

# Mineral Resources Division

## Department for Manufacturing, Innovation, Trade, Resources and Energy



DECEMBER 2013

## Requirements for exploration licence applications under section 29 of the *Mining Act 1971*

An exploration licence (EL) is the principal title issued for exploration in the state. An EL authorises the licensee, subject to the *Mining Act 1971*, Mining Regulations 2011 and conditions of the licence, to explore for all minerals and/or opal other than extractive minerals (i.e. building construction materials). To apply for an EL, the applicant must have a registered office in Australia before submitting an application. A person may apply for an EL on behalf of another party provided they have appropriate authorisation from the intended tenement holder. An applicant for an EL is required to:

1. Submit the application:
  - through the South Australian Resources Information Geoserver (SARIG)<sup>1</sup>, or
  - in person, by facsimile or email using Form 29 – Mineral exploration licence: application/renewal<sup>2</sup>.
  - A map must be attached delineating the area sought. The area must conform to a north, south, east and west grid, with coordinates at one whole minute of latitude and longitude. The area should not exceed 1000 km<sup>2</sup> unless special circumstances justify the granting of a larger area. The approval of the Minister/delegate is required in such a case.
2. Pay the application fee for each licence at the time of lodging an application.
3. Nominate the principal mineral(s) being sought and details of the proposed exploration model. An EL authorises the licensee to explore for all minerals excluding opal and extractive minerals. Outside the Proclaimed Opal Fields, an EL specifically for opal can be applied for provided the application meets all of the requirements outlined in steps 1 to 6 of this section. Exploration for opal within Proclaimed Opal Fields is regulated under the *Opal Mining Act 1995*.
4. Submit a proposed program of exploration with phased and costed expenditure which will effectively target the mineral(s) and exploration model(s) being sought. The proposed program must meet the minimum expenditure requirement for a licence (\$30 000 plus \$97/km<sup>2</sup> per year, rounded to the nearest \$5000) unless otherwise agreed by the Minister/delegate.

<sup>1</sup> [www.sarig.dmitre.sa.gov.au](http://www.sarig.dmitre.sa.gov.au)

<sup>2</sup> [www.minerals.dmitre.sa.gov.au](http://www.minerals.dmitre.sa.gov.au) (go to Licensing & Regulation, Exploration, Forms)

5. Provide a statement of the financial resources available to the applicant supported by acceptable evidence.
- a. Financial resources can be any combination of debt, equity or cash:
- **Debt.** Including but not limited to borrowings, either from a bank or other APRA<sup>3</sup>-regulated financial institution.
  - **Equity.** Either from the issue of shares or a call on the unpaid capital on existing shares.
  - **Cash.** Held at a bank or other APRA-regulated financial institution.
- b. The evidence may be in any form, but it must clearly demonstrate the existence of the financial resource, its availability to the applicant and be no more than 6-months old. Examples of acceptable evidence are:
- Bank statements.
  - A letter from a bank manager or an independent accountant that indicates, without qualification, that the applicant has the relevant financial resource. (Note also that if the applicant already holds tenements in South Australia the letter shall indicate that the applicant has the financial resources to meet all of their tenement commitments, including the new one if the application is granted. Likewise, if the applicant has made multiple applications, the letter shall indicate that the applicant has the financial resources to perform all of the proposed exploration.)
  - A company's most recent independently verified annual report or quarterly financial report to the ASX.

<sup>3</sup> APRA – Australian Prudential Regulation Authority (regulator of banks, credit unions and building societies).

- If a domestic or foreign investor is involved, the evidence must be a letter (or the like) from them confirming that they do guarantee funding for the exploration program. Also, the letter should include independent evidence (as above) that the investor has the available debt, equity or cash resources to support their guarantee.

The **possibility** that an applicant might be able to obtain financial resources after the EL has been granted is not acceptable evidence.

6. Provide evidence of available and appropriately experienced technical personnel capable of carrying out the proposed exploration. Acceptable evidence includes the names, qualifications and experience of employees, contractors or consultants who will be responsible for implementing the proposed exploration program. In particular, the evidence should show that those people responsible for the exploration program have recent (last 5 years) and relevant experience to the commodity or geology being targeted.

Whilst the department will, if necessary, elaborate on the above list of requirements and explain further what documentation will meet each criteria, it is ultimately the applicant's responsibility to support its application. If an applicant is unable to do so within a reasonable time after submitting the application, their application will be refused.

### Further information

Customer Services

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Other fact sheets, information sheets and regulatory guidelines are available from the DMITRE Minerals website <[www.minerals.dmitre.sa.gov.au](http://www.minerals.dmitre.sa.gov.au)>.