
Teck sells 17% stake to CIC

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Canada's largest diversified mining company Teck Resources Limited announced that China Investment Corporation has agreed to purchase through a wholly owned subsidiary 101.3 million Class B subordinate voting shares of Teck for CAD 17.21 per share.

Teck will apply the net proceeds of the transaction to reduce outstanding bank debt. On closing, CIC will indirectly hold approximately 17.5% of Teck's outstanding Class B subordinate voting shares, representing approximately 17.2% equity and 6.7% voting interests in Teck. Upon completion of the transaction, Teck's Class A shareholders as a group will hold a 61.8% voting interest in Teck with Temagami Mining Company Ltd holding a 28.5% voting interest.

CIC has advised Teck that it is acquiring the Class B shares for investment purposes as a long term passive financial investor and has agreed to hold the purchased shares for at least one year following closing. Provided CIC does not sell any purchased shares, it will have the right to maintain its percentage ownership interest through open market purchases or through participation in additional issuances of Teck Class B shares or similar securities or securities convertible into such securities, subject to customary exceptions. If Teck were to issue additional Class B shares within 12 months of closing at a price less than CAD 17.21 per share, CIC would be entitled to a partial make-whole payment, capped at approximately 8.4% of the aggregate subscription price, payable at Teck's option in cash or in Class B shares.

Mr Don Lindsay president & CEO of Teck said that "This transaction will have an immediate and very positive effect on Teck's balance sheet, and represents an attractive opportunity for Teck to establish a relationship with a major Chinese financial investor with a deep understanding of China, the world's largest consumer of our principal products."

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