



Mediaportal Report

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► **PETER KLINGER**

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By: Peter Klinger

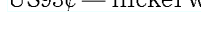
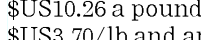
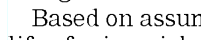
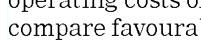
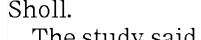
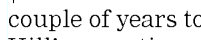
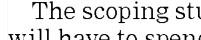
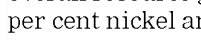
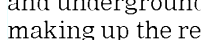
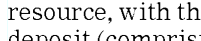
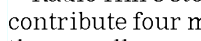
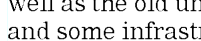
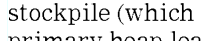
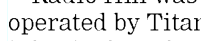
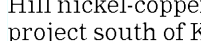
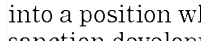
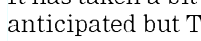
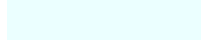
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Fox moves a step closer to start-up of Radio Hill project



PETER KLINGER

It has taken a bit longer than anticipated but Terry Streeter's Fox Resources is finally getting into a position where it can sanction development of the Radio Hill nickel-copper heap-leaching project south of Karratha.

Radio Hill was previously operated by Titan Resources. Fox inherited a substantial ore stockpile (which will be the primary heap-leaching target) as well as the old underground mine and some infrastructure.

Radio Hill's stockpile and mine contribute four million tonnes to the overall 12.9mt project resource, with the nearby Sholl deposit (comprising both open pit and underground potential) making up the remainder. The overall resource grades are 0.51 per cent nickel and 0.71 per cent copper.

The scoping study says Fox will have to spend \$25 million to begin heap-leaching the stock piles at Radio Hill. A further \$37.5 million will be needed in a couple of years to expand Radio Hill's operations and incorporate Sholl.

The study said leaching operating costs of \$97 a tonne compare favourably to \$124/t using a concentrator.

Based on assumptions of a life-of-mine nickel price of \$US10.26 a pound, copper at \$US3.70/lb and an Aussie dollar at US93¢ — nickel was worth

\$US11.78/lb on Friday night, copper \$US4.35/lb and the dollar about US99¢ — Fox says Radio Hill should generate \$867 million in revenue over nine years and a 39 per cent internal rate of return.

The margin between assumed and current metal prices is modest. But then metal prices have taken a dive since Japan's earthquake-tsunami disaster and most pundits believe the Asian country's reconstruction will put a rocket under metals prices.

Fox has begun work on funding options for Radio Hill, gathering all the necessary approvals while concluding process optimisation work, and continuing dewatering of the underground mine.

- Gold Road Resources has given investors first evidence of the potential of its Central Bore deposit in the north-eastern Goldfields by declaring a maiden resource of 150,300 ounces.

The figure, the most anticipated in WA bullion circles since Doray Minerals reported a maiden resource for its Andy Well project north of Meekatharra last month, was based on measured, indicated and inferred resources of 595,000t grading 7.9 grams per tonne gold.

It is the culmination of an aggressive drilling program by Gold Road that delivered several high-grade gold intercepts and excited the market.

The first-up resource for Central Bore, 150km east of Laverton, is based on drilling to a depth of 400m but Gold Road reckons the gold runs deeper.

Gold Road's shares ended the week at 42¢, having run from below 10¢ in September before first results from Central Bore got investors thinking.

✉ peter.klinger@wanews.com.au