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# ARGENTINA'S MINING RENAISSANCE: UNVEILING THE LITHIUM AND COPPER WEALTH



# ARGENTINA'S UNDER- EXPLOITED MINING POTENTIAL

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Despite being blessed with the same mineral resource potential that has brought prosperity and stability to its neighbour, Chile, to the west, Argentina has been much slower to take advantage of its own riches in the ground.

This is now changing, and the recent election of pro-business Javier Milei as president looks set to create a more nourishing environment to attract the foreign investment needed to advance mining projects.

Lithium and copper projects in particular offer the country an opportunity to cash in on the global electrification revolution which will see demand for these two metals skyrocket.

The nascent mining industry in Argentina still has something of the frontier about it. It is synonymous with personalities and one-off deals, rather than the dispassionate standards that must be adhered to in other jurisdictions. Inefficiencies and bureaucracy are greater than they need and should be. This can be frustrating for mining companies endeavouring to progress projects.

Yet the minerals Argentina plays host to are so sought after that more and more companies are determining the potential rewards for getting involved outweigh the risks and are too significant to pass up. And as the pioneers prove the trail they blazed is worth it, investors are taking a much keener interest in the country.



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# The copper revival

With an estimated 65Mt of copper reserves – found mainly in the Andes mountains – Argentina is well-placed to help sate the ravenous global appetite for the eternal metal.

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Although several large-scale copper projects are pending, astonishingly, the country's copper exports currently stand at zero. The automotive industry is especially interested in securing new supplies as fossil fuel cars are phased out over the next couple of decades in favour of electric vehicles (EVs). By way of example, McEwen Copper's Los Azules project in San Juan province is in part backed by the global automaker, Stellantis, which holds a 19.4% interest. The rationale behind the investment is to guarantee a reliable and sufficiently plentiful future supply of a key component used in electric motors, wiring, batteries, inverters and charging stations.

Should all pending projects come to fruition, cumulatively, they could produce 1.2Mtpa of copper. This would mark not only a triumphant return for the dormant copper industry in Argentina, but also help to meet what is likely to be a huge upcoming increase in demand for copper, driven by the global energy transition. Staying in San Juan province, Lundin Mining's Josemaria operation is a copper-gold-silver project. Here, it is envisaged 1 billion tonnes of ore will be mined at average diluted head grades of approximately 0.30% copper, 0.22 g/t gold and a strip ratio of 0.98 over a 19-year mine life.

The portfolio of copper projects potentially to come in Argentina also includes Glencore's MARA open-pit operation in Catamarca province, where anticipated production is expected to place it in the world's top 25 copper mines.

Copper mining activity worldwide is impacted to a degree by the state of real estate development in China, which drives the global demand for the metal. While there are signs of an increase in activity the future remains uncertain,

with any slowdown in the Chinese property sector translating to excess inventory and a depressed commodity price. That can mean production cuts, or, in the case of Argentina, potentially a slowdown in advancing toward production as miners seek to dilute risk and cut costs – perhaps even contemplating mergers and acquisitions as part of that process. In the longer term, however, copper's status as a metal to back is assured, given its fundamental importance to the clean energy revolution and the fact there are no non-precious metal peers in the periodic table that can conduct the way it does.

### **Lithium to the rescue**

It is a similar story for lithium, as companies vie to secure supplies of the critical battery metal, which Argentina has in abundance, and without which there can be no EVs. To this end, Stellantis is also active in the lithium space, helping to fund resource exploration and pre-feasibility work for Argentina Lithium & Energy's projects.

Argentina's lithium reserves are principally located in salt flats in the Salta, Catamarca and Jujuy provinces in the northwest of the country, and are accessed via lithium brine extraction. It is an area that forms part of the famed 'Lithium Triangle', responsible for more than half of current global production, and which is shared with Bolivia and Chile. Yet, with Chile's lithium sector now subject to quasi-state control and Bolivia lacking the capacity at present to meaningfully develop theirs, investors are increasingly turning their attentions to projects in Argentina. With over 30 lithium projects currently in development in the country, they are spoiled for choice.

With existing operations ramping up production and so many new projects under construction, lithium

production in Argentina is expected to increase tenfold by 2027. This would place it on the path to being the leading Latin American supplier of lithium, surpassing Chile.

### **An array of mineral riches**

Argentina enjoys other mineral riches too – not least in respect of uranium. Events in Ukraine have meant there is a reluctance to keep relying on traditional sources of uranium and enrichment services the country's nuclear reactors depend on. This is driving interest in projects such as Blue Sky Uranium's Amarillo Grande project in Rio Negro province.

To date, Argentina's mining industry has been primarily focused on gold, silver and copper. Now, however, shifting global geopolitics combined with the transition to net zero mean it is becoming more diversified as the world wakes up to the array of mineral riches the country holds.

The mining provinces are also blessed with relatively well-developed infrastructure, with road, rail and ports where it matters, alongside ready access to power and water. With such essentials often already in place CapEx costs are significantly reduced, making the economic case for a range of projects even more compelling.

### **A spirit of free enterprise**

Javier Milei has been given a mandate from the electorate to change direction to get Argentina's economy under control. And with inflation raging to the extent some commentators predict it could top 200% by the end of 2023, it is not hard to see why. Despite being an unproven political operator, many of those invested in Argentina welcome his election for his ambition to harness free





market sentiment in the country. And while regulatory thresholds are set and green lights provided for mining projects at provincial level, it is the federal government that has responsibility for the macroeconomic policies that set the investment tone. If those policies make it difficult to bring money in or out of the country, or to import essential equipment, then even the most alluring mining prospects can lose their lustre.

Relaxing exchange controls and less red tape are likely to encourage more investment into Argentina's mining sector. Broadly speaking, the market reacted positively to confirmation of Milei's ascent to the peak of Argentinian politics, with share prices of some mining companies active in Argentina experiencing a shot in the arm in response, and others remaining unruffled at the news.

The story behind this is likely to be Milei's foreign investor-friendly rhetoric. This stands in marked contrast to the increasingly strident resource nationalism chatter coming out of Chile. Free enterprise is unsettled by talk of increased state control, and irresistibly drawn to a jurisdiction with a comparable resource base where the winds are blowing in the opposite direction. At the same time, it is widely acknowledged that the more provocative aspects of Milei's pitch, such as abolishing Argentina's central bank, will be difficult for him to implement, given he lacks the numbers in Congress. So, investors are likely assessing adequate checks and balances exist to keep Milei reined in and from going too far too fast, creating instability that would place investments at risk. Rather, they may have concluded he has enough room for manoeuvre to push through change of sufficient magnitude to positively transform the investment landscape in the country.

President and chief executive of Blue Sky Uranium, Nikolaos Cacos, struck a note of cautious optimism that encapsulates the sentiment among those foreign mining interests active in Argentina. "It sounds like some positive things are coming along in the mining space and we look forward to that. There has always been a risk premium discount on companies operating in Argentina, and I think that could begin to erode going forward," he suggested.

Top of the wish list for many miners either already present in the country or weighing Argentina up would be the relaxation of foreign exchange controls, the lowering of export taxes and a change in import controls to make it faster and less expensive to bring in essential supplies from abroad. The current set up is designed to steer mining companies towards local suppliers. Yet, when those suppliers are unable to fulfil the brief, it can lead to knock-on adverse consequences regarding the pace of exploration, development and production, which is in no one's best interests.

McEwen Mining's chair and chief owner, Rob McEwen's personal wish list would also include standardized rules and regulations replacing the unsystematic maverick methodologies that currently hold sway.

With the company's wholly owned subsidiary, McEwen Copper currently focused on advancing Los Azules, he has enough first-hand experience of engaging with the authorities to confidently state that, "It would really help them develop the industry if this approach was done away with."

### **Responsible and sustainable practices**

Opposition to mining does exist in Argentina. Landowners from the agriculture sector have a vested interest in keeping



mining down, since it threatens the low-wage business model upon which many agricultural fortunes are based. However, while, collectively, they represent a still-powerful lobbying voice, such interests increasingly speak of an outmoded approach to socioeconomic development. Scope for well-paid skilled employment for remote communities with little else in the way of opportunity is recognised as important by provincial authorities with eyes on the optimum pathway to re-election. As well as salaries, mining also delivers royalties, input payments and national taxes of a scope and scale impossible to match from other sources. Such coffer-filling credentials are deemed essential to restoring the country's economic health. Other anti-mining sentiment is in evidence from communities concerned about shared water or land usage and the environmental impact of mining. This is especially the case in areas where glaciers are in proximity or water is scarce, and where pollution or over-consumption would be catastrophic. States of affairs must be assessed on a case-by-case basis, as many projects enjoy enthusiastic support from local communities that view mining as an opportunity to transform their fortunes for the better. As Argentina Lithium & Energy vice president of exploration, Miles Rideout noted, "mining and the lithium extraction industry will provide long term careers for people in these communities."

While notable pockets of resistance must be acknowledged, local community opposition is a less prevalent issue in Argentina than it is in some other jurisdictions, given the remoteness of many of the projects.

It is nonetheless an area subject to change and that demands ongoing monitoring. Milei's climate change-denying rhetoric on the campaign trail and commitment to slashing red tape to better lubricate the wheels of industry could find expression in the loss of environmental

and labour protections. Should that happen, it could act to effectively rescind companies' social licence to operate in areas where those losses were felt most keenly.

### Pragmatism vs ideology

Milei is busy wooing the US as part of a charm offensive that seeks to re-align Argentina's foreign relations away from leftist governments in his country's backyard and towards the leader of the free world, Europe and Israel. The current reality for the lithium industry is, however, inconveniently at odds with this courtship since China is already intimately involved in the industry. Ganfeng Lithium is the world's leading producer of white gold and invested in five projects in Salta and Jujuy provinces either via 100% ownership or in strategic partnership.

With his hard right ideology, Milei is not a natural bedfellow for China, and he has stated as much. Yet, the country is an important trading partner which Argentina can ill afford to push away, and a major creditor for infrastructure development. While producers from developed countries more aligned to the new government's world view may come to dominate in time, for now, Milei may have to adopt a more pragmatic approach than he would like.

### Conclusion

Argentina may be politically polarised, but one thing a critical mass of policymakers and voters of every stripe are agreed on is the importance of mining to place the country on the path to prosperity. There is consensus where it counts regarding mining's capacity to address unemployment, drive exports and bring in coveted hard currency to help rein in the country's spiralling debt.

Even before Milei attained power, the numbers were moving in the right direction. Mining exports are predicted to hit in the region of US\$4.5 billion in 2023, their highest level in over a decade, while investment in exploration was up by two-thirds year-on-year in 2022 to US\$370 million. This suggests that for companies with patience and pedigree, Argentina's profound current national economic challenges are worth navigating to have a shot at exploiting its hugely under-exploited mining potential.

If this is the case now, one could reasonably infer the country is set to become a mining mecca when prevailing economic conditions become more benevolent. At such time, Argentina will finally be presented with its opportunity to inherit the Earth.



PROFILE  
McEWEN MINING

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## McEwen's Green Copper Vision Being Realised

McEwen Copper, a wholly owned subsidiary of McEwen Mining, holds a 100% interest in the advanced-stage Los Azules porphyry copper exploration project in Argentina's San Juan province.

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Situated in the Andes mountains close to the Chilean border, Los Azules is a large high grade open pit project. Its recently updated Preliminary Economic Assessment (PEA) anticipates average annual production of 322 million pounds of copper cathode over a 27-year Life of Mine (LOM). Marked by competitive cost efficiencies, all roads lead to a compelling economic case, yet this project also places environmental and social stewardship centre-stage.

McEwen Mining chairman and chief owner, Rob McEwen recognises the very low esteem in which mining is held across the globe and that it is becoming increasingly difficult to recruit to the sector, so bad is its profile. To better appeal to hearts and minds, he passionately advocates that people and planet, as well as profits, must be at the core of new projects. Informed by this, it is his intention that Los Azules becomes a present-day exemplar of what tomorrow's optimised mine should look like.

In this endeavour, McEwen Copper is assisted by his name, which precedes it. A more glittering mining bio it would be hard to find, and such recognition and pedigree helps to open doors in a country such as Argentina where relationship-building is key.

Not that Rob McEwen would ideally have it like this. It is his conviction that greater standardisation marked by a rules and merit-based approach to the mining projects under the various provinces' regulatory watch, would serve to reassure and create certainty for foreign investors. Not only would the enhanced efficiencies help to catalyse further investment, but, replicated at scale, he believes this new modus operandi could help build firmer foundations for the country's unsteady economy.

Rob McEwen explained that while the provincial powers can see the advantages of mining, they can be impatient. This frustration relates to the timeframes involved for securing the information necessary to make an economic decision about whether to go forward and build a mine.



Active drill rig at Los Azules

As well as an 'old school' informality to the business culture marked by personalities and a preference for one-off deals sealed with a handshake, there are other unorthodoxies to mining in Argentina that McEwen Mining has been compelled to get its head around. Not least of these relates to claims. Rob McEwen described it thus: "You must have monuments on all corners of your property. All well and good when you're on the flat, but in the mountains it becomes quite strenuous and time consuming."

Such conventional wisdom in Argentina is considered



Geological logging of drilling cores at Los Azules

obsolete in many other jurisdictions keen to adopt best international practice to advance procedures and improve efficiency.

Given the obvious economic and social uplift mining would generate for the country, the McEwen Mining chairman regrets the absence to date of a more 'can-do' mentality towards mining.

Rob McEwen's hope is that Javier Milei's new national government will take steps to mitigate the exacting bureaucracy that is currently serving to discourage the very foreign investment the country so desperately needs. Specifically, Rob McEwen "would like to see them speed up the importation of capital goods and various consumable goods for the mining industry and relax their foreign exchange controls to invite other industries and investors into the country".

Rob McEwen's mission to redefine mining is no mere statement of intent, and he recognises that actions speak louder than words. Details are the oil to the vision, and for Los Azules the company is in possession of a letter from state-owned energy company, YPF, confirming its capacity to provide 100% renewable energy driven by hydro, solar and wind. The project is also set to be marked by heap leaching. This translates to less than a quarter of the water that would be used by a comparable sized conventional copper operation. And it will emit one tenth of the carbon.

McEwen is alarmed that mining's instrumental value to the world is being overlooked. He rightfully recognises it



underpins civilised society. Ergo, there is no option but to make changes of sufficient scope and scale that mining is admitted back into the room by policymakers and the electorate. He envisioned that "Some day in the future, a combination of AI and nanotechnology is going to replicate the periodic table in a factory, but that's a few days off".

He wants to do for mining what Uber did for taxis, and the goal is that Los Azules be a real-world manifestation of that vision and what is possible. "That's my mission, and hopefully what we're doing could serve as one of the models going forward for the industry," he said.

Despite the need to tread a sometimes-unconventional path to advance Los Azules, in terms of timing, Rob McEwen believes the project is well positioned to take advantage of an increasing global appetite for copper.

With the political mandates in place for electrification to move forward at pace and scale, but with a failure to acknowledge metal cycles, or how long it takes to permit and raise capital for projects, so is created fertile ground for what McEwen described as "shortages and higher prices".

From McEwen Mining was born McEwen Copper in July 2021 to better appeal to the market preference for pure plays. This evolution – initially financed in part by Rio Tinto's copper-focused Nuton venture – preceded major strategic investments from global automaker Stellantis, which cumulatively translate to a 19.4% interest. According to Rob McEwen, this funding was facilitated by the mining company's green attitude, which ties in with the car giant's push to have a net zero supply chain by 2038.

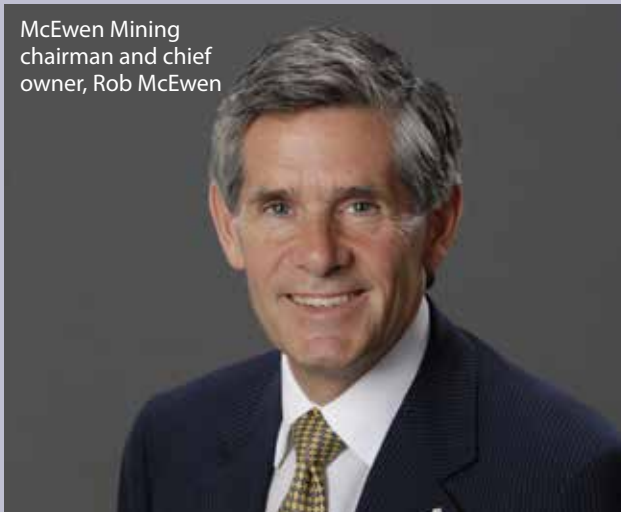
There is, then, much to be excited about. For while the chief owner recognises there is something of the frontier about Argentina, he is confident it will become much easier to do business under the new government. And with the Los Azules numbers to date making for excellent reading, the future is set fair.

Here too is a country that is something of a mining blank canvas. The emerging nature of the industry in Argentina represents its latent capital, with the very lack of established protocols, mores and traditions meaning a visionary activist like Rob McEwen can more easily institute a new and better normal than that which is entrenched in other more mature jurisdictions. Through the vehicle of Los Azules, McEwen Mining can help the country to unlock its vast mining potential and at the same time lead by green and responsible example.

In the chairman and chief owner's words, "We believe this is a multigenerational, low-cost deposit that should be in production by 2030 if not before."

With his proven pedigree, few would bet against that happening, or that it will become the unofficial ESG benchmark other mines will be judged against.

McEwen Mining chairman and chief owner, Rob McEwen



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### Market Capitalisation (As of – 03/01/2024)

US\$328 million

### Quoted shares on issue

47.5 million

### Major Shareholders

Rob McEwen	8.2 M
Van Eck Associates	2.0 M
Mirae Asset Global Investments	1.0 M
BlackRock	0.6 M
DF Dent and Co	0.6 M
Vanguard Group	0.6 M
ETF Managers Group	0.5 M
Two Sigma Investments	0.5 M
Jane Street Group	0.5 M
AIFM Capital	0.4 M



## PROFILE ARGENTINA LITHIUM & ENERGY

# Argentina Lithium & Energy advancing highly prospective “white gold” projects with support from major automaker

Argentina Lithium & Energy Corp. is focused on acquiring high quality lithium projects in Argentina with the objective of advancing them towards production.

The increase in appetite for lithium from the battery sector shows no sign of slowing down any time soon with global demand expected to double between 2025 and 2030 to surpass 2.4 million metric tons per annum (MMTA) of lithium carbonate equivalent. There is much to suggest Argentina can increase further its contribution to servicing that demand, given it forms part of the “Lithium Triangle” that hosts some 60% of the world’s known reserves of lithium, often referred to as “white gold”. Argentina’s identified resources are 20 million tons, placing it second in the world, behind only Bolivia which has yet to develop a meaningful lithium industry.

Argentina Lithium & Energy is supported by the Grosso Group, a management company with a pedigree of success in Argentina’s resource sector, as well as expertise in government and community relations. Argentina Lithium is well positioned to be a significant player in the lithium sector via its highly prospective Rincon West and Antofalla North projects in Salta province, northwest Argentina. Alongside Pocitos and Incahuasi, these four constitute the company’s project portfolio.

Assisting the company’s pathway to explore, develop and advance these projects is a recent strategic investment by Peugeot Citroen Argentina, a subsidiary of leading global automaker, Stellantis. Market trends and policy efforts in major car markets have led the International Energy Agency (IEA) to revise its global outlook for EV sales as a proportion of total car sales upwards to 35% by 2030. Funding Argentina Lithium & Energy represents for Stellantis a way to help ensure potential future security of supply for one of the critical battery metals it will need in abundance to survive and prosper.

The lithium being targeted by Argentina Lithium & Energy is held in salt lake or ‘salar’ brines, and recent drilling at Rincon West has confirmed the grade potential of the concentrated lithium-bearing aquifer tested by the holes to date at the project. Meanwhile, at Antofalla North, while



LIT - preparing drill access at the Rincon West project

IMAGE: A. SOLIZ

drilling is pending, the company's geophysics demonstrate a deep salar basin with prospectivity for lithium brines; a comprehensive drilling plan has been made to explore the project.

Having worked in a consultative capacity for the Grosso Group since the mid-1990s, Miles Rideout is the man now tasked with overseeing exploration of its lithium projects. He brings to the table an intimate knowledge of the Argentina lithium space built up over 15 years. In conversation with Mining Journal, he described it as "a pleasure working with a group where every department is expert at their jobs".

Alongside the anticipated boom in demand for lithium over the next decade, projected to reach 3.8 MMTA by 2035, Rideout spoke of new direct lithium extraction (DLE) technologies which come with scope to increase production and reduce environmental impact as something about which he is especially excited. He sees both as having the potential to boost the future economic case for the company's projects.

Argentina Lithium & Energy's Rincon West and Antofalla North projects are located on mid-grade salars, and also adjacent to properties held by major mining companies; respectively, Rio Tinto ([www.riotinto.com](http://www.riotinto.com)) and Albemarle Corporation ([www.albemarle.com](http://www.albemarle.com)).

In respect of Rincon West, the first drilling objective was to demonstrate brines that were comparable in composition to other successful advanced lithium projects, and that has been borne out in the results published to date. Additional work is now underway to determine the extent of the brines and their amenability to recovery and processing.

This work will be the basis of an initial mineral resource estimate for the project, which the company is working towards completing in 2024.

It is a similar story with the much larger Antofalla North project, which is in late stage permitting for exploration. Here, Albemarle, the world's second largest lithium producer, is Argentina Lithium & Energy's neighbour to the immediate south. The Antofalla North property extends over 27 km of the salar from the northern border of Albemarle right to the northern edge of the salt basin. While the project is yet undrilled, historic geophysics demonstrate the basin to be as much as 500m in depth. It is anticipated drills will start running in early 2024 once permits are in place.

Should lithium grades be comparable to grades at producing deposits in the region, Rideout indicated this could become the primary focus of attention, given it is more than twice the size of Rincon West. He explained, however, that "either one is potentially a company building project".

As to the strategic investment from Stellantis, Rideout described the automaker as having "a very ambitious program for lithium carbonate".

Specifically, Stellantis' subsidiary took a 19.9% interest in the Argentina Lithium & Energy's Argentine subsidiary by investing the equivalent of US\$90m of funding in Argentine pesos, to fund the Company's exploration and development activities. The associated offtake agreement means it has a right to purchase 15,000 tonnes a year of lithium carbonate equivalent if Argentina Lithium & Energy enters commercial production on any of its current projects. Stellantis also has

first right of refusal above and beyond that figure, with the agreement initially in place for seven years.

Rideout explained that with the funding provided by Stellantis, the company can fast-track exploration and initial resource modelling work and, if successful, develop a plan to advance its core projects towards production.

The Argentina Lithium & Energy vice president of exploration is keen to draw attention to the positive jurisdictional dynamics that prevail. For Salta and Catamarca provinces, where the company's properties are located, and which exercise more responsibility than the federal government in respect of mining regulation, lithium exploration and development provides a much-needed route to economic development for its high plains communities. Not only does it offer employment opportunities and a pathway to infrastructure development in the region, but once in production any such project would pay a 3% net smelter royalty to the province in which it sits.

Despite the region's remoteness, Argentina Lithium & Energy's projects enjoy year-round road access, as well as proximity to population centers and power lines.

As Rideout explained, "When exploring, I prefer to invest in the property development and the exploration drilling, rather than building a road at a cost of a million dollars before I can start any work".

In some other provinces there can be competing business interests between mining and agriculture. In such instances, landowners can see mining as a threat their business model, which is predicated on low-cost wages and a ready availability of seasonal workers. Of significance here, however, is that Rideout detects no anti-mining sentiment in either Salta or Catamarca.

Both provinces have had operating mines for decades, are synonymous with a well-developed regulatory framework and have accessible mining departments. Not only does Argentina Lithium & Energy regularly appraise the authorities of its advances, but should it need clarification on how best to proceed, it can readily consult with the relevant high-level officials.

In addition, the recent national election, won by Javier Milei represents what Rideout described as potentially "an improved and favourable business environment".

He added, "We will be looking [to the new government] for freer trade and commerce, and less monetary regulation. That will be important as we advance our projects in respect of bringing technology and machinery from abroad and with building our infrastructure".

All told, exciting times for Argentina Lithium & Energy.

Miles Rideout,  
vice president of  
Argentina Lithium  
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131.1 million



Josemaria

## PROFILE BLUE SKY URANIUM

**Blue Sky Uranium is an exploration company currently focused on advancing its flagship Amarillo Grande uranium project in Argentina's Rio Negro province.**

The company benefits from 100% control of more than 450,000 hectares of mining tenures with potential for low development cost near-surface uranium and vanadium resources. Blue Sky is a member of the Grosso Group, a management company whose members have had several mineral discovery successes in the country over three decades across different commodities.

Headed up by president and chief executive Nikolaos Cacos, Blue Sky Uranium is well positioned to take advantage of the returning global appetite for uranium, suggested by the uranium spot price hitting a 15 year high.

The company is operating in a pro-nuclear jurisdiction and can look forward to a new government that is supportive of foreign investment. Argentina's new president, Javier Milei, is currently focused on oiling the investment wheels with his "economic shock therapy" that has already seen the Argentine peso devalued by more than 50% against the US dollar.

A lot of drilling has taken place since Blue Sky Uranium's 2019 preliminary economic assessment (PEA) for its flagship Ivana deposit in Argentina's Rio Negro province. In the intervening four years – a period marked by a more than four-fold increase in the uranium spot price - the company has focussed on upgrading the quality of the mineral resource where possible from inferred to indicated.

It recently has become easier to sell the concept of uranium when looking to raise money for exploration than perhaps ever before. This is driven by pro-nuclear global sentiment predicated on its now acknowledged role as a key component in the transition to net zero carbon emissions, and the projected uranium supply deficit linked to that, given that most nuclear power plants use uranium atoms. Yet, Argentina as a jurisdiction is seen as a more nuanced proposition.

The Blue Sky Uranium president and chief executive is clear that investors need to look past the immediate headlines regarding the country's fundamentals.

It is also important to note that Argentina's mining code is set at the provincial, not federal level. For Blue Sky Uranium, that means the authorities in Rio Negro province exercise greater influence over the company's fortunes than does the national government in Buenos Aires. And given that



RC Infill Drilling program at Ivana area in 2022

Cacos described relations with those responsible for mining in Rio Negro as “excellent”, the future seems fair in that respect.

Argentina has a nuclear industry that stretches back to 1950, when the country’s National Atomic Energy Commission was set up. Its commitment to nuclear power has continued since, regardless of the presiding administration. Today, home-grown uranium production is the only thing preventing Argentina from becoming fully vertically

integrated in respect of nuclear. This provides an insight into the favourable manner in which the development of Blue Sky Uranium’s district-scale discovery may be viewed by the federal government. Argentina’s 1994 National Mining Code stipulates that the government has first refusal on purchasing all uranium produced in Argentina once domestic supply has been guaranteed.

In Nikolaos Cacos’ words, “As Argentina stabilises its economy and its financial markets, it is going to be an excellent destination in which to do business.”

He added, “While the mining industry is still quite nascent in the country, all governments recognize the incredible funds it can generate”.

And with Javier Milei having indicated he will remove existing impediments to encourage external investment, there is further cause for optimism. Alongside decreasing taxes, such measures could include making it easier for companies to import and export tools and equipment.

That both the country and his company’s potential is starting to be understood is borne out by a significant increase in institutional investor interest in Blue Sky Uranium, according to Cacos.

In addition, being part of the Grosso Group brings to the



BSK’s VP Exploration presenting the geological data collection from Ivana deposit to the QP at a site visit in October 2023

## ARGENTINA'S MINING RENAISSANCE: BLUE SKY URANIUM

company a distinct edge, thanks to Joe Grosso's name recognition and proven Midas touch in Argentina.

As an oil and gas province, Rio Negro has a relatively positive view of mining and resources. In addition, given its extractive industry pedigree, the province is blessed with existing comprehensive rail, road and nearby port infrastructure which can have positive ramifications for the economic evaluation of projects like Blue Sky Uranium's Ivana deposit. Moreover, Rio Negro owns the state engineering company INVAP, which is engaged in nuclear research and also operates a pilot uranium enrichment plant. Cumulatively, these provide evidence of the region's ongoing commitment to the nuclear industry - and by extension, potential uranium exploration and mining.

A further plus is Rio Negro's low population density, which lessens the scope for friction with other land users. Even so, the company enjoys excellent relations with and the full support of the nearest town, some 26km away. Blue Sky Uranium regularly engages with the community in question and provides it with significant employment and training opportunities.

Cacos anticipates the new government in Argentina will develop much closer ties with the US and Europe as it seeks to open up the country to foreign investment and so tend to its economic needs. It is his belief the country is "well-endowed to be a global provider of not just uranium, but of a variety of metals that the country's favourable geology is endowed with".



Typical uranium (carnotite) near surface mineralization at Amarillo Grande project



Blue Sky Uranium president and chief executive Nikolaos Cacos

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