



# Post 2011 Diggers 'n Dealers Review Spec Buy MacPhersons Reward (MRP)

(by Keith Goode : 25 August 2011)

The following comment on MRP has been taken from our/ERA Post DnD review.

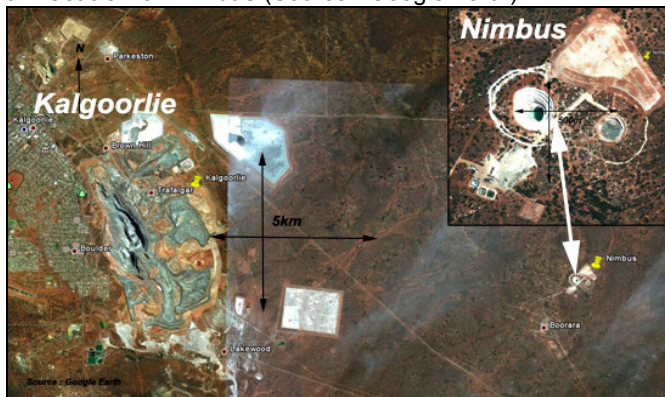
## MacPhersons Reward (MRP) Rated as a SPEC BUY (currently ~30c)

*We visited MRP's new Nimbus acquisition during Diggers. MRP acquired the plant and tenements from Reed Resources (RDR, and later extended the tenement package by including Boorara from Polymetals). The initial acquisition was for the plant to transfer it to MRP's MacPherson's Reward mine, however, MRP recognised that some of the Nimbus open-cuts could possibly be brought back into production and instead conducted a study based on bringing the Nimbus Silver mine back into production with a separate gold and silver circuit.*

Nimbus was the VHMS silver mine discovery of Archean (unique in its location due to its proximity at ~15km East of Kalgoorlie as shown in Figure 10a, and once thought to be a subterranean volcano), which was taken over by Lachlan and later Polymetals. Polymetals mined silver at ~350g/tAg before closing the mine due to **encountering mercury in the transition zone** at the base of the open-cut, and the project was later acquired by Reed Resources (RDR).

## Figure 10. Location of Nimbus (Source : Google Earth), and Current State of the Nimbus Plant

a. Location of Nimbus (Source : Google Earth)



b. Current State of the Nimbus Plant



At the time of our visit, MRP had already started refurbishing the plant shown in Figure 10b, with the ball mill being refurbished and expected to be returned to site by the end of September 2011, and a ~1mtpa crusher and spare tanks bought from WA operators. MRP's target expectation was to be in production by mid-2012, with an up to 490,000tpa separate gold and silver circuit plant starting at ~120,000tpa (according to the current plant design and ramp-up schedule).

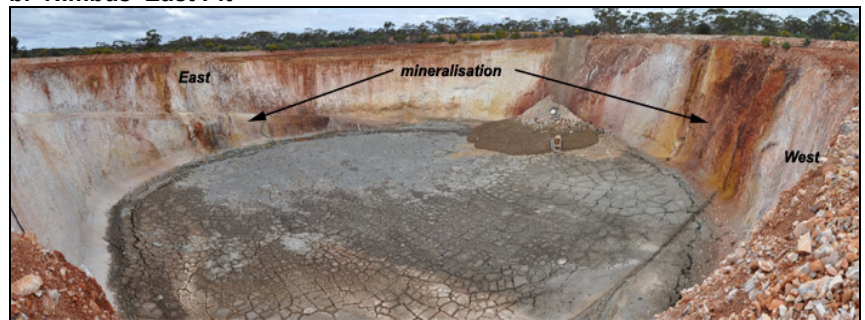
The Polymetals operation used diesel-power, whereas MRP intend to use the grid with "the wires" expected to come to site by the end of September 2011. MRP intend to focus on treating the oxide with expected recoveries of 90% to 98% and a possible operating cost of ~A\$5/oz to A\$10/oz, giving a healthy margin at current silver prices of >A\$35/oz.

## Figure 11. Nimbus' Discovery and East Pits

a. Nimbus' Discovery Pit



b. Nimbus' East Pit

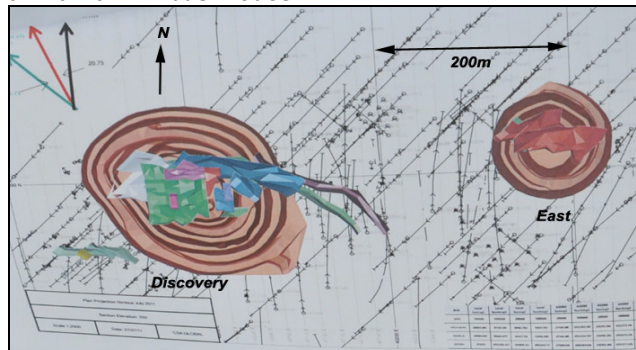


There are two open-cuts on the property, namely Discovery and East, of which the East pit was backfilled with tailings from the last (presumably partly mercury-rich) 100kt to 170kt treated at a remaining residue grade of 100g/t to 150g/tAg, which may be recoverable. Looking at the walls of the open-cuts it does seem possible that the mineralisation may extend East & West, although there appears to be some structural break between the pits as shown in Figure 12a.

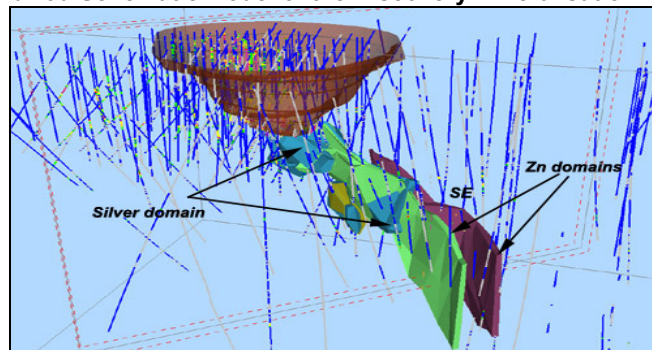
MRP expects to establish a way of bypassing the mercury-rich transition zone to mine the deeper SE plunging sulphide mineralisation as indicated in the 3d model in Figure 12b.

**Figure 12. Plan of Nimbus' Lodes and 3d Schematic Model of the Discovery Mineralisation**

**a. Plan of Nimbus' Lodes**



**b. 3d Schematic Model of the Discovery Mineralisation**



MacPhersons is still progressing with its MacPherson's Reward property, although (depending on assay results) a re-interpretation of Tycho could result in Tycho coming into production ahead of MacPherson's Reward. Hence continuing to **rate MRP as a SPEC BUY**.

**Disclosure:**

Keith Goode, who is a Financial Services Representative of Taylor Collison Ltd ACN 008 172 450, and is a consultant with Eagle Research Advisory Pty Ltd ACN 098 051 677 compiled this comment. At the date of this report Keith Goode and his associates held interests in most of the shares contained in this report. At the date of this report, Taylor Collison Limited or their associates within the meaning of the Corporations Act, held interests in a number of the shares contained in this report.

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