



# MacPhersons Resources

Mar 19<sup>th</sup> 2014

## MacPhersons Resources' drilling finds more success at Nimbus

MacPhersons Resources' (ASX: MRP) diamond drilling has intersected native silver and copper at its Nimbus-Boorara silver-gold-zinc project in Western Australia including a peak of 37,000 grams per tonne silver and 6.6% copper intersection.

Diamond drilling is designed to provide the drillcore samples for testwork to sign off the Bankable Feasibility Study parameters.

Notably, the drilling to extend the life of Nimbus underground has left all sulphide lenses open at depth and along strike.

The peak intersection over 5 centimetre veins were assayed in native silver and copper vein mineralisation intersected in diamond drillhole NBDH011.

New depth extensions to known silver and zinc lodes have also been intersected in NBDH011 and NBDH012, underpinning the company's underground mine model and demonstrating the lens remains open at depth.

Drilling has also intersected a new silver lode between the existing design stopes that form the Ore Reserve.

"Assay results on the first two holes demonstrates the high grade lenses continue at depth as projected with grade and thickness continuing to be open," managing director Morrie Goodz said.

"The intersection a new lens between the two largest designed stopes contributing to the Nimbus ore reserves confirms further support to our continued success of discovery of new massive sulphide lenses at Nimbus.

"Diamond drilling will continue during the June Quarter in line with planned BFS sign-off inputs."

Bankable Feasibility Studies, including diamond drilling, are continuing with completion expected in mid-2014.

Drilling to date continues to hit proposed depth extensions and has all the sulphide lenses open at depth and along strike.

### Drill Results

The diamond drilling program is part of the company's path forward to extend the life of Nimbus underground. Drillcore samples are being collected for testwork to sign off the Bankable Feasibility Study.

Other work includes underground geotechnical and mining studies.

Assays from the first two holes in the drill program include:

- 2 metres at 1,028g/t silver from 180 metres and 22.5 metres at 77g/t silver from 291.5 metres including 3.3 metres at 226g/t silver at NBDH011; and
- 4.4 metres at 110g/t silver from 186 metres, 20 metres at 287g/t silver plus 4.6% zinc from 206 metres and 5.4 metres at 88g/t silver from 260.7 metres at NBDH012.

**Price:** A\$0.19

**Market Cap:** A\$47.85M

### 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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The trace of deep hole NBDH010 is 300 metres forward of the section and up to 600 metres downplunge of the designed stopes, where several zones of silver-zinc and copper-zinc sulphide mineralisation were intersected.

## Nimbus

Nimbus which is located just 10 kilometres east of Kalgoorlie's superpit gold mine, currently hosts an Ore Reserve of 1.126 million tonnes at 297 grams per tonne, or 10.8 million ounces silver equivalent, and a Resource of 4.9 million tonnes at 149g/t, or 23.4 million ounces silver equivalent.

This is calculated to a depth of just 260 metres through drilling has extended mineralisation to a depth of 370 metres, which could increase resources by 40%.

In addition, there a number of lenses at Nimbus where no drilling exists at depth, offering an opportunity for continued resource growth into 2014.

MacPhersons had previously 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 silver 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 existing infrastructure including electricity, gas, water and road infrastructure.

## Analysis

MacPherson Resources' goal of extending the life of Nimbus underground has received support with the initial holes in its diamond drilling program intersecting native silver and copper vein mineralisation that leaves the sulphide lenses open at depth and along strike.

The results will also form a key part of the Bankable Feasibility Study - which provides another share price catalyst for MacPhersons and key news flow - is due to be completed in the middle of 2014.

The BFS itself will be a key driver and is valuation accretive based on the results achieved to date.

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 \$47.85 million, (including cash of \$2.9 million at Dec 2013) there is significant upside potential in the share price in 2014 from the current \$0.19.

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