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## **MAXIMUM SIZE OF EXPLORATION LICENCES FOR CATEGORY 4 MINERALS**

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**The maximum size of an exploration licence has been determined by the Minister to be 5000 square kilometres.**

You should note the following changes to how applications for Category 4 — Petroleum Products will be dealt with by Mineral Resources Tasmania:

- Applications for special exploration licences for Category 4 minerals will no longer be accepted.
- Exploration licences issued for Category 4 (petroleum) minerals will not include coal seam gas. Changes to the *Mineral Resources Development Act 1995* are underway that will result in coal seam gas (which is currently in Category 4 minerals) being included in Category 2 minerals with coal.
- Persons wanting to explore for coal seam gas may apply for exploration licences for both Category 4 and Category 2 minerals, to a maximum size of 250 km<sup>2</sup>.
- Licences will not be issued for coal seam gas alone as a subset of Category 4 minerals.
- Until the changes are made, exploration licences for Category 4 minerals (excluding coal seam gas) will not be issued over the same area as licences already held for coal to avoid the situation of two exploration licences for Category 4 minerals being issued over the same area.

### **MINIMUM EXPENDITURE AND WORK COMMITMENT ON EXPLORATION LICENCES**

- The Minister sets a minimum expenditure for each licence year by year.
- The minimum expenditure is that which is needed to carry out a satisfactory program of work on the licence for that year.
- Some exploration programs may cost more than others. For example, it may be expected that drilling for petroleum or geothermal substances will be much more expensive than other mineral exploration drilling.**
- The work commitment will be put into the licence document. Explorers are expected to meet the agreed work commitment.
- Where multiple applications are received for the same area under the Exploration Release Area system, the application that is successful may well contain an expenditure commitment which is higher than the competing applications.
- From now on the minimum expenditure for the first two years of the licence will be determined from the licence application.
- Where licence applications are granted over part of an ERA area the minimum expenditure commitment and work program may be set by negotiation between the applicant and MRT.
- Prior to the third and each subsequent year of the licence, the lessee must submit to the Director of Mines an exploration program for that year of the licence. The exploration program as approved by the Director is to be completed during that year of the licence. The minimum expenditure will be based on the proposed exploration program.
- Licences are reviewed annually. The minimum expenditure for the forthcoming year will be stated in the letter sent to a licensee following the annual review of the licence.
- A flyer detailing the minimum expenditure on exploration licences is available on the MRT website.

### **FURTHER INFORMATION**

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