

Shareholders of Reservoir Minerals Inc , a small mining company with a large copper deposit in Serbia, voted in favor of a takeover by fellow Canadian miner Nevsun Resources Ltd , Reservoir's chairman said.

More than two-thirds of Reservoir shareholders supported the friendly takeover deal, Reservoir Chairman Miles Thompson said at a special meeting of shareholders in Vancouver.

The vote comes hours after Nevsun sweetened its bid for the mining exploration and development company by \$75 million in cash, after a campaign by dissident shareholders. That is equal to an extra C\$2 per Reservoir share.

Reservoir and Nevsun, which owns a copper-zinc mine in Eritrea, had agreed on April 24 that Nevsun would buy Reservoir for about \$365 million in cash and stock. Nevsun also gave Reservoir about \$135 million in funding to help it buy out its partner from the upper portion of its flagship Timok copper project in eastern Serbia.

The eleventh-hour sweetener comes after two Reservoir shareholders, China-based smelting company Shandong Xiangguang Group and Jing Bao, a China-based natural resources investment company, urged fellow shareholders to reject the Nevsun takeover bid, on the grounds it was too cheap.

Shandong Xiangguang, its affiliates, and Jing Bao collectively own more than 14 percent of Reservoir's shares.

Nevsun accused Jing Bao and Shandong Xiangguang, which last week made an unsolicited \$130 million financing proposal to Reservoir, of trying to seize the Timok asset "for their own interests."

Nevsun shareholders also voted in favor of the transaction in a separate vote on Friday. "We're looking forward to moving the Timok project into the development stage," said Nevsun Chief Executive Cliff Davis.

source: yahoo.com