

Mineral Resources Tasmania

Information for Explorers

INFORMATION FOR EXPLORERS

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.

Incomplete applications 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);
- 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;
- 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 including natural hydrogen but 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 km² for category 1, 2, 3 or 5 minerals.
- 500 km² for category 6 minerals.
- 5,000 km² 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?

The *Mineral Resources Development Act 1995* places an obligation on the Director of Mines to attempt to resolve objections and disputes before they are formally heard by the Mining Tribunal.

In practice this means as a first step Mineral Resources Tasmania will send a map showing the objection(s) to the licence applicant and request that the applicant consider removing the areas from the application.

If the licence applicant does not elect to remove the area of an objection, then the Director of Mines must commence a mediation process. This usually consists of an informal meeting between the parties to discuss particular concerns, which may result in an agreed set of conditions specific to the application area.

If the mediation process is unable to resolve the objection, the matter is referred to the Mining Tribunal.

HOW DO I OBJECT TO A LICENCE?

A written objection stating the grounds for the objection, preferably using MRT's Objection Form, together with the prescribed fee, must be lodged with the Registrar of Mines within 28 days of the advertisement of the application. Only submissions from those who have an estate or interest in land, or hold a mineral tenement in respect of the application area, will be accepted.

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 should be provided in GDA94 co-ordinates. Licences will only be issued using 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 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 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 subscription 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 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.

The primary selection criteria used to determine priority are:

- The nature of the work program submitted.
- The extent to which the minimum program includes drilling, data evaluation and geological, geochemical and geophysical surveying, reflects the available technical information on the exploration prospects of the area, and seeks to identify new exploration prospects.
- The applicant's experience, expertise and innovation.
- The adequacy of financial resources and scientific and technical expertise available to the applicant.
- The applicant's past exploration performance.
- The ability and demonstrated record of the applicant to carry out exploration to the environmental standards set out in the Mineral Exploration Code of Practice.

TERM OF LICENCE

An exploration licence for categories 1, 2, 3, 5 and 6 is issued for five years. The term of exploration licences for Category 4 minerals is determined by the Minister. The term of a licence may be extended if there is good reason to do so.

TRANSFER OF LICENCES

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

ANNUAL RENTAL

Current rents for Exploration Licences are available on the MRT website (www.mrt.tas.gov.au).

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 using the Proposed Exploration Work Programs form, 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 where earthworks are planned.

Written approval must also be obtained from the Director of Mines before undertaking aerial geophysical surveys, irrespective of whether they are over exploration licence areas.

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.

PUBLIC LIABILITY INSURANCE

Before a licence can be granted, the applicant must supply a copy of a Certificate of Currency for their public liability insurance. The amount of \$10 million or \$20 million will be determined by the assessing geologist. Further requirements for public liability insurance are outlined on the MRT website.

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 work program to be carried out in the first 2 years of the licence. 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, and/or if all reporting requirements are not completed. Under current policy, usually one quarter of a security deposit is forfeited if a work program is not completed.

MINIMUM EXPENDITURE AND WORK COMMITMENTS ON EXPLORATION LICENCES

- The Minister sets a minimum expenditure for each licence each year, based on the proposed exploration program.
- 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 for the first two years will be specified in 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.
- 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 work commitment and 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 licensee 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 agreed work program and agreed expenditure for the forthcoming year will be confirmed in a letter sent to a licensee following the annual review of the licence.
- To assist explorers in drawing up a suitable program of works, the following can be used as a guide. If the expenditure which is planned in any one year is less than shown in this table it is likely that there is not sufficient work proposed:
 - First year \$300 per km²
 - Second year \$400 per km²
 - Third year \$600 per km²
 - Fourth year \$800 per km²
 - Fifth year \$1,200 per km²

- Licensees may apply for extensions of term beyond the fifth year. These are generally considered on an annual basis. The minimum expenditure and program are set by negotiation between the licensee and MRT.
- The minimum expenditure commitment is to be at least \$12,000 per annum.
- Expenditure reported must be itemised. Only actual costs incurred in exploration work associated with the exploration licence are to be included.
- Administration costs, including licence fees and overheads, should not exceed 10 per cent of annual expenditure.
- Licences can be revoked for failure to complete the agreed work program for that year OR for failing to make the minimum expenditure for that licence in that year.

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*. The term of a licence may be extended if there is good reason to do so. The licensee is expected to propose a robust program to show that they are actively investigating the mineral potential of the licence area. Programs proposing minimal work will not usually be sufficient to secure an extension of term.

ASSESSMENT CRITERIA

The Minister may only grant an application for an exploration licence if satisfied that the applicant:

- (a) Intends to do the work;
- (b) Intends to comply with the *Mineral Resources Development Act 1995*;
- (c) Has an appropriate program of work;
- (d) Is likely to have sufficient financial and technical resources to carry out the proposed work;
- (e) Has provided sufficient information relating to the likely impact on the environment; and
- (f) Has provided a security deposit.
- (g) Has provided evidence that the applicant holds appropriate Public Liability insurance.

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 one 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 work programs and expenditure levels are negotiable between the explorer and the government.

REPORTING REQUIREMENTS

Full details of reporting requirements are given in the *Reporting Guidelines*, available from Mineral Resources Tasmania.

ANNUAL REPORTS

An annual report must be submitted by the 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. The Annual Report is to be in accordance with the *Reporting Guidelines*, including stipulated data submission formats.

If the area of the licence is to be reduced, the licence holder must submit an *Application to Surrender* and must submit a final report on the area to be surrendered.

ANNUAL REVIEW

Mineral Resources Tasmania will review performance on exploration licences annually and agree on a program of works for year 3 and onwards at the time of the annual review.

PERFORMANCE ON LICENCES

If a licensee fails to comply with a condition of the licence or a provision of the *Mineral Resources Development Act 1995* the licence may be revoked. Licensees are provided with an opportunity to provide an explanation before a decision is made and any information so provided is taken into account. Circumstances leading to revocation include failing to complete a work program.

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 in accordance with the Reporting Guidelines, including stipulated data submission formats.

The final report must be lodged within 3 months of the expiry, or partial/total surrender of a 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 required 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.

DRILL CORE AND CUTTINGS

Licensees are required to deposit with Mineral Resources Tasmania drill core and representative cuttings, in accordance with MRT submission requirements, from exploration drilling prior to the expiry of a licence unless permission is obtained from the Director of Mines to dispose of the drill core.

CONFIDENTIALITY

All reports submitted to Mineral Resources Tasmania 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.

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.

CHANGES TO THE LICENCE

The area of the licence, or the categories of minerals to which the licence pertains, may be varied either by:

- (1) the consent of the Minister; or
- (2) the consolidation of adjoining licences held by the licensee.

REGISTER

A Register is maintained of licences, leases, transfers, variations, extension of terms, surrenders, revocations, caveats and legal or equitable interests.

Some details of licences are available on the Mineral Resources Tasmania website (www.mrt.tas.gov.au). Persons may inspect the register and obtain extracts of entries or copies of registered entries.

APPROVAL AND REGISTRATION OF LEGAL OR EQUITABLE INTERESTS

A legal or equitable interest in or affecting any mineral tenement is of no effect unless it is:

- (1) created or dealt with by a written instrument; and
- (2) the written instrument is approved by the Minister.

An application for *Approval of a Written Instrument* may be made by a party to the agreement or an authorised representative.

TENEMENT FORMS

All application forms are available for download from the MRT website (www.mrt.tas.gov.au) in Adobe Acrobat (.pdf) format.

ADDRESS FOR CORRESPONDENCE AND LODGEMENT OF FORMS

Forms and attachments are to be lodged electronically at info@mrt.tas.gov.au

Otherwise, please post to:

Registrar of Mines
Mineral Resources Tasmania
PO Box 672
BURNIE TAS 7320

Registrar of Mines
Mineral Resources Tasmania
PO Box 56
ROSNY PARK TAS 7018

Telephone: (03) 6165 4800
Facsimile: (03) 6173 0222
Email: info@mrt.tas.gov.au
Internet: www.mrt.tas.gov.au

FURTHER ADVICE MAY BE OBTAINED BY CONTACTING:

Chief Government Geologist
Phone: (03) 6165 4732
Environmental Approvals
Phone: (03) 6477 7099
(03) 6165 4723
Tenement Administration
Phone: (03) 6477 7098