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📷 An aerial image of the Tarcoola open pit gold mine.

SA BUSINESS

Fresh eyes and a strong gold price could breathe new life into three South Australian gold projects

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Three South Australian gold assets have a new owner, with Barton Gold seeking to bring the Tarcoola open pit gold mine back into production and list on the Australian Securities Exchange.

The company picked up the Tarcoola project, the Tunkillia gold deposit, and the Challenger gold mine and processing plant following former owner WPG Resources going into administration.

Barton Gold managing director Alexander Scanlon said the company had raised money to do further drilling this year, with the first priority the extension of the Tarcoola deposit and the restart of that mine.



📷 The Tarcoola gold mine when it was operating in recent years.

Mr Scanlon said his team had been aware of the assets while they were owned by WPG, and they believed that with more working capital they had good potential.

“I think what we perceived, was an ability for these assets to be much greater than they were at the time,” Mr Scanlon said.

“Our evaluation of the assets, in particular Tarcoola and Tunkillia was that they were significantly mispriced.”

Mr Scanlon said this was the result of a lack of technical work which Barton now intended to invest in.

“The mineralised structures at Tarcoola are quite substantial, and the structures which converge at what is presently the bottom of the open pit are much more interesting than what was understood when the decision was made to start mining,” Mr Scanlon said.

“Unfortunately by the time WPG discovered how good Tarcoola could be, they were very deep in the hole, literally and figuratively with Challenger.”

Mr Scanlon said Tunkillia was also underestimated, with it having passed through a number of hands leading to the assumption it was difficult to develop.

“The thing about a market’s common knowledge is that it is very often wrong, and is predicated on a few assumptions that get recycled over and over.

“And the truth is that Tunkillia has not had any significant work done on it since 2011,” Mr Scanlon said.

Barton has reviewed a prefeasibility study done on Tunkillia by previous owners and the team believes the design was inefficient.

“The resource body itself is much more interesting than maybe the average image that people have. There are high grade regions of that ore body which offer a number of different alternatives for development.”

Barton Gold is targeting a listing on the ASX next year following a drilling program to extend the Tarcoola deposit.

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