

## **The Geology Doesn't Change, But The Politics Do: Persian Gold Fits The John Teeling Mantra To A Tee**

By Alastair Ford

**You can't fault the enthusiasm of the movers and shakers behind [Persian Gold](#). Over a brief bite to eat in a Paddington hotel, as they are about to wend their separate ways after the company's AGM, an Irish director, a technical adviser who would be a director but isn't allowed because he's American, and an Iranian geologist, all talk over each other to explain to Minesite and to each other how and why [Persian Gold](#) is so great.**

Their enthusiasm isn't unwarranted, but let's issue the disclaimer. It comes from chairman John Teeling, the Irish director aforementioned, who's the original mover and shaker in [Persian Gold](#) as is, and a man well-known in the resources sector for his ability to turn a buck and a euro on a tricky situation. He's done well out of Iraq – and how many people can say that? – and now he's in Iran. "This is for speculators", he says, "no question about it". That's the disclaimer, and we can but agree. Unusually for mining, though, the speculative angle here isn't so much the geology, it's the politics, and like the chairman says, "the geology doesn't change but the politics do".

There, in a nutshell is the rationale behind one serious side of the whole Teeling operation, a stable that encompasses African Diamonds, West African Diamonds, Connemara, an as-yet unlisted African vehicle called Swala Resources, and oil companies Petrel Resources and Pan Andean. And if any, or all, of those go belly up, there's always solace to be found in the other side of the operation - at the bottom of a glass of whiskey from John's Cooley distillery, up in County Louth.

John knows a thing or two about risk, and he knows a thing or two about money and mining, but the people inside [Persian Gold](#) who really know about Iran and its geology are the two aforementioned others: technical adviser Mike Thomsen and country manager Bahman Rashidi. Bahman is a young man, but already boasts ten years of experience in Iranian mineral exploration with a focus on copper-gold projects. He's the least voluble of the three, but one suspects that apart from the natural shyness of a man finding his way in a new culture, it's actually the language barrier that really hampers him.

Back home in Iran, apparently, he'll talk nineteen to the dozen about [Persian Gold](#)'s portfolio of copper and gold properties, strung out along the famous Tethyan volcanic belt that stretches all the way from Turkey and Armenia into Pakistan. Here, in the Paddington Hilton, with a chicken sandwich in one hand and a diet coke in the other, with John Teeling in his right ear, Mike Thomsen sitting opposite him, and a hapless Minesite to his left, he doesn't stand a chance. But he looks happy though. Imagine how much fun it must be working up a Teeling prospect in your own country! They took John up into the mountains there earlier in the year, and nearly killed him with the walk! That's a tale to tell in the tea-shops of Tehran once everybody's got rich... But we digress.

Mike Thomsen can more than hold his own in conversation with John Teeling, and once we've all recovered from the thought of John huffing and puffing his way to an early grave up on the barren moonscapes of Iranian porphyry copper-gold targets, he starts to explain just exactly what John and the rest of them are doing there. It's simple really. "Porphyry copper targets are the same around the world", Mike begins. His hand gestures to the expanse of the Tethyan belt on the map in front of him. "The Tethyan belt is not unusual. What's unusual is that it's underexplored". It is, he implies, one of the last great underexplored volcanic belts in the world. If it had been in South America, where Mike has many years of experience, it would have been a serious mining district years ago. The Tethyan belt is abundant in alunite, a host rock for gold that's also abundant on the famous Andean Cordillera, which hosts some of the largest gold mines in the world. "When I was with Newmont", says Mike, "the question was always where are we going to find the next big deposit". [Persian Gold](#) hopes that the answer to that question lies on the Tethyan belt.

Tethyan Copper has already a crack on the other side of the Iranian border inside Pakistan, and was taken out by Antofagasta for its trouble in a highly lucrative deal. But inside Iran, although Rio has had a look around, the legal situation as regards Americans acts as a serious obstacle. Americans on Rio's board rendered Iran an eventual no-go as an investment location, and the two million ounce oxide discovery that Rio has unearthed is now up for grabs. [Persian Gold](#) would like to go for it, but the banks don't think they've got enough muscle to pull off the deal, and won't front the cash. Meanwhile, as an American himself, Mike Thomsen is barred from visiting his company's own assets, or even acting as a director.

[Persian Gold's](#) first pass at anything significant on the licenses it holds on the ground produced mixed results. "We were hoping to find a big oxide deposit", says Mike. And Persian duly did find an oxide deposit at Char-e-Zard. The trouble was that at 160,000 ounces, it wasn't that big. Still, there's no harm in looking at the positives: "We can make £15 million on this thing", says Mike, and it does at least show Persian's got some decent metal on its ground. And Persian could put Char-e-Zard into production for around US\$20 million, reckons John Teeling - not such a big ask.

Meanwhile, the exploration focus has moved to Dalli where the company has identified extensive mineralization in two centres 1.7 kilometres apart. Four drill holes have been completed: the first hit 0.68 grammes per tonne and 45% copper over 211 metres; the second hit 0.75 grammes per tonne and 0.57% copper over 213 metres; the third hit 0.52 grammes per tonne and 12% copper over 233 metres; the fourth hit 0.53 grammes per tonne and 0.17% copper over 99 metres. That's a nice set of results, and Mike's plan now is to try to join up the dots by drilling three further holes and testing down to a depth of 500 metres. "I fully anticipate mineralization down to the bottom of that", he says. It's hard to doubt him, even if his track record in small companies is a bit mixed. If he's right, investors can be assured that the geology won't change. The next trick will be to get the Iranian government to stop firing missiles all over the place.