

Avanco to buy Vale copper to expand Brazil venture

BRIDGET CARTER, SCOTT MURDOCH

The Australian, January 16, 2018

Avanco Resources is set to add to its suite of Brazilian copper assets, with the company believed to be close to announcing a deal with Brazilian mining giant Vale.

Avanco, which already has the Antas copper mine in production in Brazil's Carajas region, is understood to have agreed to acquire an early stage copper deposit from Vale.

It requires work to upgrade the existing resource base to the standards required under Australia's Joint Ore Reserves Committee code, but it is understood the potential prize is at least as big as, if not bigger than, Avanco's Pedra Branca deposit. Pedra Branca, also in Carajas, hosts a 10.48 million tonne resource grading 2.8 per cent copper and 0.7 grams per tonne gold.

It is part of a Vale divestment program of its base metals assets. Avanco has previously been linked to a potential sale of Vale's undeveloped Furnas deposit, but that is said to have been put on hold.

Avanco is comparatively low-profile in Australia but its share register includes prominent backers in private equity groups Appian Natural Resources (18 per cent), Greenstone (17 per cent) and big institutional investor Blackrock (13 per cent). Swiss mining heavyweight Glencore owns 8 per cent.

With few genuine copper development plays on the ASX, Avanco will be looking to build its profile while the outlook for the metal is strong.

Source: <https://www.theaustralian.com.au/business/dataroom/avanco-to-buy-vale-copper-to-expand-brazil-venture/news-story/23e12cae81df275add7a082f6ad7446c&usg=AOvVaw0nngwISEVxxbm2DxHvwVUN>