

Overview of the Mining Sector in Iran

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Iran Mines and Mining Industries Development and Renovation
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About Iran vast resources

- With a Population of 78 Million peoples: Most of them young and well graduated (41% of Population)
- With Vast Energy Resources (BP Statistic 2015): Ranked #1 in Natural Gas Reserve (34T m3 or 18.3% world) and #4 in Oil reserve (157.8B Brl or 9.3% world) – life of those reserve more than 100 years
- With Vast Mining Resources: With 1% Population and 7% of Mining Reserve of the world (37B Ton Proven reserve) and a value of 700 B\$, Iran is one of the richest countries in the world of mines, holding some 68 types of minerals. These include coal, iron ore, copper, lead, zinc, chromium, barite (6th largest producer), Salt, Gypsum, Molybdenum, Uranium and gold.
- Iran Mines are mostly Open-Pit and world class, Like SarCheshmeh in Kerman(1.2 B Ton-Grade 0.7%), or Anguran Zinc mine (remaining grade 9 million ton grade 35%) in Zanjan, Mehdi Abad Zinc Mine in Yazd (160 million Ton Grade 2%), Sangan Iron Ore with a reserve of 1.2 Billion Ton (Ranked as 9th in the world) and Gole Gohar with 1 Billion Ton (Ranked as 10th in the world)

About IMIDRO (Iran Mines and Mineral Industrial Development and Renovation Org)



Iranian Mines and Mining Industries Development & Renovation Organization

• IMIDRO Established 15 years ago after merging 2 related ministries (Mines and Metals+Industry). Our Mission is to define and develop the mining projects in Iran and promote related investments, in partnership with private and foreign investors











IMIDRO Strategies on Mining Sector

To increase the share of Private sector in Mining and Infrastructure

To increase mining activities in un-developed area of Iran

To promote investment in related International Projects

Productivity

Project Funding Support

know-how and technology development

Marketing support and Export development

To invest in Hi-Tech and Hi-Risk sector of Mining Business

Human Resources Development

IMIDRO Current and Future Projects



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Current and Future Projects (Till 2025)

New/Advanced Processing plant Aluminum Infrastructure Steel Materials and products 7 Million Ton of Steel **Graphite Electrode** Parsian Jetty Sangan Iron Ore concentrate SALCO (276K Ton) and Pelletizing (5M Ton) (30K Ton) Mills (+DRI) (12 Million Ton) Parsian Power Plants & 1.6 Million Ton Pet-Coke (200K Ton of Potash – Khor (50K Tonof KCI) Jajarm (110 K Ton) Water Desalination **Chabahar Steel Mills** calcined Coke) 800Mw Power Plant& Water Alumina-Nepheline 1.6 Million MT Torud – 500K MT MgCl+60K Antimony Desalination (SSEZ) Ton Kcl **Qeshm Steel Mills** (200K Ton) 800MW **Advance Steel Plant** Lamerd Power Plant Coal mine and Concentrate JV with ESSAR in Bauxite +Alumina (Tabas 450K Ton) Bandar Abbas (Stainless Steel, Alloy& seamless (900Mw) (4 Million Ton in Guinea+ 2 Tube & Aluminized) Million Ton) Parsian Jetty Phase II **Khomrood Coal mine Parsian Pelletizing** Rare Earth Elements and DRI (20M T) Concentrate 400K T Phase III of (35 Million MT) and Strategic Matl Almahdi (500K MT) Persian Gulf New **Expansion of Parsian** Magnesium+ferrosilic Kahnoj Titanium (Concentrate **Steel Mills** Power Plant (1000Mw) Chabahar Aluminum to Pigment-50K MT) (Lamed – 12000 MT) +Pelletizing (10M T) (500K Ton) Advanced Aluminum Savadkooh Coking Coal and SALCO-phase II **Products (Seamless** Mine (300K-230K Ton) (500K Ton) Tubes, Alloys, Foils ...

Exploration Projects and Opportunities for Partnership



| Province | Area | |
|---------------------------------|--------|--|
| Khorasan-Sangan | 11500 | |
| Sistan –Baluchistan-Border line | 15000 | |
| Sistan –Baluchistan-Caravan | 14300 | |
| South Khorasan-Border line | 6116 | |
| Fars-Bahram Goor | 5000 | |
| Ardebil-Ghezelozan-Khalkhal | 1351 | |
| Kerman-Hormozgan-Sirjan | 30000 | |
| Ardebil-Sabalan | 1696 | |
| Ardebil-Baghrodagh | 874 | |
| Yazd-Bafgh-Robat | 10558 | |
| West Azarbaijan-Khoi-Maako | 1218 | |
| West AzarbaijanTakab-Piranshahr | 5135 | |
| Kohkelooyeh-Boyerahmad | 1006 | |
| Total Area (Km2) | 103754 | |

Iranian Mines and Mining دریای خزر Industries Development & Renovation Organization Ardebil Golestan Piran Shahr Sangan Golestan Yazd-Isfahan **N.Kordestan** Khorasan S.Kordestan Yazd-Robat Border Kerman Shah Kohkelooyeh-Boyerahmad Kerman Sistan-Balu Border (Sirjan-Fariab) Fars Saravan Bahram Goor

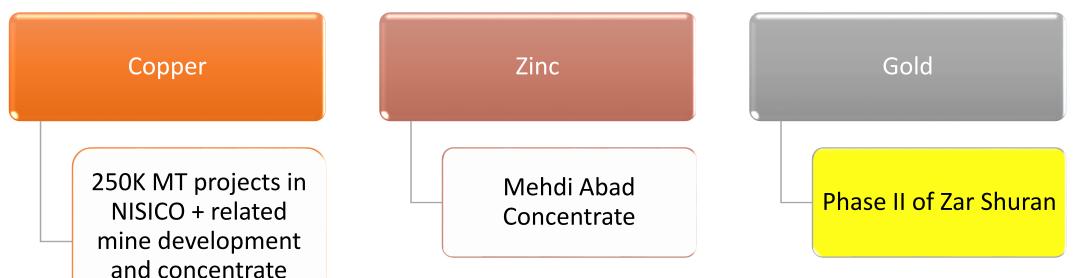
3 years Planned Land Resource =

Activities: Airborne hyper spectral sensor Geology 50000 Km2 + Border area Wide: Planned drilling for 2014: 100,000 Meter

Other Current and Future Projects (Till 2025)



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IMIDRO act like Government Partner for foreign investors and Creditors in the projects.

Future

facility

Why Steel and other Mining Sector are so competitive in Iran?

Crude Steel production Cost Per Ton: 280-320 US\$, Margin around 27% of Sales

- Skill workers and Experienced Companies
- Biggest Market =25% of used Steel Middle East
- Big Consumption in Neighbors
- Suitable Road and Rail Network
- Suitable Infrastructure
- Special Economic zone (Tax free)

Security is one of the best in Middle East

Iran Iron Ore Mines Shown in the map Caspian Sea • Khorasan Kerman Sistan & Baluchestan Persian Gulf

from Eastern and Northern
Neighbors with No direct
access to Sea (Afghanistan
and CIS Countries)

Access to Raw Materials

South Pars Field, largest Nat gas Storage

Iran has a Long Sea Border

Afghanistan resources (1000 B\$) and opportunity for Iran Chabahar as new raw material HUB for Steel/Copper/Aluminum



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Investment Opportunities and Incentives



Incentives for *Foreign and Private Sector* investment

• IMIDRO is promoting foreign and private investment in the projects in Mining and Metal projects and has the following incentives for investors. To support the project, IMIDRO is willing to participate as a partner for foreign investor, if required

| Incentives | Mining Exploration | Mine projects | Mining Industries |
|--|--------------------|------------------|----------------------|
| long term contract for Exploration, Extraction, Processing, Marketing | ✓ | ✓ | |
| Support for allocation of loan from Iran Oil Fund for part of investment | | ✓ | ✓ |
| Required permits from Authority | | ✓ | ✓ |
| long term contract for raw material supply | | ✓ | ✓ |
| Allocate Land in Special Economic Zone (Tax Free) | | | ✓ |
| To Provide infrastructures required in SEZ | | | ✓ |
| Reserve Sharing Contract after Exploration | ✓ | | |
| Possible IMIDRO participation as shareholder in J.V Company | ✓ | ✓ | ✓ |
| Exploration Risk Insurance by Government | ✓ | | |
| FIPPA Coverage IMIDRO: Your gateway to Iran's mines and mining industries | ✓ | ✓ | 1 0 |



Renovation Organization

For More Information about IMIDRO Projects in Steel Sector or Other Sectors, Please visit us at www.lmidro.gov.ir/Invest

Also you are warmly welcome to visit us at our Head office: No.43, Sepahbod Qarani Ave. Tehran, Iran

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THANK YOU!