

Our ref: 20172622:ATH

30 May 2018

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By Email: AboriginalLandCommissioner@network.pmc.gov.au

Aboriginal Land Commissioner
Office of the Aboriginal Land Commissioner
GPO 9932
Darwin NT 0801

Senior Associates:
Emma Farnell
Tessa Czislowski

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Theresa Cocks

Dear Commissioner Mansfield

RE: MATARANKA AREA LAND CLAIM NO 69 (REPORT NO 29)

Darwin
Level 7, NT House,
22 Mitchell Street
T 08 8946 2999

I write on behalf of Northern Territory Iron Ore Pty Ltd (**NTIO**), who seeks to participate in the review of detriment issues for Mataranka Area Land Claim No. 69 (Report No. 29) (**Mataranka Land Claim**), as contained in the Aboriginal Land Commissioner's Report of December 1988 (**Land Claim Report**). NTIO would suffer detriment if the Land Claim is granted. This correspondence is a formal notice to follow-up email correspondence with Ms Zola on 11 May 2018.

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Party status and interest

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NTIO is the proponent of a project known as the Roper Valley Iron Ore Project (**Project**) currently undergoing environmental assessment by the Northern Territory pursuant to the *Environmental Assessment Act*. The Commonwealth has also determined that the Project is a Controlled Action under the *Environment Protection and Biodiversity Conservation Act 1999* and has advised that the Project is to be assessed by the Northern Territory Environment Protection Authority (**NTEPA**) under the bilateral agreement between the Commonwealth and the Northern Territory.

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Terms of Reference for the Project were issued by the Northern Territory Environmental Protection Agency in November 2017. The intent of the Project is to transport mined product from NTIO's mineral leaseholds north and east to a storage/loading facility at a Special Purpose Lease near the mouth of the Roper River from where product will be barged further down the river into the Gulf of Carpentaria for trans-shipment to ocean going vessels to take the product to market.

The Project would be affected by the Mataranka Land Claim, which is identified in the Land Claim Report as 'The portion of the Urapunga Stock Route comprising Northern Territory Portion (NTP) 2193 and NTP 1718...' More specifically, the Project includes significant upgrades to the Roper Highway that would be negatively impacted by a grant of NTP 2193. A very small portion of EL 24101 also crosses into NTP 2193.

Intervening factors

The planned Project is an intervening factor which should be taken into account in the detriment review.

Given the recent nature of NTIO's proposal, there have been no direct negotiations or agreement between the NLC and NTIO in relation to the land claimed becoming Aboriginal land and how to address the significant issues of detriment to NTIO.

Detriment

Use of an upgraded Roper Highway to transport product between NTIO's mineral tenements and its storage/loading facility on the Roper River is critical to the financial viability of the Project. There is no other economically feasible way of delivering ore to market. Any financial conditions or restrictions that prevent the upgrade of Roper Highway in the vicinity of NTP 2193 could prevent the project from coming to fruition.

Thank you for your attention to this matter and I also thank you in advance for providing additional time in which to provide further information. NTIO will be providing additional detail in accordance with the Commissioner's direction. I do note, however, that correspondence has also been submitted on behalf of NTIO for the detriment reviews in the Maria Island and Limmen Bight River Land Claim No 171 and part of Maria Island Region Land Claim No 198, and the Lower Roper River Land Claim No 70. The Project-level detriment that could accrue as a result of the Mataranka Land Claim would be substantially similar as that previously identified. In addition, however, is the cumulative detriment from a multiplicity of claims impacting the Project.

Yours faithfully
WARD KELLER



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4 July 2018

By Email: AboriginalLandCommissioner@network.pmc.gov.au

Aboriginal Land Commissioner
Office of the Aboriginal Land Commissioner
GPO 9932
Darwin NT 0801

Dear Commissioner Mansfield

RE: REVIEW OF DETRIMENT ISSUES – MATARANKA LAND CLAIM NO 69 (REPORT NO 29)

Introduction

I write on behalf of Northern Territory Iron Ore Pty Ltd (**NTIO**), with respect to the review of detriment issues for the Mataranka Land Claim No 69 (**Mataranka Land Claim**) as contained in the Aboriginal Land Commissioner's Report of December 1988.

NTIO is the proponent of the Roper Valley Iron Ore Project (**Project**), which will suffer detriment if the Mataranka Land Claim is granted. This letter is a follow-up to correspondence provided to the Aboriginal Land Commissioner (**Land Commissioner**) from Ward Keller on 30 May 2018 and provides more detail about the Project and updates the detriment that may be suffered if the Mataranka Land Claim is granted.

The Project is also subject to two other land claims, the Maria Island and Limmen Bight River Land Claim No 71 and part of Maria Island Region Land Claim No 198, and the Lower Roper River Land Claim No 70. Correspondence regarding detriment review of the claims was provided to the Land Commissioner on 11 May 2018. While the specific portion of the Project directly affected by the Mataranka Land Claim differs from those directly affected by the other land claims, the overall detriment to the Project and the Northern Territory will be similar.

The Project affected by the Mataranka Land Claim

The Project can be thought of as an integrated linear project stretching for over 100 kilometres west from the mouth of the Roper River in and along the Roper Valley. Even though the Mataranka Land Claim affects only one component of the Project on and near the Urapunga Stock Route, discussing the Project as a whole places the detriment in a fuller context.

The attached map from the Notice of Intent for the Project (**Annexure 1**) provides visual representation of the Project's geographic breadth. At the western end of the Project are a number of mineral tenements located 100-150 kilometres east of Mataranka. One of the major deposit areas is located approximately 15 kilometres west and north of Minyerri. The other is located approximately 50 kilometres west of Ngukurr.

Numerous other iron ore occurrences have been identified within the 2,730 square kilometres of granted Exploration Licences held by NTIO and these targets are considered likely to yield additional iron ore with further detailed exploration.

Iron ore will be transported from the mining areas via existing roads that will be upgraded as part of the Project, primarily Hodgson River Road, Roper Highway, Nathan River Road, and Port Roper Road, to a Barge Loading Facility (**BLF**) near the mouth of the Roper River. Iron Ore will be loaded onto the barges at the BLF and transhipped to ocean going vessels some 40 kilometres off-shore in the Gulf of Carpentaria.

The Project includes improvements to approximately 235 kilometres of existing roads, including widening and sealing some sections of the roads and works to improve wet season access conditions. The roads to be sealed and upgraded as part of the Project development include:

- Approximately 40 km of the Roper Highway from the current end of the bitumen seal at Fizzer Creek to the start of the recently completed high level bridges at Roper and Wilton rivers (built at a cost of \$50 million);
- Approximately 85 km of the Nathan River Road to the Port Roper Road turnoff; and
- Approximately 45 km of the Port Roper Road.

In some respects, the project is a successor to what was known as the Sherwin Iron Ore Project (**SIO Project**). In March 2013 Sherwin Iron received approval of a Mining Management Plan from the Northern Territory Government for the extraction of 200,000 tonnes of bulk iron ore sample from one of the tenements now owned by NTIO. Bulk sample mining commenced in June 2013 and the ore was trucked to Darwin for export through the Port of Darwin. The first iron ore shipment left Darwin in September 2013.

Over the subsequent several months further approval for larger bulk samples were obtained and four additional shipments of 273,000 tonnes were made. In July 2014, however, Sherwin Iron encountered financial difficulties and went into voluntary administration, and the SIO Project went into care and maintenance. NTIO acquired Sherwin Iron's assets in September 2016 and the BLF site from a different entity in March 2017.

The Project is different enough from the SIO Project that its own environmental assessment is required pursuant to the *Environmental Assessment Act* (NT), an assessment that is currently underway. As noted in earlier correspondence, the Commonwealth has also determined that the Projected is a Controlled Action under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) and has advised the Northern Territory Environmental Protection Authority (**NTEPA**) that the Project must be assessed by the NTEPA under the bilateral agreement between the Commonwealth and the Northern Territory.

The life of the mine is expected to be more than 20 years, with the mineral resource (Direct Shipping Ore) estimated to be greater than 40 million tonnes at 58% Fe.

Locational detriment caused the Mataranka Land Claim

While the direct impact of the other two land claims affecting the Project is quite clear (the claimed areas include the bed and banks of the Roper River that will be necessarily for the BLF site), the impact of the Mataranka Land Claim is less readily apparent.

As noted above, the Project includes sealing and upgrading (including widening) of approximately 40 km of the Roper Highway from the current end of the bitumen seal at Fizzer Creek to the start of the recently completed high level bridges at Roper and Wilton rivers. The Mataranka Land Claim includes NTP 2193 and while this portion of the Roper Highway does not enter NTP 2193 **Annexure 2** (printed from the NT Land Information System) shows that where the Roper Highway crosses from NTP 4971 to NTP 4256 it touches on the corner of NTP 2193.

This proximity has the potential to impose additional constraints upon the Roper Highway upgrade, firstly by constraining any realignment or widening of the road, and secondly by limiting the availability of construction materials for the road from borrow pits within NTP 2193.

A STRIKE map (**Annexure 3**) also shows a very small portion (less than 10 km²) of Exploration License 24101, a mineral title owned by NTIO, to be within the claim area, although we believe the STRIKE map actually shows an area greater than that actually being claimed.

Economic/social detriment caused the Mataranka Land Claim

The macro-level detriment is the most obvious. Anything that prevents or makes more costly transport of the ore has the potential to put the Project in jeopardy. There is no other cost-effective means to get the resources to market.

Putting the Project at risk means putting the jobs that will be directly generated by the Project at risk. Table 4.1 in the Notice of Intent for the Project (**Annexure 4**) indicates 200-400 jobs will be directly created during the construction phase of the Project, with operation of the Project directly resulting in 150-300 jobs.¹

Should the Project not proceed, the benefits to the Traditional Owners and Aboriginal Freehold Land Owners described in the suite of land access and development agreements between NTIO and the NLC² would also not occur.

The investment NTIO has made and the further investment of over \$250 million it intends to make in the Project would also be placed in jeopardy.

Regional economic opportunity would also be placed in jeopardy. The improvements planned for the road network will be to public roads, improvements that will increase safe and reliable access through the Roper Valley. A grant of the Mataranka Land Claim places these road improvements at risk because the improvements are part of the Project.

¹ The entire Notice of Intent is available on the NTEPA website at https://ntepa.nt.gov.au/data/assets/pdf_file/0008/453158/noi_roper_valley_iron_ore.pdf.

² These confidential agreements establish a framework for communication and cooperation, payment of compensation that includes royalties, training, contracting and business development, together with environment and heritage protection.

NTIO has, in consultation with the Northern Territory Government and with the support of local communities, taken a deliberate decision to pursue a transport and logistics solution for the Project that involves the upgrade and use of public roads to transport iron ore products to the BLF. These roads will be built to appropriate public road standards and be made available for use by both the Project and the general public.

These roads not only link remote Indigenous communities with the Stuart Highway, but in the case of the Roper Highway and Nathan River Road, form part of the Savannah Way, described in numerous tourist publications as "*Australia's Adventure Drive, linking Cairns in Tropical North Queensland with the historic pearling town of Broome in Western Australia's Kimberley, via the natural wonders of Australia's tropical savannahs and the Northern Territory's Top End.*" The Port Roper Road provides the only road access to the mouth of the Roper River, an important site for traditional, commercial and recreational fishing activities.

Cumulative detriment

While the Land Commissioner's directions on 20 April 2018 indicated that cumulative detriment is likely to be asserted only by the Northern Territory and representative bodies, that is not entirely the case. Cumulative detriment results from the combined impact of multiple land claims. While the focus may be on combined impacts of multiple land claims on an industry, region, or the Northern Territory as a whole, cumulative detriment will also exist where multiple land claims affect a single project or property.

In that regard, the Mataranka Land Claim detriment review cannot be done in a vacuum. There are two other land claims that adversely impact the Project, the Maria Island and Limmen Bight River Land Claim No 71 and part of Maria Island Region Land Claim No 198, and the Lower Roper River Land Claim No 70. They are different in substance relative to the Project; the latter land claims seek control over the beds and banks of the Roper River near its mouth, the Mataranka Land Claim seeks a portion of the Urapunga Stock Route. The latter two are distant from the Mataranka Land Claim. There may be different claimants with competing, if not actually conflicting, objectives. The sum total of all land claims affecting the Project increases economic risk for the Project beyond any individual land claim, and increases the uncertainty of the project moving forward beyond any individual land claim because of the number of parties with an interest in negotiations over access rights increases significantly and the delays that may occur as a result.

We respectfully ask that this issue of cumulative detriment be addressed with respect to all land claims affecting the Project.

Yours faithfully
WARD KELLER



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ANNEXURE 1

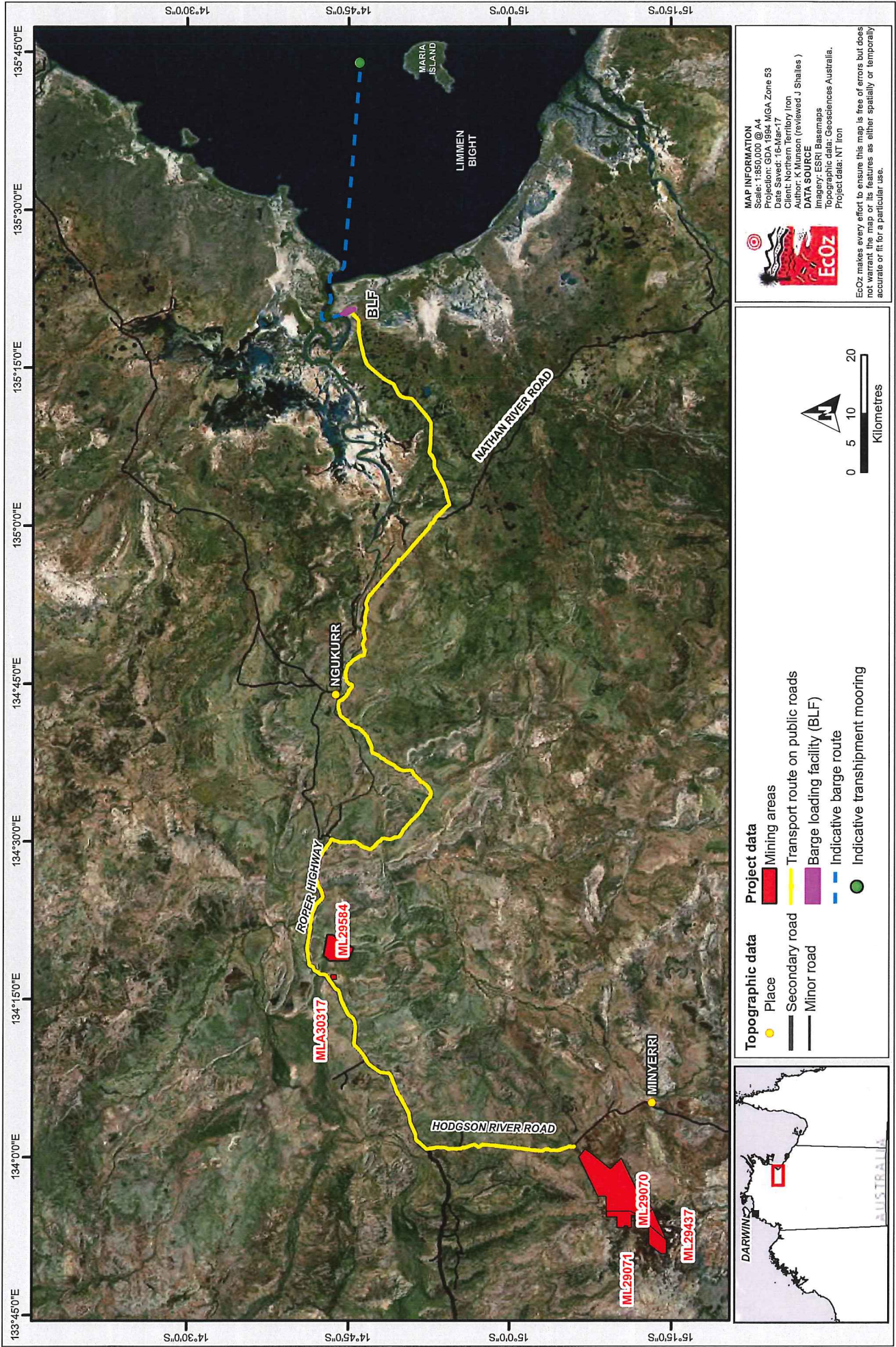

























Figure 3. Location of project components

ANNEXURE 2

-  Pastoral Properties
-  General Lines
-  Localities
-  Tenure Types
-  Freehold
-  Vacant
-  Perpetual Pastoral Lease
-  Reserve
-  Government
-  Crown Lease Term
-  Crown Lease Perpetual
-  Right to Freehold Title
-  Special Purpose Lease
-  Pastoral Lease
-  Registered Mining Lease
-  Other Lease
-  Road Labels
-  Road Centrelines
-  Highway
-  Other Road
-  Parcel Numbers
-  Cadastre
-  Coastline

Created by U58

Bottom Left: 134° 17' 21" , -14° 42' 16"

Top Right: 134° 18' 57" , -14° 41' 18"

Approximate Scale: 1:12,000

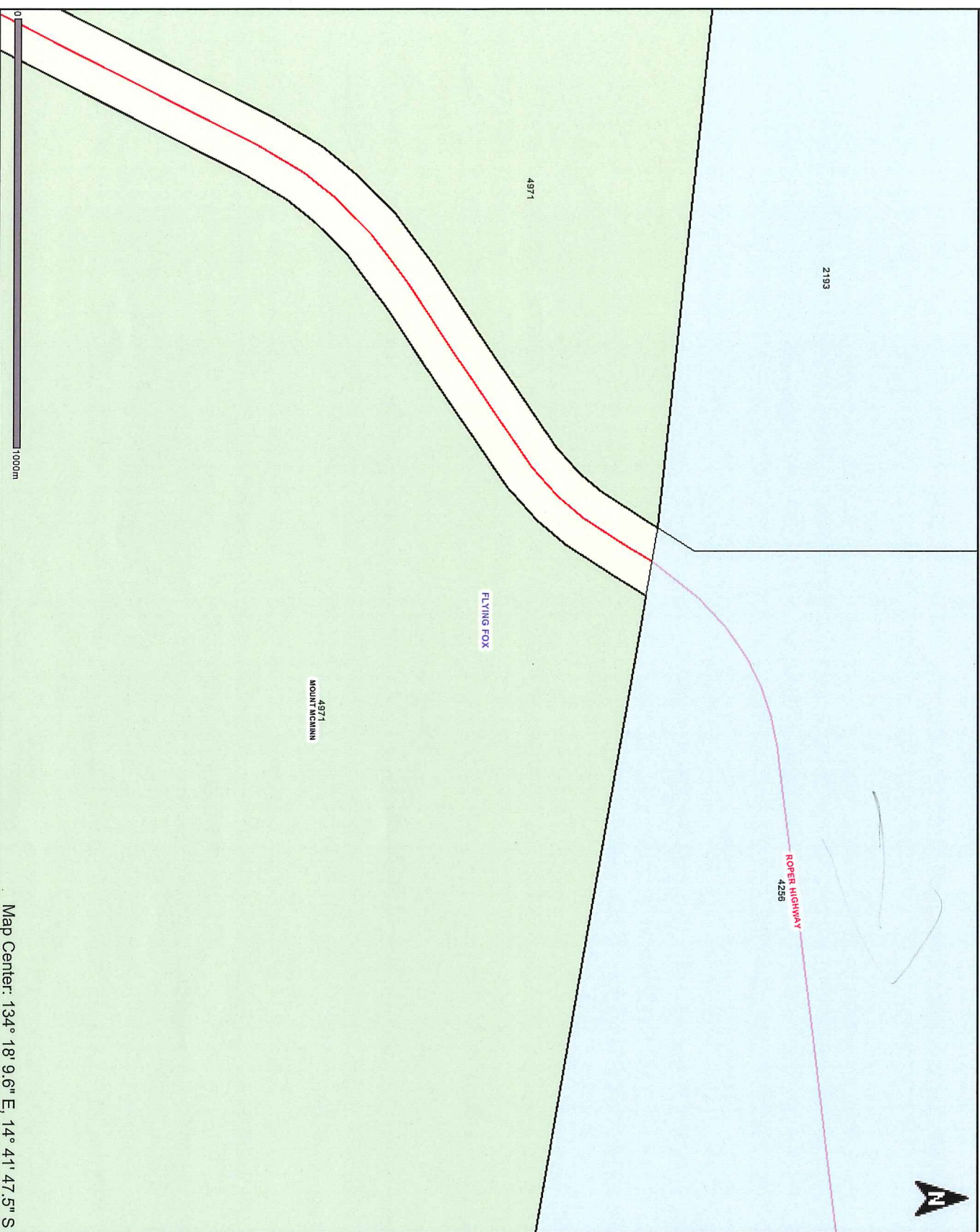
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Data for information purposes only

- accuracy not guaranteed

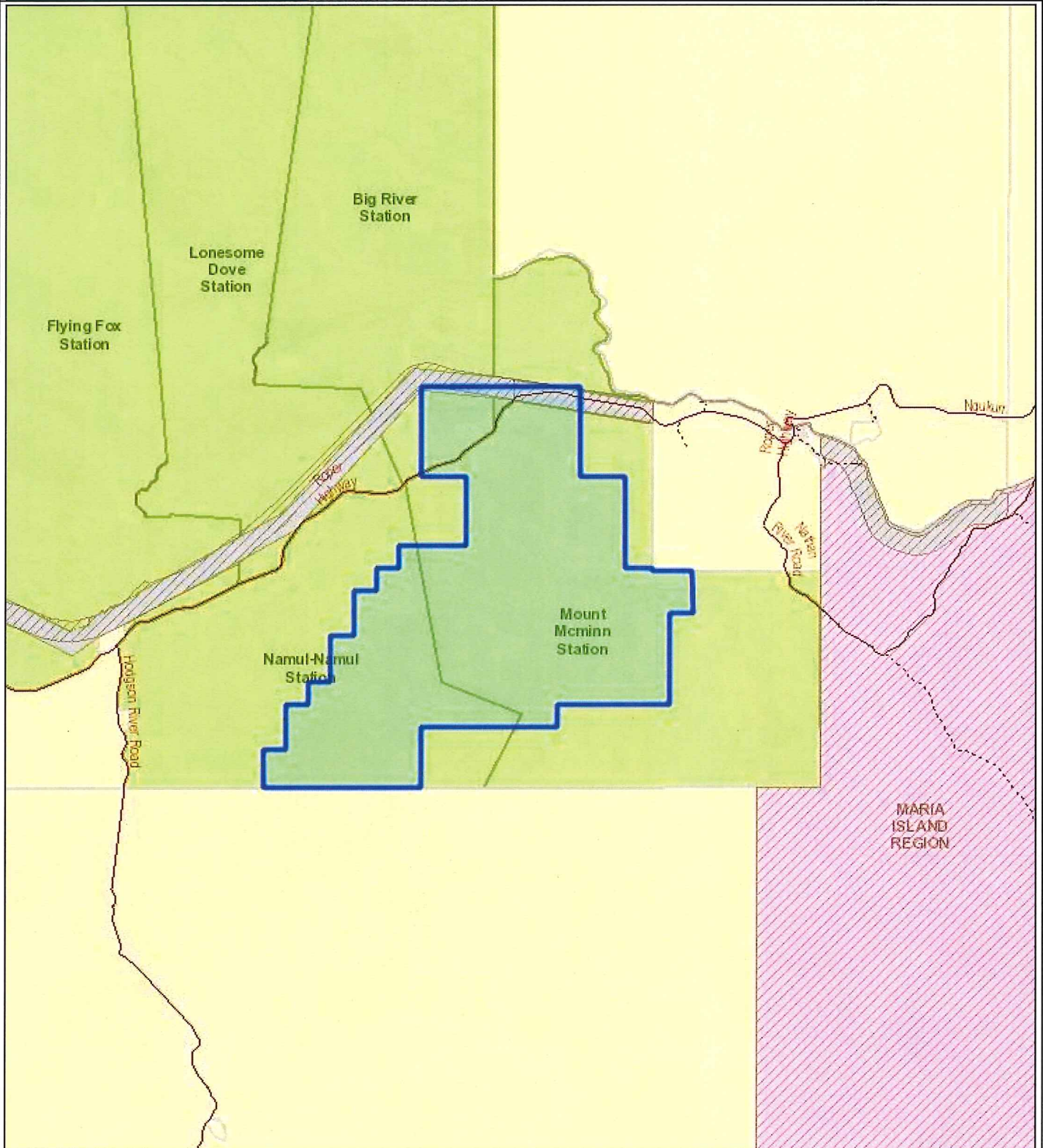
N.I.T. Land Information System

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Map Center: 134° 18' 9.6" E, 14° 41' 47.5" S

ANNEXURE 3



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Titles and Geoscience Information is sourced from the Northern Territory Government's Department of Primary Industry and Resources, Department of Infrastructure, Planning and Logistics and Department of Environment and Natural Resources

Topographic data sourced from Geoscience Australia and the Department of Infrastructure, Planning and Logistics

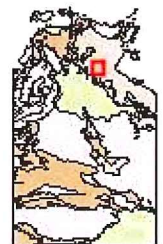
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Datum: GDA94

Printed: 04 Jul 2018

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STRIKE - Department Primary Industry and Resources

Major Towns



Roads - NT

- National Highway
- State Arterial
- Secondary

Roads - Regional

- National Highway
- State Arterial
- Secondary
- Urban Local
- - Rural - Local
- - - Pastoral - Local

Roads - Urban

- National Highway
- State Arterial
- Secondary
- Urban Local
- - Rural - Local
- - - Pastoral - Local

Aboriginal Land Claims - ALRA



Cadastre

- Pastoral Lease
- Freehold
- Crown Lease Perpetual
- Crown Lease Term
- Government
- Special Purposes Lease
- Reserve
- Registered Mining Lease
- Other

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ANNEXURE 4



4 Project Description

This section provides a detailed description of the activities proposed as part of the project.

4.1 Project overview

The project will involve the following main elements:

- open pit mining at Deposits C, W and X
- ore processing
- road transport to a BLF
- barge loading and transshipment to OGV
- supporting infrastructure and services.

An overview of key project components is provided in Table 4-1. Additional feasibility studies have commenced, the results of which will inform more detailed project planning.

Table 4-1. Project components and associated detail

Component	Overview
Proposed Construction Commencement	Q2 2018 (constrained by timely receipt of approvals)
Proposed Operation Commencement	Q2 2019
Life of Mine	>20 years
Mineral Resource (Direct Shipping Ore)	>40 Mt @ 58% Fe
Mineral Resource (In Situ)	>490 Mt @ 42% Fe
Marketable Iron Ore	150 – 300 Mt @ 56 – 58 % Fe
Production Rate (Direct Shipping Ore)	2 – 6 Mtpa
Production Rate (Low Grade Ore)	2 – 6 Mtpa
Beneficiation Process	Crushing ± grinding ± size separation ± gravity separation ± magnetic separation
Process mass yield	40% – 70%
Combined DSO + Concentrate Output	2 – 10 Mtpa
Project Water Demand	300 ML/pa to produce 2 Mtpa Direct Shipping Ore Only (minimum water demand) 2,000 ML/pa to produce 6 Mtpa of Iron Ore Concentrate (maximum water demand)
Project Water Supply	Harvested surface water flows and recycled water ± groundwater bores
Mining Method	Open Pit with some waste backfill
Strip Ratio	2:1 Waste : Direct Shipping Ore (DSO) + Low Grade Ore (LGO)
Number of Open Pits	3 – 10
Depth of Open Pits	10m to 40m below surface
Crushing Rate	2 – 12 Mtpa
Product Quality	56 – 58 % Fe



Component	Overview
Product Logistics (land)	Road train on upgraded public roads to BLF
Product Logistics (marine)	Shallow draft (<4m) barges loaded from stockpiles at the BLF towed by shallow draft tugs to OGV loading point ± 40km offshore from Roper River mouth
Mine Area disturbance footprint	± 2,400 ha
BLF footprint	± 100 ha
Barge route seabed disturbance footprint	nil
OGV sea bed disturbance footprint	Single point mooring
Public road upgrade	± 160 km for Area C plus a further ± 75 km for Area X&W
Workforce Accommodation	Demountable buildings at mine area(s) and BLF
Workforce (construction)	200 – 400 direct, + indirect
Workforce (operations)	150 – 300 direct, + indirect

Each of these components, together with the proven mineral resources, are more fully described in the sections below.

4.2 Project footprint

The disturbance footprint for the project will involve the following components:

- Mining Areas
 - Internal access and haul roads
 - Pits
 - Topsoil stockpiles
 - Waste rock stockpiles
 - LGO stockpiles
 - DSO stockpiles
 - Product stockpiles (mine)
 - Crushing, screening and ore processing hardstands
 - Process reject storage facilities
 - Workshop, warehouse and vehicle parking hardstands
 - Office hardstands
 - Accommodation
- Water storage dams and pipelines¹
- Public road upgrades
- BLF
 - Berthing and loading facilities
 - Product stockpiles

¹ Requirements to be determined following further development of water sourcing strategy

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Aboriginal Land Commissioner
GPO 9932
Darwin NT 0801

Dear Commissioner Mansfield

MATARANKA AREA LAND CLAIM NO 69

Pursuant to your correspondence of 29 August 2018 with regard to the detriment review for Mataranka Area Land Claim No 69 (**Mataranka Land Claim**) please find below the following response of Northern Territory Iron Ore Pty Ltd (**NTIO**) to the NLC submission of 17 August 2018. In particular, you have invited a response to the NLC assertion in [36] of its submission that no relevant detriment issue exists for NTIO.

We do not have the benefit of receipt of the NT Government's submission referred to in [36] of the NLC submission. We appreciate, however, the Commissioner's acknowledgment of the uncertainty of the boundary and that the issue has been brought to the attention of the NT Government. We recognize the time constraints under which the Commissioner is operating, but we would respectfully request resolution of the issue prior to or in the final detriment review.

NLC's submission, however, ignored the second issue raised by NTIO with regard to the Mataranka Land Claim, the potential limitation on the availability of construction materials for the road from borrow bits within NTP 2193. The issue of cumulative impacts to NTIO resulting from the Grouping 3 Land Claims and the Mataranka Land Claim thus remain.

This potential cumulative detriment – unchallenged by NLC – is detailed in correspondence from Ward Keller on behalf of NTIO to the Land Commissioner with respect to the Mataranka Land Claim dated 4 July 2018.

Yours faithfully
WARD KELLER


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