



Upside for Exploration Companies Working in Peru

# Newsletter

## THE UPSIDE FOR EXPLORATION COMPANIES WORKING IN PERU

Peru is a country with tremendous untapped mineral potential, particularly when it comes to copper. Despite being the second-largest copper producer in the world, only 20% of Peru's potential mining areas have been explored, leaving significant potential for new discoveries and developments in the future.

Peru offers exploration companies a unique opportunity to tap into a vast and underexplored resource base. With the right investment in exploration technology, geologic expertise, and community engagement, mining companies can make significant strides in uncovering new copper deposits and developing sustainable mining operations.

In March of 2023, Energy and Mines Minister Oscar Vera told reporters that the mining sector is now "working as normal," and officials are working to reduce approval times for mining projects from about two years to about six months. This streamlined permitting process provides a significant advantage for exploration companies looking to enter the Peruvian market and develop mining projects quickly. Additionally, Peru offers a favorable tax regime for mining companies, with a stable tax rate of 30% and various tax incentives for investment in exploration and development.

Peru also offers a skilled workforce and established mining infrastructure. The country has a long mining history and is home to several world-class mining operations, including the Antamina Copper Mine, one of the largest in the world. The country's well-developed transportation network makes it easy to transport equipment and materials to and from mining sites, and these advantages reduce the costs and risks of developing new mining projects in Peru.

However, it's important to acknowledge the potential challenges and risks associated with working in Peru. For example, social and environmental conflicts can arise if mining companies do not engage with local communities and respect their rights and interests. Geopolitical instability and resource nationalism can also pose risks to mining companies operating in Peru.

Exploration companies must comprehensively understand the local context and engage in meaningful dialogue with stakeholders to mitigate these risks.

Despite these challenges, Peru's commitment to sustainable mining practices is a significant advantage for exploration companies. Mining companies operating in Peru are required to meet high environmental and social standards, including requirements for water management, biodiversity conservation, and community engagement. Exploration companies can build on these standards to develop responsible mining practices that minimize environmental impacts and create long-term benefits for local communities.

Overall, exploration companies in Peru have a unique opportunity to tap into a vast and underexplored resource base, with a supportive regulatory environment, skilled workforce, established infrastructure, and commitment to sustainable mining practices. With the right approach, exploration companies can unlock the full potential of Peru's copper deposits and create long-term value for shareholders, stakeholders, and the country as a whole.

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