

SECURITY DEPOSITS

A security deposit must be lodged before any mineral tenement can be granted to ensure that there will be sufficient funds available for the remediation of the exploration or mining activities should the licensee or lessee default on their obligations.

All or part of a security deposit may be forfeited should the licensee fail to complete an agreed exploration program or if the licensee fails to comply with a condition of the licence.

Acceptable forms of security deposits are either **Cash** or a **Bank Guarantee**.

The Bank Guarantee must be from a bank holding an Australian Banking Licence.

Security Deposits are held until either replaced by another security deposit or formally released once rehabilitation obligations have been discharged.

BANK GUARANTEE

- Bank guarantees should **not** have an expiry date and should be the 'pay on demand' type.
- The Minister for Energy and Resources is to be named as the Principal.
- An Address for Notices to the relevant branch of the bank must be included.
- All fees for the setup and maintenance of the bank guarantee are the responsibility of the client.

CASH DEPOSIT

- Cash deposits are held in Mineral Resources Tasmania's Cash Deposit Trust Account.
- Mineral Resources Tasmania does not charge fees or pay interest on cash deposits.

MULTIPLE TENEMENTS

- Where a licensee holds a number of licences, one Bank Guarantee for the total amount of the security deposits that are required may be lodged. Mineral Resources Tasmania will note administratively the quantum of each security deposit held against each licence.
- Similarly, lessees holding more than one lease may lodge a Bank Guarantee for the total amount of the security deposits that are required.