



FAR WEST REGIONAL ECONOMIC UPDATE DECEMBER 2015

Major Projects

Cristal Mining Australia Limited

Crayfish approval is on track and a final company decision is expected in the next month. Crayfish is a relatively small satellite deposit that supplements production at Ginkgo and can potentially extend Ginkgo's mine life by between 2 and 4 years. All government approvals have been attained. If final company approval is reached then it is planned to commence clearing of the site in March 2016. The mining lease is currently being pursued and management plans are being finalised. It is hoped road construction can commence mid-year with ore production starting in early 2017.

Cristal is continuing with secondary approvals for its new Atlas – Campaspe Project north of Balranald. All state and federal approvals were achieved in 2014. Design work has commenced on the access haul road and the Ivanhoe siding. Approvals for gravel pits and road realignments are currently being sought. The project remains on schedule for clearing to commence in early 2017, followed by the construction phase which is expected to take 18 – 24 months. Ore production is still planned for late 2018 depending on market conditions at that time. Ore production which will be trucked to Ivanhoe and then railed to Cristal plant in Broken Hill is expected to continue until at least 2027.

Hawson's Iron Ore Mine

(A Carpentaria and Pure Metals joint venture) is currently early in its Bankable Feasibility Study stage. Work is currently focussed on securing off take/buyer interest in the final concentrate product. This follows highly successful test work results in October 2015 which demonstrated the project could produce the highest grade iron product available on the seaborne market. Higher grades improve steel making efficiency and therefore the product is attracting interest in global markets including China, Asia and the Middle East. High quality ores also attract a significant premium to the base iron ore price setting the project apart from its rivals and maintaining viability at historically low iron ore prices. The joint venture is also seeking additional funding to complete additional drilling and pilot plant test work necessary for the development of the project, which is likely to take three years from the commencement of this work. The joint venture has already invested \$22m to date on the project of which approximately one third has been spent in the far west region. Anticipated employment requirements during construction and operation will be approximately 1000 and 600 respectively with as many employees as possible being sourced from Broken Hill.

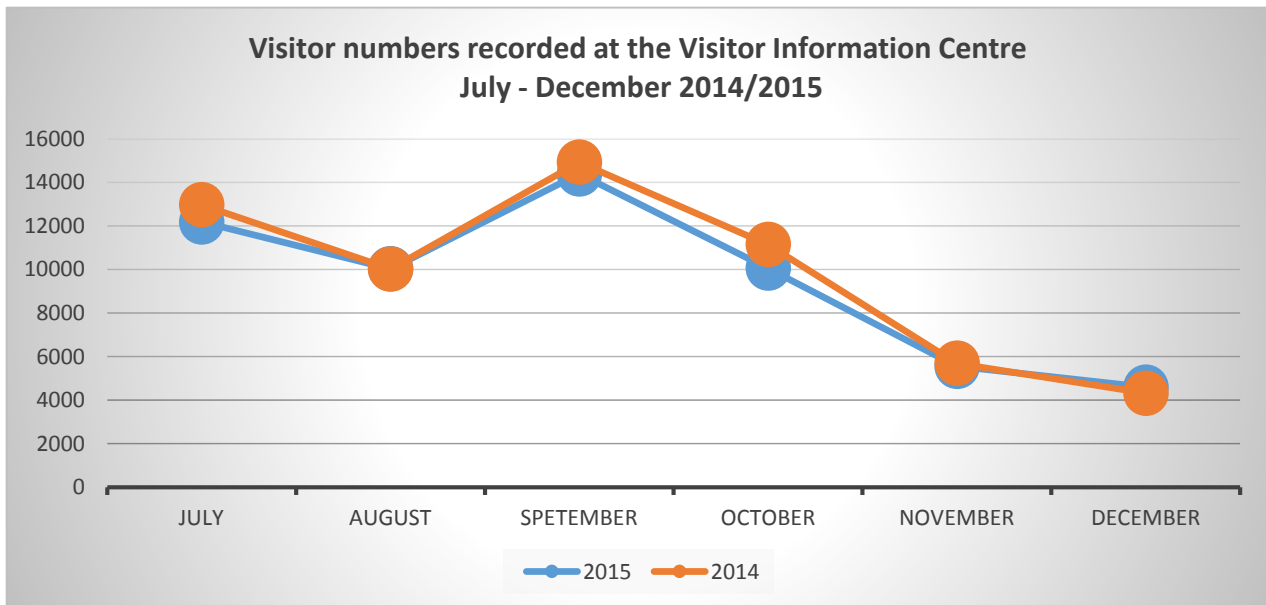
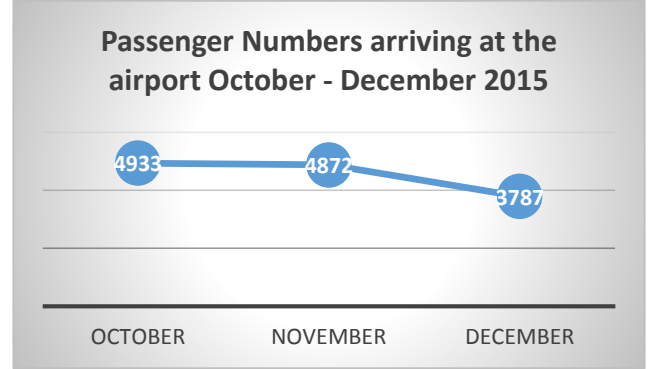
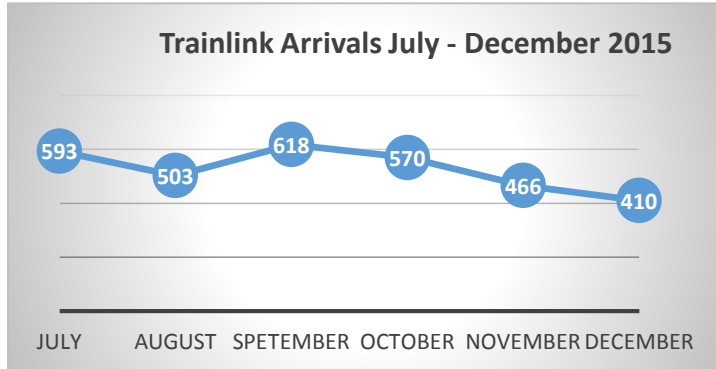
Havilah Resources Limited

Mining continued to progress well at the Portia gold mine 120 km northwest of Broken Hill, under a profit sharing arrangement between Havilah Resources Limited (Havilah) and Consolidated Mining & Civil Limited (CMC). Overburden removal reached the half-way point of 3.5 million cubic metres mined in November 2015 and a small celebration, with invited guests, was held on site to mark the occasion. Havilah has recently announced an accelerated mining plan that targets first Portia gold ore in April, some three months ahead of schedule. An advantage of this mine plan is that the remaining approximately 2 million cubic metres of overburden in the western part of the open pit can continue to be removed, while the approximately 2,000 tonnes / day of ore required for the processing plant can be mined from the floor of the interim sub-pit. Concrete footings have been poured on site ready for the processing plant and components of the plant are being progressively transported to site and installed. The objective is to have the processing plant ready for commissioning at the time of delivery of first gold ore to the surface.

Resource drilling and metallurgical test work are currently in progress at the North Portia copper-gold deposit that lies 500 metres north of Portia, as part of the fast-tracked feasibility study to investigate the economics of mining North Portia immediately following on from Portia.



Visitors to the Region



Labour Market Comparison December 2015

Area	September 2015			June 2014	
	Unemployment Rate (15+)	Unemployed (15+)	Labour Force Status (15+)	Working Age Population (15-64)	Total Population
Canterbury/Bankstown	8.8	14,800	167,300	229,602	351,003
Far West	8.3	800	10,000	13,561	21,839
Gwydir Namoi	9.3	1,800	19,100	24,497	39,412
Hunter	11.0	7,600	68,400	90,194	139,356
Murray Darling	10.6	400	4,200	5,888	9,349
North Coast	9.1	3,000	33,000	46,587	73,740
New England	9.0	3,000	33,500	44,752	72,454

Source : Australian Government Labour Market Information Portal

Broken Hill Unemployment and Unemployment Rates, September Quarter 2014 to September Quarter 2015

	Unemployment				Sep 2015	Unemployment Rate (%)					Labour Force
	Sep 2014	Dec 2014	Mar 2015	June 2015		Sep 2014	Dec 2014	Mar 2015	June 2015	Sep 2015	Sep 2015
Broken Hill	604	616	718	657	677	7.7	7.4	8.3	7.6	7.9	8557

Source: Small area labour markets – September Quarter 2015

Foundation Broken Hill

Foundation Broken Hill (formerly the Broken Hill Community Foundation) is a not-for-profit organisation which through its funding programs aims to facilitate employment opportunities and encourage social development in the Broken Hill region. The Foundation's core function is to help meet the need for sustainable businesses to replace mining jobs when the ore bodies are exhausted.

The organisation is independent of any government and the voluntary Directors (a mix of current and former residents) bring together extensive business experience.

Now in its 16th year of operations, the Foundation has:

- Contributed more than \$840,000 to local businesses and community organisations,
- Identified that 67% of previous clients are still in operation, and
- Allocated funding support to 59% of applications received during the financial year to June 2015.

Usually, part or all of the money approved to support businesses is repaid as the business develops – but no interest is charged; there's in-built 'breathing space' to start; and negotiated repayment terms are specifically designed to ease pressure during business growth. Repayment of the financial support allows it to be redirected to other new businesses, which adds to the sustainability of Foundation Broken Hill.

The Foundation accepts applications from:

- Broken Hill Local Government Area,
- Central Darling Shire, and
- The Unincorporated Area.

During assessment preference is given to projects that:

- Facilitate economic development and job creation in the Broken Hill region,
- Enable local business expansion and new business ventures,
- Support local youth in projects which develop skills and employment prospects,
- Encourage education, sporting and social activities,
- Enrich the cultural diversity of the Broken Hill region, or
- Improve access to services, enhance community wellbeing and resources.

Projects that are retrospective are not eligible for financial support.

Value of Development Approvals

Central Darling Shire Council

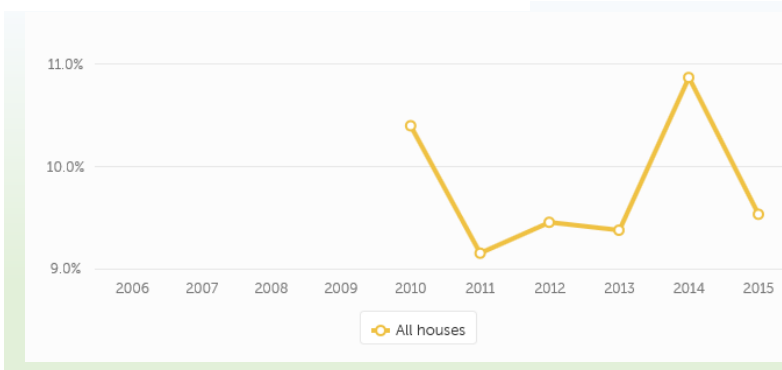
\$1,531,108.00

Value of Development Approvals

Broken Hill City Council

\$3,800,617.00

Rental yields in Broken Hill 2010 - 2015







National Average Median Gross Yield is 4.24 %

Broken Hill Medium Gross Yield is 9.8 % which equates to 9TH in NSW

Source: Propertyvalue.com

Far West has a long history of food production and there is huge domestic and international demand for NSW's agriculture and food products. Leading agriculture and food companies choose far west NSW because it offers favourable growing conditions, access to extensive transport networks and a preferable environment for a variety of Agribusiness investment.

<p>The NSW population is expected to grow to 9.1 Million people by 2031</p> 	<p>A 70 % increase in global demand for food is predicted by 2050</p> 	<p>A\$7.3 Billion in annual agriculture and food exports for NSW. Australia's leading State</p> 	<p>The second most popular reason for people to visit a region is food and wine</p> 
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Regional Economic Update:

The Regional Economic Update is researched and produced by Regional Development Australia Far West supported by the Broken Hill City Council. For all enquiries regarding the production of this report and information contained therein please contact Regional Development Australia Far West on (08) 8087 8383