

## Overland Resources

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THIS ZINC explorer is focusing on its Yukon base metals project in Canada, where it has found two zinc deposits and is looking for more.

The Andrew and Darcy zinc discoveries there have about 9 million tonnes of material at a grade of more than 6 per cent zinc. The current resource should be amenable to open-pit mining, which is less expensive than underground mining.

Overland Resources started a bankable feasibility study in the March quarter after a pre-feasibility study showed the project would cost \$63 million to build and produce \$174 million in undiscounted cash flow at a zinc price of \$US1 a pound (0.45 kilograms).

The cost of production was estimated at US36¢ a pound. The feasibility study is due to be completed early next year. Macquarie Group (MQG) is Overland's largest shareholder with a 16.1 per cent stake, while Swiss metals trader Glencore has a 14.8 per cent stake and marketing rights for future production from the project. Development of the scheme has community and government support, according to the company, which aims to bring the mine into production in 2013 or 2014.

Overland's managing director is Hugh Bresser, a geologist with an MBA who spent 10 years with BHP Billiton (BHP), after working with several other miners. At last count Overland had about \$7 million in cash, which management says should be sufficient to complete the bankable feasibility study.

### Si view

Analysts are forecasting an improving medium-term outlook for zinc, and this speculative play could be well positioned to take advantage.

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