

I've just returned to Sydney from Broken Hill and it's time again to attack my keyboard with my latest thoughts and insights on the resources industry and other things.



The Resources Investment Symposium – Broken Hill

I spent the last week of May at the Resources Investment Symposium at Broken Hill, an excellent event organised by Kerry Stevenson and the rest of the hard working crew at Symposium, which was attended by over 250 delegates. Attendees included company and government personnel, retail and corporate investors and analysts amongst others.

This is now in its fifth year, of which I have been to the last three. The first I arrived and left on the “Connie”, the second on the two day bus trip there and back with Kerry and a number of other industry personnel, which included mine visits to Alkane’s Tomingley and Auralia’s Hera projects, and this year I drove. Next year?

Is the industry stuffed? I don’t think so. After driving from Cobar to Broken Hill on the morning of Monday May 25, I arrived at around 11am to the news of the Sirius (a presenter at the conference)/Independence A\$1.8b merger and Evolution’s US\$550m acquisition of Barrick’s Lake Cowal operation. These transactions involve our mid-tier guys – the other transaction that was announced that day involved a junior – Frontier Resources proposed scrip acquisition of St. Barbara’s Gold Ridge operation in the Solomon Islands. Frontier was also present at the conference.

According to the investment clock of Lion Selection, this puts us at around 4-5 o’clock in the resources cycle – an increase in merger and acquisition activity, marking the end of the bust and going into the next upturn – a time to buy. One of the keynote speakers at Broken Hill was Hedley Widdup of Lion Selection, and I also had the privilege of being included on a discussion panel with Hedley, as well as John Diniz of Paragon Funds Management and Michael Beer of Beer and Co. This panel concentrated on the recent developers, and included discussions on Sirius (Nova-Bollinger), Alkane (Tomingley), Roy Hill (Roy Hill), Havilah (Portia), Auralia (Hera/Nymagee) and Australian Zircon (WIM150). These companies have a diverse range of projects, as well as different funding arrangements suited to their particular project parameters. It does show the adaptability of companies to funding in the current difficult times, and that the industry is still well and truly alive.

This was one of a few discussion panels, with others on new discoveries and producers. The other panels included well known personnel in the game, including analysts, MD’s, financiers and mining identities. All these panels provided excellent insights into the industry through the eyes of experienced industry participants. I got similar comments on the panels from a number of attendees.

This is a key point of the conference – it involves personnel from all facets of the resources industry, and includes presentations on the technical, financial, government and corporate aspects, which does differentiate it from a lot of other conferences. This was clearly demonstrated by the technical talks on the third day, which followed two days of presentations focussing on companies and various facets of the industry as a whole.

These technical presentations, given by both industry and government geologists, covered both the New South Wales and South Australian geology and mineralisation of the Curnamona Province (which of course doesn’t change at the border!), which is host to the Broken Hill deposit amongst others. The sessions also covered the younger cover sequences, the host to significant uranium mineralisation in South Australia. On the technical side, the conference also saw the launch of the 1:250,000 metallogenic map of Broken Hill.

One of the attractions of the conference is also the social side, and again, with people actually staying in Broken Hill (and not dropping back to the office as is the case for capital city conferences) this was very active. The crowning glory again this year was gala dinner, this time held at the RFDS Hanger (thankyou to the RFDS) at the airport, with excellent victuals and entertainment (which included the excellent local singer, Georgie Blore).

Hedley Widdup's view of the mood of the conference was one of cautious optimism, which he states is a material turnaround of most of the conferences in 2014. He also noted that there was real interest this time in companies with pre-development projects, and that the share prices of some of the companies saw appreciation during the conference.

I felt the same myself – there was not the doom and gloom I have seen in previous conferences, and I think this was certainly helped by the major announcements coinciding with the start of the conference. Another thing that harder times do ensure is that generally the companies with real and potentially viable projects tend to present and man booths at conferences; you do not get a lot of the “chaff” that is present during boom times. This was certainly no different at Broken Hill – all companies present had a good story to tell.

There are a lot of people to be thanked for what was a very enjoyable conference and which is my favourite of all on the conference circuit. First and foremost thanks must go to Kerry Stevenson, supported by the organising committee for the exceptionally hard work that goes into organising such an event, which from my perspective went seamlessly. Thanks are also due to all other groups involved in the running and provision of services to the conference.

As a final note, the conference was well covered by the media, with both the ABC and local 2BH radio station broadcasting from the venue, and excellent coverage in the local paper, the Barrier Daily Truth. I enjoyed the ABC's live interviews on Monday morning whilst driving into town from Cobar.

Dinner Companion

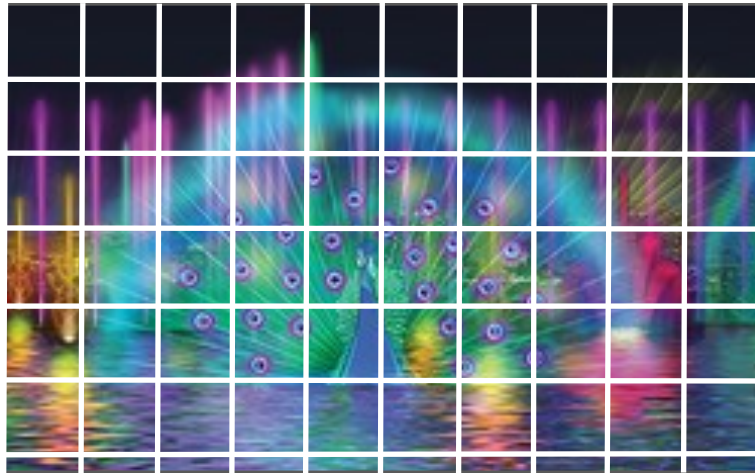


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From Broken Hill to a Soapbox

This is totally off topic, but I just can't help myself. I have been a Pyrmont resident now for around 10 years and hence I am a regular attendee at events (including fireworks, NYE and Australia Day) at Darling Harbour, and do pass by the area most days. My week in Broken Hill saw the start of Vivid, which includes nightly events at Darling Harbour. On returning to Sydney I was dismayed to see temporary fencing around the water's edge at Darling Harbour, with signs, posted by the relevant authority, saying that the fencing is for the public's safety.

Unfortunately recent years have seen two (that I know of) night time drownings at Darling Harbour, with one on the opening night of Vivid last year. I have not read the coroner's report on last year's incident; however my guess would be that the fencing would be in response to this?

Although I have sympathy for the family and friends of the victims, and that there is a need to at times protect the public, my view is that this fencing is going too far. Given the number of people that do pass through Darling Harbour isn't this a bit of an overreaction to what can be considered, although tragic, isolated events? I just hope that this doesn't lead to fencing at all events, else permanent fencing in the area.

In addition to the "nanny-statism" aspect of the fencing, it does spoil the ambience, and in some ways also the function of the area. At events I have been to you will get people sitting along the wharf's edge, with then some seated and then standing groups moving back away from the water. Now you all have to stand behind a fence – the layout is not conducive to sitting.

I suppose this is the way of the world though.....

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Now to my Bookshelf

What this month? There is plenty to choose from – I even have my late 1980's university notes on my bookshelf, and have thrown nothing out since.....

Paul Carter is an Australian resident who has worked on oil rigs the world over. He has written a number of books, the first being

“Don't Tell Mum I Work on the Rigs, She Thinks I am a Piano Player in a Whorehouse”.

I suppose the title gives the game away...

This is a very entertaining account of the peripatetic and exciting lifestyle that is working on the rigs, and well worth a read.



PAUL CARTER HAS BEEN SHOT AT, HIJACKED AND HELD HOSTAGE.
He's almost died of dysentery in Asia and toothache in Russia, watched a Texan lose his mind in the jungles of Asia, lost a lot of money backing a mouse against a scorpion in a fight to the death, and been served cocktails by an orang-utan on an ocean freighter. And that's just his day job. Taking postings in some of the world's wildest and most remote regions, not to mention some of the roughest oil rigs on the planet, Paul has worked, gotten into trouble and been given serious talkings to in locations as far-flung as the North Sea, Middle East, Borneo and Thailand, exotic as Sumatra, Vietnam and Tunisia, and as flat out dangerous as Columbia, Nigeria and Russia, with some of the maddest, baddest and strangest people you could ever hope not to meet. Strap yourself in for an exhilarating, crazed, sometimes terrifying, usually bloody funny ride through one man's adventures in the oil trade.
When not getting into trouble on the rigs Paul lives a quiet life in Sydney.

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