

Prospector

INTERNAL MONTHLY UPDATE

Advocacy Over Climate Change Bill Issues

From all corners of Australia, Australian Mining Cities Alliance (AMCA) Directors travelled to Canberra in September to continue their advocacy in earnest regarding implications of the Climate Change Bill 2022 for some mining communities.

AMCA's submission to the Senate Committee for Environment and Communication (Legislation) called for the Bill to acknowledge 'disbenefits' for such communities which will in some cases drastically accrue.

AMCA also expressed its concerns in correspondence with many relevant politicians and the Climate Change Authority.

It then conducted meetings in Canberra with responsive Ministers and Shadow Ministers.

AMCA Chair Phil Barwick (Deputy Mayor of Mount Isa City Council) reflected on the passing of the Bill.

"The process for this historic legislation feels disrespectful to, and unjust for the very communities that have contributed to the nation's affluence for so long and that have held its economy afloat during the recent pandemic," Cr Barwick said.

"Government did not conduct any meaningful engagement with the most affected communities, so it is disappointing that its passing of the Bill did not establish explicit future requirements for consideration and reporting of the real 'disbenefits' for such communities, despite the fact that the Senate Committee's report acknowledged them in the context of Government's obligations under the Paris Agreement."

"In addition to acknowledgement of the need for 'just transition' for affected workers, the Paris Agreement states.

"Acknowledging that climate change is a common concern of humankind, parties should, when taking action to address climate change, respect, promote and consider their respective obligations on human rights, the right to health, the rights of indigenous peoples, local communities.



AMCA Chair and Directors met with the Hon Kristy McBain MP, Minister for Local Government, Regional Development and Territories, in Canberra in September.

"We believe that this whole process was rushed.

"The period of transit of this historic Bill through both Houses of Parliament was just 44 days and the Senate Committee Inquiry submission period was just 14 days – a fact that was acknowledged in the Committee report which stated.

"The committee would like to thank those individuals, institutions and organisations that contributed to the inquiry, particularly given the inquiry's short timeframe.

"Such a process could hardly be considered to have genuinely respected, promoted, and considered the Government's obligations to local communities as outlined in the Paris Agreement."

Deputy Chair of AMCA, Anne Baker (Mayor of Isaac Regional Council) added: "We understand the importance of the Government's commitment to provide clarity for all Australians.

"But we implore the Government from here on, to meaningfully engage with affected communities and their local government leaders on imperatives, including those which were recommended by the Senate Committee to 'undertake further consultation on possible legislative amendments and appropriate policy responses including ... the transition arrangements for Australian workers impacted by decarbonisation,'" Cr Baker said.

"AMCA and its member councils of transforming regions stand ready and willing to assist the Government to meet its obligations to engage with those communities that have the most to lose."

COPPER MOUNTAIN SELLS EVA PROJECT

Copper Mountain Mining has sold its wholly-owned Eva copper project and its 2100sqkm exploration land package in Queensland to Harmony Gold Mining for about \$US230 million.

Copper Mountain's chief financial officer Letitia Wong said the transaction strengthened the company's balance sheet and allowed it to evaluate options with respect to long-term capital structure.

"Further, as our recently announced Life of Mine plan demonstrates, the Copper Mountain mine is expected to generate healthy free cash flow starting in 2023 and we expect mine operations and the 65,000 tonnes per day expansion to be self-funded going forward," she said.

Harmony Gold is South Africa's largest gold miner and the acquisition is the company's first entry into the copper market. It formerly owned the Mount Magnet gold project in Western Australia.

MEMBERSHIP INVITATIONS

At its meeting held on 5 September 2022, the AMCA Board revised its Membership Strategy and agreed to selectively invite the following Councils to become Class 2 Members of the Australian Cities Mining Alliance:

- Town of Port Hedland (WA),
 - Latrobe City Council (Vic),
 - Central Highlands Regional Council (Qld),
 - Orange City Council (NSW),
 - Wollongong City Council (NSW),
 - Singleton Shire Council (NSW),
 - Muswellbrook Shire Council (NSW),
 - Whyalla City Council (SA), and
 - Port Pirie Regional Council (SA).
- Invitations have now been issued.

Exploration Agreements

Copper producer Austral Resources Australia has finalised the binding exploration earn-in agreements with Mount Isa Mines, a subsidiary of one of the world's largest mining companies, Glencore.

As announced in June, Austral and Mount Isa Mines entered into the value-generating non-binding complementary deal with Austral to expand its oxide exploration activity in both the exploration area and within Mount Isa Mines' prospective Russell Fault EPM (exploration permit) in Queensland.

Under the agreements, the parties agree to share exploration data and certain resources.

Mount Isa Mines will have the right to earn-in up to a 65 per cent interest of Austral's joint venture EPMs by spending \$6.3 million over four years.

Austral retains the right to explore for and commercially exploit copper oxide ore within the exploration area.

Additionally, under the agreement with Mount Isa Mines, Austral is entitled to earn-in up to 65 per cent interest within Russell Fault by spending \$2 million over four years,

effectively increasing the company's copper exploration area by 16sqkm.

Austral managing director Dan Jauncey said the JV with Glencore would provide it with the opportunity to create significant shareholder value, as the additional expenditure increased the potential for further discoveries. "Austral stands to benefit greatly from working with and learning from Mount Isa Mines' seasoned exploration team and we look forward to updating the market with our exploration plans over coming months," he said.

NEWS IN BRIEF

- **Karratha Mayor Peter Long has been nominated by the AMCA Board to represent mining communities in a new national panel established by the Minerals Council of Australia to monitor and advise the resources sector on its ESG journey. Confirmation of his appointment is anticipated soon.**

- **The AMCA's inaugural Treasurer Toni Keown has decided to relocate to Perth and has submitted her resignation. This is sad news for AMCA as Toni has worked diligently for several years to help establish and develop AMCA. Due to her contribution AMCA's governance and financial standing has improved considerably.**

- **While in Canberra in September, in addition to meeting with several key politicians, AMCA Directors also met with the CEOs and other representatives of the Minerals Council of Australia and the Australian Local Government Association. Discussions continue with both organisations regarding potential collaboration opportunities on issues of common interest. Directors also actively networked with a wide range of government and industry representatives during its visit to Canberra.**

- **Advocacy on the implications of the Climate Change Bill has been active and continues. In addition to engagement with key politicians during its recent delegation to Canberra, engagement with industry and government (e.g., the Climate Change Authority) has been undertaken in earnest.**

New Highs for Resources, Energy Revenues

Global demand for energy is pushing Australia's resources and energy export revenues to new highs, with an ongoing surge in demand for materials needed for low-emissions technology such as batteries, solar panels and electric vehicles.

Resources and Northern Australia Minister Madeleine King said the Resources and Energy Quarterly publication for the September quarter 2022 forecasts Australian resources and energy exports to earn a record \$450 billion in 2022-23, before easing to \$375b in 2023-24.

She said the strong export revenue driven by the resources sector is supporting Australia's economy and providing a welcome boost to Government revenue ahead of the 25 October budget.

"The Resources and Energy Quarterly report for the September quarter 2022 underlines the importance of the sector for Australia's ongoing economic wellbeing, and shows the outlook for Australian resources and energy remains strong," King said.

"The Treasurer has noted that the current high prices have helped

contribute to a \$27 billion boost to the budget bottom line for 2021-22, with the sector continuing to support our economy and more than 270,000 jobs."

The record forecasts follow last-year's \$422b result, and comes despite easing iron ore prices and demand. Driving the rise in 2022-23 is the search for alternative sources of energy following Russia's invasion of Ukraine, and a surge in the US dollar against the Australian dollar.

King said Australia is experiencing strong growth in demand and prices for minerals that are crucial for low-emissions technology, such as lithium, copper and nickel, due to growing demand for electric vehicles, batteries and cleaner energy.

"The Australian Government is strongly backing our critical minerals sector, which provides the crucial minerals needed to help Australia and the world meet our net zero commitments," she said.

"The Resources and Energy Quarterly forecasts combined export earnings from copper, nickel and lithium are forecast to reach around \$33b in 2022-23 from \$22b in 2021-22."

Diamond Drilling Begins at Elliott Copper Project in NT

The world's largest resources company has begun diamond drilling at Encounter Resources' Elliott copper project in the Northern Territory.

The company said the earn-in and joint venture agreement with BHP was an indication of how the NT was fast emerging as one of the most significant global opportunities for the discovery of new, large sediment-hosted copper.

The exploration

program is operated and funded by BHP and includes planned deep diamond drilling and seismic surveys.

Encounter managing director Will Robinson said the current diamond program of about 2000 metres is designed to advance the understanding of basin architecture and prospective deposition locations for sediment-hosted copper deposits.

He said before the end of November,

Encounter's project partners would complete diamond drill programs at two projects: the BHP-funded program at Elliott, and an IGO-funded 4500m program at the Yeneena Project in the Paterson Province in Western Australia.

The Elliott project was the first project secured by Encounter in the Northern Territory and now extends over more than 7200 square kilometres.