

INSIDE P9
 Government chips in on
 Dacian exploration.

With **Josh Chiat**
 joshua.chiat@kalminer.com.au

MINE TALK



Photo available at
 westpix.com.au

Geologist Ed Baltis inspects drilling at Anglo Australian's Think Big prospect at Feysville. Picture: Mary Meagher

Exploration tempo high

■ Josh Chiat

Cash being raised, metres being drilled, staff hard to find, rig availability tight and now drilling samples backlogged in laboratories — these are the signs the Goldfields mining sector is edging back to a phase of growth.

Exploration figures released this week by the Australian Bureau of Statistics show WA's exploration industry hit its best quarterly spending levels in September for more than three years.

Kalgoorlie-Boulder mining identity and Anglo Australian Resources boss John Jones said a backlog at Kalgoorlie-Boulder laboratories turning core samples into drilling results for market was the latest evidence of growing activity from local explorers.

"Some labs have got 20,000 samples in there," he said. "It's just a busy time. People

have been raising a lot of money, therefore there's a lot of drilling going on, therefore there's a lot of results.

"The laboratories probably aren't quite set up for this tempo of exploration."

The uptick in exploration spending has been noted by leading lab services provider ALS, which in its interim results last month showed the past year had been a period of constant growth globally for its geochemistry business, set to contribute to an expected \$135-145 million underlying profit in fiscal year 2018.

Anglo Australian, which is drilling at Feysville, a gold project 15km-20km south of the Super Pit once held by Western Mining and Gold Fields, emerged from a trading halt with another \$1.5 million in funding on Tuesday.

It is one of several times the gold minnow has tapped investors this year to progress drill-

ing at Feysville. Gold held steady throughout the first quarter of 2017-18, with \$137 million being spent on drilling for the precious metal in WA.

Although slightly down from the \$140.9 million spent in the three months to June 30, it was the precious metal's best September quarter since 2012, before dozens of drill rigs in Kalgoorlie-Boulder's were parked in 2013 and 2014 as the price of gold sank.

But it was the revival of nickel, copper, cobalt, zinc and lead that propelled WA's exploration budgets to their highest level in more than three years at \$294.2 million, up from about \$291m in the June quarter.

Base metals spending hit its highest level in four years, with explorers tipping in about \$43 million, up from \$36.2 million last quarter.

Some \$25.2 million was spent exploring for nickel and cobalt,

more than double the amount spent a year earlier.

The results drew caution from the Association of Mining and Exploration Companies, with greenfields exploration still subdued and overall drilling expenditure still billions of dollars south of boom-time levels.

All-up, exploration expenditure across Australia climbed \$30.8 million or 6.8 per cent to \$475.2 million.

But AMEC chief executive Warren Pearce said more could be done to encourage growth, with the Federal Government's \$100 million Junior Miner Exploration Incentive flow-through share scheme to encourage greenfields exploration yet to pass through Parliament.

Mr Pearce said the scheme must be in force by January 1 to bolster confidence at the junior end of the mining industry.

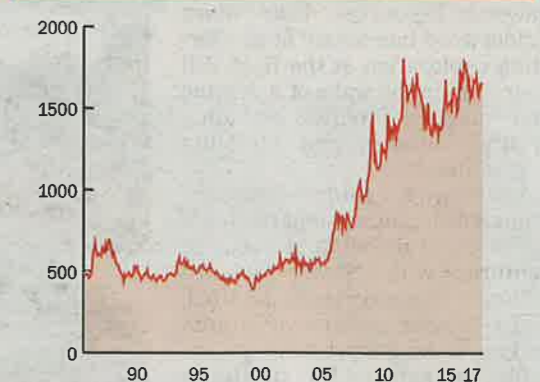
DAILY GOLD PRICE \$AUS PER OUNCE



WEEKLY GOLD PRICE \$AUS PER OUNCE



MONTHLY GOLD PRICE \$AUS PER OUNCE



WEEKLY NICKEL PRICE \$AUS PER TONNE



All prices are NY close. Information courtesy of Patersons Securities.