

## Funding to unlock production hub

**R**esource and Investment NL (RNI) could begin gold production at the Grosvenor and Peak Hill projects in the Byrah Basin within eight months of securing the required finance.

RNI has stepped up negotiations with potential funding partners after feasibility studies found only \$3.8 million was needed to restart the existing 1 mtpa CIL processing plant at Grosvenor, about 170km north-west of Meekatharra.

The studies also found an initial eight-year mine plan for the 2 moz Grosvenor-Peak Hill operation would yield an EBITDA of \$260 million for the production of 545,000oz gold at cash costs of \$US1,075/oz.

RNI has spent most of the past two years refurbishing the former Fortnum gold plant to a point where little extra cash and time is needed to restore it to an operational state.

The company is looking to heap leach ore from Grosvenor about 10 months after the restart of the CIL operation and both operations would then run parallel to one another.

RNI executive chairman Miles Kennedy told **Paydirt's** Gold Conference his company was in the closing stages of securing vital project finance.

"I hope that will be concluded before the

end of this financial year and we will be in full production within a period of 7-8 months after the implementation of the project funding," Kennedy said.

"All approvals to operate this gold mine and plant are in place and we are currently finalising various mining tenders [including power, explosives and chemicals] for this particular environment.

"The gold plant is strategically located and could become a regional gold production hub."

The Grosvenor gold plant will also be used to aid heap leach production at the nearby Peak Hill project and is scheduled for 2019, subject to funding and permitting approvals.

An extensive 18-month heap leaching trial was recently completed by independent Metallurgical Operations Pty Ltd and Kennedy said everyone was very pleased with the results.

"The IMO guys will tell you that in their history of heap leaching on South Australian projects, they have never seen such results as good as the ones yielded from heap leaching



Miles Kennedy

at the Grosvenor project," Kennedy said.

RNI has forecast a throughput of just under 11,000t @ 1.82 g/t gold with 85% recovery over the life of mine. The company's project financial model assumes a gold price of \$1,450/oz up to December 2015 and \$1,400/oz thereafter.

Pre-production capital is \$35 million, but a further \$67.1 million sustaining and expansion capital is needed thereafter.

RNI is also exploring copper targets in the Byrah Basin and recently reported the highest copper grades found in that field since Sandfire Resources NL discovered the DeGrussa copper-gold mine.

The company's tenement package includes about 120km of VHMS contact zones, however RNI will initially target an 8km trend where grades of up to 13.8% copper have been intersected. Priority drilling and exploration programmes were due to start at the time of print.

– Michael Washbourne