

Kalgoorlie Miner

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HD Miner's underway at HBJ
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Metals X will resurrect the HBJ mine at its South Kalgoorlie **operations** this year, chief executive Peter Cook revealed yesterday as the **gold** miner locked away a \$10 **million acquisition** in the Murchison.

In a case of **Chinese** whispers, Middle Kingdom-backed Norton **Gold** Fields and Hanking **Gold Mining** were yesterday touted as the unnamed party which lodged an 11th hour bid for Reed Resources' Meekatharra assets.

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The left-field play forced Metals X to lift its cash and scrip offer from \$7.7 **million** to \$10 **million**.

"To try and scuttle a deal at five minutes to midnight like that off the back of our work is scurrilous and underhanded," Mr Cook said.

Norton boss Dianmin Chen yesterday denied the **company** was behind the bid.

Metals X will pay Ferrier Hodgson, as administrator for collapsed Reed subsidiary GMK Exploration, \$9.4 **million** cash and return 24 **million** Reed shares worth \$600,000.

The **acquisition** should settle next week, handing Metals X control of 1.8 **million** ounces of **gold** reserves, a 2.5Mtpa Bluebird mill and a 200-person camp as it strives to start production next year.

Mr Cook said the **purchase** price remained "astounding value".

"Our focus is to build a number of underground mines in the region and we still believe we can be in production next year," he said.

Mr Cook also revealed work was well advanced on an underground mine at HBJ — short for Hampton-Boulder-Jubilee, which has been mined on and off as an open pit for the past three decades.

Dewatering has begun and **mining** should start later this year, creating up to 100 jobs in a boost for the Goldfields economy.

"We certainly expect to start this year, and next year will be mainly ramp-up, but we will be producing from the mine," Mr Cook said.

Meanwhile, Reed chairman and former Goldfields stockbroker David Reed said selling off the **company's gold** assets would shift the focus onto developing the Mt Marion lithium project, 40km south-west of Kalgoorlie-Boulder.

The Meekatharra **sale** will settle around the same time as Reed offloads its Comet Vale **gold** project for \$2 **million** to private investors from Perth.

Growth in the lithium battery market is expected to be driven by the electric vehicle industry and **energy** storage applications.

Reed Industrial Minerals, a subsidiary 30 per cent-owned by **iron ore** miner Mineral Resources, this year commissioned a semi-pilot lithium plant in the US.

Test work should finish in the June quarter and could **lead** to the design of a processing facility.

"The lithium project is going really well, we think that will probably be the first operation we get once we have divested ourselves of all our **gold** projects," Mr Reed said.

"We are hopeful in the next 12 months we could have an operation there."

CO	ferhod : Ferrier Hodgson & Company nogofe : Norton Gold Fields Ltd
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