

HD China : MMG purchased GLENCORE mine for \$6.2 billion

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SN Mena Report

SC MENREP

LA English

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LP Melbourne based miner is the focus of the global mining industry on 14 April 2014, after Chinese-owned miner MMG finally finished the US \$5.85 billion purchase of Glencore Xstrata's Las Bambas mine. MMG's headquarters are on Melbourne's Southbank, and the purchase of Peru's Las Bambas mine in Peru ends a long saga that drew out the completion of the merger between Xstrata and Glencore, despite being listed in Hong Kong. Chinese authorities refused to approve the Swiss merger unless Las Bambas was sold to Chinese entities, in a bid to prevent the merged entity dominating the copper market. MMG will purchase Las Bambas in a joint venture with other Hong Kong groups CITIC and Guoxin International. MMG will comprise 62.5% of the joint venture, with CITIC taking 15% and Guoxin taking 22.5%. The deal will see the joint venture buy 100% of the corporate entity through which Glencore Xstrata owns the mine, using a share purchase agreement.

TD The deal will involve both debt and equity, with assistance from the China Development Bank. The deal will not be fully approved until MMG shareholders have voted on it, and other approvals are gained from Government regulators in Peru and China. China Minmetals, MMG's major shareholder, confirmed it will support the deal fully. Minmetals president Zhou Zhongshu said, The acquisition of Las Bambas is an important milestone for outbound Chinese investment in the global resources industry and also for our partners GXIIC and CITIC.

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

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