



**SMART
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REVIEWS**
Nov 08-April 2010

Iran Mining Industry

Overview

Iran is one of the most mineral-rich countries in the world. According to Iran Ministry of Industry, Mine and Trade reports, Iran stakes out a claim to have approximately %7 of all of the world's minerals including considerable deposits of iron and chromite, some large amounts of copper and the most zinc reserves of any country. The potential for developing Iran's mining industry is massive, with only a small fraction of the country's 1.6 million sqkm having been explored.

The mining sector provides attractive investment opportunities to financial investors due to the buoyant demand from emerging markets and the ongoing urbanization of global economies. Still, the industry displayed that it is as susceptible and sensitive to macroeconomic trends as any other sector. IMIDRO officials claim that the country needs USD50 billion in investments in the mining sector over the next five years. Some USD13 billion of that is going to be invested in steel and the rest will be spent in other fields such as aluminum, copper, gold, zinc, and nickel.

The Iranian government has define a strategic -10year plan to develop metals & mining production across the key commodities by 2025. The plan suggests a two to-five-times increase in the production of steel, iron ore, zinc, copper, aluminum and gold.

Iran's plans to boost its production

Product	2015	Coefficient	2025	Key projects
Steel	16.3 M tons	3.2x	52 M tons	<ul style="list-style-type: none">• Sangan Iron Ore concentrate and pellet (5Mt)• Persian Pelletizing and DRI (20Mt)• Persian Gulf New Steel Mills + Pellet (10Mt)• Chabahar Steel (3Mt); Qeshm Steel Mills (1.6Mt)
Copper cathode	200 K tons	4.2x	800 K tons	<ul style="list-style-type: none">• 250K ton/year projects in National Iranian Copper• Industries Co. (NICICO) + related mine development• and concentrate facility + further expansion
Aluminum	0.3 M tons	5x	1.5 M tons	<ul style="list-style-type: none">• SALCO (276KT); Jajarm (110 KT)• Alumina-Nepheline (200KT)• Phase III of Almahdi (500K MT)• Chabahar Aluminum (500KT); SALCO-phase II (500KT)
Zinc ingots	150 K tons	2x	300 K tons	<ul style="list-style-type: none">• Mehdi Abad Concentrate & Ingot (800KT)
Gold	3 tons	2x	6 tons	<ul style="list-style-type: none">• Phase II of Zar Shuran (additional 3T)

To achieve the above production levels across key commodities by 2025, another USD 20 billion in investments is required in metals & mining sector. Iran is very active in attracting foreign financing. Many international companies have recently visited Iran and signed investment related Memorandums of Understanding with the government entities.

Competitiveness of Industries in Iran

- Minimal Energy Costs
- Largest Market in Middle East
- Transport
- Suitable Infrastructure
- Tax Free
- Minimal Production Costs per Ton: Steel

Incentives for Foreign & Private Sector Investment

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- Long Term Contract for Low Energy Prices (Nat Gas)
- Supporting local partners with Loan from "Iran Oil Fund"
- Required permits from Authority Shortly
- Allocate Land in Special Economic Zone (Tax Free...)
- Exploration Risk Insurance by Government

