

SE Business
 HD Upbeat Norton makes move on Bullabulling
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 WC 427 words
 PD 19 April 2014
 SN The West Australian
 SC TWAU
 ED First
 PG 137
 LA English
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Norton **Gold** Fields has kicked off another round of WA **gold** industry consolidation after lodging an unsolicited cash bid for Bullabulling **Gold** late on Thursday.

Norton's bid came after Evolution **Mining** boss Jake Klein said earlier in the day the **company** had received a number of unsolicited offers for its Edna May open pit operation, east of Merredin.

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China-backed Norton missed out on assets put up for **sale** during Barrick **Gold**'s exit from Australia, but put in a 7¢-a-share bid for Bullabulling that valued the target at \$24 **million**. If the bid is successful, it will deliver Norton Bullabulling's Coolgardie low-grade project, which contains 3.5 **million** ounces of **gold**.

Bullabulling yesterday described Norton's offer as "totally unsolicited" and said there had been "no contact between Norton and Bullabulling ahead of the announcement". It urged shareholders to take no action.

Bullabulling shares last traded at 5.4¢.

Norton is also seen as a likely bidder for Edna May, which was the worst-performing Evolution mine last quarter. Edna May produced 17,879oz in the March quarter at an all-in sustaining cost of \$1434/oz, after power problems and a maintenance **issue** with its grinding mill. Mr Klein said the unsolicited bids had been significant enough for the **company** to consider a **sale** but he would not give further details about bidders or prices.

Renewed talk of consolidation in the industry comes as the sector reported a mixed March quarter.

Norton's C3 cash costs surged to \$1342/oz after a weather-affected quarter and the impacts of a pit wall slippage at its Enterprise mine but the **company** said it maintained its 2014 cost and production quarter.

Doray's costs also slipped during the quarter, though the shift was well flagged as Doray moved into a slightly lower grade section of its Andy Well mine. All-in sustaining cash costs for the quarter were still a more than creditable \$1078/oz, but with the **company** maintaining production guidance of between 75,000oz and 80,000oz at all-in costs of \$970 to \$1050/oz.

Regis Resources, battling to regain investor confidence, revealed it faced more issues at its Rosemont North pit after a wall failure late last month. Regis said it did not believe the issue was related to the flooding of both its Rosemont and Garden Well mines after heavy rain in February. It said it expected remedial work at the pit to cost at least \$3 **million**.

CO cnchgd : Bullabulling Gold Limited | nogofe : Norton Gold Fields Ltd | westml : Evolution Mining Limited

IN i211 : Metal Ore Mining | ibasicm : Basic Materials/Resources | imet : Mining/Quarrying | i2112 : Gold Ore/Silver Ore Mining

NS ccat : Corporate/Industrial News

RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

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AN Document TWAU000020140418ea4j00019