

FINAL REPORT

ON
THE ESTABLISHMENT, OPERATIONALIZATION AND STRATEGIC ROADMAP

of
KHYBER PAKHTUNKHWA MINERALS DEVELOPMENT
AND MANAGEMENT COMPANY LIMITED
(KP-MDMCL)

Submitted to



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MINERALS DEVELOPMENT
AND MANAGEMENT COMPANY LIMITED**

KP-MDMCL

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EXECUTIVE SUMMARY

Translating Vision into Action The Roadmap for Operationalizing KP-MDMCL

Preamble

The Government of Khyber Pakhtunkhwa (GoKP), through its Minerals Development Department (MDD), incorporated the Khyber Pakhtunkhwa Minerals Development and Management Company Limited (KP-MDMCL) on 14 September 2024 under the relevant provisions of the Companies Act, 2017, as a wholly government-owned enterprise. The Company was established with the strategic objective of creating a dedicated, professionally managed and commercially oriented vehicle to steward the province's mineral resources in a manner that is sustainable, transparent and economically viable. The formation of KP-MDMCL reflects the Government's recognition that the effective development of the mineral sector requires not only regulatory oversight but also a specialized institutional platform capable of combining public policy objectives with market-based efficiency. By adopting a corporate structure, the GoKP seeks to introduce modern management practices, strengthen governance and accountability, attract credible investment and ensure that the Province's mineral wealth is translated into long-term economic growth, employment generation and tangible socio-economic benefits for its people. To operationalize this mandate, MDD engaged IECnet Pakistan as consultants to undertake a comprehensive feasibility study and develop an integrated institutional, legal, financial, environmental and operational framework for KP-MDMCL. In accordance with the approved Terms of Reference, IECnet Pakistan has successfully completed and submitted all the agreed deliverables, including the Inception Report, Desk Review Report, Business Plan, Financial Model and Investment Strategy, Human Resource and Capacity Building Plan, Environmental Considerations Report, and above all, the Legal and Regulatory Framework. All deliverables have been formally reviewed and accepted by the MDD.

A key conclusion emerging from the assignment was that the effective operationalization of KP-MDMCL required explicit legislative empowerment beyond the scope of the Khyber Pakhtunkhwa Mines and Minerals Development Act, 2017. Accordingly, the consultants recommended the enactment of a dedicated statute through the introduction of the Khyber Pakhtunkhwa Minerals Development and Management Company Act, 2025. The proposed legislation subsequently received approval from the Provincial Cabinet during its 46th meeting held on 23rd January, 2026 and is currently awaiting final consideration by the Provincial Assembly. Notwithstanding the Cabinet's approval, progress toward enactment appears to have stalled. According to a public statement issued by the Chief Minister on social media, implementation of the Bill will remain on hold until broader political consensus and public confidence are secured, in light of public criticism and increasing concerns regarding transparency and intent. In parallel with the legislative process as aforesaid, the Government has undertaken concrete measures to strengthen corporate governance and institutional readiness. On the other hand, it is worth mentioning that the Provincial Cabinet has approved the appointment of four independent directors in line with Corporate Governance Framework developed under the assignment. The Board of Directors, comprising independent directors and *ex-officio* representation from the key provincial departments, including Finance, Industries, Planning & Development and the Minerals Development Department, was formally notified on January 14, 2026. The Government is actively considering convening the first effective meeting of the newly constituted Board, representing a critical milestone in the transition from incorporation to operational readiness.

Strategic Rationale and Purpose

KP-MDMCL is conceived as GoKP’s principal commercial instrument for mineral-sector activities that extend beyond the conventional regulatory and administrative mandate of MDD. The establishment of the Company responds to long-standing structural constraints in the provincial and national mining sector, including low levels of investment, limited technological adoption, fragmented value chains, weak institutional coordination, and inadequate mechanisms for community benefit-sharing. These constraints have historically limited the province’s ability to convert its substantial mineral endowment spanning dimension stones, gemstones, metallic, and industrial minerals—into sustained economic growth and inclusive development. KP-MDMCL is therefore intended to institutionalize a stable, transparent, and professionally governed framework for responsible mineral development, capable of attracting domestic and international investment while safeguarding public interest, environmental sustainability, and social legitimacy.

Strategic Imperatives

Pillar	Core Focus
Institutional Capacity	Build a professional, transparent and agile institution with strong governance, regulatory compliance and risk management systems to sustain long-term credibility.
Market Positioning	Position KP-MDMCL as Pakistan’s leading mineral development entity with a global outlook, competitive edge in resource management and a trusted partner in international markets.
Technology & Innovation	Leverage advanced exploration, mining, and processing technologies, while adopting digital platforms, automation and traceability to maximize efficiency and transparency.
Stakeholder Partnerships	Strengthen strategic alliances with government, investors, development agencies, mining leaders, and communities to co-create value and expand global market access.
Financial Resilience	Establish innovative financial instruments (e.g., MDF, EDF) and diversify revenue streams to support growth, ensure operational sustainability, and attract long-term investment.
Sustainability & ESG	Embed ESG principles at every stage, ensuring environmental protection, responsible community engagement, inclusive growth and adherence to global sustainability standards.

Phased Roadmap and Legal Conditioning

This Report is presented as a legally conditioned, implementation-ready operationalization roadmap, explicitly premised on the enactment and notification of the KP-MDMCL Act, 2026 (‘proposed’). It consolidates all previously delivered and approved outputs into a single, coherent blueprint that clearly sequences actions, governance arrangements, institutional structures, financial systems and operational steps required to transition KP-MDMCL from incorporation to full-scale operations based on legislative support, highlighted as Phase-I in the following table. The roadmap adopts a phased approach, beginning with legislative finalization and governance activation, followed by institutional establishment, capital mobilization, pilot operations and eventual scale-up. Importantly, the Report clearly differentiates actions that may be undertaken prior to enactment from those that require statutory authority, thereby safeguarding the Company, its Board, and Government of KP from legal, audit and fiduciary risks.

INTRODUCTION

1.1 Background and Context

Khyber Pakhtunkhwa is richly endowed with a diverse range of mineral resources that represent far more than geological assets, they are a significant opportunity for economic transformation. If responsibly harnessed, these resources can contribute meaningfully to provincial revenues, create sustainable employment, stimulate downstream and value-added industries, and improve livelihoods across communities, particularly in remote and resource-rich areas where economic opportunities are often limited. However, unlocking this potential is not simply a technical or geological exercise. Experience has shown that the development of the mineral sector depends equally on the strength of institutions, the clarity of governance frameworks, and the ability to balance public interest with commercial efficiency. Effective mineral development requires systems that are transparent, professionally managed, environmentally responsible, and capable of attracting credible private investment while safeguarding the province's long-term interests.

Recognizing these realities, the Government of Khyber Pakhtunkhwa took a forward-looking step by initiating the establishment of a dedicated corporate vehicle, the Khyber Pakhtunkhwa Minerals Development and Management Company Limited (KP-MDMCL). Conceived as a professional and commercially oriented entity, the Company is intended to bridge the gap between public policy objectives and market-driven operations. It is designed to bring together technical expertise, corporate discipline, and strategic oversight to manage, develop, and facilitate mineral sector activities in a structured and sustainable manner. Through this approach, the Government aims not only to improve operational efficiency but also to build institutional credibility, foster investor confidence, and ensure that the province's mineral wealth translates into tangible and equitable benefits for its people. KP-MDMCL is therefore envisioned as both a catalyst for growth and a steward of public resources, entrusted with converting natural endowments into lasting socio-economic progress.

1.2 Genesis of KP-MDMCL

KP-MDMCL was incorporated as a wholly government-owned entity under the Companies Act, 2017 and formally registered on 14 September 2024 with Corporate Unique Identification Number (CUIN) 0269330. Its establishment marked an important milestone in the Government of Khyber Pakhtunkhwa's efforts to modernize and strengthen the management of the Province's mineral resources. The Company's creation reflects a deliberate shift from traditional, department-led approaches toward a more agile, professional, and commercially responsive institutional model better suited to the evolving demands of the mineral sector. Structured as a public limited company, KP-MDMCL is also required to comply with the statutory formalities prescribed under corporate law. In this regard, in accordance with Section 19 of the Companies Act, 2017, the Company is obligated to obtain a formal Certificate of Commencement of Business prior to initiating its commercial operations.

The process for securing this certification has already been initiated by the consultants to ensure full legal and regulatory compliance at the outset. The intent behind its formation was not merely administrative restructuring, but a strategic effort to embed modern corporate practices, efficiency, accountability, transparency, and performance orientation, into the governance of mineral development. By adopting a corporate structure, the Government aimed to enable faster and more informed decision-making, strengthen financial discipline, and enhance the ability to engage effectively with investors, technical partners, and markets, while still retaining full public ownership and oversight. At the same time, the design of KP-MDMCL carefully preserves the public-interest mandate of the sector. As a wholly government-owned entity, the Company remains closely aligned with provincial policy objectives and regulatory frameworks, ensuring that commercial activities are undertaken responsibly and, in a manner, consistent with environmental safeguards, social considerations, and long-term sustainability. In this way, the Company serves as a bridge between public stewardship and private-sector efficiency. The genesis of KP-MDMCL therefore represents more than the creation of a new institution, it signals the province's commitment to managing its natural resources with professionalism, integrity, and foresight, with the ultimate aim of translating mineral wealth into broad-based and lasting prosperity for the people of Khyber Pakhtunkhwa.

1.3 Objectives of the Assignment

The assignment entrusted to IECnet Pakistan was conceived as a foundational exercise to translate the Government of Khyber Pakhtunkhwa's vision for a professionally managed mineral sector into an actionable and implementable reality. Recognizing that the establishment of KP-MDMCL represents both an institutional reform and a strategic economic intervention, the engagement was designed to provide the Government with practical, evidence-based guidance to ensure that the Company is not only legally constituted, but also operationally viable, financially sustainable and aligned with public-interest objectives. Accordingly, the key objectives of the assignment were to:

- Assess the feasibility of operationalizing KP-MDMCL by evaluating the province's mineral sector landscape, market opportunities, institutional readiness, financial requirements and risk factors and by determining the Company's potential to operate as a commercially sound yet publicly accountable entity.
- Design a comprehensive business and institutional framework that defines the Company's mandate, governance structure, organizational architecture, operational model, financial systems and internal controls, ensuring clarity of roles, professional management and adherence to modern corporate practices.
- Recommend legal and regulatory reforms necessary to provide the Company with an appropriate statutory foundation and enabling environment, including identification of legislative gaps, alignment with existing mining and corporate laws and draft even the proposed Bill- 2026 for Khyber Pakhtunkhwa Minerals Development and Management Company Act, 2026.
- Develop a practical roadmap for phased implementation, outlining sequenced actions, timelines, resource requirements and milestones to guide the Company's transition from incorporation to full operational functionality, while minimizing risks and ensuring continuity of government objectives.

Through these objectives, the assignment sought to provide the Government with a clear, coherent and implementable pathway for establishing KP-MDMCL as a credible institution capable of stewarding the province's mineral resources responsibly and converting natural wealth into sustainable economic and social benefits for its people.

1.4 Scope and Coverage of the Final Report

This Final Report represents the culmination of the assignment and consolidates all previously delivered and approved reports into a single, coherent operationalization blueprint for KP-MDMCL. It brings together analytical findings, strategic recommendations and implementation tools developed over the course of the engagement, ensuring continuity, consistency and practical relevance. Critically, the value and objectivity of this roadmap are inherently time-sensitive, and its effectiveness depends on the Government's ability to act on its recommendations in a timely and coordinated manner. The Report places particular emphasis on governance activation, legislative and regulatory alignment and overall execution readiness. It outlines the institutional, legal, financial and operational arrangements required to transition KP-MDMCL from incorporation to effective functioning and provides clear guidance to support informed decision-making by the Government. In doing so, the Report serves as both a reference document and a practical guide for the successful launch and sustainable operation of the Company.

1.5 Legal and Institutional Premise of the Final Report

The recommendations and phased implementation roadmap presented in this Report are firmly grounded in the legal and institutional framework envisaged under the KP-MDMCL Act, 2025. This Act, which has received approval from the Provincial Cabinet and is currently pending consideration by the Provincial Assembly, provides the statutory foundation necessary for KP-MDMCL to operate as a fully empowered, professionally managed, and publicly accountable corporate entity. The Report's proposed actions are carefully sequenced and designed to align with the anticipated legislative provisions, ensuring that all operational, governance, and financial activities are legally compliant from the outset. By anchoring the roadmap within the Act, the Report integrates corporate governance principles, regulatory requirements, and public-interest safeguards, while enabling KP-MDMCL to function efficiently as a

commercially oriented government-owned company. In addition, the institutional premise of this Report acknowledges the broader governance ecosystem of Khyber Pakhtunkhwa's mineral sector. It positions KP-MDMCL as the central coordinating entity responsible for driving mineral development in a structured, transparent, and sustainable manner, bridging the interface between public policy, regulatory oversight, and market-based operations. This alignment ensures that once the Act is enacted, the Company can commence operations immediately, with a robust framework that supports long-term institutional resilience, stakeholder confidence, and socio-economic impact.

1.6 Structure of the Report

This Final Report has been carefully structured to guide the reader through the full journey of KP-MDMCL, from its conceptual foundations and legal underpinnings to its practical operationalization and future roadmap direction. Recognizing that the establishment of a public sector company of this nature involves legal, institutional, financial and operational dimensions, the Final Report adopts a logical strategic action plan and roadmap to prosperity that allows the stakeholders, i.e., the Government of Khyber Pakhtunkhwa to clearly understand not only what is recommended, but also why and how each step contributes to the Company's successful launch and sustainability. Accordingly, the Report is organized into twelve interlinked chapters, each building upon the preceding one to create a coherent narrative and a clear pathway for implementation. The opening chapters establish the context by setting out the background, rationale, legal premise and institutional vision underpinning KP-MDMCL. These are followed by chapters that examine feasibility considerations, governance architecture, business and operating models, and the financial framework and investment strategy considered necessary for the effective operationalization of the Company.

For ease of reference, coherence, and usability, the Final Report has been structured as a single integrated document comprising two parts, supplemented by digitally referenced annexures. Part 'A' presents a consolidated and fully integrated account of the assignment, synthesizing the key analyses, findings, and recommendations emerging from all individual deliverables. It brings together the institutional, legal, financial, environmental, and operational dimensions within a unified framework, culminating in a clear and actionable roadmap for the establishment and operationalization of KP-MDMCL. This part is designed to provide decision-makers with a coherent narrative, strategic direction, and practical implementation guidance. Part 'B' provides a structured compendium of supporting material drawn from the consultancy's previously submitted deliverables. Rather than reproducing the full reports, this section includes the executive summaries, or alternatively a brief introduction and table of contents, for each deliverable. This approach enables readers to understand the scope and key outputs of each report while preserving the readability and focus of the main document. The complete individual deliverables, each previously submitted as a standalone document, are provided separately through digital references. Together, they serve as a comprehensive repository of detailed methodologies, datasets, models, and technical analyses, ensuring both transparency and depth without overburdening the core report. Together, Part A, Part B and the digital annexures are designed to serve a dual purpose: first, as a strategic guide for policymakers and decision-makers, offering an integrated framework, rationale and prioritized actions for informed oversight; and second, as a practical operational resource for implementation teams, providing structured guidance, tools and reference material to support effective execution. Broadly, the contents are organized as follows:

FINAL REPORT FOR OPERATIONALIZATION OF KP-MDMCL

PART 'A'		PART 'B'	
	EXECUTIVE SUMMARY		Consolidated Executive Summaries of Individual Reports:
	I. INTRODUCTION	I	Desk Review Report (May-2025) 
	II. LEGISLATIVE AND REGULATORY FRAMEWORK	II	Inception Report (May-2025) 
	III. CORPORATE GOVERNANCE AND BOARD READINESS FRAMEWORK	III	HRM Report (June, 2025) 
	IV. MANDATE, POSITIONING & BUSINESS MODEL	IV	Sustainability & Environmental Management Plan (July-2025) 
	V. BOARD-LED INSTITUTIONAL ACTIVATION STRATEGY	V	Business Plan (August -2025) 
	VI. ORGANIZATIONAL STRUCTURE & HUMAN RESOURCE DEPLOYMENT	VI	Legal & Regulatory Framework Report (August-2025) 
	VIII. FINANCIAL FRAMEWORK AND INVESTMENT	VII	Financial Model & Investment Strategy Report (August-2025) 
	VIII. STRATEGIC ACTION PLAN AND OPERATIONALIZATION BLUEPRINT	VIII	Strategic Action Plan 
	IX. DEDICATED ROADMAP - OPERATIONALIZATION BLUEPRINT		
	X. ACTIVITY WISE ROADMAP		
	XI. EXPECTED OUTCOMES		
	XII. GEOLOGICAL MAPPING AND MINERAL RESOURCE MANAGEMENT		

CHAPTER - II

LEGISLATIVE AND REGULATORY FRAMEWORK

Preamble

The establishment and operationalization of KP-MDMCL represent a strategic and institutional shift in the province's approach to minerals sector governance, resource development, and value maximization. Envisaged as a government-owned, financially supported, and strategically mandated development and management company, KP-MDMCL is designed to serve as the province's principal vehicle for unlocking mineral potential, enhancing public revenues, promoting downstream value addition, and ensuring that the benefits of mineral resources accrue equitably to the people of the province. Its mandate therefore extends beyond purely commercial objectives to encompass broader public policy, developmental and sustainability considerations. Unlike conventional private-sector mining enterprises that operate primarily on commercial risk-return considerations, KP-MDMCL carries explicit public-interest obligations and strategic responsibilities aligned with provincial development priorities. Consequently, its institutional character and operational requirements differ fundamentally from those of private limited companies functioning under general corporate and mining laws. Subjecting the Company solely to the standard regulatory regime applicable to private operators would constrain its effectiveness, limit its strategic role and undermine the Government's ability to actively steward and manage its mineral resources.

For a government-owned enterprise of this nature to function efficiently and competitively, it must be supported by a dedicated, coherent and enabling legislative framework that provides clear statutory recognition of its status, delineates its powers and functions and establishes appropriate governance and accountability mechanisms. ***Critically, such a framework must also confer defined preferential and facilitative rights, consistent with its public mandate, including priority access to mineral titles, streamlined approvals, and other regulatory accommodations necessary to allow the Company to act as the State's development arm rather than as an ordinary market participant.*** In this context, amendments to the Mines and Minerals Act, 2017 are essential to expressly recognize KP-MDMCL's special status and to incorporate legal provisions that enable these preferential arrangements within a transparent and rule-based structure. Without such statutory support, the Company's mandate cannot be fully realized within the existing legal regime and/or competitive operational environment in the mines and minerals development sector. Accordingly, this chapter presents a brief review of the legislative and regulatory architecture required for KP-MDMCL. It assesses existing laws and policies, identifies gaps and constraints, and accordingly recommends the necessary legislative and regulatory measures to ensure that the Company is effectively empowered to perform its role as the province's minerals development and management arm.

2.1 Rationale for a Dedicated Legislative Framework

KP-MDMCL is fundamentally distinct from ordinary mining and exploration companies in that it is wholly owned by the Government of Khyber Pakhtunkhwa and is conceived as a strategic sector development entity rather than a purely profit-maximizing enterprise; it is intended to function as a custodian and commercial manager of state-owned mineral assets, to catalyze and crowd in private sector investment instead of displacing it, and to operate across the entire minerals value chain, including exploration, development, joint ventures, asset management, and facilitation. Owing to this unique mandate, explicit statutory recognition and empowerment are essential, particularly where the Company's functions intersect with sovereign mineral ownership, lease allocation, and regulatory oversight. In the absence of a clear and dedicated legislative framework, KP-MDMCL risks being treated as an ordinary private bidder, thereby undermining its strategic purpose, creating potential conflicts with regulatory authorities, fostering perceptions of unfair competition that may deter private investment, and causing operational delays due to legal uncertainty; a well-defined legislative framework is therefore critical to mitigate these risks by clearly delineating roles, rights, and institutional boundaries, while strengthening investor confidence and governance transparency.

2.2 Existing Legal and Regulatory Landscape

Under the Constitution of the Islamic Republic of Pakistan, ownership of mineral resources vests with the provinces, except for specified strategic minerals, and following the 18th Constitutional Amendment, provinces enjoy enhanced autonomy over mineral development, regulation and commercialization. In this context, the mandate of KP-MDMCL is fully aligned with the constitutional authority of the Government of Khyber Pakhtunkhwa to manage mineral resources, grant mineral concessions, regulate mining activities and establish public sector enterprises for sector development. The Company is incorporated under the Companies Act, 2017, which provides it with a distinct corporate legal personality, prescribes governance arrangements through a Board and management with defined fiduciary responsibilities, and establishes financial reporting, audit, and disclosure requirements. However, while the Companies Act, 2017 offers a general corporate governance framework, it does not confer sector-specific powers, preferential rights, or authority for managing sovereign mineral assets, thereby necessitating supplementary legislation. Similarly, the existing provincial legal regime, comprising the Khyber Pakhtunkhwa Mines & Minerals Act, 2017 (as amended), mineral rules and regulations and applicable environmental, labor and land-use laws, is primarily designed to regulate private sector mining activity. These instruments do not adequately recognize or address the distinct role, mandate and operational requirements of a government-owned minerals development and management company, such as KP-MDMCL.

2.3 Legislative Gaps Affecting KP-MDMCL

A review of the existing legal and regulatory framework governing the minerals sector in Khyber Pakhtunkhwa reveals several critical legislative gaps that directly affect the effective establishment and operationalization of KP-MDMCL. The assessment indicates that the current legal framework does not adequately articulate safeguards to ensure competitive neutrality, transparency, and accountability, particularly in circumstances where KP-MDMCL may enjoy special rights or state support by virtue of its public ownership and strategic mandate.

The absence of clearly defined rules relating to disclosures, institutional oversight, and the separation of commercial and regulatory functions creates the risk of perceived or actual unfair competition and potential market distortion. The shortcomings described below highlight the pressing need for targeted, coherent, and well-calibrated legislative and regulatory interventions that can appropriately empower KP-MDMCL, while simultaneously upholding the principles of transparency, investor confidence and sound governance within the provincial minerals sector.

- 2.3.1 Foremost among these is the absence of explicit statutory recognition of KP-MDMCL as the Province's designated minerals development and management arm. While the Company has been incorporated under the general corporate law framework, there is no dedicated legal instrument that formally defines its public mandate, strategic role or authority within the provincial mineral ecosystem. This lack of recognition creates uncertainty regarding its standing, functions, and legitimacy as a state-led vehicle for minerals sector development.
- 2.3.2 Another significant gap relates to the absence of clearly defined preferential access mechanisms for KP-MDMCL to government-owned or state-controlled mineral assets. Under the current legal regime, KP-MDMCL is largely subject to the same concession allocation processes as private sector entities, which undermines its intended role as a custodian and commercial manager of provincial mineral resources. Without statutory provisions enabling rights of first refusal, direct nomination, or prioritized access to designated mineral areas, the Company's ability to strategically develop and manage state-owned mineral assets remains constrained.
- 2.3.3 The existing framework also lacks clarity regarding KP-MDMCL's institutional relationship with regulatory authorities. There is no clear legal demarcation of the Company's commercial and development functions *vis-à-vis* the regulatory, licensing, and oversight roles of provincial mining authorities. This ambiguity raises the risk of functional overlap, institutional conflict, and perceptions of regulatory bias, all of which could adversely affect governance credibility and investor confidence if left unaddressed.

- 2.3.4 Furthermore, there is no explicit legal basis for the transfer, assignment, or nomination of mineral assets, leases, geological data, or ongoing projects from the Government or other public entities to KP-MDMCL. In the absence of such provisions, the Company faces procedural and legal hurdles in acquiring and managing assets that are essential for its operational take-off. This gap also complicates the rationalization of existing government-held mineral interests under a single professional management structure.
- 2.3.5 Additionally, current laws provide limited guidance on public-private partnership arrangements specifically led or sponsored by KP-MDMCL. While general PPP frameworks exist, they do not adequately address the unique requirements of mineral exploration, development, and risk-sharing models in which a government-owned minerals company acts as a project sponsor, co-investor, or facilitator. The lack of tailored PPP provisions restricts KP-MDMCL's ability to effectively crowd in private investment and structure commercially viable partnerships.
- 2.3.6 Last, but not the least, the existing surplus generated from royalty collections and other mineral-sector receipts accruing to the Government of Khyber Pakhtunkhwa cannot, under the prevailing legal and public financial management framework, be directly diverted or allocated to KP-MDMCL in the absence of explicit legislative authorization. At present, such revenues constitute public funds and are required to be credited to the Provincial Consolidated Fund, where their appropriation, allocation, and expenditure are governed strictly by constitutional provisions, budgetary processes, and applicable financial rules.
- 2.3.7 Consequently, any direct or preferential transfer of these proceeds to a government-owned corporate entity without a clear statutory basis would be inconsistent with established principles of public finance, accountability, and legislative oversight. This constraint highlights a significant gap between the Company's intended developmental mandate and its existing legal status. While KP-MDMCL is envisioned as the GoKP's principal vehicle for reinvestment of mineral wealth into exploration, project development, infrastructure, and value-addition initiatives, it currently lacks the statutory standing to access or utilize the very revenues generated from the sector it is mandated to develop. The absence of an enabling legal mechanism therefore limits the Company's financial autonomy, constrains its operational effectiveness, and undermines the broader policy objective of recycling mineral revenues into sustainable sectoral growth. To bridge this gap, dedicated legislative support is essential to establish a lawful and transparent framework for channeling a defined portion of royalty proceeds and related mineral receipts to KP-MDMCL, whether through earmarking arrangements, special funds, statutory transfers, or other prescribed financial mechanisms. Such provisions would ensure compliance with public finance principles while enabling predictable and sustainable capitalization of the Company. Without these measures, KP-MDMCL's ability to perform its strategic role as the province's minerals development and management arm will remain structurally constrained.

2.4 Proposed Legislative Framework for KP-MDMCL

The proposed legislative framework for KP-MDMCL has been carefully designed to provide the statutory foundation necessary for the Company to effectively discharge its expanded mandate as the province's minerals development and management arm. Recognizing that the existing legal regime does not sufficiently accommodate the unique status, functions, and public-interest obligations of a government-owned minerals development company, the Minerals Development Department (MDD), Government of Khyber Pakhtunkhwa, has adopted a two-pronged legislative approach. First, targeted amendments to the KP Mines & Minerals Act, 2017 are proposed to seamlessly integrate KP-MDMCL's operational role within the provincial minerals' governance architecture, including the establishment of the Mineral Development Fund and the provision of defined preferential and facilitative rights consistent with its public mandate. Second, a dedicated parent statute, the proposed Khyber Pakhtunkhwa Minerals Development and Management Company Act, 2026, has been prepared to provide comprehensive legal recognition, powers, governance arrangements, and financial mechanisms for the Company. ***The draft Act has already been thoroughly reviewed and endorsed by the legislative committee, and subsequently approved by the Provincial Cabinet for final assent by the Provincial Assembly.*** A complete and detailed exposition of the legal and regulatory framework, including the full text and commentary on the proposed KPMDMC Act, 2026, has already been presented in an independent deliverable titled "Legal & Regulatory Framework," which has also been fully discussed and deliberated in the Final Report and may be referred to for record and detailed legislative reference. The present section summarizes the principal features of the proposed framework for operationalization purposes.

2.4.1 Core Powers and Strategic Functions – Section 3

The proposed amendments seek to vest KP-MDMCL with the following core powers and strategic functions:

- i. Investment and Operations
 - a. To function as a government holding company for the acquisition, holding and management of mineral interests, including free-carried & equity interests;
 - b. To apply for and hold mineral titles and to undertake the full spectrum of mining activities, from reconnaissance and exploration to development, extraction, processing, and value addition;
 - c. To prepare, finance, and execute mineral development projects, including activities beyond provincial boundaries where strategically justified.
- ii. Strategic Partnerships
 - a. To enter into joint ventures and strategic alliances with national and international investors for large-scale and capital-intensive projects;
 - b. To structure and facilitate Public-Private Partnerships under the KP PPP Act, 2020, including equity participation and development roles;
 - c. To promote market development initiatives, including the establishment of trading platforms and mechanisms to enhance mineral commercialization.

iii. Regulatory Support Services

To provide technical and operational support to the Directorate General of Mines & Minerals and other regulatory bodies, including cadaster management, revenue collection assistance, compliance monitoring, and sector facilitation.

iv. Infrastructure Development

To establish and operate mineral processing plants, mineral parks, shared facilities, laboratories, testing services, and equipment pools to strengthen downstream capacity.

v. Advisory and Technical Services

To act as a one-window industry service provider offering multidisciplinary expertise, geological data management, research support, and technical training programs.

2.4.2 Governance Structure – Sections 4 & 5

i. Board Authority

The Board of Directors shall be the apex decision-making body, vested with overall direction, policy oversight, and administration of the Company, exercising full administrative and financial autonomy while remaining aligned with Government policy and the public interest.

ii. Operational Autonomy

The Company shall enjoy operational and commercial autonomy in strategic and business decisions, subject to broad policy guidance issued by the Government.

iii. Composition of the Board (as proposed in the draft Bill)

- a. *Secretary, Minerals Development Department, or nominee not below the rank of Additional Secretary;*
- b. *Secretary, Finance Department, or nominee not below the rank of Additional Secretary;*
- c. *Secretary, Industries, Commerce and Technical Education Department, or nominee not below the rank of Additional Secretary;*
- d. *Secretary, Planning and Development Department, or nominee not below the rank of Additional Secretary;*
- e. *Four independent directors from the private sector, including preferably at least one woman, being eminent professionals appointed by the Government in the prescribed manner; and*
- f. *Chief Executive Officer.*

iv. Chairperson

The Chairperson shall be appointed by the Government and shall lead the Board in accordance with the Articles of Association and the Companies Act.

v. Board Committees

Mandatory committees shall include the Audit Committee, HR & Remuneration Committee, and Projects Committee, in addition to any other committees deemed necessary by the Board to ensure effective governance and oversight.

vi. Chief Executive Officer

The CEO shall be appointed through a competitive and merit-based process, with preference for candidates possessing substantial private-sector leadership experience (minimum 20 years), proven managerial capability, and compliance with strict conflict-of-interest provisions.

2.4.3 Financial Operations and Reporting

i. Borrowing Powers

Under Sections 6 and 7 of the draft Bill, KP-MDMCL is proposed to be designated as a “local authority” for the purposes of the Local Authorities Loans Act, 1914, enabling strategic borrowing. The Company may negotiate local and foreign loans for capital investments, subject to prior Government approval.

ii. Accounts and Audit

Under Sections 8–10, the Company shall maintain proper accounts and financial records, subject to annual audits by ICAP-registered auditors or the Auditor General’s Office, as determined by the Provincial Government. Annual audited financial statements and performance reports shall be submitted to the Government and published in the official Gazette to ensure transparency and accountability.

iii. Treatment of Profits

Under Section 11, Company profits shall be treated as Government income and managed in accordance with approved distribution and reinvestment mechanisms to support sustainable sector development.

2.5 Conclusion:

The success of KP-MDMCL hinges on the existence of a clear, enabling and balanced legislative framework that reflects its unique status as a government-owned minerals development and management company. Legislative support is not merely a procedural requirement; it constitutes the foundation upon which KP-MDMCL’s credibility, effectiveness and long-term sustainability will rest. In this context, the proposed legislative framework not only provides statutory recognition, preferential yet transparent access to state-owned mineral assets, defined powers and robust governance safeguards, but also ensures the uninterrupted availability of financial resources through a dedicated Mineral Development Fund. This Fund shall be financed from the net surplus generated from royalty and other mineral-related receipts, allocated on a pre-determined **55:45** formula, thereby guaranteeing non-stop and predictable funding to support KP-MDMCL’s operational and strategic objectives.

Furthermore, the proposed legislative support empowers KP-MDMCL to act as the Government Holding Company for any acquisition of interests by or on behalf of the Government, including but not limited to free-carried interests, whether in equity or otherwise. This role will enable the Government to strategically manage its mineral-related participations through a specialized and professionally managed entity, ensuring value maximization, transparency and effective oversight. Taken together, these legislative measures position KP-MDMCL as a credible institutional vehicle capable of catalyzing responsible mineral development, facilitating private sector participation and contributing meaningfully to sustainable economic growth in Khyber Pakhtunkhwa.

A meeting of the Cabinet Committee on Legislation was convened on 4th December, 2025 to consider, exclusively the sole agenda item, namely, the proposed Khyber Pakhtunkhwa Minerals Development and Management Company Act, 2026 under the chairmanship of Minister for Law, Parliamentary Affairs and Human Rights, Government of Khyber Pakhtunkhwa. The Committee undertook a detailed, clause-by-clause examination of the draft Bill and deliberated upon it thoroughly. Upon completion of deliberations, the draft Bill was unanimously approved by Cabinet Committee on Legislation which was later concurred by the Provincial Cabinet. Nevertheless, in early 2026, widespread public debate and criticism emerged on social media and in political forums following the Cabinet's approval, generating confusion and concerns among segments of the public and political stakeholders regarding proposed minerals legislation and the establishment of the Company. In response, the Chief Minister of Khyber Pakhtunkhwa publicly stated that *public trust is a foremost priority* and that the implementation of the Mineral Development Company and associated legislative process has been paused for the time being to allow for broader consultation and consensus-building. He clarified that the Bill presented to the Cabinet was not the *Mines and Minerals Bill, 2025*, but a dedicated *company law for KP-MDMCL*, and acknowledged ongoing ambiguity surrounding minerals governance reforms. These developments underscore the need for continued legislative engagement, transparent public discourse, and consensus within the Provincial Assembly to secure durable legal authority and social legitimacy for the Company's establishment and operations

CHAPTER -III

CORPORATE GOVERNANCE AND BOARD READINESS FRAMEWORK

3.1 Preamble: Governance philosophy and the principles

The operational success, credibility, and long-term sustainability of KP-MDMCL depend not only upon an enabling legislative framework and financial capacity, but equally upon the establishment of a strong, transparent, and professionally managed corporate governance system. As a government-owned enterprise entrusted with stewardship of public mineral resources and significant public funds, KP-MDMCL must adhere to the highest standards of governance, integrity, and accountability. Unlike purely commercial entities, KP-MDMCL operates at the intersection of public policy objectives and commercial execution. It must therefore combine public-sector accountability with private-sector efficiency. This dual mandate necessitates a governance architecture that ensures:

- Strategic oversight and policy alignment with Government priorities;
- Professional and merit-based decision-making;
- Transparency in operations and financial management;
- Robust internal controls and risk management;
- Clear separation between ownership, oversight, and management functions;
- Protection of public interest while enabling commercial agility; and
- Compliance with applicable corporate, financial, and regulatory laws.

Accordingly, the governance model for KP-MDMCL has been designed in accordance with international best practices for State-Owned Enterprises (SOEs), principles of the Companies Act, public finance standards, and established corporate governance norms. The framework aims to create an institution that is commercially viable, professionally managed, and publicly accountable. This chapter sets out the corporate governance framework, organizational structure, Board readiness measures, committee architecture and advisory support systems necessary for effective functioning of KP-MDMCL.

3.2 Organizational Structure of KP-MDMCL

KP-MDMCL shall operate under a structured and clearly defined organizational hierarchy to ensure accountability, operational efficiency, and strategic coherence.

3.2.1 Governance Tiers

The institutional structure shall comprise the following tiers:

i. Shareholder (GoKP)

The Government of Khyber Pakhtunkhwa (GoKP), through Minerals Development Department (MDD), shall act as the sole shareholder and policy owner at this stage. It shall provide strategic direction, approve major policy decisions, and exercise ownership rights in accordance with applicable laws. As a public limited company, KPMDCL may offer shares to the general public once it attains the requisite level of operational and financial readiness for a public offering.

ii. Board of Directors (BoD)

The Board shall serve as the apex governing body responsible for overall direction, strategic oversight, policy approval and fiduciary stewardship.

iii. Executive Management (CEO and Management Team)

The Chief Executive, supported by functional heads shall be responsible for the day-to-day operations, and implementation of the Board's approved strategies.

iv. Functional and Technical Wings

Operational departments responsible for exploration, project development, finance, procurement, legal, compliance, and technical services.

3.2.2 Proposed Functional Departments

To ensure operational readiness, the Company shall establish, at minimum, the following core functions:

- *Exploration & Resource Development*
- *Mining Operations & Projects*
- *Finance & Treasury*
- *Legal & Regulatory Affairs*
- *Procurement & Contracts*
- *Human Resources & Administration*
- *Internal Audit & Compliance*
- *Commercial & Investment*
- *Technical Services & Laboratories*
- *Environmental & Social Safeguards*

Each function shall operate under defined Standard Operating Procedures (SOPs), performance benchmarks, and reporting lines.

3.3 Board of Directors

3.3.1 Role of the Board

The Board of Directors shall be the apex decision-making and oversight authority of KP-MDMCL. It shall exercise fiduciary responsibility to ensure that the Company operates in the public interest while maintaining commercial viability. The Board's responsibilities shall include:

- Approving strategic plans, business plans, and budgets;
- Overseeing financial management and investments;
- Ensuring legal and regulatory compliance;
- Monitoring operational performance;
- Managing risks and internal controls;
- Appointing and evaluating the CEO;
- Establishing governance policies and ethical standards; and
- Safeguarding Government equity and public resources.

3.3.2 Composition of the Board

To balance policy oversight with professional expertise, the Board shall comprise both Government nominees and independent private-sector professionals. Following approval by the Provincial Cabinet, the composition of the Board was formally notified by the Minerals Development Department, Government of Khyber Pakhtunkhwa, on 4 January 2026. The Board comprises:

Ex-officio Government Representation

1. Secretary, Minerals Development Department – Chair/Member
2. Secretary, Finance Department – Member
3. Secretary, Planning & Development Department – Member
4. Secretary, Industries, Commerce & Technical Education Department Member

Independent Directors (Four)

Professionals drawn from the private sector with demonstrated expertise in:

- Mining and mineral development
- Corporate finance and investment
- Law and regulatory affairs
- Engineering/technical project management

As per Notification issued by MDD, the GoKP, has accommodated a female director to promote diversity and inclusive governance. The following named independent directors have already been notified in January, 2026.

Executive Member

- Chief Executive Officer (Member)

3.3.3 Governance Principles for the Board

The Board shall operate under the following core principles:

- Independence and objectivity
- Collective responsibility
- Merit-based decision-making
- Conflict-of-interest disclosure
- Transparency and documentation
- Performance evaluation and accountability

Directors shall adhere to a formal **Code of Conduct and Ethics Policy** and annual conflict-of-interest declarations.

3.4 Board Committees

In order to ensure specialized oversight and efficient governance in field in KP-MDMCL, the Board shall establish dedicated committees with clearly defined mandates.

3.4.1 Finance Committee

Responsible for:

- Financial planning and budgeting
- Investment and funding strategy
- Borrowing and capital structuring
- Review of major expenditures and capital projects
- Oversight of the Mineral Development Fund utilization

3.4.2 Audit Committee

Chaired preferably by an independent director/FCA and responsible for:

- Internal controls and compliance
- Oversight of internal and external audits
- Risk management systems
- Financial reporting integrity
- Fraud prevention and whistleblower mechanisms

3.4.3 Human Resources & Remuneration Committee

Responsible for:

- Recruitment policies
- Compensation and benefits framework
- Performance management
- Succession planning
- Training and capacity building
- CEO performance evaluation

3.4.4 Procurement Committee

Responsible for:

- Procurement strategy and policies
- Tendering oversight
- Contract approvals
- Transparency and fairness in procurement
- Compliance with PPRA and applicable rules

This committee shall ensure value-for-money and minimize procurement risks.

3.5 Advisory Council and Professional Support

Recognizing the technical complexity of mineral development and the perpetual need for specialized expertise, the Board shall establish an **Advisory Council** to provide independent, professional guidance. The Advisory Council shall not exercise executive powers but shall support informed decision-making; wherein the additional experts may be engaged on a project basis as required

3.5.1 Legal Advisor

- Regulatory compliance
- Contract structuring
- Dispute resolution
- Legislative interpretation
- Transactional legal support

3.5.2 Financial Advisor

- Investment modeling
- Project financing
- Valuation and due diligence
- Capital raising strategies
- Risk assessment

3.5.3 Technical Advisor

- Geological and mining evaluation
- Feasibility assessments
- Technology selection
- Infrastructure planning
- Operational optimization

3.6 Board Readiness Measures

The effectiveness of the governance framework depends not only on the formal constitution of the Board but also on the timely establishment of systems, processes, and institutional capacities that enable the Board and management to discharge their responsibilities from the outset. In recognition of this, a structured set of Board readiness measures is proposed to ensure that KP-MDMCL becomes operational in a coordinated, transparent and professionally managed manner immediately upon commencement of business.

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These measures are intended to translate the approved governance architecture into functional practice, minimize transition risks, and establish a culture of accountability, compliance, and performance orientation.

a. Formal Notification of the Board and Committees

Formal notification of the Board of Directors falls within the prerogative of the Minerals Development Department, GoKP, and has already been completed. However, the most immediate action required at the Board's end is the formal notification of the members of its committees. This step will confer legal validity upon the Board's constitution and enable it to exercise its statutory authority effectively. Simultaneously, the terms of reference, composition and mandates of each committee should be formally approved to ensure clarity of roles, avoid overlaps, and promote efficient decision-making.

b. Adoption of Articles of Association and Governance Charter

The Company shall adopt its Articles of Association and a comprehensive Governance Charter that clearly defines the respective roles and responsibilities of the shareholder (Government), the Board, and executive management. These instruments shall establish principles relating to delegation of authority, fiduciary duties, ethical standards, conflict-of-interest management, and decision-making protocols. This foundational documentation will provide institutional certainty and align the Company with best practices for state-owned enterprises.

c. Approval of Standard Operating Procedures and Internal Policies

A complete suite of Standard Operating Procedures (SOPs) and internal policies shall be developed and approved by the Board to guide day-to-day operations. These shall include, *inter-alia*, financial management rules, procurement procedures, contract management frameworks, human resource policies, compliance mechanisms, and reporting protocols. The codification of such procedures will promote consistency, transparency, and accountability across all functions and minimize operational discretion risks.

d. Induction and Orientation of Directors

To enable informed and effective oversight, all Directors shall undergo a structured induction and orientation program. This shall include briefings on the Company's mandate, legal framework, strategic objectives, financial position, sectoral landscape, governance obligations, and risk profile. Specialized sessions may also be arranged on corporate governance, fiduciary responsibilities, and public-sector accountability. This process will equip Directors with the knowledge necessary to make sound and timely decisions from the inception of operations.

e. Establishment of Internal Audit and Compliance Systems

Robust internal control mechanisms are critical for safeguarding public resources. Accordingly, an independent Internal Audit function shall be established, reporting directly to the Audit Committee of the Board. This function shall periodically review financial transactions, procurement practices, operational processes, and compliance with laws and policies. Complementary compliance systems, including whistleblower protections and fraud-prevention protocols, shall also be instituted to enhance organizational integrity.

f. Recruitment of Key Management Personnel

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IECnet Pakistan has prepared detailed HRM report, as one of the approved deliverables which is recommended for a perusal, reference and measures to be undertaken at this stage. The timely appointment of competent and experienced management personnel is essential for operational readiness. The recruitment of the Chief Executive Officer and heads of core functions, such as Finance, Legal, Procurement, Technical Operations, and Human Resources, shall be undertaken through transparent, merit-based and competitive processes. Emphasis shall be placed on professional expertise, sectoral experience, and demonstrated leadership capability to ensure that the Company is staffed with a high-performing management team.

g. Implementation of ERP and Financial Management Systems

Modern enterprise systems shall be deployed to support integrated financial, operational, and reporting processes. The implementation of an Enterprise Resource Planning (ERP) platform and computerized financial management systems will enable real-time tracking of expenditures, procurement, assets, contracts, and project performance. Such systems will enhance data reliability, strengthen internal controls, and facilitate informed oversight by both management and the Board.

h. Development of a Risk Management Framework

Given the capital-intensive and technically complex nature of mineral development activities, a comprehensive risk management framework shall be instituted. This framework shall identify, assess, and mitigate strategic, financial, operational, legal, environmental, and reputational risks. A formal risk register, periodic risk reviews, and mitigation plans shall be maintained under Board supervision. Embedding risk management practices at an early stage will strengthen institutional resilience and safeguard long-term sustainability. Collectively, these Board readiness measures will ensure that KP-MDMCL commences operations on a strong institutional footing, with clear governance protocols, capable leadership, and modern management systems. By establishing these foundational elements at the outset, the Company will be better positioned to operate efficiently, uphold public trust, and deliver on its strategic mandate for the development of Khyber Pakhtunkhwa's mineral resources.

3.7 Conclusion

A sound and resilient corporate governance architecture forms the cornerstone of KP-MDMCL's transition from a nascent public entity into a trusted, professionally managed and accountable state-owned enterprise entrusted with the responsible stewardship of the province's mineral resources. For an institution entrusted with the stewardship of the province's mineral wealth, an asset that belongs collectively to the people of Khyber Pakhtunkhwa, governance is not merely an administrative formality, but a fundamental obligation. It is through sound governance that public trust is earned, resources are safeguarded, and long-term value is created. The framework described hereinabove establishes the institutional foundations necessary for such stewardship. A balanced and representative Board, supported by specialized committees, professional executive management, and independent advisory expertise, provides the structure through which strategic decisions can be taken with both commercial prudence and public accountability.

By clearly defining roles, strengthening oversight, and embedding transparency and integrity into everyday operations, the Company is equipped to act decisively while remaining answerable to the Government and the citizens it ultimately serves. Importantly, this governance architecture also reflects a deliberate effort to combine the discipline and efficiency of the private sector with the safeguards and responsibilities of the public sector. It recognizes that KP-MDMCL must operate competitively in the marketplace while upholding the highest standards of ethics, compliance, and fiscal responsibility. Such a balance is essential for attracting investors, building partnerships, and fostering confidence among stakeholders.

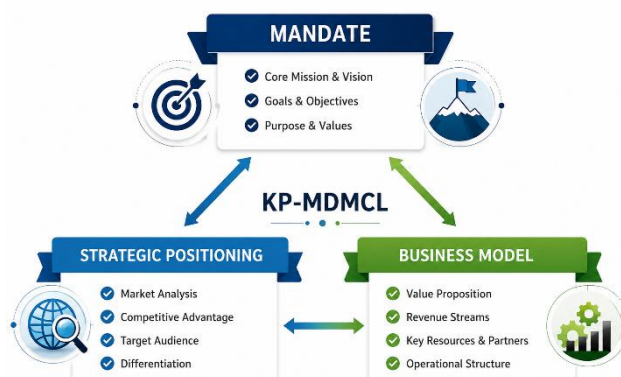
Through the adoption of these measures, KP-MDMCL is positioned to operate with transparency, efficiency, and integrity. More than a corporate structure, this governance framework provides the assurance that mineral development will be pursued responsibly, revenues will be managed prudently, and benefits will be reinvested for the broader socio-economic advancement of the province. In doing so, KP-MDMCL can serve not only as a commercial entity, but as a trusted institutional vehicle contributing meaningfully to sustainable mineral development and the long-term economic prosperity of Khyber Pakhtunkhwa.

CHAPTER -IV

MANDATE, STRATEGIC POSITIONING & BUSINESS MODEL

Preamble

The mineral sector of Khyber Pakhtunkhwa (KP) holds substantial untapped potential across metallic, non-metallic, industrial and dimension stone resources. Despite this endowment, the sector has historically been constrained by fragmented operations, limited systematic exploration, informality, low value addition, and weak investor facilitation. As a result, the province has not fully captured the economic benefits inherent in its mineral wealth in terms of revenue generation, industrial development, and employment creation. Recognizing these structural challenges, the Government of Khyber Pakhtunkhwa (GoKP) established the Khyber Pakhtunkhwa Minerals Development and Management Company Limited (KP-MDMCL) as a specialized corporate vehicle to lead the professional, commercially oriented and sustainable development of provincial mineral resources. The Company represents a deliberate shift from a purely regulatory approach toward a development-led and investment-focused model, enabling the Government to actively participate in value creation rather than relying solely on operational and commercial arm for mineral resource development, tasked with catalyzing investment, structuring bankable projects, and ensuring that mineral assets are developed efficiently, transparently, and in alignment with public policy objectives. A comprehensive Business Plan for KP-MDMCL has been prepared separately and formally delivered to the Minerals Development Department, Government of Khyber Pakhtunkhwa, as part of this assignment. The Business Plan provides the detailed operational and financial blueprint for the Company and includes: (i) articulation of the vision, mission and strategic objectives; (ii) a proposed governance and institutional framework defining roles and responsibilities of the Board, management, and functional units; (iii) detailed operational processes and workflows across the mineral project life cycle; (iv) economic and financial justification for operationalization of KP-MDMCL, including viability assessments and revenue projections; and (v) a strategic project pipeline together with an initial business plan and time-bound action plans for priority projects. The present chapter provides the overarching mandate, strategic positioning, and business model framework that anchor and contextualize the detailed operational and implementation arrangements, while the aforementioned Business Plan, an independent deliverable document, forming an integral part of this Final Report.



4.1 Vision, Mission, Values & Success

Vision Statement

To position Khyber Pakhtunkhwa as South Asia’s leading hub for responsible, transparent, and technologically advanced mineral development, and to establish KP-MDMCL as a pioneering and trusted leader in Pakistan’s mineral sector; transforming the province’s geological wealth into sustainable prosperity, maximizing value addition, strengthening provincial revenues, and fostering inclusive socio-economic development through efficient, investment-driven and environmentally responsible operations.

Mission Statement

To unlock the full potential of Khyber Pakhtunkhwa’s mineral resources by establishing a professional, accountable and innovative institutional framework that enables efficient exploration, responsible and mechanized extraction and value-added processing. KP-MDMCL is committed to attracting sustainable investment, strengthening the provincial economy and creating lasting economic opportunities for local communities, while upholding the highest standards of transparent governance, equitable benefit sharing and alignment with global, environmental, social, and governance (ESG) best practices.

Core Values & Principles





4.2 Mandate

4.2.1 Legal and Institutional Basis

KP-MDMCL is incorporated as a government-owned company under the Companies Act, 2017 and operates with administrative and financial autonomy under the strategic oversight of an independent Board of Directors. Its establishment is supported by the provincial mines and minerals legal and policy framework, which designates the Company as the Government’s principal instrument for mineral development and commercialization. Importantly, the institutional structure ensures a clear separation between regulatory functions and commercial functions. While the Directorate General of Mines & Minerals retains responsibility for licensing, compliance, and enforcement, KP-MDMCL focuses on project development, investment facilitation and commercial participation. This separation promotes transparency, avoids conflicts of interest, and strengthens investor confidence.

4.2.2 Core Functions

KP-MDMCL's mandate spans the full mineral development value chain:

Resource Identification and Exploration

- Geological reconnaissance and mapping
- Detailed exploration and drilling
- Resource estimation and feasibility studies
- Development of reliable geological databases

Project Development

- Technical and economic evaluations
- Project packaging and bankability enhancement
- Infrastructure and logistics facilitation
- Environmental and social planning

Investment Mobilization

- Structuring public–private partnerships and joint ventures
- Competitive bidding processes
- Investor outreach and transaction support
- Negotiation of commercial arrangements

Commercial Participation

- Equity participation in mining ventures
- Oversight of operations and performance
- Strategic project management

Sector Support and Promotion

- Data management and knowledge dissemination
- Market intelligence
- Promotion of downstream processing and value addition
- Community and stakeholder engagement

Through these functions, KP-MDMCL bridges the gap between resource potential and commercially viable development.

4.3 Strategic Positioning

KP-MDMCL is strategically positioned as a hybrid mineral development and management company that bridges public sector stewardship with private sector efficiency. The Company operates at the intersection of policy, regulation, and commercial execution translating provincial mineral potential into investable, bankable, and sustainable opportunities. By combining government mandate with commercial discipline, KP-MDMCL serves as the primary catalyst for mineral sector growth, investment mobilization and value creation within the province.

4.3.1 Market & Ecosystem Analysis

Within the mineral sector ecosystem, KP-MDMCL performs a clearly defined developmental and commercial role that complements, rather than duplicates, the functions of government and regulators. Within the mineral sector ecosystem, roles and responsibilities are clearly delineated to ensure effective governance and coordinated sector development. The GoKP and MDD provides overall policy direction and sets the strategic framework for the sector. The Regulator, through the Directorate General of Mines and Minerals, is responsible for licensing, monitoring and enforcement to ensure compliance with applicable laws and standards. Within this structure, KP-MDMCL would serve as the operational and commercial arm of the market ecosystem, leading project development, advancing commercialization initiatives and facilitating the investment(s). The private sector complements these functions by contributing capital, technology and operational expertise necessary for efficient project execution and for the value creation. This clear separation of mandates promotes coherent governance, enables faster and more informed decision-making, minimizes duplication and institutional overlap and ultimately enhances sector efficiency, transparency and accountability.

4.3.2 Strategic Objectives

KP-MDMCL's positioning enables the Company to systematically unlock mineral value and maximize economic impact through:

- Systematic exploration and resource validation
- Attraction of domestic and foreign direct investment
- Increased provincial revenues and value capture
- Downstream industrialization and value addition
- Environmentally and socially responsible mining practices
- Employment generation and inclusive local economic growth

4.3.3 Competitive Advantage

KP-MDMCL's institutional design provides sustainable competitive strengths that clearly distinguish it from both purely public and private operators. As a government-owned entity aligned with provincial policy objectives, the Company benefits from strong credibility and investor confidence, combining public accountability with commercial discipline to operate with both legitimacy and market responsiveness. It also has preferential access to geological and mineral information, enabling informed decision-making and systematic opportunity identification. By de-risking early-stage projects through exploration and preliminary development, KP-MDMCL reduces investor uncertainty and improves project bankability. With a long-term development outlook and the ability to consolidate fragmented deposits into commercially viable projects, the Company creates scalable investment opportunities. Together, these strengths position KP-MDMCL as a trusted intermediary between the State and the market, accelerating investment while safeguarding the public interest.



4.3.4 Target Audience - Investors & Partners

KP-MDMCL primarily engages a broad spectrum of investors and partners, including domestic and international mining companies, exploration firms, strategic investors and JV partners, financial institutions, and specialized technology and service providers. By collaborating with these stakeholders, the Company structures and prepares investment-ready opportunities tailored to market and investor requirements, thereby enhancing project bankability, reducing risks, and improving execution readiness.

4.3.5 Differentiation & Investor Facilitation

KP-MDMCL differentiates itself through an integrated, single-window operating model designed to simplify and streamline the investment process. By providing centralized access to geological data, supporting pre-feasibility studies and project preparation, coordinating regulatory requirements, aligning stakeholders, and facilitating streamlined approvals, the Company reduces transaction costs, mitigates risks, and significantly enhances the overall ease of doing business for investors.

4.4 Business Model

KP-MDMCL operates on a commercially sustainable, partnership-driven and risk-sharing business model designed to deliver both financial returns and developmental outcomes. The operationalization of this business model is elaborated in detail in the Business Plan, an independent deliverable of this assignment, already presented to the Minerals Development Department, which is forming an integral part of this report. The business plan translates the strategic framework set out herein into implementable institutional arrangements, operational processes, financial projections and prioritized investment actions.

4.4.1 Value Proposition

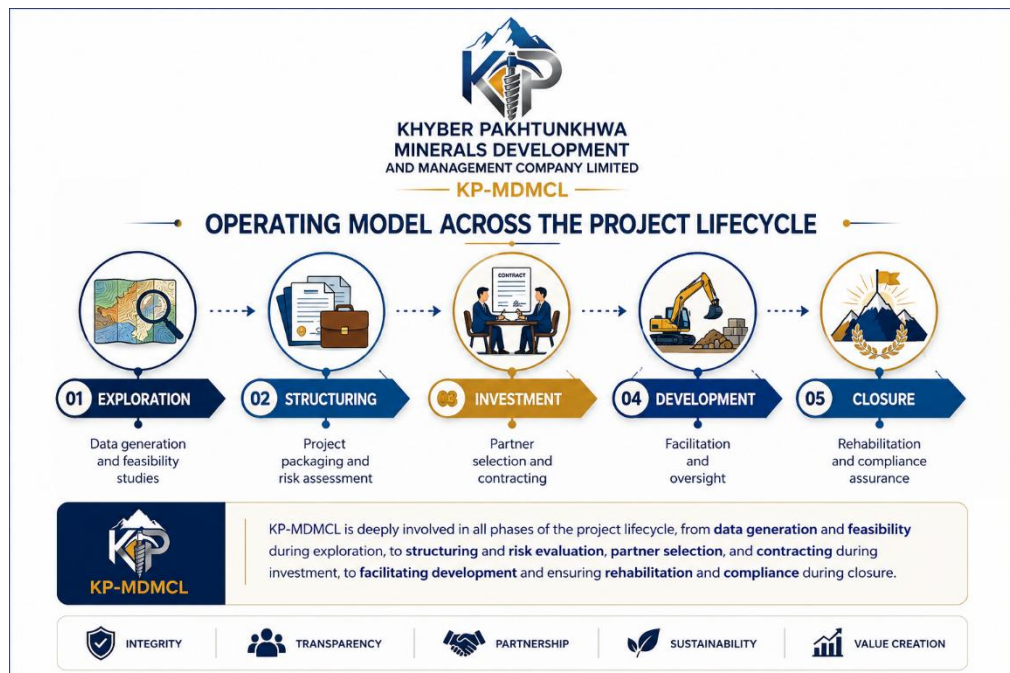
KP-MDMCL creates value by:

- converting geological potential into investment-ready projects,
- mitigating early-stage exploration and regulatory risks,
- structuring commercially attractive opportunities, and
- capturing economic returns for province through equity and revenue participation.

In essence, the Company transforms “resources in the ground” into “bankable opportunities.”

4.4.2 Operating Model Across the Project Lifecycle

KP-MDMCL operates across the full mineral project lifecycle, starting with exploration through data generation and feasibility studies, followed by structuring projects and assessing risks. During the investment phase, the Company leads partner selection and contracting, and in the development stage, it provides facilitation and oversight. Throughout operations, KP-MDMCL participates in equity and monitors progress, while at closure, it ensures rehabilitation and regulatory compliance.



4.4.3 Funding & Revenue Streams

Given the capital-intensive nature of its operations, KP-MDMCL's investment strategy relies primarily on the Minerals Development Fund (MDF), established through legislative support from surpluses of royalty collections. This diversified revenue portfolio reduces financial risk, ensures steady cash flow, and supports the Company's long-term growth and investment objectives. Over time, financial sustainability has been strengthened through a diversified set of revenue sources, including:



4.4.4 Key Resources and Operational Structure

KP-MDMCL's operational structure is underpinned by a strategic partnership framework and a disciplined reinvestment strategy. The Company collaborates through public-private partnerships to share risk and capital, joint ventures for equity participation and technology transfer, strategic investors for large-scale anchor investments, and service contracts to access specialized operational expertise, leveraging private sector efficiency while safeguarding public value. Earnings are systematically reinvested to expand exploration pipelines, upgrade technology and systems, strengthen human resource capacity, finance new projects, and support community development initiatives, ensuring sustained long-term institutional growth.

4.5 Governance and Accountability Framework

4.5.1 Corporate Governance

KP-MDMCL upholds robust corporate governance practices to ensure transparency, accountability, and strategic oversight. The Company operates under an independent Board that provides objective guidance while maintaining a clear distinction between governance and management responsibilities. Comprehensive internal control and risk management systems are in place, complemented by transparent procurement processes and periodic external audits, all designed to safeguard institutional integrity and stakeholder confidence.

4.5.2 Risk Management

KP-MDMCL proactively addresses the key risks inherent in mineral sector operations, including geological uncertainties, commodity price volatility, operational challenges, and environmental and social impacts. These risks are mitigated through phased investment approaches, a diversified project portfolio, rigorous technical due diligence, and strict adherence to environmental, social, and governance (ESG) standards, ensuring sustainable and resilient project execution.

4.6 Environmental and Social Responsibility

Responsible and sustainable resource development is central to KP-MDMCL's operations. The Company integrates environmental impact assessments, social safeguards, and stakeholder consultations into its project planning, while actively promoting local employment, skills development, and community benefit programs. Comprehensive mine closure and rehabilitation planning are also embedded in all projects, ensuring that mineral development generates inclusive, long-term social and environmental value.

4.7 Performance Measurement Framework

KP-MDMCL monitors its performance through a structured framework encompassing multiple dimensions. Operational indicators track exploration coverage and the number of projects developed, while financial indicators assess revenue generation, return on investment, and cost recovery. Development indicators measure employment creation, local procurement, and industrial linkages, and governance indicators evaluate compliance, audit outcomes, and overall institutional integrity. This multi-dimensional approach ensures accountability and informs continuous improvement.

4.8 Strategic Outlook

Looking ahead, KP-MDMCL aims to scale up systematic exploration, digitize mineral information systems, and attract large anchor investors. The Company is committed to promoting beneficiation and processing industries, strengthening ESG compliance, and executing the priority project pipeline defined in its Business Plan. These initiatives are designed to progressively establish the mineral sector as a major contributor to provincial GDP, exports, and employment, with the potential to reach a stage where the Board may consider offering shares to the general public.

4.9 Project Selection for Initial Business Plan

The selection of mineral exploration, exploitation, and development projects is not merely a technical exercise; it is a strategic decision that shapes economic transformation, environmental stewardship, and regional equity. In Khyber Pakhtunkhwa (KP), endowed with abundant yet underutilized geological resources, this process carries particularly high stakes. KP-MDMCL's project initiatives are grounded in its capacity to execute these projects using modern mechanized mining and mineral processing technologies. This transition from conventional, outdated practices is essential to minimize resource wastage, enhance operational efficiency, and ensure optimal recovery in line with global best practices.

4.9.1 Mineral Investment Zones – Shaping a Sustainable Future

Guided by the vision to Explore, Innovate & Diversify KP's mineral economy, Mineral Investment Zones (MIZs) provide a framework to unlock the province's mineral potential. The six prioritized zones are identified based on geological data, economic viability, and resource potential, aiming to attract investment, create jobs, foster industrial development, and support sustainable resource use. Each zone's unique mineral profile and accessibility also enable value addition, downstream industries, and export opportunities, positioning KP-MDMCL to drive provincial economic growth.



4.9.2 Initial Project Portfolio – KP-MDMCL

Given that most known mineral deposits in KP are currently operated by small-scale miners, KP-MDMCL has developed a pragmatic business plan focused on executing initial projects to ensure sustainable growth. The plan leverages previously defined operational modes and prioritizes both brownfield and greenfield opportunities, funded through the Minerals Development Fund (MDF), joint ventures (JV), and development finance institutions (DFI). This portfolio balances immediate operational opportunities with long-term exploration initiatives, positioning KP-MDMCL to maximize resource value, drive industrial linkages, and attract strategic investment. Key projects include:

- Gypsum Mining and Value Addition Facility (GMVAF) – Brownfield
- Northern Feldspar Mining & Value Addition Facility, Mansehra (NFMVAF) – Brownfield
- Exploration & Exploitation of Metallic Minerals in NMDs, including Waziristan Copper Brownfield
- Parachinar Soapstone Mining and Value Addition Facility (PSMVAF) – Brownfield
- Mohmand White Marble Mining & Value Addition Facility (MWMMVAF) – Brownfield
- Phosphate Mining and Value Addition Facility, Abbottabad – Brownfield
- Quartz Mining and Value Addition Facility, Battagram – Brownfield
- Langrial Iron Ore Mining and Value Addition Facility, Abbottabad – Brownfield
- Chromite Mining and Value Addition Facility, Kohistan – Brownfield
- Nephrite Mining and Value Addition Facility, Mohmand/Bajaur – Brownfield
- Exploration and Exploitation of Placer Gold and Placer Deposits – Brownfield
- Exploration of Gemstones and Rare Metal Pegmatite Belt, Chitral – Greenfield
- Exploration & Evaluation of Metallic Minerals, Chitral, Dir & Mansehra – Greenfield

4.10 Conclusion

KP-MDMCL represents a structural innovation in mineral sector governance in Khyber Pakhtunkhwa, combining the credibility of government ownership with the efficiency and discipline of corporate management. The Company functions as both a development catalyst and a commercially sustainable enterprise, bridging public policy objectives with market-driven mineral development. Building on this mandate, KP-MDMCL has prioritized an initial portfolio of strategic projects, including brownfield initiatives such as gypsum, feldspar, marble, iron ore, and phosphate mining and value-addition facilities, alongside greenfield exploration of gemstones, rare metals, and metallic minerals in districts including Chitral, Dir, and Mansehra. These projects serve as foundation for sustainable growth, industrial linkages, and resource optimization. Looking ahead, KP-MDMCL is strategically positioned to:

- Scale up systematic exploration and delineate mineral resources;
- Digitize mineral information systems for accessible and actionable geological data;
- Attract large anchor investors to implement strategic projects;
- Promote beneficiaries and/or downstream processing industries for value addition;
- Strengthen ESG compliance and inclusive community engagement; and
- Execute the priority project pipeline defined in the Business Plan.

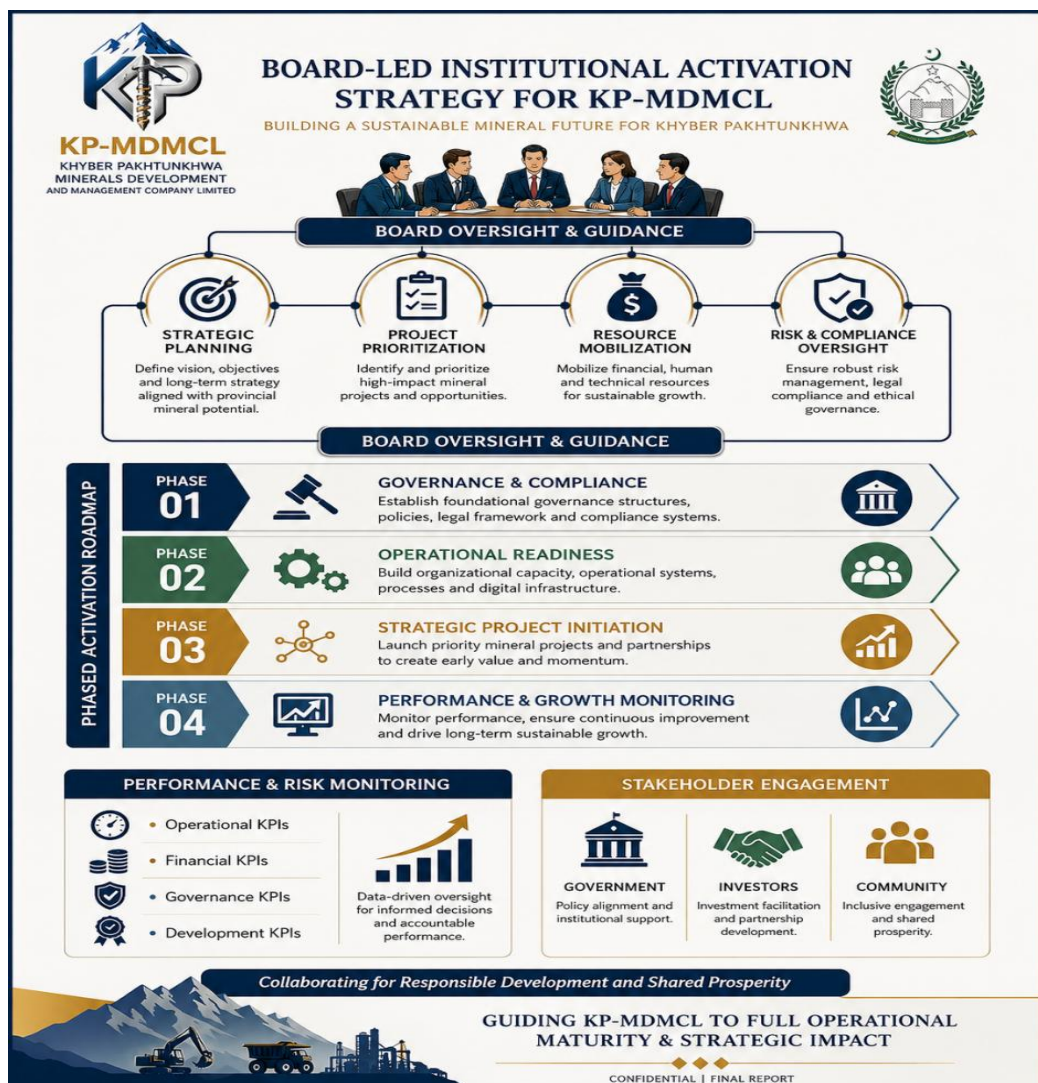
Collectively, these initiatives will progressively transform KP's mineral sector into a significant contributor to provincial GDP, exports and employment, while laying the groundwork for potential long-term commercialization, including public share offerings to broaden stakeholder participation. By integrating its mandate, strategic positioning, initial project portfolio and business model, KP-MDMCL provides a comprehensive framework for responsible mineral stewardship, structured investment facilitation and broad-based economic, social, and environmental benefits, establishing the Company as a forward-looking, accountable, and strategically impactful institution poised for long-term success.

CHAPTER - V

BOARD-LED INSTITUTIONAL ACTIVATION STRATEGY

5.1 Introduction

The operationalization of KP-MDMCL requires a structured and Board-driven approach to translate policy intent, legal mandate and strategic vision into functional organizational capacity. It may be reiterated that the Board of Directors of KP-MDMCL, is the apex governance body responsible for setting strategic direction, ensuring accountability and providing oversight over the Company’s operational, financial and developmental performance. A Board-led institutional activation strategy ensures that KP-MDMCL evolves from a legally constituted entity into a fully operational, commercially disciplined and development-oriented institution capable of delivering measurable outcomes in the mineral sector. This chapter outlines the strategy, focusing on the roles, responsibilities, governance processes and staged actions required for institutional activation.



5.2 Objectives of the Board-Led Activation Strategy

The Board-Led Activation Strategy is designed to establish effective governance structures that ensure oversight, accountability, and compliance; operationalize institutional roles by clearly defining Board and management responsibilities and delegations; prioritize resource mobilization and capacity development across technical, financial, and managerial functions; guide the implementation of strategic projects aligned with the Business Plan; embed performance management and risk oversight mechanisms to sustain institutional effectiveness; and ensure alignment with provincial development goals and applicable regulatory requirements.

5.3 Governance Framework for Institutional Activation

The Board is central to activating KP-MDMCL's operations and provides the governance framework that ensures strategic oversight, accountability and effective decision-making. Its composition combines government representatives, sector experts and independent directors with expertise in mining, finance, legal and corporate management. The Board is responsible for defining the Company's vision, mission and strategic objectives, approving policies, budgets and major projects, overseeing risk management and ensuring ESG compliance. To support detailed oversight and technical guidance, it establishes subcommittees covering Audit, Finance, Technical-Projects, ESG and Human Resources.

While retaining strategic oversight, approval of major investments and contracts, risk and compliance monitoring and performance evaluation, the Board delegates operational authority to a professional management team under a dynamic lead of CEO of the Company, to ensure agility and efficiency. It also defines clear decision hierarchies, standard operating procedures for project development, investment evaluation, procurement, and contracting, and overarching policy frameworks covering ESG, financial management, human resources, and stakeholder engagement. This structured governance and delegation framework enables KP-MDMCL to operate effectively while maintaining robust accountability and alignment with strategic objectives.

5.4 Staged Institutional Activation Roadmap

The activation of KP-MDMCL under the guidance of the Board is envisioned as a phased, systematic process, ensuring that governance, operations, and strategic projects are brought online in a coordinated and sustainable manner.

KP-MDMCL: Phased Institutional Activation Roadmap

Phase	Title	Primary Focus	Key Deliverables & Actions
Phase 1	Governance & Compliance	Establishing foundational accountability.	Board/subcommittee constitution; approval of core corporate, procurement, and financial policies; implementation of internal controls and audit mechanisms.
Phase 2	Operational Readiness	Building organizational capacity.	Recruitment of key staff; establishment of IT and knowledge platforms; definition of core operational processes across exploration and project development.
Phase 3	Strategic Project Initiation	Launching priority investments.	Review/approval of business cases; finalizing anchor project investment structures; mobilization of capital, partners, and operational resources.
Phase 4	Performance & Growth	Ensuring long-term sustainability.	Implementation of comprehensive KPIs (ESG, financial, operational); continuous Board oversight; adaptive management through data-driven performance reviews.

Through this phased approach, KP-MDMCL can be methodically activated as a fully functional, accountable and strategically focused institution, capable of translating its mandate and Business Plan into measurable outcomes for Khyber Pakhtunkhwa’s mineral sector.

5.5 Board-Driven Strategic Functions

The Board of Directors of the KP-MDMCL (the ‘Board’) serves as the strategic engine driving the operationalization and growth of the institution. Beyond oversight, it proactively translates provincial mineral policy into actionable institutional objectives, sets priorities across the project pipeline based on economic impact and technical readiness, and ensures that resources, financial, human, and technical, are mobilized efficiently to support sustainable operations. The Board also provides critical risk oversight, monitoring operational, financial, regulatory, and ESG exposures and guiding timely mitigation measures. By shaping institutional capacity through targeted recruitment, training, and knowledge development, the Board ensures that KP-MDMCL is equipped to meet both immediate and long-term operational demands. Simultaneously, it maintains active engagement with the Government of KP, investors, communities and regulatory stakeholders, ensuring alignment, transparency and confidence across all parties. Collectively, these strategic functions enable the Board to anchor KP-MDMCL as a professionally managed, accountable and development-oriented institution, capable of translating its mandate into measurable outcomes for the province’s mineral sector.

5.6 Performance, Risk Management and Compliance Oversight

The Board of KP-MDMCL ensures accountability and drives institutional effectiveness through a structured performance monitoring framework. This framework tracks operational KPIs such as the number of projects initiated, exploration coverage and project approvals; financial KPIs including revenue growth, cost recovery and return on investment; governance KPIs covering compliance rates, audit outcomes and procurement transparency; and development KPIs measuring employment generation, local economic impact and ESG compliance. Regular reporting and structured reviews enable the Board to intervene strategically, guide corrective actions and continuously align the Company's performance with its mandate and strategic objectives.

In parallel, the Board embeds risk management and compliance oversight into all aspects of decision-making. This includes monitoring project and investment risks (geological, technical, financial, and market), operational risks (staffing, processes, and resource allocation), regulatory risks (adherence to mineral laws, licenses, and ESG standards), and reputational risks related to community engagement and stakeholder trust. By integrating performance monitoring with proactive risk oversight, the Board ensures that KP-MDMCL operates in a controlled, transparent, and sustainable manner, safeguarding both institutional integrity and long-term sectoral impact.

5.7 Conclusion

To conclude, it may be reiterated that a Board-led institutional activation strategy forms the governance backbone for KP-MDMCL's operationalization, ensuring the Company evolves from a legally established entity into a fully functional, strategically guided and commercially disciplined institution. By combining high-level oversight with delegated management authority, the Board ensures operational readiness for implementing the Business Plan, prioritization and efficient execution of strategic projects, continuous performance monitoring and proactive risk mitigation.

This approach also strengthens institutional capacity to deliver sustainable economic, social, and environmental outcomes, while maintaining transparency, accountability, and alignment with provincial development goals. Overall, the Board-led activation strategy provides a structured, phased and governance-driven pathway that positions KP-MDMCL as a development-oriented, commercially viable institution capable of driving long-term growth, value creation and sectoral transformation in Khyber Pakhtunkhwa's mineral sector.

FINAL REPORT FOR OPERATIONALIZATION OF KP-MDMCL



KP-MDMCL
KHYBER PAKHTUNKHWA
MINERALS DEVELOPMENT
AND MANAGEMENT COMPANY LIMITED

BOARD-LED INSTITUTIONAL ACTIVATION STRATEGY FOR KP-MDMCL



Building a Sustainable Mineral Future for Khyber Pakhtunkhwa



DRIVING KP-MDMCL'S SUSTAINABLE GROWTH,
GOVERNANCE, AND SECTOR TRANSFORMATION

CONFIDENTIAL | FINAL REPORT

CHAPTER -VI

ORGANIZATIONAL STRUCTURE & HUMAN RESOURCE DEPLOYMENT



Institutional effectiveness within the mineral development sector depends not only upon sound policies, financial resources, and technical expertise, but fundamentally upon the quality, integrity, professionalism, and commitment of the human resources entrusted with implementing the organization’s mandate. For the Khyber Pakhtunkhwa Minerals Development and Management Company Limited (KP-MDMCL), human capital constitutes the cornerstone of operational efficiency, corporate governance, regulatory compliance, investment facilitation, and sustainable sectoral growth.

Recognizing the strategic importance of a professionally structured workforce, IECnet Pakistan has developed a comprehensive Human Resource Management (HRM) framework through a dedicated and independent HRM Deliverable prepared specifically for the operationalization of KP-MDMCL. The said deliverable, already reviewed and concurred by the Minerals Development Department (MDD), Government of Khyber Pakhtunkhwa, provides detailed recommendations relating to organizational structure, staffing hierarchies, job descriptions, competency requirements, qualifications and experience criteria, key performance indicators (KPIs), governance arrangements, training and capacity-building mechanisms, and implementation tools necessary for the effective establishment and functioning of the Company. This chapter consolidates, contextualizes, and formalizes those recommendations into a strategic and policy-oriented framework intended for institutional adoption and phased implementation. It outlines the guiding principles, organizational structures, governance arrangements, HR deployment mechanisms, and capacity-building approaches that shall govern the management and development of human resources within KP-MDMCL. Accordingly, this chapter should be read in conjunction with the standalone HRM Deliverable, which forms an integral part of this Final Report. While the present chapter provides the overarching policy framework and strategic direction, the detailed methodologies, templates, role specifications, training matrices, and operational instruments contained in the independent HRM Report shall serve as the primary implementation reference for all HR-related actions and decisions of KP-MDMCL.

6.1 Governance Structure

KP-MDMCL is a government-owned company incorporated under the Companies Act, 2017, operating under a structured governance framework designed to ensure strategic oversight, transparency, and operational accountability. The Board of Directors (BOD) serves as the apex governing body responsible for strategic direction, policy approvals, oversight of the HR framework, and overall governance. Executive authority is delegated to the Chief Executive Officer (CEO), who manages day-to-day operations with the support of the management team. HR's hierarchy is categorized and structured into four well-defined, yet interdependent, tiers under the unified acronym **EMCS**. Each tier plays a vital, complementary role in the organization's progress, none more or less-important, but rather essential in synergy. The acronym **EMCS** encapsulates the complete spectrum of human potential within the KP-MDMCL, as follows:

- **E for Executive** - representing the visionaries and leaders at the helm (CEO, COO, GMs), responsible for strategic direction, growth and high-level decision-making;
- **M for Management** - covering senior, deputy and assistant managers who translate vision into operational plans, manage performance and mentor teams with purpose;
- **C for Core** - encompassing officers, supervisors and assistants who are the engine of core operations, delivering results with precision, integrity and accountability; and
- **S for Support** - comprising our indispensable support staff, whose dedication ensures seamless workplace functionality, service continuity, and administrative reliability.

The aforementioned 'EMCS' framework, comprising four interdependent tiers: Executive (strategic leadership), Management (operational planning and supervision), Core (technical and operational execution), and Support (administrative and service functions). This structure promotes organizational synergy and accountability across all levels. The governance system is reinforced through capacity-building initiatives, professional development programs, and specialized Board committees, including the Audit, Finance, Procurement, and HR Management Committees. These committees support informed decision-making while maintaining a clear distinction between governance and operational management. Administrative and financial powers are delegated by the Board to key executives, including the CEO, COO, CFO, and General Managers. The Chief Internal Auditor (CIA) reports directly to the Board through the Audit Committee, ensuring independence and objective oversight.

KP-MDMCL operates in compliance with the Public Sector Companies (Corporate Governance) Rules, 2013, and relevant SECP regulations, ensuring transparency, accountability, and effective corporate governance. The Board retains authority over the HR structure, HR Manual, capacity-building plans, and performance frameworks. The governance framework also emphasizes the institutional independence of KP-MDMCL from the Minerals Development Department (MDD), Government of Khyber Pakhtunkhwa (GoKP). While the government provides policy direction and regulatory oversight, KP-MDMCL functions with financial and administrative autonomy, enabling it to operate competitively and professionally within the mineral development sector.

Through this framework, the company aims to uphold efficiency, transparency, and sustainable sectoral development. This governance framework is further supported by a strong emphasis on capacity building and professional development with regular training programs and leadership initiatives aimed at ensuring the company's alignment with national priorities and international best practices. To support its functions, the Board of Directors of the Company is assisted by key committees, Audit Committee, Finance Committee, Procurement Committee and HR Management Committee, each mandated to oversee core operational domains in alignment with governance best practices. These committees enable the Board to make informed decisions while maintaining a clear separation between governance structure as aforesaid and the day-to-day activities through or under CEO of the KP-MDMCL.

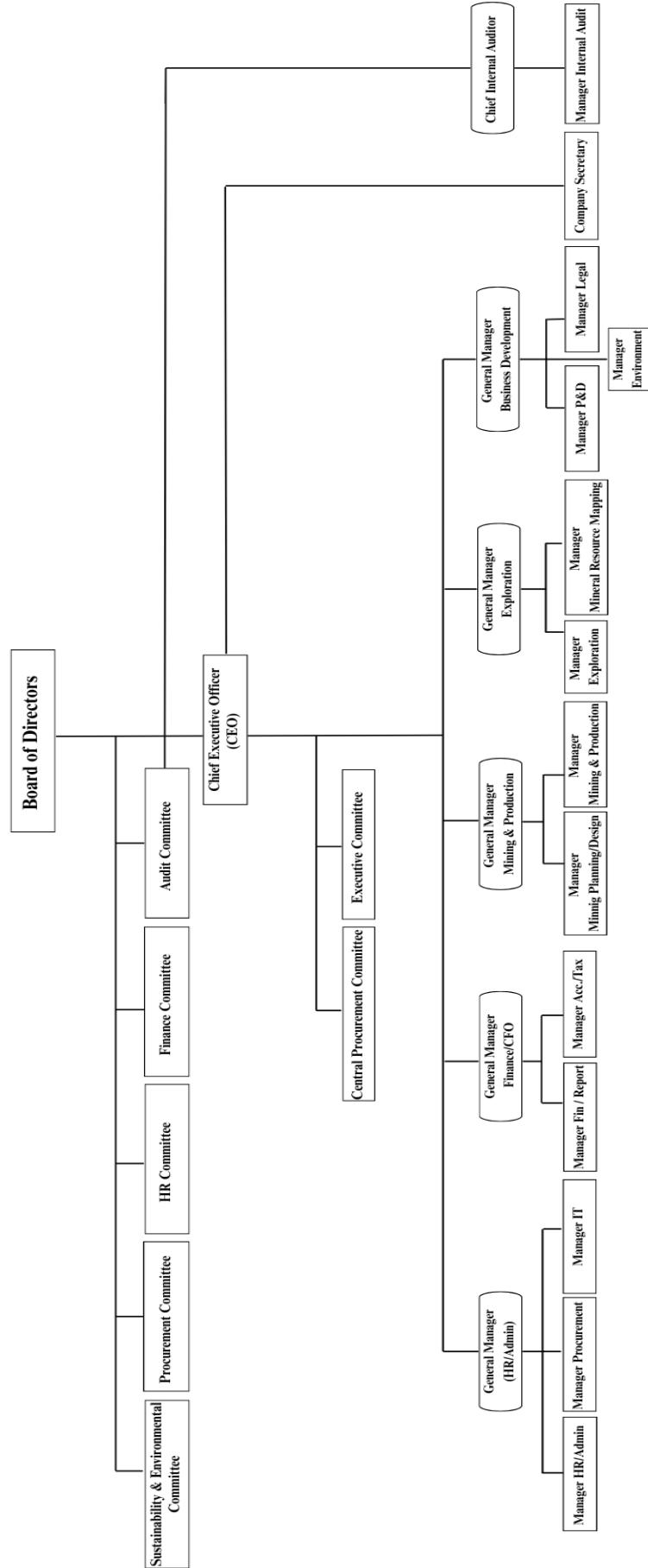
6.2 HR Structure

The HR structure of KP-MDMCL Head Office, designed by IECnet Pakistan, establishes a structured and scalable hierarchy led by the CEO, supported as required by a COO or Deputy CEO. Below the CEO, the E-2 tier includes key executives such as the COO, CFO, and General Managers heading core functional departments, each supported by a layered management team. The CFO oversees financial management in compliance with legal and international standards, while the Chief Internal Auditor operates independently under the Board's Audit Committee to ensure effective internal controls. A Company Secretary at the M-1 level supports corporate governance and statutory compliance functions. Overall, the structure is designed to ensure efficient operations, strong oversight, and regulatory compliance.

Likewise, the HR structure for KP-MDMCL's Zones/Projects is designed as a flexible, project-based system aligned with the company's commercial and operational mandate in mineral exploration, extraction, and processing. While the final staffing is to be determined through project-specific feasibility studies, a dual-tier approach is envisaged, with centralized oversight at Head Office and decentralized implementation at project sites.

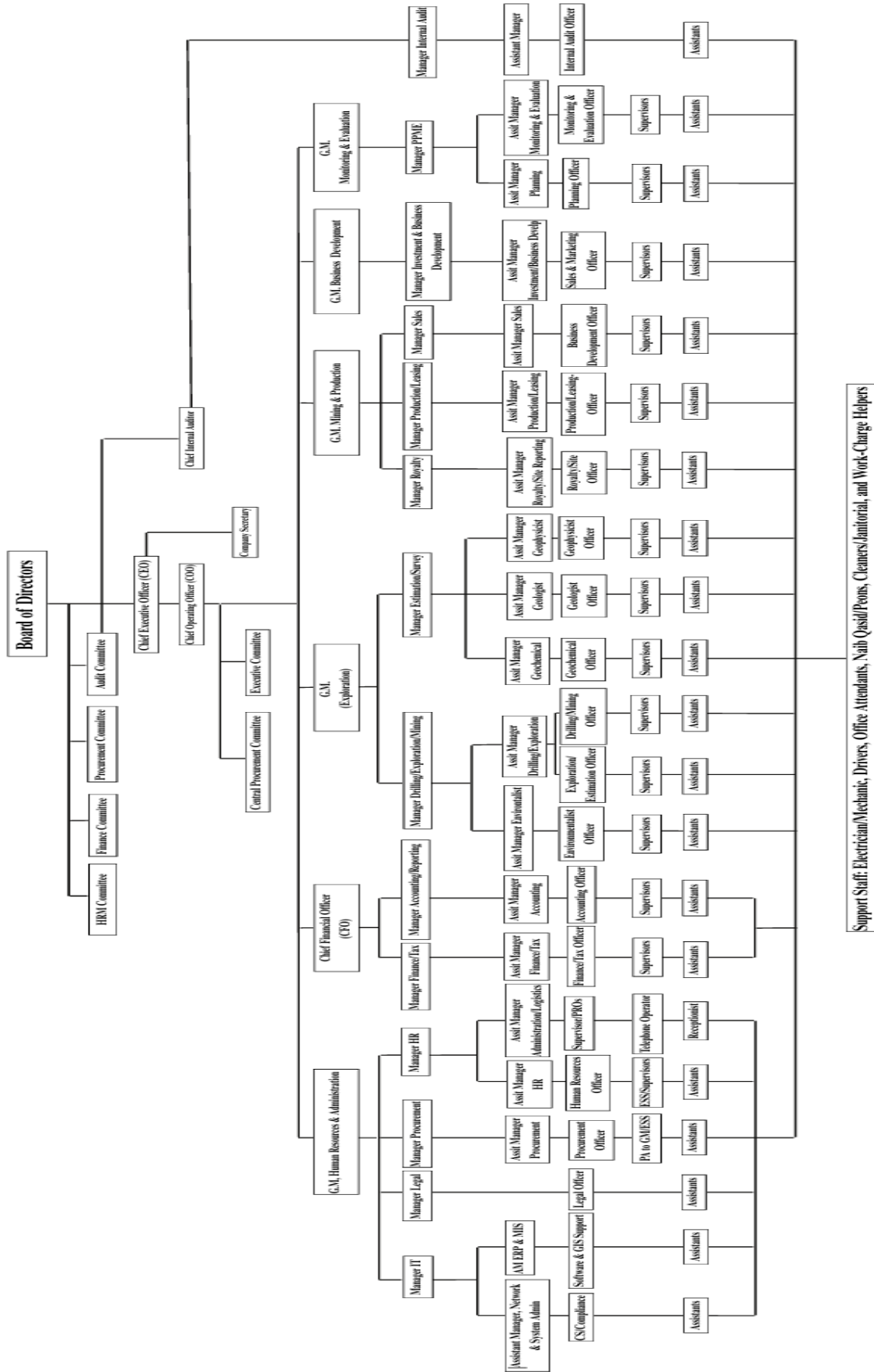
At the Head Office level, the General Manager (Operations) oversees Exploration, Mining, and Production functions, supported by specialist managers in geology, regulatory affairs, mineral economics, and environmental safeguards. At the Zone/Project level, a dedicated operational team is proposed, typically led by a Project/Zone Manager, and supported by technical and functional staff including a Technical Lead (Geologist/Mining Engineer), Mining Operations Supervisor, Revenue Field Officer, Environmental Compliance Officer, Community Liaison Officer, and Admin & Logistics personnel. Overall, the structure ensures adaptability to project size and complexity while maintaining strong central coordination and compliance with operational, financial, and environmental requirements.

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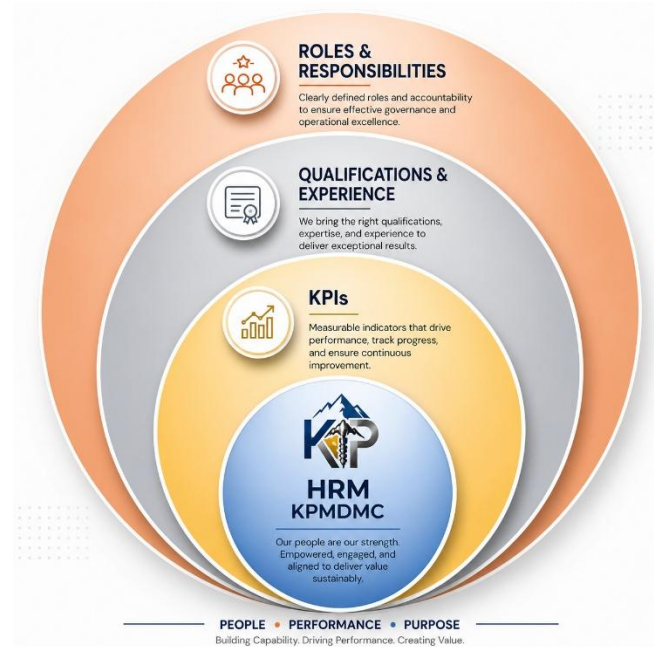
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6.3 HR Competency & KPIs

IECnet Pakistan’s HR framework for KP-MDMCL organizes staff into four structured categories: Executive, Management, Core, and Support, each with clearly defined roles, qualifications, responsibilities, and performance indicators (KPIs). At the Executive level, the CEO provides overall leadership and strategic direction, supported by optional COO assistance. Executive Category-2 includes the CFO, Chief Internal Auditor (CIA), and General Managers, who oversee key functions such as finance, operations, HR, procurement, and royalty management. The CFO ensures financial compliance and reporting, while the CIA operates independently under the Audit Committee to strengthen governance and internal controls.



The Management Category consists of Managers (M-1), Deputy Managers (M-2), and Assistant Managers (M-3), who are responsible for implementing strategies, supervising operations, and ensuring departmental efficiency. The Core Staff Category includes Officers, Supervisors, and Assistants who handle operational, technical, clerical, and support functions. A key feature of the framework is the pre-definition of job descriptions, qualifications, responsibilities, and KPIs for all positions, enabling performance-based management, transparency, and accountability. The structure is designed to be scalable for future project-based zonal operations, with staffing and costs aligned to feasibility studies. Until such expansion occurs, the Board-approved core structure remains in effect, subject to refinement based on early operational experience.

6.4 Phasing & Visual Organogram

In order to align KP-MDMCL’s HR deployment with its evolving operational needs and financial prudence, a phased recruitment policy has been developed. This approach allows the Board of Directors of the Company to incrementally scale up its phased staffing strategy from a lean and essential framework towards a fully resourced organizational model, aligned with its strategic goals and project rollouts. The approach for Human Resource Phasing at KP-MDMCL is suggested to be as follows:



Phase I – Essential Staffing

This phase represents the most conservative and functional level of staffing required to initiate operations, ensure statutory compliance and establish a baseline institutional structure. Recruitment will prioritize roles critical for:

- Corporate setup and compliance
- Finance and accounting
- Core technical oversight for project activities
- Initial administrative and procurement functions

This phase may also include outsourcing or consultants for certain support services to reduce upfront cost burden.

Phase II – Operational Expansion

With the stabilization of initial operations and progress in exploration and commercial feasibility activities, KP-MDMCL will move toward the operational expansion phase. This phase focuses on:

- Broadening core technical teams for project execution
- Enhancing capacity in legal, compliance, HR, and procurement functions
- Decentralizing operations and strengthening regional setups
- Increasing field presence with geologists, mining engineers and field support teams

Phase III – Full Capacity Model

This phase represents the ideal staffing scenario as envisioned in KP-MDMCL’s foundational design. It reflects a full-fledged institutional presence capable of managing:

- Multiple mineral development projects concurrently
- Processing and value addition initiatives
- Environmental, social, and governance (ESG) compliance
- Innovation, R&D, and gender and inclusion initiatives
- Enhanced corporate communications and stakeholder engagement

6.4.1 HR Phased Planning Table

CADRE	PHASE – I ESSENTIAL STAFFING	PHASE – II OPERATIONAL EXPANSION	PHASE – III FULL CAPACITY MODEL
EXECUTIVE (E)	7	7	9
MANAGEMENT (M)	13	29	44
CORE (C)	9	40	66
SUPPORT (S)	28	70	122
TOTAL	57	146	241

RIGHT PEOPLE |
 RIGHT CAPABILITY |
 RIGHT TIME |
 RIGHT IMPACT

6.4.2 Recruitment Philosophy and Flexibility

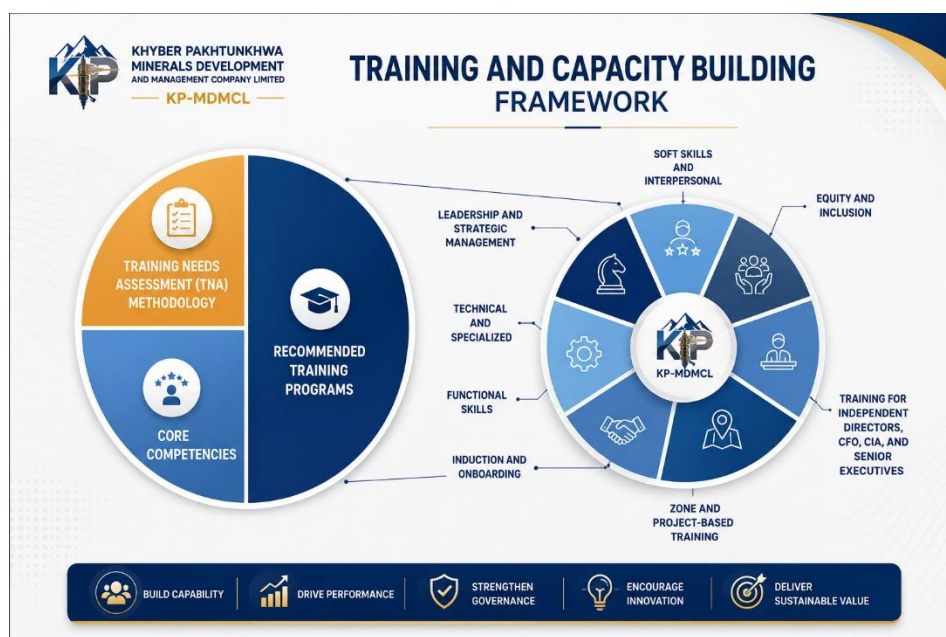
- *The recruitment process will be dynamic, merit-based, and strategically prioritized.*
- *Each phase shall be subject to periodic review, based on project milestones, budget availability, and operational requirements.*
- *Preference will be given to candidates from mining-affected and underdeveloped areas to promote regional equity and employment.*
- *Capacity-building and training programs will run parallel to recruitment to ensure retention and skill development.*
- *All appointments are proposed to be made on 'deliverable contract basis renewal upon achievement of KPIs.*
- *Board of Directors, through its duly notified HR Committee shall be deemed to be the competent forum.*

6.5 CAPACITY BUILDING FRAMEWORK

The Final Report of KP-MDMCL underscores that the true strength of the organization lies in its people, whose expertise, commitment, and adaptability form the foundation of sustained institutional success. In this context, the Training and Capacity Building Framework is positioned not as a procedural requirement, but as a strategic enabler of organizational growth and effectiveness.

Given the rapidly evolving dynamics of the mineral sector driven by technological advancements, regulatory changes, and increasing demands for transparency and efficiency, continuous development of human capital is both essential and time-critical. In line with IECnet Pakistan’s HRM recommendations, a structured Training Needs Assessment (TNA) has been identified as a critical foundational tool to ensure that capacity-building interventions are evidence-based, role-specific, and aligned with both current and future organizational requirements. The framework is therefore designed to systematically assess training needs, identify competency gaps, and build a structured pathway for skill enhancement across all levels of the organization.

Beyond routine capacity building, the framework focuses on strengthening professional capabilities, improving role effectiveness, and aligning workforce development with the strategic objectives of KP-MDMCL. It emphasizes the cultivation of a learning culture that promotes adaptability, innovation, and accountability. Through targeted training interventions, leadership development, and continuous professional development programs, the initiative seeks to enhance employee confidence, foster collaboration, and ensure long-term organizational engagement. Collectively, these measures are intended to reinforce institutional resilience and improve overall performance in line with the company’s mandate. The detailed sub-sections that follow elaborate on the implementation mechanisms, focus areas, and operational structure of the framework.



6.6 GENERAL

IECnet Pakistan strongly recommends that training and capacity-building initiatives at KP-MDMCL be implemented through a blended learning approach, combining in-house expertise, external subject matter specialists, academic and professional institutions, and digital learning platforms. Such an approach will promote accessibility, cost-effectiveness, operational flexibility, and high-quality learning outcomes across all tiers of the organization.

To ensure sustainability and continuous improvement, the establishment of a robust Monitoring and Evaluation (M&E) framework is equally essential. This framework should systematically monitor participation, evaluate knowledge acquisition, assess post-training performance, and inform periodic revisions of training programs in response to evolving organizational and sectoral requirements. In this regard, a comprehensive Training Mapping Table has been annexed to this report, identifying both standard and specialized training programs aligned with departmental functions and HR categories, namely Executive (E), Management (M), Core (C), and Support Staff (S). The framework also extends to specialized support positions such as the Company Secretary, Private Secretaries, Personal Assistants, and Public Relations Officers (PROs), thereby enabling KP-MDMCL to adopt a structured, consistent, and role-specific approach to professional development.

It is pertinent to note that IECnet Pakistan has already submitted a comprehensive standalone deliverable on Human Resource Management for KP-MDMCL, which was duly reviewed and concurred by the Minerals Development Department (MDD), Government of Khyber Pakhtunkhwa. Accordingly, the present chapter should be read as a consolidated and strategic synopsis of the broader HR framework already developed for the Company. Collectively, these recommendations are intended to provide KP-MDMCL with a modern, scalable, and performance-oriented human resource system capable of supporting institutional excellence, operational efficiency, and long-term sustainability in the mineral sector

CHAPTER -VII

FINANCIAL FRAMEWORK AND INVESTMENT STRATEGY

7.1 Introduction

Khyber Pakhtunkhwa Minerals Development and Management Company Limited (KP-MDMCL) is a public limited company wholly owned, managed and monitored by the Government of Khyber Pakhtunkhwa (GoKP). The Company operates in the minerals sector, which is inherently capital-intensive, long-term in nature and strategically significant for provincial economic growth and industrial development. Although the Company is legally authorized to offer shares to the public, its initial investment strategy prioritizes government-backed financing and structured long-term capital planning, consistent with the high-risk and gestation characteristics of mineral exploration and development projects. At present, the principal source of funding available to the Government comprises royalty receipts generated from mines and mineral concessions leased under the applicable mining laws and the Khyber Pakhtunkhwa Minerals Concession Rules, 2005, which provide a recurring revenue stream to support sectoral investment and the Company's operational and development activities. The minerals sector is characterized by significant upfront investment, particularly during the exploration and evaluation phase, with limited immediate returns. Effective financial and investment planning is therefore critical to ensure that KP-MDMCL can sustain operations, optimize resource utilization, and attract both public and private capital in a phased manner.

This chapter sets out the financial framework and investment strategy of KP-MDMCL, with reference to the independent report titled "*Financial Model & Investment Strategy Report*" developed and submitted to the Minerals Development Department, GoKP. For the purposes of this Final Report, the analysis, methodologies, findings and recommendations presented in that report are incorporated by reference and form an integral part of this chapter.

7.2 Historical Context and Rationale for Equitable Development

Historically, the province's mineral wealth has not been optimally harnessed to drive broad-based local economic development, with limited value addition, insufficient reinvestment, and uneven distribution of benefits to host communities. The independent report highlights these structural gaps and underscores the need for a more equitable, transparent, and sustainable financial and investment strategy to maximize long-term public value from the sector. In response, the investment framework of KP-MDMCL is designed not only to generate sustainable financial returns but also to ensure that the economic benefits of mineral development accrue fairly to the province and its communities. The framework aligns with the strategic priorities of the Government of Khyber Pakhtunkhwa (GoKP) by promoting responsible resource management, enhanced local participation, job creation, infrastructure development and inclusive social and economic growth.

7.3 Financial Framework

7.3.1 Foundational Assumptions

The financial framework of KP-MDMCL is based on several foundational principles:

1. **Sustained Availability of Capital:** Continuous access to funds is essential, particularly during the first five to ten years, when exploration and evaluation require substantial investment.
2. **Legislative Backing and Government Support:** The proposed amendments to the KP-Mines and Minerals Development Act, 2017, via the KP-MDMC Act, Bill-2026, provide a legal basis for earmarking surplus royalty funds for mineral development.
3. **Diversified Revenue Streams:** Revenue is expected from multiple sources, including royalties, carried interests, joint ventures, value-added mineral processing, lease restructuring, infrastructure development, and compliance monitoring.
4. **International Financial Reporting Standards (IFRS-6):** The financial modelling and reporting frameworks are aligned with IFRS-6, ensuring transparency, comparability, and adherence to international best practices.

7.3.2 Mineral Development Fund (MDF)

A dedicated Mineral Development Fund (MDF) is proposed to ensure the long-term financial sustainability of KP-MDMCL and to provide a stable and predictable source of capital for mineral sector development. The allocation of surplus royalties is structured as follows:

- GoKP 55%
- KP-MDMCL 45%

The MDF will serve as the primary source of financing for the Company's early-stage and strategic mineral development initiatives. It is intended to ensure continuous and ring-fenced funding for exploration, geological investigations, infrastructure development, capacity building, and other priority projects, thereby reducing reliance on external borrowing or ad hoc financing arrangements.

Given the capital-intensive, long-gestation, and sequential nature of mineral exploration and development, as well as the significant and continuing gap in systematic exploration of the province's natural mineral deposits, the need to maintain, strengthen, and effectively utilize the MDF is expected to persist over an extended period and may remain necessary indefinitely. This sustained funding mechanism is essential to support the ongoing pipeline of projects that KP-MDMCL can undertake to unlock the province's mineral potential and to ensure intergenerational, sustainable value creation from its natural resources.

7.4 Strategic Revenue Streams

KP-MDMCL's investment strategy leverages multiple revenue channels:

1. Carried Interests: Strategic equity participation in mineral projects ensures ongoing revenue while sharing risk with partner entities.
2. Geological Database Management: Licensing access to geological data provides a recurring revenue source and supports informed investment decisions.
3. Infrastructure Development: Revenue from development of logistical and operational infrastructure within mining areas contributes to both financial and operational efficiency.
4. Lease Restructuring & Compliance Monitoring: Optimizing lease structures and enforcing compliance improves revenue collection and ensures sustainable mining practices.
5. Value-Added Mineral Processing: Investing in downstream processing enhances returns, creates jobs, and increases the economic value derived from raw mineral extraction.
6. Joint Ventures and Public-Private Partnerships (PPPs): Collaboration with private investors and multinational companies allows sharing of investment risk, access to advanced technology, and faster scaling of operations.

7.5 Investment Strategy

The investment strategy of KP-MDMCL focuses on sustainable growth, financial stability, and long-term value creation. It emphasizes careful capital planning to support exploration and development activities despite delayed returns, while adopting conservative risk management measures to address market, operational, and regulatory uncertainties. The strategy also allows for phased public participation once project feasibility is established, encourages strategic partnerships with private and international stakeholders for technology transfer and co-investment, and prioritizes value-added projects to maximize provincial economic benefits and ensure sustainable revenue generation.

7.6 Conclusion

The *Financial Model & Investment Strategy Report* provides the analytical and methodological foundation for this chapter, incorporating detailed financial projections, capital and cash-flow models, project prioritization, internationally compliant reporting standards (IFRS-6), and guidance on revenue diversification, joint ventures, and public-private partnerships. Its integration ensures that the financial and investment strategy of Khyber Pakhtunkhwa Mineral Development and Management Company (KP-MDMCL) is grounded in robust evidence, sound governance, and alignment with legal and policy frameworks. Together with government-backed funding, the dedicated MDF and strategic partnerships under the stewardship of the GoKP, this framework establishes a sustainable and equity-focused roadmap to address historical disparities, secure long-term financial resilience, attract responsible investment, and maximize socio-economic value for the province through responsible mineral development.

CHAPTER - VIII

STRATEGIC ACTION PLAN AND OPERATIONALIZATION BLUEPRINT

8.1 Purpose and Scope of the Strategic Action Plan

This chapter presents the consolidated Strategic Action Plan and Operationalization Blueprint for the Khyber Pakhtunkhwa Minerals Development and Management Company Limited (KP-MDMCL). It translates the legal, institutional, financial and organizational recommendations developed under the consultancy into a sequenced and implementable program of actions for the Board of Directors and Management. While the preceding chapters define the enabling framework, including legislative support, governance structure, business model, financial strategy and HR architecture, this chapter provides the “**how**” of operationalization. It sets out the practical steps, responsibilities, timelines and priorities required to transform KP-MDMCL from a legally incorporated entity into a fully functioning, commercially viable and professionally managed minerals development company. The scope of this chapter therefore includes:

- *Strategic direction and institutional priorities;*
- *Identification of key enablers and implementation dimensions;*
- *Phased operationalization of activities;*
- *Activity-wise execution planning;*
- *Expected outcomes and performance indicators; and*
- *Accountability mechanisms for delivery.*

This Strategic Action Plan serves as the principal execution guide for the Board and Management during the initial five to seven years of establishment.

8.2 Strategic Rationale and Vision Alignment

KP-MDMCL has been conceived as a specialized corporate vehicle to enable the Government of Khyber Pakhtunkhwa to professionally manage, develop, and commercially leverage the Province’s mineral resources through modern corporate practices, financial discipline, and private sector partnerships. The Company’s strategic rationale is anchored in three fundamental imperatives:

- First, to institutionalize mineral sector development through a commercially oriented, professionally governed entity capable of operating with agility beyond traditional departmental structures.
- Second, to mobilize private and institutional capital, technology, and expertise to accelerate exploration, development, and value addition of mineral resources.
- Third, to generate sustainable revenue streams for the KP province while ensuring environmental stewardship, social responsibility, and equitable community benefits.

The Strategic Action Plan aligns the Company's operationalization with its approved vision and mission by ensuring that:

- Governance structures promote independence and professionalism;
- Systems enable transparency and accountability;
- Investments are commercially viable; and
- Growth is socially and environmentally responsible.

8.3 Strategic Objectives and Priority Areas

To realize the above rationale, KP-MDMCL shall pursue the following strategic objectives during its foundational years:

Institutional Objectives

- Establish a fully functional corporate structure with clear governance, policies, and systems.
- Operationalize a professional management team supported by robust internal controls.

Commercial Objectives

- Develop a bankable pipeline of mineral projects.
- Mobilize investment and partnerships for exploration and development.
- Achieve early revenue generation through pilot and priority projects.

Developmental Objectives

- Promote value addition and local economic development.
- Ensure environmental and social compliance.
- Enhance investor confidence in the provincial mineral sector.

To achieve these objectives, priority interventions will focus on:

- Legal and regulatory enablement;
- Governance and oversight;
- Human capital deployment;
- Financial structuring;
- Infrastructure and systems readiness; and
- Stakeholder and investor engagement.

8.4 Key Enablers and Implementation Dimensions

Effective operationalization depends on the timely activation of several critical enablers. These dimensions form the backbone of the implementation strategy:

- (a) Legal and Regulatory Enablement
Finalization and enactment of the proposed legislative framework, along with issuance of rules, by-laws, and delegated authorities necessary for independent functioning.
- (b) Governance and Oversight
Activation of a competent Board, constitution of mandatory committees, adoption of corporate policies, and establishment of internal controls consistent with corporate governance best practices.
- (c) Financial Systems and Capitalization
Provision of initial capitalization, budgeting frameworks, accounting systems, and investment planning mechanisms to support sustainable operations.
- (d) Human Resources and Capacity
Recruitment of key management personnel, establishment of an HR manual, performance management systems, and targeted capacity building.
- (e) Infrastructure and Technology
Office premises, operational facilities, IT systems, and enterprise resource platforms required for efficient functioning.
- (f) Partnerships and Stakeholder Engagement
Structured engagement with investors, regulators, communities, and development partners.

Together, these enablers ensure that operational readiness is achieved in a coordinated and sustainable manner.

8.5 Monitoring and Performance Framework

Implementation success will be measured through a structured Monitoring and Evaluation (M&E) framework overseen by the Board. Key features include:

- Clearly defined Key Performance Indicators (KPIs);
- Periodic progress reviews;
- Milestone-based reporting;
- Dashboard-based monitoring; *and*
- Corrective action mechanisms.

Performance reporting shall be undertaken quarterly to the Board and annually to the Government, ensuring transparency, accountability, and evidence-based decision-making.

OPERATIONALIZATION BLUEPRINT

8.6 Phased Operationalization Strategy

Operationalization shall follow a phased approach to ensure orderly development and risk mitigation.



8.7 Activity-Wise Implementation Plan

The activity-wise implementation plan will be executed in a coordinated manner across the defined operational phases and will encompass all actions necessary to establish and operationalize KP-MDMCL as a fully functional and commercially viable entity. These actions include legislative and regulatory measures such as the final enactment of the Act, framing of rules, and approval of operational policies; corporate and governance measures including the constitution of Board committees, approval of governance manuals, and adoption of corporate procedures; human resource initiatives covering the hiring of the Chief Executive Officer and key executives, staffing of functional departments, and targeted capacity building; infrastructure and systems development through establishment of office facilities, procurement of essential equipment, and deployment of IT and financial management systems; financial and investment actions involving capitalization, budgeting, funding mobilization, and structured investor engagement; and commercial actions focused on identification, preparation, and execution of pilot projects followed by scaling up of viable investments. Each of these activities will be sequenced, assigned to responsible entities, and implemented in accordance with defined timelines as detailed in Chapter -X.

8.8 Expected Outcomes and Impact Framework

Successful implementation of the Strategic Action Plan is expected to result in:

- Establishment of a professionally managed mineral development company;
- Improved investment climate and investor confidence;
- Enhanced provincial revenues;
- Job creation and economic development;
- Strengthened environmental and social safeguards; and
- Long-term sustainability of the mineral sector.

An outcomes matrix will track progress against institutional, financial, stakeholder, and ESG indicators.

8.9 Implementation Responsibilities and Accountability

Clear delineation of responsibilities is essential.

- Board of Directors: strategic oversight, policy approval, and performance monitoring
- Management: execution of plans and day-to-day operations
- Government Departments: facilitation and regulatory support
- Advisors/Consultants: specialized technical assistance

This accountability framework ensures ownership and timely delivery.

8.10 Critical Success Factors and Dependencies

The successful operationalization and long-term sustainability of KP-MDMCL will be contingent upon several interrelated critical success factors and external dependencies that require continuous attention and proactive management. Foremost among these is the timely completion of the legislative and regulatory process, including formal approval of the enabling law and issuance of supporting rules and notifications, without which the Company's mandate, authority, and operational autonomy may remain constrained. Adequate capitalization and assured financial resources are equally essential to enable early-stage establishment costs, recruitment of qualified personnel, development of project pipelines, and mobilization of investments without operational delays. The appointment and retention of professional leadership, comprising a competent Board, experienced management, and technically skilled staff, will be central to ensuring sound decision-making, corporate discipline, and credible engagement with investors and partners. Effective inter-departmental coordination across Finance, Planning & Development, Industries, and Minerals Development Departments will further be necessary to secure policy alignment, regulatory clearances, and administrative support. In addition, favorable market conditions and sustained investor confidence will significantly influence the Company's ability to attract private capital, form strategic partnerships, and commercialize mineral assets on competitive terms. Finally, the establishment of robust risk management, internal controls, and monitoring systems will be critical to anticipate operational, financial, regulatory, and environmental risks and to implement timely corrective measures. Collectively, these factors underscore the need for deliberate planning, strong governance, and proactive mitigation strategies to ensure smooth implementation and achievement of the Company's strategic objectives.

SECTION-XI

DEDICATED ROADMAP – Operationalization Blueprint

The operationalization of the Khyber Pakhtunkhwa Mineral Development and Mining Company Limited (KP-MDMCL) requires a carefully sequenced and priority-driven roadmap, aligned with its unique mandate as a government-owned entity entrusted with exploration, mining, processing, and value-addition across the mineral sector of Khyber Pakhtunkhwa. This roadmap is designed as a comprehensive blueprint to guide the Company’s activities from its legal foundation through to commercial maturity, ensuring that each stage builds logically upon the previous one.

Given the strategic importance of KP-MDMCL, the roadmap places legal and regulatory enablement at the highest priority, recognizing that the passage of the Draft Bill (2025) to amend the KP Mines & Minerals Act, 2017, is the cornerstone for empowering the Company. These legislative measures will provide the authority to obtain mineral leases directly, operationalize the Mineral Development Fund (MDF), and establish clear frameworks for public–private partnerships (PPPs), joint ventures, and downstream industrial development. The roadmap is structured into five distinct phases, each with a defined set of activities and deliverables, also demonstrated as follows:



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[Foundational & Legal Backbone \(Jan–Dec 2026\)](#): Centered on enactment of the Draft Bill, establishment of MDF, formation of the Board and management team, institutional setup, and preparatory work during the grace period. This includes identification and prioritization of the 13 sizeable MDF-backed projects (brownfield and greenfield) as the Company’s first operational pipeline.

[Project Readiness & Financial Mobilization \(Jan–Dec 2027\)](#): Focused on feasibility studies, project structuring, environmental and technical assessments, and financial mobilization through MDF, government allocations, donor/IFI support, and PPP arrangements. This phase also emphasizes domestic and international roadshows to showcase KP-MDMCL’s business plan and attract investor participation.

[Pilot Operations & Early Revenue \(2028\)](#): Envisages the launch of 3–4 priority MDF projects to generate early revenues and build operational credibility. Activities will include commissioning small-scale processing/value-addition facilities and conducting thematic roadshows targeting technology partners and off-takers.

[Scale-Up & Commercial Expansion \(2029–2030\)](#): Dedicated to bringing the remaining MDF projects into commercial operations, establishing large-scale processing plants, expanding into export markets, and securing long-term off-take agreements. This stage will be complemented by global expansion roadshows in North America, East Asia, and Europe.

[Sustainable Growth & Diversification \(2031 onwards\)](#): Focused on consolidation and diversification of mineral economy, development of downstream industries (e.g., ceramics, steel, fertilizers, packaging etc), regional collaborations, and continuous adherence to environmental, social, and governance (ESG) standards, roadshows in this phase will position KP-MDMCL as a responsible regional mining leader.

By aligning each phase with clear priority areas; legal foundation, institutional strengthening, financial mobilization, project execution, and global positioning; this roadmap provides a structured pathway for KP-MDMCL to evolve from inception to a mature, commercially viable, and strategically impactful institution in the mining sector.

9.1 Phase I – Foundational & Legal Backbone (Jan – Dec 2026)

Phase I (January–December 2026) lays the foundational and legal backbone of KP-MDMCL, establishing the institutional, regulatory and operational framework necessary for the Company’s long-term success. This stage focuses on enacting enabling legislation, fulfilling corporate obligations, setting up governance structures and building organizational capacity. Parallel efforts will be directed toward infrastructure development, international affiliations and domestic roadshows, while also initiating priority Mineral Development Fund (MDF) projects, positioning KP-MDMCL as a credible and structured entity ready for sustainable growth. Major roadmap activity would be as follows:

Enact Draft Bill (2025) → direct lease rights, creation of Mineral Development Fund (MDF), PPP/JV framework. Initiation of Draft Bill (2025) for seeking approval from the Provincial Cabinet and the Provincial Assembly, Government of KP.

Corporate Obligation → Initiating and obtaining Certificate of Commencement of Business under Section 19 of the Companies Act, 2017.

Institutional Setup → called Governance and Institutional Framework; and involves (a) Notification of the Board of Directors (BoD) (b) Appointment of Chairman & CEO (c) Formation of Board Committees (to be done by BOD) (d) Approval of Corporate Policies, rules & regulations; and (e) HR Structuring and Capacity Building.

Infrastructure and Office setup → that includes (a) Establishment of Corporate Office: Hiring of building, renovation, furnishing, installation of IT systems, security and utilities (b) Digital Presence: Corporate website, Mineral Resource Database, Investor Relations Portal, Document Management System. ERP-based Financial and HR systems.

International Affiliation → Seeking international affiliation from world’s renowned networks such as International Council on Mining & Metals (ICMM) and World Association of Mining Lawyers (WAOML)

Grace Period Deliverables → 13 MDF projects (brownfield + greenfield), already identified and analyzed by IECnet Pakistan based on their respective feasibility studies to be initiated by the BOD/ Management of KP-MDMCL.

Roadshow Activities → Domestic Awareness Sessions (Q3–Q4 2026): Introductory roadshows in Peshawar, Islamabad and Karachi to showcase KP-MDMCL’s mandate, MDF-backed project pipeline, and business plan. Engage local investors, banks, and chambers of commerce.

9.2 Phase II - Project Readiness & Financial Mobilization (Jan – Dec 2027)

Financial Structuring and Investment Strategy

Investor Engagement

EDF – Export Development Fund

Phase II (January–December 2027) focuses on preparing KP-MDMCL for sustainable growth by ensuring project readiness and mobilizing financial resources. This stage emphasizes robust financial structuring, proactive investor engagement, and leveraging institutional funding streams such as the Export Development Fund (EDF). Collectively, these initiatives aim to strengthen the Company’s capital base, enhance market credibility, and secure long-term financing aligned with its Business Plan and Financial Model. Major roadmap activity would be as follows:

1. Financial Structuring and Investment Strategy
 - Secure initial paid-up capital/seed money from GoKP and issue share certificates.
 - Establish the Mineral Development Fund (MDF) based on the working paper already drafted.
2. Investor Engagement
 - Position Investor Engagement as a front-facing activity to build credibility and attract capital.
 - Conduct targeted marketing roadshows (domestic and international).
3. EDF – Export Development Fund
 - Develop a Board-level roadmap to secure EDF funding as a regular, high-value funding stream and Align EDF initiatives with the Business Plan and Financial Model of KP-MDMCL.

9.3 Phase III - Pilot Operations & Early Revenue (2028)

Phase III (2028) marks the transition from planning to execution, with KP-MDMCL entering pilot operations and generating early revenue streams. This phase prioritizes the launch of select projects, securing off-take agreements, and establishing small-scale processing units to demonstrate value-addition potential. Complementing these efforts, targeted roadshows will showcase opportunities in mining technology, innovation, and downstream processing, thereby attracting strategic partners and reinforcing the Company’s operational credibility.

Pilot Launch

- Commence 3–4 priority projects.
- Secure off-take agreements for initial output.
- Establish small-scale processing units for value-addition.

Roadshow Activities

- Thematic Roadshows (2028):
 - Mining Tech & Innovation Roadshow (with OEMs, equipment suppliers).
 - Processing & Value-Addition Roadshow to attract partners in beneficiation, smelting, and cutting/polishing industries.
- Focus on technology providers & operational partners.

9.4 Phase IV – Scale-Up of Projects (2029–2030)

Phase IV (2029–2030) represents the scale-up stage, where KP-MDMCL transitions from pilot operations to full-fledged commercial expansion. The focus will be on operationalizing the remaining Mineral Development Fund (MDF) projects, establishing large-scale processing facilities, and positioning the Company within global export-oriented industries. At the same time, KP-MDMCL will strengthen institutional practices through structured reporting and investor disclosures, while international roadshows in North America and East Asia will drive export promotion, strategic partnerships, and joint venture opportunities.

MDF Project Expansion

- Bring remaining 9–10 projects into operations.
- Scale to large processing plants and export-oriented industries.

Commercial Expansion

- Consolidate revenue streams; expand into global markets.
- Institutionalize annual reporting & investor disclosures.

Roadshow Activities

- Global Expansion Roadshows (2029–2030):
 - North America (USA, Canada) → exploration tech, venture capital, large mining firms.
 - East Asia (Japan, South Korea) → rare earths, lithium, and battery mineral partnerships.
- Roadshows tied to export promotion & JV scaling.

9.5 Phase V – Sustainable Growth (2031 onwards)

Phase V (2031 onwards) focuses on achieving sustainable growth by strengthening monitoring and evaluation of ongoing projects, initiating new ventures, and diversifying into additional mineral blocks and international markets. This stage ensures long-term stability, resilience, and continued expansion of KP-MDMCL as a globally competitive mining corporation.

- Monitoring & Evaluation of On-going projects
- Targeting new projects
- Diversify into new blocks & markets.

9.6 Priority Hierarchy with Roadshows Integrated

- Legal & Regulatory Enablement (2026) – Enactment of Draft Bill, lease rights, MDF creation, PPP/JV framework.
- Institutional & Organizational Setup (2026) – Governance, Board constitution, corporate policies, HR structuring, and office infrastructure.
- MDF Project Pipeline & Structuring (2026–2027) – Launch of priority MDF projects, financial structuring, and capital mobilization.
- Domestic Roadshows (2026) – Awareness sessions in Peshawar, Islamabad, and Karachi to build local investor confidence.
- International Roadshows (2027) – Investor engagement and financing partnerships in key markets.
- Pilot Projects & Technology Roadshows (2028) – Commencement of priority projects, off-take agreements, and thematic roadshows on mining innovation and value-addition.
- Global Expansion Roadshows (2029–2030) – Targeting North America and East Asia for export promotion, JV scaling, and technology partnerships.
- Sustainability & Diversification Roadshows (2031 onwards) – Showcasing KP-MDMCL globally as a responsible, diversified, and growth-oriented mining leader.

SECTION-X

ACTIVITY WISE ROADMAP

The operationalization of KP-MDMCL calls for a structured and phased approach to ensure its evolution into a technically proficient, financially sustainable, and internationally credible minerals development company. Each major activity represents a broad area of focus that is further broken down into specific actions, forming component-level roadmaps which, when integrated, provide a cohesive pathway for implementation. This activity-wise roadmap has therefore been developed as an implementation blueprint, sequencing the essential steps required for KP-MDMCL's transformation. It covers legal and regulatory alignment, institutional strengthening, business development, financial planning and corporate governance, while embedding international best practices in mining, sustainability and public-sector corporate management. The following sections outline these activities in a phase-wise manner, providing clarity on what needs to be done, when and in what sequence, so that the Company achieves its strategic objectives effectively and credibly.

Phase I – Foundational & Legal Backbone (Jan – Dec 2026)

Legal & Regulatory Priority

10.1. Draft Bill (2025) – Amendment to the KP Mines & Minerals Act, 2017

The very first and most crucial activity for KP-MDMCL at this defining stage is the strengthening of its legal and regulatory framework. For a company engaged in mineral development, legislative backing is not only the foundation for operational stability but also the prerequisite for every subsequent initiative. Without clear statutory authority and supportive laws, even essential matters such as hiring employees, entering into contracts, or mobilizing investment would remain vulnerable and potentially ineffective. Thus, the proposed amendment to the KP Mines & Minerals Act, 2017 serves as the cornerstone upon which all future development, expansion, and institutional credibility of KP-MDMCL will firmly rest. The tentative road-map is described and demonstrated as follows:

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LEGISLATIVE ROADMAP

A Structured Path to Legislative Approval

Stage	Activity / Action	Responsibility	Output Deliverable	Timeline
1. Steering Committee Review	Place Draft Bill-2025 before Steering Committee (appointed by Chief Secretary, GoKP) for examination and clearance.	MDD Steering Committee	SC clearance & recommendations	By 30 Sept 2025
2. Preparation of Summary for Law Dept.	Draft and forward formal Summary to Law Department for vetting.	MDD	Summary sent	1st week Oct 2025
3. Law Department Vetting	Legal and drafting quality review, clearance, and possible revisions.	Law Department, GoKP	Vetted Draft Bill	2-3 weeks (by 20 Oct 2025)
4. Inter-departmental Consultation	Circulate vetted draft to Finance, Industries, Environment, P&D (if need be).	MDD	Comments/ concurrence from departments	1-2 weeks (by 31 Oct 2025)
5. Summary for Cabinet Approval	Prepare comprehensive summary with Law Dept. clearance & SC recommendations.	MDD	Summary ready for Cabinet	1st week Nov 2025
6. Cabinet Approval	Provincial Cabinet deliberation and approval.	Provincial Cabinet	Cabinet decision / approval	2nd week Nov 2025
7. Drafting of Assembly Bill (Legislative Format)	Final text prepared in approved legislative format with Law Dept. assistance.	MDD & Law Department	Final Draft Assembly Bill	3rd week Nov 2025
8. Submission to Assembly Secretariat	Official submission for tabling.	MDD via Law Dept.	Bill placed in Assembly agenda	By end Nov 2025
9. Introduction in Assembly (First Reading)	Law Minister/Minister Mines introduces Bill.	Minister, Mines & Minerals / Law Minister	Bill formally introduced	Early Dec 2025
10. Committee Referral & Scrutiny	Standing Committee on Mines & Minerals reviews, holds internal hearings, and submits report.	Provincial Assembly Committee	Committee report with recommendations	2-3 weeks (by 20 Dec 2025)
11. Assembly Debate & Consideration (Second Reading)	Clause-by-clause discussion, amendments (if any).	Provincial Assembly	Debate concluded	Late Dec 2025
12. Voting & Passage (Third Reading)	Final vote; Bill passed by majority.	Provincial Assembly	Bill passed	End Dec 2025
13. Governor's Assent	Bill sent to Governor for assent under Constitution.	Assembly Secretariat / Governor	Governor's approval	Early Jan 2026
14. Gazette Notification	Official publication in KP Gazette.	Law Dept. / KP Printing Press	Notified Amendment Act	Within Jan 2026

GOOD GOVERNANCE
Strong Institutions
Better Decisions

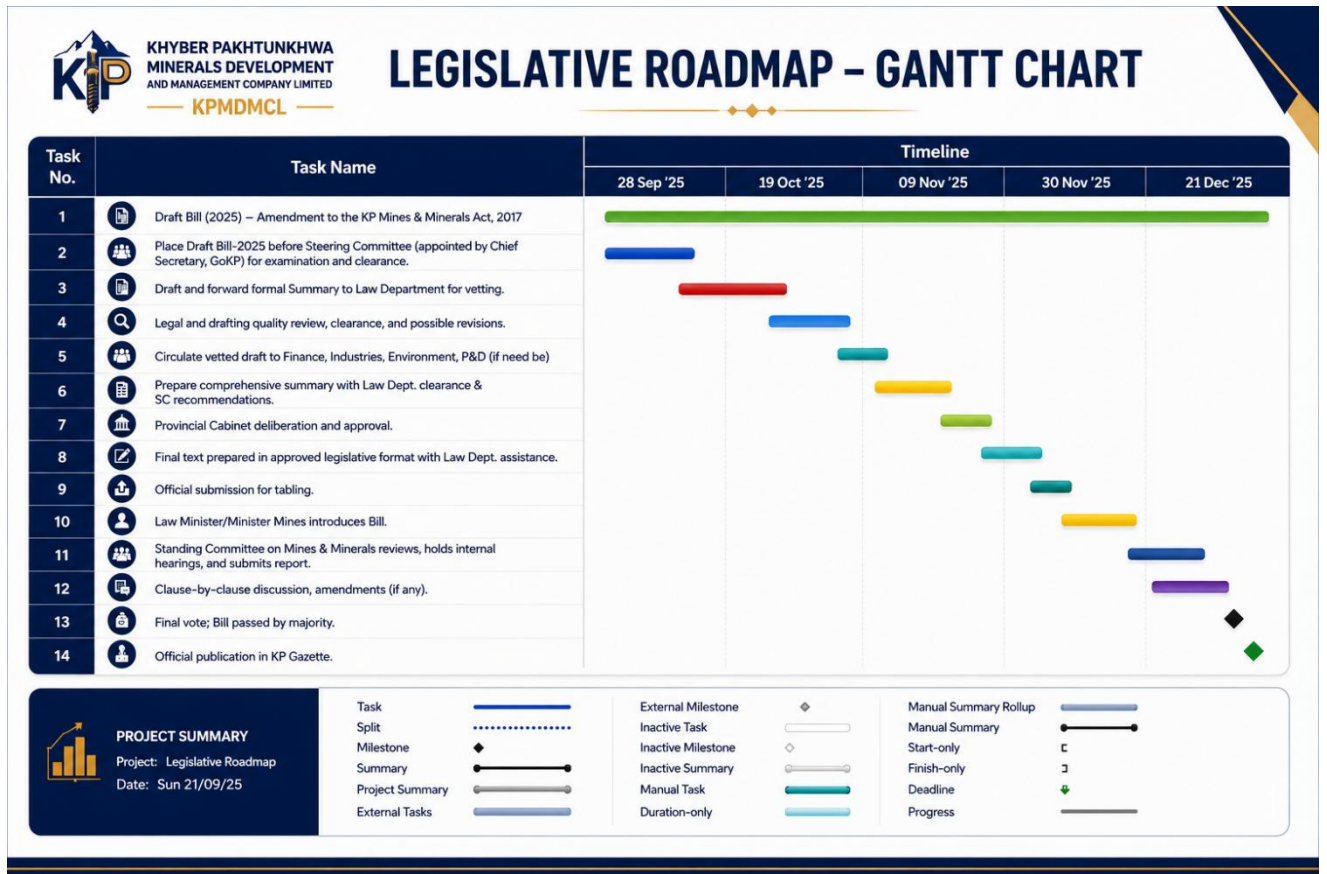
LEGAL COMPLIANCE
Transparent Process
Accountable Outcomes

EFFECTIVE LEGISLATION
Enabling Development
Creating Value

COLLABORATION
Working Together
Achieving More

KPM DMCL | Building Resources. Enriching Future.

GANTT CHART FOR THE LEGAL ACTIVITY



10.2. Corporate Obligation

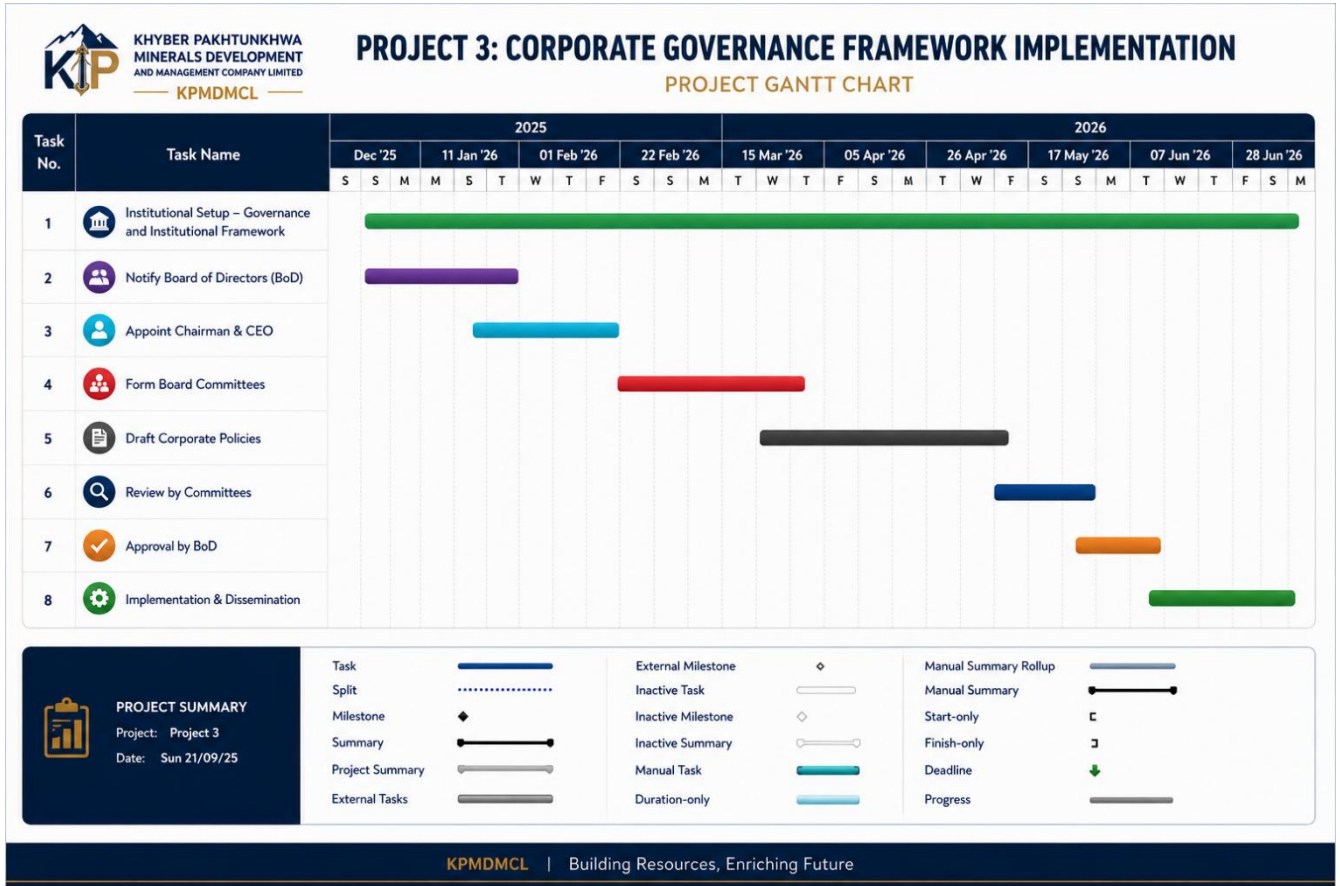
Besides others, the major corporate obligation at the company's end is to obtain formal Certificate of Commencement of Business from the Securities & Exchange Commission of Pakistan (SECP), as required under Section 19 of the Companies Act, 2017. This is a mandatory requirement and requires to be initiated and processed strictly as per law and to the satisfaction of the SECP, failing which the company and its management is liable to face consequences that includes penalties under the law, and the company's business undertaken if any, shall be treated void *ab initio*.

10.3. Governance and Institutional Framework

- Notification of the Board of Directors (BoD):
Appointment of a diverse, merit-based Board with independent directors, Government representatives and sector experts.
- Appointment of Chairman & CEO:
Chairman from independent directors; CEO selected through competitive & merit-based process.
- Formation of Board Committees (to be done by BOD)
Audit Committee, HR & Remuneration Committee, Technical & Investment Committee and Procurement Committee etc.
- Approval of Corporate Policies:
Financial controls, procurement framework, HR policies through a dedicated HR Manual, sustainability standards and risk management policies, endorsed by BOD.



Stage	Activity / Action	Responsible Entity	Output / Deliverable	Indicative Timeline
 1. Notification of Board of Directors (BoD)	Issue formal notification of appointment of a diverse, merit-based Board including independent directors, Government representatives, and sector experts.	Minerals Development Department (MDD) / GoKP	Gazette / official notification of BoD	 2-3 weeks
 2. Appointment of Chairman & CEO	Selection of Chairman from among independent directors; CEO appointed through transparent, competitive, merit-based recruitment process.	BoD (Chairman election); GoKP (CEO appointment)	Appointment orders of Chairman & CEO	 4-6 weeks (parallel with Stage 1)
 3. Constitution of Board Committees	Formation of key committees: Audit Committee, HR & Remuneration Committee, Technical & Investment Committee, Procurement Committee.	BoD	Committee charters / TORs and notifications	 2-3 weeks after BoD constitution
 4. Development of Corporate Policies (Drafting Stage)	Prepare draft corporate policies including financial controls, procurement framework, HR manual, sustainability standards, and risk management policies.	CEO & Management Team (with consultants/ legal advisors)	Draft policy documents	 6-8 weeks
 5. Review & Endorsement by Committees	Relevant committees review policies before submission to BoD (e.g., Audit Committee reviews financial controls, HR Committee reviews HR manual).	Board Committees	Committee-approved drafts	 2-3 weeks
 6. Approval by BoD	Formal approval of corporate policies and adoption by the Board in a BoD meeting.	BoD	Approved corporate policy framework	 1 week after committee reviews
 7. Implementation & Dissemination	Roll out policies across the organization; train staff, communicate standards, and set monitoring mechanisms.	CEO / Management	Operationalized governance framework	 2-4 weeks after approval

GANTT – CHART FOR GOVERNANCE AND INSTITUTIONAL FRAMEWORK



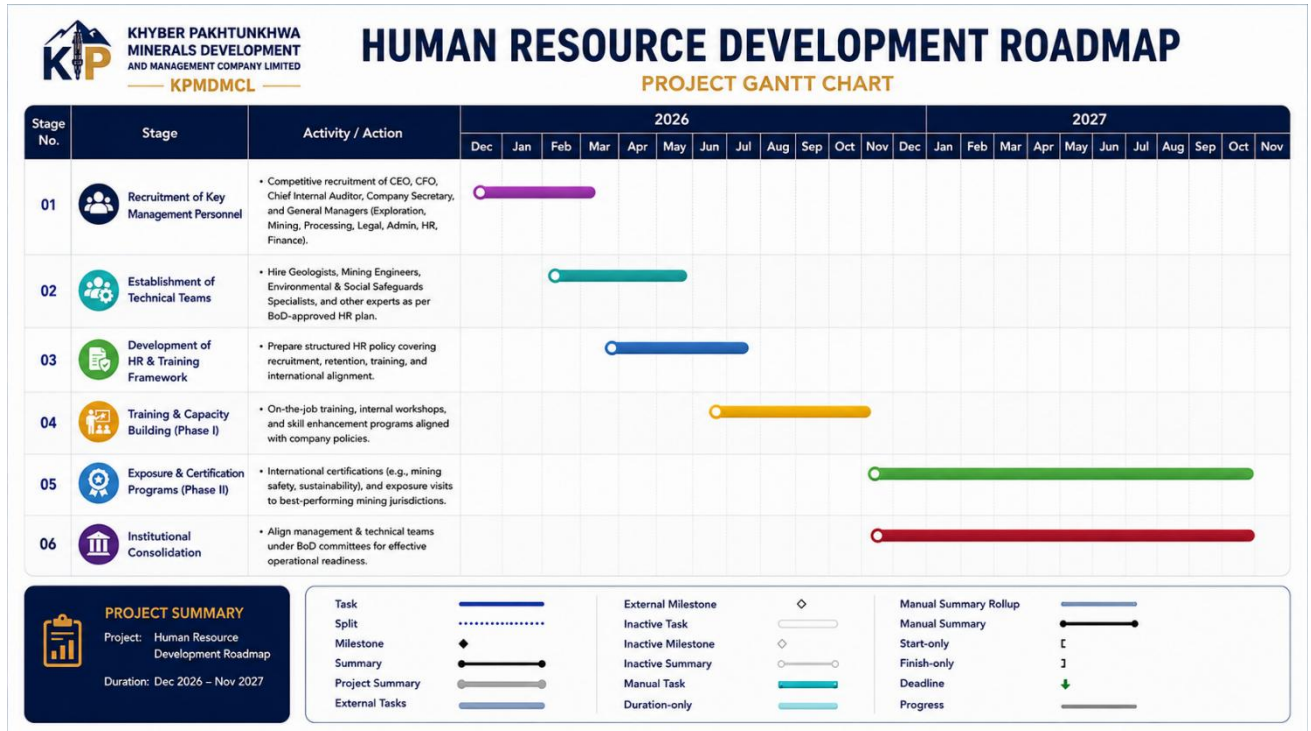
10.4. HR Structuring and Capacity Building

Since the legislative approval (Provincial Cabinet clearance of the amendment) is the gateway activity, all subsequent corporate and institutional actions (including formation of BoD, recruitment, and HR build-up) must be sequenced after Cabinet approval. Below is a roadmap for the human resource build-up and institutional strengthening phase:

 KHYBER PAKHTUNKHWA MINERALS DEVELOPMENT AND MANAGEMENT COMPANY LIMITED KPMDMCL					<h2>HUMAN RESOURCE DEVELOPMENT ROADMAP</h2>				
Stage	Activity / Action	Responsible Entity	Output / Deliverable	Tentative Timeline					
 01 Recruitment of Key Management Personnel	<ul style="list-style-type: none"> Competitive recruitment of CEO, CFO, Chief Internal Auditor, Company Secretary, and General Managers (Exploration, Mining, Processing, Legal, Admin, HR, Finance). 	 MDD & BoD (once notified)	 Appointment of top management team	 Dec 2026 – Jan 2027					
 02 Establishment of Technical Teams	<ul style="list-style-type: none"> Hire Geologists, Mining Engineers, Environmental & Social Safeguards Specialists, and other experts as per BoD-approved HR plan. 	 CEO & HR Committee	 Core technical workforce inducted	 Jan – Mar 2027					
 03 Development of HR & Training Framework	<ul style="list-style-type: none"> Prepare structured HR policy covering recruitment, retention, training, and international alignment. 	 HR Committee / CEO	 Approved HR & Training Framework	 Feb – Mar 2027					
 04 Training & Capacity Building (Phase I)	<ul style="list-style-type: none"> On-the-job training, internal workshops, and skill enhancement programs aligned with company policies. 	 HR & Admin Department	 First batch of trained staff	 Mar – May 2027					
 05 Exposure & Certification Programs (Phase II)	<ul style="list-style-type: none"> International certifications (e.g., mining safety, sustainability), and exposure visits to best-performing mining jurisdictions. 	 HR & Technical Depts. (with donor/government facilitation)	 Certified & internationally trained teams	 May – Nov 2027					
 06 Institutional Consolidation	<ul style="list-style-type: none"> Align management & technical teams under BoD committees for effective operational readiness. 	 BoD / CEO	 Fully functional organizational structure	 By Nov 2027					

FINAL REPORT FOR OPERATIONALIZATION OF KP-MDMCL

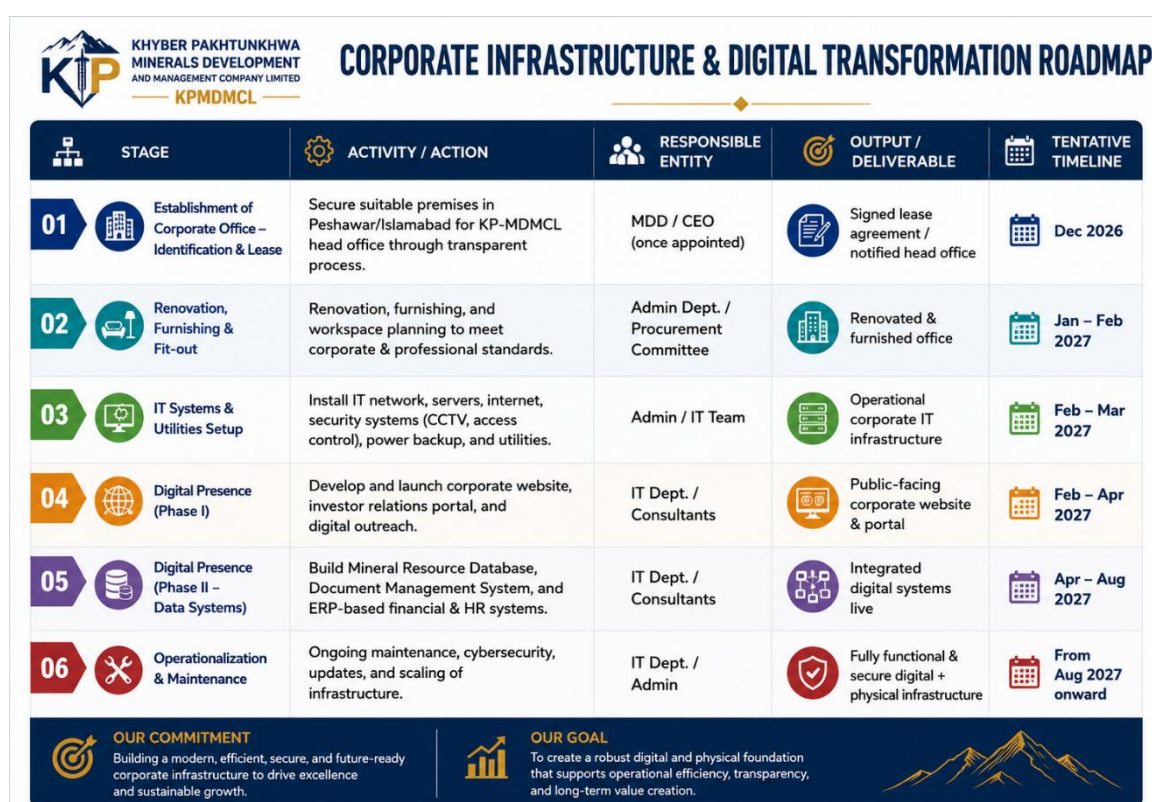
GANTT CHART – HR STRUCTURING & CAPACITY BUILDING



10.5. Infrastructure and Office Setup

The infrastructure and office setup is a vast term which attracts a number of activities, however, for purposes of initial roadmap, these may be confined to (a) Establishment of Corporate Office with Digital Presence and (b) International Affiliation by seeking membership from the world’s renowned network, such as International Council on Mining & Metals (ICMM), at this stage of time.

5.1 Office setup with digital presence:



5.2 International Affiliation - ICMM

KP-MDMCL will pursue international affiliation with the International Council on Mining & Metals (ICMM) during last quarter of 2026 to align itself with global best practices in sustainability, governance and responsible mining. The roadmap of this particular activity includes obtaining Board approval, preparing and submitting the membership application and aligning internal policies with ICMM principles to demonstrate compliance. Securing ICMM membership by end 2027 will significantly enhance the Company’s international credibility, strengthen its ESG framework and provide access to global knowledge-sharing platforms, thereby improving investor confidence and positioning KP-MDMCL as a credible player in the international minerals development sector. The activity-wise action plan is given hereunder:

FINAL REPORT FOR OPERATIONALIZATION OF KP-MDMCL



ICMM MEMBERSHIP ROADMAP

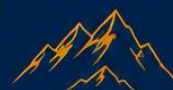
STRATEGIC PATH TO ICMM MEMBERSHIP & SUSTAINABLE EXCELLENCE

TIMELINE	ACTIVITY	KEY ACTIONS	RESPONSIBILITY	EXPECTED OUTCOMES
Q4 2026	Board Endorsement	<ul style="list-style-type: none"> Prepare note on strategic benefits of ICMM affiliation. Obtain Board of Directors' approval to pursue membership. 	BoD Management	Formal go-ahead to initiate ICMM process.
Q1 2027	Requirement Mapping	<ul style="list-style-type: none"> Review ICMM membership criteria (sustainability, ESG, governance). Identify internal policy and compliance gaps. Assign focal person for membership process. 	Management / Legal & CSR Units	Internal readiness roadmap aligned with ICMM standards.
Q2 – Q3 2027	Application Preparation	<ul style="list-style-type: none"> Compile supporting documents: corporate profile, mandate, project pipeline, ESG framework. Draft application letter and supporting commitment statements. 	Management / Technical & Legal Teams	Complete application package ready.
Q3 2027	Submission & Engagement	<ul style="list-style-type: none"> Submit ICMM membership application. Initiate dialogue with ICMM secretariat. Respond to additional queries/requirements. 	Management / Legal Wing	Formal application lodged and under review.
Q3 – Q4 2027	Policy Alignment & Compliance	<ul style="list-style-type: none"> Align company policies with ICMM principles (safety, environmental stewardship, governance, community engagement). Conduct internal awareness sessions. 	Management / CSR Compliance Units	Enhanced governance and ESG alignment demonstrated.
Q4 2027 – Q1 2028	Membership Confirmation	<ul style="list-style-type: none"> Secure membership approval. Publicly announce affiliation via press release and roadshows. Integrate ICMM logo/brand into corporate communication. 	BoD Management	ICMM membership confirmed and leveraged as a credibility milestone.
Q1 2028 onward	Post-Membership Engagement	<ul style="list-style-type: none"> Participate in ICMM forums, working groups, and training. Leverage ICMM membership in investor outreach and project marketing. 	Management / Technical & CSR Units	International recognition, knowledge sharing, and investor confidence enhanced.



OUR COMMITMENT

Advancing responsible mining, environmental stewardship, and sustainable value creation through global best practices and strategic partnerships.



OUR GOAL

To achieve ICMM membership and uphold the highest standards of sustainability, governance, and ethical leadership in the minerals sector.

FINAL REPORT FOR OPERATIONALIZATION OF KP-MDMCL

10.6. Grace Period Deliverables

During the Grace Period, KP-MDMCL will focus on initiating and completing feasibility studies for the 13 identified brownfield and greenfield projects recommended by IECnet Pakistan, to be undertaken through Mineral Development Fund (MDF) resources or joint venture arrangements. The sequence of actions includes finalizing the project pipeline and engaging consultants in early 2026, conducting baseline surveys and detailed feasibility work by the end of 2027, validating results against the Company’s business norms of profitability, compliance, transparency, and governance in early 2028, and thereafter structuring projects for MDF, JV, PPP, or blended finance models, leading to Board approvals and investor roadshows. By mid-2028, a bankable portfolio of projects will be ready for launch, providing early operational momentum and positioning KP-MDMCL as a credible, investment-ready minerals development company.

 KHYBER PAKHTUNKHWA MINERALS DEVELOPMENT AND MANAGEMENT COMPANY LIMITED KPMDMCL					ACTIVITY-WISE ROADMAP GRACE PERIOD DELIVERABLES (FEASIBILITY STUDIES & LAUNCH PREPARATIONS FOR 13 MDF PROJECTS)	
PHASE / TIMELINE	KEY ACTIONS	RESPONSIBILITY	RESOURCES / MODE	EXPECTED OUTCOMES		
Q4 2026	Confirm priority list of 13 MDF projects (brownfield + greenfield) identified by IECnet Pakistan and align them with KP-MDMCL's business plan objectives.	BoD Management with GoKP & DGMM	MDF allocations; consultant reports	Approved project pipeline consistent with business norms.		
Q1-Q2 2027	Prepare standardized ToRs for feasibility studies, ensuring inclusion of technical, financial, legal, environmental, and ESG criteria.	Management / Technical & Legal Wings	Internal staff + external advisors	ToRs aligned with international standards and corporate governance practices.		
Q2 2027	Engage feasibility consultants / JV partners through transparent procurement, ensuring adherence to KP-MDMCL's financial and compliance norms.	Procurement & Legal Committees	MDF + JV partner resources	Contracts signed in line with business integrity standards.		
Q2-Q3 2027	Carry out baseline geological & technical surveys, integrating with market potential assessments.	Consultants / Technical Team	DGMM data + GIS/Survey tools	Evidence-based resource mapping.		
Q3-Q4 2027	Conduct detailed feasibility studies (DFS/PFS) including mine plans, capital/operational expenditure, financial models, and ESG compliance.	Consultants with KP-MDMCL oversight	MDF + JV financing	Draft DFS/PFS prepared for all projects.		
Q4 2027	Community & stakeholder engagement as per CSR and ESG frameworks, ensuring project acceptance and sustainability.	Management / CSR Unit	MDF + GoKP facilitation	Social license to operate secured.		
Q4 2027-Q1 2028	Internal review & validation of feasibility reports; ensure they comply with KP-MDMCL's business norms (profitability, risk management, compliance).	Management Technical & Finance Committees	Internal + peer review	Bankable feasibility studies validated.		
Q1 2028	Develop project structuring options (MDF-funded, JV, PPP, or blended finance) aligned with risk-sharing and revenue norms.	Management / Finance & Legal Wings	MDF + investor inputs	Sustainable financing and operational models finalized.		
Q1-Q2 2028	Management review and Board approval of selected, projects for launch in accordance with business plan norms (priority sequencing, financial viability, governance safeguards).	BoD Management	Board resolutions	Approved projects cleared for launch.		
Q2 2028	Conduct Investor Roadshows (domestic & international) to present approved feasibility packages and attract capital.	BoD Management	Feasibility reports + pitch decks	Investor interest secured and partnerships initiated.		

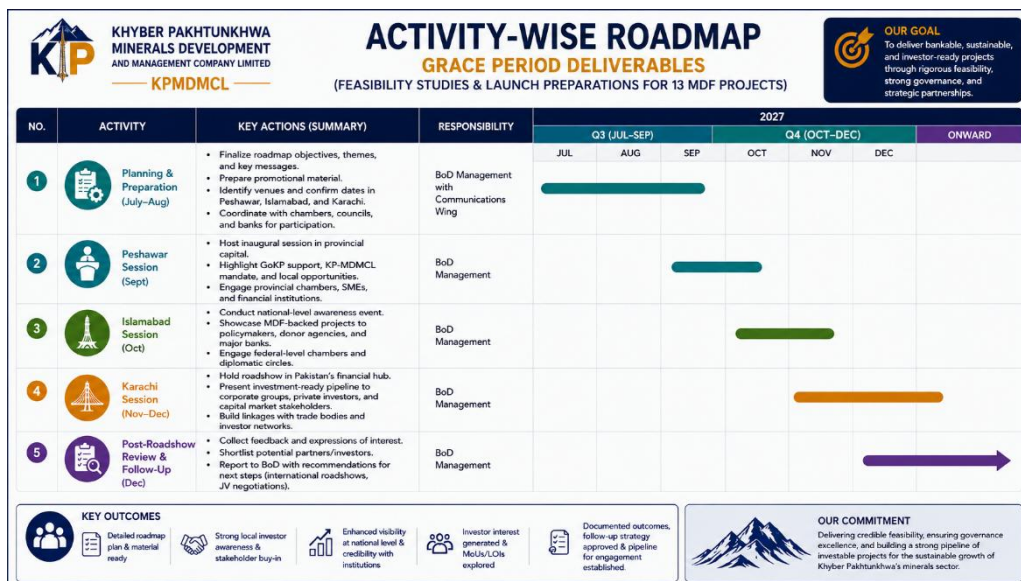

OUR COMMITMENT
 Delivering credible feasibility, ensuring governance excellence, and building a strong pipeline of investable projects for the sustainable growth of Khyber Pakhtunkhwa's minerals sector.



FINAL REPORT FOR OPERATIONALIZATION OF KP-MDMCL

10.7. Roadmap Domestic Awareness Roadshows

As part of its Roadshow Activities, and one of the essential activities of Phase-1 of the roadmap, the KP-MDMCL will organize domestic awareness sessions during Q3–Q4 2027 in Peshawar, Islamabad and Karachi to showcase its mandate, MDF-backed project pipeline, and business plan focusing on prospects of JVs. These sessions, led by the Board of Directors, will engage local investors, banks and chambers of commerce to build credibility, generate investor interest, and establish partnerships. The activity will culminate with a review and follow-up in December, 2026, ensuring documented outcomes and a clear pathway for subsequent investor engagement, including prospects of investment in or from Baluchistan and that of international outreach.



FINAL REPORT FOR OPERATIONALIZATION OF KP-MDMCL

Phase II – Project Readiness & Financial Mobilization (Jan – Dec 2027)

Creation of Mineral Development Fund (MDF)



























Issuance of Paid-up Capital – Seed Money / Initial Deposits


EDF- Exploring seeking EDF Assistance

Roadshow Activities

10.8. Financial Structuring and Investment Strategy










- **Initial Paid up Capital/ Seed-money:** Obtaining funds (seed-money/initial paid up capital) from GoKP, and issuance of share certificates there-against.
- **Creation of Mineral Development Fund (MDF):** Initiating strategic financial instruments based on working paper already drafted, and to manage issuance of formal Notification form the GoKP.

 KHYBER PAKHTUNKHWA MINERALS DEVELOPMENT AND MANAGEMENT COMPANY LIMITED KPMDMCL		MDF ESTABLISHMENT ROADMAP KEY ACTIVITIES, DELIVERABLES & TIMELINE			
STAGE	ACTIVITY / ACTION	RESPONSIBLE ENTITY	OUTPUT DELIVERABLE	TENTATIVE TIMELINE	
01	 Release of Initial Paid-up Capital / Seed Money	• Obtain seed funding from GoKP budgetary allocation; • Formal transfer of funds into KP-MDMCL's designated account.	Finance Dept. GoKP / MDD	 Capital transferred & accounted	 Dec 2026 – Jan 2027
02	 Issuance of Share Certificates	• Issue share certificates to GoKP against paid-up capital, in line with Companies Act, 2017.	CEO / Company Secretary	 Share certificates issued & recorded	 Jan – Feb 2027
03	 Operational Budget Preparation	• Develop first-year operational budget (HR, infrastructure, IT, exploration prep).	CEO / Consultant (with Finance/Admin team)	 Approved annual operating budget	 Feb – Mar 2027
04	 Initiation of MDF with Finance Dept.	• MDD to initiate case with Finance Dept. for establishing Mineral Development Fund, based on Cabinet-approved Act amendment.	MDD / Finance Dept. GoKP	 Draft proposal submitted to Finance Dept.	 Feb 2027
05	 Creation & Notification of MDF	• Secure Finance Dept. and GoKP approval; • Issue formal notification for MDF establishment.	Finance Dept. GoKP / MDD	 Notified & operational MDF	 Mar – Apr 2027
06	 Structuring of MDF Instruments	• CEO to design financial and investment instruments under MDF (e.g., guarantees, revolving funds, blended finance).	CEO / Consultants	 MDF operating guidelines	 Apr – Jun 2027
07	 Alignment with Investment Strategy	• CEO to align MDF with KP-MDMCL's medium-term investment strategy (exploration, processing, beneficiation projects).	CEO / BoD	 Approved investment strategy	 Jun – Jul 2027
08	 Scaling & Capital Mobilization	• Leverage MDF to attract further injections (GoKP, IFIs, PPPs, private sector).	CEO / BoD / GoKP	 Mobilized multi-source financing	 Aug – Dec 2027


OUR GOAL: To establish a robust and sustainable Mineral Development Fund (MDF) that enables strategic investments, leverages multi-source financing, and drives long-term value creation for Khyber Pakhtunkhwa's minerals sector.

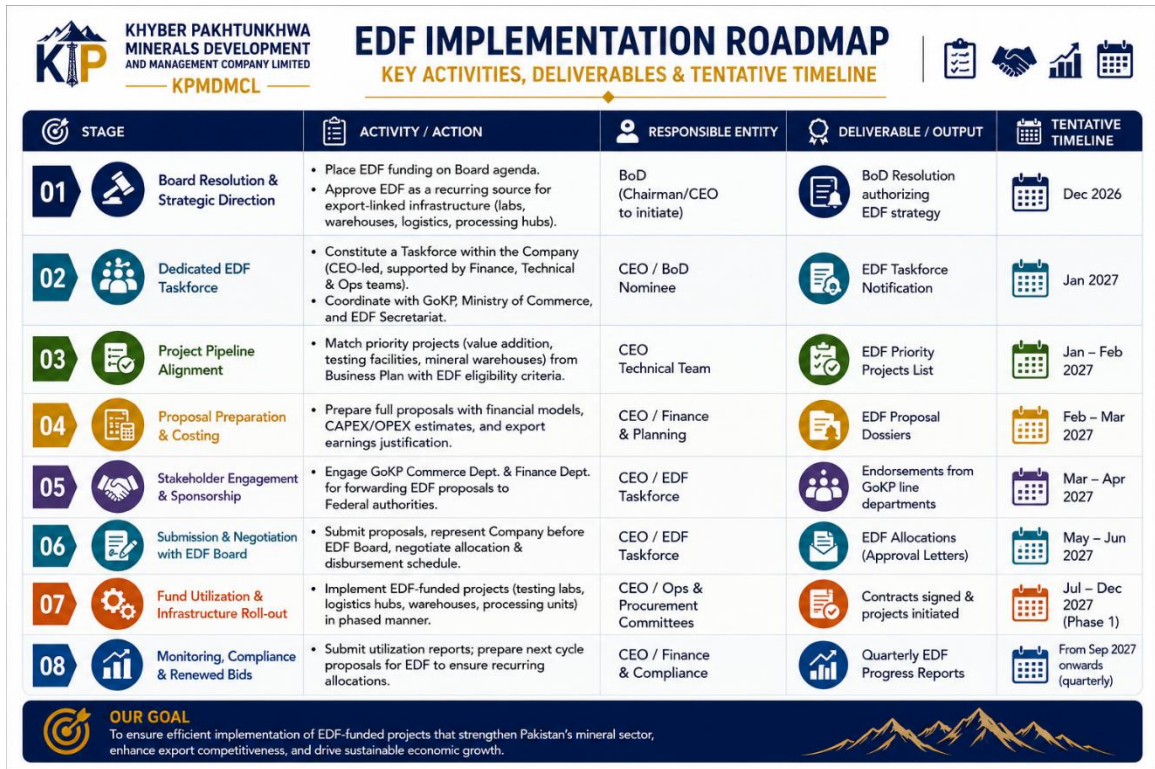
10.9. Investor Engagement

This stream is about the Investor(s)’ Engagement, which is the *front-facing activity* for KP-MDMCL (the ‘company’). The Investor Engagement represents a critical, front-facing activity for the Company, aimed at building credibility, attracting capital and fostering strategic partnerships once the Company is formally structured. The aforementioned stream encompasses targeted marketing roadshows, execution of Memoranda of Understanding (MoUs) with reputable national and international development agencies and collaboration with leading mining companies. It also provides the Board of Directors with essential insights and strategic options (“food for thought”) to guide decision-making for long-term growth and sustainability of the mineral sector in Khyber Pakhtunkhwa.

 KHYBER PAKHTUNKHWA MINERALS DEVELOPMENT AND MANAGEMENT COMPANY LIMITED KPMDMCL		INVESTOR ENGAGEMENT ROADMAP KEY ACTIVITIES, DELIVERABLES & TIMELINE						
STAGE	ACTIVITY / ACTION	RESPONSIBLE ENTITY	DELIVERABLE / OUTPUT	TENTATIVE TIMELINE				
01	 Investor Engagement Strategy • Draft a strategy defining priority sectors (gemstones, metallic minerals, rare earths), target investors (FDI, PPP, DFIs, JV partners), and engagement channels.	CEO / BoD / Investment Committee	 Approved Investor Engagement Strategy	 Dec 2026 – Jan 2027				
02	 Branding & Marketing Collateral • Develop investor pitch decks, project teasers, corporate profile, and promotional videos highlighting KP’s mineral potential.	CEO / Marketing & Comms Wing	 Complete investor marketing package	 Jan – Feb 2027				
03	 Investor Roadshows (Domestic & International) • Organize targeted roadshows in Islamabad, Karachi, Dubai, Doha, London, and Beijing with embassies/trade bodies support.	CEO / GoKP / Intl. Liaison	 Investor seminars & networking sessions	 Mar – Jul 2027				
04	 Strategic Partnerships & MoUs • Negotiate MoUs/LOIs with international mining companies, DFIs (IFC, ADB), and development agencies for technical assistance and financing.	CEO / BoD / Legal Advisors	 Signed MoUs / LOIs	 Apr – Sep 2027				
05	 Investor Facilitation Desk • Establish a one-window Investor Facilitation Desk at KP-MDMCL HQ to assist investors with regulatory clearances, data, and JV structuring.	CEO / Ops & Legal Team	 Fully operational facilitation desk	 Jun 2027				
06	 First Investor Conference (KP Mineral Summit) • Host a flagship KP Mineral Investment Summit in Peshawar/Islamabad showcasing projects, inviting global/mining investors, and announcing signed MoUs.	BoD / CEO / GoKP	 Successfully held summit with international participation	 Sep – Oct 2027				
 OUR GOAL To position Khyber Pakhtunkhwa as a preferred global mining investment destination through strategic outreach, strong partnerships, and investor-friendly facilitation.								

10.10. EDF – Export Development Funds.

A Board-level Roadmap plan for EDF funding that ties directly to the Business Plan and Financial Model, treating it as a regular, high-value funding stream. Below is a Board-focused roadmap with activities staged in sequence, aligned to the operationalization scenario of KP-MDMCL:




Phase III - Pilot Operations & Early Revenue (2028)

Pilot Launch - Roadshow Activities

10.11. Pilot Operations & Early Revenue (2028) Roadmap

Phase III marks the transition of KP-MDMCL from a planning and structuring entity into an operational company, generating its first streams of revenue. The focus during 2028 will be on the successful launch of 3–4 priority pilot projects, backed by secure off-take agreements and the establishment of small-scale processing units to initiate local value addition. This phase will also leverage thematic roadshows to attract technology providers, operational partners and value-addition projects, thereby strengthening credibility in the market. Through these action plans from one of the major roadmap activities in this phase, KP-MDMCL aims to validate its operational model, demonstrate commercial viability and set the foundation for large-scale expansion in subsequent years.

 KHYBER PAKHTUNKHWA MINERALS DEVELOPMENT AND MANAGEMENT COMPANY LIMITED KPMDMCL		PILOT PROJECT LAUNCH ROADMAP KEY ACTIONS, RESPONSIBILITIES & EXPECTED OUTCOMES		
TIMELINE	ACTIVITY	KEY ACTIONS	RESPONSIBILITY	EXPECTED OUTCOMES
Q1 2028	 Pilot Project Launch Preparation	<ul style="list-style-type: none"> Finalize selection of 3–4 priority projects (from completed feasibility studies). Secure Board approvals and financing (MDF, JV, PPP). Mobilize contractors and technical partners. 	 BoD / Management / Technical Teams	 Ready-to-launch pipeline with financing and partners in place.
Q2 2028	 Commencement of Pilot Operations	<ul style="list-style-type: none"> Start mining operations on 3–4 projects. Set up small-scale processing/value-addition units for beneficiation. Establish compliance and monitoring systems. 	 Project Management Teams / Operations Wing	 Initial production output achieved; processing capacity initiated.
Q2–Q3 2028	 Off-Take Agreements	<ul style="list-style-type: none"> Negotiate and secure off-take agreements with local and international buyers. Structure contracts to ensure early revenue and market access. 	 Management / Legal & Finance Teams	 Signed off-take agreements ensuring revenue inflows.
Q3 2028	 Thematic Roadshow – Mining Tech & Innovation	<ul style="list-style-type: none"> Organize roadshow with OEMs and equipment suppliers. Showcase pilot projects and technology needs. Explore technology-transfer partnerships. 	 BoD / Management	 Strategic partnerships with mining tech providers secured.
Q4 2028	 Thematic Roadshow – Processing & Value-Addition	<ul style="list-style-type: none"> Organize industry-focused event on beneficiation, smelting, cutting/polishing. Present pilot outputs and future scaling plans. Attract operational partners for processing ventures. 	 BoD / Management	 Partnerships in value-addition industries secured.
Q4 2028	 Operational Review & Scale-Up Planning	<ul style="list-style-type: none"> Evaluate performance of pilot projects (technical, financial, ESG). Report to Board with lessons learned and scaling strategy for 2029 onward. 	 Management / BoD	 Clear roadmap for scale-up and long-term growth established.

OUR GOAL
 To successfully launch and scale pilot projects that demonstrate value creation, operational excellence, and sustainable growth for Khyber Pakhtunkhwa's minerals sector.

Phase IV – Scale-Up of Projects (2029–2030)

MDF Project Expansion
 Commercial Expansion
 Roadshow Activities

10.12. Scale-Up of Projects

Phase IV marks the transition of KP-MDMCL from a pilot-stage entity to a fully scaled, globally competitive minerals development company. During this period, the focus will shift towards operationalizing the remaining MDF-backed projects, establishing large-scale processing plants, and consolidating commercial revenues to ensure long-term financial sustainability. The Company will also expand aggressively into regional and international markets, institutionalize governance and investor disclosure practices, and undertake global roadshows in North America and East Asia to attract strategic partners, technology providers, and capital investors. This phase represents the consolidation of earlier efforts into a mature, export-oriented, and internationally credible mining and minerals enterprise.



Phase V – Sustainable Growth (2031 onwards)

Monitoring & Evaluation of On-going projects

Targeting new projects

Diversify into **new blocks & markets**.

10.13. Phase V – Sustainable Growth (2031 onwards)

Phase V represents the long-term vision of KP-MDMCL, centered on sustaining growth, diversifying operations, and consolidating its position as a leading mining and minerals development company. Building upon the foundation of earlier phases, the Company will focus on continuous monitoring and evaluation of its operational projects to ensure efficiency, compliance, and profitability. At the same time, KP-MDMCL will strategically target new projects, explore untapped mineral blocks, and diversify into emerging domestic and international markets. This phase should be treated as a strategic action plan, rather than the roadmap, which underscores a way forward to sustainable growth, innovation and adaptability, ensuring that the Company remains resilient, competitive and aligned with global best practices.

 KHYBER PAKHTUNKHWA MINERALS DEVELOPMENT AND MANAGEMENT COMPANY LIMITED KPMDMCL		2031 ONWARDS ROADMAP SUSTAINABILITY, GROWTH & VALUE CREATION	
TIMELINE	ACTIVITY	KEY ACTIONS	RESPONSIBILITY
 2031 onwards	 Monitoring & Evaluation of Ongoing Projects	<ul style="list-style-type: none"> Conduct regular performance audits and impact assessments of all projects. Strengthen environmental and social compliance frameworks. Institutionalize M&E systems for continuous improvement. 	 BoD, Monitoring & Evaluation Unit, Independent Auditors
 2031 onwards	 Targeting New Projects	<ul style="list-style-type: none"> Identify and develop new mineral opportunities based on market demand. Prioritize projects in critical minerals and high-value resources. Prepare feasibility studies and investment cases for GoKP and private investors. 	 Technical Teams, Strategy & Planning, GoKP Liaison
 2031 onwards	 Diversification into New Blocks & Markets	<ul style="list-style-type: none"> Expand operations into new exploration blocks within KP and beyond. Penetrate international markets, building on export credibility with EDF assistance. Diversify into downstream industries in accordance with BoD's strategic directions. 	 BoD, Business Development, International Partnerships Division
 OUR GOAL To ensure long-term value creation through robust monitoring, strategic project development, and global diversification for a sustainable and prosperous minerals sector in Khyber Pakhtunkhwa.			

CHAPTER XI

EXPECTED OUTCOMES

The operationalization of KP-MDMCL's strategic roadmap over the first ten years is expected to yield far-reaching results not only for the Company itself but also for the Government of Khyber Pakhtunkhwa (GoKP), investors, local communities and the broader minerals and industrial ecosystem. The outcomes span four core domains: Institutional Strengthening, Financial Sustainability, Stakeholder Engagement & Partnerships and Community Development & ESG Impact. Together, these outcomes create a sustainable pathway for KP-MDMCL to emerge as a regional leader in mineral exploration, mining, processing and the value addition.

11.1. Institutional Strengthening

1. Organizational Maturity & Capacity Building

- Establishment of an effective organizational framework, with specialized units for exploration, mining operations, mineral processing, R&D, finance, ESG compliance and investor relations.
- Development of technical expertise within KP-MDMCL through structured training programs, international knowledge partnerships and hiring of domain experts.
- Adoption of digital tools, GIS-based resource mapping and integrated project management systems to enhance efficiency and transparency.

2. Policy Alignment & Governance

- Strengthening the regulatory interface with provincial and federal institutions to streamline licensing, environmental approvals and revenue-sharing mechanisms.
- Adherence to good corporate governance practices, aligning KP-MDMCL operations with SECP and SBP regulatory frameworks, and international standards such as EITI (Extractive Industries Transparency Initiative).

3. Knowledge Hub for KP's Mineral Sector

- KP-MDMCL is envisioned to serve as a knowledge and innovation hub for the province's mineral sector, providing baseline data, feasibility models, and frameworks for sustainable mineral development.
- Creation of institutional memory through documentation of lessons learned, to inform future mining projects and policy reforms.

11.2 Financial Sustainability & Revenue Generation

1. Revenue Streams from Brownfield Projects

- Early-stage brownfield projects (*Gypsum, Feldspar, Copper, Soapstone, Marble and Phosphate*) are expected to generate positive cash flows within 3–5 years of operationalization.
- By diversifying mineral portfolios, KP-MDMCL will establish steady revenue inflows, ensuring reduced dependency on public sector financing.

2. Leveraging Joint Ventures for Capital-Intensive Projects

- JV structures will allow the company to undertake high-capex projects (Iron Ore, Chromite, Rare Metals, and Gemstones) without overburdening MDF resources.
- Equity sharing, technology transfers, and profit-sharing models will attract foreign direct investment (FDI) and private sector participation.

3. Financial Sustainability Indicators

- **Break-even milestone:** Achieved within 6–7 years of operations as cumulative revenues overtake initial investment.
- **Revenue projection:** By Year 10, KP-MDMCL's annual revenues are expected to exceed Rs. 10–12 billion, providing a strong base for reinvestment and dividends to GoKP.
- Creation of mineral development reserves, enabling reinvestment in exploration and downstream value chains.

11.3 Stakeholder Engagement & Partnerships

1. Government & Policy Makers

- Strengthened alignment with GoKP development goals, creating synergies with industrial, trade, and infrastructure policies.
- KP-MDMCL's operations will provide critical fiscal revenues through royalties, taxes, and dividends to the provincial exchequer.

2. Private Sector & Investors

- Creation of a secure investment environment for local and foreign mining companies.
- Attraction of global mining and processing technology providers through JV opportunities.

3. **Academia & Research Institutions**

- Partnerships with local universities (e.g., *PAF-IAS*, *UET*, *IMSciences*, *University of Peshawar*, *Kohat*, *Karak & Bannu Universities of Science & Technologies*) for applied research, internships, and specialized mineral technology courses.
- Establishment of R&D laboratories, and centres of excellence for mineral beneficiation, metallurgy and gemstone grading.

4. **Local Communities & Tribal Stakeholders**

- Structured dialogue with tribal elders, local councils, and community-based organizations to ensure participatory decision-making.
- Transparent benefit-sharing agreements, including employment quotas and local supplier participation.

11.4 **Community Development & ESG Impact**

1. **Employment & Skills Development**

- Direct employment of thousands of skilled and semi-skilled workers in mining, processing, logistics, and administrative functions.
- Indirect employment opportunities across supply chains, including transport, equipment, and services.
- Vocational training programs to enhance local employability, particularly in newly merged districts (NMDs).

2. **Social Infrastructure Development**

- Development of roads, energy, and water supply networks to serve both mining operations and surrounding communities.
- Corporate social responsibility (CSR) initiatives focusing on education, healthcare, and community welfare in mining regions.

3. **Environmental, Social & Governance (ESG) Compliance**

- Adoption of environmentally responsible mining practices, including rehabilitation of mined areas and efficient water/energy use.
- Implementation of international ESG frameworks (such as IFC Performance Standards and UN SDGs alignment).
- Annual sustainability reporting to ensure accountability and transparency in environmental and social performance.

4. Regional Stability & Inclusion

- Empowerment of marginalized regions (e.g., NMDs) through integration into the formal economy.
- Reduction of illicit mining practices through regulated, transparent, and community-backed operations.
- Contribution to peacebuilding and socio-economic stability by generating legitimate livelihood opportunities.

Conclusion

The timely and systematic implementation of KP-MDMCL's Strategic Action Plan and Roadmap will mark a transformative milestone for the mineral sector of Khyber Pakhtunkhwa. The phased approach, encompassing institutional strengthening, regulatory reforms, financial sustainability, technical innovation, and project development, provides a balanced and practical pathway for the Company's evolution from inception to operational maturity. By strengthening corporate governance, establishing transparent systems, and ensuring compliance with national and international standards, KP-MDMCL will enhance its institutional credibility and build long-term investor confidence.

Alongside governance reforms, the Company's focus on financial resilience through diversified revenue streams, strategic partnerships, and resource mobilization, including domestic and international financing—will support sustained operational growth and continuity. The roadmap further emphasizes effective stakeholder engagement, positioning KP-MDMCL as a collaborative partner for government institutions, private investors, local communities, and international development agencies. Equally important is the Company's commitment to environmental, social, and governance (ESG) principles. By integrating sustainability, responsible mining practices, and community development into its core operations, KP-MDMCL will not only mitigate operational and reputational risks but also strengthen its social license to operate. This alignment with international ESG best practices ensures that economic progress is achieved in parallel with environmental stewardship and social inclusivity.

In conclusion, the roadmap presents a comprehensive framework that balances institutional capacity, financial strength, technical expertise, and social responsibility. Its disciplined and timely execution will enable KP-MDMCL to emerge as a world-class mining company, driving regional economic growth, creating employment opportunities, and contributing significantly to Pakistan's GDP. Ultimately, this transformation will position Khyber Pakhtunkhwa as a benchmark for sustainable mineral sector development in South Asia.

Expected Outcomes Matrix – KP-MDMCL Roadmap

OUTCOME AREA	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATORS (KPIs)	INDICATIVE TIMELINE	RESPONSIBLE UNIT(S)	OUTCOME AREA	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATORS (KPIs)	INDICATIVE TIMELINE	RESPONSIBLE UNIT(S)
 KHYBER PAKHTUNKHWA MINERALS DEVELOPMENT AND MANAGEMENT COMPANY LIMITED KPMDMCL	 INSTITUTIONAL STRENGTHENING	Build an efficient, transparent, and capable institutional framework	Years 1–3 (2025–2028)	Board of Directors, CEO Office, HR & Admin, IT Unit	 FINANCIAL SUSTAINABILITY & REVENUE GENERATION (Cont'd)	Attract private sector & FDI	<ul style="list-style-type: none"> Amount of FDI attracted per year Number of foreign/local investors onboarded Technology transfer agreements executed 	Years 3–10 (2027–2036)	Investor Relations, Legal
		Establish KP-MDMCL as a mineral knowledge hub	Years 2–5 (2026–2030)	Planning & Research, Exploration Directorate		Build academia-industry linkages	<ul style="list-style-type: none"> No. of MoUs signed with universities Research projects co-funded Students/interns engaged in operations 	Years 2–6 (2026–2031)	R&D, HR & Training
		Achieve steady revenue flows from early-stage brownfield projects	Years 3–5 (2027–2031)	Finance, Mining Operations		Strengthen local community partnerships	<ul style="list-style-type: none"> % of local workforce employed (target: ≥40%) Number of community consultations held annually Grievance redress mechanism established & operational 	Years 2–10 (2026–2036)	CSR & Community Relations, HR
 FINANCIAL SUSTAINABILITY & REVENUE GENERATION	 COMMUNITY DEVELOPMENT & ESG IMPACT	Leverage JV investments capital-intensive projects	Years 3–10 (2027–2036)	Finance, Legal & Investor Relations	Generate employment & skills development	<ul style="list-style-type: none"> Number of jobs created (direct & indirect) No. of vocational training programs conducted % of trained workforce absorbed into KP-MDMCL projects 	Years 2–10 (2026–2036)	HR, CSR Unit	
		Ensure long-term financial resilience	Years 6–10 (2031–2036)	Finance, Strategy	Deliver social infrastructure & CSR benefits	<ul style="list-style-type: none"> Number of CSR projects completed (schools, health clinics, water supply) Annual CSR budget utilization (target: ≥90%) Road & utility infrastructure development in project areas 	Years 3–10 (2027–2036)	CSR & Infrastructure Unit	
		Enhance policy alignment with government	Ongoing (2025–2036)	CEO Office, Government Relations	Ensure ESG compliance & sustainability	<ul style="list-style-type: none"> Environmental management plans approved & implemented % of projects with rehabilitation plans in place Annual Sustainability Reports published 	Years 2–10 (2026–2036)	ESG Compliance, HSE (Health, Safety & Environment)	
 STAKEHOLDER ENGAGEMENT & PARTNERSHIPS	Enhance policy alignment with government	Number of policy frameworks/agreements facilitated	Years 6–10 (2031–2036)	CEO Office, Government Relations	Promote regional stability & inclusion	<ul style="list-style-type: none"> Reduction in illicit mining activities reported Local contracts awarded (% of procurement from local suppliers) Social impact assessments completed 	Years 3–10 (2027–2036)	Community Relations, Legal & Compliance	

OUR VISION
 To build a sustainable, globally competitive mining sector in Khyber Pakhtunkhwa by creating value for stakeholders, empowering communities, and protecting the environment.



FINAL REPORT FOR OPERATIONALIZATION OF KP-MDMCL

CONSOLIDATED GANTT CHART 2025-2026 to 2034-2035



Note:

KP-MDMCL was incorporated in September 2024. The assignment for conducting feasibility studies, preparation of the business plan, and delivery of related outputs commenced in April 2025 and continued through December 2025. This was followed by the issuance of notifications for the Board of Directors and the approval of the Legislative Cabinet Committee/Provincial Cabinet in early 2026. Accordingly, the consolidated Gantt Chart remains subject to revision and appropriate modification, taking into account the pace of developments and progress achieved up to the formal commencement of business operations, as envisaged in this report.

CHAPTER XII

GEOLOGICAL MAPPING AND MINERAL RESOURCE MANAGEMENT

12.1. Introduction to Geological Mapping

Geological mapping is a foundational geoscientific activity that involves the systematic observation, interpretation, and representation of the distribution, nature, and relationships of rocks, structures, and surface deposits across a defined area. It constitutes the primary means by which geological knowledge is spatially organized and communicated, serving as the base layer upon which virtually all subsequent mineral, environmental, engineering, and land-use decisions are built. A geological map is not merely a cartographic product; it is a synthesis of field observations, analytical data, and geological reasoning that encapsulates the geological history, structure, and resource potential of an area in a standardized and interpretable form.

At the provincial and national levels, geological mapping represents a sovereign knowledge function of the State. It establishes an authoritative geological baseline that supports long-term planning, reduces uncertainty in natural resource management, and ensures that decisions affecting public assets are informed by scientifically validated data. In mineral-endowed regions such as Khyber Pakhtunkhwa, geological mapping assumes even greater importance, as it directly underpins exploration targeting, mine development, environmental management, and value-chain optimization.

12.2. Evolution and Types of Geological Mapping

Geological mapping has evolved from early reconnaissance surveys aimed at broad lithological identification to highly standardized, multi-disciplinary programs integrating stratigraphy, structural geology, geochemistry, geophysics, and remote sensing. Modern geological mapping is undertaken at various scales, each serving distinct objectives. Small-scale maps (e.g., 1:1,000,000 to 1:250,000) provide regional overviews and tectonic context, while medium- to large-scale maps (e.g., 1:50,000 to 1:10,000) are designed to support operational decision-making, mineral exploration, and mine-level planning. The 1:50,000 scale has emerged internationally as the optimal standard for regional mineral assessment and land-use planning. At this scale, lithological boundaries, structural features, alteration zones, and mineralized occurrences can be delineated with sufficient resolution to guide exploration and development decisions, while maintaining continuity and consistency across large geographic areas. The adoption of this scale for province-wide geological mapping reflects a deliberate policy choice aligned with global best practice.

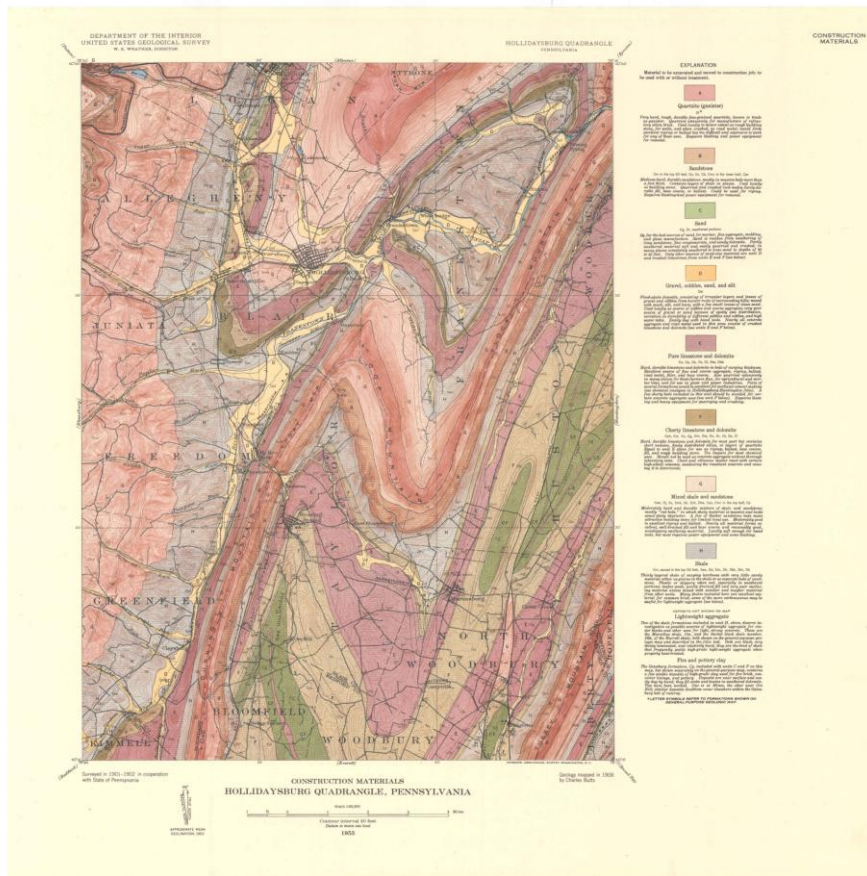


Figure 1. Geological Map

12.3. Procedures, Equipment, and Core Elements of Geological Mapping

Geological mapping is conducted through a structured and sequential process designed to ensure technical accuracy and spatial consistency. The procedure typically commences with a desk-based review of existing geological literature, satellite imagery, aerial photographs, and topographic base maps to establish a preliminary geological framework and fieldwork strategy. This is followed by systematic field traverses during which lithological units, stratigraphic relationships, structural features, alteration zones, and mineral occurrences are observed, measured, sampled, and documented using standardized mapping protocols. Field observations are subsequently compiled, interpreted, and validated to produce finalized geological maps and explanatory notes. Accurate geological mapping relies on the use of appropriate field and analytical equipment. Core field tools include geological compasses for structural measurements, Global Positioning System (GPS) devices for location control, topographic base maps, field notebooks or digital data loggers, rock hammers, and hand lenses for lithological identification. Modern geological mapping, particularly at 1:50,000 scale, is increasingly supported by remote sensing data, satellite imagery, and Geographic Information System (GIS) platforms, which facilitate spatial data integration, interpretation, and standardized map production compatible with provincial planning and mineral cadastre systems. The principal elements of a geological map comprise lithological units, stratigraphic boundaries, geological contacts, and structural features such as faults, folds, joints, and shear zones.

12.4. Geological Mapping as the Basis of Mineral Resource Management

Mineral resource management is fundamentally dependent on accurate and comprehensive geological information. Geological maps provide the spatial framework required to understand the distribution, quality, and accessibility of mineral resources, as well as the geological controls governing their formation and preservation. Without such a framework, mineral development becomes speculative, inefficient, and prone to environmental and social conflict. Through systematic geological mapping, governments are able to inventory mineral endowments, classify resource potential across different terrains, and prioritize areas for further investigation. Geological maps enable the delineation of prospective belts, identification of favorable host lithologies, and recognition of structural corridors that control mineralization. This information is critical for evidence-based policy formulation, transparent concession allocation, and long-term resource planning.

12.5. Applications of Geological Maps in Mineral Resource Inventory and Classification

One of the primary applications of geological maps is the preparation of mineral resource inventories at provincial and national scales. By integrating mapped lithologies, structures, and known mineral occurrences, authorities can develop a spatially explicit understanding of resource distribution. This enables classification of areas into high, moderate, and low mineral potential zones, which in turn informs exploration promotion strategies and regulatory oversight. Geological maps also support the systematic upgrading of mineral occurrences from reconnaissance-level indications to exploration targets. When combined with geochemical and geophysical data, mapped geological features allow for the development of predictive models that guide follow-up investigations, thereby optimizing the use of public and private exploration funds.

12.6 Role of Geological Mapping in Mineral Exploration

Mineral exploration is inherently probabilistic and capital-intensive, and geological uncertainty remains the principal determinant of exploration risk. High-quality geological mapping significantly mitigates this risk by providing a scientifically validated framework within which exploration hypotheses can be developed and tested. Geological maps enable explorers to distinguish favorable geological environments from barren terrains, thereby focusing exploration expenditure where the probability of discovery is demonstrably higher. At the 1:50,000 scale, geological mapping allows for the identification of subtle but critical geological features, including lithological contacts, facies changes, fault systems, fold geometries, shear zones, and hydrothermal alteration patterns. These features often exert first-order controls on mineralization, particularly for structurally controlled deposits such as chromite, base metals, gold, and gemstone occurrences prevalent in Khyber Pakhtunkhwa. By integrating mapped geology with geochemical anomalies and geophysical signatures, exploration models can be refined from conceptual to target-specific, substantially improving targeting efficiency. In practical terms, geological maps serve as the first screening tool for exploration licensing, reconnaissance surveys, and target generation. They guide the design of sampling grids, trenching programs, and drilling campaigns, ensuring that exploration activities are geologically justified and cost-effective. For provincial authorities and KPMDMCL, this translates into more credible prospect offerings and a higher success rate in exploration partnerships.

12.7. Geological Mapping and Mine Development Planning

Once a mineral deposit has been identified, geological mapping continues to play a central role throughout the mine development lifecycle. Regional and local geological maps inform mine site selection, infrastructure planning, and geotechnical assessments. Understanding rock types, structural fabric, and alteration zones is essential for designing stable pit slopes, underground openings, and waste disposal facilities. Geological maps also contribute to orebody modelling and grade control by providing the geological context within which detailed drilling data are interpreted. This integration enhances resource estimation accuracy, improves mine planning efficiency, and supports compliance with international reporting standards.

12.8. Geological Mapping in Environmental and Social Management

Responsible mineral development requires a thorough understanding of the geological factors that influence environmental and social outcomes. Geological maps provide baseline information for environmental impact assessments, including data on lithology, structural stability, groundwater aquifers, and natural hazard susceptibility. This information is essential for assessing risks related to acid rock drainage, groundwater contamination, landslides, and seismic activity. By informing land-use planning and hazard mitigation strategies, geological mapping supports the protection of communities, infrastructure, and ecosystems. It also enhances regulatory effectiveness by enabling authorities to set evidence-based conditions for mineral development and closure planning.

12.9. Geological Mapping and Value Addition

Geological mapping plays a pivotal role in enabling mineral value addition by providing spatial clarity on the distribution, quality, and continuity of mineral resources. Value addition requires predictable and sustained access to raw materials, and geological maps offer the evidence base required to plan processing and beneficiation facilities with confidence. By identifying clusters of industrial minerals, construction materials, and gemstones, geological maps support economies of scale and rational industrial zoning. In Khyber Pakhtunkhwa, mapped limestone belts support cement and lime industries, while delineation of marble and dimension stone horizons enables informed quarry development and processing investments. Similarly, geological mapping of pegmatite and metamorphic belts underpins gemstone value chains by identifying areas suitable for systematic extraction, cutting, and polishing. The integration of geological data into industrial planning reduces logistical inefficiencies, enhances product quality control, and maximizes provincial value capture.

12.10. Geological Mapping as a Tool for Investment Facilitation

Geological maps constitute the primary technical instrument for mineral investment facilitation, as they translate subsurface geological complexity into an intelligible and standardized spatial framework for investors. For domestic and international mining companies, the availability of reliable geological maps at 1:50,000 scale significantly reduces entry barriers by providing early-stage confidence in the geological prospectivity of a region. Such maps enable investors to conduct preliminary desktop evaluations prior to committing resources to field verification. From an institutional perspective, geological maps allow provincial authorities and KPMDMCL to present mineral opportunities transparently, backed by authoritative data generated through public-sector investment.

This reduces information asymmetry between the State and private investors and shortens negotiation cycles. Geological maps further support the preparation of technically sound information memoranda, data rooms, and promotional material, which are essential for structured bidding rounds and joint venture formation.

12.11. Geological Mapping for Mineral Cadastre, Licensing, and Regulatory Governance

Geological mapping constitutes the technical foundation of an effective mineral cadastre and licensing regime. While a mineral cadastre is formally an administrative and legal system for recording, granting, and managing mineral rights, its transparency, credibility, and long-term functionality are fundamentally dependent on the quality of geological information that underpins licensing decisions. In the absence of authoritative geological maps, mineral rights allocation risks becoming speculative, fragmented, and vulnerable to disputes, thereby undermining both investor confidence and state authority.

Geological maps prepared at a scale of 1:50,000 enable the rational delineation of reconnaissance, exploration, and mining license areas by aligning administrative boundaries with geological realities. Lithological contacts, stratigraphic continuity, structural domains, mineralized trends, and barren zones identified through systematic mapping allow regulators to avoid issuing licenses over geologically unviable or environmentally sensitive ground. This improves the technical quality of license portfolios, reduces future conflicts, and strengthens the credibility of the provincial mineral governance framework. Geological mapping further enhances the technical evaluation of license applications. Proposed exploration methodologies, work programs, and expenditure commitments can be objectively assessed against mapped geological conditions, ensuring that regulatory approvals are evidence-based rather than speculative.

During the life of a license, geological maps serve as reference documents for monitoring compliance, validating reported discoveries, and guiding decisions regarding license renewal, partial relinquishment, or progression from exploration to mining. In Khyber Pakhtunkhwa, where legacy informal mining and overlapping claims persist in several districts, geological mapping provides the technical basis for cadastre rationalization, dispute resolution, and regulatory reform.

12.12. Geological Mapping and Revenue Forecasting, Royalties, and Fiscal Planning

Geological mapping plays a critical role in mineral revenue forecasting and fiscal planning by enabling realistic assessments of resource potential and production sustainability. By defining the spatial extent, geological setting, and continuity of mineral-bearing formations, geological maps provide the first-order inputs required for preliminary resource estimation and production scenario development. These assessments, in turn, inform royalty projections, lease valuation, and medium- to long-term fiscal planning. For the Government of Khyber Pakhtunkhwa and KPMDMCL, geological maps enable a transition from reactive revenue collection toward proactive mineral revenue management. Mapping outputs support the identification of priority mineral zones for state-led exploration, informed sequencing of license auctions, and structured promotion of high-potential areas to private investors. This reduces uncertainty in revenue expectations and allows the provincial government to align mineral development timelines with broader fiscal and development planning objectives.

Over time, the systematic use of geological mapping in fiscal planning contributes to improved predictability of mineral revenues, enhanced negotiation capacity with investors, and optimized capture of mineral rents for the province. In this way, geological mapping serves not only as a technical tool but also as a strategic input into provincial economic and financial governance.

12.13. Geological Mapping and KP-Specific Mineral Belt Applications

Khyber Pakhtunkhwa hosts several well-defined mineral belts whose systematic and sustainable development is contingent upon high-resolution geological mapping. The chromite-bearing ophiolitic belts of Kohistan and North Waziristan and Copper deposits of North and South Waziristan represent strategically important sources of metallurgical minerals. Detailed geological mapping of these belts enables discrimination between mineralized ultramafic horizons and barren units, guides focused exploration, and reduces unproductive excavation and environmental disturbance.

The gemstone-bearing pegmatite and metamorphic belts of Swat, Dir, and Chitral are structurally controlled and highly heterogeneous in nature. Geological mapping at 1:50,000 scale facilitates identification of pegmatite swarms, structural traps, and favorable host lithologies, providing the technical basis for transitioning from sporadic artisanal extraction to systematic, regulated gemstone mining and downstream value addition.

Similarly, extensive limestone, dolomite, marble, and dimension stone belts across Hazara, Buner, and southern districts form the backbone of the province's construction materials industry. Geological maps support long-term quarry planning, quality control, and sustainable extraction by delineating thickness variations, structural discontinuities, and impurity zones. These KP-specific examples demonstrate the direct applicability of geological mapping in aligning provincial mineral endowment with industrial growth, infrastructure development, and employment generation.

12.14. Geological Mapping, Environmental Management, and Sustainable Mining

Geological mapping is a prerequisite for environmentally responsible and sustainable mining. By identifying lithological units, fault systems, groundwater regimes, and geotechnically sensitive terrains, geological maps provide critical inputs for environmental baseline studies and impact assessments. This enables early identification of environmentally sensitive areas where mining activities may require additional safeguards or, in some cases, exclusion. In the mountainous and ecologically fragile regions of Khyber Pakhtunkhwa, geological mapping contributes to slope stability analysis, waste dump siting, mine closure planning, and post-mining land rehabilitation. Integration of geological information into environmental approval and monitoring processes strengthens regulatory oversight and reduces the risk of environmental degradation associated with poorly planned mining operations.

By embedding geological mapping within environmental management frameworks, the province can align mineral development with sustainability objectives, disaster risk reduction, and long-term land-use planning.

12.15. Long-Term Knowledge Legacy and Capacity Building

Geological maps constitute long-term strategic assets that retain relevance for decades. The datasets generated under the 1:50,000 geological mapping project will support future mineral exploration, academic research, infrastructure planning, groundwater assessment, and disaster risk management. They also serve as foundational training material for developing provincial technical capacity in geology, mining, and resource management. By strengthening in-house technical knowledge and reducing reliance on externally generated data, the project contributes to institutional resilience and continuity in mineral sector governance.

12.16. Strategic Importance of the 1:50,000 Geological Mapping of Khyber Pakhtunkhwa Project

The project titled “*Geological Mapping of Khyber Pakhtunkhwa at 1:50,000 Scale*,” assigned by the Mines and Minerals Development Department, Government of Khyber Pakhtunkhwa, to the Geological Survey of Pakistan, represents a landmark public-sector investment in the province’s mineral future. The selected scale provides an optimal balance between regional coverage and operational detail, making the outputs directly applicable to exploration planning, licensing, and mine development. Prior to this initiative, geological information for large parts of the province was outdated, generalized, or fragmented. This project addresses those gaps by delivering standardized, modern geological maps reflecting current stratigraphic understanding and structural interpretations. The resulting datasets significantly enhance the province’s capacity to manage its mineral resources strategically rather than reactively.

12.17. Institutional Linkages and Workflow Integration (GSP, MDD KP, and KPMDMCL)

The developmental impact of geological mapping is maximized when strong institutional linkages exist between data generation, regulatory decision-making, and commercial implementation. In Khyber Pakhtunkhwa, the Geological Survey of Pakistan (GSP), Mines and Minerals Development Department (MDD KP), and KPMDMCL represent sequential and complementary nodes within the mineral sector value chain.

GSP is responsible for generating authoritative geological data through systematic mapping, thematic studies, and baseline surveys. MDD KP utilizes these datasets to frame mineral policy, manage the mineral cadastre, issue licenses, and enforce regulatory compliance. KPMDMCL operationalizes geological information by translating mapped mineral potential into structured projects, joint ventures, and commercially viable mineral developments. A formalized workflow, whereby GSP-generated geological maps are standardized, officially transferred, and integrated into provincial decision-support systems—ensures that public investment in geological mapping yields measurable governance and economic outcomes. Such institutional integration is essential for avoiding duplication of effort, improving inter-agency coordination, and maximizing the developmental returns of geological information.

12.18. GSP at a Glance

The Geological Survey of Pakistan (GSP) was established in 1947 at Quetta, Baluchistan, as the country’s premier institution for geological research and mineral resource assessment from the north-west branch/staff/assets of the Geological Survey of India after partition. In its early years, the technical staff expanded from 8 to 30 geoscientists by 1948, laying the foundation for systematic geological investigations.

During the 1950s, under the Colombo Plan, GSP undertook aerial photography, topographic surveys, and regional geological investigations across West Pakistan, marking the first structured attempt at modern geological mapping in the country. These early efforts enabled subsequent discovery and documentation of uranium mineralization in Dera Ghazi Khan, Punjab, in 1956, and provided the technical groundwork for producing Pakistan's first comprehensive geological maps.

The 1960s and 1970s were characterized by both national discoveries and international cooperation. GSP inaugurated its headquarters building in Quetta in 1960, published the first Geological Map of Pakistan in 1964, and identified emerald and China clay deposits in Swat, Khyber Pakhtunkhwa, in 1966. Preliminary evaluation of Saindak copper-gold deposits was completed in 1967, and the Mineral Directory of Pakistan was published in 1969, consolidating mineral data for the first time. During the late 1970s, in collaboration with the United States Geological Survey (USGS) and supported by the United States Agency for International Development (USAID), GSP produced extensive geological maps of southwestern and North-North western Pakistan at 1:250,000 scale and carried out systematic mapping of Khyber Pakhtunkhwa, significantly enhancing the availability of standardized geological information for exploration and provincial planning. Notable mineral assessments during this period included the identification of copper-gold mineralization at Reko Diq in 1978.

In the 1980s and 1990s, GSP further strengthened both its technical and research capabilities. Lead-zinc-barite deposits were delineated in southern Baluchistan's Khuzdar District in the 1986-87 with technical support from the Japan International Cooperation Agency (JICA). The Geoscience Laboratory was established at Islamabad in 1991, and Pakistan's first Geological Standard Reference Material (SRM) was prepared in 1995, reinforcing GSP's role in supporting high-quality analytical and exploration work. Coal deposits were discovered in the Thar desert in 1992, while reports on water potential and other mineral resources continued to expand the knowledge base of the country's subsurface assets.

In the 21st century, GSP has continued to innovate and modernize its services. The first dinosaur fossils in Pakistan were discovered in 2000, followed by assessment of water potential in hard rock aquifers of Quetta Valley in 2001, and publication of the Thar Coalfield report in 2002. In 2014, GSP commenced an important project titled, "Geochemical investigations in Pakistan" the stream sediment geochemical survey across the country in collaboration with the China Geological Survey at a scale of 1:250,000. Collectively, these achievements reflect GSP's enduring mandate: to generate authoritative geological data, support sustainable mineral development, and provide technical foundations for provincial and national planning, resource management, and evidence-based decision-making. International collaborations under the Colombo Plan, USGS/USAID, JICA, and the China Geological Survey have played a critical role in enhancing technical capacity, standardizing geological data, and expanding the reach and impact of GSP's work across Pakistan.

12.19. Conclusion and Policy Way Forward

Geological mapping is a strategic public function that underpins mineral resource governance, investment facilitation, environmental stewardship, and revenue generation. The comprehensive geological mapping of Khyber Pakhtunkhwa at 1:50,000 scale provides the technical foundation required to convert geological endowment into sustainable economic value. For KPMDMCL, these maps enable systematic project identification, credible investor engagement, and informed commercial decision-making. For MDD KP, they strengthen regulatory governance and mineral cadastre management. It is therefore imperative that the outputs of this project are institutionalized, regularly updated, and actively utilized across all mineral-sector functions to ensure long-term economic and social benefits for the province.

PART – B

Gist of Individual Deliverables

&

Digital Access thereof

Part 'B' of the Final Report contains the gist of the individual deliverables along with their respective digital access references, enabling readers to conveniently review the scope, key outputs and supporting materials of each standalone submission.

**REPOSITORY OF SUPPORTING DOCUMENTS
THROUGH DIGITAL ACCESS**

The following digital references provide access to the detailed reports and supporting documents in PDF format.

Disk Review Report

<https://integrapakistan.com.pk/wp-content/uploads/2026/05/DRR-Final-to-Print-sep-08-2025.pdf>

Inception Report

<https://integrapakistan.com.pk/wp-content/uploads/2026/05/INCEPTION-REPORT-FINAL-TO-PRINT-SEP-08-2025.pdf>

Legal and Regulatory Framework Report

<https://integrapakistan.com.pk/wp-content/uploads/2026/05/KP-MDMCL-LEGAL-REGULATORY-FRAMEWORK-REPORT-REVISED-REPORT-FOR-REVIEW-Final.pdf>

HRM Report - HR Plan & Structure

<https://integrapakistan.com.pk/wp-content/uploads/2026/05/HRM-final-report-to-print-SEP-08-2025-1.pdf>

Business Plan

https://integrapakistan.com.pk/wp-content/uploads/2026/05/KP-MDMCL_-_BUSINESS_PLAN_final-TO-PRINT-14-09-2025.pdf

Financial Model & Investment Strategy Report

<https://integrapakistan.com.pk/wp-content/uploads/2026/05/KP-MDMCL-FINANCIAL-MODELING-AND-INVESTMENT-STRATEGY-10-09-20251.pdf>

Environment & Sustainability Report

https://integrapakistan.com.pk/wp-content/uploads/2026/05/Environment__Sustainability_Sep-08-2025-1.pdf

Strategic Action Plan

<https://integrapakistan.com.pk/wp-content/uploads/2026/05/KP-MDMCL-STRATEGIC-ACTION-PLAN-AND-ROADMAP-Final-Draft.pdf>

final report LINK:

<https://integrapakistan.com.pk/wp-content/uploads/2026/05/KP-MDMCL-FINAL-REPORT-MAY-08-2026-1.pdf>

DESK REVIEW REPORT

(An integral part of Inception Report)

ON

ESTABLISHMENT & OPERATIONALIZATION

OF

**KHYBER PAKHTUNKHWA MINERALS DEVELOPMENT AND
MANAGEMENT COMPANY LIMITED (KP-MDMCL)**

(A Public Limited Company formed under the relevant provisions of the Companies Act, 2017)

Submitted to



MINERALS DEVELOPMENT DEPARTMENT
Government of Khyber Pakhtunkhwa



AUTHORIZED
TRAINING
EMPLOYER



IECnet S.K.S.S.S

CHARTERED ACCOUNTANTS



IFC
International
Finance
Corporation
WORLD BANK GROUP

AFFILIATED ASSOCIATED ENTITIES



IECnet Consulting (Pvt) Limited
Management Consultants



SHAHID AHMAD & CO
CHARTERED ACCOUNTANTS



Integra Consulting (Pvt) Limited
Digital Transformation Consultants

May-2025

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INTRODUCTION

This desk review envisages to provide a structured foundation for the establishment and operationalization of the Khyber Pakhtunkhwa Minerals Development and Management Company Limited (KP-MDMCL). It aims to examine the legal, policy, and institutional landscape surrounding mineral sector governance in the province, while also drawing insights from national and international models. The review is structured around key thematic areas, including the following:



1. Background

Khyber Pakhtunkhwa (KP) is richly endowed with a diverse array of mineral resources, including but not limited to, chromite, marble, granite, phosphate, soapstone, coal, and rare earth elements. However, despite this considerable natural wealth, the province's mineral sector has historically underperformed. This underperformance is largely attributed to fragmented governance structures, outdated regulatory frameworks, insufficient investment incentives, and limited institutional capacity. A key structural challenge lies in the governance model, where the Minerals Development Department (MDD) functions simultaneously as both regulator and operator. This dual role has given rise to perceived conflicts of interest, lack of regulatory transparency, and suboptimal utilization of mineral assets. In response to these structural challenges, the Government of KP has proposed a transformative shift: the establishment of a dedicated corporate entity, the Khyber Pakhtunkhwa Minerals Development and Management Company Limited (KP-MDMCL). This entity is envisioned to serve as a professionally managed, commercially oriented body that will undertake exploration, development, and investment facilitation in the province's mineral sector, as the principal representative of the provincial government.

As part of this reform, the government intends to reduce its direct involvement in commercial functions, focusing instead on policy-making and regulatory oversight, while delegating core operational responsibilities such as mining development, mineral asset management, assistance towards royalty collection and management and the previously earmarked functions of MIFA, to KP-MDMCL. The company will function as an umbrella organization, providing structured engagement with the private sector and serving as the central institutional platform for advancing mineral resource development in Khyber Pakhtunkhwa. The creation of KP-MDMCL is thus, aligned with the broader objectives under the KP Mineral Development Policy and Strategic Action Plan - 2022,

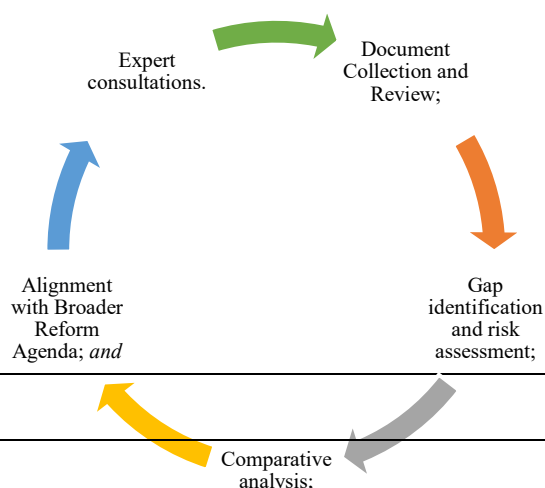
To achieve these goals, however, the formation of KP-MDMCL must be grounded in a robust and coherent legal framework, one that harmonizes federal and provincial laws, incorporates global standards of corporate-governance and ensures compliance with the international ESG (*Environmental, Social, and Governance*) principles. In this context, a desk review is warranted to evaluate the legal viability, structural options, policy alignment and regulatory readiness for establishing and operationalizing Khyber Pakhtunkhwa Minerals Development and Management Company Limited (KP-MDMCL) as a fully functional public sector entity, serving as the primary institutional face of the Government of Khyber Pakhtunkhwa in the mineral sector.

2. Purpose and Significance

The purpose of this desk review is to carry out a structured and detailed analysis of the legal, institutional and policy frameworks relevant to the establishment and operationalization of the Khyber Pakhtunkhwa Mineral Development and Management Company Limited (KP-MDMCL). The company is envisaged as one of the largest public sector entities in Pakistan to operate as Public Limited Company. It signifies the statutory basis for the incorporation and lawful commencement of business by KP-MDMCL, and identifies key-regulatory and compliance requirements across relevant domains, including corporate-governance, mining-operations, environmental-standards, and labor-laws. The review also signifies institutional linkages between KP-MDMCL and existing provincial entities, particularly the Directorate of Mines and Minerals with a view to ensure operational clarity, and avoid jurisdictional overlaps. Importantly, this desk review holds strategic value within the broader context of the Government of Khyber Pakhtunkhwa's ongoing mineral sector reforms. These reforms aim to enhance governance, attract structured investment, and ensure a clear separation between regulatory oversight and commercial operations. By identifying legal, policy, and institutional gaps, and proposing targeted reforms where necessary, the review contributes to establishing KP-MDMCL on sound legal and operational foundations, aligned with both provincial priorities and national frameworks.

3. Methodology

The desk review was conducted through a structured and multi-tiered approach to ensure a comprehensive understanding of the legal, institutional and policy frameworks relevant to the establishment and operationalization of KP-MDMCL. The methodology adopted involved the following key steps:



3.1 Document Collection and Review

A wide range of primary and secondary sources were collected and examined. These included relevant constitutional provisions, federal and provincial statutes, rules and regulations, government policies, and official notifications. Additional references included academic publications, policy-papers, and white-page reports published annually by the Finance Department, Government of KP, and other regulating bodies. It is worth adding that the primary legislation and subordinate regulations at both the federal and provincial levels included the following:

Companies Act, 2017
State-Owned Enterprises (Governance and Operations) Act, 2023
Public Sector Companies (Corporate Governance) Rules, 2013
Independent Directors Regulations, 2018
Khyber Pakhtunkhwa Public-Private Partnership Act, 2020
Khyber Pakhtunkhwa Mines and Minerals Act, 2017
KP Mines and Minerals Bill - 2025
KP Minerals Development Policy and Strategic Action Plan - 2022
Mines Safety Act, 2019
Excise Duty on Minerals (Labor Welfare) Act, 1967

3.2 Gap Identification and Risk Assessment

As part of the desk review, a legal and institutional mapping exercise was carried out to assess the existing statutory and regulatory framework relevant to KP-MDMCL's establishment and operations. This helped identify gaps by comparing current laws, analysis revealed several legal, policy, and institutional gaps, including areas of ambiguity, overlapping mandates, and regulatory shortcomings that could affect compliance and operational efficiency. Particular attention was given to potential conflicts between KP-MDMCL's commercial functions and the regulatory role of the Directorate of Mines and Minerals. These findings are critical for ensuring the company's long-term legal and institutional viability.

3.3 Comparative Analysis

The review incorporated case studies of similar mineral development companies operating in other provinces, as well as international models where relevant. This comparative lens provided insights into alternative governance structures, legal arrangements, and regulatory frameworks, helping to identify best practices that could be adapted to the KP context.

3.4 Alignment with Broader Reform Agenda

The methodology ensured that findings and recommendations were aligned with the broader mineral sector reform agenda of the Government of Khyber Pakhtunkhwa. This included reference to constitutional provisions (especially Article 172(3)), relevant federal policies, and emerging investment facilitation frameworks, such as public-private partnership models and ESG standards.

3.5 Expert Consultations

In addition to the desk review, informal consultations were conducted with a diverse range of high-profile experts, including seasoned professionals in the fields of mining and mineral development, senior bureaucrats, geologists, environmentalists, legal practitioners, and chartered accountants. These engagements provided valuable insights into the legal, technical, environmental, and financial dimensions of the sector. The consultations were instrumental in validating legal interpretations, assessing institutional frameworks, and clarifying practical implications of policy provisions and regulatory requirements. This inclusive, multi-disciplinary approach enriched the analysis and ensured that the resulting assessment is not only evidence-based but also grounded in sectoral realities, thereby supporting the legal and operational structuring of KP-MDMCL in alignment with applicable laws, development objectives, and principles of sound governance.

INCEPTION REPORT

ON

ESTABLISHMENT & OPERATIONALIZATION

OF

KHYBER PAKHTUNKHWA MINERALS DEVELOPMENT AND MANAGEMENT COMPANY LIMITED (KP-MDMCL)

(A Public Limited Company formed under the relevant provisions of the Companies Act, 2017)

Submitted to



MINERALS DEVELOPMENT DEPARTMENT

Government of Khyber Pakhtunkhwa

May-2025



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EXECUTIVE SUMMARY

The project titled “*Establishment and Operationalization of the Mineral Development Company (MDC)*”, formally known as Khyber Pakhtunkhwa Minerals Development and Management Company Limited (KP-MDMCL), has been initiated by the Minerals Development Department (MDD), Government of Khyber Pakhtunkhwa. The overarching objective of this initiative is to establish a fully-functional, efficient and sustainable corporate entity capable of unlocking and managing the province’s considerable mineral potentials. To achieve this vision, IECnet Pakistan has been engaged to provide end-to-end technical and strategic support throughout the operationalization process.

The assignment encompasses a broad range of deliverables aimed at creating an economically and financially viable institution. These include the preparation of a comprehensive feasibility study, the development of a detailed business plan and operational roadmap, formulation of an appropriate legal and regulatory framework and the design of a forward-looking institutional and environmental sustainability strategy. The consultancy also addresses key institutional support mechanisms and capacity-building needs essential for the long-term success of KP-MDMCL.

As part of the inception phase, IECnet Pakistan conducted a robust desk review, combining document analysis with direct interactions and observations of key institutional processes. This involved an in-depth examination of the current organizational and governance structures within the Minerals Development Department and its attached entities, including the Directorate of Mines and Minerals, the Inspectorate of Mines, and the Commissionerate of Mines, GoKP. The legal and policy landscape was comprehensively reviewed, focusing particularly on the Khyber Pakhtunkhwa Mineral Development Policy and Strategic Action Plan–2022, the Khyber Pakhtunkhwa Minerals Development Bill – 2025, *the* KP Mines and Minerals Act, 2017 (as amended in 2019), *the* Safety, Inspection and Regulation Act, 2019, and the Excise Duty on Minerals (Labor Welfare) Act, 1967. These instruments provided critical insights into the regulatory and institutional frameworks currently governing mineral development in the province.

Building upon this foundational review, IECnet Pakistan is in the process of finalizing the core deliverables. These include a detailed business plan outlining KP-MDMCL’s strategic direction and operational objectives; a comprehensive Human Resource Management Plan, inclusive of a tailored HR Manual; a legal and regulatory framework customized for the company's functional needs; a financial management and investment strategy; and an environmental sustainability and management plan. These outputs will not only guide the company’s formation but also ensure its alignment with national laws and international best practices. In addition to these primary deliverables, IECnet will support KP-MDMCL during its initial operationalization phase. This includes assisting the company in obtaining the Certificate of Commencement of Business from the Securities and Exchange Commission of Pakistan (SECP), advising on recruitment of key personnel and facilitating smooth initiation of company operations.

As part of post-consultancy engagement, IECnet will extend advisory support for the identification and development of other critical operational documents, such as an operational manual, and conduct feasibility studies for prospective mineral projects on a rolling basis and under future engagement frameworks. This ongoing support is aimed at ensuring the continuity, scalability and institutional sustainability of KP-MDMCL in line with the broader development vision of the Government of Khyber Pakhtunkhwa.

IECnet Pakistan

May 28, 2025

LEGAL & REGULATORY FRAMEWORK REPORT

for
OPERATIONALIZATION

Of
**KHYBER PAKHTUNKHWA MINERALS DEVELOPMENT AND
MANAGEMENT COMPANY LIMITED (KP-MDMCL)**
(A Public Limited Company formed under the relevant provisions of the Companies Act, 2017)

Submitted to



MINERALS DEVELOPMENT DEPARTMENT
Government of Khyber Pakhtunkhwa



AFFILIATED ASSOCIATED ENTITIES



IECnet Consulting (Pvt) Limited
Management Consultants



SHAHID AHMAD & CO
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FINAL REPORT FOR OPERATIONALIZATION OF KP-MDMCL

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EXECUTIVE SUMMARY

The Khyber Pakhtunkhwa Minerals Development and Management Company Limited (KP-MDMCL) was incorporated in September 2024 under the Companies Act, 2017 as a wholly-owned public sector company. Its creation reflected the Government’s recognition of the urgent need for a dedicated corporate platform to drive investment, efficiency, and modernization in the province’s mineral sector.

However, while incorporation under the Companies Act provided a corporate vehicle, it also revealed structural limitations in positioning KP-MDMCL as the Government’s principal and statutory instrument for mineral development. To achieve clarity of mandate, legal autonomy, and investor confidence, it was deemed essential to provide KP-MDMCL with a dedicated legislative framework that would supplement and strengthen, rather than replace, its existing incorporation.

Accordingly, the Government has drafted the Khyber Pakhtunkhwa Minerals Development and Management Company Act, 2025 (the “Act”), a specialized law designed to anchor KP-MDMCL’s role in statute, empower it with targeted functions and financial mechanisms, and integrate it seamlessly with the provincial regulatory regime under the Khyber Pakhtunkhwa Mines and Minerals Act, 2017.

Key Highlights of the Act

Statutory Recognition & Autonomy: KP-MDMCL is formally recognized as the Government’s principal corporate arm for mineral exploration, development, value addition, and facilitation.

Corporate & Commercial Mandate: The Act enables KP-MDMCL to obtain mineral titles, develop projects, establish joint ventures and PPPs, and act as a one-window facilitation platform for private and foreign investors.

Integration with Existing Laws: Specific provisions harmonize the Act with the KP Mines and Minerals Act, 2017, granting KP-MDMCL priority access and exemptions from competitive bidding for proven reserves.

Mineral Development Fund (MDF): A non-lapsable, dedicated fund is established to reinvest surpluses into exploration, industrial development, infrastructure, and institutional strengthening.

Carried Interest Mechanism: A 5% “free carried interest” for the Government in all large-scale mining operations, managed through KP-MDMCL, ensures public participation in equity returns without upfront costs.

Governance Framework: The Board of Directors includes government nominees and independent directors (including a woman and a financial expert), while the Chief Executive Officer is to be a seasoned professional with extensive experience.

FINAL REPORT FOR OPERATIONALIZATION OF KP-MDMCL

Fiscal & Legal Incentives: The Act provides for tax and levy exemptions in the early operational phase and empowers the Government to delegate regulatory and financial powers to KP-MDMCL.

Legislative Importance

The enactment of a dedicated statute confers a higher degree of certainty, permanence, and institutional legitimacy than incorporation under general company law alone. By enshrining KP-MDMCL's mandate and functions in legislation, the Government ensures that the Company is not just a corporate entity, but also a statutory instrument of public policy, enjoying authority, continuity, and investor confidence beyond what ordinary corporate incorporation provides.

Importantly, despite its specialized focus, the Act contains a saving clause, and it is presumed that its provisions shall not contravene federal laws, including the Companies Act, 2017 and the Income Tax Ordinance, 2011. Rather, it complements and operates in harmony with these federal laws, ensuring legal coherence, compliance, and smooth regulatory alignment.

Conclusion

The Khyber Pakhtunkhwa Minerals Development and Management Company Act, 2025 therefore represents a forward-looking legislative initiative that elevates KP-MDMCL from a company incorporated under general law to a legally empowered corporate-statutory entity, capable of driving mineral sector transformation. It institutionalizes a governance framework that balances provincial ownership, private sector participation, and public interest, thereby creating a sustainable pathway for mineral-led economic growth in Khyber Pakhtunkhwa.

HRM REPORT

HR Plan & Structure

For

OPERATIONALIZATION

Of

KHYBER PAKHTUNKHWA MINERALS DEVELOPMENT AND MANAGEMENT COMPANY LIMITED (KP-MDMCL)

(A Public Limited Company formed under the relevant provisions of the Companies Act, 2017)

SUBMITTED TO



MINERALS DEVELOPMENT DEPARTMENT

Government of Khyber Pakhtunkhwa



AUTHORIZED
TRAINING
EMPLOYER



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June-2025

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EXECUTIVE SUMMARY

*For KP-MDMCL, HRM is not just an obligation, it is a defining priority.
Our people are our most valuable investment,
empowered under the stewardship of an enlightened Board of Directors.*

This report titled “HRM-Focused Institutional Innovations” has been meticulously prepared to support the strategic and immediate operationalization of Khyber Pakhtunkhwa Minerals Development and Management Company Limited (KP-MDMCL) following the grant of its *Commencement of Business Certificate* by the Securities and Exchange Commission of Pakistan (SECP). Anchored under the visionary oversight of its highly competent and empowered Board of Directors (BOD), the report reflects the institution’s commitment to governance excellence, efficiency and transparency through world-class Human Resource Management (HRM) practices.

Recognizing that mines may hold minerals, but the institutions are built by people, KP-MDMCL is committed to pioneering HRM excellence from the ground-up. In line with this vision, this report underscores the necessity of building a strong, responsive and forward-looking HR framework as a cornerstone of the company’s institutional architecture. Human-Capital is the most vital and enduring asset of KP-MDMCL. The right talent, empowered by clear policies, defined structures and continuous capacity building will not only drive core functions but also uphold the broader developmental mandate of the KP-MDMCL across the mineral-rich regions of Khyber Pakhtunkhwa.

This report presents a comprehensive assessment of institutional readiness from a holistic HRM perspective. It evaluates the governance framework, HR structure across the Head Office in detail while that of the Zones/Projects in brief, and also outlines key staffing requirements, detailing their roles, qualifications, responsibilities, KPIs and corresponding visual organograms. *In view of the growing need for digitization, the report emphasizes the importance of deploying an integrated, technology-driven HRM platform. A dedicated section outlines relevant digital interventions to enable real-time performance evaluation, KPI tracking, and efficient service delivery. Further, it advises development and implementation of a customized, end-to-end HRM solution, incorporating E-learning and Capacity Building through a Learning Management System (LMS), Digital Employee Self-Service and Engagement Tools, as well as modules for Compliance Automation, Recordkeeping, Cybersecurity, Data Privacy, and Access Rights.* Guided by a visionary Board and learning from the success of peer entities operating under similar regulatory regimes in Pakistan, KP-MDMCL is positioning itself as a national benchmark for sustainable mineral governance. With a future-ready and professionally trained HR workforce, the company is laying a strong foundation for institutional credibility, long-term capacity building and eventual readiness to access capital markets through a public offering when the time is right.

IECnet Pakistan

June 11, 2025

BUSINESS PLAN

For
OPERATIONALIZATION

OF
KHYBER PAKHTUNKHWA MINERALS DEVELOPMENT AND
MANAGEMENT COMPANY LIMITED (KP-MDMCL)

(A Public Limited Company formed under the relevant provisions of the Companies Act, 2017)

Submitted to



MINERALS DEVELOPMENT DEPARTMENT
Government of Khyber Pakhtunkhwa



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August-2025

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EXECUTIVE SUMMARY

Unlocking Khyber Pakhtunkhwa's Mineral Wealth Through Strategic Development A Comprehensive Roadmap for Sustainable Exploration, Mining, value addition, Innovation and Investment



This 'Business Plan' outlines a strategic & professional approach for KPMDMCL to overcome the initial challenges and establish itself as a key driver of mineral sector development in Khyber Pakhtunkhwa. The plan also establishes a comprehensive roadmap designed to unlock the province's significant untapped mineral potential through responsible, structured and innovation-driven approaches. Grounded in principles of environmental sustainability, economic inclusivity and responsible stewardship, this

document provides a clear and actionable framework to modernize the KP's mineral economy from traditional, fragmented extraction methods to a contemporary, investment-ready sector that adheres to Environmental, Social and Governance (ESG) standards and international best practices.

About KP-MDMCL

KP-MDMCL is a state-owned public limited company established to serve as the province's primary vehicle for mineral exploration, resource management and investment facilitation. Operating with potential nationwide scope, KP-MDMCL has been constituted with a focused mandate to enhance the commercial viability of Pakistan's mineral sector, strengthen strategic public-private partnerships and establish an institutional framework capable of delivering large-scale mineral development projects with transparency, operational efficiency and measurable socio-economic impact.

Vision and Strategic Direction

Under guidance of Minerals Development Department (MDD), Government of Khyber Pakhtunkhwa, the provincial mineral development vision centres on 'responsible resource development'. This vision encompasses unlocking KP's substantial geological potential to drive socio-economic advancement while ensuring environmental sustainability, regulatory compliance and equitable regional growth. The MDD envisions developing a mineral sector that generates significant revenue streams and employment opportunities while uplifting economically disadvantaged regions and contributing to Pakistan's broader economic resilience and diversification.

Operational Excellence Framework

The strategic approach as aforesaid, emphasizes deployment of advanced digital exploration technologies including drone-based LiDAR mapping, mechanized mining operations, comprehensive capacity building programs and strict adherence to ESG-compliant operational frameworks. All operations are suggested to be designed with full integration of existing data from GSP and Mineral development department seeking technical expertise, ensuring geological validation and regulatory compliances.

Strategic Areas of Focus for KP-MDMCL

The company will undertake projects in the following areas, prioritizing direct investment while also considering strategic joint ventures (JVs) after necessary due diligence. A dedicated mineral development fund will enable this direct investment approach.

Exploration

Being the core function of the company, KP-MDMCL will strategically undertake investment in most viable exploration projects to identify and develop new mineral assets.

- 1. Direct Exploration Projects: The company will initiate and manage its own large-scale exploration projects. This includes conducting detailed geological surveys, core drilling and resource modeling using modern geospatial, geophysical, drilling tools and software.*
- 2. Joint Exploration Ventures: Strategic partnerships with existing private leaseholders will also be considered to conduct targeted exploration. The company's investment can take the form of capital and technical expertise, with returns structured as share of future production or profits.*
- 3. Data Validation and Modernization: KP-MDMCL will invest in advanced detailed geological mapping and resource assessment technologies to create a modern, reliable mineral database for the province. This data will be offered as a service to potential investors, generating revenue and improving the overall investment climate.*

Mining

KP-MDMCL will directly own and operate mining projects, while also using joint ventures to improve efficiency in the sector.

1. *Direct Mining Operations: The company will acquire and operate its own mines, leveraging the mineral development fund to invest in modern, mechanized equipment. This approach allows KP-MDMCL to control the full value chain from extraction to processing.*
2. *Joint Ventures for Mechanized Mining: KP-MDMCL can form JVs with private leaseholders who lack the capital for modern equipment. The company will invest its capital to purchase and deploy state-of-the-art machinery and, in return, will receive a pre-negotiated share of the output or profits. This model addresses the issue of inefficient, manual mining operations.*

Processing

KP-MDMCL will directly own and operate processing and value addition projects, for key minerals.

1. *Processing and refinement are critical for unlocking the true value of minerals. KP-MDMCL will make a significant impact by investing directly in these facilities.*
2. *Establishment of Common Processing Facilities: KP-MDMCL will invest in and establish centralized processing plants for key minerals such as marble, granite, or industrial minerals. These facilities will not only serve the company's own projects but will also offer services to multiple private leaseholders for a fee. This promotes value-added production within the province and moves beyond the simple extraction and export of raw materials.*
3. *Gemstone Cutting, Polishing and Certification Centers: The province is rich in gemstones. A dedicated, modern facility for cutting, polishing and certifying gemstones as per international standards (like Gemological Institute of America) would be a high-value investment. This would elevate the value of local products and establish a reputable "Made in KP" brand for gemstones in the international market.*

Value-Added Services and Equipment Rentals

This area offers immediate revenue streams and helps embed KP-MDMCL as a key partner in the sector's development.

1. *Equipment Rental Program: The company will acquire a fleet of modern, heavy-duty mining equipment (excavators, loaders, dump trucks, rock drills, crushers, etc.) and lease them to private leaseholders. This service can be offered with trained operators and a robust maintenance package, generating predictable income while improving productivity and safety across the sector.*
2. *Technical and Advisory Services: Leveraging its technical expertise, KP-MDMCL can offer consultancy services to private leaseholders on mineral exploration, mine planning, mining, safety audits, environmental compliance and best practices.*

Projected Impacts & Outcomes

The comprehensive KP-MDMCL roadmap will deliver transformative outcomes across four key dimensions: economically, through multi-billion rupee strategic investments creating Pakistan's largest minerals processing and value addition hub with substantial revenue generation and significant employment opportunities across integrated value chains; socially, through comprehensive community development programs, skills training for thousands of local residents and meaningful revenue-sharing mechanisms that ensure inclusive growth and local empowerment; environmentally, through zero-waste mining protocols, dedicated environmental rehabilitation funding, carbon-neutral processing facilities, and advanced water management systems demonstrating environmental leadership; and institutionally, through establishing KP-MDMCL as a major state enterprise with proprietary technology development, international certification compliance, and strategic mineral reserves infrastructure. This holistic approach positions Khyber Pakhtunkhwa as South Asia's premier responsible mining hub, demonstrating how mineral development can serve as a catalyst for sustainable economic growth, community empowerment, and environmental stewardship while strengthening Pakistan's strategic mineral security and contributing significantly to the national economy.

Conclusion

This business plan represents a comprehensive strategic blueprint that serves as both a practical implementation framework for executing the broader mineral development agenda envisioned by the Government of Khyber Pakhtunkhwa and a transformative roadmap designed to position KP's mineral sector as a globally competitive, technologically advanced, and environmentally sustainable industry. Most importantly, it directly supports the realization of core objectives outlined in the KP Mineral Policy 2022, ensuring responsible, transparent, and value-driven development of the province's vast mineral resources for sustainable benefit to the people of KP and Pakistan. Through the systematic development of strategic minerals investment zones, spanning from high-value gemstones, base-metals and industrial minerals, Khyber Pakhtunkhwa is positioned to unlock substantial strategic investments while generating significant annual revenues that will fundamentally transform the provincial economy. The integrated approach outlined in this plan, encompassing complete value chains from exploration through value-added manufacturing, establishes the foundation for KP-MDMCL to emerge as Pakistan's premier state-owned mining enterprise by leveraging productive geological resources, advanced mining technologies and strategic public-private partnerships that will contribute significantly to both provincial economic diversification and Pakistan's mineral security objectives. With successful implementation, this roadmap will position Khyber Pakhtunkhwa as a regional hub for responsible mineral development, creating sustainable employment for thousands while establishing Pakistan as a competitive player in global mineral markets, ensuring that economic growth is balanced with environmental stewardship and community development to create lasting value for current and future generations.

FINANCIAL MODEL AND INVESTMENT STRATEGY REPORT

For
OPERATIONALIZATION

OF
**KHYBER PAKHTUNKHWA MINERALS DEVELOPMENT AND
MANAGEMENT COMPANY LIMITED (KP-MDMCL)**
(A Public Limited Company formed under the relevant provisions of the Companies Act, 2017)

Submitted to



MINERALS DEVELOPMENT DEPARTMENT
Government of Khyber Pakhtunkhwa



AUTHORIZED
TRAINING
EMPLOYER



IECnet S.K.S.S.S

CHARTERED ACCOUNTANTS



IFC
International
Finance
Corporation
WORLD BANK GROUP

AFFILIATED ASSOCIATED ENTITIES



IECnet Consulting (Pvt) Limited
Management Consultants



SHAHID AHMAD & CO
CHARTERED ACCOUNTANTS



Integra Consulting (Pvt) Limited
Digital Transformation Consultants

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EXECUTIVE SUMMARY - Forging a Path to Mineral Prosperity

"The wise-man guards his purse, for it holds the key to his future."

In the realm of minerals, a similar truth holds: "The true value of the earth's bounty is unlocked not by discovery, but by judicious management and strategic investment."

This report presents a thorough analysis of KP-MDMCL's financial modeling and outlines a strategic roadmap for its future investment. Leveraging comprehensive financial modeling, this summary underscores the company's potential to generate substantial revenues, stimulate local economic growth, and advance the sustainable development of Khyber Pakhtunkhwa's rich mineral resources. The findings are intended to inform key stakeholders and guide decision-making toward maximizing shareholder's value and provincial benefits.

1. Core assumptions on Long Term Capital Investment

"Minerals Development" is, by its very nature, a capital-intensive and long-term endeavor. The initial phase of this industry, which focuses on "exploration and evaluation" is particularly demanding in terms of time and financial resources. During this period, large sums of capital shall have to be invested with no immediate return, often over several years. This report's financial projections reflect this reality, showing minimal to negative profitability in the initial phase(s). It is crucial for all stakeholders to have a clear understanding of this strategic approach. The company's financial journey is a marathon, not a sprint. The resources invested prudently and diligently during these foundational years will lay the groundwork for significant future returns. Our projections indicate that with disciplined capital allocation, the company has the potential to earn **billions of rupees** in the years following the projected period. Therefore, stakeholders should not be discouraged by the financial figures in the early years of the report, but rather view them as a necessary investment to unlock the immense value of the province's mineral wealth.

2. Foundational Financial Assumptions

FINAL REPORT FOR OPERATIONALIZATION OF KP-MDMCL

The financial and investment strategy presented in this report is based on a set of core assumptions regarding KP-MDMCL's primary funds flow or the revenue stream. The Provincial Government of Khyber Pakhtunkhwa (GoKP) is the major collector of royalty from mine-holders, a process currently managed by the Directorate of Mines and Minerals, GoKP. This royalty collection is projected to yield net savings of around Rs. 9.0 billion for the fiscal year 2025-2026, with an anticipated minimum annual increase of 10%. A crucial assumption is the proposed sharing of these net savings in a **51:49 ratio** between GoKP and KP-MDMCL, respectively. This allocated portion will be designated as the Mineral Development Fund (MDF), serving as the Government Equity towards the operationalization of the company being the foremost and primary source. The utilization of the MDF is strictly for undertaking exploration and mining projects. While a portion of these funds may be used for the company's operational costs in the absence of other resources, it is assumed that operational expenses will not exceed 10% of the total funds received under the MDF.

3. Financial Modeling & Performance Projections

KP-MDMCL's core strength lies in its portfolio of high-value mineral concessions, comprising substantial reserves of chromite, copper, and marble. The financial model projects the company's performance over a ten-year horizon, with the first year treated as a grace period. The current financial assessment, based on the projected market valuation of these assets, reflects a robust balance sheet with considerable growth potential. Backed by legislative support from the provincial government, the company is well-positioned to secure the most viable Prospective Licences (PL) for exploration and Mining Licences (ML) for extraction and processing. It is also poised to pursue joint ventures with established sector investors, enabling operational efficiency and sustained investment growth by fully realizing its mineral potential. This report presents a comprehensive financial model, strategic roadmap, and market analysis for the company's first decade of operations. The strategy follows a phased approach: Years 1–6: Intensive exploration and capital investment; and Years 7–10: Transition to large-scale, revenue-generating mining operations. A key feature of the plan is the funding framework through the Mineral Development Fund (MDF), supported by a detailed ten-year financial projection demonstrating the company's long-term viability and profitability. The analysis concludes that, with prudent and well-managed investment during the exploration phase, KP-MDMCL can emerge as a pivotal economic driver for the province, generating substantial wealth and establishing a sustainable, competitive mineral sector.

4. Investment Strategy & Capital Allocation

The company's capital deployment framework is guided by the principles of building long-term asset value before accelerating cash flows. Rather than front-loading operational spending, resources are sequenced to match each stage of asset maturity, ensuring that early capital strengthens technical capacity, secures mineral rights and develops partnerships that unlock the full economic potential of concessions. Funding from Mineral Development Fund (MDF) provides both stability and flexibility, enabling management to time investments in exploration, processing facilities and market entry to prevailing conditions. Legislative support further enhances this flexibility, positioning the company to act decisively when high-value opportunities arise, whether through direct development or JVs. This measured

FINAL REPORT FOR OPERATIONALIZATION OF KP-MDMCL

allocation approach is designed to balance risk and reward, preserving financial strength during the formative years while creating the conditions for sustainable, scalable profitability in the operational phase.

5. Responsible Growth and Risk Stewardship

KP-MDMCL's long-term success is anchored in the principle that commercial growth and responsible resource management must go hand-in-hand. The company embeds Environmental, Social and Governance (ESG) considerations into all stages of its operations, ensuring environmentally sound mining practices, protection of local ecosystems, and equitable economic participation of host communities through skills development, employment generation, and benefit-sharing mechanisms. A disciplined risk management framework underpins this approach. Proactive monitoring of global commodity markets, readiness to adapt to regulatory change, and strict compliance with environmental obligations form the foundation of operational resilience. Mitigation measures, such as diversification of mineral assets, strategic joint ventures, and potential commodity price hedging, are designed to safeguard asset value and maintain stakeholder confidence. Through this integrated ESG and risk strategy, KP-MDMCL seeks to achieve sustainable profitability while upholding the province's environmental integrity, social welfare, and long-term economic interests.

6. Conclusion

KP-MDMCL stands at a defining juncture in its institutional journey. Backed by a decade-long financial model, a phased and well-calibrated investment strategy, secure access to high-value mineral concessions and a funding base anchored by Mineral Development Fund, the company is strategically positioned to evolve from a provincial mineral enterprise into a nationally significant catalyst for economic transformation. By combining disciplined capital allocation with prudent risk management, responsible growth and strong governance practices, KP-MDMCL is placed to deliver sustainable prosperity. The company has the capacity not only to generate substantial revenues for the province but also to set new national benchmarks in transparency, operational efficiency, environmental stewardship, and social impact. With the right execution, KP-MDMCL can emerge as a flagship institution that redefines the role of the mineral sector in Pakistan's long-term economic development

**SUSTAINABILITY & ENVIRONMENTAL
MANAGEMENT PLAN**

for

OPERATIONALIZATION

of

**KHYBER PAKHTUNKHWA MINERALS DEVELOPMENT AND
MANAGEMENT COMPANY LIMITED (KP-MDMCL)**

(A Public Limited Company formed under the relevant provisions of the Companies Act, 2017)

Submitted to



MINERALS DEVELOPMENT DEPARTMENT

Government of Khyber Pakhtunkhwa

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Introduction

Background and Rationale for Establishing MDMCL-Khyber Pakhtunkhwa

The province of Khyber Pakhtunkhwa (KP) is located in the northwestern region of Pakistan. It is bordered by Baluchistan to the south; Punjab, Islamabad Capital Territory, and Azad Kashmir to the east; and Gilgit-Baltistan to the north and northeast. It shares an international border with Afghanistan to the west.

The province is known for its vast natural beauty, mountainous terrain, forest reserves, and rich deposits of strategic and industrial minerals. These include but are not limited to, dimension stones such as marble, granite, and slate, metallic ores such as chromite, manganese, and iron, non-metallic minerals like gypsum, phosphate, and graphite, precious and semi-precious stones including peridot, ruby, aquamarine, and topaz

Historically, these resources have been underutilized or exploited without structured planning, primarily due to informal mining practices, weak regulatory enforcement, and limited technical capacity in both public and private sectors. In many cases, mining activities have been carried out without appropriate geological surveys, site rehabilitation, or consultation with local communities resulting in:

- Environmental degradation (e.g., landslides, water pollution, deforestation)
- Occupational hazards and fatalities in unregulated mines
- Social unrest arising from lack of public engagement and benefit-sharing
- Economic inefficiencies and loss of government revenues

Recognizing these challenges and the growing global shift toward sustainable and responsible resource management¹, the Government of Khyber Pakhtunkhwa has established a dedicated KP-MDMCL.

Why Now?

This strategic move is not just timely but necessary. As KP positions itself to attract investment, modernize infrastructure, and reduce regional disparities, the mining sector holds the potential to:

- Serve as a pillar of economic diversification
- Create job opportunities for youth in remote districts
- Generate public revenues for social services
- Support industrial development (e.g., cement, construction, fertilizer)

However, this opportunity will only be realized if mineral development is carried out responsibly, with a clear institutional mandate and a comprehensive sustainability framework. Hence, KP-MDMCL must be built not as a traditional bureaucracy or extractive venture, but as a modern, transparent, and environmentally conscious enterprise.

¹ United Nations (2015). *Transforming Our World: The 2030 Agenda for Sustainable Development*. <https://sdgs.un.org/2030agenda>

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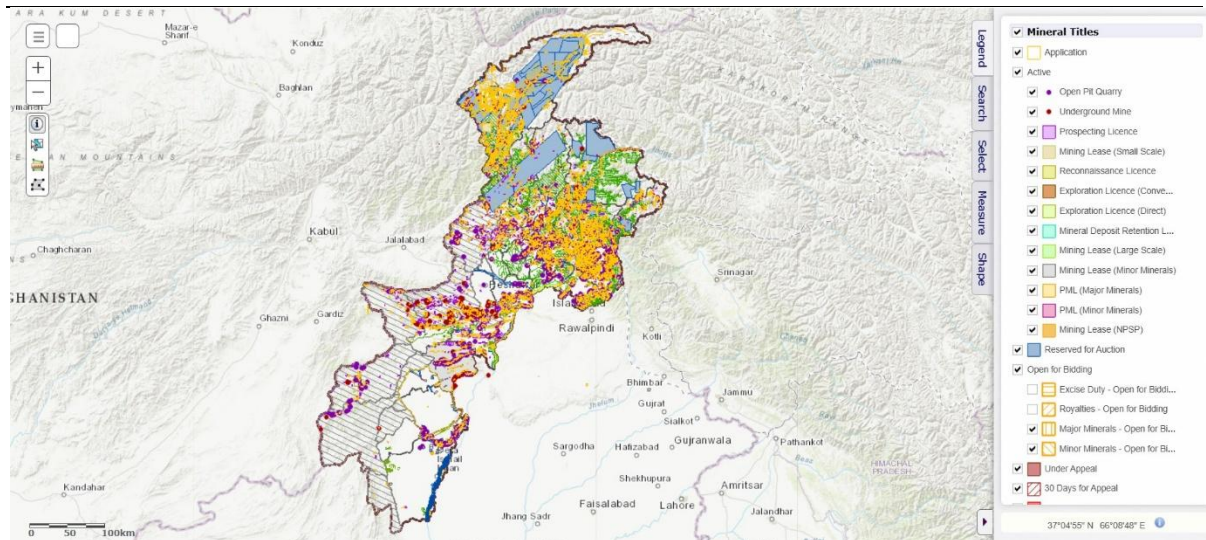


Figure Error! No text of specified style in document.-2: Map showing active mining in Khyber Pakhtunkhwa²

Purpose of the environment and social management guidelines

This document is designed as a living manual, a foundational guide to help the newly established KP-MDMCL design its internal systems, project policies, and operational strategies in line with sustainability principles. Unlike standard technical reports, this document combines:

- Strategic vision
- Policy and legal interpretation
- Practical tools and examples
- KP-specific challenges and solutions
- Operational templates and indicators

The primary purpose of this document is to help KP-MDMCL:

- Build internal capacity to manage environmental and social risks
- Integrate sustainability considerations into mineral project lifecycles
- Align with both national regulations and global best practices
- Foster public trust, transparency, and investor confidence
- Ensure that mineral wealth translates into equitable and inclusive development

² <https://portal.kpminerals.gov.pk/Portal/MapPage.aspx?PageID=5d4bfcf9-1fb6-45a8-8fac-3ef929410de1>

Scope of the environment & social guidelines

These guidelines span the entire mineral development value chain, screening/scoping, selection of the suitable option, planning, implementation, monitoring and site rehabilitation.

Table Error! No text of specified style in document.-1: Key Environmental and Social Considerations at Each Stage of Mining

Stage	Stage	Covered Aspects
Exploration	Upstream	Environmental screening, community consultation, risk mapping
Mining and Extraction	Upstream	Air, water, land management; worker safety, emission control
Processing and Beneficiation	Midstream	Waste handling, tailings management, energy use
Transport and trade	Downstream	Road safety, local access, spill prevention, emission reduction
Closure and Rehabilitation	Downstream	Land restoration, reforestation, post-mining livelihoods restoration/improvement

The scope also includes cross-cutting areas, such as:

- Climate change and disaster risk resilience
- Gender mainstreaming and community inclusion
- Local economic development and value addition
- Policy development and institutional structure

This ensures that sustainability is not treated as a one-time requirement (e.g., during environmental assessment) but embedded into daily operations, long-term planning, and corporate governance.

Methodology and Information Sources

The development of this guideline report followed a structured and systematic methodology to ensure that the recommendations are:

- Contextually relevant to the province of KP
- Legally grounded in Pakistani frameworks
- Aligned with global best practices in responsible mining
- Technically robust and actionable for a newly formed organization

OPERATIONALIZATION BLUEPRINT STRATEGIC ACTION PLAN AND ROADMAP FOR KP-MDMCL

Submitted to



MINERALS DEVELOPMENT DEPARTMENT
Government of Khyber Pakhtunkhwa



AUTHORIZED
TRAINING
EMPLOYER



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CHARTERED ACCOUNTANTS



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EXECUTIVE SUMMARY

“From Resources to Prosperity — A Strategic Journey Begins”

Khyber Pakhtunkhwa Mineral Development & Management Company Limited (KP-MDMCL) is at the outset of its journey, laying the foundation for sustainable growth and development in the province's mineral sector. The province’s vast mineral wealth spanning dimension stones, gemstones, metallic and industrial minerals, remains among Pakistan’s most underexploited strategic assets. With global markets increasingly prioritizing sustainable, ethically sourced, and technology-enabled mineral economy, KP-MDMCL is uniquely positioned to emerge as a trusted, competitive, and future-ready leader in the mineral sector, both domestically and internationally. This report presents a Strategic Action Plan and Roadmap serving as a comprehensive blueprint for operationalization. It outlines a carefully sequenced approach that integrates institutional strengthening, sustainability alignment, stakeholder engagement, and phased implementation. The ultimate objective is not simply the creation of a company, but the establishment of a responsive, competitive, and impactful institution that contributes substantively to the socio-economic advancement of Khyber Pakhtunkhwa.

Strategic Imperatives

Pillar	Core Focus
Institutional Capacity	Build a professional, transparent and agile institution with strong governance, regulatory compliance and risk management systems to sustain long-term credibility.
Market Positioning	Position KP-MDMCL as Pakistan’s leading mineral development entity with a global outlook, competitive edge in resource management and a trusted partner in international markets.
Sustainability & ESG	Embed ESG principles at every stage, ensuring environmental protection, responsible community engagement, inclusive growth and adherence to global sustainability standards.
Technology & Innovation	Leverage advanced exploration, mining, and processing technologies, while adopting digital platforms, automation and traceability to maximize efficiency and transparency.
Stakeholder Partnerships	Strengthen strategic alliances with government, investors, development agencies, mining leaders, and communities to co-create value and expand global market access.
Financial Resilience	Establish innovative financial instruments (e.g., MDF, EDF) and diversify revenue streams to support growth, ensure operational sustainability, and attract long-term investment.

Roadmap Highlights

Phase	Timeline	Key Milestones
Phase I Foundation	2026	Bill enacted, BoD formed, office setup, policies approved, affiliations secured.
Phase II Readiness	2027	Capital mobilized, MDF launched, investor engagement, EDF funding.
Phase III Pilot Ops	2028	3–4 projects launched, off-take agreements, small plants, thematic roadshows.
Phase IV Scale-Up	2029–30	9–10 projects operational, large plants, revenue consolidation, global roadshows.
Phase V Growth	2031+	Monitoring, new projects, diversification, downstream expansion.

Expected outcome

The implementation of this Strategic Action Plan is expected to result in the establishment of a fully operational, transparent and compliant mineral development company, capable of attracting both foreign and domestic investment into Khyber Pakhtunkhwa’s mineral sector. It will generate sustainable provincial revenue streams through efficient, effective and value-driven mineral development while simultaneously fostering stronger community partnerships and contributing to the socio-economic uplift of the province. Consequently, this blueprint is not a static plan. It is a dynamic, living framework designed to evolve as KP-MDMCL grows, adapts and responds to market opportunities.

Conclusion

The Strategic Action Plan and Roadmap to Prosperity provides a clear and actionable framework for transforming Khyber Pakhtunkhwa’s mineral wealth into a sustainable driver of economic growth. By integrating robust institutional capacity, ESG principles, modern technologies, and strong stakeholder partnerships, KP-MDMCL is positioned to evolve into a transparent, competitive, and future-ready institution. The phased roadmap, from laying foundational structures to achieving regional and global market positioning, ensures a disciplined yet adaptive approach, balancing immediate priorities with long-term aspirations. Together, these strategic imperatives and implementation phases chart a pathway that not only unlocks the province’s mineral potential but also secures enduring socio-economic prosperity for its people.

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