



MacPhersons Resources

Feb 2nd 2015

MacPhersons Resources: Nimbus Definitive Feasibility on-track for June

MacPhersons Resources (ASX:MRP) delivered further substantial progress in the three months ending December 2014 towards developing the company's flagship Nimbus-Boorara silver-gold-zinc project near Kalgoorlie.

The Nimbus-Boorara mine study review expected to extend the mine inventory estimate beyond the current 5.5 year plan is scheduled for release in April 2015 and will be the final input into the DFS.

The project is located in an infrastructure rich area just 10 kilometres east of the Kalgoorlie Superpit.

MacPhersons is then on track to deliver the Definitive Feasibility Study (DFS) on the project by June this year.

Price assumptions used in DFS all at or below current spot prices, including zinc price assumption of US\$2218/t well below forecasts of global banks such as Goldman Sachs and Macquarie

With gold around AUD\$1600/oz and silver above AUD\$23/oz, Nimbus is emerging as a very attractive project.

The company remains on schedule to commission the project in the December quarter 2016.

Morrie Goodz, managing director, said it was increasingly clear that Nimbus-Boorara was a robust project from both a technical and financial perspective

"We are well on track to meet our timetables, costs are continuing to fall, prices for our metals are moving favourably for us and the lower Australian dollar is also providing a significant boost.

"We continue to identify opportunities to cut costs further and add to the overall conversion of resource to reserve inventory.

"The completion of the DFS is on schedule for mid-2015 and will facilitate MacPhersons' ability to remain on track to secure project finance, and then commence the new expanded mill construction."

Other December quarter 2014 highlights:

MacPhersons recorded a series of high-grade drilling intersections which extended the known limits of the mineralization at the project. This data will be included in the Resource Estimate being now calculated by CSA Global in its role as Independent Resource Consultants.

MacPhersons expects that this estimate will result in an increased inventory and an extension to the project's current 5.5-year mine life when it is released in April this year.

Preliminary findings from the DFS highlighted opportunities to continue to reduce both capital and operating costs and work is ongoing to identify further cost-cuts.

Price: A\$0.155

Market Cap: A\$48.761M

1 Year Share Price Graph



Share Information

Code: MRP

Listing: ASX

Sector: General 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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Technical studies to define DFS input parameters have advanced with the completion of drilling programs, sampling and testwork.

Geotechnical studies on underground access were completed on stope recovery, ground control, ventilation and egress shaft proposals.

At the same time, advanced underground mine studies including decline and stope design, minimum mining width, cut-off grades and NSR block modelling are underway.

Permitting was received from the WA Department of Environment Regulation to expand the Nimbus silver-gold-zinc processing capacity to 480,000tpa from the current permitting of 120,000tpa.

Analysis

MacPhersons Resources is set to deliver key milestone announcements in the near term from Nimbus-Boorara, including:

Key catalysts:

- Further drill results expected: February 2015
- Nimbus-Boorara mine study review: April 2015
- Definitive Feasibility Study: June 2015

Success in growing the Nimbus inventory should extend the project's forecast mine life beyond 5.5 years, along with reductions in mining and processing costs. In turn this would deliver significant benefits to the project's overall economics, including shareholder returns.

With gold around AUD\$1600/oz and silver above AUD\$23/oz, along with widespread forecast rises in the zinc price, Nimbus is emerging as a very attractive project.

The company had over \$4.7 million in cash at the end of December 2014.

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