

LEGISLATIVE COUNCIL
Question on notice

Tuesday, 14 May 2013

20. Hon Robin Chapple to the Minister for Agriculture and Food representing the Minister for Mines and Petroleum.

I refer to the article, by Professor Allan Trench of Curtin University, in MiningNewsPremium.net of 15 April 2013, which argues that the rate of material gold discoveries in Australia is in rapid decline, and I ask:

- (a) is the rate of material gold discoveries in Western Australia in rapid decline;
- (b) if no to (a), what are the relevant statistics;
- (c) have any material gold discoveries been made as a result of the Exploration Incentive Scheme;
- (d) if yes to (c), what are those discoveries; and
- (e) if yes to (c), are the grades of any of these discoveries indicative of the establishment of viable mines, and if so, what is the indicative life of such mines?

Answer

- (a)-(b) The frequency of presentations at a conference is not a reliable indicator of the rate of gold discovery in Western Australia. Of the 150 papers presented on the discovery of gold deposits at the NewGen Gold Conference since 1995, a total of 62 have been on Australian deposits - so more than for any other continent in the world.

This conference series showcases the case history of discovery of only the top world-class gold deposits world-wide, with Western Australia featuring prominently on the program over the years.

There are some individuals who believe that Western Australia is a mature exploration target for gold -- but discoveries continue.

The Department of Mines and Petroleum provided the following information on gold discoveries in Western Australia, extracted from Intierra's subscription-only database.

- In 2008, immediately before the Exploration Incentive Scheme (EIS) started, there were 42 gold discoveries added to Intierra's database.
- In 2011, at the peak of the boom, 120 gold discoveries were added to Intierra's database. The number declined to 67 gold discoveries in 2012.



The trend follows the recent mining and exploration boom, so a decline is to be expected with falling commodity prices and the ongoing difficulty that many exploration companies have in attracting investment capital for exploration.

Following initial discovery of mineralization, years of exploration are often needed before the full significance of the discovery is known. A world-class deposit might be identified from humble beginnings after years of innovative exploration.

- (c) Gold discoveries have been made by companies where assistance was obtained under the Exploration Incentive Scheme. Whether these discoveries will lead to a 'material' or world-class gold mine only time will tell.
- (d) Recent near-surface gold discoveries made to date with assistance from the Exploration Incentive Scheme include: Handpump, Hercules, Magnus, and Central Bore.

Recent discoveries but at significant depth include those at the existing Paulsen's and Mount Magnet gold mines.

- (e) Further information on these gold deposits can be found on the company websites of Beadell Resources, Alchemy Resources, Gold Road Resources, Northern Star Resources, and Ramelius Resources.

Their websites include drill intersections, assay data and any evolving plans for future exploration and development.

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