Overview of the Mining Sector in Iran

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Iran Mines and Mining Industries Development and Renovation Organization
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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)

- 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.

<table>
<thead>
<tr>
<th>IMIDRO Strategies on Mining Sector</th>
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<tbody>
<tr>
<td>To increase the share of Private sector in Mining and Infrastructure</td>
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<td>To increase mining activities in un-developed area of Iran</td>
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<tr>
<td>To promote investment in related International Projects</td>
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<tr>
<td>Productivity</td>
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<tr>
<td>Project Funding Support</td>
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<td>know-how and technology development</td>
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<td>Marketing support and Export development</td>
</tr>
<tr>
<td>To invest in Hi-Tech and Hi-Risk sector of Mining Business</td>
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<td>Human Resources Development</td>
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**IMIDRO is a Governmental Organization and Ranked As a Developing Organization in Iran by Law.**
IMIDRO Current and Future Projects

**History**
- **69 Project Constructed**
  - (Mining, Steel, Zinc, Copper, Aluminum, Gold, Infrastructure...)
- **17 B$ Investment**
- **70,000 Jobs created**

**Current**
- 29 project under development, 9 B$ Investment

**Future**
- By 2025, Iran mining sector required another **20B$ Investment**
  - (Exploration, Project Development, Equipment’s and Mining Renovation and related Infrastructures...)
Current and Future Projects (Till 2025)

**Processing plant**
- Sangan Iron Ore concentrate and Pelletizing (5M Ton)
- Potash – Khor (50K Ton of KCl)
- Torud – 500K MT MgCl₂+60K Ton KCl
- Coal mine and Concentrate (Tabas 450K Ton)
- Khomrood Coal mine Concentrate 400K T
- Kahnoj Titanium (Concentrate to Pigment-50K MT)
- Savadkooh Coking Coal and Mine (300K-230K Ton)

**Steel**
- 7 Million Ton of Steel Mills (+DRI)
- 1.6 Million Ton Chabahar Steel Mills
- 1.6 Million MT Qeshm Steel Mills
- JV with ESSAR in Bandar Abbas
- Parsian Pelletizing and DRI (20M T)
- Persian Gulf New Steel Mills +Pelletizing (10M T)

**Aluminum**
- SALCO (276K Ton)
- Jajarm (110 K Ton)
- Alumina-Nepheline (200K Ton)
- Bauxite +Alumina (4 Million Ton in Guinea+ 2 Million Ton)
- Phase III of Almahdi (500K MT)
- Chabahar Aluminum (500K Ton)
- SALCO-phase II (500K Ton)

**New/Advanced Materials and products**
- Graphite Electrode (30K Ton)
- Pet-Coke (200K Ton of calcined Coke)
- Antimony
- Advance Steel Plant (Stainless Steel, Alloy& seamless Tube & Aluminized)
- Rare Earth Elements and Strategic Matl
- Magnesium+ferrosilic (Lamed – 12000 MT)
- Advanced Aluminum Products (Seamless Tubes, Alloys, Foils …)

**Infrastructure**
- Parsian Jetty (12 Million Ton)
- Parsian Power Plants & Water Desalination 800Mw
- Power Plant& Water Desalination (SSEZ) 800MW
- Lamerd Power Plant (900Mw)
- Parsian Jetty Phase II (35 Million MT)
- Expansion of Parsian Power Plant (1000Mw)
Exploration Projects and Opportunities for Partnership

**3 years Planned Land Resource**
= 200,000 Km²

Activities: Airborne hyper spectral sensors for geological projects

Geology 50,000 Km² + Border area Wide:

Planned drilling for 2014: 100,000 Meter

<table>
<thead>
<tr>
<th>Province</th>
<th>Area</th>
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<tbody>
<tr>
<td>Khorasan-Sangan</td>
<td>11500</td>
</tr>
<tr>
<td>Sistan-Baluchistan-Border line</td>
<td>15000</td>
</tr>
<tr>
<td>Sistan-Baluchistan-Caravan</td>
<td>14300</td>
</tr>
<tr>
<td>South Khorasan-Border line</td>
<td>6116</td>
</tr>
<tr>
<td>Ardebil-Bahram Goor</td>
<td>5000</td>
</tr>
<tr>
<td>Ardebil-Ghezelozan-Khalkhal</td>
<td>1351</td>
</tr>
<tr>
<td>Kerman-Hormozgan-Sirjan</td>
<td>30000</td>
</tr>
<tr>
<td>Ardebil-Sabalan</td>
<td>1696</td>
</tr>
<tr>
<td>Ardebil-Baghrodagh</td>
<td>874</td>
</tr>
<tr>
<td>Yazd-Bafgh-Robat</td>
<td>10558</td>
</tr>
<tr>
<td>West Azarbajian-Khoi-Maako</td>
<td>1218</td>
</tr>
<tr>
<td>West Azarbajian-Takab-Piranshahr</td>
<td>5135</td>
</tr>
<tr>
<td>Kohkelooyeh-Boyerahmad</td>
<td>1006</td>
</tr>
<tr>
<td><strong>Total Area (Km²)</strong></td>
<td><strong>103754</strong></td>
</tr>
</tbody>
</table>
Other Current and Future Projects (Till 2025)

**Copper**
- 250K MT projects in NISICO + related mine development and concentrate facility

**Zinc**
- Mehdi Abad Concentrate

**Gold**
- Phase II of Zar Shuran

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

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

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
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.

<table>
<thead>
<tr>
<th>Incentives</th>
<th>Mining Exploration</th>
<th>Mine projects</th>
<th>Mining Industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>long term contract for Exploration, Extraction, Processing, Marketing</td>
<td>✓</td>
<td>✓</td>
<td></td>
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<tr>
<td>Support for allocation of loan from Iran Oil Fund for part of investment</td>
<td>✓</td>
<td>✓</td>
<td></td>
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<tr>
<td>Required permits from Authority</td>
<td>✓</td>
<td>✓</td>
<td></td>
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<tr>
<td>long term contract for raw material supply</td>
<td>✓</td>
<td>✓</td>
<td></td>
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<tr>
<td>Allocate Land in Special Economic Zone (Tax Free...)</td>
<td></td>
<td></td>
<td>✓</td>
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<tr>
<td>To Provide infrastructures required in SEZ</td>
<td></td>
<td></td>
<td>✓</td>
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<tr>
<td>Reserve Sharing Contract after Exploration</td>
<td>✓</td>
<td></td>
<td></td>
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<tr>
<td>Possible IMIDRO participation as shareholder in J.V Company</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Exploration Risk Insurance by Government</td>
<td>✓</td>
<td></td>
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<tr>
<td>FIPPA Coverage</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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For More Information about IMIDRO Projects in Steel Sector or Other Sectors, Please visit us at www.Imidro.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!