

# OZEQUITIES NEWSLETTER

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## *SPECIAL*

MACPHERSONS RESOURCES Limited

Code: MRP

Shares on issue: 215m

Options on Issue: 22m exercisable at 30 cents by Dec. 31, 2013.

Market Cap: \$86m

Cash on Hand: \$11.3m

Last traded at: 40 cents



### *Interpretation:*

MRP traded as high as 44.5 in January 2011 in the second week after listing.

The lowest low since was 23 cents in the week of July 1, 2011.

It achieved a high of 41 cents on April 20 and the rise has been corrected with a pullback to 38 cents.

It closed at 40 cents on April 30 and again yesterday and is ready to move higher. The top of the Darvas box is at 41 and 45.5 cents is the next target.

*Gerald Stanley*

**Directors:**

**Ashok Parekh**, Bbus, FCA, AIMM, FTIA, CA, Exec chair

Mr Parekh is a chartered accountant with a large Accounting Practice in Kalgoorlie which he has operated for 25 years. He was awarded the Centenary Medal in 2003 by the Governor General of Australia and was awarded the Meritorious Service Award by the Institute of Chartered Accountants recently. He has over 25 years experience in advising mining companies and service providers to the mining industry. He has been managing director of some gold mining and milling companies in the Kalgoorlie region.

**Morrie Goodz**, MSc (Mining Geol), MBA, FAIMM, Certified mine manager. MD, Exec Director

Mr Goodz is a mining geologist with 34 years experience including the discovery and design of 4 decline mines. He has had operational and strategic management roles at the A1, Morning Star, Daisy-Milano and Kalgoorlie Consolidated Gold Mines. Since 1987 he has been the principal consultant of Goodz GMC providing geological and mine planning services.

He was chair of the AusIMM Sustainable Mining conference held in August 2010.

**Jeffrey Williams**, Non Exec. Director

**Snapshot:**

MacPhersons Resources Ltd listed on December 24 2010 following an IPO to raise \$30 million at 30c a share.

In September 2011 MRP acquired the Boorara gold and polymetallic project from Polymetals Mining Ltd for \$2.5 million in cash including a \$50,000 non refundable deposit and \$500,000 in MRP ordinary shares. *Boorara* at the time had an indicated and inferred resource of 84,600 ozs of gold with exploration upside.

*The Nimbus Silver Project* was acquired in May 2011 from Reed Resources, Kalgoorlie, including mine, mill and polymetallic deposits, and granted mining tenements with recent silver production of 3,616 million ozs of silver from 318,992 tonnes at a grade of 353 gpt Ag and various polymetallic deposits in the advanced stages of operation. The Nimbus silver mine had operated from 2003 to 2007, producing 3.6 million ozs of silver at an average grade of 352 gpt Ag.

Consideration included \$3 million in cash including \$100,000 deposit, \$1.5 million in MRP shares. RDR will retain a 1% NSR royalty on zinc production from the two mining leases.

The company late last year announced a maiden inferred mineral resource of 2.13Mt at 125g/t silver for 8.6Moz silver and 28,100t zinc.

The Company's focus is to develop its Nimbus-Boorara silver-gold-zinc-lead-copper projects comprised of 110 sq km of continuous tenements covering historic silver and gold mining producing sites.

There is plenty of upside potential, with depth extensions, gold, copper and lead credits still to be added to the maiden mineral resource. There also remains up to another 9 VHMS silver-zinc mineralisation zones on the 110 sq km of MRP tenements yet to be tested.

The Company also holds 100% interest in 11 km of strike length of the MacPhersons Reward gold domain, including the namesake MacPhersons Open Cut mine and the northern Kambalda-Nepean Nickel domain.

**Most recently**

In its March quarter report Macphersons announced a maiden JORC compliant resource of 2.13 Mt at 125gpt Ag for 8.6 M ozs silver and 28,100 tonnes of zinc, with the first of six VHMS lenses at Nimbus to be tested, a 43% increase on the original exploration target. Best results include 1m interval samples exceeding 3000gpt Ag, 40% Zn, 14% Pb and 1gpt Au.

The company said recommissioning the Nimbus silver mill is on schedule, with the appointment of an operations manager and project metallurgist.

It has increased the Nimbus silver-gold-zinc VHMS project area holdings to 106 sq km, acquiring the Kanowna South tenement package including a 6Km extension to the Nimbus-Boorara-Kanowna Shear Zone.

The company said there was potential to double the resource on the second VHMS lens, while Nimbus East Pit silver tailings drilling was completed, a maiden resource statement is due shortly.

Its Coolgardie project is nearing resource statement updates.  
The company targets the Nimbus mill recommissioning this year.

**Major shareholders:**

Ashok Parekh 14.84%

Ray Wright 14.12%

BT Portfolio Services (Twin Pines BTML a/c 5.47%)

**Broker recommendations:**

Eagle Research, Seismic Research and Patersons Securities Ltd follow the company.

Patersons (who had been lead manager to MRP's IPO raising \$30 million at 30c a share in December 2010) in April this year retained its "speculative buy" recommendation for Macphersons.

The broker said there is good potential for resource growth at the Nimbus project, given strike and depth extensions from the recent drilling program.

"The current plan for processing is to have a silver circuit up and running in 1st quarter 2013. Mill feed will be sourced from 2 existing tailing stockpile which should produce 1M oz of silver in full year 2013. Cash flow will be used for further resource development and introduction of a parallel gold circuit to treat ore from the MacPhersons gold project. Assumed in-situ value for the current resource is 435 million based on \$3.20/oz and \$0.15/lb for in ground silver and zinc" the broker said.

No target price was given.