

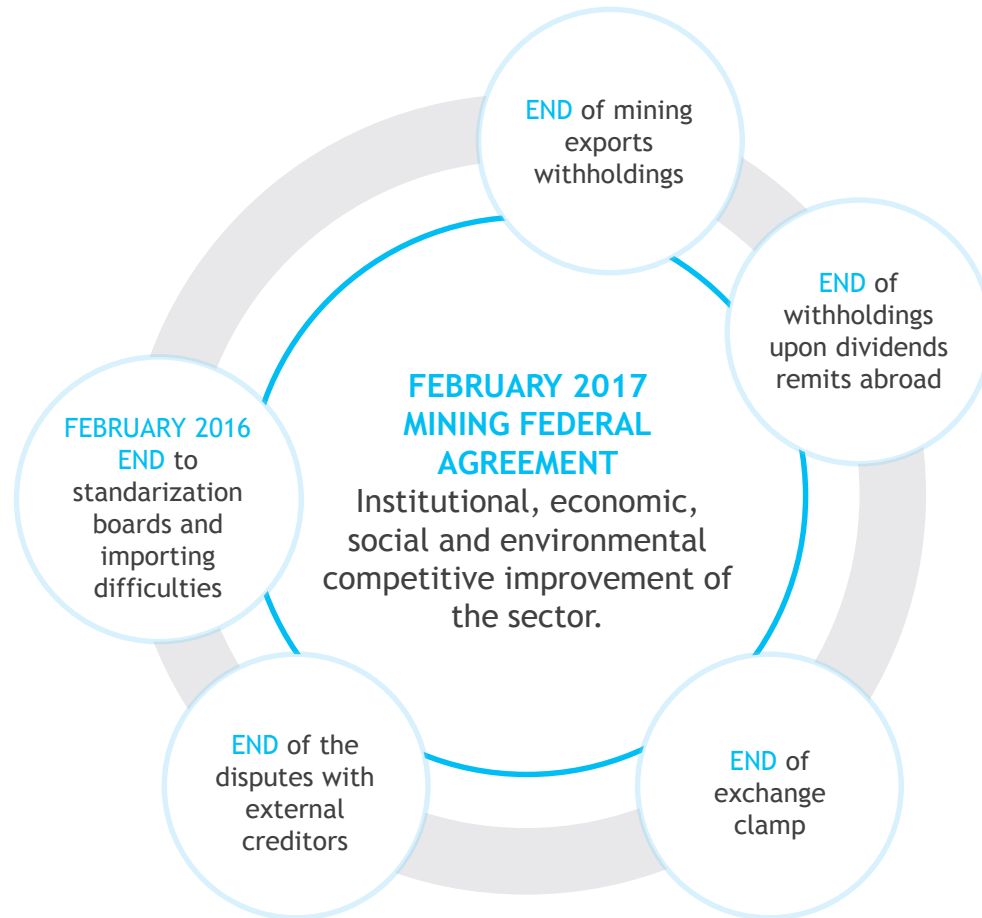


Mining in Argentina:

Ready to live up
to its full potential

01 STATE POLICY: Nation/Provinces Institutional Strengthening (COFEMIN)

KNOWLEDGE, DIALOGUE and CONSENSUS



MINING STATE POLICY IS CONSOLIDATED: STABILITY - PREDICTABILITY - CONFIDENCE

on 12/07/2016 opposition parties in the Chamber of Deputies vote the reforming of the Income Law, thus incorporating as income sources the mining activity withholdings which had been eliminated.

PRESIDENT MACRI RATIFIES HIS STATE MINING POLICY and on 12/22/2016 the reform gets its final vote excluding the mining withholdings.



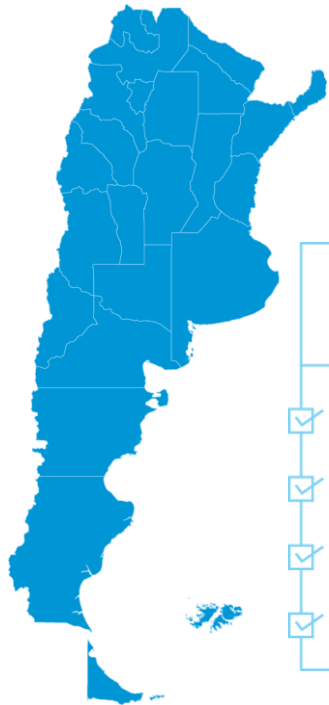


Why Argentina

WHY ARGENTINA?

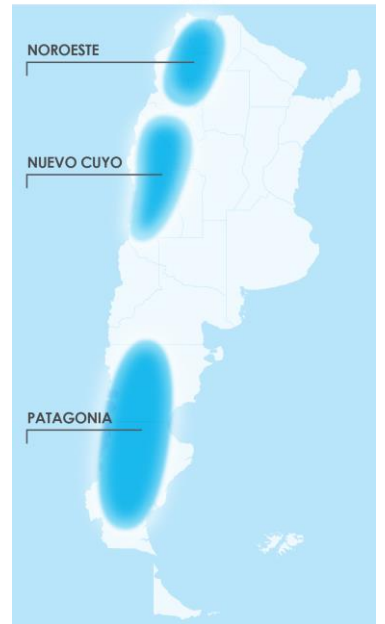
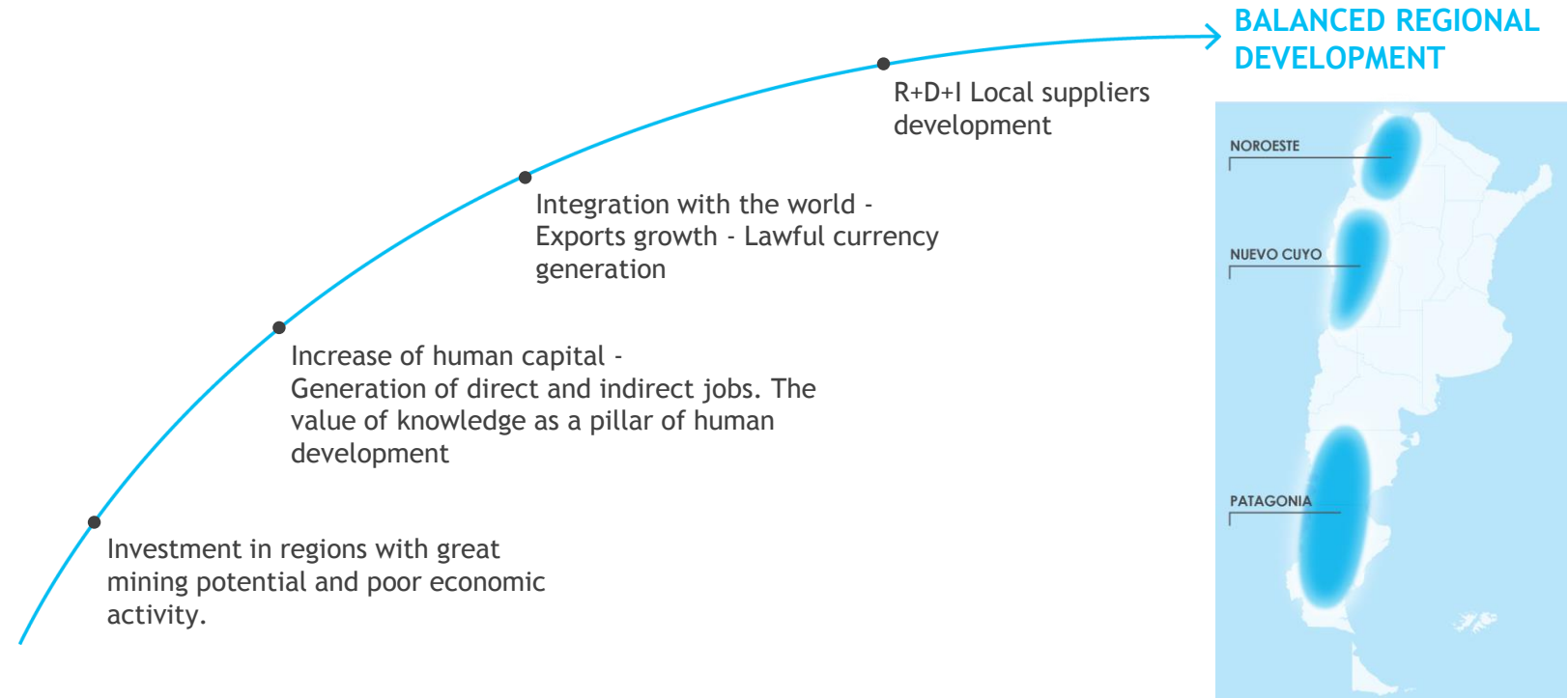
ARGENTINA, A MINING COUNTRY

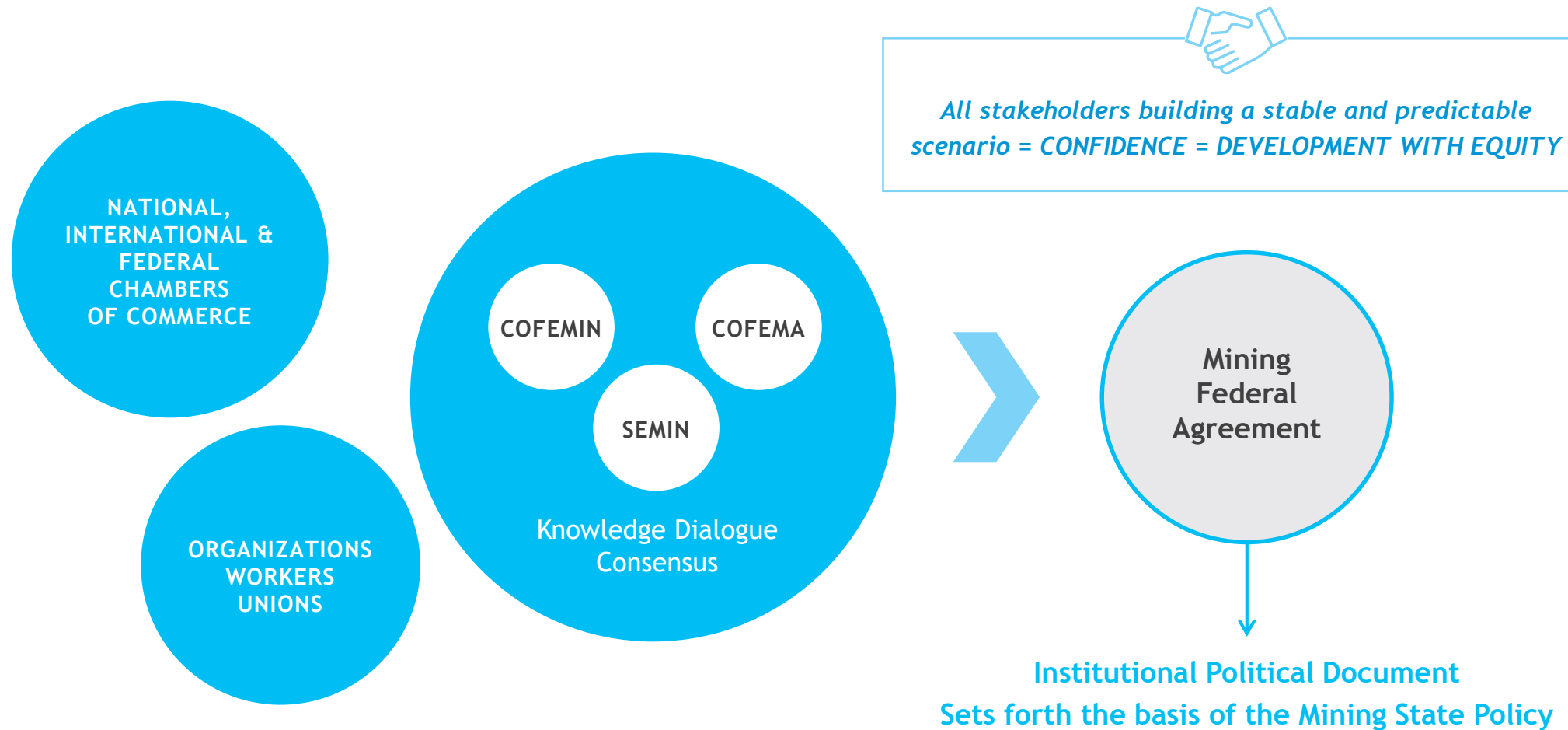
It contributes to solve regional imbalance



CENTER AND BUENOS AIRES REGION

- ✓ • 29,8% of the surface
- ✓ • 75% of national GDP
- ✓ • 71,8% of total export
- ✓ • 67% of total population







State Policies

STATE POLICY: Nation/Provinces Institutional Strengthening Priority Programs - Work Groups: State/Workers/Companies



“The new paradigm must be the paradigm of knowledge. A new democracy, beyond the differences.” Facundo Manes

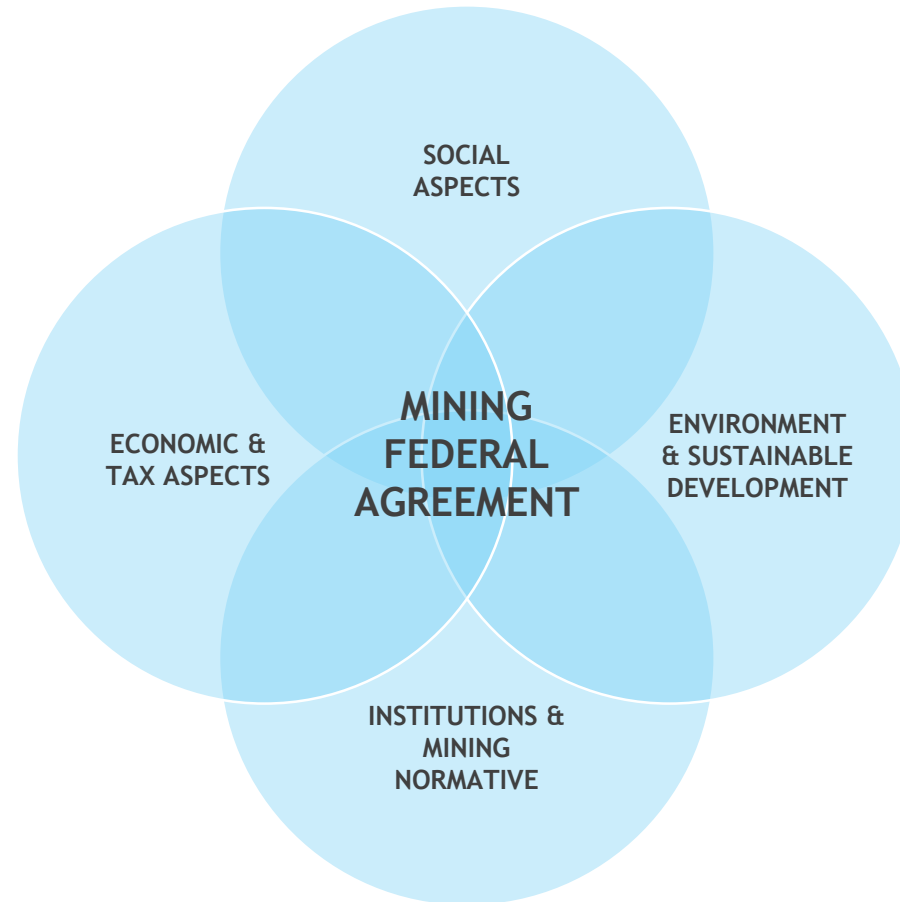


STATE POLICY: Mining Federal Agreement

Commitment - Confidence - Security - Management



“A constitutional mandate on how to develop mining policy in a country in which natural resources (minerals) belong to the provinces.”



“A uniform basis of diverse aspects of the activity, common to the 23 jurisdictions and respectful of the differences and needs of each one of them.”



STATE POLICY: Mining Federal Agreement

Key Points



- **MAXIMIZE THE MINING ACTIVITY BENEFITS** so that it may increase the wellbeing of communities surrounding the mining ventures.



- **“BUY LOCAL”**: encourage the incorporation of the activity to the local productive fabric. Stimulate the engagement with local suppliers.



- **MINING PROGRAM OF LOCAL DEVELOPMENT**: it will be financed with incomes from the *Fondo Preventivo de Desarrollo Local* (Preventive Fund of Local Development). Applies to future developments.



- **LOCAL EMPLOYMENT**: drive the generation of local workforce in every stage of mining development. Incorporation of knowledge, workforce training.



STATE POLICY: Mining Federal Agreement

Key Points



- **ENVIRONMENT:** COFEMIN/COFEMA coordination in order to set policy and environmental management instruments for mining.



- **MINING ENVIRONMENTAL MANAGEMENT TECHNICAL ADVISORY TASKFORCE:** province and Nation representatives. Drive better practices and standardize them.



- **MINE CLOSURE REGIME** in order to regulate this stage of mining development with the best standards.



- **OPTIMIZATION OF ENERGY USE** and prioritization of renewable energies



STATE POLICY: Mining Federal Agreement

Key Points



- **CONSULTATION AND/OR PUBLIC HEARINGS** strengthening in EIA processes.



- **ROYALTIES:** up to 3% on accrued income.
- **PROVINCIAL INFRASTRUCTURE FUND:** up to 1,5% on accrued income.



- **PROVINCE PUBLIC COMPANIES:** transparency, responsibility and competitiveness.



- **FEDERAL INFRASTRUCTURE PLAN:** Nation and Provinces will work out a Federal Plan to finance infrastructure works for productive development.



STATE POLICY: Mining Federal Agreement

Key Points



- **CENTRO DE INFORMACIÓN MINERA ARGENTINA (CIMA - ARGENTINE MINING INFORMATION CENTRE):** mining information systematization, organization and standardization. Transparency in data production and dissemination.



- **UNIFIED MINING REGISTRY AND CADASTRE SYSTEM:** standardization of mining rights, properties and procedures systems and register processes.



- **LITHIUM BOARD:** Nation, Catamarca, Jujuy and Salta interdisciplinary workgroup which will create protocols of good practice for the study, exploration and development of lithium in salt flats.

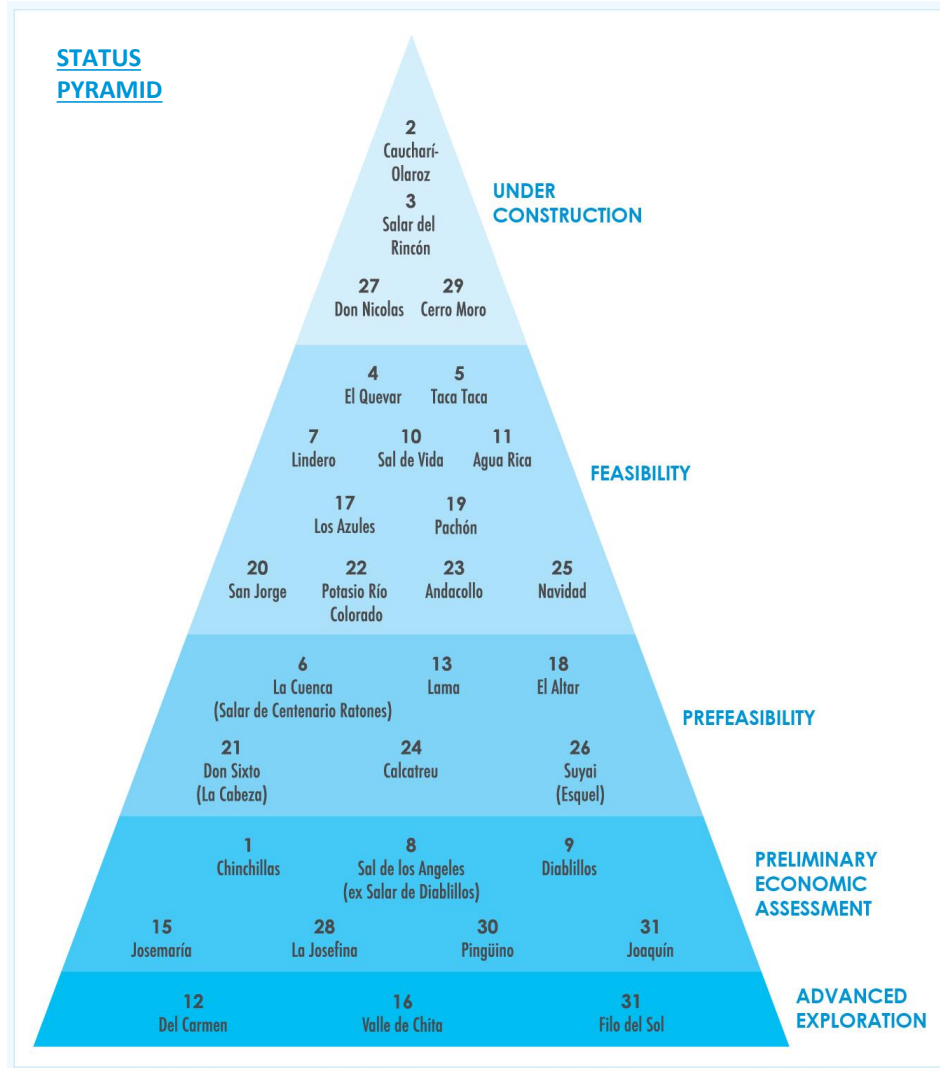


- **TRANSPARENCY POLICY APPLIED TO THE MINING SECTOR:** authorities and companies.





Projects Scenario



COMPANY	SALT FLAT	TN/YEAR	STAGE
Orocobre Ltd. (Toyota Tsusho) - Japan - Australia	Salar Olaroz Cauchari	20 K	Generating
FMC - USA	Salar del Hombre Muerto	20 K	Generating
Enirgi Group - Australia - China	Salar Rincón	20 K	Pilot Plan
Ganfeng Lithium - China	Salar Lullaillaco	20 K	Advanced Exploration
Eramet / Eramine - France	Salar Centenario	20 K	Pilot Plan
SQM - Chile - Canada - China	Salar Olaroz Cauchari	20 K	Pre-Feasibility
Galaxy Resources Ltd. - Australia - China	Salar del Hombre Muerto	20 K	Advanced Exploration
Albermale - USA	Salar de Antofalla	25 K	Advanced Exploration

Argentine Puna Total:

165 K TN/YEAR

≈ 45% of supply

Global Market Demand:

345 K TN/YEAR



COMPANY	METAL	PROVINCE	COUNTRY
Albemarle International	Lithium	Catamarca	USA
PepinNin Minerals Ltd	Lithium	Salta	Australia
Goldinka	Lithium	La Rioja	Australia
Everlight Resources	Lithium	Salta	Australia
Neo Lithium Ltd	Lithium	Catamarca	Canada
Fortuna Silver	Gold / Copper	Salta	Canada
Regent Resources	Lithium	Catamarca	Canada
Advantage Lithium	Lithium	Salta	Canada
Filo Mining	Copper / Gold	San Juan	Canada
Millennial Lithium	Lithium	Salta	Canada
Southern Lithium	Lithium	Salta	Canada
Ganfeng	Lithium	Salta	Canada
SQM	Lithium	Jujuy	Canada
Argentina Lithium	Lithium	Salta	Canada
Trident	Gold	Neuquén	Australia
First Quantum	Gold / Copper	Salta	Canada
Huayra Minerals Corp.	Gold / Silver	Salta	Canada
Lithium X	Lithium	Salta	Canada
Lithium S	Lithium	Jujuy	Canada
Alba Minerals	Lithium	Salta	Canada
Trans Pacific Minerals Corp	Lithium	La Rioja	Australia
Southern Lithium	Lithium	Salta	Canada
Dark Horse	Carbon / Lithium	Río Negro / Córdoba / San Luis	Australia



COMPANY	METAL	COUNTRY
NFC	Potassium	China
Sinosteel	Gold / Silver	China
Citic	Lithium / Potassium	China
China Jinchuan Investment	Gold / Silver / Copper	China
Shandong Gold	Gold	China
Newmont	Gold	USA
New Crest	Gold	Australia
Fresnillo	Gold / Copper / Silver	Mexico
Buenaventura	Gold / Copper / Silver	Peru
Southern Cooper	Copper / Molybdenum	USA





2017 Scenario

LOGISTIC AND INFRASTRUCTURE OPTIMIZATION	SUSTAINABLE WORK, ENVIRONMENT AND COMMUNITIES	R+D+I COSTS OPTIMIZATION	INSTITUTIONAL STRENGTHENING	Economic, social and environmental competitiveness.
Infrastructure: Belgrano, Patagónico and San Martín railway road trains.	Territorial system: early detection of social and environmental issues: <ul style="list-style-type: none"> • Regulatory Decree of Glacier Law • COFEMIN-COFEMA board 	R+D+I incorporation and development. Lithium Board. Added value and audit.	Nation-Provinces institutional strengthening	
Energies: renewable and conventional.	Work-related: workshops between companies, state and guilds.	Local suppliers development.	Cadastre. Standardize mining procedures. Improve public performance times. Transparent communication.	



An aerial night photograph of a mining town nestled in a valley between dark, rugged mountains. The town is illuminated by numerous warm yellow lights, with several large industrial buildings featuring prominent blue roofs. A long, straight road or conveyor system stretches from the town towards a distant mountain peak, also lit up. The sky is a deep twilight blue with some light clouds.

Thank you



Secretaría de Minería
Ministerio de Energía y Minería
Presidencia de la Nación