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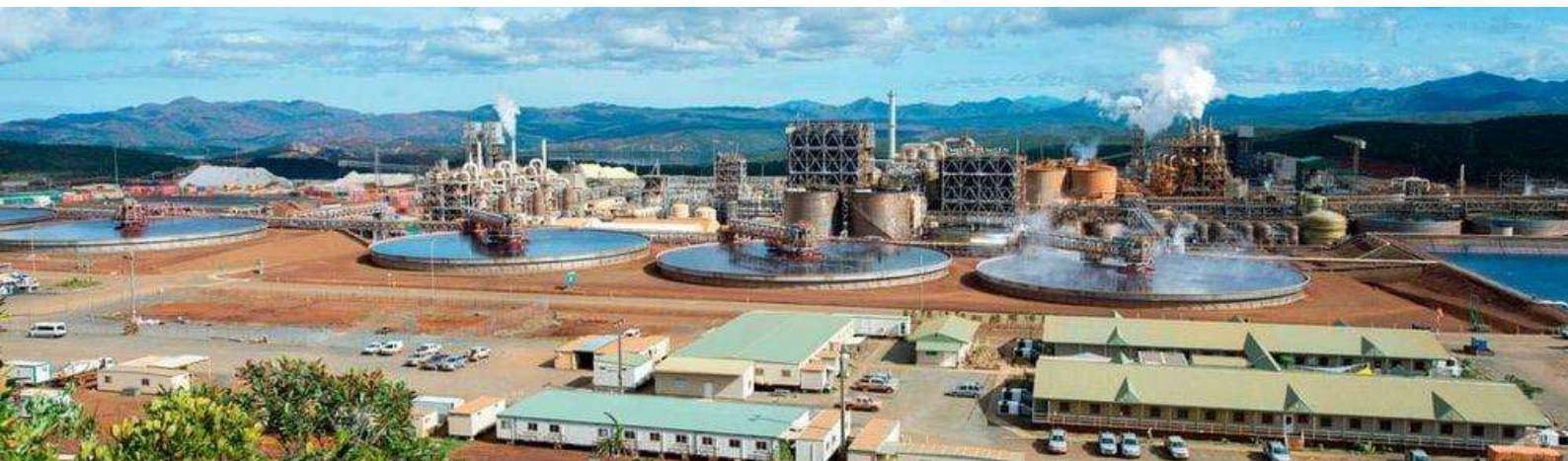
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Vale finalises sale of New Caledonia to Prony Resources

#Vale #Trafigura #PronyResources #Nickel

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Vale has concluded the sale of its nickel and cobalt operation in New Caledonia to the Prony consortium which includes commodity trader Trafigura...

Prony Resources, a consortium of investors including Trafigura, has concluded the purchase of Vale's New Caledonia nickel and cobalt operation.

"After several months of negotiations, I am pleased that we concluded our divestment of VNC, benefitting employees, New Caledonia and all its stakeholders. Vale is fully committed to this transaction. It meets the guarantees required at the financial, social and environmental levels and offers a sustainable future for the operations," said Eduardo Bartolomeo, CEO of Vale.

Vale

Vale's intent from the beginning of the divestment process was to withdraw from New Caledonia in an orderly and responsible manner. This deal accomplishes that.

"We acknowledge Vale for its professionalism throughout and its unwavering commitment to exiting New Caledonia responsibly," said the French State in a statement released yesterday.

The deal provides the former VNC operations with a financial package totaling \$ 1.1 bn, of which Vale Canada Limited is contributing US\$ 555 million to support the continuity of the operations. The financing of the Pact for the Sustainable Development of the Deep South will also be secured by Vale.



“Along with the continuation of the Pact, the deal also allows the Lucy Project for dry storage of tailings to proceed,” said Mark Travers, Executive Vice-President for Base Metals with Vale. “We want to acknowledge the time and effort of all stakeholders to achieving this deal, including the French State and especially the employees of VNC for their trust and support through a lengthy and uncertain process.”

Vale reaffirms its commitment to its shareholders to transform the Base Metals business, simplifying the operations flowsheet going forward and enabling a continuous focus on core assets, while also honoring its new pact with society, contributing to the maintenance of a sustainable environment for safe operations continuity.

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Red metal tops \$10,000 a tonne for the first time since 2011, nearing all-time high as rebounding economies stoke demand

Copper topped \$10,000 a metric ton for the first time since 2011, nearing the all-time high set that year as rebounding economies stoke demand and mines struggle to keep up.

Prices rose as much as 1.3% to \$10,008 a ton on the London Metal Exchange, before slipping back to trade near unchanged, reports Bloomberg. The metal hit a record \$10,190 in February 2011.

Clean Energy

Copper has been among the best performers in a month where metals ranging from aluminum to iron ore have surged to the highest in years. The rally is being fueled by stimulus measures, near-zero interest rates and signs that economies are recovering from the virus pandemic. A push toward cleaner energy sources is also seen boosting consumption of copper, used in everything from electric vehicles to solar power systems, further straining supplies.

“This is a remarkable run for copper in terms of magnitude and consistency,” said Tai Wong, head of metals derivatives trading at BMO Capital Markets. “The all-time high at \$10,190 is just around corner and now practically a foregone conclusion.”

Copper

Investors have piled into copper, with aggregate open interest in Shanghai Futures Exchange copper contracts at the highest in more than a year and hedge fund managers boosting bullish Comex copper bets in the week ended April 20.

With copper demand set to soar once more, there are mounting concerns that producers will struggle to plug the gap as they battle a host of technical and regulatory pressures. In the longer term, producers worry that plans to boost mining royalties could stifle investment.

Prices have doubled from lows in March, along with a surge across raw materials from oil to agriculture. That’s spurring debate about whether the current boom may herald a so-called commodities supercycle. It has also helped push mining shares to multiyear highs.

Copper pared earlier gains as the dollar gained, reducing the appeal of the metal for investors holding other currencies.

“The copper rally still has legs to go,” said Wenyu Yao, senior commodities strategist at ING Bank. “The outlook for the U.S. economy keeps getting better. Economic reopening coupled with massive stimulus, faster-than-expected vaccine rollouts and supportive fundamentals all point to even higher prices.”

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