



Argentina

March 2019

MINING INVESTMENT OPPORTUNITIES IN ARGENTINA



Secretaría de Política Minera
Ministerio de Producción y Trabajo
Presidencia de la Nación

Argentina presents great development opportunities in all sectors



**PETROLEUM
AND GAS**



**RENEWABLE
ENERGY**



INFRASTRUCTURE



MINING



**AGRI
BUSINESS**



**TELECOMMUNICATIONS
AND TECHNOLOGY**



SBC



TOURISM



MANUFACTURE

Mining: a strategic sector at National and Provincial levels



Since
President Macri
took office, Mining has been prioritized
as one of the
**Growth and
Development sectors
for Argentina**



*“MINING IS A **KEY PILLAR** FOR
THE **FEDERAL DEVELOPMENT**
OF OUR COUNTRY”*



*“IT COULD BECOME ONE OF THE
MAIN SOURCES OF
EMPLOYMENT GENERATION”*



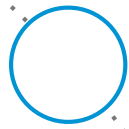
*“... IS THE OPPORTUNITY FOR
SUSTAINABLE DEVELOPMENT FOR
PROVINCES THAT CANNOT HAVE
AGRICULTURE”*



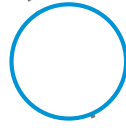
*“... **THE GEOLOGICAL
ENDOWMENT** OF ARGENTINA IS
ONE OF THE **MOST IMPORTANT**
IN THE WORLD, AND WE
WILL OPEN THE DOORS TO ITS
DEVELOPMENT”*



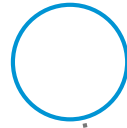
**In addition to
macroeconomic
stabilization, we also
work on a systemic
competitiveness agenda**



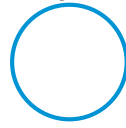
Integration to the **World** and Strengthening **Institutions**



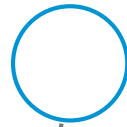
Multimodal **Transport** and more **Energy** available



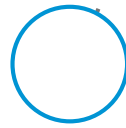
Taxes reduction path + Fiscal Pact – Observing the Law



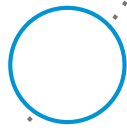
Federal Mining Council (**COFEMIN**) – New Agreement



Mining Investment Law – Improving Benefits access through digitalization and regulatory simplification



Transparency - Online Provincial Cadastre and EITI



Social Sustainability of mining – Roundtables and Communities programs



Reemerging on the Global Stage Strengthening Institutions



G20 2018 BA Summit. Argentina's motto: **"Building Consensus for a sustainable and equitable development"**



Organisation for Economic Co-operation and Development (OECD) – Nomination

INTERGOVERNMENTAL FORUM on Mining, Minerals, Metals and Sustainable Development (IGF). Argentina as Latin America Executive Board representative



Mines Ministries of the Americas Conference (CAMMA) – Public Policy framework for mining



Mining Integration and Complementarity Treaty between Argentina and Chile



CRIRSCO (Committee for Mineral Reserves International Reporting Standards) – Nomination



CEPAL (United Nations Economic Commission for Latin America and the Caribbean) – Cooperation agreement for technical assistance

INFRASTRUCTURE



We carry out the most ambitious infrastructure plan in argentinian history

Towards a multimodal transport model

-30%
IN LOGISTIC COST

+15.000 km
ENABLED NATIONAL ROADS

ROAD TRAINS



-40%
In mooring and pilotage rates

Merchant Shipping Law

-36% tugboats cost

PORTS AND WATERWAYS



3.500 **156**
NEW WAGONS LOCOMOTIVES

1.200 km
AMONG UPGRADED AND UNDER CONSTRUCTION RAILWAYS

BELGRANO CARGAS

-10 DAYS
SALTA-ROSARIO JOURNEY TIME
2018 best year in 25 years

FREIGHT TRAINS



ENERGY



Thanks to Vaca Muerta we are increasing Energy Supply at competitive prices for the activities development

Diversifying Energy Matrix

SHALE RESOURCES - VACA MUERTA

COMPETITIVE PRICES
CONVERGENCE

-30%

LOWER CURRENT PRICES

GAS

U\$S 3,5 MM BTU
2023



2018 First gas exports in 14 years

RENEWABLES

RenovAr Plans 1.0 1.5 2.0 &
Res. 202:

157

granted projects

20%

of Energy Demand by 2025



World Class Solar & Wind potential



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TAX REDUCTION

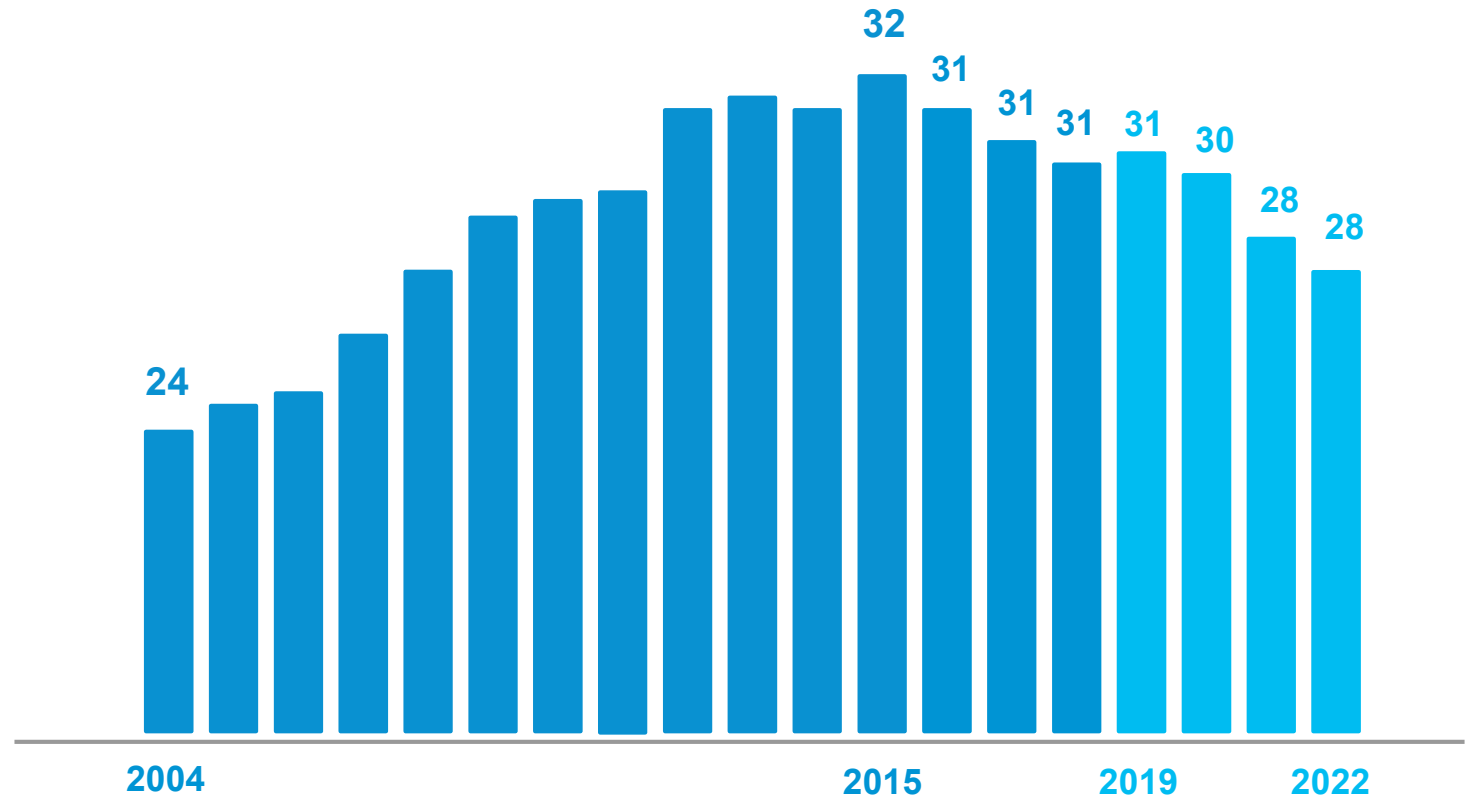


Beyond the context,
**we are committed to a
tax reduction path**

- Income Tax **35% - 2017**
30% - 2018
25% - 2020
- Labour Taxes **Lowering 30%**
by 2022
- Gross Income **Provinces commitment**
to eliminate the tax by
2022
- Provincial Fiscal Pact **19 out of 23 provinces**
ended 2018 with
Primary Surplus



FISCAL BURDEN (NATIONAL AND PROVINCES, GDP %)



Tax Reform + Fiscal Pact

Argentina is a Federal Democracy

What does this mean for the mining sector?

Within the same territory
there are:

1 Federal Government

23 Provinces

2000+ Municipalities

1 Autonomous City

	Federal Government	Provinces
Natural Resources (including mineral deposits)	X	✓
Mining Code	✓	X
Mineral title & permits	X	✓
Mining Investment Law	✓	X
Environmental regulations	✓	✓

Federal Mining Council
working on common agenda
among all provinces

COFEMIN

2017

New Agreement



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The Mining Investment Law (24.196 / 93)

Benefits granted



TAX STABILITY

Applies for **30 years to all taxes** (national and provincial) applicable from the filing date of the feasibility study to the Federal Government

0% tax on capital goods (equipment & spare parts) and raw materials imports for mining purposes

IMPORTS



EXPLORATION PROMOTION

- **Double 'Income Tax' deduction** of Exploration expenditures up to Feasibility
- **VAT Reimbursement** within 6 months

3 years accelerated depreciation scheme

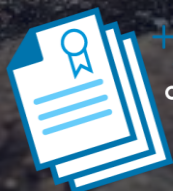
ACCELERATED DEPRECIATION



ROYALTIES UPPER BOUND

The Law set an upper bound of **3%** for Provincial **Royalties**

And we are improving Benefits access through digitalization and simplification !



REGULATORY SIMPLIFICATION
47 RESOLUTIONS TO **5**



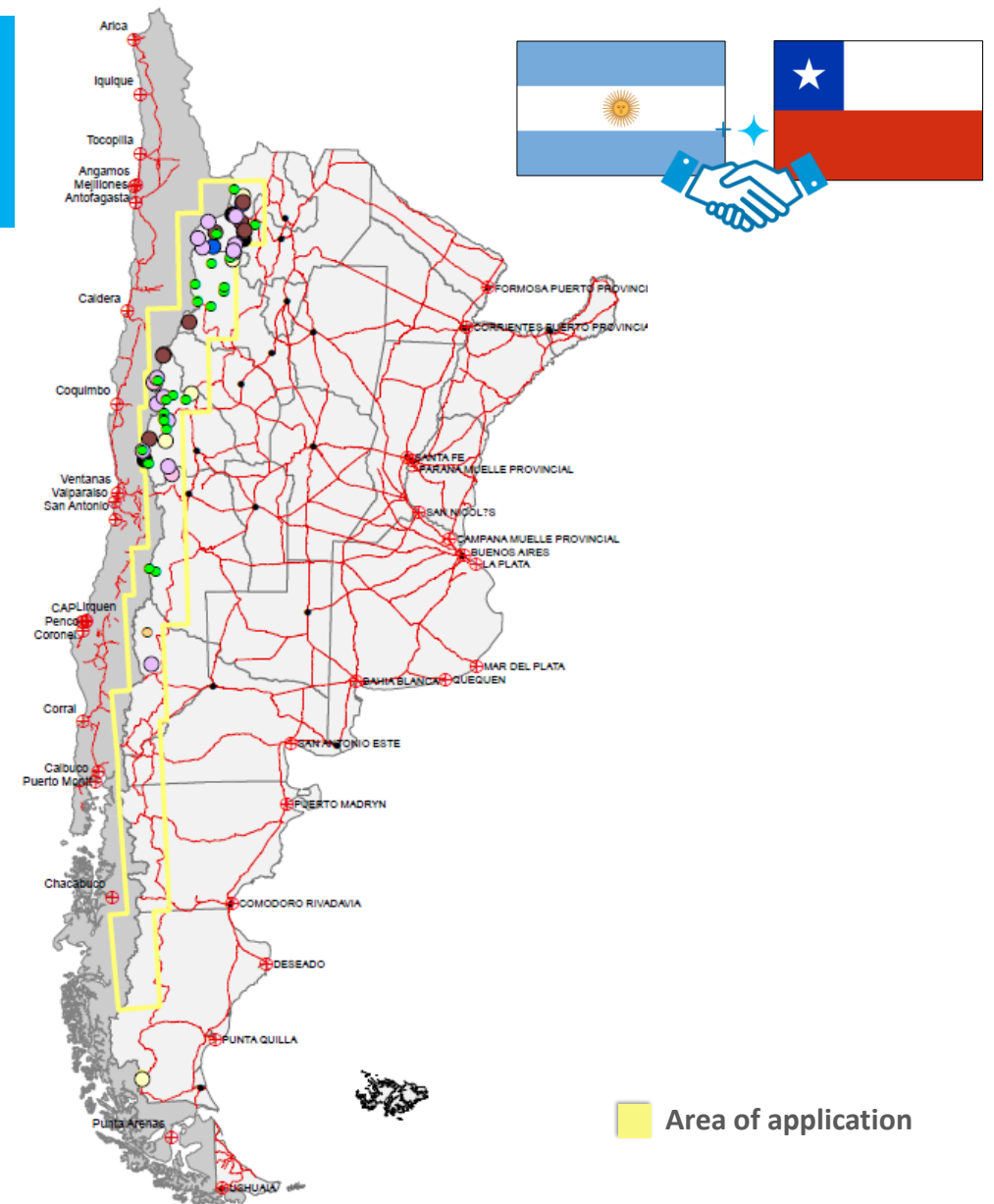
ONLINE APPLICATION
Reducing costs and saving time



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Argentine-Chilean Mining Integration and Complementation Treaty

- Facilitates the activities in the area and the border transit of people and assets
- Allows use of all kind of natural resources and infrastructure, fostering the feasibility of isolated projects
- Eases the Pacific Ocean access for argentine western provinces
- Provides a Tax coordination framework for each nation



PROVINCIAL CADASTRES ONLINE VISUALIZATION

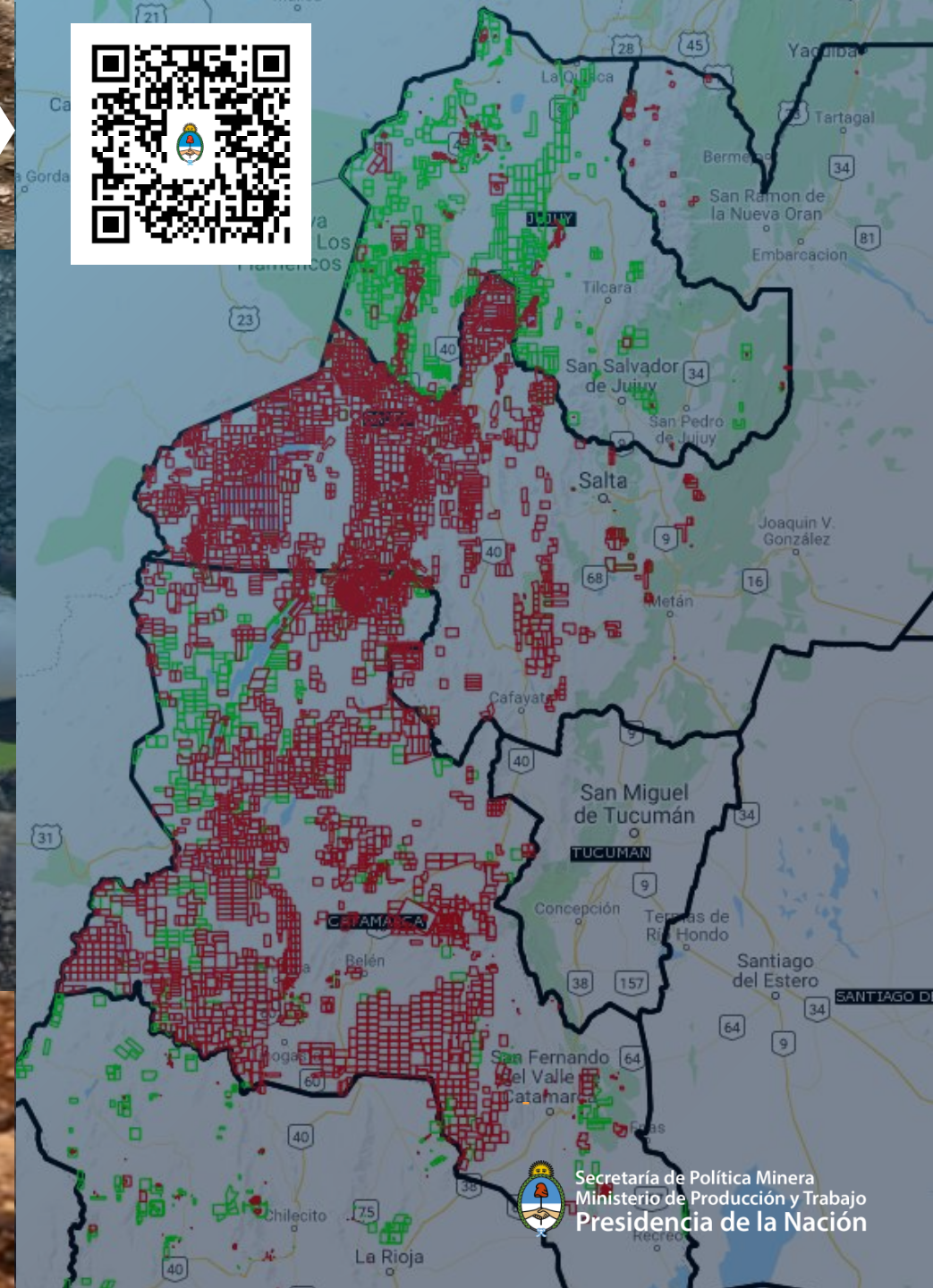
At January 2019 → 8 Provinces Online

Online cadastral information unified for 8 Provinces:
Jujuy, Salta, Catamarca, La Rioja, Mendoza,
Neuquén, Río Negro & Santa Cruz

- ▶ Exploration permit (*'Permisos de Cateo/exploración'*)
- ▶ 'Discovery Manifestation' (*'Manifestación de descubrimiento'*)
- ▶ Mine (*'Mina'*)
- ▶ 3rd Category Minerals (*'Minerales de 3ra Categoría' Mining Code*)

Open
Government
Partnership

THE ONLINE CADASTRE IS PART OF THE
ARGENTINA OPEN GOVERNMENT PLAN

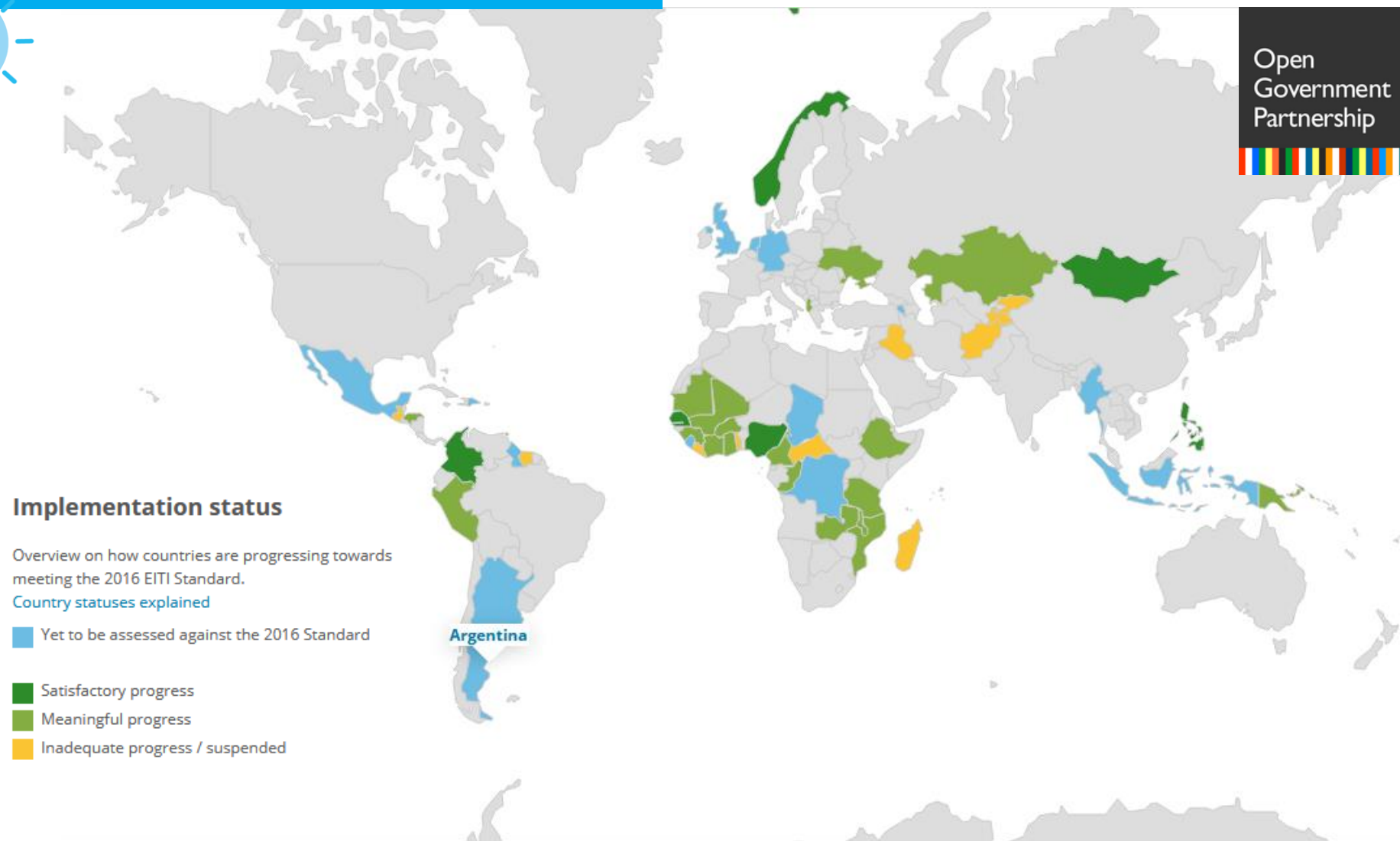


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Last week
Argentina has
become the
EITI's 52th
member
country



To strengthen
confidence and
involvement of
companies and
communities in
Sustainable
Mining



Sectorial Roundtables

Government,
Unions and
Companies
working
together

MINING ROUNDTABLE



LITHIUM ROUNDTABLE



Towards social sustainability of mining



Provincial Social Management Programs

SALTA



Participatory
monitorings

Local social
roundtables

JUJUY



Participatory
monitorings

Communities
representation in EIA
approval process
(UGAP)

SAN JUAN



-Sustainable mining and
health program

Community development
fund



-Participatory
monitorings

CATAMARCA



-Dialogue roundtables
and consultation

-Participatory
monitorings and control

-Community training/
workshops



CHUBUT



Local dialogue
roundtables

SANTA CRUZ



Development agencies
UniRSE – CSR
mining fund

MENDOZA

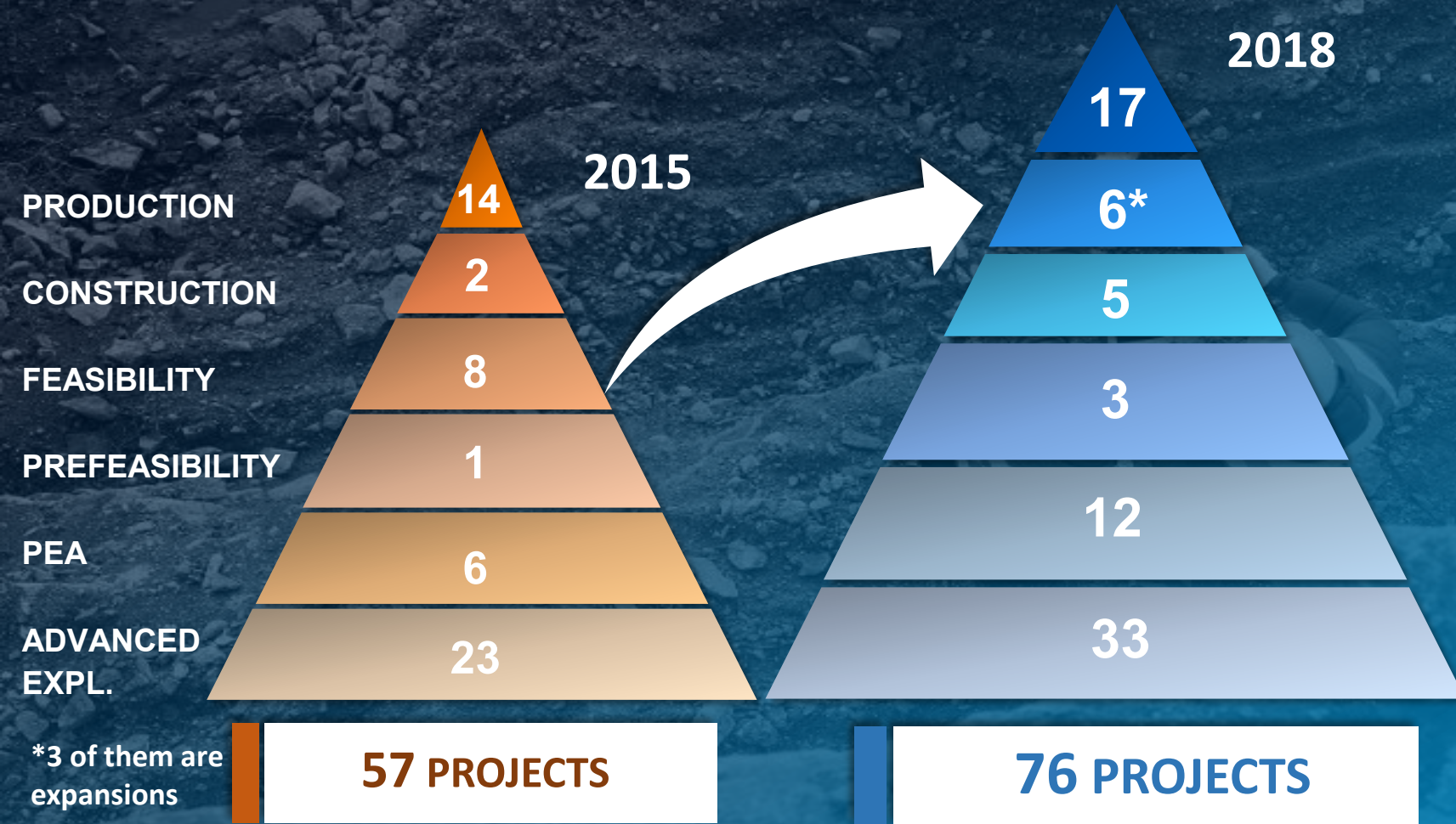


Dialogue
roundtables

*This list summarizes several provincial initiatives and it does not pretend to be exhaustive

Consequently, Argentina has improved its attractiveness for mining investments

Comparative Portfolio 2015-2018



Mining investments & deals



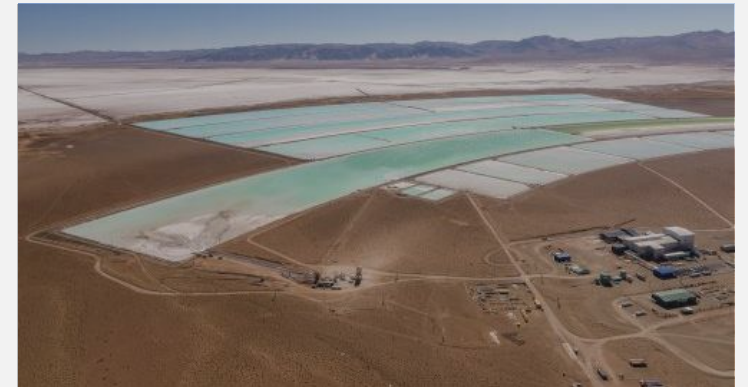
New mining investments:
USD 1.04B

Dec15-Dec18

In-country acquisitions:
USD 1.76B

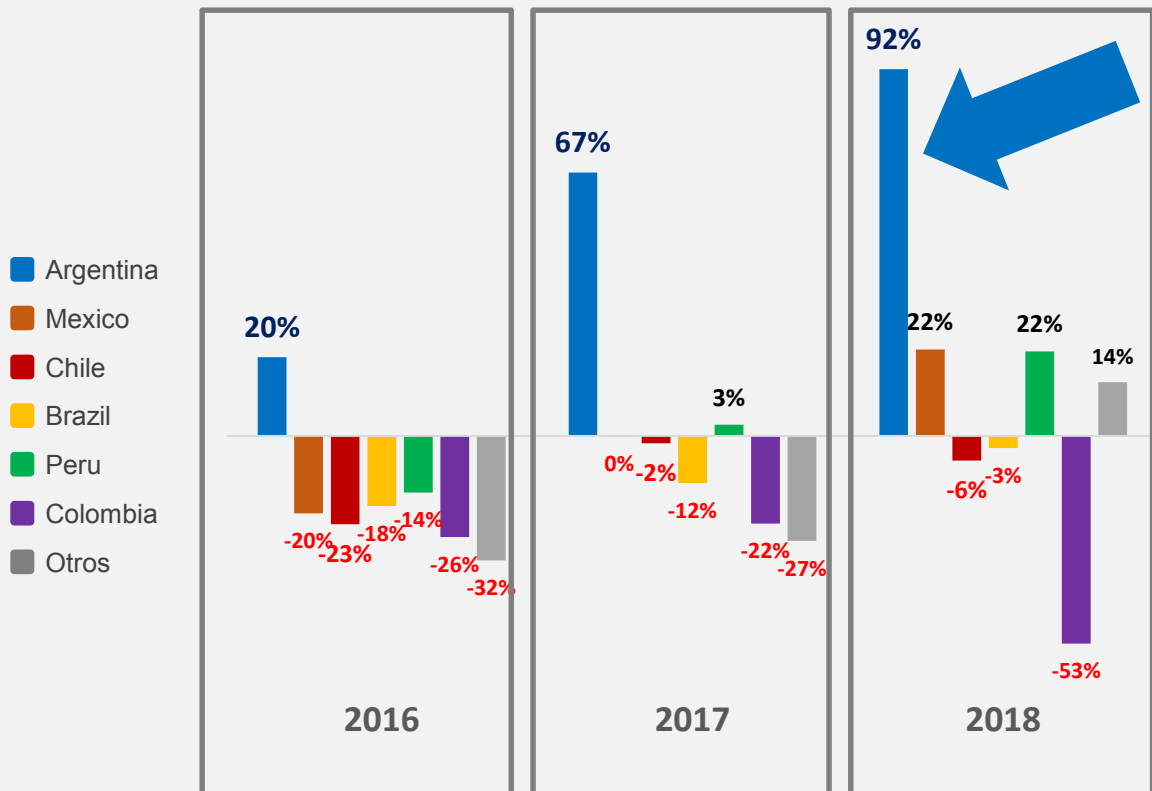
Dec15-Dec18

1st 2018 World Lithium Exploration Budget

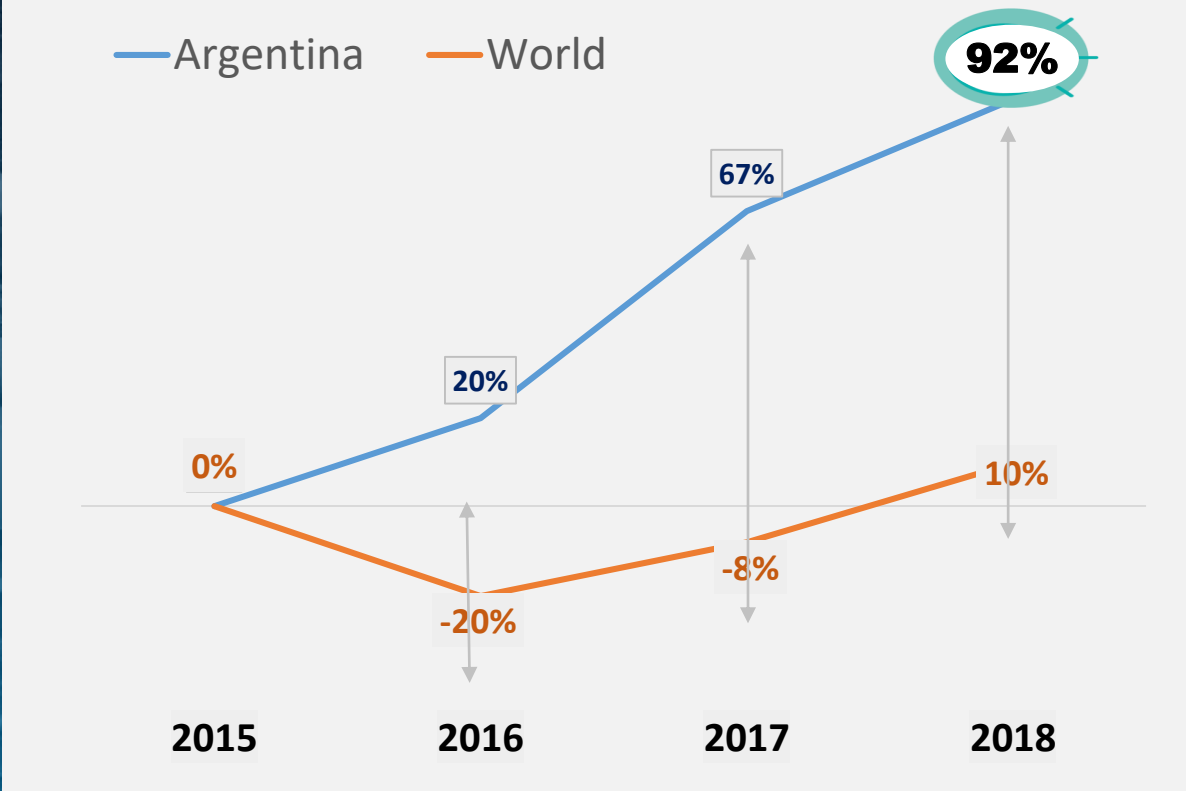


Investment in Argentina is in a growing path that outstand in the last 3 years

Argentina's performance outlined among the rest of Latin-American countries (base 2015)



Budgets in Argentina highlighted almost doubling from 2015, even against global trend



Source: SNL & Argentina Mining Secretary

Exploration Budget 2018 = **241 M USD**

OUR GOAL 400 M USD

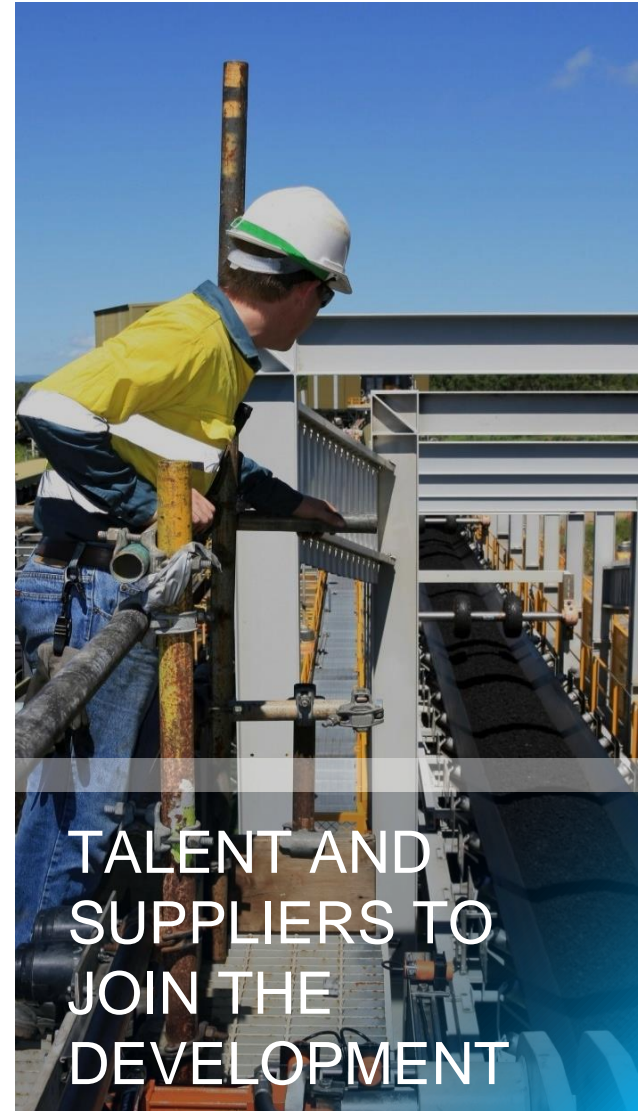
What are we looking for?



JUNIOR
COMPANIES TO
FURTHER EXPLORE
THE TERRITORY



MINING COMPANIES
TO DEVELOP
ADVANCED
PROJECTS



TALENT AND
SUPPLIERS TO
JOIN THE
DEVELOPMENT



OUR GOAL:
TRANSFORMING
ARGENTINA
INTO A GLOBAL
LEADING MINING
DESTINATION

