



This Value Stock Has a Gold Mine of Hidden Assets

Description

Lundin Mining ([TSX:LUN](#)) is a diversified Canadian [base metals mining company](#) with operations in Brazil, Chile, Portugal, Sweden, and the United States, primarily producing copper, zinc, gold, and nickel. Lundin Mining's current principal products and sources of sales are copper, zinc, and nickel concentrates from several mines such as Candelaria, Chapada, Eagle, Neves-Corvo, and Zinkgruvan. The company has approximately 4,000 employees and 7,000 contract employees located in Canada, Brazil, Chile, Portugal, Sweden, United Kingdom, the U.S., and other exploration locations.

Valuable assets

The Candelaria mine is located in Chile and is 80% owned by Lundin Mining. The Candelaria copper mining complex comprises two [adjacent copper mining operations](#), Candelaria and Ojos del Salado, which produce copper concentrates from open pit and underground mines. Candelaria is an open pit and underground mine providing copper ore to an on-site flotation concentrator with a nominal processing capacity of 75,000 tons per day (TPD).

Ojos del Salado comprises two underground mines: Santos and Alcaparrosa. The Santos mine provides copper ore to a processing plant with a capacity of 3,800 TPD. The remainder of ore extracted from the Santos and Alcaparrosa mines is treated at the Candelaria processing plant.

Hidden gold deposits

The Chapada mine is located in Brazil and is owned and operated by a wholly owned subsidiary of Lundin Mining. Chapada is located in northern Goiás State, Brazil, approximately 270 km northwest of the national capital of Brasilia. Chapada comprises the Chapada copper-gold mine, the nearby Suruca gold deposit located six kilometres north east of Chapada and several nearby exploration concessions.

The mining and processing operations at Chapada produce copper concentrates from open pit mining. The open pit mines provide copper and gold ore to an on-site flotation concentrator with a nominal processing capacity of 24 million tonnes per annum. The mineral concentrate product from the

processing plant is transported by road to the port of Vitoria in the state of Espirito Santo; from there, it is shipped to destinations in Europe and the Far East. The Suruca gold deposit is not yet in production and could be a very valuable asset.

Diversified production base

The company currently owns 80% of Candelaria in Chile, 100% of Chapada Mine in Brazil, 100% of Eagle Mine in the U.S., 100% of Neves-Corvo in Portugal, and 100% of Zinkgruvan in Sweden. Candelaria, Chapada, Eagle, Neves-Corvo and Zinkgruvan made up approximately 62%, 13%, 6%, 18%, and 1%, respectively, of Lundin Mining's 2020 copper production. Neves-Corvo, Zinkgruvan and Eagle makes up approximately 48% and 52%, respectively, of the company's 2020 zinc production. Eagle makes up 100% of the company's 2020 nickel production.

Manageable risks

Risks, however, do exist while investing in Lundin Mining. The company's operations are exposed to various levels of political, economic and other risks and uncertainties. Future development and operations could be affected by factors, as government regulations with respect to restrictions on production, export controls, and import restrictions. Restrictions on equipment, services and supplies, taxes, expropriation of property, repatriation of profits, land claims of local people, and mine safety could also impact Lundin Mining.

Lundin Mining owns some very valuable assets that could be worth multiples of the current value.

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