

Austrade Briefing EXTEMIN 2011

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Australian Government
Australian Trade Commission



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COLOMBIA MINING INDUSTRY OVERVIEW

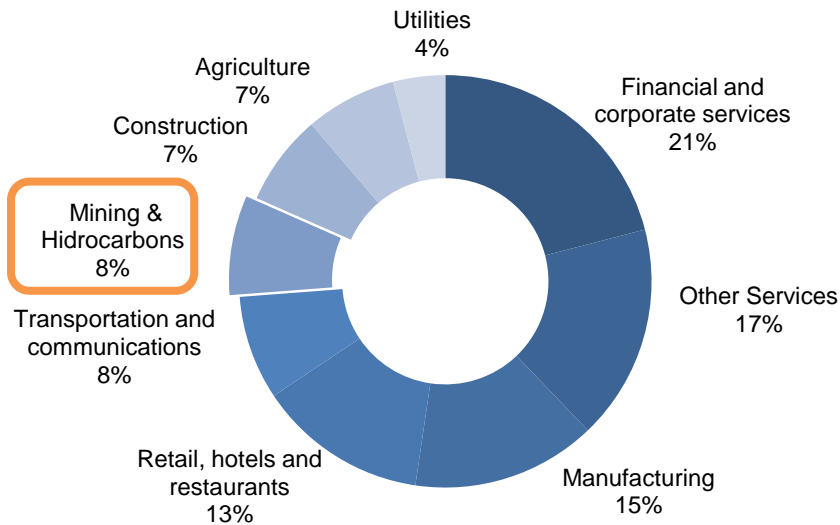
- General overview of the industry
- Mining potential
- Mining investment portfolio
- Opportunities for Australian suppliers
- Australian presence



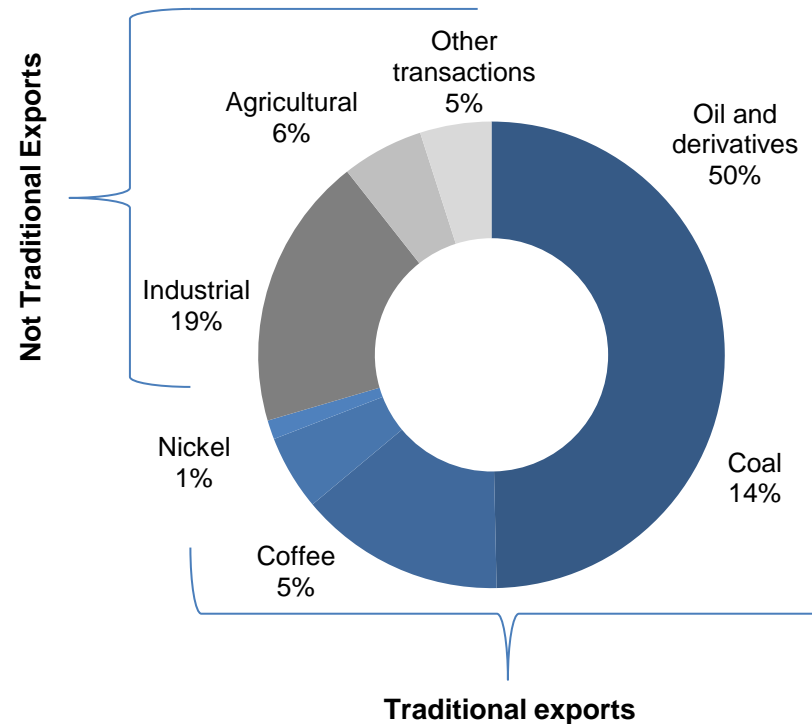
Colombia Mining Industry Overview

Mining industry overview

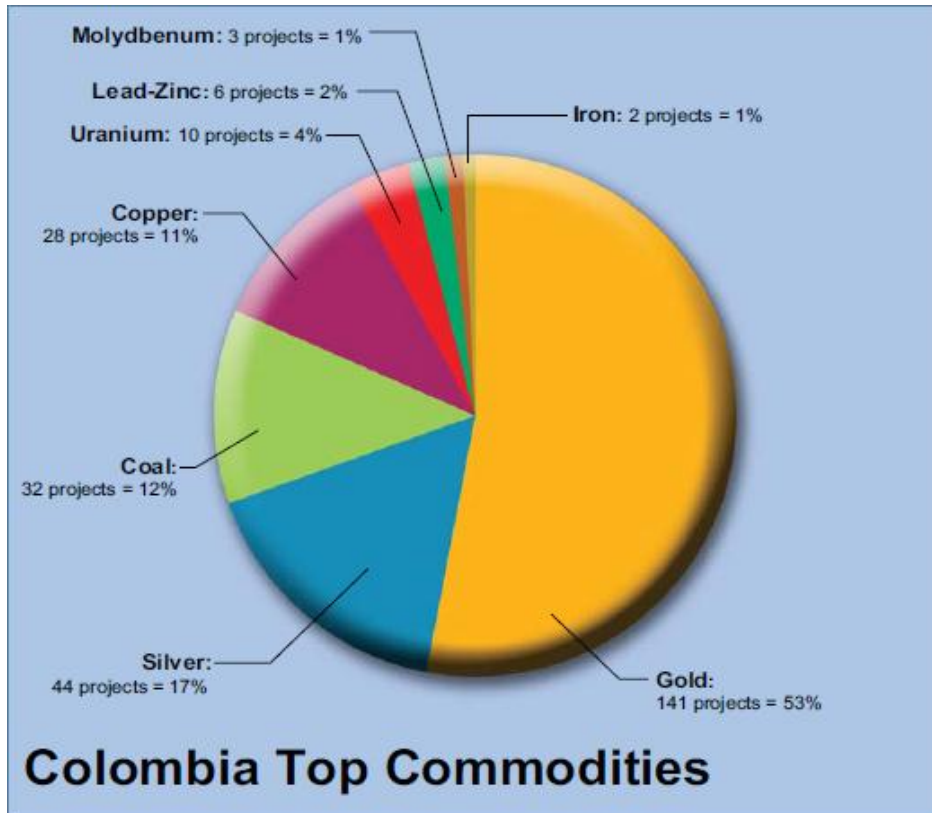
GDP BY ECONOMIC SECTOR, 2010 (%)



EXPORTS BY ECONOMIC SECTOR, 2010 (%)



Mining industry overview



Companies

Total number of companies listed on a stock exchange who are exploring/mining in Colombia:72

Primary Listing Exchange Area

Canada.....	51
Australia	5
London	7
Brazil	2
New York.....	4

Source: Intierra Resource Intelligence, July 2011

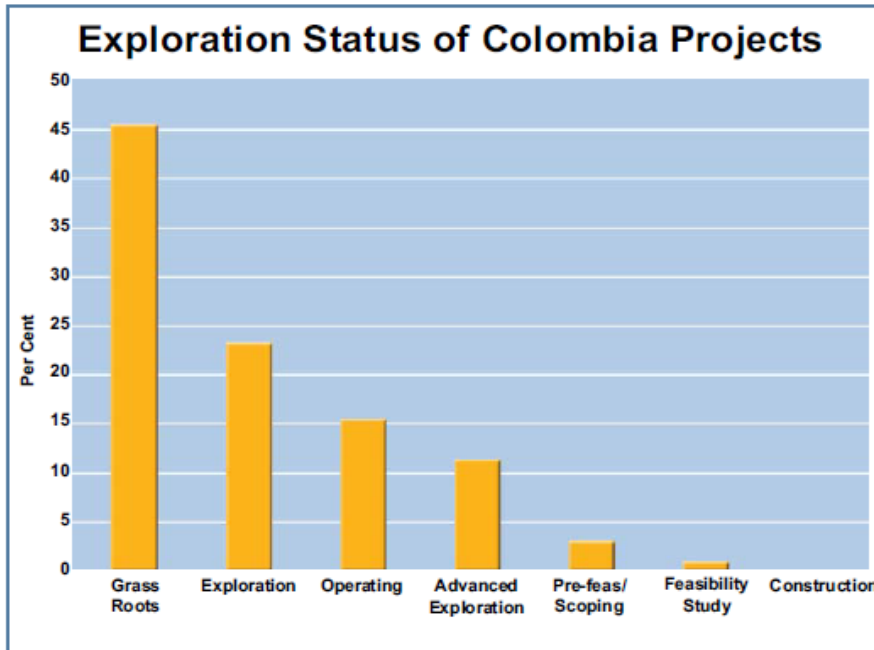
Mining industry overview

Colombia ranking by production

Mineral	World ranking production	Latin America	Ranking Exports	Characteristics
Coal	9 th	1 st	4 th	96% thermal, 4% metallurgic
Gold	21 st	6 th	-	Mainly alluvial extraction
Nickel	9 th	2 nd	2 ⁿ	Cerromatoso, world's 2 nd largest producer
Emeralds	1 st	1 st	1 st	57% of world production

- Mainly underground mining
- **Players:** Few multinationals (*minería a gran escala*), many local owners (*pequeña minería*), informal mining
- **Trend:** joint ventures between local and international groups

Mining potential



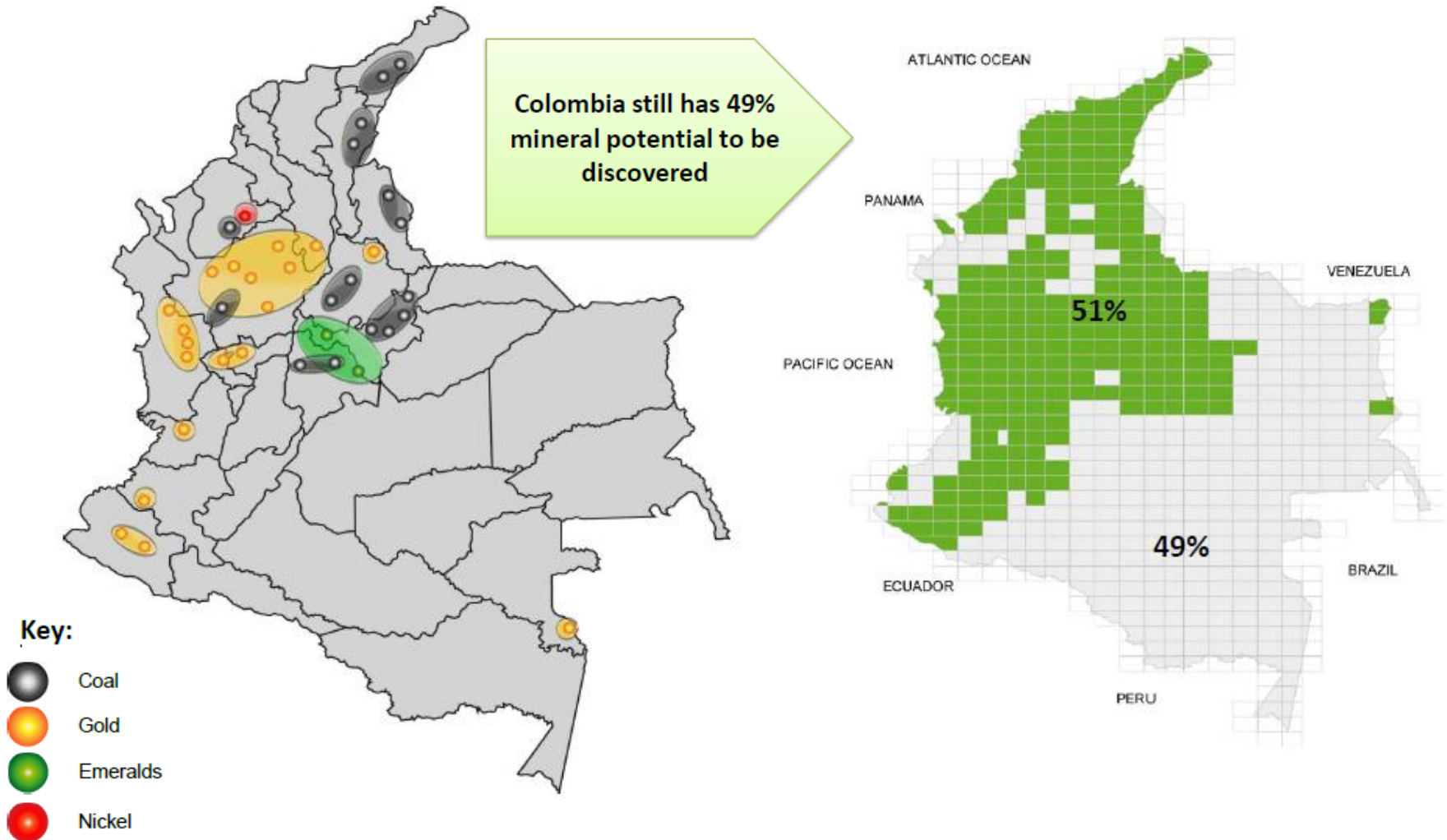
Drilling

From January to July, 24 projects with drilling activity on them were announced to the financial markets, in various exploration stages:

Exploration.....	15
Advanced exploration.....	5
Pre-feasibility/Scoping.....	2
Operating mine.....	1
Grass Roots	1
Construction	0
Feasibility	0

Source: Ingeominas and Ministry of Mines

Mining potential



Source: Ingeominas and Ministry of Mines

Mining investment portfolio in Colombia

The estimated portfolio of mining investment is composed of 32 projects, which together account for estimated US\$ 24 billion for the period 2010-2020.

The portfolio of announced investment is divided in:

- **25 exploitation (new and expansion) projects**
- **6 exploration projects**
- **1 construction project**

Some of the significant approved projects include:

- BHP Billiton, Xtrata, Anglo American – Coal – Cerrejon – US\$1.3B expansion.
- AngloGoldAshanti – Gold – La Colosa – US\$200 million investment, pending environmental license
- Drummond – Coal – La Loma – 22.9 million tons per year
- Glencore – Coal – CMU Tesoro Jagua – 4.4 million tons per year
- BHP Billiton – Nickel – Cerro Matoso 109 million lbs.
- Mineros S.A. – Gold alluvion – El Bagre – 80,000 Oz.
- Mineros Nacionales – Gold vein – Bajo Marmato – 30,000 Oz.
- Votoratim – Iron – Paz el Rio – 624,000 Tons

Opportunities

The Colombian government has prioritized the mining industry as one of its five “locomotives” to boost growth and foster economic development.

- Opportunities in exploration can be found through:
 - Joint ventures with companies that are currently operating (in any phase)
 - Acquisition of existing mining titles
 - Wait until February 2010 for application process to reopen
- The flow of investment into the mining sector opens business opportunities for exporters of equipment, services and technology across all areas of the industry
- There is a preference for companies interested in long term investments rather than short term gains.

Australian presence (Mining sector)

- Austrade is aware of less than 5 Australian companies with an exploration activity in Colombia, but more than 10 are currently in an exploratory phase, actively seeking projects.
- Other Australian companies are present in Colombia catering to the mining industry, though the sector is mainly dominated by Canadian or local companies.



More information

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