

The current state-of-play for exploration in Australia

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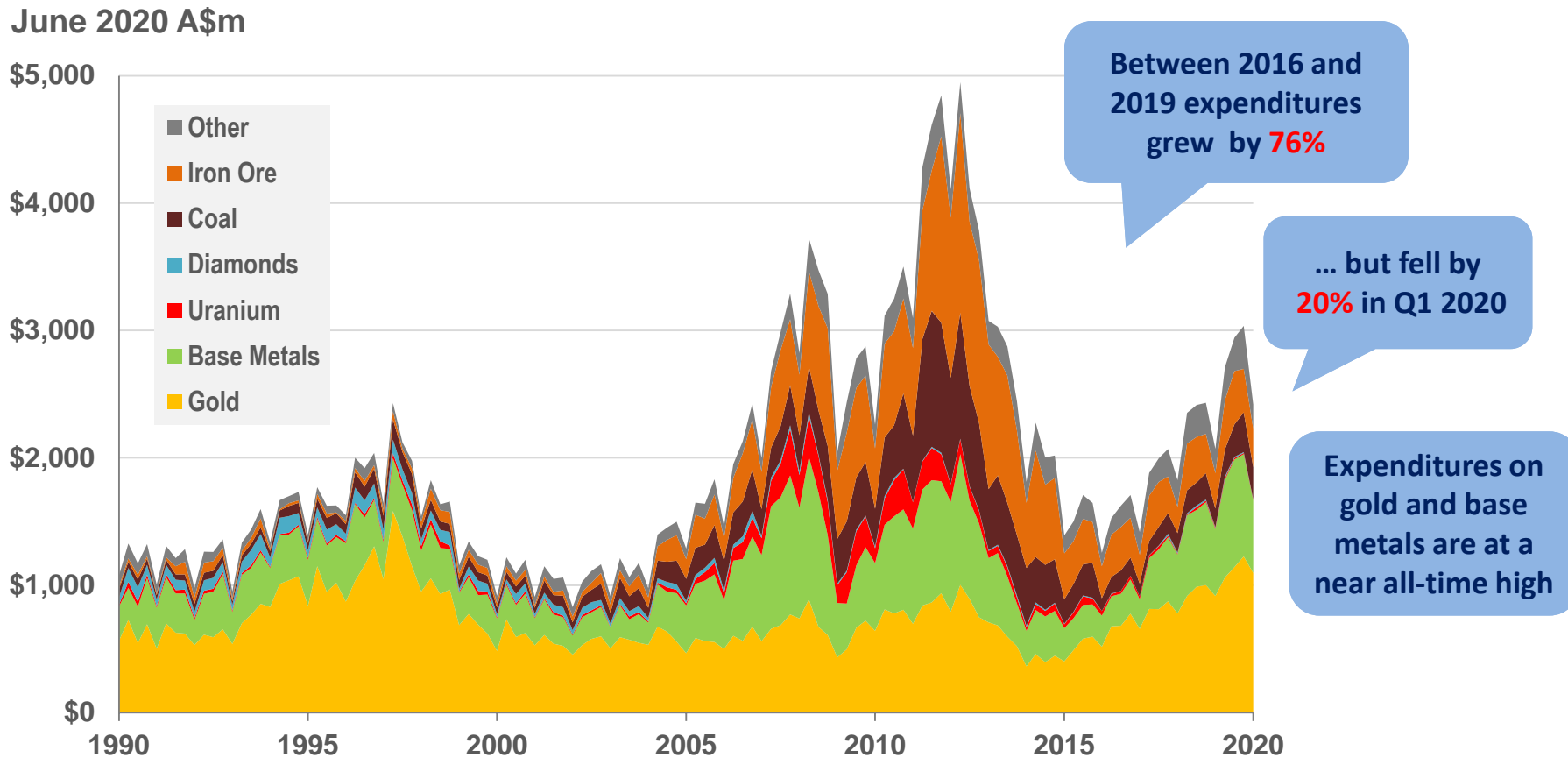
Adjunct Professor, Centre for Exploration Targeting , UWA

AIG E-Forum on Mineral Exploration

4th June 2020

Exploration expenditures are going up ...

Australia : March 1990 to March 2020



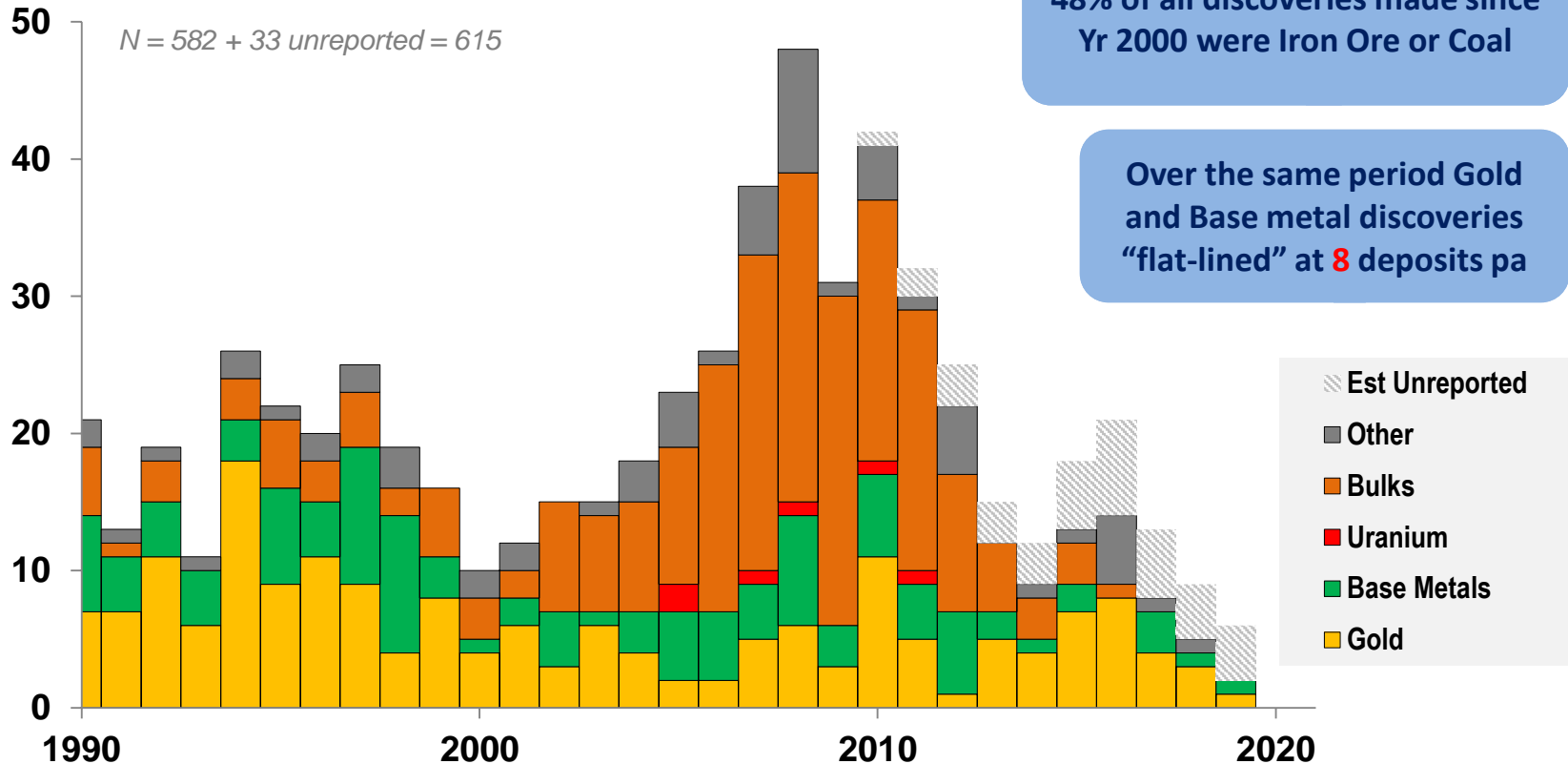
Quarterly spend data has been multiplied by 4x to produce an annualised spend rate.

Source: ABS 8412.0

... but the number of discoveries is going down

Number of significant discoveries in Australia : 1990-2019

Number of Discoveries

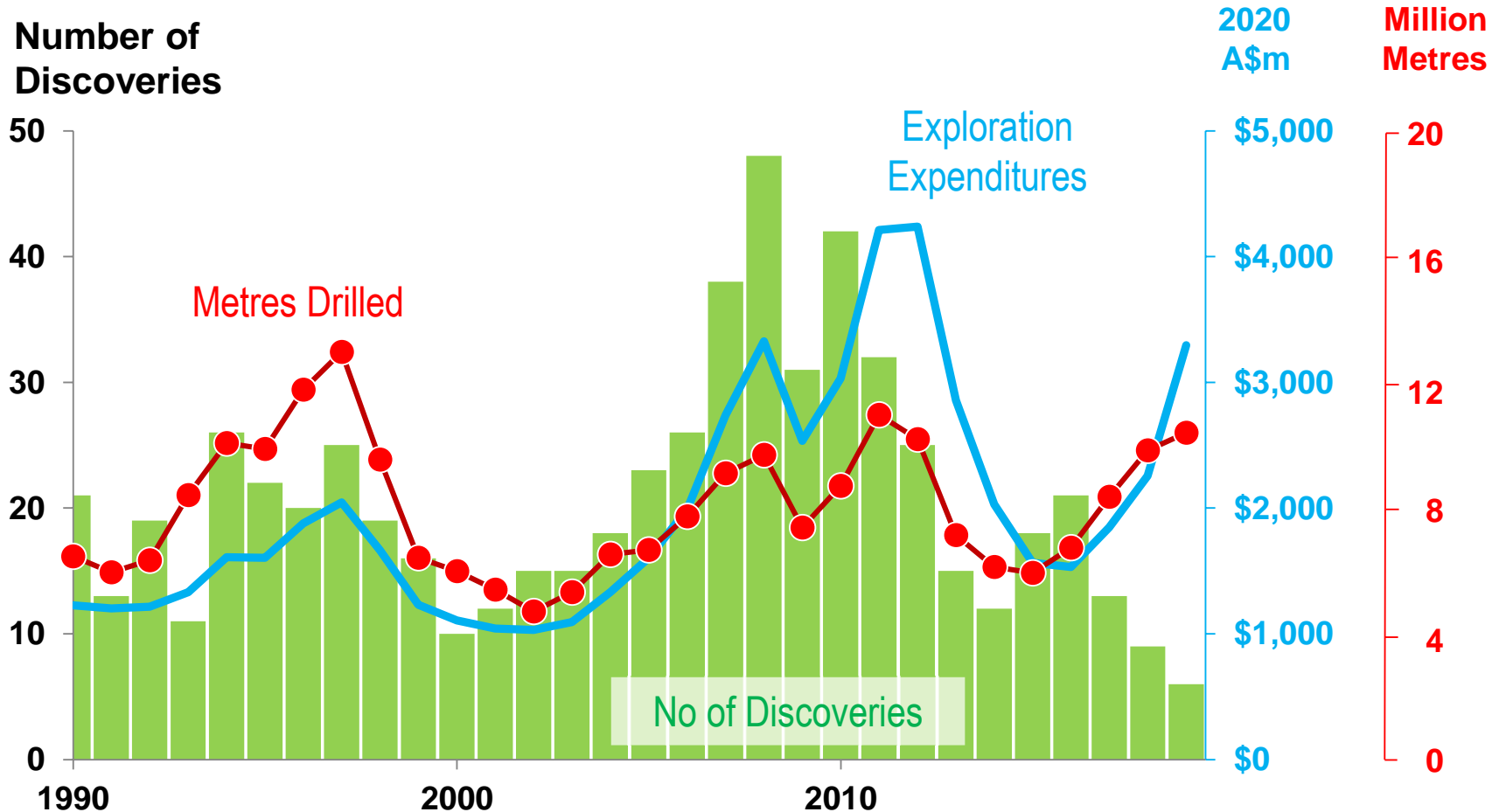


Note: Based on >="Moderate-sized" deposits, (i.e. >100koz Au, > 100 kt Cu, >5 kt U₃O₈, > 20 Mt Fe > 20 Mt Coal).
Excludes satellite deposits within existing Camps.

Source: MinEx Consulting © June 2020

Discoveries versus Expenditures and Drilling

Australia : 1990-2019



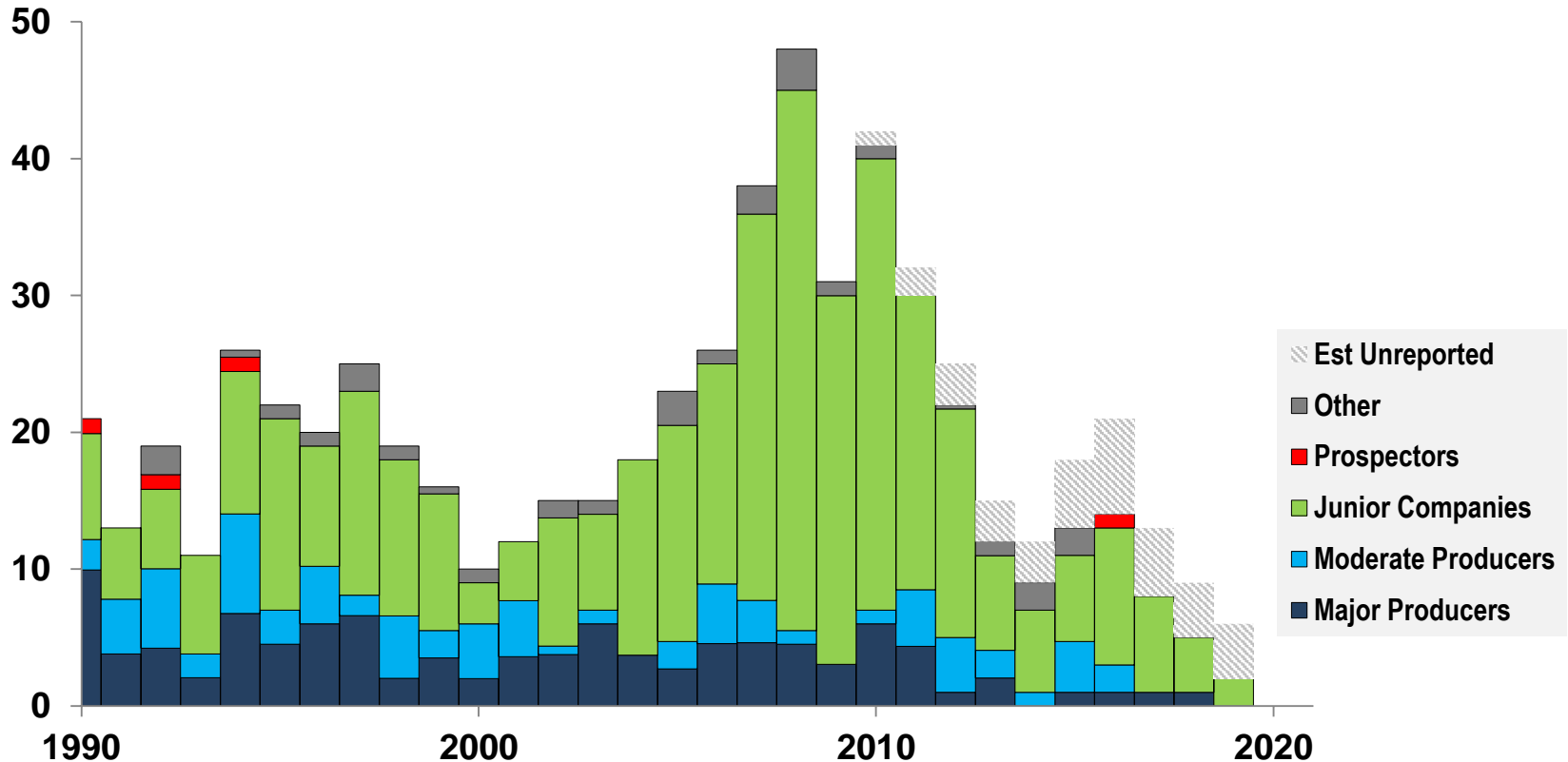
Note: Based on >="Moderate-sized" deposits
Includes an estimate for unreported discoveries in recent years

Sources: MinEx Consulting © June 2020
ABS 8412.0

Most discoveries are made by Junior Companies ...

Number of significant discoveries in Australia by Company type : 1990-2019

Number of Discoveries



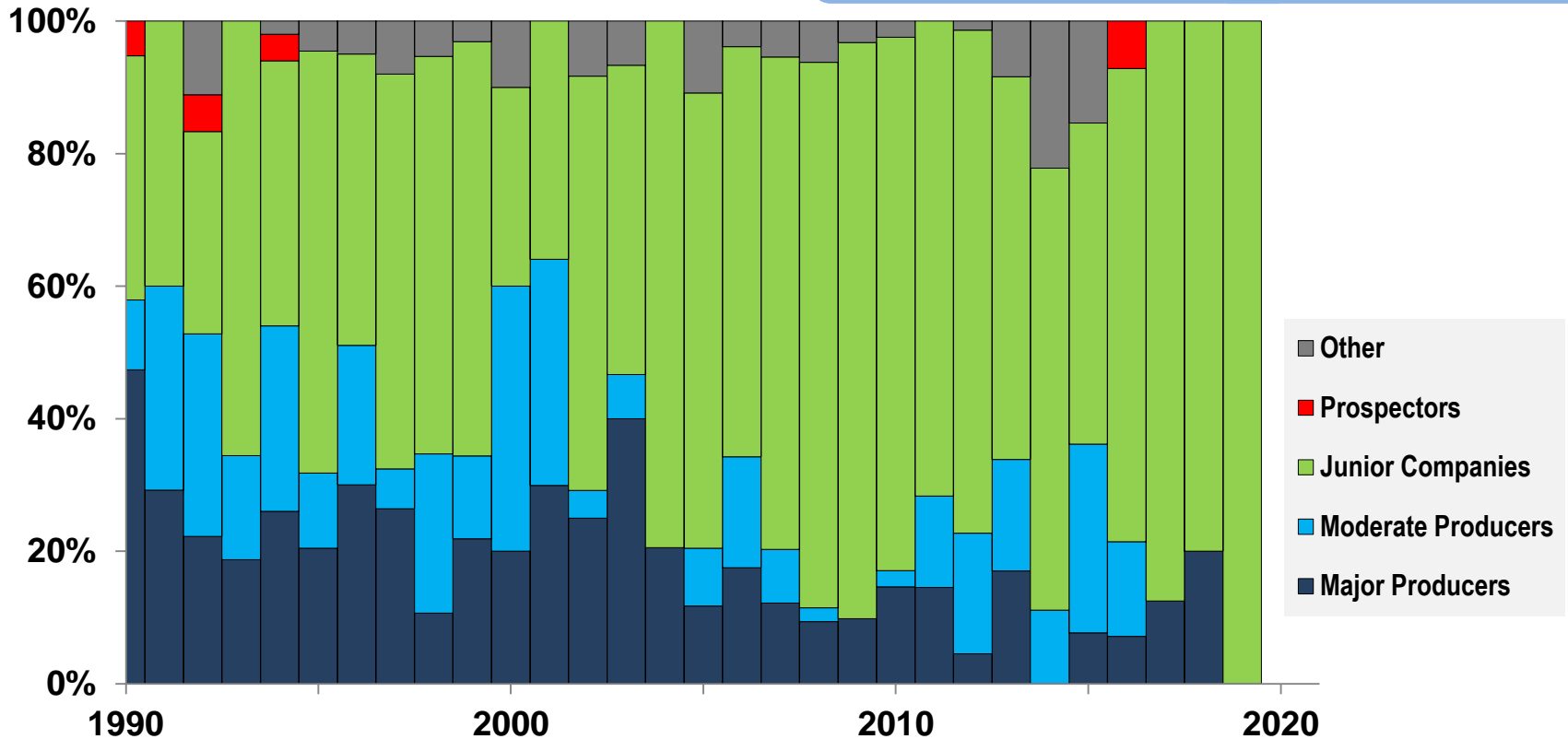
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Source: MinEx Consulting © June 2020

Most discoveries are made by Junior Companies ...

Percentage of significant discoveries in Australia by Company type : 1990-2019

Since the year 2000 Junior Companies accounted for **71%** of all discoveries made in Australia



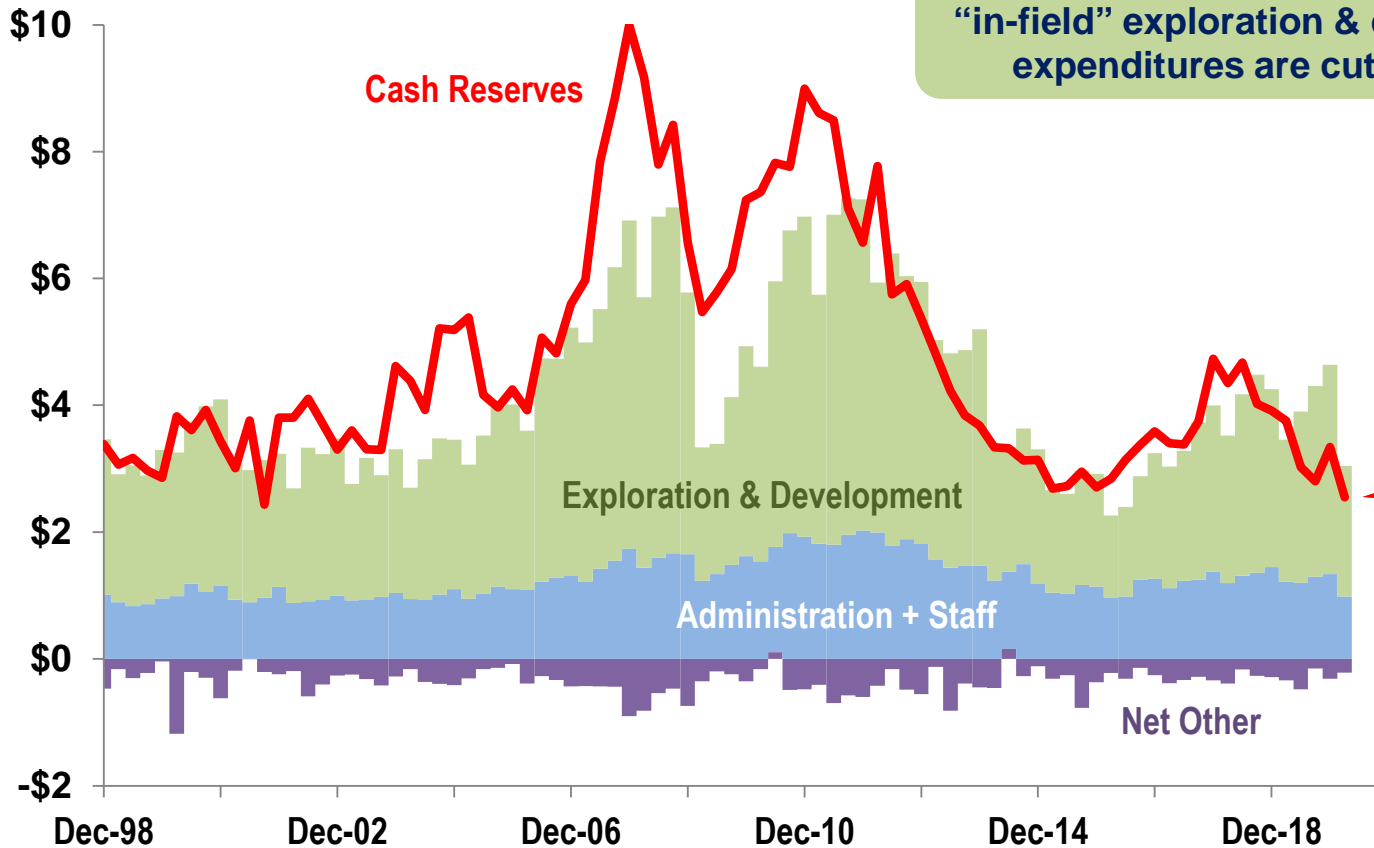
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Source: MinEx Consulting © June 2020

... but the Junior Sector is facing tough times

Cash Reserves and Expenditures for the AVERAGE Australian Junior Exploration Company : Dec 1998-March 2020

June 2020 A\$ Million pa



During a downturn, "in-field" exploration & development expenditures are cut the most

Overall expenditures dropped by 35% in Q1 2020

Cash Reserves are at historic lows

Admin costs tend to be "fixed"

Note: Survey based on a sample of 360 junior exploration companies listed on the ASX between 1998-2020. "Net Other" includes production and other costs less interest income, mine revenue, asset sales Government Assistance and R&D tax credits. Quarterly spend data has been multiplied by 4x to produce an annualised spend rate.

Source: MinEx Consulting © June 2020 based on Quarterly Reports to the ASX

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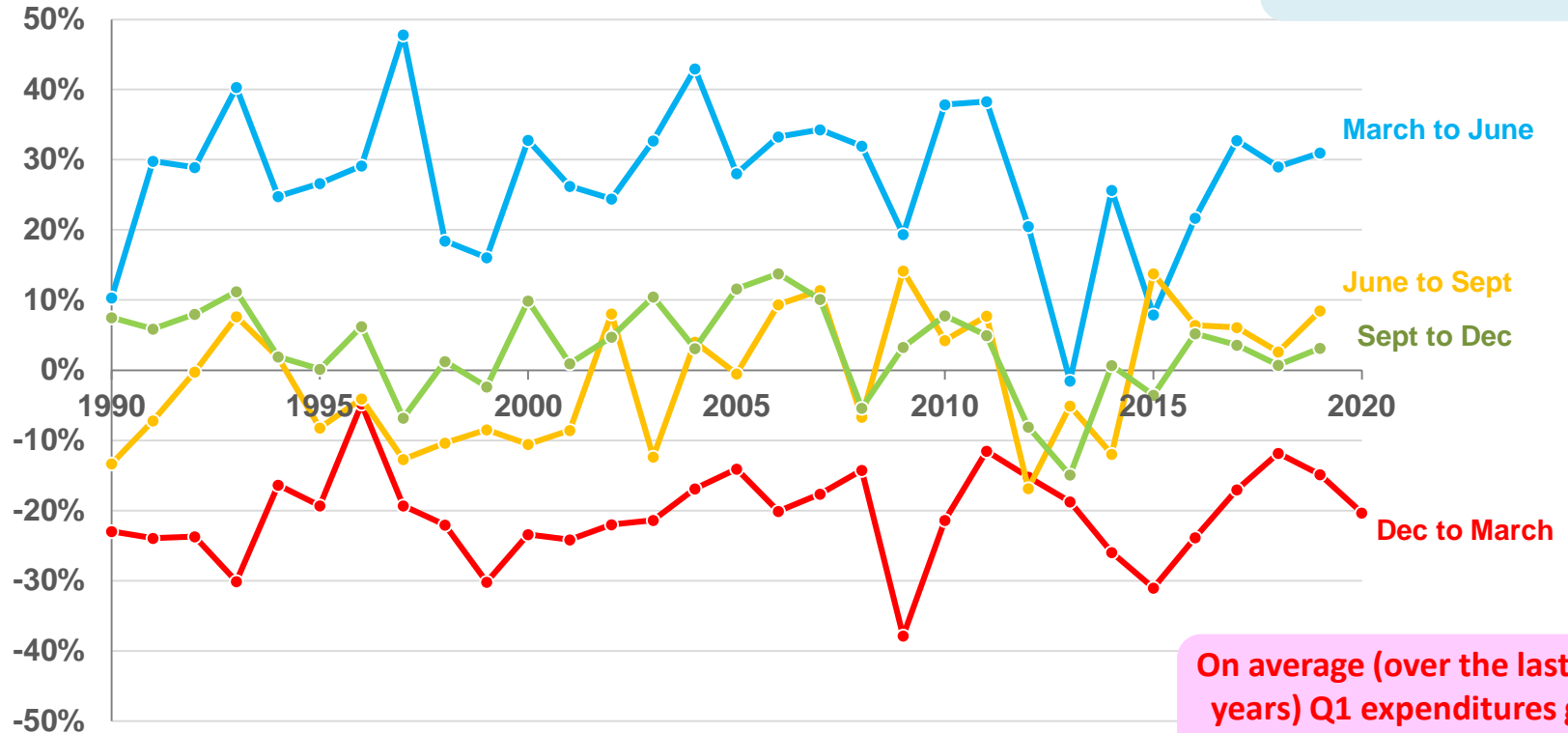
SPARE SLIDES

... But the March Quarter is traditionally a time of reduced spend

Australia : March 1990 to March 2020

June 2020 A\$m

... and Q2 spend goes up by 27%



On average (over the last 30 years) Q1 expenditures go down by 21%

Source: ABS 8412.0