

Operational Policy

Technical assessment of an application for a mineral development licence for coal

MIN/2017/4001

Purpose

The purpose of this policy is to provide guidance to industry of the assessment process and expectations with respect to an application for Mineral Development Licence for coal (MDL coal) made under Chapter 5 of the *Mineral Resources Act 1989* (MRA).

This policy will inform industry regarding what information is required to support an application for a MDL coal and advice regarding what will be considered by the department of Natural Resources, Mines and Energy (the department) when assessing a MDL coal application.

The principles of this policy may also be applied to other sections of the MRA regarding the assessment of a coal resource application and applying conditions to a coal resource authority. This includes a MDL coal renewal, and a mining lease for coal.

The information provided in this policy does not override legislative requirements. It reflects current practices within the department which may change from time to time. Any changes will be published through a revised version of this policy.

Policy Determination

High degree of definition

In deciding a MDL application for coal, the delegate must have regard to whether there exists to a high degree of definition (on or in the land applied for) a significant mineral occurrence of possible economic potential¹.

The required evidence of “high degree of definition” and “significant occurrence” of the coal resource is an indicated resource status or better under the JORC Code. The coal resource should be a quantity, grade (or quality) with densities, shape and physical characteristics that are estimated with sufficient confidence to allow the application of modifying factors² in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.

The coal occurrence does not have to be 100% indicated resource status or better, however the MRA requires a high degree of definition of the resource. The onus is on the applicant to demonstrate that this requirement is met.

Any coal occurrence described in the application must be in or on the land applied for. A coal occurrence on another area of land being applied for separately or on a granted MDL will not meet the requirements of the MRA.

¹ See section 186 (6) of the *Mineral Resources Act 1989*

² Modifying factors are considerations used to convert mineral resources to ore reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors

Land applied for in the application

Under the MRA a MDL application for coal must include:

- the reasons why the MDL should be granted in respect of the area and shape of the land described;
- whether the area of land applied for is appropriate to further investigate the resource; and
- a map or maps that identify the location of the coal occurrence according to JORC status and the locations of proposed infrastructure and activities.

To ensure that the area and use being applied for aligns with the purpose of a MDL - to further investigate and determine economic viability of the coal occurrence, the delegate may consider:

- the size of the identified coal resource, and possible extensions of the resource in or on the land applied for (e.g. inferred resources); and
- that the application is not made over areas of land where a high definition of coal resource occurrence has not been established and further exploration work is needed.

The size of the coal resource area may not be commensurate with the size of the land applied for where the delegate is satisfied that the applicant has demonstrated that the additional area is needed to carry out their work program and/or activities for future mine planning and development.

Under the MRA, the delegate may refuse an application for a MDL coal, or refuse to grant any part of the land applied for, where the applicant has not provided the required information and evidence justifying the land being applied for.

If a MDL coal is only granted for part of the land the application is taken to be refused for the rest of the land, and the delegate must give the applicant written notice of the reasons for the refusal.³

Applicant's previous compliance regarding the prerequisite resource authority

An applicant must ensure that pre-requisite exploration permit/s, and any other authorities held by them are in compliance with conditions of the authority and the MRA before applying for a MDL coal.

The department will consider⁴ the applicant's compliance with requirements including, but not limited to:

- annual reporting requirements;
- work program and expenditure conditions, and
- annual rent payments.

Applicants in noncompliance with their conditions or the MRA may have their MDL coal application refused.

Description of the proposed activities

An applicant is required to include a description of the activities to be carried out including any work programs, amounts to be spent and studies to be performed.

³ See section 186 (1) and (7) of the *Mineral Resources Act 1989*

⁴ See section 386M of the *Mineral Resources Act 1989* - the Minister may, in making the decision, consider any other criteria the Minister considers relevant.

However, if it is proven that it is not currently economically viable to develop the mineral resource, under section 181 of the MRA, the delegate may specify that no activity need be carried out for the term of the licence or for a specified period of time. For example, the applicant may demonstrate that the proposed MDL is a part of larger exploration and mining project, and that work will commence in line with the overall project/development and mine plan schedules.

The appropriateness of any proposed activities will be considered based on the current level of geological and technical knowledge of the area covered by the application.

Financial and technical resources

An applicant must ensure that they demonstrate sufficient financial capability to meet expenditure commitments, and that sufficient technical resources are available to undertake proposed work program.

Term

Under section 183 the applicant must nominate the term of the MDL and give reasons justifying the length of the term being sought.

Additional Information

Section 386J of the MRA provides the power for additional information to be requested during the assessment process. The delegate may also direct an applicant to complete or correct their application or do anything required under the Act or another Act to allow the application to be decided.

Failure to respond in the period stated in the notice for complying (generally 28 business days) may result in delays in the application assessment or the application being rejected.

Availability:	External*
Location	Business Industry Portal
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Approving Authority	Deputy Director-General
Related documents	This policy should be read in conjunction with the Mineral Development Application Licence Guideline , 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 the Coal Assessment Hub Phone: (07) 4936 0169 Email: CoalHub@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 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.