

SE Finance
 HD **MMG in halt amid talk of Peru buy**
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HONG Kong-listed shares in the Australian-managed MMG were placed in a trading halt yesterday after shooting 8 per cent higher on renewed speculation that it was involved in a deal to acquire the \$US6 **billion** (\$6.61bn) Las Bambas **copper** project in Peru from GlencoreXstrata.

MMG's 72 per cent parent, the state-owned **China** Minmetals, has previously confirmed it was in talks to buy Las Bambas, but MMG has been coy on the subject. It has been assumed MMG would be involved in any Las Bambas **acquisition**, but last week MMG chief executive Andrew Michelmore would not be drawn on the potential deal.

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"We don't comment on these matters," he said. But he added that MMG "really likes **copper**" and South America as an investment destination.

"And we are after assets that have a long life and offer decent margins."

Ahead of yesterday's trading halt, shares in MMG had risen by 18 per cent in seven trading days. The only other news from the **company** in the period was a better-than-expected profit for 2013 of \$US122.5 **million**, albeit down from \$US234m in 2012.

Surging nickel prices have also boosted interest in a planned **sale** by MMG of its mothballed Avebury nickel mine on Tasmania's west coast, which was developed at a cost of \$880m, but no deal is imminent.

The **sale** of Las Bambas, which still requires more than \$US2bn before first production next year, was a condition placed by Beijing on last year's merger between Glencore and Xstrata. If the **sale** is not achieved by September 30 because a satisfactory price or valuation threshold is not reached, Beijing can direct GlencoreXstrata to sell one of four other nominated **copper** assets.

MMG is best known in this market for acquiring the assets of OZ Minerals, other than the Prominent Hill **copper-gold** mine in South Australia, when OZ was forced into a drastic debt restructuring in 2007.

MMG's **operations** include the Century zinc mine in Queensland, the Rosebery zinc operation in Tasmania and the Golden Grove base and precious metals mines in Western Australia.

CO cminmc : China Minmetals Corporation | oriemi : MMG Limited | imreht : Inner Mongolia Baotou Steel Rare-Earth (Group) Hi-Tech Co Ltd | lawspr : Minmetals Land Limited | march : Glencore Xstrata PLC
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