



Investment Fund for Strategic Minerals in Brazil

April 2024



The Role of BNDES as the main provider of long-term finance in Brazil

Since its foundation, **BNDES has been operating jointly with society to build a better future for generations of Brazilians**

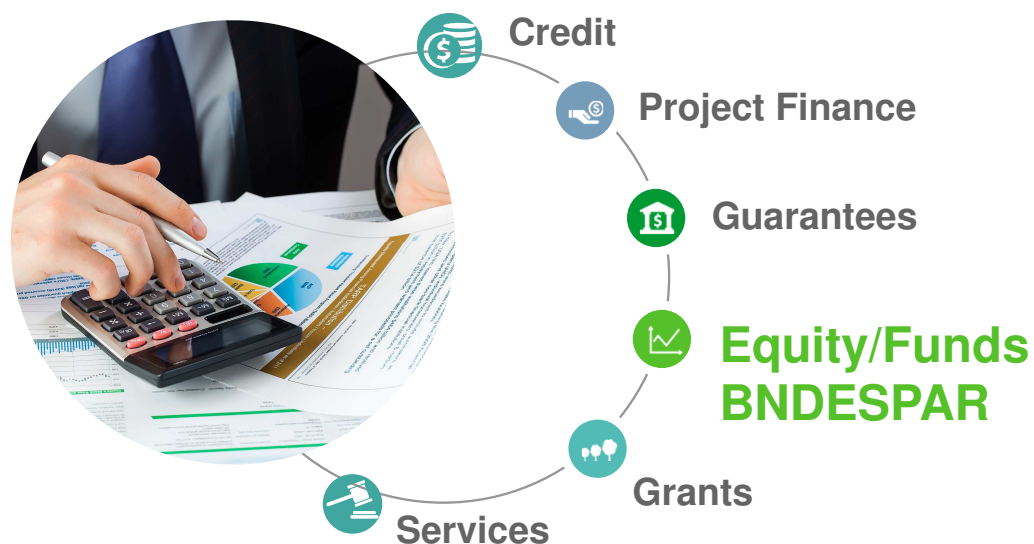
It has been seven decades of support to the evolution of the national economy and building bridges to connect several players

We remain focused on the challenges ahead, opening **new paths for sustainable development**

2023 Financial Highlights

- USD 103 bn in Loan Portfolio
- USD 22.9 bn in Total Disbursements
- USD 15.2 bn in Equity Portfolio
- 31.5% Basel Ratio

Diversified products and services promoting sustainable development



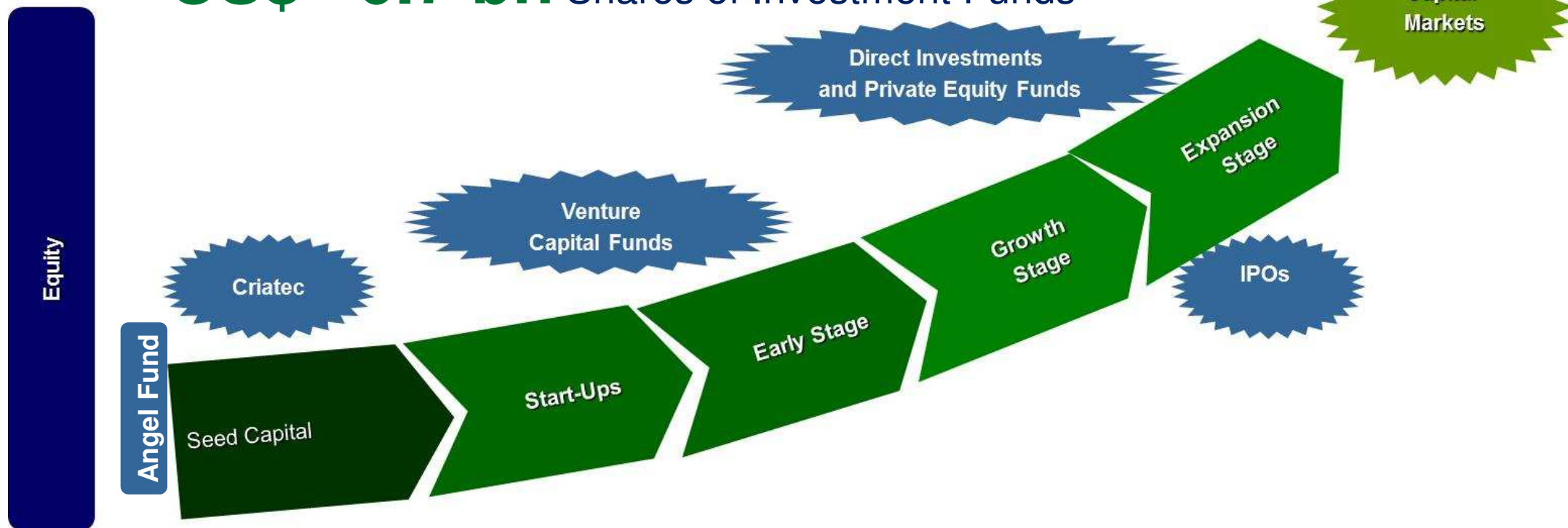
BNDESPAR supports companies in all stages

LARGEST INSTITUTIONAL INVESTOR IN SEED AND VENTURE CAPITAL IN BRAZIL

As of Dec/2023:

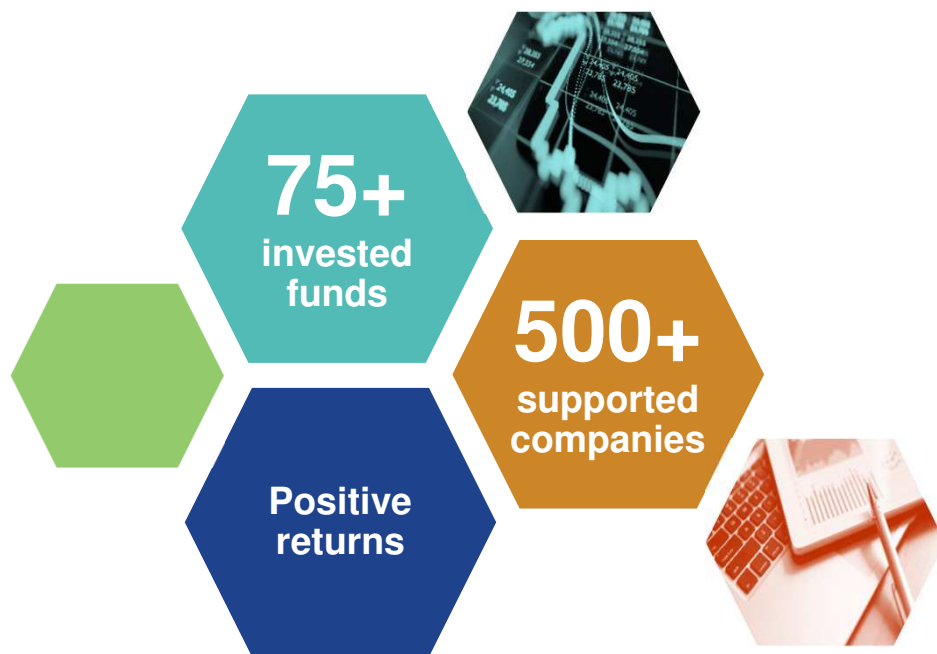
~**US\$ 15.2 bn** Equity Portfolio

~**US\$ 0.7 bn** Shares of Investment Funds



BNDESPAR Funds portfolio

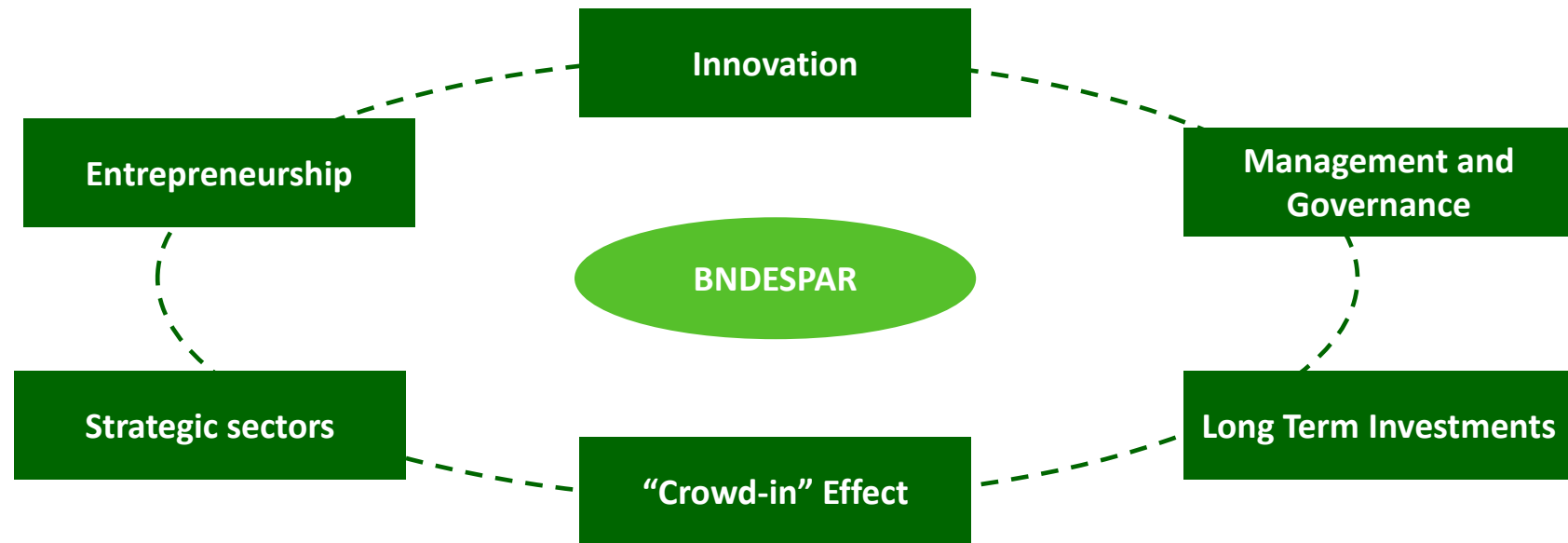
With more than 25 years of experience, BNDES played a **relevant role** in the **development** and **crowd in** of the **Brazilian fund market**



Current portfolio

- > Active equity funds: **40**
- > BNDESPAR adjusts **participation level** according to the **fund's type**

BNDESPAR main roles as private equity investor



- BNDESPAR invests through **investments in third-party managed funds**.
- Our mission is to **aid in the capitalization and development of Brazilian companies**, and to contribute to the **strengthening and modernization of the securities market**.
- Effort to **develop local enterprises** and stimulate innovation.

BNDES support to Brazilian Mining

1970-90s

Prospecting / Exploration

Partnership with BR Geological Survey

Docegeo Prospecting investments in Carajás/PA

Mineral Exploration of multiple targets, Carajás/PA

Feasibility and Development

Iron and Copper Carajás

Albrás-Alunorte, Aluminum

Morro Agudo, Zinc

Caraíba Copper

2000-20

Construction and mine expansion

Anglo American, Minas-Rio Fe, 26 Mtpa, 550 Km pipeline

Anglo Níquel, Barro Alto/GO

Vale Pelletizer, Vitória/ES

Mineração Rio do Norte, Bauxite, Oriximiná/PA

Vale Onça Puma, Nickel, Ourilândia do Norte/PA

Largo resources, Vanadium, Maracás/BA

Vale Carajás S11D Iron, 90 Mtpa

Nexa Zinc-Copper, Aripuanã/MT

AMG Lithium, Nazareno/MG

2024

+ Exploration
+ Development
+ Innovation
+ Sustainability

New wave for production of critical and strategic minerals

Total support to the mining industry in the past 10 years

BRL 8,261,836,949

Total amount financed to companies of all sizes, in the mining industry

1,821

Number of companies financed

6,258

Number of contracts

New Industrial Policy

USD 60 billion for financing until 2026 through BNDES, Finep and Embrapii and made available through credit lines, grants and capital market instruments, to **promote national neo-industrialization**.

A Greener Industry

- Climate Fund
- Equity Investments
- **Strategic Minerals Fund**



New Industrial Policy

Six missions to promote neo-industrialization



M1 - Sustainable and Digital Agro-industrial Chains for Food, Nutritional, and Energy Security.

...reduce external dependence and increase national fertilizer production.



M2 - Resilient Health Economic Industrial Complex to Reduce SUS (universal health system) Vulnerabilities and Expand Access to Health.



M3 - Sustainable Infrastructure, Sanitation, Housing, and Mobility for Productive Integration and Well-being in Cities.

...electromobility, battery production chain and metro rail industry...



M4 - Digital Transformation of Industry to Increase Productivity.



M5 - Bioeconomy, Decarbonization, and Energy Transition and Security to Ensure Resources for Future Generations.

...expand the capacity of Brazilian industry through the production and adoption of industrial inputs, including critical materials and minerals, low carbon technologies and energy efficient processes.



M6 - Technologies of National Interest for Sovereignty and Defense.



BNDES Strategy

Strategic and Sustainable Minerals



Increase production of critical minerals needed for **energy transition** and **food security** (fertilizers).



Foster **diversification of mineral production** and support **greenfield projects**.



Promote **decarbonization, innovation and sustainability** leading to **social and environmental benefits**, and **economic transformation of poor regions**.



*“Beyond copper and lithium, Latin America has significant potential in graphite, nickel, manganese and rare earth elements production. **Brazil alone holds around one fifth of global reserves in each of these resources...**”*

(IEA, Latin America’s opportunity in critical minerals for the clean energy transition)

Brazilian Strengths

- Large **territory** and **consumer markets**
- One of the **world's cleanest energy mix**
- Commitment to **sustainable practices** in mining
- **Skilled workforce** and **qualified suppliers**
- Very significant **investments in infrastructure**
- Recognized **geological potential**
- **Legal certainty**
- **Respect for contracts**



Investment Fund for Strategic Minerals in Brazil

Exploration and Development

Critical and strategic minerals rising demand



Multiple junior companies with exciting mining discoveries in Brazil



Great geological potential yet to be explored



Investment in junior or intermediate companies targeting critical and strategic minerals exploration, feasibility and mine development projects in Brazil

MUST: follow high ESG standards

*“The energy transition is a priority for President Lula’s government. The initiative contributes to the **better use of Brazil’s vast geological potential, allowing the country to position itself as a supplier of strategic minerals to meet the global demand for clean energy technologies**”*

ALOIZIO MERCADANTE, president of BNDES

Investments in Exploration and Development

WORLD

USD 5.6 billion

Juniors' exploration budgets in 2022, up 37% YOY

~**70%** of investments in new mines (early-stage and late-stage projects)

BRAZILIAN TARGETS

+ 60 Brazilian listed junior companies

STRATEGIC MINERALS

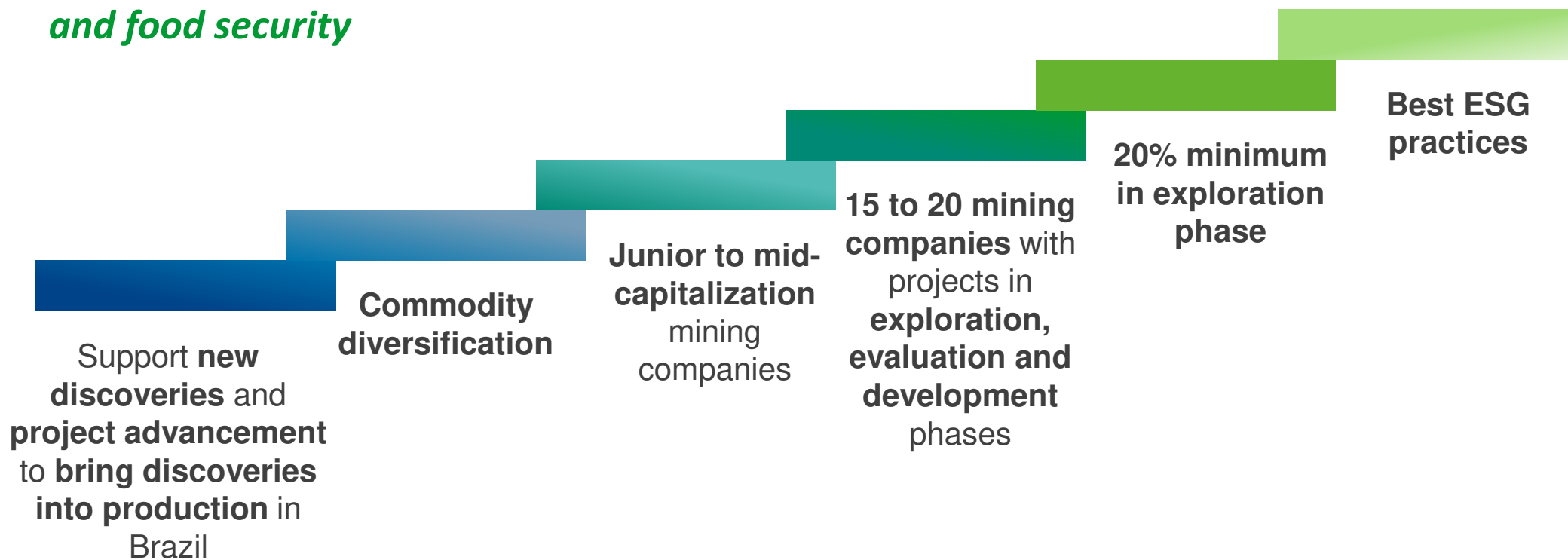
+ 340 Mining concession requesters, and

+ 3.500 Exploration permit owners, related to strategic minerals

Source: Invest Mining Network and Brazilian Mining Agency (ANM)

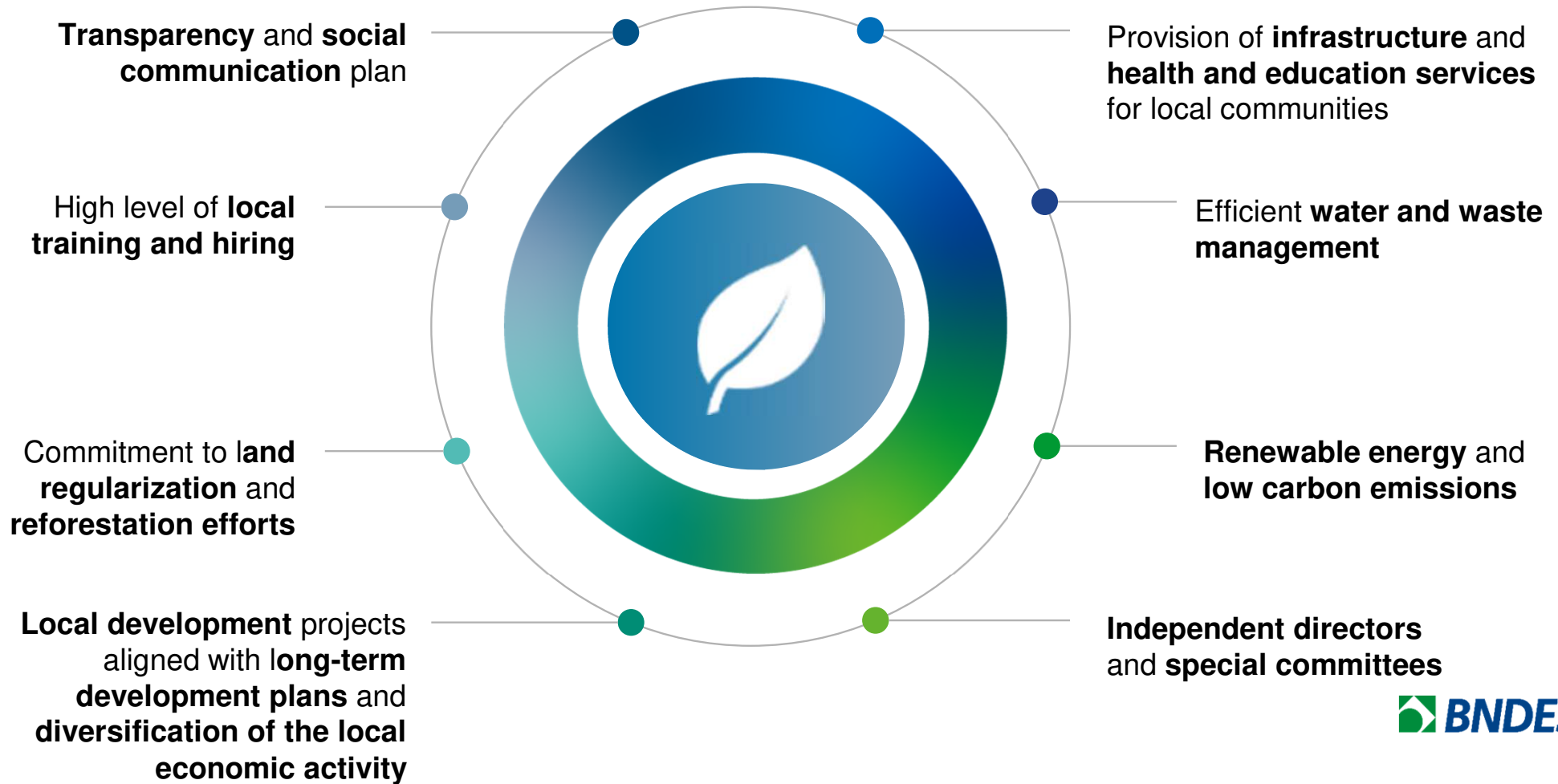
Strategic Minerals Fund – Highlights

Fostering mineral projects considered strategic for energy transition, decarbonization and food security



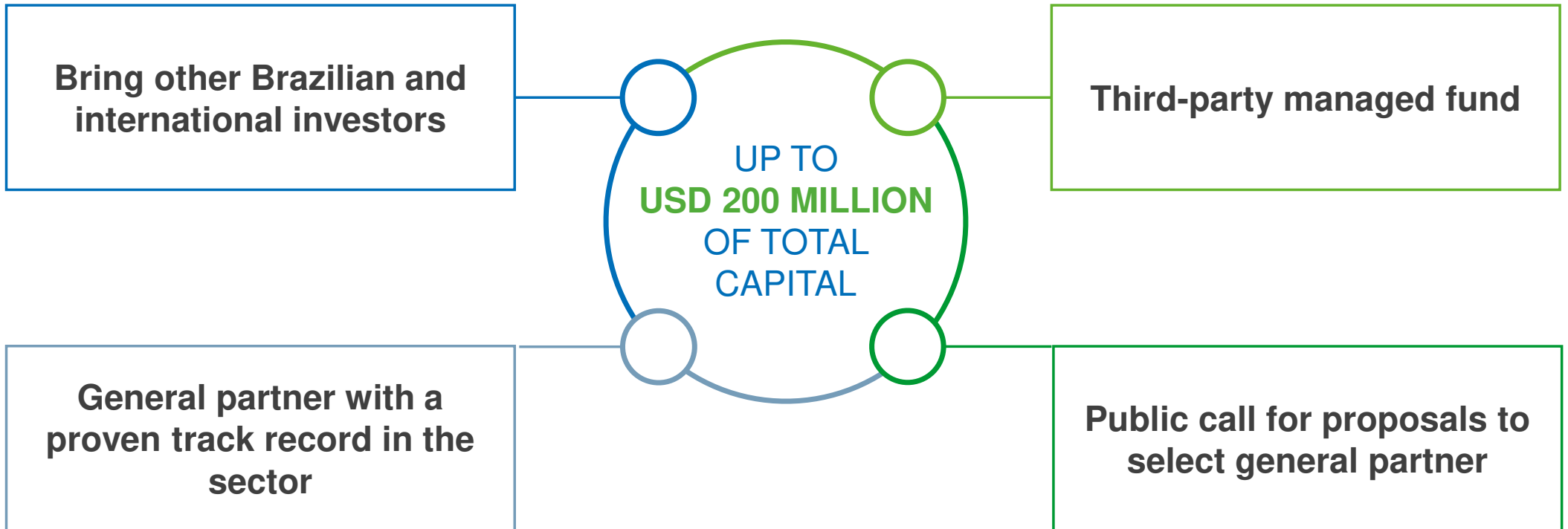
ESG Targets

Invested companies to adopt a proactive approach in order to positively impact local communities and the environment, through policies and actions such as:



Strategic Minerals Fund

BNDESPAR will invest up to R\$ 250 million, about USD 50 million



Targeted Strategic Minerals List



ENERGY TRANSITION AND DECARBONIZATION:

Cobalt, Copper, Graphite, Lithium, Manganese, Rare Earths, Platinum group metals, Molybdenum, Niobium, Nickel, Silicon, Tantalum, Tin, Titanium, Tungsten, Uranium, Vanadium, Zinc



SOIL FERTILITY:

Phosphate, Potassium, Remineralizers

Timeline

PDAC 2024

**BNDES
Seminar**

**Call for
Proposals**

**Results
Announcement**

Mar 2023

May 2024

**Up to
May 2024**

**Up to
Oct 2024**

Thank you



MINISTÉRIO DO
DESENVOLVIMENTO,
INDÚSTRIA, COMÉRCIO
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Portal BNDES
www.bndes.gov.br



Atendimento Empresarial
0800 702 6337
Chamadas internacionais
+55 21 2172 6337



Ouvidoria
0800 702 6307
www.bndes.gov.br/ouvidoria



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