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Hunter Dickinson bidding for Afghanistan copper mine

By Dene Moore, THE CANADIAN PRESS

KABUL - Robert Schafer offers a laugh when asked why on earth his company, Vancouver-based Hunter Dickinson Inc., would want to operate a copper mine in the war-ravaged hills of Afghanistan.

It's a question he's obviously been asked before and the answer is simple.

"The quality of this deposit would place it as one of the best copper mines in the world," says Schafer, vice-president of business development.

According to decades-old Russian estimates, the Logar province of Afghanistan holds reserves of 11 billion tonnes of copper, which would make it the biggest copper mining area in the world.

Last October, in a bid to plant the seeds of a viable economy where right now there is none, the Afghan government put exploration and exploitation rights to the Aynak deposit out to international tender.

According to the Afghanistan Geological Survey and the British Geological Survey, the Aynak copper deposit, located about 35 kilometres south of Kabul, consists of 240 million tons of material with a grade of 2.3% copper in the central portion of the deposit.

But this is no mere building of a copper mine.

International forces, including Canada, continue to battle Taliban insurgents.

As guerrilla tactics like suicide bombings, roadside bombs and kidnappings become the backbone of the insurgency, the country seems a more dangerous place than ever.

Troops are stretched so thin battling a renewed insurgency that little progress has been made in the way of development in Afghanistan.

"One of the major problems is security in the south," says Asif Rahimi, deputy minister of rural rehabilitation and development, an official who used to live in Ottawa before returning to work in his native Afghanistan.

Any attempt at economic or social development is targeted by insurgents, he says.

"Whatever is a sign of development, whatever is a sign of government presence, whatever is a sign of the international community's presence, of course the insurgents target them and try to make sure they fail and are destroyed," Rahimi says.

It's a vicious cycle to break, he suggests, but one that must be broken.

"People say there's no development without security and there's no security without development," says Rahimi.

"We believe both of them have to move together. You need a minimum level of security before development can take place."

Rahimi estimates that in 2005, 10 per cent of the country was "problematic." Today, he says about 30 per cent of Afghanistan is "off-limits to international organizations and government."

Schafer is not shaken. If Hunter Dickinson wins the bid, news he hopes to have by the end of next month, he will move here, along with his wife.

In developing the bid, he says he met with 25 local community leaders.

"They indicated that if we kept our promises, we would not have security issues," he says. "They said they would be vested in this as much as we are and they know who comes in and out of their region and they'd make sure nobody came in who wasn't wanted."

The promises made by Hunter Dickinson are many, as they had to be to make it this far in the bidding process.

The Afghan government emphasized that the mineral rights would go to a bid offering infrastructure improvements benefiting not just the mine, but the country as a whole.

Without giving a dollar value, Schafer said his company has committed to building schools, health clinics and a trades college in the area as well as providing jobs and major infrastructure investments.

"We perceive this as not just a mine building exercise, but also a country-building exercise," he says.

The mine tender has also attracted bids from China, Russia and Kazakhstan.

Hunter Dickinson is a private Vancouver mine developer which operates around the world in many parts of the mineral industry, from copper and zinc to gold, diamonds and platinum group minerals.

The 22-year-old Vancouver firm manages a stable of publicly traded Canadian companies, ranging from Taseko Mines Ltd. (TSX:TKO), Detour Gold Corp. (TSX:DGC), Northern Dynasty Minerals (TSXV:NDM) and Great Basin Gold (TSX:GBG).