



# Burbanks back up for sale

**Jarrod Lucas**

Kevin Malaxos' Maximus Resources is believed to be the frontrunner to acquire the historic Burbanks gold operations near Coolgardie in the wake of Kidman Resources' decision to focus on its Mt Holland project.

The Martin Donohue-led Kidman has suspended mining and the gold-miner-turned-lithium-hopeful is set to turn over the keys to new owners for the third time in as many years.

Kidman initially received informal approaches to buy Burbanks in July, and is formalising a sale process following a strategic review.

Maximus shapes as the obvious suitor after acquiring the 180,000-tonne-a-year Burbanks mill, which has sat idle adjacent to Kidman's Birthday Gift underground mine for the past 18 months.

Mr Malaxos, a mining engineer who spent years working on the Golden Mile but is now based in Adelaide, confirmed Maximus was considering its position but had made no formal offer.

"I've had a few messages from people who believe it would be the logical extension given we've got the mill now, but I've got to be very cautious," he said.

"If there is some low-hanging fruit there then it would make sense but my first choice for a mining project would be a small open pit which is high-grade."

ASX-listed Barra Resources did a lot of heavy lifting in setting up the underground decline before selling Burbanks for \$2 million to Noel Weymess' private outfit Blue Tiger Mining in August 2013.

Kidman paid \$5.4 million for an 80 per cent stake in May last year, before taking full ownership in January via a \$1.5 million deal.

There was talk of ramping up production towards 30,000oz a year

from Burbanks when Kidman appointed mining contractors Pybar in February.

But the only figures released to the market show just 5742oz was produced between September and December last year.

Kidman announced on August 17 it had successfully raised \$21 million via the issue of 73.7 million fully paid ordinary shares at 28.5 cents each.

The funds are being used to accelerate exploration at the Earl Grey lithium deposit and the Blue Vein gold deposit at Mt Holland near Southern Cross. "There has been consistent feedback from shareholders and investors suggesting the company focus its attention on progressing the larger scale Mt Holland gold and lithium project," the company said.

"Discussions in respect of the sale of Burbanks are confidential, and incomplete."

Metals X, which paid Kidman \$2.5 million for its Gunga West project near Coolgardie earlier this year, could be another suitor.

Peter Bartlett's FMR Investments and Barra, in which FMR holds a 22 per cent stake, are also believed to be sniffing around Birthday Gift as they consider plans to develop an open pit mine at Burbanks North.

A decision on mining will be made in early September with profits to be split 65:35 in FMR's favour under a tribute mining agreement, with ore milled at FMR's nearby Greenfields Mill.

Burbanks, 8km south of Coolgardie, boasts historical production of 366,340oz and was the biggest producing region in WA in 1900.

Kidman shares closed 6.2 per cent lower at 30 cents yesterday, while Maximus was unchanged at 0.3 cents.



**Kalgoorlie Miner, Kalgoorlie WA**

01 Sep 2016, by Jarrod Lucas

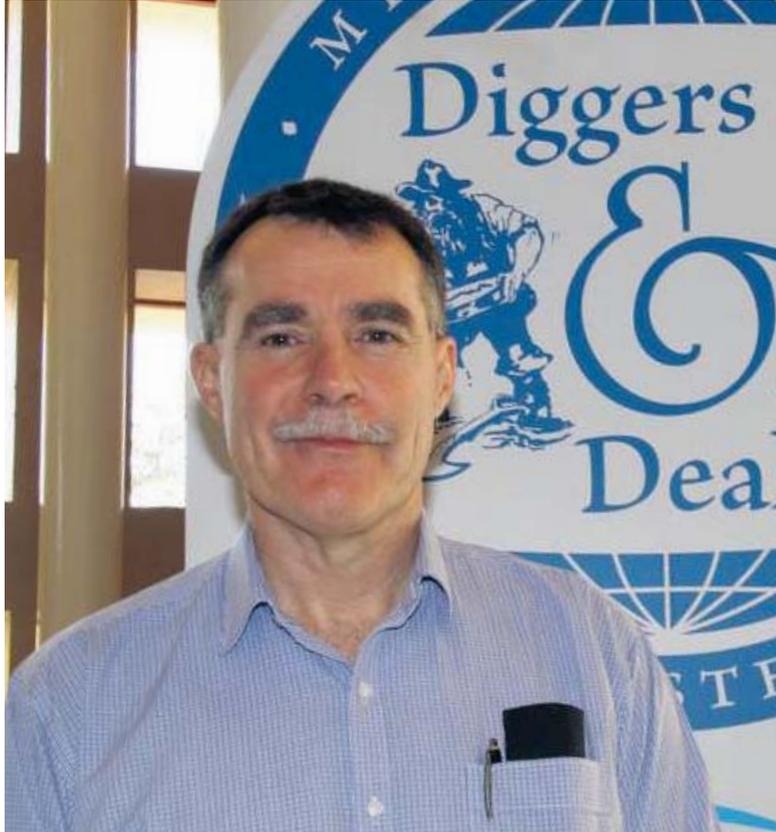
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PAGE 2 of 2



**Maximus Resources managing director Kevin Malaxos says the company is considering its options at Burbanks.** Picture: Jarrod Lucas