



## Julie Bishop goes in to bat for Aussie miners in Argentina

Resources

May 18, 2018 | [Angela East](#)

Australian Foreign Affairs Minister Julie Bishop. Pic: Paydirt

Argentina is causing some concern for Australian miners with the introduction of a number of economic reforms.

The one in particular that Australian Foreign Affairs Minister Julie Bishop wants to address is the much-publicised recent third interest rate hike in eight days – which takes the rate to 40 per cent.

This has led to a withdrawal of foreign investment, which weighed heavily on the Argentinean peso.

There are about 13 ASX-listed companies with projects in Argentina.

Ms Bishop is travelling to Argentina on Monday for the G20 meeting.

“I’ll be meeting with the Argentinean Foreign Minister and it’s most certainly a matter I will discuss with him,” she told journalists on the sidelines of this week’s Latin America Down Under conference in Perth.

“We are interested in seeing more Australian investment in Argentina. FMG, BHP, other big mining operations from Australia are very keen to continue investing in Argentina.

“I’m sure that with the economic reforms underway, Argentina would be very alarmed at the fact that it’s a very competitive world and global capital goes to the location that is most attractive.”

But Argentine Republic Undersecretary for Mining Sustainability Juan Biset does not think there’s a problem.

“If you were to pick up the news today, there is some jitters around the exchange rate. Don’t get fooled by it, we are not concerned at all,” he told the gathering of Australian mining companies and investors.

“It is the dollar getting stronger. It’s hitting every developing economy, Argentina is one of those. So that’s all there is to it, nothing to be too worried about, I’m not.”

Argentina is the third largest economy in Latin America after Brazil and Mexico.

It has typically been an “agricultural powerhouse”, according to Mr Biset, but wants to become more than just a “one-trick” dog.

“It’s been decided that mining will be a major part of our economy going forward and we are putting together what we believe will be the elements that will allow for that to happen,” he explained.

“Argentina was a populist economy for a long time up until quite recently. We are doing something that has not been done by many and that is to come out of that type of arrangement without a crisis,” he said.

Mr Biset says so far Argentina has managed to lower inflation, tax rates and its deficit while at the same time growing its GDP.

Since President Mauricio Macri took office in December 2015, the government has introduced a federal mining council, axed export taxes for mining, removed restrictions on imports and created a lithium roundtable to increase competitiveness for investment.

***Here’s a list of ASX stocks with exposure to Argentina courtesy of leading ASX data provider MakCorp. (Scroll or swipe for full table). Note the difference between the six-month and 12-month share price values:***

ASX code	Company	Price change since Jan 2018	Price change since May 2017	Price May 16	Market Cap
AGD	AUSTRAL GOLD	-21%	-28%	0.115	61.4M
AGG	ANGLOGOLD	-7%	-23%	2.35	4.9B
AGY	ARGOSY MINERALS	4%	219%	0.29	266.4M
CXU	CAULDRON ENERGY	-41%	-26%	0.034	11.2M
DHR	DARK HORSE	11%	250%	0.021	35.2M
DMI	DEMPSEY MINERALS	54%	127%	0.125	6.33M
GXY	GALAXY RESOURCES	-20%	35%	3.1	1.3B
LKE	LAKE RESOURCES	-62%	94%	0.105	33.6M
LPD	LEPIDICO	-31%	250%	0.042	121.7M
LPI	LITHIUM POWER	-51%	-3%	0.28	71.7M
LRS	LATIN RESOURCES	-38%	60%	0.008	21.0M
ORE	OROCOBRE	-21%	62%	5.52	1.4B
PNN	PEPINNINI LITHIUM	-69%	8%	0.026	12.8M
TRY	TROY RESOURCES	49%	45%	0.145	66.6M

## Permitting issues

Besides the economic uncertainty, some miners in the region are facing permitting issues.

Chris Gale, boss of lithium player **Latin Resources (ASX:LRS)**, told the Latin America Down Under conference that while the company has had no problems in the Argentinean regions of Catamarca, Salta and San Juan, it is dealing with permitting challenges in San Luis.

“One of the challenges we have in San Luis is getting our permits granted to move through into a drilling phase,” he said.

“We need to get San Luis to be a wonderful jurisdiction to do mining and we’ve got some challenges there that we’re dealing with.”

Latin Resources was one of the very first Australian exploration companies to develop a portfolio of copper and lithium projects in Peru and Argentina.

The company has been exploring in Latin America for around a decade and has spent over \$25 million.

## Next large lithium province

The consensus is that Argentina could be the next major lithium province.

Mr Gale believes Latin Resources’ Geminis and Don Gregorio deposit in San Luis could rival the large Greenbushes deposit in Western Australia.

“I’m not calling this another potential Greenbushes, but I think it is going to be another potential Greenbushes,” he said.

South America’s “lithium triangle” extends through Chile, Argentina and Bolivia and hosts over half the world’s lithium resources.

Argentina and Chile produce two thirds of the world’s lithium through salars – or salt lakes.

However, Latin Resources has what it describes as “one of the largest hard rock pegmatite holding of any company in South America”.

Mr Gale says the company needs to be in production by 2021 if it wants to take advantage of the lithium boom.

**Dark Horse Resources (ASX:DHR)** boss David Mason believes Argentina could be the next large lithium spodumene province globally.

“I think generally in this part of central Argentina that there’s going to be some very, very significant discoveries,” he told investors at the conference.

Dark Horse has a large landholding of 34,000 hectares in the San Luis and Cordoba provinces.

*Stockhead is proud to use MakCorp as a provider of great value, accurate and reliable data on ASX-listed mining stocks. For more information head to **MakCorp’s website**.*