

Australian miners work to build trust as Timor-Leste metals exploration begins

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Francisco da Costa Monteiro, Timor-Leste minister of petroleum and minerals, addresses reporters Nov. 30 in Dili after announcing the country's first mineral exploration tender results. *Source: Autoridade Nacional dos Minerais*

Relationships are seen as key for Australian miners working on the first mineral exploration tenements granted in Timor-Leste communities that have had difficult experiences with foreign entities.

On Nov. 30, Australian companies Iron Fortune Pty. Ltd., Estrella Resources Ltd. and Beacon Minerals Ltd., plus local group Peak Everest Mining Lda, were granted a total of 13 concession areas by regulator Autoridade Nacional dos Minerais (ANM) at an event in Dili, Timor-Leste. Six companies had applied for exploration tenements.

"They were at war with the Indonesians for a great deal of time and there are still a lot of people who were witness to that. ... Having foreigners turn up on their doorstep and run around their countryside is something that we're mindful of," Chris Daws, managing director of Estrella, told S&P Global Commodity Insights.

"That engagement and their awareness of why we're there and what we're doing is something we want to get across early and is absolutely critical. We need to ... assist good community relationships so that we can actually operate freely when we do get on the ground."

In 2003, the UN identified in Timor-Leste "strategic minerals" including copper, gold, silver, chromite, manganese, phosphate, limestone, bentonite and clay. The country opened a tender earlier this year for metallic minerals, ornamental stones, gemstones and rare earth elements.

The exploration works will provide direct income to participating locals and help provide further "technical and commercial feasibility" of the government's commitment to "contribute to the global energy transition plan," Rafael Danilson Magno de Araújo, board chairman and president of ANM, said in an email interview.

Partnership opportunities

Estrella, Iron Fortune and Beacon have been conducting mapping and sampling for nearly a decade, led by local geologists and geophysicists. Now that the concessions have been granted, further work is likely to involve more Australian expats, according to Dario Bongiovanni, managing director of business incubator and partnerships consultancy Capricornio.

During a June 2022 presentation in Perth, Australia, ANM touted income, sales and service tax

exemptions and visas for specialist foreign workers on offer to facilitate foreign investment.

Miners are likely to follow the successful model used to build Timor-Leste's oil and gas industry, where foreign companies shared knowledge and expertise as they partnered with local groups, said Bongiovanni, who ran business development, public affairs and community relations for six years in Timor-Leste for US oil services giant Schlumberger Ltd.



Mineral exploration comprising mapping and sampling in Timor-Leste, before the country granted its first mineral exploration tenements on Nov. 30.

Source: Estrella Resources Ltd.

"At the beginning, a lot of resources from overseas will be required in terms of equipment and expertise, but there will be many young professionals looking for a job, as things like geology, petroleum engineering and mechanical engineering are very popular at the local universities," Bongiovanni said.

"It's a young country that is still growing, but now is the moment to invest, because it's very relationship-driven. If they don't know you or trust you, then you're not going to get anywhere, particularly given the country's history."

Mining club garners support

At the Dili event, Iron Fortune founder and director Mary Thompson also gathered support among the miners for a proposed "Dili Mining Club," modeled on Australia's Melbourne Mining Club and West Australian Mining Club, to provide networking opportunities and a platform to discuss key industry issues.

De Araújo welcomed the mining club proposal as a "great idea." Thompson said "there appears to be strong support for the concept" among the miners who won the concessions.

Estrella has signed a memorandum of understanding with state-run Murak Rai Timor (MRT) to create a joint venture to explore in Timor-Leste. Daws said the partners are looking at other areas to apply for permits outside the current permitted areas that are prospective for manganese, copper and gold.

MRT was established in September for research, development, operation, treatment, transportation and marketing of minerals, as well as mine closure activities.

Jose Goncalves, CEO of MRT, said in a Dec. 4 statement that partnerships with industry players such as Estrella will play "an important role in the development of the Timor-Leste mining sector and allow MRT and the country to continue to grow in what is a critical element of the nation's economic diversification strategy."

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