

Mixed market response to Milei election

There has been a mixed response from the markets to the news that [Argentina has a new President](#), with share prices of mining companies within Argentina either gaining or remaining stable this week.

Javier Milei won on Sunday night with 56% of the votes, 11 percentage points above the left-leaning Peronist movement. The self-styled "radical libertarian" was vastly underestimated by most.

Argentina Lithium and Galan Lithium had the largest changes in share price

Change in listed company share price from Friday, 19 November

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Company	Change in share price ▾
Argentina Lithium & Energy Corp	20.6%
Turmalina Metals Corp	12.5%
NGEx Minerals Ltd	10.8%
Filo Corp	7.6%
Argosy Minerals Limited	6.5%
Aldebaran Resources Inc	5%
Livent Corp	2.7%
Hochschild Mining Plc	2%
AbraSilver Resource Corp	0%
Alpha Lithium Corp	0%

Source: Mining Journal analysis

Mining Journal

The most controversial of Milei's policies - namely, the abolishment of the central bank and the desire to swap the peso for the dollar - does not seem to have affected markets. Five days on, and miners are underlying that the election may actually be positive for them.

However startling, the impact has not yet made its way to the market, with no clear direction on mining yet told.

Less risk of resource nationalism

However, unlike its neighbour Chile, which seems intent on controlling its assets, Milei is all for opening the doors to investors, sparking fury among unions by suggesting he will privatise the country's airlines this week.

Milei said he aims to privatise not just the airlines, but also the state energy firm and "anything that can be in private hands", according to widely-quoted local press reports.

However, given that his party controls less than 15% of Argentina's lower house and less than 10% of the senate, this may not be a straightforward feat.

Companies interviewed prior to the election maintained that Argentina was an attractive jurisdiction to operate in and underlined the attention it had been attracting over the last two years.

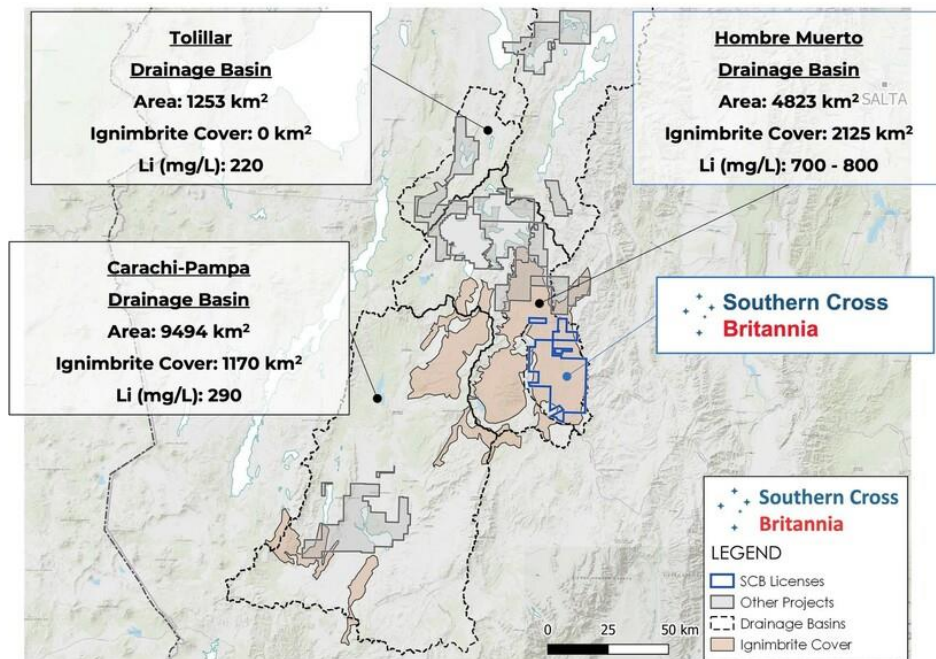
"There's been an enormous development over the last two years," Christian Mobius, chief executive of Southern Cross Britannia, an unlisted UK-headquartered company exploring the Hombre Muerto South Salar, told *Mining Journal* in mid-November.

"When we went out there two years ago, it was still no man's land and empty - the roads were empty and no one was around. And now, just in August, we went to do a geophysical survey and it was extremely busy," he added.

Southern Cross has a 60,000ha project in the Hombre Muerto South Salar that sits alongside more developed projects operated by Allkem, Posco, Galan Lithium, and Lake Resources.

It is working towards establishing an NI 43 101 compliant minerals resource estimate.

"In Argentina until until two, three years ago, lithium projects accounted for under 5% of total global production," Mobius emphasised. "It's up at 7.5% now, but it's the fastest-growing lithium producer in the world in terms of new outputs. (...) It'll probably surpass Chile in the next three years, because it's just the one country that where additional production is coming on stronger, and more than that, any other jurisdiction in the world," he added.



Map of Southern Cross Britannia' Hombre Muerto South project Source: Southern Cross Britannia

Investor risk down

However, Argentina has some way to go to win back investor confidence, according to the newly released Mining Journal Intelligence Risk Report.

"Argentina suffered a slump in Investment Risk Index (IRI) scores in 2023, down to 59 from 67 in 2022," Sam Williams, Mining Journal Intelligence editor, explained.

The eight-point fall in scores saw the South American country drop by two rungs in MJi's ratings, to B (meaning upper moderate risk) from BBB last year (low to moderate risk).

As a result, Argentina fell to a mid-table position in global IRI rankings to 60th out of 121 jurisdictions assessed, compared to 37th out of 109 jurisdictions in 2022.

"The 2023 IRI of 59 is the country's worst score since the inaugural World Risk Report in 2017, when it scored 65," Williams added.