
Heron nickel project to cost USD 1.2 billion

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A scoping study into Perth based Heron Resources Limited's Yerilla operation, which includes the Jump up Dam project, has estimated a capital cost of USD 1.2 billion with a payback period of 6 and a half years. The study calculated that over an 18 year mine life, the operation, which also includes the Boyce Creek and Aubils projects, will produce 21,000 tonnes of nickel and 1400 tonnes of cobalt each year.

The study was based on a resource of 135.3 million tonnes of ore grading at 0.77% of nickel and 0.05% of cobalt. Cash operating costs have been estimated at USD 5.70 per pound of payable nickel. The study used an average nickel price of USD 9 per pound and an Australian to US dollar exchange rate of 75 cents.

The Yerilla project will use atmospheric leach technology, a quicker process used to extract nickel compared to the heap leach technology which Heron was previously looking into for its Jump up Dam project. Escalating capital costs and market volatility forced Heron to place its heap leach demonstration plant on care and maintenance earlier this year.

Heron is using BHP Billiton's patented atmospheric leach technology through a technology share agreement. Heron Resources Limited is pleased to announce positive results from the Scoping Study for its Yerilla Project located some 150 kilometers north east of Kalgoorlie in Western Australia. Heron has been able to deliver on its commitment to complete this scoping study on time and within budget because of the quality of the project assets and Heron's in house project team.

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