



**INVESTING OPPORTUNITIES  
OF THE MINING SECTOR**

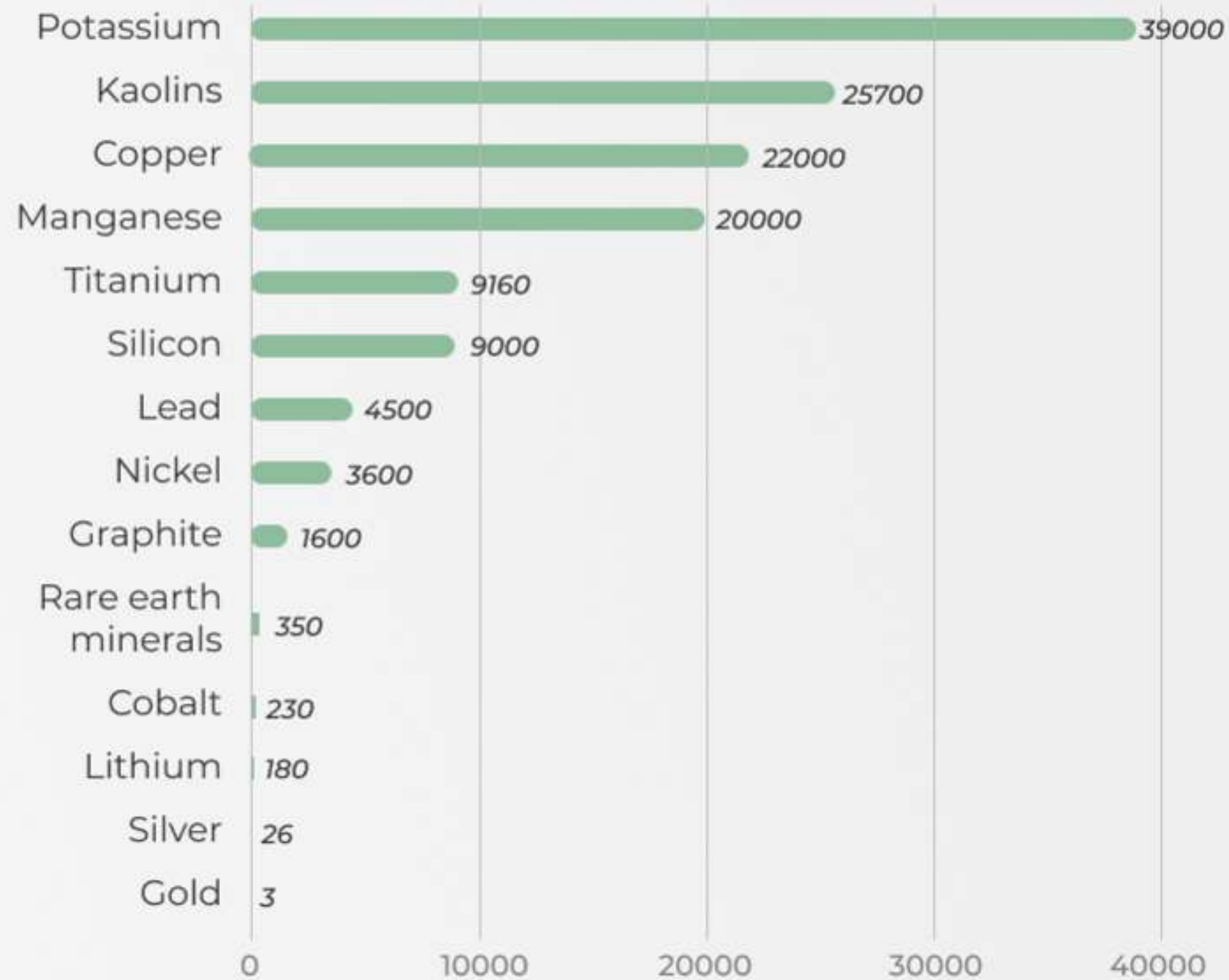
# MINING INDUSTRY

## Global mining production



**Fe** 2.5 bln t

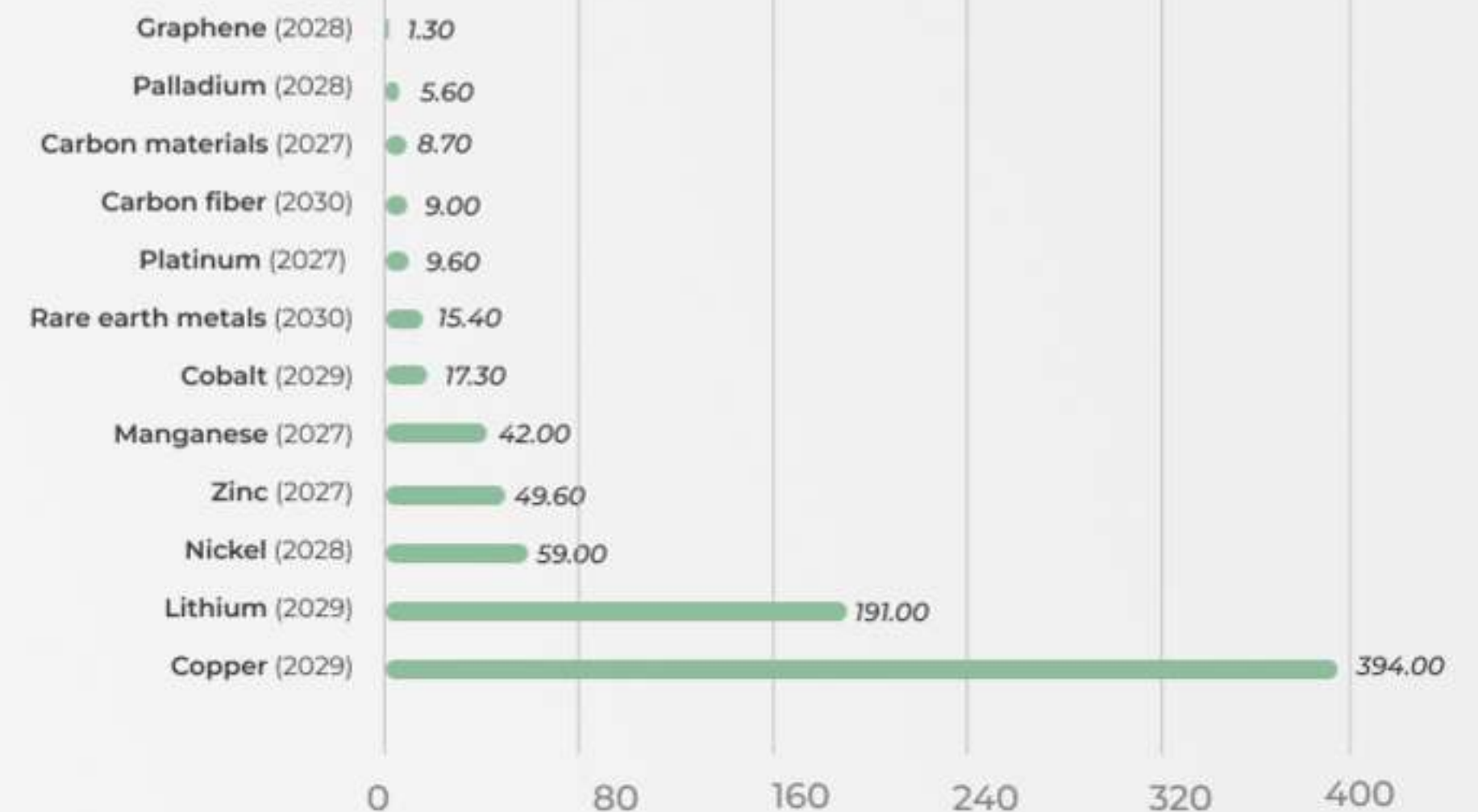
Global mineral extraction in 2023, thsd t



Iron ore remains the most sought-after mineral, leading in global extraction volumes

The volume of iron ore extraction exceeds that of Potassium by **64** times

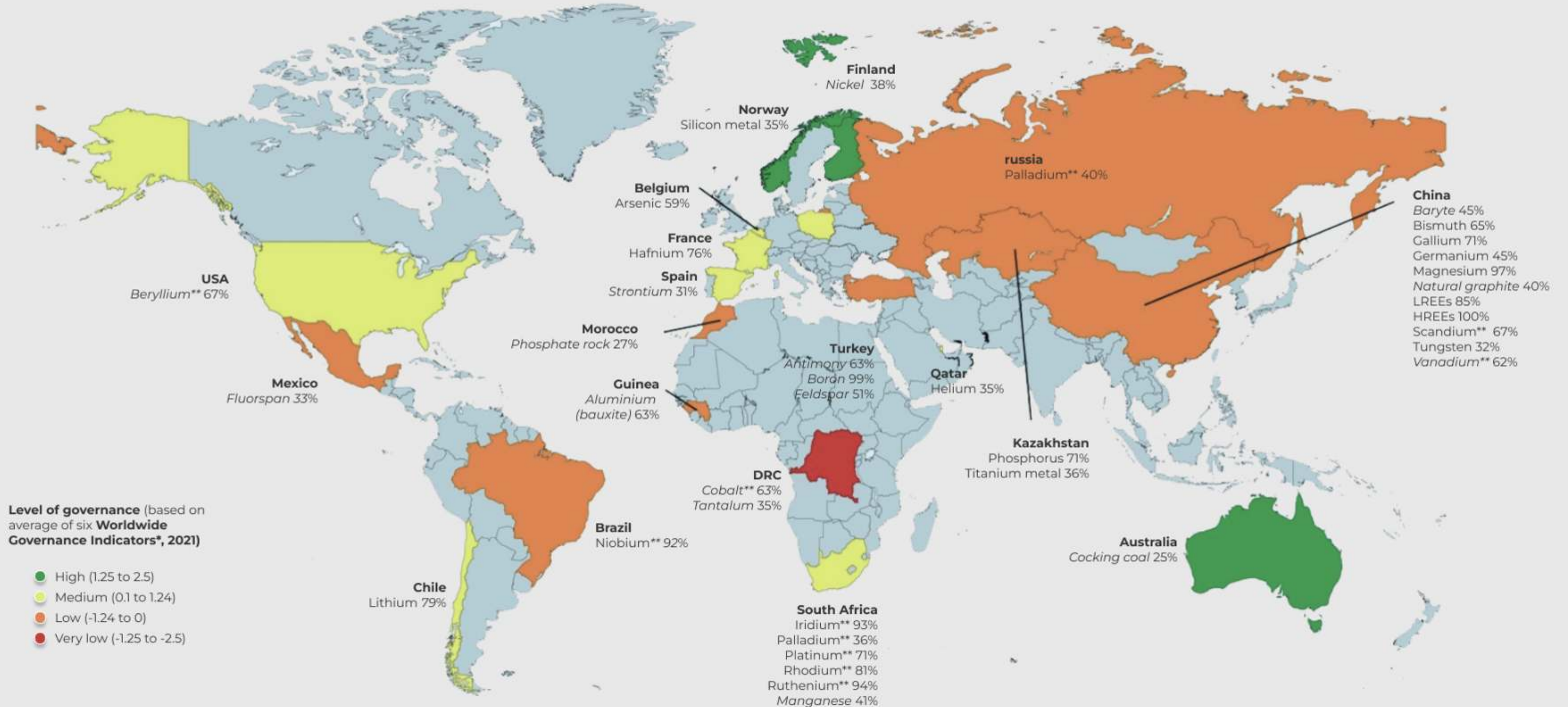
Global estimated market value of selected critical minerals, USD bln



# MINING INDUSTRY



## Major EU suppliers of CRMs in 2023

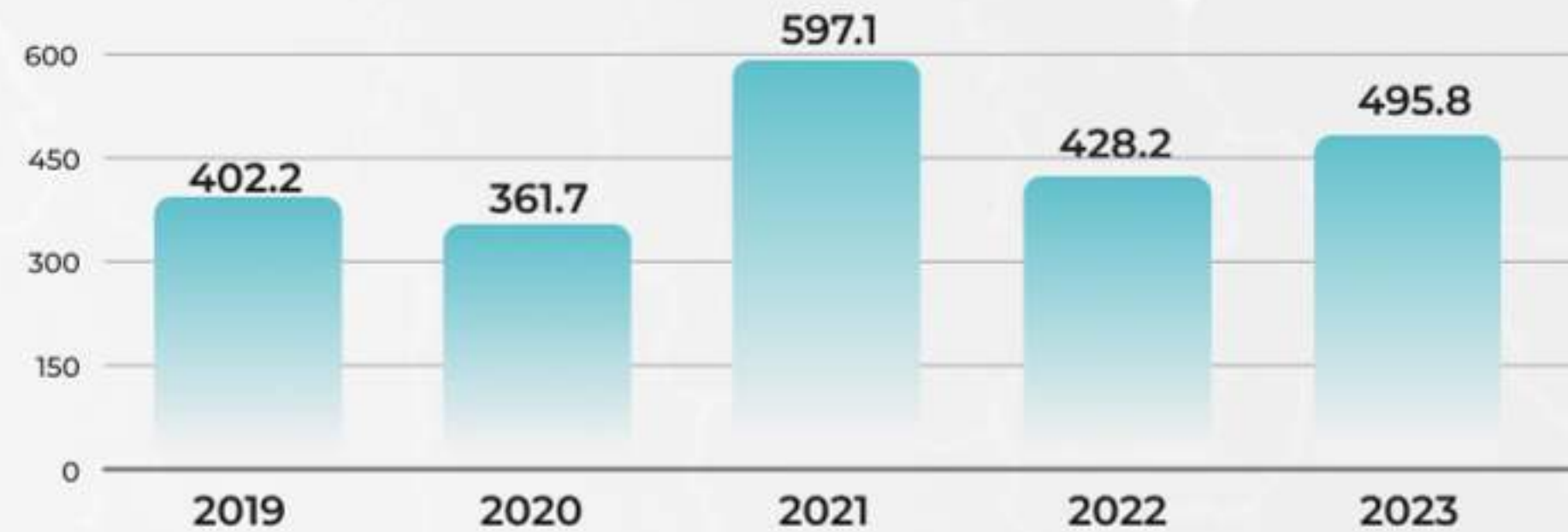


# UKRAINE'S MINING INDUSTRY

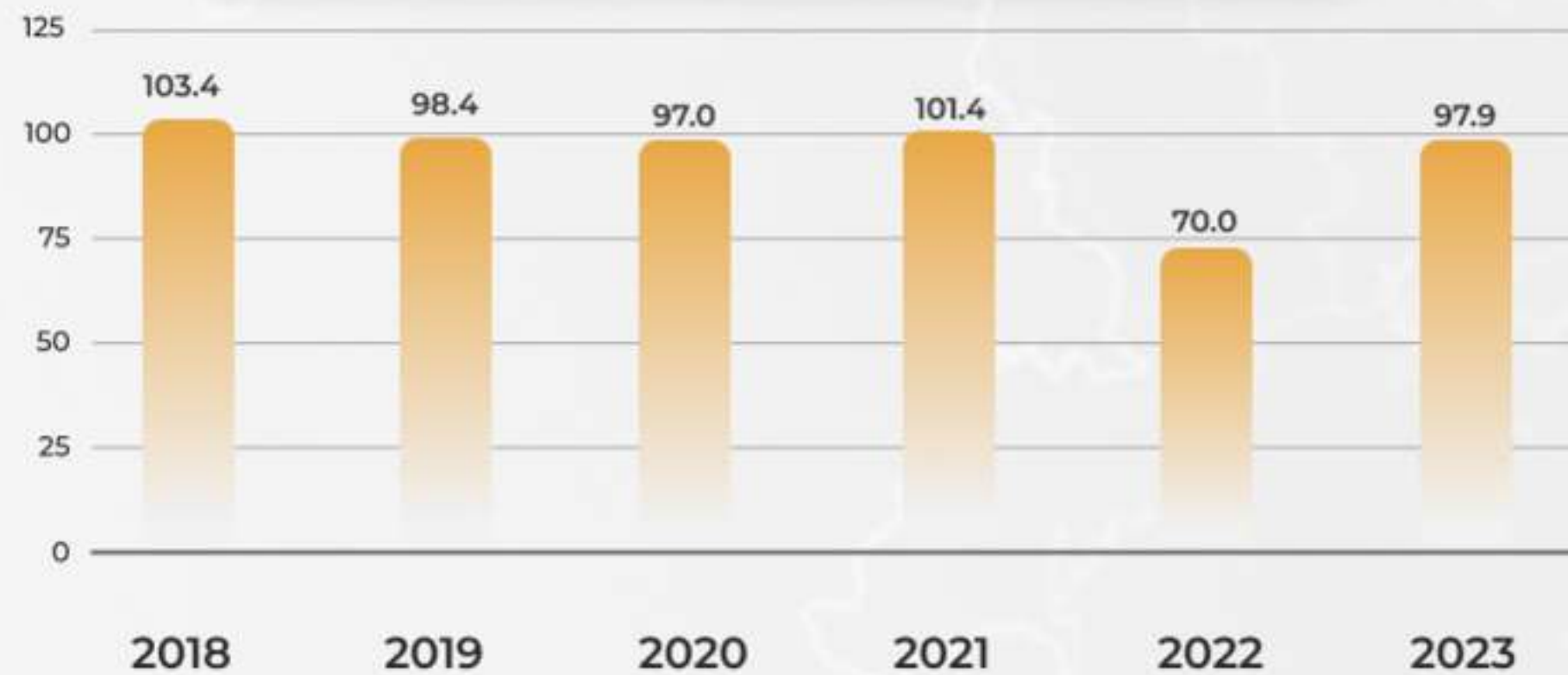
## Macroeconomy



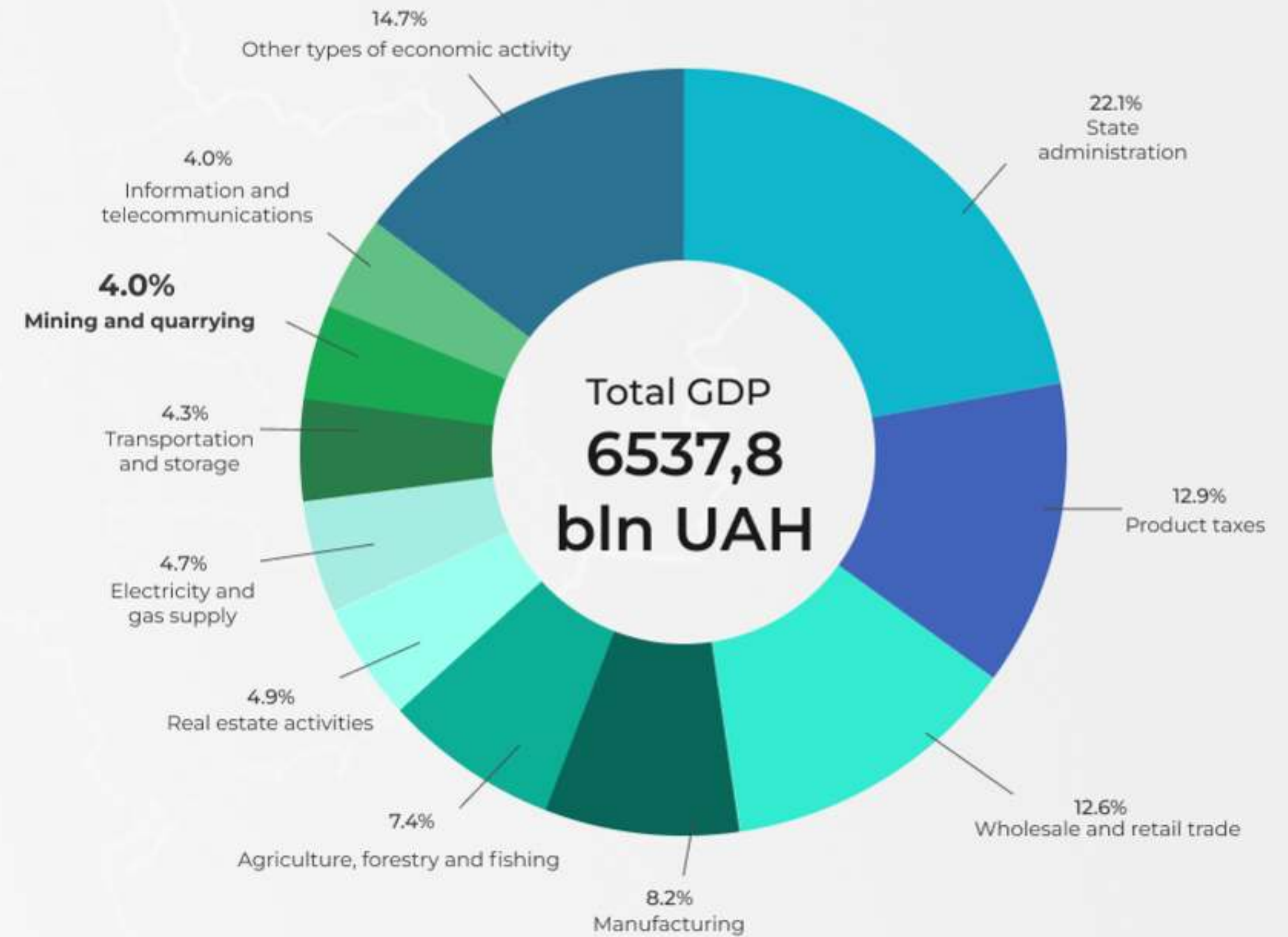
Industrial sales in the mining industry, UAH bln



Industrial production index of the extractive industry, % y-o-y



Ukrainian GDP's structure, 2023, %

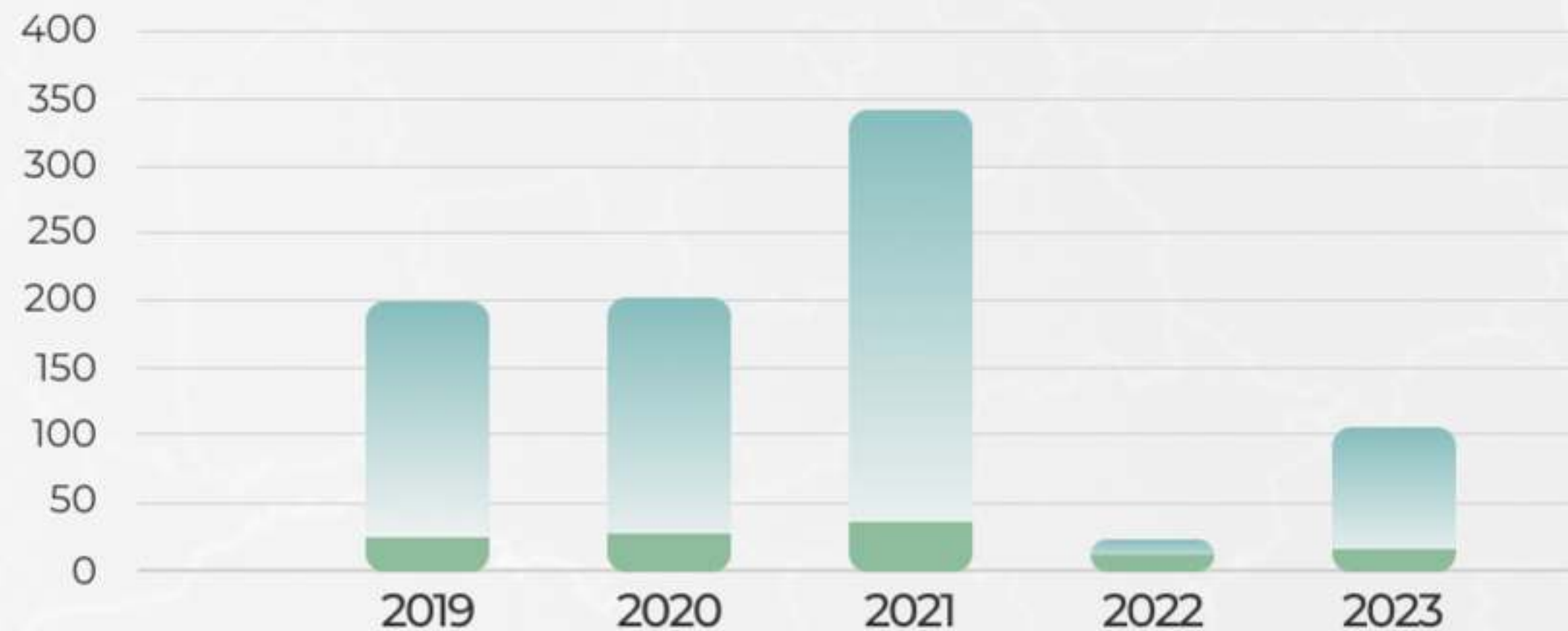


# UKRAINE'S MINING INDUSTRY



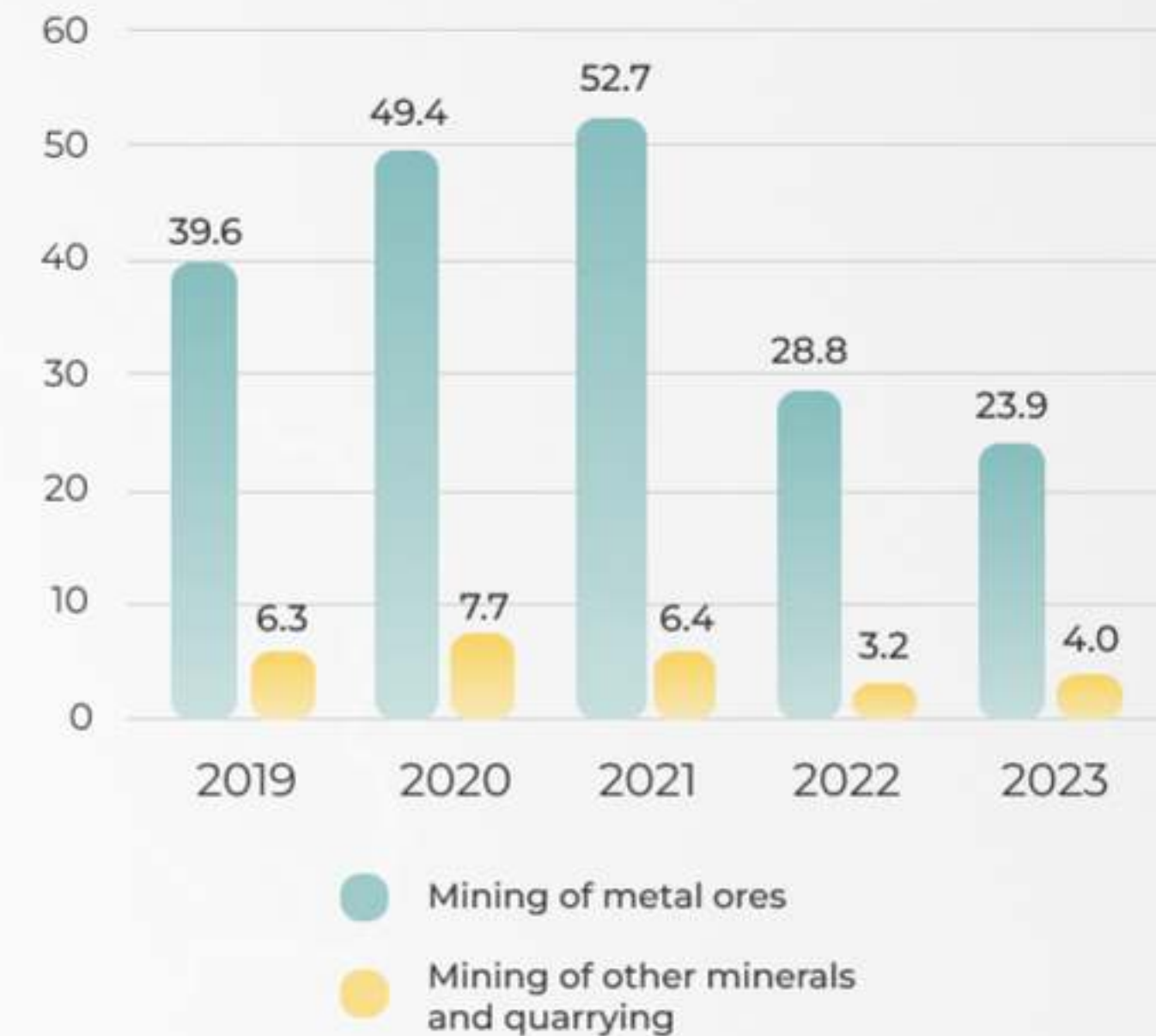
## Industry snapshot

### Sales of industrial products, UAH bln



Mining of metal ores	156.37	175.2	303.63	11.48	91.52
Extraction of stone, sand and clay	23.25	26.3	35.31	11.67	14.44
Mining and quarrying	1.43	0.98	1.84	1.84	0.71

### Extractive industry share, %



Due to the occupation of the industrially rich eastern regions, the destruction of infrastructure, and safety risks for workers, many companies were forced to halt or limit production. Exports have been significantly affected, and logistics and transportation costs have become more complicated.

# UKRAINE'S MINING INDUSTRY



## FDI snapshot

The decline in 2022 at the beginning of Russia's full-scale invasion of Ukraine was followed by a gradual recovery of the industry in 2023 despite the ongoing hostilities



War risk insurance and government policies aimed at improving the investment climate contribute to the growth of the industry

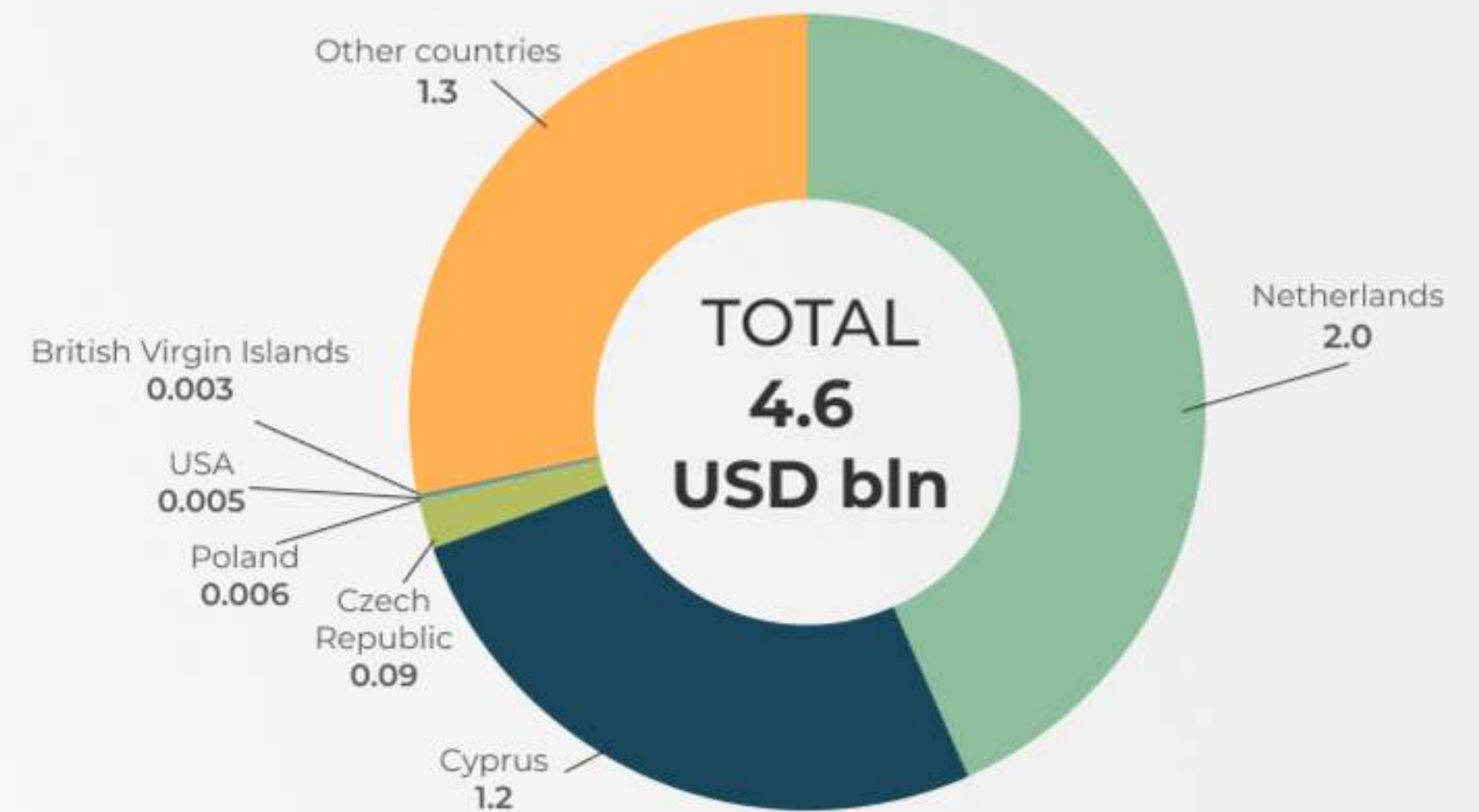
FDI balances in Ukrainian mining sector, USD bln



**3th place**

mining industry in the list of FDI industries in Ukraine

Country-specific mining FDI balances, USD bln, 2023



# UKRAINE'S MINING INDUSTRY



## Raw material base

Ukraine's construction sector prospects are determined by the country's leading position in the extraction of various minerals, as well as the possibility of locating enterprises near deposits

**24**

**MINERAL DEPOSITS**  
of critical industrial raw materials

### WEALTH OF MINERAL RESOURCES

**117**

types of minerals found in Ukraine (out of the 120 most common)

**8.8**

thsd industrial-grade deposits

**11.7**

bln USD total volume of the mining industry

**Li**  
Lithium

**3**  
sites and deposits

**280 ha**  
corresponding area

**Ti**  
Titanium

**9**  
sites and deposits

**9.037 ha**  
corresponding area

**Au**  
Gold

**4**  
sites and deposits

**1.280 ha**  
corresponding area

### NON-FERROUS METALS

**Ni**  
Nickel

**Co**  
Cobalt

**Cr**  
Chromium

**Cu**  
Copper

**Mo**  
Molybdenum

**5**  
sites and deposits

**3.086 ha**  
corresponding area

### RARE EARTH METALS

**Be**  
Beryllium

**Zr**  
Zirconium

**Ta**  
Tantalum

**Nb**  
Niobium

**Sc**  
Scandium

**4**  
sites and deposits

**1.870 ha**  
corresponding area

### Positions of Ukraine in the world by volume of production

#### METALLIC MINERALS

6th place Titanium  
8th place Manganese  
10th place Iron

#### NON-METALLIC MINERALS

6th place Kaolins  
8th place Graphite  
10th place Zirconium silicate

#### MINERAL RESOURCES

10th place Uranium  
12th place Coking coal  
13th place Thermal coal

#### METALLIC MINERALS

**37**  
sites and deposits

**22.857 ha**  
corresponding area

#### NON-METALLIC MINERALS

**195**  
sites and deposits

**43.826 ha**  
corresponding area

#### HYDROCARBONS

**49**  
sites and deposits

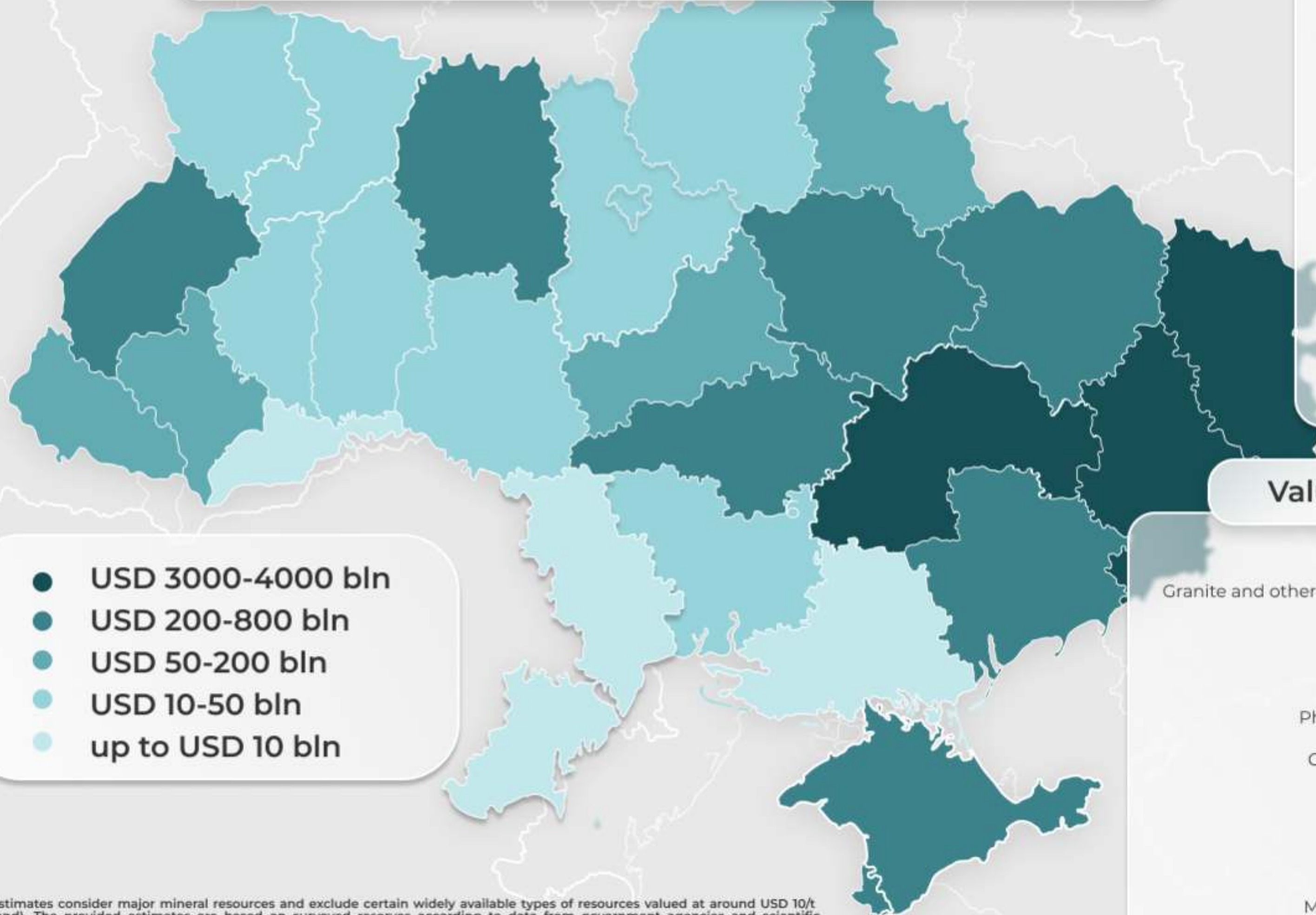
**6.440 ha**  
corresponding area

# UKRAINE'S MINING INDUSTRY

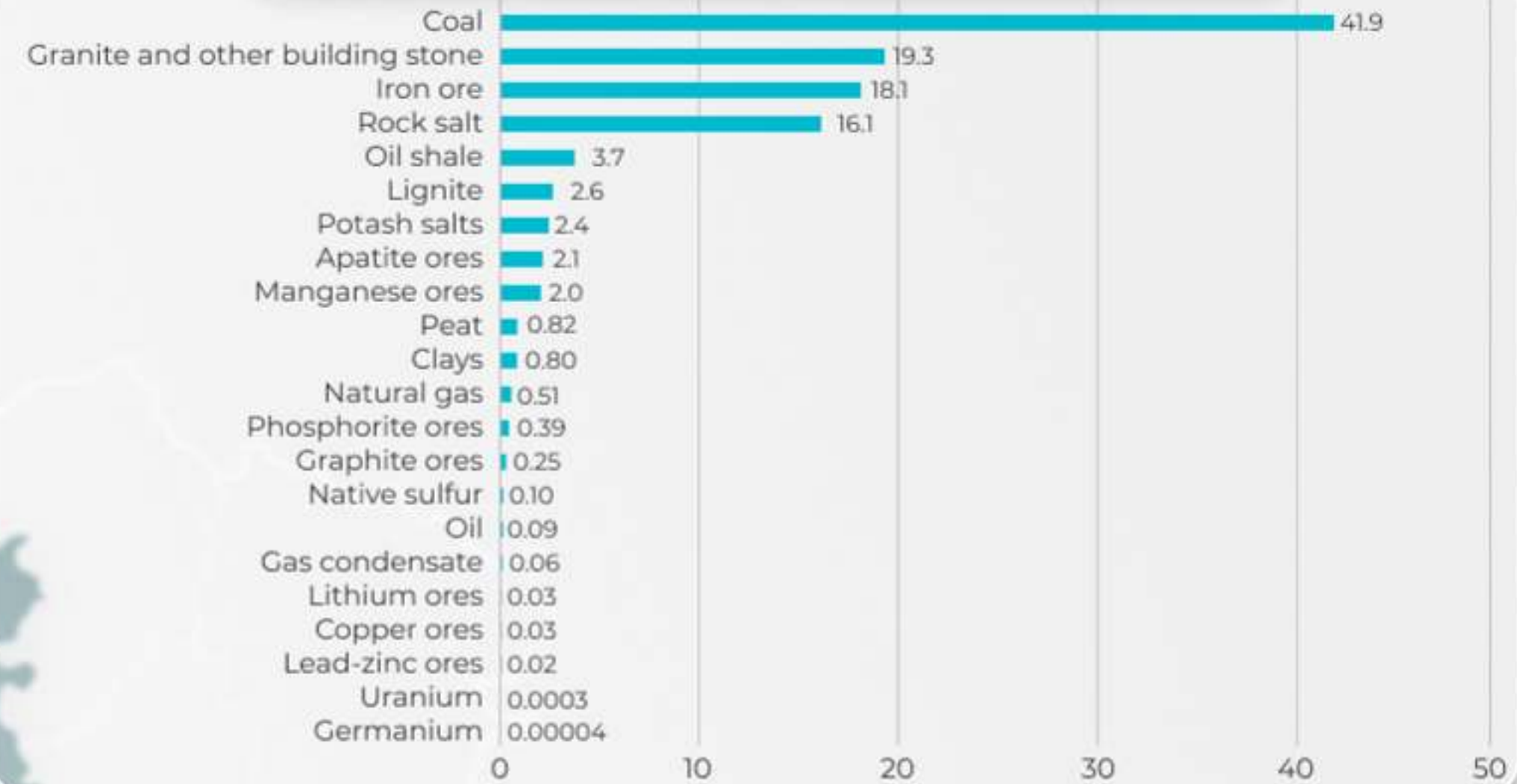


## Raw material base cost

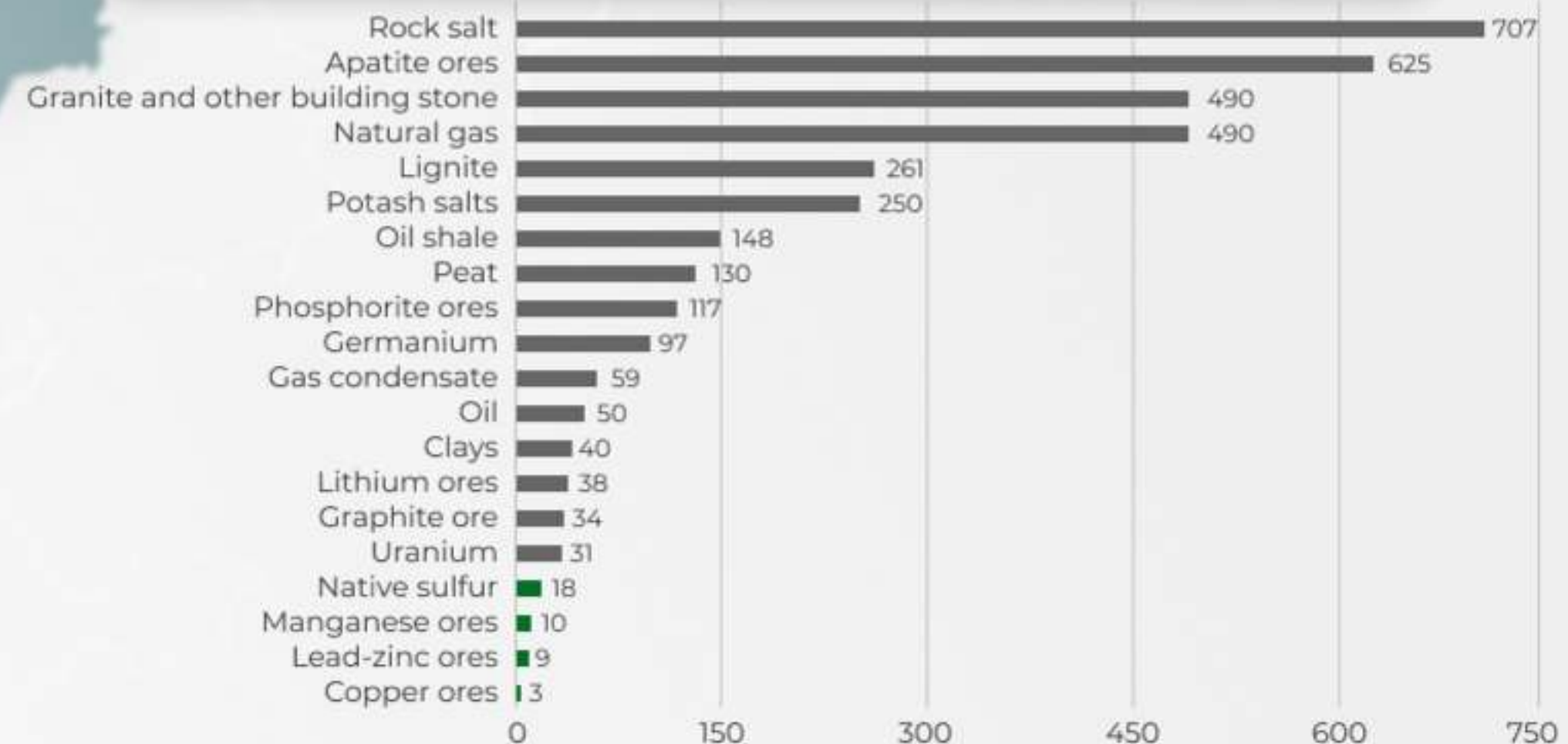
Regional value of Ukraine's mineral resources\*, USD bln



Ukraine's mineral reserves, bln t



Value of Ukraine's mineral reserves, USD bln\*\*



\* The estimates consider major mineral resources and exclude certain widely available types of resources valued at around USD 10/t (e.g., sand). The provided estimates are based on surveyed reserves according to data from government agencies and scientific publications, with monetary estimates calculated based on the latest known resource prices as of February 2023.

\*\* the value of coal reserves amounts to USD 9.1 trln, and iron ore reserves to USD 2 trln



# UKRAINE'S MINING INDUSTRY



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# UKRAINE'S MINING INDUSTRY



Fossil fuel



**700+ bln m<sup>3</sup>**  
gas reserves



**80+ mln ton**  
oil reserves



**41.9 bln t**  
coal reserves



**2.6 bln t**  
lignite reserves

Investment opportunity:  
Ukrnafta projects



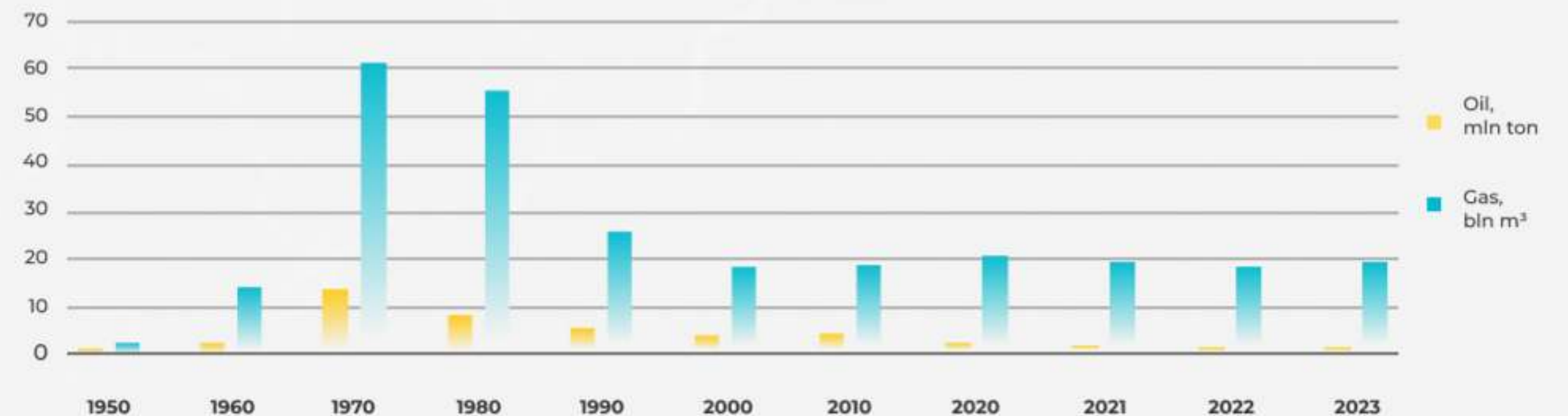
**20+ fields**

joint development under the PSA

The reserves of the fields is:

- 12 mln tons of oil
- 31 bln m<sup>3</sup> of gas

Oil and gas extraction in Ukraine, 1950-2022\*

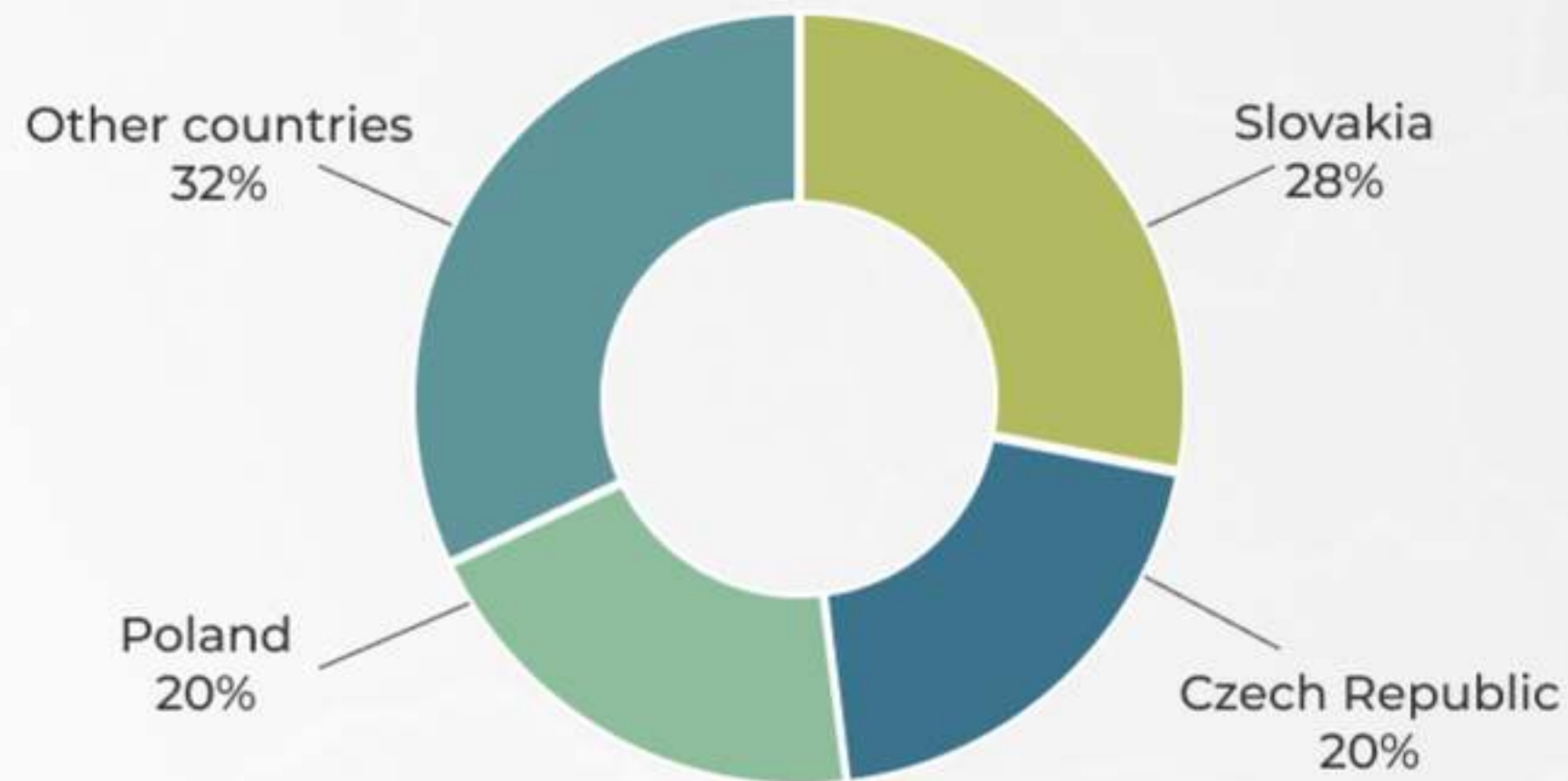


# UKRAINE'S MINING INDUSTRY

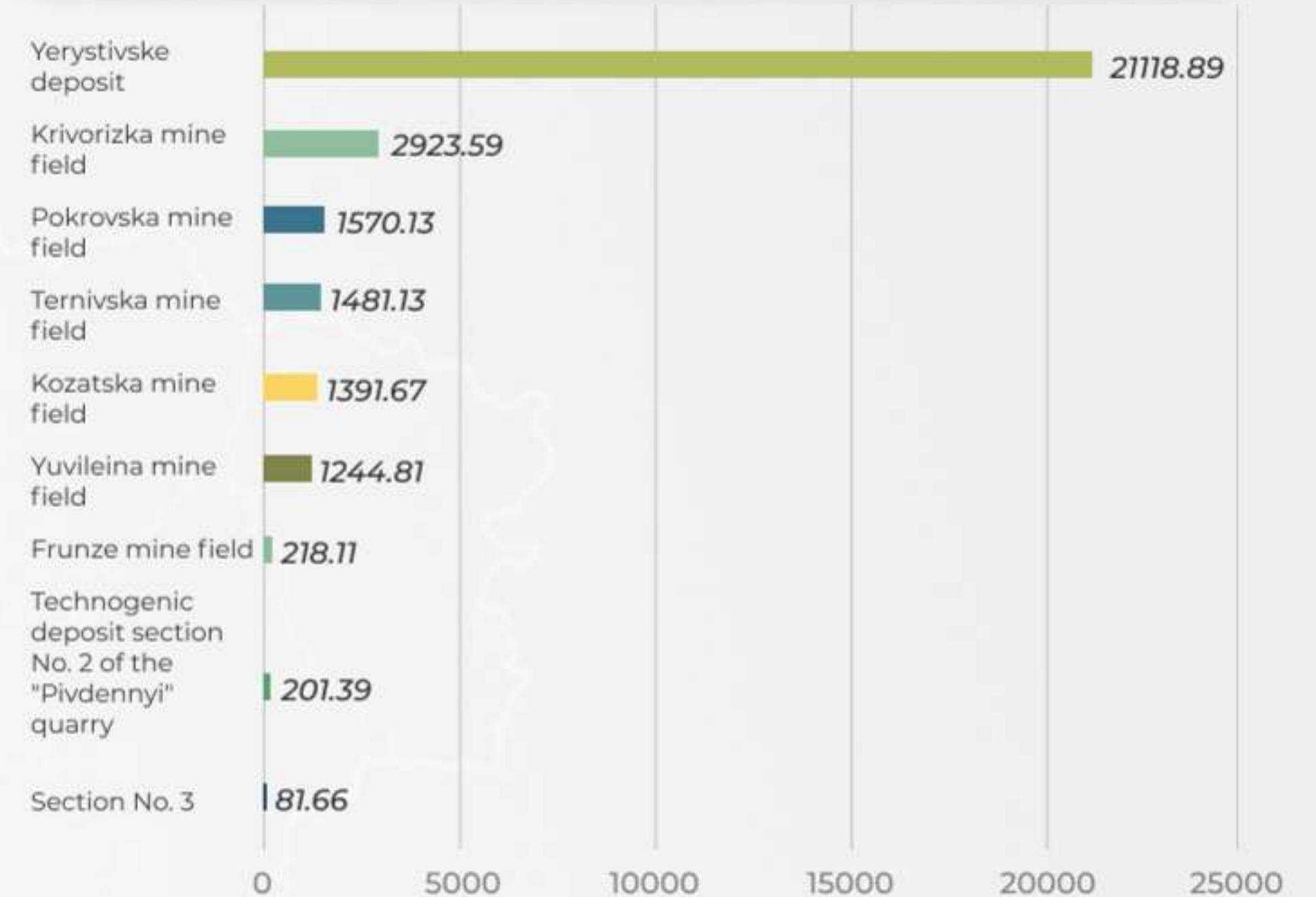


## Iron ore industry

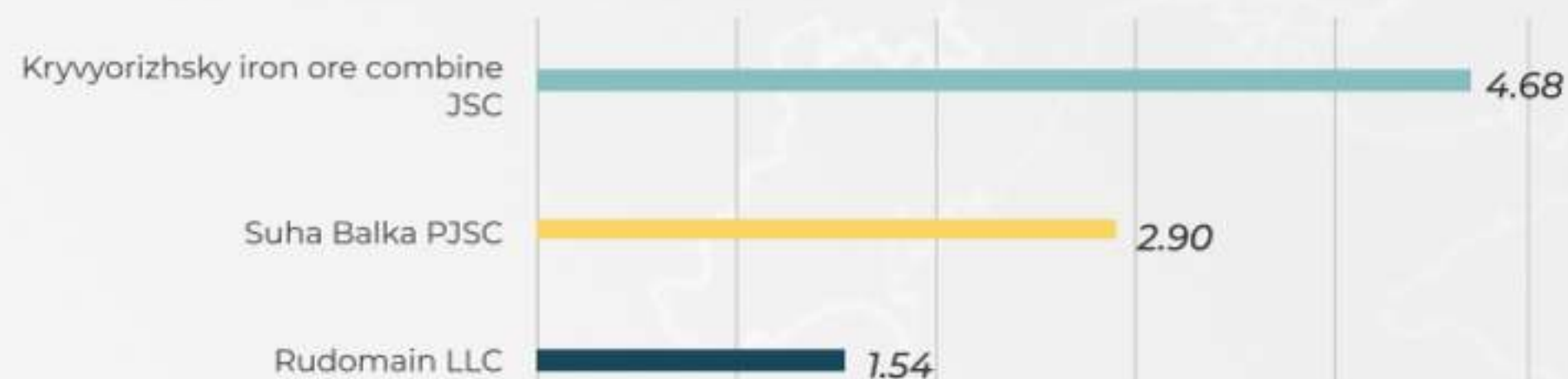
Consumers of Ukrainian iron ore, 2023, %



Investment opportunity of main iron ore deposits of Ukraine, 1Q 2022, USD mln



Extraction of iron ore by Ukrainian companies, early 2022, mln t



Ukraine develops **26 out of 60** explored deposits

# UKRAINE'S MINING INDUSTRY

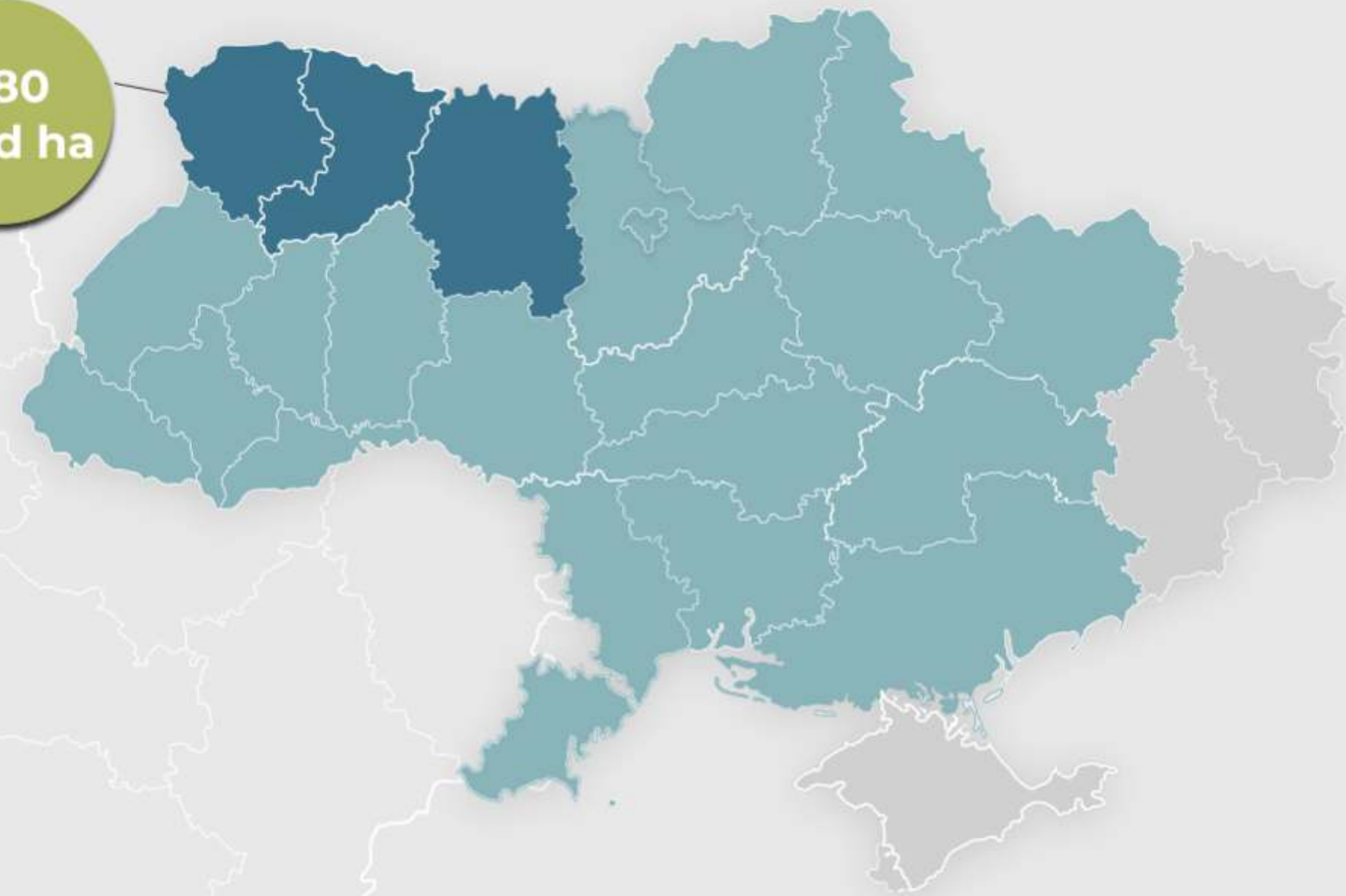


## Amber

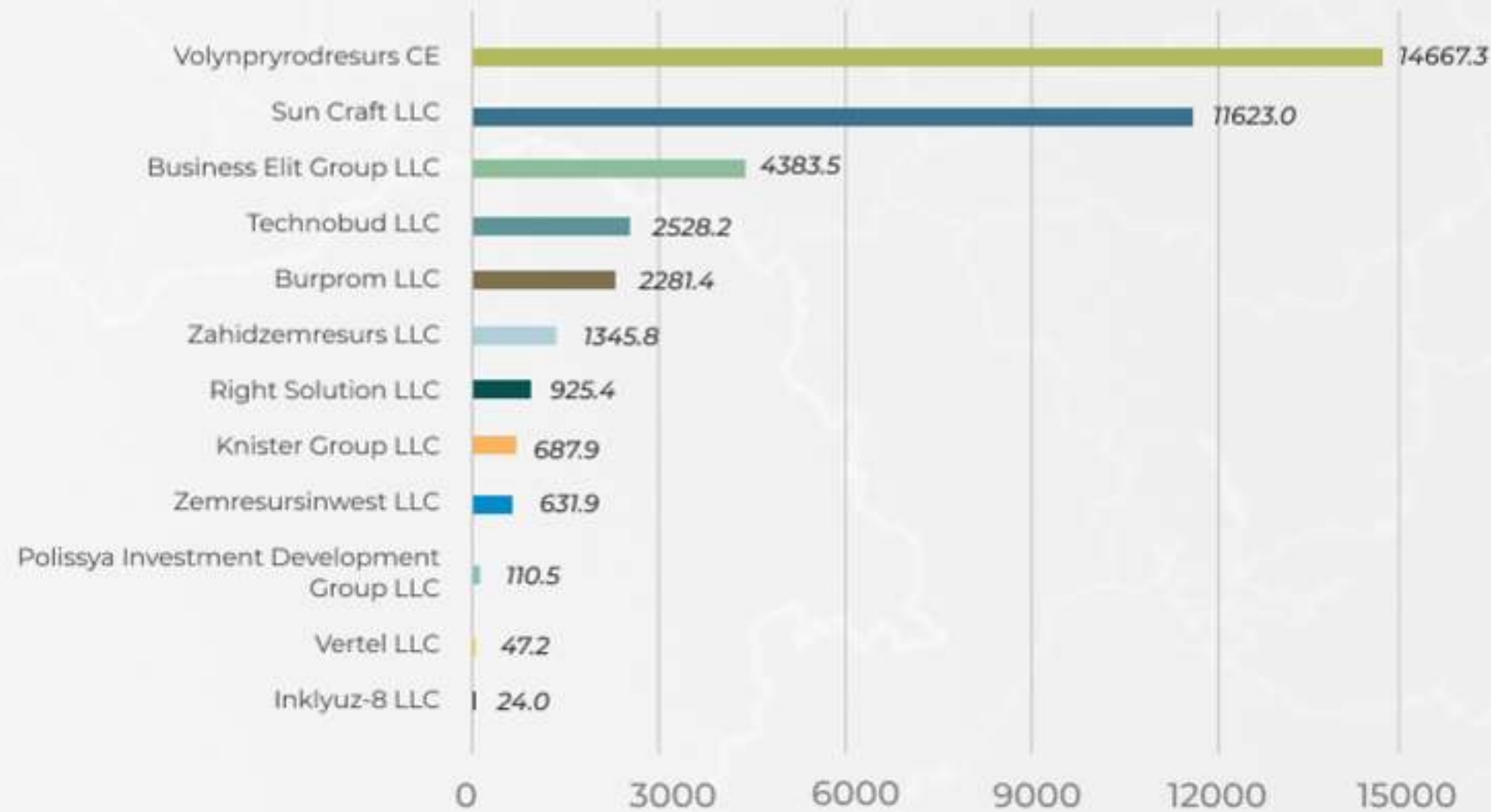


Ukraine by amber resources takes **one of the leading places in the world**

380 thsd ha



### Amber production in Ukraine, 2023, kg



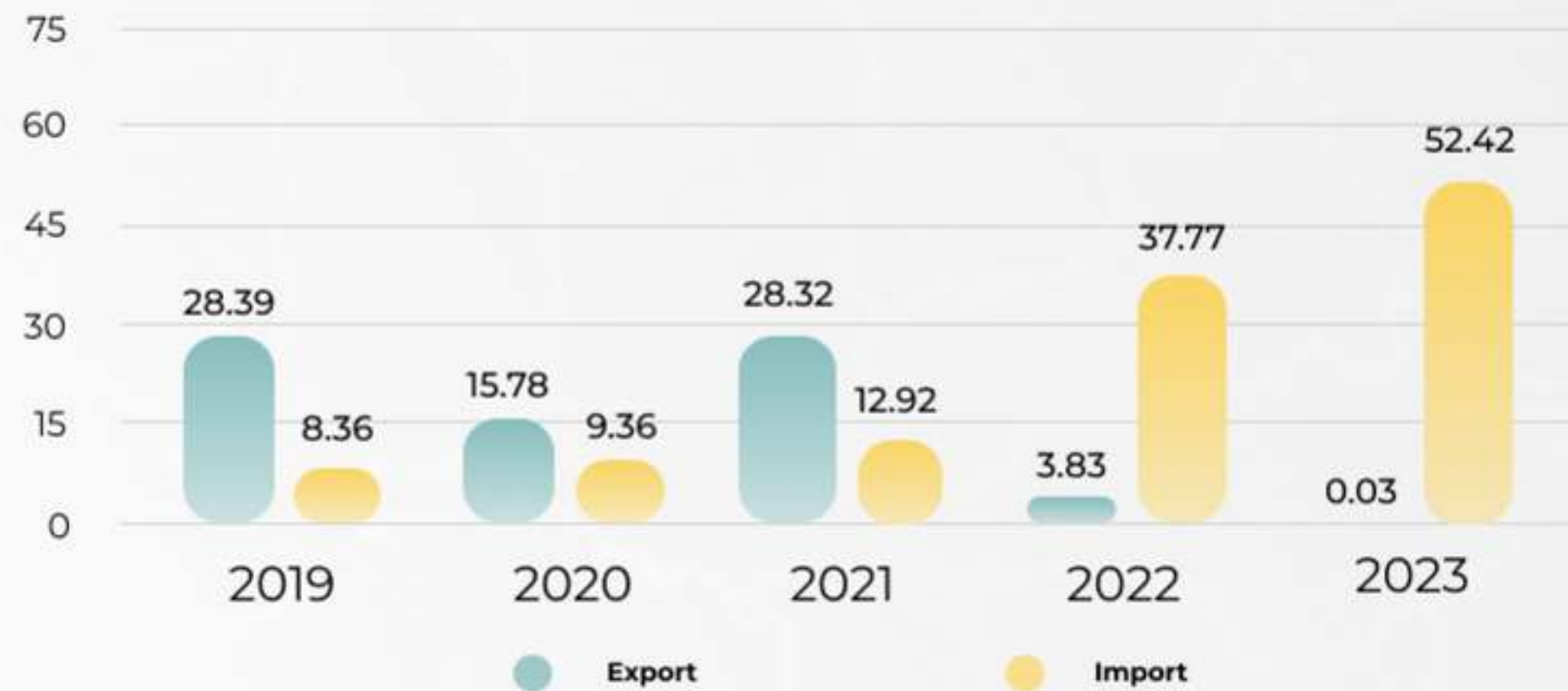
about **40 thsd kg** amber extraction, 2023

# UKRAINE'S MINING INDUSTRY



## Rock salt

Foreign trade of Ukraine in salt, 2019-2023, USD mln



As result of russian aggression, majority of salt deposits are currently inaccessible for extraction



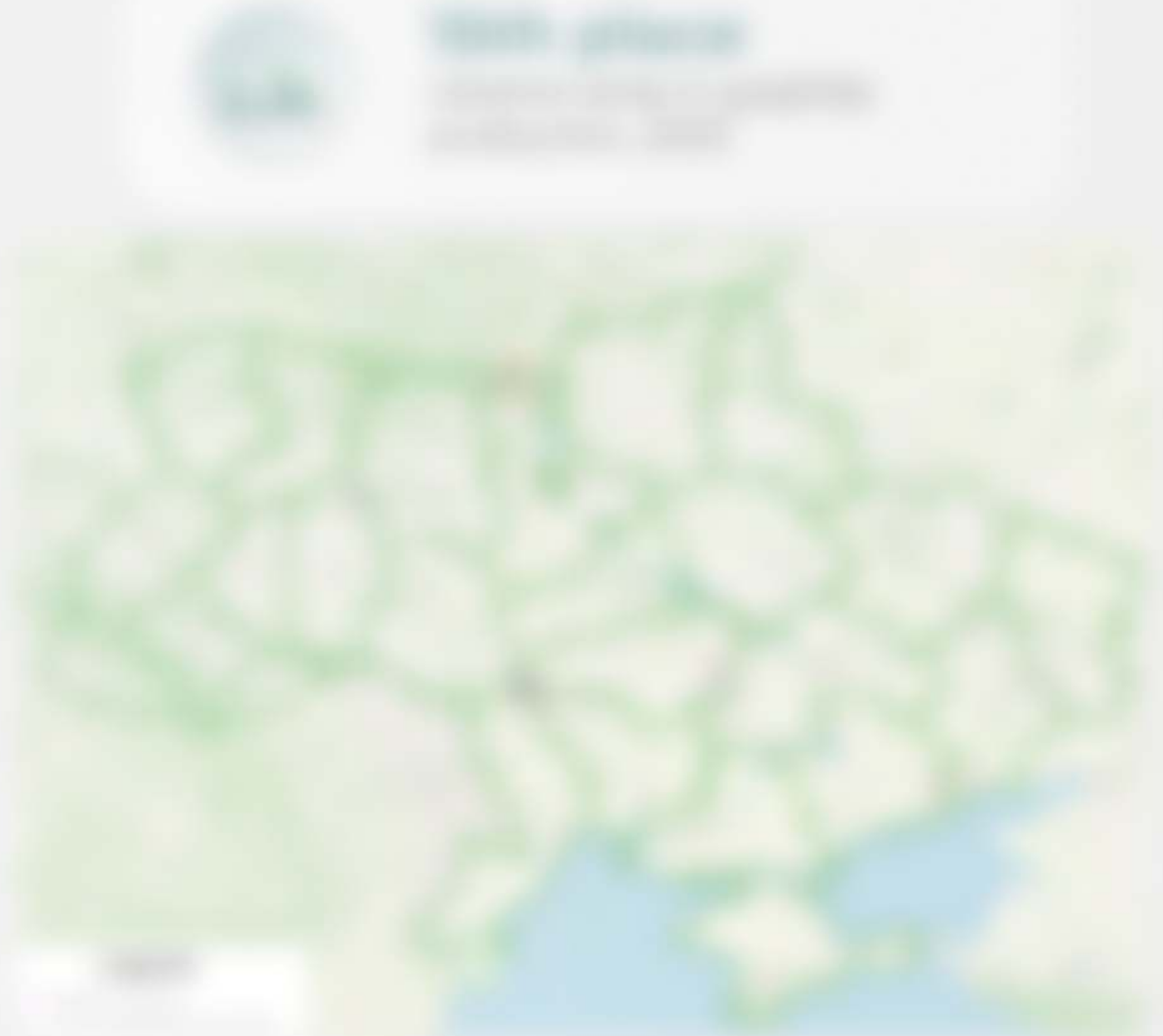
**19,3 bln t**  
total salt reserves in Ukraine

Main salt deposits are located in 4 regions of Ukraine and Crimea

# MINING INDUSTRY OF UKRAINE



## Graphite



# UKRAINE'S MINING INDUSTRY



## Copper

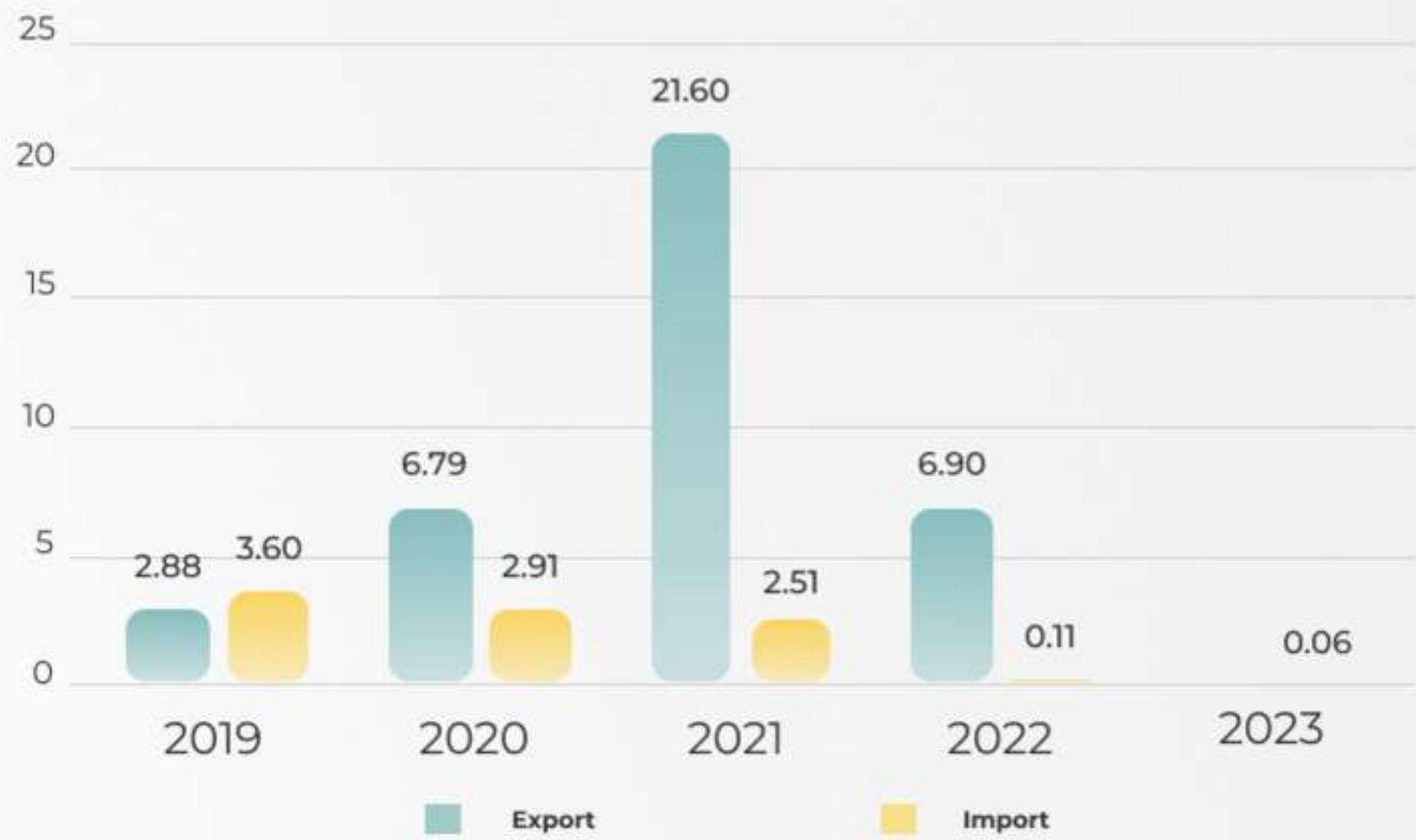


**95 000 t**  
confirmed copper reserves in Ukraine

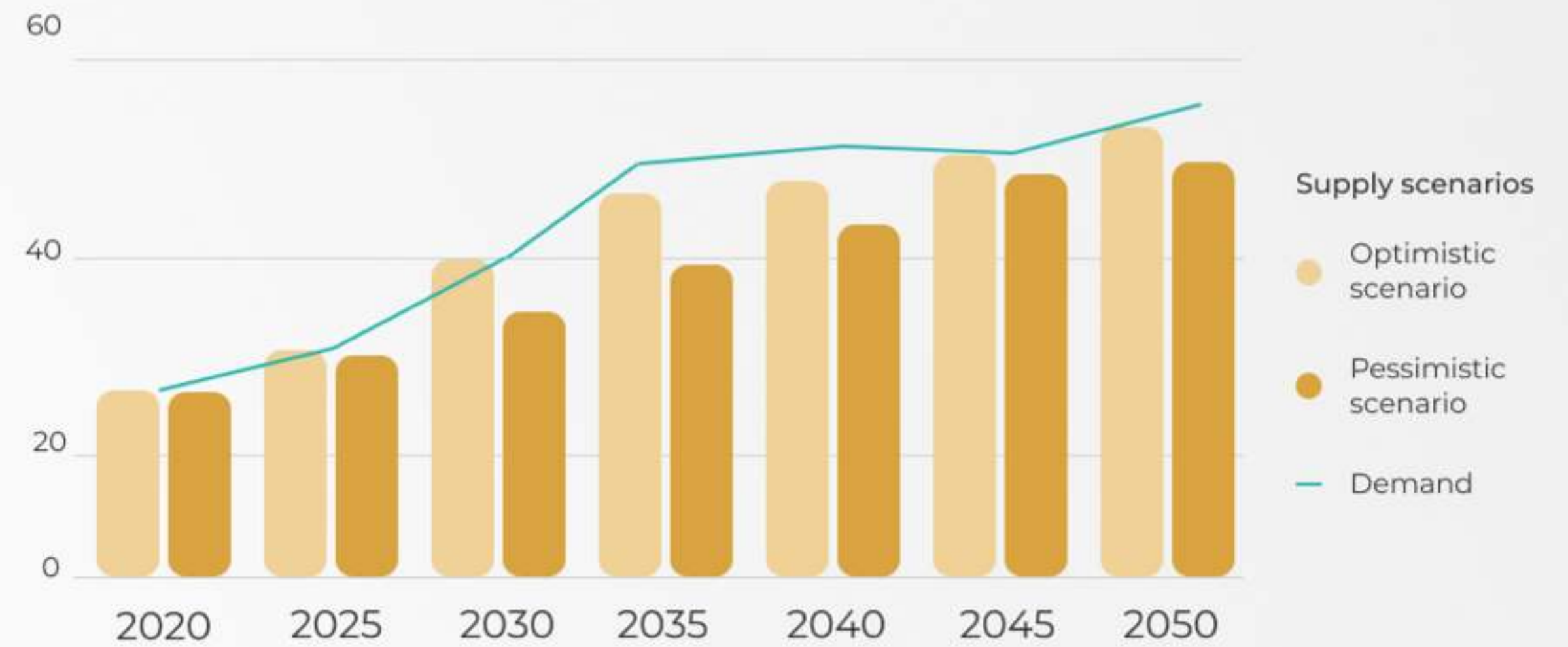


**9.9 mln t**  
global copper deficit will increase by 2035

Copper turnover, bln USD



Global copper supply scenarios and demand, mln mt



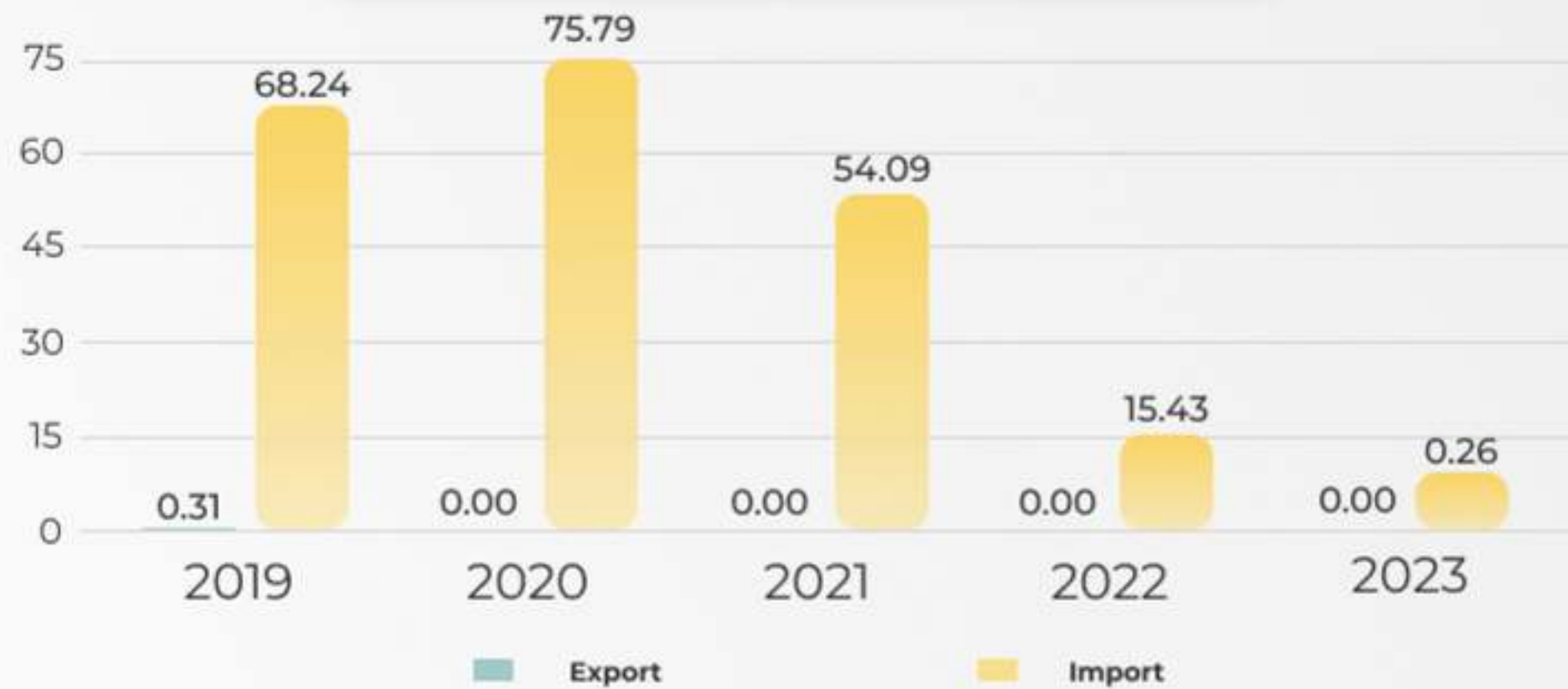


# UKRAINE'S MINING INDUSTRY



## Nickel and cobalt

Nickel turnover, USD mln



**217,8 thsd t**

balance reserves of nickel in Ukraine



**121,2 thsd t**

off-balance reserves of nickel in Ukraine



**0,1%**

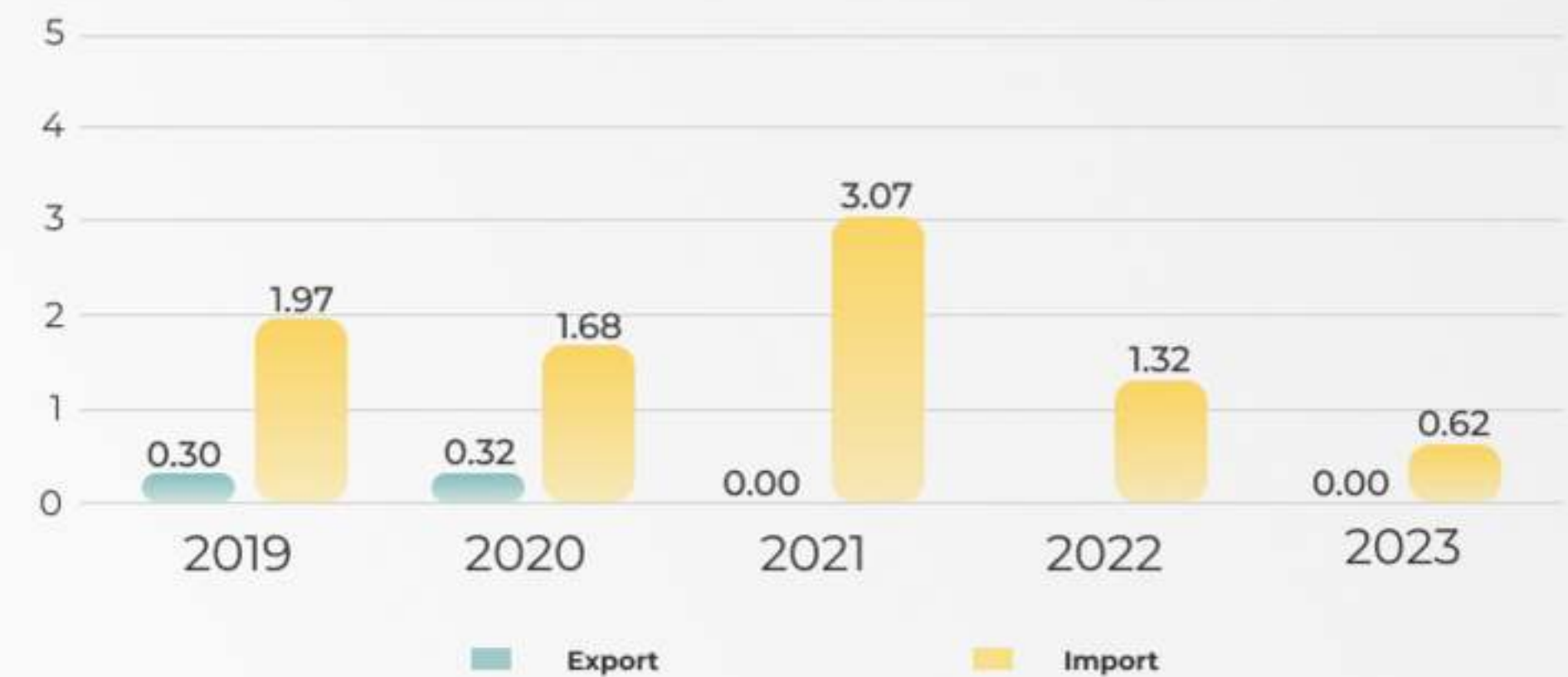
Ukraine holds the cobalt reserves of the entire planet



**8000 t**

confirmed cobalt reserves in Ukraine

Cobalt turnover, USD mln



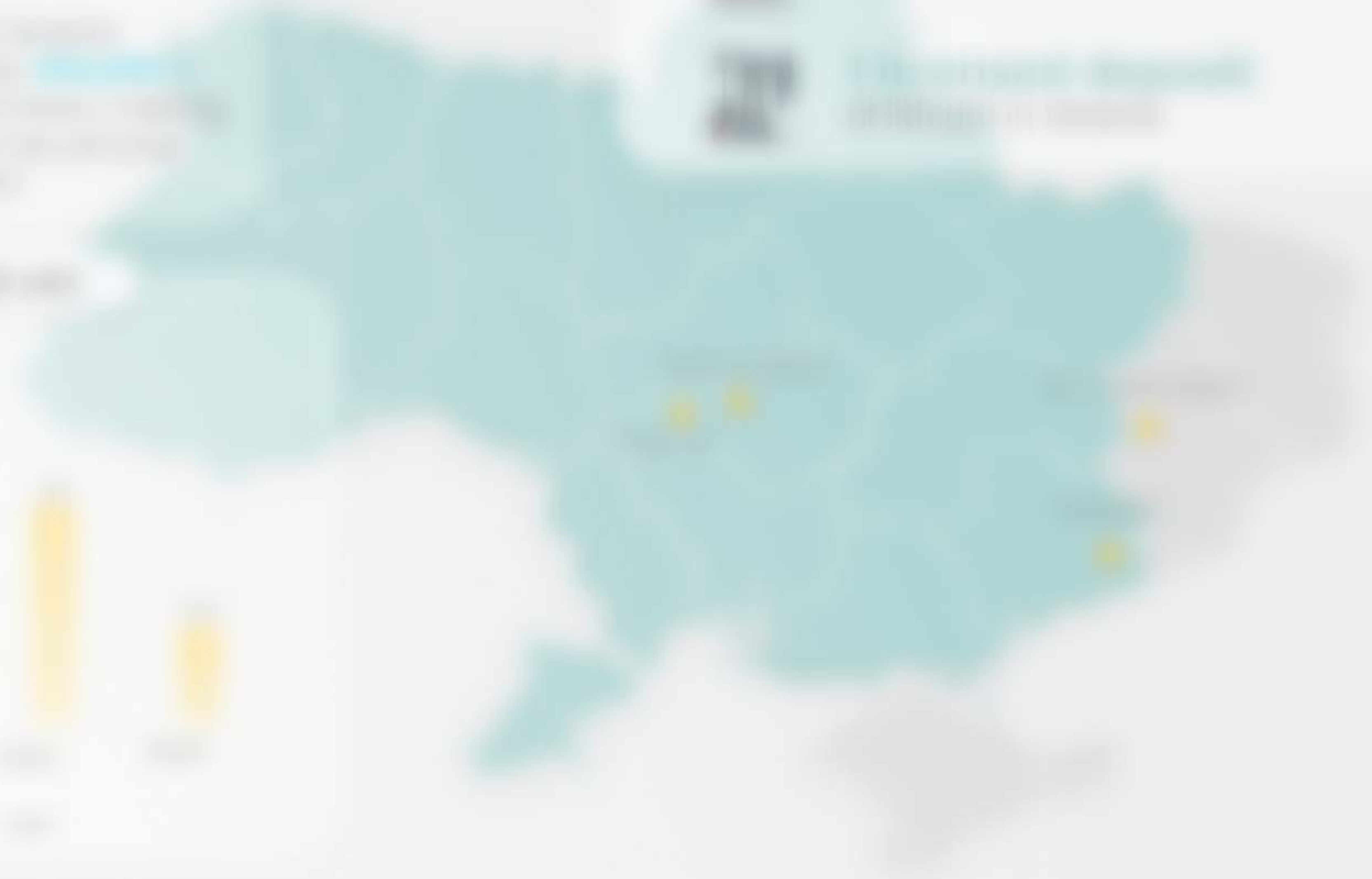
# UKRAINE'S MINING INDUSTRY



Lithium



**4 deposits**  
of lithium in Ukraine

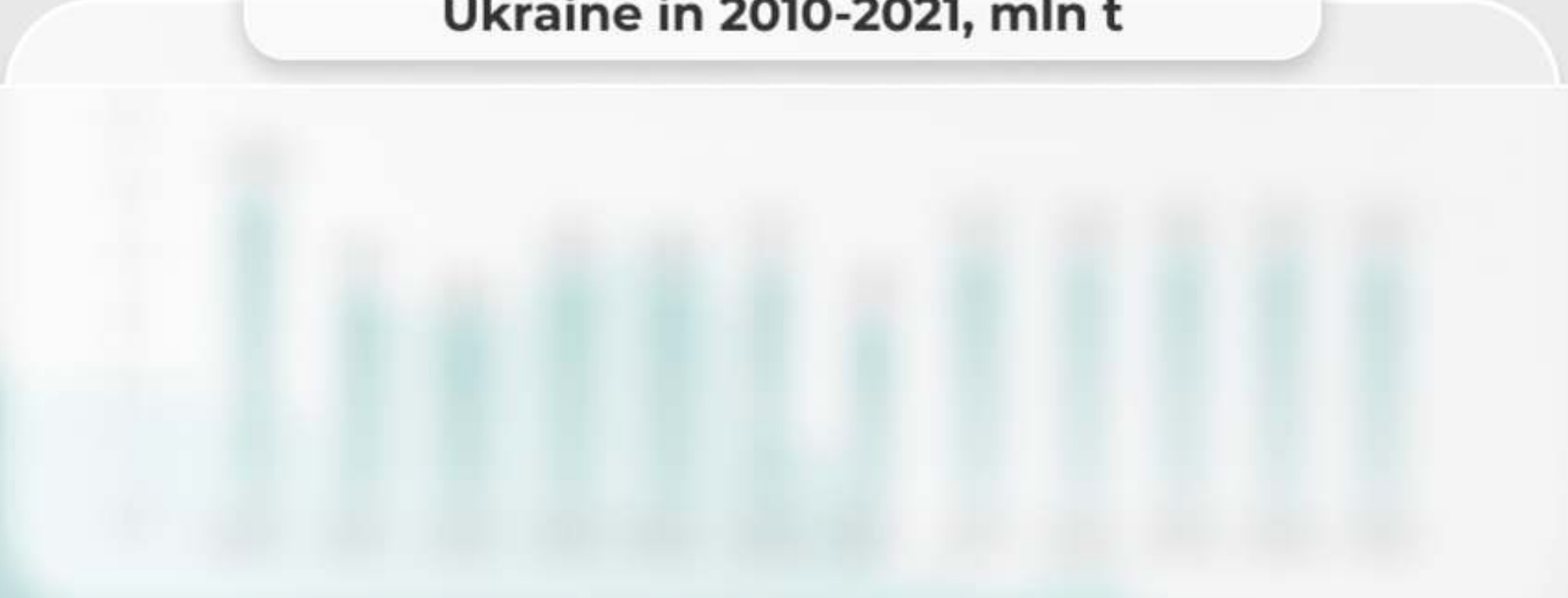


# UKRAINE'S MINING INDUSTRY

Manganese



Manganese ore extraction in Ukraine in 2010-2021, mln t



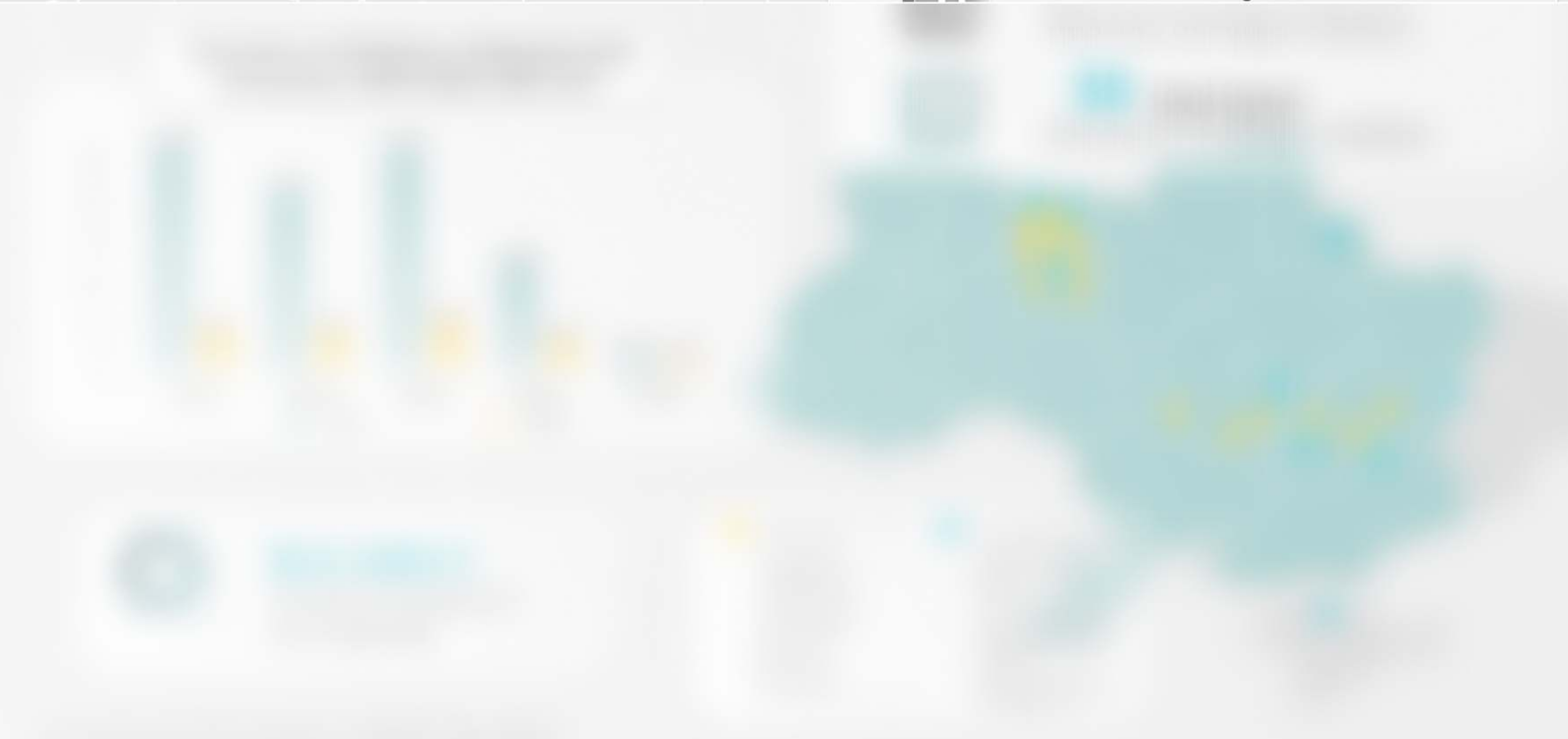
# UKRAINE'S MINING INDUSTRY



Titanium and zirconium



**431** thsd t/year



# UKRAINE'S MINING INDUSTRY



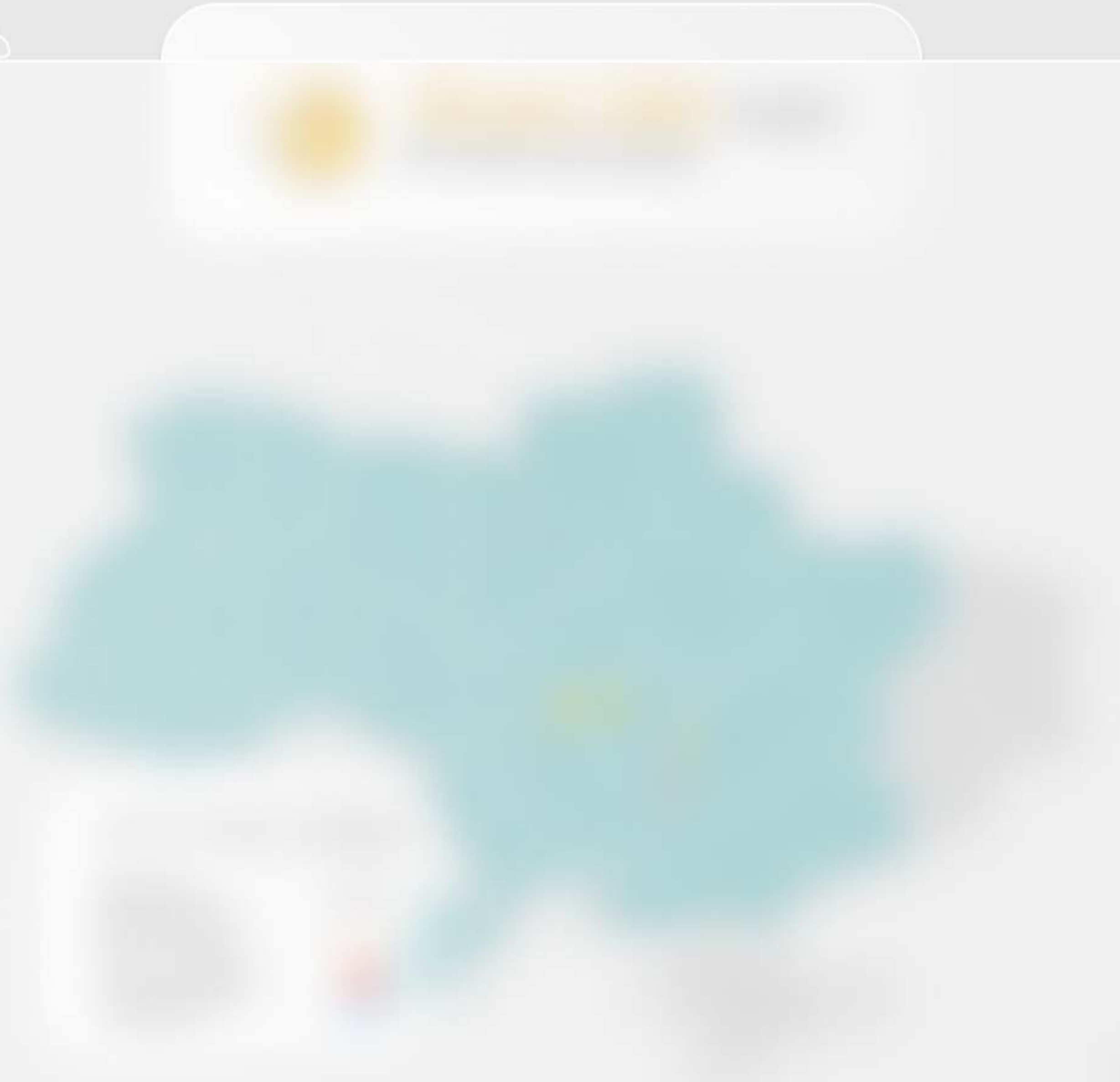
Gold



# UKRAINE'S MINING INDUSTRY



Uranium ore



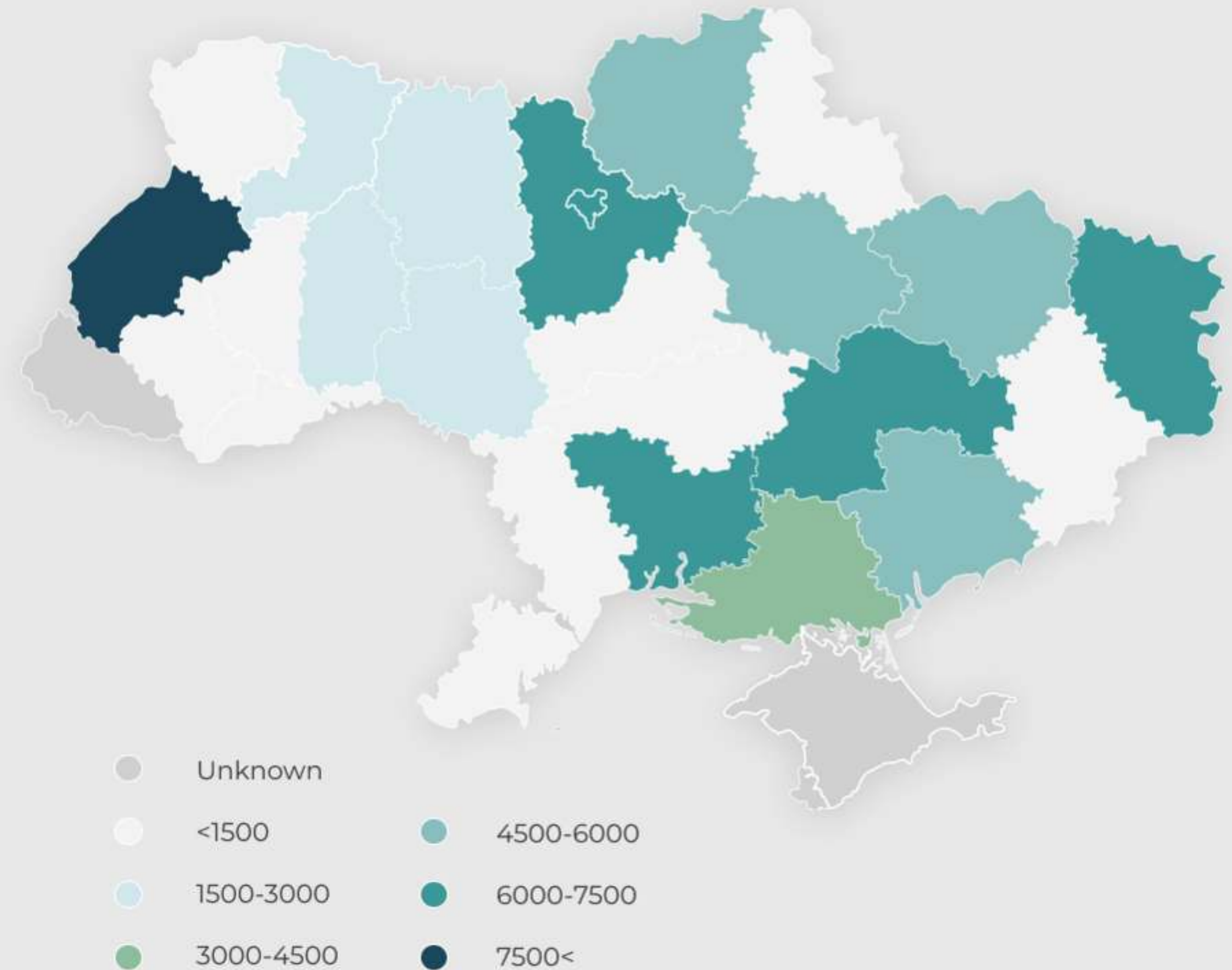
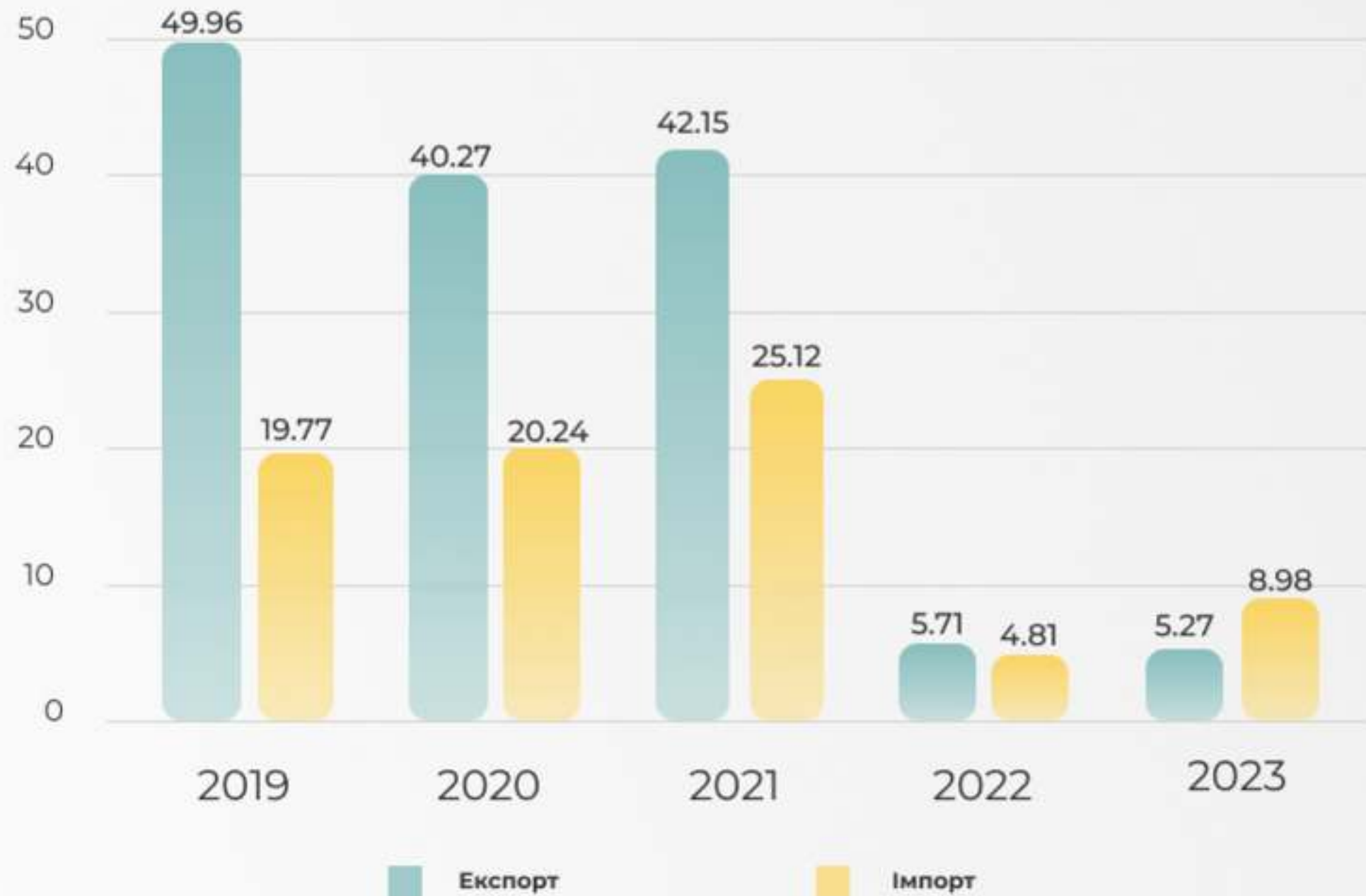
# UKRAINE'S MINING INDUSTRY



## Construction minerals

Geographical structure of construction sand production, 2018-H1 2021, thsd t

Turnover in construction minerals (sand, crushed stone, granite, etc.), USD mln



# UKRAINE'S MINING INDUSTRY



## War losses

### War losses



**2160**  
deposits in Ukraine



**>700**  
temporarily occupied  
fields



**81% / 24%**  
temporarily occupied coal /  
oil and gas deposits



**37.9%**  
decline of the mining  
and processing industry

### Export dynamics, monetary terms



iron ore

	2021-2022	2022-2023
iron ore	<b>-57,8%</b>	<b>-56,1%</b>
semi-finished metal products	<b>-70,9%</b>	<b>-36,7%</b>
flat rolled metal	<b>-73,2%</b>	<b>-65,9%</b>
cast iron	<b>-61,1%</b>	<b>-26,2%</b>



semi-finished  
metal products



flat rolled  
metal



cast iron

### Enterprises' level of employment



**25-28%**  
metallurgical  
plants



**45-50%**  
GZK

### Biggest physical losses



**“Azovstal”**



**ILYICH ISM**



# INVESTMENT OPPORTUNITIES



## Natural resources

2022



**76 mln t**  
iron ore extraction



**8,4 mln t**  
titanium reserves

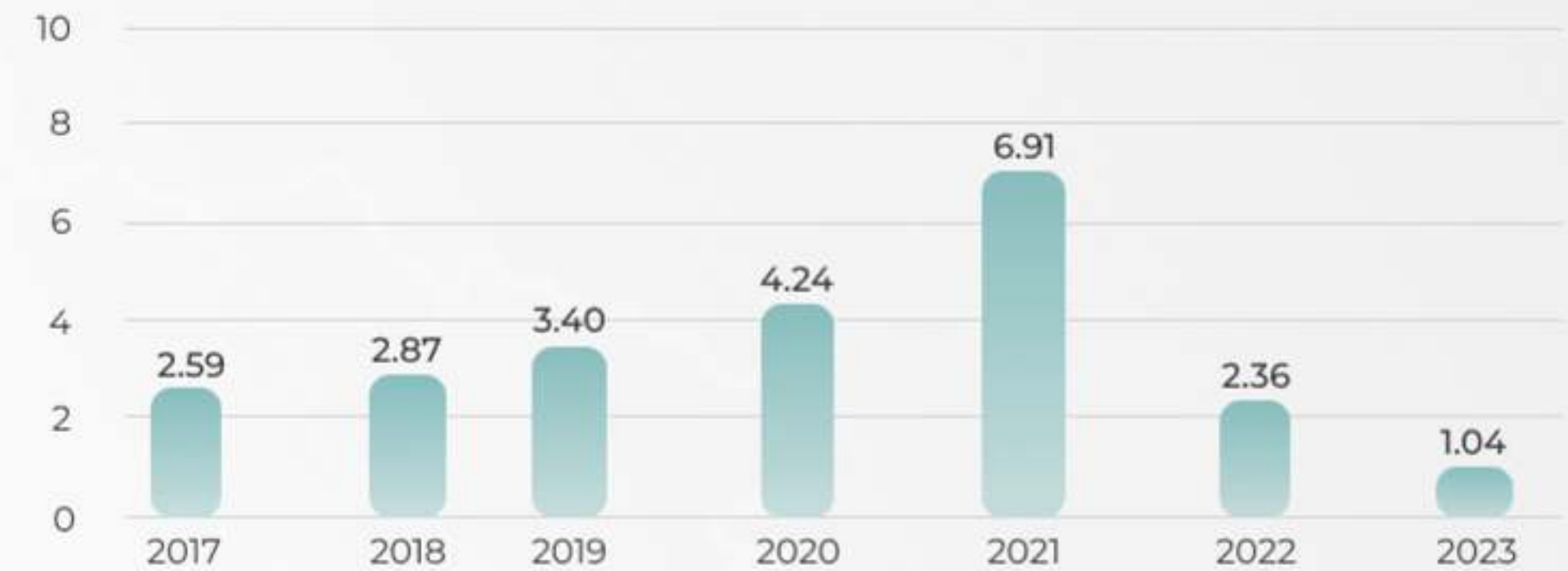


**20+ thsd**  
mineral deposits



**100+**  
types of minerals  
(including lithium, zirconium, cobalt, beryllium, niobium and others)

Ukraine's iron ore exports, USD bln



Military actions and the loss of some markets have led to a decline in iron ore exports and production, despite rising global demand for high-quality iron ore

# INVESTMENT OPPORTUNITIES



Rare earth elements and graphite



**5,2 thsd t**  
graphite extraction



**18 mln t**  
graphite reserves



**2 out of 6**  
developing  
graphite deposits

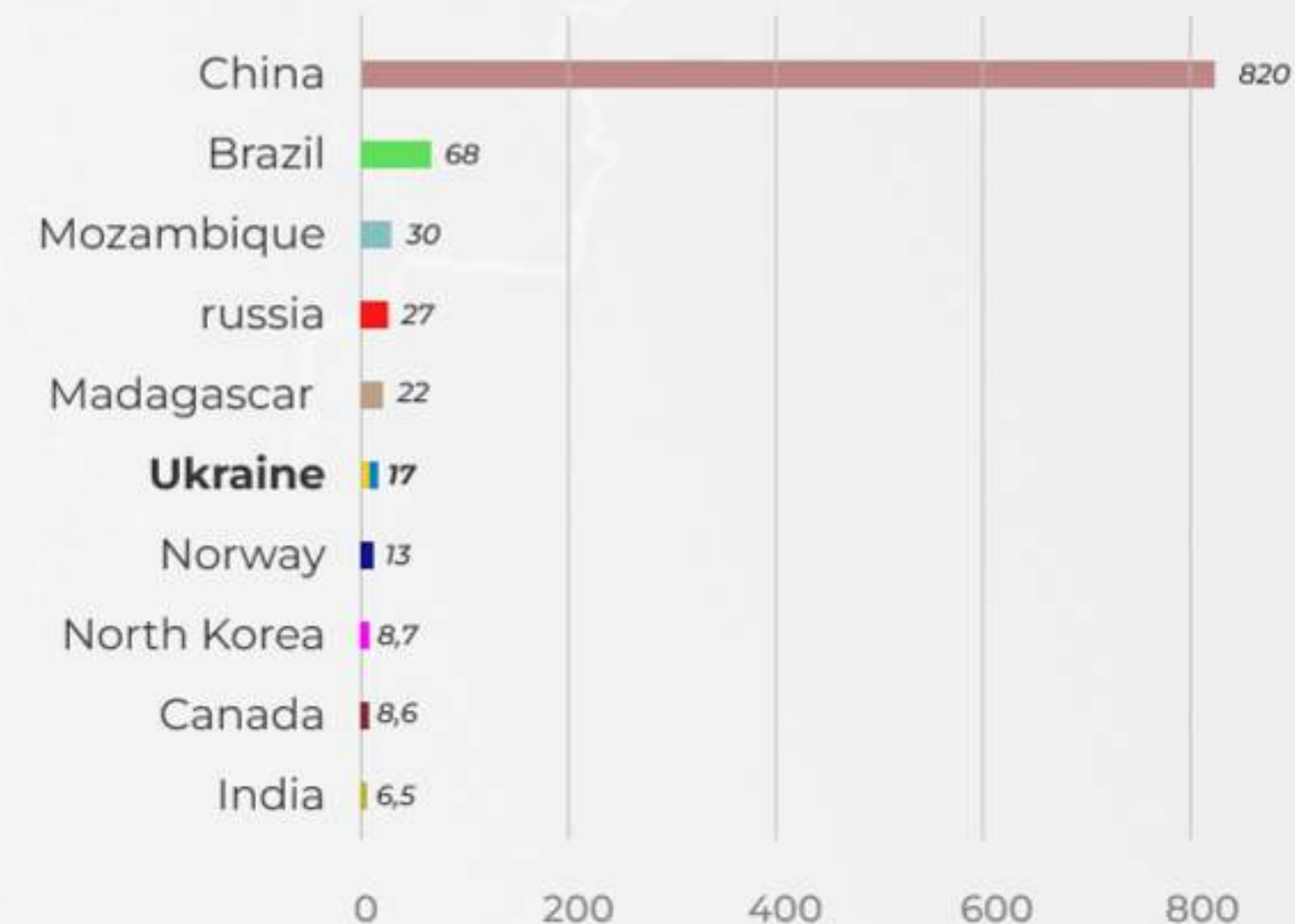


**50-100 mln t**  
graphite reserves  
increasing potential



**23-27% / year until 2028**  
graphite demand growth

**Graphite production  
by countries, 2021, thsd t**

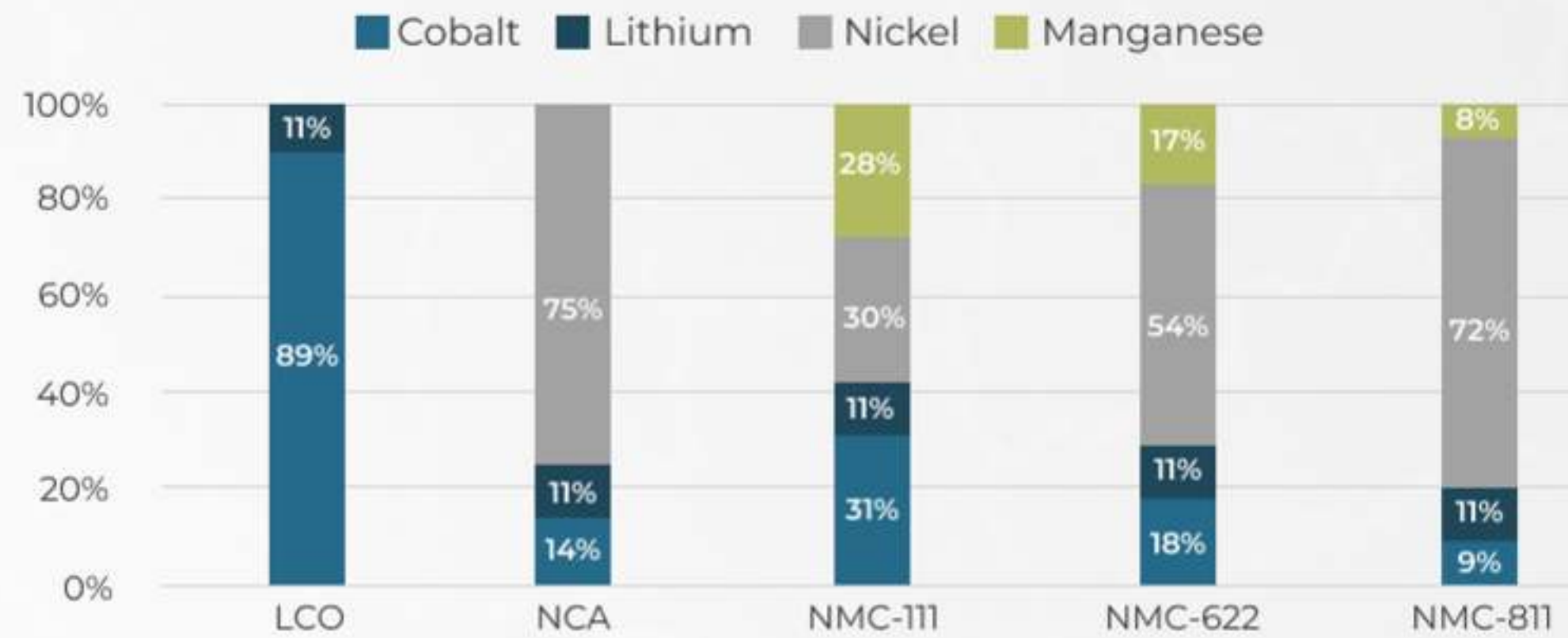


# INVESTMENT OPPORTUNITIES

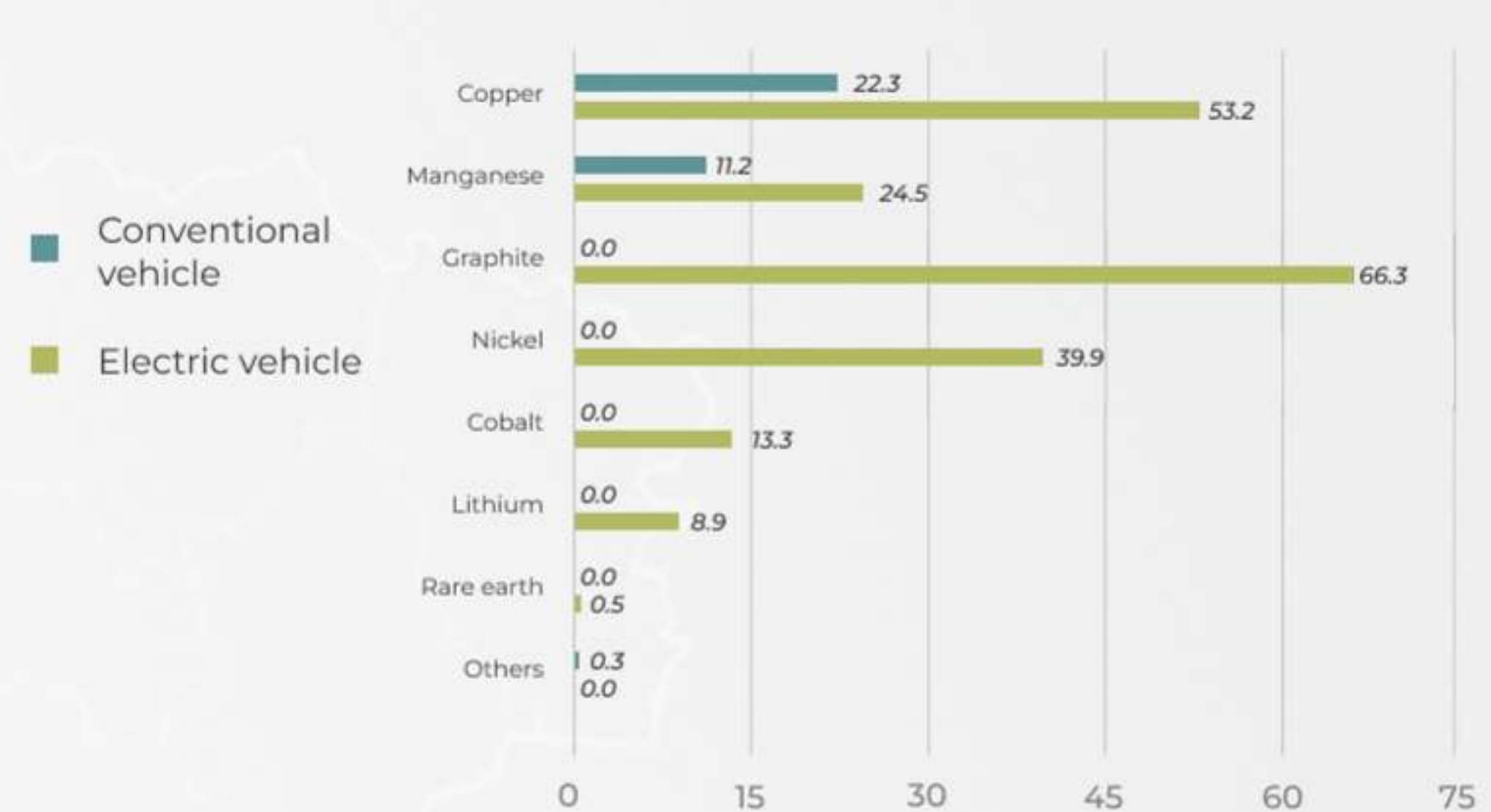


## Mining for the EV sector

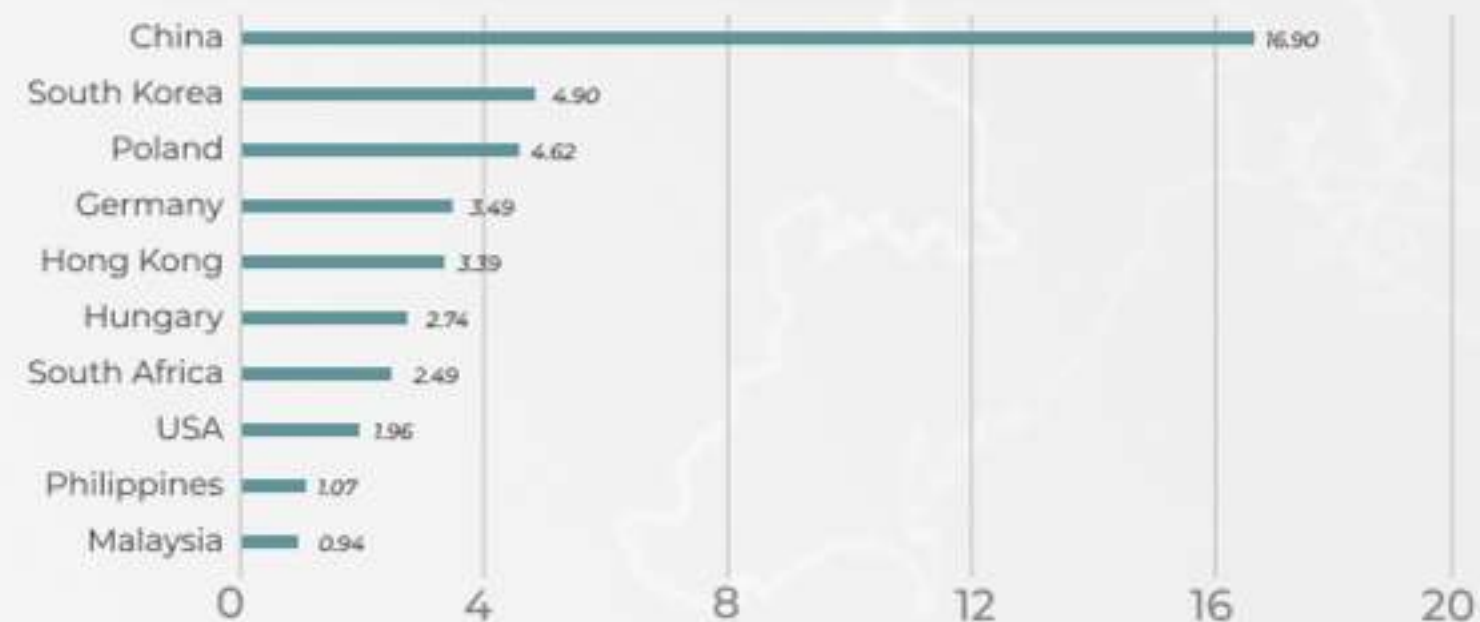
Raw material share in lithium-ion batteries



Vehicle mineral content, 2022, kg/vehicle



Leading EV battery exporting countries, 2020



EV share is expected to reach **86%** of all car sales **by 2030**

# INVESTMENT INCENTIVES

Significant investments



## REQUIREMENTS FOR INVESTMENT PROJECT



**12+ EUR mln**  
of investment



**10+**  
of new jobs



**up to 5 years\*\*\***  
of project  
implementation



**construction,  
modernization**  
technical and/or  
technological  
reequipment of objects

## FORMS OF SUPPORT



**CIT exemption\***  
(for 5 years by choice)



**Exemption from VAT**  
for importing new  
equipment and  
components to it \*\*



Exemption from **import  
duties** for new equipment  
and components to it \*\*



Construction/compensation  
for built **engineering and  
transport infrastructure**  
(highways, communication  
lines, utilities, etc.).



Lease of **state or  
communal land plots**  
without land auctions



Compensation for **costs  
of connection to  
engineering and  
transport networks**



**Land tax exemption/  
reduced land tax rates**



Exemption from  
compensation for  
**losses of forestry  
production**

## AMOUNT OF SUPPORT

up to **30%**  
CAPEX



**For more detailed information,  
we recommend paying  
attention to the following  
regulatory acts**

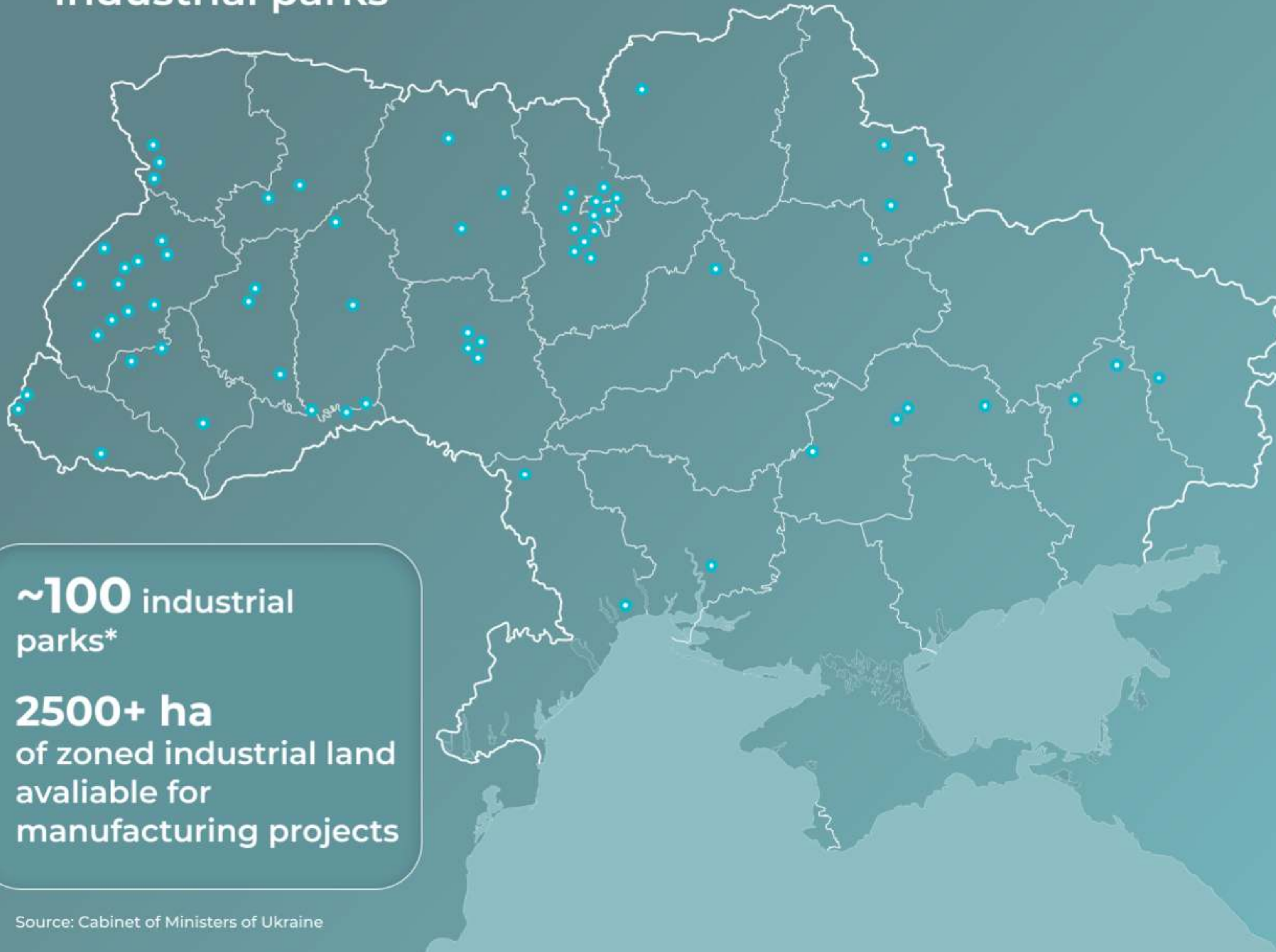


\* Not applicable to projects in the field of extraction for the purpose of further processing and/or enrichment of natural resources.  
\*\* List and volume of equipment is approved by the CMU for each project.  
\*\*\* The applicant, not earlier than 18 months before the date of submission of the application to the authorized body, may make investments in investment facilities in the amount not exceeding 30% of the total amount of significant investments required for the implementation of an investment project with significant investments

# INVESTMENT INCENTIVES



## Industrial parks



**~100** industrial parks\*

**2500+ ha** of zoned industrial land available for manufacturing projects

Source: Cabinet of Ministers of Ukraine



10-year **corporate income tax exemption**



compensation for **connecting to engineering grids**



**VAT exemption** for importing new equipment



exemption from **import duties** for new equipment



**full or partial** compensation of interest rates on loans for arranging an industrial park, carrying out economic activity



**Guide:** State support for Industrial Parks

# INVESTMENT INSURANCE



A formalized agreement on the implementation of the investment insurance mechanism for foreign investments: **2022**  
 Annual rate: **2-3%**  
 Insurance period: **10 years**  
 Coverage of the amount of losses: **up to 90%**  
**Sure Trust Fund:** USD 110 mln, goal - USD 330 mln



Law No. 9015 "On Amendments to the Law of Ukraine "On financial mechanisms for stimulating export activity" regarding insurance of investments in Ukraine against military risks": **2023**  
 Annual rate: **0.49% - 8.05%**  
 Insurance amount: **UAH 200 mln**  
 Insured for 5 months in 2024: **UAH 2.93 bln**



Property insurance against war risks: **2024**  
 Implemented cases: **Grain elevators**



Ship insurance in the Black Sea: **2023**  
 Containers with grain, iron ore, and steel, electrical equipment, fodder  
 Annual rate: **0.75%**  
 Coverage amount: **USD 50 mln**



Memorandum on coverage of American, international and Ukrainian investments in Ukraine: **2023**  
 Coverage of the amount of losses: **up to 85%**  
 Insurance for SMEs: **USD 50 mln**  
 Insurance of the agricultural sector, manufacture: **USD 300 mln**



**22 export-import agencies:** Germany, WB, USA, Japan, Canada, Italy, Poland, Norway, Slovakia, France, Bulgaria, Estonia, Latvia, Lithuania, Czech Republic, Austria, UAE, Portugal, Spain, Sweden, Finland, Denmark  
 Volume of the collected fund: **EUR 1 bln**



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## TRANSFORMING UKRAINE



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