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HD Bullabulling up for fight

AU Jarrod Lucas
BY Jarrod Lucas
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LP [Bullabulling Gold boss Brett Lambert](#) is adamant the company can fend off a hostile takeover bid from Chinese-owned [Norton Gold Fields](#) and fund the massive capital component for its namesake project near Coolgardie.

Since the surprise \$25 million bid was announced on April 17, Mr Lambert has made a whirlwind trip to London, where Bullabulling is listed on the AIM market and about 60 per cent of the company's shareholders are based.

TD "The indications of support were very pleasing to keep pushing ahead as an independent company if we can, and certainly to resist an under-priced offer," he said.

Tensions between the parties ramped up last week when Norton lodged a complaint with the Federal Government's Takeovers Panel about Bullabulling's previous commentary on the offer.

Mr Lambert said the 7 cents-a-share offer, which closes on June 2, is "certainly below our internal evaluations".

He noted Norton's supplementary bidder's statement released on Tuesday showed it had just 0.02 per cent of acceptances into the offer.

"It's not a stunning start for them," Mr Lambert said.

But Norton's parent company, China's biggest gold producer Zijin Mining Group, already controls 2.5 per cent of Bullabulling shares.

Norton managing director Dianmin Chen said it had enough cash to fund the takeover and the muscle to develop Bullabulling's 3.7 million ounce project, weighed down by capital costs expected to be about \$450 million.

"The key is the expertise we've got and the capital so we can develop the ore bodies and put the project into production," Dr Chen said.

Mr Lambert admitted capital costs were a major obstacle.

"I've never shied away from the fact that funding a project of this scale is going to be a challenge for us," he said.

"Our goal is to take this project through definitive feasibility study and come out with an independently certifiable study that defines the physical and financial attributes of the project, that will potentially enable us to fund the site.

"If we get a peer average evaluation on our reserve ounces at that point, it would give us a market capitalisation that I feel puts us in a range of being able to do the equity component and there has been plenty of bank interest in providing a debt component.

"Even if we decided we didn't have a balance sheet big enough to go alone on this, then that is the time we would look at bringing in a strategic partner."

Mr Lambert said the company was adopting a "business as usual" approach and he believed completion of the definitive feasibility study early next year would "provide greater certainty on the evaluation of the company".

Bullabulling is working through a tender process with drilling contractors as it seeks to deliver a maiden reserve before year's end.

Metallurgical studies into a flotation plant to save energy costs are also progressing.

Bullabulling shares were unchanged yesterday at 7.1 cents.

CO cnchgd : Bullabulling Gold Limited | nogofe : Norton Gold Fields Ltd

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

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