

BARTON GOLD

Scalable and synergistic gold assets in South Australia



After witnessing global economic growth tumble to a projected -4.9% in a COVID-dominated 2020, Alexander Scanlon, managing director of private Australian gold developer Barton Gold, casts his mind back to the global financial crisis of 2007-08, after which governments authorised colossal monetary stimulus to support the teetering global economy. Back then, the substantial economic crisis justified the subsequent programmes of mass money printing, however Scanlon believes that the long-term problem lies in his assertion that those money presses never turned off, even in the post-2012 period of economic stabilisation. “People just stopped paying attention to the global debt-fuelled wealth bubble that had formed,” he tells RGN. “Then we arrive in early 2020, where we have a real unforeseen problem. In essence, the analogy I would use is that from 2012-20, major governments around the world had already fired all of their monetary policy arrows at an invisible enemy.”

It soon transpired that the real invisible enemy was COVID-19 – a highly contagious and often deadly virus that drove governments to lock down entire populations, effectively bringing the global economy to a juddering halt. Governments were left with no option but to double down on fiscal stimulus on an unprecedented scale that is illustrated by the fact that more money was printed in the past year than existed in the entire US monetary supply pre-2005. Now, with the inflated global monetary system at risk of overflowing with multiple decades worth of debt, Scanlon believes all the conditions are in place for a long-term structural gold bull market, and is positioning Barton Gold to capitalise on the positive outlook for the ‘safe haven’ metal.

Barton is based in the habitually overlooked mining jurisdiction of South Australia (SA), where it owns three major ‘value foundations’ in a key gold trend of the central Gawler Craton: the open pit Tarcoola mine, the district scale Tunkillia project and a 650,000 tonnes per annum mill adjacent to the historic Challenger underground mine.

Since 2019, Barton has spent extensive time in the field developing its technical understanding of the Tarcoola and Tunkillia assets, while curating an experienced corporate team to undertake the elevation of the firm towards a rumoured imminent IPO.

“We spent about 18 months combing through, reorganising and validating data we had acquired on the assets,” Scanlon says. “We focused on resetting our technical understanding and from there building out the assets. We have converted all of the resources to JORC 2012

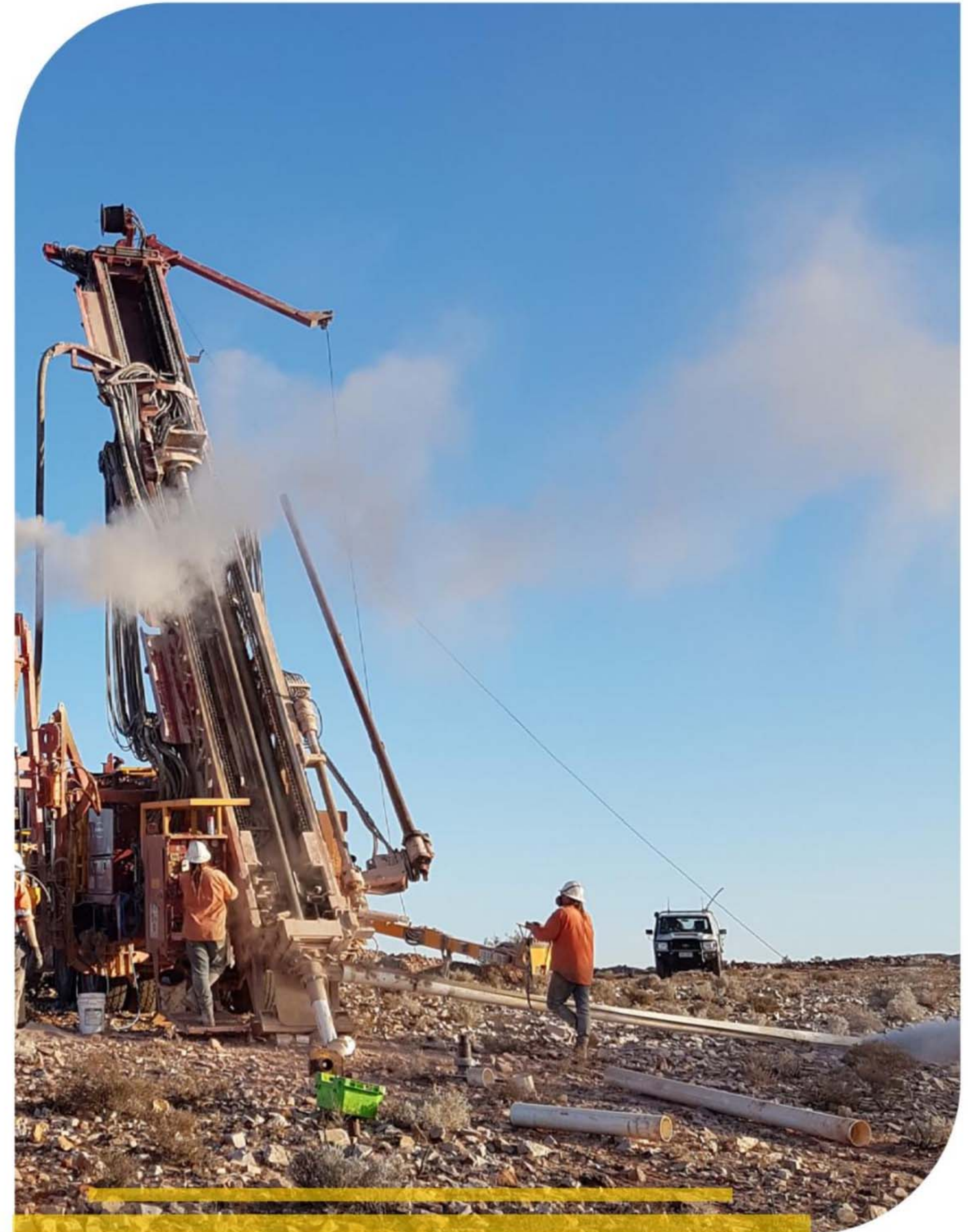
standard and basically rebuilt the platform from the project side.”

The company’s total resource base currently sits at 1.1 million ounces (Moz), with significant upside potential currently being explored at both Tarcoola and Tunkillia that can be buttressed with further exploration across Barton’s 4,735 km² tenement and joint venture gold rights package in the increasingly active region.

Leading from the front

On the corporate side, Barton has made a number of high-quality additions to the management team, including the likes of Richard Crookes and Christian Paech as non-executive directors. Both are well known in the Australian resources sector, as is Mark Connelly; Barton’s non-executive chairman.

Connelly is chairman of a number of other junior and mid-tier Australian gold explorers, including



Oklo, Calidus and Chesser Resources, and gained significant recognition for his role in leading two major merger deals: Adamus Resources with Endeavour Mining (2011) and Papillon Resources with B2Gold (2014).

Barton has also brought in an excellent company secretary

in Shannon Coates and an experienced chief financial officer in Rebecca Broughton.

“We also have a technical alliance with Mining Plus, which allows us to fill out our execution capability on the project management side, so we can get the most out of the skills and time of our people

DEVELOPING A NEW SOUTH AUSTRALIAN GOLD DISTRICT

Two fully-permitted mines, large scale growth projects and the region’s only gold mill provide Barton Gold three major ‘value foundations’:

1) Tarcoola: Camp-scale project with significant exploration potential and de-risked production option using Barton’s wholly-owned mill

2) Tunkillia: Advanced district-scale project on ~50 km Shear zones with a cornerstone JORC resource of 965,000 oz of gold, and open for extension

3) Infrastructure: 650,000 tonnes per annum mill with legacy ~1.2Moz underground mine; option to leverage for own mineralisation and for regional consolidation



THE TARCOOLA OPEN PIT

on the corporate side. That relationship gives us a lot of flexibility, firepower and experience.”

Scanlon reveals that Barton was attracted to its current suite of assets because they are proven production projects

situated within close proximity to each other (Tarcoola and Tunkillia are only approximately 80 km apart with potential to operate as a cost-efficient ‘hub’), in an area that has been largely ignored and under-invested in for the last 25 years.

“This is one of the most richly mineralised regions in SA. If you were in Western Australia, there would probably be hundreds of mines within 200 km of our mill, whereas in this case, there are only two mines and we own both of them.”

Nonetheless, there is an increasing number of companies making noise in the vicinity of Barton’s assets, particularly around the Northern Infrastructure Hub, which contains the company’s mill. Notably, Marmota’s Aurora Tank Gold project is 50

km Northeast, while Indiana Resources is mobilising drilling at one of its advanced targets between 50-80 km East of Tarcoola.

“Things are starting to happen and I think the focus is returning more to SA. As people start to see the results of our work and the work of other explorers, you might get a focus similar to that of the 1990s.”

BARTON GOLD AT A GLANCE

Barton Gold

PRO FORMA MARKET
CAPITALISATION:
Private

IPO DATE: Not yet
announced



Re-evaluating the resources

At Tarcoola, Barton has completed a significant degree of back-to-basics work aimed at reinterpreting the pre-existing geological understanding of the asset, which hosts the Perseverance open pit mine – a historic operation that produced gold between 2017-18, including at grades exceeding 4 g/t during 2018 – but was underworked outside of the main target area.

“We looked at Tarcoola and recognised that the geology was far more interesting than the story that had been told publicly. We did some very high resolution, low altitude aero magnetics and geophysics programmes, as well as a 2D seismic programme over that area.”

Thanks to this geophysical baseline work, the firm was able to identify some large structural features that extend down to a crustal scale fault and interact extensively with intrusives pressing up against

the Tarcoola Basin – what Barton suspects to be the genesis of Tarcoola’s high-grade mineralisation.

“What was really exciting was that we identified a number of areas that are geophysical lookalikes for where the Perseverance open pit was focused,” Scanlon exclaims. “These areas correspond with relatively limited but high grade shallow historical drilling in the area. The 2D seismic then correlated perfectly with what we saw in the geophysical programmes. We’re very excited to go out and test those areas.”

Barton has also completed a 5,300 metre drill programme adjacent to the Perseverance open pit, discovering a new 200 metre long shallow gold zone in the process which has been named ‘Perseverance West’.

The drilling also further validated an existing 500 metre long gold target known as ‘Deliverance’, and the results





.....
“This is one of the most richly mineralised regions in South Australia. If you were in Western Australia, there would probably be hundreds of mines within 200 km of our mill, whereas in this case, there are only two mines and we own both of them” Alexander Scanlon, Barton Gold managing director



correlate with historic drilling data on the area that has been obtained by the company.

“It’s still a relatively small resource, but now we have that in JORC 2012 standard we can continue to do more technical work and drilling to tie this area together. We have demonstrated that, rather than being a single open pit with potential extensions, we’ve got a 14 km long target zone on our tenements, which look like they are amenable to repeats of that open pit.”

Meanwhile, Barton has conducted a full teardown at the Tunkillia project – ostensibly one of the largest undeveloped gold projects in SA – in order to build a better understanding of the resource, much like it has done at Tarcoola.

The geological remodelling work focused on more specifically sub-domaining the project’s mineralisation and sharpening up the boundaries of the resource by removing