

The Timok project currently focuses on the development of the copper-gold Cukaru Peki deposit located about 6km south of the RTB Bor copper-gold mining / smelting complex. The deposit is situated on one of the four mineral licenses comprising the Timok project. Freeport operates the project with a 55% interest and an affiliate of Reservoir Minerals holds the remaining 45%.

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Lundin Mining president and CEO Paul Conibear said: "This high-quality copper / gold project fits ideally within our overall asset base of operations in the Americas and Europe.

"This transaction enables the existing Freeport / Reservoir partnership to leverage our proven underground base metals development, construction and operating skill sets to advance the Timok project into operation in a timely manner."

Under the agreement, Lundin will acquire 100% of Freeport's interest in the upper zone of the Cukaru Peki deposit and 28% of Freeport's interest in the lower zone of the deposit.

As part of the deal, Lundin will be appointed as operator of Timok and will advance the development of both the zones.

The company will fund 100% of the upper zone development costs, as well as \$20m of agreed lower zone work until a feasibility study is delivered.

Lundin and Freeport will fund 28% and 72% of all other lower zone development costs, respectively.

The transaction is subject to Reservoir's right of first offer (ROFO), as well as other customary closing conditions and is expected to close in the second quarter of 2016.

As part of the project, a massive and semi-massive sulphide deposit and an underlying deep seated copper-gold porphyry deposit would be developed.

The news follows Freeport's agreement signed in February 2016 to sell a 13% ownership interest in its Morenci unincorporated joint venture to Sumitomo Metal Mining for \$1bn.

source: [mining-technology.com](http://mining-technology.com)