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HD **Kalgoorlie king on the rise**

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Ashok Parekh has unveiled big plans for MacPhersons

KALGOORLIE'S Ashok Parekh is an award-winning chartered accountant. But it has to be said that he is more revered for owning the Palace Hotel on the corner of Hannan and Maritana streets, as well as the Australia Hotel diagonally opposite.

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The historic Palace was Herbert Hoover's drinking hole, back in the days when the young **mining** engineer was working in the Goldfields. It was where he took a particular shine to one of the barmaids.

But an excursion to **China** for more **mining** experience, and marrying his college sweetheart, were to take precedence, as was his rise to be US president in 1929, just when the place really needed a hands-on sort of guy.

His presidency was notable for strong enforcement of prohibition, mercifully repealed nine months after he left the White House in March 1933.

It is a touch ironic then that Hoover gifted a magnificent carved mirror to the Palace on leaving the Goldfields, which stands proudly in the foyer to this day.

That historic reflection is by way of part background to why the Palace remains synonymous with Kalgoorlie, and the dry and thirsty business of **mining**.

And it helps explain why the pub will again be at the centre of things next week at the annual Diggers & Dealers conference, at least when the knees-up component of the program takes over from the more formal proceedings in the southern hemisphere's biggest marquee next to the **mining** town's Art Centre.

Parekh is flat chat gearing up the Palace for the influx of thirsty delegates. Like the conference itself, it is a logistical challenge for the hotel to meet, Kalgoorlie-style, the wants and needs of the sudden influx of demanding types from out of town.

But as busy as he is getting ready for D&D, Parekh has also found time to kick-off a $9 **million** share placement (it could be expanded to $10.4m with over subscriptions) for his currently 12 per cent-owned MacPhersons Resources (ASX: MRP).

Parekh is executive chairman of MacPhersons, which is working towards bringing its Nimbus silver/**gold**/zinc project, and the nearby Boorara **gold** deposit, in to production just 10km east of Kalgoorlie's Super Pit goldmine, and the Palace for that matter.

A bankable feasibility study (BFS) into a potential $80m-plus development is due later this year, with funds from the placement (Argonaut is **lead** manager) at 16c a share earmarked for its completion, as well as funding in-fill drilling on the known resource and the hunt for more.

It is always advisable to wait for the release of a BFS, but it seems fairly clear that MacPhersons is on its way to becoming a significant producer from the development of the co-projects.

Annual production of two to three **million** ounces of silver, upwards of 10,000 tonnes of zinc, and eventually 30,000 ounces of **gold** is on the cards. Zinc's 15 per cent price rise this year would be having a nice impact on project economics, which were looking pretty sharp anyway.

Looked at on a silver equivalent basis, life-of-mine costs of about $14 an ounce stack up well compared with the spot price of about $22 an ounce. Parekh has put his hand up for $1m of the placement, a nice redirection of profits from D&D swillers. The $1.4 **billion** resources private **equity** fund, Orion Mine Finance, has put its hand up for up to $6.5m of the placement. The US group has been a shareholder since 2012 and the new shares will take it to 19.9 per cent of MacPhersons.

Making their mark IF ever there was a need for a ready reckoner to the players in a booming sector, it would have to be one covering the ASX-listed graphite stocks.

The likes of Credit Suisse and Deutsche have put their names to reports saying that the king of the pack, Melbourne's Syrah (SYR), is definitely on to big things at its Balama project in Mozambique.

The growth in its market capitalisation to near $900m in the space of a couple of years has naturally had a rub-off effect on others that had graphite projects in the portfolio, or those which have quickly added what they call graphite projects.

Sorting the good from the bad, and plain old crap, is no easy task. Stockbroker Patersons has come to the rescue, with analyst Jason Chesters releasing a guide to the ASX-listed graphite sector, titled: "Get your dose of carbon." "There exists a growing window of opportunity for new (graphite) supply to enter the market. That said, the extent of new discoveries and planned production globally is well in excess of this opportunity, and it is our opinion that many projects will fail to reach production,'' Chesters wrote.

Chesters then went on to put the ASX-listed players to the test on six key factors considered important as to whether or not the companies are worth considering.

Of the 12 put to the test, there were three that scored highly on the key factors test — Syrah, Valence Industries (VXL, recommissioning the Uley mine in South Australia) and Kibaran Resources (KNL, scoping study stage at the Epanko project in Tanzania).

Chesters notes that the ranking of early stage explorers in the list may be detrimentally impacted by some of the quantitative assessments they have been subjected to. But that goes with the patch, and it's now up to them to convert their early promise in to something tangible.

Strategic **Energy** (SER) was not covered in the report but it might as well have been. It has got one foot in the graphite space courtesy of its 14 per cent shareholding in Valence which it spun off. It also has a royalty on production from Uley.Strategic's **stake** in Valence is worth $11.2m or close to 60 per cent of Strategic's $19.5m market cap, without giving any value to the royalty. Strategic has its other foot in the graphene space courtesy of its cooperation agreement with a bunch of PhD-types at Monash University who are at the cutting edge of research into finding applications for the new graphite-based wonder material.

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