



ESTABLISHMENT OF INTEGRATED STEEL MILL COMPLEX (DRI) AT KALABAGH, MIANWALI



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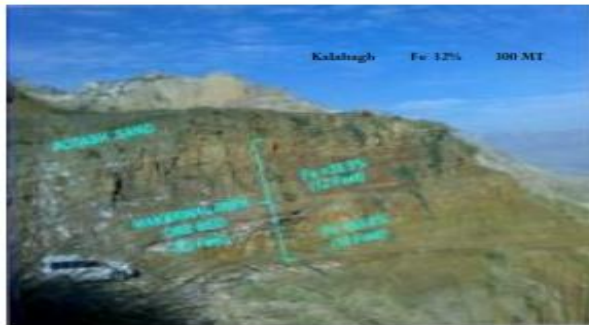
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MINES & MINERALS DEPARTMENT

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PROJECT INTRODUCTION

According to the historical estimates and past studies 300 MT iron ore deposits exist near Kalabagh, District Mianwali. Recently IMC-Montan Consulting GmbH (Germany) has developed economically viable process for sponge iron and steel using Kalabagh iron ore and indigenous Pakistani coal. Iron ore ascertained by world highly accredited labs signify a new age of metallic exploration and the installation of steel mill based upon these resources will prove to be a game changer for the province.



ECONOMIC INDICATORS

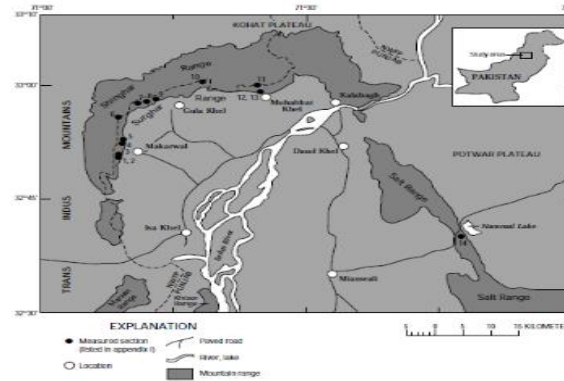
Country	Pakistan
GDP	US\$ 285 billion
GDP Growth	Actual 4.71 % Projected 4.9%- 5.2%
Inflation	5.50% (April 2017)
Policy Rate	5.75%
KSE (Market Capitalization)	US\$ 81billion
Mining & Quarrying Sector:	
GDP Share/ Growth Rate	2.98%/5.0% (2015-16)
Est. CPEC Investment	US\$ 55 billion

GEOLOGY

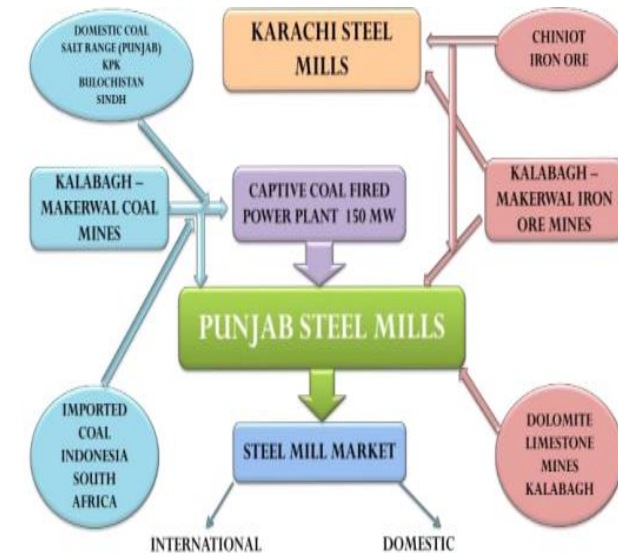
Kalabagh-Chichali Iron ore Deposits are of sedimentary origin and associated with the beds of glauconitic sandstone and shale of cretaceous age (Chichali Formation). The thickness of iron ore bed ranges from 8-25 ft. The dip of beds ranges from 30°-70° north-west ward. Beds are exposed along south and east front of the Surghar Range from Kalabagh to Makerwal. The deposits are well developed at four locations including Kutch, Chughlan, Chichali, and Makarwal.

RESOURCES

According to UN-PAK Mineral survey project report (1962-1963), total estimated reserves are 350 million tons. This include 52 million tons in Chughlan near Kalabagh, 35 million tons in Kuch-Kartoop (north of Kalabagh), 213 million tons, (including 150 Million Tones as proved through 4 bore holes) east and west of Chichali pass, 50 million tons in Makerwal.



PROPOSED BUSINESS MODEL



FACILITATION BY GOVERNMENT OF PUNJAB

- Long term lease of the asset for 30 years extendable to further 20 year
- Tax holiday in case of special economic zone (SEZ)
- One window facilitation by Mines & Minerals Department
- Appetite of local banking for capital raising
- Accessibility to demand centres
- Deal Structuring
- Land Acquisition
- Flourishing Market
- Legal Protection & Facilitation under Public Private Partnership Act