
Anglo American zinc assets garner strong Chinese interest

Wednesday, 18 Nov, 2009

Proactive Investors reported that China Minmetals is expected to buy a stake in Hunan Nonferrous Group and is also interested in acquiring Anglo American's zinc assets.

In June China Minmetals paid USD 1.4 billion to acquire the worlds second largest zinc producer, Australia's OZ Minerals.

Ms Zhao Cuiqing head of the lead and zinc department at the China Nonferrous Metals Industry Association said that the provincial government of Hunan is strongly supporting Minmetals' proposed to buy a stake in the Hunan Nonferrous Group. Ms Zhao said that she did not know the size of the stake under consideration or how long it would take to complete the acquisition.

China Daily reported today that several Chinese metal firms including Minmetals want to acquire Anglo American's zinc assets. Last month Anglo announced it will divest a number of its non core assets including its portfolio of zinc properties. The assets include the Skorpion mine in Namibia and Lisheen mine in Ireland and the Black Mountain mine and Gamsberg Project in South Africa. Anglo's zinc operations mined 340,500 tonnes of zinc in 2008.

A China Minmetals source who admitted the company was keen on acquiring Anglo America's zinc assets but refused to divulge any further details due to confidentiality concerns.

The newspaper quoted another unidentified source who said that "After Minmetals' takeover of OZ Minerals, its zinc business has started to grow. Seeking other zinc projects to meet its growing demand is in line with the company's business strategy."

According to source, Zhongjin Lingnan Nonfemet Company and Teck Resources in which sovereign wealth fund China Investment Corporation owns a 17% stake are also in talks to acquire Anglo's zinc assets.

(Sourced from Proactive Investors)

For more news visit at www.steelguru.com