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Mineral exploration up 63% in Western Australia

Figures released today by the Department of Mines, Industry Regulation and Safety show that Programme of Work applications have increased sixty three percent, reaching a five-year high record.

“This is a very encouraging increase for an industry that was initially heavily affected by the impacts of COVID-19, and shows strong confidence in the returning strength of the exploration sector in Western Australia,” said Association of Mining and Exploration Companies’ Chief Executive Officer, Warren Pearce.

“The ability of the State government to prevent the spread of COVID-19 in Western Australia has provided certainty around land access. This has meant that companies were able to focus their efforts on projects in the State.”

Certainty around land access wasn’t the only factor in boosting exploration, as exploration across the country received a substantial increase in investment dollars. A BDO report showed that there was a 60% increase in cash inflows in the June quarter with financing inflows at \$1.34 billion exceeding the five-year average. This increase was up from four-year low of \$834 million previous March 2020 quarter.

“28 companies were able to raise funds of \$10 million or more, up from 12 companies in the March 2020 quarter, with gold companies ahead. These recent capital raisings are now translating into action on the ground.”

Recent ABS figures showed that Western Australia’s total exploration expenditure grew by \$45.3m to \$412.4m. For context, the previous quarter (March 2020) saw an \$86.8m reduction quarter on quarter. It should be noted that the June 2019 WA figures were 0.65% higher than the June quarter 2020.

“These figures are extremely promising for mineral exploration in Western Australia and show that the industry is committed to finding new mines to deliver jobs, royalties and benefits for the local community,” said Mr Pearce.

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