

GEOLOGICAL, EXPLORATION AND MINING SERVICES ASSOCIATION NT INC.

ABN: 18819195334

trading as

GEMSA NT

“Supporting Mineral Explorers in Australia’s Northern Territory”

Member Newsletter for December 2022

A holiday reminder for all busy members:

- ✓ [GEMSA-NT.com](https://www.gemsa-nt.com), now with MEMBERS’ REGISTER and JOBS BOARD, is live and running!
- ✓ Current Members of GEMSA NT are welcome to use the unique login details that have been provided directly to them to set up their Members’ Register Entry.

If you encounter difficulties in setting up your Register entry, please drop Geoff E or Tanya C an email and we will be in touch to work out how to help you do it.

- ✓ The Members’ Register is accessible to all website visitors, but only members can post entries. Register entries should have details for visitors to directly contact members.
- ✓ Please keep your Registry entry updated with your latest info, such as new services, equipment, availability etc.
- ✓ Those Members who have jobs/projects that need doing/ filling can place an entry on the JOBS BOARD. This is only accessible to paid up members.
- ✓ Once the Register has sufficient members and momentum to be useful,

we will vigorously promote this to explorers as a first stop for their needs to operate successfully in the NT.

- ✓ Please, Members, put up your listing in the Register before you go back to work.
- ✓ Thank you to those that already have. Use of these facilities is part of all membership subscriptions.

Annual General Meeting and Social Event

On 19th November, GEMSA NT staged our 2nd AGM at the Trailer Boat Club. Thank you to all who attended and to our great sponsors, **North Australian Laboratories, Practical Safety Australia, Territory Industrial Group, and Mud Logic.**

The meeting saw the re- appointment of Geoff Eupene as Chair and Gary Price as Secretary, while a new general committee member, Jerry Amato from **Yandamah Indigenous Corporation** of Katherine strengthens our regional reach and broadens the talents of the Committee. Jerry and his partner Bernadette have a wealth of experience in operating in the NT.

A sumptuous spread of great finger food was provided by the Trailer Boat Club, as well as enough beverages to keep the assembled masses cheery until closing time. We have a photographic record of the evening which is curiously devoid of scandalous behaviour. A big Thank You for a sterling effort from a tireless “Sober Roberta”, who worked late to ensure all members got home safely. You know who you are, and so do most of us!



The AGM in full swing



We were really pleased that so many of our members made it to the AGM, which for various reasons was held on a Saturday afternoon quite early in the party season. It is not easy to get invited guests to volunteer to attend with such timing, but nonetheless our great supporters Bunge and Dot were very early on the scene once the formalities finished.

Website and Services Register

Our new website at GEMSA-NT.com has been up and running since September. This took much longer than we dreamed when we started the journey in February, but we hope you are now able to enjoy and use the results of a great deal of work from our committee and the site designers, Web365 of Darwin. While it was not intended to have content much different from the original site, we wanted the site to play a pivotal role in GEMSA NT's main aims, which are to promote greenfield exploration in the NT, and to strengthen the capacity of local businesses to service it. This necessitated a significant upgrade to the interactive capabilities of the site.

We believe that a considerable portion of many greenfields exploration budgets scheduled for the NT often do not get spent, and a significant reason for this can be that explorers can't find the goods and services they need to complete their programs. This was exacerbated by Covid restrictions, but it has been a factor even without them. If this does happen, for some explorers, what seemed like a great idea at the time becomes one that is just too hard to execute, and they go away and don't come back.

This is not to deny that there are other impediments to seeing more exploration in the NT, such as land access, cost, and an ever increasing regulatory load, and GEMSA NT will continue to address those matters, but providing a facility to help put explorers in touch with services and suppliers that service the NT, we think, is something positive that we can do **now** to make it easier to spend exploration dollars here.

It is not GEMSA NT's intention to be a broker of these services, but to make it convenient for buyers and sellers of exploration goods and services to have an Exchange to find each other throughout the NT.

We make no claim that our present membership can adequately cover these

requirements. There is a great degree of "build it and they will come" in our approach. There are probably none of our members that have not been near fully engaged for the 2002 dry season. Nonetheless, all our members share the aim to promote our industry, and so will try to help provide solutions to fill demand gaps. By sharing our needs, we should increase the chances of finding solutions.

Our site's existence might also encourage others not currently involved to (in some cases) get back into the NT industry that they loved but found it could not support them. This might give such participants a new chance to build a business here.

We also have a growing number of members that service the NT, or would like to, from bases outside the NT. Our site makes it clear which businesses are NT businesses, and our committee monitors this, and we encourage that locals be given priority for available NT work. However, it is not GEMSA NT's aim to restrict our membership to NT businesses, and we welcome Associate Members based elsewhere in the expectation that if NT work becomes important to their business, they will grow their NT presence. It is more than likely they are bringing new services and skills that are not readily available, so they are helping to grow the industry. Our priority is to grow the cake, not to try to eat it all.

We consider our member's portal is a very important part of the website as it allows for everyone who is an active member of GEMSA NT to maintain your status on our Suppliers and Services Register. This not only includes being able to keep prospective customers up to date with the goods and services that you have on offer if you are a supplier, but also allows you to post when you are available to work if you are a contractor, or a contract work opportunity if you are a small explorer.

If you have not already done so, we encourage you to use the holiday period to get your entry in the Services Register up and running. We believe this is now a straightforward process once your membership has been renewed or confirmed for new members. Please get in touch with Tanya or Geoff E if you do encounter difficulties as we want this to be easy for members to update regularly.

Once we have most of our current members up on the Register, we will have something that will convince prospective members to join

up, which is when this will start to work for us all.

We also want to significantly increase GEMSA NT's multimedia presence, as that is important to how others see us. We do need access to more skills in this area, as none of us on the Committee are all that **adept at posting and sharing**. If anyone wants to put up their hand to help, we would appreciate it.

We also would like to encourage everyone to **promote GEMSA NT** to your colleagues working in the NT whether you are based here or working from interstate.

Upcoming legislation and access matters

Our other main objective is to promote and protect mineral exploration activity in the Northern Territory. Since our last communication in October 2022, our Annual Report to Members, we have received a barrage of notifications of new legislation. Most of this has reached us via our membership of **AMEC**, and most is also of peripheral interest to GEMSA NT's main objectives. However, generation of new legislation is proceeding at a frantic rate for both the Federal and NT parliaments, and with the recent announcement of major revisions of the EPBC Act and the introduction of a Commonwealth Environmental Protection Agency, we can anticipate that much of the impending Environmental Legislation being drafted by NTG will need to synchronise with this, as GEMSA NT's original submission on the NTG Discussion Paper predicted.

We will be monitoring this, as it is most likely that our Federal Government may not see the importance of an active greenfields exploration activity in the NT as clearly as locally elected governments will.

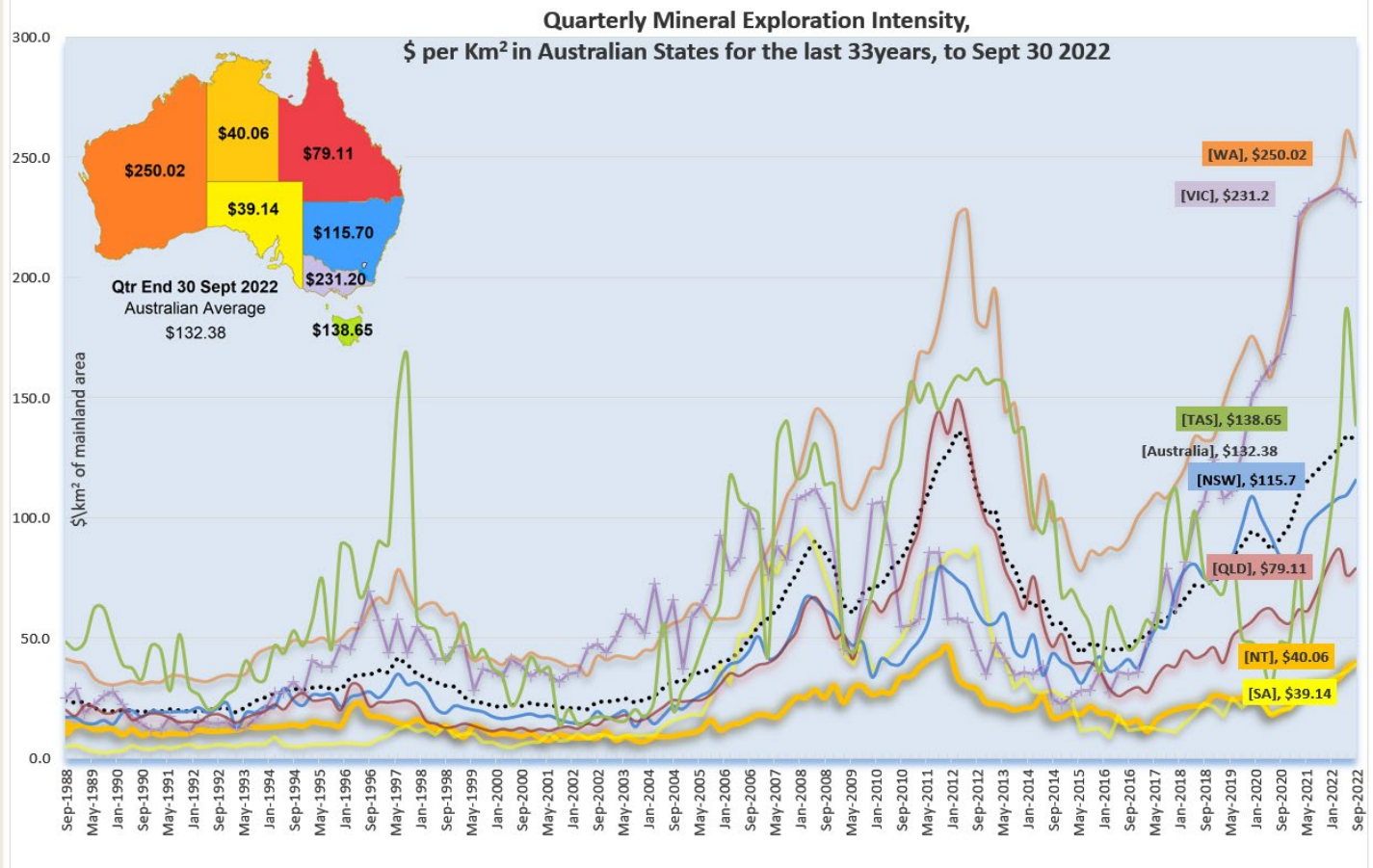
As I write this our Federal Environment Minister is in Canada trying to convince the rest of the world to adopt her "30 by 30" threatened species brainchild. This will no doubt need monitoring.

The recent decisions of the Full Federal Court regarding the notification processes used by **Santos** to inform Traditional Owners on the Tiwi Islands about their proposed offshore Barossa LNG Project development seem from published reports to be at odds with long standing procedures used by resource companies to inform TOs of proposed activities.

Normally, resource companies are required to engage with Land Councils to identify genuine TOs, to ensure that the right people are informed and consulted about their development plans, and that they agree with them. It is not clear if this long- established and usually legally- required procedure was a factor considered by the Federal Court. This may also have implications for all resource activity in the NT. We will be monitoring this and seeking more clarity on the effects of the judgement on our existing procedures.

Our NT jurisdiction is well endowed with many of the **critical commodities** that are essential for the **energy revolution**, and these already form the basis of substantial exploration and mining activity in the NT. Many local explorers are focussed on the key commodities needed to enable this revolution. These commodities are not available to all nations, and this is resulting in major supply chain concerns as geopolitical conditions deteriorate, as they have in 2022. If we are concerned about reducing carbon emissions, it may be that we are under a moral and ethical obligation to share our supplies of these critical commodities with others. This is perhaps a factor that should be given equal or greater importance than curtailing development of carbon-based fuels if the world is to be ready to reduce dependence on carbon-based fuels without causing economic and social disruption. GEMSA NT will continue to remind Government of this simple fact and hopes that ways to **cut red and green tape to expedite exploration and development of critical commodity projects** can be identified and embraced.

Latest ABS Statistics: Exploration Intensity in the Sept. Qtr.:-



GEMSA NT's studies of ABS exploration expenditures indicate that there are stark differences between the Australian jurisdictions in Exploration Intensity (\$/km²), and it is emerging that the effect of unfavourable legislation on high-risk greenfields exploration shows up quite quickly in expenditure statistics. These are evident in the graph above. For example, Queensland has lost about 40% of its previous exploration intensity levels since introducing harsh environmental legislation 6 years ago, and the introduction of new legislation in Victoria is also coinciding with a developing downtrend in expenditures there. This is particularly apparent as, until then, Victoria was topping even WA in terms of exploration intensity briefly in early 2021 before introduction of the new legislation.

The NT, near the bottom of the exploration intensity ladder, does not need to plumb lower depths, and we will be reminding the government of this in the debate on tougher environmental laws for mining and exploration. We will refrain from drawing too many inferences from this quarter's charts as there are a variety of forces in play: inflation, labour shortages, floods, and rotten markets for shares and commodities. The NT however did show a kick in exploration intensity to reach over \$40/km² for the first time since the last

boom in 2012. May it keep shooting up!

However,

The September Quarter graph, shown above, sees the FIRST (SLIGHT) DROP IN QUARTERLY NATIONAL EXPLORATION EXPENDITURE since the early days of the Covid Pandemic. This is probably the result of a rapid drying up of risk capital for exploration. Ironically, this first manifests itself in the producers, who are able to tighten up exploration around their mine sites quickly to conserve cash for tough times ahead. This has been reflected in the latest near-mine drilling figures.

Meanwhile, the junior explorers need results to generate cash by issuing new shares. So those juniors who are drilling prospects that are producing good results are inclined to try for new, encouraging drilling results to generate additional funds from their backers. This increase in greenfield drilling is also evident in the September Quarter numbers, but this is a risky business which depends on factors well beyond the junior explorers' control. When markets dry up, even the best results will not open the purses of their normal backers.

Let us hope there is some light soon in the markets, and that the predictions of a recession in 2023 are avoided.

Message from our Chair, Geoff Eupene

We have had a turbulent year. Commencing with more work than anyone could handle, and extreme staff shortages, but finishing with uncertain prospects, with predictions of global recession, energy shortages and questions about how and when these matters will be resolved. There are clear signs that a downturn in the market for risk capital has commenced, and at least the junior explorers may find it difficult to raise operating funds, while producers will be cautious about “unnecessary” expenditures, such as some will deem exploration is. I hope this scene is short-lived, but given global uncertainties at present, this may not be so.

Nonetheless, there are bright spots. Core Lithium looks to be well on the way to commencing commercial production generating local employment, and a much need boost to the local economy, and prospects have not been better for Arafura to be able to develop Nolans. TNG has had some corporate upheavals that may bring Mt Peake closer to an investment decision, and there have been some great intersections announced by ERM and TMS in the Tennant Creek district. There is perhaps more gold exploration going on around Pine Creek than there has been for some years, and one of the few positives that often accompanies recessions is that gold prices may become relatively more attractive. Uranium is trying to come out of the shadows, and Devex seems to be onto a good thing around Nabarlek.

GEMSA NT’s interactive website may help to maximise exploration expenditure in the NT should these fears of a downturn crystallise. I hope it will provide an incentive to members to make full use of these resources, and those members that have not yet put up their entry in the Services Register will take advantage of the holiday break to get it up and running, or to enhance their entry.

While we started 2022 with hopes of a busy year, and it was, we enter 2023 with uncertainty, largely caused by factors that none of us can control. I hope adversity will draw us closer together to do what we can to address the shortages and shortcomings that arise in difficult times.

I wish all of our members and our many friends all the best for the Festive Season, and may 2023 turn out better than it could. Thank you all for your support and let’s work together in the New Year to make GEMSA NT bigger and better to help our local exploration industry grow. We will be at AGES again next year and between now and then be on the lookout for prospective new members please!

All the best,

Geoff. □