

Mining /



Why invest in Argentina?

Argentina is the third largest economy in Latin America, with a GDP of USD 445 billion, and the third largest recipient of Foreign Direct Investment (FDI) in the region. With a population of 45 million people, 60% of which is under 35 years old, it has preferential access to the main South American markets, which altogether have about 295 million inhabitants.

At the global level, it is the eighth largest country, with over 50% of arable land. It has the second largest unconventional gas reserve and the fourth largest unconventional oil reserve in the world, as well as an extensive maritime platform of over 1.78 million km², which is rich in energy and fishing resources.

In terms of renewable resources, it is among the six countries with the highest wind consistency, with an annual average capacity factor of 20%. It also has great potential for the development of solar energy, especially in the Andean and sub-Andean regions, where global horizontal irradiation (GHI) ranges between 2,400 and 2,700 kWh/m².

Moreover, it has great potential for mining development due to its over 705,000 km² of promising mining areas, its long tradition in the production of gold, silver, lead, aluminium and copper, and its positioning as a new global leader in the exploitation of lithium—the country has the third largest global lithium reserve and is the fourth largest global producer.

Argentina is characterised by a diversified economy that produces and exports agrifood, manufactured products, minerals and energy, knowledge-based services, culture and art, among others. Throughout the country, multiple activities with a high potential for investment and growth have been developed.

The country is internationally renowned for its leadership in the production and export of products such as soybean oil, yerba mate, utility vehicles, maize and wheat grains, raw peanuts, insecticides, powdered milk, beef, lemon essential oils, black tea, shrimp, pears, sunflower oil and combed wool.

Argentina does not only stand out for its natural resources. With a dynamic scientific community, its human talent has shown its capacity in a wide range of sectors. Among Latin American countries, it ranks third in the number of academic articles published, third in patent applications and first in the Global Skills Index¹ ranking for Data Science.

¹ The Global Skills Index (GSI) 2019 is the first index conducted by Coursera, an online education platform with a large skills database of 38 million students and over 3,000 courses, specialisations and undergraduate courses of the main universities available. For each country, Coursera calculates a GSI that measures the average skills expertise of the platform's students.

Economic activities by region

NOA •

- Sugar
- Tobacco
- Viticulture
- Bovine meat
- Mining
- Petroleum and refinery
- Textile and metal-mechanic industry
- Automotive and trucks industry
- Inbound tourism

NEW CUYO •

- Viticulture
- Stone fruits peach, plum and, to a lower extent, pome fruits
- Olive
- Mining
- Manufacturing
- University education
- Inbound tourism
- Domestic tourism

PATAGONIA •

- Pome fruit, apples, and pears
- Viticulture, Alto Valle del Río Negro
- Fine fruits
- Ovine, wool, and meat
- Mining
- Textile, aluminum, and other industries
- Oil and gas, mainly
- Alternative energies
- Inbound tourism

NEA •

- Yerba mate and tea
- Citrus fruit
- Bovine meat
- Forestry and paper industry
- Oil and gas (weak)
- Inbound and domestic

AMBA

- Food industry
- Textile industry
- Automotive, metalworking
- Refinery
- Petrochemical, chemical and plastic
- Financial services
- Business services
- Logistics trading
- Software
- University education
- Inbound and domestic tourism

CENTRO •

- Cereals and oilseeds
- Beef, poultry, and pork
- Citrus fruit
- Iron and steel, automotive, metal-mechanic industries
- Refinery, petrochemical, chemical and plastic industries
- Software
- University education
- Biotechnology
- Business services
- Logistics trading

Infrastructure

 Railway network	 Maritime container traffic	 Flight departures	 Airports and ports	 National and provincial routes	 Ducts
17,866 km N.º 2 in LATAM N.º 13 in the world	~2 M TEU N.º 6 in LATAM	163,000 flights all over the world . N.º 4 in LATAM	Airports: 55 Ports: 101	500,000 km National routes: 37,500 km	Gas pipeline: 16,000 km Oil pipeline: 1,200 km

With longstanding policies of universal access to education and local scientific development, Argentina is the second country in the region with the highest public spending on Education (6% of GDP) and Science & Technology (0.6%). It should also be noted that Argentina is the second country in Latin America with the most unicorns (a total of 11) and the region's leading software exporter (50% of the sector's exports are destined to the USA).

The country offers benefits in terms of human resources and cultural and gender diversity policies for investors:

- The Knowledge Economy Act promotes activity in the sector through income tax reliefs (60% for micro and small companies, 40% for medium-sized companies and 20% for large companies).
- Every year, more than 150,000 professionals graduate from college.
- It is the Latin American country with the highest English language proficiency, which represents a comparative advantage in terms of service exports.
- It ranks ninth in the World Economic Forum's global ranking for leading efforts to encourage inclusiveness, equity and creativity in firms.
- It has the lowest gender gap in South America, and it ranks fifth in Latin America and the Caribbean.

Moreover, Argentina is a member of the selected group of countries that harness atomic energy for peaceful ends, building small and medium-sized modular reactors.

Thanks to these developments, Argentina can export to 170 countries around the world, achieving strong brand recognition for the quality of its products (meat, wine, oil, etc.), technology (satellites, turbines, reactors, etc.) and services (software, professionals, etc.). The country is also the main tourist destination in South America, with 7.4 million international arrivals in 2019.

Lastly, the development of maritime, aerial, rail and road infrastructure offer advantages that allow the country to access any part of the world as a competitive economy.

The AAICI has prepared these sectoral reports in order to facilitate access to essential information as well as to advantages, benefits and opportunities for those investing in Argentina—one of the countries with the greatest potential to attract FDI in the world.

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AFCP	Portland Cement Manufacturers Association
CAAP	Argentine Chamber of Sand and Stone
CAEM	Argentine Chamber of Mining Entrepreneurs
CAPMIN	Argentine Chamber of Mining Suppliers
CIMA	Argentine Mining Information Centre
COCHILCO	Chilean Copper Commission
COFEMIN	Federal Mining Council
EITI	Extractive Industries Transparency Initiative
FDI	Foreign Direct Investment
GEMERA	Group of Mining Exploration Companies of the Argentine Republic
GHI	Global horizontal irradiance
LATAM	Latin America
LCE	Lithium Carbonate Equivalent
MAyDS	Ministry of Environment and Sustainable Development
MW	Megawatts
OEDE	Observatory of Employment and Business Dynamics
SMEs	Small and Medium-sized Enterprises
SMN	National Secretariat of Mining
ST	Technical Secretariat of the EITI in Argentina
USD	United States dollars
USGS	United States Geological Survey

Argentina has world-class mineral reserves, which will make it a **major player in the mining industry in the short term.**

Mining is a state policy in Argentina, with a specific investment regime for the activity and new guidelines being developed based on the knowledge of the global strategic role that these resources will have in the immediate future.

The mining sector is strategic in Argentina, as it is the country's seventh largest exporter. In 2022, exports exceeded USD 3.8 billion and were concentrated in gold (56% of sales), silver (21%) and lithium (18%). This activity is highly valued at the regional level because it represents a source of employment with a high level of remuneration and formality, far from the main urban centres of the country.

Due to the compelling need to mitigate climate change and adopt green policies around the world, a dramatic increase in the consumption of minerals available in the country is expected.

Argentina's mining activity is booming: in the last three years, investments of USD 10.1 billion have been announced, and eight projects are under construction and about to start operating in lithium, silver and copper.

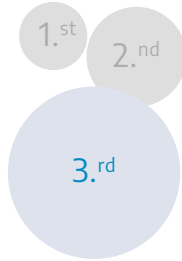
The Mining Investment Act (Act No. 24,196) is the pillar of the Mining Regime. It offers a 30-year fiscal stability to the activity and its benefits cover the different stages of project development, exploration, projects' construction, and expansions, as well as their completion.

Argentina is among the world's main mineral reserves, which has given it a prominent position when deciding on mining investments in the short term. In particular, the country is part of the so-called "Lithium Triangle" and is currently the world's third largest reserve of this mineral.

To measure the untapped mining potential in Argentine soil, we can take Chile's production levels as a benchmark, as both countries share the Andes Mountains. In fact, the neighbouring country is the world leader in copper production, with nearly a quarter of the world's discovered reserves.

Argentina promotes mining that is transparent to civil society and environmentally sustainable. The protection of the environment is a national act (Act No. 24,585) and has been part of the Mining Code since 1995. In terms of transparency, the country joined the Extractive Industries Transparency Initiative (EITI) in February 2019, which establishes a global standard and provides a framework for governments and companies to comply with the commitment to publicly disclose financial flows from hydrocarbon extraction and mining activities, in a process that includes civil society organizations as well.

Important mineral reserves



Global lithium reserve
Argentina is part of the “Lithium Triangle”.

In a relatively unexplored Argentine geography, important mining discoveries are expected.

Copper
Argentina is supposed to have a large supply capacity, since it shares the Andes Mountains with Chile, the world’s leading producer.

Source: Statista.

Sustainable and transparent mining



Currently, there are 8 projects in the construction stage, mostly in lithium (6), copper and silver.



Another 5 are undergoing feasibility studies in lithium, copper and gold, and there are 6 in undergoing prefeasibility studies in lithium and copper.



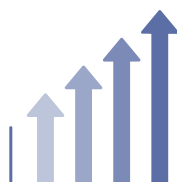
In addition, 11 projects are in preliminary economic assessment: 5 of them in lithium and the rest in copper, gold and silver.

There are more than 50 advanced exploration projects in the minerals outlined above.



Political decision

“Project-by-project” programme and a series of other measures to boost investment and increase exports in the sector in the medium term.



Investment climate

According to the latest report by Canada's Fraser Institute, Salta and San Juan rank as two of the most attractive locations for mining investment among all developing country sites surveyed, and even outperform many developed country locations, such as Canada, Australia and the USA.



Sustainable and transparent



Environmental protection in the development of mining-related activities has the status of a national law.



Argentina adheres to the Extractive Industries Transparency Initiative (EITI).



The Strategic Plan for the Argentine Mining Development promotes an inclusive, competitive, integrated and sustainable mining.

MAIN CHARACTERISTICS OF THE SECTOR

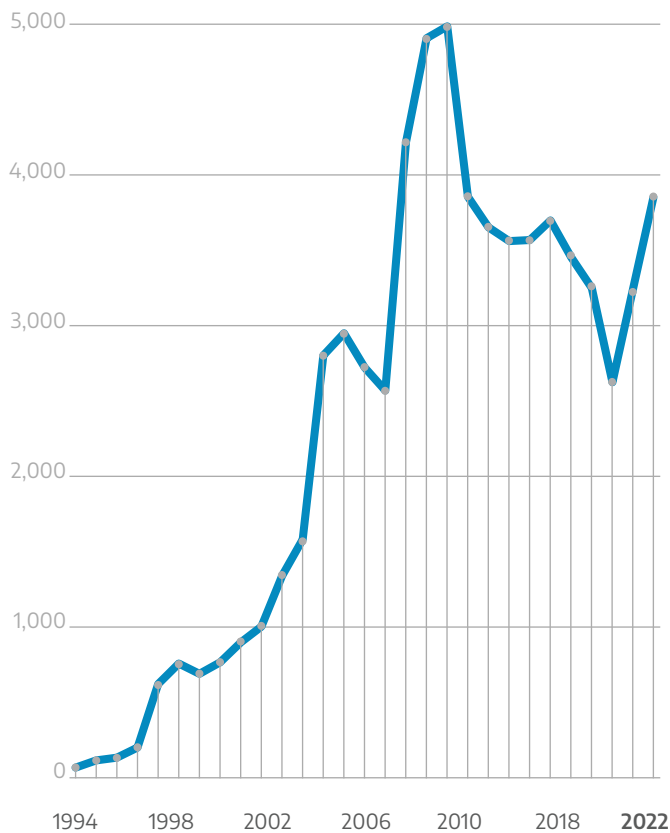
Mining has a strategic relevance in Argentina. With over 3.8 billion dollars exported during 2022, it is the seventh largest export complex in the country. The active deposits are distributed among Santa Cruz, San Juan, Salta, Jujuy and Catamarca, and account for 60% to 90% of the exports of these provinces. Eight of these deposits mainly produce gold, with silver as a secondary product; four have silver as their main product and lead/zinc as by-products; and two are lithium operations which are in the process of expanding their production capacity. There are also four projects under construction—three gold and one lithium—and two more lithium deposits are in the process of doubling their capacity. All this will expand production in the short term.

Gold by-products accounted for 56% of the mining sector's exports, followed by silver concentrates (21%), lithium products (18%) and various non-metallic minerals such as borates, lime and bentonite, among others (5%).

Argentine mining exports

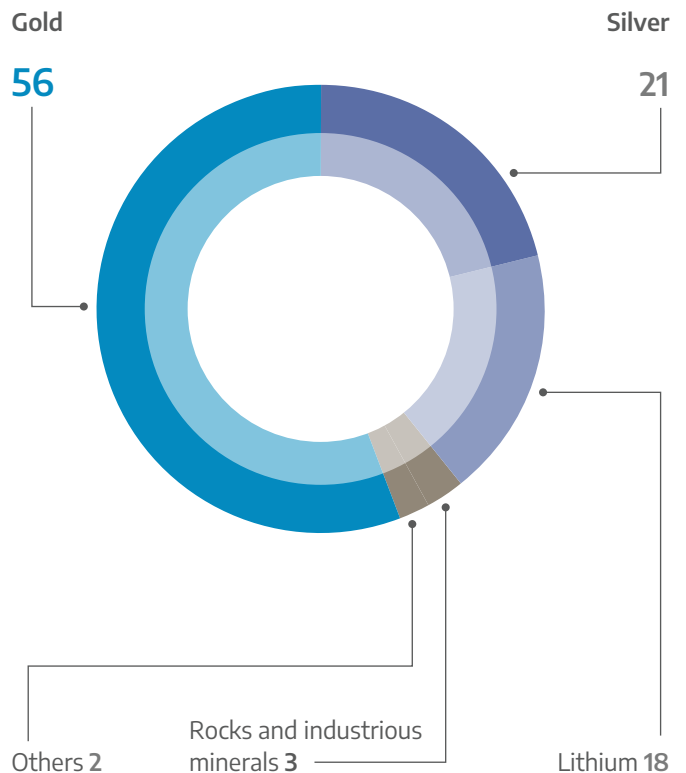
EVOLUTION

Figures in millions of dollars.



PARTICIPATION

Figures in percentage. Year 2022.



Source: Own elaboration based on data from the National Secretariat of Mining.

MAIN CHARACTERISTICS OF THE SECTOR

Argentina is organised under a federal system, which means that the functions and power over the regulation of its activities are distributed among the three levels of Government: national (a central Government), provincial (twenty-three Governments and one autonomous city) and municipal (more than two thousand municipalities). The National Constitution grants the provinces control over subsoil resources; however, the general framework of the activity is regulated by the national Government through the Mining Code (Act No. 1,919), which establishes the rights, obligations and procedures related to the acquisition, exploitation and use of mineral resources, while the provinces oversee the implementation of the regulations and control compliance.

To coordinate the actions of all the parties involved, different agreements and institutions were created. The Federal Mining Agreement was endorsed by the national legislature and the legislatures corresponding to the mining provinces. The Federal Mining Council (COFEMIN) was also created, an institutional body for the coordination and dialogue among the different levels of governance, with the explicit objective of actively participating in the design, execution and monitoring of the national mining policy.

ARGENTINE MINING FRAMEWORK: MAIN LEGAL ASPECTS	
DEED	<p>It belongs to the finder, who must submit an application to the province.</p> <p>All concessional minerals (no restricted minerals).</p>
LANDHOLDING	<p>Simple to maintain through annual payment and the execution of an investment plan (within 5 years of the concession).</p> <p>Guaranteed in perpetuity if there is mineral to be extracted and continuous mining activity by the owner.</p>
PERMITS	<p>Unified, clear and timely environmental approval process.</p> <p>Environmental and construction permits mostly granted and monitored by the provinces.</p>

Source: National Secretariat of Mining.

MAIN CHARACTERISTICS OF THE SECTOR

Given its capital-intensive nature—with strong specificities and a high level of technology employed—and the investment requirements in mostly inhospitable locations, global mining is characterised as an activity dominated by multi-national companies operating in the international production border.

The origins of the companies operating in Argentina are varied. A large number of Canadian, British, Chinese, Swiss, American and Australian firms—leaders in their respective markets—are grouped in the Argentine Chamber of Mining Businessmen (CAEM), created in 1991. In the exploration stages, there is a greater number of national companies which use state-of-the-art technologies for mineral prospecting tasks throughout the country. The Group of Mining Exploration Companies of the Argentine Republic (GEMERA), founded in 1993, is the business association that represents them.

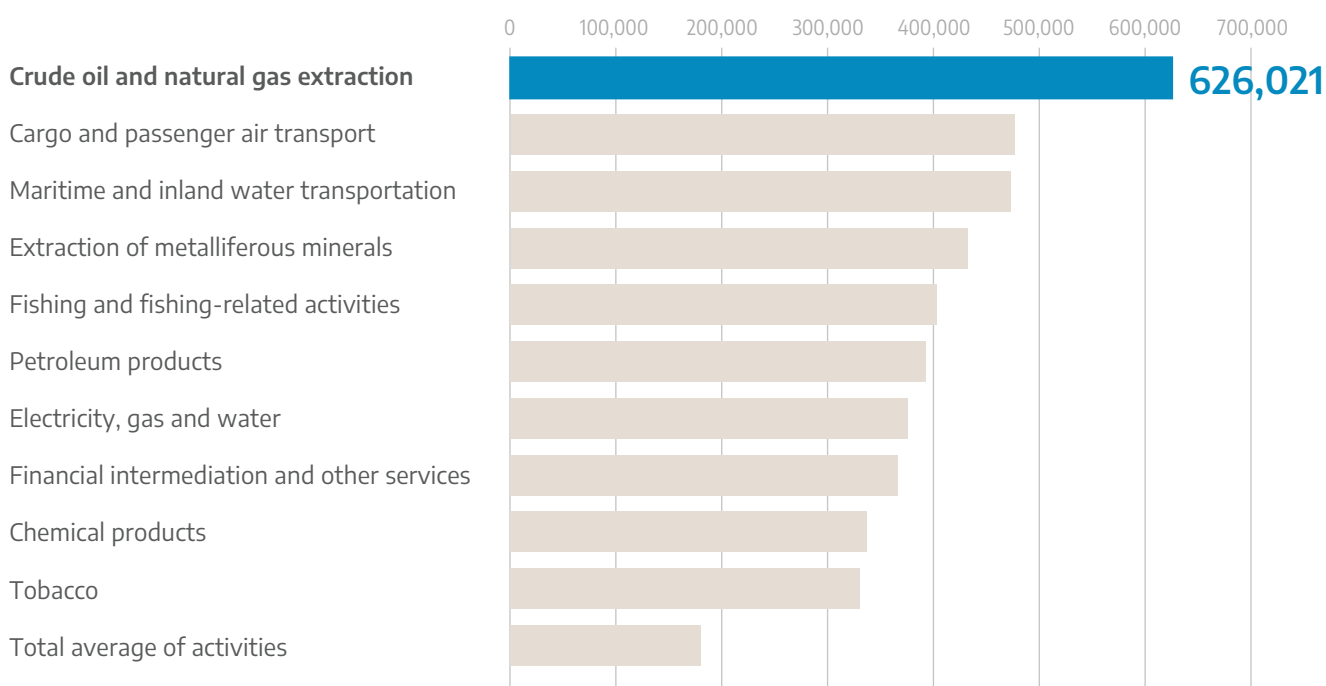
Finally, the sector has an important group of local companies that provide support services and supplies for the activity. There is no single reference for these companies, but the Argentine Chamber of Mining Suppliers (CAPMIN) is a significant player.

The sector is valued as a source of high-paying registered employment and located in regions far from the main urban centres.

In 2022, it employed 10,146 people in the extraction of metalliferous minerals, 15,358 in other mining and quarrying, and 8,189 in mining services and related activities. Salaries are 2.4 times higher than the national average wage.

Average national remuneration by activity

Figures in Argentine pesos. Period September 2022.



Source: Own elaboration based on OEDE from the Ministry of Labour, Employment and Social Security.

MAIN CHARACTERISTICS OF THE SECTOR

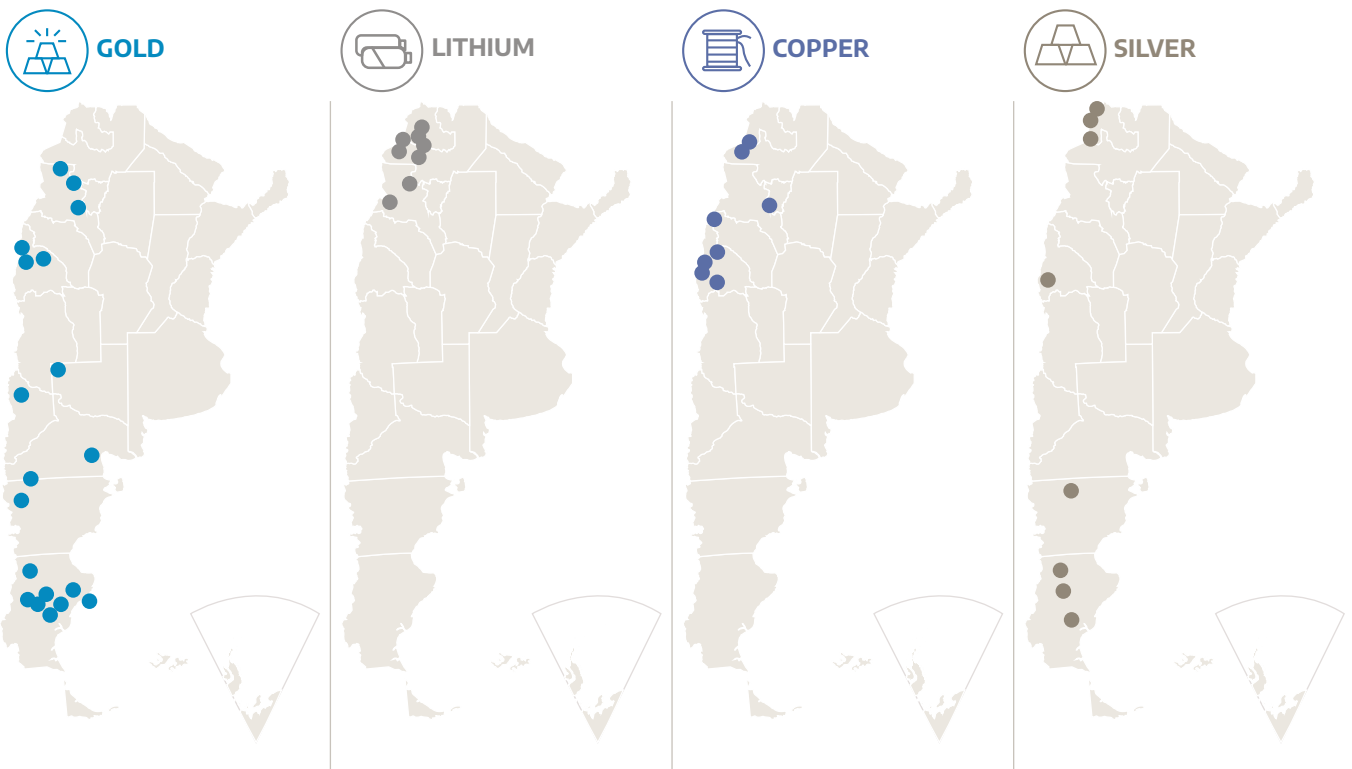
Argentina also has a significant production of industrial rocks and minerals distributed throughout its territory, although most of the activity is concentrated in the provinces of Buenos Aires, Córdoba, Salta, Mendoza, San Juan, Neuquén and Río Negro. In 2022, this sector, which registered 634 companies and 15,358 employees, included the production of agro-minerals (phosphates, sulfates, borates and others), rocks and minerals for construction (embankments, rock embankments, ripraps, limes, gypsum, etc.), industrial minerals (ceramic materials, refractories, halides, fluorides, etc.) and application rocks (ornamentals, coatings, etc.).

The structure of this sub-segment is dominated by national small and medium-sized companies—only 5% of the companies are considered large companies*. Among the representative entities of the sector, important players are the Argentine Chamber of Sand and Stone (CAAP) and the Portland Cement Manufacturers Association (AFCP), which extract and process minerals to produce cement.

*According to Res. 23/2022 of the Secretariat of Small and Medium-Sized Enterprises and Entrepreneurs, mining companies with an annual turnover of more than ARS 7 billion and with more than 655 employees are considered "large companies".

Geographical location of the main mining projects

By main mineral.



Source: <https://sig.se.gov.ar/visor/visorMineria.p>

Incentives for mining development

The Investment Regime for the Mining Activity addresses the specific needs that mining requires for development and adapts the tax and legal system to those needs, as in many other countries around the world where mining is at a more advanced stage.

The Mining Investment Act (Act No. 24,196) is the backbone of the regulatory framework applicable to the development of the activity in Argentina in all its stages.

One of the main features is the fiscal stability offered to the subjects registered in the regime for new undertakings and expansions. Thus, the total tax burden of companies will not increase from the moment the feasibility study is submitted for a period of 30 years, as a result of the creation of new taxes, increases in tax rates, tariffs, amounts or modifications in the taxable base. This is applied independently of the origin of the tax modification in question (national, provincial or municipal) since the provinces have adhered to the regime through their respective provincial laws. In addition, the act offers fiscal incentives both to stimulate investment in exploration with the aim of increasing knowledge of existing resources and to guarantee the flow of future mining projects, as well as a competitive tax policy at the exploitation stage.

Argentina promotes sustainable and transparent mining, which recognises the distinctive features of the mining business cycle that differentiate it from other activities

Main benefits of the Investment Regime for the Mining Activity, Act No. 24,196



INITIAL STAGES

- 100% income tax deduction for the amounts invested to determine the technical-economic feasibility of the project.
- Advance VAT rebate for the purchase of goods or services in the exploration stage.



CONSTRUCTION AND OPERATION

- Import duty exemption for capital goods and inputs.
- Accelerated amortization regime.
- Accelerated VAT rebate.
- 3% cap on provincial royalties on the mine-mouth value of the mineral extracted.



CLOSURE

- Special provision for environmental protection, deductible up to 5% of operating and benefit costs.

Source: Own elaboration based on Act No. 24,196 and other current regulations.

Benefits

The benefits of the act cover the different stages of project development. In the initial stages, all the investments for prospecting, exploration and studies required to achieve technical and economic feasibility may be deducted from income tax. In addition, the early rebate of Value Added Tax (VAT), originated in the purchase or import of goods or services used in prospecting and/or exploration stages, is also enabled. This is of particular importance since, due to the purely exporting nature of mining projects, they cannot deduct VAT towards the final consumption stages in the domestic market, as in other activities.

During the construction or expansion of projects, companies are exempted from the payment of tariffs on capital goods and inputs in the production stages. Alternatively, they may also opt for an accelerated amortization regime for investment in machinery, equipment, vehicles, and infrastructure, to improve the payback time of the capital outlays made.

An accelerated VAT rebate system after six months was established for the production stages. Moreover, provinces cannot charge more than 3% of the mine-mouth value of the mineral extracted as royalties.

Finally, up to 5% of the operating costs of extraction and beneficiation may be calculated as a payment on account of income tax, as a precautionary fund for environmental protection or remediation expenses at the time of mine closure.

Aspects covered and not covered by the tax regime

COVERED	NOT COVERED
Direct taxes, rates, and tax contributions.	Indirect taxes and VAT. Royalties.
Exchange regime, duties, tariffs or other import or export taxes.	SUSS deductions and contributions (Unified Social Security System).
New ventures and expansion projects.	Exchange rate variation.
National, provincial, or municipal.	Refunds, reimbursements, or rebates of export taxes.

Source: Own elaboration based on Act No. 24,196 and other current regulations.

Environment

Environmental protection plays a central role in the development of all mining-related activities. It has the status of a national law (Act No. 25,585) and has been part of the Mining Code since 1995; thus, all mining projects are required to carry out environmental impact studies that must be approved by the provincial authorities. This act also establishes sanctions that entail the possibility of the suspension of activities and the termination of the permit for damage to the environment. Finally, it establishes the creation of a special provision for environmental rehabilitation after mine closure, which is tax deductible.

To move forward in the development of a transparent framework for the mining activity in Argentina, the country joined the Extractive Industries Transparency Initiative (EITI)* in February 2019, which sets a global standard by providing a framework for governments and companies to develop agreements and comply with the commitment to publicly disclose financial flows from hydrocarbon and mining extractive activities, in a process that also includes civil society organizations. Transparency helps to mitigate political risks and game-changing, as it reduces discretion in resource management and improves it, while providing certainty in terms of compliance with legal frameworks. All this results in an enhanced social legitimacy, the strengthening of institutions and the sustainability of the projects.

*The IETI was founded in London in 2003, when 140 delegates from governments, companies, industry groups, international organisations, civil society organisations and investors adopted a set of principles that gave birth to a multi-stakeholder organisation. More than 50 countries are now committed to strengthening transparency and accountability in the management of their extractive sectors through the implementation of the standards set by the IETI.

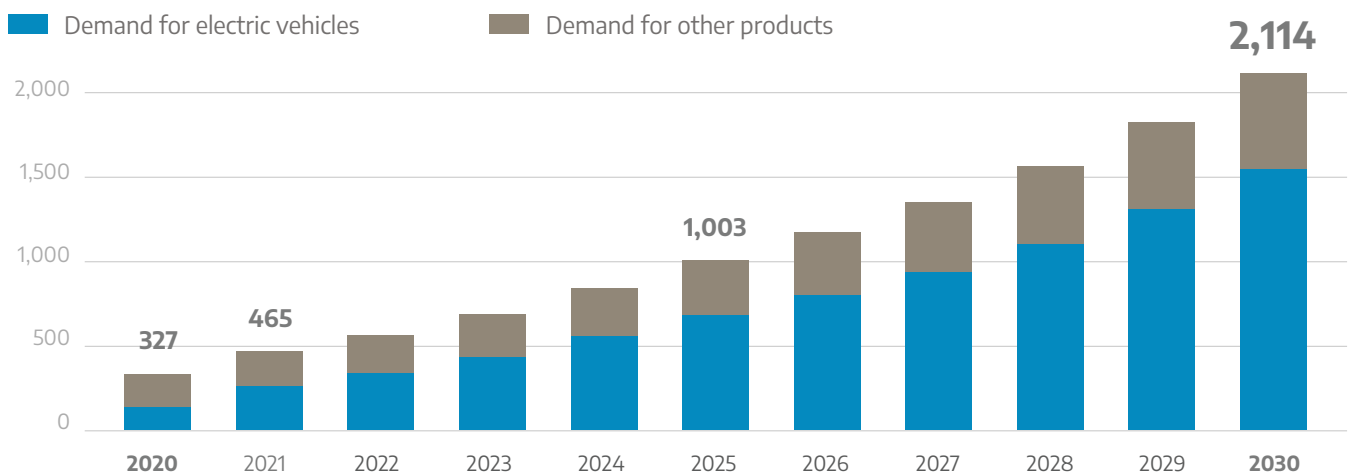
Strategic development

At the beginning of 2020, the National Lithium Board was founded with the purpose of promoting the development and industrialisation of this sector, which is vital for the northwestern region of Argentina. In addition, Argentina has the Mining Development Strategic Plan, an initiative led by the Secretariat of Mining, under the National Ministry of Productive Development. The project constitutes a space that convenes all parties to an open, vast and participatory dialogue process for the development of a common strategy in the mining sector for the next 30 years. At present, plenary and working committee meetings have been held, with the participation of over 100 institutions from all over Argentina, representing national, provincial and municipal government agencies, scientific institutions, trade unions, companies, academics, professionals, civil society and religious organisations, among others.

In this decade, the world will witness a significant growth in lithium demand. Although the increase in lithium demand associated with electric vehicles and devices will be the most relevant, the requirements derived from other sectors—such as lubricants, greases, glass, ceramics, pharmaceuticals and agrochemicals—will continue to grow at a considerable rate. According to various institutions, estimates of global demand for 2030 represent an annual growth rate of 20% to 22% per year.

Projected lithium aggregate demand

Figures in thousand tonnes of lithium carbonate equivalent (LCE).



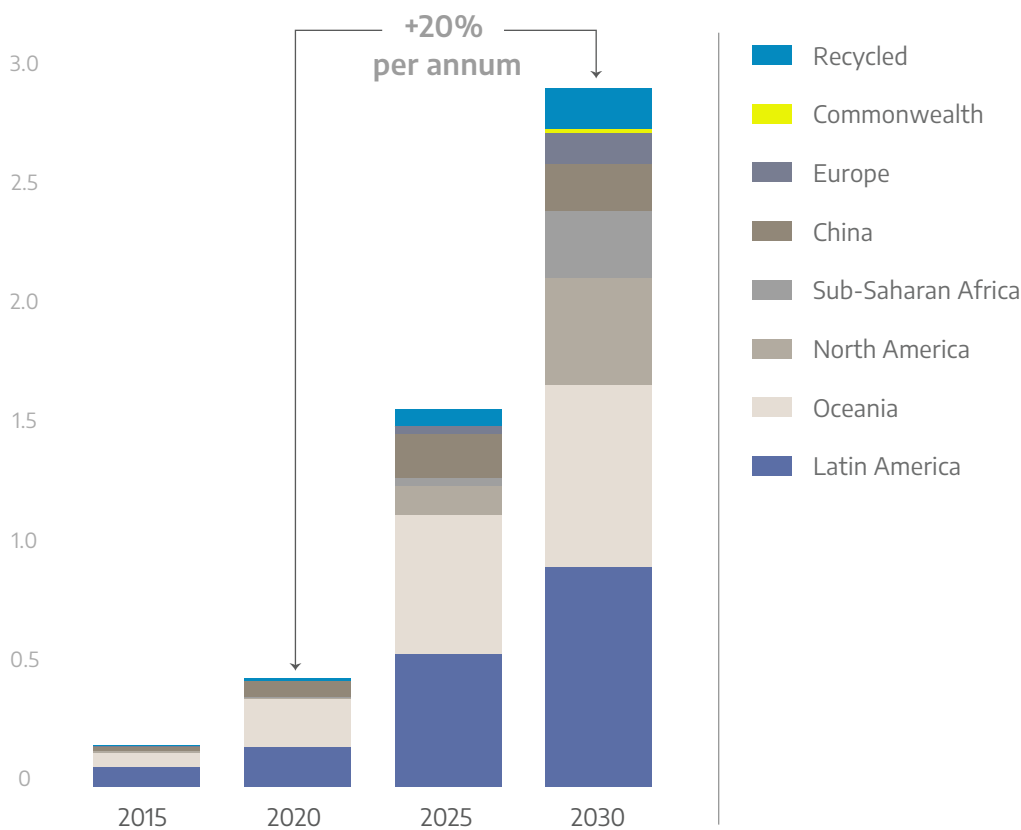
Source: Own elaboration based on data from COCHILCO.

The development of electromobility and the growth of renewable energy sources will also boost the demand for other minerals significantly. Indeed, electric vehicle engines require five times more copper wires and silver-based joints than traditional automobiles: a conventional power plant requires about one tonne of copper to produce 1 MW of electricity, while wind farms and solar farms require between 3 and 5 tonnes per-MW. In addition, the rapid urbanisation of Asian regions, such as India and Indonesia, will increase the use of mineral metals for infrastructure development and will join China in the permanent advances in this area. Finally, the International Copper Association (ICA) has indicated a likely increase in the use of copper in smart home applications, present in concentrators, switches, routers, wiring and many other devices that are gradually becoming part of everyday life.

Argentina represents a relatively unexplored territory, so it is likely that the country's position regarding the global range of mineral reserves will increase as exploration work progresses and that the activity will develop in a foreseeable future.

World lithium production by origin

Figures in million tonnes of lithium carbonate equivalent.



Source: McKinsey & Company based on MineSpans.

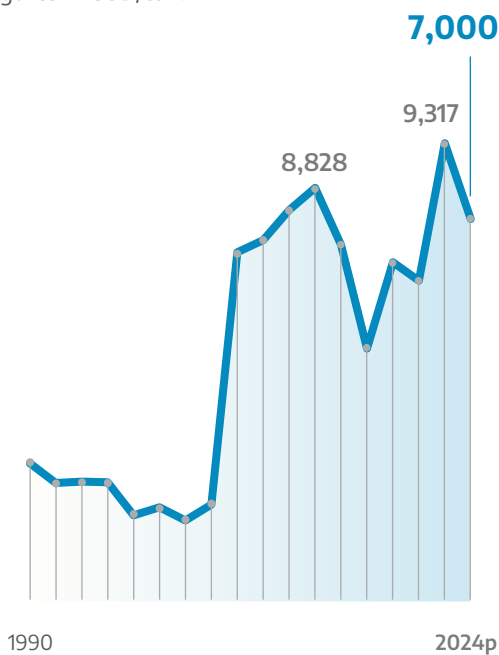
Prices

Some of the expectations in the main metals markets are reflected in the price projections for 2030, where the global balance between supply and demand is considered. As a consequence of the COVID-19 pandemic, the prices of many minerals increased significantly: some of them even reached record highs, such as copper and gold, which surpassed their 2012 price boom levels. Although there is a downward trend, prices will remain at high levels in the coming years.

Historical evolution of prices and projection for 2024

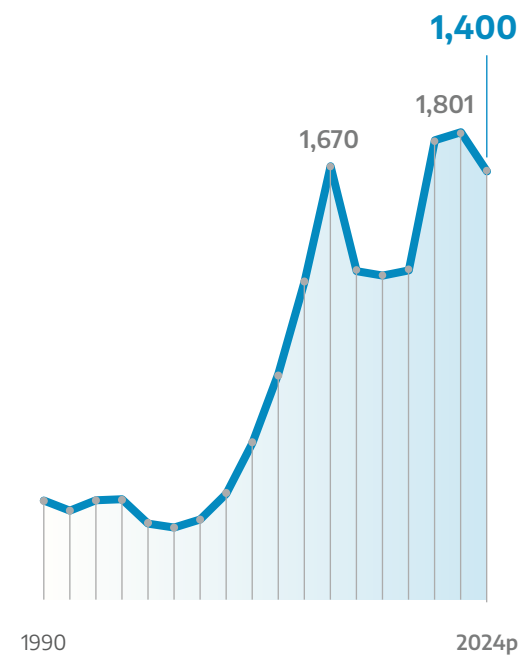
COPPER

Figures in USD/ton.



GOLD

Figures in USD/troy oz.



Source: Own elaboration based on data from the Secretariat of Energy.

Resources

Argentina is positioned among the world's main mineral reserves, a position that will make it a significant player in mining investments in the short term. In particular, the northwestern region is part of the so-called "Lithium Triangle" and is currently the world's second largest reserve of this mineral, second only to the Plurinational State of Bolivia.

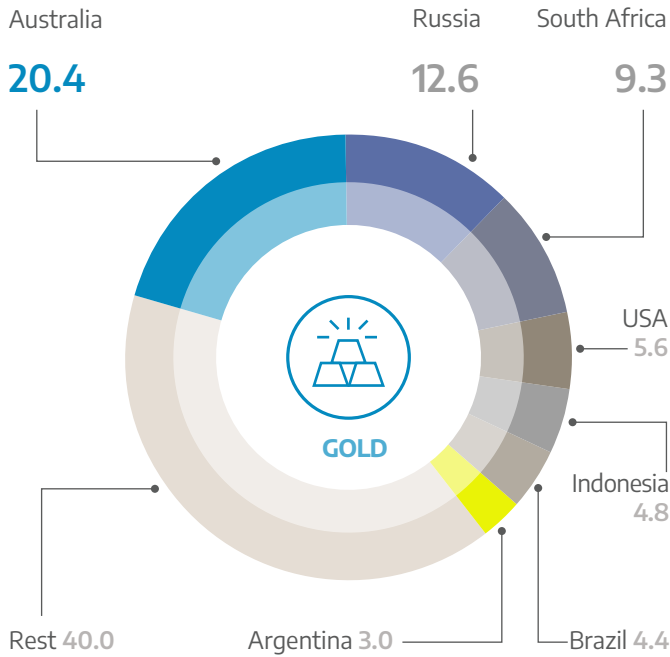
However, it is important to highlight that mineral reserves are dynamic, based on the exploration carried out and the conditions that turn them suitable for economic exploitation. Argentina is a relatively unexplored territory, so it is expected that the country's position in the world rankings of mineral reserves will rise as exploration work progresses and activity develops in the near future. According to S&P Global's exploration budgets database, over the last few years, Argentina has climbed up the ranks as a destination for worldwide exploration budgets and, in 2019, it entered the global top ten.

To obtain a reference about the mining potential that is still untapped in Argentina, we can take as a reference the production levels reached by Chile, the country Argentina shares the Andes Mountain Range with. Indeed, the neighbouring country is the world leader in copper production, with almost a quarter of the global reserves discovered. It also has half of the world's lithium reserves and is currently the second largest producer, after Australia. Another major player is Peru—also located in the region near the Andes—, which is the world's second largest producer of silver.

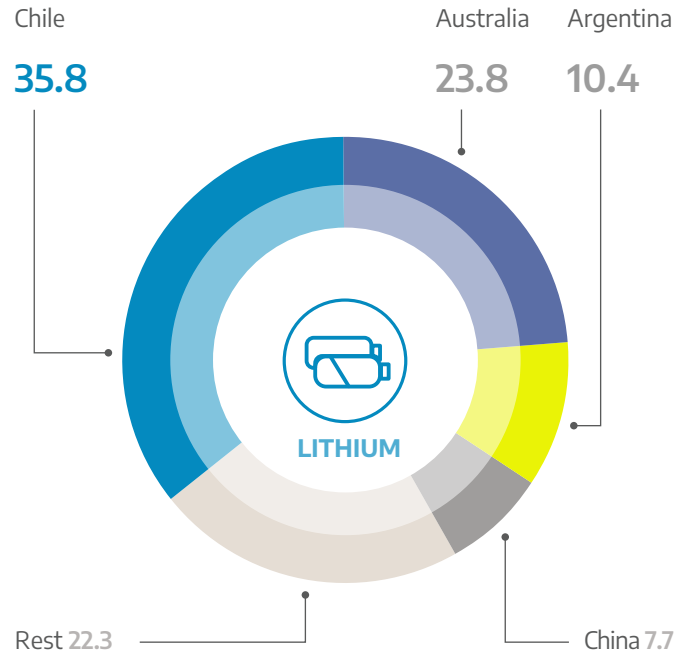
Positioning of global mineral reserves

Share by country. Figures in percentage.

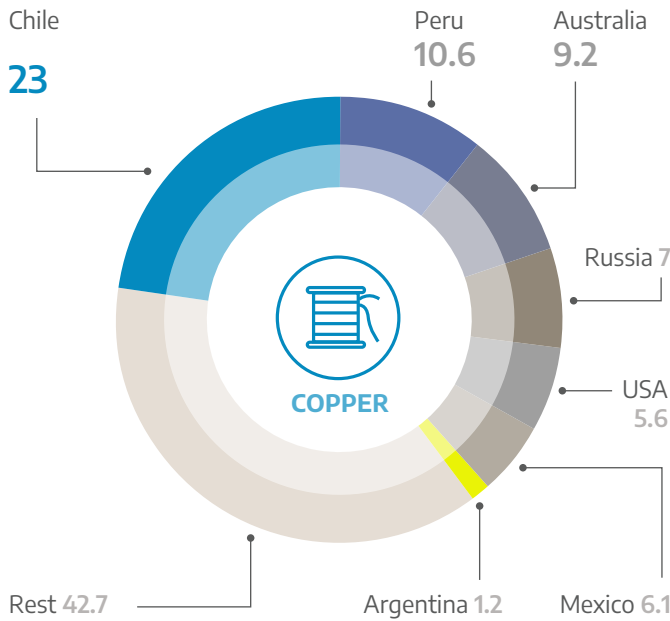
GOLD



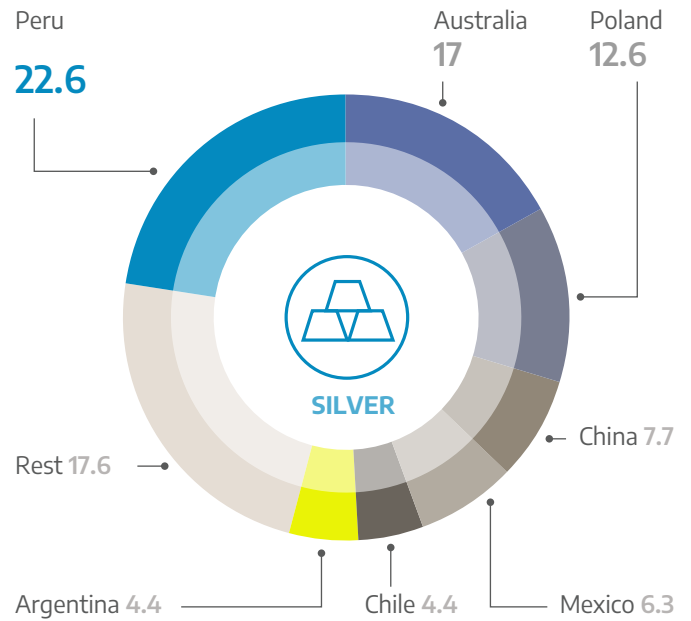
LITHIUM



COPPER



SILVER



Source: Own elaboration based on data from USGS and Cartera de proyectos mineros: oferta minera y potencial de desarrollo de la minería argentina y evolución en exploración (National Secretariat of Mining, November 2019).

Project portfolio

The country has developed an important portfolio of projects that are currently in the advanced stages, 18 of which are lithium projects—some of them have pilot facilities and are assessing and perfecting their production processes. There are also two other plants—Olaroz in Jujuy (a joint project of Australian company Orocobre and Japanese company Toyota Tsusho Corp.) and Fenix in Catamarca (owned by American company Livent)—which are currently undergoing construction works to double their production capacity, through investments of about USD 275 million. In 2023, these projects will be joined by the production taking place at the Caucharí-Olaroz salt flat (by Minera Exar SA, formed by Lithium Americas Corp., Ganfeng Lithium, and Jujuy Energía y Minería Sociedad del Estado “JEMSE”). This project involves a total investment of USD 852 million to establish a production plant with a capacity of 40,000 tonnes per annum (40 KTPA) of battery grade/quality lithium carbonate.

In addition to the construction of Minera Exar SA, there are five other projects at this stage. Investments announced since 2020 in the lithium sector totalled USD 3.97 billion. Employment has doubled in the last four years: as of October 2022, there were 2,500 direct jobs and almost 3,000 indirect jobs. According to data from the National Secretariat of Mining, the total number of extraction projects has resources for 93 Mt. The ten projects of the largest scale account for 86% of the resources identified so far.

Official estimates indicate that, once the six projects under construction start operating, production will increase by 140,000 tonnes per year. Currently, the capacity of the two companies in production is 37,500 tonnes.

Moreover, there are 2 projects undergoing feasibility studies, 3 undergoing prefeasibility studies, 5 in preliminary economic assessment and 20 in advanced exploration stage.

Local lithium investment projects may represent a relevant contribution for the provinces of Catamarca, Jujuy, and Salta, which are home to the resources. The areas where the salt flats are located carry a lot of weight to the export structure of these provinces—especially Jujuy. This weight could increase significantly in the three provinces if the projects currently underway come to fruition.

The incorporation of new projects and the expected recovery in international prices could bring lithium exports to about USD 1.5 billion.

For copper mining, there are at least eleven advanced projects that, due to their magnitude, are positioned as world-class deposits. Although there are currently no active projects, there are several that will begin construction work soon and, due to their size, are expected to quickly restore the country to the ranking of the main copper producers in the world.

The Josemaría project, located in the province of San Juan, completed its feasibility study at the end of 2020 and is expected to start operations by the end of 2025, with an investment of USD 4.2 billion that makes it one of the most important mining projects in Argentina. Another advanced project is Agua Rica—owned by Yamana Gold and Glencore—, with an investment of USD 2.38 billion. This project involves the integration to Minera Alumbrera, which was one of the world's leading copper mines for 20 years. In fact, due to its proximity—34 km away between deposits—and geological similarities, Agua Rica intends to use the pre-existing facilities to process the rocks extracted. These two projects alone will produce an average of around 350,000 tonnes of copper per year and are comparable to other copper projects in Chile, the world's leading copper producer.

The latest gold deposit to start operating is Lindero, the first gold operation in Salta, owned by the Canadian company Fortuna Silver Mines INC. There are 26 gold projects in the pipeline (including advanced exploration, preliminary economic assessment and feasibility) and 6 silver projects (one under construction and the rest in advanced exploration and preliminary economic assessment). These minerals are already being exploited in the country by leading companies in the global market—such as Barrick Gold, Newmont and Glencore, among some of the most important—, which are expected to continue developing projects locally.

In fact, the Barrick Gold-Shandong Gold consortium is making significant investments to extend the useful life of Veladero and the construction of Veladero's leaching Phase 7, with disbursements of almost USD 1 billion in the period 2020-2023.

In the future, over 250 mineral prospects or occurrences in areas of high geological potential will offer conditions to continue supplying the country's mining activity with projects. It is also worth mentioning that some provinces with high geological potential, such as Chubut, which have restrictions on mining processes or inputs, are undergoing a process of revision and/or flexibility of such legislation.

Since 1997, the Fraser Institute has conducted an annual survey of mining and exploration companies to assess how mineral resources and public policies affect exploration investment decisions. Based on the results, it produces the Investment Attractiveness Index (IAI), which analyses a 60% perception of mineral potential (based on its geological attractiveness and natural potential) and a 40% perception of policy reception (an assessment of the perception of public policies impacting the sector).

Given Argentina's federal status, the report offers a detailed overview by mining provinces, with two main groups: on the one hand, those with a mining development that brings them close to the main mineral producing countries in the world (San Juan, Catamarca, Jujuy, Salta, and Santa Cruz); on the other hand, provinces that still show a low degree of progress in this area (Chubut, La Rioja, Mendoza, and Río Negro).

In this reference ranking, provinces with a high level of mining development have grown in importance: in fact, in the last edition, San Juan and Salta obtained indices among the highest for locations in developing countries*, and even surpassed some areas in developed countries, such as Canada, the United States or Australia.

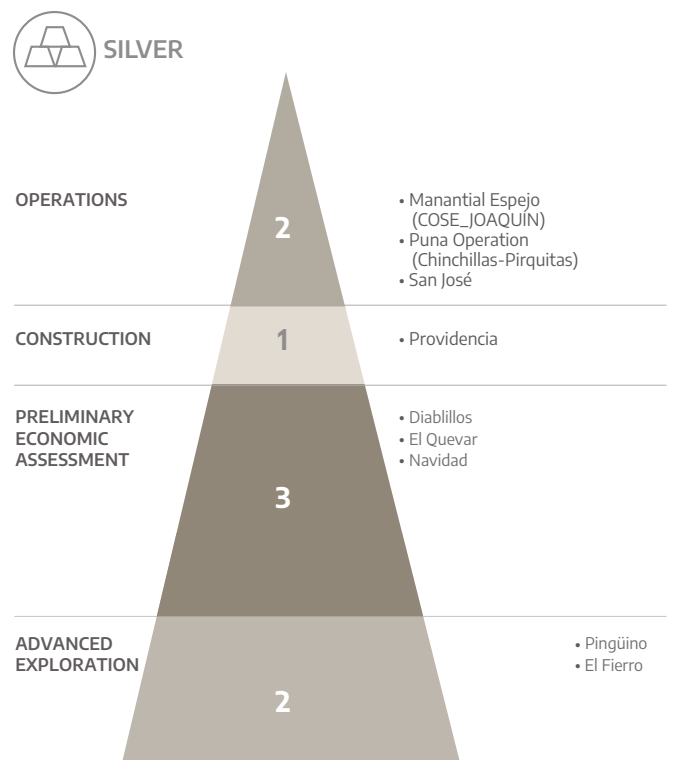
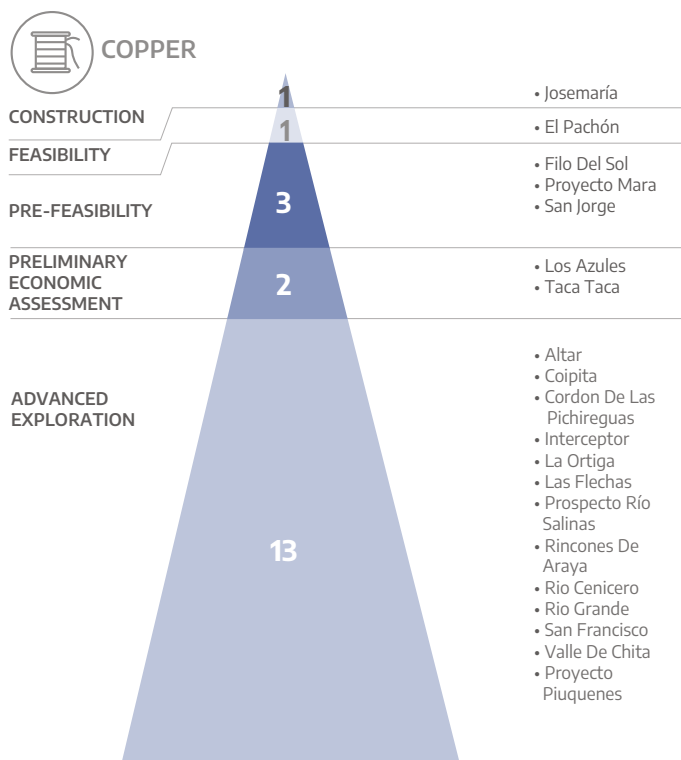
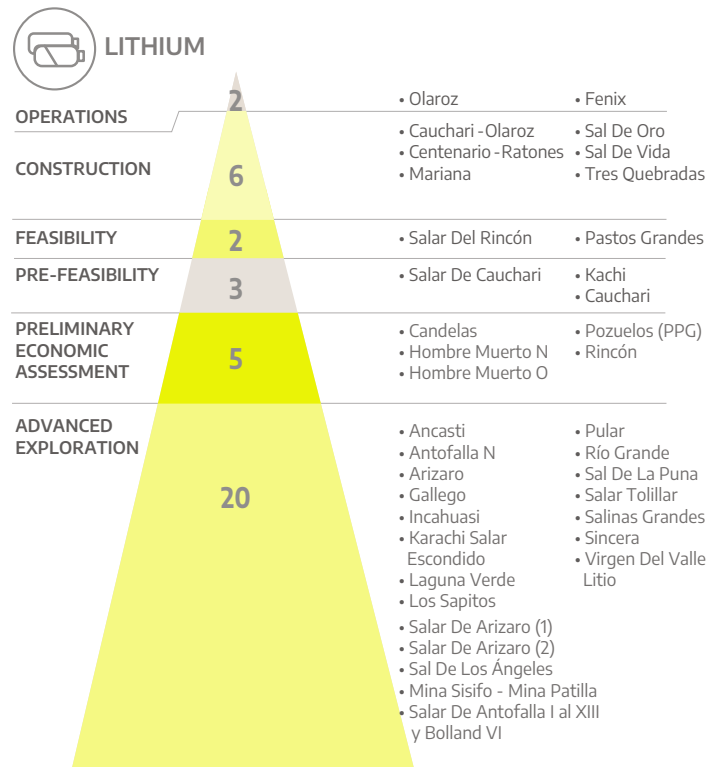
* Only Morocco is above Salta and San Juan. Ecuador is above Salta, but below San Juan.

From 2017 to the latest index, all the provinces analysed have shown an improvement in their positioning with respect to the Investment Attractiveness Index (IAI).

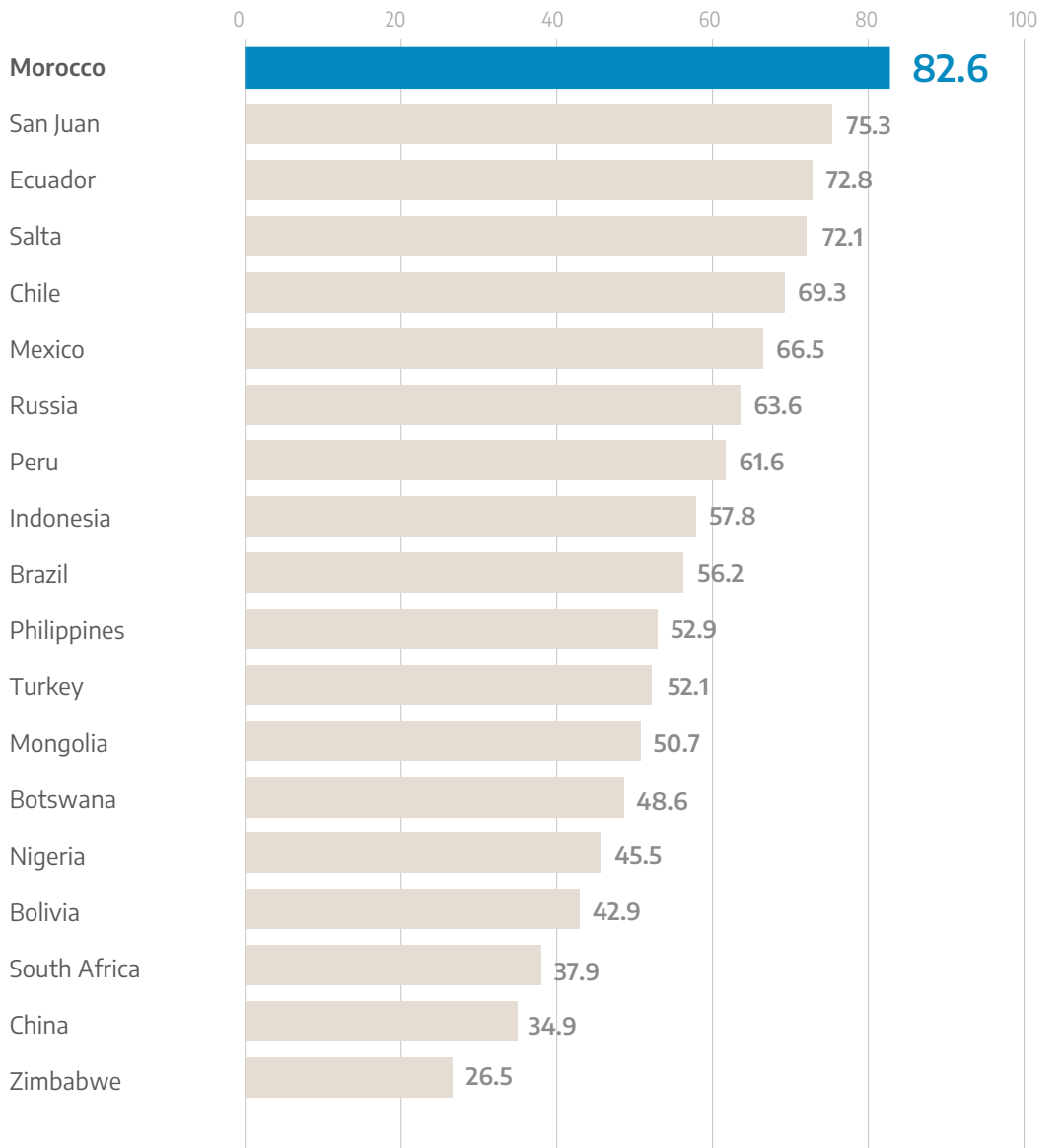
In terms of infrastructure, Argentina has a vast port structure, given its extensive export tradition and maritime border. However, it also has a vast road network that provides maritime access to the Pacific Ocean, mainly through ports in Chile. The integration of roads and infrastructure also provides access to Brazilian, Uruguayan and Peruvian ports, among others.

Advanced projects pyramids

According to development stage and main mineral.



Mining Investment Attractiveness Index



Source: Own elaboration based on data from the Fraser Institute (Annual Survey of Mining Companies 2021).

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National entities

Secretariat of Mining

Av. Pres. Julio A. Roca 651, Floor 8
C1067ABB, CABA

Provincial entities

Ministry of Mining, San Juan

Av. Libertador Gral. San Martín 750 Oeste
J5400AQU, San Juan Capital
+54 264 430 6960

Ministry of Mining, Catamarca

Sarmiento 981, K4700EMS
San Fernando del Valle de Catamarca
+54 9 383 445 9656
mineria@catamarca.gov.ar

**Secretariat of Mining and
Hydrocarbons, Jujuy**

Ascasubi 290 Barrio Bajo La Viña
Y4602EGF, San Salvador de Jujuy
+54 388 4221428
privada@mineriajujuy.gob.ar

Secretariat of Mining, Santa Cruz

Av. Kirchner 1551 Z9400BBB, Río Gallegos
+54 2966 42 0543
secremineria@minpro.gob.ar

Secretariat of Mining and Energy, Salta

Av. Bolivia 4650, ground floor
A4408FVT, Salta
+54 387 425 1515
mineriayenergia@produccionsalta.gob.ar

Business chambers

Portland Cement Manufacturers

Association - AFCP

San Martín 1137, 1st floor
C1004AAW, CABA
+54 11 4576 7695
afcp@afcp.org.ar

Argentine Chamber of Mining

Entrepreneurs - CAEM

Av. Corrientes 316, 7th floor, of. 751
C1043AAQ, CABA
+54 911 6875 1957
info@caem.com.ar

Argentine Chamber of Mining

Suppliers - CAPMIN

Santa Fe 1780, 2nd floor, of. 201
C1060ABQ, CABA
+54 11 5811 4135

**Group of Mining Exploration Companies
of the Argentine Republic - GEMERA**

info@gemera.com.ar

Copper, Lithium, Gold and Silver
<https://datos.produccion.gob.ar/>



Mining /

–
**Argentine Investment
and Trade Promotion Agency**

+54 11 5199 2263

consultas@inversionycomercio.org.ar

inversionycomercio.ar

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**We promote the
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