Initial Project Summary – Reko Diq Mining Project

Project Location: Balochistan, Pakistan

Name of Applicant: Reko Diq Mining Company (Private) Limited

Name of Project: Reko Diq Mining Project

Project Description: The Reko Diq project (the "Project") entails developing a greenfield open-pit mining operation with processing facilities to produce a high-quality copper-gold concentrate. The Reko Diq mine development includes two open pits, a processing plant, several low-grade ore stockpiles, two waste rock dumps (WRD), a tailings storage facility (TSF), a heavy fuel oil (HFO) power plant, and photovoltaic (PV) solar array, and other auxiliary infrastructure. The Project will be developed on land purchased or leased from the Government of Balochistan and does not require private land acquisition. The scope of the Project does not include the smelting and refining processes that commercial off-takers will undertake outside of Pakistan. The Project will produce 200-250 thousand tons of copper per year.

Reko Diq is one of the world's largest undeveloped copper and gold deposits, located near Nok Kundi village in the Chagai district of the Balochistan province of Pakistan. The surrounding area is sparsely inhabited with no permanent villages within the Project's direct (i.e., 5 km) area of influence. Livestock grazing occurs to a limited extent within the area. The extended (i.e., 15 km) area of influence includes a few permanent villages and more extensive livelihood activities. The copper-gold ore concentrate produced by the Reko Diq Mining Company (RDMC) will be transported by rail to Port Qasim in Karachi, Pakistan over 1,400 kms.

A fuel oil-fired thermal power plant (supplemented with solar power to the extent feasible) will be used to meet the Project's power needs and will be considered an associated facility. Diesel generators will provide electrical power during the construction phases until the HFO and solar power stations are established. Fuel will be transported by rail to the mine from Port Qasim, located 50 kms from Karachi, approximately 1,400 kms from the mine. An overhead power transmission line (OHTL) will supply power from the mine site to the bore field. RDMC has a longer-term plan to connect to the national grid, notionally from the 15th year of operation (i.e., in 2042).

Raw water will be supplied to the mine site from a borefield that will abstract water from a saline groundwater aquifer located northwest of the proposed mine site, along the Pakistan-Afghanistan border. Water supply pipelines will be installed to transport water from the borefield to the process plant and accommodation facility.

The Project will utilize existing transportation networks (road and rail), that will require upgrades and some newly constructed sections, including a spur from the mine to the main railway line. During operations, the produced concentrate will be transported from the mine to Port Qasim using existing port facilities at the Pakistan International Bulk Terminal (PIBT). An area will be leased to RDMC for the construction and operation of facilities for the storage of

concentrate, and all other activities will be ancillary and operated by PIBT. The existing facilities designated for concentrate loading include a berth, mechanical equipment such as a traveling ship loader, two gantry cranes, and two conveyor belts. No additional port infrastructure will be required for the Project.

The Project contemplates a possible expansion of the Project to increase production to 400 thousand tons of copper per year, which include also the capacity increase of the related infrastructure (water, power, TSF). The expansion is included in the Environmental and Social Impact Assessment (ESIA), which is available for consultation at https://www.barrick.com/English/operations/reko-diq/environment/default.aspx.

Environmental and Social Categorization and Rationale: The Project has been reviewed against DFC's categorical prohibitions and determined to be categorically eligible. The Project is screened as Category A because it has significant and diverse impacts which are associated with the extraction of copper and gold from an open pit mine and processing of the ore. Primary environmental and social issues of concern include: mine safety; worker and community health and safety, including transportation of workers; labor management; workers' accommodation; air emissions (including dust, particulate matter, nitrogen oxides, and sulfur oxides) and their impact on ambient air quality; groundwater and water availability (both in terms of quantity and quality); tailings and other waste and hazardous materials management; sewage and wastewater management; security personnel and policies; infrastructure impacts; economic displacement; resource scarcity; vulnerability of stakeholders; and protection of biodiversity and living natural resources.

Environmental and Social Standards: DFC's preliminary environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following of the International Finance Corporation's (IFC) 2012 Performance Standards:

- PS 1: Assessment and Management of Environmental and Social Risks and Impacts;
- PS 2: Labor and Working Conditions;
- PS 3: Resource Efficiency and Pollution Prevention;
- PS 4: Community Health, Safety, and Security; and
- PS 6: Biodiversity Conservation and Management of Living Natural Resources.

In addition to the Performance Standards listed above, the IFC's Environmental, Health, and Safety (EHS) General Guidelines (April 30, 2007) and the IFC's EHS Guidelines for Mining (2007) and Thermal Power (2008) are also applicable to the Project. IFC's and EBRD's Guidance Note on Workers' Accommodation will also be applicable to the Project.

Location of Local Access to Project Information: The Project ESIA will be available for review at:

1. RDMC Nok Kundi office and at the RDMC site - Muhammad Zai House, Zorabad, Nok Kundi, District Chagai, Balochistan (https://www.barrick.com/English/operations/reko-diq/environment/default.aspx); and

2. Balochistan Environmental Protection Agency, Government Office, Samungli Road, Quetta, Pakistan