



General Directorate of Large Scale mines Project's Assessment report on the awarded contract of Shaida Copper

Introduction

The Government of the Islamic of the Republic of Afghanistan, through the Ministry of Mines and Petroleum has announced by Request for Expressions of Interest dated 6 December 2011 the opening of Shaida Copper tender process.

Legislative procedure

Deadline for submission of EoI documents was 16 March 2011 which the following companies had submitted their EoI documents on time:

- Afghan Minerals Group AMGC
- Silk Road Mining
- KAZ Exploration
- Steel Authority of India Limited SAIL

All proposals were evaluated by the Technical Board of the Ministry of Mines and Petroleum, the official representatives of the Ministerial Commission on Mines in cooperation with technical and legal consultants of SRK Consulting, Mayer Brown LLC, and CANNACORT under the supervision of the International Institute for Supervision and Transparency the Marx Group on 2012. Consequently, in a conference the Afghan Minerals Group AMGC as Preferred Bidder (the company was disqualified by the Ministerial Commission for non-liquidation and tax evasion) and Silk Road Mining as Reserve Bidder (after disqualifying of the preferred bidder The Ministry started negotiations with the reserve bidder) were announced.

Followed process in practice and Conclusion

Silk Road Mining Company signed a contract with the Ministry of Mines and Petroleum (MoMP) of Afghanistan on Sep, 2018 for the exploration and exploitation of the Shaida license area (Shaida). The exploration phase is to be conducted during the three-year plan and the total committed expenditure over a three-year period is \$20,300,000. On 24th September 2019, MoMP issued exploration license to Silk-road Mining Company, which was handed over to the contractor during a ceremony in Herat province. The ceremony was attended by minister of finance, minister of mines and petroleum and CEO of the contractor beside other officials and representatives of the local community.



Assessing the legal procedure and practice followed, it is found that the Shaida Copper contract is awarded without any deviation from the applicable legal procedures.

