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Less FIFO on cards

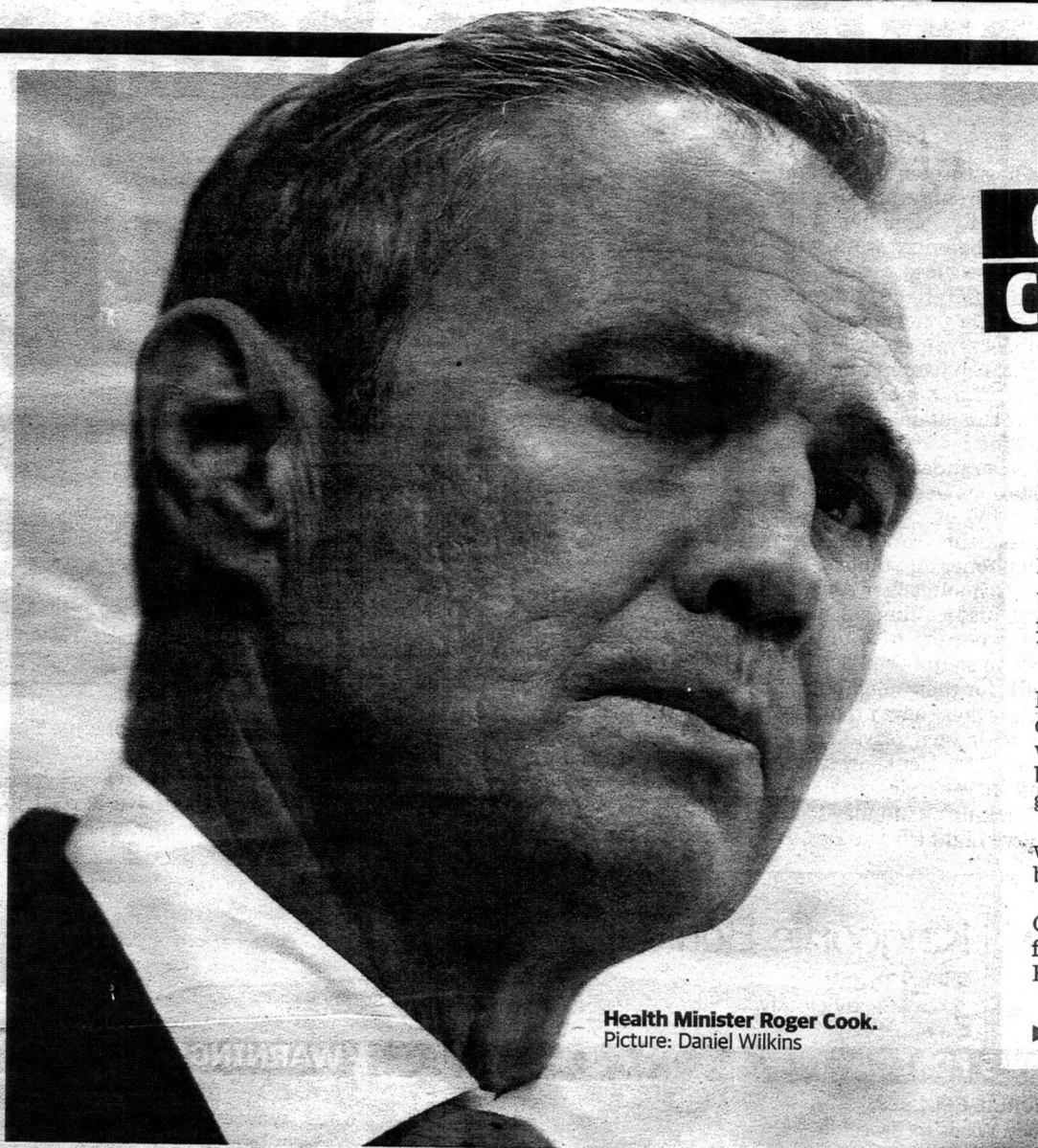
A mining industry analyst believes the coronavirus pandemic might force Goldfields companies to reduce their reliance on fly-in, fly-out workers.

Canaccord Genuity Patersons Limited associate director Don Inglis yesterday said he believed some of the Goldfields' biggest miners were well poised to ride out the economic turmoil caused by COVID-19.

But Mr Inglis said the pandemic could have a lasting impact on the way the bigger companies did business, curbing interstate reliance on fly-in, fly-out workers.

"I can see a bizarre situation where property prices could go up in Karratha and Port Hedland and Kalgoorlie because there will be less FIFO going forward," he said.

■ MINE TALK PAGE 9



Health Minister Roger Cook.
Picture: Daniel Wilkins

COUNTRY CLA



INSIDE P11
Ramelius on track

With Jason Mennell
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Thursday, April 2, 2020

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MINER TALK

Pressure on juniors and FIFO

■ Jason Mennell

The disruption caused by the coronavirus pandemic will likely permanently change the landscape of WA's mining sector, an analyst believes.

Canaccord Genuity Patersons Limited associate director Don Inglis yesterday told the Kalgoorlie Miner he felt some of the Goldfields' biggest miners were well poised to ride out the economic turmoil caused by COVID-19.

But Mr Inglis said the pandemic could have a lasting impact on the way the bigger companies do business, curbing interstate reliance on fly-in, fly-out workers.

"It would be fair say now that perhaps they will source more

local workers," he said. "What you might find is we will go back to having more guys on site which would be better for the local communities anyway.

"I can see a bizarre situation where property prices could go up in Karratha and Port Hedland and Kalgoorlie because there will be less FIFO going forward."

The view comes after WA banned all FIFO workers from NSW on Monday, with resource giants this week relocating hundreds of FIFO workers from the east coast ahead of a looming "hard closure" of WA's borders.

But the big operators are not alone and Mr Inglis believes some WA juniors are in for a rough ride and will have to rein in expenses.

"The problem for the real juniors, of which there are way too many, their access to capital is going to be — well look — I think it might just dry up," he said.

"It's going to be very difficult for them to carry on because all it does is squash the sources of capital.

"We won't see too many disappear but we will see some go but you can't sustain having 700 companies all needing a couple of million every year.

"What they will do is they finish their current exploration programs and they will shut up shop and wait."

There are signs the region's junior explorers are feeling the pinch with the disruption caused by the coronavirus pandemic

already starting to bite. Resources and Energy Group this week announced it was temporarily suspending its drilling campaign at its East Menzies gold project in a bid to save costs.

The company said a decision by the board to reduce overhead and salary costs would also lead to the departure of chief executive David Frances.

That decision came a week after another explorer with a footprint in the Goldfields announced it was scaling back to cut costs.

Barra Resources last week said its board had undertaken a comprehensive business review to ensure the long-term viability of the company in "response to the unprecedented global financial

markets disruption caused by the still spreading COVID-19".

That included the departure of managing director and chief executive Sean Gregory.

And other explorers are facing restrictions on movement within the State.

A remote northern Goldfields shire last week went into lockdown, with Shire of Ngaanyatjaraku one of several locations that became off-limits for outsiders last week.

The State Government directive, and a ban on interstate travel and concern for the community, put the brakes on field work by aspirating sulphate of potash producer Trigg Mining, which suspended field exploration at Lake Throssell.

ST BARBARA TAPS DEBT FACILITY

■ Jason Mennell

St Barbara Mining is bracing for tough times ahead after drawing down \$200 million on a debt facility during the coronavirus pandemic.

ing its charter flights screened at Perth airport for COVID-19 symptoms before boarding.

That follows a worker at Gwalia being cleared after last month being flown