

# Kalgoorlie Miner

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HD Norton hedges its bets  
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Chinese-owned Norton Gold Fields – believed to be the frontrunner for Barrick's Kanowna operations – has bolstered its hedge book.

Norton on Tuesday confirmed an additional 25,000 ounces with Macquarie Bank over the next 12 months at a flat forward price of \$1431/oz. The company still has 9700oz at \$1601.40/oz remaining in the initial hedging program it announced last August.

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"Norton is pleased with the pricing that was achieved for this hedging facility," chief executive Dianmin Chen said.

"In light of the continued volatility of the gold price, adding a modest amount to our hedge program at a recent high will secure our short-term revenue stream, while providing upside opportunities should the gold price continue to rise."

Last year, Norton achieved its highest annual production of 172,739oz since acquiring the Paddington operations in 2007.

Norton's total production costs were \$1188/oz in the December quarter, slashed from \$1784/oz in the corresponding period in 2012.

Despite spending almost \$2 million on capital expenditure in the quarter, including \$900,000 for an underground loader, Norton finished 2013 with \$41 million cash in bank. It capped a year in which many WA mid-tier gold producers became unprofitable, yet Norton bucked the trend by officially opening its Enterprise mine which should provide the bulk of mill feed for the next decade.

The first ore was delivered to Norton's Paddington mill, 35km north-west of Kalgoorlie-Boulder, in October and the company is building a haulage road through its tenements to further slash costs. "Driving the improvement has been increased mill feed grades from across our operations along with a strict cost control regime," Dr Chen said.

Norton has also begun underground development at the Bullant mine, which was put on care and maintenance two years ago by Kalgoorlie Mining Company.

Production should resume in early 2014. Meanwhile, there is still no indication when Canadian giant Barrick will complete the sale of its Kanowna operations which have been on the market since at least August.

Barrick chief executive Jamie Sokalsky told a Toronto mining conference in December the Kanowna operations had received "quite a lot of interest".

Workers were expecting a deal before Christmas and are growing anxious. The assets include the Kanowna Belle mine, mill and roaster and the nearby East Kundana operation, comprising the high-grade Raleigh and Rubicon-Hornet mines.

Norton has been strongly linked because of the deep pockets of its biggest shareholder, **China's Zijin Mining** Group, which holds an 81 per cent **stake**.

Barrick has already sold its Plutonic mine to Northern Star Resources for \$25 **million** with that transaction expected to settle next month.

**CO**      nogofe : Norton Gold Fields Ltd

**IN**      i22472 : Precious Metals | i22 : Primary Metals | i224 : Non-ferrous Metals | ibasicm : Basic Materials/Resources | i211 : Metal Ore Mining | i2112 : Gold Ore/Silver Ore Mining | imet : Mining/Quarrying

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