



El futuro  
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Minenergía

# Mining in Colombia

Sustainable growth and increasing opportunities



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Mineral resourcing and climate change are inextricably linked, not only because mining requires a large amount of energy, but also because ‘the world cannot tackle climate change without adequate supply of raw materials to manufacture clean technologies



*Ali et al. 2017, 367, taken from WB, 2017.*

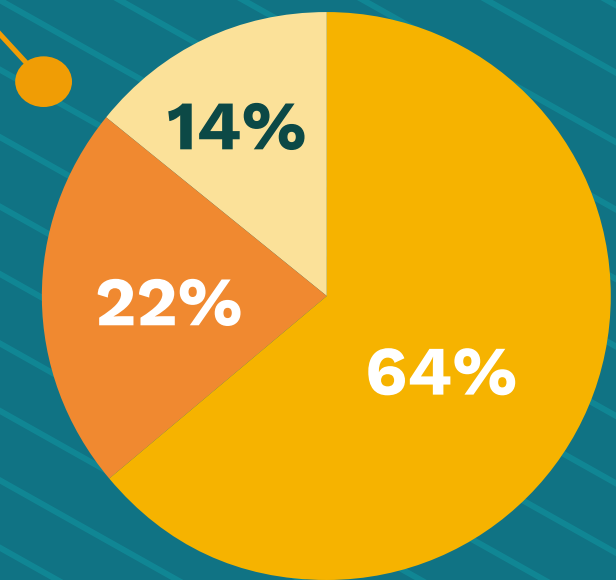
# The Colombian mining sector of the present

Mining GDP based on coal and gold

**2%**

of Colombian GDP

GDP by mineral



- Coal
- Other
- Metals

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

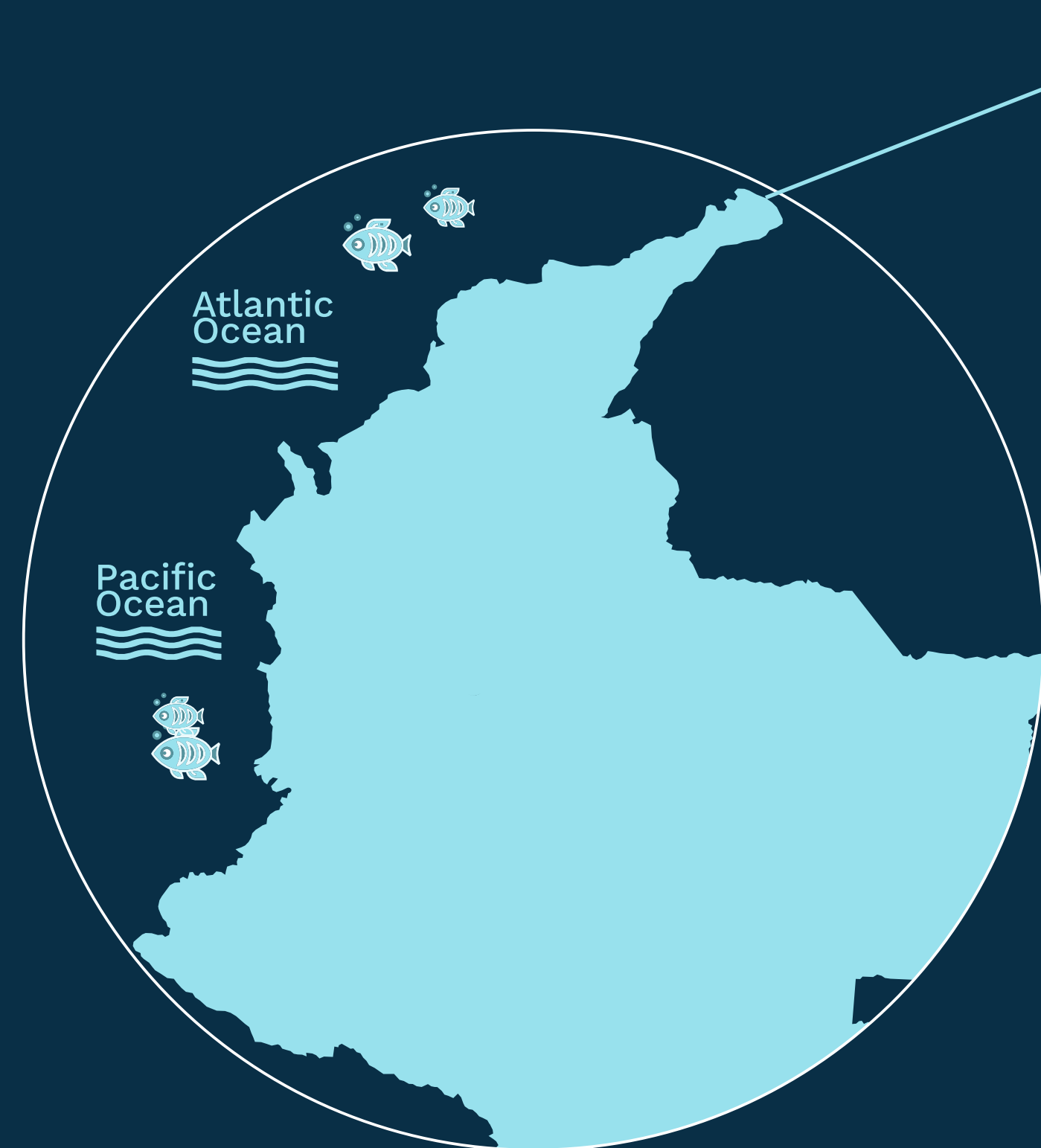
**6%**

of total exploration investment in Latam (SNL Metals)

## Exporter

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

# 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



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

# What investors are looking for, when deciding where to invest



**Business environment**



**Mineral potential**



**Institutional framework**



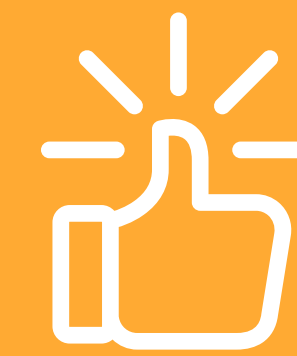
**Environmental and social framework**

# Our bet is to work on 3 main axes

We want to improve the conditions for the competitive, inclusive and responsible operation of the mining sector



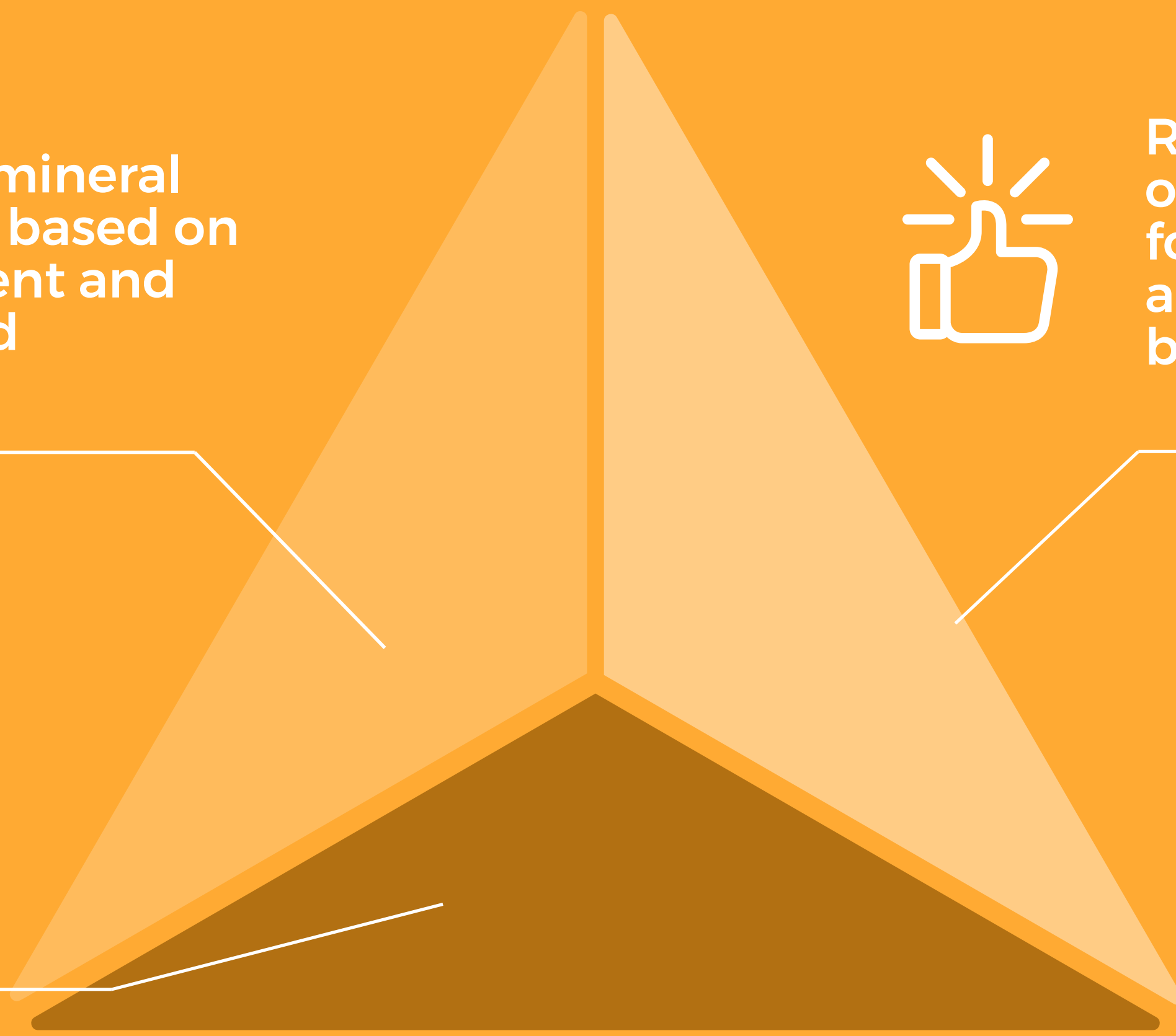
Increasing mineral production based on agile, efficient and coordinated institutions



Raising the levels of legality and formality of mining activity with the best practices



Diversifying the mining production matrix







## Mineral potential

### Geological knowledge

71%

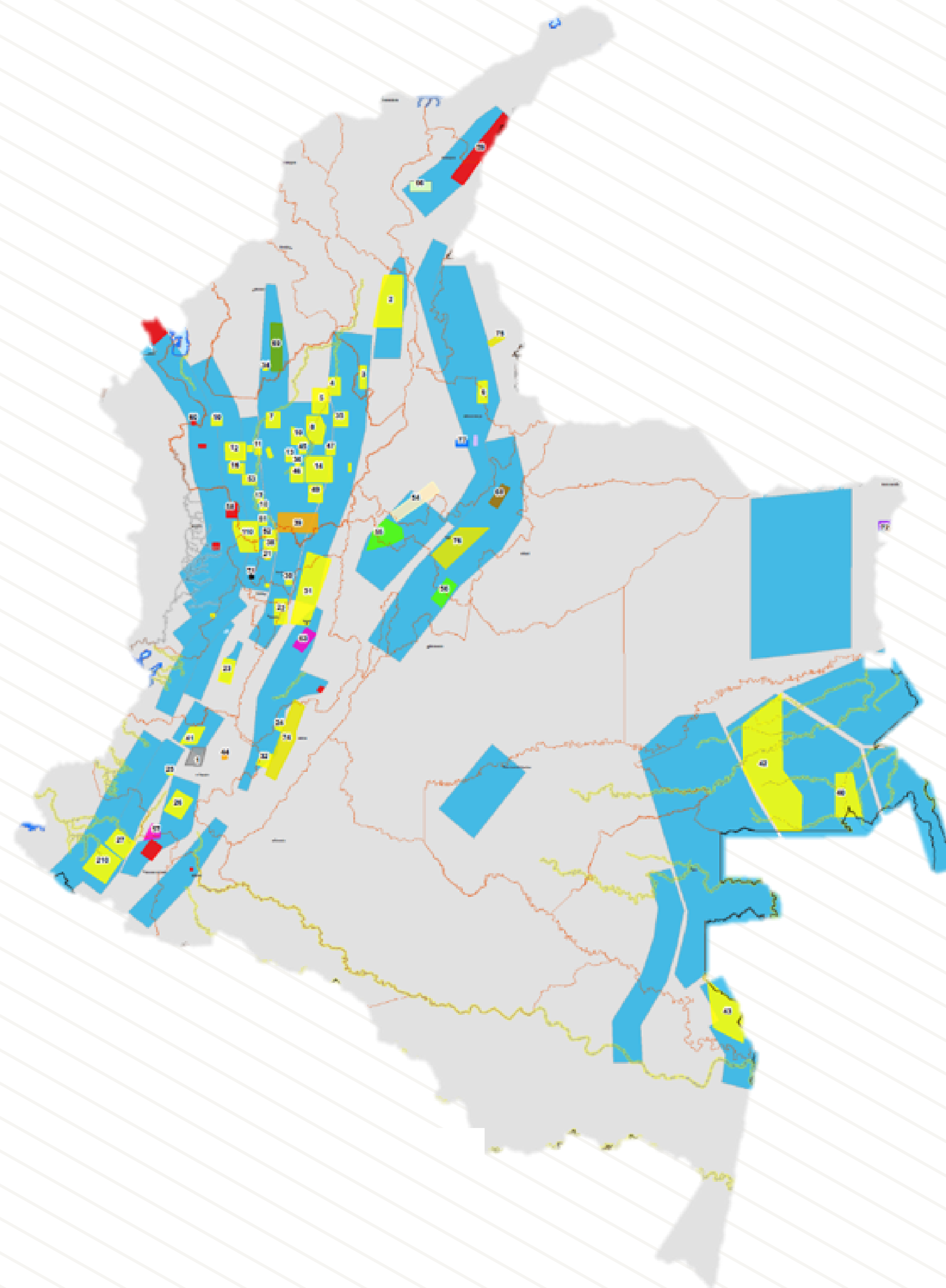
geology






70%

geophysics

35%

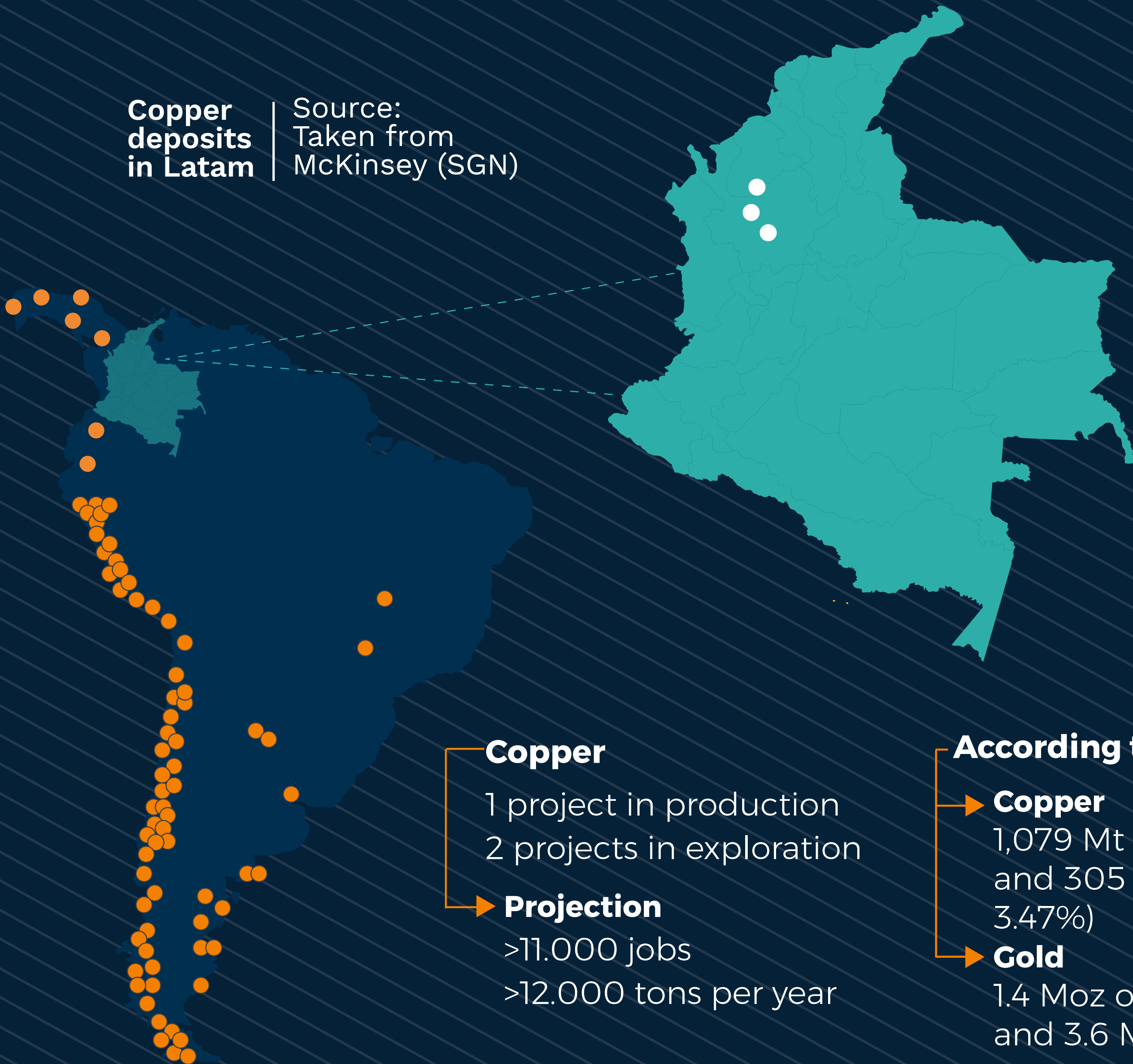
geochemistry



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

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**



## Institutional framework

1

Institutional reactivation plan

2

Activation of the committee for strategic projects

3

Mining environment agenda

- ▶ **Agile institutions**
  - ▶ **Certainty**
  - ▶ **Land use planning**
- 
- ▶ Better control of mining concessions
  - ▶ Bill to control illicit exploitation of minerals

**Coordination with central and regional governments**

# Focus on legality and raising standards

- ▶ Bill for coordination between local and national authorities
  - ▲ **Better engagement with communities**
- ▶ Bill for royalties system reform
  - ▲ **Increasing royalties in production areas**
  - ▲ **Strengthening environmental authorities**
- ▶ Regulation for Mining closure
- ▶ Plan for mitigation and adaptation to Climate Change
- ▶ Gender Policy



**Environmental and social framework**

**New relationship model for the sector**

**Prosecution of illegal mining**

**Equity =**

Entrepreneurship  
Legality

**Pact:** mining and energy  
resources for sustainable growth  
and expansion of opportunities

- ▶ **Improve the efficiency of the institutionality**
- ▶ **Focus on legality**
- ▶ **Improve control**
- ▶ **Raise standards**
- ▶ **Increase competitiveness**

# Working under high standards



Improving **governance and transparency** of mining sector revenues



Closing existing gender gaps

Reducing vulnerability to **climate change** and promoting low carbon development



Promoting **responsible** mineral supply chains



National **Certification** for Mining Reserves



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



An aerial photograph of a mining site in a lush, green landscape. The site features large piles of dark material, conveyor belts, and various pieces of machinery. The background shows rolling hills and mountains under a cloudy sky. The text "Welcome to Colombia" is overlaid in the center, with "Colombia" in a larger font. Below it, the text "Where mining builds opportunities" is also overlaid.

Welcome to

# Colombia

Where mining builds opportunities





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