

# Brazil's Critical Minerals: A Guide for Foreign Investors



2026

# Summary

› INTRODUCTION.....	4
› GENERAL OVERVIEW.....	6
› ECONOMIC OVERVIEW .....	6
› INFRASTRUCTURE .....	10
› STRATEGIC AND SUSTAINABLE USE OF WATER RESOURCES .....	11
› PLANNING FOR THE PROMOTION AND FACILITATION OF PROJECT INVESTMENTS	12
› ONGOING PROJECTS.....	13
› MINERAL GEOINFORMATION DASHBOARD.....	14
› BRAZIL'S SHARE IN GLOBAL RESERVES AND PRODUCTION OF MINERALS FOR THE ENERGY TRANSITION (2024/2025) .....	14
› BRAZIL IN THE GLOBAL VALUE CHAIN.....	15
› BRAZILIAN ENERGY MATRIX.....	15
› PUBLIC SUPPORT FOR NEW MINING PROJECTS.....	16
› CONSIDERATIONS ON SOCIAL, ENVIRONMENTAL AND GOVERNANCE RESPONSIBILITY (ESG).....	19
› REGULATORY FRAMEWORK OF THE BRAZILIAN MINING SECTOR .....	20
› KEY GOVERNMENT BODIES IN BRAZIL.....	21
› THE ROLE OF THE STATE-OWNED ENTERPRISE IN MINERAL PRODUCTION.....	22
› MINING ADMINISTRATIVE PROCESS IN BRAZIL .....	23
› KEY PUBLIC AGENCIES INVOLVED IN BRAZILIAN ENVIRONMENTAL LICENSING.....	26
› TAXATION AND ROYALTIES .....	27
› APEXBRASIL AS A FOCAL POINT FOR FOREIGN INVESTORS IN MINING.....	28
ORGANIZATIONS OF INTEREST .....	30

# INTRODUCTION

## > INTRODUCTION

The transition to a global low-carbon economy dictates the pace of climate change mitigation and the urgency of energy transition strategies. The mass electrification of transport and the exponential expansion of renewable energy require the stabilization of complex supply chains, from electric vehicle batteries to solar and wind generation equipment. For global decarbonization targets to be met, the market urgently needs new mineral sources and robust geographic diversification in the processing and refining stages, thereby mitigating concentration risks in value chains.

From a legal security standpoint, Brazil offers a clear and tested regulatory framework: the Federal Constitution establishes that mineral resources are the property of the State (the Union) but delegates their exploration and extraction to the private sector through mining concessions. This model guarantees the concessionaire full and incontestable ownership of the extracted product. Allied with this legal framework, the country holds proven and expanding reserves of lithium, nickel, copper, graphite, and rare earths, presenting vast potential for production growth (upside) through new concessions and advanced geological mapping.

Mineral processing and refining are capital and energy intensive operations. It is here that Brazil presents an unparalleled global competitive advantage: the abundance and competitiveness of a predominantly clean energy matrix. Anchored in hydropower and driven by the accelerated growth of solar and wind sources, Brazilian energy enables the production of minerals with a drastically reduced carbon footprint. Brazil does not seek merely to export raw materials; the strategic objective is to capture the current window of opportunity to integrate the higher value-added stages of the transformation chain, supplying the world with "green minerals" aligned with the strictest sustainability standards.

To support this expansion, the Brazilian ecosystem provides an abundant and adaptable human capital, backed by a consolidated network of laboratories, institutes, and universities oriented toward Research, Development, and Innovation (RD&I) in the mineral sector. The country is strategically open to Foreign Direct Investment (FDI) that promotes technology transfer, wealth generation, and value chain integration. This development will take place under strict compliance with ESG (Environmental, Social, and Governance) guidelines, ensuring occupational safety and dignity, the respect and development of local communities, and an absolute commitment to environmental preservation.

Throughout this institutional guide, the reader will encounter the expressions "critical minerals" and "strategic minerals." This duality reflects merely a difference in perspective: the expression "critical minerals" conveys the vision and urgency of the global market regarding the supply risk of these resources; in turn, "strategic minerals" reflects the positioning of the Brazilian State regarding the importance of these assets for the country's economic and sovereign development.

# OVERVIEW

## > GENERAL OVERVIEW

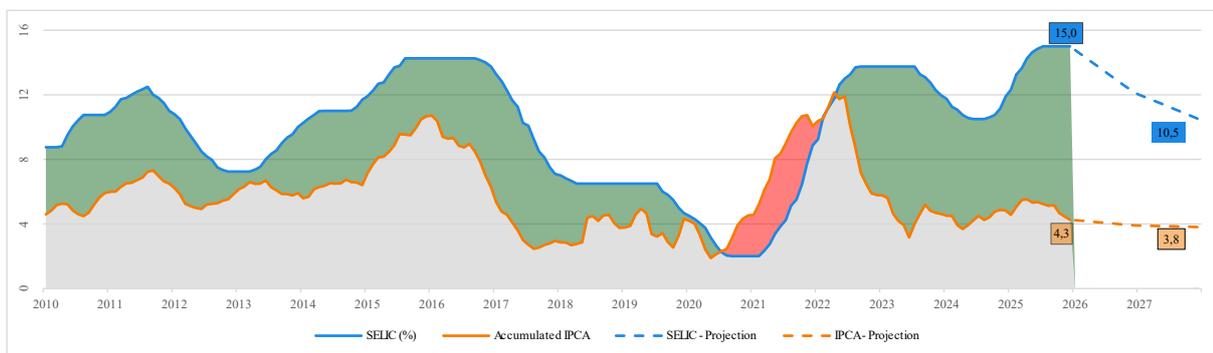
Brazil, with its capital Brasília located in the Midwest region, occupies a vast territorial area of over 8.5 million km<sup>2</sup> and is divided into 5,570 municipalities. According to the latest 2025 population estimate, the Brazilian population exceeds 213 million inhabitants, distributed with a demographic density of approximately 25.08 people per square kilometer. The fertility rate stands at 1.76 children per woman, and the average life expectancy is 76.6 years. The age distribution reveals a young population of 32.54% (ages 0 to 24), while adults aged 25 to 54 constitute 37.74%, and seniors aged 55 and over represent 29.71%.

For the global mining investor, this data translates into operational security and scalability: low density across a continental-scale territory enables the development of large mineral complexes with reduced socio-environmental friction, while the predominance of youth and adults (over 70%) ensures the essential human capital required to sustain long-term operations and drive technological innovation within the sector.

## > ECONOMIC OVERVIEW

The Brazilian economy demonstrates consistent macroeconomic stability through continuous positive data. Inflation remains firmly anchored, a direct result of the disciplined monetary policy implemented by the Central Bank of Brazil (BC). Currently, the country offers an attractive benchmark interest rate (SELIC at 15.0% p.a.) coupled with strictly controlled accumulated inflation (IPCA at 4.26%), remaining well within the Central Bank's target tolerance band. Signaling an even more favorable future environment for corporate cost of capital, financial market estimates (Focus Bulletin/BC) project a monetary easing, reducing the SELIC rate to 10.5% p.a. over the next two years, alongside the stabilization of the IPCA at 3.8% (Chart 1).

**CHART 1: SELIC RATE (% p.a.) AND 12-MONTH ACCUMULATED IPCA (%)<sup>1</sup>**

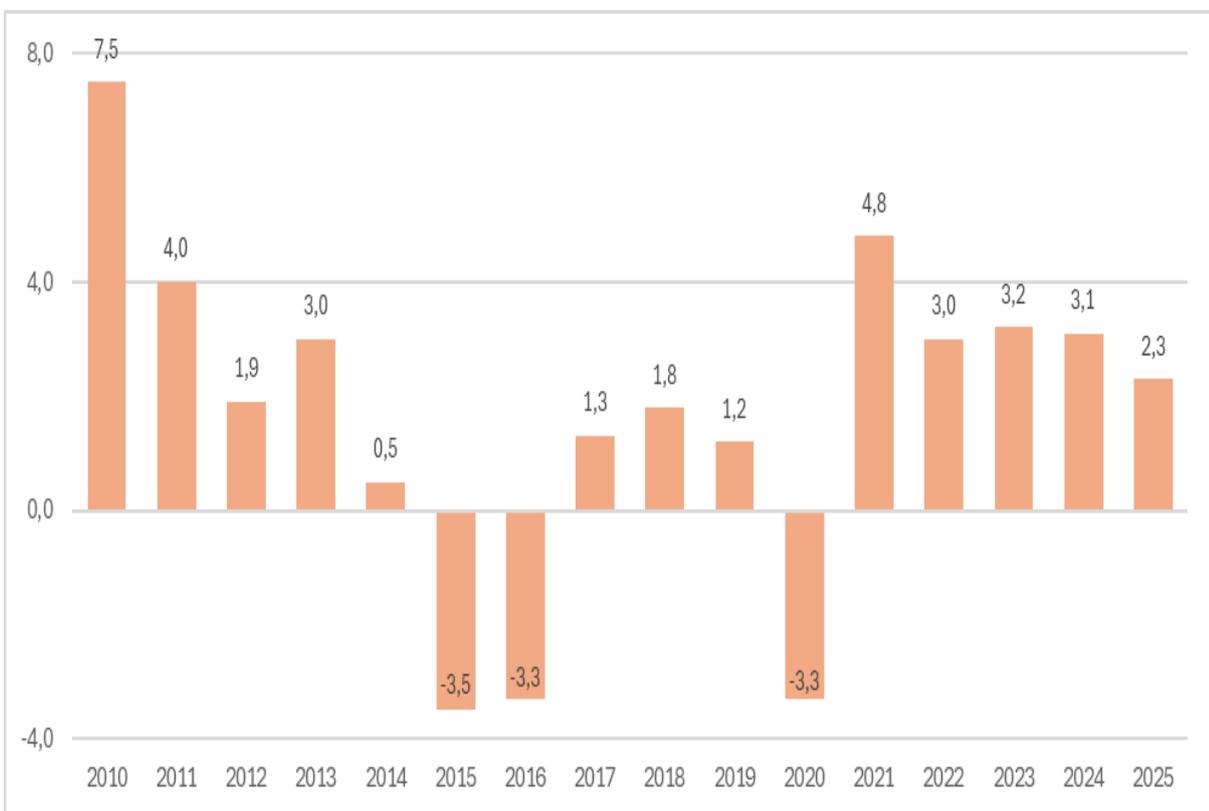


Source: Central Bank of Brazil

<sup>1</sup> Historical data up to December 2025 were obtained from the historical series provided by the Central Bank of Brazil (Bacen). The projection data for the years 2026 and 2027 are based on the estimates published in the Focus Bulletin for those respective years. A linear progression was calculated to bridge the actual data from the end of 2025 and the estimate for the end of 2026; the same linear projection methodology was applied for the period between 2026 and 2027.

Following the 2020 contraction triggered by the COVID-19 pandemic shock, the Brazilian economy has entered a period of consistent expansion (Chart 2). This demonstrates its structural resilience and a robust domestic consumer base, ensuring high demand predictability. This favorable scenario is driven, among other factors, by the ongoing modernization of the Brazilian State, which boasts one of the world's most sophisticated concessions and Public-Private Partnerships (PPP) programs, providing robust legal and regulatory security for infrastructure projects. It is within this framework of stability that Brazil positions itself to meet a pressing global need: the exponential demand for critical and strategic minerals, which are essential for the global energy transition.

**CHART 2: GDP - PERCENTAGE CHANGE (%) - 2010 TO 2025**



SOURCE: BRAZILIAN INSTITUTE OF GEOGRAPHY AND STATISTICS

Brazil's commitment to the new green economy is backed by a structured and capitalized business environment. In the area of critical and strategic minerals, there are projected investments of approximately US\$ 77 billion by 2030. Furthermore, the allocation of direct government funds for mineral research reaffirms the sector's strategic role, acting as an essential stimulus to unlock new projects and map the country's geological potential.

Corroborating the solidity of this scenario, the perception of sovereign risk (measured by the Credit Default Swap - CDS) showed a consistent downward trajectory throughout 2025. The indicator, which began the year priced at 214 basis points, ended the period compressed to 138 points (Chart 3). This significant reduction in 'Brazil Risk' attests to market confidence in the country's fiscal sustainability, resulting in a lower risk premium and a consequent reduction in the cost of capital required to finance long-term projects.

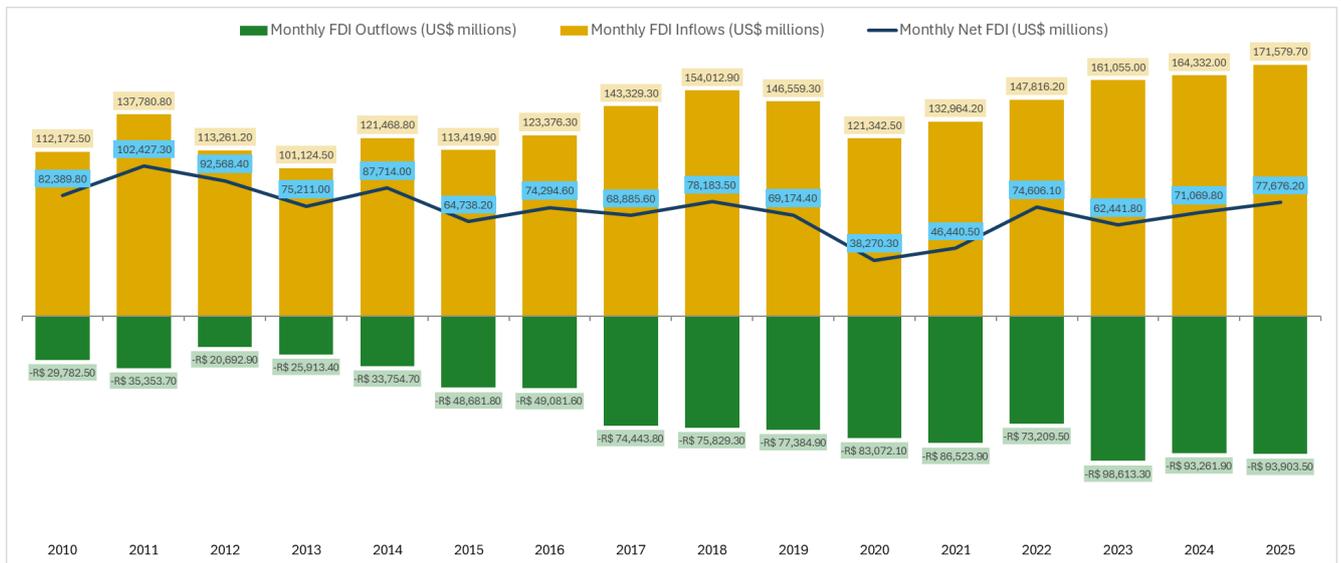
**CHART 3: RISK PERCEPTION EVOLUTION - BRAZIL CDS (SPREAD B.P.)**



SOURCE: WORLD GOVERNMENT BONDS.

The recognition of this strategic window is already reflected in global capital flows. Foreign Direct Investment (FDI) has experienced a robust recovery since 2023, reaching US\$ 77 billion in 2025, the highest volume in recent years (Chart 4). This trend evidences that international capital already recognizes the maturity of the Brazilian regulatory environment and is actively positioning itself. Entering the Brazilian market under the current scenario, therefore, represents a secure capital allocation within a consolidated expansion cycle, mitigating entry risks and optimizing returns on green transition projects.

**CHART 4: FOREIGN DIRECT INVESTMENT (FDI) - ANNUAL TOTAL (USD MILLIONS)**

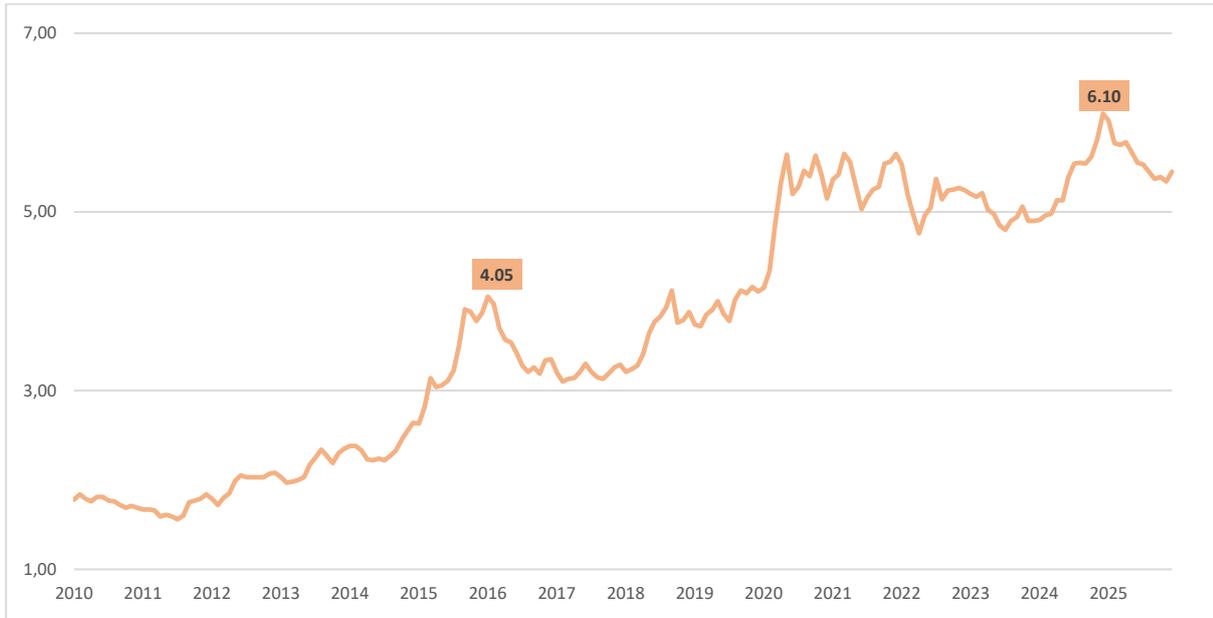


SOURCE: CENTRAL BANK OF BRAZIL

Regarding exchange rate dynamics, following the peak currency depreciation against the US dollar observed at the end of 2024, a trend of stabilization and slight appreciation of the local currency emerged throughout 2025 as a direct response to the fiscal consolidation policies implemented (Chart 5). This strategic exchange rate level not only reduces the entry cost (CAPEX) for new dollar-

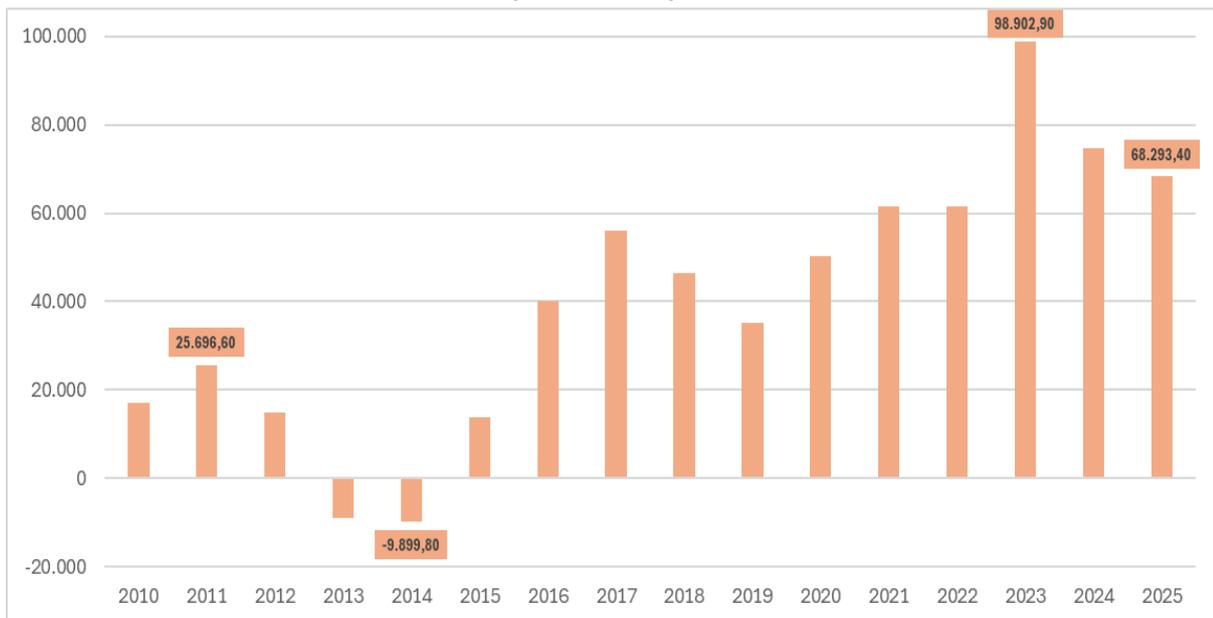
denominated projects but also guarantees highly competitive operational costs (OPEX) over the long term, framing a highly attractive opportunity for foreign investment in the country. Furthermore, successive records in the Brazilian trade balance (Chart 6) demonstrate the country's ability to reinforce its role as a resilient export powerhouse, anchored by its deep integration into global supply chains.

**CHART 5: NOMINAL EXCHANGE RATE - REAIS (BRL) PER DOLLAR (USD)**



SOURCE: CENTRAL BANK OF BRAZIL

**CHART 6: TRADE BALANCE - ANNUAL BALANCE (USD MILLIONS)**

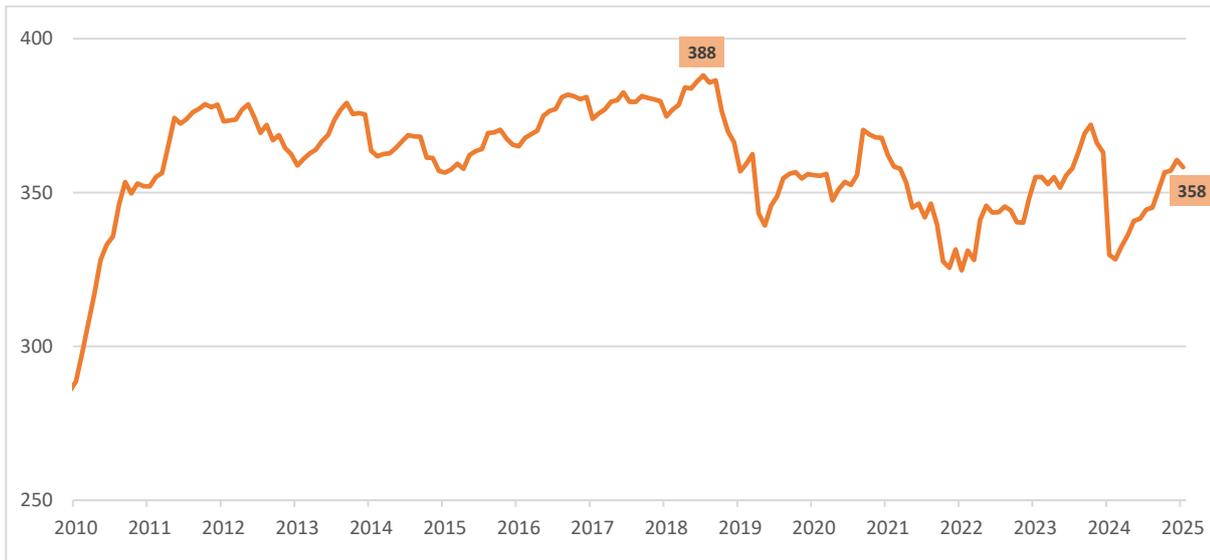


SOURCE: BRAZILIAN INSTITUTE OF GEOGRAPHY AND STATISTICS

Brazil's international reserves, which serve as a kind of "cushion" that provides the country with security in times of international market turbulence, showed a slight decline after the increase

recorded at the beginning of 2024, totaling US\$ 327.68 billion at the end of 2025 (Chart 5). Regarding trade activity with the rest of the world, the Brazilian economy showed an increase in total imports and exports in 2025, ending the year with a positive trade balance of US\$ 68,293.4 million. Chart 6 highlights the evolution of the Brazilian trade balance in recent years.

**CHART 7: INTERNATIONAL RESERVES (US\$ BILLIONS)**



SOURCE: CENTRAL BANK OF BRAZIL (BC)

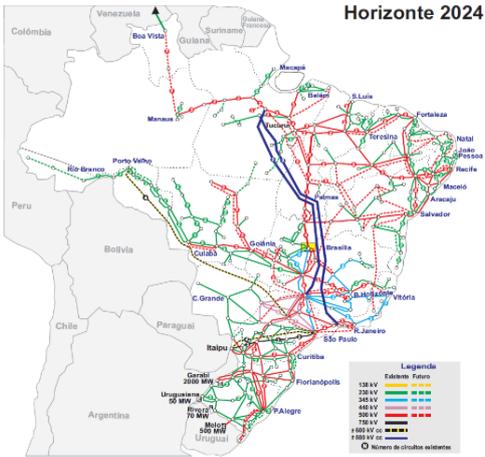
## > INFRASTRUCTURE

Brazil has been continuously investing in its infrastructure, primarily through direct public investments and Public-Private Partnerships (PPPs). Continuous investments in highway, railway, and mobility infrastructure are driving the maintenance and expansion of the world's fourth-largest road network. These investments are fundamental to realizing Brazil's mining potential, allowing for the reduction of logistics costs in projects related to critical and strategic minerals.

Regarding electricity transmission lines, the system continues to expand its capacity, with an auction held in October 2025 that contracted the construction of approximately 1,000 km of transmission lines, joining projects already underway in the country.

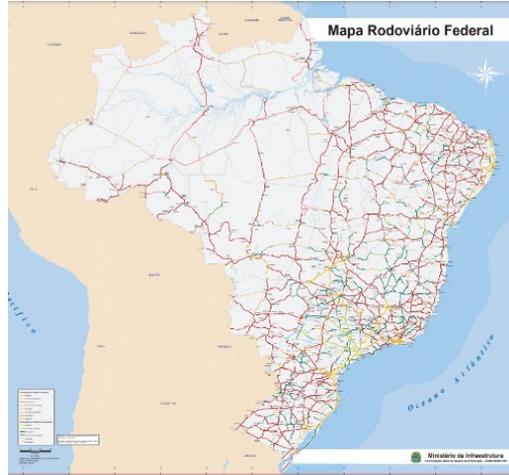
Brazil has an extensive and diversified electricity transmission line infrastructure, covering approximately 184 thousand kilometers in 2024, which enables interconnection between different regions and the efficient distribution of energy generated from various sources, including hydroelectric, wind, and solar. Regarding the movement of cargo and passengers, the country stands out on the global stage as having the fourth largest road network in the world, with a total of 1,720,700 kilometers of roads and highways. This extensive road system has 12.8% of federal highways currently under concession and regulated by the National Land Transportation Agency (ANTT).

**FIGURE 1: ELECTRICITY TRANSMISSION LINES**



SOURCE: NATIONAL ELECTRIC ENERGY AGENCY (ANEEL)

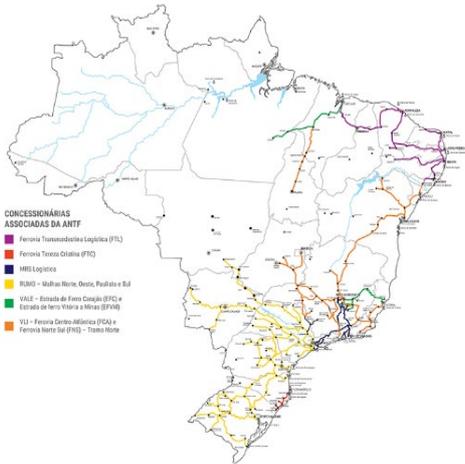
**FIGURE 2: BRAZIL'S ROAD NETWORK**



SOURCE: MINISTRY OF TRANSPORTATION

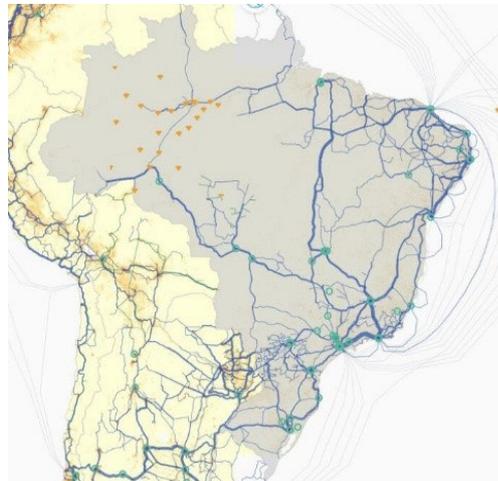
According to the National Association of Railway Transporters (ANTF), the Brazilian rail freight sector handled just over 540.26 million net tons in 2024. Furthermore, data from the Ministry of Communications indicates that 5G network coverage reached 63.61% of the country by June 2025. Projections estimate that this high-speed connectivity infrastructure will expand to all Brazilian municipalities by 2029.

**FIGURE 3: BRAZIL'S RAILWAY NETWORK**



SOURCE: NATIONAL LAND TRANSPORTATION AGENCY (ANTT)

**FIGURE 4: BROADBAND INTERNET IN BRAZIL**



SOURCE: MINISTRY OF COMMUNICATIONS

## ➤ STRATEGIC AND SUSTAINABLE USE OF WATER RESOURCES

Brazil uniquely combines one of the largest water availabilities in the world with a solid, predictable regulatory framework aligned with the best international sustainability practices, offering a secure and competitive environment for long-term investments. Supported by extensive river basins, climate diversity and high natural water renewal capacity, the country ensures favorable structural conditions for economic development, while adopting rigorous socio-environmental rules that

guarantee the responsible use of water as a public good and a strategic resource. Instruments such as water use rights grants provide transparency and legal certainty to enterprises, reinforcing Brazil's commitment to a growth model that reconciles competitiveness, environmental responsibility and sustainable value creation.

## > PLANNING FOR THE PROMOTION AND FACILITATION OF PROJECT INVESTMENTS

The **Ministry of Mines and Energy** has been working toward the development of mining with a focus on the energy transition. The MME's objectives are to expand geological knowledge, mineral exploration and Brazilian production of strategic minerals for the energy transition; and to develop the mineral processing of these minerals in Brazil.

The guidelines for government action to achieve these objectives are:

- prioritization of the analysis and approval of mineral exploration and mining concession acts for strategic minerals; and prioritization of these minerals in airborne geophysical surveys and in geological and mineral resource mapping;
- provision of financial support by official banks and development agencies for investments in Brazil in mineral exploration, mining and mineral processing of strategic minerals for the energy transition;
- international promotion of investment opportunities in Brazil in mineral exploration, mining and mineral processing of strategic minerals for the energy transition;
- pursuit of international partnerships for market access and for the promotion and financing of investments in Brazil;
- development of the infrastructure necessary for the economic utilization of strategic minerals for the energy transition;
- promotion of research, development and innovation aimed at mining and mineral processing of strategic minerals for the energy transition;
- specialized workforce training;
- sustainable development, with protection of environmental resources, respect for human rights and promotion of diversity and social inclusion, as well as encouragement of materials circularity and efficient use of resources.

In summary, Brazil seeks to attract investments both in exploration projects and in mineral processing projects. The country does not impose restrictions on ore exports, but, in line with the text of the G20 Leaders' Declaration in Rio de Janeiro in 2024, it will seek to expand value addition to strategic minerals in the country. To this end, it will seek international partnerships and cooperation for geological survey efforts, mineral exploration projects, specialized workforce training for the mineral processing industry and research, development and innovation.

## > ONGOING PROJECTS

Brazil has an enormous mining vocation and potential. It presents mineral exploitation in all regions of the country, with a wide range of exported ores. The significant export of iron ore stands out.

Among the critical minerals for the energy transition, the country has ongoing projects for lithium, graphite, nickel, copper, titanium, vanadium, niobium and rare earth elements. Among these, those listed in Table 1 stand out.

**TABLE 1: CRITICAL MINERALS FOR THE ENERGY TRANSITION – ONGOING PROJECTS IN BRAZIL**

MINERAL	PROJECT	COMPANY	MUNICIPALITY	STATE	PROJECT PHASE
COBALT	Piauí Nickel Project	Brazilian Nickel	Capitão Gervásio Oliveira	Piauí	Scheduled
	Vermelho	Horizonte Minerals	Carajás	Pará	Scheduled
LITHIUM	Neves Project	Atlas Lithium	Itinga	MG	Under Implementation
	Colina/Salinas	Latin Resources	Salinas	MG	Scheduled
	Bandeira Project	Lithium Ionic	Itinga	MG	Under Implementation
	Concentrate Plants/Expansion	AMG Mineração	Nazareno	MG	Under Implementation
	Grota do Cirilo Complex	Sigma Mineração	Vale do Jequitinhonha	MG	In Progress
	Barreiro	Sigma Mineração	Vale do Jequitinhonha	MG	Scheduled
COPPER	Pantera	Avanco Resources	Ourlândia do Norte	Pará	Scheduled
	Furnas Project	Ero Copper/Vale Base Metals	Carajás	Pará	Mineral Exploration
	Luanga	Bravo	Curionópolis	Pará	Scheduled
	Pilar and Vermelhos	Mineração Caraiba/Ero Copper	Jaguarari/Juazeiro	Bahia	In Progress
	Salobo III	Vale	Marabá	Pará	In Progress
	Cristalino/Hub Sul Extension	Vale		Pará	Scheduled
	Expansion	Lundin Mining	Alto Horizonte	Goiás	In Progress
	Bacaba Project	Vale S.A.	Canaã dos Carajás	Pará	Scheduled
	Cabaçal	Meridian Mining	Cabaçal	MT	Scheduled
Alemão	Vale	Paraúpebas	Pará	Scheduled	
NICKEL	Jaguar Nickel Sulfide Project	Centaurus Metals	Carajás	Pará	Scheduled
	Onça Puma	Vale	Ourlândia do Norte	Pará	Scheduled
	Piauí Nickel Project	Brazilian Nickel	Capitão Gervásio Oliveira	Piauí	Scheduled
	Vermelho	Horizonte Minerals	Carajás	Pará	Scheduled
	Santa Rita Project	Atlantic Nickel	Itagibá	Bahia	Scheduled
	Araguaia	Horizonte Minerals	Conceição do Araguaia	Pará	Scheduled
RARE EARTHS	Araxá	St George Mining Limited	Araxá	MG	Scheduled
	Oxide Concentrate Production	Brazilian Rare Earth	Ubaira e Jequiriçá	Bahia	Scheduled
	PCH Ionic Clay Project	Appia Rare Earths & Uranium	Iporá	Goiás	Mineral Research
	Bom Futuro Tailings Recovery	Canada Rare Earth Corp.	Ariquemes	RO	Scheduled
	Colossus	Viridis Mining and Minerals	Poços de Caldas	MG	Mineral Exploration
	Ionic Clays Carina Module	Aclara Resources/Hochschild Mining	Nova Roma	Goiás	Mineral Exploration
	Ionic Clay Extraction Project	Meteoric Resources NL	Poços de Caldas	MG	In Progress
Pela Ema Deposit	Mineração Serra Verde	Minaçu	Goiás	In Progress	
TITANIUM	Rare Earths and Titanium	Resouro Strategic Metals	Tiros	MG	Scheduled
	Titanium Project - Ilmenite	Largo Resources	Maracás	Bahia	Under Implementation
	Retiro	Rio Grande Mineração	São José do Norte	RS	Under Implementation
GRAPHITE	Boa Sorte Mine Expansion	Graphcoa (JV Appian)	Itagimirim	Bahia	Scheduled
VANADIUM	Plant/Mine Expansion	Largo Resources	Maracás	Bahia	Scheduled
NIONIUM	Capacity Expansion/Battery Factory	CBMM	Araxá	MG	In Progress

SOURCE: MINISTRY OF MINES AND ENERGY.

## > MINERAL GEOINFORMATION DASHBOARD

On this page managed by the ANM (<https://geo.anm.gov.br/portal/home/index.html>), systems that allow the visualization of geographic information related to mining in Brazil are presented. In addition to the Mining Geographic Information System (SIGMINE), which is an online platform designed to show the location and details of the Agency's active mining processes through the visualization of information on geographic maps, dashboards on area availability, the distribution of mining in Brazil, and mining dams can be accessed.

Access to these services is free and open to the public and their data are updated daily.

## > BRAZIL'S SHARE IN GLOBAL RESERVES AND PRODUCTION OF MINERALS FOR THE ENERGY TRANSITION (2024/2025)

This section aims to present Brazil's share in the global production and reserves of strategic minerals. It should be noted that Brazil holds the largest niobium reserve on the planet, the second largest graphite reserve and the third largest rare earth and nickel reserves. A strong increase in these numbers is expected as geological knowledge expands and, above all, as ongoing mineral exploration projects succeed.

**TABLE 2: BRAZILIAN PRODUCTION AND RESERVES OF STRATEGIC MINERALS FOR THE ENERGY TRANSITION**

MINERAL	RESERVES 2025 (T)	WORLD (T)	SHARE (%)	RANKING	PRODUCTION 2025 (T)	WORLD (T)	SHARE (%)	RANKING
LITHIUM*	1,840,000	37,000,000	5.0%	6 <sup>o</sup>	12,000	290,000	4.1%	6 <sup>o</sup>
COPPER**	79,000,000	980,000,000	8.1%	6 <sup>o</sup>	384,000	23,000,000	1.7%	-
NICKEL	16,000,000	140,000,000	11.4%	3 <sup>o</sup>	70,000	3,900,000	1.8%	8 <sup>o</sup>
NIObIUM	14,000,000	21,000,000	66.6%	1 <sup>o</sup>	104,000	112,000	92.9%	1 <sup>o</sup>
RARE EARTHS	21,000,000	85,000,000	24.7%	2 <sup>o</sup>	2,000	390,000	0.5%	9 <sup>o</sup>
COBALT	<1,000	12,000,000	0.008%	-	-	310,000	-	-
VANADIUM	94,000	21,000,000	0.6%	5 <sup>o</sup>	5,300	110,000	4.8%	3 <sup>o</sup>
GRAPHITE	74,000,000	310,000,000	23.9%	2 <sup>o</sup>	65,000	1,800,000	3.6%	4 <sup>o</sup>
SILICON (QUARTZ)	-	-	-	-	350,000	9,600,000	3.63%	3 <sup>o</sup>
MANGANESE	300,000,000	1,800,000,000	16.6%	3 <sup>o</sup>	800,000	20,000,000	4%	6 <sup>o</sup>
ALUMINIUM (BAUXITE)	1,700,000,000	29,000,000,000	5.8%	5 <sup>o</sup>	33,000,000	440,000,000	7.5%	4 <sup>o</sup>

SOURCE: USGS 2025.

\* (390 thousand t official + 980 thousand t from Sigma – certified on the Toronto and Nasdaq stock exchanges).

\*\* Copper: Reserves – 2024 data. Source: International Copper Study Group (ICSG).

Brazilian Production – 2024 data. Source: National Mining Agency (ANM).

## › BRAZIL IN THE GLOBAL VALUE CHAIN

With support from the Development Bank of Latin America (CAF), Brazil together with the other Mercosul countries and Chile will invest in 2026 in research to identify synergies and cooperation opportunities among the countries in strategic minerals for the energy transition, to strengthen regional integration, competitiveness and value addition in mineral chains.

Throughout 2025, several memoranda of understanding were signed between Brazil and other countries aimed at strengthening the productive chains of strategic and critical minerals.

These actions aim to stimulate the Brazilian critical and strategic minerals chain, considering that despite the mineral potential, the production of high-purity inputs within the global value chains of essential technologies for the energy transition is still incipient in Brazil. There is only one company producing battery-grade lithium carbonate on a small scale. However, Brazil is a global leader in niobium technologies, thanks to the Brazilian company CBMM.

Given its significant reserves of the main minerals considered critical by the world, Brazil aspires to produce a variety of inputs for batteries, solar panels, wind turbines, electric motors and other technologies from rare earths, graphite, silicon, niobium, copper, nickel, aluminum and manganese.

Brazil has the minerals and has an abundant supply of clean and renewable energy. It wants to supply processed inputs to battery manufacturers and other technology producers wherever they may be. Brazil is also interested in building an integrated value chain with its partners in South America. In addition to ores and energy, we have a competent workforce that can be trained and mobilized and the capacity to develop national technology.

## › BRAZILIAN ENERGY MATRIX

Renewable energy sources have a significant share in the Brazilian energy matrix, representing 50% of national consumption in 2024, while globally these sources accounted for only 14.3% of consumption in 2022.

Specifically regarding the electricity matrix, in 2024 Brazil's main source was hydropower (55.3%), in addition to wind energy (14.1%) and solar energy (9.3%), therefore predominantly renewable. This is the opposite of the global electricity matrix, which had coal (35.8%) and natural gas (22.3%) as its main sources in 2022.

During 2025, there was an addition of 7,403.54 MW to Brazilian electricity generation. For 2026, an expansion of 9,142 MW in installed capacity in Brazil is forecast, ensuring supply and enabling the implementation of new ventures in the country.

## > PUBLIC SUPPORT FOR NEW MINING PROJECTS

Brazil has a robust set of public institutions that offer financial, technical, and strategic support for mining and mineral processing projects. These institutions play essential roles in promoting sustainable development, research, innovation and encouraging the competitiveness of the mineral value chain. The following are some of these entities:

- National Bank for Economic and Social Development (BNDES): provides financial instruments for projects in Brazil related to mining and mineral processing, ranging from mineral exploration to the implementation of innovative ventures.
- Financier of Studies and Projects (FINEP): a public company that operates the National Fund for Scientific and Technological Development (FNDCT). FINEP supports Research, Development and Innovation (RD&I) projects, encouraging technological advances in the mining sector. More details are available on the FINEP website.
- Brazilian Enterprise for Industrial Research and Innovation (Embrapii): Acts to promote industrial research and development, offering non-reimbursable financial resources for RD&I projects, often in partnership with educational institutions and private companies.

Finally, it should be noted that RD&I investments may benefit from the tax incentives of the Lei do Bem (Good Law), Law No. 11,196, of November 21, 2005.

The following are important public initiatives that aim to foster the development of Brazil's strategic minerals value chain:

### 1. Public Call for the Selection of Business Plans for Investments in the Processing of Strategic Minerals for Energy Transition and Decarbonization

BNDES and FINEP sought to stimulate the value chain of strategic minerals for the energy transition and decarbonization in Brazil, in alignment with the objectives of the Federal Government's Nova Indústria Brasil (NIB) initiative. On January 7, 2025, a Public Call was launched with the objective of fostering Business Plans that include investments in productive capacity and in RD&I for the processing of strategic minerals and the production of processed materials or manufactured products aimed at the energy transition and decarbonization, considering the following elements: Aluminum, Cobalt, Copper, Tin, Graphite, Lithium, Manganese, Platinum Group Metals (PGMs), Molybdenum, Niobium, Nickel, Silicon, Tantalum, Rare Earths, Titanium, Tungsten, Uranium, Vanadium and Zinc.

The Public Call sought to support projects at different stages, ranging from large-scale industrial plants to research and studies for new industrial capacities. The initiative aims to leverage investments between five and ten times the initially available amount, mobilizing resources at all stages, from the research and development (R&D) of new technologies to the implementation of demonstration and industrial plants.

Of the 124 submitted business plan proposals, 56 were selected, forming a project pipeline totaling BRL 45.8 billion in investments. These projects aim to strengthen industrial value chains, reduce external dependence on critical inputs such as fertilizers and expand the supply of materials that

are central to geopolitical dynamics and to the development of low-carbon technologies such as magnets and batteries.

According to the public notice, companies received guidance on the financial instruments offered by BNDES (including direct equity investments through BNDESPAR, as provided in the Public Call) as well as instruments from FINEP that may be used to support the implementation of planned investments. The companies must now formalize their financing requests. Detailed information about the Public Call can be found on the organizers' websites: FINEP and BNDES.

## 2. Investment Fund in Participations (FIP) for Strategic Minerals in Brazil

The FIP is a partnership launched between BNDES and the Ministry of Mines and Energy with the objective of mobilizing more than BRL 1 billion for business projects focused on energy transition, decarbonization and sustainable food production. On October 2, 2024, it was announced that the fund's management would be assigned to Ore Investments and JGP BB Asset, managers with experience and a strong track record in the sector, responsible for some of Brazil's largest investment portfolios. The fund is currently in the fundraising phase, with contributions expected throughout the first half of 2026, when investments are scheduled to begin.

Investments will prioritize the following strategic minerals: Cobalt, Copper, Tin, Graphite, Lithium, Manganese, Platinum Group Metals, Molybdenum, Niobium, Nickel, Silicon, Tantalum, Rare Earths, Titanium, Tungsten, Uranium, Vanadium, Zinc, Phosphate, Potassium or other minerals that promote soil fertility and are essential for food security. The plan is for the fund's resources to support 15 to 20 companies involved in mineral exploration, development and exploitation of new mines in Brazil.

BNDES will invest up to BRL 250 million in the FIP, with participation of up to 25% of total capital, while other domestic and international investors are expected to join. The capital may be used by junior and mid-size companies. The FIP seeks to stimulate a new cycle of support for strategic minerals production, focusing on innovation and sustainability, pillars of Nova Indústria Brasil and the Federal Government's Plano Mais Produção.

## 3. BNDESPAR Direct Equity Investment in Strategic Minerals in Brazil

In 2025, BNDESPAR, BNDES's equity investment subsidiary, resumed its direct equity investment activities after a period of inactivity marked by a comprehensive review of its internal investment policies. The renewed focus centers on advancing innovation and accelerating the energy transition, with a strong emphasis on sustainable investment themes.

A central pillar of this strategy is fostering the growth of Brazil's critical minerals sector, which plays a key role in supporting global clean energy supply chains and providing inputs for high-technology and industrial applications essential to decarbonization.

BNDESPAR aims to support projects in two main categories: greenfield initiatives focused on the development of new mines and brownfield operations aimed at expanding and modernizing existing production capacity. In accordance with internal guidelines and operating procedures, BNDESPAR acquires minority stakes that are inherently temporary in nature.

These investments are structured exclusively as primary transactions. In such cases, the invested company issues new voting common shares, and the full proceeds from BNDESPAR's share subscription are directed into the company to finance productive and operational initiatives in line with the approved business plan.

Additional information about the application process and BNDESPAR's eligibility criteria is available on the [institution's direct investment page](#).

#### 4. BNDES Socio-Environmental and Climate Regulation for the Mining Sector

To ensure that BNDES support for mining projects fosters the socio-environmental development of local communities, the Bank published in 2025 a revised version of its [Socio-Environmental and Climate Regulation for Support to the Mining Sector](#). The objective is to ensure that mining projects act as drivers of sustainable regional development, while also playing a central role in the trade balance and in national technological sovereignty.

The Regulation updates the Socio-Environmental Policy for the Mining Sector, which had been in place since 2015, introducing new elements especially regarding: the incorporation of the climate dimension in project assessment; the strengthening of social aspects in the areas of "stakeholder relationship management" and "local development and economic diversification"; and greater detail in environmental topics.

#### 5. Debentures with tax benefits for mineral processing projects of strategic minerals for the energy transition.

Decree No. 11,964, of March 26, 2024, allowed the issuance of debentures with tax incentives for the financing of strategic mineral processing projects for the energy transition. It should be noted that the incentive is not for mining projects of strategic minerals, nor for any processing project of these minerals. Only mineral processing projects are eligible that result in products of interest to the energy transition, especially in the value chain of batteries, wind turbines, electric motors, and other essential technologies for the transition.

It is permitted for eligible processing projects to have expenses related to the mining and mine development phase funded with resources raised through the debentures, within limits established by MME ordinance. Depending on the type of debenture issued (infrastructure debenture or incentivized debenture), the tax benefit of Income Tax (IR) reduction will be enjoyed by the issuing company or by the investor holding the security. For companies, there is also a reduction in Social Contribution on Net Income (CSLL). The process of issuing debentures with tax incentives must comply with rules published by the Public Administration but is not subject to prior approval by public authorities.

To regulate Decree 11,962/2024, MME Ordinance No. 120/2025 was published, detailing technical criteria, eligible products, monitoring and social and environmental counterparts. This ordinance defines cobalt, copper, nickel and rare earths as strategic minerals for the tax benefits.

## > CONSIDERATIONS ON SOCIAL, ENVIRONMENTAL AND GOVERNANCE RESPONSIBILITY (ESG)

Within the framework of the Federal Government's strategy for promoting a low-carbon, socially inclusive and environmentally responsible development model, two structuring instruments were consolidated in 2025 with direct impact on the mining sector: the Brazilian Sustainable Taxonomy (BST) and the Basic Reference for Sustainable Brazilian Mining.

In 2025, the Ministry of Finance coordinated the preparation of the first edition of the Brazilian Sustainable Taxonomy, in coordination with the bodies that make up its inter-institutional governance, with the Ministry of Mines and Energy responsible for the technical coordination of the extractive industries chapter, corresponding to CNAE Sector B. Established by Decree No. 12,705/2025 as one of the pillars of the Federal Government's Ecological Transformation Plan, the Taxonomy establishes a classification system based on scientific criteria to guide public and private investments in activities that substantially contribute to climate, environmental and socioeconomic objectives. In the mining sector, the BST serves as a technical reference to align mining production and financing with the energy transition, recognizing the strategic role of minerals such as lithium, nickel, copper, graphite, rare earths, iron and bauxite in enabling clean technologies, while strengthening regulatory predictability, market integrity and the attractiveness of sustainable investments. The application of the BST to mining is additionally conditional upon compliance with the Do No Significant Harm principle, ensuring that the activity's contribution to the low-carbon economy occurs without generating environmental or social liabilities.

Complementarily, the Ministry of Mines and Energy also prepared in 2025 the Basic Reference for Sustainable Brazilian Mining: From Good Practices to the Promotion of Decent Work, within the scope of the National Secretariat of Geology, Mining, and Mineral Processing (SNGM), through the Department of Sustainable Development in Mining (DDSM), with the strategic collaboration of the Brazilian Association of Technical Standards (ABNT). The document was submitted for public consultation through SNGM/MME Ordinance No. 2,822, of October 31, 2025, and is currently in the phase of evaluating contributions received for the consolidation of its final version. Structured along environmental, social and governance axes, the Reference constitutes a national guiding framework for the public and private sectors, defining principles, goals, and pathways for continuous improvement, based on references such as the UN Sustainable Development Goals and ILO Convention No. 169. Its implementation strengthens legal certainty, broadens the attractiveness of sustainable investments, contributes to the consolidation of the social license of operations, and enhances the international competitiveness of Brazilian mining, especially in the context of growing global demand for minerals produced responsibly and compatible with the objectives of the energy transition and sustainable development.

## ➤ REGULATORY FRAMEWORK OF THE BRAZILIAN MINING SECTOR

The Brazilian mining sector is supported by a robust regulatory framework, fundamental for attracting foreign investments. Mining legislation was established and consolidated by the Federal Constitution of 1988 and Constitutional Amendments No. 6 and No. 9 of 1995. These regulations determine that mineral resources are separate from the surface property and belong to the Federal Government (União), but may be exploited by the private sector through concessions or authorizations. The legislation guarantees concessionaires the right to the mining product and establishes that States, Municipalities and the Federal Government are entitled to a share in the exploitation royalties. Furthermore, it defines that mineral exploration and mining require prior consent of the Federal Government and guarantees the landowner where the mine is located a share in the results, according to specific legislation. Exploration authorizations are granted for a definite term. Mining authorizations and concessions have an indefinite term and cannot be transferred without prior consent of the Granting Authority.

In addition to the Constitution, the main regulatory instrument governing mineral exploration and mining in Brazil is the Mining Code and its respective Regulation. However, given the sector's specificity, mining activity is also regulated by other legislation, such as the Mineral Waters Code (Decree-Law No. 7,841, of 1945), border zone legislation (Law No. 6,634, of 1979) and rules regarding substances under special regimes, such as the Licensing Regime (Law No. 6,567, of 1978) and the Artisanal Mining Permit Regime (Law No. 7,805, of 1989). This regulatory set is complemented by various Ministerial and Inter-Ministerial Ordinances, as well as acts of the National Mining Agency. This comprehensive and detailed regulatory system provides a clear and stable legal environment, essential for foreign investors interested in the strategic minerals sector for the energy transition.

In this context, the National Policy on Critical and Strategic Minerals (PNMCE) is under construction, based on regulatory and financial actions and instruments already implemented. In addition, the PNMCE aims to reduce information asymmetries and exploration risks; strengthen mineral production and processing on national territory, promoting value addition and industrial densification; reduce external vulnerability to imports of critical minerals, inputs and materials; position Brazil in a qualified manner in global value chains, especially in links associated with the energy transition, decarbonization, and food security; and promote sustainable socioeconomic development, with respect for human rights, ESG practices and environmental protection.

Throughout 2025, the restructuring and establishment of the National Council for Mineral Policy (CNPM) also took place. Among its responsibilities is the definition of guidelines for the National Mining Plan. Within the CNPM, a Working Group was created to analyze and develop proposals for public and legislative policies aimed at advancing the critical and strategic minerals value chain in the country.

## > KEY GOVERNMENT BODIES IN BRAZIL

**National Council on Mineral Policy – CNPM** – advises the President of the Republic on the formulation of policies and guidelines for the development of the Brazilian mining sector. Among the responsibilities of the CNPM are the formulation of sustainable policies for the various segments that make up the mining sector, including dam safety, the alignment of programs and actions with other sectoral public policies, the integration of mining with the national energy transition strategy, among others. It is chaired by the Minister of Mines and Energy and composed of 16 additional ministers, including those of Finance, Foreign Affairs and Environment and Climate Change.

**Ministry of Mines and Energy – MME** (<https://www.gov.br/mme/pt-br>) – a direct federal public administration body responsible for national policies on geology, mineral exploration and mineral resource production; national mineral processing policy; guidelines for sector planning; preparation and approval of concessions; participation in international negotiations; and promotion of the development and adoption of new technologies. The Ministry exercises its competencies through the Secretariat of Geology, Mining, and Mineral Processing.

**National Secretariat of Geology, Mining, and Mineral Processing – SNGM/MME** (<https://www.gov.br/mme/pt-br/assuntos/secretarias/geologia-mineracao-e-transformacao-mineral>) – responsible for implementing, guiding and coordinating policies for the mining sector. The Secretariat's actions aim to ensure the correct and proper exploitation of mineral assets. Among its competencies are: coordinating planning studies and proposing actions for sustainable development in mining and mineral processing; monitoring the rational use of mineral resources; formulating and coordinating proposals for multi-year plans and programs for the geology and mining sectors; promoting and encouraging research and technological development activities in the fields of geology and the mineral industry; establishing concession policies and procedures for the sector; coordinating the process of mineral rights concessions and overseeing the control and supervision of mineral exploitation and production; and analyzing and proposing actions focused on attracting investments for exploration and the utilization of mineral resources.

**National Mining Agency – ANM** (<https://www.gov.br/anm/pt-br>) – an autonomous agency linked to the Ministry of Mines and Energy, its purpose is to promote the management of the Federal Government's mineral resources and the regulation and oversight of activities for the utilization of mineral resources in the country. Among its various competencies are: deciding on mineral rights and other requests in administrative proceedings for concession or oversight of mining activities; issuing mining titles and other acts related to the enforcement of mining legislation; deciding on mining applications and granting mining concessions for the mineral substances referred to in Article 1 of Law No. 6,567/78.

**Geological Survey of Brazil – SGB/CPRM** (<https://www.sgb.gov.br/>) – a state-owned enterprise responsible for geological surveys; geophysical surveys; evaluation of Brazil's mineral resources; hydrogeological surveys; geological information management; and chemical and mineral analyses from the mineral analysis laboratory.

**National Environment Council – Conama** (<https://conama.mma.gov.br/>) – a consultative and deliberative body of the National Environment System (SISNAMA), established by Law 6,938/81, regulated by Decree 99,274/90. The Council is a collegiate body of five sectors: federal, state, and municipal agencies, the business sector, and environmental organizations. Among CONAMA's competencies are: establishing rules and criteria for the licensing of actual or potentially polluting activities, to be granted by the Federal Government, States, the Federal District, and Municipalities; determining, when deemed necessary, the conduct of studies on alternatives and possible environmental consequences of public or private projects, especially in the case of works or activities causing significant environmental degradation, particularly in areas considered national heritage.

**Ministry of the Environment and Climate Change – MMA** (<https://www.gov.br/mma/pt-br>) – responsible, among other matters, for the national environment policy; national water resources policy; policy for the preservation, conservation and sustainable use of ecosystems, biodiversity and forests; strategies, mechanisms and regulatory and economic instruments for improving environmental quality and the sustainable use of natural resources; and policies for integrating environmental protection with economic production.

**Brazilian Institute of the Environment and Renewable Natural Resources – Ibama** (<https://www.gov.br/ibama/pt-br>) – an autonomous agency linked to the Ministry of the Environment. Its purposes include: exercising environmental enforcement authority; executing actions of national environment policies, regarding federal attributions, related to environmental licensing, environmental quality control, authorization for the use of natural resources and environmental enforcement, monitoring, and control, observing the guidelines issued by the Ministry of the Environment.

State and Municipal Agencies – Each state in the federation has an agency responsible for environmental matters, with competencies similar to those of Ibama. Some municipalities also have such agencies.

## › THE ROLE OF THE STATE-OWNED ENTERPRISE IN MINERAL PRODUCTION

Nuclear Industries of Brazil (INB) (<https://www.inb.gov.br/>), linked to the MME, is the only public company in the mining sector. Its business is uranium. It operates in the ore production chain, the “nuclear fuel cycle,” which includes mining, processing, enrichment and the manufacturing of powder, pellets and the fuel that supplies Brazilian nuclear power plants. It exercises, on behalf of the Federal Government, the monopoly on the production and sale of nuclear materials.

INB's mining activities, from mineral exploration applications, mining concessions, exploration activities, mining and mineral processing, are equivalent to those of private companies.

## > MINING ADMINISTRATIVE PROCESS IN BRAZIL

To ensure the economic viability of projects and the strictest socio-environmental preservation, the development of mineral assets in Brazil follows a well-defined administrative process. One of the major competitive advantages of the Brazilian jurisdiction is parallel processing: the acquisition of mining rights (through the ANM - National Mining Agency) occurs simultaneously with the environmental licensing process, significantly optimizing the projects' time-to-market.

As a clear demonstration of the national commitment to the global energy transition, the Ministry of Mines and Energy, in conjunction with the ANM and environmental agencies, strategically prioritizes the review of projects related to critical minerals. This governmental fast-track effort aims to substantially reduce licensing timeframes, accelerating the return on invested capital.

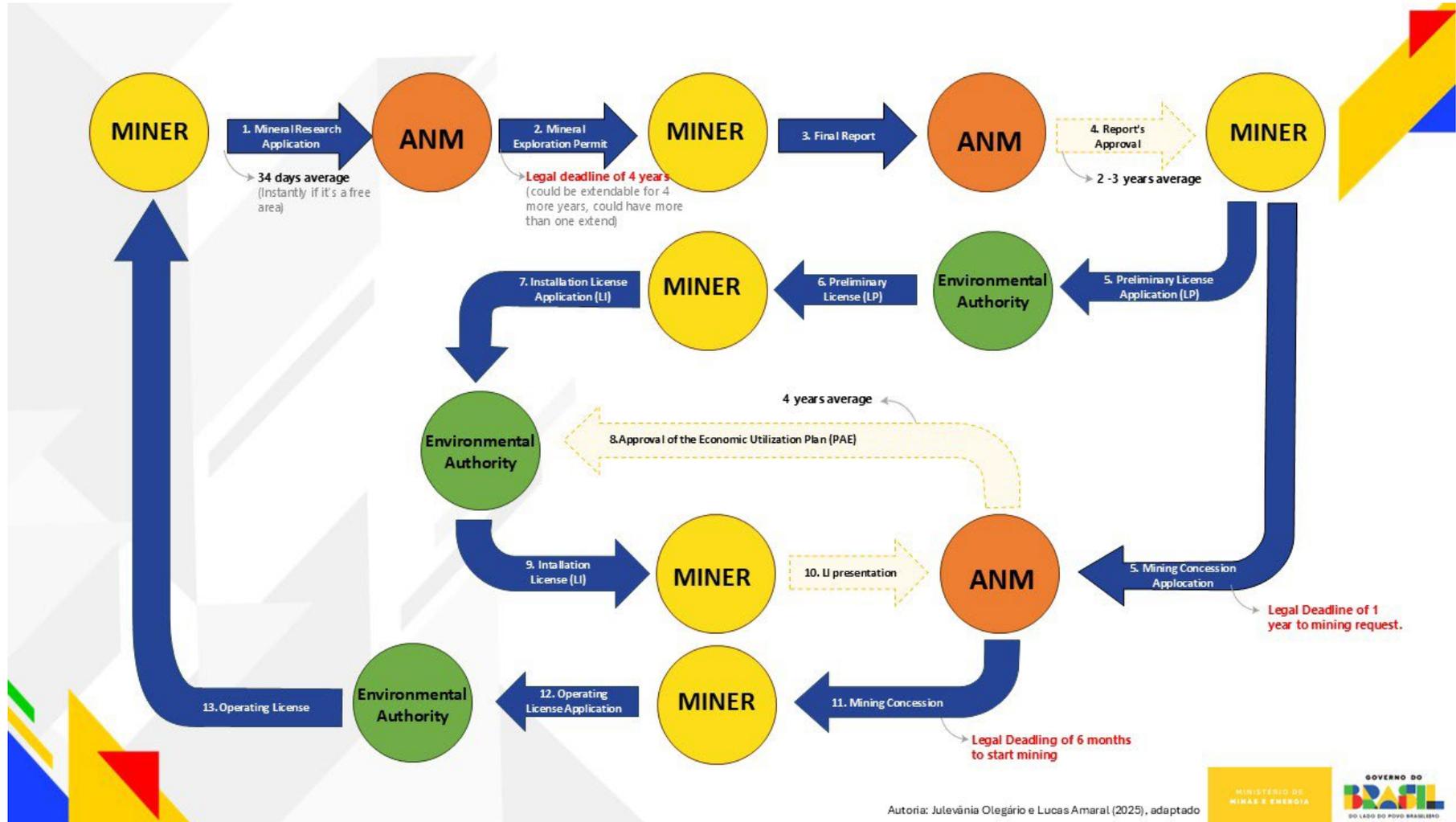
Brazil operates under an intelligent federative model, governed by Supplementary Law No. 140. Highly complex projects or those spanning multiple states are licensed at the federal level by Ibama (Brazilian Institute of Environment and Renewable Natural Resources). For most other projects, jurisdiction is decentralized to state environmental agencies. This structure allows licensing to adapt to the specificities of each biome, requiring foreign investors to integrate with top-tier local partners or consultancies to navigate this ecosystem efficiently.

Licensing is not merely a legal formality, but the primary benchmark for project de-risking and capital expenditure (CAPEX) deployment. It is divided into three fundamental value-creation milestones:

- Preliminary License (LP): Granted during the planning phase. It attests to the environmental viability of the project's location and conceptual design. For the investor, obtaining the LP is the asset's most significant de-risking event, authorizing the progression to detailed engineering.
- Installation License (LI): Authorizes the commencement of construction and the installation of the mining-industrial complex in accordance with the strictly approved control plans. This is the milestone that triggers the deployment of the project's main CAPEX.
- Operation License (LO): Authorizes the start of mineral extraction and processing, following verification that all conditions from the construction phase have been met. It represents the project's transition into the commercial operation phase and the generation of Cash Flow.

The flowchart (Figure 5) and the summary table (Table 3) below detail the joint administrative pathway (ANM and Environmental Agencies), mapping all necessary actions by the developer—from the Mineral Exploration Application (REPEM) to obtaining the LO for critical mineral projects in the country.

FIGURE 5: SIMPLIFIED FLOWCHART OF THE MINING ADMINISTRATIVE PROCESS IN BRAZIL



SOURCE: MINISTRY OF MINES AND ENERGY. OWN ELABORATION.

Autoria: Julevânia Olegário e Lucas Amaral (2025), adaptado

**TABLE 3: DESCRIPTION OF ACTIVITIES REQUIRED FOR ENVIRONMENTAL LICENSING IN BRAZIL**

WHAT?	WHERE?	WHAT IS REQUIRED?	WHAT FOR?
Mineral exploration application with or without a utilization guide	National Mining Agency (ANM)	<ul style="list-style-type: none"> <li>The applicant must be a Brazilian natural person, or have a sole proprietorship or legally qualified company.</li> <li>Verify whether the area is available;</li> <li>Be registered in the ANM Digital Protocol System and portal.gov.br;</li> <li>Fill in the standardized form of the Electronic Mineral Exploration Application System (REPEM);</li> <li>Pay a fee;</li> <li>Submit the required documentation: <ul style="list-style-type: none"> <li>Map with the location plan of the area,</li> <li>Exploration work plan,</li> <li>Technical Responsibility Annotation (ART) under the professional responsibility of a mining engineer or geologist.</li> </ul> </li> </ul>	Aims to obtain the Mineral Exploration Authorization for all mineral substances, except those protected by monopoly (petroleum, natural gas, and radioactive mineral substances).
Operating License for Mineral Exploration [ONLY WHEN THERE IS A UTILIZATION GUIDE]	Competent Environmental Agency	Submission of the mineral exploration plan, with the environmental impact assessment and mitigation measures to be adopted.	Mineral exploration involving the use of a utilization guide is subject to environmental licensing by the competent agency. [Conama Resolution No. 09/1990].
Mineral Exploration Permit / Mineral Exploration Authorization	ANM	Approval of the Mineral Exploration Application by the ANM.	Allows the execution of work to define the deposit, its evaluation, and the determination of the feasibility of its economic utilization.
Final Mineral Exploration Report	ANM	<ul style="list-style-type: none"> <li>Must be presented by the applicant and must contain: <ul style="list-style-type: none"> <li>Detailed results of exploration activities</li> <li>Characteristics of the discovered deposit</li> <li>Drilling data</li> <li>Analyses</li> <li>Economic viability of mineral extraction</li> <li>Summary of prospecting and exploration work carried out</li> <li>Characterization of ore bodies and identified substances</li> </ul> </li> </ul>	Produced at the miner's expense, it must be submitted to the ANM within the stipulated deadline to apply for the mining concession and to begin the environmental licensing process.
Preliminary License (LP)	Competent Environmental Agency	<ul style="list-style-type: none"> <li>The miner must submit to the licensing environmental agency, after submitting the positive Final Mineral Exploration Report to the ANM: <ul style="list-style-type: none"> <li>Preliminary License Application</li> <li>Copy of the publication of the Preliminary License request</li> <li>Municipal Government Certificate</li> <li>Environmental Impact Study (EIA) and its respective Environmental Impact Report (RIMA), pursuant to CONAMA Resolution No. 01/86 and the Degraded Area Recovery Plan.</li> </ul> </li> </ul>	For the assessment of the environmental viability of the project, with evaluation of the proposed location, installation, expansion, and operation of enterprises and activities that use environmental resources, considered actually or potentially polluting, or those that, in any way, may cause environmental degradation.
Mining Concession Application	ANM	<ul style="list-style-type: none"> <li>Approved Exploration Report;</li> <li>Economic Utilization Plan (PAE) of the deposit must contain the elements described in Article 39 of the Mining Code, in addition to the following documents: <ul style="list-style-type: none"> <li>Rescue and Emergency Plan (Item 15.5.1 of the Mining Regulatory Standards – NRM);</li> <li>Mining Environmental Impact Control Plan (Item 15.6 of the Mining Regulatory Standards);</li> <li>Mine Closure Plan (Item 15.7 of the NRM).</li> </ul> </li> </ul>	Application requesting a mineral exploitation concession through the mining concession regime, aimed at the extraction, processing, and commercialization of the mineral asset identified in the previous stage of exploration authorization. Decree-Law No. 227/1967 (Mining Code), Decree No. 9.406/2018 (Code Regulation), and DNPM Ordinance No. 155/2016.
Installation License (LI)	Competent Environmental Agency	<ul style="list-style-type: none"> <li>Installation License Application</li> <li>Copy of the publication of the Installation License request</li> </ul>	Authorizes the beginning of the installation of the mining project and direct intervention in the area approved by the licensing environmental agency.

		<ul style="list-style-type: none"> <li>Copy of the publication of the Preliminary License concession</li> <li>Copy of the ANM communication finding the PAE – Economic Utilization Plan satisfactory</li> <li>Environmental Control Plan</li> <li>Compliance with the environmental conditions of the Preliminary License</li> </ul>	
<b>Vegetation Suppression Authorization (ASV)</b>	Competent Environmental Agency, the same as for environmental licensing	<p>The requirements for issuing the ASV vary according to the environmental agency, but as a general rule, it is only issued from or together with the LI.</p> <p>If the enterprise is located in the Atlantic Forest biome, the restrictions imposed by Law No. 11,428/2006 must also be observed.</p>	The Vegetation Suppression Authorization (ASV) is the instrument that regulates the procedures for the suppression of native vegetation and intervention in Permanent Preservation Areas (APP) in enterprises of public or social interest or utility subject to environmental licensing. [Conama Resolution No. 369/2006]
<b>Mining Concession / Mining Ordinance</b>	ANM	<ul style="list-style-type: none"> <li>Submission of the approved Mining Concession Application;</li> <li>Installation License issued by the competent environmental agency.</li> </ul>	The mining concession is a mining title that authorizes the extraction, processing, and commercialization of mineral substances.
<b>Operating License</b>	Competent Environmental Agency	Compliance with the environmental conditions of the Installation License;	Authorizes the beginning of the operation of the mining enterprise.

SOURCE: MINISTRY OF MINES AND ENERGY. OWN ELABORATION.

## > KEY PUBLIC AGENCIES INVOLVED IN BRAZILIAN ENVIRONMENTAL LICENSING

As mentioned, in Brazil, the environmental licensing process in the mining sector may involve the federal, state, or municipal agency of the area where the mining activity will be implemented. The environmental agencies involved in this process, their competencies and intervention scenarios are listed below:

### 1. Brazilian Institute of the Environment and Renewable Natural Resources (IBAMA)

Competencies:

Promote the environmental licensing of enterprises located or developed in:

- Areas spanning more than one State;
- Conservation areas established by the Federal Government, except in Environmental Protection Areas (APAs);
- In the territorial sea, continental shelf and exclusive economic zone;
- Military activities (exceptions specified);
- Enterprises that use radioactive materials or nuclear energy, subject to the opinion of the National Nuclear Energy Commission (CNEN).

Scope:

- IBAMA acts in complex situations that require coordination between different States or that involve special protection areas, ensuring environmental protection in higher-impact enterprises.

### 1. Secretarias Ambientais Estaduais State Environmental Secretariats

Competencies:

- Promote the environmental licensing of mining enterprises not subject to IBAMA's competence, including environmental licenses for activities developed in conservation units established by the State (except Environmental Protection Areas – APAs).

Scope:

- The State Secretariats play a crucial role in the analysis and granting of licenses at the regional level, ensuring that mining activities comply with environmental regulations. Most mining projects in Brazil are licensed by the State Secretariats.

Table 4 presents the list of the main public agencies involved in the environmental licensing and mineral rights concession process in Brazil, with their website addresses. The environmental agencies of the States with the largest number of strategic mineral projects for the energy transition are listed. For projects in other States, the miner should consult the local government.

**TABLE 4: KEY PUBLIC AGENCIES INVOLVED IN THE MINERAL CONCESSION PROCESS IN BRAZIL.**

PUBLIC AGENCY	WEBSITE	FOCAL POINT
Ministry of Mines and Energy (MME)	<a href="https://www.gov.br/mme/pt-br">https://www.gov.br/mme/pt-br</a>	National Secretariat of Geology, Mining, and Mineral Processing (SNGM)
National Mining Agency (ANM)	<a href="https://www.gov.br/anm/pt-br">https://www.gov.br/anm/pt-br</a>	Superintendence of Mining Title Concessions
Brazilian Institute of the Environment and Resources (Ibama)	<a href="https://www.gov.br/ibama/pt-br">https://www.gov.br/ibama/pt-br</a>	Directorate of Environmental Licensing (Dilic)
State of Minas Gerais – State Secretariat of Environment and Sustainable Development (Semad-MG)	<a href="http://www.meioambiente.mg.gov.br/">http://www.meioambiente.mg.gov.br/</a>	State Environment Foundation (Feam)
State of Pará – Secretariat of Environment and Sustainability (Semas-PA)	<a href="https://www.semas.pa.gov.br/">https://www.semas.pa.gov.br/</a>	Directorate of Environmental Licensing
State of Bahia – Secretariat of the Environment (SEMA-BA)	<a href="https://www.ba.gov.br/meioambiente/">https://www.ba.gov.br/meioambiente/</a>	Institute of the Environment and Water Resources (Inema)

SOURCE: MINISTRY OF MINES AND ENERGY. OWN ELABORATION.

## > TAXATION AND ROYALTIES

Brazil's tax structure in the mining and mineral processing sector consists of taxes at different levels of government. At the federal level, mining companies are subject to Corporate Income Tax (IRPJ) and the CSLL, with rates of 15% and 9%, respectively, and an additional 10% for IRPJ on profits above a certain threshold. The social contributions PIS/PASEP and COFINS also apply to revenue, with combined rates ranging from 3.65% to 9.25%. At the state and municipal levels, companies face the Tax on the Circulation of Goods and Services (ICMS) and the Service Tax (ISS), respectively. The ICMS, with rates varying among states, applies to the circulation of goods, including minerals, while the ISS, with rates set by municipalities, applies to mining-related services. As previously mentioned, the recently approved Tax Reform simplifies this taxation scheme. The transition between the current

system and the new one is already underway and is expected to be completed by 2033. PIS/PASEP and COFINS will be unified into the Contribution on Goods and Services (CBS). ICMS and ISS will be unified into the Tax on Goods and Services (IBS).

The Financial Compensation for Mineral Resource Exploitation (CFEM) is the equivalent of the term "royalty" for mining in Brazil. It consists of the payment made by the entrepreneur for the exploitation of mineral resources, which belong to the Federal Government, as established by the Federal Constitution of 1988, in its Article 20, § 1. The main rules for the collection and distribution of this royalty are provided for in Law No. 7,990/1989 and Law No. 8,001/1990.

The CFEM rate, established in Law No. 13,540/2017, varies according to the mineral substance exploited. The rates are as follows:

- 1% for rocks, sand, gravel, clay and other mineral substances when intended for immediate use in civil construction; ornamental stones, mineral and thermal waters;
- 1.5% for gold;
- 2% for diamonds and other mineral substances, such as lithium, graphite, rare earth elements, nickel, copper and cobalt;
- 3% for bauxite, manganese, niobium and rock salt;
- 3.5% for iron, with legal provision for an exceptional rate reduction to as low as 2%, depending on specific conditions.

In summary, it applies on domestic market sales, on gross sales revenue, deducted of taxes levied on its commercialization; on consumption, on calculated gross revenue (considering the current price of the mineral good in the local, regional, national or international market or the reference value, defined pursuant to Decree 9,252/2017); on exports, on calculated revenue, considered as the tax base, at a minimum, the parameter price of the Federal Revenue Service of Brazil or, in its absence, the reference value; on mineral goods acquired at public auction and on extraction under the artisanal mining permit regime, on the value of the first acquisition of the mineral good.

## › APEXBRASIL AS A FOCAL POINT FOR FOREIGN INVESTORS IN MINING

The Brazilian Trade and Investment Promotion Agency (ApexBrasil) plays an important role in supporting foreign investors interested in the Brazilian mining sector. ApexBrasil's mission is to promote the international insertion of Brazilian products and services and to attract foreign direct investment.

In the mining context, ApexBrasil acts as a link between international investors and the business environment in Brazil, offering information about investment opportunities, sectoral policies and market trends. The agency facilitates contact between investors and Brazilian companies, as well as government agencies, promoting a more transparent and dynamic environment for new ventures.

In addition, ApexBrasil can assist investors with services such as:

- **Advisory and Guidance:** Providing information about the regulatory framework and the requirements necessary for operation in Brazil, including aspects related to environmental licensing and administrative processes.
- **Networking:** Facilitating connections with potential local partners, sector associations and financial institutions, which are essential for the development of mining projects.
- **Events and Trade Fairs:** Promoting investor participation in international events and trade fairs, where they can explore business opportunities and learn more about the Brazilian market.
- **Market Prospecting:** Offering market studies and analysis of specific sectors, helping investors understand the mining landscape in Brazil and identify areas with high return potential.

In this way, ApexBrasil positions itself as an essential reference point for foreign investors seeking to carry out mining and mineral processing projects in Brazil, contributing to sustainable and integrated economic development.



## ORGANIZATIONS OF INTEREST

Ministry of Mines and Energy – MME

<https://www.gov.br/mme/pt-br>

National Mining Agency – ANM

<https://www.gov.br/anm/pt-br>

Geological Survey of Brazil – SGB/CPRM

<https://www.sgb.gov.br/>

Ministry of the Environment and Climate Change – MMA

<https://www.gov.br/mma/pt-br>

Brazilian Institute of the Environment and Renewable Natural Resources – IBAMA

<https://www.gov.br/ibama/pt-br>

National Bank for Economic and Social Development – BNDES

<https://www.bndes.gov.br/wps/portal/site/home>

Financier of Studies and Projects – Finep

<http://www.finep.gov.br/>

Brazilian Enterprise for Industrial Research and Innovation – Embrapii

<https://embrapii.org.br/>

Nuclear Industries of Brazil – INB

<https://www.inb.gov.br/>

## FOCAL POINTS FOR FOREIGN INVESTORS

National Secretariat of Geology, Mining, and Mineral Processing – SNGM:

+55-61-2032-5177

ApexBrasil – Brazilian Trade and Investment Promotion Agency

<https://investinbrasil.com.br> +55-61-2027-0202

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