

New role all natural for Alchemy chief

by Michael Washbourne

During his 14 years as one of the industry's most popular and respected analysts, James Wilson rubbed shoulders with some of the biggest names in both the mining and exploration sectors.

So, when he made the leap to the other side of the fence last December, there were many recognisable names queuing up to congratulate Wilson on his appointment to the chief executive seat at Alchemy Resources Ltd.

One of those individuals was gold kingpin Peter Cook.

"Welcome to the dark side," the Westgold Resources Ltd chairman told Wilson, who worked as a geologist both in Australia and abroad before embarking on what was an often challenging but overall rewarding time as a research analyst for the likes of Argonaut Securities Ltd.

Having completed what his family refers to as the start of his presidency – the first 100 days in office – Wilson is finding there is not a great deal of difference between his past life and his new career as a resources company chief.

"As an analyst the job entails you going into one day and finishing that day having done 17 different things that you didn't realise you were going to do, and I think that's very similar with running a small exploration company," Wilson tells **GMJ**.

"The drilling part of it is probably 10% of the job. The actual putting together of the drill programme and getting it done is a small part of the overall day. The rest of it is people

management, government relations, indigenous relations, permitting, safety and making sure everybody is in a good spot and doing the right job. And, of course, making sure you're not having too many outgoings which are not supposed to be outgoing.

"It's a balancing act between a very similar number of jobs and ensuring that ultimately there's going to be value for shareholders and trying to keep everybody happy simultaneously. It's quite a difficult job to do, but it's very enjoyable. And you're not just dealing with one project. You're dealing with every project in your portfolio, almost on a daily basis."

Wilson's six-month anniversary at Alchemy essentially coincided with completion of the Phase 1 drilling programme at the company's Karonie project, about 110km east of Kalgoorlie.

More than 3,000m of RC drilling was completed across the Parmelia, Taupo, KZ5 and Warrior prospects which sit immediately along strike to the north and south of Silver Lake Resources Ltd's Aldiss mining centre.

The aim of the programme was to infill and extend mineralisation along strike from Aldiss as well as test geophysical targets to the south-east. Best intercepts returned so far include 26m @ 1.6 g/t gold from 83m at Parmelia, 26m @ 1.3 g/t gold from 125m and 10m @ 1.8 g/t gold from 68m.

Alchemy's ground was previously held by Integra Mining prior to the \$426 million takeover by Silver Lake in 2011. Wilson believes the big prize at Karonie could lie much deeper than where previous drilling has reached.

"There's been a lot of near-surface drilling into the younger cover and in recent months we have noticed some of the exploration from our neighbours such as Silver Lake is targeting mineralisation slightly deeper than the top 100m, and they're having a bit of a win there," Wilson says.

"As a ballpark figure, I would say probably 75% of the drilling that's been done has not been effective in testing the mineralisation below 100m. There's a lot of RAB drilling and a lot of aircore drilling, but that was all really testing the younger, softer cover. In reality if there was an open pit to find around here, I think it would have been found a long time ago.



James Wilson



“The model has changed now to short strike length but very high grade versus looking for supergene-style mineralisation, and that’s why we’re super keen on areas down to the south and in and around Silver Lake...and a lot further south – Gilmore, Challenger, Esplanade – on those historic areas which haven’t been touched for probably north of 10 years.”

Pending assay results will determine the next course of action for Alchemy, which could look to quickly establish a maiden resource around its key prospects and potentially open processing discussions with the likes of Silver Lake and Black Cat Syndicate Ltd which is proposing to build a brand new milling facility within 50km of Karonie.

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Alchemy’s tenure is also contiguous with Breaker Resources NL’s Lake Roe project further to the north and earlier this year the company was drawn first in two ballots for two exploration licence applications which sit along strike from Apollo Consolidated Ltd’s Rebecca project and Northern Star

Resources Ltd’s Carosue Dam operations.

“From Karonie all the way up to Lake Rebecca, if those tenements all touched each other – there’s a little gap in the middle – it’s roughly 135km of almost contiguous strike and that’s probably what some people would refer to as an almost belt scale play,” Wilson says.

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"There's a lot of activity immediately adjacent to where we're looking. If we can capitalise on that for investors, it's really the perfect environment for share price appreciation."

Wilson's time as an analyst was spent predominantly reviewing gold projects, giving him a great insight into what the market is seeking from Alchemy and its precious metal portfolio. Other assets in the company's suite include separate JVs with Sandfire Resources Ltd and Superior Gold Inc in the Bryah Basin and both gold and copper-gold porphyry targets in New South Wales.

Alchemy's cash position (\$1.45 million as at March 31) will almost certainly be bolstered within the next 12 months as Superior starts mining the Hermes (303,000oz @ 2 g/t) and Hermes South (114,000oz @ 1.6 g/t) open pits. The company has a 1% NSR on the former deposit and is free-carried to production under the JV with the TSX-listed operator of the nearby Plutonic operation.

Wilson is also confident the persistent delays around heritage clearance for the company's properties in NSW



Alchemy recently wrapped up a campaign of more than 3,000m across the Parmelia, Taupo, KZ5 and Warrior prospects at Karonie, 110km east of Kalgoorlie

could be resolved as early as this quarter, allowing Alchemy's new east coast-based exploration team to finally start drilling historical "bullseye" targets such as Yellow Mountain and Melrose.

"There's a lot of prospectivity there, but it's about having the funds and the ability to get on the ground to do it," Wilson says. "We're very hopeful that will be in the near term."

It is early days for both Alchemy and Wilson, but the latter plans to continue seeking advice from those whose success stories he was following from the other side of the fence.

"[Former Northern Star chairman] Bill Beament said running a small explorer is not good for your mental health and it's partly true because it's a stressful job, but it has different stresses," Wilson says.

"We intersected some sulphides and altered dolerites at Warrior in a greenfields target and for me that's exciting. Whether it's got gold in it or not, at the end of the day is not as relevant, it's just that we hit a structure that returned black shale, altered dolerites, quartz veins and sulphides. That makes me really, really happy because we did good effective and targeted exploration and found the right receptive structures."

"If the assay lab plays its role and we get some decent numbers in it, that's great but if not, we follow it up with more exploration either side to really try and flesh out the structure. It's an exciting time when you hit those sorts of things, something that no one has ever found before."

"As Andy Beckwith from De Grey [Mining Ltd] says: 'Today just might be the day when you wake up and have that success'."



Silver Lake is the dominant player around Alchemy's Karonie tenements which straddle the Aldiss mining centre