

EXPORT RÅDDET

SWEDISH TRADE COUNCIL

THE MINING SECTOR IN ARGENTINA

FACT PACK

Swedish Trade Council in Argentina
2008

THE SWEDISH TRADE COUNCIL MAKES IT EASIER FOR SWEDISH COMPANIES TO GROW INTERNATIONALLY

Sweden:

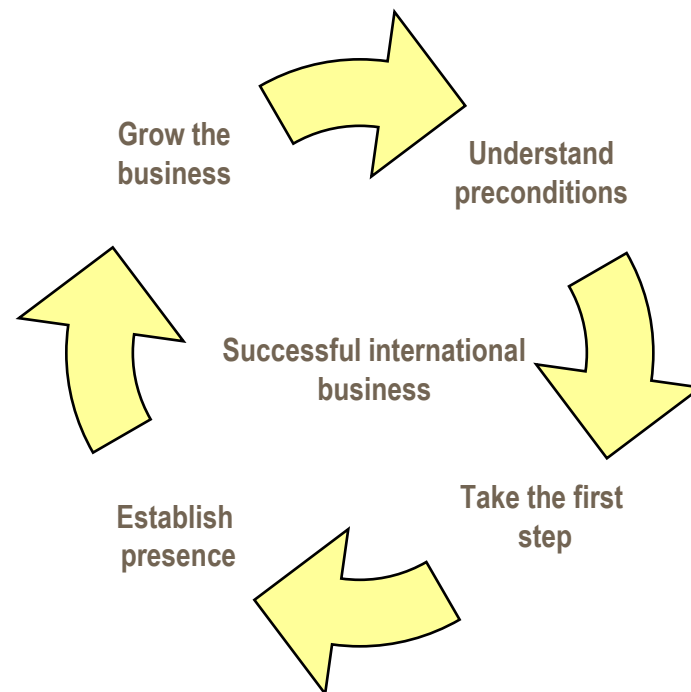
- Headquarters in Stockholm, 80 employees
- 22 regional export advisers
- All Trade Commissioners regularly visit different parts of Sweden

Abroad:

- 60 places, 400 employees in 52 countries
- Through partners and networks we cover more than 100 countries

Argentina:

- Office in Buenos Aires
- 5 employees



Vision of the office:

STC in Buenos Aires is the primary consulting partner for Swedish companies doing business in Argentina

ARGENTINA IN BRIEF

Area: 2 791 810 km²

Inhabitants: 39.3 million

Constitution: Democratic republic

Head of State: President Cristina Fernandez de Kirchner

Languages: Spanish (official), English often spoken in business

Inhabitants per km²: 14/km²

Currency: Peso

GDP 2007: 255 758 MUS\$ (estimated)

GDP per capita 2007: 6 500 USD (estimated)

Inflation 2007: 8.8% (National Bureau of Statistics)

Main exports: Agriculture products, industrialized agriculture products, petroleum

Main imports: machinery, equipment, intermediate products

Swedish Exports to Argentina 2007: 1 687 MSEK (Up to November)

Swedish imports from Argentina 2007: 343 MSEK (Up to November)



Source: CIA world Factbook, Indec, STC Trade Profiles

STRUCTURE OF ARGENTINA'S MINING INDUSTRY

- Public-sector actors are important in the mining sector

SECRETARIA DE MINERIA DE LA NACION

- Highest Government Office with responsibility for the mining sector.
- Develop mineral policy
- Promote growth of mineral sector
- Create conditions to encourage investment
- Negotiate national and international agreements
- Planning use of mineral resources in the country

DIRECCIÓN NACIONAL DE MINERIA

- Administrate laws
- Coordinate and develop Argentina's strategic mining plans
- Advisor to Mining Secretary on technical and legal matters
- Promote activities to maintain dynamic small and medium sized mining sectors
- Process and distribute all mining statistics

SEGEMAR – SERVICIO GEOLOGICO MINERO

- Coordinate and actualize Argentina geological information
- Contribute to the discovering of resources
- Technical assistance to the small-and medium-sized mining sectors

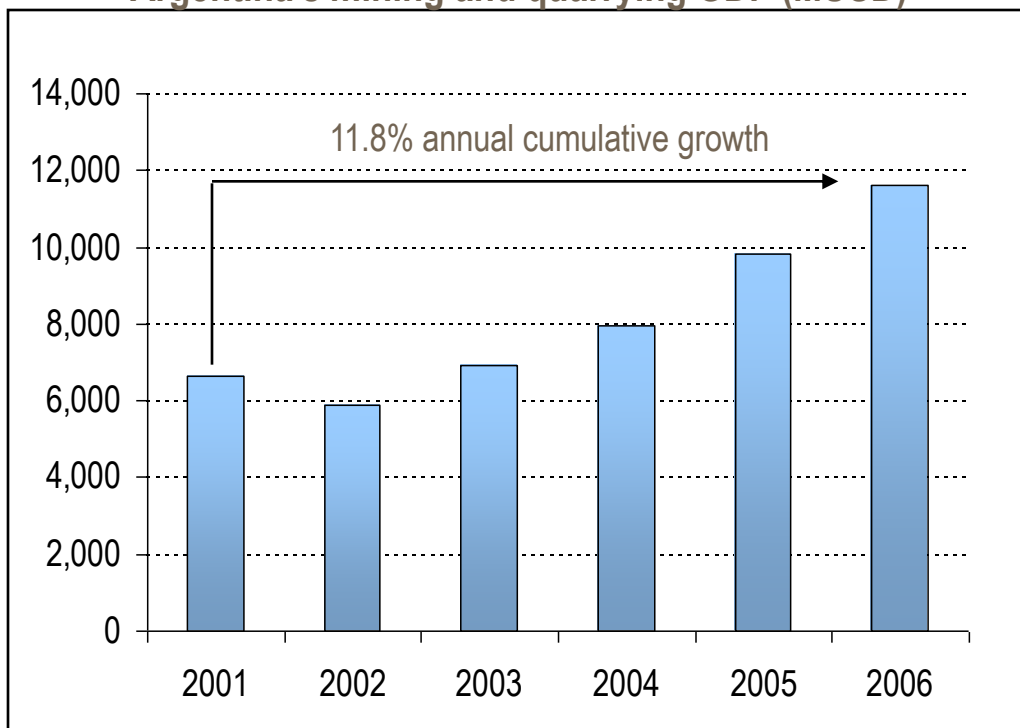
PROVINCIAL GOVERNMENTS

- Have offices in charge of mining issues
- Award mineral concessions
- Ensure that mines adhere to the environmental protection laws
- Apply provincial norms

BOOMING MINING GROWTH IN ARGENTINA IN LIGHT OF NEW PROJECTS

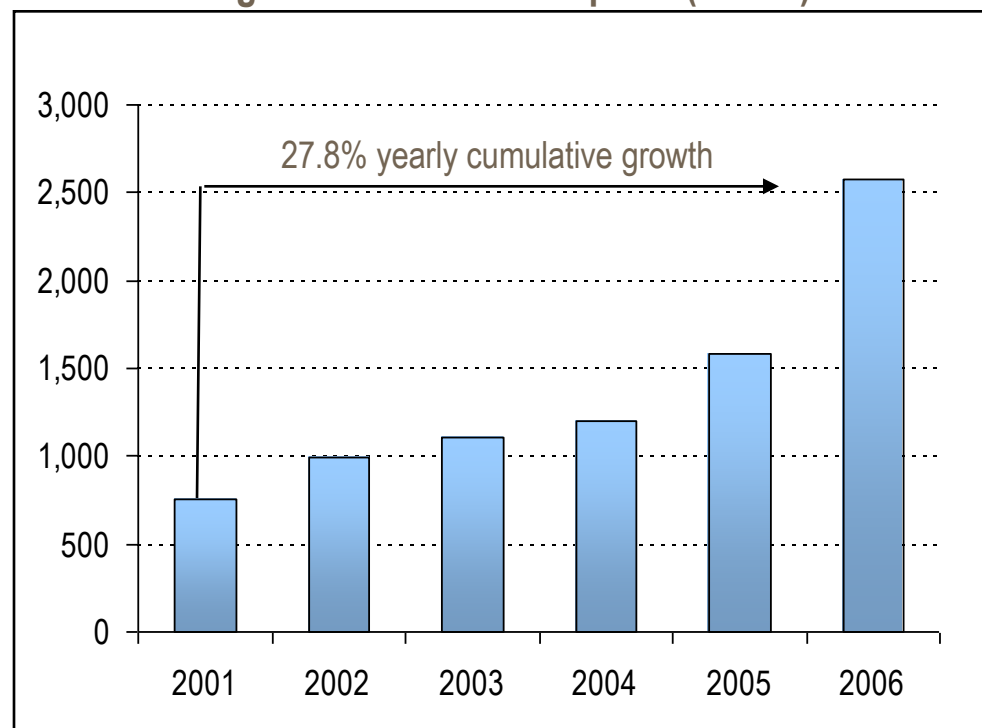
- Production is mainly destined for export

Argentina's mining and quarrying GDP (MUSD)



Strong growth is associated with large projects that started operations in the last years and that are export oriented.

Argentina's minerals exports (MUSD)



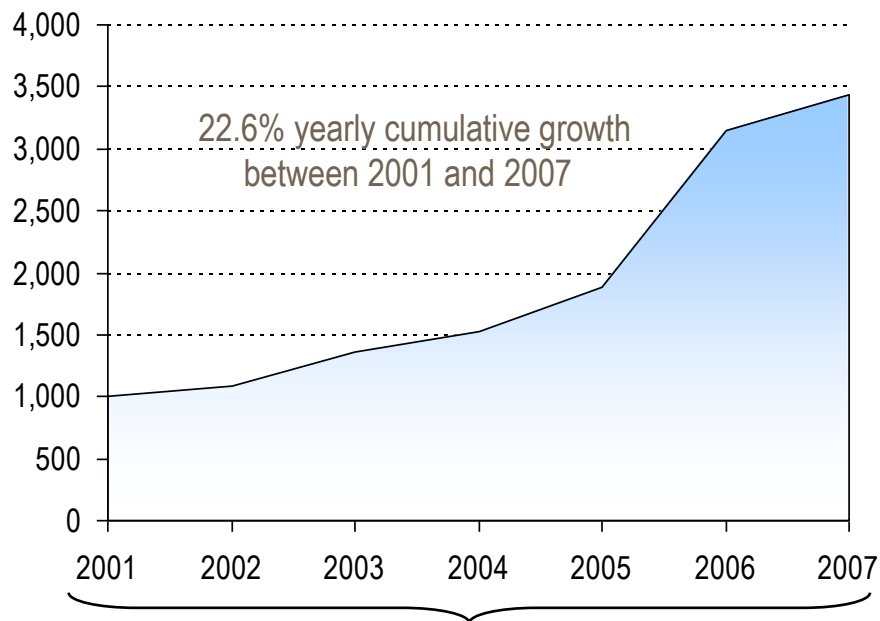
Most of the exports are from copper and gold. The major exporter is Minera Alumbra, the largest mining company in Argentina.

New projects under development indicate that the sector will continue to increase its importance

METALLIC MINERALS IS THE LARGEST SEGMENT OF ARGENTINE MINING

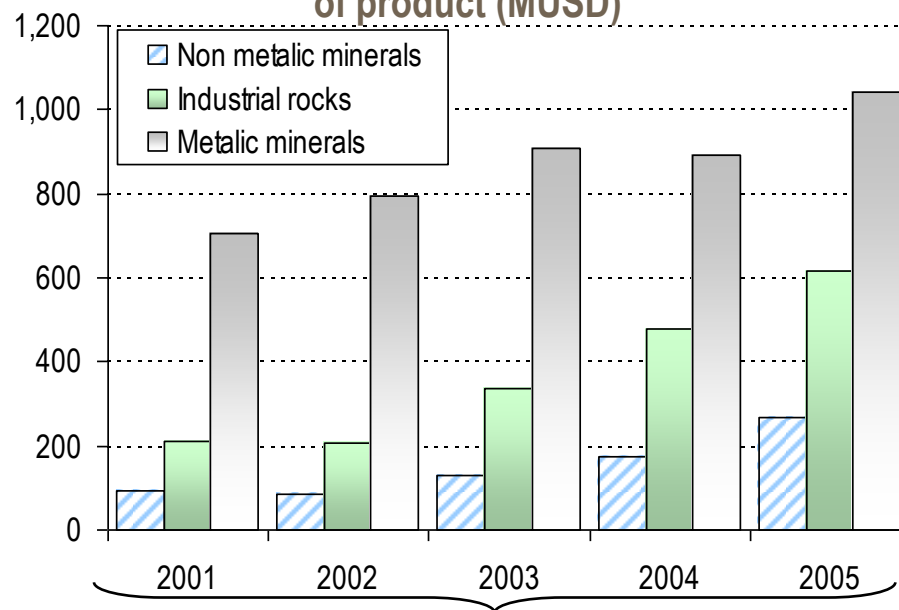
- Gold, silver and copper are the most important minerals, with the highest production increase

Argentina's mining production value (MUSD) *



2007 growth was strongly influenced by the increase in the international prices

Argentine mining production value by type of product (MUSD)



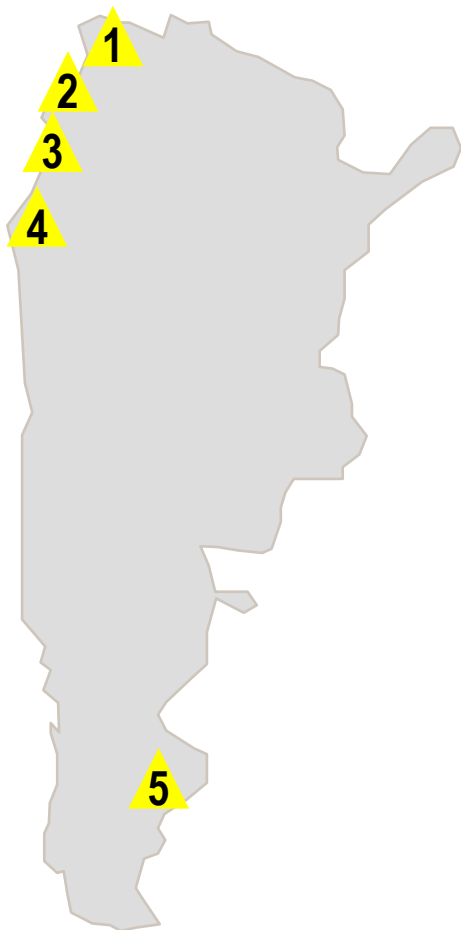
Around 15 companies are mining metallic minerals, while some 800+ companies are mining industrial stone. Thus, fewer but larger companies are active within metallic mineral segment.

Four new mining projects are estimated to double Argentina's mineral production by 2009

Source: Indec, CAEM, Mining secretariat, STC.

ARGENTINA'S FIVE LARGEST MINES IN PRODUCTION

- Cerro vanguardia, la alumbreira and veladero are considered world-class mining projects



Mining project (Company)	Minerals	Production capacity
1. Mina Aguilar (Compania Minera Aguilar)	Zinc Lead Silver	75,000 ton/year 20,000 ton/year 20,000 ounces/year
2. Salar del Hombre Muerto (FMC Lithium Corp.)	Lithium	2,500 ton/year
3. Mina La Alumbreira (Xtrata, Wheaton River, Northern Orion)	Copper Gold	190,000 ton/year 600,000 ounces/year
4. Veladero (Barrick Gold)	Gold	700,000 ounces/year
5. Cerro Vanguardia (Anglo Gold)	Gold Silver	230,000 ounces/year 2,000,000 ounces/year

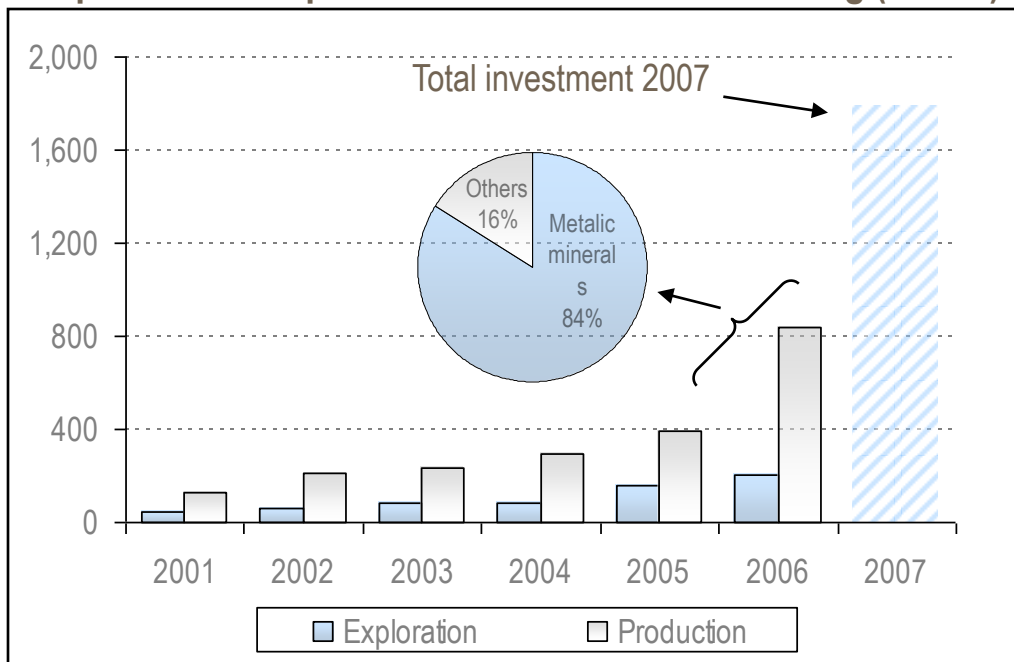
There are seven major mines operating in Argentina, three are underground mines

Source: Argentine Mining Chamber of Commerce (CAEM), Secretariat of Mining

STRONG INCREASE IN INVESTMENTS IN ARGENTINA'S MINING SECTOR

- Lion's share of the investments are made by global mining companies

Exploration and production Investments in mining (MUSD)



Largest investments are made by global players, all large investments are being carried out within the metallic minerals segment. There are 110 international companies in the mining activity.

Largest upcoming projects

Project	Company	Mineral	Investment
Pascua Lama	Barrick Gold	Gold & silver	1500 MUSD
Agua Rica	Northern Orion	Copper, gold & molybdenum	1150 MUSD
El Pachón	Xstrata	Copper, silver & molybdenum	1900 MUSD
Las Flechas	Tenke	Gold & Copper	1500 MUSD
Gualcamayo	Yamana Gold	Gold	150 MUSD

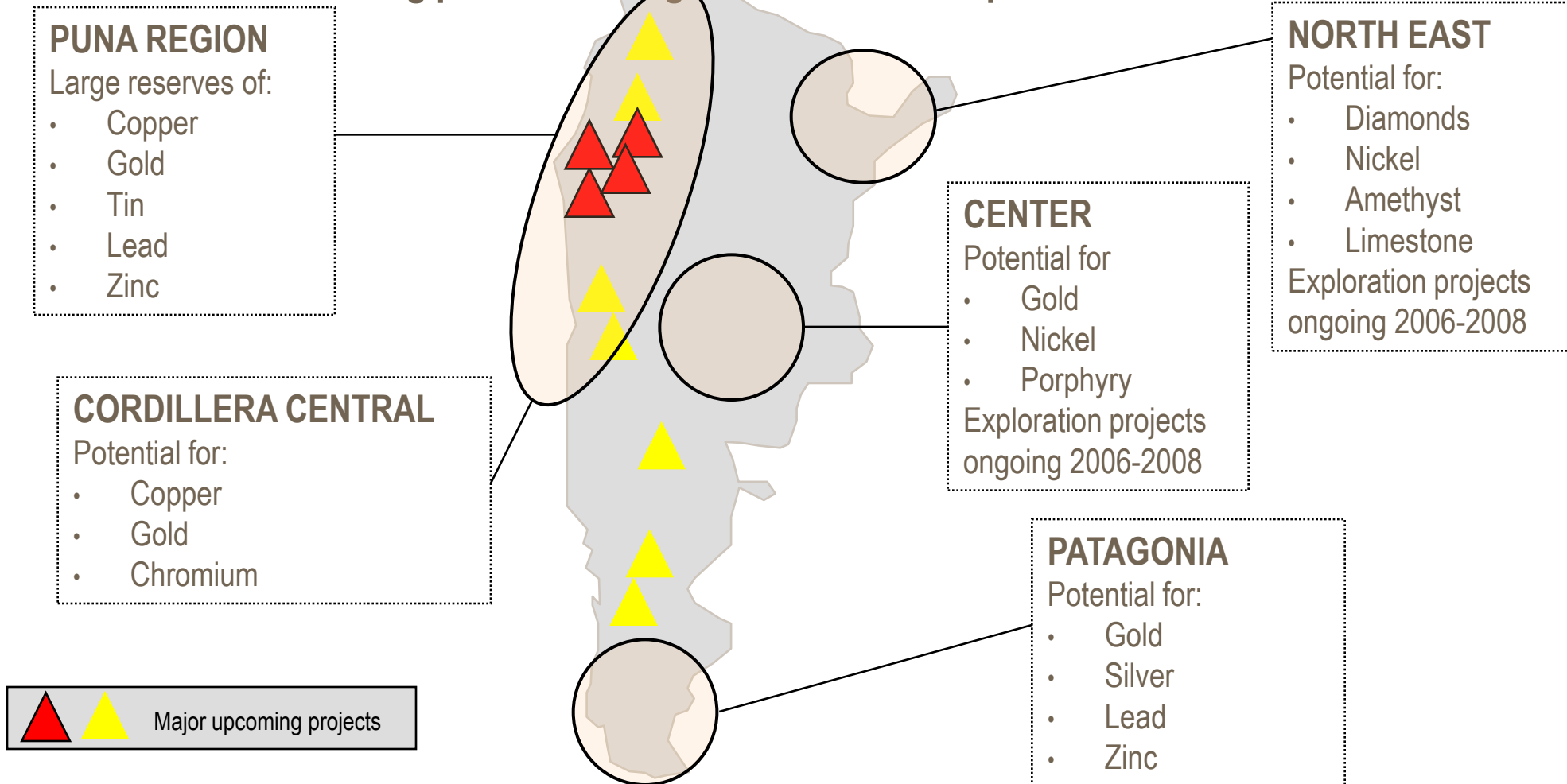
Some projects are shared between Argentina and Chile. There are other upcoming projects, such as Manantial Espejo, Casposo, Piriquitas, and San Jose. All of them are being developed by international companies.

Investments in the mining industry are expected to reach 10,000 MUSD between 2008 and 2010

Source: National Mining Secretariat, Cámara Argentina de Empresarios Mineros (CAEM)

FUTURE MAJOR MINING HOT-SPOTS IN ARGENTINA

- 70% of land with mining potential in argentina is still unexplored.

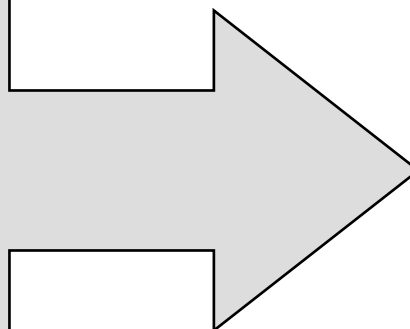


In 2007, seven mines are under construction with investments for over 4,000 MUSD

Source: Servicio Geologico Minero Argentina (SEGEMAR)

ARGENTINA PROVIDES CONSIDERABLE BUSINESS OPPORTUNITIES

- Fast growing economy, annual GDP growth exceeding 8,5% the past five years
- New government with strong support focusing on external commercial relations
- Large (four times Sweden's) domestic market with increasing purchasing power
- High growth of imports, particularly machinery and equipment
- Latin America's most skilled labor force at low cost



... which has contributed to...

...the fact that more than **40** Swedish companies are registered in Argentina and many more are there as sub suppliers or via distributors.

STC in Argentina is the natural partner for all Swedish companies who want to establish or develop their business in Argentina

USEFUL CONTACTS

Secretaría de Minería

(Ministry of Mining)

Tel: +54 11 43 49 32 74

www.mineria.gov.ar

Agencia de Promoción de inversiones

(Investment Promotion Agency)

Tel. +54 11 43 49 34 42

www.inversiones.gov.ar

AFCP

(Portland Cement Manufacturers Chamber)

Tel: +54 11 45 76 76 95

www.afce.org.ar

CAEM

(Chamber of Companies in the Mining Industry)

Tel: +54 11 4313 9331 / 1652

www.caem.com.ar

Cámara Minera de San Juan

(San Juan province Chamber of Mining)

Tel: +54 0264 422 30 51

E-mail: btzminera@btzminera.com.ar

INDEC

(National Statistical Office)

Tel: +54 11 43 49 9200

www.indec.gov.ar

Swedish Trade Council in Argentina

Visiting address: Business Support Office

Paraguay 1178, 7th Floor – Office A, Buenos Aires

Tel. +54 11 5093 0080, Fax. +54 11 5093 0090, argentina@swedishtrade.se, www.swedishtrade.se/Argentina