Nimbus Operations Team in Place

Highlights:

- Key operations team members added to the highly successful exploration and planning team;
- Experienced leadership with 70 years combined gold and silver-zinc-lead experience;

The Directors of MacPhersons Resources Limited (ASX: MRP) are pleased to announce the addition of an Operations Manager and Senior Mining Engineer to its mine team at its 100 per cent owned Nimbus Silver-Zinc-Gold Project located 10km east of Kalgoorlie’s Super Pit gold mine.

The team will be headed by Operations Manager, Randell Ford, an experienced mining engineer with a First Class Mine Managers accreditation who will also act as the site Registered Manager. He will be supported by Senior Mining Engineer, Ian Paynter, a qualified Quarry Manager, who will also act as Alternate Manager.

Randell Ford has 34 years’ industry experience including 27 years in the WA Goldfields managing gold and nickel operations. He previously spent seven years developing his career in the silver-zinc-lead mines of Broken Hill, NSW.

Mr Ford has held senior management and planning roles at the South Kalgoorlie, Black Swan, Thunderbox, Mt Pleasant, Carosue Dam, Wannaway, Ora Banda, New Celebration, Paddington, Tower Hill and Broken Hill mines, and comes to MacPhersons from his current role with Alacer Gold’s South Kalgoorlie Operations.

Ian Paynter has 36 years’ industry experience including 26 years carrying out various management, planning and design roles for gold operations in the WA Goldfields. He spent more than 10 years at the copper-zinc-lead-silver-gold mines at Woodlawn, NSW.

Mr Paynter has been in charge of senior design and planning roles at the Paddington, St Ives, Wiluna, Mt Magnet, Binduli, Mt Monger and Woodlawn mines and comes to MacPhersons from his current role with Norton Goldfields’ Paddington/Binduli operations.

This is a significant milestone for MacPhersons Resources as the Company prepares the Nimbus project for production in 2014. When mining begins next year, the two existing pits at Nimbus, the East Pit and the Discovery Pit, will be transformed into a single Silver Superpit. Spanning 900m in length and 500m wide, the current pit design shell will recover the deep silver and zinc mineralisation in addition to exposing the western domain and the new gold zone discovered in 2012.

Nimbus Road to Production:

- 2013 Drilling of Boorara Gold, Nimbus Deeps, Brindabella silver-zinc-copper projects
- 2013 Delivery of long lead items for plant construction
- 2014 FH Commission new 480,000tpa Merrill Crowe plant
- 2014 FH Pit cutbacks and tailings processing
- 2014 FH Commence Mining at Nimbus

MacPhersons Resources Managing Director Morrie Goodz commented:

“The addition of experienced, high calibre operational and planning engineers with a proven track record delivers a solid team as we move forward to production,” Mr Goodz said.

“Not only are these guys experienced within the gold, nickel and base metals production and mine design, but they come with a background of silver-zinc-massive sulphide mining and understand where we want to take MacPhersons Resources.”
Figure 1 – shows the site location 10km east of Kalgoorlie’s superpit.

Figure 2 – Close-up of Nimbus Mill site showing the existing Discovery and East Pits and proposed optimised pit shell 59 (blue).
Figure 3 – Longsection view of insitu mineralisation blocks showing the existing Discovery and East Pits, and the open end nature of the multiple oxide silver and massive sulphide lenses.

Figure 4 – Longsection view of insitu mineralisation blocks showing the new proposed Silver Superpit and the existing Discovery and East Pits. The key point illustrated is that the edge of the proposed superpit boundary is limited by existing drilling and remains open to expansion in further modelling.
Figure 5 – Year 1 Oxide Silver Pits shown in white outline over longitudinal view of in situ mineralisation blocks (blue) showing the new proposed Silver Superpit and the existing Discovery and East Pits. The key point illustrated is that the focus of the cutbacks in Year 1 would be to mine the oxide silver mineralisation to process through the Merrill-Crowe plant after commissioning in FH 2014.

Primary sulphide mineralisation will transition into the operations in Year 2 with the introduction of a sulphide flotation circuit. Documentation with bench by bench mining schedules has been prepared for mining contractors to prepare tenders for the mining operations. The review by mining contractors will commence this month with tender submissions closing next month.

Figure 6 – Preliminary mill circuit schematic.
Historical Overview

Nimbus silver mine operated from 2003 to 2007, producing 3.6 million ounces of silver at an average grade of 352g/t silver (11.7 oz/t).

- Nimbus Statistics (2007):
  - Tonnes Processed: 318,992 tonnes
  - Average Grade: 352g/t silver
  - Production: 3.616 Million ounces of silver
  - Operating Cost: $ 6.54 / ounce
  - Average Price: $ 9.07 / ounce
  - Current Price: $ 32 - $ 37 / ounce silver (30 day range)

- Nimbus had various additional silver and polymetallic deposits in the advanced stages of exploration.

A review of the historical project economics has shown that the cost curve from 2007 has remained relatively flat, whilst the silver sale price is 400% of that obtained by the operations.

To maintain lower costs, in 2011, MacPhersons completed the construction of a 5.5km HV electricity line to connect the Nimbus mill to the state electricity grid, which would reduce 2007 costs where power was from diesel generation.

In late 2011, MacPhersons commenced a diamond drilling program to test a multi-million ounce exploration target associated with up to nine VHMS massive sulphide lenses. Targets include various silver, silver-gold, silver-zinc-gold-lead deposits and the Boorara Shear Zone which includes several gold deposits at Boorara and Nimbus.

The Directors have included the following extracts as an overview of the current project status. Recent diamond drilling has defined additional thickness and continuity of the silver (Ag) bearing VHMS zones, and the extension of mineralisation between the Discovery and East Pits. This mineralisation is associated with large haloes of disseminated sulphides carrying in excess of 12g/t Ag as background.

Figure 7 – Greater than 1000 g/m silver equivalent intersections within massive sulphides showing greater than 12g/t silver halo.
There are several zones of high grade polymetallic mineralisation which have been reported in detail in recent ASX reports (see MacPhersons website: http://www.mrpresources.com.au/). A summary of the results from drillhole NBDH024 massive sulphide zone which intersected a downhole thickness of 17.4m are:

- 860g/t silver (27.6 ounces/tonne);
- 16.6% zinc
- 3.5% lead
- 0.3g/t gold

This included a central 7m portion (see Photo (Figure 3) below) with an average assay of:

- 1660g/t silver (53.4 ounces/tonne);
- 31.1% zinc
- 6.9% lead
- Individual metre thick samples assay up to 3270g/t silver and 41.1% zinc (see Table 2).
- This VHMS mineralisation is intersected from 20m to 70m below the existing Discovery Pit floor.

Figure 8 – Greater than 2000g/t silver intersections within massive sulphides grading in excess of 40% zinc and 14% lead (portion of NBDH024 intersection between 160-165m depth).
Figure 9 – View of Nimbus Silver Mine, current mill processing site and East Pit TSF showing recent diamond drillhole collars.

For more information on MacPhersons Resources Limited and to subscribe for regular updates, please visit our website at: www.mrpresources.com.au or contact our Kalgoorlie office.

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About MacPhersons

MacPhersons Resources Ltd (MRP) is a Western Australian resource company with a number of advanced gold, silver and zinc exploration projects.

The Company’s 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 strike length, respectively, including the Nimbus silver-gold-zinc mine and the namesake MacPhersons open cut gold mine.

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 km east of Kalgoorlie’s superpit. The assets come with an approved site for ore processing.

The assets have advanced exploration targets adjacent to and beneath 10 existing open cuts and with multiple polymetallic VHMS deposits carrying silver-gold-zinc-lead-copper mineralisation, and new greenfields discoveries.

Figure 10 – Location of the Nimbus processing facility and silver mines, Boorara gold-silver-zinc projects, the MacPhersons Reward gold mine and Tycho gold project at Coolgardie.

Competent Person’s Statement

The information in this report that relates to mineral resources and exploration results is based on information compiled by Mr Morrie Goodz who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Morrie Goodz is a full time officer of MacPhersons Resources Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Goodz has given his consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.