



ASX Code: MRP

Contact Details

PO Box 10977
109 Maritana Street
Kalgoorlie WA 6430

T +61 (0) 8 9068 1300
F +61 (0) 8 9068 1310
E info@mrpresources.com.au

ABN 98 139 357 967

Board of Directors

Ashok Parekh
Chairman – Executive
Director

Morrie Goodz
Managing Director –
Executive Director

Jeff Williams
Non-Executive Director

ASX Announcement

14 July 2014

Feasibility Study points to lower costs and increased inventory at Nimbus silver-gold-zinc project

Highlights:

- Preliminary findings of the Nimbus-Boorara feasibility study point to both capital and operating costs being substantially lower than outlined in the pre-feasibility study
- Lower all-in sustaining costs likely to result in reduced cut-off grades, in turn increasing reserves and growing mine life
- Lower costs also expected to help underpin further conversion of resources to reserves
- Deep drilling has intersected strike and depth extensions of known mineralisation
- Drilling has also intersected new zones of mineralisation
- Sulphide mineralisation intersected at twice the depth of the existing reserve blocks
- Upgraded JORC-compliant reserve-resource estimate being compiled
- BFS on track for completion in September Quarter, 2014

MacPhersons Resources (ASX: MRP) is pleased to advise that preliminary findings of the bankable feasibility study on its Nimbus-Boorara silver-gold-zinc project near Kalgoorlie point to both capital and operating costs being significantly lower than those contained in the pre-feasibility study (see ASX release dated 03 December 2013).

The study, which is on track for completion in the September Quarter, 2014, shows that the lower costs not only have the potential to boost margins, but could also result in the cut-off grades being reduced.

This would increase the overall inventory and also help underpin the conversion of further resources to reserves.

As part of the feasibility study work, deep drilling has been undertaken. This has intersected both strike and depth extensions of currently known mineralization as well as identifying new zones (see Appendix 1).

These results, along with the lower cut-off grades, will be incorporated into the upgraded JORC-compliant reserve-resource estimate now being calculated.

This revised estimate is expected to be released in the September Quarter, 2014.

MacPhersons Managing Director Morrie Goodz said the results of the feasibility study showed that what was already a robust project was becoming increasingly attractive on virtually every front.

“These preliminary findings provide strong evidence that we will drive down costs further, we will upgrade more of our existing mineralisation in the resource and reserve categories and we will add to the overall inventory through the identification of new zones,” Mr Goodz said.

“In the process, we will strengthen our margins and grow our mine life – and this is all before we take into account the extensive exploration upside around Nimbus, Boorara and elsewhere on our tenements.”

“We are confident that the final BFS numbers will pave the way for MacPhersons to secure project funding on attractive terms, outing the company on track to generate strong production and cashflow.”

About MacPhersons

MacPhersons Resources Ltd (MRP) is a Western Australian resource company with a number of advanced gold, silver and zinc exploration projects.

The Company's focus is to explore and extend the highly prospective Boorara and MacPhersons geological domains of which the Company holds 100% interest in 20km and 11km of strikelength, respectively, including the Nimbus silver-gold-zinc mine and the namesake MacPhersons open cut gold mine.

To fast track the opportunity to process MacPhersons' ore within the MRP business, the Company has acquired mill processing and mine assets at the Nimbus silver-gold-zinc mine, located 10 km east of Kalgoorlie's superpit. The assets come with an approved site for ore processing. A Bankable Feasibility Study (BFS) examining a 4-fold increase in the processing plant capacity is nearing completion.

The assets are at an advanced stage of exploration with prospects adjacent to and beneath 10 existing open cuts and with multiple polymetallic VHMS deposits carrying silver-gold- zinc-lead-copper mineralisation, and new greenfields discoveries.

Competent Person's Statement

The information in this report that relates to Ore Reserves, Mineral Resources and Exploration Results is based on information compiled by Mr Morrie Goodz who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Morrie Goodz is a full time officer of MacPhersons Resources Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Goodz has given his consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

APPENDIX 1

Table 1: Listing of Table 1 parameters and explanatory notes as per JORC Code (2012) guidelines is included at the end of ASX release dated 05th May 2014.

The Company believes that there have been no material changes in these assumptions and parameters since issuing of the report of 05th May 2014.

The summary of drillhole intersections of ore grade with comments identifying them as new lodes or new extensions of existing lodes are listed below:

Hole ID NBDH	From (m)	To (m)	Interval (m)	Lode	Ag Equiv (ppm)	Ag (ppm)	Zn (%)	Au (ppm)	Hg (ppm)	Comments
010	513.45	517	3.55	Ag211	203	116	2.18	0.00	162	Confirm down plunge extension of approximately 210 m. Less length than expected. Grade as expected.
010	526.65	529.45	2.8	Ag212	119	43	1.92	0.01	130	Confirm extension.
010	538	540.7	2.7	Ag213	89	37	1.28	0.03	120	Confirm extension. Less length than expected.
011	291.5	305	13.5	Ag211	100	92	0.16	0.00	20	Confirm Zone Ag211 dip extension. Length as expected; Less grade than expected.
011	308.65	310	1.35	Ag221	264	235	0.55	0.06	62	Confirm extension.
012	186	190.35	4.35	Ag341	525	109	0.08	0.00	65	Confirms resource model
012	206	226	20	Ag311	460	287	4.64	0.02	257	Resource Model confirmed.
012	260.7	261.2	0.5	Ag250 New	660	644	0.32	0.03	38	New mineralisation
013	322.45	324	1.55	Zn311	107	5	2.25	0.00	247	Possible 100 m down plunge extension or new lode.
013	363.44	371	7.56	Zn250 New	71	3.1	1.07	0.00	164	New mineralisation
021	134	135.65	1.65	Ag341	93	79	0.26	0.01	38	Confirms resource model.
021	337.65	342.7	5.05	Ag211	145	30	2.52	0.10	240	Confirm 80 m down plunge extension. Less grade than expected.
021	346.45	355	8.55	Zn212	94	19	1.75	0.00	183	Confirm extension.
034	136	151.7	15.7	Ag341	196	168	0.57	0.00	76	Model width =3.7m, dh=8.3 m. Better than expected. Resource will increase.
034	227	228	1	Ag250 New	406	377	0.72	0.02	45	New mineralisation
034	347.45	352	4.55	Ag211	90	37	1.36	0.02	90	Confirm extension. Less grade than expected.
034	362	368	6	Ag212	84	9	0	1.18	-	Confirm extension.
035	167	185	18	Ag221	227	98	2.84	0.20	230	Geotech drill hole into crown pillar of Discovery pit. Confirms resource model
035	188.3	215	26.7	Ag211	212	92	3.01	0.08	192	Confirms resource model

Note* - Silver equivalent (Ag-Equiv) is calculated using metal credits only in blocks carrying economic grades of silver and/or zinc and/or gold. $Ag\text{-Equiv} = Ag + (Zn \times 28.852) + (Au \times 62.626) + (Hg \times 0.15)$