

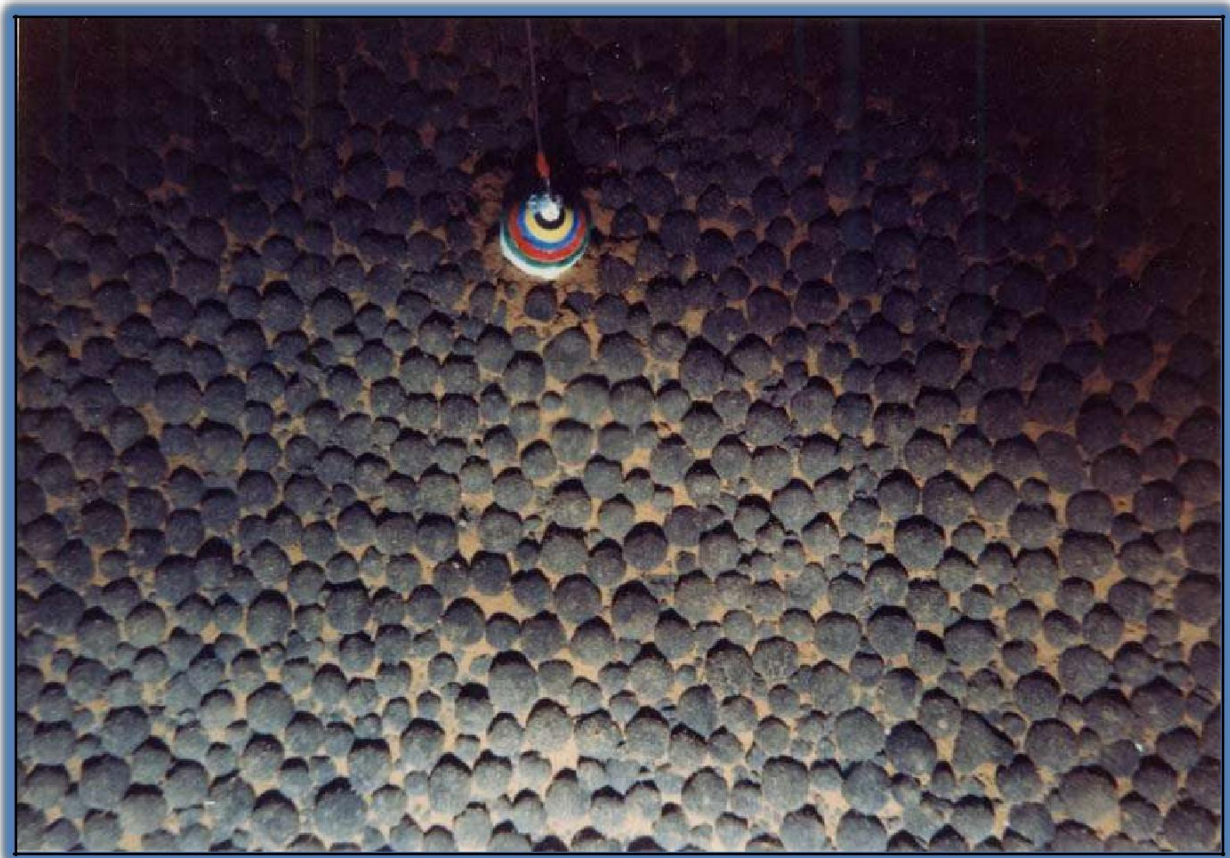


**Seabed Minerals Authority**  
Runanga Takere Moana

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**S U M M A R Y**  
**I N V I T A T I O N T O A P P L Y**  
**A u g u s t 2 0 1 5**



Cook Islands Nodules, 1986

On 10 August, a competitive tender opens for the exploration of polymetallic nodules within the Cook Islands Exclusive Economic Zone with a proposed closing date in 11 January 2016 for the return of Applications for exploration licences. The Government is seeking to attract companies that have a demonstrated ability to responsibly conduct exploration activities for seabed minerals at depths of 5,000 meters or thereabouts. A provisional timetable is set out below.

The principal object of the 2015 Tender, consistent with the objects of the Seabed Minerals Act 2009 is to initiate exploration activities that will ultimately result in the commercial recovery of seabed minerals in a manner that secures the sustainable economic development of the Cook Islands while meeting the country's expectations concerning the preservation of Cook Islands culture and protection of its environment.

The 2015 Tender is to be conducted by the Cook Islands Seabed Minerals Authority in accordance with the Seabed Minerals Act 2009 and associated supporting regulations. Companies will be required to meet a demonstrable level of technological and financial competence and the ability to evaluate the application area(s) applied for. If more than one bid is received for the same application area then bids will be assessed and decided on the basis of the "best application". More than one area can be applied for.

Ten one degree longitude by one degree latitude Application Areas, each approximately 11,000 km<sup>2</sup>, have been identified on the basis of their estimated in-ground mineral content and value and are the subject areas for this tender. Extensive modern seabed mineral exploration and environmental evaluation will be needed to assess these areas for their suitability for recovering the polymetallic nodules and their contained minerals. Applications will be assessed in accordance with criteria that are set out in an Invitation to Apply [ITA] document.

The Invitation to Apply [ITA] document will be available from the Seabed Minerals Authority [www.seabedmineralsauthority.gov.ck](http://www.seabedmineralsauthority.gov.ck), from the 10 August 2015. The ITA document will set out the details of the offer, the process for making the bids, the evaluation criteria and other relevant information for the bidders including the following components:

- ❖ Tender process and timetable
- ❖ Lodgement of Applications
- ❖ Communications relating to the ITA
- ❖ Overview of evaluation process
- ❖ General Conditions of Application
- ❖ Schedules:
  - Maps and Coordinates
  - Work programme assessment
    - Non-competing bids
    - Competing bids
  - Capability assessment
  - Minimum Work Programme
  - Licence Conditions

The Seabed Minerals Authority website will contain the final details of the tender, the relevant supporting details and information.

In addition to the ITA, a Data Package will be available to assist an applicant to make a bid for an exploration licence. This Data Package will include legacy, and recent reports, cruises and recent compilations of this work. All available spatial referenced data including chemical analyses, contents of grab samples, photographs, maps, survey lines and limited biological data has been compiled into a data base and this will be available within the Data Package. In addition, relevant Cook Islands legislation and other obligations that a successful tender will need to comply with to do business in Cook Islands will be included on the Authority's Islands Website.

The Data Package can be purchased from the Seabed Minerals Authority from 10 August 2015 at the above address for NZD 25,000. This charge will be offset from the licence application fee of NZD50,000 to be lodged with each application bid. Other fees and cost recovery charges are set out in the "Seabed Minerals (Prospecting and Exploration) Regulations 2015"<sup>1</sup>, included in this pack of information. In summary the relevant fees to note are:

Purchase of tender document package in connection with Application for an Exploration Licence under the Act (*refundable from any subsequent Exploration Licence Application fee payable)	\$25,000
Application Fee for any Exploration licence or renewal for a block under the Act	\$50,000*
Fee paid on the Grant of any Exploration licence under the Act	\$100,000
Annual holding fee for an exploration licence	\$75,000

A proposed timetable is set out below:

<b>Milestone</b>	<b>Date</b>	<b>Process</b>
Tender open	10 August 2015	ITA published on website; tender document package available for purchase
Last date for questions from potential Applicants	25 November 2015	As set out in the ITA
Last date for answers to potential Applicants' questions	30 November 2015	As set out in the ITA
Closing Time	11 January 2016	Applications must be received by the Authority by 4:30pm Cook Islands time
Offers of Licence (in confidence/under embargo)	April/May 2016	Completion of assessment, negotiation of licences, and issue of offer documents under section 103 of the Act
Public announcement of grants	June/July 2016	Gazettal of issue of Licence(s)

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<sup>1</sup> Schedule 5