



## Uranium Royalty (Northern Territory) Bill 2008

Angus Martyn  
Law and Bills Digest Section

Matthew James  
Science, Technology, Environment and Resources Section

### Contents

Purpose.....	2
Background.....	2
The uranium mining and royalty regime in the Northern Territory.....	2
The need to change uranium royalty arrangements in the Northern Territory .....	4
An ad valorem or profit-based royalty - stakeholder consultation and economic modelling .....	5
The impact of the royalty regime on mines on Indigenous land and the position of indigenous land councils.....	7
Committee consideration .....	8
Political and stakeholder positions.....	8
Financial implications.....	8
Main provisions .....	9
Appendix 1 – Northern Territory Uranium deposits at advanced exploration and / or assessment stage.....	12

## Uranium Royalty (Northern Territory) Bill 2008

**Date introduced:** 3 December 2008

**House:** House of Representatives

**Portfolio:** Resources and Energy

**Commencement:** Sections 1 and 2 of the Bill commence on Royal Assent. The operative provisions will commence on Proclamation, or six months after Royal Assent, whichever is the earlier.

**Links:** The *relevant links* to the Bill, Explanatory Memorandum and second reading speech can be accessed via BillsNet, which is at <http://www.aph.gov.au/bills/>. When Bills have been passed they can be found at ComLaw, which is at <http://www.comlaw.gov.au/>.

### Purpose

To introduce a legislative royalty regime to any future uranium mine in the Northern Territory. This will effectively apply the existing 18% profits-based royalty regime that is prescribed by Northern Territory law.

### Background

The uranium mining and royalty regime in the Northern Territory

Under section 35 of the *Atomic Energy Act 1953*, the Commonwealth has ownership of all uranium<sup>1</sup> found in the Territories, including the Northern Territory. Also, under subclause 4(2) of the Northern Territory (Self Government) Regulations 1978, the Northern Territory government is prohibited from specifically legislating with respect to uranium mining. It may however pass general mining legislation.

Section 34 of *Mining Management Act 2001* (NT) covers all general mining operations in Northern Territory. It requires that a mining operation can only be carried out consistent with an authorisation issued by the relevant Territory Minister. Where an application for an authorisation relates to uranium the Territory Minister must consult with the Commonwealth Minister about 'matters in writing agreed between them' and 'must act in accordance with any advice provided by the Commonwealth Minister', and thus the Commonwealth has effective power of veto regarding new uranium mines in the Northern

---

1. As well as thorium and some related elements, and compounds and derivative of these.

**Warning:**

*This Digest was prepared for debate. It reflects the legislation as introduced and does not canvass subsequent amendments.*

*This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.*

Territory.<sup>2</sup> The Northern Territory government may however regulate permits covering the exploration for, and assessment of, uranium deposits.

The Ranger mine is the only operating uranium mine within the Northern Territory. It was originally authorised under the *Atomic Energy Act 1953*. Ranger is located within, though is not actually part of, the World heritage listed Kakadu National Park. The mine is leased from the Aboriginal traditional owners, title to the land being held by the Kakadu Land Trust. The Ranger mine is on a 7860 hectare lease of which about 500 hectares is actually disturbed by the mining and milling activities. It is managed by [Energy Resources of Australia \(ERA\) Limited](#) and in 2008 produced some 5 339 tonnes of uranium oxide ore. Mining at Ranger was previously expected to end in 2008, and processing in 2014, but it is now expected to operate until at least 2020.

The development of the Jabiluka deposit is on hold. According to [ERA](#):

Final Northern Territory approvals for the development of the mine were received in June 1998. ERA commenced stage one of development on 15 June 1998. This was completed on 4 July 1999 and includes surface works, a water management pond and the exploratory decline.

Following ERA's completion of stage one development in 1999, the 17-hectare development site (which includes surface works, a water management pond and exploratory decline - all of which are common to both development options) was placed on standby and environmental care and maintenance to facilitate further community discussion on the project.

Since then, ERA has stated that there will be no further development at Jabiluka without the support of the Aboriginal people through their representatives, the NLC.

The [Nabarlek](#) uranium mine, operated from 1979 until 1989, and was decommissioned in 1994/95.

The royalty regimes applying to Ranger, Jabiluka and Nabarlek were negotiated between the Commonwealth and holders of the mining authorities on 'project by project' basis,

- 
2. With the abolition of the former 'three mines' policy, the current Commonwealth government supports growth in the uranium mining sector. This position is clearly spelt out in the Minister's second reading speech: 'The Australian Government's policy is to allow the development of uranium mines, subject to world's best practice environmental, health and safety practices' The Hon Martin Ferguson MP, House of Representatives, *Debates*, 3 December 2008, p. 12301. The current Northern Territory government likewise appears to be supportive of potential additional uranium mines in its jurisdiction: see Nick Calacouras, 'New uranium mine in mix after approval' *Northern Territory News*, 21 February 2008, p. 3. <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressclp%2FA4RP6%22>

**Warning:**

*This Digest was prepared for debate. It reflects the legislation as introduced and does not canvass subsequent amendments.*

*This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.*

rather than a standard rate being contained in legislation. According to the Explanatory Memorandum, the agreed rates were set:

... taking into account a range of factors, including the world market for uranium, any non-statutory payments to Aboriginal communities, the loss or damage likely to be suffered by Aboriginal communities affected by the proposed mining interest and the royalty rate set for other mines.

The Ranger mine is the only uranium mine currently operating in the NT. Its royalty of 5.5% ad valorem is composed of three components – 2.5% which is the royalty applicable on Aboriginal reserves under the then NT Mining Ordinance, 1.75% which is the notional negotiated payment for traditional owners (the Australia Government pays the sum of these first two components (4.25%) into the Aboriginal Benefits Account (ABA)) and 1.25% which the Australian Government pays to the NT Government as a grant in lieu of royalty under the terms of a 1978 Memorandum of Understanding between the Commonwealth and NT Governments. The 1.25% paid to the NT Government equates to the royalty rate for minerals under the NT Mining Ordinance at the time of self-government in 1978.

The Narbalek deposit was relatively small and mining was completed in 1988 and the mine site rehabilitated. An ad valorem royalty of 3.75% applied to the Narbalek operation. The Jabiluka mineral lease, which is yet to be activated, specifies an ad valorem royalty of 5.25%. The Jabiluka royalty comprised two components of 4% payable into the ABA and 1.25% payable to the NT Government. However, this royalty arrangement applied only until 30 June 1990 and the project has not proceeded.<sup>3</sup>

Note that because of the definition of ‘designated substances’ in clause 4 of the Bill, the proposed uranium royalty regime will not apply to the Ranger mine.

More information on Northern Territory uranium deposits that are at advanced exploration and /or assessment stage is contained in Appendix 1.

### The need to change uranium royalty arrangements in the Northern Territory

In August 2005, the then Industry Minister, announced the formation of a steering committee to develop an Australian Uranium Industry Framework. The Framework was intended to:

identify opportunities for, and impediments to, the further development of the Australian uranium mining industry over the short, medium and longer

---

3. Explanatory Memorandum, p. 13.

**Warning:**

*This Digest was prepared for debate. It reflects the legislation as introduced and does not canvass subsequent amendments.*

*This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.*

term...including ensuring a consistent and efficient regulatory regime for uranium mining.<sup>4</sup>

The steering group's report was released in September 2006. In recommending the establishment of a royalty regime in the Northern Territory, the report stated:

The current application of royalty arrangements for uranium development in the Northern Territory on a project-by-project basis is a major source of uncertainty and therefore could affect investment decisions in the sector.

.....

Separate royalty regimes may be inappropriate to a growing uranium mining sector as new entrants to the uranium industry are uncertain about their potential royalty liabilities. Another issue is that current arrangements mean that multi-product uranium mines could be subject both to the Northern Territory Government's profit-based royalty regime and the royalty regime imposed by the Australian Government. This would lead to administrative complexity and tax-driven investment decisions. An administratively simpler uranium royalty regime would apply consistently to all areas of the Northern Territory as a whole. Any new approach should be implemented following a careful review of possible options and would need to balance the needs of Indigenous communities, the uranium mining sector and governments.<sup>5</sup>

An implementation group was formed in 2007 to progress the various recommendations, including on the Northern Territory royalty issue, but no legislation was introduced before the October 2007 election.

An ad valorem or profit-based royalty - stakeholder consultation and economic modelling

The steering group's report did not make any specific recommendation as to whether the proposed royalty regime should be ad valorem (a percentage of revenue from the mined product), profit-based, or some combination of the two. However, according to the Explanatory Memorandum, extensive consultation about this issue was undertaken during 2006 and 2007. As part of this process, economic modelling of the alternatives was also

- 
4. The Hon. Ian Macfarlane MP 'Vision for Australia's uranium export industry' *Media release* 11 August 2005. See <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressrel%2FQYXG6%22>
  5. Report of the Uranium Industry Framework Steering Group, p. 43. See [http://www.ret.gov.au/resources/mining/australian\\_mineral\\_commodities/uranium/Documents/UIF\\_Steering\\_Group\\_Report.pdf](http://www.ret.gov.au/resources/mining/australian_mineral_commodities/uranium/Documents/UIF_Steering_Group_Report.pdf), accessed 21 January 2009.

**Warning:**

*This Digest was prepared for debate. It reflects the legislation as introduced and does not canvass subsequent amendments.*

*This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.*

undertaken. Readers are referred to pages 22-23 for details of the consultative process and 28-29 regarding economic modelling. Note at least the section dealing with consultation (and possibly the entire regulatory impact statement, contained in pages 13-32 of the Explanatory Memorandum) appears to have been written in around mid 2007.<sup>6</sup> However, it is understood that the current Government has consulted with relevant stakeholders during 2008 before introducing the Bill into Parliament<sup>7</sup> - something which is implied by the Minister's seconding reading speech in which he makes reference to 'the large amount of work undertaken over the past two years'.<sup>8</sup> The economic modelling used uranium prices of US\$30-36 per lb: although uranium 'spot' prices have fallen from their 2007 peak, they are still currently around US\$50 lb.

According to the Explanatory Memorandum, the profit-based option, based on the existing [Northern Territory 18% royalty regime](#) under the *Mineral Royalty Act* (NT) (the Mineral Royalty Act) was the best option:

...[it] provides a balance between the interests of the Government, industry and Land Councils, in that:

- Government would be implementing a profit-based regime: which is economically efficient in terms of encouraging investment; is consistent with the royalty regime which has applied in the NT for 25 years and thus its administration is well understood by NT Treasury and the industry; and would treat uranium the same as other minerals in the NT for royalty purposes;
- the industry would get a royalty regime which is more economically efficient in terms of encouraging investment and is consistent with the royalty regime which has applied in the NT for 25 years, enabling uranium to be treated the same for royalty purposes as non-uranium minerals, but the industry would not get deductibility for the traditional owner negotiated royalty in calculating the statutory royalty;
- Land Councils interests in ensuring that royalty equivalent payments are not eroded through deductibility of the traditional owner negotiated royalty would be met, and as 64% of royalty equivalents are already derived from mining operations subject to the NT's profit-based royalty, the extension of the NT's profit-based royalty regime to new uranium mines should be a manageable issue.<sup>9</sup>

---

6. The last paragraph on page 22 of the Explanatory Memorandum refers to a report that 'is to be considered by the [implementation group] on 23 August 2007.

7. Personal communication, Department of Resources, Energy and Tourism, 23 January 2009.

8. op cit., p. 12302.

9. op cit, p. 23.

**Warning:**

*This Digest was prepared for debate. It reflects the legislation as introduced and does not canvass subsequent amendments.*

*This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.*

The impact of the royalty regime on mines on Indigenous land and the position of indigenous land councils.

The *Aboriginal Land Rights (Northern Territory) Act 1976* (ALRNTA) currently requires companies wishing to conduct exploration or to open a mine (of any type) on Aboriginal land to reach agreements with the relevant Land Council. In practice, such agreements contain a negotiated royalty of around 2% ad valorem, which is payable even when the operation is not recording a profit. This negotiated royalty is in addition to the royalty that is paid by the company to the Commonwealth, though due to the operation of sections 63-64 of ALRNTA, the Commonwealth pays this royalty into the [Aboriginals Benefit Account](#) (ABA), with Aboriginal people in areas affected by the mine receiving 30% of these royalties.

The Explanatory Memorandum notes that the Northern Territory Indigenous Land Councils favoured the ad valorem option for the new regime:

The Land Councils support an ad valorem royalty because they consider the royalty equivalents paid into the ABA would be more predictable and thus income payments from the ABA to traditional owners would be more stable. Despite mines being more likely to be economic under a profit-based royalty, the Land Councils in general do not support a profit-based royalty because little or no royalty may be payable at some stages during the life of a mine which would adversely affect the level of royalty equivalent payments into the ABA and income payments from the ABA to traditional owners. This position has been maintained despite the fact that 64% of royalty equivalent payments into the ABA are already derived from non-uranium mines which are subject to the profit-based royalty so traditional owners are already managing the royalty fluctuations. The Central Land Council, however, has indicated that it could accept a profit-based royalty providing that traditional owner negotiated royalties would not be deductible in calculating statutory royalties.<sup>10</sup>

The Mineral Royalty Act does not allow specifically for any negotiated royalties to be deducted in calculating the 18% profit-based royalty. Section 4CA does give the Minister a broad discretion to agree to a deduction (as long as it is expenditure relevant to production), but it appears this is a once-off deduction, and thus only affects a royalty for the first year of production.<sup>11</sup>

---

10. Op. cit., p. 21.

11. Note that, with departmental approval, previous production losses can be offset against any current year profits in calculating the royalty payable for the current year: see <http://www.nt.gov.au/ntt/revenue/royalties.shtml>

**Warning:**

*This Digest was prepared for debate. It reflects the legislation as introduced and does not canvass subsequent amendments.*

*This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.*

## Committee consideration

The Bill has been referred to the Senate Economics Committee for inquiry and report by 30 April 2009. Details of the inquiry are at [http://www.aph.gov.au/senate/committee/economics\\_ctte/uranium\\_09/index.htm](http://www.aph.gov.au/senate/committee/economics_ctte/uranium_09/index.htm).

## Political and stakeholder positions

There appears to have been no comment on the Bill to date by the Opposition or minor parties. Since the royalty proposal was developed under the then Howard Government, the Opposition is likely to support the Bill at least in principle.

As noted, on page 7 of this Digest, the Explanatory Memorandum indicates a preference for ad valorem royalty by the Northern Territory Indigenous land councils, with industry and the Northern Territory Government supporting the profit-based royalty regime proposed by the Bill.

More detailed position statements should be known once submissions to the Senate committee inquiry are publicly released, probably around mid to late February.<sup>12</sup>

## Financial implications

Given that the regime will apply only to any future uranium mines, the likely financial implications in the immediate future seem modest. However, the Explanatory Memorandum comments:

The Commonwealth will be in a revenue negative position for new projects containing designated substances on Aboriginal land, as declared under the *Aboriginal Land Rights (Northern Territory) Act 1976*, as the Commonwealth would be required to make two payments of amounts equivalent to the royalties collected – one payment to the Aboriginals Benefit Account and one payment to the Northern Territory Government.

However, this will make uranium royalties consistent with the existing Northern Territory mineral royalty regime for other minerals. Additionally, this royalty regime will obviate any additional administrative complexity for Northern Territory royalty collection processes, especially in relation to poly-metallic mines containing designated substances, i.e. where a Northern Territory and Commonwealth royalty is liable.<sup>13</sup>

---

12. The deadline for submissions is 13 February 2009.

13. *op. cit.*, p. 2.

### **Warning:**

*This Digest was prepared for debate. It reflects the legislation as introduced and does not canvass subsequent amendments.*

*This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.*



## Main provisions

**Clause 4** contains various definitions. Notably it defines ‘designated substances’ – on which the royalty is payable – as excluding any substance obtained or obtainable from the Ranger Project Area. Thus the current Ranger mine royalty arrangements are not affected by the Act.

**Clause 5** binds both the Commonwealth and the Northern Territory to the Act, but states that it does not render them liable for a prosecution.

**Clause 6** imposes the royalty. It does so specifying that the *Mineral Royalty Act* (NT) (Mineral Royalty Act), and any other Northern Territory law relevant to the operation of the Mineral Royalty Act, also applies to designated substances as a law of the Commonwealth, subject to the modifications set out in the table in clause 6, as well as any specified in regulations made under the Act.

Under the modifications set out in the table in clause 6, uranium mining companies will pay the royalty to the Northern Territory, but the Northern Territory will be collecting this on behalf of the Commonwealth. However, as explained later in the Digest in regard to **clause 17**, the Commonwealth effectively transfers the royalty amounts to the Northern Territory Government. The remainder of the matters in the clause 6 table essentially allow for the Northern Territory to administer the proposed uranium royalty regime.

**Subclause 7(1)** allows the Commonwealth Minister to make arrangements with the Northern Territory Minister about the exercise of powers, duties or functions under the Act by the Northern Territory, including Ministers, officials, statutory bodies or courts. The Explanatory Memorandum comments:

The administrative arrangements shall be between the Minister administering the Act (currently the Commonwealth Minister for Resources and Energy) and the Northern Territory Treasurer and will outline a number of administrative matters including (but not limited to) apportionment principles for poly-metallic mines, reporting obligations and dispute resolution processes arising from disputes between the Commonwealth and the Northern Territory Governments.<sup>14</sup>

Such arrangements, and any variation or revocation of them, must be in writing and published in the Commonwealth Gazette: **subclauses 7(4)-(5)**. The Minister has stated in his second reading speech these arrangements will be negotiated before the proposed Act comes into effect.<sup>15</sup> Presumably such written arrangements would not be a legislative instrument, or even if it was, it is unlikely it would be disallowable due to the operation of

---

14. *ibid.*, p. 9.

15. *op. cit.*, p. 12302.

**Warning:**

*This Digest was prepared for debate. It reflects the legislation as introduced and does not canvass subsequent amendments.*

*This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.*

subsection 44(1) of the *Legislative Instruments Act 2003*.<sup>16</sup> **Subclause 7(2)** require both the Commonwealth and the Northern Territory to comply with any arrangements that are in force. The royalty regime imposed by clause 6 does not have effect until any clause 7 arrangement is ‘in operation’: **subclause 6(3)**.

**Clause 8** states that the royalty imposed by clause 6 is not a tax. The royalty is a payment to the Commonwealth for exploiting something (uranium and related minerals) that belongs to the Commonwealth, and thus is neither a tax or fee for service.

**Clause 9** effectively means that the operation of the royalty regime imposed by clause 6 does not allow the Commonwealth to appropriate (take or spend) Northern Territory public money.

**Clauses 10-16** deal with the application of law and judicial proceedings. These provide that Northern Territory courts have jurisdiction in ‘all matters arising out of’ the Mineral Royalty Act and any other Northern Territory law that applies as a law of the Commonwealth under the provisions of the Act: see particularly **clause 12**.

**Clauses 10-11** deal with limitations in conferral of any power on Northern Territory courts. **Clause 11** for example specifies that clause 6 cannot confer any such powers on a Northern Territory court where this would be contrary to the Commonwealth Constitution.<sup>17</sup> **Clause 15** allows for certain other Commonwealth laws not to apply the Mineral Royalty Act and any other Northern Territory law that applies as a law of the Commonwealth under the provisions of the Act. Notably, Chapter 2 of the *Criminal Code Act 1995*, which contains general principles of criminal responsibility under Commonwealth law, are not to apply, although this can be modified by regulations. The Explanatory Memorandum states:

These Commonwealth laws do not apply as the corresponding Northern Territory power will be applied in respect to offences to maintain consistency with the royalty regime for other minerals.<sup>18</sup>

**Clauses 17-18** deal with the transfer of royalty or associated payments between the Commonwealth and Northern Territory Governments. Whilst under the proposed royalty regime these (‘the received payments’) are collected by the Northern Territory, they are still Commonwealth money. However, **clause 17** requires the Commonwealth to pay the Northern Territory an amount equal to the received payments, so the net effect is that the

---

16. Subsection 44(1) deals with legislative instruments that give effect, or relate to, intergovernmental bodies or schemes.

17. Note that the Explanatory Memorandum in respect of clause 11 appears to have a typographical error: instead of ‘are granted to the NT’ it presumably should read ‘cannot granted to the NT’.

18. op. cit., p. 11.

**Warning:**

*This Digest was prepared for debate. It reflects the legislation as introduced and does not canvass subsequent amendments.*

*This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.*

Northern Territory receives the royalty. **Clause 18** provides that such payments are to be paid from the Consolidated Revenue Fund (CRF), and the CRF is appropriated accordingly – thus there is no need for any separate authorisation for such payments from the ordinary semi-annual Appropriation Bills.

**Warning:**

*This Digest was prepared for debate. It reflects the legislation as introduced and does not canvass subsequent amendments.*

*This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.*

## Appendix 1 – Northern Territory Uranium deposits at advanced exploration and / or assessment stage

The list of [Australia's Uranium Deposits and Prospective Mines](#) prepared by the Australian Uranium Association shows the location and details of at least six NT proposals as at November 2008:

### **Koongarra, NT**

Koongarra is a small but relatively high grade uranium deposit in the Alligator Rivers of the Northern Territory. It lies some 30 km south of Ranger and 3 kilometres east of Nourlangie Rock. When the Kakadu National Park was set up in 1979, the land covered by the Koongarra Special Mineral Lease was excluded. However, the Lease area is on Aboriginal land....Following the 1996 change of federal Government, all aspects of the project were reassessed by Cogema, but in April 2000 the (Aboriginal) Northern Land Council vetoed development of the project for five years.

The upper orebody has proved and probable ore reserves with an average grade of almost 0.8% U<sub>3</sub>O<sub>8</sub>, containing 14 500 tonnes of uranium oxide accessible by open pit mining, and with associated gold. Proposed production was 1375 tonnes U<sub>3</sub>O<sub>8</sub> per year. A poorly-defined lower orebody is estimated to contain 2000 tonnes of uranium oxide in 0.3% ore but does not form part of the reserves.

### **Mount Fitch, NT**

Mount Fitch was discovered in 1965 and is part of the old Rum Jungle workings near Batchelor, 64 km south of Darwin. [Compass Resources NL](#) has been active in the area for some years, primarily focused on the Browns deposit, a copper-cobalt-nickel deposit close to the old Intermediate open pit. In 2006 Compass reported resources of 4050 tonnes U<sub>3</sub>O<sub>8</sub> at Mt Fitch, averaging 0.046%.

### **Angela, NT**

The Angela deposit, 25 km south of Alice Springs was discovered in 1973 and extensively drilled by Uranerz Australia to 1989, under a Uranerz-MIM joint venture which reported 11,500 tonnes of U<sub>3</sub>O<sub>8</sub> at 0.10 to 0.13% (measured, indicated, & inferred resources), spread over 5.7 kilometres strike length in sandstone to a depth of 650 metres and open at depth.

After Uranerz departed from Australia in 1991, Angela was held under a retention licence, but this was relinquished due to prevailing Labor Government policy. The NT government in February 2008 accepted a bid by 50-50 joint venturers Paladin Energy Ltd and Cameco Australia to explore the deposit with the adjacent Pamela deposit. The new Angela Project JV has committed to spend \$5 million on confirming the resources once a licence is issued, with a view to then undertaking a bankable feasibility study. It is expected to have a conventional hard rock mill and an alkaline leaching circuit, with production possibly in 2011.

#### **Warning:**

*This Digest was prepared for debate. It reflects the legislation as introduced and does not canvass subsequent amendments.*

*This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.*

### **Bigrlyi, NT**

Bigrlyi is a series of discontinuous lenses outcropping over 12.5 km in hard sandstone along the northern edge of the Ngalia Basin in NT, 390 km NW of Alice Springs. Central Pacific Minerals NL in 1982 reported resources of 2181 tonnes U<sub>3</sub>O<sub>8</sub> averaging 0.372% in eight separate lenses, the main mineral being uraninite, along with vanadium minerals. In mid 2008 the deposit was held by a joint venture including [Energy Metals Ltd](#) (53.74%) and Valhalla Uranium (42.06%, Paladin subsidiary) who have reported indicated resources of 4050 tonnes U<sub>3</sub>O<sub>8</sub> at 0.173% average (and 4000 t V<sub>2</sub>O<sub>5</sub>) and inferred resources of 6500 tonnes at 0.125%, with cut-off of 0.05%. Energy Metals, the operator, has announced good recoveries and relatively low acid consumption from metallurgical testwork. A proposed open cut mine is expected to produce at least 6800 tonnes U<sub>3</sub>O<sub>8</sub> with similar amount of vanadium byproduct over ten years. An additional 550 t U<sub>3</sub>O<sub>8</sub> would be accessible underground.

### **Nolans Bore, NT**

This is a deposit of rare earths, about 135 km north of Alice Springs, and has some uranium as potential by-product. [Arafura Resources](#) intends to develop it as a rare earths mine.

### **Napperby, NT**

The Napperby project in the Northern Territory, 150 km northwest of Alice Springs, is an historic uranium prospect, comprising an extensive near-surface, consistent mineralised zone that is relatively low grade calcrete, but is close to infrastructure. An inferred resource of 670 tonnes in 0.36% ore over one kilometre of paleochannel was reported in 2006. [Toro Energy](#) took over the project from Deep Yellow, and is now defining the resource with a view to assessing the viability of mining it. The resource figure was increased to 1420 tonnes at 0.0305% U<sub>3</sub>O<sub>8</sub> in July 2008.

### **Westmoreland, Qld (& NT)**

This comprises the eastern end of a series of small prospects and deposits spread over about 50 kilometres straddling the Queensland - Northern Territory border, about 400 kilometres north of Mount Isa. Westmoreland is on the Queensland side of the border and its deposits extend over about 10 kilometres.

The first uranium mineralisation was discovered here in 1956, by a prospector with a Geiger counter. Late in 1956 the Bureau of Mineral Resources flew an airborne scintillometer survey and recognised anomalies in outcrops of the Westmoreland conglomerate held by Mount Isa Mines Ltd (MIM). Further work resulted in three mining leases being pegged over the Redtree deposit in 1959.

In 1967 Queensland Mines Pty Ltd obtained an exploration permit over the area surrounding the MIM-ZC leases and commenced a major drilling program which identified further Redtree deposits and the Huarabagoo deposit. In 1975 Queensland

**Warning:**

*This Digest was prepared for debate. It reflects the legislation as introduced and does not canvass subsequent amendments.*

*This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.*

Mines formed a Joint Venture with Urangesellschaft Australia Pty Ltd, Anglo Australian Resources NL and IOL Petroleum Ltd, with the IOL share later being taken over by a CRA subsidiary. In the period 1976 to 1983 Urangesellschaft discovered the Junnagunna deposit while they were managing the Joint Venture. In 1985 Queensland Mines resumed management.

In 1990 CRA Exploration Pty Ltd (now Rio Tinto Exploration P/L) entered the Queensland Mines - Urangesellschaft Joint Venture and took over the exploration work with a view to earning equity in the Joint Venture. In 1997 Rio Tinto took over the whole project (it already had a 100% interest in the original MIM-ZC mining leases at Redtree), but relinquished the leases in 2000.

The NT [Department of Regional Development, Primary Industry, Fisheries and Resources](#) also provides announcements on recent uranium mining ventures within its jurisdiction.

**Warning:**

*This Digest was prepared for debate. It reflects the legislation as introduced and does not canvass subsequent amendments.*

*This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.*

---

© Copyright Commonwealth of Australia

This work is copyright. Except to the extent of uses permitted by the *Copyright Act 1968*, no person may reproduce or transmit any part of this work by any process without the prior written consent of the Parliamentary Librarian. This requirement does not apply to members of the Parliament of Australia acting in the course of their official duties.

This work has been prepared to support the work of the Australian Parliament using information available at the time of production. The views expressed do not reflect an official position of the Parliamentary Library, nor do they constitute professional legal opinion.

Feedback is welcome and may be provided to: [web.library@aph.gov.au](mailto:web.library@aph.gov.au). Any concerns or complaints should be directed to the Parliamentary Librarian. Parliamentary Library staff are available to discuss the contents of publications with Senators and Members and their staff. To access this service, clients may contact the author or the Library's Central Entry Point for referral.

---

Members, Senators and Parliamentary staff can obtain further information from the Parliamentary Library on (02) 6277 2764.

**Warning:**

*This Digest was prepared for debate. It reflects the legislation as introduced and does not canvass subsequent amendments.*

*This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.*