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HD China to buy Australia's biggest hole in the ground: Company offers \$540MILLION more than anybody else for mine known as the 'Super Pit'

AU [Kate Darvall](#)  
BY KATE DARVALL FOR DAILY MAIL AUSTRALIA  
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LP \* Chinese suitor makes staggering billion dollar bid for Kalgoorlie Super Pit

\* The offer by Minjar Gold is a whopping \$540 million above any other bid

TD \* The \$US1.3 billion bid has stumped the Western Australian mining industry

\* Sale of part of the Kalgoorlie Super Pit has the WA community concerned

A Chinese company has offered a staggering \$540 million more than any other bidder for a stake in the Kalgoorlie Super Pit, leaving the mining industry baffled.

The offer of \$US1.3 billion for part of the Western Australian mine was made by Chinese suitor Minjar Gold this month.

It is well above the estimated price tag which sat around the \$900 million mark.

Because it exceeded all other offers by hundreds of millions of dollars, Canadian giant Barrick Gold, who is selling the property, has been left stumped, reports Perth Now.

But the offer was so tempting, [Barrick Gold](#) and the Western Australian mining circle were willing to overlook the Chinese minor's questionable ability to follow through with the outrageous offer and press ahead with the deal.

The Super Pit is one of Australia's biggest operational mines, producing around 800,000 ounces of gold a year.

It's expected to run out of ore by 2019 but underground mining is expected to extend the life of the mine well beyond that point.

[Barrick Gold](#) reportedly believes the sale will be a protracted Foreign Investment Review board investigation, but is prepared to court the potential disaster and risk it.

The Chinese company is diving into a much bigger deal than ever before recorded on its books.

It's largest acquisition on Australian soil was the \$52 million purchase of Evolutions's Pajingo Mine in Queensland in August which is chumps change in comparison to their bid for the Kalgoorlie Super Pit.

Kalgoorlie-Boulder mayor John Bowler, also a former mines minister, this week warned Minjar would need to invest huge amounts of money in the project to ensure a successful changeover.

Selling company Barrick Gold is based in Toronto, US, and owns the mine together with rival gold mining company Newmont Mining.

The estimated value of Barrick's share of the mine is less than half what the Chinese firm is prepared to pay for it.

The sale of part of the Kalgoorlie Super Pit has not only put pressure on the mining industry, but has kicked up dust across the Western Australian community.

The mine spans 3.5km long and 1.5km wide through the township, employs about 1200 people and contributes about \$460 million a year to the local economy.

Therefore the prospect of a sale has provoked questions from people concerned the sale will have a negative impact on the town and its people.

And while ownership of the Kalgoorlie Super Pit comes with significant environmental responsibilities, the town is bracing itself for a change.

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