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## Bigger than Olympic Dam Tom-K tells Canadians

Kevin Naughton

MINING Minister Tom Koutsantonis has told a Canadian mining conference that South Australia has a mining project on the books that could be bigger than Olympic Dam.

"This whole region [South Australia] has about 20 mines now, 30 in the pipeline and about 130 in development," Koutsantonis said.

"The best anecdote I can give you is we've found the elephant, we are now looking for the herd," he said.

The "bigger than Olympic Dam" project he referred to is Tasman Resources Vulcan project, an accelerated exploration programme near BHP Billiton's Olympic Dam mine.

The minister is in Toronto attending PDAC, the Canadian mining industry's largest annual gathering, organized by the Prospectors and Developers Association of Canada.

Tasman Resources forged a joint venture deal last year with Rio Tinto Exploration for a \$5 million exploration program across the Vulcan project over the next 12 months.

"Since first identifying the Vulcan prospect, we have maintained an unshakeable belief about the similarity of this prospect's mineral styles relative to Olympic Dam and the potential for it to host a deposit of significant value," Tasman executive chairperson Greg Solomon said in October 2011.

Koutsantonis was also bullish about BHP Billiton approving the huge Olympic Dam open-pit mine in the next few months

"BHP have got some of the brightest people in the world working on this project," he said in an interview on the sidelines of PDAC

"My view is we will get a decision from BHP around July or August."

Even though Olympic Dam, located 550km north of Adelaide, is one of BHP's biggest growth prospects, the cost of digging the massive pit may prove prohibitive, Reuters reported.

Last month the company reported a profit decline, and it struck a cautious tone on its expectations for growth in China, one of its biggest markets. That has led some to speculate that the miner may delay spending on capital-intensive projects such as Olympic Dam and the Jansen potash project in the Canadian province of Saskatchewan.

In late 2011, BHP finalized state approvals to begin construction work on the open-pit phase of the Olympic Dam project, but the agreement would lapse around December if BHP delays its decision on proceeding.

"We want to see a board decision before the end of the year about substantial works beginning. If not, the approvals run out and BHP know this," said Koutsantonis.

"I'm not in the business, and no government should be in the business, of allowing anyone to have massive tenements that they don't develop – not that their tenements are at risk, just their approvals," he said.

A spokesman for BHP declined to comment on the remarks.

The report notes the sheer scale of the open-pit project; "BHP will have to shovel rock for five to seven years before it reaches the Olympic Dam ore body, discovered in the mid-1970s."

"Olympic Dam is Australia's largest underground mine, already contributing thousands of jobs and billions of dollars to the state," said Koutsantonis.

"When it expands, the figures are a bit mind-boggling to get your head around," he said. "It will be a very large chunk of our gross state product and it will employ about 25,000 people directly and indirectly. It will create investment beyond our wildest dreams."

Koutsantonis said he believes South Australia's exploration and mining boom won't fade anytime soon. In the past nine years alone, the state has approved about 15 major mines, an impressive feat given the time typically needed to secure permits for big projects.

"This whole region here has about 20 mines now, 30 in the pipeline and about 130 in development," said Koutsantonis.

He said Rio Tinto's Vulcan project was likely to be as big as Olympic Dam and perhaps even bigger.

"The best anecdote I can give you is we've found the elephant, we are now looking for the herd," he said.

*\*With Euan Rocha for Reuters in Toronto*

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