

Beadell sweats over \$200m Cracow play

SEAN SMITH

Peter Bowler's fledgling gold explorer, Beadell Resources, faces a nervous wait to see whether a company-making, \$200 million acquisition comes off.

Newcrest Mining yesterday said that the WA junior, which listed just seven months ago, had signed a deal to buy Newcrest's 70 per cent stake in the Cracow gold mine, near Gladstone in Queensland. But the deal is conditional on Cracow's 30 per cent owner, resources investor Lion Selection, not exercising its right to match the \$200 million price tag over the next 10 weeks.

Beadell, valued at just \$25.7 million, intends to raise as much as \$220 million on equity markets if the deal gets the go-ahead. In a sign of support for Mr Bowler and his management team, banking heavyweights Merrill Lynch and Morgan Stanley have been engaged to lead manage the proposed equity raising.

Also, Newcrest has agreed to underwrite up to \$50 million of any raising.

Mr Bowler said Beadell was confident of raising the cash "quite comfortably".

The 46-year-old founded Beadell with other managers from Agincourt Resources after the WA gold miner accepted a friendly \$415 million scrip bid from Oxiana in early 2007.

Mr Bowler, Agincourt's former chief executive, said the Cracow play should not come as a surprise to his followers.

"I told everybody on (Beadell's float roadshow), don't invest in me if you want a sleepy exploration play, because we're going to go places and go pretty quick," he said.

However, he said that even if the Cracow deal did not get up, Beadell had attractive gold prospects in WA, Brazil and Victoria. "We're in a sweet spot at the moment," Mr Bowler said. "Markets are a bit iffy, but I think gold is a good story."

With Cracow, Beadell "is going to be unhedged, debt-free, low-cost and spitting out lots of cash".

Beadell shares closed unchanged yesterday at 27.5¢