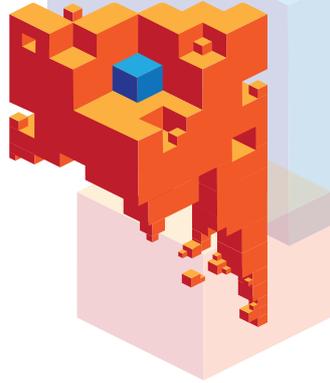


ACCELERATED
DISCOVERY
INITIATIVE



ACCELERATED DISCOVERY INITIATIVE
2019-2022

INVESTMENT GUIDELINES

Department for Energy and Mining

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Note: This guideline may be revised and it the responsibility of the reader to ensure the most current revision is being referred to. The DEM ADI website will provide the most current version of this guideline.



**Government
of South Australia**

Department for
Energy and Mining

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1 Introduction

A strong resources sector is an essential component of South Australia's prosperity. Accounting for more than 35% of state exports, increased mining, mineral processing and supply chain activities are crucial to achieving the South Australian 3% growth target. Resource sector growth relies on sustained exploration activity and a healthy pipeline of mineral discoveries.

Despite proven potential to develop commercial, globally significant deposits of copper, gold, uranium, heavy-mineral sands, graphite, iron ore and other in-demand commodities, vast areas of the state remain underexplored. The remoteness of, and in some instances, the depth of the State's mineral deposits below ground surface, are widely recognised as a challenge to exploration.

The State's potential for discovering world-class new mineral resources has once again been demonstrated by the 2018 BHP's Oak Dam West copper discovery and continued exploration works.

Collaboration and innovation in exploration activities and approaches is key to unlocking the state's significant resource opportunity, and accelerating discovery.

Continued advances in global technology and innovation, as well as the State's tertiary and technology sectors, including defence and space, can have the potential to further accelerate mineral discovery, improve exploration efficiencies, reduce costs and resource needs, reduce exploration footprints and support the potential for commercialisation of exploration innovation.

The *Accelerated Discovery Initiative* (ADI) embraces innovation, collaboration and capacity building to advance exploration activity in South Australia, reinforcing the State's international reputation as a leader in mining and mineral exploration.

1.1 About the Initiative

The ADI aims to make a major contribution to achieving South Australia's *Growth State* target through supporting the potential discovery of new mineral and groundwater resources, while delivering a number of other economic and social benefits including:

- Aboriginal training and employment opportunities
- data to support development of regional and rural communities, and
- development and application of innovative exploration technologies.

To do this, co-funding contributions will be provided from Government toward exploration activities.

A total of approximately \$3 million per year for 3 years is available for approved co-funding exploration activities. The first funding year commenced in FY2019–2020 and will be accessible via biannual¹ expressions of interest.

Up to \$10 million will be invested over the life of the program, including program management.

¹ Biannual co-funding rounds are proposed. These may be subject to change.

This document provides guidance for proponents considering submitting a proposal for co-funding from the ADI by describing the:

- Objectives
- Process and Important Dates
- Method of investment
- Essential eligibility criteria
- Proposal assessment
- How to apply
- Legal parameters
- Acceptance criteria.

Table 1 provides a summary of the ADI funding categories that form the scope of the program.

Table 1 ADI category description

Category name	Description
Exploration drilling	Exploration drilling – single deep holes and/or multiple hole programs in frontier terrains or testing new concepts in other areas
Geophysical programs	Geophysical programs that focus on the application of innovative technology and concepts and/or provide for a significant improvement in the density or quality of data at a district or regional scale.
Logistical support	Logistical support associated with testing exploration targets in remote greenfields/new frontier regions, where a novel approach is being trialled and/or a prospective area.
Groundwater	Identification and testing to Environment Protection Authority (EPA) prescribed guidelines of groundwater resources, during exploration.
Research collaboration	Research collaboration and/or technology development (for example machine learning) projects that will benefit mineral exploration and accelerate discovery.
Proof of concept	Proof-of-concept proposals that encourage new thinking and innovation in the exploration sector.
Aboriginal training and employment	Training (as needed) and employment of Aboriginal personnel during exploration activities.

2 Objectives

The objectives of the ADI are to:

- Accelerate mineral discovery
- Increase greenfield mineral exploration collaboration and activity
- Accelerate data sharing from, and application of innovative technologies within, exploration activities for the benefit of third-parties
- Facilitate employment and upskilling of Aboriginal employees or businesses by part funding employment and and/or training during exploration programs, and
- Increase the State's groundwater datasets.

Co-contribution to Aboriginal employee upskilling will increase the potential for participation of remote and regional Aboriginal communities and businesses within South Australia's mineral resource industry, in particular exploration.

2.1 Outcomes

The ADI will contribute to achieving *South Australia Growth Agenda* targets through support of the discovery of new mineral resources, and accelerated data sharing amongst industry.

The Initiative will build South Australia's international profile through the attraction of new investors, willing to develop and test innovative exploration concepts and technology to help unlock the state's mineral opportunity. It will also support South Australia's growing reputation as a place to successfully collaborate on research and development.

The ADI may assist in accessing and leveraging risk capital for mineral exploration.

Discovery of new groundwater resources will aid the development of regional communities, agricultural industries as well as new resource projects.

3 Funding process and important dates

The award of ADI funding involves two assessment stages:

- an initial call for Expressions of Interest (EOI) for internal merits review by the Department for Energy and Mining, and
- formal invitation for those eligible and appropriate projects approved through the EOI stage, to make a detailed submission in the Request for Proposals round.

The Department for Energy and Mining will provide feedback to proponents of EOI submissions that do not progress to the second stage. These proponents will be able to reapply to future ADI rounds.

It is planned the ADI will call for Expressions of Interest on a bi-annual² basis.

Table 2 summarises timelines for Round 1 (2019) and Table 3 indicative timelines for Year 2 and 3.

² Biannual co-funding rounds are proposed. These may be subject to change by government.

Table 2 Indicative timeline for ADI funding Round 1

Date	Milestone
29 November 2019	Call for expressions of interest
20 December 2019	Online EOI close
January 2020	EOI assessment and feedback
February 2020	Call for proposals
March 2020	Proposal assessment
March/April 2020	Announce recipients

Table 3 Indicative timeline for subsequent ADI funding rounds

Schedule	Stage
April 2020	Round 2 EOI
October 2020	Round 3 EOI
April 2021	Round 4 EOI
October 2021	Round 5 EOI

4 Method of investment

4.1 Eligible exploration activities

Mineral exploration activities may include, but are not limited to:

- Exploration drilling - single deep holes and/or multiple hole programs in frontier terrains, or drill testing new models and concepts. This activity includes:
 - Direct drilling costs (including mobilisation and demobilisation);
 - Geochemical assays and petrology; and
 - Downhole geophysical investigations.
- Geophysical programs that focus on the application of innovative technology and concepts and/or provide for a significant improvement in the density or quality of data at a district or regional scale.
- Logistical support associated with testing exploration targets in remote greenfields/new frontier regions. This could include specialised equipment, vehicles or telecommunications for exploration in remote, environmentally sensitive areas.
- Groundwater identification and testing to [Environment Protection Authority \(EPA\)](#) prescribed guidelines.
- Research collaboration and/or technology development (e.g. machine learning) projects that will benefit mineral exploration and accelerate discovery.
- Proof of Concept proposals that challenge traditional thinking, encourage innovation and drive new investment within and beyond the resources sector.

The Exploration Activities detailed in an EOI or a Proposal must not have commenced prior to notification that a Proposal has been awarded ADI grant funding.

Proponents will be required to detail each type(s) of activity for which funding is sought. For multiple activity proposals, the relationship between activities should be described, with each activity assessed on its own merits.

The ADI is open to all mineral commodities, however alignment with the Government's commodity strategies and areas of interest will be considered, including Copper, Gold, Magnetite, and critical minerals.

4.2 Exploration activity funding

All grant funding is provided GST Exclusive.

Co-funding is available for eligible exploration activities for 50% of direct costs, up to a maximum value depending on the activity category.

- For exploration drilling, co-funding is available for up to 50% of direct costs, to a maximum of **\$250,000**.
- For geophysical programs, co-funding up to 50% of direct costs, to a maximum of **\$150,000**.
- Logistical support – co-funding of up to 50% of logistics costs not already covered in the proposal, up to **\$100,000**.
- Groundwater testing – up to 50% of direct costs, to a maximum of **\$50,000**.

- Research collaboration, or proof-of-concept proposals not already covered by other activities in the Proposal – up to 50% of direct costs, maximum of **\$200,000**.
- For a Proposal with more than one exploration activity, the maximum value of ADI co-funding available is **\$300,000** for that Proposal.

4.2.1. *Administrative costs excluded*

Direct Exploration Activity costs specifically do not include administration, program management, legal, land access (including native title, heritage or landowner engagement and agreement-making) or mobilisation costs.

4.3 Aboriginal training and employment

In addition to any funding sought for eligible Exploration Activities defined in section 4.1, proponents are able to apply for co-funding of the employment and up-skilling of Aboriginal employees or businesses, where this expenditure is directly related to mineral exploration activities.

Funding support of 50% of the direct, demonstrable employment and/or training costs is available up to a maximum value of **\$25,000** (GST exclusive).

4.4 Timeframe to complete funded activities

The ADI has been designed to stimulate exploration activity, collaboration and investment in new or under-explored areas, new techniques and new ideas, rather than to fund existing programs.

The exploration activities detailed in an EOI or Proposal must not have commenced prior

to notification that the Proposal has been successful in being awarded funding.

Preference will be given to activities that are likely to be completed within one year, or that have expedited timeframes for completion and release of data.

Payment of the grant funding will be on completion of the project and submission of an acceptable Final (or, if applicable, Interim) Report.

4.5 Multiple applications

Companies may submit more than one EOI or Proposal in the same ADI funding round, however applications beyond the first two of a similar nature will be discounted in the evaluation process.

5 Essential eligibility criteria

5.1 Essential criteria

Proposals must satisfy the following essential eligibility criteria to be considered for assessment:

The proposal:

- Must be submitted using the online template provided by the South Australian Government.

The proponent:

- is a legal entity with which the South Australian Government can enter into a legally binding agreement
- has an Australian Business Number
- is registered for GST
- is financially viable, as evidenced through independently prepared financial statements and records of the applicant and its related entities

5.2 Compliance with guidelines

By submitting a response (at both EOI and Proposal stage), the proponent accepts the terms of the Investment Guidelines.

The State retains the right to extend, accelerate, remove, introduce or alter any element (including timetable, eligibility criteria, method of assessment, process requirements, etc.) of the Investment Guidelines at any time, at its discretion.

5.3 Funding agreement

Funded participants will be required to enter into a funding agreement with the Minister for Energy and Mining, on behalf of the state of South Australia.

The funding agreement will provide the legal framework for the obligations of each party and terms in relation to the funded exploration activity.

The ADI standard funding agreement is currently under development and will be made available on the DEM website upon completion

5.3.1 Exploration licence holder

Where activities directly relate to regulated (under the *Mining Act 1971*) mineral exploration activities, funding agreements are to be written in the name of the registered exploration licence (EL) holder.

Where activities directly relate to regulated mineral exploration activities, and the proponent is not the EL holder for the land on which the activity will take place, evidence must be provided the proponent has authority to act as an agent for the EL holder in the submission, management and execution of work programs. This evidence is required to be provided in the form of a legally binding agreement between the proponent and registered EL holder.

5.4 Collaborative applications

Research Collaboration Proposals are required to select a 'lead' organisation as proponent, who will be party to the funding agreement and be responsible for delivery of the agreed outcomes.

5.5 Intellectual property and knowledge sharing

Accelerated knowledge sharing is a key outcome of the ADI.

All exploration data and information acquired by the Exploration Activities outlined in the successful Proposal must be provided to the Department for Energy and Mining for release to the industry.

Where the Proposal applies innovative technology, proof of concept, artificial intelligence and/or collaboration, proponents must outline how the knowledge gained can and will be shared and used by third parties.

The Proposal application process will require a Knowledge Sharing Plan be provided.

5.6 Project reporting

A project report is required to be submitted within three months of completing the exploration activity to receive ADI funding.

The expected form and content of the Final report is to be outlined within the Proposal.

Where the exploration activity involves drilling, geophysical, or groundwater exploration activities reports must follow the minimum requirements set out within respective activity guidelines.

Download a copy of the [DEM mineral exploration reporting guidelines](#).

Please refer to the EPA's [guidelines for groundwater sampling](#).

An interim report may be negotiated by proponents to receive early release of funding, up to 50% (as agreed by both parties).

6 Assessment

6.1 Merit criteria

Proposals will be assessed against the following merit criteria. Applications should address as many criteria as possible, however may not conform to all.

Assessment will be made with regard to the extent to which the proposal meets the criteria:

Strategic alignment

- Addresses a key knowledge gap and/or critical uncertainty of the state's geoscience information, and/or a key barrier to mineral exploration and development in South Australia
- Supports exploration of remote or frontier mineral resources
- Has the potential to stimulate new mineral discoveries, enhance mineral prospectivity and exploration investment opportunities
- Demonstrates the potential for data, knowledge and/or techniques generated or proven by the proposal to provide third party benefit toward achieving the state's strategic mineral objectives (including, but not limited to, help stimulate new mineral discoveries, enhance mineral prospectivity and exploration investment opportunities)
- Is aligned to the state's priority commodity types (e.g. copper, gold, magnetite, technology or critical minerals) and/or will facilitate significant economic development opportunities.

Collaboration

- Provides opportunity for collaboration on data gathering and/or technology development and commercialisation

between industry, government and academic research partners.

Innovation

- Tests a new method, technique or technology.

Aboriginal training and employment

- Will enhance future opportunity (either direct or indirect) for Aboriginal staff or businesses through employment or upskilling as a component of the proposal.

Technical

- Details the regional and geological context of the Proposal and data/knowledge gaps to be addressed.
- Sufficient evidence provided, and previous data/research appropriately referenced, to demonstrate the approach can feasibly achieve the stated objectives, outcomes and benefits
- Evidence of the Proponents capability and capacity to deliver the proposal
- Documents an appropriate approach to stakeholder engagement.
- Provides:
 - A detailed project schedule.
 - An outline of the Final Report content.
 - A knowledge sharing plan.
- Provides evidence of the financial viability of the Proposal or that sufficient funding is available.

- Identifies any risks or other constraints on delivering the Proposal.

6.2 Assessment process

Consideration of Expressions of Interest will be made with reference to the merit criteria by Department for Energy and Mining.

Following shortlisting, successful applicants will be invited to submit a funding Proposal. Proponents not shortlisted will be notified.

Proposals will be assessed against each merit criteria by an expert panel of officers and independent industry representatives appointed by the Department for Mining and Energy.

The South Australian Government is under no obligation to release any details relating to the assessment of proposals.

There will be no right of appeal.

7 How to apply

Completed online Expressions of Interest (stage 1) and Proposals (stage 2) will be due by the published closing date for each round of the ADI.

It is the proponent's responsibility to ensure the online information is submitted by the specified closing date/time and acknowledgment, in accordance with the contact details provided, will be made on receipt of each application.

What to submit

Proponents should complete the [online ADI Proposal form](#).

7.1 Confidentiality and Commercial in Confidence

If a proponent believes that any information provided in their proposal is confidential or commercial-in-confidence, the proponent must clearly identify such information and the reason for its confidentiality. Proponents should be aware the ADI is subject to certain legislative and administrative accountability and transparency requirements of the Australian Government and Government of South Australia, including public disclosure in accordance with Department for Energy and Mining policy.

Any information contained in, or relating to a proposal submitted to the ADI, including information identified by a proponent as confidential, may be disclosed by DEM:

- to its employees, advisers or third parties in order to evaluate and assess a proposal
- within the South Australian government or other entities where this serves the legitimate interest of DEM
- in response to a request by a House or Committee of the Parliament of South Australia
- if the proposal is successful, for promotion of project activities and outcomes
- where information is authorised or permitted by law to be disclosed
- where the information is already in the public domain.

7.2 Conflict of interest

Proponents should declare to the best of their knowledge, any matters which might give rise to a real or perceived conflict of interest.

7.3 Miscellaneous

Nothing in the Investment Guidelines should be construed as creating any binding contract, estoppel, expectation or other legal relationship (express or implied) between the proponent and the State, and each proponent irrevocably releases the State in relation to any claims, actions, damages, judgements, losses, remedies or other matters whether in contract, negligence, tort, under statute, equitable relief or otherwise, in conjunction with this process.

8 Legal parameters

1. Subject to Item 2 below, contents of all proposals will remain confidential, except for the relevant tenement and location of the successful proposals. All successful proposals will be made public on release of the final report. Unsuccessful proposals will remain confidential unless the proponent consents to their release.
2. Although the principal (being DEM or its representatives) understands the need to keep commercial matters confidential in appropriate circumstances, the principal reserves the right to disclose some or all of the contents of the proposal as a consequence of a constitutional convention or in order that the relevant Minister may answer questions raised in the South Australian Parliament, keep Parliament informed or otherwise discharge the Minister's duties and obligations to Parliament and to advise the Governor, Parliament and/or the South Australian Government. Any condition in a proposal that purports to prohibit or restrict the Minister's right to make such disclosures cannot be accepted. Confidentiality of proposals is also subject to the *Freedom of Information Act 1991*, as amended.
3. If you do not accept certain aspects of these Parameters, state which you do not accept and what you suggest as an alternative. If no such statement is made the principal will assume that you have accepted all conditions.
4. Reservation of Rights – the principal reserves the right to:
 - (i) Amend the proposal closing date;
 - (ii) Amend the Conditions For Proposals at any time prior to the closing date for proposals, provided that the amendment is notified to prospective proponents;
 - (iii) Clarify any aspect of a proposal after the closing date for proposals but before the evaluation of a proposal;
 - (iv) Seek the advice of external consultants to assist the principal in evaluation or review of proposals; and,
 - (v) Abandon the process whether before or after the receipt of proposals.
5. The principal is not obliged to accept any proposal.
6. The principal may consider or accept (at the principal's sole discretion) any proposal including without limitation a late proposal or the proposal of a proponent who has failed to submit a proposal in accordance with published requirements.
7. No acceptance of a proposal will be effective to constitute a contract or to create any legitimate expectation on the part of the proponent unless a formal written contract is executed by both parties.
8. Prior to accepting a proposal the principal may request that you provide additional information, including but not limited to, evidence of your economic capacity and financial stability.
9. The principal will notify proponents if this process has been abandoned. The principal is not obliged to give any reasons for its selection or the abandonment of this process.

10. If you submit a proposal, the principal, when considering the proposal will expect that you satisfy the following criteria:
- (i) You have the necessary skills, knowledge and experience to comply with the Conditions For Proposals and undertake the proposed drilling or exploration activity project; and,
 - (ii) You have fully informed yourself of all facts and conditions of all things relating to ADI Guidelines.
11. Proponents are responsible for the cost of preparing and submitting their proposal and all other costs arising out of the process.

Closing date(s) for Proposal submission will be published on the [DEM ADI website](#).

9 Acceptance criteria

The following principles will apply to management of successful Accelerated Discovery Initiative projects.

1. Management of the projects will be undertaken by the project proponents and/or operational nominees. All liabilities associated with the project remain with the lead proponent.
2. Proposals will be subject to an Agreement of Conditions of Grant to be prepared by the South Australian Crown Solicitors Office.
3. A final funding agreement (2 copies) will be prepared and forwarded to the proponent for execution. Both copies are then to be returned to DEM for the principal's execution.
4. A proponent must only apply the grant funding for the purpose of the project.
5. Where the cost of co-funded activities for a completed project are less than the estimate in the proposal, DEM will provide grant funding in proportion to the ratio of funding requested and the estimated total cost of funded activities (where below the cap).
6. Drilling must be conducted in accordance with an approved Program for Environment Protection and Rehabilitation (PEPR) and comply with relevant land access and environmental management requirements (e.g. Part 9B of the *Mining Act 1971* and the *Aboriginal Heritage Act 1988*).
7. Payment schedule:
 - (i) Where an interim report is agreed, Interim payment will be half of the agreed funds and paid within 30 days of acceptance of an interim report;
 - (ii) Final payment will be made on lodgement and acceptance of the final project report containing all technical information (correctly presented) that is directly relevant to the project.
8. Details of the interim and final project report and all deliverables will be defined in the Accelerated Discovery Initiative funding agreement between the successful proponent and the Minister for Energy and Mining.
9. Accelerated Discovery Initiative grant funding cannot be included as part of company mineral exploration licence expenditure commitments.