



SAREIC REVIEW

Gloom or not, mining still reigns in SA

South Australia should be celebrating the growing number of industry highlights rather than worrying about when the downturn in the resources sector will end, according to Department of State Development deputy chief executive Paul Heithersay.

Resources production in SA totalled a record \$7.5 billion in the last financial year, including a \$5.6 billion contribution from the minerals sector, while exports from the mining-friendly state topped \$4.5 billion, including \$4.3 billion from minerals, in the 12 months to last January.

Heithersay used his time at the lectern at this year's SAREIC to highlight the many milestones the industry passed in 2014, including more than half (\$157.4 million) of the State's royalties.

It was a presentation which reminded delegates that despite all the perceived doom



Paul Heithersay

and gloom in the global resources industry, the local economy in SA was prospering on the back of its mineral and energy exploits.

"About 39% of our exports are minerals and energy related and that now makes us a material part of the South Australian economy," Heithersay told the SAREIC audience.

"Resources production was only \$1 billion about 10 years ago and now we're on a pretty steady growth path."

Heithersay singled out a number of SA-based company achievements over the past year, including the first ore railed from Iron Knob (now operated by Arrium Mining Ltd) for the first time in 15 years.

Graphite producer Valence Industries Ltd was also praised for the successful restart of operations at the Uley mine, while Lincoln Minerals Ltd and Archer Exploration Ltd have recently lodged mining proposals in a bid to

join the graphite party on the Eyre Peninsula.

Among the other notable highlights was Havilah Resources Ltd's move from explorer to producer at Portia and Adelaide Resources Ltd's ongoing exploration success at the Moonta copper project.

Heithersay reserved special praise for Iron Road Ltd's efforts in increasing the resource base at the Central Eyre iron project by 26% in what has been a difficult period for the entire iron ore sector.

"These guys are really in a very tough market, but still punching well above their weight in my view and we're very encouraged by what they're doing," Heithersay said.

"We agree with their views around magnetite as the iron ore of the future. We have a really large magnetite resource in this state and it's not going away so we need to work together to find a way to make that economic."

Heithersay said the department was continuing to work on improving land access for exploration companies and revealed a new framework was under consideration by government authorities.

- Michael Washbourne