

# The Mount Morgan Mine Project

Norton will build a tailings project at Mount Morgan to initially produce 35,000 oz pa of gold over 12 years.

And we plan is to extend the project to produce 200,000 tonnes pa of pyrite and 1,000 tonnes pa of copper in concentrate.

The Project has board and all requisite approvals subject to funding. Norton sees opportunities to get the project away soon and plans to have it in production within 12 months of project go ahead.

## Background

Norton acquired the Project in late 2007, completed a detailed feasibility study, and has refurbished the Kundana plant for relocation to Mount Morgan in support of the Project.



*Kundana Plant*

Mount Morgan was discovered in 1882 and mined for over 100 years to produce 8 million oz of gold and 345,000 tonnes of copper. From 1981 until 1991, a re-treatment operation processed 28 Mt of tailings before closing due to low gold prices and high reagent costs.

Thirty mining leases cover 677 hectares.

## The project is in two stages

Stage 1: Relocate and reassemble the Kundana Plant on site with minimal re-engineering but allow for subsequent optimisation and expansion.

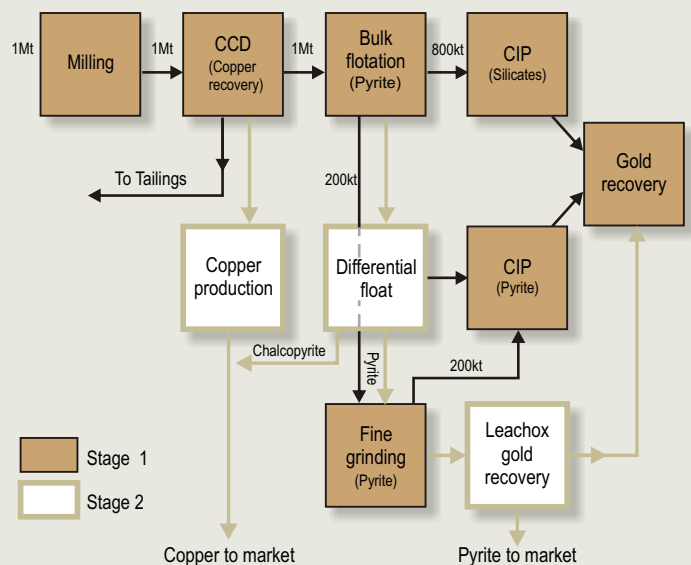
The plant draws on well defined tailings and other stockpiles established over 100 years of mining. Ore is milled, soluble copper is separated and then pyrite by flotation. Gold recovery is via a twin-stream (pyrite, float tails) conventional carbon-in-pulp circuit.

Stage 1 will process 1 Mtpa to deliver 35,000 oz pa of gold for a total operating cash cost of less than A\$650 per oz. The budgeted capital investment is \$31.7 million.

A series of optimisation initiatives are planned to lift recovery and reduce operating costs.

Stage 2: Add extraction, cleaning and drying circuits to produce pyrite and copper.

The target market for pyrite is Asia which imports five million tonnes pa from Europe. There is significant interest from potential off-takers. Off-take agreements are anticipated once Stage 1 is in operation.



*Plant Flowsheet*

## Resources and mineral inventory

The 12-year project life is based on a mineral inventory of more than 40 million tonnes including a JORC Code-compliant Inferred Resource of 4 million tonnes.

RESOURCES	Tonnes ('000s)	Gold (g/t)	Copper (%)	Sulphur (%)	Iron (%)
<b>Tailings (JORC)</b>	<b>3,970</b>	<b>1.57</b>	<b>0.17</b>	<b>10.69</b>	<b>11.72</b>
<i>Other:</i>					
Tailings & dumps <sup>1</sup>	5,684	1.13	0.13	12	12
<b>Total tailings &amp; dumps</b>	<b>9,654</b>	<b>1.31</b>	<b>0.15</b>	<b>11.46</b>	<b>11.88</b>
Slag	6,000	1.0	0.43	1.33	24
Open pit tailings (re-treated by Perilya)	28,000	0.52	0.09	11	12
<b>GRAND TOTAL</b>	<b>43,654</b>	<b>0.78</b>	<b>0.15</b>	<b>9.69</b>	<b>13.73</b>

<sup>1</sup> copper, sulphur & iron inferred



Sources of mill feed

## Operations

Mining will be by conventional truck and loader. Services and infrastructure for the site are largely in place. Processed tailings will be stored in a new Sandstone Gully tailings dam.

## Project management

Norton has appointed an experienced project manager and secured the services of three companies with significant experience in process plant construction and refurbishment.

A core operations team has been formed and is involved with project design and setup.

## Future developments

The Mount Morgan Mine Project is a significant development project for Norton.

It will be a showcase of the Company's technical capability to design, build and bring into operation a development project while working effectively with key stakeholders in an environmentally sensitive location.

## Environment, community and heritage

The proposed development and operations will assist in rehabilitation of the site. Importantly, the Queensland Government retains liability for environmental rehabilitation arising from previous mining activities.

The Project is adjacent to the town of Mount Morgan, 36 kilometres south-west of Rockhampton, Queensland.

Mining is central to the area's history. The Project will deliver significant benefits to the local economy and provide employment opportunities and increased opportunities for small business.

It is expected to create 50 direct and 200 indirect jobs.



Location map