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## Cape Lambert adds Queensland copper to its portfolio

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Mineweb reported that Cape Lambert Iron Ore confirmed that it has picked up the Leichhardt copper project in North West Queensland.

Leichhardt was owned by Matrix Metals which went into external administration late 2008.

Cape Lambert will pay AUD 8.5 million for the process plant and tenements and Mr Sage said that this acquisition was part of Cape Lambert's strategy of investing in undervalued or distressed assets or companies. The Leichhardt plant has a capacity of producing 9,000 tonnes per annum of copper cathode.

Mr Sage who is chairman of Cape Lambert said that "We feel the consideration paid for this asset represents replacement value for the recently upgraded plant and does not include the considerable upside we think can be generated from the prospective land package."

The project is at Mount Cuthbert, about 100 kilometers north east of Mt Isa in the highly prospective Mt Isa Inlier, and takes in 800 square kilometers of granted tenements, as well as a further 600 square kilometers of tenement applications. The established Mount Watson oxide, open pit was about 30 kilometers north of the Leichhardt plant.

Matrix had begun copper cathode production in June 2007 and in the 2008 financial year, copper sales were 4,656 tonnes at a cash cost of USD 2.24 per pound. At the end of 2007 Matrix decided to increase installed capacity from 5,500 tonne per annum of copper cathode to 9,000 tonne per annum and this was completed in September 2008.

The Leichhardt Copper operations are currently on care and maintenance. Cape Lambert plans to start a systematic evaluation of the exploration dataset, with the objective of defining drill targets and starting drilling to define additional oxide copper inventory.

(Sourced from Mineweb)

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