

# Mexico: An exploration port

It seems Mexico is often left off an Australian explorer's radar when in search of lucrative opportunities in Latin America.

Currently there are only eight Australian explorers in Mexico, just a handful compared to the 150-plus Canadian companies. And in a country where no royalties are paid by miners it is easy to see why foreigners are flocking to the area.

Last month conferences were held in Perth, Brisbane and Canberra by the Mexican Department of Mines, aimed at strengthening ties between the two countries and showing the huge geological potential for mining investors and service and equipment providers.

According to the IMF, Mexico's affluent economy is ranked 14th in the world (only Brazil has a larger GDP among Latin American countries). The country has a well-endowed mining history of 500 years and is the fourth favoured destination for exploration expenditure, ahead of other Latin American countries and ahead of Africa as well.

It has a very simple and transparent mining legislation, where a mining concession can be pegged and granted for 50 years – with the opportunity to roll this out over another 50 years.

Sonora, in north-western Mexico is the



(From left) Neil Davila Pena (Asia coordinator for the Pro Mexico trade commission), Rafael Alexandri, (director general of the Mexican Geological Survey or SGM), Jimena Valverde, (mining coordinator of Mexico) and Alfonso Martinez Vera (SGM) were all part of the Mexican Government delegation which visited Australia in August

main mining hub and produces 25% of the country's mineral wealth. The country's mineral potential is endless. It is the second largest silver producer and ranks 11th in terms of global copper production and is also rich in gold, zinc, lead, molybdenum, fluorite, phosphate and iron ore.

The director general of the Mexican Geological Survey, Rafael Alexandri, said Mexican gold production had doubled in the past five years and in the past four years an average of five new major scale mining projects had come on-line every year.

"We have many exploration opportunities and that allows our country to have many projects get into production every year," Alexandri said. "This is because of geology, opportunity and infrastructure.

"We want to do in Australia exactly what we did in 2003 with the Toronto Stock Exchange, to convince Australian securities companies to come to Mexico and put their money where they can have a faster return with less investment."

Azure Minerals Ltd,

an Australian explorer has been in country for six years. Its two advanced-stage projects – the San Francisco manganese project and the Promontorio copper-gold-silver project – are undergoing feasibility studies and the company also has 10 exploration projects.

"People often ask about the security situation in Mexico. We have been working there for six years and in those years have not had one single incident that has affected our personnel, people, or project in any way. Mexico is a place that is safe unless you work in places around the border where illegal activity occurs," executive chairman Tony Rovira said.

He said due to many of the projects being located in areas previously mined there was appropriate infrastructure in place, including sealed highways, water, power, labour, and transport networks including container shipping and bulk commodities ports.

"Because of an established mining culture there is strong community and government acceptance of importance of the mining industry in terms of economic benefits," he said.

Rovira said an iron belt stretched down the coast and there was a smattering of small and mid-sized magnetite iron ore mines in the area.

"Unlike in Australia where the magnetite tends to be very low grade and energy and work intensive in trying to produce a high-grade concentrate, magnetite there is quite coarse grained and it is very simple to be able to upgrade to a mid-60% iron product.

"It really is a geologists dream...it's got some of the greatest ore deposits in the world with numerous styles of mineralisation including a lot of precious metals and base metals as well as bulk commodities," Rovira said.

– Bianca Thair

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