

Kelly opens dam for Riversgold

With his latest venture now officially under way, Allan Kelly admits the pressure is on to replicate his past exploration success.

Kelly's Riversgold Ltd debuted on the ASX last month after completing a \$6.1 million IPO, with the company wasting no time getting to work on making a major discovery at its Kurnalpi project, about 100km east of Kalgoorlie.

Having struck gold at Andy Well almost immediately after floating Doray Minerals Ltd in 2009, Kelly accepts his loyal followers will have high expectations for Riversgold to achieve something similar at Kurnalpi or the company's flagship South West Alaska project.

"With Doray, there were no expectations because no one really knew who we were," Kelly told **Paydirt** after ringing the bell to mark Riversgold's opening day of trade.

"There's probably a bit more expectation on us around what we're going to do from day one. It's going to be pretty hard to match first drill hole success at Andy Well, but having said that I think we've probably got a lot more opportunities with what we've got in Riversgold than what we had previously."

Riversgold was the 100th new listing on the ASX this year, with its shares closing at 10% above the IPO price of 20c/share. Prolific gold producer Evolution Mining Ltd is the company's largest shareholder, having injected \$2.5 million for a 15.1% interest in the junior explorer.

Joining Kelly on the three-man Riversgold board is former Sirius Resources technical director Jeff Foster, who played a major role in the discovery of the Nova-Bollinger nickel deposit, and experienced mining executive Rod Webster as the non-executive chairman.

Kelly left Doray last December, having guided Andy Well through development as well as acquiring and building the Deflector gold-copper project, before deciding to return to his exploration roots.

"It's great to be back in greenfields exploration and putting together a story and seeing what we can come up with," he said. "We've got a really nice portfolio of



Riversgold managing director Allan Kelly rings the bell to mark the company's official start of trade on the ASX

projects in WA out at Kurnalpi and some really exciting stuff in Alaska that we will work on next year."

Kelly has held the Luna-Quicksilver and Kisa properties which make up the South West Alaska project for almost two decades and he is champing at the bit to spend some "real dollars" on the prospective ground hosted on the renowned Tintina gold belt.

"The Alaskan stuff is high-risk and expensive in a short field season, but we're looking for a much bigger prize there," Kelly said.

"We're looking for a multi-million ounce deposit in Alaska, whereas in WA the prize is smaller but you can work on it 12 months a year, it has easy access and you've got existing mills, so if you find something then there's an easy way to monetise it very quickly.

"I think the combination of the two is a very good mix. On one hand, you've got the high risk, high reward stuff and on the other a project that generates news flow and gives you more opportunities in the

near term as well."

Explaining to Australian investors the opportunity in Alaska was a challenge for Kelly and his team during the IPO process.

"It's obvious when you talk about something like Donlin Creek, which is 42 moz and maybe the biggest undeveloped gold deposit in the world, but nine people out of 10 in Australia have never heard of it," Kelly said.

"You need to explain the situation. Alaska is half as big as WA, it's a big place, it's only got 200,000 people but huge mineral resources. If you haven't worked there, then you just don't have that understanding."

Kelly said his company would have about \$5 million to spend across its portfolio over the next two years after the costs of the IPO are taken out. First up on the agenda for Riversgold is a three-week drilling programme at Yilgani on the Kurnalpi tenements, adjacent to Breaker Resources NL's Lake Roe project.

"We're effectively going to try and do a drill programme every quarter in WA for the next 18 months," Kelly said.

Riversgold also plans to punch a few diamond holes into the Churchill Dam IOCG project after Christmas while completing permitting and other logistical requirements to be able to drill in Alaska by mid-next year.

The company remains in discussions with Emerald Resources NL about a potential JV in Cambodia where Riversgold has applications for a series of tenements next to the 1 moz Okvau deposit.

"It's the same deposit-style as Alaska, hence our interest in it," Kelly said.

"We'll see how that fits into the story, but ideally it goes to someone like Emerald who is already developing and has in-country expertise there, so hopefully that will materialise once that's all granted."

— Michael Washbourne