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April 2015

MINERA VALLE CENTRAL OBTAINS FINANCING TO EXPAND ITS OPERATIONS

Thomas Muskett-Ford

Carey has helped the Chilean subsidiary of Canadian mining company Amerigo obtain syndicated finance worth US$64 million to expand its operations at the world's largest underground copper mine.

Spanish banking group Banco Bilbao Vizcaya Argentaria and the Export Development Canada hired Larraín y Asociados for the transaction, which closed on 25 March.

Amerigo's Minera Valle Central (MVC) will use the funds to develop copper and molybdenum deposits at the Teniente mine in the Libertador General Bernardo O'Higgins region of central Chile.

Chilean state mining company Codelco, the mine's owner, granted Amerigo the right to exploit Teniente's tailings – the waste material created when ore is first extracted from rock – last year. MVC will spend US$152 million exploiting the tailings and expects to double the amount of copper and molybdenum it extracts.

Chile is the world's biggest exporter of copper, but is facing declining production as the deposits currently in use are depleted. The government hopes to combat the decline by encouraging companies to open new mines.

Counsel to Minera Valle Central

Carey

Partners Rafael Vergara and Felipe Moro and associates Loreto Ribera, Manuel José Prieto and Borja Coz

Counsel to Banco Bilbao Vizcaya Argentaria and Export Development Canada

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