

Operational Policy

Exploration permit work program and relinquishment conditions

MIN/2015/1254
Policy number 5/2012
30 June 2019
Version 1.02

Purpose

This policy provides guidance to industry about the processes and expectations with respect to conditioning exploration permit work programs (activities and expenditure) and relinquishment.

This policy is written to:

- provide guidance and clarity to both applicants and departmental officers;
- promote consistency of tenure administration and regulation across the state; and
- increase the department's timeliness and efficiency of processing exploration permit applications and requests.

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

Policy Determination

Application

This policy relates to the following sections of the *Mineral Resources Act 1989* (MRA):

- s.141 Conditions of exploration permit
- s.146 Initial term of exploration permit
- s.139 Periodic reduction in area of exploration permit
- s.140 Voluntary reduction in area of exploration permit
- s.392 Substantial compliance with Act may be accepted as compliance

and the Mineral Resources Regulation 2013 (MRR):

- s.13 Activity reports
- s.17 Final reports

These sections are to be considered when applying work program and relinquishment conditions to an exploration permit.

Work program conditions

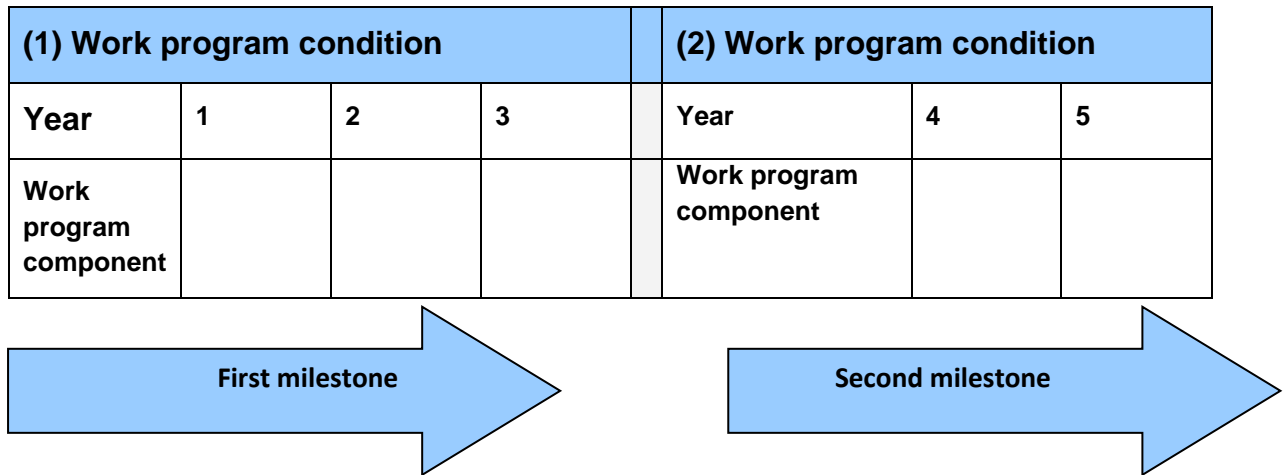
The work program is the core element of an exploration permit. It is a condition under s141 of the MRA that the permit holder carries out programs of work and studies for the purposes for which the exploration permit was granted.

This policy provides that the work program condition will now be divided into two milestones over the five year term of the exploration permit.

An applicant will still be required to provide their proposed program of work to the department in yearly components under s133 of the MRA, but the work program conditions will essentially reflect that:

- there will be two milestones of the work program that must be completed
- there are two work program conditions (which represent those milestones) that must be complied with
- each component of the first work program condition will be completed in the designated years 1–3 milestones
- each component of the second work program condition will be completed in the designated years 4–5
- compliance with the work program will be assessed in year 3 (the end of the first milestone) and in year 5 (at renewal).

Example



Though the permit holder is still required to provide a work program broken down into yearly components, the yearly work program will be ‘rolled up’ into work conditions or milestones. This will benefit the permit holder by:

- providing the holder with flexibility and time to complete the yearly work program components over a longer period
- increasing the ability to comply with the work program conditions
- decreasing the need to vary the work program conditions
- allowing permit holders to meet the work program conditions despite reason beyond their control (e.g. force majeure circumstances)
- allowing permit holders to meet the work program conditions despite other reasons (e.g. land access arrangements).

Permit holders will not be assessed for compliance with the work program conditions on a yearly basis. Compliance will be assessed based on the whole period of years 1–3 and years 4–5.

Important Note: Where a permit is for a term of less than 5 years, it will be conditioned as follows:

- A four (4) year term: conditioned at year 2 (the first milestone) and at year 4 (the second milestone)
- A 1, 2 or 3 year term will be conditioned for the term of the permit and will only have one period which will be assessed at renewal.

Activity reports for exploration permits

The permit holder will still be required to provide activity reports and the final report for the permit, as the department still must be provided with all of the information required by s13 and s17 of the MRR.

The reports provided in years 1, 2 and 4 of the work program conditions will still demonstrate the components of the program that have been complied with (completed) in those years.

The report for year 3 should include a statement which demonstrates how the holder has complied with work program components in years 1–3 and/or justifies noncompliance with the work program in years 1-3.

The activity or final report submitted in year 5 should include a statement which demonstrates how the holder has complied with work program components in years 4–5 and/or justifies noncompliance with the work program in years 4–5.

The permit holder will still be required to provide a summary of results for the whole of the term in their final report.

Relinquishment condition (periodic reduction in land)

Under s139 of the MRA, it is a condition that each permit holder (during the permit term or before renewal of an exploration permit) relinquish a portion of the permit area.

The area of the permit for both coal and mineral exploration permits must be reduced by:

- 40% of the original area by the end of the first three years after the permit is granted (i.e. end of first work period)
- a further 50% of the remaining area at the end of five years (i.e. end of second work period).

Where a permit is renewed, the same relinquishment portions will be repeated based on the anniversary of grant.

Example

An **exploration permit for coal (EPC)** granted with a five year term will be required to relinquish 40% of the original area at the end of year three, 50% of the remaining area at the end of year five. Then if renewed, 40% of the remaining area at the end of year eight and 50% of the remaining area at the end of year 10.

Where a permit is decided for a period of less than five years, it is proposed that relinquishment will align with the new permit conditioning requirements and the new relinquishment requirements for five year permit terms.

These permits will be conditioned as follows:

- A four year term will be conditioned to relinquish 40% at end of year three, and if renewed it will be required to relinquish 50% at year two of the renewed permit term (year five of the overall permit).
- A three year term will be conditioned to relinquish 40% at end of the term and if renewed it will be required to relinquish 50% at year two of the renewed permit term (year five of the overall permit).
- A one or two year permit may not be subject to relinquishments in the first term, however if renewed it will be required to relinquish 40% at year three of a renewed

permit term (year three of the overall permit) and 50% at year five (year five of the overall permit term).

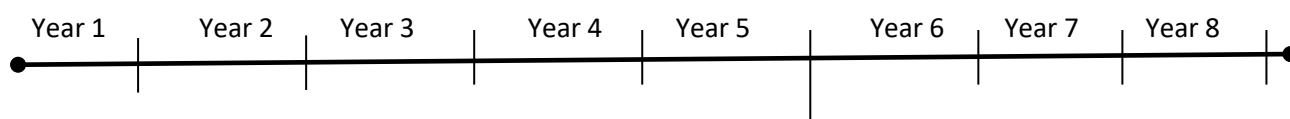
Example

Five year term

300 sub-blocks

First term

Renewal



Relinquishment	40%	50%	40%
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Remaining blocks	180 sub-blocks	90 sub-blocks	54 sub-blocks
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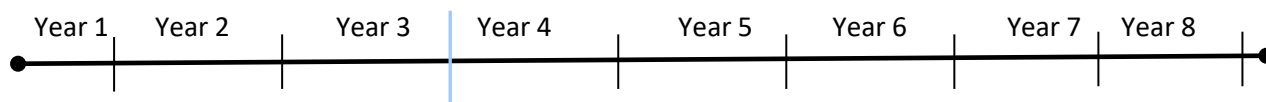
Example

Three Year Term

100 sub-blocks

First Term

Renewal



Relinquishment	40%	50%	40%
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Remaining blocks	60 sub-blocks	30 sub-blocks	18 sub-blocks
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Requests to vary the relinquishment condition will be subject to the **Operational Policy – Application to vary conditions of an exploration permit.**

This condition will not impact on the permit holder's ability to voluntarily reduce land under s140 of the MRA.

If the permit forms part of a conditional surrender application an alternate relinquishment schedule may be applied for. Please refer to the **Operational Policy - Conditional Surrender of exploration permits.**

Availability:	External*
Location	Business Industry Portal
Owner:	Georesources Division
Date of this Version	30 June 2019 Version 1.01 of this policy was previously titled <i>Work program and relinquishment conditions</i>
Review Date	30 June 2021
Approving Authority	Deputy Director General
Related documents	This policy should be read in conjunction with the Program of work guideline mineral and coal exploration, Relinquishment guide
Contact:	For help and information contact the Coal or Mineral Assessment Hub: Phone: (07) 4936 0169 Email: CoalHub@dnrme.qld.gov.au Phone: (07) 4447 9230 Email: MineralHub@dnrme.qld.gov.au For technical support contact the MyMinesOnline Helpdesk. Telephone: +61 7 3199 8133 Email: mines_online@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.