

HD Zijin unit further raises **stake** in Bullbulling to 19.8%

BY kd

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MOSCOW, Jun 27 (PRIME) -- Australia's Norton **Gold** Fields, which is a subsidiary of **Chinese mining** corporation Zijin **Mining** Group, has further increased its **stake** in Australia's Bullbulling **Gold** Ltd to 19.8% from 17% for a week by purchasing shares on the market, Bullbulling said Friday.

Previously, the board of directors of Bullbulling had recommended its shareholders to reject Norton's off-market offer to acquire all the **company**'s shares for 8 Australian cents per share, and named it inadequate and opportunistic.

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Norton said that the rejection advice reflects the valuation range of 11.1-16.1 cents a share provided in the independent expert's report. "We believe this valuation was reached using a methodology that is flawed, principally because it relies upon comparable transaction multiples from 2012 and early 2013, a period in which the market for **gold** equities was significantly stronger than it is today", the **company** said adding that the independent expert in fact noted a valuation range of 7.0 cents to 8.7 cents, incorporating a control premium of 40% to 45%, under the quoted market price methodology.

If the offer closes without Norton having succeeded in taking over Bullbulling, the Bullbulling share price will, in all likelihood fall back to where it was trading at prior to April 17 when the offer was announced, around 3.5 to 4 cents (as compared to 7.2 cents now).

"If we have 30% of Bullbulling shares, we will look at the project and have a solid plan to move it forward... Bullbulling is only a 1 hour drive from our existing **operations**, which would offer some operational management synergies and sharing of resources", Norton also said.

Bullbulling **Gold**'s major asset is a project with the same name in Western Australia with JORC resources of 3.753 **million** ounces of **gold**. It has a capital expenditure requirement of more than 300 **million** Australian dollars to bring it to production.

Norton **Gold** Fields is one of Australia's largest domestic **gold** producers, with annual production of more than 170,000 ounces. The **company** has a **mining** and processing complex in Western Australia's world-class Kalgoorlie **gold** region, including a prospective tenement package surrounding the Paddington mill.

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CO cnchg : Bullbulling Gold Limited | nogof : Norton Gold Fields Ltd

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