

## Barton Gold brings historic South Australian gold mine to market via \$15m IPO

By **Robin Bromby** - May 21, 2021



**Between 1900 and 1955, Tarcoola produced around 77,000oz gold at 37.5g/t.**

Barton Gold is offering investors an opportunity to gain exposure to two large-scale South Australian exploration projects with established gold targets including extensions of the historic Perseverance mine.

These are the Tarcoola project near the junction of the trans-continental and Darwin railway lines and, 70km to the south, and the unmined Tunkilla project which has a nearly 1Moz JORC resource in place.

In addition, Barton owns the region's only gold ore processing mill, the Challenger plant (as well as the mothballed Challenger mine which is not deemed a priority).

Previous regional project owners have focused on small scale production, whereas Barton will concentrate on large-scale discovery potential indicated by work completed during 2019 and 2020.

The IPO is offering 60 million shares at \$0.25 per share, with the offer due to close on 11 June.

From about 1900 to 1955, Tarcoola was South Australia's major hard rock gold producer, with artisanal mining producing 77,000oz of gold at 37.5 grams per tonne.

This area was South Australia's great hope in the 1930s with the state government at that time financing prospectors to go and work there in the effort to increase gold revenue.

The state government has pitched in again, with Barton revealing just yesterday that it has been awarded up to \$300,000 in co-funding for approved works at Tarcoola.

Barton will be putting the grant funds towards a geophysics and test drilling program focused on regional anomalies at Tarcoola, which will be completed over the second half of this year.

## **Tarcoola continues to generate high-grade gold**

Barton holds 1,202sq km of ground at Tarcoola where it has undertaken a detailed review of historical data, drilling, high-resolution aero-magnetic surveys, completed a regional seismic reinterpretation, and identified a highly prospective system of shears and faults analogous to the Perseverance Shear (the major controlling structure of the Perseverance mine).

After ceasing in 1955, mining resumed at Tarcoola in December 2016 when the former WPG Resources worked the open pit and hauled ore to the Challenger mill. Receivers were called in by August 2018 at WPG Resources due to escalating losses associated with the Challenger mine.

However, historical exploration around the open pit has been limited and Barton has been focused outside of the historic mine. During August 2020, Barton completed test drilling of the Deliverance target, and also discovered the Perseverance West gold zone adjacent to the open pit.

At the former, gold intercepts last year included 3m at 33.7g/t, 2m at 15.06g/t and 7m at 7.75g/t.

At the newly discovered Perseverance West, holes have returned 4m at 6.85g/t and 2m at 4.3g/t – both within 30m of surface.

## **Tunkilla gold resource**

The Tunkilla project has a JORC resource of 26.1Mt at 1.15g/t gold for 965,000oz.

Barton has firmed up priority targets across the 1,362sq km tenement package, which comprises three granted exploration licences.

Both Tarcoola and Tunkilla are located in the highly prospective Gawler Craton.

## **Initial plans**

Barton chairman Mark Connelly states in the prospectus that the initial objective will be to test priority targets at both projects, as well as discover new mineralisation. The company is focused on large-scale exploration and discovery with a view to maximising long-term development potential.

"The company's technical work programs completed during 2019 and 2020 indicate the potential that the Tarcoola project may host multiple potential structural repeats of the high-grade mineralisation and deposit model encountered in the Perseverance mine," he said.

Mr Connelly has deep experience with mining companies.

He led the US\$570 million merger between Australia's Papillon Resources and Toronto-listed B2 Gold Corporation during 2014, and before that, in 2011, the US\$590 merger of Adamus Resources with another Canadian company, Endeavour Mining.

He is currently non-executive chairman at Oklo Resources (ASX: OKU) which operates in Mali, Chesser Resources (ASX: CHZ) with its project in Senegal and Calidus Resources (ASX: CAI) with a gold project in the Pilbara.

## **Existing mill can treat local ore**

A key advantage for Barton is owning the high-grade underground Challenger mine and associated infrastructure, located 130km northwest of Tarcoola.

The mine produced about 1.2Moz between 2002 and 2018, and is currently under care and maintenance.

While re-opening the mine is not a priority, the mill presents multiple opportunities.

Not only does the company see opportunities of using it to process ore from Tarcoola (which it did for WPG Resources during 2017 and 2018, (with recoveries understood to be as high as 94.5%)), Barton sees the possibility of using the mill for processing regional mineralisation near the mill site.

With multiple explorers resuming activity in the region, Barton also holds a minority stake in gold rights in the vicinity of the mill through a joint venture, with that project having a JORC resource of 319,000oz across multiple deposits – all of which are located within 40km of Barton's mill.

The company plans to trade under ASX ticker 'BGD'.

Source: <https://smallcaps.com.au/barton-gold-historic-south-australian-mine-market-ipo/>