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# The West Australian



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WC 399 words  
PD 21 November 2016  
SN [The West Australian](#)  
SC TWAU  
ED First  
PG 49  
LA English  
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LP China is poised to seize control of half the Kalgoorlie Super Pit after making a knockout bid of more than \$US1 billion for a stake in Australia's most important gold mine.

The deal, which is set to reignite the national debate about foreign investment, could be announced as early as today.

TD The Super Pit is owned by rivals Barrick Gold Corporation and Newmont Mining Corporation through their joint venture Kalgoorlie Consolidated Gold Mines. Barrick's board was last night assessing the bid by Minjar Gold, a subsidiary of Shanghai real estate company Shandong Tianye Group.

It is understood the privately owned Chinese outfit, which recently bought [Evolution Mining's Pajingo gold mine](#) in Queensland and has a scattering of assets in WA, trumped rival bidders with a price much higher than the next best offer.

Industry insiders were yesterday scratching their heads about how the company could afford to offer so much for Barrick's stake, which had been valued at as little as \$550 million, given the sliding gold price and the significant environmental liabilities at the mine site.

The Australian dollar gold price spiked above \$1800 an ounce in June and for the next four months traded well above \$1700/oz before dropping below \$1650/oz this month. Over the same period, the US dollar price has dropped from \$US1370/oz to close to \$US1200/oz.

Minjar's attempt to take over a huge part of Kalgoorlie's famous Golden Mile will likely become a political hot potato because it will require the approval of the Federal Government.

WA's tight-knit gold mining circle believes a sale to China will spark calls for the Government to block the sale because the Super Pit — which employs 1200 people and is the backbone of Kalgoorlie's economy — is a strategically important asset.

Treasurer Scott Morrison this year scuttled sales of the S. Kidman & Co cattle empire — the nation's biggest private landholder — to Chinese-led consortiums on national interest grounds.

KCGM general manager Ian Butler told a conference in Kalgoorlie last week that mining would continue at the Super Pit until 2025, with processing of low-grade stockpiles to continue until 2035.

The pit is 3.5km long, 1.5km wide and more than 500m deep. It has produced 20 million oz of gold over the past 27 years.

CO bari : Barrick Gold Corp | kcgmpl : Kalgoorlie Consolidated Gold Mines Pty. Ltd. | newmnt : Newmont Mining Corp | westml : Evolution Mining Limited

IN i211 : Metal Ore Mining | igoldm : Gold Ore Mining | ibasicm : Basic Materials/Resources | imet : Mining/Quarrying

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AN Document TWAU000020161120ecbl00005

UI Ver:98.6.0 Mod:13:30 ID:FWEB8

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