



# EXPLORATION LICENCES



## EXPLORATION LICENCES UNDER THE CURRENT MINING ACT

Exploration licences are the large initial tenements granted to companies that allow for surveying, sampling and drill-testing (subject to gaining an operational approval) to identify viable mineral deposits and environment baseline levels. If a discovery is made, advanced exploration activities may be undertaken including the more frequent use of drill rigs in a specific area (subject to environmental requirements).

At present, at the expiry of a licence, the holder of an exploration licence may apply for a subsequent licence over the same (or a reduced) area in some circumstances. This process is inefficient, and there is significant legal uncertainty about some of the operation of the exploration provisions in the *Mining Act 1971 (SA)*.

Exploration licences are also reasonably inflexible, and cannot be easily subdivided or amalgamated. Renewal and relinquishment provisions also are also fairly limited, with the result that some explorers can retain a right to explore over the same land for long periods without having to release the ground for others to explore. It is the Department's view that all companies granted tenements in South Australia should be taking steps to progress their work programs at any given time.

## WHAT YOU SAID

Submissions expressed various viewpoints on licensing matters relating to digital processes, the retention, removal, forfeiture and sub-division of exploration licences and their size, shape and length of tenure (ranging between 5 and 20 years), third party insurance risks and disclosure of licensing matters to the Lands Title Office and potential purchasers.

## FUTURE DIRECTIONS BEING CONSIDERED

The Department is considering proposing amendments that will remove subsequent licences, and provide for a clear renewal regime where land must automatically be progressively relinquished at each 2 year renewal interval after an initial 2 x 5 year term, whilst retaining the same exploration licence number throughout.

The Minister and Director of Mines will also be given clear powers to approve amalgamated expenditure programs, and subdivide, amalgamate and/or cancel licences. The ownership, retention and exploration release area provisions will also be updated to ensure all processes are clear, and there are appropriate levels of flexibility.

Further, the Mining Register entries relating to exploration licences will be more comprehensive.

For further information on recommendations relating to exploration licences, see *Policy Directions 6: Mining Register and Caveats*, and *Policy Directions 19: Cancellation and Suspension* and *Policy Directions 20: Surrender and Forfeiture*.

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