SE
SECRETARÍA DE ECONOMÍA

CGMINERÍA
COORDINACIÓN GENERAL DE MINERÍA

FIFOMI
FIDEICOMISO DE FOMENTO MINERO

Financing Mining Related Activities

April 2016

Population

World population

58 million people

Mexico's population was ranked 10th the most populous countries

120.7 million people

The top 15 countries most populous countries accounted for 66 percent of the world population

Source: International Monetary Fund

Gross domestic product

Global GDP 2015

$73,192,461 million USD

Mexico's GDP was ranked 15th countries with the highest GDP

$1,161,483 million USD

The top 15 countries with the highest GDP accounted for 76 percent of Global GDP

Source: International Monetary Fund

Mexico Economy

- **Economy size**: Is the **15th largest in the world**; GDP = US 1, 291 Billion

- **Anual Growth Rate**: 2015= 2.5%
- **Macroeconomic Stability:** Inflation rate below 4% in the past 10 years
  2015=2.13%
  Foreign Exchange Reserve = US 179 Billion

Exports: US 380 billion Manufactured products (93 %) and oil products (7 %).

Source: INEGI.2014, GDP

México in the World

TLCUEM
Unión Europea

TLC
Estados Unidos
Canadá

ACE
Cuba

AAE
Japón

TLC
Israel

TLC, ACE, APP y AP
Argentina, Bolivia, Brasil, Colombia, Costa Rica, Cuba Chile, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Paraguay, Perú, Uruguay

TRATADO DE ASOCIACIÓN TRANSPACÏFICO (TTP)

Australia, Brunei Darussalam, Canadá, Chile, Estados Unidos, Japón, Malasia, Nueva Zelanda, Perú, Singapur Y Vietnam

Source: PROMÉXICO http://www.promexico.gob.mx/es/mx/tratados-comerciales

Geological potential

Source: Mexican Geological Survey.

Production

Source: Mineral Commodity Summaries 2015 U.S. Geological Survey

Top 10 gold-producing companies of 2014

Unit	Companies	Thousand Oz
Peñasquito	Goldcorp	567.8
Distrito La Herradura	Fresnillo plc.	265.6
Los Filos	Goldcorp	258.7
El Coronel	Minera Frisco	185.0
Pinos Altos	Agnico Eagle	171.0
Mulatos	Alamos Gold	140.5
Tayoltita	Primero Mining	126.1
San Francisco	Timmins Gold	120.0
La Ciénega	Fresnillo plc.	108.2
Mercedes	Yamana Gold	105.2
	Total	**2,047.9**

Source: Annual Report 2015 Mexican Chamber of Mining (CAMIMEX).

Top 10 silver-producing companies of 2014

Goldcorp
Fresnillo plc
Fresnillo plc
Coeur Mining
Primero Mining
Industrias Peñoles
Pan American Silver
Industrias Peñoles
Fortuna Silver
Fresnillo plc

Unit	Companies	Million Oz
Peñasquito	Goldcorp	25.81
Fresnillo	Fresnillo plc.	20.10
Saucito	Fresnillo plc.	15.40
Palmarejo	Coeur Mining	6.56
Tayoltita	Primero Mining	6.15
Tizapa	Industrias Peñoles	5.44
La Colorada	Pan American Silver	4.98
Sabinas	Industrias Peñoles	4.64
San José	Fortuna Silver	4.40
La Ciénega	Fresnillo plc.	4.08
	Total	**97.56**

Source: Annual Report 2015 Mexican Chamber of Mining (CAMIMEX).

Top 10 copper-producing companies of 2014

Unit	Companies	Thousand tons
Buenavista del Cobre	Minera México	226.3
La Caridad	Minera México	126.3
Piedras Verdes	Cobre del Mayo	43.5
Milpillas	Industrias Peñoles	26.1
NEMISA	Neg. Mra. Sta. Ma. de la Paz	20.8
Cozamin	Capstone Mining	19.8
Tayahua	Minera Frisco	12.6
María	Minera Frisco	10.4
Aranzazú	Aura Minerals	6.6
Sabinas	Industrias Peñoles	6.3
	Total	**498.7**

Source: Annual Report 2015 Mexican Chamber of Mining (CAMIMEX).

Top 10 zinc-producing companies of 2014

- Goldcorp
- Industrias Peñoles
- Industrias Peñoles
- Industrias Peñoles
- Industrias Peñoles
- Industrias Peñoles
- Minera México
- Minera Frisco
- Minera México

Unit	Companies	Thousand tons
Peñasquito	Goldcorp	149.55
Velardeña	Industrias Peñoles	83.97
Francisco I. Madero	Industrias Peñoles	42.48
Tizapa	Industrias Peñoles	40.98
Bismark	Industrias Peñoles	38.07
Santa Bárbara	Minera México	34.49
Asientos	Minera Frisco	25.71
Charcas	Minera México	23.13
Campo Morado	Nyrstar	22.00
Tayahua	Minera Frisco	16.68
	Total	**477.06**

Source: Annual Report 2015 Mexican Chamber of Mining (CAMIMEX).

Top ten lead-producing companies of 2014

Unit	Companies	Thousand tons
Peñasquito	Goldcorp	69.08
Santa Bárbara	Minera México	19.70
Naica	Industrias Peñoles	19.69
Fresnillo	Fresnillo plc.	13.89
Francisco I. Madero	Industrias Peñoles	11.73
Saucito	Fresnillo plc.	9.97
San Francisco del Oro	Minera Frisco	8.43
Tizapa	Industrias Peñoles	7.28
Sabinas	Industrias Peñoles	7.28
Asientos	Minera Frisco	6.99
	Total	**174.04**

Goldcorp
Minera México
Industrias Peñoles
Fresnillo plc
Industrias Peñoles
Fresnillo plc
Minera Frisco
Industrias Peñoles
Industrias Peñoles
Minera Frisco

Source: Annual Report 2015 Mexican Chamber of Mining (CAMIMEX).

Coordinated Mexican Mining Sector

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FIFOMI´s Competitive Advantage:

Geological Information

+

Regulation Framework

Concessions

=

FIFOMI

Financing and Technical Assistance

About FIFOMI

- FIFOMI is a government financing entity coordinated by the Ministry of Economy.
- Unique experience in LatAm.
- In the last 80 years it has supported mining-related activities with <u>loans and technical assistance.</u>
- Examples of services offered:

  Taylor-made structured financing to mining companies.

  Technical assistance to improve administrative and technical skills to small sponsors.

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Commercial and Development Banks' loans to mining industry in Mexico have been limited in recent years.

Year	Loan Financing					
	Commercial Banks Total	Loans to mining industry	Commercial Banks Mining/Total	Development Banks Total	Loans to mining industry	Development Banks Mining/Total
	(Million dollars)	(Million dollars)	(%)	(Million dollars)	(Million dollars)	(%)
2010	171,466	364	0.212	29,946	13	0.044
2012	212,136	561	0.264	35,338	33	0.094
2014	253,253	496	0.196	49,381	138	0.278

Source: BANXICO. http://www.banxico.org.mx

Mexico's Mining Development Bank, Geographic Coverage

Technical Support and Training

Training

Training companies on management and technical skills

- People and companies focused on exploring, exploiting, benefitting and trading metallic and non-metallic minerals and stone aggregates
- Specialized suppliers within the mining sector

Technical support

One-to-one assistance on Technical mining projects feasibility

- Small and medium mining enterprises.
- Financial Institutions.
- Investors.

LOANS

Direct
Structured Financing/ Syndicated
Financial Intermediaries
Non Bank
Banks
Infrastructure
Equipment
Working Capital
Medium and Long term (1-10 years)
Revolving (30-180 days)

LOANS

- **Candidates for Financing support:**
  - Companies constituted according to Mexican laws and located within the Mexican Republic.

- Co-financing and syndicated loans depending on size of loans and project´s characteristics.

- **Structured financing (SPV).**

- Financing in MX pesos or US dollars.

- **Standard bank requirements.**

Activities Supported by FIFOMI

- **110** Activities Supported

1. **Ore Producers**
   (33 Activities)

2. **Service Providers**
   (7 Activities)

3. **Primary Mineral Processors**
   (66 Activities)

4. **Distributors and traders.**
   (4 Activities)

Activities Supported

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Level 1. Ore producers

- Commercialization of metallic minerals and non-metallic minerals.

- Exploitation of metallic and non-metallic minerals, sulfur, gypsum, feldspar, dolomite, quarried aggregates, perlite, sand and gravel, barite, bentonite, coal, fluorspar, graphite, mercury, antimony, copper ore, precious metals, iron ore, lead ore, zinc ores, salt, etc.

- Quarrying of limestone, marble, onyx and other rocks used for construction, etc.

Activities Supported

Level 2. Service Providers

- Suppliers of the Mining and Metallurgic Industry
- Mining equipment distributors
- Transportation of unrefined mineral and other products of the supply chain in the mining and mineral processing industry

Activities Supported

Level 3. Primary Mineral Processors

- Manufacture of industrial and/or specialty glass, abrasives, ceramic articles, hydraulic cement, dyes, pigments and paints, mineral based chemical products, adhesives for ceramics, jewels, metal containers, electrical supplies, metallic parts for vehicles, ironwork, etc.

- Smelting and/ or refining copper, non-ferrous metals, aluminum, etc.

- Production of nails, tacks and staples, containers, ferro-alloys, flat-rolled Steel, screws, nuts, rivets, etc.

Activities Supported

Level 4. Distributors and traders

- Commercialization of products of mineral origins
- Acquisition of automated equipment for the mixing of paints to distributors
- Construction of industrial parks
- Suppliers of the construction industry

Loan Portfolio by Activities

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Dec 2012

Dec 2015

- Ore Producers
- Primary Mineral Processors
- Service Providers
- Distributors and traders

Contact

- Thank you
- http://www.fifomi.gob.mx