

# Anglo Pacific Group PLC

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## Anglo Pacific acquires new Chilean copper royalty, earnings accretive immediately

Anglo Pacific Group PLC (LON:APF)(TSE:APY) is acquiring a 1.525% net smelter return royalty (NSR) over all copper produced at the Mantos Blancos copper mine in Chile, owned by Mantos Copper.

The consideration is US\$50.25m in cash.

Anglo Pacific is entitled to royalty payments on completion of the acquisition, which is expected to occur within two business days of this announcement. The Mantos Blancos mine is an open pit operation located in Chile, producing copper with silver by-products.

The acquisition of the NSR provides Anglo Pacific with its first significant exposure to a producing copper mine at an attractive entry point in the copper price cycle. The royalty will generate immediate cashflow following completion and will be financed entirely from internal resources, and will be accretive to earnings per share.

The mine has a 16-year life at planned production rates, with production and mine life extension upside.

Mantos will direct the proceeds of the royalty transaction to help fund the Mantos Blancos concentrator de-bottlenecking project capital costs of US\$219m.

The debottlenecking project is expected to increase the Mantos Blancos Mine's sulphide ore concentrator plant throughput capacity to 7.3m tonnes per year by 2021 from 4.3m tonnes, prior to the expected depletion of the oxide ore in 2023, and is expected to extend the mine life to at least 2035 at reduced cash costs.

The mine is expected to produce 45,400 tonnes of copper in 2019 and slightly less in 2020.

Subsequently it will produce an average of 52,400 tonnes of copper per annum during the first ten years after completion of the debottlenecking project in 2021 at an average cash cost of US\$1.87 per pound, including silver by-product credits.

Concurrent with Anglo Pacific's royalty acquisition, Mantos has entered into a US\$250m financing package including a US\$150m offtake facility with Complejo Metalurgico Altonorte S.A., and a US\$25m agreement with a subsidiary of Osisko Gold Royalties Ltd in regard to an existing silver stream agreement.

**Price:** 192

**Market Cap:** £348.42 m

### 1 Year Share Price Graph



### Share Information

**Code:** APF

**Listing:** LSE

52 week	High	Low
	229	135

**Sector:** General mining & base metals

**Website:** [www.anglopacifigroup.com](http://www.anglopacifigroup.com)

### Company Synopsis:

*A DIVERSE PORTFOLIO OF ASSETS IN LOW-RISK JURISDICTIONS*

*Anglo Pacific is the only company listed on the London Stock Exchange focused on royalties connected with the mining of natural resources. It is an objective of the Company to pay a substantial portion of its royalty revenues to shareholders as dividends.*

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