

SUBSCRIBE HERE!

Wednesday February 6, 2008

Search Archives

[Current Issue](#)

[Special Reports](#)

[For the Record](#)

[Subscriptions](#)

[8 Week Free Trial](#)  
[Free Daily Business Alerts](#)  
[Subscription Packages](#)  
[Change Details](#)  
[Reader Statistics](#)  
[Article/Photo Reprints](#)

[WABN Events](#)

[40Under40](#)  
[Success & Leadership](#)  
[Rising Stars](#)  
[Verne Harnish Seminar](#)  
[Attendee names](#)

[Archive Search](#)

[Advertise](#)

[About WABN](#)

[BN Design](#)

[Book of Lists](#)

[Business Tools](#)

[Diary Planner](#)

[Job Search](#)

[Contact Us](#)

**THE ALLIANCE**  
OF AREA BUSINESS PUBLICATIONS

## Nickelore says heap leach project on track

5-February-08 by Jenelle Carter



**Daily alerts in your inbox**

Perth-based nickel company Nickelore Ltd says the decision by Heron Resources Ltd to defer its Jump-Up Dam heap leach nickel project last month due to rising costs, did not have any "technical or practical implications" for Nickelore.

Nickelore's assurance follows the cancellation of its \$18.3 million non-renounceable rights issue last week, due to stock market volatility. Funds raised from the issue were intended for use at its Canegrass Nickel Cobalt heap leach scoping study in the north eastern Goldfields.

Nickelore, which changed its name from Halcyon Group Ltd in early December, commenced its study in October 2007, and expects to complete it by the end of March 2008.

Heron placed its heap leach operation on care and maintenance on January 25, after results of a pre-feasibility study concluded the process did not make an adequate return on investment on the back of rising costs. The company is now considering using atmospheric leach technology.

Updating the market on the progress of its heap leach study today, Nickelore managing director Iggy Tan said different nickel laterite ore behaved differently under heap leach conditions, and its own Canegrass ore was of a type that consumed little acid which translated to cost savings.

"The Canegrass ore is predominantly a siliceous type ore (containing 50-75 per cent silica) with less clay and iron content than some other ores in the region. This silica component consumes little acid contributing to significant savings on acid consumption," Mr Tan said.

"Acid consumption is the key economic driver of the project, representing approximately 35 per cent of production and consumable costs. Subsequent neutralisation represents an additional 40 per cent. This means that around 75 per cent of the total production and consumable costs are related to ore acid consumption."

Mr Tan said initial cost estimates of between \$600 million and \$700 million for the study, were in line with company expectations.

"The preliminary conceptual financial modelling on the heap leach plant shows a robust project at a long term nickel price of US\$18,600/tonne (current price US\$27,500/t) generating in excess of A\$100 million net cash per annum (before tax). At a nickel price of US\$22,000/tonne, net cash for the project is in excess of A\$180 million per annum (before tax)," he said.

"If results continue to be positive, the company plans to move into the pre-feasibility phase and commit to the demonstration plant."

Mr Tan said the company expected to place orders for long lead items for the demonstration plant in early Q2 2008, and for construction to occur during Q4 2008 with the demonstration plant fully operational in early 2009.

### Latest News

[Wall St hammered as survey points to US recession](#) - 06 Feb, 07:59am

[BHP offers 3.4 of its shares for each Rio Tinto share](#) - 06 Feb, 07:47am

[Today's Business Headlines](#) - 06 Feb, 06:55am

[Nickelore says heap leach project on track](#) - 05 Feb, 15:50pm



THE UNIVERSITY OF  
WESTERN AUSTRALIA

Business School

Cargo Force

