

# An opportunity for investment

By **MARIANO LAMOTHE**

UNDER-SECRETARY OF MINING DEVELOPMENT, MINISTRY OF PRODUCTION, ARGENTINE REPUBLIC



**MARIO LAMOTHE** holds a degree in Economics from the University of La Plata. He completed a postgraduate degree in Finance at the Universidad Torcuato Di Tella. From 2005 to 2018 he served as a coordinator of technical teams, developing economic and business consulting work focused on the energy, mining and infrastructure sectors.

The President, since he came into office, has defined mining as one of the strategic sectors for growth and balanced development of the whole country. Our country offers multiple opportunities, the product of its valuable natural resources and its outstanding human talent. These factors make our land a matchless opportunity for investors. The sustainable production policy concerning non-renewable natural resources must be based on respect and compliance with the rules established based on national and provincial laws which regulate the activity.

The geological characteristics of Argentina make it one of the most important regions in the world and we are opening the doors to its development. The discovery of major deposits has generated a significant increase in proven reserves and they have placed the country among the 10 most important with regard to copper, lithium, silver, borates and potassium. These conditions mean that there can be no doubt about the potential to become a major mining country, bearing in mind the capacity to become one of the 10 largest producers of gold, silver and copper within the next decade.

The product of investments and work carried out in exploration, we have 17 mines in production, two expanding, three under construction, 6 projects in the advanced pre-feasibility phase, 11 projects under economic analysis, 25 advanced projects, 45 average and early projects and another 400 being prospected. Deposits include gold, silver, copper, molybdenum, lithium and uranium, as well as applicable quarries and rock. It should be pointed out that more than 65 per cent of the land is still unexplored. Lithium is currently going through a very busy phase, especially in the so-called lithium triangle region, shared with Chile and Bolivia. Including inferred, indicated, proven and probable resources, Argentina has 78 million tons of identified Copper resources and a geological potential of a further 282 million tons, 143 million ounces of gold and potential for a further 300 million, and 3,600 million ounces of silver and potential for a further 3,500, as well as Lithium with 60 million tons of resources plus another potential 100 million tons.

We are a young country with regard to mining and we have the opportunity to engage in a modern and more sustainable system, one of the most attractive countries for mining investment, relevant and strategic

in terms of reserves, production and exports of various minerals. Therefore we join in with the UN's 17 SDG (Sustainable Development Goals) principles, the G20, where Argentina introduced itself in 2018 under the motto "Building consensus for fair and sustainable development", the Mines Ministries of the Americas Conference (CAMMA) where a Public Policies for Mining Framework is being worked on, the Organisation for Economic Co-operation and Development (OECD), the EITI (Extractive Industries Transparency Initiative), the Canadian TSM (Towards Sustainable Mining) programme, the Open Government initiative, amongst other measures to guarantee sustainable development for the sector.

We support and contribute to the guaranteeing of a fair and stable regulatory framework for investors. In the case of Mining, in particular, we promote development with the objective of improving the quality of life for people and care of the environment. We are convinced that the strengthening of this sector will permit the development of our regional economies and, therefore, the development of historically neglected areas.

One of the most important aspects we consider when talking to investors is the difficulty in understanding the legal aspects and the system of government of our country. They constitute the principal doubts of those who consult regarding how to do mining business in Argentina. The basis for mining activity is established in the National Mining Code, which establishes that mining resources are of a "non-renewable" nature, therefore their exploitation requires certain conditions like remuneration for the right, it requires the payment of royalties, care of the environment, administrative expenses, etc. According to legislation, mineral deposits are the property of the provinces.

Our objective is to convert Argentina into a global leading mining country, and therefore Argentina has a special system for the sector, which is the Mining Investments Act which gives double deduction of exploration expenses, early return and financing of VAT, fiscal and exchange rate stability, accelerated depreciation for capital investments, reimbursement for expenses to create an Environmental Conservation Fund, exemption from contributions on mining property.


Given that we are a federal country, the Federal

Mining Council (COFEMIN) constitutes a fundamental tool for standardising and making transparent processes and procedures, and establishing good practices in national mining. There are provincial laws which establish the terms and the specifications required for each provincial state regarding mining activity.

For two and a half years, mining has been considered a State policy and incorporated into the national production framework with the incorporation of the Mines Policy Secretariat into the Ministry of Production and Employment. In addition to the State, other relevant players in the sector besides COFEMIN, the Argentinian Chamber of Mining Entrepreneurs which represents mining companies and also materials for construction at all stages of production, founded to unify and strengthen the mining industry in Argentina; the Mining Geological Service, whose role is the generation and dissemination of environmental and mining technological, geological information for rational and sustainable use of natural resources, AOMA and ASIEMIN, Trade Unions which bring together the sector's workers.

From our Secretariat and the Ministry of Production and Employment we are driving mining activity, a strategic sector in the production chain, for development of regional economies and their communities, therefore we are keen that the countries

which are looking at Argentina, should evaluate investments in our country bringing the best available technologies to carry out low environmental-impact mining and best mining social practices including for the people, to generate employment and the development of small and medium sized associated companies. We are a young country, as far as mining is concerned, which translates into an opportunity for investors. We possess a vast territory for investing in projects whether at an initial or advanced stage for the sustainable development of the country's different regions, its regional economies and its communities.

In this new phase, we are looking for Junior companies to explore in the country, mining companies to develop advanced mining projects, talents and suppliers to join in with development, to achieve significant growth in production which will drive us to become a strategic player in the industry. With improved competitiveness and promotion of sustainable development, we firmly believe in the possibility of being a world leader in mining. We are improving competitiveness, it represents one of our biggest challenges and we are continuing along the road to become one of the world's best indicators. For that, we are optimising the existing infrastructure and investing in the development of new infrastructure, we are reducing taxes and simplifying administrative processes. 

**Our object  
is to convert  
Argentina  
into a global  
leading  
mining  
country**

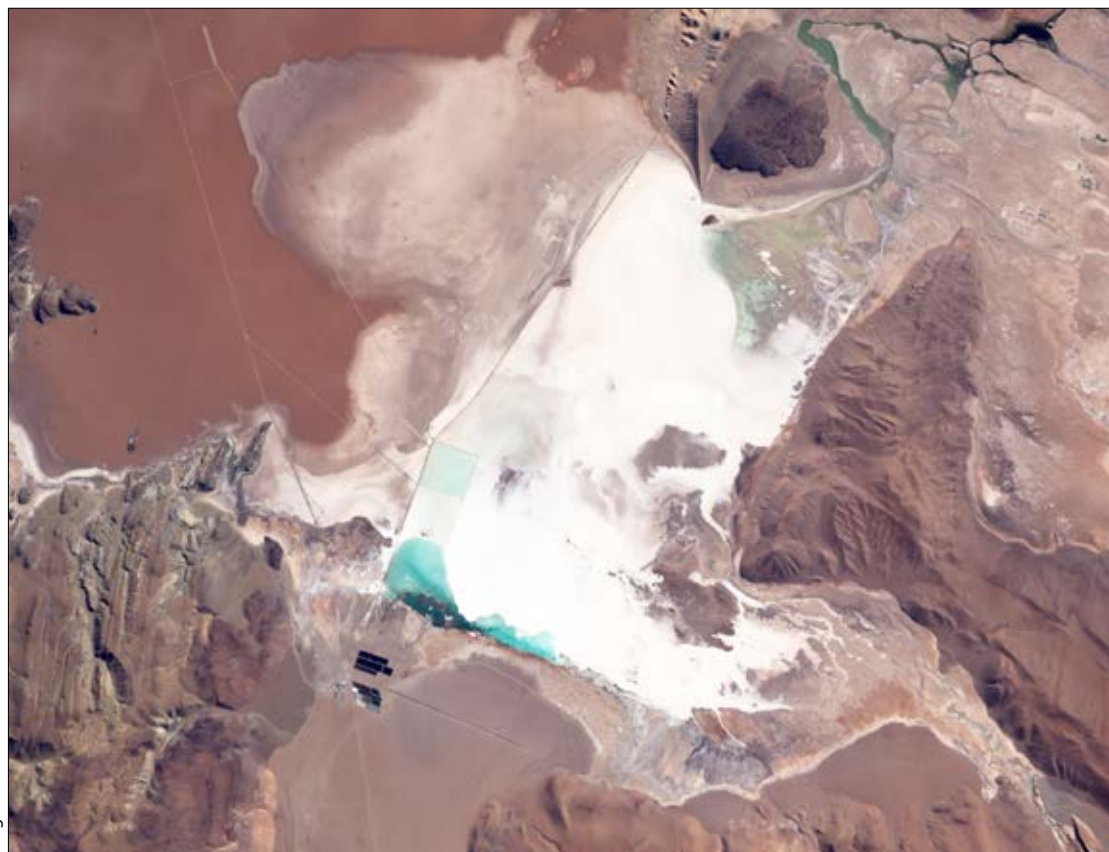


Image: NASA

Brilliant white in this true-color image, Argentina's Salar del Hombre Muerto is a high-altitude salt pan rich in minerals such as lithium