



Rebirth in Central Asia

Beacon Minerals Ltd announced in June it was spreading its wings from the Eastern Goldfields to join the growing number of Australian juniors putting holes in Kyrgyzstan.

Beacon started resource drilling at its Barlee gold project, 200km north of Southern Cross, in July. At the same time it was finalising an option to acquire 100% of the issued capital of Silcom Resources Ltd.

The deal, for 43,283,580 Beacon shares issued to Silcom shareholders, is to see Beacon acquire three projects located in the Talas region in western Kyrgyzstan.

The focus project, Baladjan-Djelidysu (Baladjan), has an exploration tonnage of 20mt @ 2.65 g/cm³ silica, while the Kumushtak and Keptash projects are prospective for gold, silver and copper mineralisation. Baladjan represents a development project, as Silcom has conducted substantial drilling and many other factors required to bring it into production are already in place.

The assumption of Silcom into Beacon will also see Paul Lloyd step down as managing director and replaced by Darryl Harris to reflect the new Kyrgyzstan focus.

Lloyd explained how Beacon began "casting a wide net" last year when the market reaction to the Barlee project was lukewarm.

"We saw we had a lot of synergies with Silcom and we liked the Baladjan project, but we weren't sure of silicon itself to start with. That was mainly because we'd had no real experience with it."

But when Harris' name came up – the Indo Mines Ltd chairman having a track record with building project plants and treating ore – Beacon realised it could bring new expertise and enthusiasm to a project with good upside.

In the case of Baladjan, that upside exists in its huge tonnage and ready-to-go appeal.

Beacon projects a 30,000 tpa production from Baladjan, which guarantees a long mine life and allows the company to leverage off growing silicon demand.

Apart from the underlying demand for silica metal for semiconductors for microchips there is a growing market for polysilicon (reprocessed silicon metal) for solar cells used in solar energy products. It's a profitable commodity, metallurgical grade silicon selling for US\$3000/t and polysilicon for \$US230/kg.

Kyrgyzstan's central Asian location is ideal to export silicon due to its proximity to the product's main markets. Kyrgyzstan itself is becoming increasingly popular with companies and investors because of its stable and proactive climate.

"They're rolling out the red carpet for mining companies over there," Lloyd said. "Kyrgyzstan has been seen as the poor cousin of Kazakhstan and the Government is now all hands on deck with encouraging investment. It's now considered to be the best place in Central Asia to do business."

Beacon has secured land to build a plant a stone's throw from the outcropping silicon deposit. The project is also metres from a highway and connected to power, which in Kyrgyzstan is very cheap.

Beacon will start drilling Baladjan in coming months to determine a JORC resource. It hopes to begin a BFS within six months.

Further upside comes from the nearby Kumushtak and Keptash gold projects, where drilling programmes are also slated. Harris said previous work at the deposits suggested the sites were similar structurally to the multiple-moz gold mines in the Talas region.

Closer to home, a 5,000m drilling programme to extend Beacon's Barlee gold project and get a JORC resource is progressing.

A previous 15,000m of drilling at Barlee 200km north of Southern Cross has come up with some great high-grade results. The RC drilling will target the Halley's East, Buddy and Phil deposits.