

Cash Paying Royalty on Caserones Copper Mine in Chile to be Acquired for US\$34.1 Million

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US\$29 Million Acquisition Loan Facility from La Mancha; Strategic Partnership with EMX Royalty Corporation

17 August 2021 - [Altus Strategies Plc](#) (AIM:ALS), (TSXV:ALTS), (OTC:ALTUF) announces it has entered into an agreement dated 16 August 2021 to acquire an effective 0.418% net smelter return royalty ("NSR") interest on the producing Caserones Copper Mine ("Caserones"), located in the Atacama region of northern Chile (the "Acquisition"). Altus expects the Caserones NSR to provide the Company with immediate and long-term cash flows, in line with its stated growth strategy. Closing is anticipated to take place in two phases, with both closings being completed by 01 September 2021. The consideration to be paid by Altus for the NSR interest is US\$34.1 million in cash. The NSR interest will be acquired from private vendors via a special purpose vehicle ("SPV") incorporated in Chile. Altus Royalties Ltd ("ARL", a 100% owned subsidiary of Altus) and TSX-V and NYSE American listed EMX Royalty Corporation ("EMX") have equal ownership of the SPV.

The Company also announces that it has entered into a US\$29 million acquisition loan facility agreement ("Facility") with a wholly owned subsidiary of La Mancha Fund SCSp ("La Mancha").

Highlights:

- - Altus to acquire a 0.418% NSR interest on the Caserones copper mine in Chile
 - NSR interest expected to generate cash flow of US\$3.2M (post-tax) per year to Altus
 - Caserones has been operating since 2015 and has 17 years of mine life remaining
 - Consideration of US\$34.1M to be paid in cash by Altus
 - Acquisition to be part-financed by US\$29M loan facility from major shareholder La Mancha
 - La Mancha holds a 35.08% interest in Altus and its Chief Executive is a Director of Altus
 - SPV owned by Altus and EMX to share revenues from a combined 0.836% NSR interest
 - Additional royalty transactions under review globally with a focus on gold and copper

Steven Poulton, Chief Executive of Altus, commented:

"Our acquisition of a significant cash paying royalty on a long-life copper mine in a tier-1 mining jurisdiction represents a landmark transaction for Altus. We will acquire an effective 0.418% NSR royalty interest on the Caserones copper mine in the Atacama region of Chile, for a cash consideration of US\$34.1M. The NSR interest is expected to generate approximately US\$3.2 million (post-tax) per year attributable to Altus. The Caserones mine is owned and operated by JX Nippon Mining & Metals Corporation of Japan and has an estimated 17 years of production remaining.

"The Acquisition of the NSR interest will be part-financed by a US\$29 million acquisition bridge loan facility

provided by La Mancha, our largest shareholder, which has recently established a US\$1.4 billion mining investment fund. The provision of the facility underscores La Mancha's commitment to the long-term growth of Altus and the quality of this Acquisition. We are also delighted to have formed a strategic relationship with NYSE American and TSX-V listed EMX Royalty Corp., to acquire the NSR through the creation of a Chilean SPV company. Our partnership with EMX is strengthened by Michael Winn, the Chairman of EMX, who is also a Non-Executive Director of Altus.

"Following this Acquisition, Altus will receive significant quarterly royalty income and will have long-term exposure to copper. We expect the demand for copper to remain strong in the years ahead, as the global economy seeks to decarbonise in parallel with continued infrastructure development, urbanisation and wealth creation in emerging markets.

"Altus is an established royalty generator with an experienced management team, a portfolio of 33 exploration and development projects and 9 organically generated royalties. We are actively reviewing a number of additional royalty transactions globally, primarily focused on gold and copper, and I look forward to updating shareholders on these opportunities in due course."

Karim Nasr, Chief Executive of La Mancha and Director of Altus, commented:

"La Mancha strongly supports Altus in its objective of establishing a global portfolio of cash paying mining royalties to complement its organically generated royalty portfolio in Africa. The Acquisition of this royalty interest on the Caserones mine and associated royalty income represents a transformational move for Altus. Our loan facility provides Altus with access to immediate capital, on favourable commercial terms, allowing it to move fast and complete the Acquisition. Altus' strong growth trajectory is evident and we expect this to continue with the company benefiting from a differentiated approach from its peers. We look forward to supporting Altus through its next phases of growth."

Caserones Royalty Background

Compania Minera Caserones ("CMC") and Sociedad Legal Minera California Una de la Sierra Peña Negra ("SLM California") originally staked the mineral claims that overlie the current Caserones deposit. The 2.88% Caserones NSR was created in a 2009 agreement ("Agreement") between Minera Lumina Copper Chile S.A. as purchaser and CMC and SLM California as the vendors of the Caserones claims. SLM California and CMC own a 67.5% and 32.5% share of the 2.88% royalty respectively equating to an attributable 1.94% NSR interest for SLM California. Under the Agreement the NSR interest will be reduced to 2% and 1% if the London Metal Exchange ("LME") quoted copper price falls below US\$1.25 and US\$1.00 per pound respectively. The LME copper price is currently US\$4.27/lb as at 16 August 2021.

Transaction Details

For the purposes of the Acquisition, a private Chilean SPV company has been incorporated (Minera Tercero SpA) which is owned jointly 50% by Altus and 50% by EMX. The SPV has entered into a share purchase agreement with certain selling shareholders of SLM California to acquire 43% of the issued and outstanding shares of SLM California for US\$68.2 million ("Total Consideration"). The 43% interest represents an effective 0.836% NSR held by the SPV. Altus will pay a cash consideration of US\$34.1 million of the Total Consideration, through its 50% share in the SPV for an effective 21.5% indirect equity interest in SLM California. Thereby upon closing Altus will own an effective 0.418% NSR royalty interest on copper and molybdenum production from Caserones. The 0.418% NSR royalty interest is expected to generate attributable after-tax revenue to Altus of approximately US\$3.2 million per year.

The SPV has entered into a shareholders' agreement with the remaining shareholders of SLM California, under which SLM California's sole purpose is to administer itself, pay Chilean taxes and distribute its royalty proceeds to the shareholders, including SPV.

The Acquisition is anticipated to close in two phases by 01 September 2021, following the completion of certain conditions precedent including the registration of the shareholding of the SPV in SLM California in the registry of the Custodian of Mines of Santiago, Chile.

La Mancha Facility Terms

The Acquisition will be financed by a US\$29 million acquisition loan facility that the Company has entered into with La Mancha, which holds a 35.08% interest in the Company. The balance of the consideration will be funded from the Company's existing cash on hand. Following the Acquisition Altus will have approximately GB£6.3 million / US\$8.7 million of cash on hand. The amount drawn down, and interest accrued, under the Facility will be repayable on 17th February 2022, being six months and one day from the date of drawing down the Facility. The Facility bears annualised interest at a rate of the three-month United States Dollar ("USD") London Inter-bank Offered Rate ("LIBOR") plus 7% for the first three months, and USD LIBOR plus 9% thereafter. The Facility will be senior secured against the shares of ARL, the only material asset of which is the shareholding in the SPV. The Facility incorporates an automatic prepayment provision which applies to future cash proceeds from equity capital raised by Altus. Interest will be payable on a quarterly basis. No break fees, early repayment fees or other fees are payable by Altus to La Mancha, or to any other party, in connection with the Facility.

About the Caserones Mine

The Caserones mine is a large, open-pit porphyry copper-molybdenum deposit, located within a 17,000 hectare land package at an elevation of approximately 4,300m above sea level in the borough of Tierra Amarilla, in the Atacama region of northern Chile. The mine is approximately 15km from the border with Argentina, 162km southeast of the city of Copiapó and 800km north of the capital, Santiago.

Located at the southern end of the well documented Maricunga mineral belt, the geology of Caserones comprises an Early-Miocene porphyry system associated with a cluster of dacite porphyries and breccias intruding Palaeozoic granitic, volcanic, and metamorphic rocks. Caserones has a well-developed supergene enrichment profile of oxide copper and secondary chalcocite that overlies hypogene sulfide (chalcopyrite-molybdenite) mineralization.

The mine is owned and operated by Minera Lumina Copper Chile SpA, an indirect 100% owned subsidiary of JX Nippon Mining & Metals Corporation ("JX Nippon") of Japan. It produces copper and molybdenum concentrates from a conventional crusher, mill and flotation plant, as well as copper cathodes from a dump leach, solvent extraction and electrowinning plant.

The mine has been in operation for five years, following a capital investment of approximately US\$4.2 billion. It has a reported average waste to ore strip ratio of 0.47 and in 2020 reportedly produced 104,917 tonnes of copper and 2,452 tonnes of fine molybdenum in concentrates, as well as 22,056 tonnes of fine copper in cathodes. Caserones has 17 years of operation remaining under its current mine plan, along with excellent exploration potential. In a news release dated 9 November 2020, JX Nippon announced plans for "stepping up exploration efforts in areas around the mine" in an effort to expand production and further extend the mine life.

Related Party Transaction

The independent directors of Altus, being the directors other than Mr Karim Nasr (Managing Director and Chief Executive Officer of La Mancha) and Mr Michael Winn (Chairman and Director of EMX), having consulted with the Company's nominated adviser, SP Angel Corporate Finance LLP, consider that the terms of the Facility from La Mancha are fair and reasonable insofar as Altus's shareholders are concerned.

Altus will file a Material Change Report with the Alberta, British Columbia and Ontario Securities Commissions in respect of the Facility, which constitutes a Related Party Transaction under Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions of the Canadian Securities Administrators, and the Acquisition. Due to the vendors' requirement of a short time period in which to close the Acquisition, Altus is unable to file the Report more than 21 days before the expected closing date. Altus will send a copy of the Report without charge to any security holder requesting a copy.

Qualified Person

The technical disclosure in this regulatory announcement has been approved by Steven Poulton, Chief

Executive of Altus. A graduate of the University of Southampton in Geology (Hons), he also holds a Master's degree from the Camborne School of Mines (Exeter University) in Mining Geology. He is a Fellow of the Institute of Materials, Minerals and Mining and has over 20 years of experience in mineral exploration and is a Qualified Person under the AIM rules and NI 43-101.

For further information you are invited to visit the Company's website www.altus-strategies.com or contact:

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About Altus Strategies Plc

Altus Strategies (AIM: ALS, TSX-V: ALTS & OTCQX: ALTUF) is a mining royalty company generating a diversified and precious metal focused portfolio of assets. The Company's differentiated approach of generating royalties on its own discoveries in Africa and acquiring royalties globally through financings and acquisitions with third parties, has attracted key institutional investor backing. The Company engages constructively with all stakeholders, working diligently to minimise its environmental impact and to promote positive economic and social outcomes in the communities where it operates. For further information, please visit www.altus-strategies.com.

Cautionary Note Regarding Forward-Looking Statements

Certain information included in this announcement, including information relating to future financial or operating performance and other statements that express the expectations of the Directors or estimates of future performance constitute "forward-looking statements". These statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. Such factors include, without limitation, the completion of planned expenditures, the ability to complete exploration programmes on schedule and the success of exploration programmes. Readers are cautioned not to place undue reliance on the forward-looking information, which speak only as of the date of this announcement and the forward-looking statements contained in this announcement are expressly qualified in their entirety by this cautionary statement.

Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is based on assumptions made in good faith and believed to have a reasonable basis. The forward-looking statements contained in this announcement are made as at the date hereof and the Company assumes no obligation to publicly update or revise any forward-looking information or any forward-looking statements contained in any other announcements whether as a result of new information, future events or otherwise, except as required under applicable law or regulations.

TSX Venture Exchange Disclaimer

Neither the TSX Venture Exchange nor the Investment Industry Regulatory Organisation of Canada accepts responsibility for the adequacy or accuracy of this release.

Market Abuse Regulation Disclosure

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

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