



Mining to Argentina.

Trends and opportunities

The market

Argentina has one of the largest and potentially richest metalliferous mineral areas in its Andean region and non-metalliferous mineral deposits elsewhere within its territory. Since the development of investor friendly mining laws in 1993, Argentine mining exports have grown 106 per cent.

According to the government estimates mining investment will reach US\$5 billion in the next five years, 15 per cent of the world total.

Although the mining boom attracted the presence of 40 exploration companies in the 1992-1995, these companies closed down their exploration activity, influenced by unattractive metal prices and difficulties in obtaining finance. There are currently 14 companies in mineral exploration operating in Argentina.

Three major projects have been responsible for growth:

- ✧ **Bajo de la Alumbra Project** (copper and gold) - owned by Minera Alumbra S.A. (MIM Holdings, North and Rio Algom)
- ✧ **Salar del Hombre Muerto - Fenix Project** (lithium) - owned by Minera del Altiplano SA (FMC Lithium Co.)
- ✧ **Cerro Vanguardia Project** (gold and silver) - owned by Minera Mincorp SA (Anglo American associated with local Perez Compans S.A.)

Although not in production, two other important projects are:

- ✧ **Pascua-Lama** - a bi-national Chilean-Argentine project run by Canadian company Barrick. The company will invest \$950 million to develop the project in the San Juan province and is expected to produce 25 tonnes of gold a year.
- ✧ **Agua Rica** - the mine is situated along the side of huge mountains in a very heavily mountainous area. The Veladero gold-silver project in Argentina's western San Juan province is part of the El Indio gold belt that straddles the borders of Argentina and Chile.

Other prospects include the Piriquitas silver, tin and zinc mine in north western Jujuy province, owned by Sunshine Mining. Project owners are finding difficulties in sourcing the required finance to develop the project and it is currently up for sale.

Opportunities

There are a number of Australian suppliers of products and services for the Argentine mining industry based in the neighbouring countries.

Opportunities exist for helicopter services, including ground and airborne geophysics. A number of geochemical analysis laboratories are already established in the region and provide adequate services to the exploration companies.

The Australian companies doing business in Argentina mining are MIM Holdings, BHP Minerals and Normandy.

Large-scale mining operations are new to Argentina. The absence of a well-developed local manufacturing industry dedicated to mining provides **opportunities for Australian companies to offer a wide range of products, technology, services, and specialised equipment** such as:

- ✧ Special steels – wearing parts for shovels, buckets, etc
- ✧ Drilling rods and parts
- ✧ Grinding media
- ✧ Liners for SAG Mills
- ✧ Flotation re-actives
- ✧ Off-road tyres

- ≠ Maintenance service contracts
- ≠ Parts and components for copper mine operation and concentrators
- ≠ Services for the mining exploration industry
- ≠ Laboratory assay

In spite of the downturn affecting the exploration sector, growth expectations in this area provide possibilities for field supplies such as hammers, compasses and sample bags, drilling parts and services and environmental geoscience services. In some cases miners source their requirements from Chile.

More information

For further information please contact Austrade on 13 28 78 or email info@austrade.gov.au

(Last updated: January 2006)

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