



Islamic Republic of Afghanistan
Ministry of Mines

14 February, 2010

Afghanistan Ministry of Mines Cancels Hajigak Tender

The Afghanistan Ministry of Mines has decided to cancel the current tender process for the Hajigak Iron Ore Project due to the global recession and changes in the world market structure for iron, and low investor interest in such a large vertically integrated iron mining / steel making project.

The Government of the Islamic Republic of Afghanistan, represented by the Ministry of Mines, would like to thank all of the participants in the tender for their interest in the development of Afghanistan's mineral potential.

His Excellency Minister of Mines Wahidullah Shahrani said he "will be meeting with large mining companies, developers, international consultants, and the official trade delegations of other countries to discuss not only the Hajigak Project, but also to introduce the potential and development opportunities of Afghanistan's rich mineral resources". To initiate those discussions, Minister Shahrani will be attending the PDAC (Prospector's and Developers Association of Canada) meeting in Toronto, Canada, and other mining forums.

The Hajigak iron ore deposit is situated in the mountainous Bamyan province, 130 km. west of the Afghanistan capital of Kabul. It is one of several large iron deposits within Afghanistan, and is the largest unmined iron deposit in Asia -- both in terms of quantity and quality. A study in the 1960's demonstrated the mineral potential of the region, and estimated the Hajigak resource as 1.8 billion tonnes of iron ore with a concentration of approximately 64 % Fe. The presence of coking coal nearby at Shabashak, and the world-class ranking of the iron ore resource combine to make the Hajigak deposit an exceptionally favorable target for economic development.

H.E. Minister Shahrani stated that the Ministry of Mines intends to repackage and retender the Hajigak Iron Project at a later date, and noted that the Government of Afghanistan is fully committed to the highest degree of transparency in the tendering and awarding of every contract.