

Beadell's about and keen for Cracow

Tracy Lee

Beadell Resources will begin its investor roadshow today to raise the \$200 million it will need if it is allowed to buy Newcrest Mining's 70 per cent interest in Queensland's Cracow goldmine.

But analysts tip that Lion Selection, which has a pre-emptive right over the Cracow stake, will raise the cash needed to outbid

Beadell and secure the goldmine.

"Lion Selection is very eager to become a gold producer as it believes it will see the company re-rated well above the current net tangible asset discount on which it currently trades," Credit Suisse analyst Michael Slifirski said.

Lion owns the other 30 per cent of Cracow.

Lion Selection has 50 business days to decide if it can stump up

enough cash to outbid Beadell. But Beadell has the support of Newcrest Mining, which has moved to effectively underwrite the bid by pledging up to \$50 million for any shortfall in the capital raising. Credit Suisse estimated that a 70 per cent interest in Cracow generates about \$50 million in cash a year, meaning the \$200 million investment could be paid back in four years.