



ISLAMIC REPUBLIC OF AFGHANISTAN

**Ministry of
Mines and Petroleum**

AFGHANISTAN EXTRACTIVE INDUSTRY

DEVELOPMENT & OPPORTUNITIES



February 2021

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INTRODUCTION

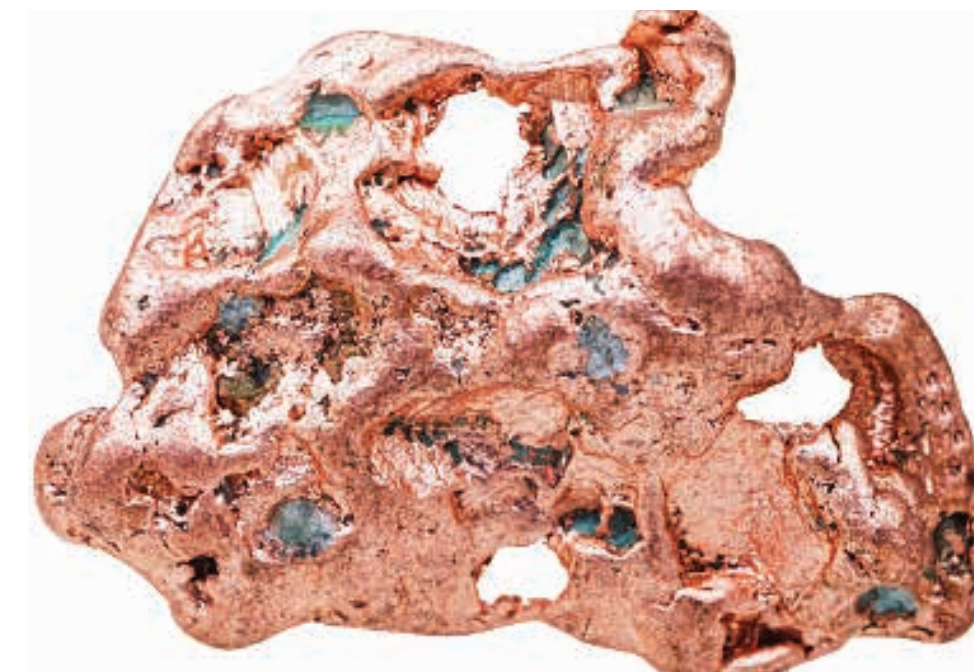
Afghanistan is endowed with abundant mineral and hydrocarbon resources that remain largely untapped. The country has world-class deposits of iron, copper, gold, coal, dimension stones, cement, rare-earth minerals, and a host of other mineral and hydrocarbon resources.

The Government of Afghanistan sees the country's vast mineral and hydrocarbon resources as a catalyst for long-term economic growth. The sector has a promising potential of creating jobs, generating revenue, and transitioning the country from aid-dependency towards self-reliance.

The Ministry of Mines and Petroleum has designed several consequential documents in the years, including the Mining Sector Roadmap, a new Minerals Law, and a new Hydrocarbons Law as part of its commitments to open the extractive industry for private investments. The Ministry has furthermore made significant policy changes to create an enabling business environment for the private sector to thrive. The Ministry is rigorously focused on attracting domestic and foreign investors to exploit Afghanistan's plethora of mineral and hydrocarbon resources.



INVESTMENT OPPORTUNITIES in the Mining Sector



Investment Opportunities

MINING PROJECTS

| Commodity | Location | Approximate Reserves/Grade | Reference |
|---------------|----------------------------------|--|----------------------|
| IRON | Panjshir/Pareyan | 275 million tons | AGS and USGS |
| | Herat/Ghoryan | Fe 47-57% – Resources need to be prospected. | AGS and USGS |
| | Bamyan/Sya Dara | 400 million ton/ Fe 65% | AGS and USGS |
| COPPER & GOLD | Ghazni/Zarkashan (Gold & Copper) | 7.7 metric ton Au at an average of 10g/t. | AGS and USGS |
| | Balkhab Copper | 4,000- to 5,000-m-long, 300- to 400-m-wide grading from 0.25 to 1.34 weight percent (wt. %) copper. | AGS and USGS |
| | Uruzgan/Kundalan (Gold & Copper) | 13,600 tons | AGS and USGS, Soviet |
| | Takhar/Samti & Nooraba (Gold) | 30,272 kg [Samti 210kg and Nooraba 30,062kg] | AGS and USGS |
| | Badakhshan (Gold) | 958 kg | AGS and USGS |

Investment Opportunities

MINING PROJECTS

| Commodity | Location | Estimated Desposit | Reference |
|-----------|-----------------------|---------------------|-----------|
| COAL | Samangan | 555 million tons | AGS |
| | Sar-e-Pul | 141 million tons | |
| | Bamyan | 113 million tons | |
| | Baghlan | 16 million tons | |
| | Herat | 11 million tons | |
| CEMENT | Balkh | 2.4 billion tons | AGS |
| | Herat | 1.3 billion tons | |
| | Paktia | 345 million tons | |
| MARBLE | Daykundi | 47.9 million tons | AGS |
| | Herat/Jarzimstani | 117.52 million tons | |
| | Herat/Chesht-e-Sharif | 31 million tons | |
| | Herat/Zendajan | 36 million tons | |

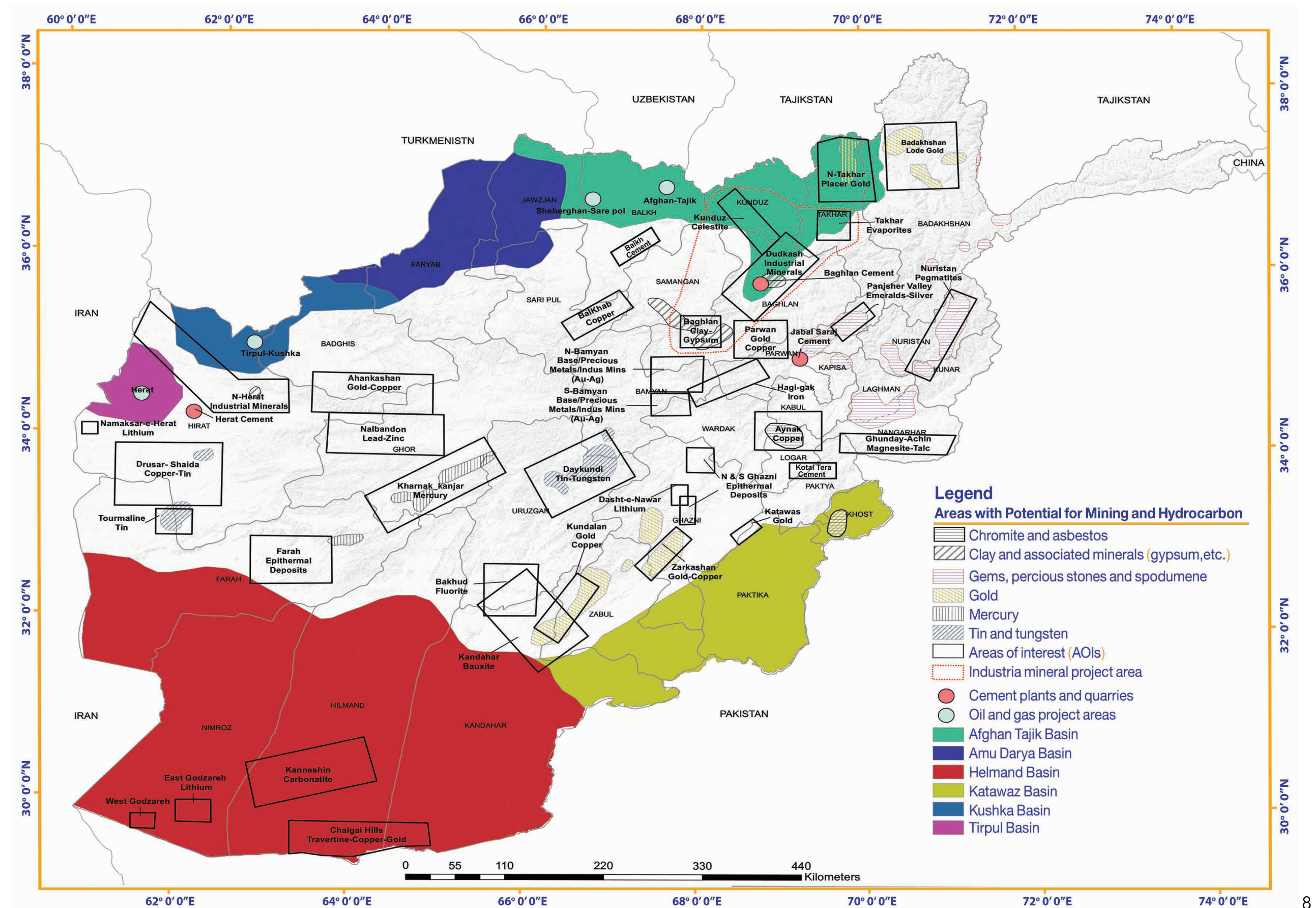
Investment Opportunities

MINING PROJECTS

GEMSTONES

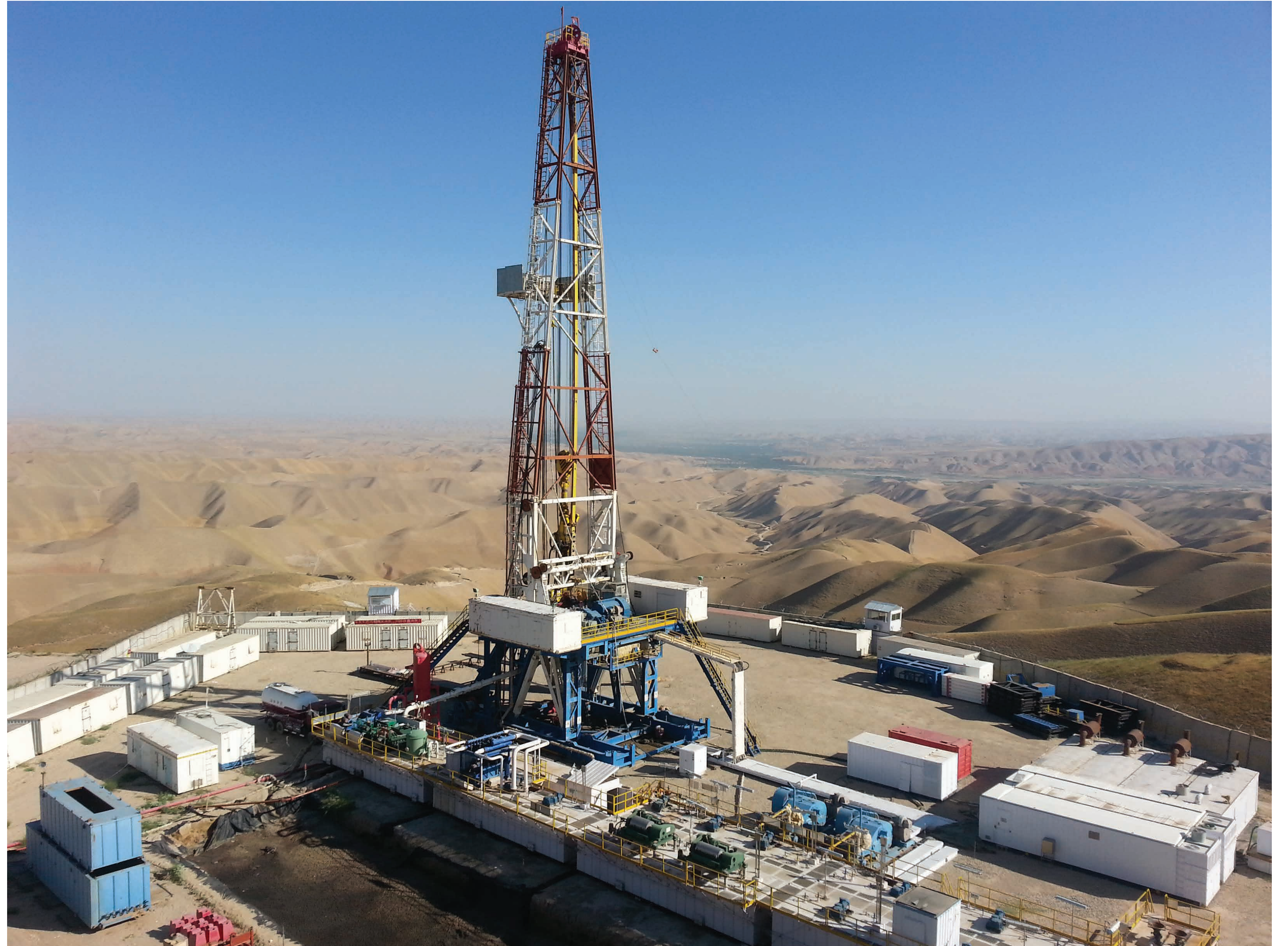
| Commodity | Location | Estimated Desposit | Reference |
|--------------|------------------------------------|----------------------------------|-----------|
| Lapis Lazuli | Badakhshan, Panjshir | Resources need to be prospected. | AGS |
| Ruby | Kabul, Zabul | Resources need to be prospected. | |
| Emerald | Panjshir | Resources need to be prospected. | |
| Tourmaline | Badakhshan, Daykundi, Zabul, Kunar | Resources need to be prospected. | |
| Aquamarine | Panjshir | Resources need to be prospected. | |
| Nephrite | Kunar, Nangarhar | Resources need to be prospected. | |

Minerals and Hydrocarbon Resources in Afghanistan



INVESTMENT OPPORTUNITIES

in the Hydrocarbon Sector



HYDROCARBON PROJECTS

| Project | Details |
|-----------------|---|
| AMU DARYA | The estimated area of this basin is about 57 thousand SKM, and is divided into 6 blocks. Aerial and seismic surveys have been carried out on 500 geological structures, while exploratory drilling was performed on 64 out of which 8 structures resulted in discovery of commercial gas fields [Khwaja Gogerdak, Jarquduq, Yatimtaq, Juma, Bashikurd, Jangal kalan, Cheghchi, and Khoja bolan] and 6 structures resulted in oil fields [Angot, Kashkari, Zamarudsay, Aq Darya, Bazarkhami and Ali Gul]. The total reserves discovered from the eight gas fields of Sheberghan are around 141 BCM, of which 76 BCM have been produced. |
| AFGHAN TAJIK II | With an area of about 31 thousand SKM, the Afghan- Tajik basin is divided into 12 blocks. Based on aerial magnetic - gravitational and seismic surveys, and exploratory drilling, it is predicted to be a productive oil and gas basin. 2 blocks [Sanduqli and Mazar-e-Sharif] have been awarded and 10 blocks are ready for tendering. The Consortium has carried out an Aerial magnetic - gravitational surveys in 2015 in these two blocks with a length of around 15 thousand Line KM. In addition, the Consortium has conducted 1,235 KM 2D seismic survey in 2019. The Afghan- Tajik consortium will drill 5,500+ meters deep exploratory well in 2021. |

HYDROCARBON PROJECTS

Project

Details

KATAWAZ BASIN

The Ministry of Mines and Petroleum is planning to conduct Airborne Magnetic and Gravity surveys over the Katawaz basin in 2021. The primary objective of Airborne Magnetic and Gravity survey, covering an area of 40,000 km², is to find and identify exploration targets and properly delineate the basin in the absence of seismic data aiming to map lithology and structural trends in both hard rock environment and basement. The survey will further search depth to basement and delineate structural settings with more accuracy for application to petroleum exploration in the basin. These properties are essential information that is only possible with high resolution aeromagnetic and aero-gravimetric surveys.

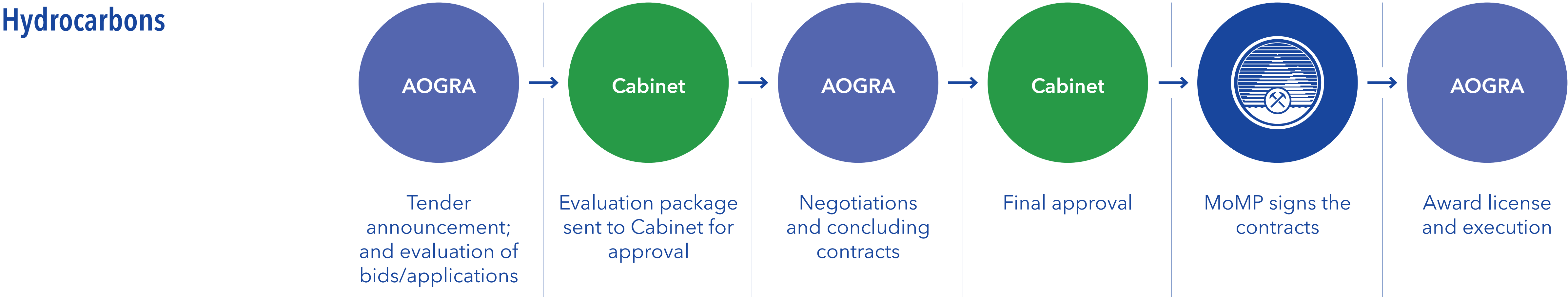
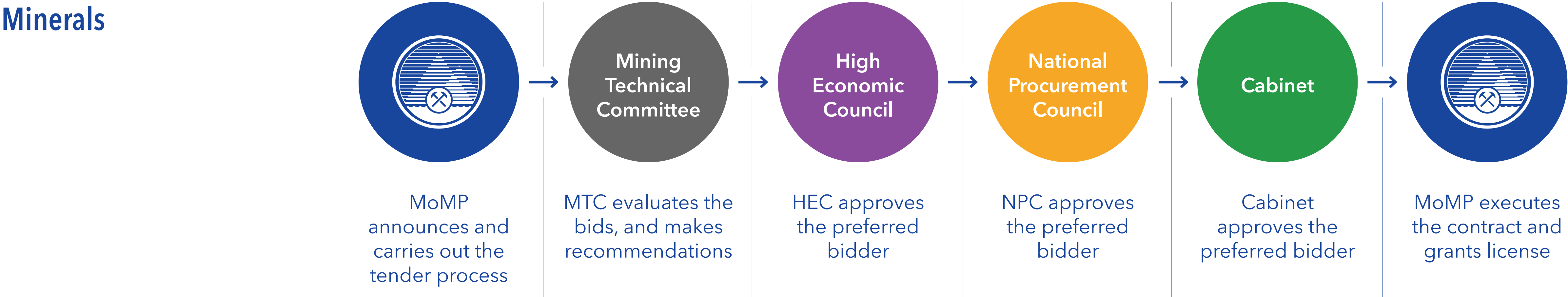
KUSHK-TIRPUL BASIN

The Ministry intends to acquire approximately 600 km of 2D seismic data over Kushka and Tirpul basin in Northwestern Afghanistan as part of its development plan for the hydrocarbon resources in Kushka and Tirpul basin in 2021. The basin covers an area of approximately 23,317 square kilometers. The principle operational objective is to acquire, process and interpret high quality 2D seismic data in a safe, efficient, effective, and timely manner. The principle geological objective of the proposed area of 2D survey is to define subsurface structures and traps.

HYDROCARBON PROJECTS

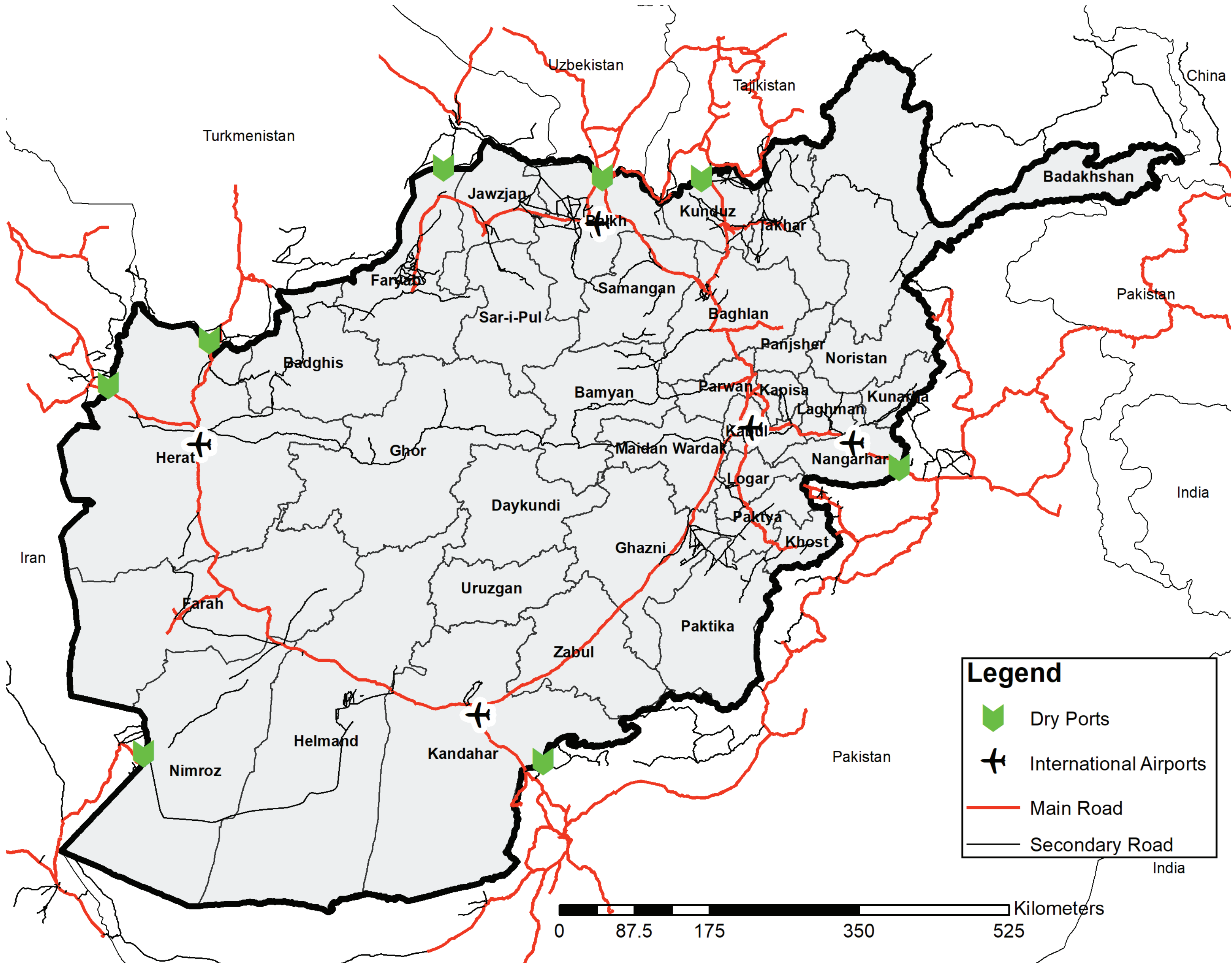
| Project | Details |
|---------------|--|
| HELMAND BASIN | Helmand basin is situated in southwestern Afghanistan, southwest of Kandahar and north of Chagai Hills (a range of granite hills). The area of Helmand Basin is approximately 131,000 square kilometers. To identify, determine, and confirm the total petroleum system in the basin, MoMP is aiming to conduct a geological survey in 2021 over the Helmand basin. The survey aims at providing overall information on geological structures, geologic mapping, stratigraphy, geodynamics, geotectonic conditions, sedimentology (basin analysis), intrusive and effusive objects, epigenetic objects, metamorphic units, dissolved rocks (karsts), Geochemistry, Hydro geology and properties of the prospective formations. |

TENDERING PROCESS



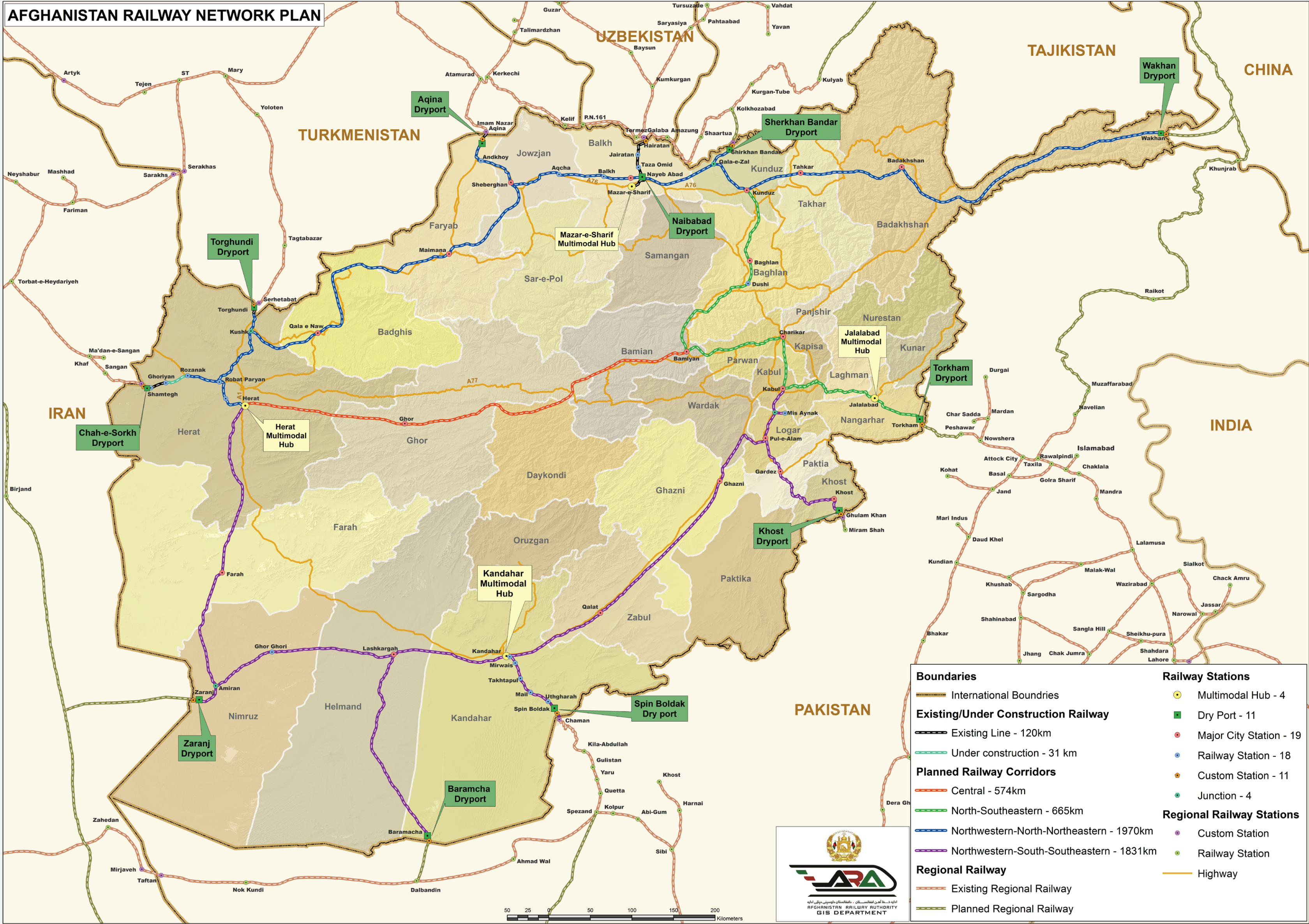
INFRASTRUCTURE

Ring Road, Dry Ports,
and Airports



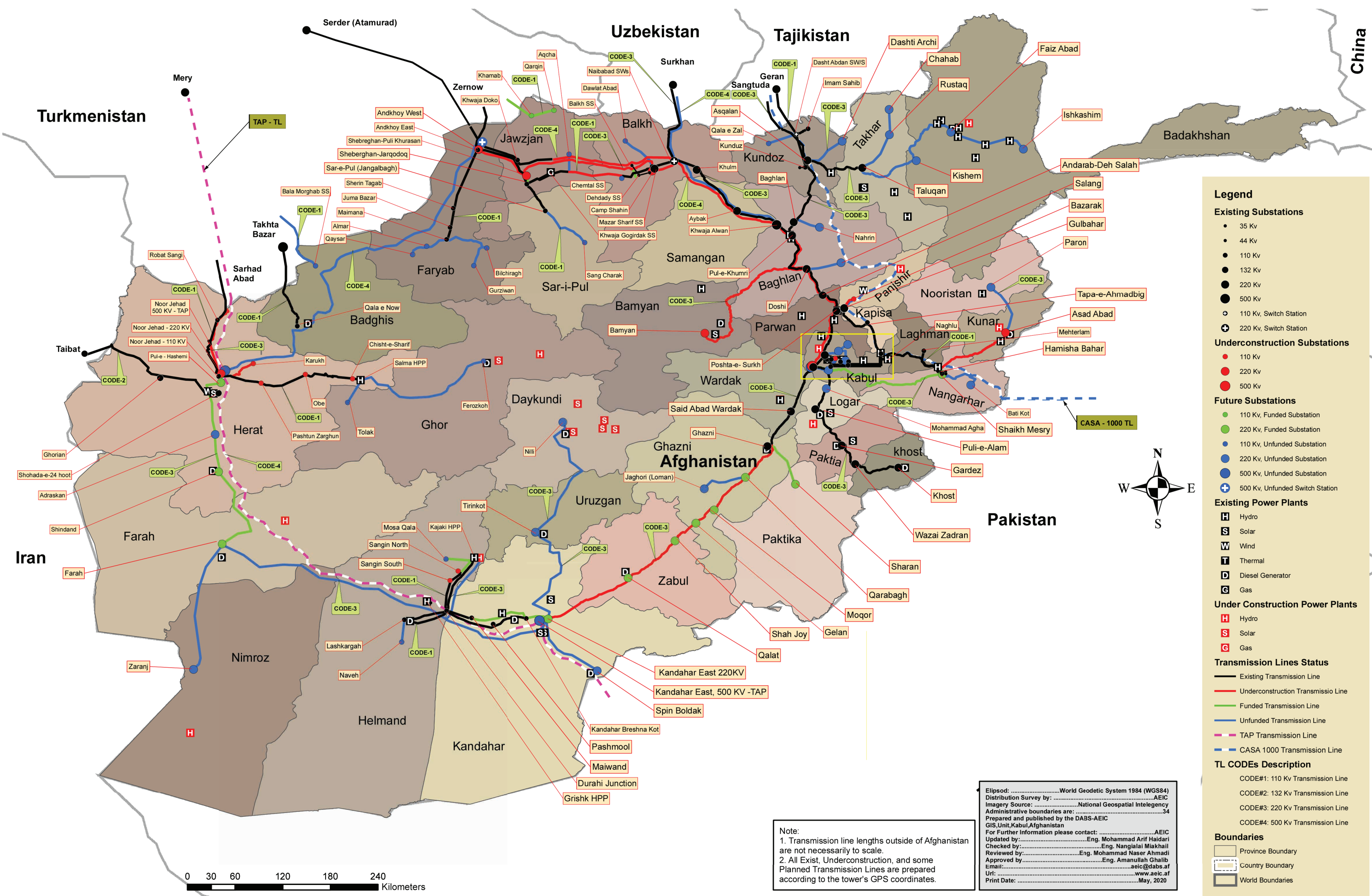
INFRASTRUCTURE

Afghanistan Railway Network



INFRASTRUCTURE

Afghanistan Current and Future Power System



BUSINESS ENVIRONMENT

There are several other factors that make the country a favorable destination for doing business in the extractive industry:

Attractive/fixed fiscal regime in the hydrocarbons sector. The fiscal regime is structured to promote higher levels of investment in Afghanistan.

The government has also reduced the cost and time of issuing business licenses— **the cost is reduced to USD 1.4.** In addition, all investment related issues will be solved in **just 8 business hours.**

The royalty rate for mining projects is fixed in the Minerals Law, which provides greater clarity to the private sector, who can now place bids and develop investment plans with the assurance that the royalty rate is set and cannot be easily modified.

To encourage foreign investments, the government allows **100% of carry forward of losses and 100 % profit repatriations.**

The Government of Afghanistan is interested to extend **government to government collaboration** both in the mining and hydrocarbons projects.

We can consider special investment proposals and can enter into **direct negotiation with the private investors** on mining and hydrocarbon projects.

The government reviewed the Visa Law to make it easier for foreign investors to come and visit Afghanistan – the revised law allows issuance of **on-arrival visas for foreign investors.**



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**Ministry of
Mines and Petroleum**

Thank You!

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