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## INFORMATION FOR EXPLORERS

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### HOW DO I APPLY?

Fill out an *Application for an Exploration Licence* form. There is a checklist at the back of the form to assist you.

**Applications that are incomplete will not be accepted.**

The application must include:

- An outline of the exploration program proposed to be carried out during the first two years of the licence;
- A description of the application area (a topographic plan may suffice);
- An indication of the category of minerals for which the licence is sought. Licences can be issued for more than one category of minerals. The applicant should state what exploration activities will be undertaken to explore for each category.
- Details of financial and technical resources available to the applicant. The applicant must be able to demonstrate that they have the technical and financial capability to undertake the proposed exploration program. See application form for further information on the type of evidence that is required.
- An estimate of proposed expenditure for the first two years of the licence;
- A statement of the aims, exploration philosophy, exploration program and environmental management system including information on the likely impact on the environment. If details of proposed exploration activities and the possible environmental effects are not known at this stage, the explorer may note here that all works will be conducted in accordance with the *Mineral Exploration Code of Practice*.
- Details of current tenement holdings, both in Tasmania and interstate;
- A separate summary of the proposed exploration program for public distribution at the time of advertising of the licence application;
- A copy of the current annual report if the applicant is a company and this has not been provided previously;
- Evidence that the specified persons have agreed to assist with the exploration program;
- Evidence of the financial resources available to the applicant;
- A copy of the Certificate of Currency of the applicant's Public Liability Insurance;
- Proof of identity of applicant:
  - Minimum age of 18 years if applicant is not a company.
  - e.g. *Individual* — Photocopy of Drivers Licence, Passport
  - Company* — Photocopy of Certificate of Incorporation or Australian Companies Number (ACN) and list of directors/office holders
- Evidence that the person signing this application is authorised to do so;
- The prescribed application fee.

It is not necessary for the applicant to mark the application area out on the ground.

### MINERAL CATEGORIES

1. Metallic minerals and atomic substances.
2. Coal, peat, lignite and oil shale.
3. Rock, stone, gravel, sand and clay used in construction, bricks and ceramics.
4. Petroleum products excluding oil shale.
5. Industrial minerals, prescribed precious stones and prescribed semi-precious stones.
6. Geothermal substances

### MAXIMUM SIZE OF LICENCES

The maximum size of an exploration licence is:

- 250 km<sup>2</sup> for category 1,2, 5 or 6 minerals.
- 500 km<sup>2</sup> for category 3 minerals.
- as determined by the Minister for category 4 minerals.

## **ADVERTISEMENT OF LICENCES**

When the Director proposes to recommend to the Minister that a licence be issued, details of the application will be advertised in a newspaper circulating in the relevant district. The advertisement will include a map showing the location of the area. The cost of the advertisement is included in the application fee.

## **WHAT IF SOMEONE OBJECTS TO MY APPLICATION?**

If any objections to the application are received the Director of Mines will arrange for mediation between the parties. If the objection is not resolved the matter will be referred to the Mining Tribunal.

## **HOW DO I OBJECT TO A LICENCE**

Fill out an objection form and send it, together with the prescribed fee, to Mineral Resources Tasmania. Anyone can lodge an objection. Only objectors who have an estate or interest in the land will be heard by the Mining Tribunal. If the objector does not have an estate or interest the objection will be dismissed.

## **EXPLORATION LICENCE BOUNDARIES**

From January 2008 exploration licence boundaries are based upon the GDA94 MGA one kilometre grid, geographical features (e.g. coastline), or administrative boundaries (e.g. National Park boundaries). The use of roads or rivers as boundaries is not encouraged. Applications can be accepted in either AGD66 co-ordinates or GDA94 co-ordinates. Licences will only be issued using the GDA94 MGA one kilometre grid. Applications made using AGD66 co-ordinates will be modified to the GDA94 MGA one kilometre grid.

## **PRIORITY OF APPLICATIONS: EXPLORATION RELEASE AREA (ERA) SYSTEM**

A moratorium period of at least two months applies when ground is released from an existing exploration licence by surrender, revocation, or reduction in area, or when a licence ceases to apply to minerals that had been the subject of the licence.

During the moratorium period no application may be made for an exploration licence or mining lease over the area for mineral categories that were subject to the former exploration licence.

After the finish of the moratorium period, applications received on a nominated day and during the following four working days will have equal priority, and will take priority over any later application.

MRT offers a free service to clients advising them of ERAs available for application. MRT accepts no responsibility for the accuracy of this information.

Clients receive details of land surrendered from exploration licences, together with maps, a geological synopsis, the date on which applications may be received, and contacts for further information.

Applications for vacant areas can be received at any time. Once an application has been accepted, it has priority over any subsequent application made for the same area.

## **TRANSFER OF APPLICATIONS**

An application may be transferred by completing the *Application for Transfer of a Mining Tenement* form and payment of the prescribed fee.

## **TERM OF LICENCE**

An exploration licence is issued for five years and may, under some circumstances, be extended. A recommendation for extension of a licence is only made if:

- further detailed exploration is justified because substantiated results indicate the probability of a discovery leading to profitable mining operations; or
- there are special circumstances that justify a period of extension.

## **ANNUAL RENTAL**

Current rents for Exploration Licences are available on the MRT website.

## **RIGHTS OF A LICENCE HOLDER**

Only one exploration licence may be issued for the same category of minerals on the same land. Within the area of the licence, you have an exclusive right to apply for a mining lease in respect of the category of minerals specified in the licence. Exploration licences can be issued for different categories of mineral over the same land.

The holder has the right to object to the issue of an exploration licence or a mining lease for other mineral categories in the area of the licence.

A prospecting licence may only be used within the area of an exploration licence with the consent of the holder of the exploration licence. Where the holder of an exploration licence refuses to give consent the reasons for refusal must be put in writing.

## CONDITIONS AND COVENANTS

The standard exploration licence proforma is available on the MRT website for your information.

## EXPLORATION ACTIVITIES ON THE LICENCE

You must obtain written approval from Mineral Resources Tasmania before undertaking any on-ground exploration. Details of proposed exploration programs should be sent to MRT at least four weeks before the work is planned to commence. In most cases a field inspection will be made by MRT staff.

You must adhere to the provisions set out in the *Mineral Exploration Code of Practice* and any site-specific conditions imposed on individual exploration programs.

## SECURITY DEPOSIT

A security deposit must be lodged before a licence can be granted. The quantum of the deposit is determined by the size of the area and the program to be carried out. The security deposit may be used to remedy damage to private property or to the environment caused by exploration activities if this is not made good by the explorer. The Minister may also draw upon all or part of the security deposit if an exploration program has not been carried out.

## EXPLORATION PROGRAM AND EXPENDITURE COMMITMENT

You will be required to undertake the exploration program (or equivalent works as agreed with the Director of Mines) as stated on the application for the licence. The licensee is expected to employ such technical and other staff and equipment as may be necessary to effectively carry out the proposed exploration program.

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.

- (1) Unless otherwise covenanted by the licensee and stated in the licence document, the following minimum expenditure applies:
  - (a) First year \$200 per km<sup>2</sup>
  - (b) Second year \$300 per km<sup>2</sup>
  - (c) Third year \$500 per km<sup>2</sup>
  - (d) Fourth year \$700 per km<sup>2</sup>
  - (e) Fifth year \$1000 per km<sup>2</sup>

The minimum expenditure commitment is \$10 000 per annum.

- (2) The Minister can revoke a licence if the required exploration program has not been carried out.
- (3) A licence holder may apply to the Minister to waive or reduce expenditure commitments.
- (4)
  - (a) Expenditure reported must be itemised.
  - (b) Only actual costs incurred in exploration work associated with the exploration licence are to be included.
  - (c) Administration costs, including licence fees and overheads, should not exceed 10 per cent of annual expenditure.

## EXPLORATION ON PRIVATE LAND

At least fourteen days notice must be given to the landowner before entry, using the *Notice of Intention to enter Private Land* form. The period of notice may be reduced with the agreement of the land owner.

Licensees are not permitted to explore within 100 metres of the surface of any natural lake, dam, reservoir, water producing well or artificial pond, or any substantial dwelling or building on private land without the consent of the owner or occupier of the land.

## SMALL EXPLORATION LICENCES

The Minister may grant a small exploration licence to a person for an area of up to one square kilometre.

## SPECIAL EXPLORATION LICENCES

The category of special exploration licence is designed to encourage broad regional-scale exploration programs over poorly explored parts of the State, particularly where the potentially mineralised rocks are covered by younger barren rocks, which over much of Tasmania are several hundreds of metres thick. The area covered by a special exploration licence may exceed the maxima for normal licences and the tenure of these licences may be extended to a maximum of ten years at the discretion of the Minister. The programs and expenditure levels are negotiable between the explorer and the government.

## REPORTING REQUIREMENTS

Full details of reporting requirements are given in the brochure *Guidelines for Reporting on Exploration Licences* available from Mineral Resources Tasmania.

### QUARTERLY REPORTS

Quarterly reports must include an itemised breakdown of expenses and a brief résumé of work in progress and completed.

Quarterly reports should be submitted on the Mineral Exploration Report for the three months ending 31 March, 30 June, 30 September and 31 December. MRT will send forms to you which you must fill in and return.

### ANNUAL REPORTS

An annual report must be submitted at least 30 days before each anniversary date of the licence.

The annual report must be a full technical report detailing all exploration undertaken and results obtained during the year. The annual report must also include details of all work planned for the coming year.

If the area of the licence is to be reduced, the licence holder should give the Department at least two months notice, and must submit a final report on the area to be relinquished.

If this final report is not provided prior to the commencement of the moratorium period the Department may release all reports relating to the entire licence area for public examination.

### ANNUAL REVIEW

Mineral Resources Tasmania will review performance on exploration licences annually. The Minister can revoke a licence if the required exploration has not been carried out.

### FINAL REPORTS

The final report must be a complete summary of exploration carried out on the area of the licence to be relinquished, plus details of work on any area not previously reported. It should include a list of previous reports and their contents, and details of rehabilitation carried out on the area.

The final report must be lodged prior to the expiry date of the licence. Where a part only of a licence area is relinquished and no final report is submitted for the relinquished part, all reports relevant to the relinquished area will be released for public examination.

Failure to lodge a final report by the expiry date may result in the forfeiture of a portion of the security deposit.

### RESEARCH

A complete record must be submitted where research is undertaken and is attributed to exploration activity and expenditure on a licence area.

### DISCOVERY

The Director of Mines must be notified on discovery of significant mineralisation at the licensee's earliest convenience and as near as possible coincident with any public announcement.

### CONFIDENTIALITY

All reports submitted to the Department remain confidential until:

- (1) a period of five years has elapsed from the date when the report was due to be submitted; or
- (2) a licence expires, is relinquished, or is cancelled; or
- (3) the area to which a report relates is no longer included in the licence,

whichever occurs first.

### ANNUAL RENT

Annual rental must be paid each year in advance.

### EXTENSION OF TERM

The licence holder must apply for an extension of term prior to the expiry date. An expired licence cannot be extended.

An application for extension should be made on the form *Application for Extension of Term of Exploration Licence*, and should be accompanied by:

- any documentation relating to a discovery of significant mineralisation;
- the licence document;
- the fee;

- the annual rent;
- an annual report of exploration activity;
- a proposed work program for the forthcoming year;
- environmental impact information; and
- where a licence is voluntarily reduced, a plan showing the area to be relinquished.

## **TRANSFER**

A licence may be transferred with the approval of the Minister. An application must be made on the approved form and be accompanied by a fee, a replacement security deposit, and environmental impact information where a change in program is anticipated.

## **SURRENDER**

A licence may be surrendered at any time with the approval of the Director of Mines. An application for surrender must be made on the approved form and be accompanied by a fee.

An application for surrender will not be approved until all reports, including the final report, have been lodged and disturbed areas have been rehabilitated to an approved standard.

## **CHANGES TO THE LICENCE**

The area of the licence, or the number of minerals for which the holder is authorised to explore, may be varied either by:

- (1) the consent of the Minister; or
- (2) application for an exploration licence in respect of the additional area or commodities; or
- (3) approval by the Director of Mines of consolidation of adjoining licences held by the licensee

## **REGISTRATION OF LICENCES**

All applications, grants, transfers of applications, changes in area, changes in mineral categories to which a licence applies, approvals of transfers, approvals of surrenders, and revocations will be registered.

During a moratorium period applications for mineral tenements, within the area subject to the moratorium, will not be registered or received.

## **APPROVAL AND REGISTRATION OF DEALINGS**

All dealings in exploration licences must be approved by the Minister and registered.

A dealing is an agreement 'by which a legal or equitable interest in or affecting an existing or future exploration licence or retention licence is or may be created, assigned, affected or dealt with directly or indirectly.'

Dealings include joint venture agreements, farm-in and farm-out agreements, options, compensation agreements, over-ride royalty agreements and the like.

An application for approval may be made by a party to the agreement or an authorised representative and must be:

- made on an approved form;
- accompanied by a copy of the instrument;
- accompanied by the prescribed fee.

All application forms are available for download from the MRT website ([www.mrt.tas.gov.au](http://www.mrt.tas.gov.au)) in MS-Word (.doc) or Adobe Acrobat (.pdf) format.

## **FURTHER INFORMATION**

For further information contact:

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