

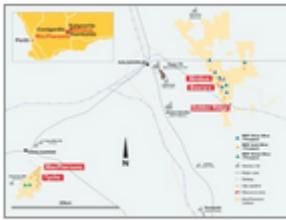
MacPhersons Resources

14th July 2014

MacPhersons Resources lowers OPEX and CAPEX at Nimbus silver-gold-zinc project

Monday, July 14, 2014

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Full results of the BFS are not far away; the early findings are a tasty appetiser with lower OPEX and CAPEX costs for Boorara which would boost operating margins and cash flows while enhancing the ability to attract project financing on reasonable terms.

Price: A\$0.18

Market Cap: A\$45M

MacPhersons Resources' ([ASX: MRP](#)) Nimbus-Boorara silver-gold-zinc project near Kalgoorlie will have lower capital and operating costs than previously estimated according to a new study.

This is according to preliminary findings of the Bankable Feasibility Study ahead of its full release in the September Quarter, 2014.

As MacPhersons managing director **Morrie Goodz** put it: "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," 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."

An upgrade in the JORC Reserve-Resource estimate is also being compiled.

Key preliminary study findings:

- 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

The Bankable Feasibility Study is examining a 4-fold increase in the processing plant capacity.

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MacPhersons' 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.

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.

Analysis

With full results of the BFS not far away, this a tasty appetiser with lower OPEX and CAPEX costs for Boorara which would boost operating margins and cash flows while enhancing the ability to attract project financing on reasonable terms.

There is also an upgrade to the Reserve/Resource estimate in the offing.

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 kilometres east of Kalgoorlie's superpit.

The assets come with an approved site for ore processing. The BFS is examining a 4-fold increase in the processing plant capacity.

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