



The changing of an era in Argentina

Argentina last week voted in a new pro-business President, Mauricio Macri. This major change in government signifies an end to the leftist populism and starts the engines for a new economic focus designed to restore Argentina to the economic powerhouse it once was.

This is the first government party change in 12 years and is considered extremely positive for the future of Argentina and in particular, the mining and energy sectors. Macri's win marks a pivotal shift in the overall direction of Argentina and is likely to come as a shock to the left-leaning governments of South America. Macri is aiming to strengthen and unite the country, whilst also standing shoulder to shoulder with other leaders from neighbouring countries who have a strong focus on their economies.

The President elect publicly announced that he takes a very positive view to international business and is open to reducing the bureaucracy related to imports and exports, is open to mining investment, aims to eliminate exchange controls and properly assess and act on the continuous issue of Argentina's inflation rate.

It is expected that Macri will introduce measures to create economic stability in terms of the foreign exchange market (including the control of inflation), which could also mean the introduction of new tax regulations.

The new government will bring in policies and procedures to encourage foreign investments which will directly benefit companies like Navaho Gold, who are actively involved in Argentina and looking to further invest.

Navaho, embarking on the initial stages of a strong investment in the Argentinean resources industry, is focussing on the generation of power to address Argentina's critically undersupplied power network. Navaho has recognised the existence of significant power line infrastructure and is taking steps to work up and develop well positioned energy projects to generate power. Navaho has executed an Option to Purchase an interest of 100% in a mining lease covering the main historical Marayes coal mining area in the San Juan province and 75% over the Nirihuau Project located in the Rio Negro Province including Pico Quemado.

The analyses at Pico Quemado have shown the coal is high volatile bituminous with good thermal, and potential metallurgical uses. A total of six thick seams have been identified in the sedimentary sequence, each exposed from the surface to shallow depths. The coal is a good quality thermal coal, with coking potential, and has energy levels ranging between 5500 and 7500 kcals/kg.

Navaho's exploration in Argentina has been extremely worthwhile so far and work will continue on further definition of coal resources at both the Marayes and Pico Quemado projects.

Chairman of Navaho Gold, Nick Mather said "The optimism surrounding Argentina's new government makes it a great time to invest in Navaho's project".

To properly develop its power generation strategy and the Pico Quemada project, Navaho will be looking at a cost effective and environmental and socially responsible solution for power generation.

Macri suggested that Argentina had stagnated under previous administration. “For four years no jobs have been created and now we have to get the country moving,” Macri said. Argentina will directly benefit from increased mining and investments through capital, increased job opportunities and foreign relationships.

New coal fired power plants utilise modern technology moderated by World Bank Standards and minimise environmental effects, including carbon capture methods. Navaho wants to help eliminate the need for subsidies and expensive imports used in power generation.

Navaho’s power generation Project at Pico Quemado will be designed to address the requirements of Argentineans who often suffer from power brown outs across a number of cities, due to limited base load power supply.

Macri’s win will benefit Navaho considerably and will allow for the Company to grow, expand and invest in Argentina.

It is clear that Macri’s vision is to build strong relations with the world and improve Argentina’s overall economic position. Navaho Gold continues to express enthusiasm about the economic future of Argentina and eagerly await Macri’s changes.