

Mining in Argentina

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Introduction

- Argentina is politically organized under a constitution that follows the US constitution model.
- It is a federal country divided into 23 provinces and an autonomous district - the City of Buenos Aires.
- The population is approximately 45 million - a third residing in the Greater Buenos Aires area.
- Gross Domestic Product (GDP) 2023 of more than US\$ 640 billion.
- Throughout Argentine history the abundance of agricultural richness has been a deterrent to mineral related investment and activities. Except for a few exceptions such as Mina Aguilar (producing lead, zinc, silver) that has operated for 9 decades, Argentina was only able to develop world class mining activity (albeit small) only in the early 1990s.
- Argentina is strongly committed to promoting sustainable and transparent practices in mining: Argentina joined the Extractive Industries Transparency Initiative (EITI) in February 2019 and since 2022 operates an online system which makes economic, environmental, social and mining cadastral information available to the public (SIACAM).
- Social levels of acceptance of mining are currently at their peak.

Introduction (2)

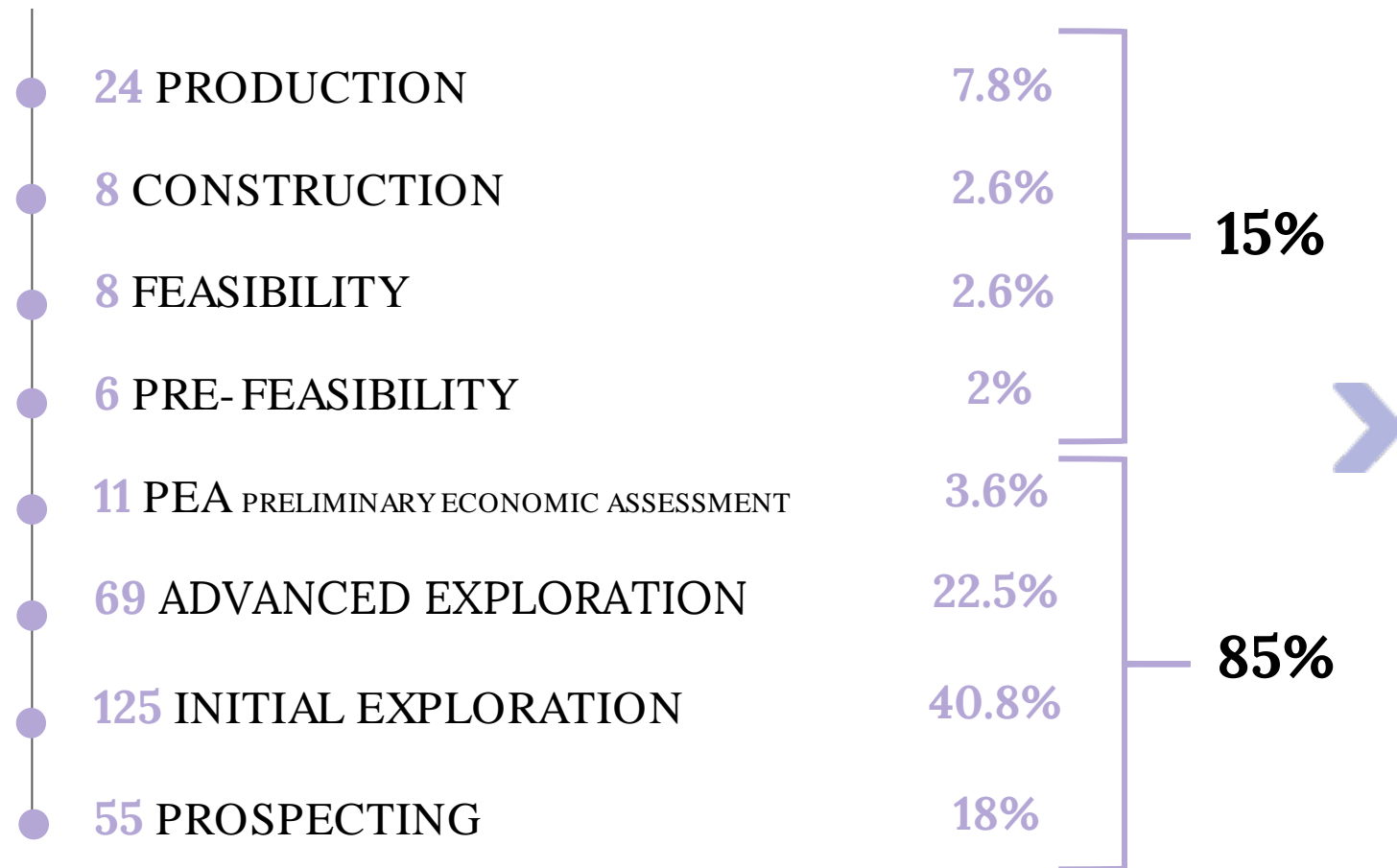
- There are no restrictions concerning foreign investment or ownership of companies engaged in the exploration and extraction of mineral resources.
- Foreign individuals and entities -through argentine subsidiaries- may, therefore, acquire and hold mineral rights in Argentina, without limitations.
- A Mining Investment Law that includes a 30-year period of guaranteed stability in tax and foreign exchange matters, plus other benefits at each stage of project development, has been in place for more than 30 years.
- On April 30th, 2024, Argentina sanctioned the "*Régimen de Incentivo para Grandes Inversiones*" (RIGI) as part of the broader legal framework known as the "*Ley Bases*". This regime provides significant incentives for large-scale investments, including benefits related to VAT and income tax, as well as exemptions from import and export duties. The RIGI targets projects with minimum investment amounts ranging between US\$200 million and US\$900 million. Additionally, it grants fiscal stability and free disposition of foreign currency.
- Argentina has entered into 61 Bilateral Investment Treaties for the reciprocal promotion and protection of investments -of which 47 are currently in force- with several countries, including Australia, Canada, China, United Kingdom, United States, and Türkiye.
- Argentina has one of the strongest portfolio of critical minerals resources in the world.

Economic Facts

- Contribution of mining to Argentina's gross value added: 0.82% of the total (year 2023 – Source: INDEC).
- 6th exporting complex (USD 4,060 million exported by mining, 6.1% of the total).
- Almost all of the metal production comes from a few provinces: Santa Cruz, San Juan, Catamarca, Jujuy and Salta.
- Third largest net foreign exchange contributor to the Argentine economy in 2023 with a surplus of USD 3,264 million.
- Tax contribution of almost USD 320 MM (EITI company estimate 2021 + update to 2023).
- Employment creation: 41,170 direct jobs (Nov-23); and close to other 41,000 indirect jobs (x2 multiplier).
- Mining wages: 1.8 times higher than the National average. Metalliferous mining wages: 2.6 times higher than the National average.
- 80% of large mining companies turnover remained within Argentina's borders.

Current Status

➤ 306 Operations and Projects



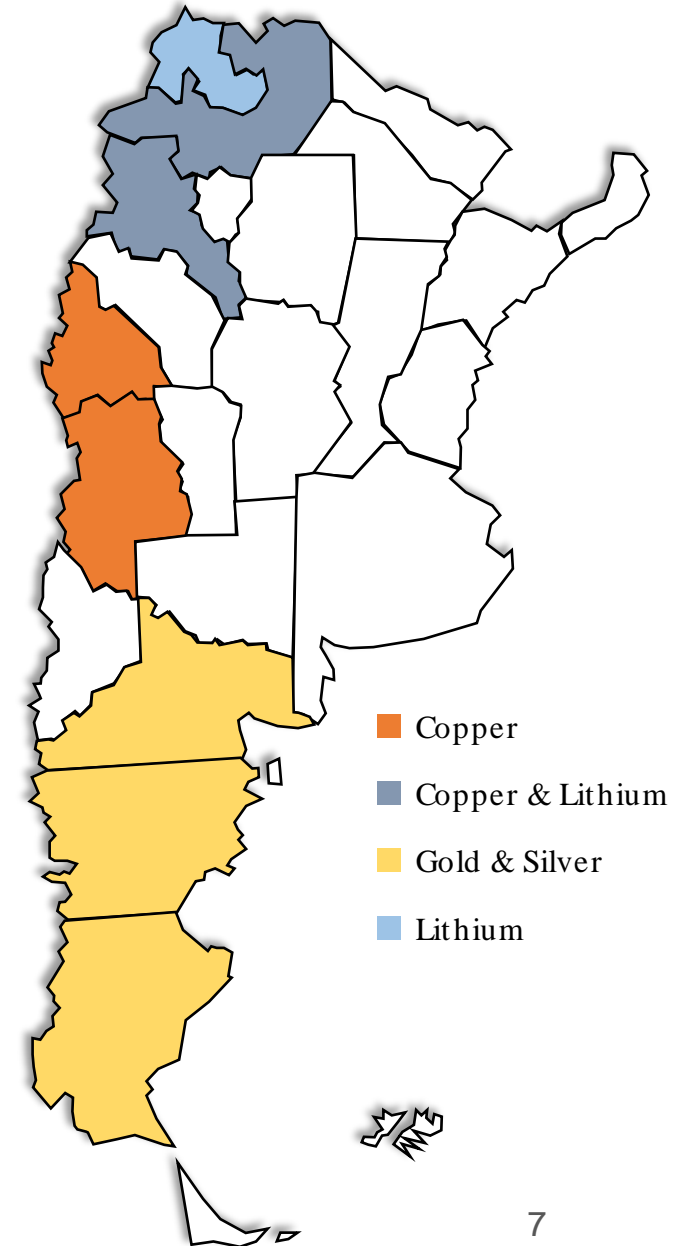
Resources & Reserves

LITHIUM 117 M / 19 M (tons LCE)¹
COPPER 81,9 Mt²
GOLD 105 M Oz.³
SILVER 3,188 M Oz.⁴

Source: 1. USGS 2024 2. S&P 2024
 3. S&P 2024 4. S&P 2024

Project Portfolio

- Most of the mineral export value comes from gold and silver.
- Lithium related exports are growing fast, with 4 new operations as at January 2025.
- Seven world-class copper projects.
- Large number of lithium projects.
- An estimated 70% of mineral rich territory unexplored



Advanced copper, lithium, gold and silver project portfolio



Key minerals for the Energy Transition - Cobalt, Copper, Chromium, Rare Earth Element, Graphite, Lithium, Manganese, Nickel, the Platinum Group Elements and Zinc

Legal Overview

Federal Level Legislation:

Constitution | 3 rules of utmost importance:

- Ownership of natural resources (S. 124) – They belong to the Provinces, the Autonomous City of Buenos Aires, or the Federal Government, depending on what jurisdiction they are located.
- Mining code (S. 75, §12) – To be enacted by the Federal Congress.
- Environmental legislation (S. 41) – Minimum standards to be enacted by law of the Federal Congress. Such minimum standards to be supplemented by Provincial legislation.

Legal Overview | Federal

Mining Code

- Exploration permits conditions
- Mining concessions conditions
- Limited and outdated rules on safety conditions for mining operations
- Environmental rules
- Basic provisions regarding mining agreements
- Mining acquisition by prescription.

Legal Overview | Federal

Mining Code on Mining Concessions (1):

The mining authority has no discretion to assess whether or not is convenient to grant a concession.

If the legal conditions -mostly of formal nature- are met, the concession must be granted.

Legal Overview | Federal

Mining Code on Mining Concessions (2):

The steps to get a concession are:

1. A “discovery” is informed to the mining authority, indicating (y) the place where it occurred and the mineral involved and (z) the area that the concession should cover;
2. The statement of discovery is registered by the mining authority in the appropriate ledger;
3. Works to expose the mineralization features must be performed and reported within a certain timeframe;
4. A survey is performed and registered;
5. A notarized copy of the survey and its registration is the concession title.

A mining concession is also called a “mine”.

Legal Overview | Federal

Mining Code on Mining Concessions (3):

Key features

- There is no legal linkage between the granting of the concession and the commercial feasibility of the deposit. It could be the case that a concession is granted over a deposit that eventually shows that is not commercially feasible.
- The size of the concessions is set on the basis of units. Units have a legal size which varies depending on mineral and mineralization (e.g.: a disseminated copper unit has an area equivalent to 100 hectares, whereas a gold-vein deposit unit has an area equivalent to 6 hectares).
- There is a maximum size for a mine. But there is no limit to the number of mines a person may own.
- Rights are granted on a “*first come first served*” basis.

Legal Overview | Federal

Mining Code on Mining Concessions (4):

Key features

- The concessions are granted for an unlimited period of time.
- The concessions remain in good standing as long as: (i) the mining fee (*canon*) is paid at the rate per unit in force at the relevant time; (ii) a five-year investment plan is filed within the applicable time framework (a year as from the application to perform the survey; etc.); (iii) the five year investment plan is complied with, or the non-performance is cured when requested, (iv) there are no stoppage of works for a period longer than 4 years.
- The mines are considered real estate property. They can be encumbered with mortgages or otherwise used as collateral to secure loans to develop the mine.

RIGI

Introduction to Regime for Large Investment Incentives

- Applicability:
 - The RIGI applies to large projects with long-term investments of US\$200 million or more.
 - Strategic exportable projects require an investment of US\$1 billion or more.
- Investment Timeline:
 - A minimum of 40% of the total investment contemplated in the project must be made in the first two years.

RIGI

Incentive Regime for Large Investments – Long - Term Benefits

- **Stability and Guarantees:**
 - 30 years of regime stability from the date of adherence.
 - Rights and incentives are protected, including those related to taxation and customs benefits.
 - No application of new taxes is guaranteed, but projects can benefit from reductions or eliminations of existing taxes.

RIGI

Incentive Regime for Large Investments – Main Tax and Customs Benefits

- **Tax Benefits:**

- 25% corporate income tax rate.
- Accelerated depreciation of assets.
- 7% withholding on dividends with a reduction to 3.5% after 7 years.
- Transfer of unused tax credits after 5 years.

- **Customs Benefits:**

- Exemption from import duties and taxes on capital goods, parts, and components.

RIGI

Incentive Regime for Large Investments – Foreign Exchange and Export Flexibility

- **Free Disposition of Hard Currency coming from Exports:**
 - Export proceeds are exempt from mandatory repatriation in increasing percentages (20% after 2 years, 100% after 4 years).

- **Customs and Trade:**
 - Exemptions from export duties after 3 years (2 years for strategic projects).
 - Free availability of foreign financing, without restrictions.

Thank You

For further information please contact:
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**Secretaría
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