



# MacPhersons Resources

Feb 10<sup>th</sup> 2014

## MacPhersons Resources moving at speed at Nimbus silver project

MacPhersons Resources' (ASX: MRP) will continue to be a beneficiary of the price of silver's upward run as it progresses its 100%-owned Nimbus-Boorara silver-gold-zinc project located 10 kilometres east of Kalgoorlie's superpit gold mine.

The Company continues to intersect silver-zinc rich massive and stringer sulphide zones from drilling.

Just last week copper-zinc sulphide mineralisation was intersected while infill holes NBDH011 and 012 (in progress) have intersected silver-zinc mineralisation at depths below the existing ore reserve and mineral resource blocks and provide support for a further depth extension.

Silver price stronger of late

Futures for March delivery advanced 0.1% to settle at \$20.03 an ounce on Monday in Asia bringing the rebound since hitting a 34 month low on 28 June 2013 to 10.8%.

Sales of coins by the U.S. Mint almost quadrupled in January.

An analyst noted that people were still looking for safe-haven assets with traders starting to reposition based on concerns over emerging-market growth.

Gold/silver ratio

The gold/silver ratio which measures the relative strength of the two metals had earlier touched a two week low beneath 62.5 as silver prices rose faster than gold.

Trading some 60% below its peak of spring 2011, and after "evolving in a flat range for 2 months" according to technical analysis from Societe Generale, the silver price "could be in the process of forming a double-bottom pattern."

Silver price continues rise

For the past three-decades the world has used up more silver than has been mined.

This is due to the fact that no other metal has its combined strength, malleability and ductility, or facilitates electrical and thermal conductivity as well, or can reflect light and endure such extreme temperature changes, according to The Silver Institute.

Uses include silver-coated bearings that are key for the performance and safety of jet engines and silver sulfadiazine for the treatment of severe burns to promote healing and reduce infection.

Silver is also widely used as a chemical catalyst, reflectants, circuitry, superconductors, brazing and soldering.

With the globe's insatiable appetite for new technology, and of course the emerging middle classes, these are some silver companies listed on the ASX.

**Price:** A\$0.18

**Market Cap:** A\$44.07M

### 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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MacPhersons Resources times its run at Nimbus

Now MacPhersons have selected a path forward to extend the life of Nimbus underground through a targeted drill program and the underground geotechnical and mining studies are advancing.

On the drilling to date at Nimbus, continuing to intersect mineralisation, provides strong potential for underground extension.

Drilling to date has all the sulphide lenses open at depth and along strike.

BFS progress

MacPhersons has commenced activities for the BFS providing catalysts for value accretion including:

- Diamond drillcore samples being used for variability testwork sign-off;
- Deep geotechnical studies for Nimbus underground mine design sign-off;
- Commenced Boorara geotechnical design study;
- Near Completion of the Boorara Heap Leach test program; and
- Extensional drilling to extend mine life beyond 5.5 years.
- Diamond drilling continues on schedule for the completion of BFS studies mid-2014.

MacPherson's managing director Morrie Goodz is working feverishly to complete final variability testwork to target the completion of a Feasibility Study in H2 2014.

Which may play well against a backdrop of a stronger silver price. Certainly, recent strength in the price is a step in the right direction.

The ability to fast track the opportunity to process MacPhersons' ore within the MRP business, sets up MacPhersons well with a mill processing and mine assets at the Nimbus silver-gold-zinc mine.

Analysis

There are significant milestones ahead for MRP including the completion of a Feasibility Study in H2 2014, with which to impact share price and market valuation.

MRP is one of few stocks to offer a significant exposure to silver through its high grade (298g/t Ag-Eq) Nimbus silver project. The high grades translate into a projected "all-in" sustaining cost of around \$15/oz silver on a silver equivalent basis, providing a "moat" in times of commodity price volatility.

Certainly, additional diamond drilling should prove up even more metals and resources. With a Market Cap of circa \$44 million, (including cash of \$2.9M at Dec 2013) there is significant upside potential in the share price in 2014 from the current \$0.175.

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