

An introduction to *The Strategy of Iranian Government* to promote investment in Mining and Metal Sector

Foreign Investor Opportunities

Final Version

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IMIDRO

سازمان توسعه و نوسازی
معادن و صنایع معدنی ایران

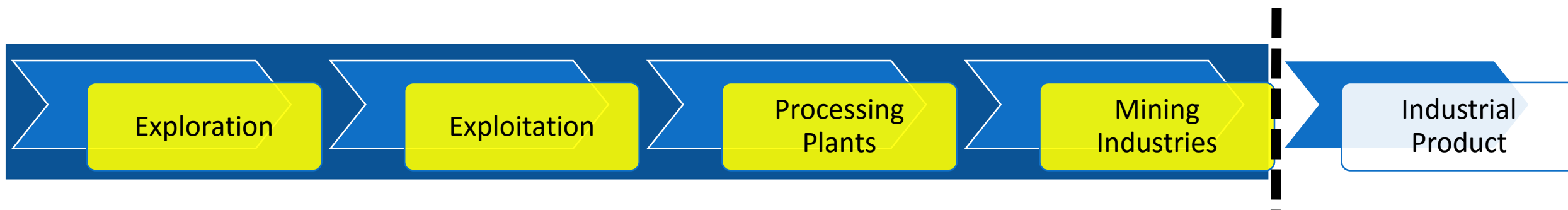
Iranian Mines and Mining
Industries Development &
Renovation Organization

Iran Mines and Mining Industries Development and Renovation Org

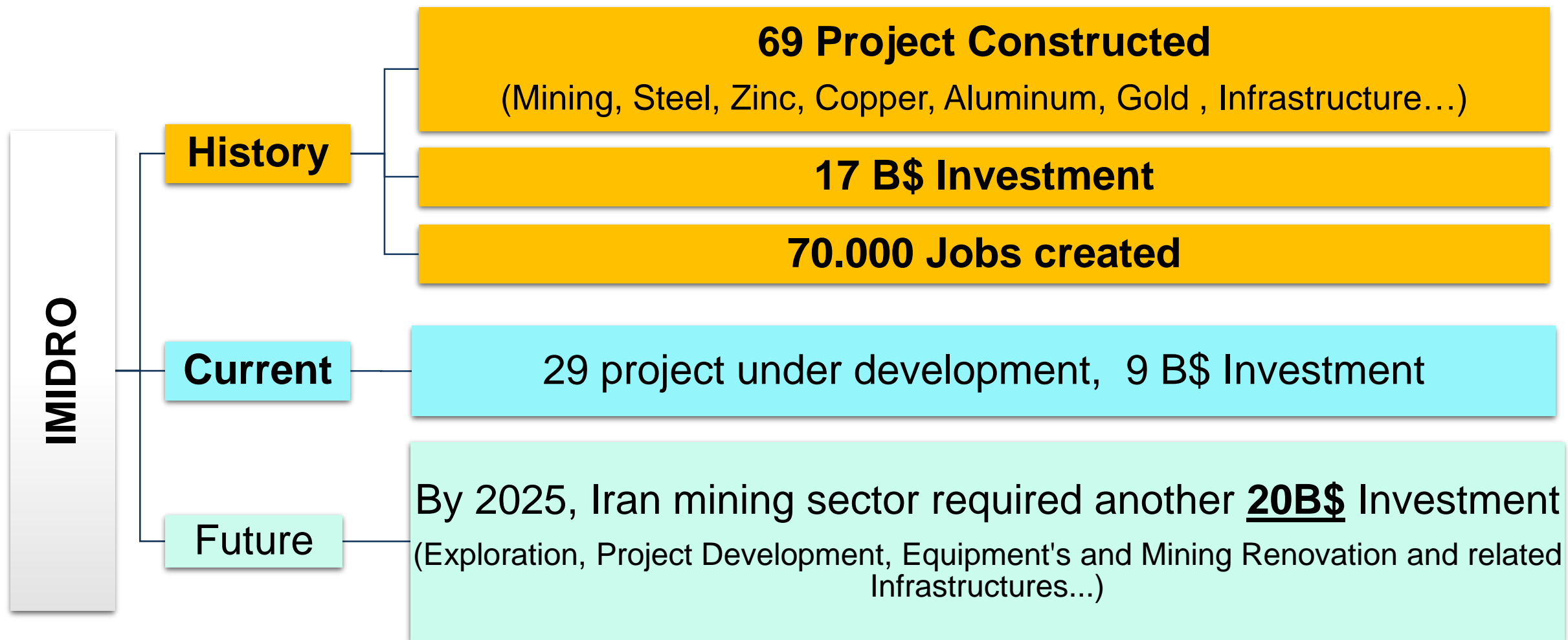
As one of the Major Shareholder of Big Mining Companies in Iran, IMIDRO is a State-Owned holding company, with activities from Exploration to Exploitation and Processing and Mining Industries

We provide supportive fund for Infrastructure, R&D, Training and ... investing all of our resources and revenue in mining projects in partnership with Private Sectors

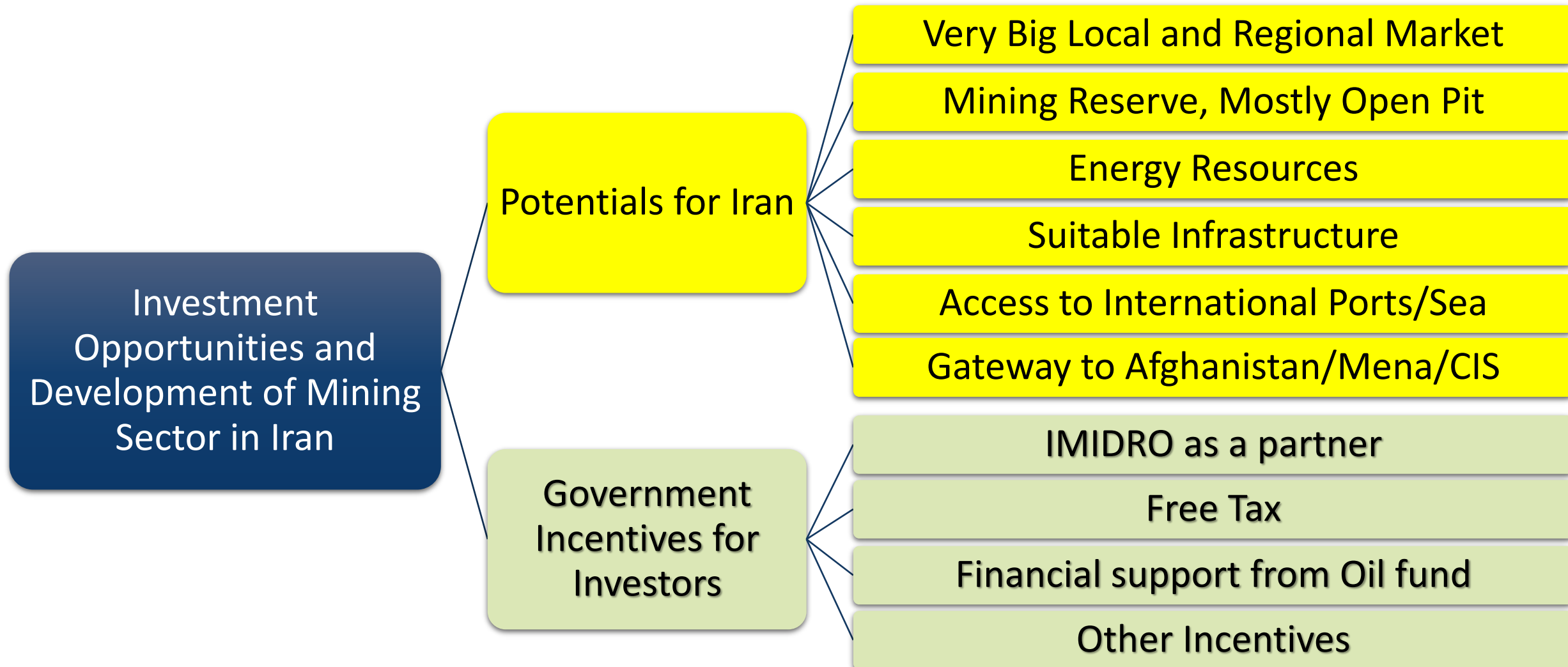
IMIDRO has International Subsidiaries in Germany, Italy, Russia, China, Kazakhstan, UAE and some other countries... and can handle the projects and contracts based on International regulations and Laws...



IMIDRO Current and Future Projects



Why Mining Sector in Iran has potential to go international?



About Iran vast resources

80 Million peoples- 41% Young and well graduated (41% of Population)

Energy Resources: Ranked #1 in Natural Gas Reserve(18.3% world) and #4 in Oil reserve (9.3% world) – life of those reserve more than 100 years

37 Bton Mining Resources: With 1% Population and 7% of the world, Valued 700B\$, 68 types of minerals, including Gold, Coal, iron ore, copper, lead, zinc, chromium, barite , Salt, Gypsum, Molybdenum, gold and REE.

The Mines in Iran are mostly Open-Pit and high grade, including SarCheshmeh Copper(1.2 B Ton- Grade 0.7%), Anguran Zinc (Grade 35%), Mehdi Abad Zinc (160 million Ton) , Sangan Iron Ore (1.2 B Ton), GoleGohar (1 Billion Ton)

Mineral Resources of Iran

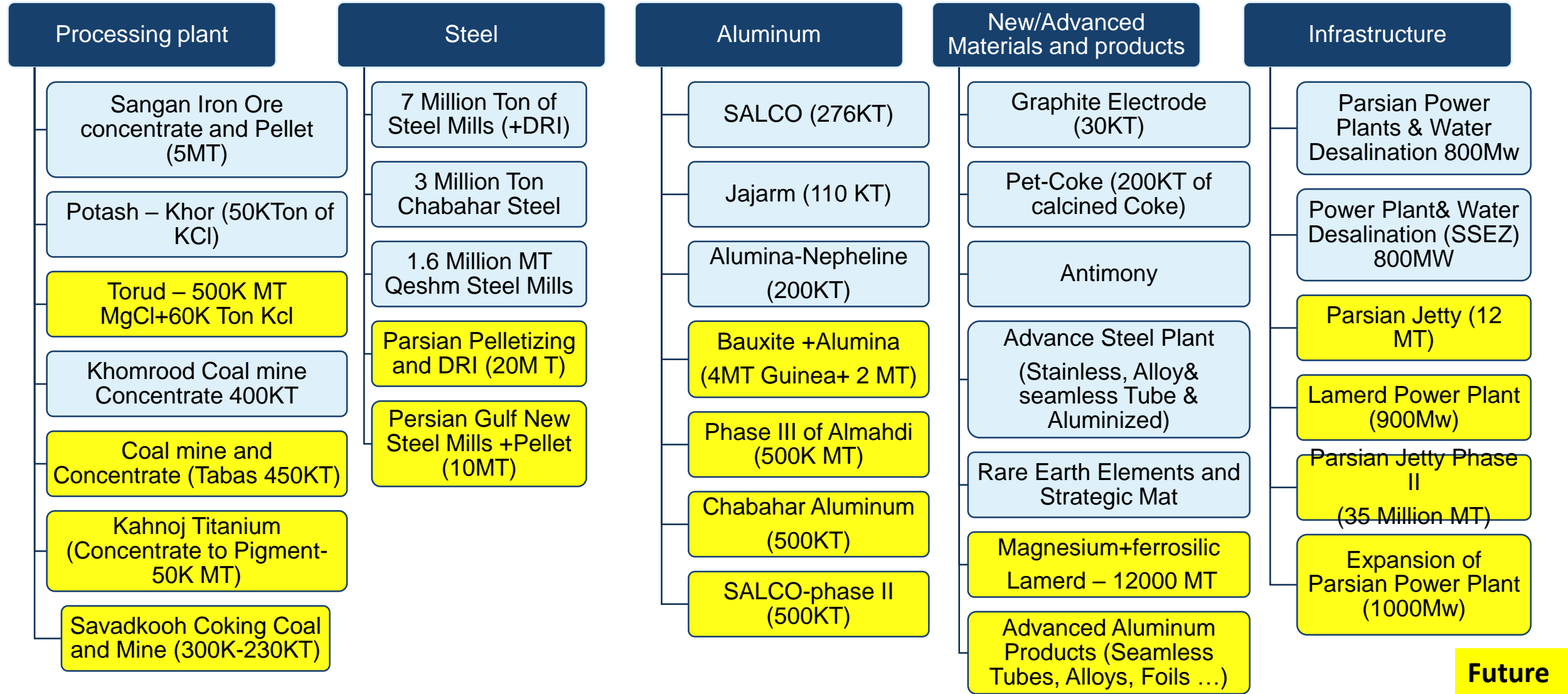
- Iran world ranking increased as part of IMIDRO activities in the past 15 years...
- International ranking of Iran:
 - Steel: 14
 - Cement: 4
 - Copper: 20
 - Aluminum: 19
 - Iron Ore: 9

Mineral Resource	Iran reserve	Unit	Iran as % world
Iron	2.7	Billion Ton	1%
Copper	2.6	Billion Ton	4%
Zinc	11	Million Ton	4%
Gold	250	MT	0.5%
Barite	10	Million Ton	5%

Iran Position in Mena-CIS-Wast Asia (Thosand Ton)

Regional Ranking	Steel			Aluminum			Copper Cathode		
	Country	Production	% of World	Country	Production	% of World	Country	Production	% of World
1	India	87 291	5.3%	Russia	3,601	7.3%	Russia	850	4.5%
2	Russia	71 461	4.3%	UAE	2,341	4.7%	Kazakhstan (Concentrate)	430	2.3%
3	Turkey	34 035	2.1%	India	2,100	4.3%	IRAN	190	1.0%
4	IRAN	16 331	1.0%	Bahrain	930	1.9%	Turkey	90	0.5%
5	Egypt	6 485	0.4%	Saudi Arabia	740	1.5%	Saudi Arabia (Concentrate)	58	0.3%
6	Saudi Arabia	6 291	0.4%	Qatar	610	1.2%	India (Concentrate)	39	0.2%
7	Qatar	3 019	0.2%	Oman	375	0.8%			
8	Pakistan	2 423	0.1%	IRAN	350	0.7%			
9	UAE	2 390	0.1%	Turkey	65	0.1%			
10	Uzbekistan	723	0.0%						

Current and Future Projects (Till 2025)



Future

Other Current and Future Projects (Till 2025)

Copper

250K Ton/Year projects in
NICICO + related mine
development and
concentrate facility

Zinc

Mehdi Abad Concentrate & Ingot
800 K Ton/Year Each!
(1 Billion US\$)

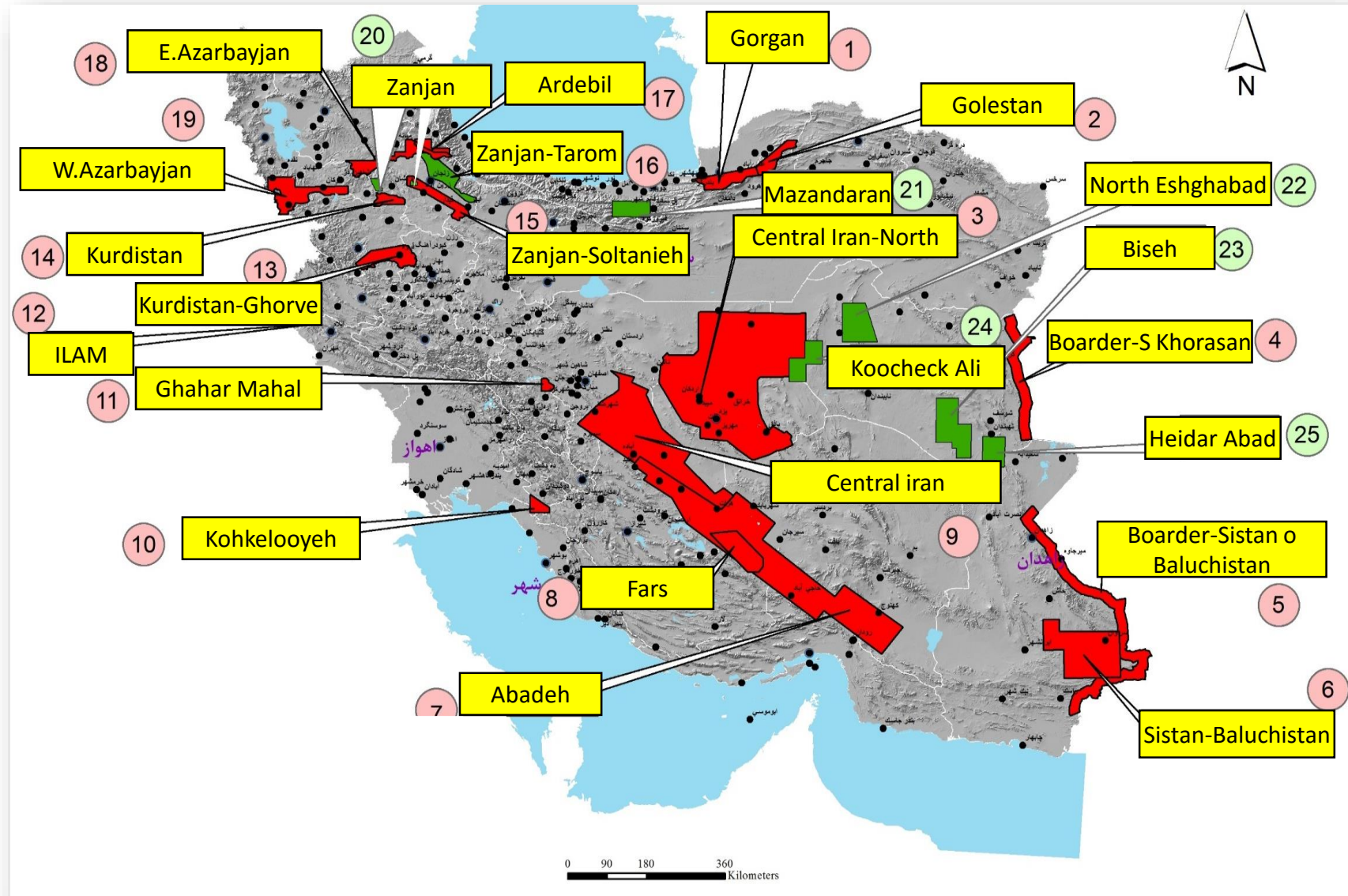
Gold

Phase II of Zar Shuran
3 Ton/Year

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

Exploration Projects (240,000 Km²) and Opportunities for Partnership

Province	Area
Khorasan-Sangan	11500
Sistan –Baluchistan-Border	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
Other Area	136000
Total Area (Km²)	240.000



Competitiveness of Mining Sector in Iran

Very Low Energy Costs

only 4 US\$ Cent per m³ of Nat gas and 1.8 US\$ Cent per Kwh

Skill workers as low Salary

300 US\$/month/well-Experienced Companies and contractors

Biggest market in middle east

25% of used Steel Middle East

Transport

Suitable Road and Rail Network

Suitable Infrastructure

one of the biggest network of Nat Gas Pipeline in the world – 22000 km

Tax free

Special Economic zone

Security

is one of the best in Middle East

Very Low Production costs per Ton

Steel: 300 US\$ - Aluminum: 1500 US\$ - Cement: 19 US\$

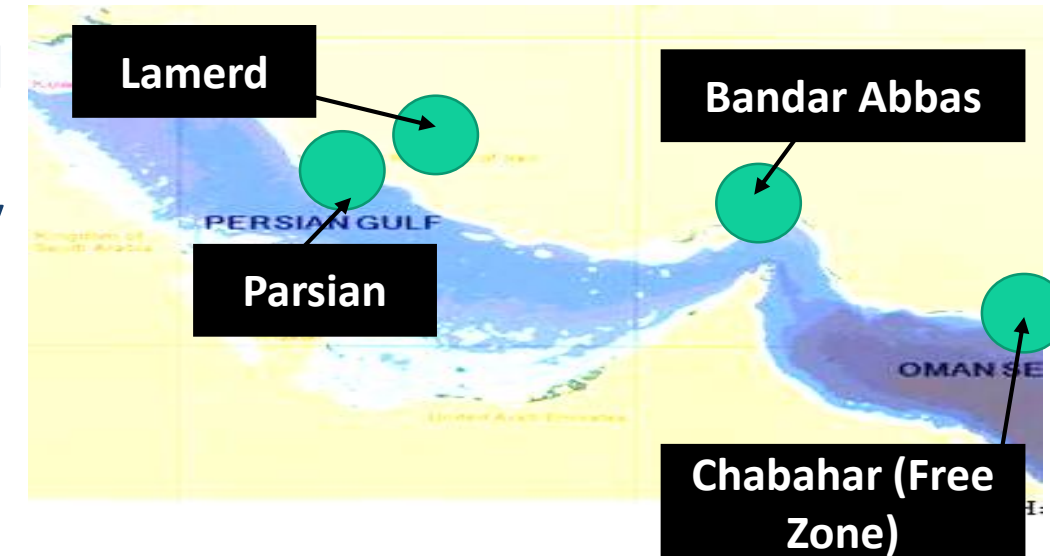
IMIDRO Special Economic Zone: A TAX FREE site for Mining Investments

Almahdi Aluminum – 250 KTon



**IMIDRO
JETTY PGSEZ**

- IMIDRO provide infrastructure for its Special Economic Zone including Power and Water and ...!
- The zones are placed in Persian Gulf and has Jetty available and/or under planned/Constructions.
- A suitable rate for energy price is negotiable... based on a long term agreement.



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	Mining and Metal projects
Long Term Contract for Low Energy Prices (Nat Gas)		✓
Supporting local partners with Loan from “Iran Oil Fund”		✓
Required permits from Authority Shortly!		✓
Access to Raw material from local mines		✓
Allocate Land in Special Economic Zone (Tax Free...)		✓
To Provide infrastructures required in SEZ		✓
Reserve Sharing Contract in Mine after Exploration	✓	
IMIDRO participation as shareholder in J.V Company	✓	✓
Exploration Risk Insurance by Government	✓	
FIPPA Coverage (Foreign Investment Promotion and Protection Act)	✓	✓

IMIDRO: Your gateway to Iran's mines and mining industries

14/11/2015



Investment Opportunities in Mining Sector



Investment Opportunity in Coal Sector

Area Zone	Resource Million Ton	Reserve Million Ton	Project	Designed Capacity	Invest.
Parvade4 Tabas S.Khorasan	250	40	<i>Mine Development+Related Equipment+a Plant to produce Concentrate coal</i>	450,000 Concentrate Coal	101 M Euro
Savadkooh Mazandaran	50.5	10	<i>Kordabad Mine Development+Related Equipment's</i>	230,000 Raw Coal	37 M\$
			Coking Coal Plant in Savadkooh	300,000 Coke	86 M Euro

Investment Opportunity in Steel Sector

Plant Location	Project	Inves.
Chabahar Steel Plant Located in Chabahar Free trade zone	5 Million Ton Steelmaking Plant + 1000 MW Power Plant	3.15 B\$
Nat Gas from Assaluyeh Available+ Raw Material from Afghanistan Most of Infrastructures required for the project already available or under development		
Bandar Abbas-2 Steel Plant Located PGSEZ	1.6 Million Ton Steelmaking Plant	800 M\$
The government and private sectors made a big investment in PGSEZ during past 10 years. Today production are including 1.6 Million Ton of Steel, 257 KT of Aluminum, Zinc, DRI and ... PGSEZ located close to sea and has most of infrastructures required for this new project already available at site including railway, Nat Gas, A 12 Million ton of Jetty		
Assaluyeh Steel Plant Located in PSEZ (Parsian SEZ)	1.6 Million Ton Steelmaking Plant	800 M\$
South Pars Field is world biggest Natural Gas Storage with total reserve of 51 trillion cubic metres . To be able to use the natural gas, IMIDRO intend to produce mineral industries which raked as Energy Intensive Products like Aluminium, Steel and Cement and ... in PSEZ which located close to sea. Nat gas already available and a Jetty with a capacity of 15 Million Ton already planned and studied.		
Total Investment Opportunity		4.75 B\$



Other Opportunity (Graphite Electrode, Titanium oxide and Power Plant)

Plant / Location	Capacity	Inves.
Kahnoj Titanium Project- Southern Kerman	130,000 Ton Concentrate + 70,000 Pigment	250 M\$
The Mine is one of the world biggest Titanium Mine with a reserve of 150 Proven Million Ton and is excellent IRR		
Graphite Electrode for Steelmaking process (EAF) -Ardakan, Yazd	30,000 ton	300 M\$
Every Ton of Steel in Iran normally use between 2 to 2.5 Kg of Electrode. Iran now producing up to 15 Million ton of Steel using EAF method which means an annual consumption of 32000 ton of Graphite Electrode, while the production of steel will increase to its outlook (52 Million Ton), Demand for Graphite electrode will reach to 100,000 Ton. IMIDRO is willing to have a partnership as part of a JV with Foreign investor for the project.		
Power Plant - Bandar Abbas 2 , Hormozgan	500 MW	260 M Euro
A lot of industries currently under operation (HOSCO, Almahdi ...) or construction (HOSCO 2, Almahdi 3, Saba Foolad, Kaveh...)in SEZ in Bandar abbas. As they come to operation, They need a huge power where this project will provide electricity for a portion of future demands. IMIDRO is willing to sign the contract with interested partners based on BOO or BOT for this project.		
Power Plant - Parsian , Hormozgan	500 MW	260 M Euro
Due to Availability of Nat Gas in Assaluyeh, IMIDRO Established a SEZ for Energy Intensity Products Like Steel and Aluminum in Parsian. Now an Aluminum Plant with 1 B\$ Investment is under construction there (SALCO), NFC China is the main contractor for the project. For Power supply, IMIDRO is willing to sign a purchase agreement based on BOO or BOT scheme with interested investors		
		Total investment: 1070 M \$



For more information, please contact IMIDRO at the following address or visit our website:

[www.Imidro.gov.ir/ Invest](http://www.Imidro.gov.ir/Invest)

[you are warmly welcome to visit our Head office at:](#)

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THANK YOU!