

## **Project Briefing: Reko Diq Copper IFC Project # 46824, ADB Project 58013-001 in Pakistan**

**IFC Approved:** Jun 12, 2025, \$700 Million (\$300M IFC Loan plus IFC IDA20 Private Sector Loan in the amount of \$400M; IDA20 is a concessional or no interest loan – these have climate goals / supposed to be Paris Aligned) (total project cost \$6.6 Billion); **ADB Approved:** Aug. 21, 2025, \$300M loan and \$110M Guarantee (ADB finds consistent with ADB's Strategy 2030, which includes tackling climate change)

**Project Description:** The Reko Diq project (the “Project”) entails developing a greenfield open-pit mining operation with processing facilities to produce a high-quality copper-gold concentrate. The project will produce 200-250 thousand tons of copper per year. Reko Diq is one of the world's largest undeveloped copper and gold deposits, located in the Chagai district of the Balochistan province of Pakistan.

**Barrick Gold Project:** The Project is 100% owned and is being developed by Reko Diq Mining Company (Private) Limited (the “Company” or “RDMC”), which is incorporated in Pakistan. RDMC is indirectly majority owned (50%) by Barrick Gold Corporation (Barrick or the “Sponsor”), a Canadian mining company listed on both the Canadian and New York Stock Exchanges. The Government of Balochistan (GoB) directly and indirectly owns 25% of the Company shares, with the remaining 25% being indirectly held by three Pakistani State-Owned Enterprises (SOEs): Oil and Gas Development Company Limited (“OGDCL”), Government Holdings (Private) Limited (“GHPL”), and Pakistan Petroleum Limited (“PPL”).

**Project:** The Reko Diq mine development includes two open pits, a processing plant, several low-grade ore stockpiles, two waste rock dumps (WRD), a tailings storage facility (TSF), a heavy fuel oil (HFO) power plant, and photovoltaic solar array, and other auxiliary infrastructure.

**IFC, ADB and their Member States’ Climate Change Due Diligence Failures:** IFC, ADB and their member states failed to meet the stringent climate change due diligence legal obligations crystalized in the July 2025 International Court of Justice (ICJ) Climate Advisory Opinion and [by Drs. Lorenzo and Lin in their IFC, IBRD, ADB, and their Member States’ Climate Change Legal Opinion](#): to (1) avoiding financing of fossil fuel projects wherever possible and where renewables can meet energy demand, (2) secure a GHG alternatives analysis using best available science and methods, and (3) avoid GHGs as far as feasible using all necessary measures. IFC and ADB also fails to ensure their own weaker Paris Methodology & Environmental and Social Framework’s GHG requirements are met as follows:

- ESIA for project provides solar plants with battery solution is technically feasible to meet the project’s energy demand. ESIA at 72-73. The ESIA provides it is only financially feasible for solar to meet 20% of the power needs, and thus a captive Heavy Fuel Oil (HFO) Power Plant needs to be constructed to supply 80% of the power (diesel generators are purchased as backups for the HFO and solar mix).
  - The ESIA provides no analysis of the economic feasibility of powering the project with solar – just cursorily concludes only 20% (150 MW) is feasible (provides anything more is “constrained by costs” – actually does not say 100% renewables are not economically feasible). ESIA provides project is in a hot desert climate zone that receives more sunshine than any other climate classification.
  - The ESIA’s alternatives analysis does not examine powering the whole project with solar despite the project being in a desert with mostly sunny days; ESIA only examines an alternative where project is

powered 70% solar and 30 % HFO – but does not examine economic feasibility of this either or demonstrate it is not economically feasible.

**Table 8-7: Annual Average GHG for alternative power supply options per Stage (tCO<sub>2</sub>e).**

	Current	HFO	Diesel	NG	70% RE/ 30% HFO
<b>Stage 1 (2029 - 2033)</b>	644,257	805,322	792,002	576,555	241,596
<b>Stage 2 (2034 - 2041)</b>	1,266,474	1,583,093	1,556,909	1,133,386	474,928
<b>Post-grid connection</b>	754,598	796,463	793,001	737,000	826,074

\*\* “Current” power sources: 80% HFO and 20% Solar – this is scope 1 only

\*\*\* The average annual estimated scope 1 and 2 GHG emissions are just over 1.3 million tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) per year (assumes connects to national grid in 2042 and Pakistan has met its NDC). 75% of these GHG emissions are scope 1 emissions from the consumption of diesel and HFO. The lifetime scope 1 and 2 GHG emissions are just over 53 million tCO<sub>2</sub>e. The Scope 3 GHG emissions are approximately 3.0 million tCO<sub>2</sub>e per year (118.5 million tCO<sub>2</sub>e across the life of mine). 61% of the scope 3 GHG emissions are associated with the downstream processing (category 10) of the copper. \*\*\*\* total Scope 1-3 emissions/year for 2034-2041 at least will be over 4,250,000 tons CO<sub>2</sub>-eq / yr. – which could extend indefinitely depending on if (a) Pakistan meets its NDC and (b) the project connects to the grid

- ESIA acknowledges IFC Performance Standards (PS) requirements to implement technically and economically feasible alternatives, and misinterprets IFC PS requirements by only stating the alternatives analysis only has to examine ways to reduce GHG emissions. ESIA does not use IFC CAO’s interpretation of IFC’s GHG emissions alternatives analysis and mitigation requirements
- ESIA forecasts 80% of electricity needs will be powered by HFO power plant for 1<sup>st</sup> 15 yrs (2034-2041), then after 15 yrs project will be powered by renewables because assumes by that time the project will be connected to the grid and Pakistan will meet its NDC (thus the grid would be powered by renewables)
  - Flawed assumption that Pakistan will meet its NDC and have renewables built out (from ESIA: “planned reduction of HFO energy production and switch to the national grid after Project year 15, which will utilize increased renewable energy as per Pakistan’s NDC.”)
  - Freeriding on others climate plans: If everyone relies on others to build out renewables and use others’ renewables to power projects, renewables will not get built
  - Considering national grid’s current power sources, connecting to national grid will only modestly reduce GHGs
  - ESIA Fn 18 discloses: The HFO generators will continue to be used, even after the initial connection to the national grid. Completing the infrastructure for the full grid integration across the site can take time. Grid availability is also not guaranteed, thus the HFO will remain for backup purposes.
- ESIA indicates Electric Vehicles not feasible instead of fossil fuel vehicles, but did not evaluate building own solar power source. Rather provides lack of renewable energy makes electric vehicles infeasible.
- Project inconsistency with and does not further achievement of Pakistan’s NDC, which provides 60% of all energy produced in country generated by renewable resources by 2030; 30% of all new vehicles in certain categories sold in Pakistan will be electric by 2030.

- Project will make it harder for Pakistan to meet its NDC as it will increase GHG emissions and aims to use grid energy after year 15 instead of onsite renewable energy. The Project's average annual GHG emissions if it connects to the grid after year 15 and if the grid is powered by renewables as contemplated by Pakistan's NDC (1.36 million tCO<sub>2</sub>e) account for 0.26% of Pakistan's national emissions (520 million tCO<sub>2</sub>e in 2022). The Project's largest projected emissions year (1.92mtCO<sub>2</sub>e) accounts for 0.37% of Pakistan's national emissions. Pakistan's NDC GHG emissions target calls for 50% reduction (15% unconditional, 35% conditional on international finance) from a projected Business as Usual (BAU) scenario by 2030.
- Project will not use electric vehicles
- ESIA indicates consistent with Pakistan's NDC based on this flawed reasoning: Pakistan's NDC does not currently include targets related to the mining sector outside of coal mining. Instead, focus sectors include energy, transportation, agriculture, industrial processes (particularly cement and textile production), land-use change and forestry, and waste. Why Flawed: The HFO plant contemplated for the project should be used to determine consistency with Pakistan's NDC
- Sector Specific Guidance from the International Copper Association's (ICA) Pathway to Net Zero (ICA, 2023) commits members to Net Zero by 2050. Further ICA guidance provides estimates of possible abatement within the sector, estimating 18-30% reduction from 2018 levels are possible.
  - Project will be increasing, not reducing GHG emission and relies on Pakistan national grid being consistent with Pakistan's NDC in 15 years.
- While Scope 3 project emissions may be properly estimated at around 3,000,000 tons CO<sub>2</sub>-eq/yr., (1) there is no GHG alternatives analysis to evaluate ways to avoid or mitigate these substantial emissions as far as economically and technically feasible, (2) alternatives and mitigation measures are not adopted to avoid these substantial Scope 3 emissions as far as economically and technically feasible.

**IFC's Greenhouse Gas Emissions Analysis from its Public Portal (Verbatim unless noted):** The ESIA incorporates a GHG emissions assessment, encompassing Scope 1, 2, and material Scope 3 emissions. The GHG assessment covers both the construction and operational phases. The initial three years are designated as the construction phase, while the subsequent thirty-nine years reflect the operational phase. During the tenor of IFC's investment (up to 15 years) the average annual Scope 1 and 2 emissions are estimated by IFC at approximately 850,000 tons of carbon dioxide equivalent (tCO<sub>2</sub>e), with approximately 75% attributable to direct emissions from the combustion of HFO and diesel fuel. The operation of a 150MW PV plant, which the Company plans to bring online shortly after commencement of operation, will achieve a yearly avoidance of GHG emissions of approximately 146,000 tCO<sub>2</sub>e. The overall net emissions during the tenor of IFC's investment are estimated to be approximately 12.75 MtCO<sub>2</sub>e. Scope 3 emissions are mostly associated with transportation and further refining by off-takers of the concentrate produced by the Project and are estimated in the ESIA at approximately 3.0 million tCO<sub>2</sub>e per year (118.5 million tCO<sub>2</sub>e for the life of the mine). The assessment indicates that the Project's operations could potentially increase Pakistan's national GHG emissions by up to 0.26% (not in IFC's disclosure: ESIA indicates it could be by .37% per year). The ESIA acknowledges the Project's contribution to global emissions while simultaneously highlighting its role in extracting copper, a metal critical for global electrification and renewable energy technologies, which could contribute to GHG emission reductions in other sectors. The ESIA describes several GHG emission reduction strategies currently being considered by RDMC, noting that some are constrained by technological availability and/or cost. In view of the significant residual GHG emissions associated with the Project's power generation requirements, RDMC will develop a GHG Emissions Transition Plan, as per ESAP #10, to gradually reduce its carbon footprint, with clear and timebound targets.