

THE BRAZILIAN MINERAL SECTOR IN THE SPOTLIGHT

STRATEGIC INVESTMENT, CHALLENGES, AND OPPORTUNITIES

STRATEGIC FOREIGN INVESTMENT IN THE BRAZILIAN MINING SECTOR

SNAPSHOT

O Brazil has emerged as a core destination for **foreign mining investment**, driven by its endowment of **critical minerals**, **scale of projects**, and role in **global energy transition supply chains**

According to data released by the Brazilian Mining Institute (IBRAM), the **Brazilian mining industry** reached revenues of **BRL 298.8 billion in 2025**, representing an **increase of 10.3%** compared to the previous year.

Cross-border transactions dominate M&A value in the Brazilian mining sector, reflecting **strong international appetite** for long-life, scalable assets.

Investment funds and **strategic players** from North America, Europe, Asia, and the Middle East lead capital inflows, attracted by **strategic minerals** and geographic diversification away from highly concentrated jurisdictions.¹

Foreign investment increasingly targets advanced-stage projects, partnerships with established operators, and structures that mitigate early-stage development risk.

KEY MARKET INDICATORS²

3x

Increase in global rare earth demand by 2040 (IEA)

26%

growth in Brazil's mining M&A market between 2021 and 2024

R\$100Bn

estimated investment in critical minerals projects in Brazil through 2029

85%

Share of global rare earth refining currently concentrated in China

MINERALS IN FOCUS



COPPER

Vital for electrification, **renewable energy**, and **power grid expansion**. S&P Global estimates that global **copper demand could nearly double by 2035**, reaching approximately 50 million metric tons.⁵



NICKEL

Key input for **electric vehicle (EV) batteries** - central to the **energy transition**.³



NIOBIUM

Used in **specialty steels**, **aerospace**, **defense technologies**, and increasingly in EV batteries and energy systems. **Brazil holds approximately 98% of known commercial niobium reserves** and accounts for over 80% of global production.⁶



LITHIUM

The **fastest-growing critical mineral** by demand, essential to **lithium-ion batteries**. Global lithium demand is projected to be **nearly four times higher by 2030**.⁴



RARE EARTH ELEMENTS

Essential for permanent magnets **used in EV motors**, **wind turbines**, and **high-tech devices**. Brazil holds the **third-largest global reserves**, with key deposits in southern Minas Gerais and the Araxá region.⁷



GRAPHITE

Plays a central role in **modern energy-storage technologies**. Brazil offers highly attractive prospects for graphite exploration, given its **rising global demand** and the country's position as **the world's fourth-largest producer**.

ALTERNATIVE FINANCING STRUCTURES



ROYALTIES

upfront capital in exchange for a percentage of future production revenues;



STREAMING

advance purchase of a portion of future output at pre-defined prices;



CONVERTIBLE DEBT

loans convertible into equity participation at a later stage



MINING INFRASTRUCTURE DEBENTURES

tax-advantaged bonds used to fund strategic mining and energy transition infrastructure projects.

KEY CHALLENGES AND OPPORTUNITIES

CHALLENGES

- Significant social and environmental risks, requiring robust community engagement and ESG governance.
- Regulatory complexity and bureaucratic delays, particularly in environmental licensing processes.
- Restrictions on foreign ownership of rural land and mineral rights in border strip.
- Joint and several environmental liability among parties until the transfer of mineral rights is formally recorded.

OPPORTUNITIES

- Mid-sized assets with strong technical fundamentals and advanced licensing profiles.
- High availability of strategic and critical minerals aligned with the global energy transition.
- Increasing ESG-driven investment mandates favor acquisitions of sustainable and well-governed projects.
- Brazil's underexplored geological potential – only approximately 27% of national territory has been mapped by the Geological Survey of Brazil.⁸

RECENT STRATEGIC TRANSACTIONS ADVISED BY CESCON BARRIEU

- Vale** has entered into **strategic partnerships** with major Brazilian mining groups, including **Cedro Mineração**, **Itamintas**, and **Grupo AVG**, enabling the development and expansion of **iron ore projects** with a combined production capacity exceeding **340 million tons**, while also structuring **innovative and sustainable logistics solutions** tailored to the specific needs of each project. (2025/2)
- Advisory services to **Salobo Metais** in a strategic transaction involving the **transfer of mining rights for a copper deposit**, carried out in a context of high global demand for copper, valued at **BRL 1 billion** and encompassing **5.4 million tons**. (2025/2)
- Advisory services to **Gerdau S.A.** in a strategic transaction involving the **full transfer of mining rights** from the **iron ore operation**, with Gerdau's right of first refusal to acquire part of the production, in an operation valued at **BRL 100 million**. 2025/2.
- US\$30 million initial public offering** on the **NYSE America**, financing the development of **Brazil Potash's** flagship **potash mining project in Amazonas**, with a projected annual production capacity of **2.4 million tons**. (2024/2)
- US\$72 million** financing transaction structured for **Ecora Resources PLC** through a **royalty arrangement for a nickel and cobalt mining project** in the **state of Piauí**, involving a complex capital structure and **multiple jurisdictions**, requiring close coordination between Brazilian and **international law firms**. (2024/1)
- Advisory services to **Appian Capital Advisory LLP**, a private equity fund manager in a divestment operation, resulting in the sale of Atlantic Nickel and Mineração Vale Verde, battery metals producers, to ACG Acquisition Company Limited, for a total of **USD 1 billion**. (2023/2)
- Advised on a **USD 9 million** purchase option transaction involving the **Dom Silvério Manganese Project**, a project located in Minas Gerais with an initial term of four years, in a transaction valued at approximately USD 9 million. (2024/2)
- Comprehensive analysis of the legal and regulatory feasibility of a **graphite mining project** in Brazil for investors, supporting the investment decision in the venture, with intended investments valued at **USD 10 million**. (2026/1)
- Preparation of a comprehensive legal opinion on the ownership, validity, and enforceability of mining rights in the context of a strategic **project focused on rare earths, phosphate, and potassium**, to support financing. (2026/1)
- Special Brazilian legal counsel** for the analysis of legal aspects related to mining in the **Serra Pelada Project**, in Pará, in a **CAD 40 million** private placement transaction

SOURCES:

¹ Brasil Mineral. *Rare earths are of interest to the US in the context of tariffs*. Published on July 25, 2025.)

² PWC Research. <https://www.pwc.com.br/pt/estudos/setores-atividade/mineracao-e-siderurgia/2025/brasil-na-era-dos-minerais-criticos.html>

³ International Energy Agency (IEA). *Global EV Outlook 2024 - Moving Towards increased affordability*. Published in March 2024

⁴ International Energy Agency (IEA). *Global EV Outlook 2024 - Moving Towards increased affordability*. Published in March 2024.

⁵ S&P Global. *Looming Copper Supply Shortfalls Present a Challenge to Achieving Net-Zero 2050 Goals*. Published via PR Newswire. Published on July 14, 2022.)

⁶ NASA - Jet Propulsion Laboratory. *Araxá Mine, Brazil*. Published on September 27, 2024.

⁷ The Factor. *Rare earths, niobium and lithium: mining becomes the front line of the energy transition*. Published on January 31, 2025.)

⁸ <https://www.sgb.gov.br/w/pdac-2024-sgb-lanca-plataforma-de-mapeamento-geologico-para-impulsionar-setor-mineral>