



MacPhersons Resources

Jun 25th 2014

MacPhersons Resources' Nimbus BFS could drive share price growth

MacPhersons Resources (ASX:MRP) continues to draw closer towards completing a key Bankable Feasibility Study in the third quarter of 2014 for its Nimbus-Boorara silver-gold-zinc project in Western Australia.

This could begin to re-position the company in the market as well as draw investors upon a favourable BFS.

In addition, MacPhersons also expects to sign off this month on the underground mining ground study for the project.

This will come at a good time for the company given that silver prices have reached its highest point since mid-March after rising up to US\$21.14 an ounce.

Nimbus Deposit

Nimbus sits 10 kilometres from Kalgoorlie's superpit gold mine, currently hosts an Ore Reserve of 1.126 million tonnes at 298 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 includes substantial gold and zinc credits.

The project has ready access to infrastructure including gas, power, rail, water, mining engineering services and workforce.

Last month, the company intersected 61 metres of silver-zinc mineralisation with grades up to 550 grams per tonne silver-equivalent.

Preliminary analysis of the NBDH035 hole had returned 18 metres at 227g/t silver-equivalent from 167 metres including 9 metres at 338g/t silver-equivalent from 175 metres; and 26.7 metres at 212g/t silver-equivalent from 188.3 metres including 5.6 metres at 550g/t silver-equivalent from 191.4 metres.

The current Nimbus plant operated from 2003 to 2007 and processed 319,000 tonnes at a head grade of 352 g/t silver to produce 3.6 million ounces.

However, a larger resource needs a larger mill capacity.

A new conventional plant operating on grind-gravity and leach-flotation with stope design of 2 to 20 metres wide is proposed.

This will expanded plant capacity from 160,000 tpa to 480,000 tpa, and a new heap leach plant will bump up leaching capacity to 1 million tpa.

Zinc in High Demand

Zinc has compelling market fundamentals among the base metals. Significant mine closures are expected to result in a deficit in excess of 1 million tonnes in 2017, and China is a growing net importer since 2008.

Price: A\$0.17

Market Cap: A\$42.82M

1 Year Share Price Graph



Share Information

Code: MRP

Listing: ASX

Sector: Gold Mining

Website: 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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Analysis

MRP's market cap of \$37 million, debt free and with \$4 million cash (March 2014 Qtr end) does not appear to factor in any likelihood of higher silver prices. Or upcoming news flow.

Proactive Investors expects final assays from NBDH035 and the upcoming Bankable Feasibility Study to be key share price catalysts.

With gold and silver prices rising, and zinc demand and value stronger than it has been in years, MRP is likely to move on to investor radars.

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