

Colombia Mining

Compiled by:

Swiss Colombian Chamber of Commerce

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Colombia has been mining since pre-Colombian times, but the current influx of investment and the activity is a relatively recent phenomenon. As such, the mining sector is undergoing the typical challenges of finding a united voice, obtaining clear guidelines and regulations, and communicating its benefits to a public that is concerned for its people and its environment.

Colombia is the world's tenth-largest coal producer with annual production around 85.8 million tons, 1.2% of global production. It also supplies 55% of the world's emeralds. However, most of its mining potential remains untapped; the industry makes up just 2.4% of GDP. It is currently rated as the third highest in terms of mineral potential. Vast tracts of the country have not been thoroughly explored using modern exploration techniques.

After coal, which accounts for 88% of the country's mining production, nickel and gold are the most representative Colombian mining products in international markets. Colombia is the seventh largest nickel producer in the world (4.53% of total production) and is the twenty-second largest gold producer with 1.2% of world production.

Colombia has the longest and most productive history of gold exploitation in South America, dating from both the pre-Colombian period and Spanish colonial times and the country was the largest gold producer in South America until 1937. It is a fact that much gold mining has long been undertaken by unregulated miners, so the capacity for expansion is enormous and the majority of mining investment is flowing into gold exploration.

That level of investment, combined with the known reserves, should increase production significantly and make Colombia a globally significant producer once again. Most of Colombia's current gold production is produced from alluvial operations, mostly by local artisanal miners. Gold recoveries from these operations are poor, with recoveries of less than 60% being reported.

The country has six nickel deposits with measured reserves totaling 37.8 million Mt. and indicated reserves of 46.48 million Mt, according to the government. Colombia also offers exceptional copper development opportunities. In addition to its better known assets, it also holds promise as a source of uranium.

Beyond uranium, the sediment-hosted deposit also has the strength of being a mixture of commodities such as vanadium, phosphate and rare earth mineralization. These represent very interesting options for co-products and by-products that could represent a basket of green commodity development.

Several major companies have offices and exploration or mining operations in Colombia, including BHP Billiton, Vale, AngloGold Ashanti, Drummond Coal, Glencore and Anglo American.

The large scale mining sector represents one of major economic locomotives in Colombia, not only due to job creation, but also because of investments in infrastructure, public services, and social and environmental management.

Like all countries with an emergent mining industry, Colombia is keen to develop a mining services sector to complement its resources and broaden its economic benefit. As the industry is still relatively young, most mining services are not well established; certainly not on the scale prepared to meet current demand.

Innovation is one of the five priorities for economic growth expressed by President Santos. The government is trying to incentivize technology transfers with tax breaks on mining equipment. The new arrivals are bringing new technologies and new standards that can benefit miners and explorers and are forcing local providers to become internationally competitive.

Medellín has emerged as a hub, evident from the astronomic growth of its Feria Minera, mining expo, held each year.

Many small scale mines across the country have been operated more or less manually. The recent appetite for mechanization has led too many opportunities for suppliers. Other firms are setting up offices with the purpose not only being to serve domestic clients but also to provide engineers for international projects.

Fairs and events

COLOMBIA MINERA. INTERNATIONAL MINING FAIR

- Venue: Exhibition Palace "Plaza Mayor" of Medellin
- Dates: October
- Frequency: Annual
- Type of Fair: Specialized fair opened to the public.
- Organizers: Ministry of Mines and Energy, Gobernación de Antioquia and ANDI, Asomineros Chamber.
Phone: ++57 4 383 86 36, ++57 1 326 85 00 ext. 2219 or 2235
E-mail: feriaminera@antioquia.gov.co or colombiaminera@andi.com.co
- Goods on offer and main emphasis:
- Target groups: National & International public interested in the area. Colombian mining sector main representatives: producers, suppliers, traders, investors, mining institutions and academia, in an ideal place to the information exchange and trade integration.
- Number of exhibitors: 293
- Occupied (rented) net surface area: 8.000
- Number of visitors: 18.000
- Date of next event: October, 2013
- Catalogue: www.miningcolombia.com

MINERIA

- Venue: Corferias / Bogotá - Colombia
- Dates: August
- Frequency: Annual
- Type of Fair: Specialized fair.
- Organizer: Corferias
- Address: Cra. 37 No. 24 – 67 Bogotá, Colombia.
- Phone: ++ 57 1 381 00 00 / 30
- Target groups: National and international mining companies interested in updating their knowledge on processes, technology and trends and in purchasing machinery and equipment to improve

production National exploration, mining and trading companies interested in buying mining products and raw materials for transformation or trading, national and international investors, multilateral organizations and academic sector.

- Number of exhibitors: 108
- Occupied (rented) net surface area in m²: 2.683
- Number of visitors: 4.800
- Date of next event: August 14-16 2013
- Catalogue: www.mineriabogota-colombia.com

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