

Keith Yates

Q&A



A generation-shaping period of discovery

With the NewGenGold Conference 12 months away and the stunning greenfields gold discovery success in Australia, it was an apt time for Paydirt to catch up with NewGenGold Conference co-convenor Keith Yates recently.

Since 1995, Yates has driven the biennial NewGenGold Conference series in conjunction with Paydirt and the 2021 edition is shaping to be one of the biggest yet.

“Australia is enjoying one of the exceptional periods of gold discoveries, especially in greenfields gold discoveries, we have seen since 1980s and 1990s,” Yates said.

“Already featuring on the programme there will be three multi-million ounce greenfields gold discoveries in Australia with maybe more to come. Normally these only turn up every five or six years but we will be featuring three [Hemi, Havieron and Winu] at next year’s conference. I think people will realise what an important period of gold discovery we are enjoying at this time.”

Q: Keith, what have you made of the exploration success in Australia the past two years?

A: It is very unusual for these Tier 1 deposits to be discovered over such a limited time interval. Commonly they can be spread out over anything up to five years or more. For example, the last grassroots discoveries with these size credentials were Gruyere in 2013 and before that Garden Well in 2009 and Tropicana in 2004/05. I am talking here of the ground-breaking developments in Western Australia’s Paterson Province and in the Pilbara. Rio Tinto Ltd’s Winu/Ngapakarra and Newcrest Mining Ltd/Greatland Gold plc’s Havieron; both multi-million ounce discoveries in the Paterson which have opened up a large province buried beneath anything up to 400m of younger sedimentary cover. We have been talking for some years about the need to look deeper to find the next generation of Tier 1 deposits and these discoveries are precisely the result of this bold style of exploration. It is very exciting and there is every possibility that further sizeable gold and copper-gold deposits will be found in this large area in coming years. Furthermore, we have the exciting Hemi discovery by De Grey Mining Ltd in the Pilbara, which is a new style of intrusion-hosted mineralisation in

this relatively under-rated province. It is also shaping as having Tier 1 credentials. We are witnessing an exceptional period for gold discovery not only in the greenfields space but also in the environs of existing or pre-existing mines where miners are building on their resource inventories; Fosterville in Victoria, of course, one of those.

Q: Of the recent discoveries what has most taken your interest?

A: All three of the above deposits – Hemi, Winu, Havieron – I find very interesting not only because of their size but also their distinctive geology which opens up new ideas in large fertile areas with the prospects of more to come. The case histories of each of these three will be featured on the programme for NewGenGold in November next year.

Q: What can companies do now to protect their businesses in light of a softening gold price environment?

A: Before the market softens gold producers need to increase their resources and reserves while buoyant cash flows can fund substantial exploration budgets. There is also the option of M&A to achieve operational

longevity or increased production. Many are already debt free or rapidly paying down debt while still improving their plant and infrastructure. We are seeing much of this happening and many of our gold miners have very tidy balance sheets courtesy of the prevailing gold price. Of course, the focus must always be on cost per ounce of production.

Q: Industry often laments the lack of investment in exploration. There appears to be money around now, what can industry do to make sure money is not wasted?

A: I believe that most funds raised for exploration are spent with good intent. Certainly not every exploration exercise is successful. In fact, most fail in making an economic discovery but that is the nature of the odds of finding exceptional concentrations of metals in the earth's crust. There is an imperative for good science but as well there is often an element of luck in a discovery.

Q: Qualified, well-trained geologists are high in demand. Is industry doing enough to prepare the next generation of geologists through the ranks?

A: The currently buoyant situation translates into a demand for geologists and it is a great time for graduates seeking employment. I am unsure of the supply/demand balance, but I firmly believe it is timely for companies to institute scholarships for first and perhaps second-year geoscience at universities. Scholarships

of up to \$10,000 would be a great incentive for Year 12 students to choose geoscience as a career path. In Adelaide, the South Australian Government and the industry have recently initiated first-year scholarships of this value to provide an incentive to students to study mining engineering. This is a very productive approach to incentivising students and ensuring that there is a satisfactory pipeline of good graduates becoming available for employment. People are the most important aspect industry has and to stimulate the education of professionals who will ultimately become key people in mining and exploration companies is a pretty small investment, but a really important one. I think every company should be thinking about how they want to recruit their people and how they want to stimulate them to become part of our industry.

Q: You graduated with Honours in Bachelor of Sciences in 1960 and recently received a Distinguished Alumni Award in 2019 from the University of New England. Congratulations! What is key to bridging the generational gaps between mentors/students and ensuring fundamental practices are melded with new ideas and ways of thinking?

A: Personal relationship building with someone who is coming through the ranks who is undoubtedly keen to learn the trade. Being there as a mentor to ensure that they pick up elements of the game that will help them perhaps



Yates with Dr David Gellatly at last year's NewGenGold Conference

speed up the taking on of expertise. I think most young people who make the decision to become involved in geoscience and the world of exploration are keen to pick up all the important elements that one often only learns after years of experience.

Q: I bet the next generation would be keen to know what it takes to discover a deposit that produced almost 1 moz gold at over 15 g/t. Can you tell us about your career highlight?

A: The most exciting was being managing director of a company called Australian Development when we discovered a very rich gold deposit up in Tennant Creek, Northern Territory, called White Devil. It ultimately went into the Normandy ranks and produced 750,000oz gold at an average grade over life-of-mine of over 15 g/t. It was a good cash earner. I think that anyone that has a close association with a good discovery can't help but be enthused by their achievement.

Q: Thanks for whetting our appetite ahead of NewGenGold 2021. What are the conference dates?

A: November 9-10, 2021 at the Pan Pacific Hotel, Perth.

