

Go for gold with Alchemy

The wholesale move by major gold companies including Barrick, Newmont, Newcrest and Lihir Gold to close out (or at least partially unwind) their hedge books is as strong a sign as you can get that they now think it is time to bet on a higher gold price. But major producers are also finding it harder to replace depleting reserves through exploration, leaving it to the juniors to take significant ground in gold mining districts.

With that in mind, the beautifully named WA junior Alchemy Resources is proceeding with a float that will raise between \$4 million and \$6 million at 25¢ a share, with Novus Capital acting as sponsoring broker.

Alchemy, which has been running float roadshows in recent days, has secured a large landholding formerly held by Jindalee Resources in WA's Murchison region, the largest historical gold production region outside the Norseman-Wiluna belt.

The miner, which is run by Michael Hannington, a former manager at Oxiana's Golden Grove mine, intends to use modern exploration techniques to reduce risk at its drill targets.