

Operational Policy

Applying for bulk sampling on a mineral development licence or exploration permit

MIN/2020/5192
22 January 2020
Version 1.01

Purpose

This policy outlines the approval framework for bulk sampling as an appropriate authorised activity and condition of work programs under a Mineral Development Licence (MDL) or an Exploration Permit (EP). This policy will outline what information is required to support an application for bulk sampling.

For clarity this policy provides a clear distinction between a **bulk sample** and the activity of **bulk sampling**.

This policy relates to the *Mineral Resources Act 1989* (MRA). The principles of this policy may also be applied to the *Mineral Resources Regulation 2013* (MRR) and the *Mineral and Energy Resources (Common Provisions) Act 2014* (MERCPC).

The information provided in this policy does not override legislative requirements or the exercise of discretion. Policies may be applied flexibly where individual circumstances require an alternative approach.

The department is committed to respecting, protecting and promoting human rights. Under the *Human Rights Act 2019*, the department has an obligation to act and make decisions in a way that is compatible with human rights and, when making a decision, to give proper consideration to human rights. To the extent an act or decision under this document may engage human rights under the *Human Rights Act 2019*, regard will be had to that Act in undertaking the act or making the decision.

Background

What is bulk sampling?

Bulk sampling is an activity that may be carried out on an MDL, or in exceptional circumstances, an EP. It can involve excavation of a trial drift, shaft, box cut, open pit, conducting large diameter drilling or costeaning/trenching to enable collection of a mineral sample. This type of sampling is required to evaluate a mineral deposit and includes associated activities that may involve aspects of access, safety, infrastructure, beneficiation, processing or transport.

Bulk sampling can be included as an activity within an approved work program if it aligns with the purpose of an MDL for the evaluation of any mineral occurrence of possible economic potential.

Where drilling, pitting, costeaning or trenching activity is undertaken on an EP or MDL for the specific purpose of collecting material for a bulk sample, it is considered bulk sampling. Where not already approved within a work program, the holder will need to apply to vary their work program conditions to add bulk sampling. As part of assessing this application the department will impose appropriate conditions for the bulk sampling activity in a work program.

Bulk Sample

A bulk sample is the physical sample of a large volume or tonnage of mineral material taken from a known resource area for investigative purposes. The sample is tested to determine the

physical and/or chemical properties of the material. This information is used in development, feasibility or scoping studies to assess the viability for potential mining development options.

Policy Determination

Application and assessment

EP holders can apply for approval to undertake bulk sampling by lodging an application to vary the conditions of a permit (s141C).

MDL applicants can apply to have bulk sampling included in an approved work program for an MDL at application (s183) or through the lodgment of an application to vary the conditions of a permit (s194AC).

When assessing applications, the department will consider the holder's rationale, justification and scale of any bulk sample or bulk sampling activity. The following information must be supplied with the application as a minimum requirement:

1. Commodity and quality of commodity sought
2. Properties being tested by the bulk sample
3. Justification for the bulk sample to be collected
4. The bulk sampling method to be used
5. The number of bulk samples and the volume and/or tonnage of each bulk sample
6. The minimum size sample that is considered to provide meaningful results
7. The location of each bulk sample with respect to authority boundaries and the areas of resource definition of the commodity being tested on an appropriately labelled and scaled map.
8. Is the monetary value of any mineral produced critical to the ability to undertake the bulk sample, test work, or future activities? If so, why should the activity not be considered mining?
9. Will the bulk sample produce mineral for which consent to dispose is required?
10. How and where the bulk sample is to be disposed of, and/or what processes it will be subjected to and where, including the proposed treatment site and transport route.
11. Any temporary infrastructure that is proposed to be temporarily constructed or site activity required for such sampling.
12. Written confirmation that there is an agreement with the landholder for the purpose of obtaining the proposed bulk sample (i.e. conduct and compensation agreement deferral agreement¹).
13. Written confirmation of native title agreement or any other agreement with the native title party for the purpose of obtaining the proposed bulk sample.
14. If haulage is required, written confirmation that the relevant authorities (i.e. local council, Department of Transport and Main Roads) have been consulted and have provided their views.
15. A written statement acknowledging there will be no monetary gain from the sale of the sample to facilities owned by the holder, parent company/subsidiaries or any other company.

Where required, supporting documentation from third parties to justify the scale or size of a bulk sample must be supplied as a part of any application. Assessment of the application will include consideration of the applicant's previous compliance history.

An application to undertake bulk sampling will not be approved if it is considered to be for the purpose of commercial or monetary gain from the sale of the sample, or supply of regular samples to their own facilities or that of the holder's parent company/subsidiaries.

¹ See sections 15A and 43 of the *Mineral and Energy (Common Provisions) Act 2014*.

If the bulk sampling is approved, the new work program becomes part of the conditions of the authority and compliance with the approved work program will be required.

Assessing EP applications

An application to undertake bulk sampling on an EP will only be approved in exceptional circumstances.

Exceptional circumstances do not include common risks in the industry such as technical constraints, need to fund resource and development activities, or the requirement to obtain appropriate approvals.

Exceptional circumstances may include when the collection of a bulk sample is critical to progression to a higher form of authority, or, if the location of the bulk sample is within a mining lease application and the bulk sample activity is able to demonstrate bringing forward a development decision on a known mineral resource that is the subject of the mining lease application.

Conditions added to a permit for bulk sampling

The approval of a work program to allow for bulk sampling may include conditions such as:

1. Samples are to be collected as per the approved methods detailed in the amended work program
2. A maximum number of samples that are permitted to be collected
3. Each sample size to be a maximum of (an amount to be assessed) cubic meters/tonnes
4. Total material to be collected as a part of the bulk sampling activity is not to exceed a combined total of (an amount to be assessed) cubic meters/tonnes
5. No activities to be undertaken until any security or additional security as determined by the Minister is lodged with the department
6. Processing of a bulk sample on the authority area is not permitted
7. Full results of the testing undertaken must be reported in the annual reports for the authority.
8. Such other conditions as may be determined.

Information for EP and MDL holders

Disposing of minerals

An EP or MDL holder needs to seek the Minister's consent to dispose (sell or transport off site) minerals discovered on an EP (s178) or MDL (s227).

Native Title

Bulk sampling is not allowed on an EP or MDL that was granted through the native title expedited process. If native title has not been extinguished on the background land tenures subject to the application, no activities are to be undertaken until native title has been addressed.

For further information on native title requirements of a bulk sample please refer to Native Title Services within DNRME via email nativetitleservices@dnrme.qld.gov.au.

Resource authority holders must also ensure they continue to comply with their existing requirements under the *Native Title Act 1993 (Cwlth)*.

Environmental Authority

If any of the approved activities trigger the requirement for an amendment to an Environmental Authority for the bulk sampling, then the activity cannot commence until a valid Environmental Authority for the activity has been issued.

Contact the Department of Environment and Science for more information:
<http://des.qld.gov.au/>

Terms

Beneficiation – to treat (ore) to make it more suitable for smelting

Costeaning – a form of geochemical sampling where a shallow trench is dug then the exposed rock mapped, analysed and sampled.

Gangue – the commercially worthless material that surrounds, or is closely mixed with, a wanted mineral in an ore deposit.

Resource material – for the purpose of this policy – means, mineral, coal or resource material (inclusive of overburden / gangue) or other substance directly associated to a mineral/coal resource

Availability:	External
Location	Business Industry Portal
Owner:	Divisional Support, Georesources Division, Department of Natural Resources, Mines and Energy
Version Date	22 January 2020
Review Date	22 January 2022
Approving Authority	Deputy Director General
Related documents	This policy should be read in conjunction with the Mineral Development Licence Guideline , the Mineral and Coal Exploration Guide , the Financial and Technical Capability Guideline and the Australasian Code for Reporting of Exploration Results published by the Joint Ore Reserves Committee (the JORC code).
Contact:	For help and information contact: Mineral Hub Phone: (07) 4447 9230 Email: Mineralhub@dnrme.qld.gov.au Coal Hub Phone: (07) 4936 0169 Email: Coalhub@dnrme.qld.gov.au Native Title Services Phone: (07) 4936 0138 Email: nativetitleservices@dnrme.qld.gov.au . 8.30am – 4.30pm (AEST) Monday to Friday on Queensland business days.

Disclaimer

The purpose of this policy is to provide a framework for consistent application and interpretation of the legislation administered by the department. Policies may be applied flexibly where individual circumstances require an alternative application of policy. Where this policy, or part of this policy, is inconsistent with relevant legislation, the legislation will prevail to the extent of the inconsistency. While this document has been prepared with care it contains general information and does not profess to offer legal, professional or commercial advice. The Queensland Government accepts no liability for any external decisions or actions taken on the basis of this document. Persons external to the Queensland Government should satisfy themselves independently and by consulting their own professional advisors before embarking on any proposed course of action.