

Ukraine Invest
YOUR INVESTMENT MATTERS

A yellow excavator is positioned on a large pile of dark, rocky material in a quarry. The sun is low on the horizon, creating a bright lens flare and casting a warm, golden glow over the scene. The sky is filled with scattered clouds, some illuminated by the setting sun. In the background, there are more piles of rock and some distant structures.

INVESTING OPPORTUNITIES OF THE MINING SECTOR

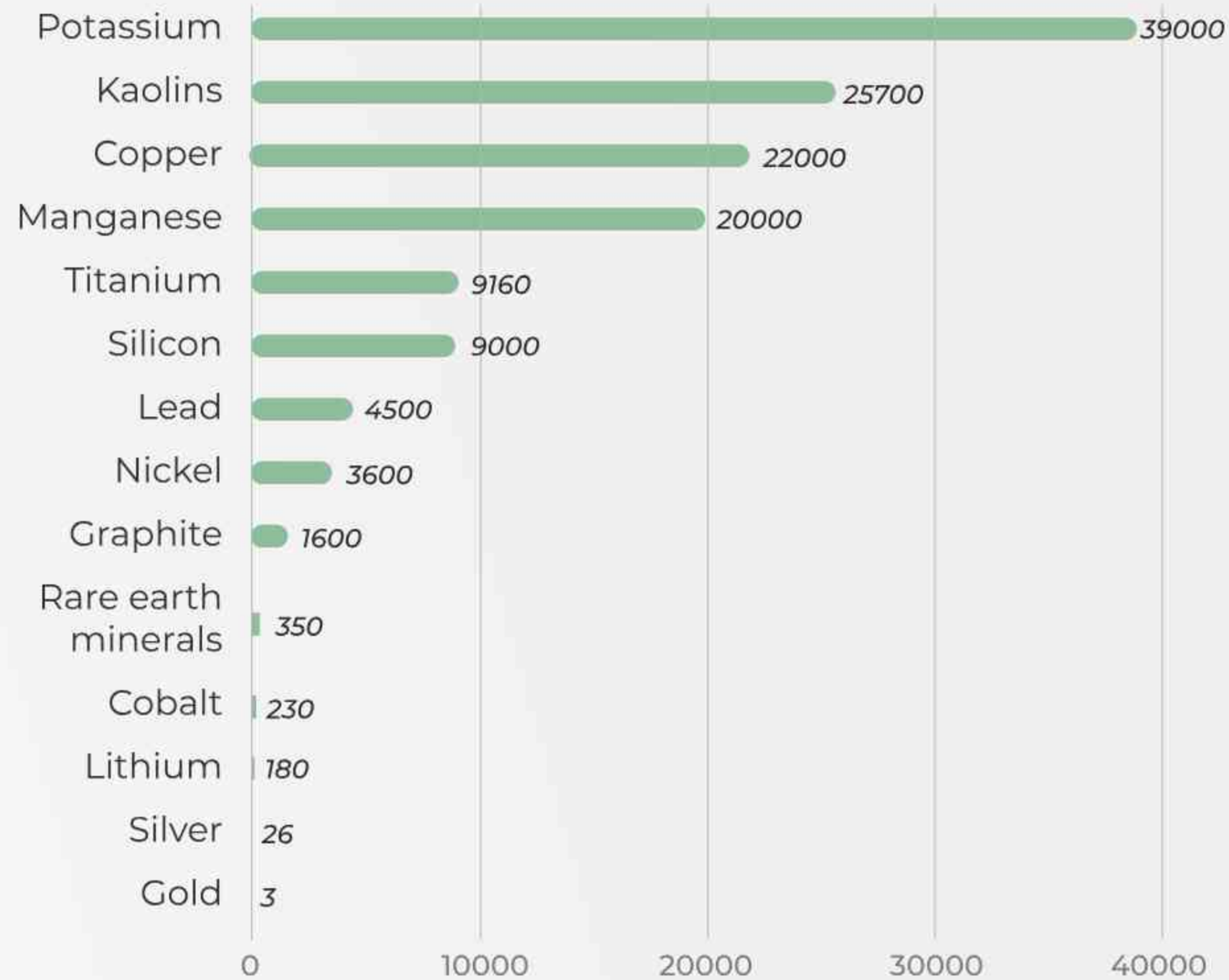
MINING INDUSTRY

Global mining production



Fe 2.5 bln t

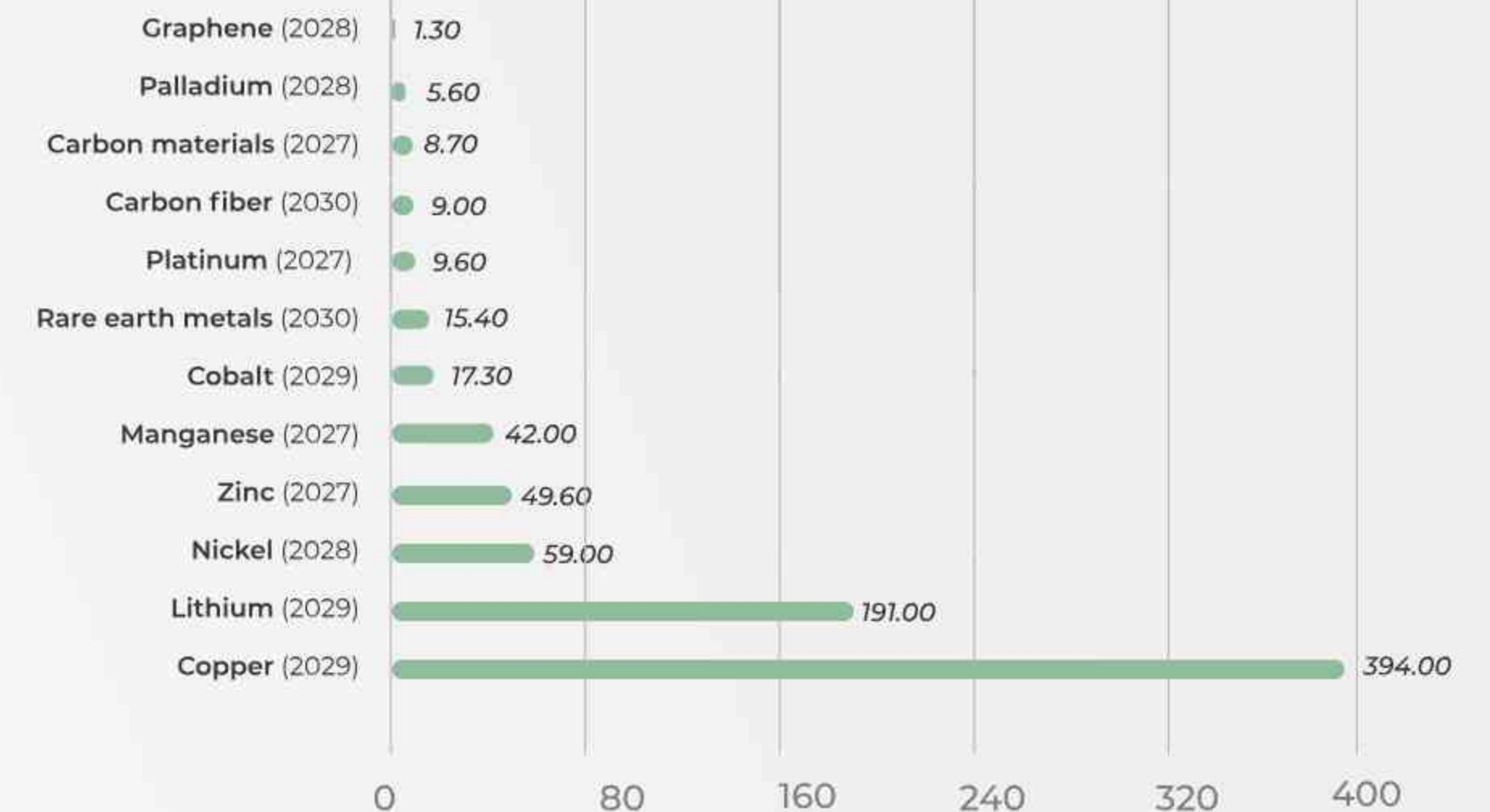
Global mineral extraction in 2023, thsd t



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

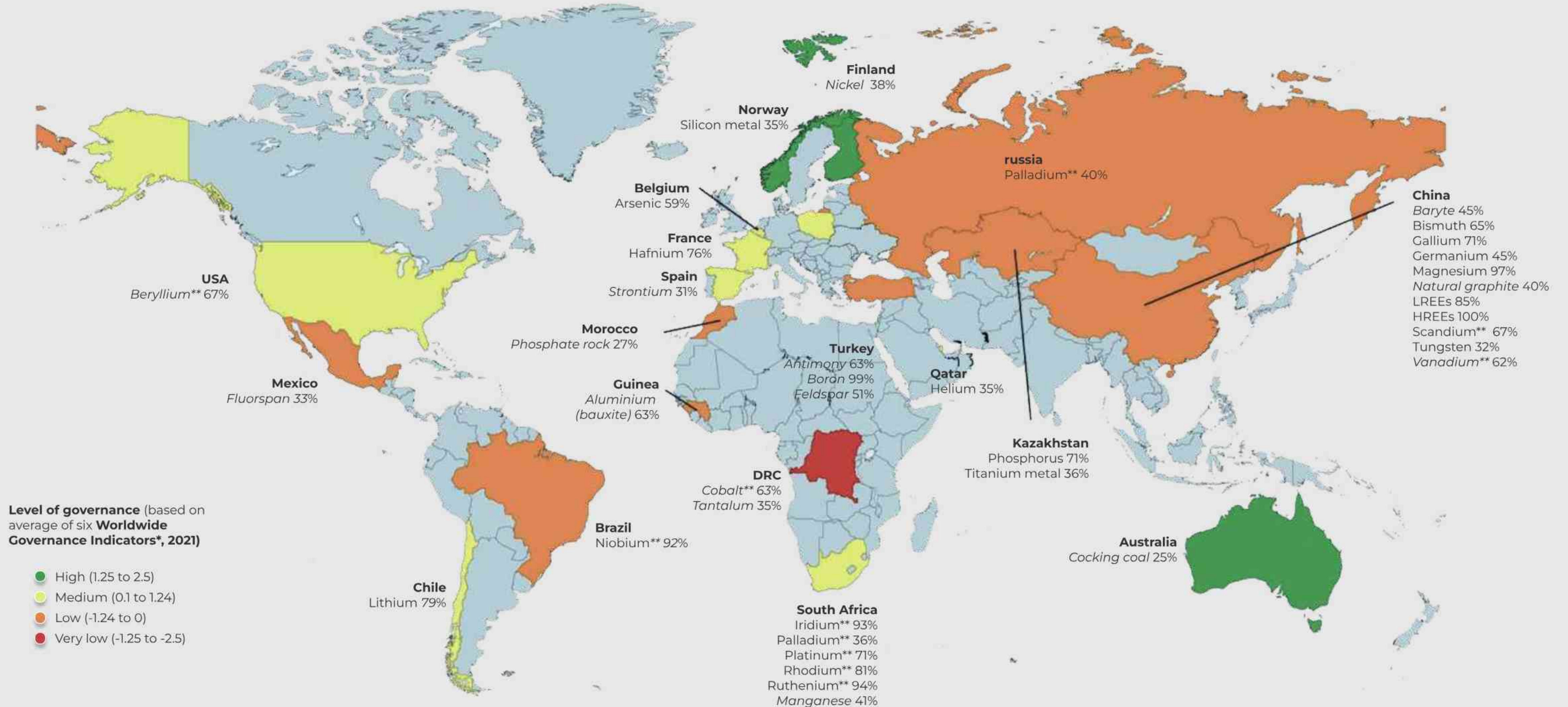
Global estimated market value of selected critical minerals, USD bln



MINING INDUSTRY



Major EU suppliers of CRMs in 2023



UKRAINE'S MINING INDUSTRY

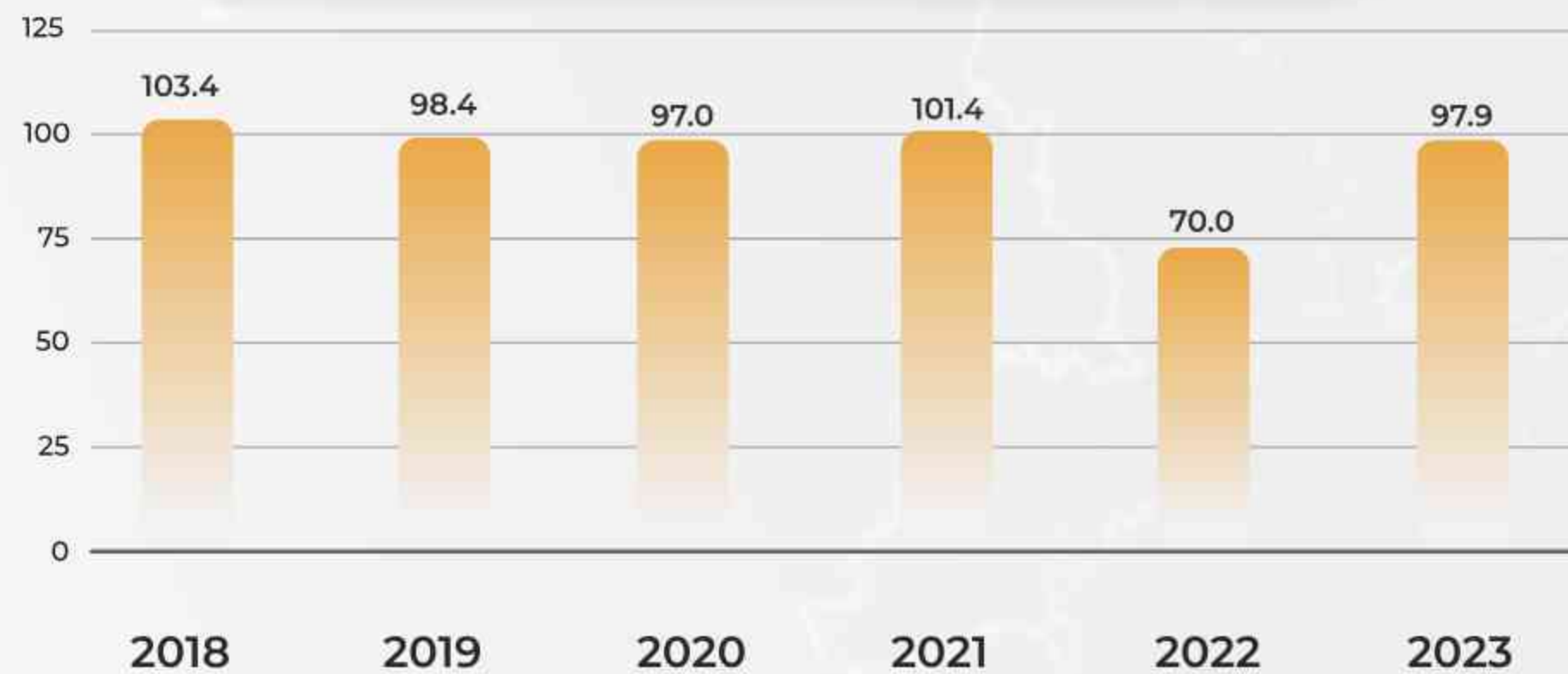
Macroeconomy



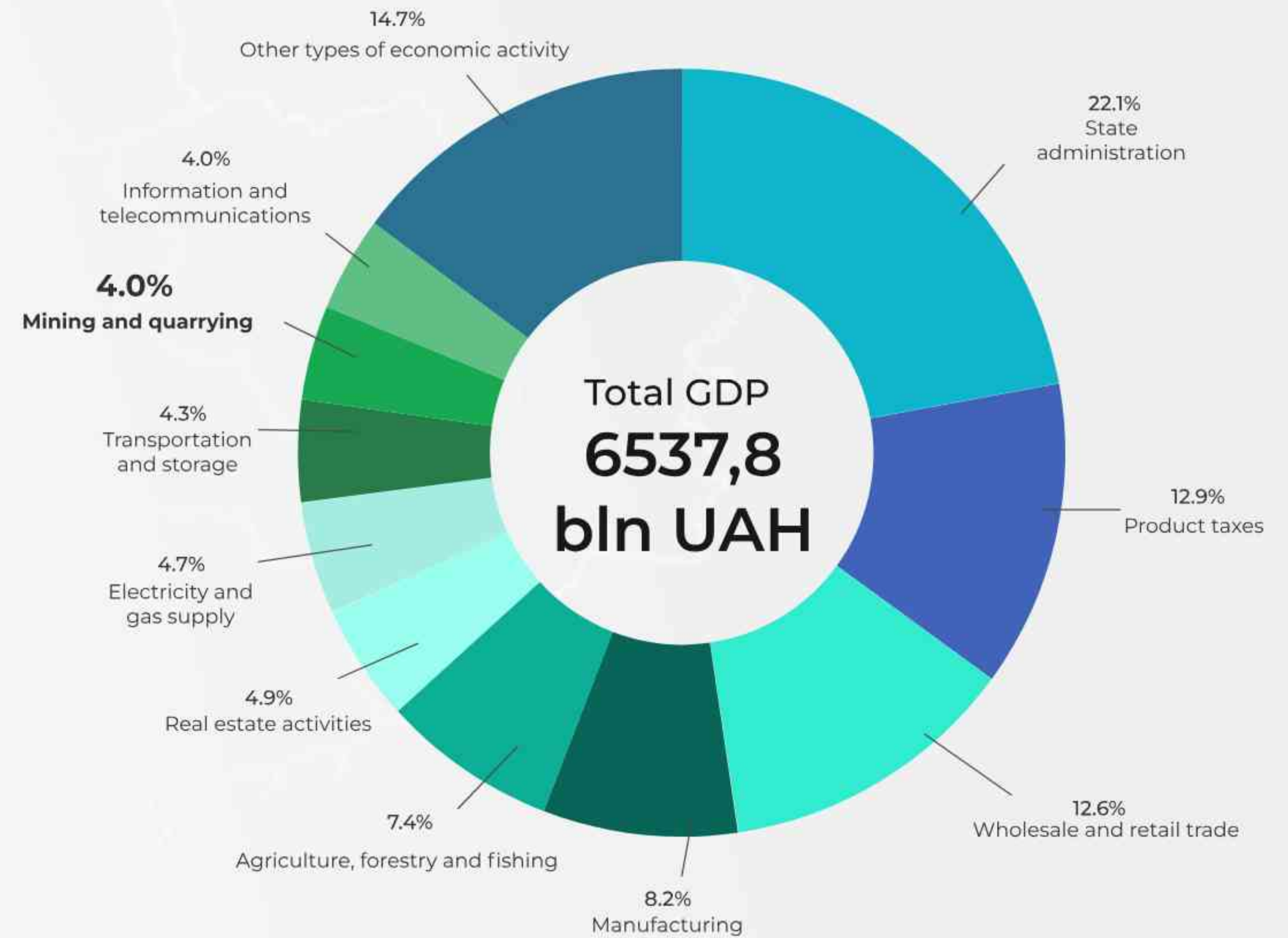
Industrial sales in the mining industry, UAH bln



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



Ukrainian GDP's structure, 2023, %

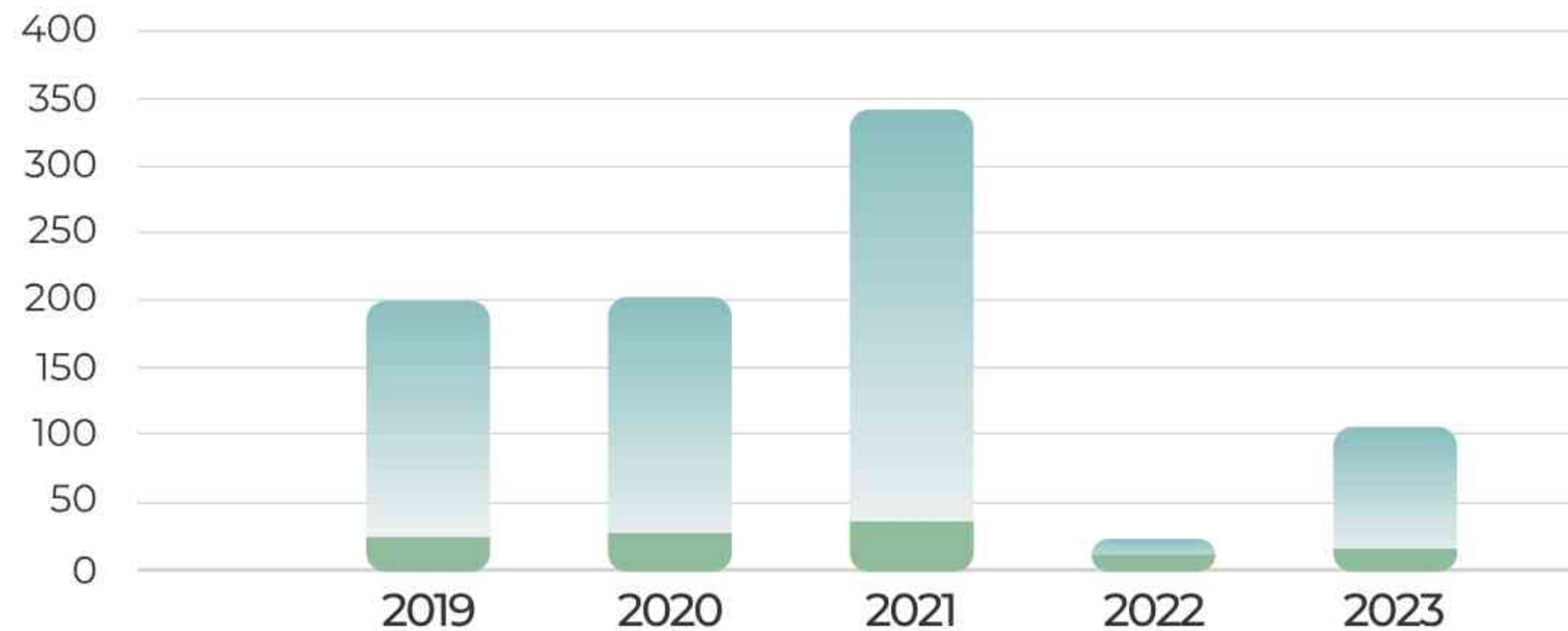


UKRAINE'S MINING INDUSTRY



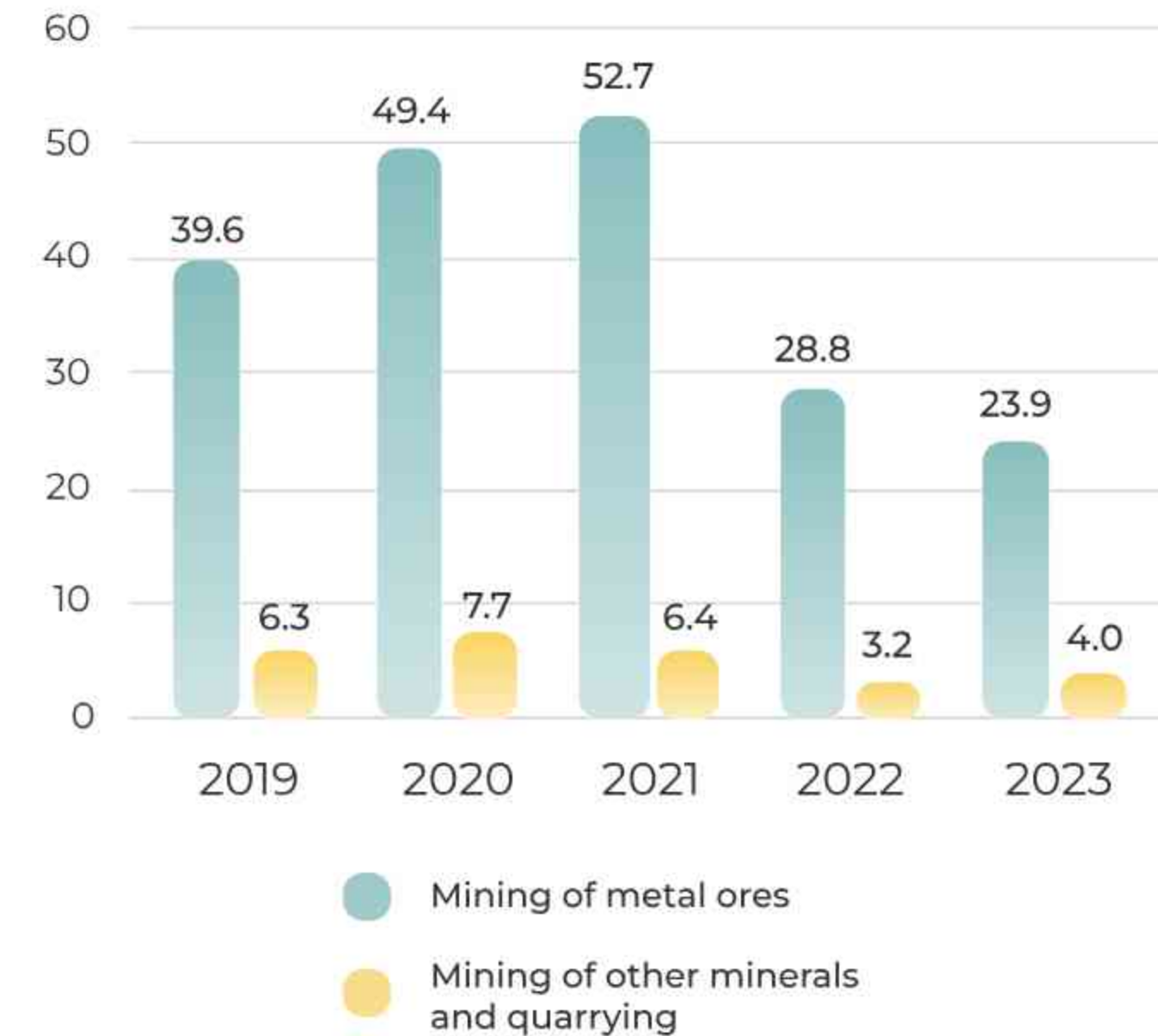
Industry snapshot

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

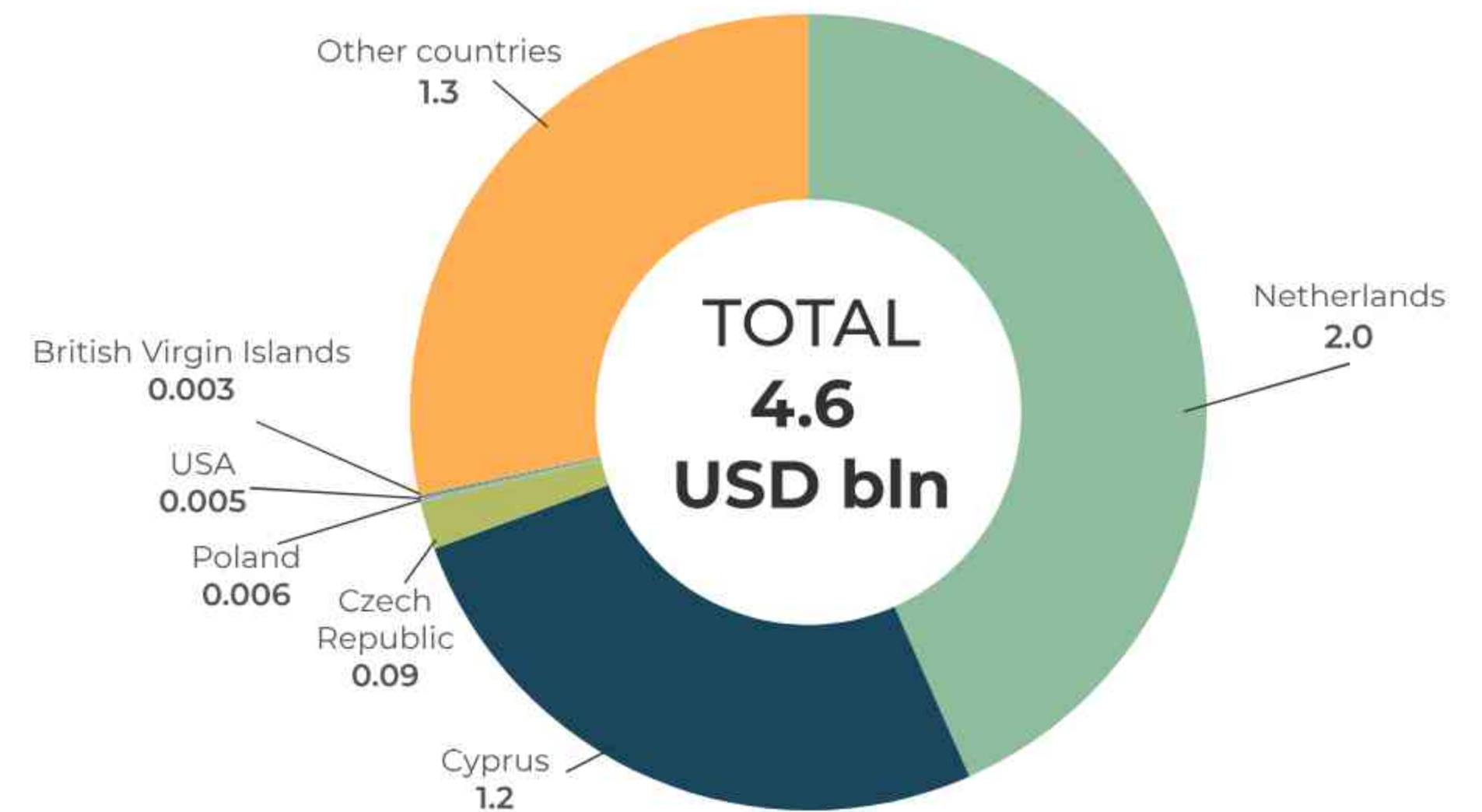


War risk insurance and government policies aimed at improving the investment climate contribute to the growth of the industry

FDI balances in Ukrainian mining sector, USD bln



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

Positions of Ukraine in the world by volume of production

METALLIC MINERALS		NON-METALLIC MINERALS		MINERAL RESOURCES	
6th place	Titanium	6th place	Kaolins	10th place	Uranium
8th place	Manganese	8th place	Graphite	12th place	Coking coal
10th place	Iron	10th place	Zirconium silicate	13th place	Thermal coal

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

METALLIC MINERALS		NON-METALLIC MINERALS		HYDROCARBONS	
37	22.857 ha	195	43.826 ha	49	6.440 ha
licensed sites and deposits	corresponding licensed area	licensed sites and deposits	corresponding licensed area	licensed sites and deposits	corresponding licensed area

Li
Lithium

3

licensed sites and deposits

280 ha

corresponding licensed area

Ti
Titanium

9

licensed sites and deposits

9.037 ha

corresponding licensed area

Au
Gold

4

licensed sites and deposits

1.280 ha

corresponding licensed area

NON-FERROUS METALS

Ni

Nickel

Co

Cobalt

Cr

Chromium

Cu

Copper

Mo

Molybdenum

5

licensed sites and deposits

3.086 ha

corresponding licensed area

RARE EARTH METALS

Be

Beryllium

Zr

Zirconium

Ta

Tantalum

Nb

Niobium

Sc

Scandium

4

licensed sites and deposits

1.870 ha

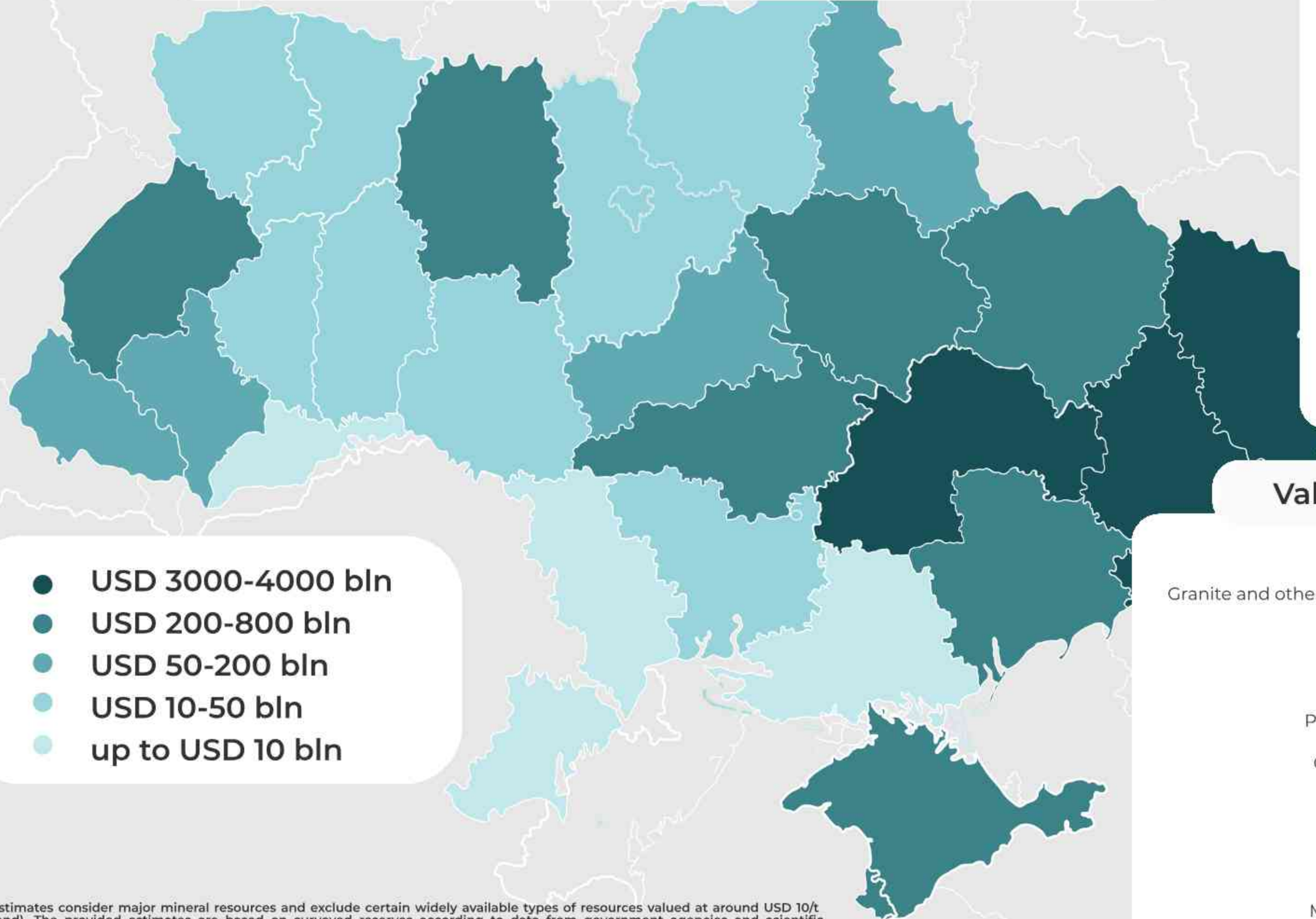
corresponding licensed area

UKRAINE'S MINING INDUSTRY

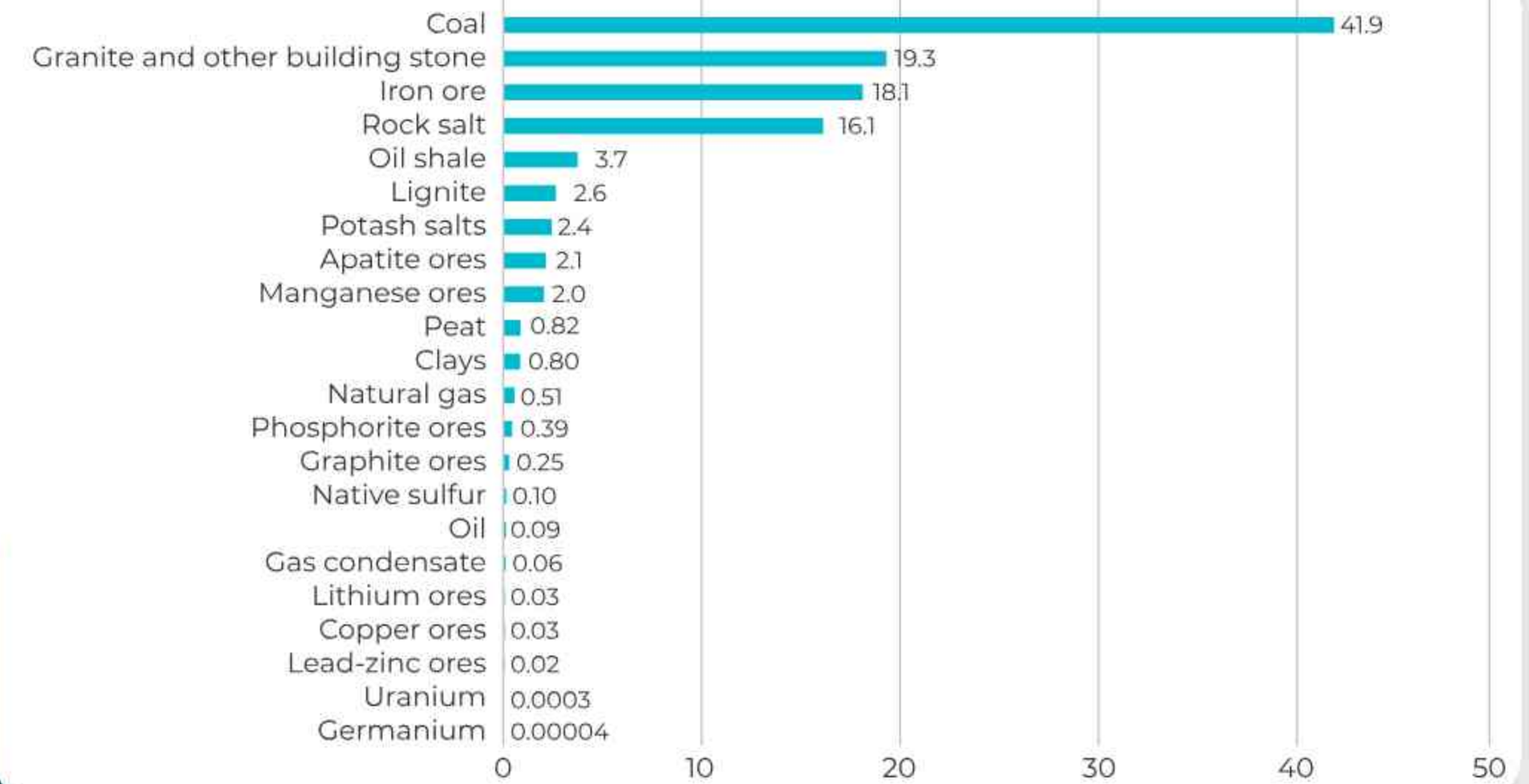


Raw material base cost

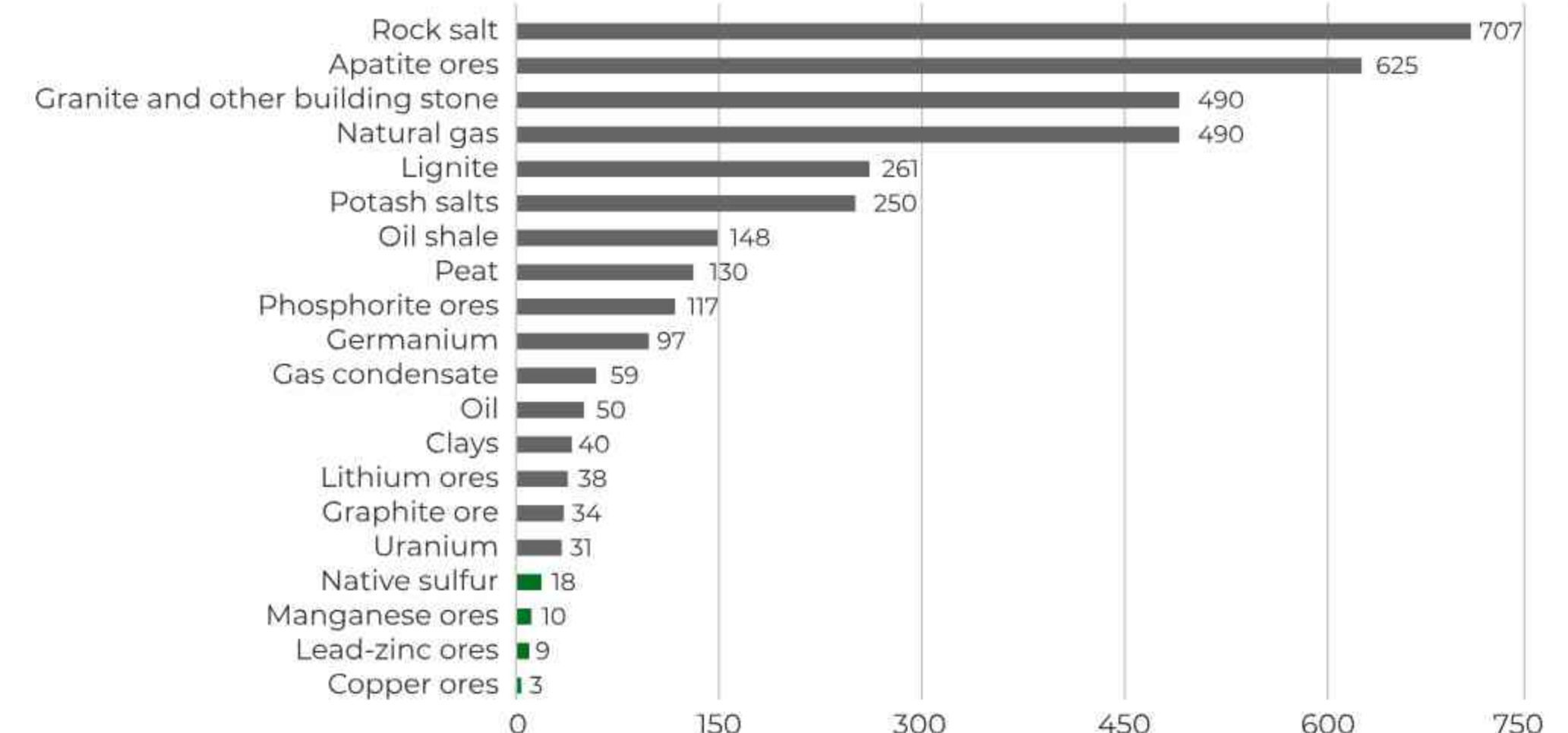
Regional value of Ukraine's mineral resources*, USD bln



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



UKRAINE'S MINING INDUSTRY



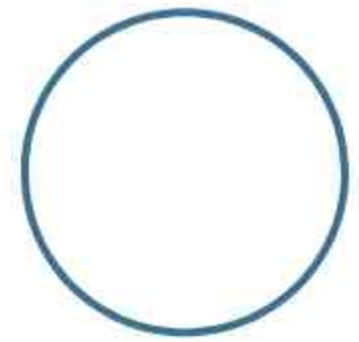
UKRAINE'S MINING INDUSTRY



Fossil fuel



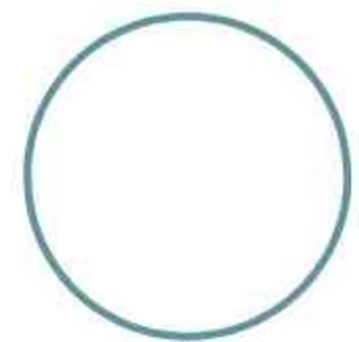
700+ bln m³
gas reserves



80+ mln ton
oil reserves



41.9 bln t
coal reserves



2.6 bln t
lignite reserves

Investment opportunity:
Ukrnafta projects



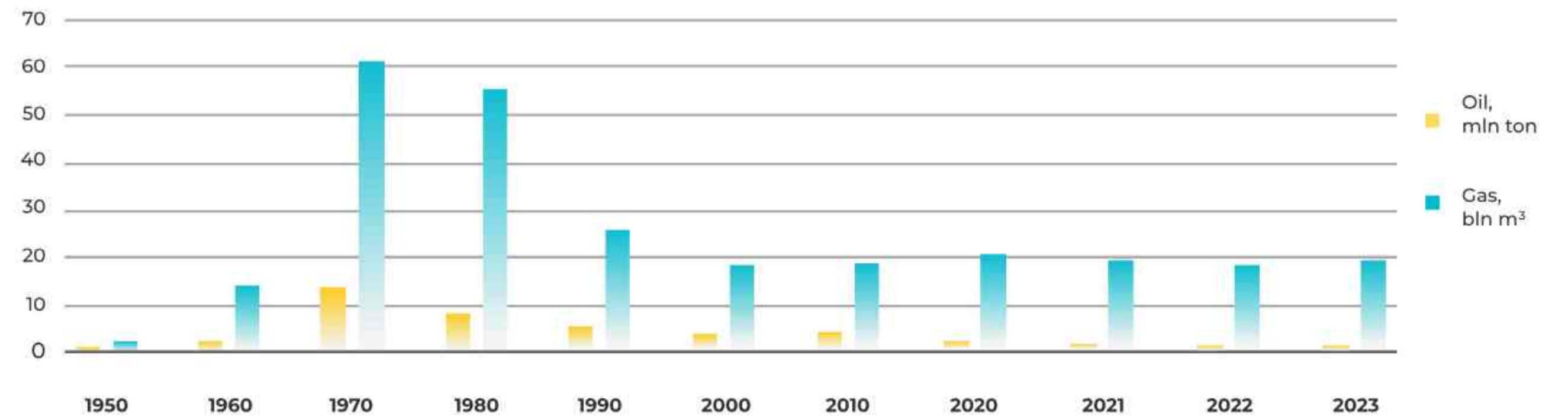
20+ fields

joint development under the PSA

The reserves of the fields is:

- 12 mln tons of oil
- 31 bln m³ of gas

Oil and gas extraction in Ukraine, 1950-2022*

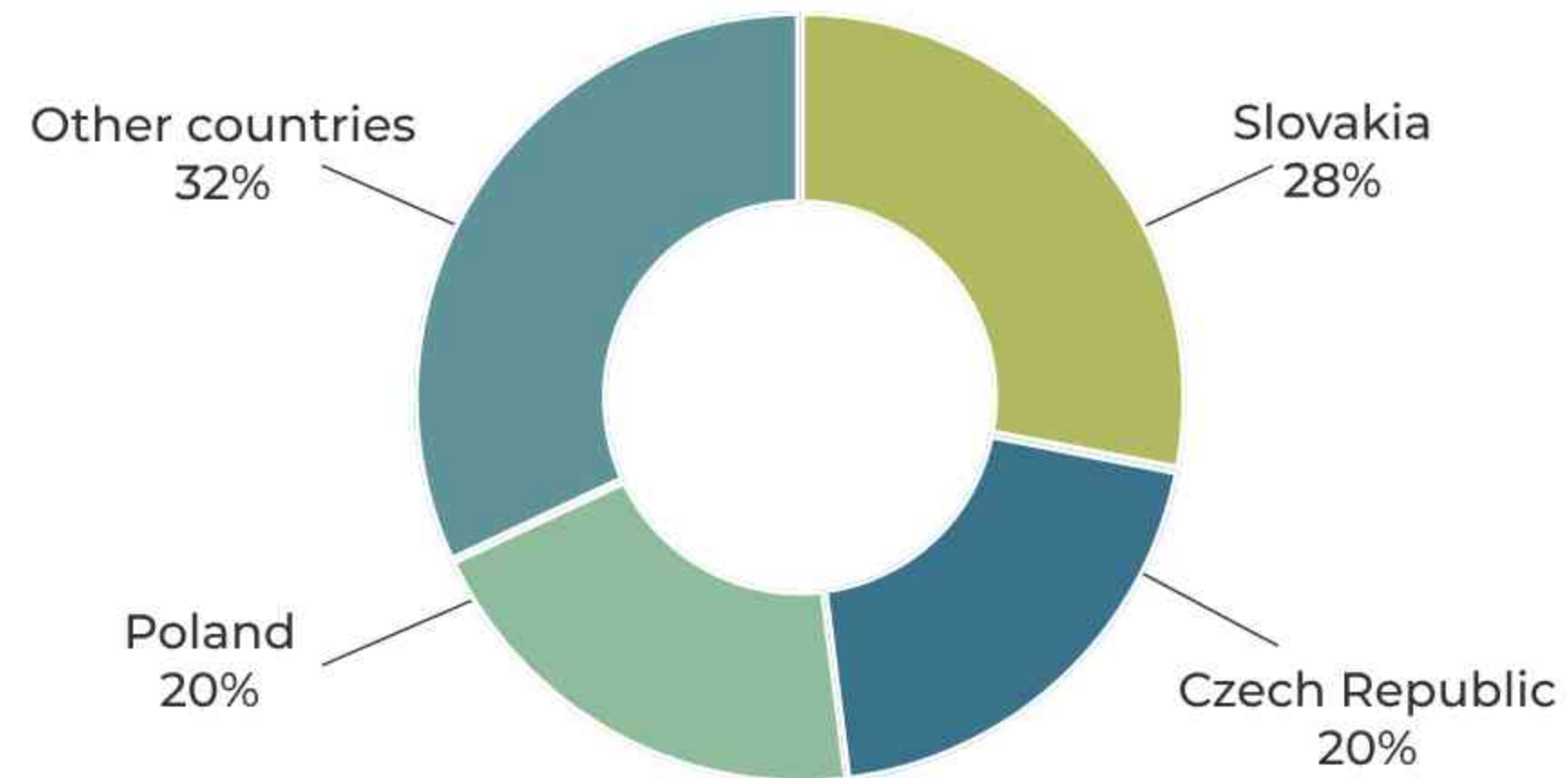


UKRAINE'S MINING INDUSTRY

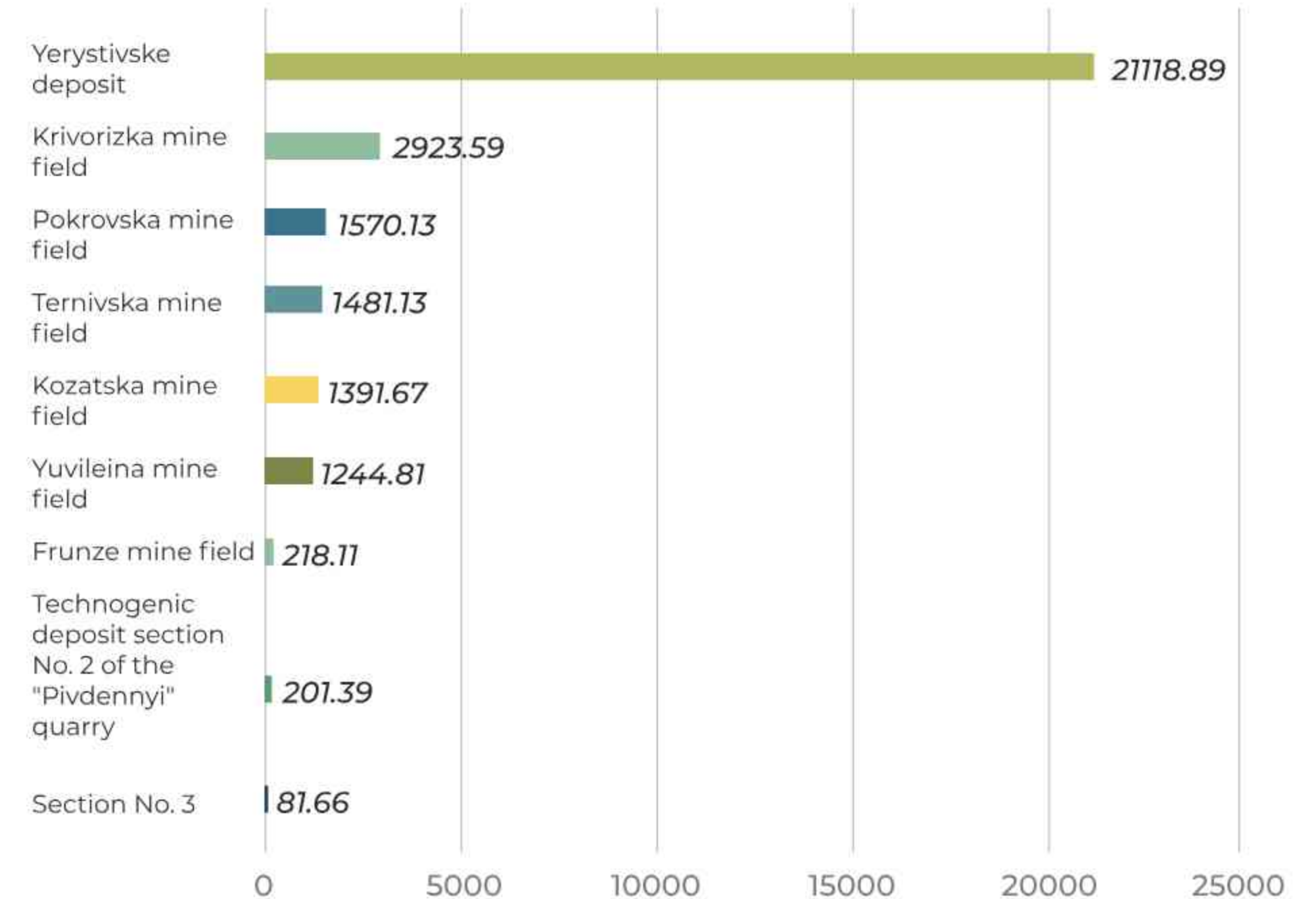


Iron ore industry

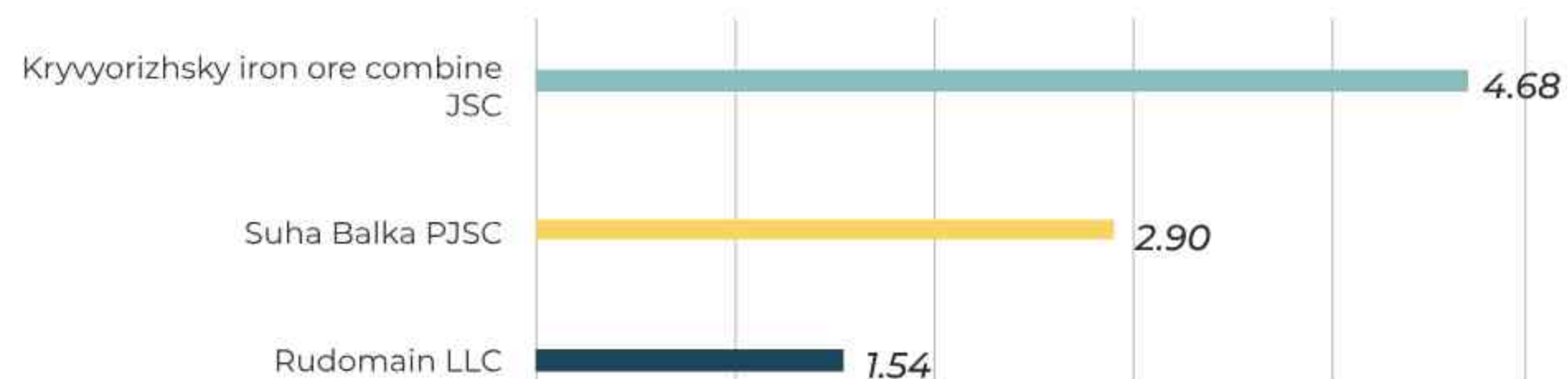
Consumers of Ukrainian iron ore, 2023, %



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

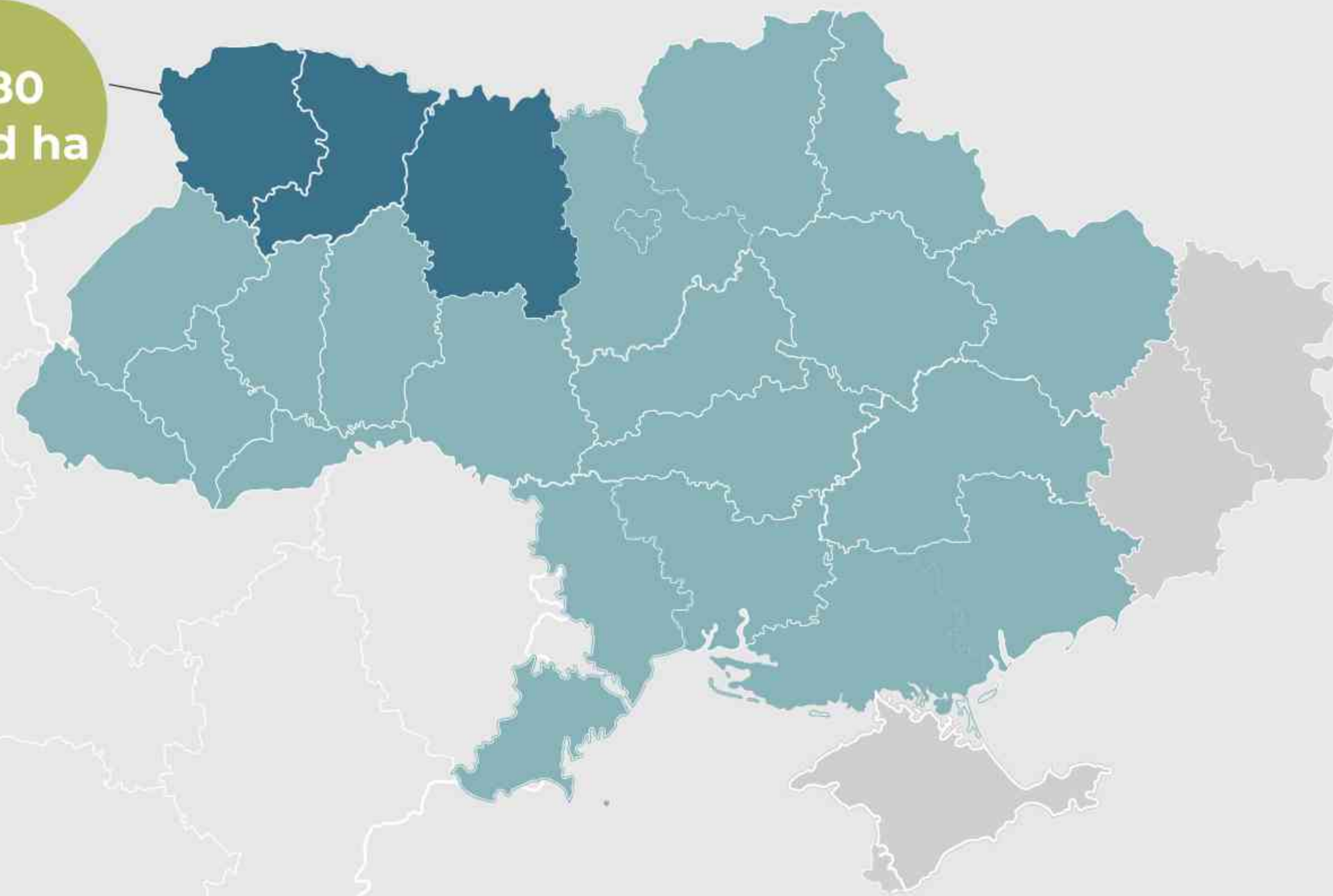


Amber

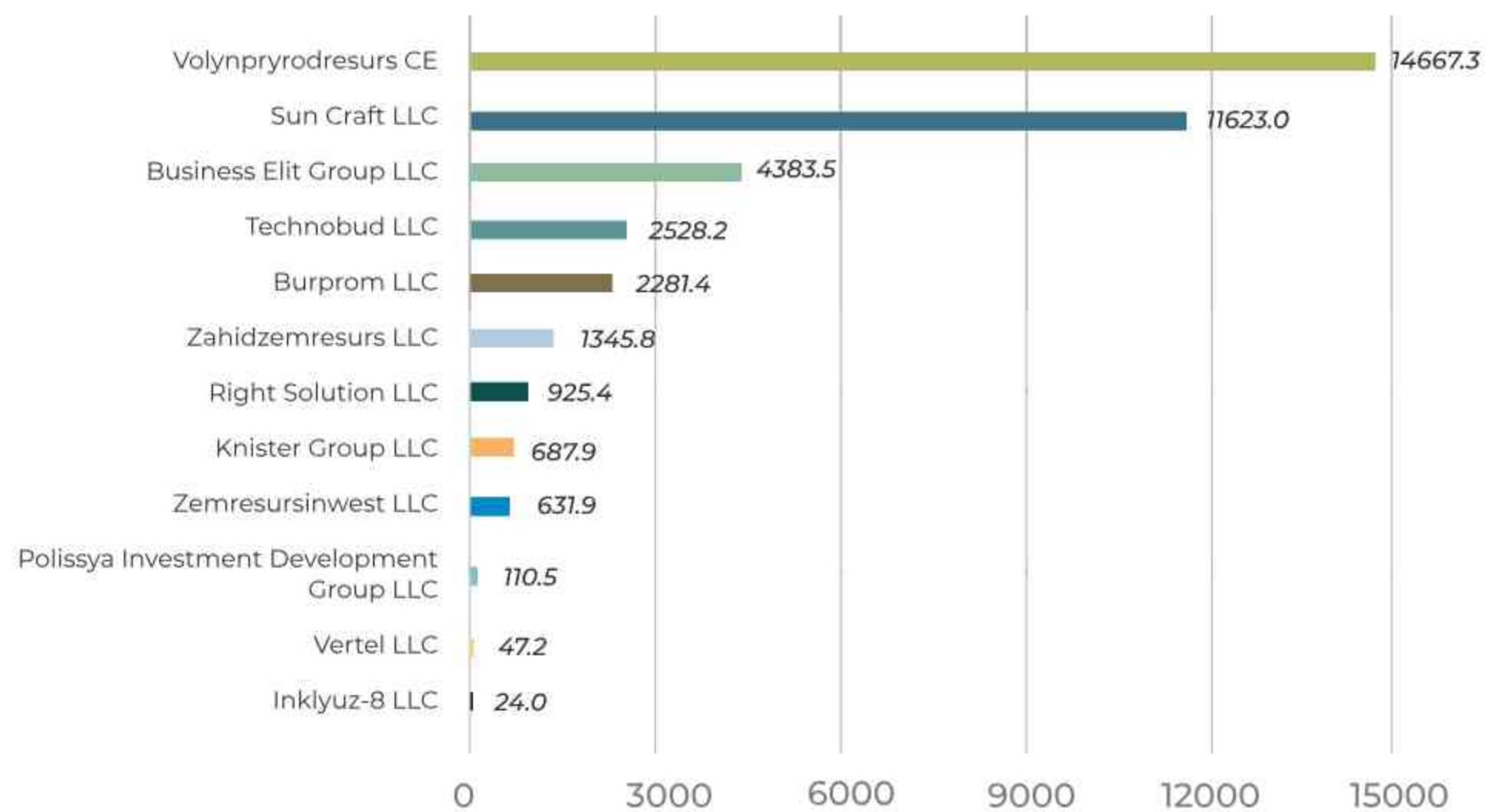


Ukraine by amber resources takes **one of the leading places in the world**

380 thsd ha



Amber production in Ukraine, 2023, kg



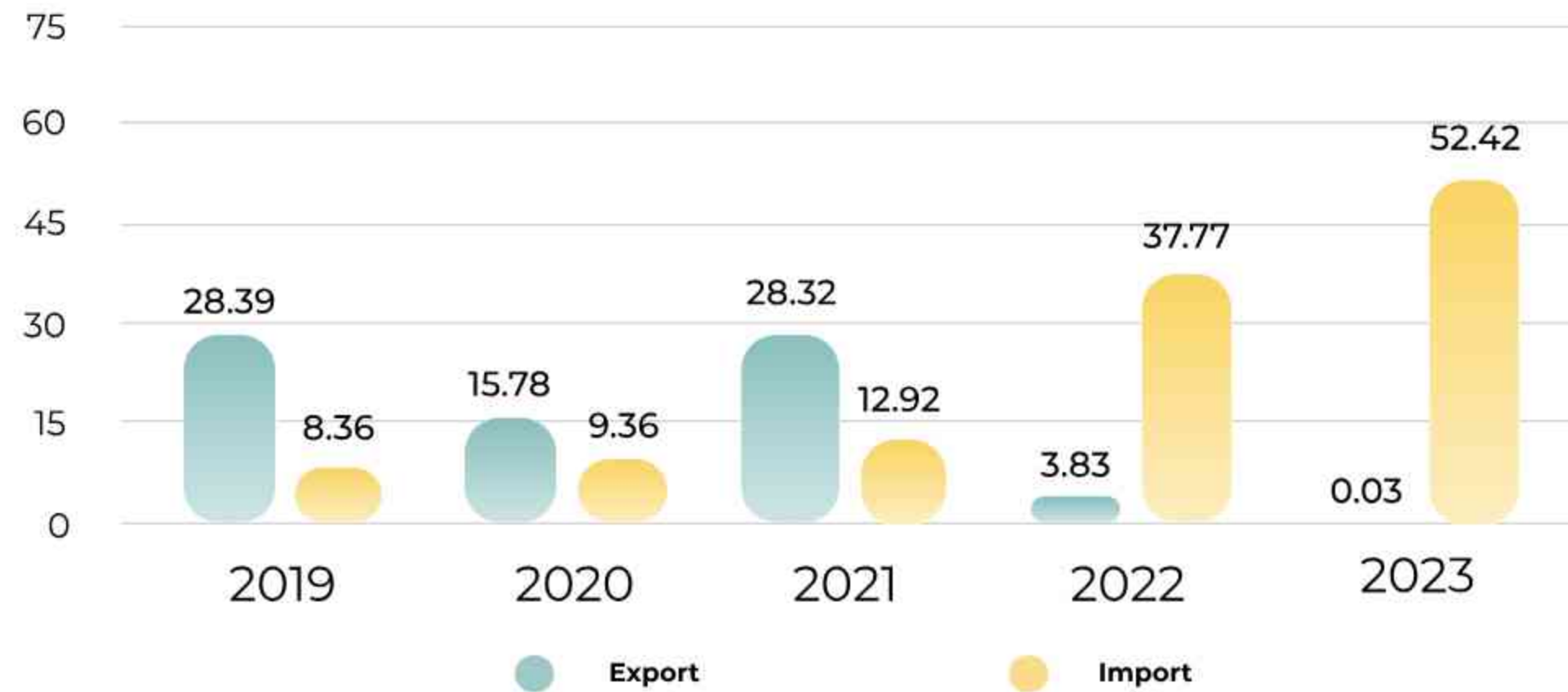
about **40 thsd kg** amber extraction, 2023

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

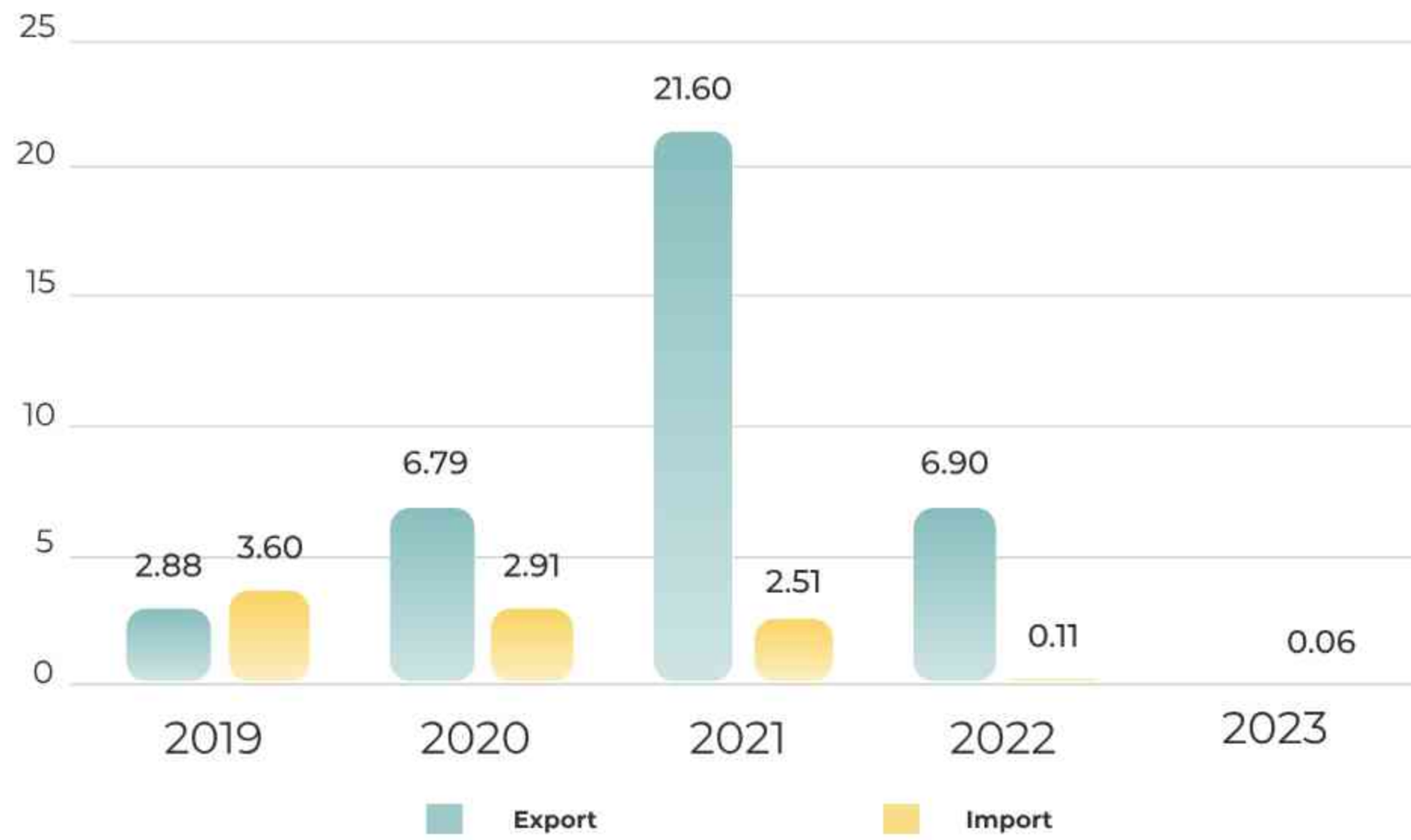
confirmed copper reserves in Ukraine



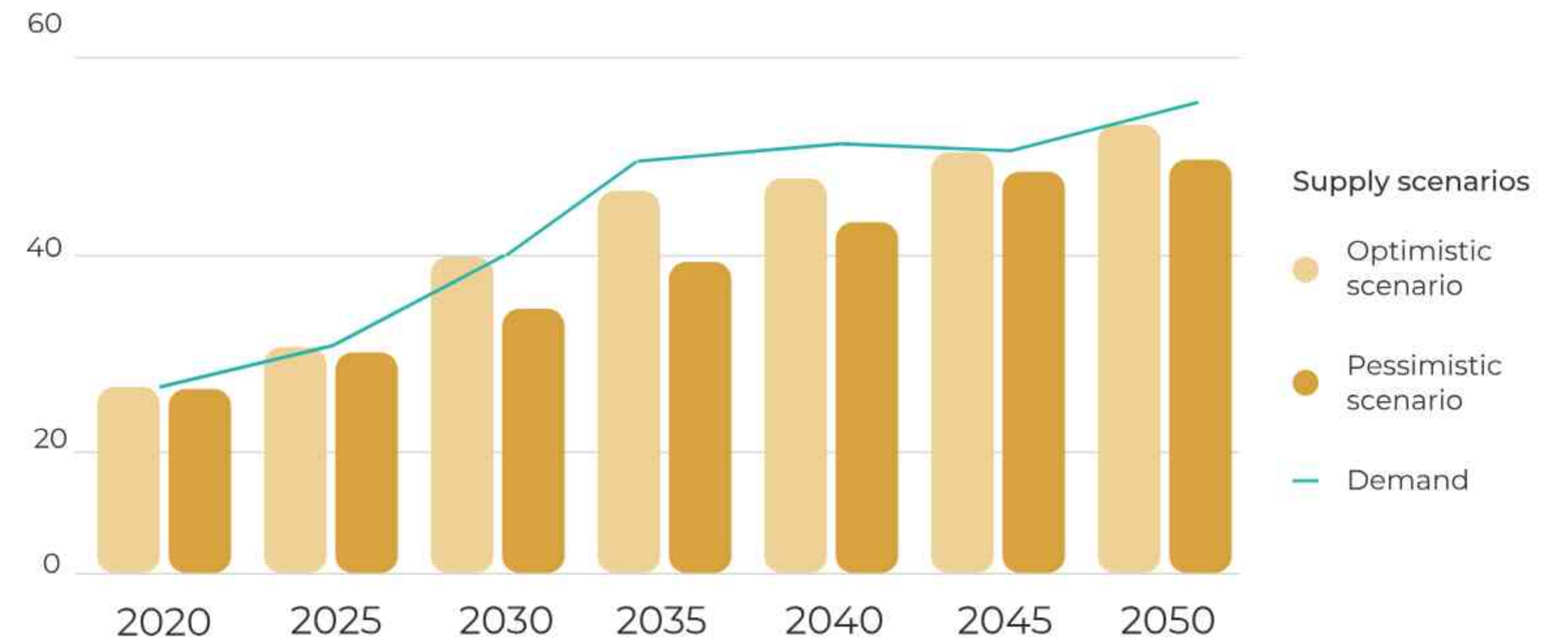
9.9 mln t

global copper deficit will increase by 2035

Copper turnover, bln USD



Global copper supply scenarios and demand, mln mt

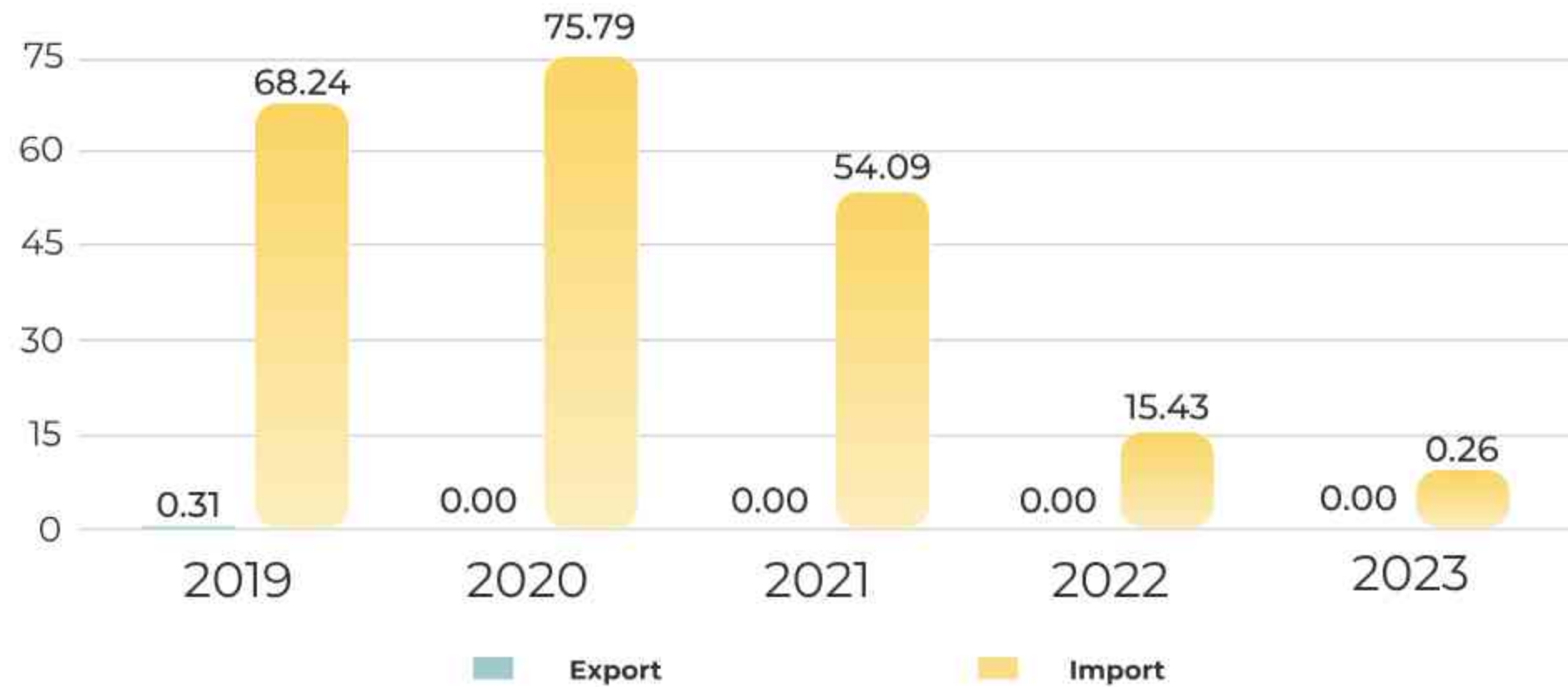


UKRAINE'S MINING INDUSTRY



Nickel and cobalt

Nickel turnover, USD mln



0,1%

Ukraine holds the cobalt reserves of the entire planet



8000 t

confirmed cobalt reserves in Ukraine



217,8 thsd t

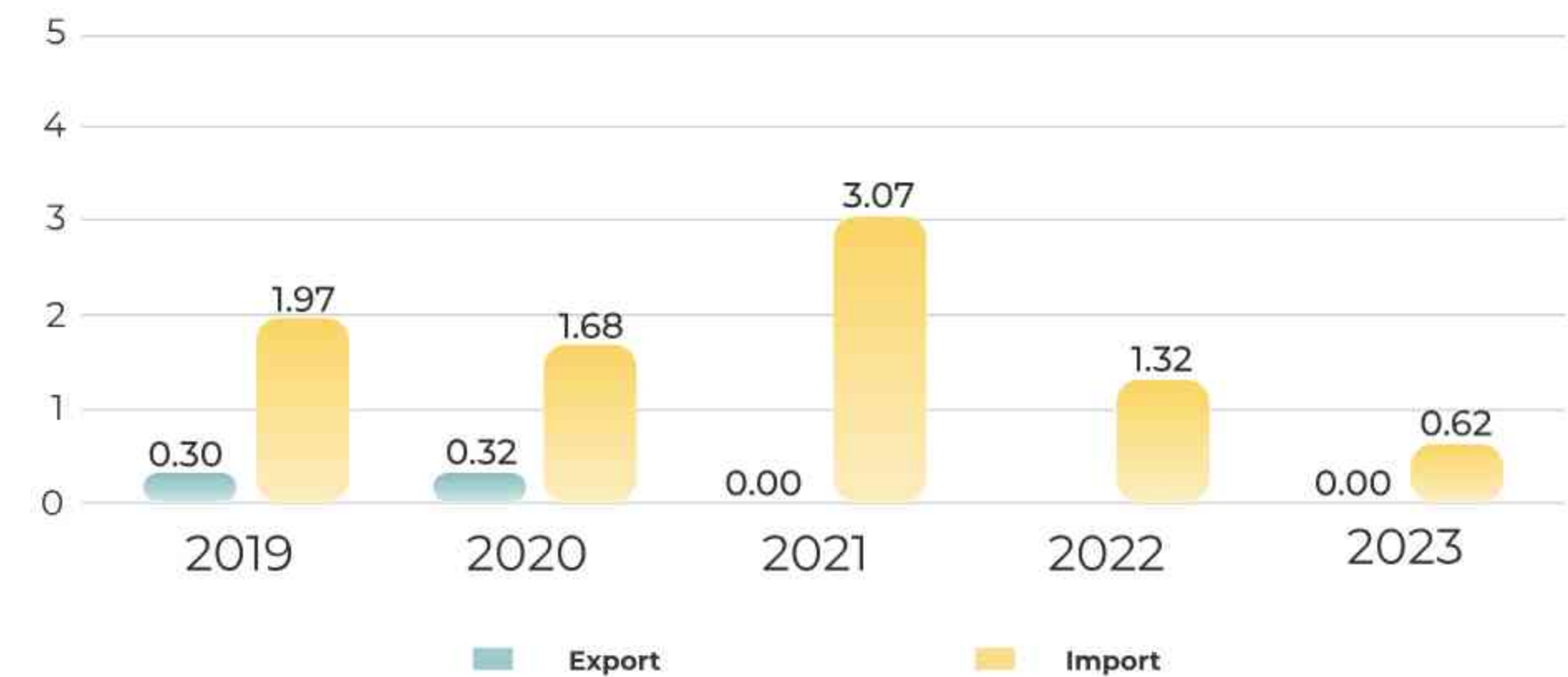
balance reserves of nickel in Ukraine



121,2 thsd t

off-balance reserves of nickel in Ukraine

Cobalt turnover, USD mln



UKRAINE'S MINING INDUSTRY



Lithium

4 deposits

UKRAINE'S MINING INDUSTRY

Manganese



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



UKRAINE'S MINING INDUSTRY



Titanium and zirconium



UKRAINE'S MINING INDUSTRY



Gold



UKRAINE'S MINING INDUSTRY



Uranium ore



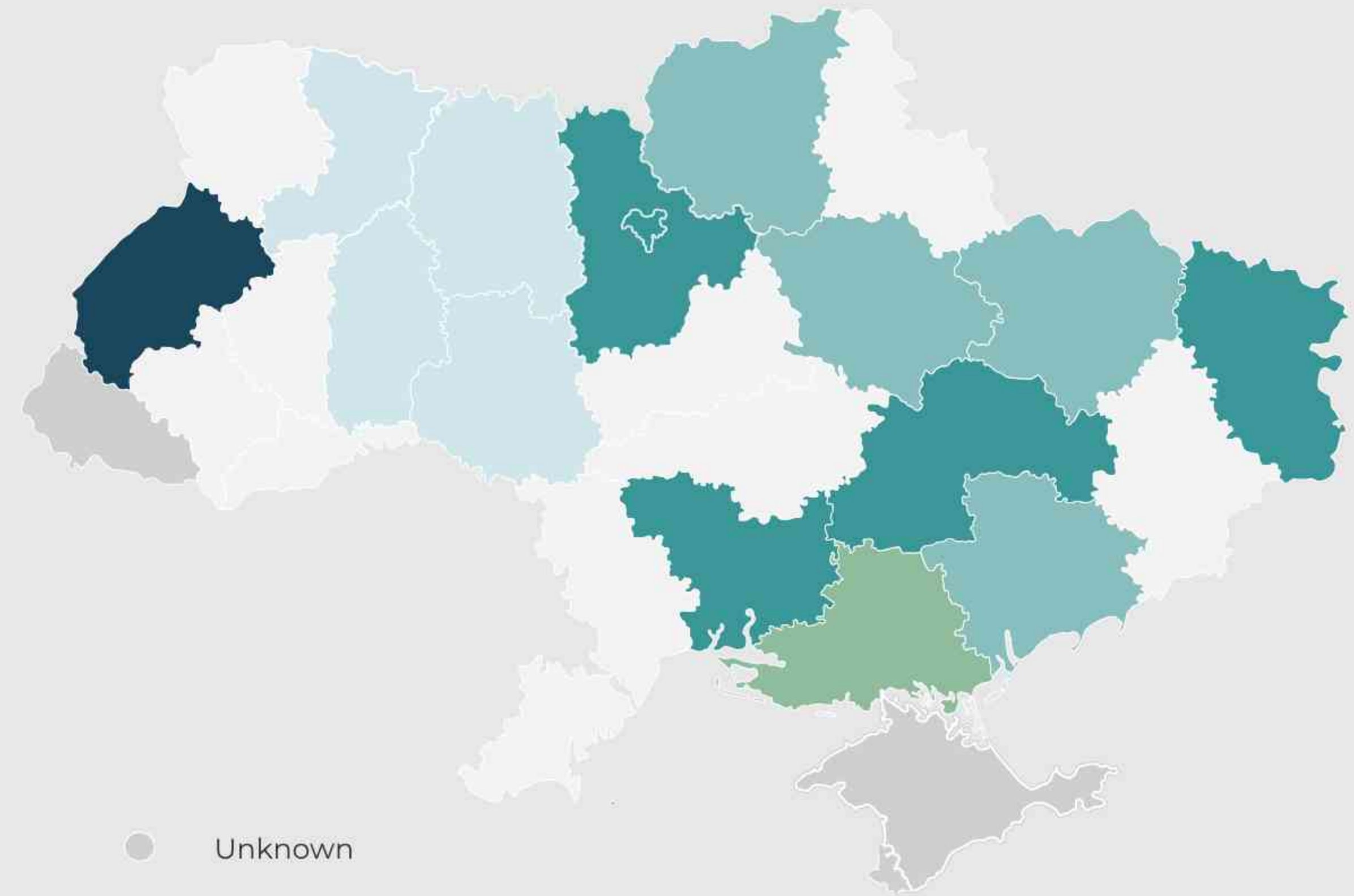
UKRAINE'S MINING INDUSTRY



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

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

Enterprises' level of employment

25-28%

metallurgical plants

45-50%

GZK

Biggest physical losses

"Azovstal"

ILYICH ISM

INVESTMENT OPPORTUNITIES



Natural resources

2022

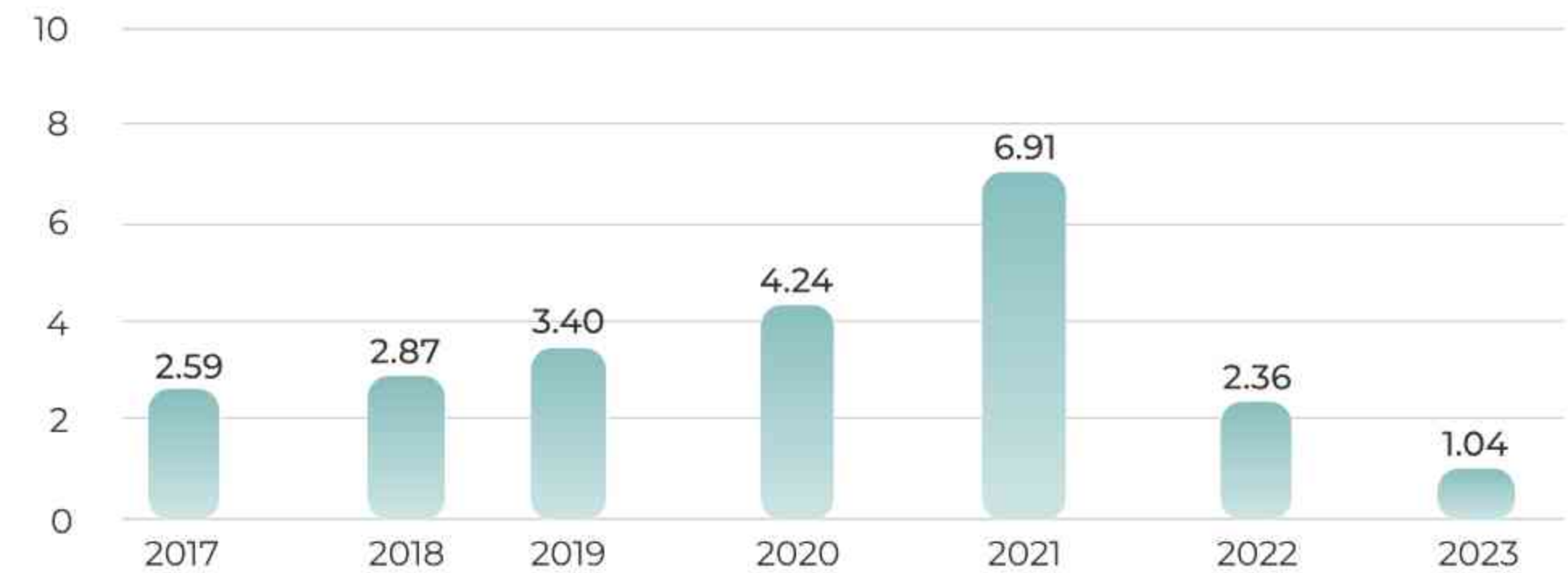
76 mln t
iron ore extraction

16,8 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

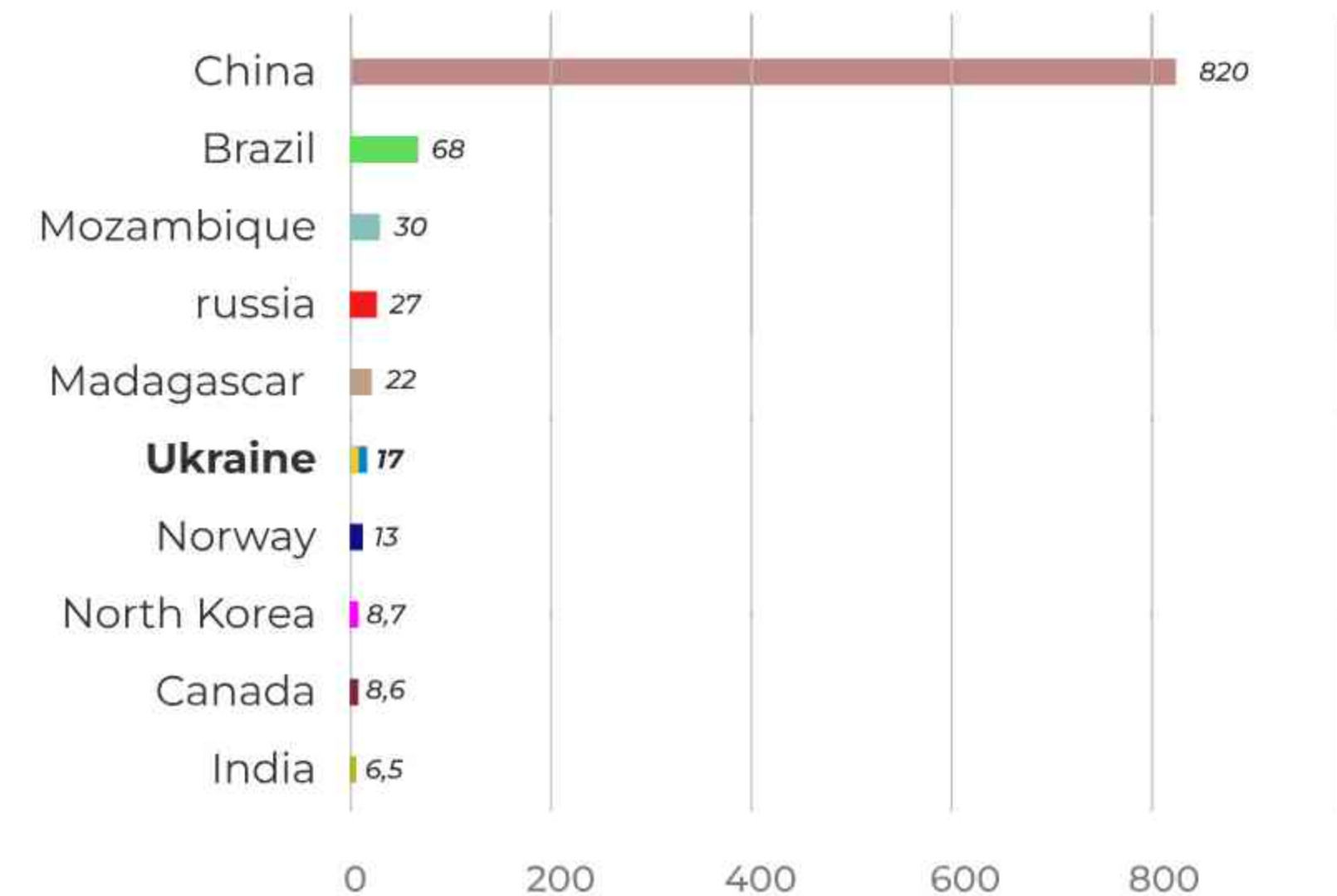
2 out of 6
developing
graphite deposits

50-100 mln t
graphite reserves
increasing potential



23-27% / year until 2028
graphite demand growth

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

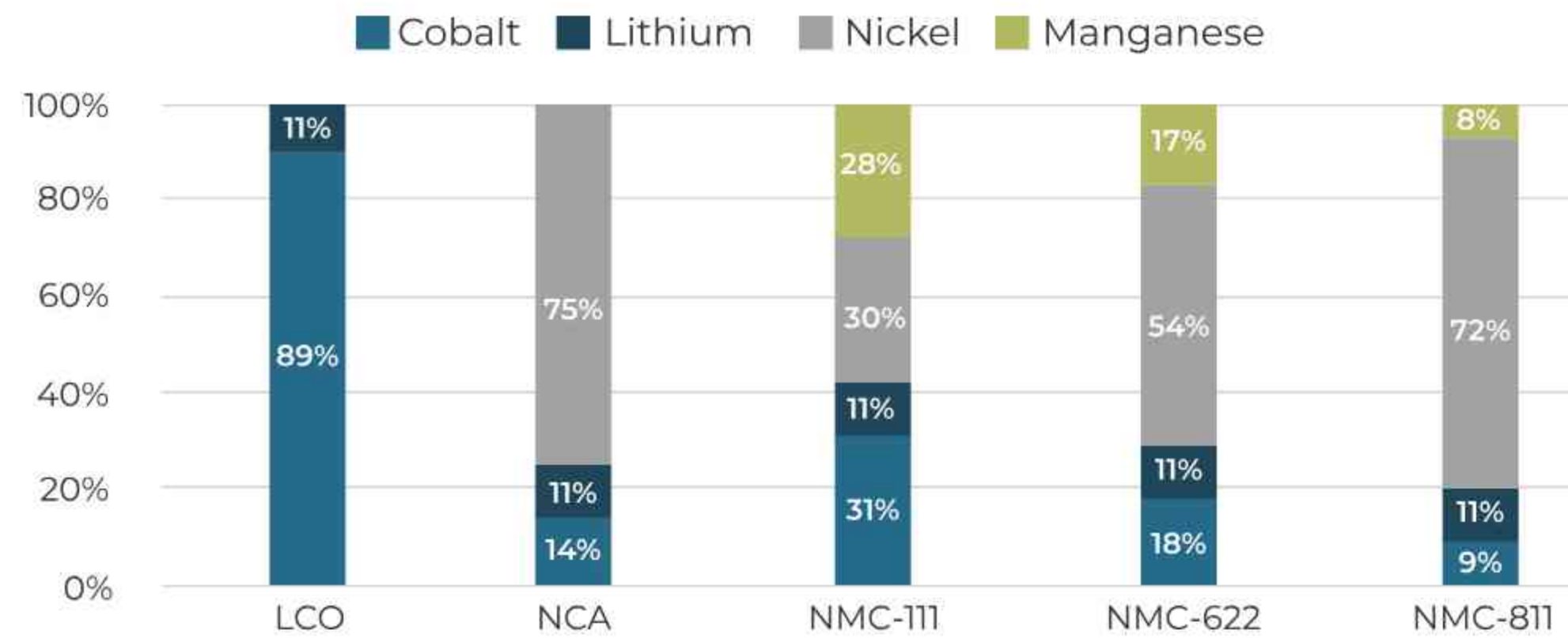


INVESTMENT OPPORTUNITIES

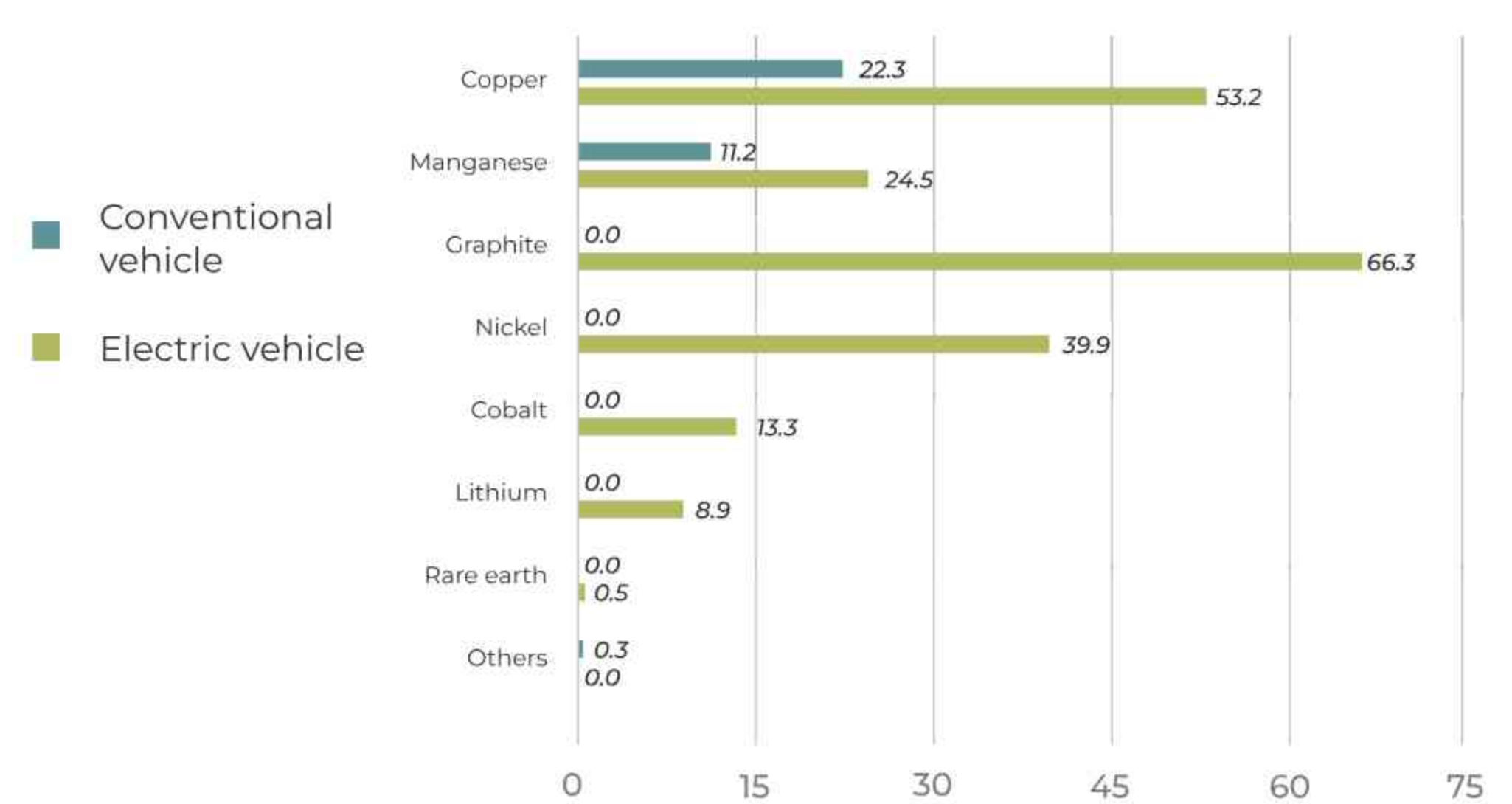


Mining for the EV sector

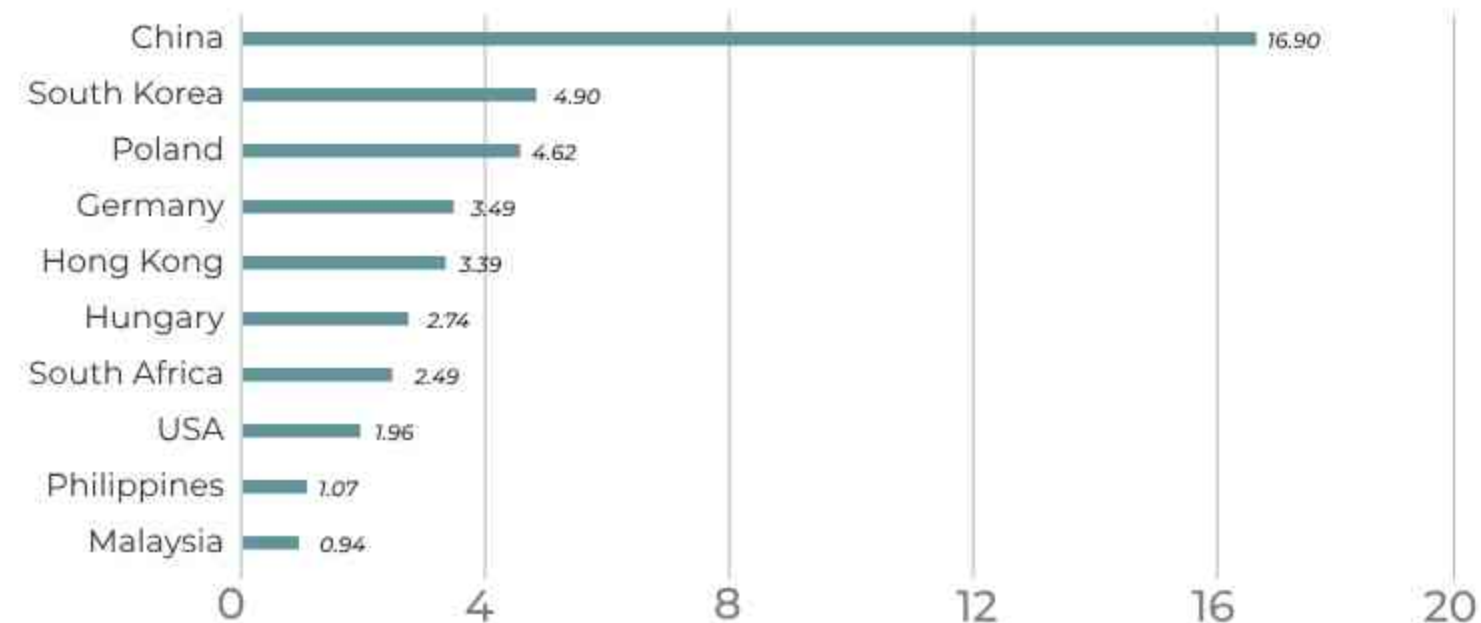
Raw material share in lithium-ion batteries



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

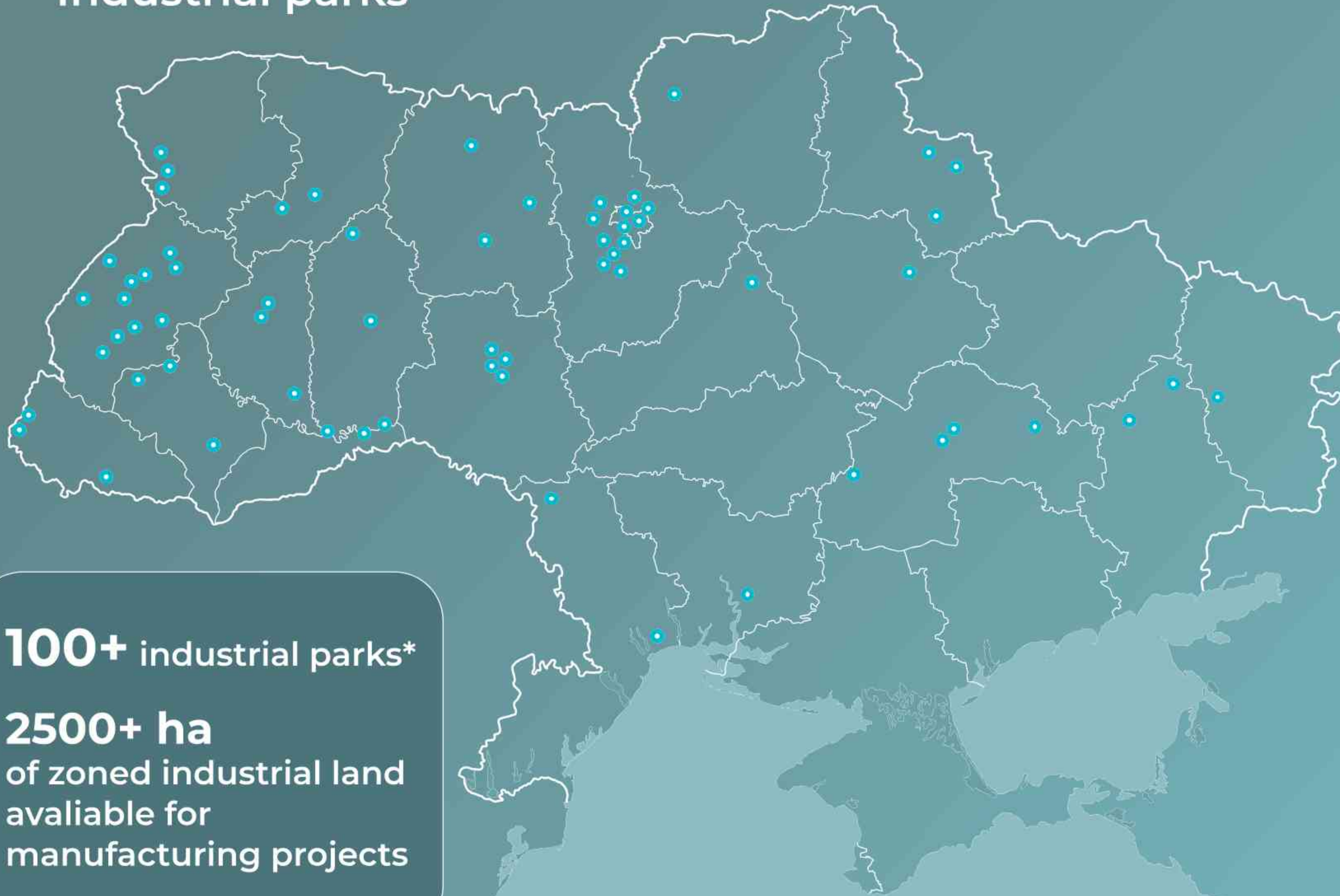
**For more detailed information,
we recommend paying
attention to the following
regulatory acts**








* 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

-  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

Source: [Cabinet of Ministers of Ukraine](#)

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**

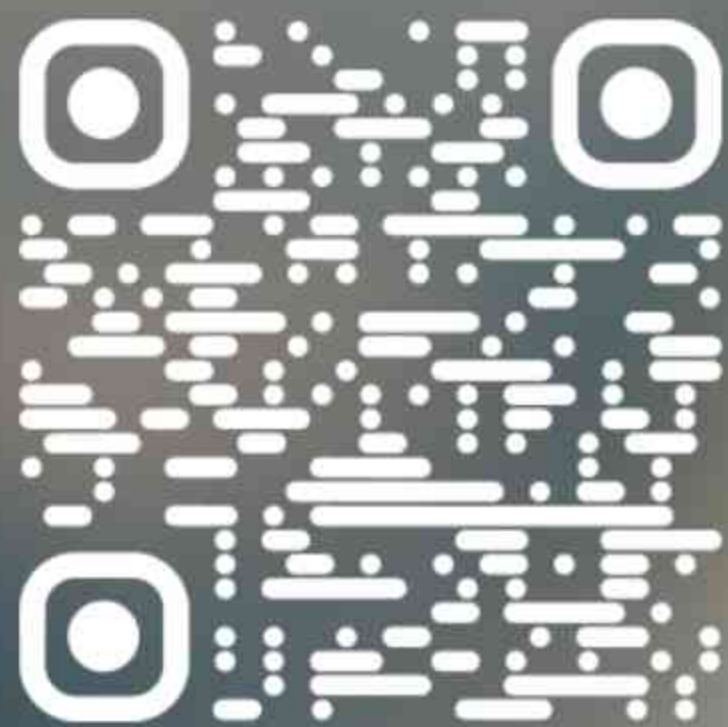
Property insurance against war risks: **2024**
 Implemented cases: **Grain elevators**

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**

Source: MIGA, Ministry of Economy of Ukraine, USAID



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