

ISLAMIC REPUBLIC OF AFGHANISTAN
Ministry of Mines



REQUEST FOR EXPRESSION OF INTEREST
HAJIGAK IRON DEPOSIT

The Islamic Republic of Afghanistan, through the Ministry of Mines, is conducting an open tender for multiple exploration concessions that comprise the Hajigak Iron Deposit. The tender process is expected to culminate in the granting of exploration concessions pursuant to the Minerals Law 2010.

The Hajigak deposit is located in the mountainous Bamiyan Province, 130km west of Kabul. The world-class Hajigak Iron Deposit has a Soviet-estimated resource base of approximately 1.8 billion tons at an estimated grade of 62% Fe. This resource occurs in 16 bodies, some of which are as much as 5km in length, 380m wide and more than 550m in depth, along a zone over 32km in length. Previous Soviet resource/scoping studies indicate that the bodies are amenable to open pit mining methods.

Given that natural resources are a priority for the economic development of Afghanistan, the Ministry is interested in working with those companies that will commit to the exploration and development of the Hajigak deposit(s) on an accelerated basis. The Government will offer 3 (three) or more Exploration Concession blocks for tender. There will be exploration expenditure requirements over at least a three year period with annual minimums. It is expected that following successful exploration of the concessions, Mining Licenses will be granted per the Minerals Law. A phased approach to ultimate vertical integration of operations is preferred by the Government. Preference will be given to development plans with expansion from iron mine/processing facilities with transport assets to vertically integrated processes including making steel. The Government will facilitate access to potential resources of coking coal and other materials for steel making, providing the possibility of creating an integrated iron and steel facility.

The developers of Hajigak are expected to participate in infrastructure initiatives. The Government recognizes that the successful development of the Hajigak Iron Deposit will require significant infrastructure. To that end, the Government is pursuing necessary national infrastructure improvements such as railways and electric power generation facilities (coal, gas and/or hydro) including private public partnerships and the developers of Hajigak will be seen as possible key partners in any infrastructure development.

Existing data about the Hajigak deposit is available at the Ministry's offices after 24 September 2010 and a detailed brochure is available online on the Hajigak Tender website, <http://mom.gov.af>, by clicking on the Hajigak Tender link.

Interested parties should be investors or consortia that have the financial capacity to undertake technically competent, detailed exploration of the Hajigak Deposit. Companies that can demonstrate technical competence in the exploration and development of the mining, processing and marketing of iron may be given preference.

Some of the criteria to be considered by the Government in creating a list of qualified bidders may include:

- Financial capacity to develop and operate large capital projects;
- Successful investment in and technical management of exploration and development programs; and
- Developing and operating successful mining and mineral processing facilities, in an environmentally responsible manner with positive engagement with all stakeholders.

The Ministry of Mines has identified development objectives for the tender. The eventual award of the Mining Licenses will be to entities that can provide:

- ✓ Sustainable development of the deposit(s) generating long term royalty and tax revenue;
- ✓ Infrastructure improvements benefiting the mine operations and the country as a whole;
- ✓ Operations emphasizing responsible development of social and local employment programs;

- ✓ Strict adherence to international environmental standards; and
- ✓ Creative approaches to the projects' development.

METHOD OF APPLICATION

Interested parties should indicate their interest by providing the following documentation and information in English, with a translation to Dari if possible:

- Full name of company and contact person, postal address, telephone / fax numbers and e-mail address.
- Ownership structure of company/consortium;
- Demonstration of financial capacity;
- Technical and operational capabilities; and
- Proposed composition and profile of proposed management and technical team showing qualification and years of experience in exploration and / or mining, metallurgical processing, and the environmental and social disciplines.

The applicants are also encouraged to submit an Executive Summary up to five pages in both English and Dari. Available voluminous corporate reporting documentation (10-K, 10-Q, AIF, Annual Reports, etc.) can be submitted in English. It is recognized that some joint venture entities will not have consolidated financial statements/history. Applicants should provide sufficient documentation for the Government to be able to evaluate the merits of the venture.

The Expression of Interest (in English) must be submitted electronically via email to HajigakTender@mom.gov.af by 13 January 2011. If desired, a hard-copy may also be delivered to the following address:

Afghanistan Ministry of Mines

Mr. Hafizullah Afzaly

Pashtoonistan Watt

Across from Ministry of Finance

Kabul, Afghanistan

Tel: + 93 202 102 410 or +93 202 100 309

FAX: +93 202 934 420 Email: HajigakTender@mom.gov.af

Inquiries concerning this Request for Expressions of Interest must be sent by email to the following email address: HajigakTender@mom.gov.af. Official replies will only be made to email inquiries.

Upon receipt of the Expressions of Interest from interested parties, the Ministry will evaluate and pre-qualify applicants for the Hajigak deposit. Successful applicants will be notified by the Ministry of Mines on or before 28 February 2011. The list of successful applicants will also be posted on the Ministry's website.

Thereafter, pre-qualified applicants will be issued a Bid Package for the exploration of the Hajigak deposit blocks. Details of the bidding procedure will be contained in the Bid Package.

EOI SUBMISSION DEADLINE

13 JANUARY 2011

Gustavson Associates is the Transaction Advisor to the Ministry of Mines. All applicants are requested to copy the electronic submission of their Expression of Interest to HajigakTender@gustavson.com.