

Cyprium signs Macmahon for Nifty copper study

Life-of-mine, whole-of-site strategic alliance mooted to restart mothballed mine

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Cyprium Metals has inked a non-binding heads of agreement with ASX-listed Macmahon that could see the mining contractor support a bankable feasibility study for a restart of the brownfields Nifty copper mine's concentrator in return for a long-term involvement.

Cyprium executive chair Matt Fifield said Macmahon's involvement at an early stage of the BFS would allow his company to accelerate work, while positioning the contractor to enjoy a life-of-mine, whole-of site strategic alliance at the mining complex in Western Australia's Paterson province.

"On an execution lens, this is what we wanted to do, and Macmahon believes in the project," he said.

Fifield told MNN that Macmahon already had a presence at the nearby Telfer mine and was comfortable moving some 50-60 million tonnes per annum as Cyprium looked to restart open pit mining and operate over voids created during the underground mining era.

Fifield said restarting the SXEW plant and producing copper cathode this year from existing heap leach pads, before copper concentrate output resumed in 2027, was still very possible.

Macmahon will initially take the lead under an early contractor involvement agreement, studying the needs of the project, plant refurbishment options, and early revenue opportunities.

Cyprium is aiming to leverage the existing plant to undertake a restart following November's prefeasibility study that suggested Nifty could generate some \$4 billion in revenue over 20 years in return for a circa \$450 million investment.

Nifty has some 797,000t of copper in the ground, one of the largest such reserves in Australia.

Stepping forward

Fifield said the ECI agreement was a big step forward in enhancing Cyprium's operational and execution capacity and could shorten the expected 17-month construction schedule.

"Macmahon is a recognised leader in mining services, bringing extensive expertise in engineering, procurement and best-in-class operating and environmental systems," he said.

"They operate at the scale of mine and equipment that a new open pit at Nifty will require. Macmahon's expertise brings real-life experience to the feasibility process that further de-risks Nifty and sets parameters of our execution plans."

It is envisaged that Macmahon will take the lead role with the BFS and contribute to the internal engineering, planning, estimation, and project management resources needed to complete the BFS and restart copper production.

Big savings

Cyprium will fund BFS costs related to work scopes not completed by Macmahon.

In return for its support, which could save Cyprium up to A\$10 million and shorten the development time, Macmahon will have exclusive rights to be involved in the project.

Fifield admits that everyone has a Nifty story, and an opinion on Cyprium, and that he embraces the company's role as an underdog and in proving doubters wrong.

"This is an absolutely fantastic underground-to-surface mining story, and we are showing that we will no longer live in the shadows of Nifty's past failures," he said.

"Glencore and Macmahon wouldn't be involved if they didn't think this could be done."

Cyprium shares were steady at 2.7c today, capitalising the company at \$44 million.

The stock has traded between 1.2-5.5c over the past year.

Source: <https://www.miningnews.net/mets/news-analysis/4399899/cyprium-signs-macmahon-nifty-copper-study>