



# MacPhersons Resources

Sep 24<sup>th</sup> 2013

## MacPhersons Resources hits milestone with retirement of last royalty at Nimbus

MacPhersons Resources (ASX: MRP) has retired the last non-regulatory royalty at its Nimbus Silver-Zinc-Gold Project in Western Australia with the purchase of Reed Resources' (ASX: RDR) 1% zinc royalty.

This marks a significant milestone as it will improve project and shareholder returns at minimal cost.

Reed has agreed to the extinguishment of the royalty in exchange for \$200,000 worth of MacPhersons' shares.

"The extinguishment of royalties provided a win-win outcome for both parties," managing director Morrie Goodz said.

"By removing all non-regulatory royalties and overheads, the company has prioritised shareholder returns.

"We are now very much focused on our production plan for 2014."

The transaction is conditional upon the parties executing a formal Deed of Release and Extinguishment in relation to the royalty within 14 days.

It makes the Nimbus operations free of all non-regulatory royalties for gold, silver, zinc and other future base metals products, and positions MacPhersons well to deliver maximum returns to its shareholders.

### Nimbus Silver-Zinc-Gold Project

The company is currently focused on bringing the Nimbus project into production in 2014.

It had noted that concurrent mining of its Boorara and MacPhersons gold open pit operations with the Nimbus Silver-Zinc-Gold Project in Western Australia could have a two to three year payback on capital.

Initial mine designs and schedule support a 5.5 year mine plan with all in cash costs of ranging between \$12 per ounce to \$16 per ounce silver and \$600 per ounce to \$1050 per ounce gold.

Initial production in the second year is expected to be between 2 million and 2.5 million ounces of gold as well as 1,000 to 2,000 ounces of gold before ramping up to 3.5 million to 4 million ounces of silver and 16,000 to 20,000 ounces of gold in the third year.

Nimbus has a Resource of 1.1 million tonnes at 297 grams per tonne silver equivalent (203g/t silver plus 94g/t silver equivalent from gold and zinc credits while the Boorara and MachPhersons open pits have resources of 3,455,000 tonnes at 1g/t gold and 565,000 tonnes at 2g/t gold respectively.

Both the Nimbus and Boorara projects offering exploration upside with mineralisation open along strike and at depth.

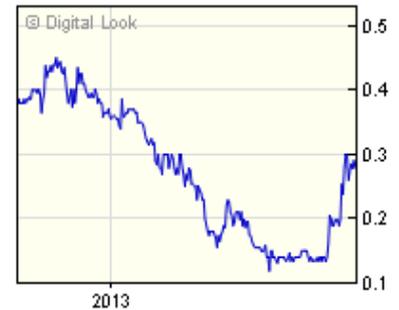
### Analysis

The removal of the royalty will improve project returns from Nimbus, without leakage from cash flows to royalties,

**Price:** A\$0.28

**Market Cap:** A\$66.32M

### 1 Year Share Price Graph



### Share Information

**Code:** MRP

**Listing:** ASX

**Sector:** Gold Mining

**Website:** [www.mrpresources.com.au](http://www.mrpresources.com.au)

### Company Synopsis:

*MacPhersons Resources (ASX: MRP) is a Western Australian resource company with a number of advanced gold, silver and zinc exploration projects within close proximity to Kalgoorlie and Coolgardie. The company's focus is to develop its Nimbus-Boorara silver-gold-zinc-lead-copper projects.*

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allowing the company to claw back future revenues from Nimbus project in exchange for just \$200,000 in shares.

With zinc prices expected to rise and new capacity limited, this will have a significant impact on MacPhersons' future revenues as it looks to production plan targets in 2014.

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