

Mining potential in Argentina

Secretariat of Mining

Unlocking Synergies

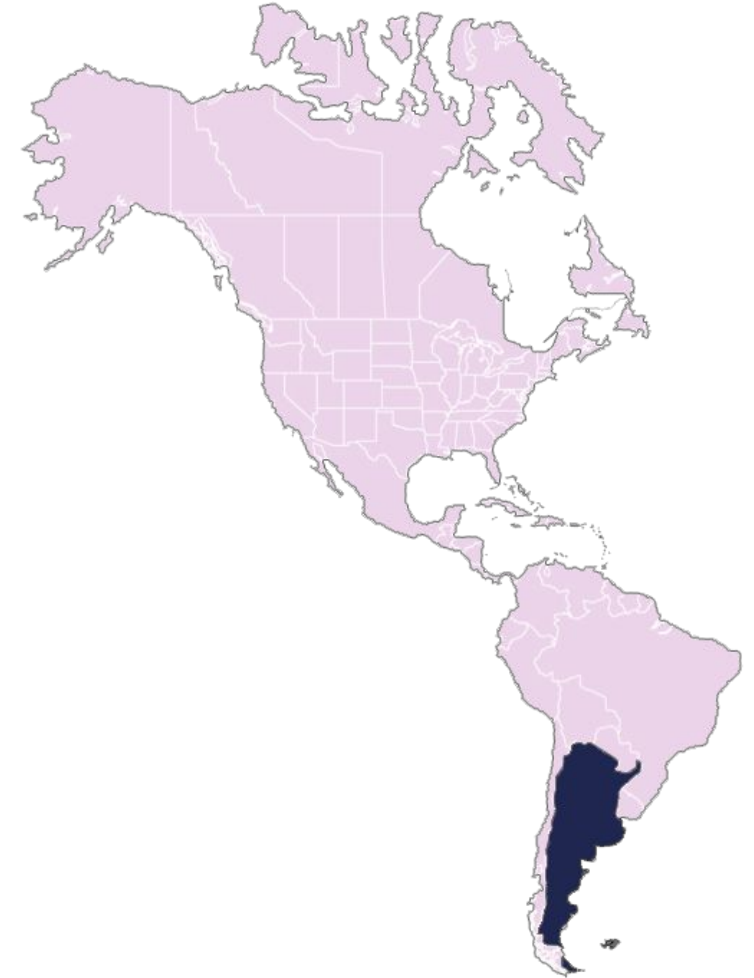
Argentina - Germany: Conference on Mineral
Resources & Critical Materials

February 2024



Why invest in mining in Argentina?

- Argentina is strongly committed to promoting sustainable and transparent mining within an ESG framework.
- There is broad agreement among different sectors of the community (civil society, business enterprises, workers, unions, and all levels of government) to develop the mining industry across the country.
- We have a specific Mining Investment Law (N° 24.196) that includes a 30-year fiscal stability period plus other benefits at each stage of project development.
- Argentina launched a New Investment Promotion Regime for Exports (Decree 234/21 & 836/21) that guarantees investors access to foreign currency on the local foreign exchange market.
- The government has implemented recognized transparency standards: Argentina joined the Extractive Industries Transparency Initiative (EITI) in February 2019 and launched the SIACAM initiative in 2022 (A Mining information system open to the public).



Argentina has a recognized mining potential in **Copper, Gold, Silver, Lithium and Zinc** and a vast mining territory that is yet to be explored.

Who is the mining authority in Argentina?

- Argentina is constitutionally organized as a federal republic.
- The Federal government and each provincial government have institutions and regulations that govern the mining sector.
- The national government provides the general regulatory framework for mining. Since the constitutional reform in 1994, the provinces own the natural resources in their territory.



Who is the mining authority in Argentina?

- **FEDERAL LEVEL** The competent authority at the federal level is the Secretariat of Mining within the Ministry of Economy.
- **PROVINCIAL LEVEL** Each province has its own authority that controls mining within the provincial territory. The mining authority is usually subordinate to the provincial executive branch. However, in some provinces (such as Salta), the mining enforcement authorities are subordinate to the judicial branch.
The provinces are responsible for granting exploration and extraction rights (i.e. issuing and revoking permits), charging royalties and other non fiscal contributions for mining activity, and ensuring compliance with the environmental regulatory frameworks (e.g. environmental controls and audits).
Each province has its own mining procedural law.
- **COFEMIN** The Federal Mining Council (COFEMIN) was created to design, execute, and follow up on the national mining policy.

Are there any restrictions concerning foreign investment?

What information does Argentina produce to guide prospecting and exploration activities?

- There are no restrictions concerning foreign investment and ownership of companies engaged in the exploration and extraction of mineral resources.
- Foreign individuals and entities can therefore acquire and hold mineral rights in Argentina.
- The Argentinian Geological Survey (Servicio Geológico Minero Argentino – SEGEMAR) is a government technical agency within the National Secretariat of Mining that provides access to the geological, topographic and metallogenic maps of the country with information on its mineral resources and provide mining services for exploration.

What is the environmental framework in Argentina?

Environmental requirements are set out in the Environmental General Protection Act No. 25,675 and Law No. 24,585 incorporated into the Mining Code. Law No. 24,585.

- Individuals or entities seeking to conduct prospection, exploration, or exploitation activities over a certain area must submit an environmental impact assessment (EIA) to the provincial authority.
- If the EIA meets the standards, the provincial enforcement authority issues an environmental impact statement (EIS), which allows the applicant to carry out the proposed activities.
- The EIS is issued for two years and establishes a set of conditions and requirements that the interested party must comply with to maintain its validity.
- The mining companies must submit updates of the EIS every two years after its initial approval.

What are the principal laws that regulate the mining industry?

1. MINING CODE - (Law N° 24.585)

Mining activities throughout Argentina are subject to the provisions of the National Mining Code and to provincial laws of procedure that must follow the Mining Code guidelines.

- The Mining Code establishes the rules and procedures for granting, maintaining, transferring, and revoking mining rights.
- Procedural provisions under the Mining Code are implemented by provincial regulations, which generally follow the standards and guidelines of the national Mining Code.
- The provincial Mining Procedural Codes set out the relevant procedure to request the granting of mining rights.

What are the principal laws that regulate the mining industry?

2. MINING INVESTMENT LAW (N° 24.196)

Mining in Argentina is promoted by several regulations granting important benefits to local and foreign investors in these activities.

The main regulations are set forth in the Mining Investment Law.

- The Mining Investment Law provides special benefits that reduce the tax burden and risk of mining activities.
- It is complemented by the Foreign Investment Law 21,382 (1993), which grants equal treatment to foreign and domestic investors.
- It is supported by different Bilateral Investment Treaties with many countries, including Australia, Canada, China, the United States, and South Africa, for the promotion and protection of investment.
- As established by Resolution 30/2018 of the Secretariat of Mining, potential beneficiaries can apply for the benefits established by the law online by means of the remote processing system.

What are the principal laws that regulate the mining industry?

LAW (N° 24.196)



TAX STABILITY

Applies to all taxes (federal and provincial) for a period of 30 years; it is applicable from the date of submission of the feasibility study to the Federal Government.



IMPORTS

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



EXPLORATION PROMOTION

Double 'Income Tax' deduction of Exploration expenditures until the Feasibility study is complete. VAT Reimbursement within 6 months.



ACCELERATED DEPRECIATION

3 years accelerated depreciation scheme.



ROYALTIES

The Law sets an upper bound of 3% for Provincial Royalties.

Are there other regimes that promote mining investment in Argentina?

On April 7th, 2021 the Argentine Government issued Decree No. 234/2021 which created the “Investment Promotion Regime for Exports”. By means of Decree No. 836/2021 dated December 9th, 2021 ("Decree 836"), the Executive Branch increased the benefits for major investments.

The special regulation covers investments aimed to start up new mining projects and expand existing business units by increasing their production or lifespan.

Investment proposals that are approved to benefit from the special regime are entitled to use up to 60% of the foreign currency obtained from exports related to the project strictly for:

- Payment of capital and interest on commercial or financial liabilities abroad
- Payment of dividends corresponding to closed and audited financial statements
- Repatriation of nonresidents' direct investments

Are there other regimes that promote mining investment in Argentina?



FRAMEWORK

The Decree has the force of a law passed by Congress. It defines and creates an investment promotion regime for exports. It provides benefits to those who make a direct investment in foreign currency of no less than USD 100 million, either for:

- (i) new investments; or
- (ii) to expand an existing business



BENEFITS

It guarantees access to foreign currency on the local foreign exchange market to be used for:

- repayment of principal amounts and interest on foreign commercial or financial debts;
- profit and dividend distribution, corresponding to closed and audited balances; and/or repatriation of direct investments made by non-residents.



INVESTMENT

+ USD 100 million: Up to 20% of the foreign currency obtained from exports related to the Project are subject to the benefits of the Decree. (25% cap).
+ USD 500 million: Up to 40% of x
+ USD 1 billion: Up to 60% of the foreign currency obtained from exports related to the Project are subject to the benefits of the Decree. (60% cap).



STABILITY

The decree grants stability in foreign exchange regulations for 15 years.

Portfolio of mining projects

The portfolio of national projects includes gold, silver, copper, lithium, zinc, lead, uranium, potassium and coal.

101

National Projects in advanced stages

22

PRODUCTION

7

CONSTRUCTION

12

FEASIBILITY

4

PREFEASIBILITY

12

PEA PRELIMINARY ECONOMIC EVALUATION

44

ADVANCED EXPLORATION

Portfolio of mining projects

The portfolio of national projects includes gold, silver, copper, lithium, zinc, lead, uranium, potassium and coal.

40

Lithium Projects in advanced stages

3

PRODUCTION

5

CONSTRUCTION

7

FEASIBILITY

2

PREFEASIBILITY

4

PEA PRELIMINARY ECONOMIC EVALUATION

19

ADVANCED EXPLORATION

15

Copper Projects in advanced stages

1

PRODUCTION*

1

CONSTRUCTION

3

FEASIBILITY

2

PREFEASIBILITY

1

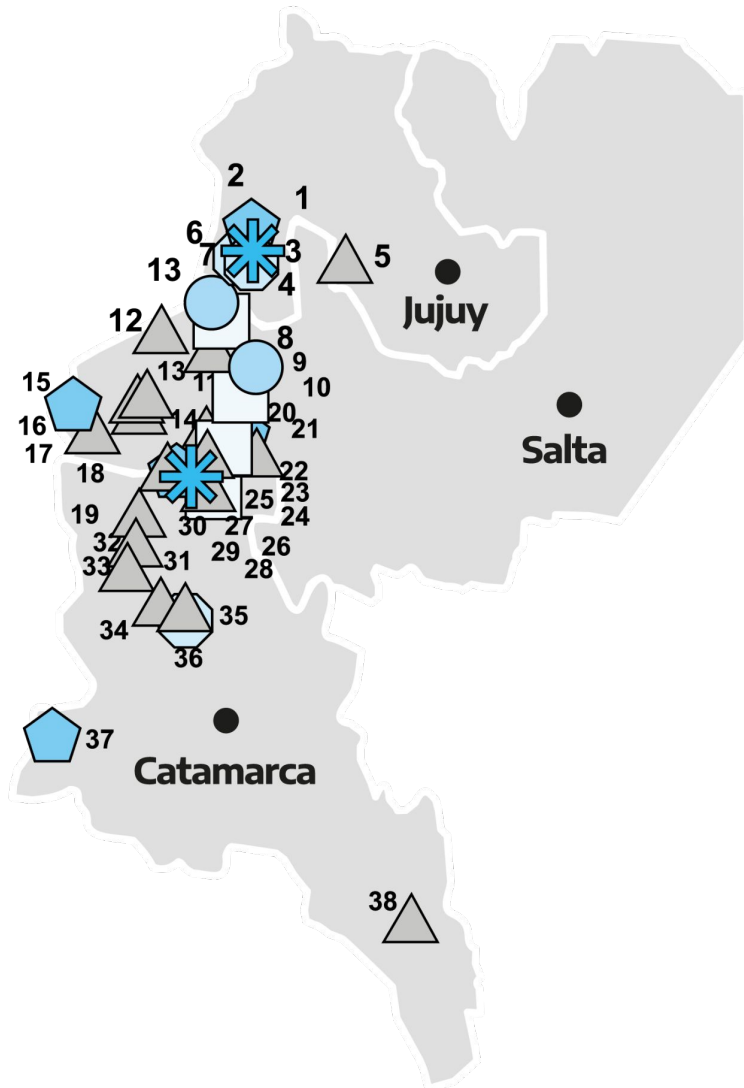
PEA PRELIMINARY ECONOMIC EVALUATION

7

ADVANCED EXPLORATION

***Martin Bronce - small-scale copper production project**

Lithium projects

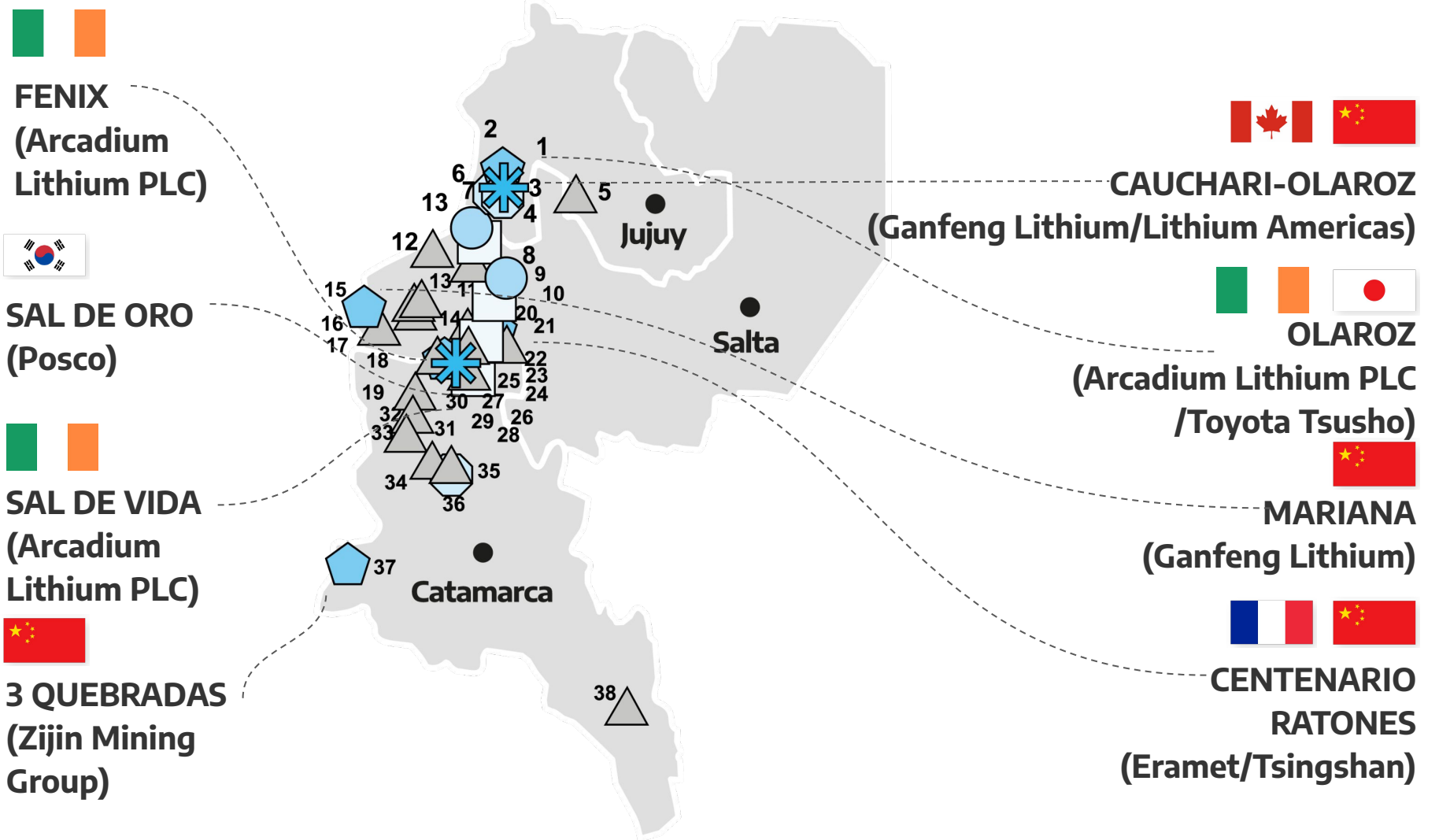


Production	Feasibility	PEA Preliminary Economic Assessment
Construction	Prefeasibility	Advanced exploration

- | | | |
|-----------------------|---------------------------|--------------------------------------|
| 1 - Cauchari | 14 - Laguna Verde | 26 - Sal de los Ángeles |
| 2 - Cauchari-Olaroz | 15 - Mariana | 27 - Sal de Oro |
| 3 - Salar de Cauchari | 16 - Río Grande | 28 - Sal de Vida |
| 4 - Olaroz | 17 - Río Grande | 29 - Salar del Tolillar |
| 5 - Salinas Grandes | 18 - Salar de Arizaro (1) | 30 - Virgen del Valle Litio |
| 6 - Pilar | 19 - Salar de Arizaro (2) | 31 - Antofalla Norte |
| 7 - Rincón | 20 - Candelas | 32 - Antofalla I al XII y Bolland VI |
| 8 - Salar de Rincón | 21 - Centenario Ratones | 33 - Sincera |
| 9 - Pastos Grandes | 22 - Fénix | 34 - Incahuasi |
| 10 - Pozuelos | 23 - Gallego | 35 - Kachi |
| 11 - Sal de la Puna | 24 - Hombre Muerto Norte | 36 - Karachi Salar Escondido |
| 12 - Mina Sisifo | 25 - Hombre Muerto Oeste | 37 - Tres Quebradas |
| 13 - Arizaro | | 38 - Ancasti |

Reserves & resources
LITHIUM 106 M / 14 M (tons LCE)¹
 Sources: 1. USGS 2022

Lithium projects in operation and construction



Advanced copper projects

Copper

Josemaria; El Pachón; Filo del Sol; Taca-Taca y MARA:

CAPEX USD 16,7 Billion

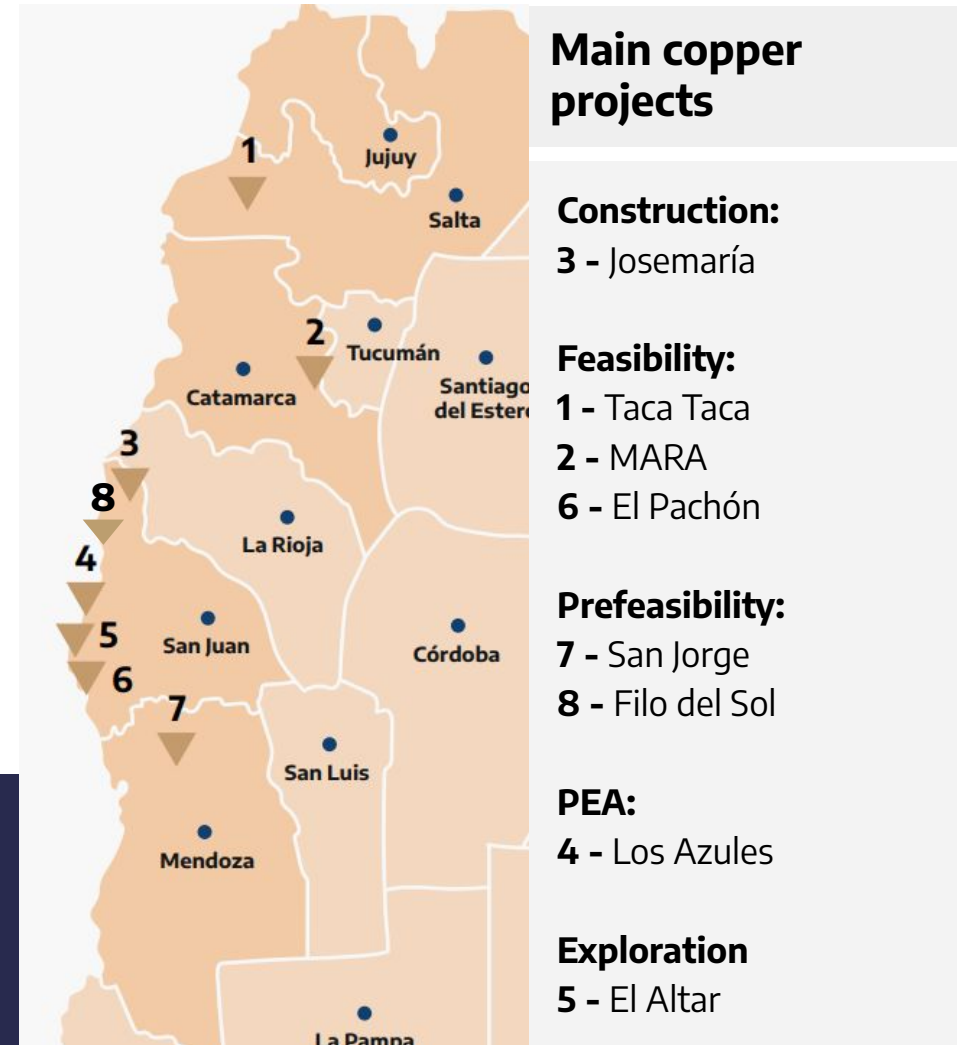
EXPORTS USD 7 Billion

PRODUCTION 1 M tons

Reserves & resources

COPPER 64.04 Mt²

Sources: SEGEMAR 2022



Projected exports by mineral

Exports 2023

USD 4,023 million
(6.1% of Argentina's total exports)



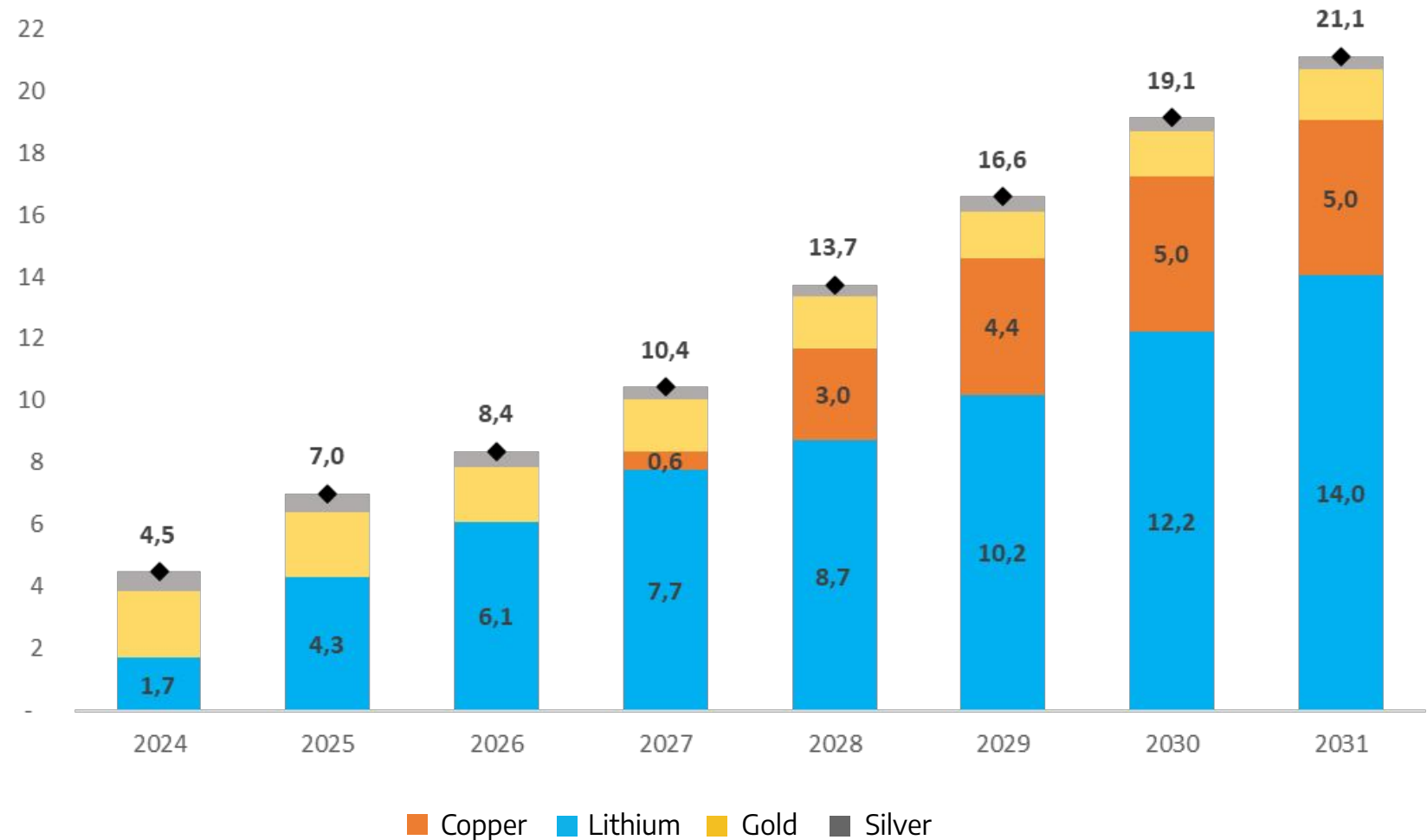
Fivefold increase in exports over the next decade



Lithium production expected to increase 9-fold in the next 5 years

Future Mining Exports - Conservative Scenario

By mineral in billions of dollars



This scenario takes into consideration the start-up of 10 lithium projects in addition to the 3 existing ones. The start-up of 3 copper, 2 gold and 1 silver projects.

Projected exports by mineral

Exports 2023

USD 4,023 million
(6.1% of Argentina's total exports)



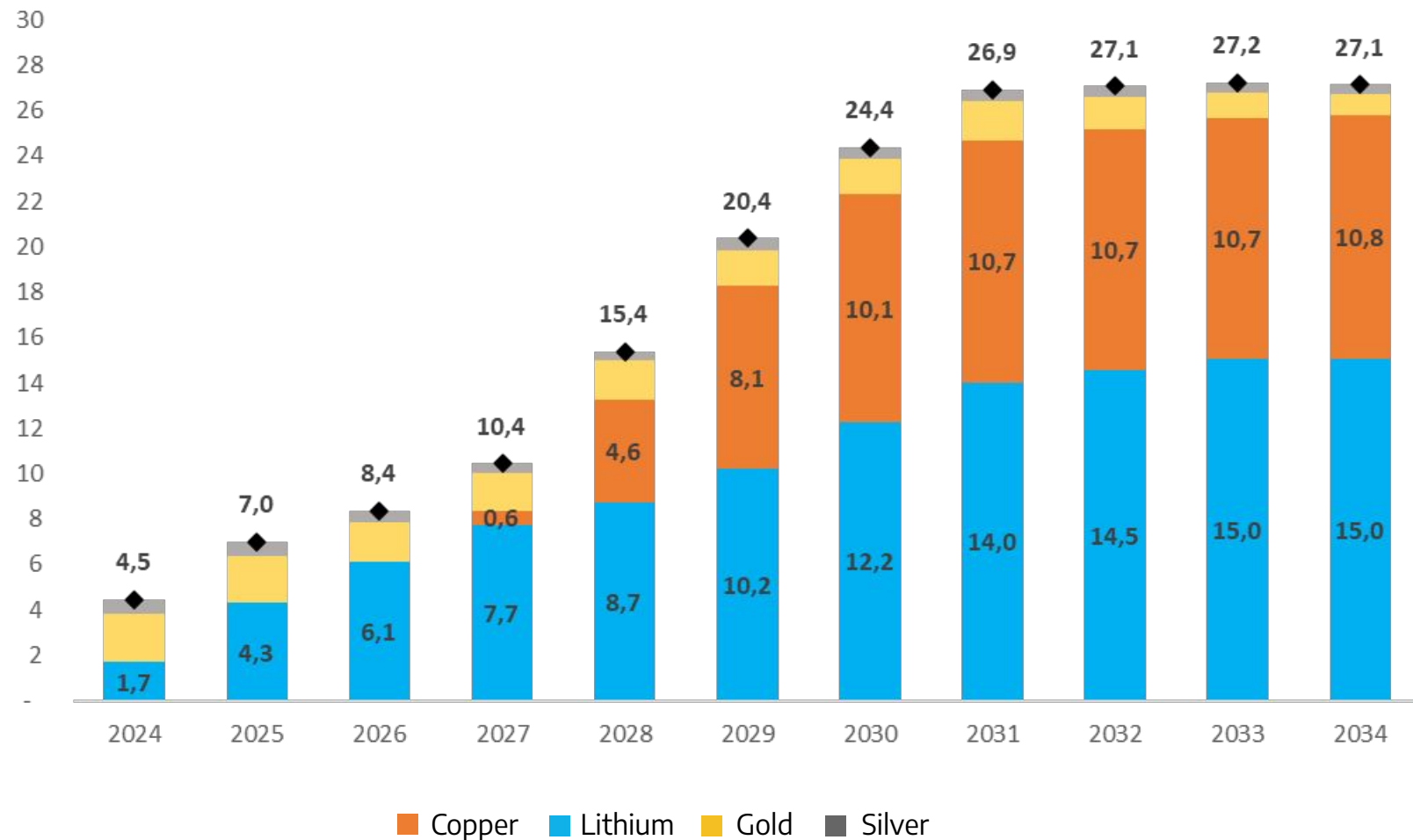
Increase exports 7-fold over the next decade



Lithium production expected to increase 9-fold in the next 5 years

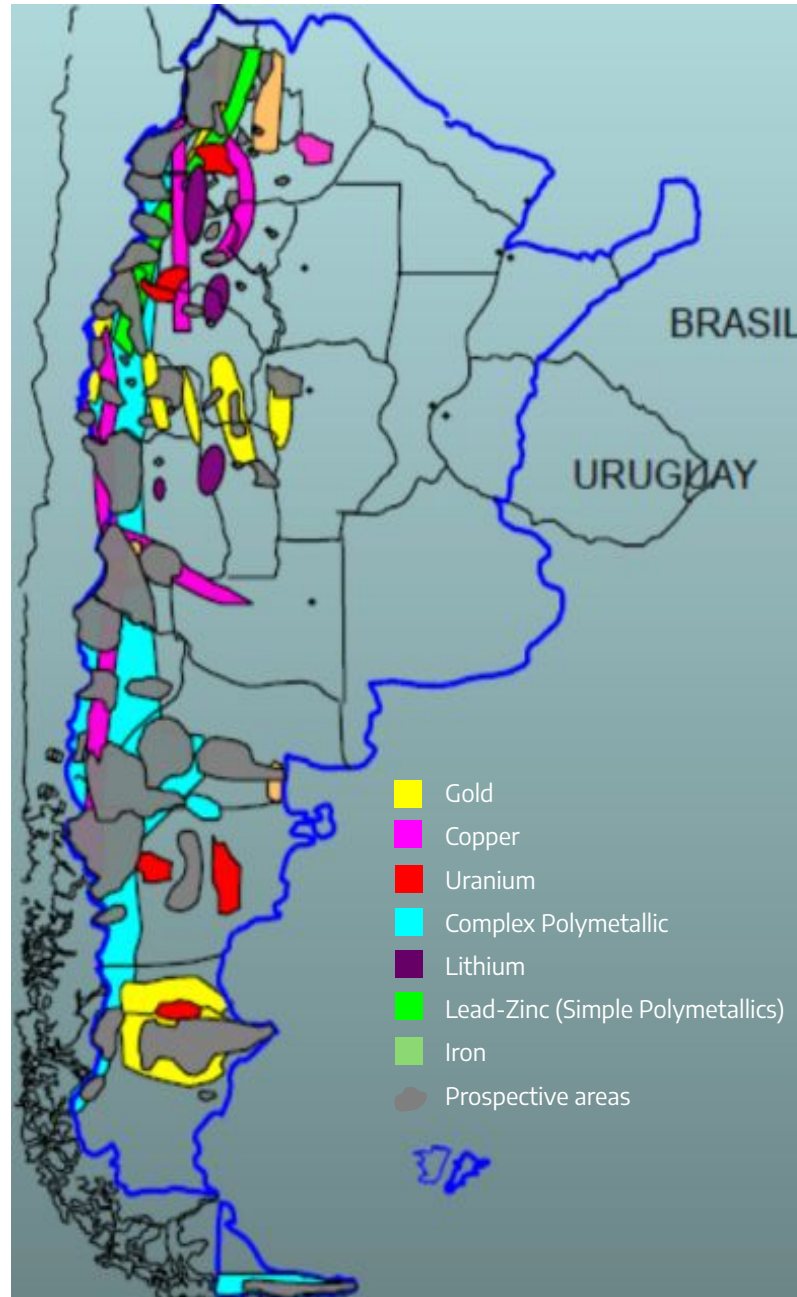
Future Mining Exports - Maximum scenario to 2034

By mineral in billions of dollars



This scenario takes into consideration the start-up of 10 lithium projects in addition to the 3 existing ones. The start-up of 6 copper, 2 gold and 1 silver projects.

More exploration to develop mining potential

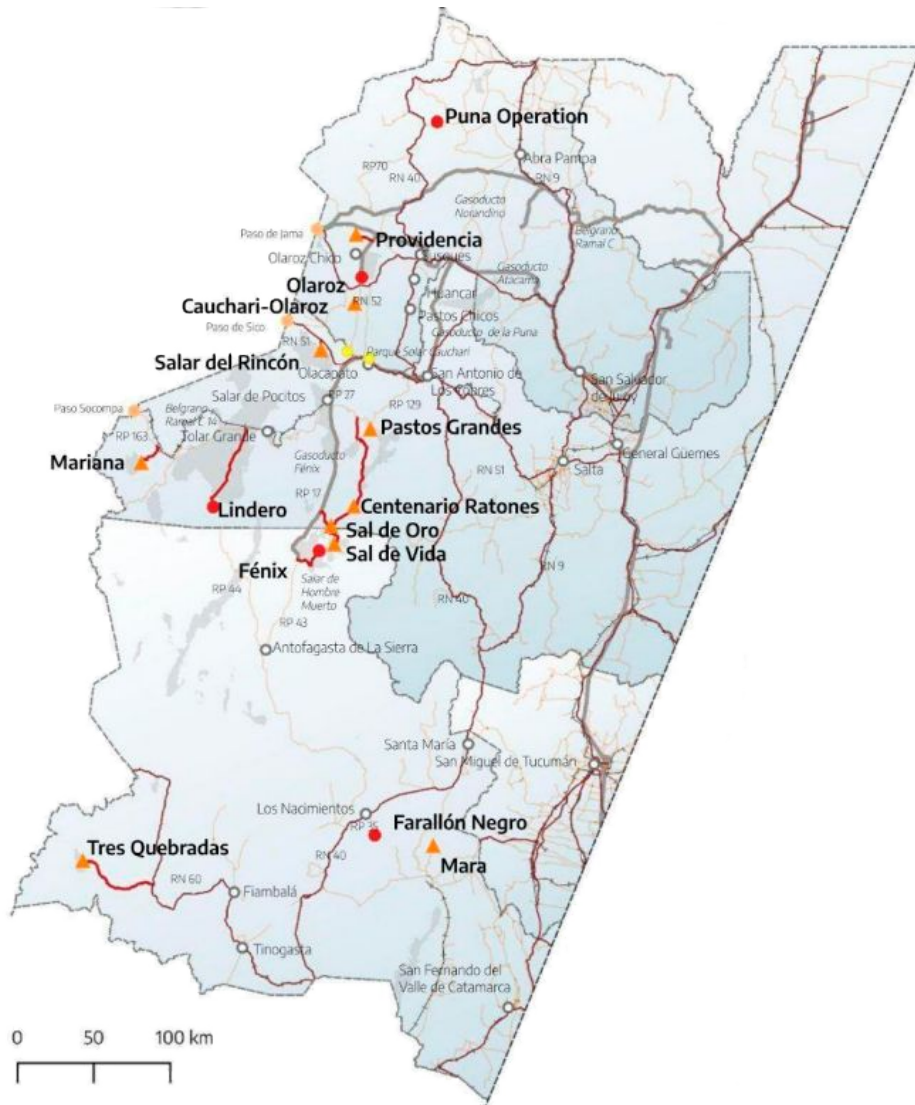


Argentina still has a great potential to discover deposits that will allow to continue with a high mineral production in the NOA, Cuyo and Patagonia regions.



More than 70% of the National Territory is presented without adequate exploration, especially when considering new deposit models

REGION NOA LITHIUM AND COPPER PROJECTS



REGION CUYO COPPER PROJECTS



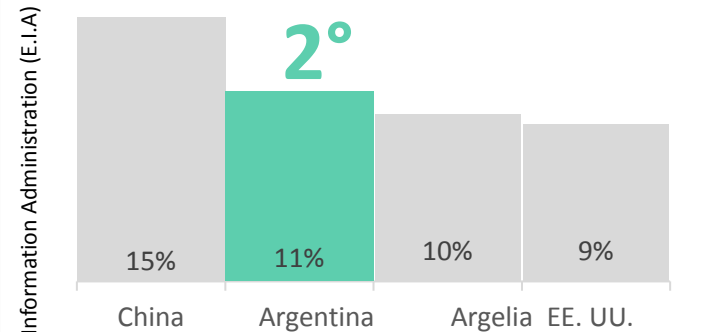
Argentina has the necessary infrastructure for the development of mining projects

- gas pipelines
- oil pipelines
- electrical lines
- national and provincial routes
- ports
- railway lines
- border crossings
- part of the bioceanic corridor between Brazil, Paraguay, Bolivia and Chile

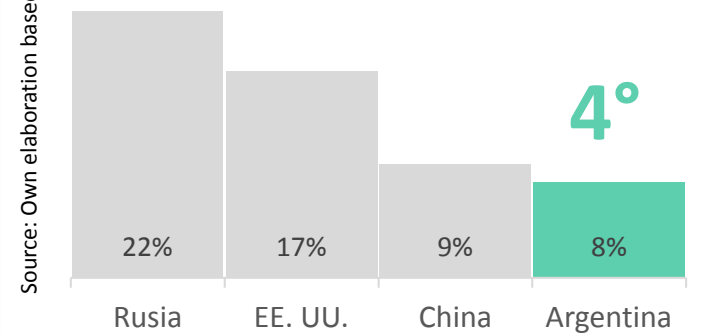
The Vaca Muerta formation is among the best in the world

Main unconventional formation in Argentina: it covers 36,000 km² and the estimated resources are 802 trillion cubic feet of gas and 16 billion barrels of oil

POTENCIAL DE GAS NO CONVENCIONAL



POTENCIAL DE PETRÓLEO NO CONVENCIONAL



Source: Own elaboration based on U.S Energy Information Administration (E.I.A)

Second largest unconventional gas resource.

Fourth largest unconventional oil resource.

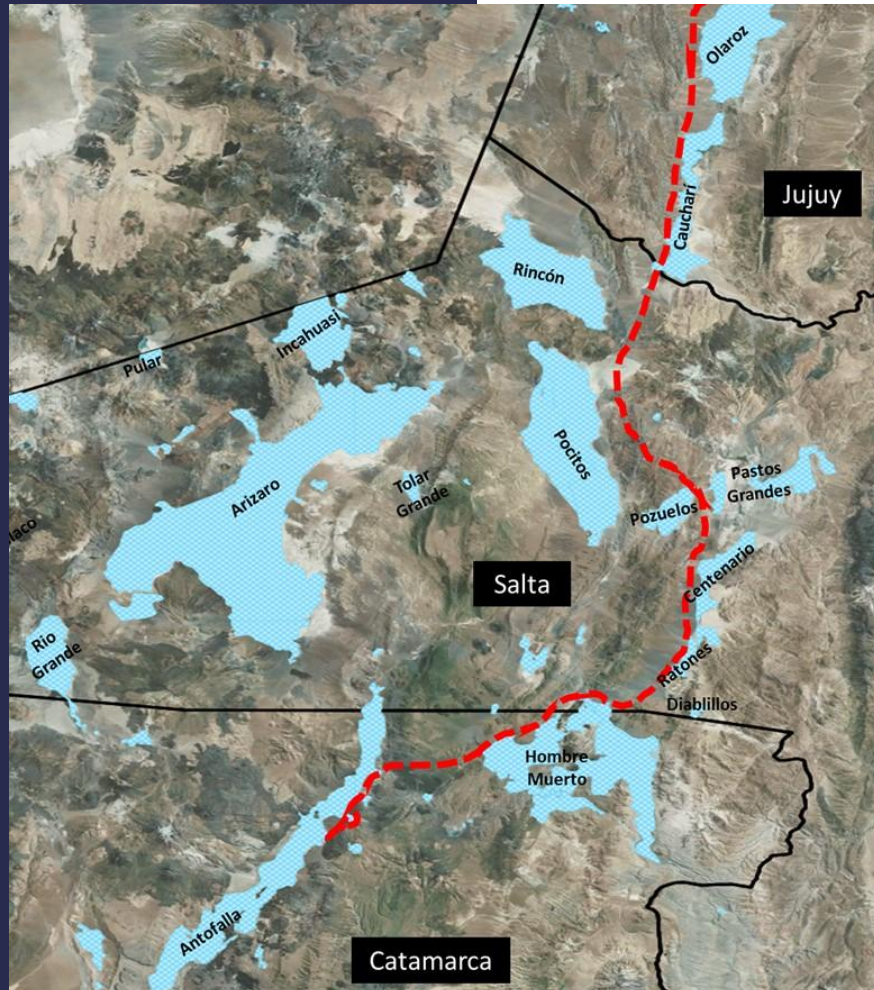
46 unconventional concessions, with 12 areas under development and 15 companies operating, in an area of 2,366 km². By 2030, 25% of Vaca Muerta's area will be in concessions in a continuous development phase.

With only 8% of the shale reserves exploited, the formation's oil production exceeds 284,000 barrels per day (45% of the country's total crude) and natural gas, 50.2 million m³ per day (39 % of the total).

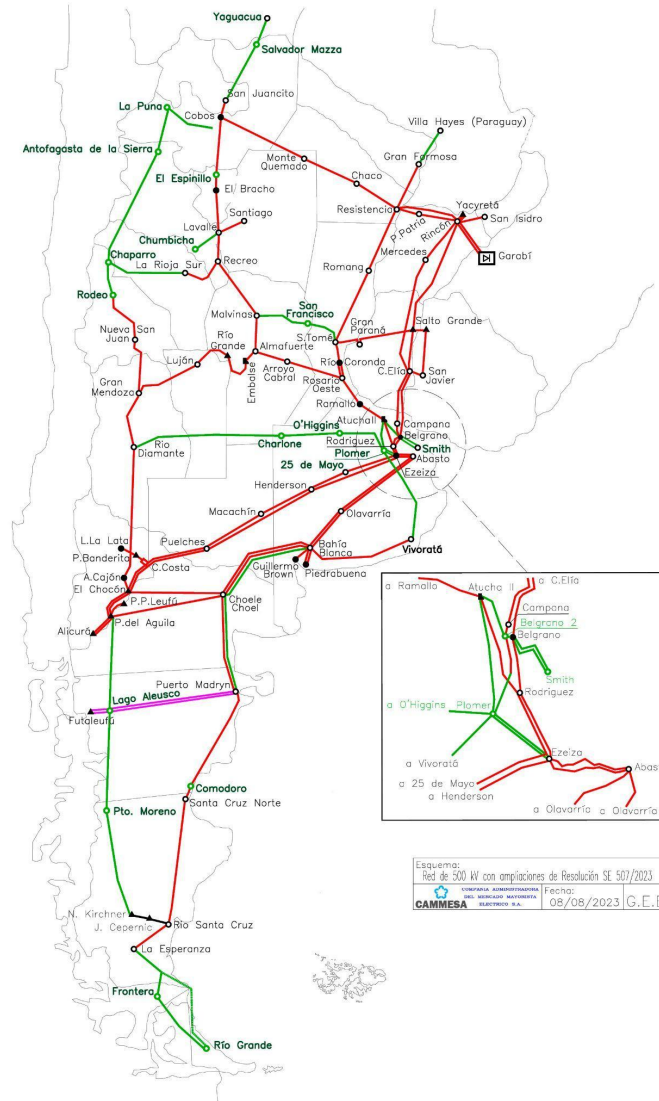
Pipelines

Vicuñas Pipeline

Lithium Triangle



- **High-pressure natural gas transportation pipeline** covering a distance between 300 and 400 km long and up to 20" in diameter.
- Estimated demand to be supplied: **3.9 MMm³/day for more than 15 mining companies** who signed a letter of intent with TGN (natural gas transportation licensee in the north of the country)
- Commercial operation scheduled for mid-2025
- Enabling an increase in production to reach more than 450,000 Tn/year of LCE (**multiplying by more than 10 times the current production capacity**), in addition to other minerals such as: gold, silver, etc.
- **Recovery of investment costs within the first 4 years of operation**
- **Reduction of the carbon footprint** with the possibility of further accelerating the recovery period (carbon credits)
- Possibility of supplying future LNG plants for projects far away from Vicuñas pipeline's trace



Argentine interconnection system

Extra high voltage 500 Kv transmission networks granted to the carrier in high voltage Transemer S.A.

High voltage transmission networks 132 kv granted to 6 carriers for trunk distribution

Distribution

Provincial and granted areas of national jurisdiction

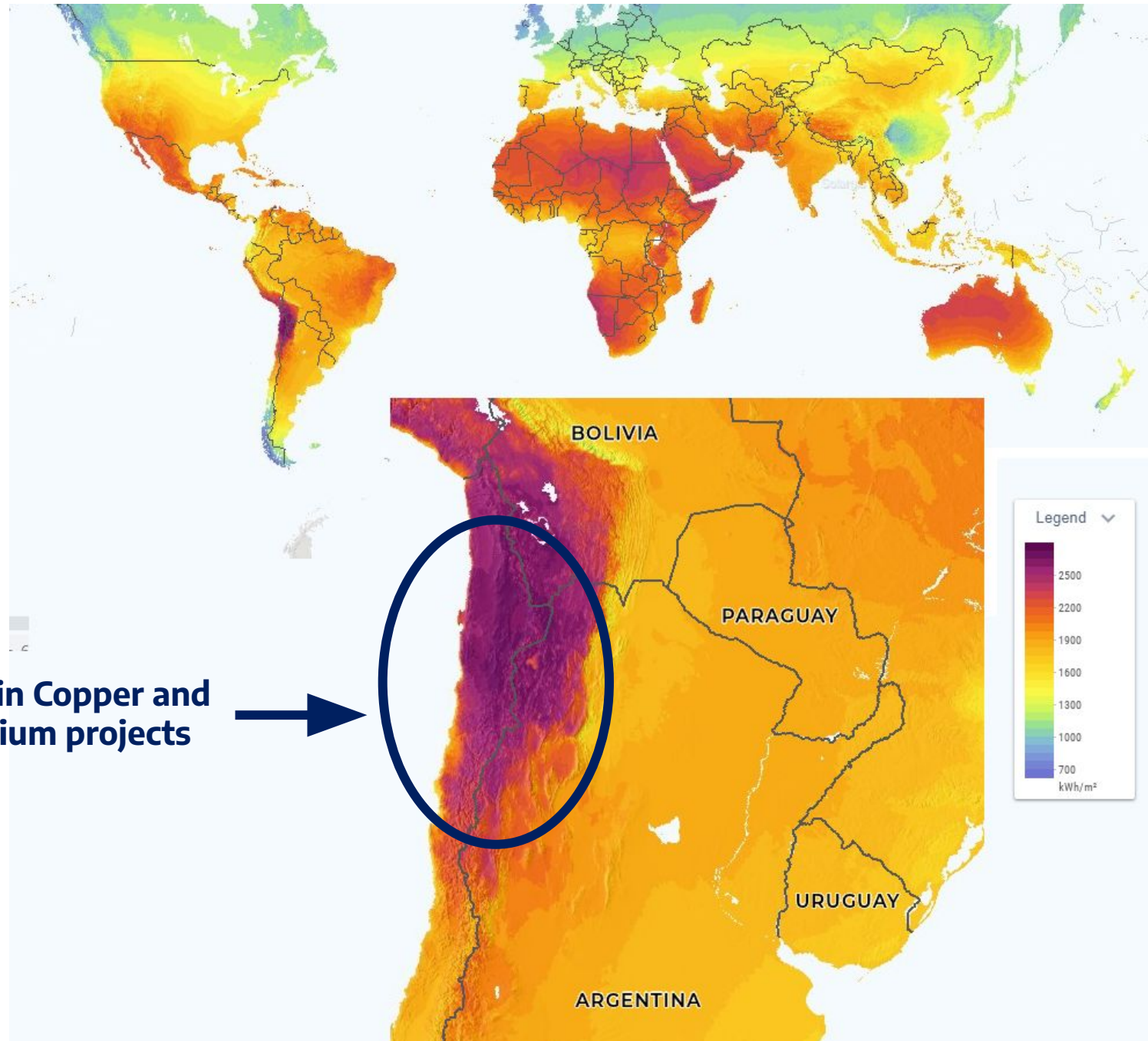
Includes Systems of Transportation for 132 Kv of provincial jurisdiction (transport non linked to directly to the granted areas)

POTENTIAL SOLAR PHOTOVOLTAIC ENERGY

SOLAR IRRADIATION IN ARGENTINA

**The region's
radiation levels are
significantly higher
than other locations
in the world.
1900-3000 kwh/m²*

**Main Copper and
lithium projects**



Hydrogen Potential

Green hydrogen

Bullets points 2023

Publication of the National Strategy for the Development of the Hydrogen Economy (green, blue and pink).

Sending to Congress Bill “PROMOTION OF LOW CARBON HYDROGEN AND OTHER GREENHOUSE GASES”

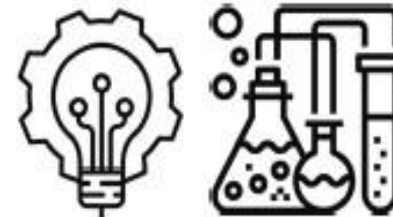
Strategic Environmental Assessment



Forming Consortium with +55 Companies shaping strategies to develop H2 value chain together.



World Class Winds and Solar Irradiation. Strategic locations.



Local Technological and scientist ecosystem.

Reasons to invest in Argentina

- Huge Critical Mineral Resources
- Available Infraestructure
- Trained workforce
- Internationally recognized mining industry professionals
- Access to decarbonization sources for the mining industry
- Mature supply chain
- Social license and secure access



**Contacts and
information
portfolio of
the provinces**

**SECRETARIA DE MINERIA E HIDROCARBUROS DE
JUJUY**
www.mineriajujuy.gob.ar



SECRETARIA DE MINERIA Y ENERGIA DE SALTA
www.produccionsalta.gob.ar/secretaria-de-mineria-y-energia

**MINISTERIO DE MINERIA DE
CATAMARCA**
www.catamarcaminera.ar



Contacts and information portfolio of the provinces



MINISTERIO DE MINERIA DE SAN JUAN
www.mineria.sanjuan.gob.ar

**MINISTERIO DE LA PRODUCCIÓN,
COMERCIO E INDUSTRIA**
<https://minpro.santacruz.gob.ar/>





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Av. Presidente Julio A. Roca 651, CABA

ACCESS TO:

- Weekly and monthly reports
- Catalog of mining projects
- Information open to the community (SIACAM)
- National plans
- Iniciatives
- TAD

