



Alchemy bullish on Murchison

It only listed in November last year and is yet to start drilling the region in earnest, but explorer Alchemy Resources Ltd believes Western Australia's Murchison district is an Eastern Goldfields under cover.

It is a big claim, but Alchemy has got the data to back it up. On the basis that the Murchison is unexplored and its geology poorly understood, Alchemy has built a three-dimensional model of the region's geology.

Managing director Michael Hannington said the 3D model, which covers 200m north-south and 150m east-west and collates 1,300 samples from the Geological Survey of WA, allowed Alchemy to pick the most prospective areas in the Murchison for exploration.

The company was off to a good start when, upon listing, it acquired Jindalee Resources Ltd's tenements which straddle about 750sq km along the Big Bell-Meekatharra Shear. It's next move, announced in late May,

was to acquire the Three Rivers gold project from Troy Resources NL, who Hannington said had outgrown the project. The acquisition was made for \$2 million and Troy had become a major shareholder in Alchemy.

Hannington stressed that while Alchemy would push Three Rivers toward production, the company's main goal remained assessing and extracting the prospectivity from the Jindalee package.

But Three Rivers, 120km north of Meekatharra, does offer a potentially quick cash flow scenario for Alchemy to further its exploration in the Murchison.

The project has an indicated mineral resource of 1.7mt @ 2.4 g/t for 131,000oz contained gold.

Hannington said the company would concentrate on converting Three Rivers' resources into reserves on the way to making Alchemy a producer.

Diamond drilling focussing on converting indicated reserves at the Hawkeye and Trapper deposits will be the first step.

Boding well for Three Rivers is that its neighbour, Sandfire Resources Ltd's Doolgunna project, recently returned intersections including 23m @ 4.07 g/t gold and 22m @ 3.01 g/t gold.

The acquisition also includes a few bonus prospects located in

the Robinson Range, adjacent to land held by miner Midwest Corporation Ltd for iron ore exploration.

"I suspect that, should Midwest Corporation find something there, they'll want to talk to us."

It's a strategy Alchemy has with its Jindalee tenements as well, some of which intersect iron ore rich Weld Range, also in the ballpark of Midwest Corporation.

Hannington said the company recognised the iron ore upside in its current holdings, but did not want to overstate its importance to the company's modus operandi.

"I'm not about to start sending mixed messages to the market. We've established ourselves as a gold company, and if I started ramping up the iron ore prospects we would get investors coming in interested in changing the focus to iron ore."

Alchemy has already received a 'letter of comfort' from Barrick Gold Corp to deliver ore from Three Rivers to Barrick's Plutonic gold mine, 60km north-east of the project.

Work is currently under way to identify drill targets at Jindalee.

– Andrew Pascoe