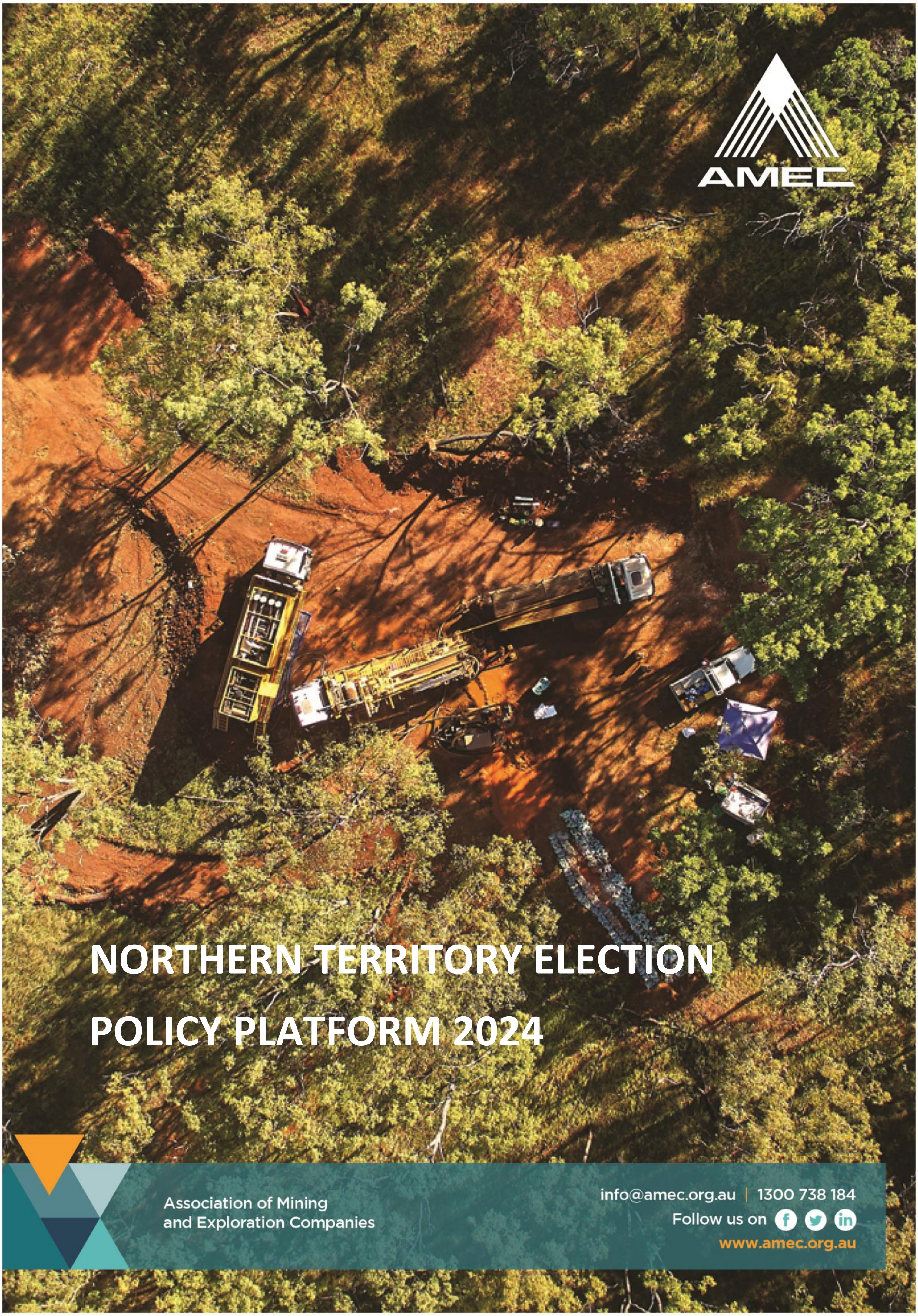

NORTHERN TERRITORY ELECTION POLICY PLATFORM 2024

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ELECTION 2024

At the Northern Territory Election, the mining and mineral exploration sector seek the delivery of five priorities from an incoming Government:

1. Timely approvals and improved land access for mineral exploration; and
2. A competitive royalty structure that attracts investment; and
3. Free or reduced tenement rental fees for five years on critical minerals projects; and
4. More work done to incentivise investment into the Northern Territory; and
5. Wash down facilities for mining and exploration companies.

The delivery of these priorities will boost the mineral exploration sector and shift the mines that are near development towards construction.

In 2020 the Territory Economic Reconstruction Commission (TERC) provided its final report and in 2023 the Mineral Development Taskforce released its final report to Government. Both reports emphasised the potential and need for further mineral resource development in the Northern Territory to help reach a $40 billion economy by 2030.

In 2023-24, the Northern Territory has a number of projects pending final approvals which is a far better outlook than in 2019 when zero new mines were opened in the Territory.

It takes an average of 13 years to transform a discovery into a mine. Each year, it is estimated that the chance of a mineral exploration project making an economic discovery is 1 in 135. Historically, less than half of the discoveries made become mines.

The Territory has 6 projects in near term development (next 12 months) and 15 potential mining developments (next 13 – 60 months).

It is crucial for the Northern Territory Budget that these projects are brought into operation. Existing mines will not continue to produce forever, and a decline in the royalty, social and economic benefits will occur in the future.

Furthermore, the Territory Budget is in structural deficit with $4m a day being overspent. There are obvious near-term benefits to local communities in facilitating greater development.

Of all the jurisdictions in Australia, the Northern Territory has the greatest potential for developing a pipeline of projects. Nearly all of the Territory is currently under explored with modern mineral exploration techniques and technologies. This under exploration is in part due to cost, land access issues and regulatory burden.

The Northern Territory Election is an opportunity to refocus on driving greater investment and becoming more competitive with other Australian jurisdictions.

RECOMMENDATIONS

1. Implement an Ad Valorem royalty system modelled on Western Australia's which is more competitive, simpler, and stable and will bring the Northern Territory more in line with other Australia jurisdictions.

2. Free or reduced tenement rental fees for critical minerals exploration projects and licences to incentivise critical mineral exploration in the Northern Territory.

3. The Northern Territory Government commit to undertake an incremental reform process.

4. The Northern Territory Government commit to support downstream processing and development of the Middle Arm Industrial Precinct.

5. Construction of adequate wash down facilities.

6. Northern Territory Government does not introduce cost recovery for assessment.

7. Increase funding for the Resourcing the Territory for Mineral Exploration programs.

8. Northern Territory Government focus on facilitating the delivery of common user infrastructure to aid new entrants into the resources industry.

9. Develop an online approval system.

10. Retain the interest of the Legacy Mine Fund in the account.

11. Develop and deliver a standardised data policy that encourages the collation of data.

12. Expand the Darwin and Alice Spring Core Libraries.

MINING AND MINERAL EXPLORATION IN 2024

In 2024, the Northern Territory has eight operating mines, three in care and maintenance, and a further five smaller mining and quarry operations. Each contributes jobs, economic and social benefits to the community. Most are in remote areas of the Northern Territory. The three biggest minerals mined in the Territory have been manganese, gold, and bauxite.

Table 1: Three primary mineral commodities produced in the Northern Territory

	Manganese	Gold	Bauxite
Total Production (millions of tonnes)	129.1	585	287
2022/23 production	5.91	13.72	11.15
Value of Production ($m) in 2022/23	1,526	1,209	421
JORC resource (millions of tonnes)	167	801	180

Historically, the Territory has relied on a small number of large mines to provide the majority of social, economic and royalty benefits. The manganese production stated in the Table above is from two mines, one of which is the largest of its type in the world. The analysis of the royalty structure in 2018 correctly identified the profit-based regime as the cause of volatility. With the introduction of an ad valorem royalty scheme, these volatilities should relax.

An underlying cause is the small number of mines. The Territory is vulnerable to the life span of each of these individual mines. A lifespan defined by the cost of doing business, the commodity price, current extraction technology and (ultimately) the geology. The Territory has 6 projects in near term development. Delivering this pipeline of projects would be transformative for the Territory, reduce royalty volatility, create jobs and facilitate further downstream growth.

From 2013 to 2017 we saw mineral exploration expenditure, a key indicator of future mining activity, experience a persistent downward trend. In 2017, this trend began to reverse, and we have seen an upturn in exploration expenditure, in 2022 almost doubling that of 2013. Despite this increase, it must be noted Northern Territory remains locked as the fourth jurisdiction for expenditure, despite being the third biggest jurisdiction by geographical area. The Territory attracts on average approximately 5% of mineral exploration annually, whereas Western Australia attracts 60% of total expenditure.

Table 2 Mineral Exploration Expenditure by State and Territory (A$ million)

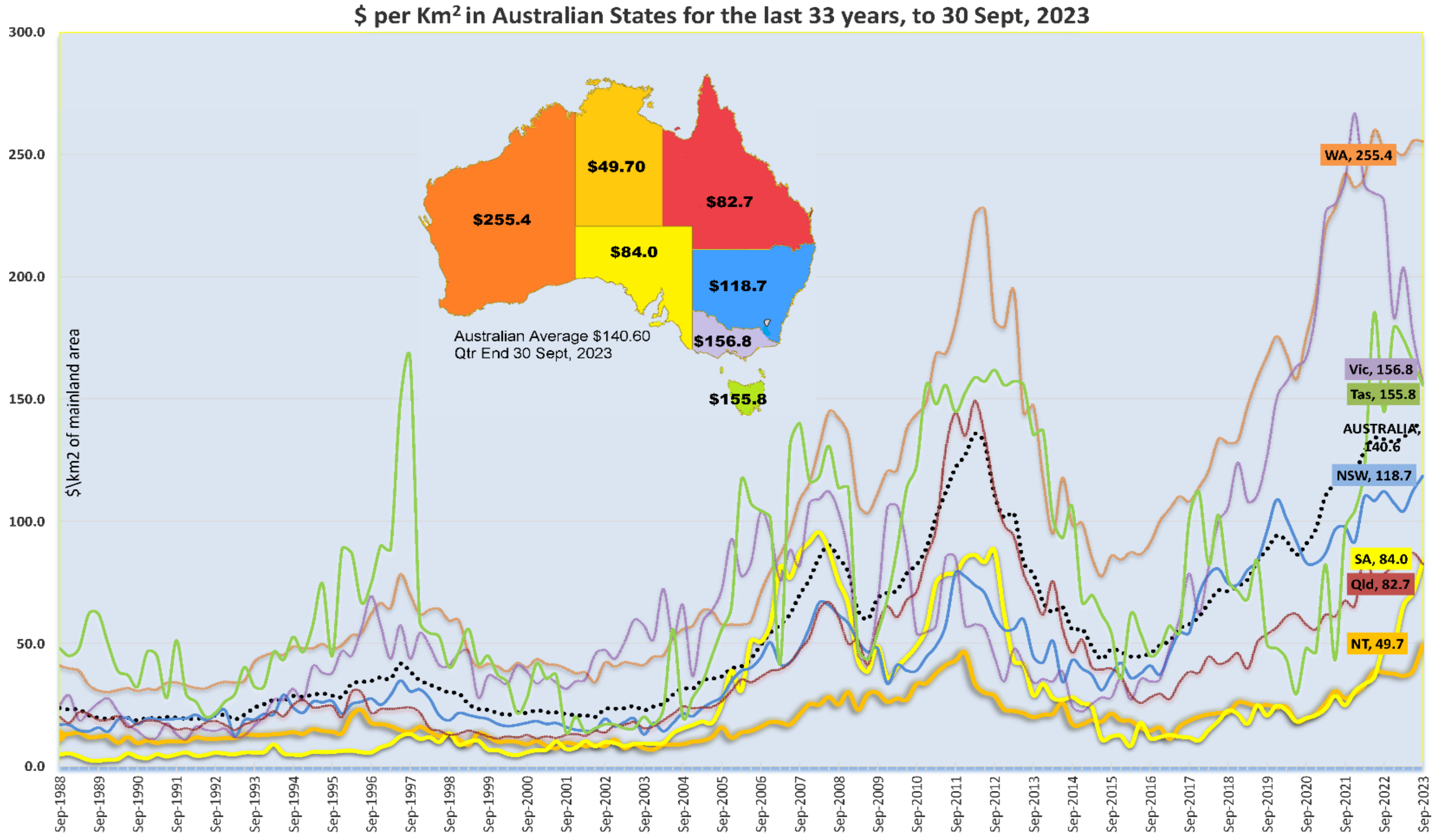
	NSW	VIC	QLD	SA	WA	TAS	NT	TOTAL
2013	163	36.3	519.6	144.7	1508.2	37.5	113.3	2522.6
2014	135.6	27.4	389.5	106.7	1045.3	23.7	108	1839.5
2015	118.8	26.8	271.3	57.9	843.7	14.4	104.5	1438.6
2016	122.4	30.3	195.9	49.4	927.6	13.5	85.6	1426.9

2017	181.7	55.5	245	46.2	1108.7	21.2	91.2	1753.8
2018	235.9	92.5	303.1	76.9	1317.7	21.7	123.2	2171.4
2019	297.8	103.4	349.3	86.8	1,634.7	16.3	132.7	2,488.3
2020	288.4	153	408	80.2	1,757.5	10.8	110.8	2,697.9
2021	299.6	218.5	445.1	105.8	2,351.4	20.9	153.9	3,441.3
2022	351.2	201.1	555.3	164.8	2,546.8	40.9	199.9	3,860.1

This is further expressed by the statistics gathered by GEMSA NT, who have been monitoring the relative performance of the seven Australian jurisdictions that report mineral exploration expenditure to the Australian Bureau of Statistics.

The statistics clearly demonstrate that the Northern Territory is the poorest performing jurisdiction in the nation based on spending per km^2, or by what GEMSA consider “exploration intensity”. This is clear in the graph below.

Quarterly Mineral Exploration Intensity
\$ per Km^2 in Australian States for the last 33 years, to 30 Sept, 2023

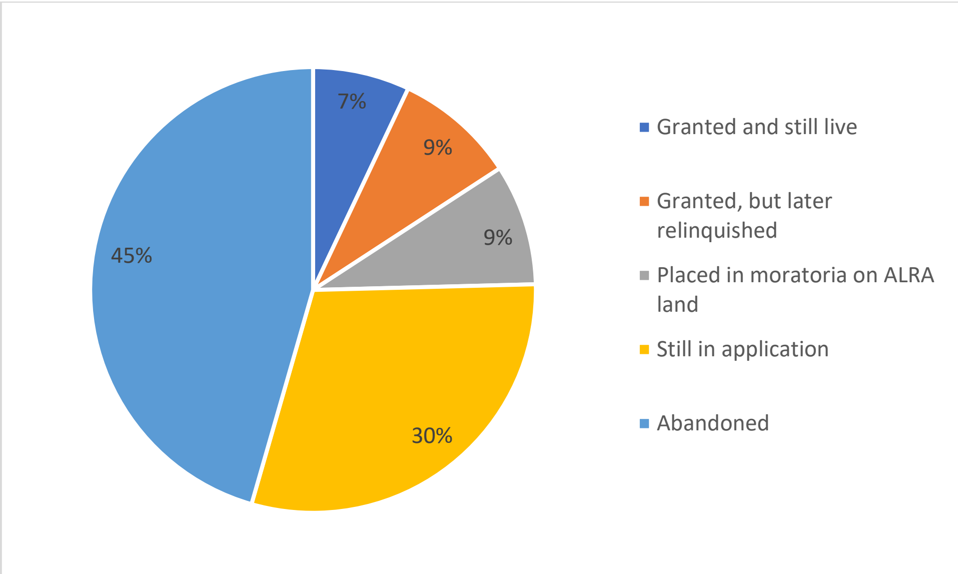


Forgone opportunities

The unspoken story in the Northern Territory is the foregone opportunities that slip by unnoticed and unmeasured. The most accurate measure that AMEC has been able to calculate, based off the Northern Territory Government's tenement data, is reflected in the pie-chart below. A total of 15% of mineral exploration leases sought in 2015 have been granted, but a mere 7% remain active. This is a very low figure compared to other jurisdictions. The 45% abandonment rate is nationally very high as is the 30% waiting for grant.

These figures do not distinguish between Aboriginal Land Rights Act (ALRA) land and non-ALRA land. With some in Industry suggesting that this is the reason underlying these figures, with the Central Land Council Annual Report indicating an average waiting time of four years for grant. This is four times longer than Western Australia.

Table 3 Outcomes of mineral exploration licence applications lodged in 2015



To increase mineral exploration, the number of mines, the related jobs, economic and social benefits the Government needs to increase this conversion rate of application to grant.

Ultimately, only 45% of the 4,676 discoveries made globally since 1950 that have been tracked by MinEx Consulting have been developed[1]. There is also a lag, with 72% of the deposits developed. Australia accounted for 18% of all discoveries globally between 2012-21, with only two of them being in the Northern Territory.

Geologically, the Territory has some of the greatest opportunities still available in Australia. This is clearly seen by the high greenfield mineral exploration percentage, averaging near 50%. Greenfield

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[1] Slide 22, Keynote Address to Gamblers Game Breakfast 2018, MinEX Consulting https://bit.ly/2NrhyEC

mineral exploration refers to drilling that occurs in regions that have never been explored. All of the Australia's largest mineral discoveries start with greenfield mineral exploration. The stories of Broken Hill in New South Wales, Kalgoorlie in WA, Mt Isa in Queensland and Bendigo in Victoria all begin with small mineral exploration teams following geological clues to drill and discover a transformative opportunity.

The lesser told part is that the risk-reward profile, and associated regulation, of each jurisdiction encouraged the development of the resources discovered.

Mineral exploration is needed to discover future mines. Independent research estimates that in Australia it now takes over 13 years to develop a mine from a discovery. It is widely considered in Industry to take far longer in the Northern Territory.

Nationally, over 70% of economic discoveries are made by small mineral exploration companies[2]. Most discoveries lead to smaller mines with shorter mine lives, that create jobs, social and economic benefits.

Mineral exploration is inherently risky, with the Victorian Government estimating a conversion rate of 1 in 300 at best, from exploration to a mining development. Mineral exploration involves substantial commitment. Over the last decade $196B has been spent globally on exploration and generated $135B of value, with a return of 0.69c per dollar. However, Australia has performed much better, returning $1.19 for every dollar spent on exploration.[3]

MinEx Consulting carried out a study assessing 100 gold and copper discoveries around the world and found that on average it took 12 years and 2.5 companies to make the discovery. The successful company, i.e. the last company in the chain, took 2.5 years to find the deposit. Over the last 40 years, statistically, the rate of discovery appears to be slowing down[4].

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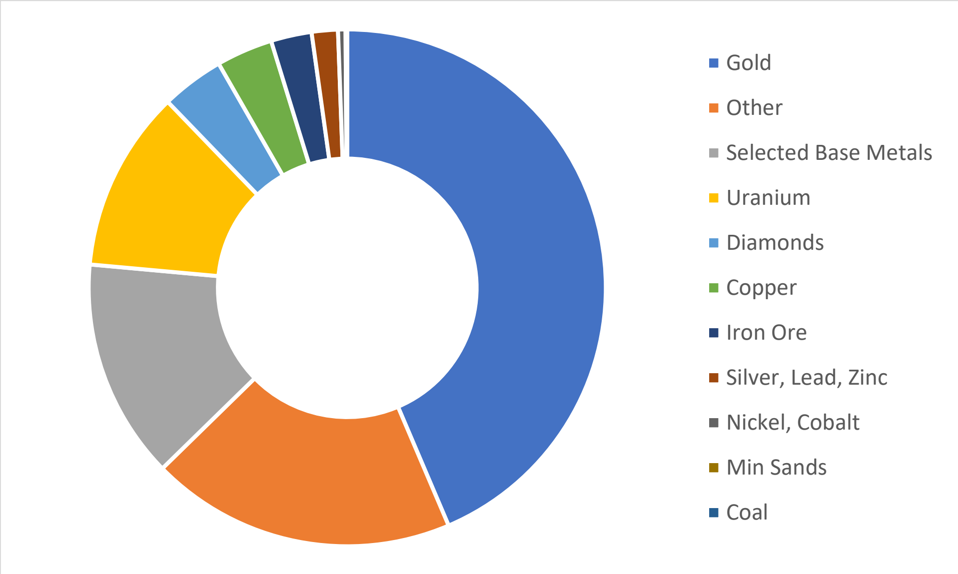
[2] Slide 26, MinEx Consulting Keynote to Copper to the World Conference 2017, http://minexconsulting.com/wp-content/uploads/2019/04/Copper_to_the_World_Richard_Schodde_Keynote_address_27_June_2017.pdf
[3] Slide 30, IMARC Presentation 2023, Exploration : Australia vs The World – MINEX CONSULTING
[4] Slide 45, Keynote Address to PacRim Conference 2019, MinEX Consulting http://minexconsulting.com/wp-content/uploads/2019/04/PACRIM-Conference-April-2019-FINAL-updated.pdf

Table 4 Northern Territory Mineral Exploration 1988-present



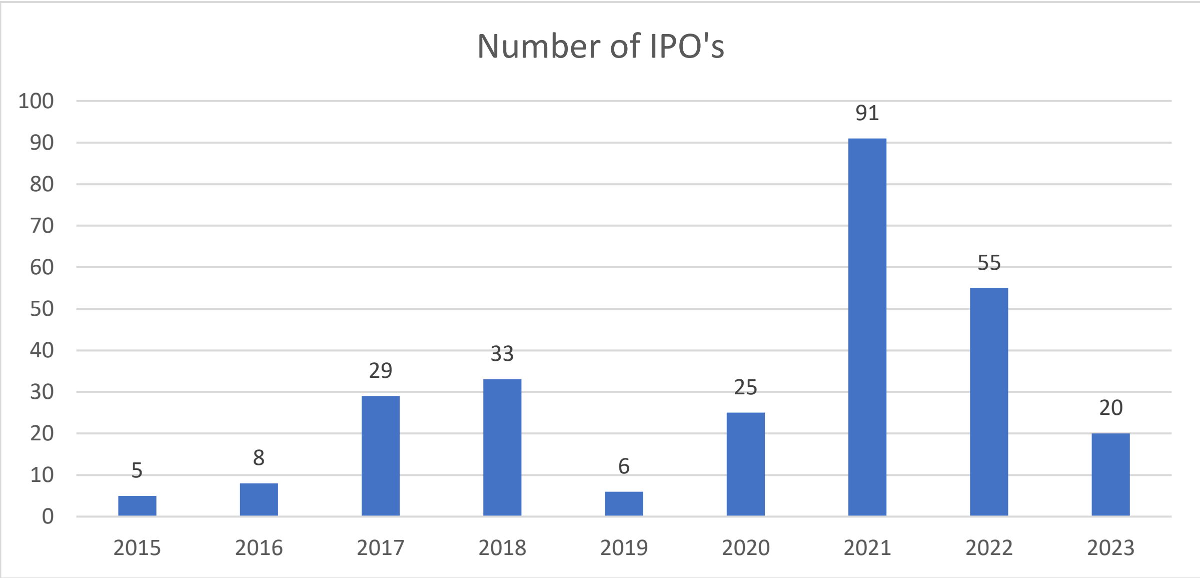
Historically, 42% of mineral exploration in the Territory has been for gold. Mineral exploration is still underway in the Territory for gold, particularly in the Tanami and near Tenant Creek.

Whether a discovery is then developed is a question of the geology and whether an economic return can be gained from mining the mineral. The economics of a return are, in part, determined by factors within the Government and companies control such as the costs of land access, Government regulation, mining and processing the mineral. There are also factors that are beyond the control of the Territory Government such as the commodity price, market sentiment, financial sentiment, the value of the Australian dollar and remoteness.

The commodity cycle drives investment and underpins the financing of mineral exploration projects.

Raising capital in the market is currently very difficult for companies. The Australian Securities Exchange (ASX) had six new listings in 2019, one more than 2015 which was during a recognised economic downturn. Listings are down from the halcyon days of 2007 and a quarter of 2018.

Table 5 New mining and mineral exploration companies listed on the ASX



Since the 2020 election there has been another boom in ASX listings for mining and mineral exploration companies, which is reflective of the cyclical nature of the industry. We have seen a sharp decline in the number of IPOs in the last year, which is evident of the eventual ebb and flow of the mining and exploration industry.

The fall in ASX listings illustrates a key point that must be understood in the Northern Territory Election, where the economy will be at the core of the discussion. Capital and financing are mobile.

Companies, and their shareholders, invest where they consider they can get sufficient reward to balance the risk of a project not proceeding and currently the Northern Territory remains a very risky jurisdiction in comparison to others.

The August Territory Election will determine how attractive the Northern Territory is for investment.

A NEW DEAL FOR THE NORTHERN TERRITORY

The tax and third-party payments demanded in the Northern Territory make it the highest cost jurisdiction to invest in Australia. Due to this AMEC advocated heavily over many years for a change to an ad valorem system which is most common in other jurisdictions and would bring greater certainty for companies.

In 2023 this advocacy, following the release of the Mineral Development Taskforce Report, led to the reform of the mineral royalty scheme in the Northern Territory. With this newly introduced ad valorem mineral royalty scheme in place the Territory, should see the levels of mineral exploration expenditure continue to climb.

1. FINALISE A COMPETITIVE AD VALOREM ROYALTY SCHEME

The current profit based royalty regime is broken. It is difficult to attract further investment with the current regime. The Government needs to introduce a competitive ad valorem royalty scheme, which actively incentivise and attracts greater investment.

It is recognised that the NT Government has introduced a new Ad Valorem based Royalty Framework into the Parliament and is currently finalising the regulations implementing the various rates.

AMEC welcomes this development and strongly supports this new Framework being in place, prior to Parliament rising for the Election.

Should this not be the case, AMEC strongly advises that an incoming Government make this their highest legislative priority on their election.

The 2018/19 Territory Budget created Australia's most complex and expensive royalty system, by combining a new ad valorem with the existing profit-based royalty. Since this change, very few mines have come into existence and of those, CORE Lithium's Finniss lithium mine has been forced into care and maintenance and others have closed.

It is understood that every single company currently paying royalties has taken the Government to court over the definitions of what is included in the royalty calculation.

The hybrid model requires a royalty payment of the greater of a staggered Ad Valorem across the first three years of operation or payment into the existing 20% profit-based royalty. The profit-based system has removed this incentive to invest.

The royalty situation is further complicated by several mines having separate arrangements with the Territory Government.

AMEC considers that one of the biggest improvements that could be made to the mining and mineral exploration industry in the Territory is the change to the royalty scheme. Ad valorem royalty scheme would be simpler and more predictable, for both Government and industry.

The Western Australian Ad Valorem system has proven to be successful, stable, and supported by Industry.

Recommendation 1:

Implement an Ad Valorem royalty system modelled on Western Australia's with a competitive, simpler, more stable and will bring the Northern Territory more in line with other Australian jurisdictions.

2. FREE OR REDUCED TENEMENT RENTAL FEES TO ENCOURAGE CRITICAL MINERALS

As stated the Northern Territory remains the single most expensive jurisdiction to conduct exploration activities, due to a variety of different taxes and costs. To attract further investment, the Northern Territory Government should look at implementing a similar scheme to the one announced by the Queensland government in 2023.

From 1 September 2023, the Queensland Government is reducing the rent for new and existing exploration permits for minerals to $0 for 5 years. One of the barriers to exploration of critical minerals is the cost of permits, so the rent reduction is designed to support companies to redirect funds towards exploration activities.

While this initiative will result in a loss of upfront revenue created by tenement rental fees, the resulting increase in exploration in critical minerals project would be substantial. This would also go a long way toward making the Northern Territory a more competitive jurisdiction, incentivising investors, and companies to invest in the Territory.

This would also align with the recently released *Critical Minerals Guide 2024*, which emphasise the importance of the mining and resources industry in the Territory.

Combined with changes to the Territory's Royalty Framework this would create a significant opportunity to attract new mineral exploration and mining companies to the NT and invest.

Recommendation 2:

Free or reduced tenement rental fees for critical minerals exploration projects and licences to incentivise critical mineral exploration in the Northern Territory.

3. PRIORITISE REGULATORY CERTAINTY AND IMPLEMENTATION

What makes a mineral deposit economically feasible is often more than the discovered deposits. The decision to mine is a combination of the costs, regulatory factors, the commodity cycle, and financing options available.

To attract investment, jobs and growth to the Territory, the Government must focus on what it can control, regulation.

As AMEC clearly expressed to the Government many times, Industry is concerned with the speed and scale of regulatory reform undertaken in recent years.

In particular, the hasty royalty and environmental reforms raise serious questions about due process. In spite of the valiant efforts of Departmental staff, political imperative, and timeframes, have run rough shod overdue process.

As outlined in *The Northern Territory Government Regulation-Making Framework:* "Consistent with COAG commitments and best practice regulation the Territory Government has adopted a formal process, the Regulation-Making Framework (RMF), which mandates the preparation of a Preliminary Regulation Impact Statement (PRIS) and the potential preparation of a Regulation Impact Statement (RIS)"[5]

It does not appear a RIS was prepared prior to the introduction and consultation of the environmental reforms. In the case of the environmental legislative reforms, a RIS was prepared *after* the Government had published an initial consultation legislative draft, part of which it had retracted, via media release. This haphazard approach to change damages the Territory's sovereign risk profile.

The Northern Territory Government needs to apply its own Regulation Making Framework, consistent with the commitments it has made at COAG, to every piece of reform.

A clear, transparent, methodical, immutable process must be adopted that delivers incremental reform. A focus on providing certainty must be a priority.

The Government's environmental and royalty reform process has been rapid. Trying to push through legislative reform before entering caretaker mode in the lead up to the August election.

With one stage of reform still to come, the incoming Government needs to reduce the scale of reform and adopt incremental amendment.

In order to lower sovereign risk, the Government needs to provide stable, steady Government with, slow regulatory change and the reliable application of the law.

It will be steady governance and implementation of the legislation that provides the certainty necessary for investment.

The overarching priority must be on ensuring that the legislative framework is delivered with certainty and transparency with consistency and stability.

Over the long term lowering the sovereign risk of the Northern Territory will have the largest impact on the structural deficit, the economy, and the future of the Territory.

Recommendation 3:

The Northern Territory Government commit to undertake an incremental reform process.

Recommendation 4:

The Northern Territory Government implement *The Northern Territory Government Regulation-Making Framework.*

[5] https://treasury.nt.gov.au/__data/assets/pdf_file/0020/490007/I-ECO-RMF.pdf

4. INCENTIVISE DOWNSTREAM PROCESSING OF MINERALS IN THE TERRITORY, THROUGH THE DEVELOPMENT OF THE MIDDLE ARM INDUSTRIAL PRECINCT.

The Northern Territory stands poised to develop and incentivise minerals processing through the development of the Middle Arm Industrial Precinct. By providing cheap energy, common user infrastructure, and access to ports, the Territory could help deliver ethically sourced critical minerals to aid in the global decarbonisation efforts.

AMEC is supportive of the continuation of the Middle Arm Industrial Precinct as necessary to deliver on Australia's critical mineral potential. Critical minerals are in high demand globally to drive the world's decarbonisation journey and enable a suite of future technologies.

New and near-term projects with plans for production and downstream processing of critical minerals represents the opportunity for value-adding. These projects include Arafura Resources Nolan rare earth elements mine and processing plant, TIVAN's Speewah and Mount Peake projects to produce vanadium, and Avenira Limited's Wonarah project for processing of phosphate.

These different projects all have the ability to utilise the Middle Arm Industrial Precinct similar to the Santos Darwin LNG and the INPEX Ichthys LNG processing facilities.

Recommendation 5:

The Northern Territory Government commit to support downstream processing and development of the Middle Arm Industrial Precinct.

5. CONSTRUCTION OF ADEQUATE WASH DOWN FACILITIES

The Northern Territory Government needs to invest in the construction of adequate wash down facilities throughout the Territory. This is to allow for mining and exploration companies to adhere and protect the biosecurity needs of the Territory. Biosecurity is a legitimate issue raised by the pastoral and agricultural sectors, however without such facilities available, it makes simple measures challenging to comply with.

Historically there has been discussion of the Government constructing wash down facilities in Katherine and Alice Springs. Unfortunately, these facilities have not been built, nor is there a proposal for such infrastructure to be built in the near term. Wash down facilities should also be constructed at border crossing points as the highest risk for spreading of diseases is through re-entry to the Territory.

This reality makes it unreasonable to require the washing down of vehicles at locations without the capacity for it to occur.

Exploration companies are expected and will do the right thing in regard to biosecurity measures; however, it is unreasonable to expect them to go above and beyond what is enforced on other industries.

Discussions between AMEC and the NT Cattleman's Association and the Transport Sector show that there is broad industry support for these proposals.

Recommendation 14:

Northern Territory Government fund and construct wash down facilities across the Territory.

6. ACKNOWLEDGE AND REDUCE THE COST OF DOING BUSINESS

The cost of doing business is a factor that defines a company's decision to invest or not invest in a jurisdiction. The royalty regime and rate are but one part of that cost of doing business. Investors in the Territory expend on a range of other Government and non-Government fees, charges, and private royalties.

Companies do not distinguish which Government or Non-Government group they are paying; all are counted within the total cost of investing in a jurisdiction.

In the Northern Territory there is a high entry cost to 'get on the ground and explore'. This is a substantial barrier to investment as mineral exploration companies are generally smaller equity funded companies. These companies do not have a producing asset that is a source of revenue to provide critical cash flow.

It is clear that the Northern Territory has the highest non-government costs for gaining land access in Australia. This is particularly acute if mining or mineral exploration is occurring on Aboriginal Freehold Land, which represents 46% of the Territory.

These costs include but are not limited to:

- Land Council Agreement negotiation and 'signature' costs;
- Travel and arrangement of on-country meetings;
- Anthropological and archaeological survey and consultant fees; and
- Costs of sacred sites surveys.

The majority of these payments are opaque and bound in confidentiality agreements that do not allow a mining or mineral exploration company to reveal the true cost they bear.

Some are on public record. Newmont published in the *Newmont Tanami Operations Social Impact Assessment* for 2019 that outlined between 2014 and 2017, they paid $55million in land use payments[6] to the relevant Indigenous corporation and $179 million in royalties to the Government[7]. This highlights the 'double payments' to both Land Councils and the Government that make the Territory expensive.

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6 Pg 7-4
[7] Pg 7-2, Newmont Tanami Operations Social Impact Assessment, University of Queensland https://www.csrm.uq.edu.au/publications/newmont-tanami-operations-social-impact-assessment

The five-year veto on land access through the *Aboriginal Land Rights Act 1976*, increases the risk when considering exploring or mining in the Territory. Between 2007 and 2012, 123 Exploration Licences were refused consent[8].

As a result of the complexities and costs of accessing Aboriginal Freehold land there is relatively little mineral exploration that occurs there. Published Government statistics suggest that in 2012, there were only 236 Exploration Licences active on Aboriginal Freehold, as opposed to 1,255 on other land. In the five-year period prior to 2012, 133 Exploration Licences were granted on Aboriginal Freehold as opposed to 1,419 on other land.[9] While this data is over a decade old, it remains reflective of the difference between Aboriginal Freehold and other land. This is a marked difference.

The cost of doing business is also increased by the lack of infrastructure, both physical (roads, rail, water, and power) and social (skilled labour) that are not as developed or as available as in other jurisdictions. The issue of 'remoteness' is felt more greatly in the Territory.

Some of the costs discussed above are not within the Territory's ability to influence, as they are levied by other bodies or are practical out workings of geography. However, it is unrealistic for the Government to not recognise the impact of these costs and factor that in when setting their royalties, fees and charges. The Government needs to factor these costs into their decision making.

The Government does have control over the following costs faced by business:

- Fees and charges
- Duplication of approvals
- Red tape
- Cost of compliance

This process of reducing the structural deficit must not lead to the introduction of cost recovery. Cost recovery will simply decrease the investment attractiveness and runs counter to any intentions to grow the Territory economy.

The Government must look to reduce red tape, so that businesses and individuals waste less time and money on duplicative requirements. This has been, and remains a priority for most Australian jurisdictions, and should be a priority in the Territory. An independent review of the red tape in the whole of Government approvals process will support the expansion of own source revenue and should be delivered to cut duplication.

Recommendation 6:

Northern Territory Government does not introduce cost recovery for assessment.

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[8] Northern Territory Government submission to the 2012 Review of Part IV of the Aboriginal Land Rights (Northern Territory) Act 1976. Found on page 199 of https://www.dss.gov.au/sites/default/files/documents/06_2013/alc_review_of_part_iv.pdf
[9] Northern Territory Government submission to the 2012 Review of Part IV of the Aboriginal Land Rights (Northern Territory) Act 1976. Found on page 198 of https://www.dss.gov.au/sites/default/files/documents/06_2013/alc_review_of_part_iv.pdf

7. CONTINUED SUPPORT FOR GREENFIELD MINERAL EXPLORATION

AMEC notes the national decline in greenfields exploration and success rates, and how it is becoming harder to find mineral deposits at or near surface. Smaller companies have largely relied on government surveys and mapping to assist with early stage targeting and project generation. In a market that is focused on drill results it is virtually impossible for junior explorers to raise funds to complete regional data acquisition.

AMEC considers that access to comprehensive and up to date pre-competitive geoscience information is essential in encouraging mineral exploration activity within Australia.

Similarly, various Australian State and Territory Governments offer collaborative and co-funded exploration development programs primarily aimed at stimulating mineral exploration in under-explored 'greenfield' areas. Greenfield mineral exploration represents a public good, that is under supplied to the market if not supported by Government. Funding for the existing Resourcing the Territory exploration programme should be extended into the future to ensure sufficient greenfields mineral exploration.

A separate evaluation of the South Australian PACE initiative (Plan for Accelerating Exploration) between 2004 and 2013 showed that an investment in precompetitive geoscientific data and collaborative drilling programmes provided returns on investment of over 20:1.

Similarly, the University of Western Australia determined that the Exploration Incentive Scheme (EIS) in WA returned $10 for every dollar invested into the scheme through exploration activity and royalty payments.

To discover future mines, the Government needs private investment in mineral exploration now. There is a risk that in its quest to reduce the deficit all programmes will be cut. The Resourcing the Territory programme is one that must remain, as it supports the growth of the industry.

Recommendation 8:

Increase funding for the Resourcing the Territory for Resource Exploration programme.

8. AID IN THE DELIVERY OF COMMON USER INFRASTRUCTURE

AMEC believes that the Northern Territory Government can and should play a vital role in delivering common user infrastructure, which would support economic growth and job creation for both existing and emerging industries.

Despite the opportunities in the NT, project developers continue to face the challenges experienced by any new entrant to the resources sector, the most significant being upfront capital costs for projects development and delays in obtaining the required approvals.

Australia and particular the NT has to apply learnings from past mining booms, by establishing a strategy that both enables efficient project development and delivers long-term financial benefits. In particular, we see a significant opportunity for the development of common user infrastructure for the processing of minerals.

Similar to the publicly funded, common user new economy mineral processing plant in Townsville, which will be initially used to process vanadium in Queensland. This project will give developing vanadium miners access to a shared processing facility to assist in the export of their mineral, while reducing overhead costs and lead times.

By providing common user infrastructure, reducing upfront capital costs, overheads and crucial lead times, more projects would be able to come online, creating much needed economic growth and job creation.

Recommendation 9:

Northern Territory Government develops a model to aid in the delivery of common user infrastructure.

9. DRIVE TO DIGITALISE

All Northern Territory approvals should be done online. A single online 'portal' for approvals could provide a method to:

- simplify the necessary approvals;
- provide 'real time' tracking of approvals; and
- create a single channel for all Government to company communications.

The effectiveness of this channel will multiply the greater the number of Government agencies that collaborate.

The first step to shifting to an online approvals system is to form a working group with industry, and to develop a base case. New South Wales is currently undertaking a process of approvals and workflow digitalisation. Western Australia began to shift the Programme of Work approvals online in 2017.

The Prime Minister and WA Government announced the move to a single portal for State and Federal environmental approvals in WA in November 2019. This was released in the form of Environment Online, a similar opportunity exists in Northern Territory.

Shifting online will transform the way the Departments will work. Implementation demands exhaustive planning and a long-term commitment to the process. The Strategy could be the vehicle to deliver the necessary vision and milestones to underwrite such an endeavour.

Recommendation 10:

Develop an online approval system.

10. KEEP THE MRF INTEREST FOCUSSED ON REHABILITATION

The Mining Management Act 2013 (MMA) introduced an annual levy on mining securities to fund addressing the Territory's legacy mining liabilities. This non-refundable annual levy is 1% of the total calculated rehabilitation cost applied to each mining operation authorised under the MMA. The levy accumulates in the Mining Remediation Fund.

The interest on the principal amount should be retained in the trust account. Doing so will gradually increase the capacity of the MRF to address larger legacy issues.

The MMA is silent on the specifics of the treatment of the accrued interest in the MRF. However, it does speak more broadly of the purpose of the money held in trust, under Part 4A of Section 46B of the MMA:

> 46B Purpose of the Fund
>
> (1) The purpose of the Fund is to hold money in trust to be used by the Agency in connection with minimising or rectifying environmental harm caused by unsecured mining activities.

This could easily be interpreted to include the interest accrued. If the Government is taking the interest and repurposing it, then the Government is effectively choosing to handicap the rehabilitation efforts by forcing the MRF to only focus on small rehabilitation works. This is contrary to the intent of the MRF.

Recommendation 11:

Retain the interest of the Mining Remediation Fund in the account.

11. A NORTHERN TERRITORY DATA POLICY

In 2017, the Economist magazine declared, "the world's most valuable resource is no longer oil, but data"[10]. This remains true today, and far more broadly than mobile phones and apps, data is crucial for successful mineral exploration and mining.

Data will underpin the development of the Territory. It is important that the Territory balance the drive for open data with commercial confidentiality. The NT Geological Survey has been highly effective at managing this balance with geological precompetitive data in the form of core samples and geoscientific surveys.

Samples from drill holes may be held confidential for five years, and then must be provided to the Government[11].

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[10] https://www.economist.com/leaders/2017/05/06/the-worlds-most-valuable-resource-is-no-longer-oil-but-data

[11] https://nt.gov.au/__data/assets/pdf_file/0003/203493/guideline-7-reporting-on-mineral-titles-mineral-reporting-template.pdf

A similar approach to needed for biodiversity data, environmental surveys and reports, hydrogeological surveys and other data collected. Ultimately all of these surveys are collation of data about public assets. There are also benefits to the Territory if this approach is taken.

As the NTGS clearly states in their introduction regarding geological sampling, *State/Territory agencies play a critical role in promoting effective and efficient mineral exploration in Australia by archiving statutory mineral exploration information and then releasing it back into the public domain for the use of future explorers.*

This is true of information that is broader than the geoscientific information collected and distributed effectively by the NT Geological Survey.

Information underpins good policy and regulation. The Territory needs to ensure as much information is publicly available as possible in a standardised format that is accessible, usable and allows for the effective reprocessing by others in the future.

Recommendation 12:

Develop and deliver a standardised data policy that encourages the collation of data.

12. EXPAND THE GEOLOGICAL SURVEY CORE LIBRARY

The storage of drill core underpins the provision of precompetitive data and geoscientific analysis. The journey to making nearly all mineral discoveries in the Territory have begun with geologists considering the datasets and drill core samples publicly available at the Territory's core libraries. The Northern Territory has two facilities in Alice Springs and Darwin respectively. These are both nearly full.

The Alice Springs core facility is 97% full, with an average collection growth of 2.2%/year. The Darwin core facility is 97.5% full, with an average collection growth of 3% per year. Logically, this gives the Darwin facility one more year before it is full.

The impending contraction in available storage will mean tough decisions will need to be made regarding how much core is kept. This will lose opportunities for the Territory, for what is essentially a large shed with pallet racks. In Western Australia doubling the Kalgoorlie facility is estimated to cost $8million. The Territory is estimated to cost a similar amount.

Recommendation 13:

Expand the Darwin and Alice Spring Core Libraries

IT'S THE ECONOMY!

The economy must be the number one issue at the August 2024 Territory Election.

The long-term solution to the Northern Territory's need for stable, own-source revenue is the achievement of sustained economic growth.

Sustained economic growth will drive population growth and will create further opportunities.

The mining industry is the one industry in the Northern Territory that can provide this growth at the speed required.

Currently there is an estimated $6 Billion of potential new mining projects, which could create 4,000 new jobs proposed for the Northern Territory.

The Territory needs projects to development and cannot go a second year without a new mine being developed.

In representations to the Territory Government around the introduction of a hybrid royalty, AMEC member companies hoped to invest $2.297B in project development. However, the high cost of doing business in the Territory has put this investment at risk.

Capital is mobile, so while the Territory does have incredible opportunities, if other jurisdictions offer better returns at lower risk, then companies are strongly incentivised to pursue them elsewhere

For the Territory each new mine creates jobs, revenues for local communities and (potentially) royalties for the Government. The Government has a role facilitating development, and the progress to reform the Mine Management Plans for Exploration shows a willingness to cut red tape.

To create more opportunities, the Northern Territory attract investment by making land access easier and lowering the cost of doing business. Attention and political will is needed to address the broader cost structures faced by mining and mineral exploration companies in the Territory.

Ultimately, to fix the structural deficit, the Northern Territory needs long term and considered action from the Government to grow the economy.

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AMEC MEMBER COMPANIES IN THE NORTHERN TERRITORY

The following companies are AMEC member companies that are investing in the Territory.

Company	Commodity	Exploration / Construction / Production
Alligator Energy	Uranium	Exploration
Arafura Resources Limited	Rare Earths	Construction
Avenira Limited	Phosphate	Exploration
Boab Metals	Zinc/Iron/Silver	Exploration
Bubalus Resources Limited	Manganese/Rare Earths	Exploration
Castile Resources Limited	Gold/base metals	Exploration
Charger Metals NL	Lithium	Exploration
Copper Search Limited	Copper	Exploration
CORE Lithium	Lithium	Development
Deep Yellow Limited	Uranium	Exploration
DeSoto Resources Limited	Gold/Lithium	Exploration
DevEx Resources	Uranium	Exploration
Eastern Metals Limited	Copper	Exploration
Elevate Uranium Limited	Uranium	Exploration
Emmerson Resources Limited	Gold	Production
Encounter Resources Limited	Gold/Copper	Exploration
IGO Limited	Nickel/Copper	Exploration
Inca Minerals Limited	Iron/Copper/Gold	Exploration
King River Resources Limited	Gold	Exploration
Kingsland Minerals Limited	Graphite	Exploration
Laramide Resources Limited	Uranium	Exploration

Lithium Plus Minerals Limited	Lithium	Exploration
Lucapa Diamond Company Limited	Diamonds	Exploration
Northern Star Resources Limited	Gold	Production
Orpheus Uranium Limited	Uranium	Exploration
Panther Metals Limited	Gold	Exploration
Prodigy Gold NL	Gold/base metals	Exploration
Red Metal Limited	Lead/Zinc/Silver/Copper	Exploration
Strategic Energy Resources Limited	Gold/Copper	Exploration
Teck Australia Pty Ltd	Gold	Exploration
Tennant Minerals	Gold/Copper	Exploration
Thor Energy NL	Tungsten/Molybdenum/Copper	Exploration
Tivan Limited	Vanadium	Exploration
Trek Metals Limited	Zinc/Lead	Development
Tri-Star Group	Base metals	Exploration
Tungsten Mining NL	Tungsten	Exploration