
MAXIMUM SIZE OF EXPLORATION LICENCES FOR CATEGORY 4 MINERALS

The maximum size of an exploration licence has been determined by the Minister to be 5000 square kilometres.

You should note the following changes to how applications for Category 4 — Petroleum Products will be dealt with by Mineral Resources Tasmania:

- Applications for special exploration licences for Category 4 minerals will no longer be accepted.
- Exploration licences issued for Category 4 (petroleum) minerals will not include coal seam gas — coal seam gas is a Category 2 (coal) mineral.

MINIMUM EXPENDITURE AND WORK COMMITMENT ON EXPLORATION LICENCES

- The Minister sets a minimum expenditure for each licence each year based on the proposed exploration program.
- The minimum expenditure is that which is needed to carry out a satisfactory program of work on the licence for that year.
- Some exploration programs may cost more than others. For example, it may be expected that drilling for petroleum or geothermal substances will be much more expensive than other mineral exploration drilling.**
- The work commitment will be put into the licence document. Explorers are expected to meet the agreed work commitment.
- Where multiple applications are received for the same area under the Exploration Release Area system, the application that is successful may well contain an expenditure commitment which is higher than the competing applications.
- Prior to the third and each subsequent year of the licence, the lessee must submit to the Director of Mines an exploration program for that year of the licence. The exploration program as approved by the Director is to be completed during that year of the licence. The minimum expenditure will be based on the proposed exploration program.
- The minimum expenditure for the first two years of the licence will be determined from the licence application.
- Where licence applications are granted over part of an ERA area the minimum expenditure commitment and work program may be set by negotiation between the applicant and MRT.
- Licences are reviewed annually. The minimum expenditure for the forthcoming year will be stated in the letter sent to a licensee following the annual review of the licence.
- A flyer detailing the minimum expenditure on exploration licences is available on the MRT website.

FURTHER INFORMATION

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