

Pakistan Secures \$410m ADB Funding for Reko Diq

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Pakistan has secured a \$410 million financing package from the Asian Development Bank (ADB) to support the long-delayed development of the Reko Diq copper-gold mine in Balochistan, one of the world's largest untapped mineral deposits. The funding will be directed toward the \$6.6 billion project, which is being jointly developed by Barrick Gold Corporation and the federal and provincial governments of Pakistan.

According to sources familiar with the matter, the financing package includes two loans totalling \$300 million provided directly to Barrick Gold, as well as a \$110 million financing guarantee for the Government of Pakistan. The official announcement is expected later this week.

Islamabad hopes the deal will attract greater foreign investment into the country's mineral sector, particularly in rare earth deposits, a market of growing strategic importance globally. Pakistani officials have already signalled an interest in granting concessions to foreign companies, including those from the United States, in future projects.

Once operational, the Reko Diq mine is expected to generate around \$70 billion in free cash flow over its lifespan, significantly bolstering Pakistan's foreign reserves and state revenues. Production is projected to begin in 2028, with initial annual output estimated at 200,000 metric tons of copper and substantial quantities of gold. A later expansion could double copper production to 400,000 tons annually.

Barrick Gold, which holds a 50% stake in the project, has stated that the mine's life could extend well beyond its initial 37-year timeline through further upgrades and continued exploration. The remaining ownership is split between the federal and Balochistan provincial governments, ensuring that both Islamabad and Quetta will directly benefit from revenues.

In addition to ADB's commitment, the project's developers are pursuing further financing. The International Finance Corporation (IFC), the World Bank's private investment arm, has already pledged \$700 million, while talks are ongoing with the US Export-Import Bank, Export Development Canada, and Japan Bank for International Cooperation (JBIC).

Project Director Tim Cribb previously confirmed that the consortium expects to sign additional term sheets this quarter, bringing the financing closer to its \$2 billion target.

Reko Diq has faced years of delays due to legal disputes. The project was stalled for more than a decade until a settlement in 2022 cleared the way for development to resume. Its revival is now seen as a potential turning point for Pakistan's struggling economy, which faces recurring foreign exchange shortages and heavy external debt obligations.

For Balochistan, one of Pakistan's most underdeveloped provinces, the mine offers an opportunity for long-term infrastructure growth, job creation, and improved revenues. However, ensuring that local communities benefit from the project will remain a key challenge as development advances.