09/08/2017 Factiva

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HD Zijin offers \$33m for Norton mop-up

BY Nick Evans

WC 345 words

PD 14 January 2015

SN The West Australian

SC TWAU

ED Second

PG 25

LA English

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LP China's Zijin Mining has abandoned plans to use Norton Gold Fields as an Australian-listed vehicle to expand its presence in the local gold sector, launching a \$33 million offer to mop up Norton's remaining small shareholdings.

Norton revealed yesterday it had received a 20¢ "indicative, conditional and non-binding proposal" from Zijin, which holds 82.4 per cent of the 931.9 million Norton shares on issue.

TD Norton has an estimated 2000 remaining small shareholders, a legacy of Zijin's earlier \$229 million takeover offer. The 2012 bid won an 89 per cent acceptance rate, agonisingly short of the 90 per cent needed for the gold major to move to compulsory acquisition and take Norton off the Australian Securities Exchange.

Norton's shares have since traded thinly on the local bourse, with an average of only 67,900 shares a day changing hands over the past year, according to ASX figures.

Zijin was last year talking up plans to use Norton to expand its Australian footprint, suggesting it would accept dilution of its holding through scrip-based acquisitions that would increase trading liquidity and encourage institutional investors onto the company's register.

But Zijin's dominant presence on Norton's register made that a tough ask, and the lack of trading meant Norton shares responded only sluggishly to improvements in its operational performance and rising gold prices. Its only major scrip-based deal was the \$15 million takeover of near-neighbour Kalgoorlie Mining Company in 2013.

Bids for <u>Barrick Gold</u>'s Australian assets were unsuccessful, and Norton paid cash for its smaller deals, including the takeover of <u>Bullabulling Gold</u> last year, and its acquisition of a stake in Phoenix Gold in December.

Norton said it had formed a committee of its independent directors — only former BHP executive Noel White was listed as an independent director in Norton's 2013 annual report — to consider Zijin's offer and would commission an independent expert's report. Norton shares closed unchanged yesterday at 14.5¢.

CO nogofe : Norton Gold Fields Ltd

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

NS ccat : Corporate/Industrial News

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

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AN Document TWAU000020150113eb1e0002g

UI Ver:98.1.0 Mod:16:45 ID:FWEB5

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