

# MINERAL EXPLORATION INVESTMENT ATTRACTION PLAN

## Vision:

Australia is the lead destination for investment in mineral exploration.

## Mission:

- ▶ Reverse the decline in Australia's share of global non-ferrous minerals exploration expenditure, and
- ▶ Increase mineral investment expenditure in greenfields and undercover areas.

## THE CHALLENGE

Rates of discovery of mineral deposits have decreased in the past decade and it is essential to secure investment into exploration in Australia and in particular Australian greenfields areas in order to ensure new discoveries and the replenishment of mineral resources project pipeline.

The objectives of the Mineral Exploration Investment Attraction Plan are to:

- ▶ promote Australia to make it the preferred destination for investment in mineral exploration,
- ▶ advocate opportunities in covered greenfield areas, new mineral provinces and new commodities, and
- ▶ target all market segments responsible for guiding investment decisions in mineral exploration.

## AUSTRALIA'S COMPETITIVE ADVANTAGE

Australia has world class pre-competitive geoscience, a track record of finding high-quality resources, skilled work forces, attractive financial regimes and effective legislation and governance.

The combined Australian, State and Northern Territory governments use a unified international presence under the banner of *Australia Minerals* to promote internationally mineral exploration investment in Australia. *Australia Minerals* delivers a coordinated, collaborative and cost-effective vehicle to attract investment in mineral exploration and development in Australia.

## TARGET MARKET SEGMENTS

Investment opportunities exist at all stages of the exploration-development-mining value chain in Australia. Exploration is undertaken by major mining and exploration companies, able to finance it directly from the company's cash flows. Exploration is also undertaken by mid-tier and junior companies that are more likely to rely on equity or joint ventures. Development and mining

are usually undertaken by major and mid-tier companies, financed generally from borrowing from large institutions, and/or own company funds. There are thus three target market segments - major mining companies, financiers and junior/exploration companies.

Canadian-listed companies had the largest exploration budgets in 2011 with Europe second in terms of the number of major companies with exploration budgets >US\$100 million in 2011. The Rest of the World group, including Russia, India and China, is close behind Europe. Exploration spending in Australia is noticeably low for Canada-listed (2%) and Latin America-based (1%) companies, representing an opportunity for *Australia Minerals* to increase these percentages. The rapidly growing exploration expenditure by Chinese companies and Indian companies also represent major opportunities.

The world's largest stock markets – USA (NYSE), London, China (Shanghai, Hong Kong), Japan (Tokyo), and Canada (Toronto) – are a guide for the potential location of finance for mineral exploration and mining projects. London and Toronto in particular are markets experienced in funding high-risk mineral exploration. The Indian and Russian stock exchanges also represent major potential sources of funding, followed by Brazil and South Korea.

## INVESTMENT ATTRACTION CHART

The target market segments and their requirements for investment into Australian mineral exploration are identified in the attached chart. Each market segment requires a range of products to address their needs and delivered through the most effective channels.

The investment attraction plan will be implemented, reviewed and assessed against performance indicators annually by the Exploration Investment and Geoscience Working Group with an annual report provided to the Standing Council on Energy and Resources.

## TARGET MARKET SEGMENTATION

### 1 MAJORS/PRODUCERS

Large mining and exploration companies with cash flows, and exploration budgets exceeding US\$100 million per annum.

### 2 FINANCIERS

Investment houses, investment banks, brokers, analysts, who play an important role in facilitating or funding projects.

### 3 EXPLORERS/JUNIORS

Small to mid-tier companies with exploration budgets less than US\$100 million per annum.

## REQUIREMENTS FOR INVESTMENT

#### BUSINESS:

- ▶ Skilled workforce
- ▶ Quality explorers
- ▶ Internationally competitive costs
- ▶ Infrastructure

#### REGULATORY:

- ▶ Streamlined approvals processes
- ▶ Access to land
- ▶ Strong legal frameworks
- ▶ Transparency
- ▶ Stability/certainty

#### GEOSCIENCE:

- ▶ Readily available pre-competitive data
- ▶ Geological potential for a diverse range of commodities
- ▶ Research support for exploration challenges

## INVESTMENT ATTRACTION PLAN

Key target messages and products to address requirements for each market segment  
Prioritise market segments and locations  
Delivery channels appropriate to segment characteristics

## POTENTIAL DELIVERY CHANNELS

#### EVENTS

- ▶ Forums, seminars
- ▶ Conferences, exhibitions
- ▶ Speaking opportunities
- ▶ Receptions
- ▶ *Australia Minerals* ambassadors
- ▶ Targeted meetings
- ▶ Trade missions

#### PROMOTIONAL INFORMATION

- ▶ Marketing material: brochures, video, DVD, digital products
- ▶ Media: editorial content, advertorial, advertisements
- ▶ Virtual booths

#### ONLINE PRESENCE

- ▶ *Australia Minerals* website: links to jurisdictions & key contacts, investment information, fact sheets
- ▶ Social Media: Twitter, LinkedIn, Facebook, Blogs
- ▶ Email campaigns