
Nod for Minmetals' bid for bulk of OZ Minerals

BEIJING, April 24 -- China Minmetals Corp has won the go-ahead from Australia for its revised 1.2-billion Australian dollars (850 million U.S. dollars) bid to buy the bulk of OZ Minerals Ltd, the world's second-largest zinc miner.

But Minmetals must meet several conditions, Australian Treasurer Wayne Swan said in a statement on Thursday in announcing the approval. These include Minmetals having to operate the acquired mines using companies incorporated, headquartered and managed in Australia under predominantly Australian managers and must maintain or increase production and employment at certain mines.

Swan, whose portfolio includes foreign investment approval, rejected Minmetals initial 2.6-billion Australian dollars full takeover of the debt-laden OZ Minerals last month on national security grounds.

OZ Minerals' Prominent Hill copper-gold mine, which is close to a weapons-testing site, has been excluded from the revised deal.

Minmetals, based in Beijing and China's biggest metals trader, welcomed the approval of the revised application, calling it a "significant milestone in Sino-Australian cross-border investment."

"While recognizing the focus is on shareholder approval in the short term, we look forward to building long-term partnerships and meeting as soon as practicable with relevant stakeholders, particularly employees," Minmetals said.

Minmetals must also price its products on an arms-length basis by sales teams in Australia that must meet international benchmarks, Swan said.

Australia is yet to rule on a US\$19.5-billion investment by Chinalco, China's leading nonferrous metals producer, in its mining giant Rio Tinto which is also eager to pay off debt. If approved, it would be the biggest overseas investment yet by a Chinese company.

(Source: Shanghai Daily)