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TECK AND SUMITOMO IN A JV AGREEMENT TO INVEST IN QB2

Sumitomo snaps up US$1.2 billion stake in Chilean copper project
Emilio Demetriou-Jones

Philippi Prietocarrizosa Ferrero DU & Uría (Chile) has helped Japanese trading group Sumitomo acquire a 30% stake in Chile's Quebrada Blanca Phase 2 copper project for US$1.2 billion from Canadian miner Teck.

Sumitomo acquired the stake indirectly through Compañía Minera Teck Quebrada Blanca (CMTQB), a purpose-built company created by Teck to manage the project. CMTQB sought counsel from Carey for the deal, which was signed on 4 December.

Teck relied on its internal legal team for the deal.

Following the deal, Teck's interest in the project has been reduced to 60%, while Chilean state agency Empresa Nacional de Minería retains its 10% stake.

The project, located in the Tarapacá region in northern Chile, is expected to begin extracting copper in the second half of 2021.

Quebrada Blanca is one of the world's largest untapped copper reserves. It will produce 316,000 tonnes of copper per year in its first five years of operation.

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