

New Zealand Branch holds “biggest and best ever” Annual Conference

by Roger Gregg, Chair Conference Organising Committee, FAusIMM

Finance and New Zealand's Minerals Industry

Wellington, New Zealand's capital, was the host city for the 41st New Zealand Branch Annual Conference held from 31 August to 3 September 2008. The conference was the biggest in that it had a record Branch conference attendance of over 300 delegates and a staggering 90 papers were presented. The delegates included about 60% of the New Zealand Branch membership from over the length of the country. There was also possibly the largest representation ever at the Branch annual conference from Australia. That the conference was “the best” came from the consensus of opinion from seasoned delegates.

In these busy times for industry professionals the conference serves many purposes. Primarily it provides a focus for Branch activities (with members making a point of attending the conference even if they cannot otherwise participate in Branch activities) and a meeting place for those active or interested in becoming active in mining and exploration in New Zealand. Equally importantly the conference provides a forum for the presentation of up to the minute papers on the wider aspects of New Zealand's minerals industry.

Broad Range of Conference Sessions and Industry Support

One special feature of this conference, possibly a particular cause of favourable delegate comment, was the broad range of subjects covered. While the conference programme included the usual range of onshore geological, environmental, legislative



Alan Eggers, MAusIMM and Julian Hanna, MAusIMM. Photo: Ross Louthean, AAusIMM

and mining papers this conference was noteworthy in including strong multifaceted sessions on our offshore mineral deposits and, in line with the conference theme, finance as applied to exploration and mining activities. Another aspect covered was a new means to developing our mineral resources, via regional surveys initiated through local governments in both the North and South islands of New Zealand.

The conference has wide and substantial sponsorship support from the New Zealand minerals industry. It is this support which keeps registration fees low, encouraging participation and adds depth to the programme with industry leaders attending and addressing the conference. This conference saw addresses by the CEOs of New Zealand's coal mining and exploration companies Solid Energy, Pike River Coal and L&M Mining, our major gold miners OceanaGold and Newmont Waihi Gold and CEOs of our exploration companies such as Glass Earth Gold and Underworld Resources.

The Branch also very much appreciated and benefited from the presence of The AusIMM President Peter McCarthy and CEO Michael Catchpole, both of whom presented Keynote Addresses. Central Services was also represented by Membership Director Ashley Van Krieken who could not resist the opportunity to obtain new members from the uncommitted delegates present.

Peter McCarthy, as part of a long enduring tradition, presented the Tas McKee Memorial address. The topic he chose was Continuity Management in the Minerals Industry. Peter pointed out that while there was an emphasis on change management in the industry it was important to realise that there were aspects of our industry which should not change. He pointed in particular to the preservation and transfer of the underlying body of culture and professional knowledge of the members of The AusIMM. He was optimistic that as long as we maintain an active membership, particularly communicating our technical and management experience at our

gatherings such as this conference, these will not be lost.

Michael Catchpole emphasised the strong continuing growth of The AusIMM, with an increase from some 6000 to 9000 members over the past three years. In addition to the larger organisation, some 2000 of AusIMM members are now living outside Australasia. He went on to say that this expanded geographic distribution does pose particular problems in achieving The AusIMM's prime objective of serving its membership.

Strong Australian Presence

Possibly the largest ever presence of miners and explorers crossed the Tasman, many of them addressing the conference. Two such speakers were Julian Hanna and Alan Eggers. Both are geologists born and educated in New Zealand who headed to Western Australia many decades ago and today are two examples of success in Australian mining's corporate scene.

Last month Julian collected the prestigious Diggers Award at the annual Diggers & Dealers Forum – Australia's biggest mining conference – based on the spectacular performance of the company he helped create and still manages – Western Areas NL. Alan made business headlines in Australia last year when he relented to a hostile bid for Summit Resources Ltd, a NZ-Australian listed company he developed and ran.

Julian did not tell the conference that when he left NZ for Perth after graduating from Auckland University he had \$300 in his pocket. However in his address on "From thought to Mine" he did tell of how his company Western Areas acquired the Forrestania mines that were worked down to a granite basement. The initial plan was to eke out a living from remnant ore with a rising nickel price. That scenario changed when his ideas led to the thought of a target beneath the basement on the Flying Fox mine which when drilled gave a 21m intersection grading 7.8%



Tony Christie, MAusIMM. Photo: Ross Louthean, AAusIMM

nickel, at least four times greater than the company imagined possible. That was the beginning as Western Areas has now established known targets and mine developments exposing high to bonanza grade deposits – including Flying Fox – and the more recent Spotted Quoll deposit, along strike from the known mines that keeps on getting better as drilling goes deeper.

Alan Eggers had a similarly long apprenticeship with his company which was active in both New Zealand and Australia. In more recent times Alan's company sought copper-uranium-gold mines with signatures similar to Olympic Dam, and found them. Eventually Summit was acquired by Paladin Resources leaving Alan "financially secure". His effort today is devoted to developing his newly established company Manhattan Resources, and at the conference spoke on the need for both Australia and New Zealand to diversify their electricity generation. Specifically the countries need to emerge from their political cocoons and join the rest of the developed world by including electricity by nuclear means as part of their generation arsenal.

Coal and New Zealand's Energy requirements

Don Elder, the CEO of New Zealand's largest coal miner Solid Energy gave a strong address highlighting New Zealand as being a "lucky country" due to the abundance of lignite, high quality coal and coal seam gas. This theme was repeated by Geoff Loudon the Chairman of L&M Mining, New Zealand's other explorer and developer of coal seam gas and the country's lignite deposits. Again, this was at odds with the government's attitude to ignoring these riches concentrating instead on the development of new generation means such as wind power. The audience was left with the unmistakable conclusion that the government was unnecessarily "fighting with one hand behind its back" in its search for energy sufficiency.

Quest for SMS deposits Offshore New Zealand

Several conference sessions were devoted to the captioned topic. This included many great and in fact often mind-blowing presentations. Many of the delegates will never forget the video clips of a submarine volcanic eruption and the formation of seafloor massive sulphide (SMS) deposits included in the keynote address by GNS Kermadec Project Leader Cornel de Ronde. The papers covered environmental, legislative and biological issues along with resource assessment and mining concept studies. This issue of The Bulletin includes a paper by Campbell McKenzie of Neptune Minerals is which is actively investigating the development of these subsea resources.

Future Branch Conferences, and the 2009 Mining Geology Conference

The 2008 conference featured close to 90 papers that were presented by a broad range of authors. From leaders of the local and international minerals industries to students making their

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New advocacy group formed to promote New Zealand mineral industry

by John Dow, FAusIMM(CP)



Straterra Inc. is a new mining industry representation group established to unite the advocacy efforts of the minerals, coal and aggregates industries in New Zealand.

Launched at The AusIMM New Zealand Branch in Wellington in September Straterra has as its primary goal the doubling of the contribution which the resources sector makes to the New Zealand economy.

The minerals industry was a +NZ\$4 billion contributor to the New Zealand economy in 2007. About half of that came from gold, coal, industrial minerals and construction materials and the other half came from oil and gas. This industry already makes a major contribution to New Zealand's national wealth. It is bigger than the wool, wine and fishing industries combined and is nearly as big as the forestry industry but uses only a tiny fraction of the land area occupied by these other major players in the national economy.

However, for more than 20 years the industry has been fragmented into separate commodity-based organizations each with its own sectoral interests and each with its own voice. None of them have been big enough to have sufficient impact on policy-making at the national level. Nor has the broader industry projected a sufficiently compelling vision for its own future to command political attention.

Straterra believes that the resources industry could make a much bigger contribution to New Zealand's standard of living and economic prosperity if it had a clearer and more influential voice.

For years the role of minerals in the New Zealand economy has been allowed to decline. Successive governments have dismantled or re-organised the bureaucratic infrastructure supporting mining and quarrying and minerals industry leaders have been seemingly powerless to prevent large areas of prospective terrain being absorbed into the national conservation estate without regard to other potential

land uses. The introduction of the Resource Management Act (RMA) in 1991 compounded the problem by delegating environmental oversight to New Zealand's 26 regional councils who have considerable independence in the interpretation and operation of the RMA.

Worse, perhaps, is the widespread belief among ordinary Kiwis that mining is an industry of years past and that there are no more minerals to be found.

So Straterra is an organisation whose time has come. It will be promoting the opportunities for the industry and for a new partnership between industry and government, it will be pushing for a senior minister of the Crown to hold the Energy and Natural Resources portfolio and advocating for a wider recognition in government of the importance of ongoing exploration for new mineral resources in New Zealand to replace the minerals we deplete every year by mining.

Further information can be found at www.straterra.co.nz ■

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first presentations. That there were no poor papers is quite a remarkable feat. This year's conference was also unique in featuring two high calibre field trips organised and led by Tony Christie. Tony also organised two well attended and first class rated conference short courses. They were on The Orogenic Gold Deposits of Otago led by Dave Craw and Nick Mortimer and Structural Controls in Orogenic and Epithermal Gold Deposits presented by Brett Davies.

Next year the NZ Branch conference will be held in Queenstown from 27 – 29 August 2009. The location particularly lends itself to a new selection of great field trips. Another great opportunity is that the Branch conference follows immediately after the 2009 Mining Geology conference. I'm sure many delegates will decide to attend both conferences, not to mention taking advantage of the skiing and wine tour opportunities. Please visit the Branch website www.ausimm.co.nz for

details of the 2008 and the 2009 conferences.

The Conference Organising Committee comprised Richard Barker, Bob Brathwaite, Tony Christie, Graeme Fulton, Roger Gregg, Murray Stevens and Dave Stewart.

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