



Display Options ▼

+ Related Dow Jones Intelligent Indexing™

Listen to Article | Translate Article | Share

SE WestReg  
 HD Miner's underway at HBJ

AU Jarrod Lucas  
 BY Jarrod Lucas  
 WC 483 words  
 PD 14 June 2014  
 SN [Kalgoorlie Miner](#)  
 SC KALGOO  
 ED First  
 PG 1  
 LA English  
 CY (c) 2014 West Australian Newspapers Limited

LP 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.

TD 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

IN i2112 : Silver Ore Mining | i211 : Metal Ore Mining | igoldm : Gold Ore Mining | ibasicm : Basic Materials/Resources | imet : Mining/Quarrying | i836 : Accounting | iacc : Accounting/Consulting | ibcs : Business/Consumer Services

NS ccat : Corporate/Industrial News

RE waustr : Western Australia | apacz : Asia Pacific | ausnz : Australia/Oceania | austr : Australia

PUB West Australian Newspapers Limited

AN Document KALGOO0020140613ea6e0000i