Favorable geological environment for metallic minerals
• Wide range of geological environment represented by tectonic plates margins
• The tectonic plates are separated by suture zones associated by deep seated faults
• Conceptually, the geological environment is favorable for rich mineral assemblages i.e. metals and gemstone
• Empirically supported by occurrences of various metallic minerals and gemstones in northern parts of the province

Regime For Large-Scale Mining Titles

<table>
<thead>
<tr>
<th>Category</th>
<th>Area Limit (Max) in Sq.Km</th>
<th>Application Fee (Rs)</th>
<th>Renewal Fee (Rs)</th>
<th>Tenure (in years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reconnaissance License</td>
<td>1,000</td>
<td>15,000</td>
<td>(Non Renewable)</td>
<td></td>
</tr>
<tr>
<td>Exploration License</td>
<td>200</td>
<td>150,000</td>
<td>200,000</td>
<td>1 - 3</td>
</tr>
<tr>
<td>First Renewal</td>
<td></td>
<td>200,000</td>
<td>250,000</td>
<td>1</td>
</tr>
<tr>
<td>Second Renewal Amendment</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Mineral Deposit Retention</td>
<td>50</td>
<td>200,000</td>
<td>250,000</td>
<td>2 + 1</td>
</tr>
<tr>
<td>License Renewal Amendment</td>
<td></td>
<td>50,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mining Lease</td>
<td>300,000</td>
<td>50,000</td>
<td>350,000</td>
<td>30 + 10</td>
</tr>
<tr>
<td>Amendment Transfer/Assignment</td>
<td>300,000</td>
<td>50,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Available Geological & Exploration Data
• Geological map coverage on 1:1,000,000 scale by the Geological Survey of Pakistan
• Large scale geological maps on 1:250,000 and 1:50,000 over some parts of the province are also available
• Completed first-pass geochemical exploration coverage for gold and base metals over 40,000 km² of northern part of the province
• Geologic and geo-chm data is available in GIS layers
• Research papers on geology of the province are available from academia

KP Minerals Development Department Incentives
• Relevant laws and regulations are comparable to international standards.
• Grant of mining titles for Large & Small scale mining operations
• Long term mining leases (up to 30 years and further renewable)
• Mineral testing facilities
• Exploration and Mining Geo-Scientists available
• Provision of Joint Venture opportunities

Federal Government Incentives
Following fiscal concessions is available to mining industry:

- Exploration stage:
  • 0 % duty on import of machinery & equipment
  • Exemption from sales tax and other Government levies

- Construction stage:
  • 5% custom duty on import of machinery & equipment deferred for a period of construction
  • Except for royalty, there will be no other Provincial or local taxes imposed on minerals or mining operations.
  • No sales tax will be levied on minerals that are exported
  • Royalty on ad valorem basis:
    - Precious stones 10-15%
    - Precious Metal 3-5%
    - Base Metals 2-5%
    - Others 1-2%
  • Taxes Rate as per Mineral Policy, 2013

- Concession on Imports:
  • Import of machinery, equipment, material, specialized vehicles (4x4) non-luxury, accessories, spares, chemicals and consumables (non-manufactured) as per SRO 4691/2004 dated 12th June, 2004

- Customs duty:
  • Nil (during exploration phase)
  • Exempt in excess of 5% (during mine construction phase) and payment also would be deferred
  • Exempt in excess of 5% ad-valorem (during extraction phase)

- Other Incentives:
  • Protection from Expropriation
  • Reapatriation of Capital & Profits allowed
  • Mining operators will be allowed to insure their assets and risks with international insurance companies

Metals: Copper, Zinc, Lead, Gold, Silver, Nickel, Tungsten, Iron, Chrome, Gemstones
Khyber Pakhtunkhwa Province

- Khyber Pakhtunkhwa occupies an area of 74,521 km²
- Region of mountainous terrains with natural endowments
- Province has almost all varieties of mineral resources
- Most of the potential areas of minerals have abundant resources for hydel power
generation in the form of rivers and streams
- Abundant opportunities for investment in mineral exploration, mining and mineral-
  based manufacturing industries
- Talented and hardworking people with traditional hospitality, a source of man power on
  very reasonable wages

Mineral Resource-Categories

- Dimension stones i.e marble, granite and other decorative stones
- Industrial rocks and minerals i.e phosphate, soapstone, feldspar, gypsum, rock salt, lime-
  stone, silica sand, etc.
- Gemstones i.e emeralds, topaz, ruby, tourmaline, aquamarine, peridot and other semi
  precious stones.
- Fuel Minerals i.e Coal
- Metallic minerals i.e gold, silver and base metals copper, lead, zinc, antimony, etc.
- Minor Minerals i.e Ordinary stones, sand, gravels, pebbles and cobbles for use in
  construction and civil works

Investment Categories

Exploration & Development

As per provision of Khyber Pakhtunkhwa Mining Concession Rules 2005, the mineral titles
including exploration licenses are transferable. Almost all varieties of minerals particularly
dimension stones, gemstones and metallic mineral resources in the province have brilliant
opportunities for investment in exploration of large scale (upto 1,000 km²) as well as small
scale mining operations. This is another important area of investment in value addition to
minerals through installation of industries based on mining production. The province has abundant resources of lime stone
for basing cement industry.

Mining & processing

The region has known mineral resources for investment in mining of minerals and it’s
processing to saleable commodities for consumption in the manufacturing industries.

Minerals based manufacturing industries

Coal Resources

Coal seams of workable thickness occur mostly in the south and south western parts of
the province along a geological sequence in a linear belt of tens of km length.

Several small operations have won encouraging coal seams at places along a geological
belt extending from Hangu in the west to Chirat up to Abbottabad in the east. The belt
has a linear extension for more than 100 km.

Medium to high quality coal has been produced from these areas. Proper exploration
may indicate additional coal resources at lateral extension and at depth.

Investment prospects:

- Follow-up exploration of coal resources along the geological belt of coal
  occurrences to identify significant reserves of coal.
- Joint venture with the sitting mining lessees for systematic development of coal
  mines for enhanced production.
- Coal gasification of town scale.

Gemstones

Khyber Pakhtunkhwa has almost all varieties of gemstones: Pegmatite-hosted sory-tourmaline-topaz-garnet in
Chitral and other parts of the Province.

Corundum/Ruby occurrences in Dir along a
geological unit of amphibolites.

The Swat emeralds belt over a linear extension of
more than 50 km with known mines in operation in
Mingora and Shangla.

Carbonate-Hosted Topaz (pink, yellow, white and
other shades), in Mardan katiya area.

Investment potentials in gemstones:

- Gemstone exploration over larger areas (upto 1,000 km²) under reconnaissance license.
- Gemstone exploration cum mining under Small Scale Gemstone mining policy.
- Participation in open auction proceedings for grant of mining leases of gemstone.
- Value addition to gemstone (cutting/polishing) and trading.

Investment prospects in gemstones:

- Investment in systematic quarry development for extraction of geometric blocks and
  further value addition of export quality.
- An estimated cost of US $ 3 to 4 million on quarry development and processing units.

Varieties of dimension stones include:

Classical carbonate marble, granites and other massive rock types are abundantly available
mainly in shades of white, grey, green, black, pink
and variegated tints of dark and light colours and
texture.

Investment prospects in dimension stones:

- Investment in systematic quarry development for extraction of geometric blocks and
  further value addition of export quality.
- An estimated cost of US $ 3 to 4 million on quarry development and processing units.

Extensive resource (about 85 million tonne) glass and ceramic-grade nepheline syenite
and associated granitoids in Buner.

Extensive resources of rock salt, gypsum and clay minerals in Karak, Lakki Marwat and
Dera Ismail Khan.

Glass-grade silica sand in Hazara and southern Districts.

Other industrial minerals include soap stone, feldspar, dolomite, barite, graphite, etc.

Dimension Stones

Industrial Rocks & Minerals

Enormous resources for basing industries

Cement-grade limestone and clay in Dargai (Malakand Agency), Nowshera, Kohat-Lachi
and D.I.Khan. The resources are in billions of ton.

Fertilizer-grade phosphate (22 million ton) in Hazara.

Extensive resource (about 85 million tonne) glass and ceramic-grade nepheline syenite
and associated granitoids in Buner.

Extensive resources of rock salt, gypsum and clay minerals in Karak, Lakki Marwat and
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