

Chinese firm Zijin Mining Group has secured approvals from Chinese and Canadian authorities for its proposed \$1.41bn acquisition of Nevsun Resources.

According to Nevsun, Zijin completed registration with the Chinese State Administration of Foreign Exchange, which is the final regulatory condition for the transaction.

In addition, the company received approval in accordance with the Canadian Investment Canada Act.

With the approvals, the acquisition has met the final regulatory conditions in the jurisdictions.

The completion of the transaction is now subject to the satisfaction of customary closing conditions.

Nevsun added that the companies will work towards the closure of the deal.

In September this year, the company's board accepted a takeover bid by Zijin.

Under the offer, the Chinese firm will pay C\$6 (\$4.55) per Nevsun share, which represents a 26% increase over the C\$4.75 (\$3.59) per share hostile acquisition bid made by Lundin Mining in July this year.

Before accepting Zijin's bid, Nevsun rejected multiple acquisition offers from Lundin as the board felt they undervalued its assets.

At the time of approving the offer, Nevsun Board of Directors chairperson Ian Pearce said:

"The all-cash consideration of C\$6 (\$4.55) per share better reflects the fundamental value of Nevsun's mining and development assets, while also providing an appropriate change of control premium to our shareholders."

The company's asset base comprises the Bisha copper and zinc mine in Eritrea and the Timok copper and gold project in Serbia.

Following the closure of the acquisition, Zijin will work on extending the life of the Bisha mine and explore for new deposits.

Furthermore, the Chinese explorer will focus on the upper zone development of the Timok project.

Source: mining-technology