



TSX: PCY

Mongolia vs Bolivia



GDP

TSX: PCY



2005

\$2.5 billion

\$9.5 billion

2014

\$11.5 billion (4.5x)

\$30.6 billion (3.2x)

<https://en.wikipedia.org/>

GDP per Capita

TSX: PCY



2005

\$998

\$1,020

2014

\$4,056 (4x)

\$2,867 (2.8x)

<https://en.wikipedia.org/>



Questionables

TSX: PCY



2006: Gas Royalty from 50% to 82%

2007: Colquiri tin mine and Vinto Smelter from Glencore

2008: Entel from Telecom Italia

2009: Stake in Chaco Natural Gas Co from Pan American Energy

2010: Guracachi Power Plant from Rurelec

2012: National Electric Grid from Red Electrica de Espana

2012: El Mutun from Jindal Steel

2012: Mallku Khota silver deposit from South America Gold & Silver

Bolivia paid over \$690million

2014 May Mineral Law: All Existing Contracts will be respected

2014 October Morales declared Era of Nationalization is over



Questionables

TSX: PCY



Windfall Tax (2006 - 2009): 68% Mineral Tax on Concentrate

Water and Forest Law (2009 - Current): Save a tree?

Nationalized of Khan Resources's Dornod Uranium (2010): \$100mm judgement

Strategic Entities Foreign Investment Law (2012 - Current)

100 Mineral Licenses Revoked (2013)

10% Coal Royalty on Seaborn benchmark, not contract (2009 to 2014)

Moratorium on Issuing and Transferring Mineral License (2010 to 2015)

Chalco on SouthGobi (2012), Shenhua on Tavan Tolgoi (2011, 2015)

Oyu Tolgoi Tax Dispute (2009 – 2015), SouthGobi Tax Dispute (2012 – Current)

30% tax on mineral license transfer

8% Mortgage, 20% down (2013), replaced with 7% Mortgage, 10% down in 2015

Coal: National Security?

TSX: PCY



10 million tonnes/year consumed by Mongolians

162 billion tonnes coal reserve as of 2011

= 16,000 years

Credit Rating

TSX: PCY



Jul 2014 Moody's **Downgrade** Mongolia to B2

Dec 2014 Fitch maintained Mongolia B, outlook **negative**

May 2014 S&P **Upgrades** Bolivia to BB, outlook **positive**

Jul 2015 Fitch **Upgrades** Bolivia to BB

International Reserve (% GDP)

TSX: PCY



2005

\$0.3 billion (12%)

\$1.8 billion (15%)

2014

\$1.5 billion (13%)

\$15 billion (50%)

External Debt (% GDP)

TSX: PCY



2005

\$1 billion (40%)

\$5 billion (52%)

2014

\$5 billion (43%)

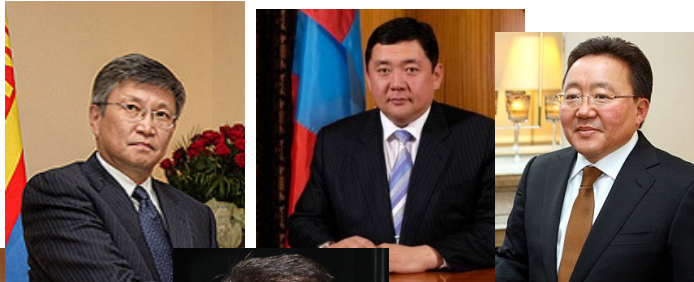
\$5 billion (16%)

<http://www.indexmundi.com/g/g.aspx?c=mg&v=94>



Leader Since 2005

TSX: PCY





Murdoch's musings on 'almost ungovernable' Australia

"Great month in Oz – beautiful country, great people but with large problems," September, 4, 2015

Ungovernable?

TSX: PCY



Bring back Chinggis Khan?