

STOCKHEAD



The Explorers: Tim Goyder and the secret behind his magical small cap ‘four-peat’

Mining

| Reuben Adams

The Explorers is Stockhead’s in-depth look at the people behind some of Australia’s most innovative and courageous junior mining companies. This week, Reuben Adams chats with experienced mining investor Tim Goyder.

Tim Goyder is having one hell of a year.

The Perth-based mining exec is intimately involved in four listed small cap explorers as a board member and/or major shareholder. All four are enjoying a breakout 2019.

Like WA market darling **Liontown (ASX:LTR)**, which has defied lithium market sentiment to be up 312 per cent since the start of the year.

Or **Chalice Gold Mines (ASX:CHN)**, which has been climbing since July on the back of a high profile nickel acquisition and early success at the Pyramid Hill gold project in Victoria.

Then there's **Strike Energy (ASX:STX)**, which made that massive conventional gas discovery at West Erregulla-2 in August and is currently up 210 per cent year-to-date.

And finally NSW porphyry hunter **DevEx (ASX:DEV)**, up 130 per cent in 2019 and enjoying a late year stint in the limelight.

So, what's behind this synchronised success (besides Tim Goyder)?

How did you get your start in resources?

"I was taught the skills of the trade by well-known geologist Bob Bryan, who went on to build [major Queensland gold mine] Mount Leyshon and the Queensland Gas Company. I worked for one of his companies in 1974/75 when I was 22 years old," Goyder says.

"I originally came from a farming background, growing up in a place called Eneabba between Perth and Geraldton in WA.

There was also a lot of mining activity in the region, and so I cut my teeth pegging mineral sands tenements.

During the oil crisis in the late 70s I pegged a lot of ground for coal, and ultimately did a deal with Lang Hancock and Peter Wright.

Then I got involved with a small public company which did quite well; eventually, that was taken over by a group associated with Joseph Gutnick when he was high-flying in about 1984-85.

Fast forward a few years to the early 2000s and I acquired a contract drilling company called Grimwood Davies.

I put a lot of time, effort and money into that company before selling out. It became part of [drilling company] **Boart Longyear (ASX:BLY)**.

Around that time, I also had an interest in **DevEx Resources (ASX:DEV)** — which was called Bullion Minerals back then — along with Liontown Resources and Chalice Gold Mines.

I've been involved with these three ever since.”

You've been involved in DevEx, Chalice and Liontown since the beginning?

“I took control of DevEx — then Bullion Minerals — some 18-19 years ago.

The strategy was to pick up prospective ground, which then spawned Chalice Gold Mines when we acquired its namesake mine in WA.

Next came Liontown, which was jointly spun out of Equinox's Australian assets and Bullion Minerals' base metal assets. Equinox went on to focus on the Lumwana copper project in Zambia before it was taken over by major producer Barrick Gold.

I was also director for Strike Energy [for six years all up] until December 2018. I've enjoyed a long innings at Chalice (from 2005) and Liontown (from 2006) as well.”

And now every single one of your companies are having an incredible year. It's bizarre.

“It's pretty exciting stuff. We've assembled the right projects with the right people — I guess you get there eventually if you're in the game long enough and stay focused.”

But *all at the same time*. Even guys like Liontown, who are performing head and shoulders above the rest in a weak lithium market.

“Liontown's **Kathleen Valley project is just a cut above the others.**”

The good thing about our flagship Kathleen Valley is its excellent grade at 1.4 per cent lithium, plus tantalum. It's also the sheer size and location of the deposit in the heart of the Northern Goldfields of WA.

We aren't mining, which means the company isn't losing money right now.

With no project partners and no offtake agreements, Liontown provides investors with the best optionality out there when the lithium thematics improve – and they will.”

And DevEx – what excites you about its prospects right now?

“We've got a new managing director, Brendan Bradley, who is a very accomplished explorationist.

We are focusing on two copper-gold porphyry projects in the Lachlan Fold Belt in NSW.

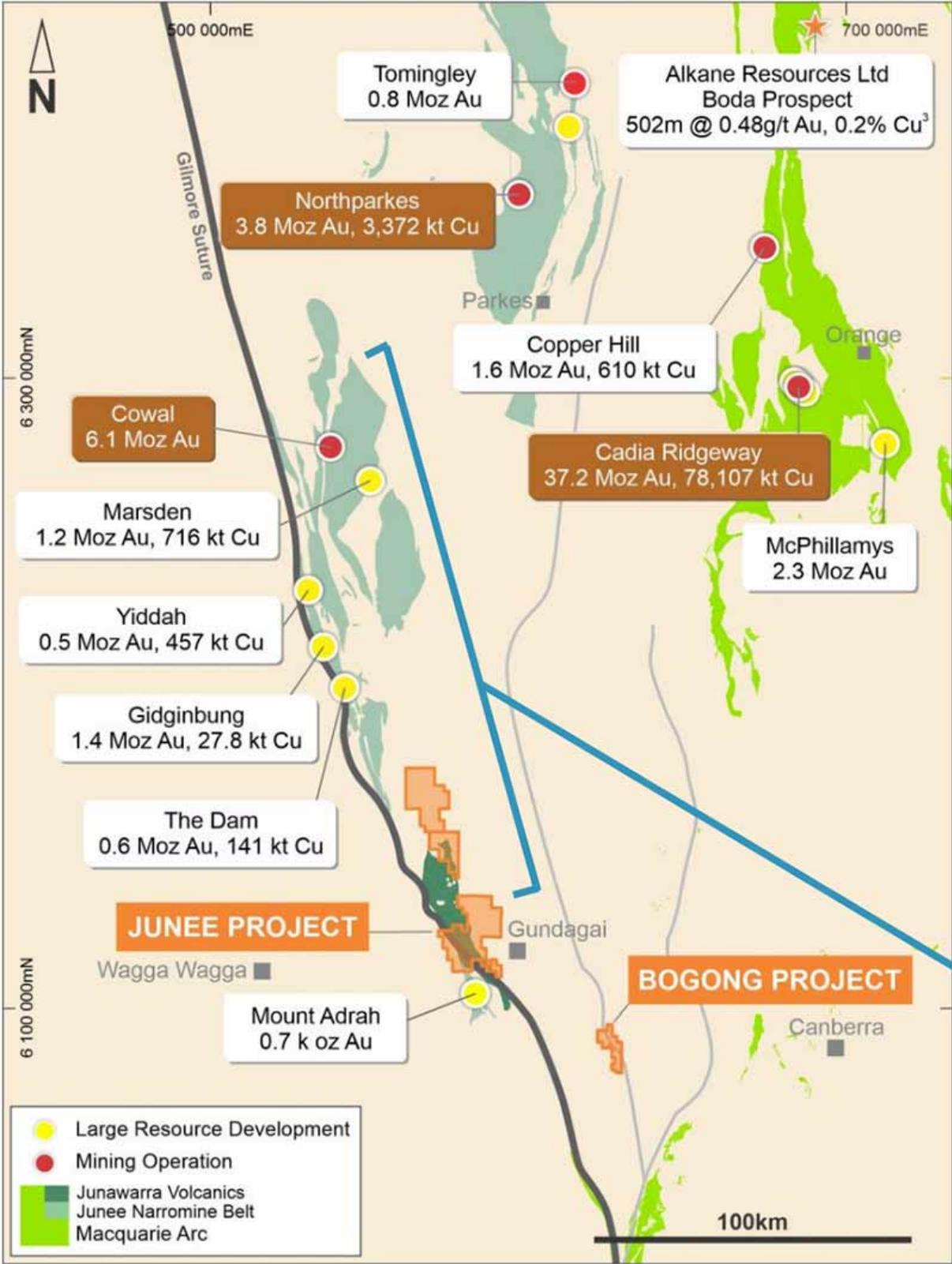
We are particularly excited about the Bogong project, which was last explored some 45-odd years ago. No exploration has been done since.

We have a historic drill hole at Bogong with 55m at 1 per cent copper, from surface — and it's never been analysed for gold.

It's in porphyry rocks, similar to Cadia or Parkes geology, outcropping at surface, it's not like we have to drill 200-300m blindly to find the target.

We commenced drilling in late October, firstly focusing on those great historic intersections.

The second project is Junee – also undrilled for at least two decades — which we acquired over two years ago. We're doing regional mapping and rock chip sampling there to prioritise drill targets.”



Are you guys getting a pretty positive response to the DevEx story?

“Definitely. The recent good news of **Alkane’s (ASX:ALK) intersection at Boda in NSW** and **Stavely’s (ASX:SVY) Thursday’s Gossan discovery in Victoria** helps, as well as having majors moving into the belt.

[\$31 billion market cap] **Newmont (NYSE: NEM)** has ground just to the north of us at Junee — in fact, they are drilling about 400-500m away from our northern boundary.

Then you have [\$15 billion market cap] **Freeport (NYSE: FCX)** again to the north of that.

The big boys are joining the party, and we are very pleased to have a good ground position there.”

All your companies having a breakout year at the same time. What’s the secret?

“It comes down to people. I’m a believer in getting the right people.

I stepped down as Strike director in December – clearly, I have a lot on my plate – because I was satisfied with how the company was proceeding.

They have a very talented managing director, Stuart Nicholls previously of Shell, and West Erregulla is a terrific blind discovery. I’m very pleased to be a part of it. I still own about 40 million ‘bits of paper’ in the company.

Liontown, again, has a very strong, hands-on board.

Liontown managing director David Richards has a history of discovery. He led the initial team which discovered the [multi-million ounce] Pajingo deposits when he worked for Battle Mountain many years ago.

He is a very good, very smart hands-on geologist, who is prepared to run that company tightly.

That’s what we want to replicate in DevEx.

Chalice is also being strongly guided by Alex Dorsch, who is a young gun and wise beyond his years. He is bringing a fresh new perspective to our Victorian asset, the Pyramid Hill gold project, which neighbours the knockout Fosterville gold mine. We are pretty excited about our current drill program.

I can't be everywhere – but I love the game, and I love backing good people.”

READ: Chalice Gold Mines' Alex Dorsch on making millions from drilling... and when they might actually mine

Besides strong management – are there any other factors that make for a solid explorer? One that's got the best chance of success?

“You have to persevere. You have to turn the projects over to find one that will make the company. That's what we do. We aren't scared to walk away from a failure and find a new opportunity.

Exploration has been in the doghouse for quite some time, which means it's not the easiest place in the world to raise capital.

I guess that's where I come in. I've had some really good supporters who have backed me over the years — high net worth, private players who recognise that **I put my own money behind these companies.**”

You obviously love this end of the market. What excites you about it most?

“There are very few thrills in business life, but one of them is actually making a discovery.

It's incredible, especially after many challenging years. It's fabulous for not only myself, but also sharing success with my loyal shareholders and the team.”