

Operational policy

Project-based exploration administration

MIN/2015/1252
25 May 2020
Version 1.03

Purpose

This policy informs industry of:

- the processes and department's expectations regarding how an exploration project is defined;
- how a project based exploration permit (EP) will be conditioned; and
- how an application to vary conditions of a project based EP will be assessed.

The information in this policy reflects current practices within the department and does not override legislative requirements or the exercise of discretion. These practices may change from time to time with changes to be published through a revised version of this policy.

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

An **exploration project** is defined as 'a project involving two or more exploration permits that have a unifying exploration purpose.'¹ The department also considers it appropriate to include mineral development licences in an exploration project in any combination.

Holders of EPs that qualify for exploration project status may apply to distribute the individual work program and relinquishment requirements over EPs within the exploration project by making an application to vary work program conditions or relinquishment requirements under section 141C of the MRA (for application requirements refer to Operational policy, MIN/2015/1246, Application to vary work program conditions of an exploration permit). It is not necessary for the holder of each resource authority to be identical and an exploration project may include subsidiary companies and joint venture parties, however the registered holder of each individual EP or mineral development licence (MDL) within the exploration project would be accountable for assessment of compliance.

It is departmental policy that an exploration project may include EPs and MDLs in any combination (e.g. EPC 123, EPC 456 + MDL 789), however relinquishment requirement offsets only apply to EPs within the project and cannot be offset on an MDL. Each request for an exploration project to include one or more MDLs (coal) will be considered on a case by case basis.

To offset a work program condition for an EP to an MDL within the exploration project, the holder of the EP will have to make an application to vary the work program condition under

¹ *Mineral Resources Act 1989* sch 2 Dictionary definition of **exploration project**.

section 141C of the MRA and the holder of the MDL will have to apply for a variation of the conditions of the licence under section 194AC of the MRA.

Policy determination

Qualifying for exploration project status

To have EPs and MDLs considered part of a project, holders must demonstrate to the department why the group of EPs and MDLs (if any), qualify as a project.

An EP granted as a result of a call for tender or same day application process may not be included in an exploration project during the first term of the permit. The holder is required to carry out the work program proposed either during the tender process or that was assessed on a merit basis in the case of competing applications and cannot offset work program conditions or relinquishment requirements to other EPs.

Factors that may be relevant in determining whether a project is an exploration project include:

- if the group of EPs and MDLs have a unifying concept;
- are exploring for the same mineral;
- have a unifying proposed exploration outcome; and
- are individually integral to the whole resource economic concept.

The component parts of the project may be adjacent EPs or MDLs or separated, depending on the unifying concept or commodity.

Examples of what may be considered as an exploration project include, but are not limited to a group of EPs and MDLs that:

- are being explored for, and/or are developing a commodity in a geological unit or sequence, using a particular geological model even though the EPs and MDLs are separate from each other;
- are for the same mineral/s and have different geological models, but will utilise a central processing site when progression is made to a mining authority;
- have different target commodities but form part of the same value added project with centralised infrastructure – such as limestone, iron and chromium for the production of steel or other refinery products;
- are exploring different coal types in different portions of the same basin / sub-basin, and using the resources for blending for the export market; and
- can be demonstrated as being linked as an integral group for exploration and reporting purposes.

Examples of what is unlikely to be considered as a project include, but are not limited to, a group of EPs that:

- do not have a common linking element, such as a geological concept, processing plant, target market, or product;
- are linked by a common objective but have a totally separate and unlinked project associated within the authority which compromises the main project;
- are for different minerals and under different geological concepts and do not have a linking element such as common processing or product; and

- link coal-focused exploration with other minerals.

Applying for project-based administration and amendment to an existing project

For consideration of project status holders must either provide the following details in writing to the department or request exploration project status using the MyMinesOnline system:

- the project name;
- current EPs and MDLs in an existing project;
- EPs and MDLs (if any) to be included and consent from each holder that shows support for inclusion in the project;
- targeted minerals;
- contact company name and address;
- justification for inclusion of EPs and MDLs in a project, based on the factors outlined in this operational policy;
- expenditure details (conditioned and actual for MDLs);
- a proposed relinquishment schedule;
- how work program requirements will be achieved across the EPs and MDLs (if any) in the project;
- the reporting status details for each EP and MDL in any project; and
- demonstration of the unifying exploration concept and outcome.

As a part of this process, holders may be invited to attend a portfolio management meeting to discuss the rationale for the proposed project or amendment of the existing project.

Important note: Although the department gives status to an exploration project it does not limit the Minister's power to take action for any non-compliance on individual EPs or MDLs within the project.

If the department has already given status for project-based exploration administration, it will not be necessary for the holder to make another submission for project-based exploration administration to include conditionally surrendered permits or to add new permits to the project. The department will update project status to reflect the conditional surrender and include the new EP/s.

Transitional provisions

Pursuant to the *Natural Resources and Other Legislation Amendment Act 2019* (NROLA), a work program may either be activities-based or outcomes-based work programs. The NROLA also changed relinquishment requirements for EPs. Refer to the Operational policy, MIN/2015/1254, Exploration work program and relinquishment requirements for an exploration permit for the transitional arrangements that apply to project-based exploration administration. These will apply from 25 May 2020.

Document information

Availability: External

Location: Business Industry Portal

Owner and approver: Deputy Director-General, Georesources Division

Review date: 25 May 2022

Related documents: This policy should be read in conjunction with the Operational policies, MIN/2015/1252, Project-based exploration administration, and Exceptional circumstances and exceptional events, MIN/2015/1313.

Contacts: For help and information about this policy, please contact the Mineral Assessment Hub on (07) 4447 9230 or email mineralhub@dnrme.qld.gov.au or the Coal Assessment Hub on (07) 4936 0169 or email coalhub@dnrme.qld.gov.au.

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.