pty Limited ("**TCCA**") ("**Share Purchase**"). In consideration for the Share Purchase, the SOE SPV shall pay an aggregate sale consideration amounting to USD 562.5 million plus an interest accrued at the rate of US PRIME plus 2% for the period commencing June 30, 2022 until completion of payment to TCCA ("**Accrued Interest**") (in terms of Antofagasta Exit Deed signed between Government of Pakistan, Government of Balochistan and Antofagasta PLC) ("**Sale Consideration**"). The proportionate share of each SOE (including the Company) in the Sale Consideration representing 1/3rd of the total Sale Consideration shall amount to USD 187.5 million plus proportionate Accrued Interest ("**Proportionate Share of Sale Consideration**"). The Proportionate Share of Sale Consideration in entirety shall be funded and contributed by each of the SOEs (including the Company) on behalf of the SOE SPV by utilizing the funds deposited in the Escrow Account on or around March 31, 2022 together with subsequent payments in respect of the Accrued Interest by each of the SOEs. Further, upon payment of the respective Proportionate Share of Sale Consideration by each of the SOEs, the corresponding amount contributed by each SOE shall be recorded as investment by way of equity in the paid-up capital of the SOE SPV. Pursuant to the terms of the definitive transaction agreements relating to the Reconstituted Reko Diq Project (the "**Definitive Agreements**"), the foregoing transaction shall be subject to the satisfaction of conditions precedent specified in the Definitive Agreements. Therefore, to pass the following resolution as and by way of a Special Resolution, namely, in accordance with Section 199 of the Companies Act 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017:

RESOLVED THAT, approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 for:

- (1) Payment to TCCA of sums equal to USD 187.5 million plus proportionate accrued interest in terms of the definitive agreements (which amount represents 1/3rd of the total sale consideration agreed to be paid by the SOE SPV against acquisition of 25% shareholding in the Project Company from TCCA) on behalf of the SOE SPV;
- (2) In respect of the aforesaid payment specified in (1) above, the Company to utilize the funds amounting to USD 187.5 million plus accrued interest, deposited/to be deposited by the Company in the Escrow Account, toward Company's 1/3rd share in the payment of the total sale consideration required to be made to TCCA against its transfer of 25% shareholding to SOE SPV; and
- (3) In respect of the aforesaid payment specified in (1) above, such payment shall be recorded as investment by way of equity by the Company in the paid-up capital of SOE SPV i.e. Pakistan Minerals (Private) Limited (or such other name that may be mutually agreed amongst the SOEs).

3. To consider, and if thought fit, to approve and authorize the SOE SPV to restructure its ownership of 25% shareholding in the Project Company such that the beneficial interest of the SOE SPV in the Project Company is held through special purpose vehicles, Holdco 1 and Holdco2, each incorporated in Jersey (the "**Holding Companies**"). Therefore, to pass the following resolution as and by way of a Special Resolution, namely, in accordance with Section 199 of the Companies Act 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017:

RESOLVED THAT, approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 for the SOE SPV to restructure its ownership of 25% shareholding in the Project Company such that beneficial interest of SOE SPV's 25% shares in the Project Company is held through two holding companies incorporated in Jersey.

4. To consider, and if thought fit, to approve and authorize the Company to make investment from time to time in the SOE SPV (an associated company of the Company) of up to an aggregate cumulative amount of USD 398 million plus an adjustment for inflation calculated in accordance with the mechanism set out in the Definitive Agreements ("**Shareholder Contribution**"). Each of the other SOEs shall also concurrently invest up to USD 398 million each (plus inflation) by way of shareholder contribution such that aggregate amount that will be invested from time to time by the SOEs collectively shall be upto USD 1,194 plus inflation ("**Aggregate Shareholder Contribution**"). The Aggregate Shareholder Contribution shall be onward invested by way of equity or shareholder loan in the Holding Companies to meet SOE SPV's share of the total committed expenditure of the Project Company amounting to USD 4,297 million plus inflation ("**Committed Expenditure**"). The intention is that the Committed Expenditure may be partially funded by project financing or such other alternative financing arrangement that is approved in accordance with the Definitive Agreements. The Committed Expenditure is intended to fund the initial capital requirements of the Project. The initial focus will be on

Phase 1 which is intended to develop a project capable of 40 million tonnes per annum ore processing capacity. Subject to the completion of an updated feasibility study, it is estimated that construction for Phase 1 will start in Year 3 after the signing of Definitive Agreements and end in Year 5 as per the initial overall development plan appended to the Definitive Agreements. Failure to fund the Committed Expenditures may result in two times dilution of defaulting shareholders interest in the Project in terms more fully set out in the Definitive Agreements. The Shareholder Contribution shall be subject to satisfaction of Conditions Precedent. In addition, the Company shall contribute, by way of equity, up to \$1 million/year towards its proportionate share in the administrative expenses of the SOE SPV ("**Administrative Expenses**"). Therefore, to pass the following resolution as and by way of a Special Resolution, namely, in accordance with Section 199 of the Companies Act 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017:

RESOLVED THAT, approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 for investment by the Company, by way of equity or shareholder loan, in the SOE SPV of an amount up to the equivalent of USD 398 million plus inflation (representing 1/3rd of the total amount of committed expenditure required to be funded by the SOE SPV in the Project Company by way of equity or shareholder loans from time to time in accordance with the Overall Development Plan as provided in the Definitive Agreements, as may be amended from time to time, which, inter alia, sets out the estimated period and related applicable terms). In addition, the Company shall contribute by way of equity up to \$1 million/year towards its proportionate share in the Administrative Expenses of the SOE SPV;

FURTHER RESOLVED THAT, in the event that any part of the shareholder contribution by the Company is in the form of shareholder loan, then such loan shall be denominated in USD or based on amount equivalent in USD and, unless otherwise agreed pursuant to the Definitive Agreements, bear interest at a rate per calendar year, compounded annually, equal to the greater of (i) the highest interest rate applicable to any third party project financing senior debt outstanding at such time plus 200 basis points, and (ii) 6%; and

FURTHER RESOLVED THAT, the shareholder contribution shall be subject to satisfaction of the Conditions Precedent set out in the Definitive Agreements.

5. To consider, and if thought fit, to approve and authorize the issuance of corporate guarantees, on a several basis, in favor of the Joint Venture ("**JV**") Shareholders (other than the SOE SPV) and the Holding Companies and the Project Company (collectively, the "**Guarantee Beneficiaries**"), with respect to the Company's proportionate obligation to fund the SOE SPV and other such matters as are specified in the form of the Shareholder Guarantee Agreement appended to the Definitive Agreements. The JV Shareholders shall comprise of: (i) the special purpose company representing the ownership interest of Barrick Gold Corporation in the Holding Companies and the Project Company ("**Barrick Shareholder**"); (ii) the SOE SPV; (iii) the special purpose company representing the ownership interest of Government of Balochistan in the Holding Companies and the Project Company ("**GOB SPV**"); and (iv) Government of Balochistan ("**GOB**") in its capacity as holder of class B shares of the Project Company ("**GOB**") (collectively, the "**JV Shareholders**"). Therefore, to pass the following resolution as and by way of a Special Resolution, namely, in accordance with Section 199 of the Companies Act 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017:

RESOLVED THAT, approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 for issuance of corporate guarantees in the form of the Shareholder Guarantee Agreement appended to the Definitive Agreements, on a several basis, in favor of the beneficiaries specified therein which as of the date hereof shall comprise of: (i) Barrick Shareholder; (ii) GOB SPV; (iii) the Holding Companies and the Project Company; and (iv) GOB (collectively the "**Guarantee Beneficiaries**"), in respect of the Company's proportionate obligation to fund the SOE SPV and other such matters as are specified in the form of the Shareholder Guarantee Agreement appended to the Definitive Agreements, with the following salient features and as per the terms and conditions disclosed to the shareholders:

Salient Features of the corporate guarantees:

The corporate guarantees are to be issued by the Company in favor of the Guarantee Beneficiaries with respect to procuring the performance of the SOE SPV of its financial obligations under the Definitive Agreements and to the extent the SOE SPV fails to fulfil such financial obligations, guarantee the performance of the same as a primary obligor.

The corporate guarantees shall be of a continuing nature and shall remain in force till all obligations of the SOE SPV as stipulated under the Definitive Agreements, are satisfied.

The Corporate Guarantee shall be governed by the laws of England and Wales and disputes shall be subject to arbitration under the LCIA Rules with the seat of arbitration as London, England.

6. To consider, and if thought fit, to approve and authorize the Company to extend financing, jointly or severally, to an SOE that is unable to fund its portion of the funding obligations with respect to the SOE SPV as set out in the Overall Development Plan as provided in the Definitive Agreements, on an arms-length basis and on market competitive terms, pass the following resolution as and by way of a Special Resolution, namely, in accordance with Section 199 of the Companies Act 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017:

RESOLVED THAT, the Company be and is hereby authorized to, if the need arise, extend, jointly or severally, financing to other SOEs (including their permitted successors, transferees and assigns) which may be unable to fund its portion of the funding obligations with respect to the SOE SPV as set out in the Definitive Agreements, on an arms-length basis and on market competitive terms that shall, in all cases, at minimum be as follows ("**Internal Financing**"):

- *Internal Financing may only be extended for a maximum term of 1 year, however, such term may be rolled over at the discretion of the SOE(s) extending the Internal Financing;*
- *Internal Financing will be subject to a minimum annual mark-up of 1% in addition to 3 months KIBOR (to be reset on monthly basis);*

- *Internal Financing shall be secured by shares owned by the SOE utilizing the Internal Financing in the SOE SPV;*
- *Internal Financing shall be extended with market standard debt covenants, including but not limited to, a covenant to the effect that the SOE utilizing the Internal Financing shall use all funds received exclusively for funding its portion of the funding obligations with respect to the SOE SPV as provided in the Definitive Agreements; and*
- *to the extent the SOE utilizing Internal Financing is in default of its obligations under the Internal Financing, it shall not be permitted to declare any dividends till such time as it has cured the default under the Internal Financing.*

By Order of the Board

(Ahmed Hayat Lak)
Company Secretary

Islamabad: dated November 08, 2022

NOTES:

1. Virtual Participation in the Extraordinary General Meeting

Members interested to participate in the EOGM proceedings via video link are required to provide following details at eogm2022@ogdcl.com

Full Name	CNIC Number	Folio / CDC Account Number	Email Address	Cell. Number

The Company Secretary
Oil & Gas Development Company Limited
Head Office, Jinnah Avenue, Blue Area
Islamabad
[Tel:051-920023306](tel:051-920023306)
Email:eogm2022@ogdcl.com

The video link and login details for attending the Meeting will be emailed to the members who register for attending the Meeting and provide their email addresses for the purpose to the Company.

2. Participation in the Extraordinary General Meeting

A member entitled to attend and vote at this meeting is entitled to appoint another person as his / her proxy to attend and vote. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not less than 48 hours before the meeting.

3. CDC Account holders will further have to follow the under mentioned guidelines:

a. **For attending the meeting**

In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per regulations, shall authenticate his / her identity by showing his / her original National Identity Card (NIC) original passport at the time to attending the meeting.

In the case of corporate entities, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

b. **For appointing proxies**

- i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per regulations, shall submit the proxy form as per the above requirement.
- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC number shall be mentioned on the form.
- iii) Attested copies for CNIC or the passport of the beneficial owners and of the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
- v) In the case of a corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

4- Closure of Share Transfer Books

The share transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from November 24, 2022 to November 30, 2022 (both days inclusive). Only persons whose names appear in the register of members of the Company as at, November 23, 2022 shall be entitled to attend, participate in, and vote at the Meeting.

Statement under Section 134(3) of the Companies Act, 2017

This statement sets out the material facts concerning the Special Business to be transacted at the Extraordinary General Meeting of Oil and Gas Development Company Limited to be held on November 30, 2022.

Pursuant to the decisions of the Economic Coordination Committee duly ratified by the Federal Cabinet ("**Cabinet**") dated March 17, 2022, Oil & Gas Development Company Limited, Pakistan Petroleum Limited, and Government Holdings (Private) Limited (collectively referred to as the "**SOEs**") were required to participate in the reconstituted Reko Diq Project ("**Project**") alongside the Government of Balochistan ("**GOB**") and Barrick Gold Corporation ("**Barrick**") as part of a larger coordinated effort by the Government of Pakistan ("**GOP**") (the SOEs, GOB, GOP, and Barrick, collectively, the "**Parties**") to resolve the (at the time) ongoing Reko Diq dispute with Barrick and Antofagasta plc.

Following the aforementioned decisions by the Cabinet, the SOEs carried out appropriate preliminary due diligence with respect to the Project and subsequently, upon having procured the necessary internal corporate approvals, entered into a non-binding Framework Agreement with the other Parties dated March 20, 2022 ("**Framework Agreement**"). The Framework Agreement, *inter alia*:

- (i) laid out the agreed structure of the Project;
- (ii) contained an indicative list of material definitive agreements and non-binding term sheets recording principal agreements on certain commercial terms; and
- (iii) stipulated certain conditions ("**Conditions Precedent**"), the satisfaction of which are a prerequisite to achieving transaction close.

Project Structure

With respect to the structure of the Project, it was agreed amongst the Parties that a two-tiered holding company structure would be utilized for bankability reasons. The mining operations would be conducted through a project company, Tethyan Copper Company Pakistan (Pvt) Limited to be renamed as Reko Diq Mining Company (Pvt.) Limited ("**Project Company**"), which would be 90% owned by a holding company incorporated in Jersey ("**Holdco1**") with the remaining 10% held by the GOB as free carried non-contributory interest. Holdco1 will in turn be wholly owned by a second holding company incorporated in Jersey ("**Holdco2**"), and Holdco2 will ultimately be 55.5556% owned by Barrick, 16.6667% by an entity owned by Government of Balochistan ("**GOB SPV**") and 27.7778% owned by a company jointly incorporated by the SOEs wherein the SOEs will each have equal shareholding ("**SOE SPV**"). Holdco1 and Holdco2 shall collectively be referred to as the "**Holding Companies**".

Ultimately, the SOEs shall have a 25% effective equity interest in the Project (27.7778% contributory interest) in the form of class A shares, Barrick through its subsidiary company ("**Barrick Shareholder**") shall have an effective 50% equity interest in the Project in the form of class A shares, GOB SPV shall have an effective 15% equity interest in the Project in the form of class A shares and the GOB shall hold an effective 10% free carried non-contributory interest in the form of class B shares.

Further, pursuant to, *inter alia*, the Framework Agreement and the Antofagasta Exit Deed, the GOP was required to deposit a certain amount in an Escrow Account opened with HSBC ("**Escrow Account**"). Further, the terms of the Transaction Documents stipulated that interest would begin to accrue against the GOP with respect to the amount deposited at a rate of US Prime +2% ("**Accrued Interest**") from June 30, 2022 if certain Conditions Precedent were not satisfied and the Reko Diq transaction (as contemplated in the

Framework Agreement) did not close by such date. Subsequently, when the Reko Diq transaction did not close by June 30, 2022, the Accrued Interest became payable.

In this regard the GOP through a decision of the Cabinet dated March 17, 2022 issued directions to the SOE's to deposit in the Escrow Account the amount equivalent to USD 187.5 million each, aggregating to USD 562.5 million collectively by the SOEs. Subsequently, pursuant to Cabinet's decision dated September 30, 2022, the SOEs were also directed to deposit the Accrued Interest payable until September 30, 2022. The sum of USD 562.5 million and the Accrued Interest (paid or payable) are collectively referred to as the "**Escrow Amount**".

Pursuant to the Definitive Agreements, SOE SPV will acquire effective 25% shareholding in the Project Company through first acquiring 27.7778% of the Class A shareholding of the Project Company from the existing shareholder of the Project Company, Tethyan Copper Company Pty Limited ("**TCCA**"), the consideration for which will be paid by the SOEs by utilizing the Escrow Amount. Subsequently, their shareholding in the Project Company will be restructured and swapped with shares in the Holdco2 to bring about the aforementioned effective Project shareholding.

We note that the SOEs, including the Company, have already initiated the process of incorporating the SOE SPV in Pakistan with nominal share capital and have for this purpose tentatively reserved the name Pakistan Minerals (Private) Limited. The SOEs have sought certain tax exemptions from the Government of Pakistan to mitigate the tax exposure relating to ownership of its shareholding in the Project through SOE SPV and the Holding Companies. In the event such tax exemptions are not granted, the SOEs may consider incorporating the SOE SPV in Jersey and wind up the entity incorporated in Pakistan. Additionally, the SOEs intend to enter into a Shareholders' Agreement amongst themselves to regulate their rights and obligations with respect to the SOE SPV, such rights may include the right to extend financing, jointly or severally, to an SOE that is unable to fund its portion of the funding obligations of the SOE SPV as set out in the Definitive Agreements, on an arms-length basis and on market competitive terms.

It may also be noted that per the terms of the Definitive Agreements, should the Conditions Precedent not be satisfied by December 15, 2022, unless otherwise agreed, the transaction may be terminated and the Escrow Amount be returned to the SOEs.

Definitive Agreements

Pursuant to the Framework Agreement and Conditions Precedent we may further note that the SOEs are required to inject certain monetary amounts in the form of shareholder contributions which may be structured as equity or shareholder loan into the Project through the SOE SPV in tranches from time to time, in accordance with the Overall Development Plan as provided in the Definitive Agreements, as may be amended from time to time pursuant to the terms of the Definitive Agreements and the actual feasibility studies. In the event any portion of the Aggregate Shareholder Contribution is intended to be funded by way of shareholder loan to the SOE SPV, then such shareholder loan, denominated in USD or based on amount equivalent in USD as the case may be, shall, unless otherwise agreed pursuant to Definitive Agreements, bear interest at a rate per calendar year, compounded annually, equal to the greater of: (i) the highest interest rate applicable to any Project Financing senior debt outstanding at such time plus 200 basis points, and (ii) 6%.

Pursuant to the Initial Overall Development Plan appended to the Definitive Agreements, each of the SOEs are obligated to make investment from time to time in the SOE SPV (an associated company of the Company) of up to an aggregate cumulative amount of USD 398 million (collectively USD 1,194 million) plus inflation in accordance with the mechanism in the Definitive Agreements, ("**Aggregate Shareholder Contribution**"). The Aggregate Shareholder Contribution shall be onward invested by way of equity or shareholder loan in the Holding Companies to meet SOE SPV's share of the total committed expenditure of the Project Company amounting to USD 4,297 million plus inflation ("**Committed Expenditure**"). The Committed Expenditure may

be partially funded by project or additional financing arrangements pursuant to and in accordance with the terms of the Definitive Agreements.

The Committed Expenditure is intended to fund the initial capital requirements of the Project as per the feasibility study that the Project Company under Barrick’s operatorship will conduct. The initial focus will be on Phase 1 which covers development of 40 million tonnes ore processing capacity per annum. Subject to the completion of the update of feasibility study, it is estimated that construction for Phase 1 will start in Year 3 and end in Year 5 as per the initial overall development plan appended to the Definitive Agreements. Failure to fund the Committed Expenditures may result in a 2x punitive dilution of equity of JV Shareholder of the Project Company that fails to fund said Committed Expenditure. For avoidance of doubt it is clarified that the obligation to make any investment in the SOE SPV for onward investment into the Holding Companies shall remain subject to satisfaction of the Conditions Precedent set out in the Definitive Agreements.

Additionally, pursuant to the Conditions Precedent in order to guarantee the obligations of the SOE SPV, each SOE, including the Company, is required to issue a corporate guarantee in the form of the Shareholder Guarantee Agreement appended to the Definitive Agreements, on a several basis, in favor of the Project Company, the Holding Companies and the JV Shareholders (other than SOE SPV), which as of the date hereof shall comprise of (together with SOE SPV): (i) Barrick Shareholder; (ii) GOB SPV; and (iii) GOB (collectively, the “**Guarantee Beneficiaries**”). Pursuant to the above mentioned guarantee, the Company shall guarantee (on a several basis) Company’s proportionate obligation to fund the SOE SPV and other such matters as are specified in the form of the Shareholder Guarantee Agreement appended to the Definitive Agreements in favor of the Guarantee Beneficiaries.

Information under Regulations 3 and 4 of The Companies’ (Investment in Associated Companies or Associated Undertakings) Regulations, 2017		
(a) Disclosure for all type of investments		
(A) Disclosure regarding associated company		
i.	Name of Associated Company or Associated Undertaking	Pakistan Minerals (Private) Limited or such other name as mutually agreed amongst the SOEs
ii.	Basis of Relationship	Associated Company by virtue of the following: <ul style="list-style-type: none"> i. Direct ownership of 33.33% of issued capital of SOE SPV ii. Cross directorship – CEO/MD of SOE is director of SOE SPV
iii.	Earnings/(Loss) per share for the last 3 years	Not applicable as SOE SPV will be a newly incorporated entity
iv.	Break-up Value per share, based on the last audited financial statements	It is noted that prior to investment the SOE SPV will have nominal paid up capital of PKR 120,000 of which 1/3 shall be subscribed by each of the SOEs (including the Company)
v.	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	Not applicable as SOE SPV will be a newly incorporated entity
vi.	Further information (in case of investment in relation to a project of associated company or associated undertaking that has not commenced operations)	

	<p>I.</p>	<p>Description of the project and its history since conceptualization</p>	<p>The SOE SPV will operate as a holding company representing the collective interests of each of the SOEs, indirectly through holding companies, in the Project Company which will undertake the reconstitution of the mining project at Reko Diq, which will present an opportunity to explore, appraise, develop, and extract potential copper and gold resources.</p> <p>Historically, the Project Company was owned indirectly by Antofagasta plc and Barrick Gold Corporation through a special purpose company incorporated in Australia, TCCA which was the subject of a dispute and ICSID/ICC arbitration proceedings were initiated relating to mining rights in respect of the Reko Diq Project.</p> <p>Such dispute is ultimately in the process of being resolved in accordance with the terms of various settlement/resolution/exit agreements reached amongst the GOP, the GOB, Antofagasta, and Barrick. Said agreements include, among other things, the proposed acquisition of a 25% interest in the Project Company by the SOEs and 15% by the GOB which will result in the exit of Antofagasta plc from the Reko Diq Project and a reconstitution of the Reko Diq Project in favour of the Project Company under a new ownership structure. Additionally, 50% of the shares of the Project Company will be held by Barrick Gold Corporation through its subsidiary entity, whereas the remaining 10% shall be held by the GOB as free carried non-contributory interest.</p> <p>The equity interest of Barrick and the SOEs (through the SOE SPV) will be held through offshore holding companies incorporated in Jersey (where Barrick has a management presence), as explained above.</p> <p>We note that the completion of the above transaction remains subject to the satisfaction of the Conditions Precedent at which point the comprehensive resolution agreement will take effect.</p>
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	II.	Starting date and expected date of completion of work	<p>Subject to the satisfaction of the Conditions Precedent, estimated brief milestones with respect to the Project are as follows (subject to feasibility studies and overall development plan):</p> <ul style="list-style-type: none"> i. Completion of the update of feasibility: Year 2 ii. Financial close: Year 2 iii. Commencement of construction of Phase 1: Year 3 iv. Completion of construction of Phase 1: Year 5
	III.	Time by which such project shall become commercially operational	As per the Initial Overall Development Plan, the production is expected to start in Year 6 from Phase 1 of the project. Phase 1 has the capacity of 40 million tons per annum. The Phase 2 of the project envisages adding another 40 million tons per annum capacity. The phase 2 of the project is expected to be funded through a combination of the cash flows from Phase 1, project financing and further investment by the shareholders.
	IV.	Expected time by which the project shall start paying return on investment	The Project is expected to generate positive cash flows by Year 6. The timing of dividend will depend on the funding requirements for Phase 2 of the Project and overall cash flows.
	V.	Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts	The Company's share of the initial purchase consideration for acquiring interest in the Project Company is USD 187.5 million plus proportionate Accrued Interest. Further investment by the Company, in the SOE SPV may be of an amount up to the equivalent of USD 398 million plus Inflation (representing 1/3rd of the Committed Expenditure) in accordance with the Overall Development Plan as provided in the Definitive Agreements. Such investment may be made by way of equity or shareholder loan. The Committed Expenditures may be partly funded by project financing arrangement. In addition, the Company shall contribute, by way of equity, up to \$1 million/year towards its proportionate share in the Administrative Expenses of the SOE SPV.
(B) General Disclosures			
i.		Maximum amount of investment to be made	The Company's share of the initial purchase consideration for acquiring 1/3 rd of 25% shareholding indirectly in the Project Company is USD 187.5 million plus proportionate Accrued Interest. Further investment by the Company in the SOE SPV may be of an amount up to the equivalent of USD 398 million plus Inflation (representing

		<p>1/3rd of the Committed Expenditure) in accordance with the Overall Development Plan as provided in the Definitive Agreements, as may be amended from time to time, which, inter alia, sets out the estimated period and related applicable terms, subject to satisfaction of the Conditions Precedent set out in the Definitive Agreements. In addition, the Company shall contribute, by way of equity, up to \$1 million/year towards its proportionate share in the Administrative Expenses of the SOE SPV. The Company as well as other SOEs will be providing corporate guarantees to guarantee their proportionate share of the obligations of the SOE SPV under the Definitive Agreements.</p>
ii.	<p>Purpose, benefits likely to accrue to the investment company and its members from such investment and period of investment</p>	<p>The purpose of the investment is to develop the Reko Diq copper and gold mine that will likely add significant value for the Company, its members and on a broader spectrum the Country at large by bringing in much needed foreign exchange reserves in the form of investment and dividends. The Company is entering in the JV of a world class mining project which will be operated by world's renowned gold and copper producer, Barrick Gold Corporation, having substantial operational decision-making authority in the project. This investment will also help in unlocking potential growth drivers for the Company by opening up a new extractive industry that aligns with its diversification strategy and will also open Circular Debt free stream of cash flows. Furthermore, this investment will also help in developing local mining skilled workforce in the province of Balochistan and the country at large.</p> <p>The project is envisaged in two phases each having the capacity to process ore of 40 million tonnes per annum. The production from Phase 1 is expected to commence from Year 6, provided successful completion of the update of feasibility study. The funding for Phase 2 of the project is expected to be through cash flow generation from Phase 1, project financing and further investment.</p> <p>The initial term of the mining lease is 30 years, which is extendable for further 30 year periods. Return for the Company is dependent on various contingencies and sensitivities that will be firmed up after the completion of feasibility study.</p>
iii.	<p>Sources of funds to be utilized for investment and where the investment is intended to be made using the borrowed funds:</p>	<p>The investment in the SOE SPV is expected to be made using the available funds and future cash flows from existing business operations of the Company</p>
	<p>i)</p>	<p>Justification for</p>
		<p>Not Applicable</p>

		investment through borrowings	
	ii)	Detail of collateral, guarantees provided and assets pledged for obtaining such funds	Not Applicable
	iii)	Cost benefit analysis	Not Applicable
iv.	Salient features of the agreement(s), if any, with the associated company or associated undertaking with regards to the proposed investment		<p>The Company will enter into a Shareholders' Agreement with other SOEs with respect to the SOE SPV. The key terms cover the decision-making related matters, corporate governance and funding commitments. Such key terms include but are not limited to:</p> <ul style="list-style-type: none"> i. SOEs SPV board will consist of 3 directors with 1 director appointed by each SOE; ii. All key decisions of the SOE SPV board with respect to financial and funding matters shall be taken on the basis of a unanimous affirmative vote; iii. SOEs will ensure that decisions made by the SOEs SPV Board shall be followed by all representatives of the SOEs in the boards of Holdco1, Holdco2 and TCCP; and iv. Where an SOE is unable to fulfil its portion of the SOE SPV's funding obligations the other SOEs have the right but not the obligation to offer to extend financing on an arm's length basis and on market competitive terms to the SOE which is unable to fund their portion of the funding obligations. Such financing will be subject to a minimum fixed rate of interest, a minimum term of 1 year, contain standard debt covenants, and shall be secured by the SOE SPV shares of the SOE utilizing such financing.
v.	direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration		None of the directors, sponsors, majority shareholders of OGDCL and their relatives have any interest in the SOE SPV, except to the extent that the Company will subscribe to 33.333% shares of the SOE SPV with the Company's Managing Director on the SOE SPV's Board. This transaction shall settle the outstanding dispute and ICSID/ICC arbitration proceedings involving the Government of Pakistan (the majority shareholder in the

		Company).
vi.	in case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs	No investment has yet been made.
vii.	any other important details necessary for the members to understand the transaction;	As mentioned in Statement under Section 134(3) of the Companies Act, 2017.
(b) In case of equity investments		
i.	maximum price at which securities will be acquired	Each share has a Face Value of PKR 10 each
ii.	in case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	Not Applicable
iii.	maximum number of securities to be acquired	Shares equivalent to 33.333% shareholding in the SOE SPV on the basis of equity investment from time to time.
iv.	number of securities and percentage thereof held before and after the proposed investment	Before: None After: Shares equivalent to 33.333% shareholding in the SOE SPV.
v.	current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities	Not applicable
vi.	fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities	Not applicable. Consideration is determined on the basis of the terms of settlement agreed between GOP, Barrick, and GOB. That said, the SOEs have undertaken independent due diligence justifying their participation of 25% in the Reko Diq Project.
vii.	The Directors of OGDCL certify to the Members that necessary due diligence has been carried out for the proposed investment before recommending it for Members' approval.	
(c) Investments in the Form of Guarantees and Loans		
i.	category-wise amount of investment	<p>Corporate Guarantee Each SOE will give a corporate guarantee in favour of the Guarantee Beneficiaries committing severally to guarantee the SOE SPV's obligations under the Definitive Agreements.</p> <p>The corporate guarantees are to be issued by the Company in favour of the Guarantee Beneficiaries with respect to procuring its proportionate share of the financial obligations of the SOE SPV under the Definitive Agreements and to the extent the SOE SPV fails to fulfil its financial obligations, guarantee the performance of the same as a primary obligor.</p> <p>Internal Financing</p>

		<p>Each SOE may, if the need arises, extend, jointly or severally, financing to an SOE that is unable to fund its portion of the funding obligations with respect to the SOE SPV as set out in the Definitive Agreements.</p> <p>Shareholder Loans A portion of the Aggregate Shareholder Contribution may be funded by way of a shareholder loan to the SOE SPV.</p>
ii.	average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period	<p>Corporate Guarantee Not applicable.</p> <p>Internal Financing The Company does not have any borrowings.</p> <p>Shareholder Loans The Company does not have any borrowings.</p>
iii.	rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	<p>Corporate Guarantee Not applicable.</p> <p>Internal Financing Internal Financing will be subject to a minimum annual mark-up of 1% in addition to 3 months KIBOR (to be reset on monthly basis).</p> <p>Shareholder Loans Unless otherwise agreed pursuant to Definitive Agreements, a shareholder loan shall bear interest at a rate per calendar year, compounded annually, equal to the greater of (i) the highest interest rate applicable to any Project Financing senior debt outstanding at such time plus 200 basis points, or (ii) 6%.</p>
iv.	particulars of collateral or security to be obtained in relation to the proposed investment	<p>Corporate Guarantee Not applicable</p> <p>Internal Financing Internal Financing shall be secured by shares owned by the SOE utilizing the Internal Financing in the SOE SPV.</p> <p>Shareholder Loans The shareholder loan shall be unsecured and subordinated and will be extended in lieu of equity.</p>
v.	if the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and	Not Applicable

	the time when the conversion may be exercisable	
vi.	repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	<p>Corporate Guarantee The corporate guarantees shall be of a continuing nature and shall remain in force till all obligations of the SOE SPV as stipulated under the Definitive Agreements, are satisfied.</p> <p>The Corporate Guarantee shall be governed by the laws of England and Wales and disputes are subject to arbitration under the LCIA Rules with the seat of arbitration to be London, UK.</p> <p>Internal Financing Internal Financing may only be extended for a maximum term of 1 year, however, such term may be rolled over at the discretion of the SOE(s) extending the Internal Financing.</p> <p>Internal Financing shall be extended with market standard debt covenants, including but not limited to, a covenant to the effect that the SOE utilizing the Internal Financing shall use all funds received exclusively for funding its portion of the funding obligations with respect to the SOE SPV as set out in the Overall Development Plan as provided in the Definitive Agreements.</p> <p>To the extent the SOE utilizing Internal Financing is in default of its obligations under the Internal Financing, it shall not be permitted to declare any dividends till such time as it has cured the default under the Internal Financing.</p> <p>Shareholder Loans The shareholder loan shall be unsecured and subordinated and will be extended in lieu of equity.</p> <p>The shareholder loan will be denominated in USD. The repayment shall broadly be in line with any shareholder loan extended by the SOE SPV to the holding companies.</p>