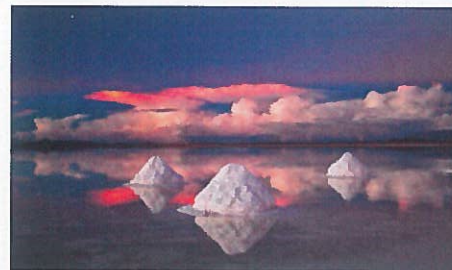


## ARGENTINA'S LITHIUM TRIANGLE

PDAC 2023 Seminar Series

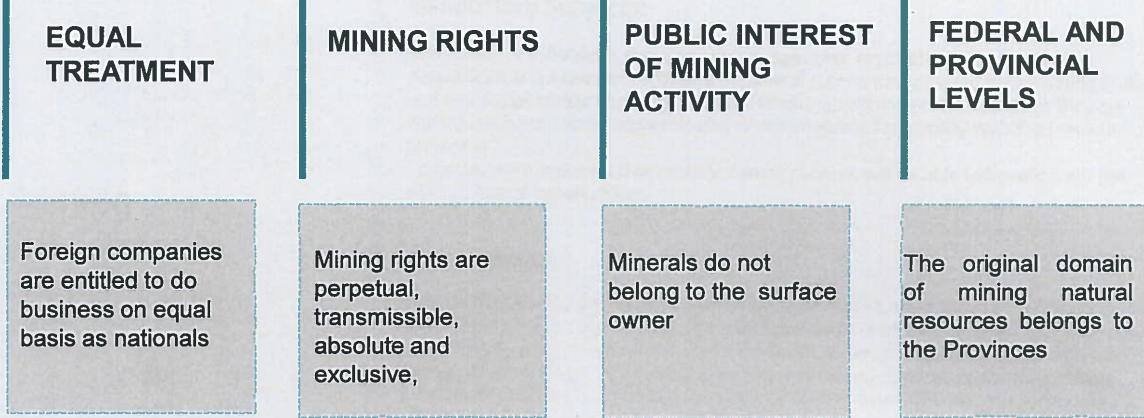


**Saúl Feilbogen**  
[sfeilbogen@vmf.com.ar](mailto:sfeilbogen@vmf.com.ar)

Toronto, March 7, 2023



# Mining general framework



**Un proyecto demanda 2 a 3 años en ser construido. Una vez en producción, demanda 3 años en alcanzar la plena capacidad. En fase de factibilidad/exploración avanzada, hasta la puesta en producción son de 3 a 6 años. Menos del 1% de los proyectos en exploración inicial/prospección llega a la fase productiva.**

Elaboración generográfica por VMF

Nº	Estado	Proyecto	Provincia
2	Operación	1- Mina Fénix	Catamarca
		2- Salar Olaroz	Jujuy
8	Construcción (2 ampliación)	1- Mina Fénix (Ampliación)	Catamarca
		2- Salar de Olaroz (Ampliación)	Jujuy
		3- Caucharí Olaroz	Salta
		4- Salar de Centenario – Ratones	Salta
		5- Mariana	Salta
		6- Sal de Oro	Salta
		7- Sal de Vida	Catamarca
		8- Tres Quebradas	Salta
9	PEA a Factibilidad	9- Rincon Lithium	Salta
		10- Salar de Rincón	Salta
		11- Salar del Hombre Muerto Norte	Salta
		12- Caucharí	Jujuy
		13- Kachil	Catamarca
		14- Pastos Grandes	Salta
		15- PPG	Salta
15	Exploración avanzada	16- Salar del Hombre Muerto Oeste	Catamarca
		17- Candelas	Catamarca
		Antofalla Norte	Catamarca
		Gallego	Salta
		Laguna Verde	Catamarca
		Los Sapitos	San Juan
		Pular	Salta
		Río Grande	Salta
		Sal de Los Ángeles	Salta
		Salar de Antofalla	Salta
		Salar de Arizaro	Salta
		Salar de Arizaro 1   2	Salta
		Salar de Incahuasi (Candela II)	Salta
		Salar Escondido	Catamarca
		Salar Tollillar	Salta
14- Salinas Grandes	Jujuy		
15- Virgen del Valle	Salta		

Proyectos en exploración inicial

Figure 5: Global lithium supply, 2022

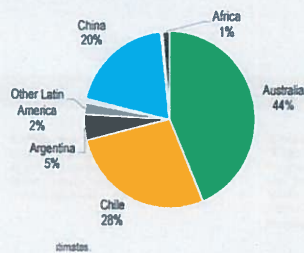
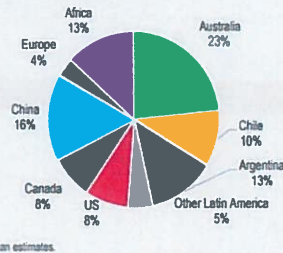


Figure 6: Global lithium supply, 2030





## Mining Investment Law: Benefits

### Mining Investments - 24196 LAW

#### 1. Beneficiary Subjects:

Companies or individuals that carry out prospecting, exploration, development, preparation and extraction activities of mineral substances included in the Mining Code, and those that realize crushing, grinding, smelting, refining processes, when they are carried out by the same economic unit or are integrated regionally with the previous activities.

Likewise, the companies that provide mining services will be able to benefit from the exemptions of import duties.

#### 2. Tax Stability:

New mining ventures, as well as existing projects that increase their productive capacity, will enjoy a 30-year tax stability regarding taxes in force at the time the feasibility report is submitted. The creation of new taxes or the increases of aliquots, rates or amounts cannot affect it. The total tax burden will be determined, separately, for the national jurisdiction and for each of the provincial and municipal jurisdictions, as appropriate.

#### 3. Imports:

Mining projects are exempt from the payment of all import duties and any other taxes due to the import of capital goods, special equipment or components thereof and inputs for their activity.

For each good, an authorization must be requested from the competent authority.

#### 4. Additional deduction of exploration expenses in the Income Tax:

It is allowed to deduct from the income tax statement up to 100% of the amounts invested in prospecting, exploration, special studies and other works aimed at determining the technical and economic feasibility of a project.

#### 5. Refund of Value Added Tax (VAT) in exploration:

This benefit applies to operations of importation and acquisition of goods and services carried out by companies performing mining exploration tasks (prospection, exploration, mineral testing and applied research), registered in the regime of the law.






#### 6. Accelerated depreciation system:

Companies may choose between the income tax general regime, or a special amortization regime for their capital investments. This system does not distinguish according to the origin of the goods (national or imported) and applies for both new and used goods. The special system allows a 60% amortization of investments made on equipment and on civil and infrastructure works during the fiscal year in which it is enabled, and 40% in equal parts in the next 2 years. For investments in machinery, equipment, vehicles and facilities, the system allows a one third per year amortization.

#### 7. Environmental forecasting deduction:

The special forecast to repair possible alterations in the environment is deductible from the Income Tax, up to 5% of the operating costs of extraction and benefit.

### Mining Investments - 24196 LAW

 TAX STABILITY	 IMPORTS	 EXPLORATION PROMOTION	 ACCELERATED DEPRECIATION	 ROYALTIES UPPER BOUND
Applies for <b>30 years to all taxes</b> (national and provincial) applicable from the filing date of the feasibility study to the Federal Government	<b>0% tax</b> on capital goods (equipment & spare parts) and raw materials imports for mining purposes	<ul style="list-style-type: none"> <li><b>Double 'Income Tax' deduction</b> of Exploration expenditures up to Feasibility</li> <li><b>VAT Reimbursement</b> within 6 months</li> </ul>	<b>3 years</b> accelerated depreciation scheme	The Law set an upper bound of <b>3%</b> for Provincial Royalties



## Export Investment Regime. Benefits

❖ Term to submit application: 3 years since April 2021

❖ New productive projects

❖ Enlargement of existing projects

❖ Domestic or foreign Companies, Joint Ventures

❖ Export Investment Project: description, amount and terms of disbursement

### Use of Profits:

- | Repayment of principal and interests of foreign trade debts
- | Repayment of principal and interests of foreign loan facilities
- | Dividend Payments
- | Repatriation of foreign direct investments

Investments	Use free	Cap
> 100 m	20% (*)	25% of annual funds received in Argentina
> 500 m	40% (**)	For each year without use, double free use for 2 years with cap of 40% annual funds received
> 1.000 m	60% (**)	For each year without use, triple free use for 2 years with cap of 60% annual funds received

(\*) Free use from 1 year of funds entry

(\*\*) Free use from 2 years of funds entry

- | Foreign exchange and benefits stability for 15 years
- | Benefits until the end of Project
- | Funds without application may remain outside Argentina