Australian mineral exploration expenditure rose to $1.46 billion in 2006, an increase of 28.9% on 2005, according to the Australian Bureau of Statistics. The year ended on a high, with spending in the December quarter up 37% from the same quarter of 2005, the thirteenth consecutive quarterly increase. This strong continuing growth reflects ongoing industry expansion in response to overseas demand for metals, generally low or declining metal stocks, and elevated commodity prices.

“Mineral exploration activity in Australia and worldwide is expected to further strengthen in 2007 as a consequence of current metal and mineral prices, most of which are at or near 20 to 25-year highs, and continuing significant capital raisings.”

Gold continued to dominate, accounting for 29% of Australia’s total exploration expenditure, down from 34% in 2005, although spending on gold exploration rose by almost 12% to $429.8 million (figure 1). Outstanding performers in 2006 were silver–lead–zinc (up 116.6% to $100.7 million), uranium (up 114.1% to $80.7 million), copper (up 67.8% to $177.5 million), iron ore (up 47.6% to $224.7 million) and coal (up 36.5% to $198.7 million). Nickel was the only commodity to record a decline in exploration spending, down 12% to $147.9 million. Recent record prices should support continued high levels of nickel exploration in 2007. Similarly the continuing strong gold price is expected to maintain and probably increase gold exploration activity.

Western Australia again dominated exploration, accounting for 46.8% of all expenditure, followed by Queensland (17.2%) and South Australia (13.1%) (figure 2). Exploration expenditure rose in all states, with the largest increases in Tasmania (up 118.1% to $27.7 million), South Australia (up 92.6% to $191.4 million) and New South Wales (up 53.7% to $140.3 million). In Queensland, an increase of 36.3% saw spending rise to $252.1 million, the Northern Territory recorded a 24.5% rise to $85.4 million, and Victoria increased by 25.5% to $82.2 million. Western Australia showed the smallest increase, 11.6% to $685.3 million.

Spending on the search for new deposits rose by 26% to $532.9 million in 2006, while explorers spent $931.1 million on investigating known deposits,

**Figure 1.** Exploration spending in 2005 and 2006 by commodity (Source: Australian Bureau of Statistics).
up by 30%. In 2006, the percentage of exploration expenditure allocated to searching for new deposits was 36.4%, compared to 37.2% in 2005.

The amount of drilling undertaken in mineral exploration in 2006 rose by 16% from 2005 to 7.7 million metres, with 39% directed to finding new deposits.

Mineral exploration activity in Australia and worldwide is expected to further strengthen in 2007 as a consequence of current metal and mineral prices, most of which are at or near 20 to 25-year highs, and continuing significant capital raisings. ABS trend estimates suggest that mineral exploration expenditure in 2006–07 will exceed $1600 million.

A more detailed overview of mineral exploration in Australia in 2006, including a review of some drill results and highlights of government programs to help reduce the risk in exploration, is included in Australian mineral exploration: a review for the year 2006, available online in a short version and an extended version.

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Australian Mineral Exploration
A review of exploration for the year 2006

Figure 2. Exploration spending in 2005 and 2006, by jurisdiction
(Source: Australian Bureau of Statistics).

The amount of drilling undertaken in mineral exploration in 2006 rose by 16% from 2005 to 7.7 million metres, with 39% directed to finding new deposits.