

Faraday Copper Signs Letter of Intent to Acquire BHP's San Manuel Property in Arizona, Creating a Multi-Asset Copper District in the USA

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VANCOUVER, February 20, 2026 - [Faraday Copper Corp.](#) ("Faraday") (TSX:FDY)(OTCQX:CPPKF) is pleased to announce it has entered into a non-binding letter of intent ("LOI") with a wholly owned subsidiary of [BHP Group Ltd.](#) ("BHP") in respect of a proposed transaction whereby Faraday would acquire from BHP the San Manuel property ("San Manuel"), adjacent to Faraday's Copper Creek project ("Copper Creek"), located in Arizona, USA (Figure 1).

Under the terms of the LOI, Faraday and BHP will negotiate and, subject to obtaining all necessary approvals, enter into a definitive purchase and sale agreement containing customary terms and conditions for a transaction of this nature, whereby Faraday would acquire 100% of San Manuel (the "Proposed Transaction"). As consideration for the Proposed Transaction, Faraday would issue to BHP common shares of Faraday (the "Consideration") equivalent to a 30% interest in the issued and outstanding common shares on a fully diluted basis as of the date of closing. In addition, BHP will be granted customary investor rights provided it maintains a minimum shareholding requirement. Closing of the Proposed Transaction will be governed by the terms of the definitive purchase and sale agreement and is expected by the end of the third quarter of 2026.

Paul Harbidge, President and CEO of Faraday, commented, "This agreement provides the opportunity for a transformative acquisition as it looks to consolidate two adjacent and complementary assets in the heart of the Arizona copper corridor at a time when sourcing of critical minerals within the USA is essential. The combined project has the potential to become a multi-generational copper district delivering made-in-America copper, while providing significant economic opportunities to the local communities. This would allow for the optimization of infrastructure and minimized environmental footprint compared to each project advancing independently. I am delighted for the opportunity to have BHP join Faraday as a strategic investor."

Catherine Raw, Chief Development Officer of BHP, commented, "BHP looks forward to working with Faraday to create a pathway to bring on additional US copper supply to the market. This would support the U.S. objective of greater copper supply chain resilience, as well as economic development in the Pinal County region."

Strategic Rationale

- Significant resource potential: The combined project would have the potential to become a multi-generational copper district delivering made-in-America copper.
- Accelerates pathway to production: Opportunity to leverage the private land position of San Manuel to facilitate the potential for expedited copper cathode production from the combined projects.
- Flexibility through private land and infrastructure: Additional ~27,000 acres of private land for site facilities and access to existing regional infrastructure, including road, rail, gas and power.

- Centralizes infrastructure and reduces environmental footprint: The proximity of Copper Creek and San Manuel allows for the potential to leverage existing infrastructure and for future facilities to be shared between the projects, reducing the overall environmental footprint while enhancing capital efficiency.
- The combined assets offer potential for project staging: Prioritization of copper cathode production, followed by open pit sulphides before development of underground operations.
- BHP to become a strategic shareholder: BHP to join the Lundin Group as a strategic shareholder of Faraday to deliver USA copper supply through a consolidated district.

Terms of the Non-binding Letter of Intent

The LOI contemplates that, on the closing of the Proposed Transaction (the "Closing"), BHP would transfer all of its interest in San Manuel, which comprise the legacy San Manuel Copper Mine (including the San Manuel and Kalamazoo deposits, the San Manuel plant site and closed tailings storage facilities and surrounding BHP-owned land, and all related mineral estate interests), the Black Hills Quarry and the Camp Grant Quarry, and related rights and assets, and Faraday would assume all of BHP's liabilities, including all environmental and closure liabilities, related to San Manuel and issue the Consideration to BHP. Faraday would also agree to certain operational and other post-closing covenants covering international industry, environment and stakeholder engagement standards.

The Proposed Transaction would be effected pursuant to a definitive purchase and sale agreement to be negotiated between the parties. The definitive purchase and sale agreement is expected to contain other representations, warranties, covenants and conditions (including receipt of any required regulatory approvals and the approval of the Toronto Stock Exchange (the "TSX") and Faraday shareholders of the issuance of the Consideration) as are customary for a transaction of this nature. The TSX has in no way passed upon the merits of the Proposed Transaction and has neither approved nor disapproved the contents of this news release.

The LOI further contemplates that, concurrently with the Closing, Faraday and BHP would enter into, among other things, an investor rights agreement, providing BHP with board nomination rights, financing participation rights, and registration rights, as well as imposing transfer restrictions, standstill obligations and voting alignment obligations on BHP on customary terms.

The LOI provides for a six-month period of reciprocal exclusivity between BHP and Faraday to pursue the Proposed Transaction, during which period the parties will each complete their confirmatory due diligence and negotiate a definitive purchase and sale agreement and other definitive transaction documentation in respect of the Proposed Transaction.

Under the LOI, BHP has agreed to, for a period of 24 months following execution of the LOI (the "Financing Participation Term"), to subscribe for 30% of any Faraday equity raise, up to a maximum aggregate subscription amount of US\$20 million over the Financing Participation Term or such other lower amount as consented to by Faraday, in each case on terms (including as to use of proceeds) reasonably acceptable to BHP. Any securities acquired by BHP in any such equity raise will be subject to a 12-month lock up on customary terms.

Closing of the Proposed Transaction will be governed by the terms of a definitive purchase and sale agreement and will be subject to Faraday shareholder approval. Closing is expected by the end of the third quarter of 2026.

Other than with respect to exclusivity, the financing participation and certain other related matters, the LOI is non-binding and there can be no assurance that the Proposed Transaction will be completed as proposed or at all. Entering into of a definitive purchase and sale agreement is subject to the completion of due diligence

and the negotiation of the definitive agreement and other final documentation.

San Manuel Property Overview

The San Manuel Mine, comprising the San Manuel and Kalamazoo deposits, operated as a combined underground block cave and open-pit mine. The combined operation was one of the largest underground mines in the USA during its operation, generating over 4.5 million tonnes of copper between 1955 and 1999. Historical copper production was predominantly from underground sulphide material feeding a concentrator, while notable cathode production was achieved later in the mine's operational period by mining and processing of oxide material, including in-situ recovery ("ISR"). A significant resource¹ and reserve² remained at closure, which are not compliant under the current standards of National Instrument 43-101 Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators ("NI 43-101")³.

The mineralization at San Manuel and Kalamazoo is well-understood. Sulphide mineralization occurs within Laramide porphyry intrusives and the surrounding Oracle granite. Supergene (oxide) mineralization formed later during tectonic extension. The Kalamazoo deposit is the downthrown extension of mineralization which was offset along the San Manuel fault.

Copper Creek Project Overview

The project is a 100% owned, large copper deposit, located ~80 road km northeast of Tucson, Arizona, and ~19 km northeast of San Manuel, Arizona. The resource area is ~3 km in length and is open in all directions.

The property hosts an early halo vein style porphyry copper deposit with high-grade, near-surface, breccia-hosted mineralization. Both mineralization types form the basis of the current Mineral Resource Estimate ("MRE") prepared in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum standards. Copper is the primary commodity, with molybdenum, silver and gold present in varying amounts associated with both types of mineralization.

On May 3, 2023, Faraday announced an updated MRE and Preliminary Economic Assessment ("PEA") for the project, with a technical report titled "Copper Creek Project NI 43-101 Technical Report and Preliminary Economic Assessment" filed on SEDAR+ on June 13, 2023.

With a total of over 257,000 metres of recent and historical drilling and modest past production, significant exploration upside remains. There are over 320 known breccia occurrences mapped at the surface, of which less than 15% have been drill tested and only 17 are included in the 2023 MRE.

The current work program is focused on 40,000 metres of diamond drilling, environmental data gathering, and stakeholder outreach.

Advisors

TD Securities Inc. is engaged as financial advisor to Faraday. McCarthy Tétrault LLP and Dorsey & Whitney LLP are acting as legal counsel to Faraday.

Figure 1: Consolidated Project Map

Qualified Persons

The scientific and technical information contained in this news release has been reviewed and approved by Faraday's VP Exploration, Dr. Thomas Bissig, P. Geo., and VP, Projects and Evaluations, Zach Allwright, P.Eng., who are considered a Qualified Person under NI 43-101.

Notes

¹ For historical resource (based on US\$0.80/lb copper constraint), reference Magma Copper Co, Annual Report on Form 10-K for the fiscal year ended December 31, 1993, filed with the USA Securities Commission on March 14, 1994.

² For historical reserve (based on US\$1.00/lb copper constraint), reference BHP Group Inc, 1999 Annual Report for the fiscal year ended May 31, 1999 entitled "Description of business and financial statements 1999" filed with the Australian Stock Exchange and also filed on Form 20-F with the USA Securities Commission.

³ While Faraday considers the historical estimates to be relevant to investors as they indicate the presence of copper mineralization, the mineral resource and reserve estimates referenced herein were calculated prior to the adoption of NI 43-101 and are provided as historical data only. The estimates were calculated using a copper price assumption of US\$0.80/lb copper and US\$1.00/lb copper, respectively, which differs significantly from current market conditions and these estimates should not be relied upon for economic evaluation. A qualified person has not completed the work necessary to classify the historical estimate as current mineral resources or mineral reserves and Faraday is not treating the historical estimate as current.

About BHP

BHP is a global resources company that produces essential commodities the world needs, including iron ore, copper, steelmaking coal - and soon potash. With operations and projects in over 90 countries around the world, BHP has an unwavering commitment to safety, and a focus on operational excellence, disciplined capital allocation, and delivering long-term value for shareholders, employees, partners and communities. BHP's purpose is to bring people and resources together to build a better world. For more information, visit bhp.com.

About Faraday Copper

Faraday Copper is an exploration company focused on advancing its flagship copper project in Arizona, USA. The Copper Creek Project is one of the largest undeveloped copper projects in North America with significant district scale exploration potential. Faraday is well-funded to deliver on its key milestones and benefits from a management team and board of directors with senior mining company experience and expertise. Faraday trades on the TSX under the symbol "FDY".

For additional information please contact:

Stacey Pavlova, CFA
Vice President, Investor Relations & Communications
Faraday Copper Corp.
E-mail: info@faradaycopper.com
Website: www.faradaycopper.com

To receive news releases by e-mail, please register using the Faraday website at www.faradaycopper.com.

Cautionary Note on Forward Looking Statements

Some of the statements in this news release, other than statements of historical fact, are "forward-looking statements" and are based on the opinions and estimates of management as of the date such statements are made and are necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause actual results, level of activity, performance or achievements of Faraday to be materially different from those expressed or implied by such forward-looking statements. Such forward-looking statements and forward-looking information specifically include, but are not limited to, statements concerning the proposed acquisition of the San Manuel property from BHP, including the entering into and completion of a definitive purchase and sale agreement and the timing thereof; the satisfaction of conditions precedent to the Proposed Transaction, including receipt of regulatory, Toronto

Stock Exchange and shareholder approvals; the consideration to be issued to BHP and the resulting ownership interests; the anticipated strategic, operational and economic benefits of the Proposed Transaction; the potential to create a multi-asset, district-scale copper project; the potential development pathways for the combined San Manuel and Copper Creek projects, including the potential for copper cathode production, open pit and underground operations; the optimization of infrastructure and reduction of environmental footprint; exploration potential, future work programs and development plans; the expected timing of the closing of the Proposed Transaction; and any statements regarding future financing participation by BHP.

Although Faraday believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements should not be in any way construed as guarantees of future performance and actual results or developments may differ materially. Accordingly, readers should not place undue reliance on forward-looking statements or information.

Factors that could cause actual results to differ materially from those in forward-looking statements include without limitation: market prices for metals; the conclusions of detailed feasibility and technical analyses; lower than expected grades and quantities of mineral resources; receipt of regulatory approval; receipt of shareholder approval; mining rates and recovery rates; significant capital requirements; price volatility in the spot and forward markets for commodities; fluctuations in rates of exchange; taxation; controls, regulations and political or economic developments in the countries in which Faraday does or may carry on business; the speculative nature of mineral exploration and development, competition; loss of key employees; rising costs of labour, supplies, fuel and equipment; actual results of current exploration or reclamation activities; accidents; labour disputes; defective title to mineral claims or property or contests over claims to mineral properties; unexpected delays and costs inherent to consulting and accommodating rights of Indigenous peoples and other groups; risks, uncertainties and unanticipated delays associated with obtaining and maintaining necessary licenses, permits and authorizations and complying with permitting requirements, including those associated with the Copper Creek property; and uncertainties with respect to any future acquisitions by Faraday. In addition, there are risks and hazards associated with the business of mineral exploration, development and mining, including environmental events and hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and the risk of inadequate insurance or inability to obtain insurance to cover these risks as well as "Risk Factors" included in Faraday's disclosure documents filed on and available at www.sedarplus.ca.

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