

# MINING IN COLOMBIA

**JUAN DAVID GÓMEZ**  
**TRADE COMMISSIONER FOR OIL & GAS,  
MINING, AND RESPONSIBLE BUSINESS  
CONDUCT**

**SUDBURY, OCTOBER 1<sup>ST</sup> 2019**



Global Affairs  
Canada

Affaires Mondiales  
Canada

Canada

# Colombia has a solid economy and a stable democracy



Strategic location

45,5

Million inhabitants



3,8%

annual average GDP growth rate

3,2%

inflation rate

4th destination in Latam to do business and 1st in minority investors protection and getting credit (DB, 2019)

New member of the OECD

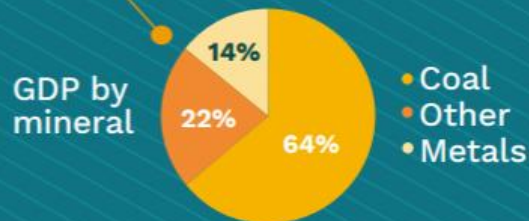
More than 16 trade agreements → preferential access to more than 60 countries and 1,500 million consumers

# The Colombian mining sector of the present

Mining GDP based on coal and gold

**2%**

of Colombian GDP



Large economic and social impact

**20%**

of the exports

**13%**

of the FDI

USD **5,5**

Billions in royalties since 2010

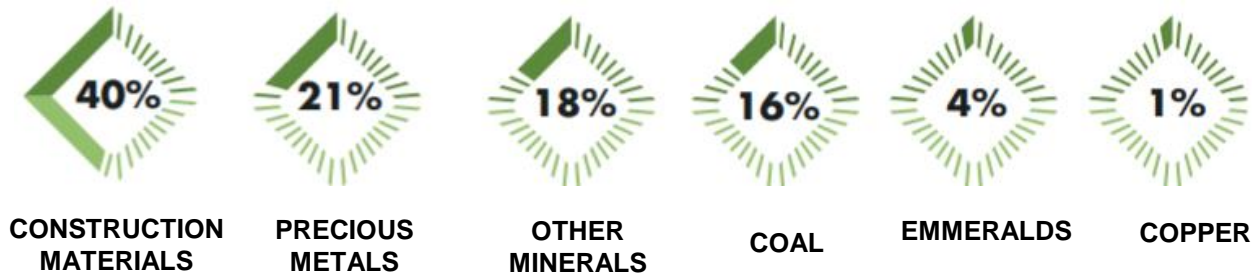
Presence of 27 TSX and TSX-V listed mining companies

**6%**

of total exploration investment in Latam (SNL Metals)

## Exporter

- № 1 of emeralds in the world
- № 1 of coal in Latam
- № 4 of nickel in Latam
- № 5 of gold in Latam



- 3rd in Latin America 2017 best Practices Mineral Potential Index (Fraser Institute)
- Only 0.25% of the country is being explored.
- 39% estimated growth in production with new gold projects to be developed in the following 3 years
- 250+ titles currently in Exploration



## Mineral potential

### Geological knowledge

71%

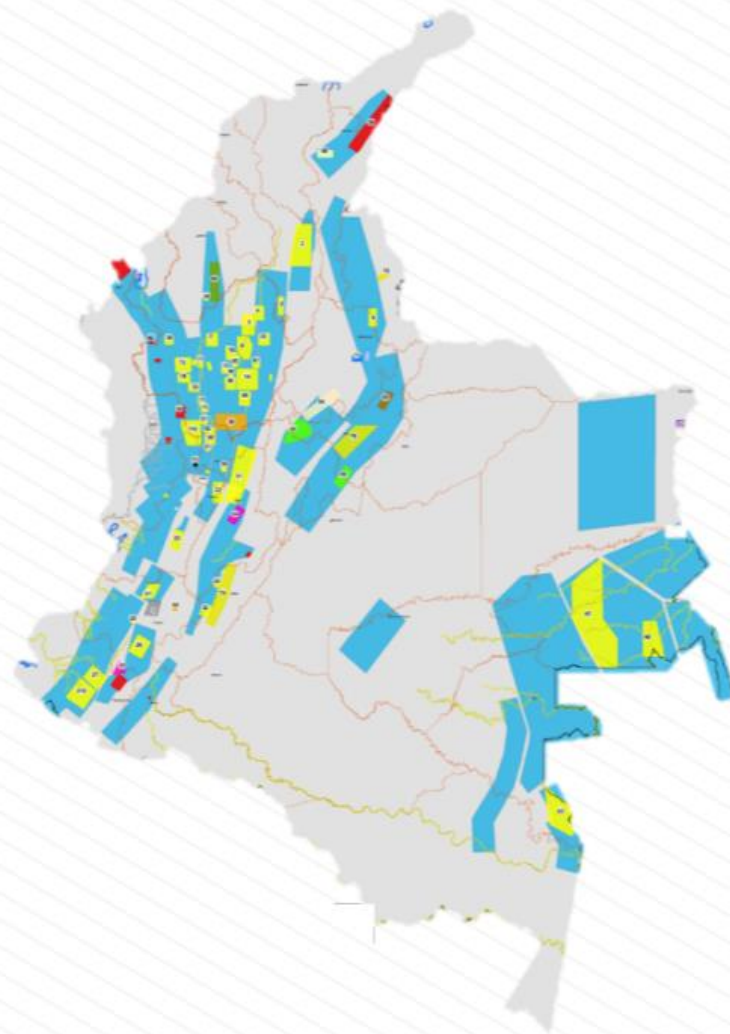
geology

70%

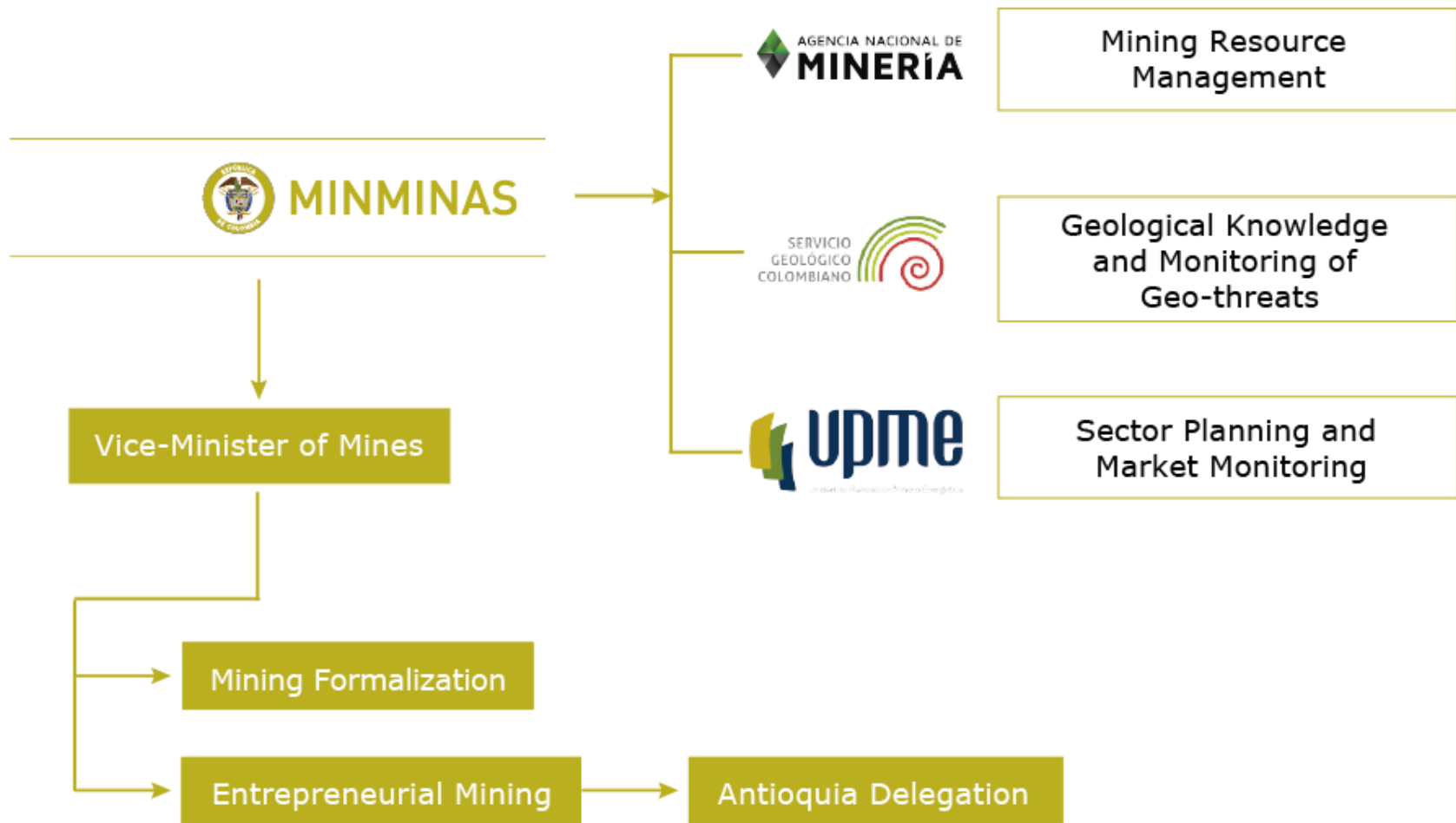
geophysics

35%

geochemistry



-  Metallogenic interest
-  Metallogenic districts
-  Gold alluvium (Au)
-  Gold-platinum alluvium (Au-Pt)
-  Titanium alluvium (Ti)





In the last year Colombia advanced 16 positions in the Investment Attractive Index

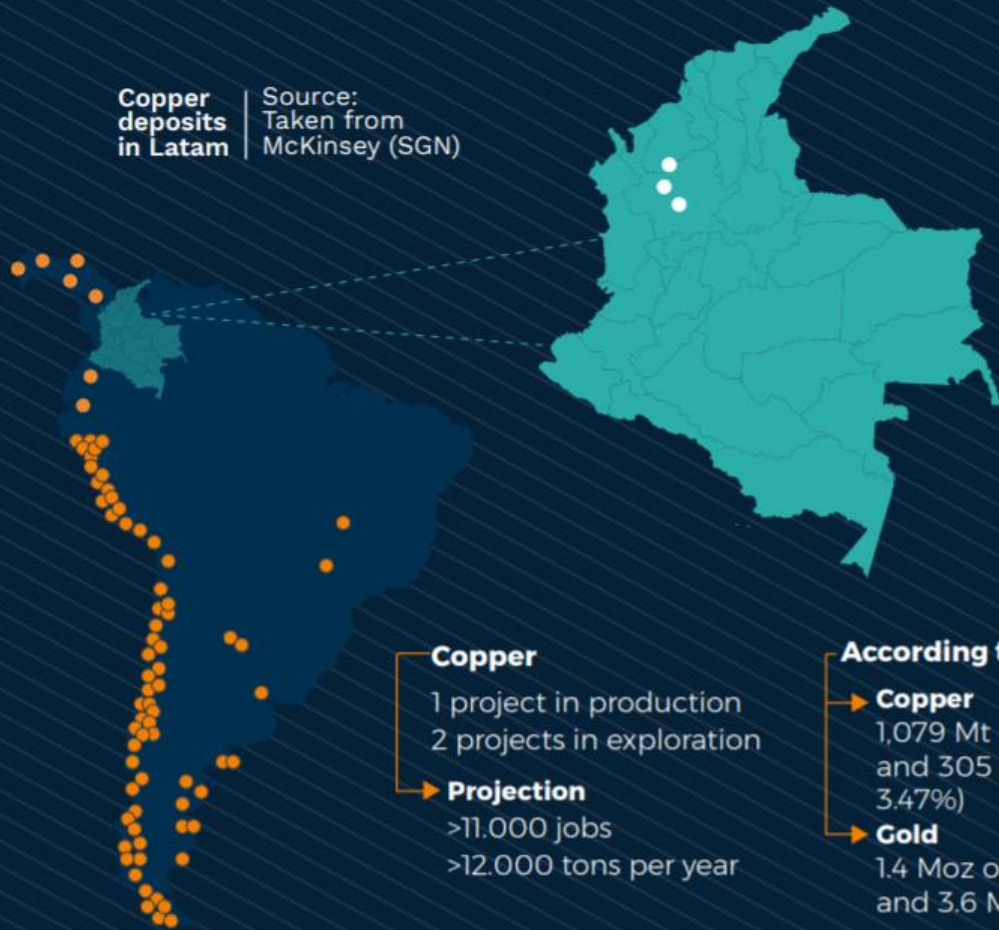
**“Miners expressed decreased concern over regulatory duplication and inconsistencies, labour regulations and employment agreements, and the taxation regime”.**

Fraser Institute Annual Survey of Mining Companies 2018



**Copper deposits in Latam**

Source:  
Taken from  
McKinsey (SGN)



**Copper**

1 project in production  
2 projects in exploration

**Projection**

>11.000 jobs  
>12.000 tons per year

**According to public reports:**

**Copper**

1,079 Mt of proven reserves  
and 305 Mt probable (tenor  
3.47%)

**Gold**

1.4 Moz of proven reserves  
and 3.6 Moz probable

**A single 3MW wind turbine requires 4.7 tons of copper**



**Mineral potential**

**Diversifying  
the mining  
production  
matrix**

Based on greater  
knowledge of the subsoil  
and global opportunities

*"It takes 200 turbines of  
3MW to replace a large  
steam turbine of coal or  
gas"*

**Schroders, British asset  
manager**





Colombia is the most biodiverse country on earth by area



1st country in diversity of birds and orchids and 3rd of reptiles and palms



Colombia has many opportunities...

Colombia is the country with the largest area of paramo in the world: 50% of the total



59 natural areas  
belonging to the  
National Natural  
Park System



87 ethnic groups and  
64 languages

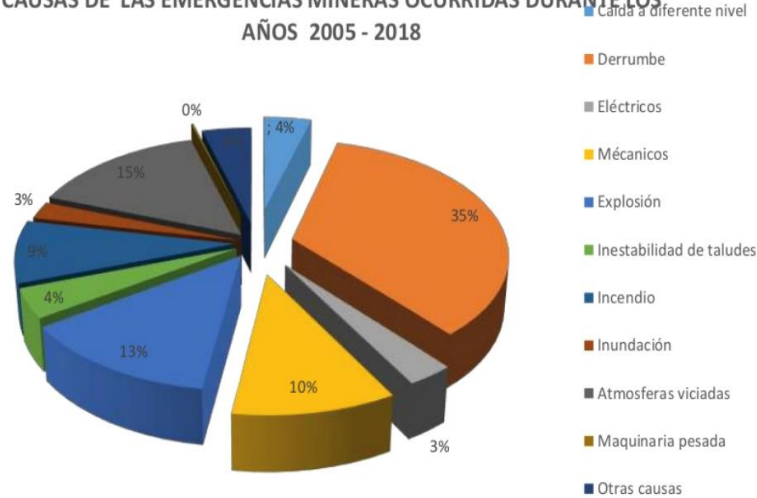
## ... and challenges

### Areas with mineral potential converge with:

- ▶ Environmental protection areas
- ▶ Poverty
- ▶ Presence of illegal economies

# Occupational Health and Safety Challenges

CAUSAS DE LAS EMERGENCIAS MINERAS OCURRIDAS DURANTE LOS AÑOS 2005 - 2018



\*Datos a 8 de Junio de 2018

**3600 involved!!!**

Año	Total de emergencias	Personal afectado		
		Ilesos	Heridos	Fallecidos
2005	40	116	40	37
2006	59	29	71	42
2007	64	88	51	101
2008	74	442	29	82
2009	61	181	74	58
2010	84	173	41	173
2011	100	165	46	127
2012	90	57	30	102
2013	90	40	62	89
2014	87	26	82	120
2015	84	34	45	92
2016	114	116	47	124
2017	113	66	66	136
2018*	51	34	29	37
<b>TOTAL</b>	<b>1111</b>	<b>1567</b>	<b>713</b>	<b>1320</b>

\*Datos a 8 de Junio de 2018



COAL

**BHP Billiton**  
Cerrejón- La Guajira

GOLD

**Pacífico Minerals**  
Berrio, Natagaima, Urrao -  
Antioquia, Tolima  
**Metminco**  
Miraflores - Risaralda

NICKEL

**South 32**  
Cerro Matoso -  
Córdoba



IRON

**Acerías Paz del Río**  
**(Votorantim)**  
Minas Paz del Río - Boyacá,  
Cundinamarca

GOLD

**Goldmining Inc.**  
Titiribí - La Mina  
Antioquia

## ESTABLISHED COMPANIES

Colombia has granted 7,711 mining titles to natural persons and legal entities.  
The following companies and mining projects are worth mentioning:



GOLD

**Newmont Mining Corporation**  
Buritica, Berlín -  
Antioquia

COAL

**Drummond Company Inc.**  
La Loma, El Descanso. - Cesar  
**Colombian Natural Resources**  
(Murray Energy Corporation)  
La Francia, El Hatillo - Cesar

EMERALDS

**Minería Texas S.A.**  
Mina Puerto  
Arturo - Boyacá



GOLD

**Mineros S.A.**  
El Bagre, Nechí, Guamoco, Remedios,  
Mina la Y, Amalfi, Pácora, Pensilvania,  
Hojas Anchas, Tolima - Antioquia,  
Bolívar, Caldas

CONSTRUCTION MATERIALS  
**Argos**

Helios - Boyacá



COAL

**Anglo American**  
Cerrejón- La Guajira

COAL

**Sloane Investments**  
La Luna - Cesar



COOPER AND GOLD

**Sociedad Minera de Santander SAS-Minesa (Mubadala)**  
Soto Norte - Santander

COPPER AND GOLD

**Atico Mining**  
El Roble- Chocó  
**rdoba Minerals Corp.**  
San Matías - Córdoba  
**Volador Colombia**  
(Rugby Mining Ltd)  
Cobrasco, Comita - Chocó  
**Miranda Gold**  
Cauca- Cauca  
**Liberor Copper Corporation**  
Mocóa- Putumayo

URANIUM

**U308 Corp.**  
Berlín - Caldas

EMERALDS

**Fura Gems Inc.**  
Cosquez - Boyacá



GOLD

**Gran Colombia Gold**  
Segovia, Marmato, Zancudo -  
Antioquia- Caldas  
**Iamgold Corporation**  
Zancudo, Antares - Antioquia  
**Continental Gold Ltd.**  
Buritica, Berlín - Antioquia  
**B2Gold Corp**  
Gramalote, Quebradona - Antioquia  
**Batero Gold Corp.**  
Batero - Quinchía- Risaralda  
**Antioquia Gold Inc.**  
Cisneros - Antioquia

**Volador Colombia**  
(Rugby Mining Ltd.)  
Pastora, El Poma, San Antonio,  
Tantalus and Caramanta - Cauca,  
Boyacá and Santander  
**Alicanto Mining Corp.**  
Rionegro, Santander  
**Max Resource Corp.**  
Nóvita- Chocó

COAL AND GOLD



**YIHAO Internacional Inversión de Recurso Holding S.A.**  
Caypa Mine- La Guajira, Bolívar



## COPPER AND GOLD

- Atico Mining**  
El Roble- Chocó
- rdoba Minerals Corp.**  
San Matías - Córdoba
- Volador Colombia**  
(Rugby Mining Ltd)  
Cobrasco, Comita - Chocó
- Miranda Gold**  
Cauca- Cauca
- Libero Copper Corporation**  
Mocoa- Putumayo

## URANIUM

- U308 Corp.**  
Berlín - Caldas

## EMERALDS

- Fura Gems Inc.**  
Coscuez - Boyacá

## GOLD

- Gran Colombia Gold**  
Segovia, Marmato, Zancudo - Antioquia- Caldas
- Iamgold Corporation**  
Zancudo, Antares - Antioquia
- Continental Gold Ltd.**  
Buritica, Berlín - Antioquia
- B2Gold Corp**  
Gramalote, Quebradona - Antioquia
- Batero Gold Corp.**  
Batero - Quinchía- Risaralda
- Antioquia Gold Inc.**  
Cisneros - Antioquia
- Volador Colombia**  
(Rugby Mining Ltd.)  
Pastara, El Poma, San Antonio, Tantalus and Caramanta - Cauca, Boyacá and Santander
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## COAL AND GOLD

- YIHAO Internacional Inversión de Recurso Holding S.A.**  
Caypa Mine- La Guajira, Bolívar



## CONSTRUCTION MATERIALS

- Cemex**  
S/N / (No name)- Tolima, Valle, Risaralda



## GOLD

### AngloGold Ashanti

Gramalote, Quebradona, La Colosa - Antioquia, Tolima



## COAL

### Yildirim Group (YCCX Colombia S.A.S.)

Papayal, San Benito - La Guajira



## CONSTRUCTION MATERIALS

- Holcim**  
S/N / (No name) - Antioquia, Tolima

## COAL

### Glencore Xstrata (Prodeco)

Cerrejón, La Jagua, Calenturitas, La Guajira, Cesar



**FOREIGN DIRECT INVESTMENT IN MINING:** : A tax refund certificate (CERT) is granted to companies increasing their investments in hydrocarbon and mining exploration activities, and will correspond to a percentage of the total increase in the investment. The value of the CERT will constitute a revenue not deemed income subject to taxation neither occasional gain, and shall be used for tax purposes. (Law 1819 of 2016, Art. 365)

**IMPORTS OF MACHINERY:** Sales taxes paid on purchases or imports of heavy machinery for basic industries can be discounted from income tax. (Tax Statute, Art. 258-2)

**MINING EXPLORATION:** Investments in assets for the assessment and exploration of non-renewable natural resources carried out between 01/01/17 and 12/31/27 will be amortized using the straight-line method over a period of 5 years. (Art. 143-1 of the Tax Statute, modified by Art. 86 of Law 1819 of 2016)

**PUBLIC WORKS IN LIEU OF TAXES:** Companies dedicated to the exploration and exploitation of mineral resources will be able to take advantage, for up to 50% of their taxable income, of the mechanism of paying for public works in Municipalities from the most affected Zones by the Armed Conflict (ZOMAC for its acronym in spanish) -water and energy supply, public health and education, infrastructure- in lieu of taxes. (Law 1819 of 2016, Art. 238)

**ENVIRONMENTAL PROTECTION:** A 25% reduction on income taxes is available for investments in conservation, control and improvement of the environment, prior accreditation from the environmental authority. (Law 1819 of 2016, Art. 103)

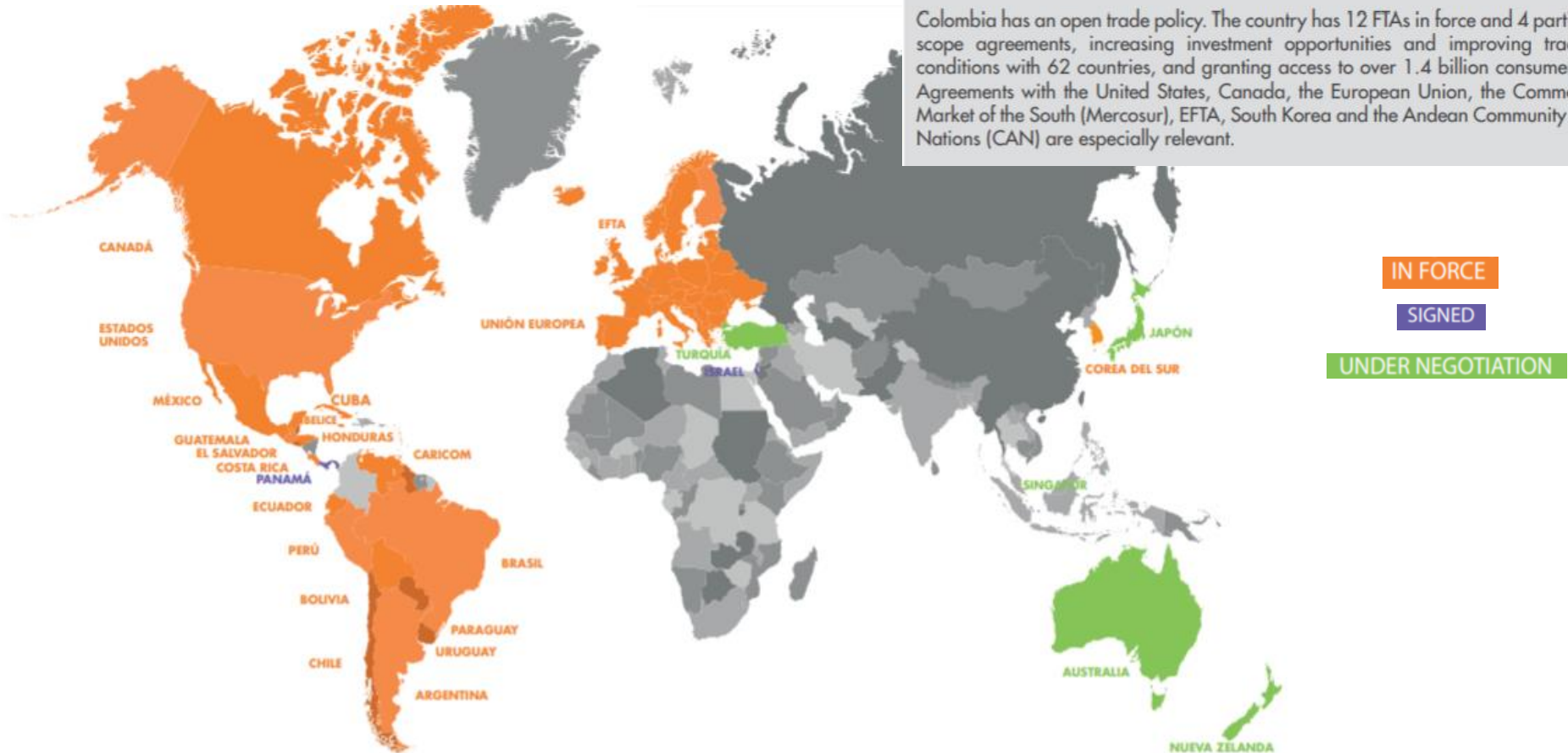
**RESEARCH, TECHNOLOGICAL DEVELOPMENT AND INNOVATION IN THE MINING SECTOR:** A 25% reduction on income taxes is available for investments in research, technological development and innovation projects, prior approval by the National Council of Tax Benefits for Science, Technology, and Innovation. (Law 1819 of 2016, Art. 104)

**HEALTH AND PAYROLL TAXES:** Ann exemption from payroll taxes and contributions to the social security system for workers earning less than ten (10) OMMW\* is granted to income tax paying companies. (Law 1819 of 2016, Art. 65)

\* The official minimum monthly wage in Colombia (OMMW) for year 2019 is COP \$828.116

## FREE TRADE AGREEMENTS (FTAs)

Colombia has an open trade policy. The country has 12 FTAs in force and 4 partial scope agreements, increasing investment opportunities and improving trade conditions with 62 countries, and granting access to over 1.4 billion consumers. Agreements with the United States, Canada, the European Union, the Common Market of the South (Mercosur), EFTA, South Korea and the Andean Community of Nations (CAN) are especially relevant.



IN FORCE

SIGNED

UNDER NEGOTIATION

**In force:** Mexico, El Salvador - Guatemala - Honduras, Ecuador - Bolivia - Peru, Argentina - Brazil - Paraguay - Uruguay, Chile - Switzerland - Liechtenstein - Iceland - Norway - Canada - United States - European Union - South Korea - Costa Rica - Cuba - Caricom (Jamaica - Belize - Barbados - Dominica - Antigua and Barbuda - Trinidad and Tobago - Guyana - Grenada - Montserrat - Saint Kitts and Nevis - Saint Lucia - Saint Vincent and the Grenadines).

# CASUAL TIPS

- Its Colombia
- The country has distanced itself from its drugtrafficking past.
- First impressions are important, and spending time on getting to know your counterpart takes you a long way.
- WhatsApp is key
- Spanish and local capabilities





# Contact Info

**Juan David Gomez H.**

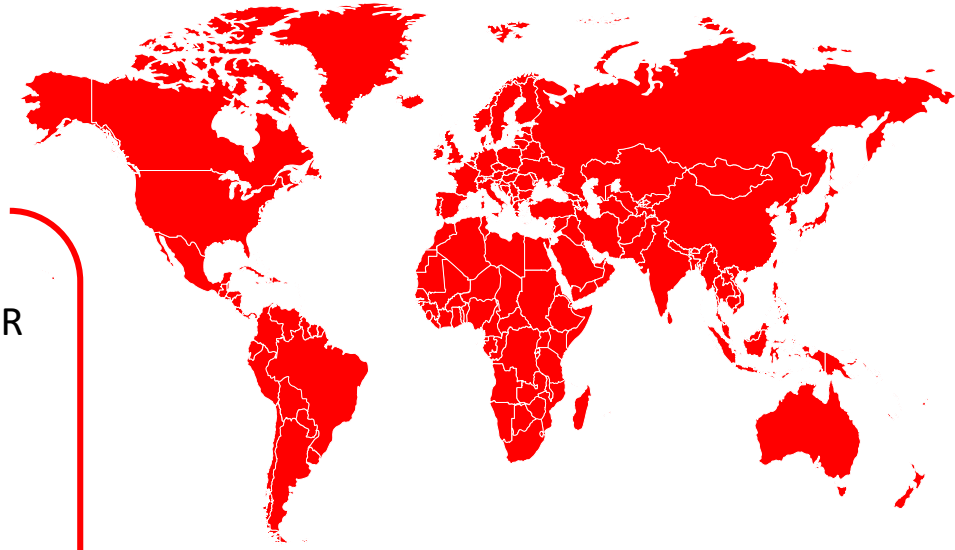
Trade Commissioner for Oil & Gas, Mining and CSR

[Juan.David.Gomez@international.gc.ca](mailto:Juan.David.Gomez@international.gc.ca)

Telephone [\(+57\) 1 6579865](tel:+5716579865) – Ext: 3163363

Embassy of Canada

Carrera 7 # 114-33 14<sup>th</sup> Floor. Bogota, Colombia



[www.tradecommissioner.gc.ca](http://www.tradecommissioner.gc.ca)

# SAVE THE DATE!

## Trade Mining Mission to Colombia

November 12<sup>th</sup> – 13<sup>th</sup> 2019



Join the Canadian delegation that will be attending the 2019 Colombia Gold Symposium in the city of Medellin for an extraordinary opportunity to promote cutting-edge Canadian technology, as well as build and consolidate relationships with strategic actors in the mining sector in Colombia and the Andean Region.

Explore opportunities in one of Latin America's most prolific mining frontiers by participating in:

**B2B program**  
**Technical Conferences**  
**Networking opportunities**  
**Site visits (TBC)**

For more information on the mission contact:

Oriana Castillo – Trade Commissioner Assistant  
[Oriana.Castillo@international.gc.ca](mailto:Oriana.Castillo@international.gc.ca)

Canada 

Thank you.