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March quarter exploration results show it's costing us more to do less

The March 2024 quarterly statistics on mineral exploration expenditure released by the Australian Bureau of Statistics (ABS) today, shows that Australian mineral exploration expenditure has risen, with a record-high March quarter.

Australian mineral exploration expenditure reached a total of \$910.4 million for the March quarter, the highest March figure on record.

Expenditure on greenfield exploration to discover new deposits decreased by 23% (\$83.9m) to \$278.6m, while brownfield exploration decreased 16% (\$120.5m) to \$789.4m. This is typical of the March quarter, as the wet season restricts exploration activity across much of Northern Australia.

Metres drilled for greenfield exploration fell this quarter by 33.4% to 496.4km and brownfield metres drilled decreased by 21.1 % to 1502.8km. The percentage differences between the fall in expenditure and the fall in meters drilled, show the impact rising costs are having on the exploration sector.

“Following December’s record quarter, a new March record shows a 2% (\$14.5m) year-on-year growth. However, more accurately portrays the impact of rising costs within the exploration sector,” said AMEC Chief Executive Officer Mr Warren Pearce.

South Australia saw its highest value of greenfield expenditure at \$47.2m, eclipsing the previous high set last quarter at \$44.4m. However, most of this can be attributed to the effort to define the copper resource at Oak Dam. Without that investment, the rest of the South Australian sector looks much weaker.

Queensland recorded an overall expenditure decrease of 23% to \$127m, and South Australia’s overall expenditure decreased 10.7% to \$71m. Expenditure fell in Victoria this quarter by 1.7%, Tasmania by 11.8%, and New South Wales by 11.3%.

Western Australia saw an overall decline across all mineral categories, but held up well against the 2023 March quarter, with the exception of Nickel, which fell substantially year on year from \$68.3m to \$42.7m.

Challenges faced by WA’s struggling nickel sector, have clearly flowed through to nickel exploration.

“Continually strong investment to discover critical and base metals, highlights the importance of Government co-funded investment programs, and the diversity of investor demands.”

“Mineral exploration remains strong, but the impacts on inflation are clearly being felt.” said Mr Pearce.

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