

Cazaly in Parker sale deal

Kalgoorlie Miner 13 Jun 2019 +1 more

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The Nathan McMahon-led company announced on Tuesday it had drafted an agreement to sell the project, in the Yilgarn region near Marvel Loch, to Yuzheng Xie's Gold Valley Group for \$13 million plus a royalty.

Parker Range is considered the deposit closest to development in the region, with full State environmental approval to develop the 4.2 million-tonnes-a-year direct shipping ore proposal until 2022.

The economics of Parker Ridge have improved because of surging iron ore prices and excess capacity at the port of Esperance after Mineral Resources restarted mining at Koolyanobbing late last year, shipping ore at half the annual rate of its predecessor Cleveland-Cliffs.

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Cazaly will also be paid a royalty of between 50¢ and \$1 a tonne.

Mr McMahon said the agreement realised some immediate value from Parker Range in an iron ore market that had recently shown signs of recovery.

"The people we dealt with have very good mining experience, they've got a stronger balance sheet, they've got marketing experience, so overall it's a very good fit," he said.

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Resource drilling at Cazaly Resources' Parker Range project. Stuart McKinnon