



Family in line for a \$20m mine windfall



A SOUTH Australian family-owned company stands to gain more than \$20 million from the successful float of Salisbury Resources.

Mining contracting company A & MJ Musolino holds the mining lease that will form the flagship of the proposed \$5 million-plus float and will continue to operate its own four-man copper oxide leach operation after the float.

The Musolino operation produces about four tonnes of copper a day, worth about \$35,000, from its lease 130km south of Olympic Dam. The prospectus also reveals the company stands to gain \$20 million in cash and shares in the following five years if Salisbury converts the prospect to a commercial mine – the

shares to be issued at a 10 per cent discount to the average value at the time.

Musolino also has been given first right to tender for the mining contract on the Cattle Grid Copper Deposit that forms the basis of the Salisbury float – the value of which is not disclosed. Director Tony Musolino said he was happy to keep his own operation going while Salisbury developed the rest of the site.

“They are prepared to see the potential of the site,” he said. “We couldn’t afford to put in plant of about \$80 million ... and that is what is required to develop this mine which we think can produce \$1.2 billion of copper.”

That estimate is based on a copper content of 1.3 per cent. Drilling suggests higher grades

up to 1.9 per cent. Salisbury chairman Les Mann said the company would stick with its published conservative estimates. “It has the potential to go a lot further but we have got to put things in print that we can justify,” he said.

Salisbury aims for a pre-Christmas listing to fund the exercise of its option on the Cattle Grid prospect by August next year. It will be its second attempt at listing.

It turned to seed investors to raise \$780,000 in 2007 after its first attempt was foiled by the global financial crisis. Only \$190,842 remains, so the company turned to Musolino for a \$400,000 loan for IPO costs.

The author travelled to the site as a guest of Salisbury Resources



POTENTIAL: Les Mann and Tony Musolino at the Cattle Grid copper deposit site near Andamooka