

Barlee a light on the hill for Beacon

The global financial crisis has wreaked havoc on the hopes and dreams of many companies in the last 12 months.

More than one company got caught out betting the farm on a project – a good project, confident that raising cash to get to the next stage of development wouldn't be a problem, only to find that would-be investors had suddenly developed short arms and deep pockets.

While many will be left lamenting the appalling timing of it all, a few companies might recognise the impact of the GFC as a blessing in disguise.

Perth-based junior explorer Beacon Minerals Ltd could well be one of the latter, with its Barlee gold project 200km north of Southern Cross possibly shaping up as more than just a hopeful exploration play.

Twelve months ago, Beacon was on the verge of moving into feasibility study on its Baladjan/ Djelidyu silicon project in the central Asian republic of Kyrgyzstan after its merger with Silcom Resources Ltd.

Exploration programmes were also planned for the Kumushtak gold-silver project and the Keptash gold-copper-molybdenum project in the same country.

As managing director Darryl Harris explained, the company was forced to abandon its plans for a production base in Kyrgyzstan scant months after declaring them to be the centrepiece of the company's strategy for future growth.

The market's appetite for backing companies in "out of the way" places collapsed with

the GFC and, no matter how compelling the Kyrgyzstan story, raising money on the back of it was always going to prove difficult.

"We were at feasibility study stage with the silicon project and it was disappointing, but there was physically no way as a company that we could have supported it financially in the prevailing market at the time," Harris said.

"Our plan was to focus on Kyrgyzstan and get that up and running and then come back and look at Barlee, but market factors changed that.

"It was one of those situations where circumstances to an extent dictated a decision to put our focus back on Barlee ... having said that, Barlee has given us some very good results."

Those results have been good enough for Beacon to launch straight into another drilling programme this month to further firm up the results of a \$250,000 campaign completed in May.

That campaign centred on the previously identified Halleys East and Phil deposits.

Halleys East in particular returned a number of good intercepts, including (all gold) 27m @ 36 g/t, 11m @ 4.9 g/t, 19m @ 4.9 g/t, 10m @ 11.9 g/t and 8m @ 24.6 g/t. The best intercept from Phil was 15m @ 11.5 g/t.

More importantly, according to Harris, the RC and RAB programme confirmed mineralisation over 2.5km of strike on the Halley's shear zone.

"The last programme was designed to define the mineralised zone at Halleys East and help us to understand what we are dealing with a little better.

"There is a series of shear zones that run through the lease and we have only touched about 5% of it. We have a lot more work to do because where we have been working is one of about 20 shear zones we have identified.

"Our areomag data has also given us 23 regional targets."

While common theory has it that there is little else to be found in the Eastern Goldfields, Barlee is relatively untouched because of about 5m of cover.

There is little in the way of outcrops that the old-time prospectors could have tracked, so it is essentially, according to Harris, an almost totally unexplored greenstone belt which the company is developing into an exploration province.

He said that, having defined the mineralised zone along the Halleys East-King strike, the forthcoming \$400,000 programme would target deeper drilling to try to get a better understanding of the geology.

"What we have so far is shallow, high-grade mineralisation. We



Beacon managing director Darryl Harris has set an exploration target of 500,000oz for the company's Barlee gold project

haven't put anything below 120m depth at the moment and some of those holes were still in mineralisation at end of hole.

"The idea of the next programme is to drill from King back up along strike and more regional RAB work at a couple of the other shear zones, at Gimlet to the north-east and another prospect, Lost Bolt, to the south.

"We will also be doing some RC and diamond work to try to get a better understanding of the lithology of the shears and to pick up, hopefully, extensions to Halleys."

"We are also doing a lot of drilling at the Phil shear zone and more regional surface geochem."

Harris said that with results to date being good enough to take Barlee out of the realms of the speculative exploration prospect, the company would be putting its money where it was most effective: into the ground.

The company's development schedule includes, depending on the results of the forthcoming programme, another drill programme before the end of the year with another to possibly follow early next year to meet Harris' target of developing a resource within 12 months.

"I think we are at least one further step away from a resource, but we are developing an exploration province.

"Now that we established the mineralisation and we are starting to understand the geology more, our exploration target is 500,000oz in this region and we think that is achievable."

As for Kyrgyzstan, Harris said that Beacon still rated its former projects there highly and would be open to going back in the future if the opportunity presented itself.

For the time being, though, Beacon is happy to be putting all of its eggs into the Barlee basket.

– Jason Alexander

