



**Tethyan Copper Company Pakistan (Private) Limited**

**Press Release; Islamabad 21<sup>st</sup> October 2011**

*In February of 2011 Tethyan Copper filed an application for a mining lease (ML) over a mining area within the exploration license EL-5 in the Chagai district of western Balochistan. The basis of the application was a feasibility study (FS) of an initial mine development at the Reko Diq project.*

*The FS was completed and served on the Government of Balochistan in August 2010 under an existing agreement between Tethyan Copper and the Government of Balochistan (the Chagai Hills Exploration Joint Venture Agreement or 'CHEJVA'). At the time of the completion of the FS in 2010, and under the provisions of the CHEJVA, the Government of Balochistan was entitled to become a 25% equity partner in the project, enabling them to profit additionally from the mine development and operations over and above the normal royalty and taxation payments. The Government of Balochistan on November 24<sup>th</sup> 2010 decided not to become a participating party in the project.*

*Upon receipt of the ML application from Tethyan Copper in February 2011, the Government of Balochistan regulatory body responded in September 2011 with a number of observations, made in the context of an intended refusal. Tethyan Copper was given 30 days to respond to the observations. Tethyan Copper sought to meet with the Government of Balochistan to better understand their observations and concerns and requested an extension of an additional 60 days in order to engage with the Government of Balochistan, however no extension was granted.*

*Under the CHEJVA, Tethyan Copper filed a 'Notice of Dispute' (NoD) on Wednesday 19<sup>th</sup> October 2011. The NoD allows a 120 day period, during which Tethyan Copper and the Government of Balochistan may seek to meet and resolve the dispute.*

*Tethyan Copper is hopeful that the Government of Balochistan will engage to meet and discuss the ML application. We would like to see the project move forward with the Government of Balochistan as a participating partner, for the benefit of Balochistan and Pakistan.*

*It is our belief that this project has the potential to become a model for the development of a modern mining industry in Balochistan, contributing to the greater Pakistani economy through a large initial foreign direct investment (the FS indicates \$3.3 billion initial capex) and through ongoing revenue generation and local reinvestment during the 56 year mining operation. The owners of Tethyan Copper are world class mining companies, listed on the main London, New York and Toronto exchanges: Antofagasta PLC and Barrick Gold Corporation. The mine would be constructed, developed and operated transparently, using industry & international best practice.*