

Southern Copper eyes lithium project in Mexico: CEO



LIMA (Reuters) - Southern Copper Corp, one of the world's biggest copper producers, is considering an investment in a lithium project in Mexico that has also attracted interest from a Chinese firm, the company's chief executive told Reuters on Wednesday.

Oscar Gonzalez said company officials visited the lithium project in the state of Sonora, Mexico, although he could not recall the name of the Canadian miner he said was "trying to sell it."

Junior miner Bacanora Lithium Plc, said earlier this month that it owned 10 lithium concessions in Sonora and was focused on securing funding this year to start production in 2021. The company was headquartered in Canada before it moved to London last year.

Bacanora did not respond to requests for comment outside of working hours in London. A spokesman for Phoenix-based Southern Copper, which is controlled by Grupo Mexico, said he could not confirm if Bacanora was the firm Gonzalez referred to.

Investing in lithium would be Southern Copper's first venture into the white metal, which has sparked a flurry of exploration projects because of expectations of strong demand from electric vehicle makers.

"It's interesting and profitable," Gonzalez said about lithium in an interview in Lima. The company has several mining operations in Peru.

He said Southern Copper had not made an offer on the lithium project in Mexico but that "there's also a Chinese company that's interested. The Canadians will have to decide whom to accept."

Gonzalez added that Southern Copper was wrapping up designs for a new foundry and refinery in Ilo, Peru, which would cost about \$1.3 billion. The proposal will likely be put to Southern Copper's board for approval "in coming months," with construction potentially starting this year, he added.

Southern Copper would build the foundry and refinery in Ilo regardless of whether it can start work on its \$1.4 billion Tia Maria copper project this year, Gonzalez said.

Other copper mines in Peru, such as MMG Ltd's Las Bambas and Freeport McMoRan Inc's Cerro Verde, could process their copper concentrates in Ilo to save on shipping costs to China, Gonzalez said.

Tia Maria has been stalled for a decade because of opposition from farmers worried about its environmental impact.