

Critical Minerals and High-Tech Metals Activation Fund

Stream 1 - Project Activation Studies guidelines

Message from the Deputy Premier

Investment into critical minerals and high-tech metals represents an opportunity for the NSW mining sector to meet the rapidly expanding global market and provide a vital boost to our regional economies. NSW is rich in minerals that are crucial to the growth industries we want to see in regional NSW including advanced manufacturing, clean technologies, defence, technology-enabled primary industries, and renewables.

The NSW Critical Minerals and High-Tech Metals Strategy highlighted opportunities in the sector for regional economies and communities in NSW. To accelerate these opportunities, the NSW Government has committed \$130 million to the Critical Minerals and High-Tech Metals Activation Fund, which is designed to activate the sector and diversify mining in regional NSW.

We are excited to launch the first stream of the Critical Minerals and High-Tech Metals Activation Fund, which will provide grants ranging from \$300,000 to \$500,000 to support industry and research institutions undertake the necessary studies to progress their projects and reduce risk for future investment. The first stream focuses on funding studies that are needed to activate the sector, such as research and development, feasibility studies and environmental studies.

We encourage all potential applicants to check the eligibility requirements and explore how the available funding can support projects being developed in NSW. This investment will support the goal of regional NSW being a global leader in critical minerals and high-tech metals and create a valuable, viable and sustainable future for the NSW mining sector.



The Hon Paul Toole MP

Deputy Premier

Minister for Regional New South Wales

Minister for Police

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1 Overview of the Critical Minerals and High-Tech Metals Activation Fund

The NSW Critical Minerals and High-Tech Metals Strategy outlines the NSW Government's commitment to drive investment into the critical minerals and high-tech metals sector across the entire supply chain in NSW. The strategy outlines the market opportunities for critical minerals and high-tech metals in NSW, including the specific investment, job-creating opportunities and competitive advantages for NSW to establish a viable, valuable and sustainable sector.

To realise the strategy, the NSW Government has established the \$130 million Critical Minerals and High-Tech Metals Activation Fund to drive investment and support the development of the sector in NSW. The fund aims to position regional NSW as a major global supplier and processor of critical minerals and high-tech metals.

The fund aligns to the NSW Government's 20-Year Economic Vision for Regional NSW and the 2021 NSW Trade Statement.

The fund is being delivered by the Department of Regional NSW (the Department).

2 Objectives of the fund

The Critical Minerals and High-Tech Metals Activation Fund aims to drive investment and activation of critical minerals and high-tech metals projects across the supply chain in NSW through:

- unlocking project blockages and expedite project delivery through strategic infrastructure investment
 - accelerating the development of projects as an enabler for future investment
 - supporting new capacity in critical minerals processing
 - supporting scale-up and commercialisation of research and development, including emerging technologies and markets, and supporting new industry applications
 - enabling growth in the sector, securing a local supply of valuable critical minerals and high-tech metals for future use including the transition to a clean economy
 - positioning regional NSW as the leading jurisdiction in the critical minerals and high-tech metals sector, attracting investment to the entire critical minerals supply chain
 - promoting exploration and discoveries, creating an ongoing pipeline of critical minerals and high-tech metal resources in regional NSW
 - developing local skills and addressing skills gaps to support diversification within the mining sector.
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3 Funding streams

The fund will be delivered across multiple rounds.

Round One has been designed to accelerate the activation of critical minerals and high-tech metals projects through two targeted funding streams:

- **Stream 1 – Project activation studies**

Funding for studies which are necessary to activate or scale-up projects in the critical minerals and high-tech metals sector.

This stream aims to deliver the following:

- completion of key studies that are needed to progress the feasibility of projects
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- commercialisation of new critical minerals and high-tech metals technologies
- reduce project risk for private investment into the sector.
- **Stream 2 – Enabling project infrastructure**

Funding for key infrastructure needed to develop investment-ready projects nearing construction and operation and to support downstream mineral processing.

This stream aims to deliver the following:

- accelerate the development of advanced critical minerals projects
- deliver project infrastructure required for operations
- reduce project risk for private investment into the sector.

The streams will be delivered independently of each other and are not sequential – applicants to Stream 2 are not required to have submitted an application for Stream 1.

These guidelines only relate to Round 1: Stream 1 – Project activation studies.

4 Overview of Stream 1 – Project activation studies

Stream 1 - Project activation studies aims to support activities which will activate the critical minerals and high-tech metals sector to:

- progress the feasibility of projects
- create a pipeline of investment ready projects
- commercialise research and development within the critical minerals and high-tech metals sector in NSW.

Funding of between \$300,000 and \$500,000 (ex GST) is available for eligible activities.

This is a competitive process. Applicants should read this document carefully to understand all eligibility and application requirements before completing an application.

5 Key dates

Round 1: Stream 1 - Project activation studies	
Activity	Timeframe
Applications open	6 September 2022
Industry briefing	12 September 2022, 10 am (AEDT)
Applications close	4 October 2022
Applicants notified of outcome	19 November 2022, or as soon as possible after a decision has been made at the NSW Government’s discretion. Successful applicants will be notified by a letter of offer and be required to sign a confidentiality document.
Public announcement	Public announcement by the NSW Government may occur at any time after an

	applicant has been notified of a successful outcome.
Activities commenced	The activities will commence once both parties have signed the funding deed.
Activities completed	18 months from commencement of the funding deed.

6 Eligibility

Each applicant is permitted to submit **one** application to be considered for funding under Round 1: Stream 1.

6.1.1 Eligible applicants

To be eligible to receive funding, applicants must:

- have an Australian Business Number (ABN)
- be one of the following:
 - a company incorporated in Australia
 - a company limited by guarantee
 - an incorporated trustee on behalf of a corporate trust
 - an incorporated association or co-operative
 - a publicly funded research organisation
(as listed in Table A and Table B of the *Higher Education Support Act 2003 (Cth)* and corporate Commonwealth entities, and State and Territory business enterprises which undertake publicly funded research)
 - an Aboriginal and/or Torres Strait Islander Corporation registered under the *Corporations (Aboriginal and /or Torres Strait Islander) Act 2006*.
- be registered for GST
- operate, or be developing a mineral project, or conducting research within the critical minerals and high-tech metals industry, or as part of the critical minerals/high-tech metals supply chain, as described in attachment A
- demonstrate financial and technical capacity to deliver the proposed studies
- provide evidence of their \$20 million public liability insurance or confirmation that a public liability insurance policy of at least \$20 million will be taken out prior to the execution of the funding deed.

Applications from consortiums are strongly encouraged. A consortium is two or more organisations who are working together to combine their capabilities when developing and delivering a study, such as a research organisation and private industry. An organisation must be appointed as the lead applicant and satisfy the above eligibility criteria. The lead applicant is authorised to act on behalf of and bind each member of the consortium and, if the application is successful, enter into the funding deed and be ultimately responsible for delivering the studies. The application must include a letter of support from each organisation involved in the application.

Applicants can be based internationally, interstate or in either metropolitan or regional NSW provided they satisfy the eligibility criteria.

6.1.2 Ineligible applicants

Ineligible applicants include:

- local councils or their Section 355 committees
- Joint Organisations of Councils
- Australian or NSW Government agencies
- sole traders or individuals
- unincorporated associations
- businesses that are insolvent.

Ineligible entities can form part of a consortium but are not able to be the lead applicant.

The Department, at its sole discretion, may take other factors into account to determine that a business is ineligible for funding. This includes any personal or business issues that could cause reputational or other risk to the NSW Government, for example:

- poor past performance of the applicant or key project personnel
- the applicant or their business activity could cause reputational or other risk to the NSW Government.

6.1.3 Eligible Studies

To be eligible for funding, the proposed activities must:

- relate to at least one of the identified critical minerals and high-tech metals included in Attachment A
- align with the objective of the fund and the stream objectives
- all activities must be able to be completed within 18 months of execution of the funding deed
- deliver, or have the potential to deliver, significant benefits to the critical mineral and high-tech metal sector in NSW
- if the study relates to a specific mineral resource, the specific resource must be located in NSW
- studies relating to a resource project must have, at minimum, an indicated resource as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC code) produced by the Australasian Joint Ore Reserves Committee, and either have plans to obtain, or have obtained necessary consents for mining
- to be eligible, studies must be expected to create benefits to the sector in NSW and or the NSW economy.

Example of eligible studies

Studies relating to a mineral project

- Pre-feasibility studies
- Feasibility studies
- Minerals processing studies
- Infrastructure studies
- Environmental studies

- Water studies
- Metallurgical studies
- Tailings processing studies
- Operation expansion studies
- Greenhouse gas emissions and water reduction studies
- Studies related to the down-stream refining, processing and metal production.

Studies relating to research and development

- The feasibility of technology applications
- Technology commercialisation
- Novel applications for critical minerals and high-tech metals
- Greenhouse gas emissions and water reduction process or technologies
- Downstream value-adding opportunities
- Tailing reduction studies
- Integration of recycled critical minerals and high-tech metals.

6.1.4 Ineligible studies

The following studies are not considered eligible for funding:

- scoping-level studies
- studies which fund the day-to-day operations of business or focusing primarily on marketing and promotion
- studies which fund capital works, including infrastructure
- exploration work
- initial/maiden resource estimate
- activities which require ongoing funding from the NSW Government
- activities that have already received NSW Government or other funding for the same outputs and outcomes
- studies that do not align with the objectives of the Fund
- studies that will not potentially benefit the NSW critical minerals and high-tech metals industry or the NSW economy
- studies that have already commenced for the scope requested in the application.

6.1.5 Eligible grant amounts

The minimum grant amount is \$300,000. The maximum grant amount is \$500,000. All grants are GST exclusive.

GST will be applied on top of the agreed grant value when payment is made.

Payment of grant amounts will be made in instalments, following evidence of costs incurred against prior payments.

Co-contributions

All applicants must provide a co-contribution. Co-contributions must be cash and at least 50% of the total studies cost (unless otherwise approved by the Department in writing).

However, if the lead applicant is a publicly funded research organisation (as defined in [eligible applicants](#)), up to 25% of the co-contribution can be provided as an in-kind contribution and 25 % in cash.

The Department may, in its sole discretion, consider and approve alternative co-contributions.

Applicants will be required to provide evidence that the co-contribution is secured and confirmed, noting that applicants are required to have access to their nominated co-contribution available through the delivery of the studies.

6.1.6 Eligible costs

Eligible costs may only be incurred after both parties have executed the Funding Deed and before the completion date, and be the costs specific to the studies as outlined in the Funding Deed, such as:

- study costs, such as options analysis, feasibility studies, business case development or planning studies
- costs relating to engagement of consultants to deliver the studies
- reasonable travel expenses incurred to deliver the activities
- administration and contingency costs to a maximum of 15% of the requested funding amount.

6.1.7 Ineligible costs

The following are ineligible costs and should be excluded from the proposed studies costs:

- any expenditure incurred prior to the commencement of the Funding Deed
- capital works costs, civil costs, licence applications
- repayment of existing debts and/or budget deficits
- capital and operational costs of existing equipment which may be utilised in the studies
- statutory fees and charges, including overhead charges such as insurance and leases
- ongoing costs for business administration, operation or maintenance, including staff salaries except where recognised as a co-contribution
- costs associated with grant applications, monitoring and administration costs, including any funding provided to professional services to support application submission
- costs relating solely to marketing, advertising or product promotion, including education and information campaigns
- costs which require ongoing funding from the NSW Government, beyond the delivery timeframe for the fund
- legal costs.

7 Application

7.1.1 Application requirements

All information, including budget and deliverables provided in the application must be in writing and in English.

Currency values must be in Australian dollars and exclusive of GST.

Applicants are to complete all details requested in the application form and must not amend any of the questions provided.

All applications must be completed online using the [Smarty Grants portal](#).

7.1.2 Application process

Applicants will be required to supply the following information as part of the application:

- organisation details including ABN, and an explanation of primary activities
- demonstration of the experience and capability of the organisation or its consultants to deliver the proposed studies, such as previous experience in delivering similar works
- evidence of the organisation's financial viability
- a detailed budget, including details of the co-contribution and how this will be sourced
- a description of the proposed activity and how it will address current gaps or failures in the critical minerals and high-tech metals sector
- study background, including current status, and what activities the proposed study will address
- identification of risks, potential consequences and mitigation measures that will be put into place to manage risks
- description of the work, including site details, mineral resource locations, technologies proposed and/or studies proposed
- the benefit and expected outcomes of the studies, and the intended impact in regional NSW
- evidence of the readiness of the studies, such as approved licences or applications
- the total study cost
- details of co-contribution and how this will be sourced
- the grant amount requested
- estimate of studies completion date
- details of their public liability insurance policy or confirmation that public liability insurance policy of at least \$20 million will be taken out prior to the execution of the funding deed.

8 Assessment

8.1.1 Assessment process

If an application is missing information or is incomplete the Department may, in its sole discretion, work with applicants to clarify any missing or incomplete information. However, the Department will not start assessing the application until, in the Department's sole opinion, the application is complete.

All applications will be scored in a competitive, merit-based process against the eligibility and assessment criteria. The Department may engage consultants or specialist advisors to assist with the assessment of proposals against the eligibility and assessment criteria including probity checks and technical assessments.

Assessment will be completed in three steps:

1. **Eligibility assessment:** The Department will assess compliance of the applicants against the eligibility criteria set out in these guidelines. Where there is uncertainty or unintended outcomes arising from the eligibility requirements, the Department will take the approach, that, in its opinion, best achieves the objectives of the Fund. Final eligibility determinations will be made at the discretion of the Assessment Panel. Ineligible applications will not be considered for further assessment.
2. **Criteria assessment:** The Department will assess all applications deemed eligible against the assessment criteria outlined below.

During the assessment, the Department may ask applicants to provide additional information to assist the assessment process. Advice may be sought from other government agencies or subject matter experts to assist in the assessment of applications. Confidentiality will be maintained throughout the process.

Criteria	Percentage
<p>Impact</p> <p>Contribution of the studies to the development and acceleration of the critical minerals and high-tech metals sector, including strengthening the sector in NSW.</p> <ul style="list-style-type: none"> - How the proposed activities will address current gaps or failures in the sector - The benefit and expected outcomes of the studies - The expected impact on the critical minerals and high-tech metal sector in regional NSW - The degree of acceleration the activities provide to move projects into commercial production. 	30%
<p>Deliverability</p> <p>Demonstration of the applicant’s capacity to design and deliver the proposed activities including:</p> <ul style="list-style-type: none"> - The applicant has demonstrated capability and capacity to deliver the studies through past performance in delivering similar work - The applicant has demonstrated the experience, capability and availability of staff or arrangements to deliver the studies - Readiness to commence the studies, including status of any required data or approvals (where applicable) and ability to deliver the activities within 18 months of funding deed execution - That risks have been identified and adequate strategies to manage those risks proposed. 	30%
<p>Value</p> <ul style="list-style-type: none"> - Value of the applicant’s co-contribution relative to the activities total cost 	20%

- That the applicant has provided evidence of financial support from consortium partners (if necessary)
- The applicant has clearly identified the activities which will be funded from the Department and the relative co-contribution
- The proposed budget represents value for money and is cost-effective for the scope being delivered.

Strategic Alignment

Alignment of the proposed studies with key policies and strategies including:

- The objectives of the Critical Minerals and High-Tech Metals Activation Fund
- NSW Government Critical Minerals and High-Tech Metal Strategy 20%
- State-wide strategies including the:
 - o 20-Year Economic Vision for Regional NSW,
 - o 2021 NSW Trade Statement.

3. Assessment panel review and recommendation: An assessment panel will review the outcomes of the criteria assessment and consider the merits of each application to determine if the proposed studies should be recommended for funding. This assessment will include consideration of:

- outcomes of the criteria assessment, including advice and recommendation from the Department
- financial strength and viability of the applicant
- any personal, business and/or probity risks that could cause reputational or other risk to the NSW Government.

The assessment panel may also consider the following factors when assessing the suitability of an application for funding:

- geographical and industry spread of studies across regional NSW
- diversity of funded activities and commodities
- the amount of funding available
- suitability of applications for other government funding opportunities
- applications that have requested consideration for extenuating circumstances (e.g. less than the minimum required co-contribution, late submissions, etc) and have provided supporting evidence for being unable to meet a threshold requirement.

The assessment panel will include representation from the Department of Regional NSW (including the Mining Exploration and Geoscience division, and Regional Development and Programs Group) and an independent member from another organisation. An independent probity advisor will be present during Assessment Panel meetings.

The assessment panel may request advice from industry experts, either internal or external to the NSW Government, to aid assessment.

The assessment panel may recommend part-funding of an application if there is insufficient funding available for the whole scope proposed or where only a component of the application

is considered suitable or eligible. The assessment panel may recommend an application as suitable and recommended subject to specific conditions being met.

4. Decision making

The assessment panel will provide recommendations and advice to the Secretary, Department of Regional NSW, on the suitability of each application for funding.

The Secretary, Department of Regional NSW will approve the studies, funding amounts and any terms and conditions of the grant, which will be communicated to the successful applicants in the letter of offer. The decision of the Departmental delegate will be final and not be subject to a review or appeals process.

All applications may be referred to other NSW or Commonwealth funding programs for consideration as relevant.

9 Notification of outcome

Applicants will be notified of the outcome of their application via an email if unsuccessful or a letter of offer and confidentiality document if successful.

Successful applicants will be requested to keep the outcome confidential for a period if an announcement is likely to be made by the NSW Government.

Unsuccessful applicants will be offered a feedback information session.

9.1.1 Funding deed

Successful applicants will be required to enter into a funding deed with the NSW Government.

The NSW Government makes no binding funding commitment to an applicant unless and until both parties have signed the funding deed.

The funding deed will require the successful applicant to provide a copy of all relevant insurances, approval and other supporting documentation as requested by the Department.

Grants will be paid as set out in the funding deed.

The claim submission period for eligible costs commences from when both parties have signed the funding deed. Claim submissions will be assessed by the Department and approved based on the conditions outlined within the funding deed.

Parties must be registered for GST and where GST is payable, successful applicants will be paid the approved grant amount plus 10% by the Department.

10 Terms and conditions

Applicants should note:

- the NSW Government may choose to publicly announce funding for individual applications, including the amount of funding. It may also use information provided in your application to develop case studies
- requests for variations or changes to the studies will only be considered in limited circumstances
- successful applicants will be required to pay back unspent funds, or any funds not spent in accordance with the funding deed
- successful applicants will be required to participate in a program evaluation after the studies have concluded. The evaluation will require applicants to provide evidence of how the funded studies have resulted in measurable benefits consistent with the fund's objectives.

- all recipients of NSW Government funding should acknowledge this financial support as per the [Sponsorship and Funding Acknowledgement site](#)
- all awarded grants will be GST exclusive. GST will be applied on top of the agreed grant value when payment is made. Grants are assessable income for taxation purposes, unless exempted by taxation law. It is recommended applicants seek independent professional advice about taxation obligations or seek assistance from the Australian Taxation Office. The NSW Government does not provide advice on individual taxation circumstances
- applicants must not commence any activities before the funding deed is signed by both parties. The NSW Government is under no obligation to pay any funding unless, and until, the application is successful and both parties execute an agreed funding deed
- the Department of Regional NSW reserves the right to undertake an audit of grant funding within seven years.

10.1.1 Probity

The NSW Government is committed to ensuring that the process for providing funding under the program is transparent and in accordance with published guidelines.

Independent probity advisers will guide the Department of Regional NSW on any issues concerning integrity, fairness and accountability that may arise throughout the application, assessment and decision-making process. This will ensure decisions are made with integrity, fairness, and accountability while delivering value for money for NSW.

10.1.2 Government Information (Public Access) Act

Applicants should be aware information submitted in applications and all related correspondence, attachments and other documents may be made publicly available under the *Government Information (Public Access) Act 2009 (NSW)*. Information that is deemed to be commercially sensitive will be withheld.

The *Government Information (Public Access) Act 2009 (NSW)* makes government information accessible to the public by:

- requiring government agencies to make certain sorts of information freely available
- encouraging government agencies to release as much other information as possible
- giving the public an enforceable right to make access applications for government information
- restricting access to information only when there is an overriding public interest against disclosure.

10.1.3 Complaints

Any concerns about the NSW Critical Minerals and High-Tech Metals Activation Fund should be submitted in writing to Megindustry.development@regional.nsw.gov.au

If you do not agree with the way the Department has handled the issue, you may wish to contact the NSW Ombudsman via www.ombo.nsw.gov.au

10.1.4 Contact information

Frequently Asked Questions and other resources to assist with applications may be updated regularly on the [NSW Government Grant and Funding Finder](#). The grants and finder should be considered the authoritative source of all Grant information.

Department staff are available to assist with any question during the application process. Please note, the Department is not able to assist project teams with the preparation of their application. The Department's relevant project team can be contacted by:

Email: Megindustry.development@regional.nsw.gov.au

Phone: 02 4063 6860.

The Department will use its best endeavours to respond to all emailed questions within three business days.

10.1.5 Disclaimer

The Department does not guarantee or warrant and accepts no legal liability whatsoever arising from or connected to, the accuracy, reliability, currency or completeness of any material contained in this publication. Information in this publication is provided as general information only and is not intended as a substitute for advice from a qualified professional.

The Department recommends that users exercise care and use their own skill and judgment in using information from this publication and that users carefully evaluate the accuracy, currency, completeness, and relevance of such information. Users should take steps to independently verify the information in this publication and, where appropriate, seek professional advice.

These guidelines are subject to change at any time at the sole discretion of the Department.

© State of New South Wales through Regional NSW 2022. The information contained in this publication is based on knowledge and understanding at the time of writing September 2022. However, because of advances in knowledge, users are reminded of the need to ensure that the information upon which they rely is up to date and to check the currency of the information with the appropriate officer of the Regional NSW or the user's independent adviser.

NSW Government Critical Minerals and High-Tech Metals Priority List

- High purity alumina
 - Antimony
 - Beryllium
 - Bismuth
 - Chromium
 - Cobalt
 - Copper
 - Gallium
 - Germanium
 - Graphite
 - Hafnium
 - Helium
 - Indium
 - Lithium
 - Magnesium
 - Manganese
 - Nickel
 - Niobium
 - Platinum-group elements
 - Rare-earth elements
 - Rhenium
 - Scandium
 - Silicon
 - Silver
 - Tantalum
 - Tin
 - Titanium
 - Tungsten
 - Vanadium
 - Zinc
 - Zirconium
-