

# Kalgoorlie Miner

SE WestReg  
HD **Merchant lifts MacPhersons stake**  
BY Jarrod Lucas  
WC 502 words  
PD 29 July 2014  
SN Kalgoorlie Miner  
SC KALGOO  
ED First  
PG 3  
LA English  
CY (c) 2014 West Australian Newspapers Limited  
LP

Orion Mine Finance will lift its **stake** in Kalgoorlie-based MacPhersons Resources to 19.9 per cent as part of a \$10.4 **million** capital raising, bringing the Nimbus polymetallic mine closer to production.

The New York-headquartered metal merchant, formerly known as Red Kite, will subscribe for up to \$6.5 **million** worth of MacPhersons shares.

TD

MacPhersons chairman Ashok Parekh is also putting his money where his mouth is by subscribing for up to \$1 **million** in the 16 cents-a-share placement.

Mr Parekh's **stake** in MacPhersons will grow to 12 per cent, making the well-known accountant and Palace Hotel owner the **company's** second-biggest shareholder behind Orion.

He said in-fill and mine plan extensional drilling at Nimbus, 10km east of Kalgoorlie-Boulder, was "delivering exciting results".

"As chairman I am very confident of the direction we are heading in," he said.

The bulk of the funds will go towards completing MacPhersons' long-awaited bankable feasibility study for Nimbus, which started last November.

The results are expected in the December quarter when an investment decision on a new silver, **gold** and zinc **mining** operation will likely be made.

"It will be roughly 12 months once we decide to turn the key, so it's very exciting times," MacPhersons managing director Morrie Goodz said.

"Hopefully we will be commissioning our plant late next year.

"The industry as a whole is on the improve — I think we've seen the bottom of the cycle last year."

Last year's market malaise prompted MacPhersons to move away from a proposed "Silver Super Pit", and instead develop an underground operation.

The new plan is to start **mining** the existing East Pit at Nimbus before moving to an underground operation after eight months of **mining**.

The adjacent West Pit will head underground after 20 months, and, as the Nimbus fleet becomes available, **mining** at the Boorara **gold** mine about 2km away will be run in parallel with Nimbus.

Nimbus has silver reserves of 10.8 **million** ounces of silver and 31,000 tonnes of zinc.

Mr Goodz said the zinc component will become increasingly important as mine closures are expected to result in a deficit in excess of one-million tonnes in 2017.

Nimbus would be WA's third producing zinc mine behind Independence Group's Jaguar operations near Leonora and Chinese-controlled MMG's Golden Grove mine near Mt Magnet.

MMG's Century mine in north-west Queensland, Australia's largest open-cut zinc mine, is scheduled to close next year.

"The zinc market is up nearly 20 per cent this year and demand is expected to increase over the next couple of years, so zinc becomes a very important part of the project moving forward," Mr Goodz said.

"There are some suggestions zinc could be \$US3000 a tonne by 2016.

"It has the potential to double the revenue on what we've previously modelled."

Zinc was trading at \$US2406 a tonne yesterday.

<b>CO</b>	mcprwg : MacPhersons Resources Limited
<b>IN</b>	i211 : Metal Ore Mining   ibasicm : Basic Materials/Resources   imet : Mining/Quarrying   igoldm : Gold Ore Mining
<b>NS</b>	mnonfr : Non-ferrous Metals   m14 : Commodity Markets   m142 : Metals Markets   mcat : Commodity/Financial Market News   ncat : Content Types   nfact : Factiva Filters   nfce : FC&E Exclusion Filter
<b>RE</b>	waustr : Western Australia   apacz : Asia Pacific   ausnz : Australia/Oceania   austr : Australia
<b>PUB</b>	West Australian Newspapers Limited
<b>AN</b>	Document KALGOO0020140728ea7t0000g