

# Kelly's northern summer migration

While most of the Australian mining community is preparing itself for the Diggers & Dealers nightlife, Allan Kelly will be in the more sedate environs of an Alaskan summer.

Kelly was a permanent fixture at Diggers (and indeed the Palace Hotel) during his seven years at the helm of Doray Minerals Ltd but this year, despite his new company, Riversgold Ltd, having West Australian assets in its portfolio, he has chosen to spend his time getting acquainted with exploration ground in the US state of Alaska.

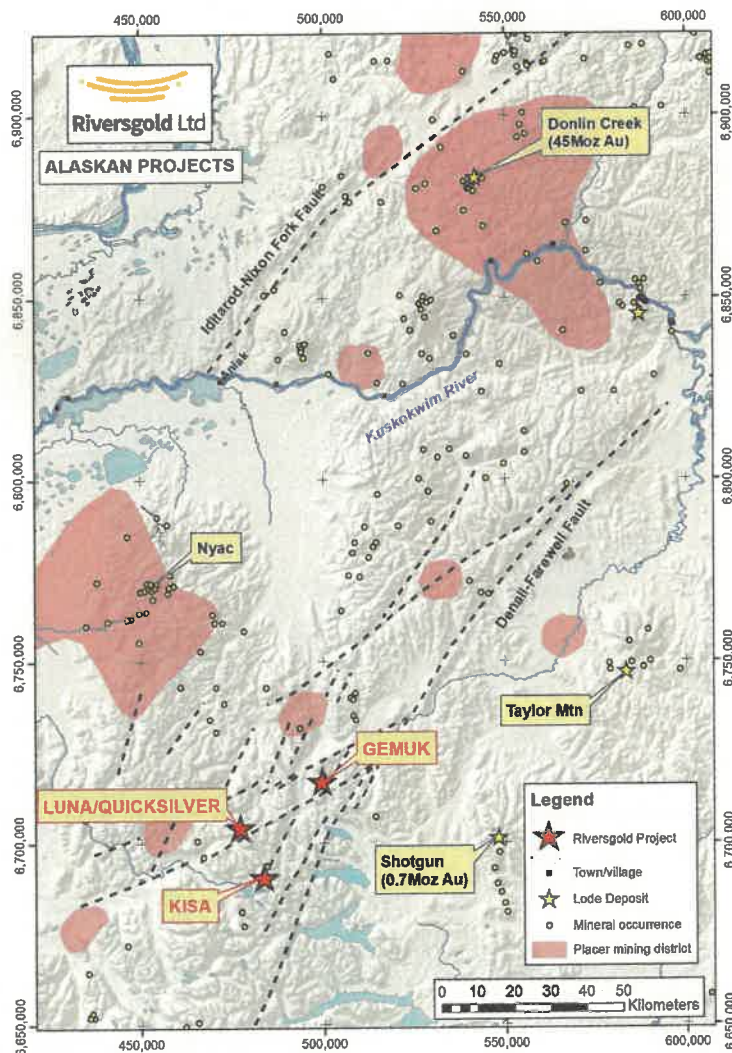
It may seem incongruous for someone who built his executive reputation on WA greenstone discoveries to switch his attention to North America but as Kelly explained to **Paydirt**, Alaska is a region he is familiar with.

"I was sent up there by WMC in the 90s following the discovery of Donlin Creek and the intrusive-related gold (IRG) deposits along the Tintina gold belt," Kelly said. "We did regional work, including stream sediment sampling looking for IRG deposits, all way across the belt. I actually saw visible gold in the pan and using a hand auger drill got 20 g/t gold intersections from the Luna/Quicksilver area before discoveries further south in Canada grabbed all the excitement and WMC packed up."

Kelly, though, retained his interest and followed the flourishing of Donlin Creek during the mid-2000s when it grew from a 2 moz deposit into a 20 moz deposit by 2010.

"Once I saw Donlin Creek reach 20 moz, I pegged the ground at Luna and Quicksilver," Kelly recalled. "By the time that was complete, Donlin Creek had grown to 45 moz but no one else was working in the area."

Doray's success at its Andy Well discovery meant Kelly kept his Alaskan venture on ice for several years but after



leaving the company he turned from explorer to multi-mine producer, he felt the time was right to return north.

Along with the Kisa and Gemuk Mountain tenements, Luna and Quicksilver were the key assets in Riversgold's IPO. The intention had been to complete Riversgold's listing earlier in the year in order to meet Alaska's summer field season but delays led to the company missing the June-September window. It eventually listed in October, leading to a nine month hiatus on the Alaskan work.

"The timing of the IPO was perhaps a bit early in the market cycle but we wanted to get in the field last year," Kelly said. "We ended up missing it anyway and had to wait nine months. But, when we realised we would miss the field season we decided to fly heli-mag over the Luna-

Quicksilver area and came up with two big mag anomalies. There is a lot of stuff going on there, there looks to be skarns. There is a similar skarn up the road which is being mined at grades of more than 8 g/t gold."

Now the company is fully established, it can embark on a full summer field season in 2018.

"The plan this year at Luna-Quicksilver is to do IP and soil geochem along the IP and then start diamond drilling at Luna, Luna East, Quicksilver and the skarns," Kelly said. "We have got the info in 2D now we need to see what it looks like in 3D as it is mostly under cover. It will be the first time it has ever been drilled."

The geological model Riversgold is working to is the IRG example provided by Donlin Creek.

"The geology is the same as Donlin Creek, placer gold occurrences all around two big continental-scale slip faults. It is the classic IRG model; the granite has intruded up, cooks up the surrounding sediments and you get some mineralisation in the granite but mostly in the

structures off the granite. There is a main fault and secondary structure with granites grading 37 g/t gold, 65 g/t and plus-100 g/t in a large area Donlin Creek would easily fit within.

"It has all the ingredients for an interesting story."

Field work is expected to start this month with the IP and soil surveys before drilling starts towards the end of July. That means by the time the rest of the Australian gold community is spruiking in Kalgoorlie, Kelly will be anticipating first assay results.

"We have finalised a driller, helicopter and a ground geophysics crew and I will head up in the last week of June," Kelly said last month. "The mineralisation is quite distinctive, lot of sulphides and probably no visible gold so we have to



Allan Kelly

wait for the assays. But, if we are hitting the sulphides in the right spot, we are in with a chance.

"Hopefully, the geophysics gives us good information but if not we will start drilling under the outcrop."

If the results are positive, Kelly expects interest – from both the market and the industry – to quickly increase.

"It is a short field season but a big prize," he said. "Donlin Creek is 45 moz @ 2.5 g/t while the other big mine there,



Riversgold's 2018 exploration campaign will start with IP and geochemical surveys over the Luna (pictured) and Quicksilver areas

Pogo, is 8 moz @ 12 g/t. The ultimate aim is to get someone interested in it. All the majors are up there and the ideal scenario would be to do a Gold Road-style deal."

Gold Road Resources Ltd is currently developing its 5.8 moz gold Gruyere project in WA via a JV with Gold Fields Ltd

who spent \$350 million to buy into the project.

Kelly said investors and potential partners had shown interest but also caution since he put Riversgold together.

"We went to PDAC and had people looking at it," he said. "There has been an

**SheffieldResources**  
LIMITED

Thunderbird

Mineral Sands

42 year mine life

100% owned

Outstanding economics

World's best mining jurisdiction

US\$200m debt mandated on attractive terms

Binding offtake zircon complete, TiO2 advanced

Strategic equity partner being sort

Targeting initial production in 2019/2020

Robust Zircon and TiO2 Feedstock Market

Significant exploration upside

ASX : SFX

[www.sheffieldresources.com.au](http://www.sheffieldresources.com.au)