



The Australian Minerals Industry and the Australian Economy

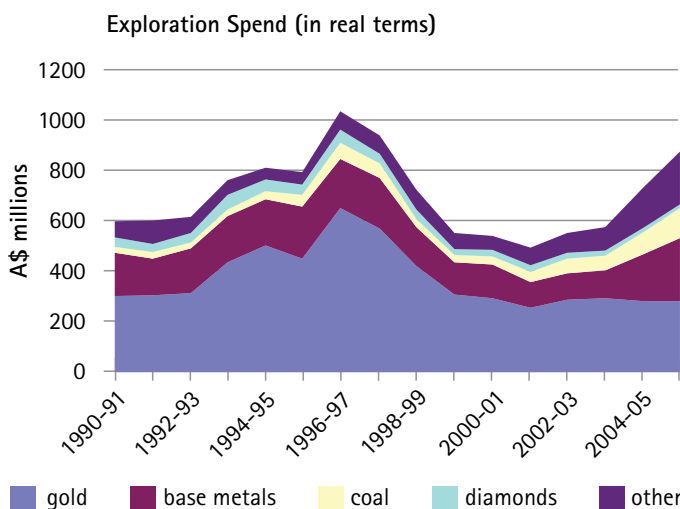
May 2007

Industry Definition and Contribution

The Australian minerals industry is defined as covering the exploration and mining of minerals (including coal) and the associated minerals processing industry. The Minerals Council of Australia, in representing the industry nationally and internationally, is committed to contributing to the sustained growth and prosperity of current and future generations through the integration of sound financial management, responsible social development and effective environmental management.

Financial 2006–07 (f)		Environmental	Social
% of GDP	8%	<ul style="list-style-type: none"> Largest employer of environmental professionals 	<ul style="list-style-type: none"> More than 350 Indigenous Land Agreements across 200 operations
Employment			
- direct	127,500	<ul style="list-style-type: none"> Accounts for 3% of national water use with an economic value added of between \$86,000/ML and \$25,000/ML 	<ul style="list-style-type: none"> 14 member companies—collective contribution more than \$17 billion on community development
- indirect	200,000		
% of Australian total capital investment	26%	<ul style="list-style-type: none"> Mining sites disturb <0.01% of Australia's land mass and in 2006–07 the industry is forecast to spend \$184 million on rehabilitation of disturbed lands. 	<ul style="list-style-type: none"> Invest more than \$10 million on primary, secondary and tertiary education
Exports	A\$b	<ul style="list-style-type: none"> Accumulated provisions of nearly \$3.5 billion for rehabilitation 	<ul style="list-style-type: none"> From one of the worst industrial safety records of any sector to one of the best. Our goal of zero fatalities and injuries remains our number one value and commitment.
<ul style="list-style-type: none"> coal & uranium 	23.1		
<ul style="list-style-type: none"> other minerals 	66.2		
<ul style="list-style-type: none"> mining equipment & services 	2.0		
Total	91.3		
<ul style="list-style-type: none"> % of total trade 	40%		

Exploration



Source: Australian Bureau of Statistics

Main growth in exploration activity four years to 2005–06 was in iron ore, coal, copper, nickel cobalt and uranium. Gold exploration remained virtually unchanged.

Production

The Australian minerals sector is in the top five producers of most of the world's key minerals commodities including:

- the world's leading producer of bauxite and alumina, ilmenite, rutile and zircon, synthetic rutile and tantalum;
- the second largest producer of gold, iron ore, lead, uranium, diamonds (by weight) and zinc;
- the third largest producer of silver and nickel;
- the fourth largest producer of black coal and manganese;
- and the fifth largest producer of aluminium, copper and lignite.



The Australian Minerals Industry and the Australian Economy Factsheet

Mining 2006–07 (f)

	Production '000	Exports A\$ billion
Bauxite	65,200	0.2
Thermal Coal	180,100	7.3
Metallurgical Coal	131,800	15.0
Copper	939	3.9
Gold	0.255	9.2
Iron Ore	299,700	16.6
Lead	643	0.8
Mineral Sands	3,795	1.4
Manganese Ore	4,794	0.5
Nickel	202	8.4
Silver	1.5	0.2
Uranium (tonnes)	10.4	0.7
Zinc	1,383	2.5

Source: Australian Bureau of Statistics

Minerals Processing

	Production '000	Exports A\$ billion
Smelting and Refining		
Alumina	18,955	6.4
Aluminium	1,936	5.5
Refined Copper	460	2.5
Lead Bullion	120	0.3
Refined Lead	203	0.4
Refined Zinc	495	1.8
Refined Nickel	124	(a)
Refined Silver	0.65	0.2
Synthetic rutile	750	0.4
	Production	Exports
Diamonds	30.8 billion carats	A\$ 0.7b

Note (a) export receipts are included in nickel mining revenue

Australian Economic Demonstrated Resources For Selected Minerals

Mineral		1995	2005
Bauxite	Gt	2.5	5.8
Black coal (recoverable)	Gt	49.0	39.2
Brown coal (recoverable)	Gt	41.0	37.4
Copper	Mt	24.0	41.4
Gold	kt	42.6	52.3
Iron Ore	Gt	17.8	16.4
Lead	Mt	18.2	23.8
Nickel	Mt	3.7	23.9
Silver	kt	41.5	44.0
Uranium	kt	629.0	716.0
Zinc	Mt	38.8	41.8

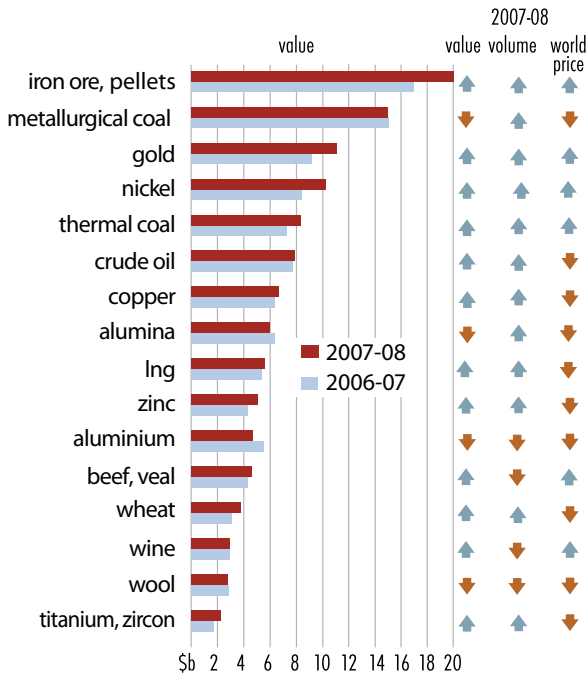
Source: Geoscience Australia

- In 2006–07, mineral resource exports are forecast to be around A\$89 billion or around 66 per cent of Australia's total commodity trade;
- over the five years to 2006–07, minerals industry exports have totalled over A\$300 billion;
- over the five years to 2005–06, Australian mine production has increased by 19 per cent;
- despite this high rate of production and export, exploration activity has led to an increase in Australia's Economic Demonstrated Resources for most commodities.

The Australian Minerals Industry and the Australian Economy Factsheet

Exports

Major Australian Commodity Exports

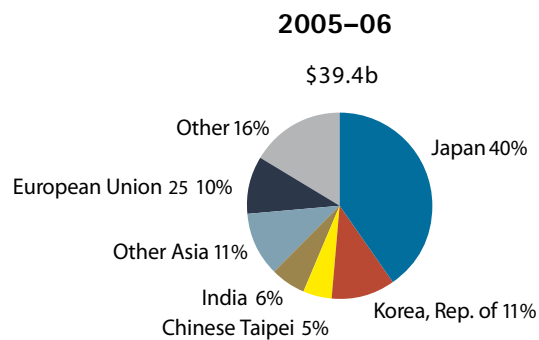
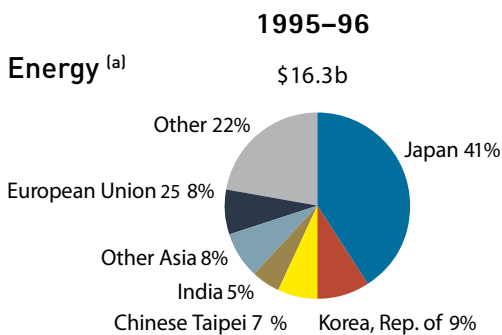


Australia is the:

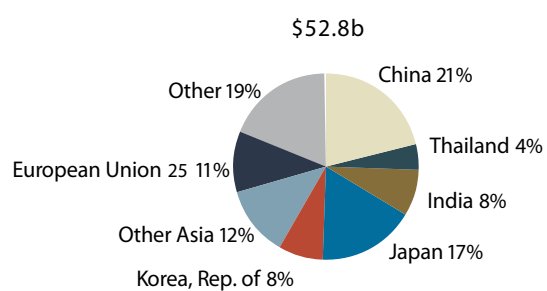
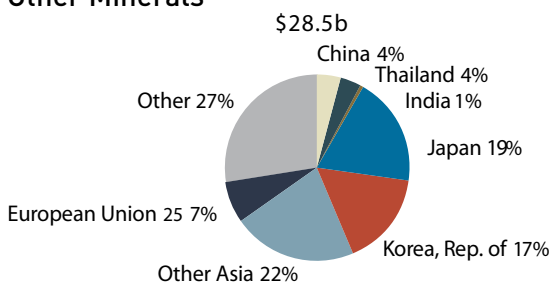
- largest exporter of:
 - alumina;
 - black coal;
 - iron ore;
 - lead; and
 - zinc;
- second largest exporter of uranium.

Source: Australian Bureau of Agricultural and Resource Economics

Major Export Markets



Other Minerals



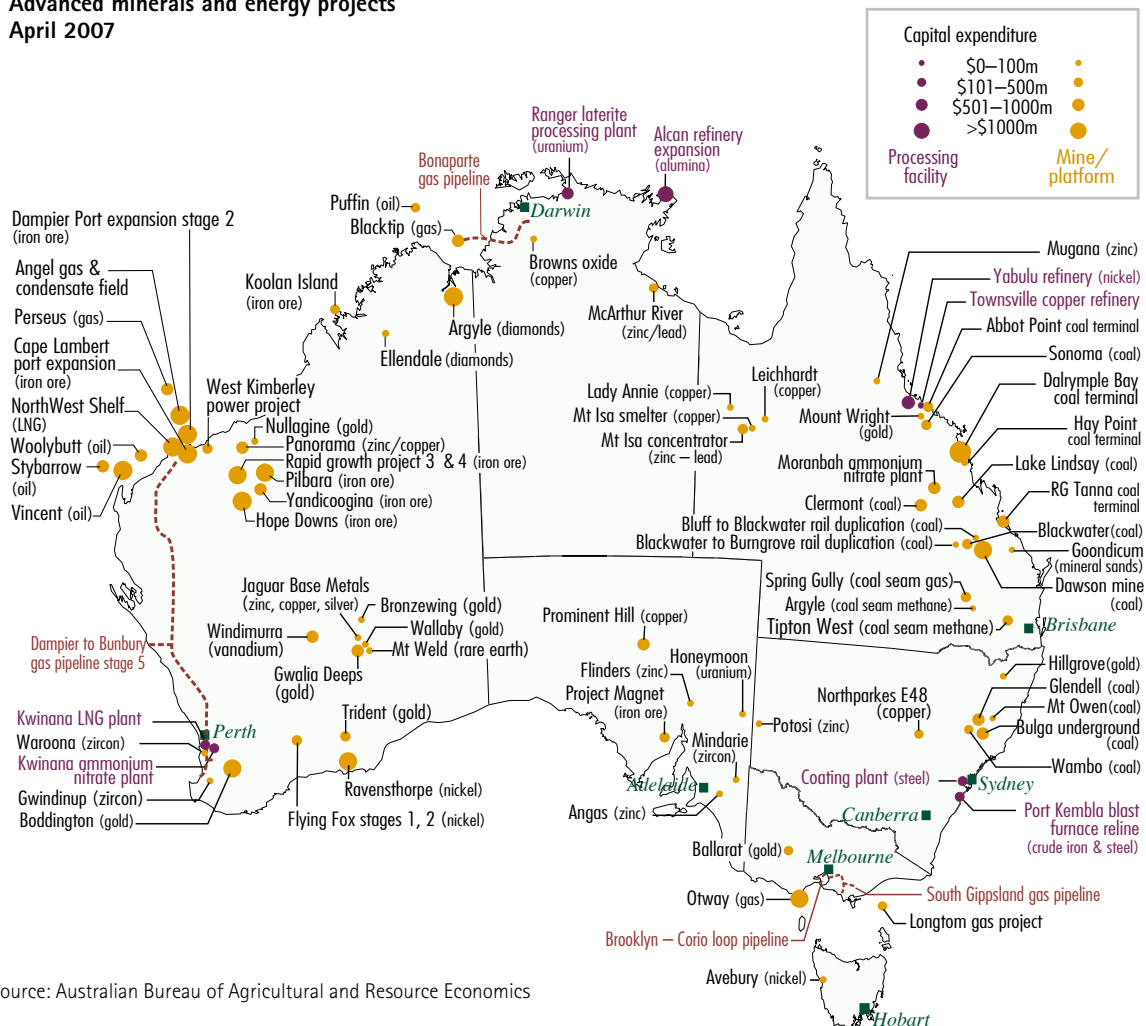
Note (a): energy includes oil and gas, uranium and coal.

Source: Australian Bureau of Agricultural and Resource Economics

The Australian Minerals Industry and the Australian Economy Factsheet

Investment

Advanced minerals and energy projects April 2007



Investment in new production projects

The Australian Bureau of Agricultural and Resource Economics reports twice yearly on development projects in the Australian minerals industry. The most recent report covers projects that have been 'completed' between November and April 2007, those that are 'advanced' (either committed or under construction) and those that are 'less advanced' (no definite decision has been taken on development following the completion of a feasibility study).

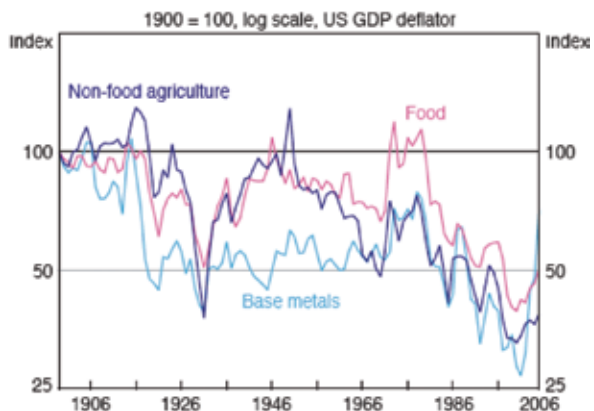
In the six months ended April 2007, there were 21 minerals projects 'completed' at a combined value of \$2.6 billion, 84 projects at the 'advanced' stage with an estimated combined capital expenditure value of \$34.4 billion, and 165 projects at the 'less advanced' stage with a collective value of approximately \$61.8 billion.

The advanced projects are shown on the above map of Australia.

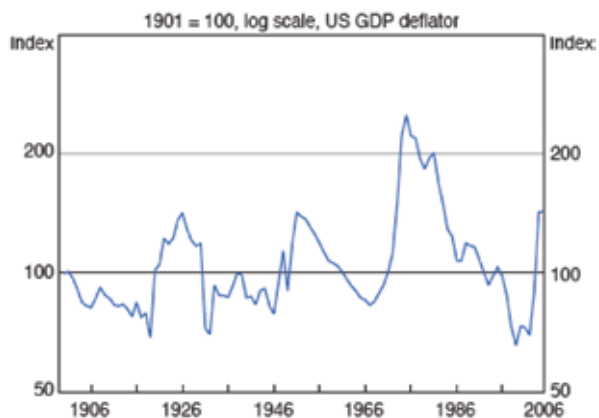
The Australian Minerals Industry and the Australian Economy Factsheet

Prices

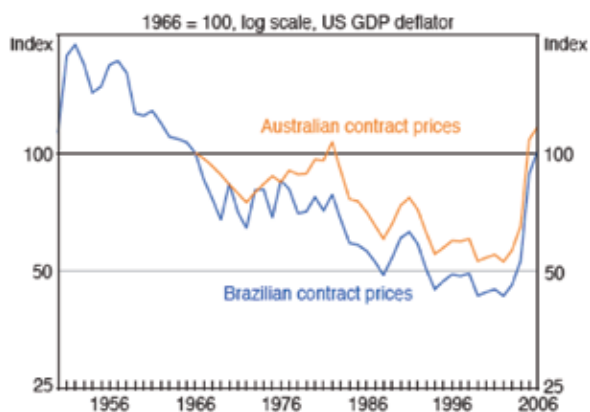
Real Base Metals & Other Commodity Prices



Real Coal Price



Real Iron Ore Contract Prices



Real Gold Price



Source: Reserve Bank of Australia