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Rio Tinto wants a piece of Teck's copper project in Chile

Hot Chili (ASX:HCH) ("Hot Chili" or "Company") is pleased to provide an article published in Mining.com on the 15th November.

The article predicts an increase in M&A activity in the copper sector, highlighting a strong outlook for the metal industry, with expectations that the electric-vehicle boom and demand for renewable energy will increase need for copper.

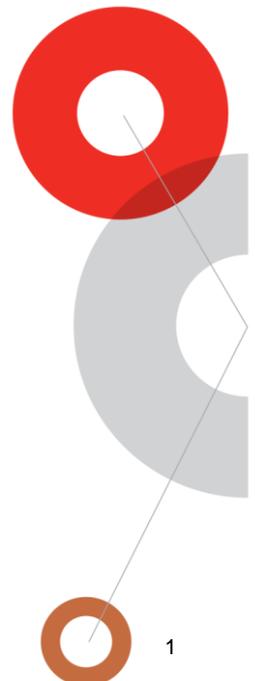
The article details an expected deficit in copper due to an increasing demand for power generation and electric vehicles. The predicted copper deficit can also be attributed to the fact that the current copper pipeline is at the lowest this century, both in terms of number and capacity.

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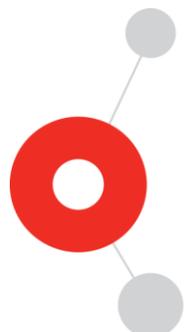


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Forward Looking Statements

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Rio Tinto wants a piece of Teck's copper project in Chile

[Cecilia Jamasmie](#)

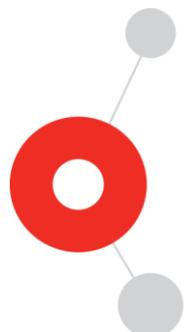


Quebrada Blanca open pit mine is nearing the end of its life, but an expansion would keep it producing for at least another 25 years. (Image courtesy of [Teck Chile.](#))

The world's second largest miner, Rio Tinto, (ASX, LON:RIO) is [said to be preparing an offer](#) for a minority stake in Teck Resources' (TSX:TECK.A | TECK.B)(NYSE:TCK) Quebrada Blanca copper mine in northern Chile.

Canada's largest diversified miner, which in August received regulatory approval for a \$4.8 billion extension of the mine, has been [looking for a development partner](#) that could invest \$2 billion for up to 30% to 40% stake in the project.

Japanese-trading Mitsubishi and Sumitomo have been singled out in the past as potential bidders. Other companies that could submit an offer for a stake in the project are Freeport-McMoRan (NYSE: FCX), the world's largest publicly-traded copper company, China's state-owned Aluminum Corp. of China (Chinalco), and Canada's base metals miner Lundin Mining (TSX:LUG), which [recently abandoned its quest for](#)





[fellow miner Nevsun](#) (TSX, NYSEMKT:NSU).

Teck, Canada's largest diversified miner, has been looking for a development partner for the \$4.8 billion extension of Quebrada Blanca copper mine.

Copper, one of four business units at Teck besides steelmaking, coal, oil and zinc, is considered a company priority.

The Canadian miner is not alone on the quest for copper assets, a metal the industry sees as having one of the strongest outlooks. There are expectations that the electric-vehicle boom and demand for renewable energy will increase need for the metal.

The expected deficit will partly be a consequence of increasing demand for power generation and electric vehicles (there's 300kg of copper in an electric bus and nine tonnes per windfarm megawatt).

But it's also related to the fact that the current copper pipeline is at [the lowest this century](#), both in terms of number and capacity.

"After delivery of Cobre Panama (with the main ramp early next year) we are left with a gap until we see the next batch of 200ktpa-plus projects in 2022-23," Colin Hamilton, director of commodities research at BMO Capital Markets, said in April. "This is when the likes of Kamo, Oyu Tolgoi Phase 2, and QB2 are likely to offer meaningful supply growth."

Last year, Quebrada Blanca produced 23,400 tonnes of copper, generating a \$182 million revenue.

Teck [owns 90% of the mine](#) and Chile's national mining company ENAMI holds a 10% preference share interest in it, which does not require the state agency to fund capital spending.

