MENDOZA
GOBIERNO

Ministerio de Economía,
Infraestructura y Energía
Subsecretaría de Energía y Minería

PDAC 2018

MENDOZA A NEW OPORTUNITY FOR MINING IN ARGENTINA (?)

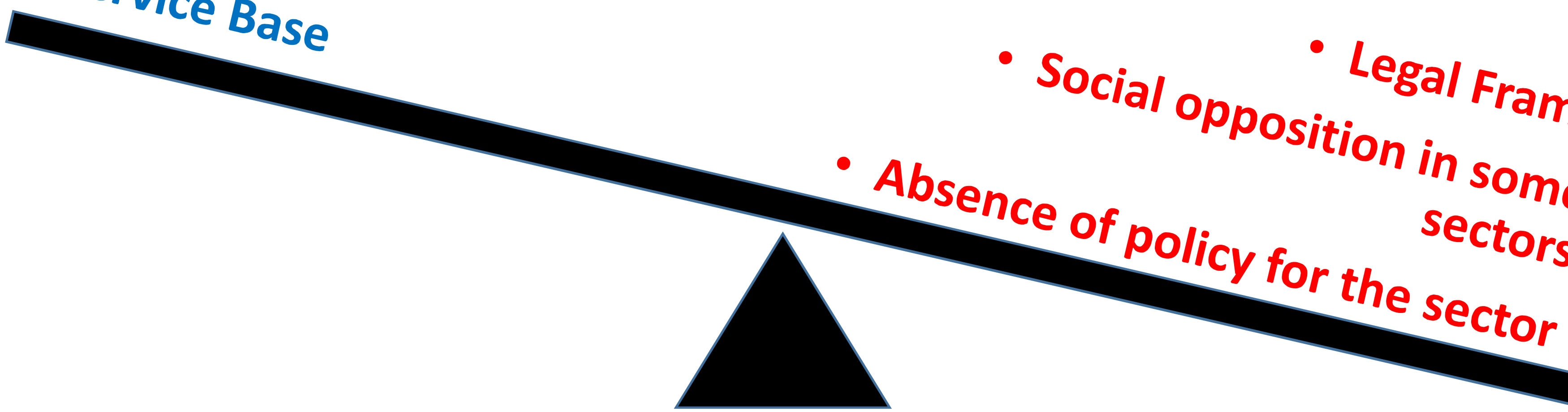
MENDOZA HIGHLIGHTS

- ***Mendoza*** is the 4 biggest province of Argentina 149,000 km2 , with a population os 1,800,000 98% of alfabetism, and 30% of university graduates.
- ***Mendoza*** is recognize for the quality of its wine, but is also the 3rd oil producer of the country with the second biggest refinery of Argentina.
- ***Mendoza*** has a diversified economy, with the biggest industrial and service cluster of the west of Argentina.
- ***Mendoza*** is the Province with the smallest proportion of public employment, has fiscal superhabit and is investing more tan 10% of its Public Budget in infraestructure.
- ***Mendoza*** is one of the best destinies for investments in Argentina.
- In the more tan 500 km of Andes that ***Mendoza*** shares with Chile, Chile produce and exports more tan USS10,000 Millions of mining prouducts.

A FACT

According the Fraser Institute, Mendoza is the ***second worst*** destiny for mining investment.

- **Geological Potential**
- **Infraestructure**
- **Human Resources**
- **Service Base**



- **Legal Frame**
- **Social opposition in some sectors**
- **Absence of policy for the sector**

Despite off

NO mining in Mendoza.

A VALID QUESTION

Why are we here?....

A PIECE OF RECENT HISTORY

- By 2000, Mendoza had the biggest mining service cluster of Argentina based on its industry, the international connections, and human resources. ***Part of this base is stil there, providing services to thre rest of the región.***

- 2004/2005, anti Mining movements started in Chubut spreading quickly to Mendoza obtaining in 2006 the approval of ***Law 7722 (CN , H2SO4)***

- In 2011 was started the construction of Potasio Rio Colorado Project (Malargüe) with an initial investment of USS 6,000 MM. In 2013 after investing USS 2,000 MM the projects was stopped because a combination of ***Nation, Province and Investor strategy mistakes and a change in market conditions.***

- In 2014 some projects fail in getting the enviromental permits mainly by the ***lack of a consistent mining policy and political speculation***.

- Potasio Rio Colorado has been redesigned under the optics of the National and Provincial Minig Policy and, with a optimized project is ***waiting for its market oportunity***. Projects with failed enviromental process are ***being redirected***.

HOW TO RESOLVE THIS SITUATION?

- The strategy of the Government was to attend first the reason for social opposition using ***objetive information, open debate and trasparency*** in the process. ***"Espacio de Dialogo";***
- More than 70 conferences in 3 different universities, ***1000+ people participating;***
- Visits to different sites with pro and anti minig opinión;
- The result was the ***"Policy for Development Sustainable Mining in Mendoza"*** presented in 2017;
- ***Strong support*** form the economics/productive sectors;
- Program to ***develop Mining in Malargüe;***

Show results in one place, expand the concept to the rest of the Province.

espacio de diálogo
Minería. Política de Estado para un Desarrollo Sustentable
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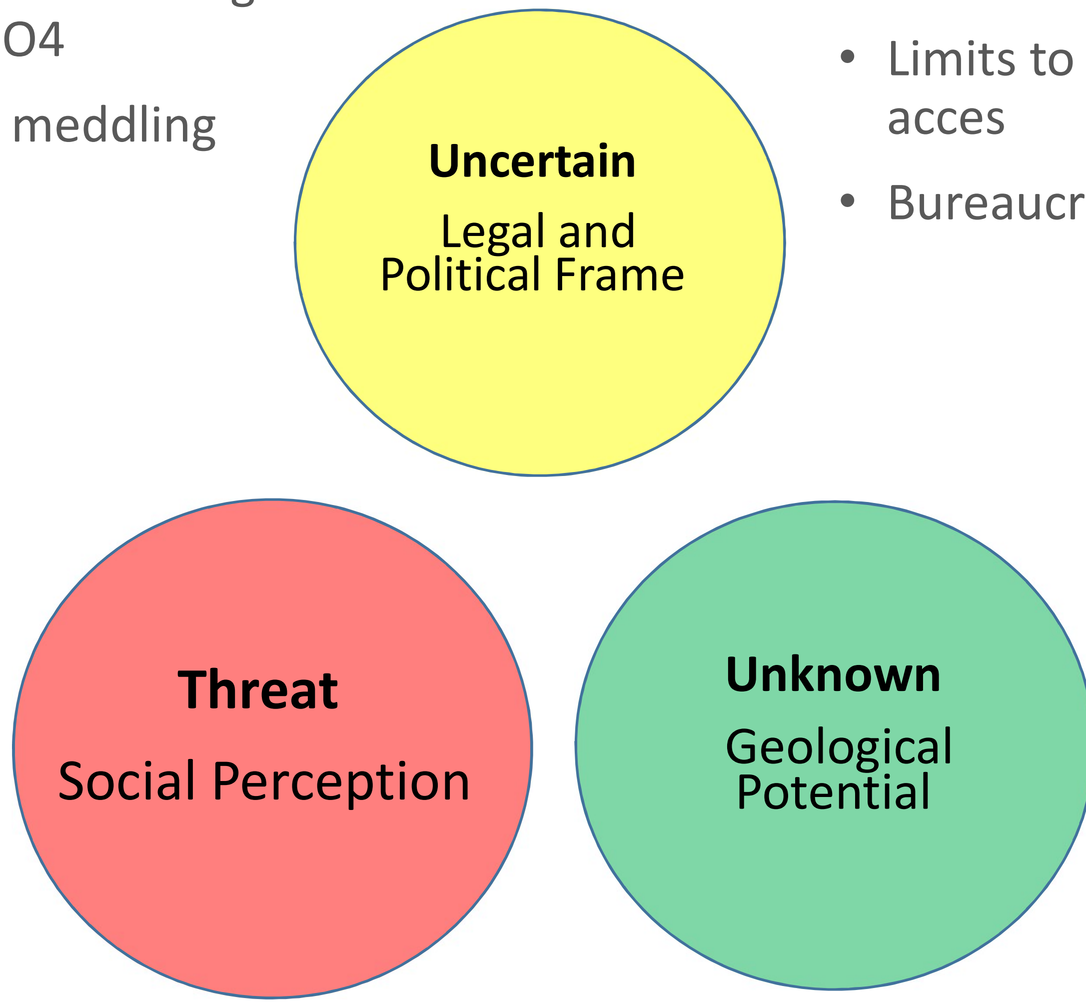
MOVE FROM HERE

- Prohibition of using CN, H_2SO_4
- Political meddling

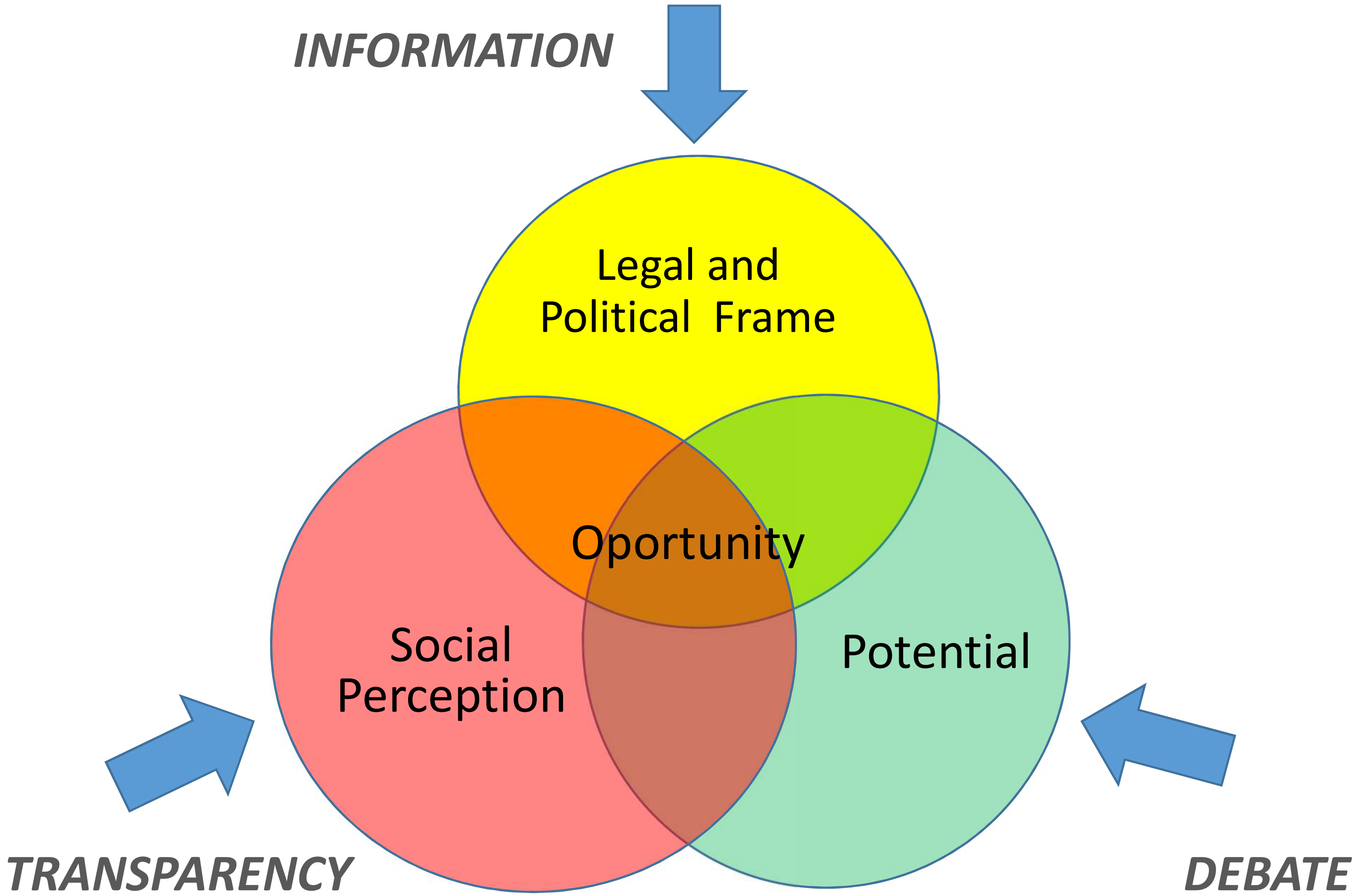
- Corruption
- Limits to water acces
- Bureaucracy



- Polution
- Corruption
- Lack of Control
- Abuse of local comunities
- No positive outcomes in the long term.

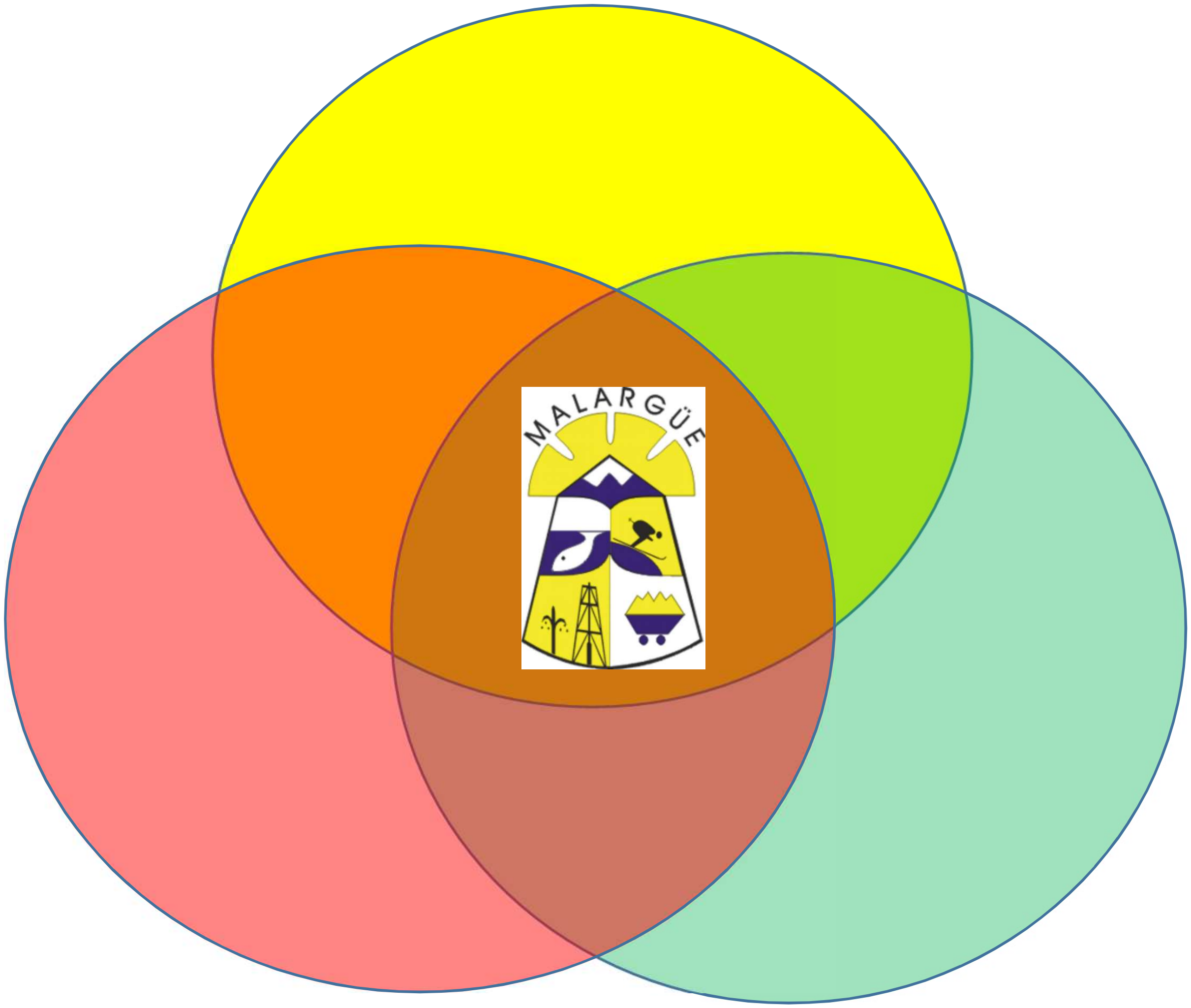
- Untapped resources
- CU
- Potash
- Uranium
- Gold
- Etc.

TO HERE


INFORMATION
Legal and
Political Frame
Oportunity
Social
Perception
Potential
TRANSPARENCY
DEBATE

WAHT WE FOUND?

We found a positive combination of these factors in Malargüe



MALARGÜE

- Malargüe is the biggest territory of Mendoza with more tan 41,000 km2 (bigger tan Swuitzerland).

- Malargüe is the ***main oil producer*** of the Province (3rd in he Country) and already working with non conventional oil (30% of "Vaca Muerta")

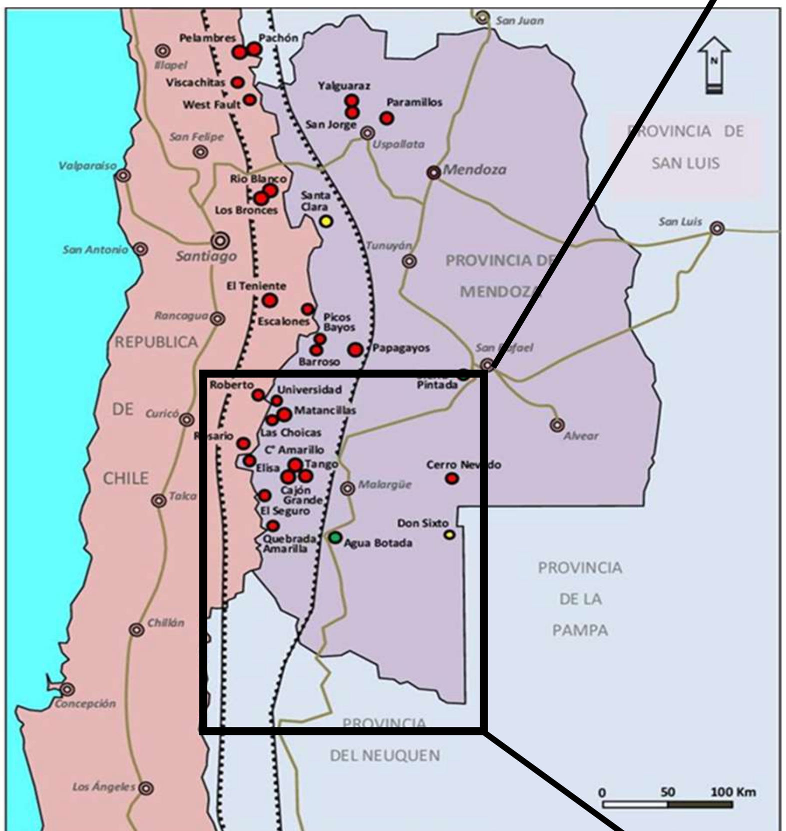
- Malargüe has ***historically supported the mining acivity*** and has not any other economical activity that could feel thretened by minig industry.

- Malargüe together with the National and Provincial Government are working to develop its own ***Territorial Planing*** including Oil, Energy and Mining as the main axes of development.

WHAT WE CAN DO?

- ***Malargüe*** use to be a mining district until the ´70 when ming was outperformed by Oil.
- ***Malargüe*** has a direct connection with Chile trough ***Pehuenche Pass***.
- ***Malargüe*** shares with Chile the ¨Miocene Copper Belt¨ wich contains the richest and biggest cupper depossits of the región most of them ***compatible with the limitations of the Law 7722.***
- Most of this deposits are located ***out from the "periglaciar"*** regions (below 3200 m high), reducing risk for enviromental assestment.
- The region has also important deposits of Iron, Gold, Uranium, Zinc, some of this potential is for now limitated by the legal frame wich ***not allow the use of CN, H2SO4***.
- There are ***several projects that can be developed*** because they combine the characteristics of having geological potential, are located in a mining friendly región, can be developed according the limitations of the law.

MALARGÜE



Pelambres
Pachón
Elqui
Viscachitas
West Fault
Yalguaraz
Paramillos
San Jorge
Uspallata
San Juan
San Felipe
Valparaíso
Mendoza
PROVINCIA DE
SAN LUIS
Río Blanco
Los Bronces
Santa Clara
San Luis
San Antonio
Santiago
Tunuyán
PROVINCIA DE
MENDOZA
El Teniente
Rancagua
Escalones
Picos Bayos
REPUBLICA
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CHILE
Barroso
Papagayos
San Rafael
Roberto
Universidad
Matancillas
Pintada
Curicó
Rosario
Las Choicas
C° Amarillo
Alvear
Elisa
Tango
Cerro Nevado
Talca
Cajón Grande
Malargüe
El Seguro
Don Sixto
Quebrada Amarilla
Agua Botada
PROVINCIA
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Las Choicas
Rosario
C° Amarillo
Elisa
Tango
Cerro Nevado
Malargüe
Cajón Grande
El Seguro
Don Sixto
Quebrada Amarilla
Agua Botada
PRC

SOME POTENTIAL TARJETS IN MALARGÜE

- **Hierro Indio.** *Fe3O4*; in production until 1972, high quality known reserves;
- **P. Rio Colorado;** ***Potash***, under construction, world class reserves;
- **El Perdido .** ***Cu*** and ***Au*** Porphiry; Intermediate Exploration;
- **Co Amarillo.** ***Cu*** Porphiry; Intermediate Exploration;
- **Tango.** ***Cu*** Porphiry; Intermediate Exploration;
- **El Seguro.** ***Cu*** and ***Au*** Porphiry; Binacional; Intermediate Exploration;
- **Qda Amarilla.** ***Cu*** Porphiry; Binational; Initial Exploration;
- **Las Choicas.** ***Cu*** Mantle deposit; Advanced Exploration;(needs CN, can be processed in Chile);
- **Elisa.** ***Cu*** Mantle deposit, Grassroot Exploration; (needs CN, can be processed in Chile);

CONCLUSIONS

There is an oportunity for mining in Mendoza.

- The activity re-starts in the Malargüe región because its unique combination of geological potential, social aceptance and government support.
- National, Provintial and regional Government are working to provide an adequate environment for business.
- There are several projects in different degree of development that need investment to fully develops.
- There are some projects already aproved that are waiting for proper market conditions to restart operations.
- The oils industry is very strong provinding a base of services, man power and infraetsructure.

Looking foward to see you there

THANKS FOR YOUR ATENTION

MENDOZA GOBIERNO

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