

Please find below, for your information, excerpts from an October 8, 2012 article by James Wellstead – exclusive to Zinc Investing News.

## Zinc Merger Revival?

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By [James Wellstead](#)<sup>2</sup> - Exclusive to [Zinc Investing News](#)<sup>3</sup>

Though the past year has revolved around weak zinc prices, rising stockpiles and the general threat of a deteriorating economic recovery, **zinc miners are an optimistic bunch.**

**Zinc** has for some time now been identified as **a metal at the crossroads of expanding emerging market demand and supply gaps at a number of large zinc mines.** Earlier this year, when refined and mined zinc prices began to climb to levels not seen in years, excitement began to build. 2012 was to be the beginning of zinc's rise.

In February of this year, Graham Deller, **head zinc researcher at mining industry consultant CRU**, [told](#)<sup>6</sup> **the Financial Times** that “[a]nything you pick up now is going to look cheap in three or four years’ time. Tripling [from current prices] is conservative.”

CRU has since gone further to support this position by [launching](#)<sup>7</sup> its new Zinc Greenfield Mine Project Analysis service in the first week of October. The service is tailored to help clients navigate the upcoming supply shortage.

But so far, zinc's rise has failed to materialize. Still, that should not be seen as a sign of a fundamental change in the impending supply shortfall. Instead, it's an opportunity for companies with available cash on hand to acquire assets when the supply glut does arrive.

**Lundin Mining** (TSX:[LUN](#)<sup>8</sup>), a Swedish-

Canadian [copper](#)<sup>9</sup>, zinc, [lead](#)<sup>10</sup> and [nickel](#)<sup>11</sup> miner, is amongst those eager to strike on the pending supply crunch and is willing to splash out to make it happen.

“We are looking at copper and zinc mines that produce 30,000 to 70,000 tonnes of metal per year,” Chief Executive Paul Conibear recently told Swedish business daily Dagens Industri, Reuters [reported](#)<sup>12</sup>.

The Swedish newspaper claims that Lundin has upwards of US\$600 million in capital available to invest in mines, including its Swedish zinc and copper Zinkgruven mine and potential unnamed takeover targets...

**Takeover activity within the zinc market will continue** throughout this year and into 2013. Efforts are now underway to find out exactly what the targets are and when bids should be executed.

The full article is here:

<http://zincinvestingnews.com/3864-zinc-mergers-acquisitions-lundin-glencore-xstrata-paragon.html>