

# Anglo American to return to Zambia with Arc Minerals copper deal

By Helen Reid

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Arc Minerals shares jumped 6.7% on Thursday, 12 May, after it announced an agreement under which Anglo American would take majority control of the junior exploration firm's Zambia copper-cobalt licences.



Source: Luis Sandoval Mandujano © [123RF.com](https://www.123RF.com)

Under the deal, Anglo will take 70% of a joint venture with Arc that will own licenses to explore Zambia's copper-rich North-Western province, an area Anglo previously explored in the late 1990s. It would mark the first new investment by Anglo in Zambia in 20 years.

Major mining firms are searching for new sources of the battery metals copper and cobalt, especially following the war in Ukraine and sanctions on Russia which have sent metal prices soaring.

Anglo American will pay \$3.5m into Arc upon signing. It will be able to retain its stake by spending \$74m on exploration within seven years of signing and making cash payments of \$11m to Arc, according to terms of the deal.

Arc Minerals previously had an exclusivity agreement with Anglo from July 2020 to July 2021 and when that lapsed, Arc Minerals said it would start talks with other major miners which had approached it.



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**Zambia an attractive investment proposition**

Zambia, Africa's second-largest copper producer, has become a more attractive investment proposition for mining companies since the election last August of business-friendly President Hakainde Hichilema and a subsequent mining tax reform.

The country aims to more than triple its annual copper output within the next decade to 3 million tonnes a year.

First Quantum Minerals last Sunday said its board had approved plans for a \$1.25bn expansion of its Kansanshi mine in Zambia, a decision it said was prompted by renewed confidence in Zambia's investment climate.

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