



OVERVIEW OF THE
MINING INDUSTRY OF IRAN

SEPTEMBER, 2015

Overview

Iran is the second largest economy in the Middle East and North Africa (MENA) region after Saudi Arabia, with an estimated 77.3 million individuals in 2013. Its economy is characterized by a large hydrocarbon sector, small scale agriculture and services sectors, and a noticeable state presence in manufacturing and financial services.

<i>Energy Sector</i>	<i>Iran Reserve</i>	<i>Iran Reserve as % of world</i>
<i>Gas</i>	<i>33.6 Trillion cubic meters</i>	<i>18</i>
<i>Oil</i>	<i>157 Billion barrels</i>	<i>9.4</i>

Iran's vast natural resources are not confined to oil; it has one of the largest natural gas reserves accounting for nearly 16% of the world's total. Iran is also highly bequeathed with deposits of zinc (4th largest in the world) and copper (9th largest in the world). Over the last few decades Iranian economy has been diversified and aside from the oil industry, which still remains an attractive and profitable area for investment, a whole range of diverse investment opportunities exists too. The country is endowed with a growing, educated population and high quality human resources.

World's 2nd largest natural gas reserves.

Iran's petrochemical exports to over 60 countries in 2011 reached \$14Billion USD.

2nd Cement producer in the region and 8th in the world.

Production of 5 million square meters of hand made carpets per year.

Mineral Reserves of Iran

Iran approximately has 1% of the world's population and holds more than 7% of the world's total minerals. Mineral reserves of Iran diversifies over 68 different types with total volume of 43 billion million tons (estimated value of more than \$700 billion) and export value of \$8 billion annually. The top mineral reserves of Iran can be viewed in the table below:

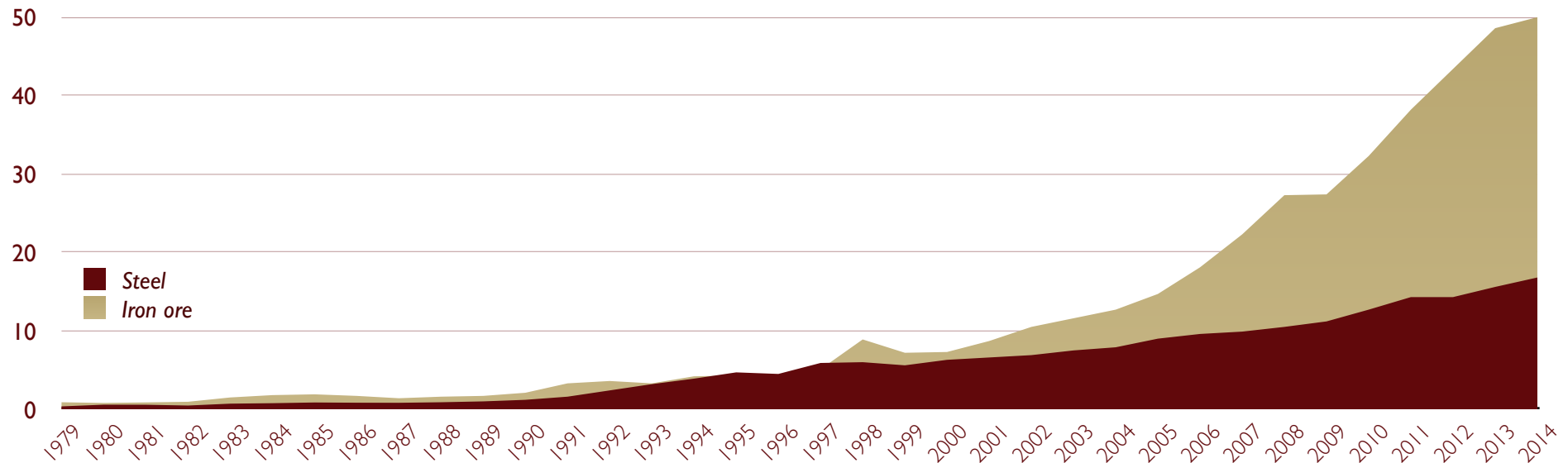
<i>Mineral Resource</i>	<i>Reserves of Iran</i>	<i>Unit</i>	<i>% of World's Reserves</i>
Iron Ore	2.7	Billion Tons	0.8%
Copper	2.6	Billion Tons	4%
Gold	250	MT	0.5%
Zinc	11.0	Million Tons	4%
Phosphate	16.5	Million Tons	0.05%
Barite	10.0	Million Tons	5%

Production Capacity

The goal of the 5th five development plan is to increase production capacity of mining production and also compete with the global market market by acquiring modern technology & equipment through foreign & domestic investment in the mining industry of Iran. The table below provides production and capacity in of raw material production of Iran:

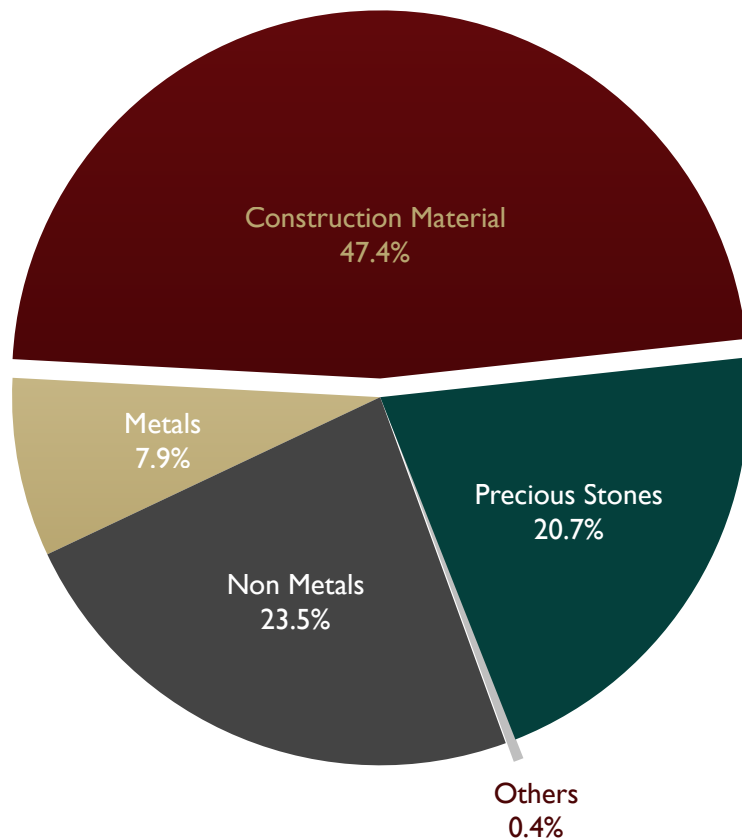
Mineral Resource	Unit	2013 Production	2014 Production	Current Capacity
Iron ore	Million Tons	43.3	48.6	50.0
Steel	Million Tons	15.6	16.8	17.0
Coal	Kilotons	831	922	1193
Aluminum	Kilotons	350	355	487
Copper	Kilotons	188	193	250

Iron ore & Steel Production 1979-2014 (Million Tons)

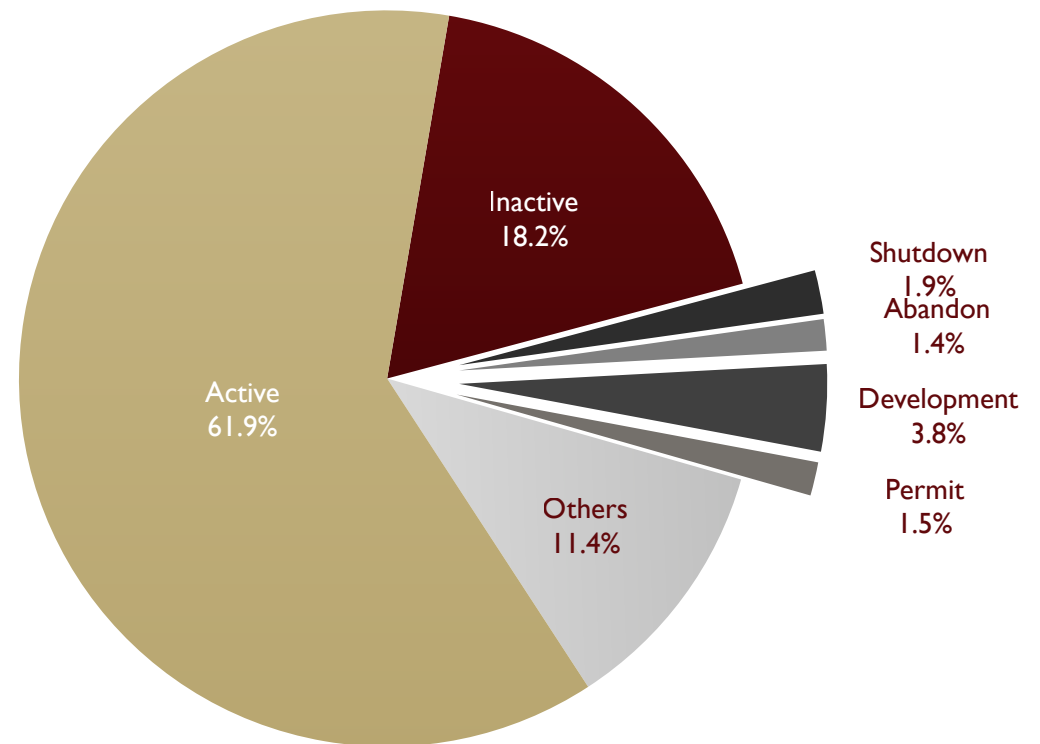


Mines of Iran

Currently more than 10,500 mine have been explored and 3,735 of them are privately hold in Iran. Most of the mines are located in Esfahan, Khorasan, Yazd, Kerman and Azarbajejan province of Iran and there are currently 513 active metal mines and 1,535 active non metal mines in Iran. Review the charts provided to find out more about the mines of Iran and their specifications:



Categories of All the Mines of Iran in 2015



Status of All the Mines of Iran in 2015

Highlights of Investing in Mining Industry of Iran

Highlight of the advantages, government incentives and protection laws for investing in the mining industry of Iran.

Advantages

- ◆ Export of goods and services without any commitment to reintroduce (i.e., no surrender commitment requirement);
- ◆ The right to transfer profits (dividends) as well as capital gains on capital in foreign exchange.
- ◆ The right to receive compensation resulting from expropriation (deprivation of ownership) and nationalization of foreign capital.
- ◆ Local demand for mining industries, Iran needs 20 million tons of Steel and more than 300 kilotons of Aluminum ingot annually.
- ◆ Strategic Location, easily access to markets in CIS, Turkey, Middle East (including Iraq, Afghanistan, Turkey, GCC) and the rest of world.
- ◆ Well educated human resources with expertise in mining and metal industries;
- ◆ Suitable infrastructures including access to electricity network, sea, road and railways.

Government Incentives & Protection Laws

- ◆ Foreign Investment Promotion & Protection Act
- ◆ Cession of land in the special zones;
- ◆ Cession of mine royalty & extraction right as well as abandoning mine extraction of the mine;
- ◆ Insurance coverage for mine exploration, exploitation & mineral processing.
- ◆ Advantage of laboratory services and personnel training for project startup.
- ◆ Provide support for utilizing national development facilities and support foreign & domestic projects to acquire facilities and technology.

Iranian Lawyers Office

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Iranian lawyers office capabilities extend across the commercial law, contracts, with particular expertise in trade regulation law, joint venture projects, local and international partnerships and agency agreements. The office also advises on activities related to oil and gas, free Trade zone, branch office, investment regulations, and the registration branch office and companies, intellectual property rights in Iran and etc.

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