



A Snapshot of the Kimberley Resources Industry

AS OF FEBRUARY 2022

The Western Australian Department of Mines, Industry Regulation and Safety (DMIRS) regulates the mining, oil and gas industries in WA.

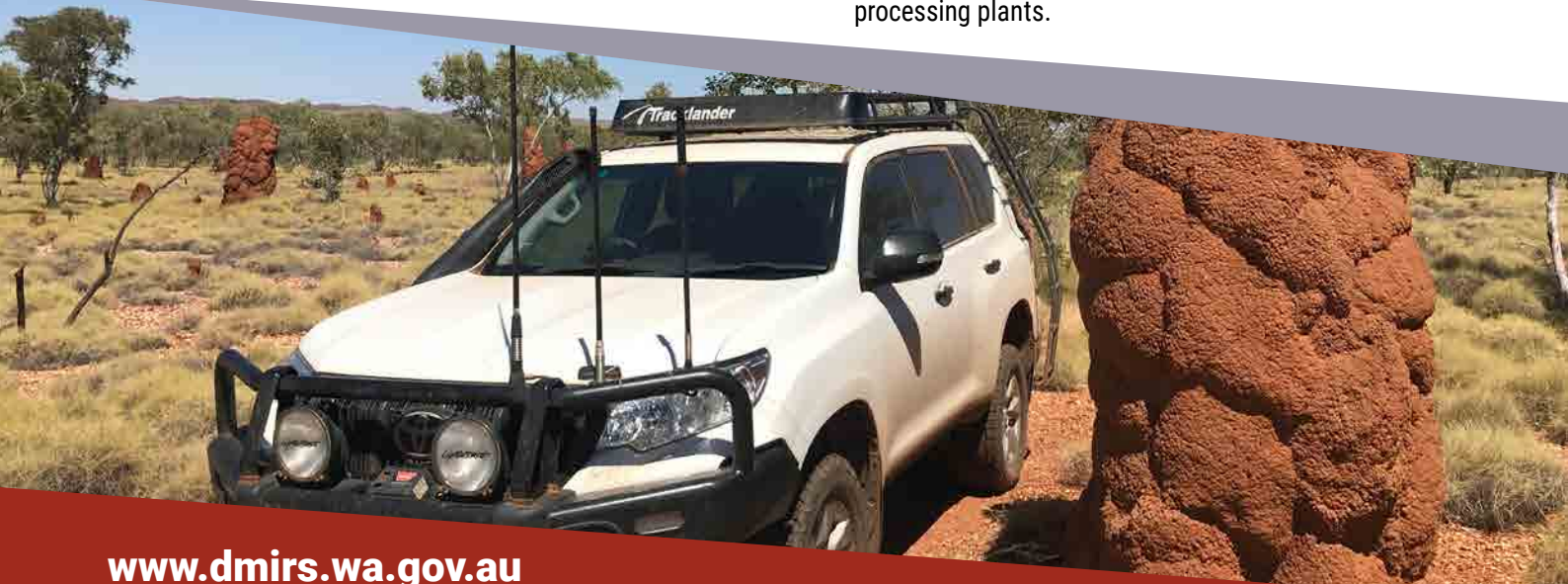
DMIRS regulates access to land for resource exploration and production and enforces compliance with environmental, health and safety standards in the resources industry, including dangerous goods (transport and storage of fuel, explosives and fireworks, etc.) in the community.

The department's Geological Survey of Western Australia (GSWA) gathers new geological and resource information across the State to gain greater geological knowledge about areas such as the Kimberley. GSWA field scientists interpret the geology and produce maps and information for use by industry and the community, including special geotourism products for tourists and others with an interest in geology and landscape development.

Resource companies produce minerals, petroleum and construction materials (rock, gravel, sand) which are used in products that the community needs, such as metals, energy and fuel, electronics equipment (screens, batteries, motors), healthcare (artificial joints, sunscreen), construction (metals, paint, concrete), agricultural goods (fertiliser, gypsum) and a host of personal items like cosmetics and ceramics.

In 2020–21:

- WA's resources sector successfully navigated the global COVID-19 pandemic to deliver mineral and petroleum sales valued at a record \$210 billion – up \$38 billion on 2019-20 – with the increase driven largely by the iron ore industry.
- 89 per cent of this production value was from minerals and 11 per cent from oil and gas.
- WA's minerals and energy exports made up 94 per cent of all WA merchandise exports, to 104 countries.
- Iron ore accounted for 83 per cent of mineral sales and 74 per cent of WA's overall resource sales.
- Mineral and petroleum resources are owned by the community and royalties are the 'purchase price' the State Government charges companies for the resources they extract. In 2020-21, \$11 billion was collected in royalties for WA, up 18 per cent from the previous year.
- WA's mining industry directly employed 149,500 people in WA in 2020-21. Up to three times this number are employed in service companies that support resource companies.
- Mining tenements collectively cover 24 per cent of the State, and of that, about 8.5 per cent of the Kimberley Shire areas.
- WA produces more than 50 different minerals, and has 125 principal mining projects which are high value, export-oriented projects producing more than \$5 million in mineral sales per year.
- There are 22 principal petroleum projects producing oil, gas and condensates from 55 fields onshore and in the Commonwealth waters around WA, utilising 13 processing plants.



VALUE OF RESOURCE PRODUCTION IN THE KIMBERLEY BY SHIRE IN 2020-21 WAS \$582 MILLION (The Pilbara was \$153 billion):

- Derby-West Kimberley: \$255 million
- Wyndham-East Kimberley: \$235 million
- Halls Creek: \$87 million
- Broome: \$5 million.

VALUE OF RESOURCE PRODUCTION IN THE KIMBERLEY BY COMMODITY IN 2020-21:

- Petroleum and iron ore: \$375 million
- Diamonds, gold and silver: \$200 million
- Construction materials, dimension stone and limesand, limestone and dolomite: \$7 million.

KIMBERLEY RESOURCE PROJECTS

EXISTING PROJECTS

- **Ungani oilfield (halfway between Broome and Derby, south east of the Great Northern Highway):**
 - The project is operated by Buru Energy Ltd. Commercial oil production started in July 2015 and is trucked to Wyndham Port.
- **Koolan Island, about 130km north of Derby in Yampi Sound:**
 - Mining of high-grade iron ore was undertaken by BHP from the mid-1960s and more recently by other companies. Since 2007 it has been operated by Mt Gibson Iron Ltd. The main pit flooded in 2014, and after an associated seawall was reconstructed, production recommenced in April 2019.
- **Cockatoo Island, about 130km north of Derby in Yampi Sound:**
 - Cockatoo Island produced high-grade iron ore for BHP from the early 1950s and more recently by other companies. There is no active mining currently taking place
- **Nicholson's Find project on Lamboo Station, about 40km south west of Halls Creek**
 - Operated by Halls Creek Mining Pty Ltd, Nicholson's Find produces gold. Workers commute daily from Halls Creek.
- **Savannah project, about 110km north of Halls Creek on the Great Northern Highway:**
 - A nickel/copper/cobalt-producing mine operated by Panoramic Resources Ltd, with product trucked to Wyndham Port.
- **Brown's Range project, about 170km south east of Halls Creek:**
 - Developed by Northern Minerals Ltd, the initial pilot plant is operational and producing, which will allow assessment of the feasibility of a larger full-scale development. The project produces the heavy rare earth dysprosium, which is used in hybrid and electric vehicles, as well as other renewable energy and high-end technology applications.

- **Ridges Mine, just off the Great Northern Highway, and about 110km south west of Kununurra:**
 - With tenements held by Kimberley Metals Group Pty Ltd, Ridges produced iron ore, which was trucked to Wyndham Port and loaded by barge onto ships for export. The project is currently under care and maintenance.
- **Argyle Diamond Mine, south west of Lake Argyle, and about 120km south west of Kununurra:**
 - Operated by Rio Tinto, the mine closed in November 2020 after exhausting its economic reserves. Decommissioning and rehabilitation works are now being undertaken for about five years. The mine had been operating since 1983 and produced mainly industrial diamonds and also a small percentage of high quality gem diamonds that included the well-known "Argyle Pink" diamond.

DEVELOPING PROJECTS

- **Thunderbird mineral sands project (halfway between Broome and Derby, north west of the Great Northern Highway):**
 - Kimberley Mineral Sands Pty Ltd has completed preliminary groundworks, initial minesite construction and a trial mining program. The company anticipates further developing the project during 2022;
 - Mineral sands are used for paints and plastics, ceramics, sunscreen, toothpaste, artificial joints and welding rods.

Exploration is an essential part of the resource industry and in 2020-21, 65 per cent of Australia's total mineral exploration was undertaken in Western Australia (worth \$2.1 billion). Travellers around the State may see evidence of exploration, such as fresh sample bags or capped drill holes. DMIRS regulates the activities of resource explorers, so if you see something on your travels that doesn't look right, get in contact with the department and we will investigate.

Prospecting is popular in some areas of the Kimberley for which you need a Miner's Right, obtainable for a small one-off fee. Guidelines about how to conduct prospecting can be obtained from the department's website.

However, old mine workings, while part of the heritage of Western Australia, can be dangerous. In particular, people who enter abandoned mines may expose themselves to serious injury or death. Be safe and stay well away from old mine sites. Also, be sure to always take a Personal Locator Beacon when prospecting.

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