

MINERAL EXPLORATION IN VICTORIA EXPLAINED

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Minerals in Victoria are generally owned by the State and so excluded from property deeds. Mineral exploration is the scientific process of investigating the mineral potential of an area. Exploration licences are granted by the Victorian Government to explore for minerals under strict conditions. Access arrangements are needed between explorers and land owner/occupier prior to any exploration on the ground. This fact sheet provides an overview of exploration and land access in Victoria.

This fact sheet is based on current Victorian legislative requirements and common practice only and is not applicable in other States or Territories. This fact sheet provides general information to support the development of land access arrangements, each of which must be tailored to accommodate the individual needs of the land owner/occupier and explorer. This guide provides general information but does not constitute legal advice and the information should always be confirmed for currency.

WHAT IS EXPLORATION?

Exploration is the scientific process of investigating the mineral potential of the ground. Minerals in Victoria, such as gold and silver, are generally owned by the State and excluded from property deeds. Legislation enables the Minister for Resources to grant licences to explorers to explore for minerals, subject to conditions, over Crown and private land. Exploration is led by geologists who gather information through a range of scientific methods to assess the economic potential of minerals.



Early exploration often involves a geologist walking the ground observing the rocks

“...Exploration is highly speculative, with the conversion rate, at best, from exploration to a mining development around 1 in 300...”

Victorian Government,
State of Discovery Mineral Resources Strategy,
2018–2023

Each stage of exploration is dependent on the results from the previous stage. New thinking and techniques as well as changing commodity prices can mean that old areas of interest (or prospects) can be of interest to new explorers.

EXPLORATION LICENCES ARE GRANTED BY VICTORIAN GOVERNMENT TO EXPLORE ONLY

Exploration licences are granted by the Victorian Government to explore for a group of minerals in the licence area generally for a period of up to five years initially, with the option for renewal. The area of the licence is measured in ‘graticular sections’ (identified on the licence) and may cover between one and 500 square kilometres.

Exploration licences have strict conditions and requirements that align with legislative requirements of the *Mineral Resources (Sustainable Development) Act 1990* and other associated legislation. Specific conditions in exploration licences protect the community and environment, such as the requirements to rehabilitate all exploration sites and to engage with the community prior to any activity.

Before an Exploration Licence is granted, the applicant needs to demonstrate they are a fit and proper person and have financial capability and technical competence in addition to a plan of work. A detailed report on the completed work must be submitted to the Victorian Government at every anniversary (or year) of a licence. Further assessment of proposed activities is required by the Victorian Government before any ground-disturbing activities can be undertaken.

The explorer also provides the Victorian Government with a substantial rehabilitation bond (typically \$10,000) prior to the grant of the licence. The rehabilitation bond is only returned to the explorer following successful completion of the requirements of the licence, including full rehabilitation of any disturbance of the surface of the land.

EXPLORATION IS NOT MINING

Exploration licences only allow the licence holder to explore for minerals.

Exploration does not permit mining, nor does it guarantee that mining will ever be approved.

Economically recoverable mineral resources are rarely discovered. If there is the potential for a mine to be developed, the proposal undergoes rigorous assessment through multiple levels and sectors of Government that involves a series of stages. The period between finding a deposit and starting a mine normally takes many years. The last new mine in Victoria opened more than ten years after the mineral discovery.

EXPLORATION IS GENERALLY SHORT TERM AND LOW IMPACT

Exploration is a scientific process that is initially conducted over large areas and becomes more focused and intense where potential mineral resources are identified. Each stage of exploration is dependent on the results of the previous stage.

Exploration may include:

Early stage or reconnaissance exploration: Following detailed analysis of previous exploration reports and available data, early exploration may include low impact on the ground and/or airborne surveys. Early work on the ground generally involves a geologist walking the ground to look at rock outcrops and make notes and a map of the geology. This may involve vehicle access to a property, taking and recording measurements and walking across the areas, as well as the collection of small samples from rock outcrops, soil, or stream sediments (around one kilogram per sample) for chemical analysis. Early exploration can also include airborne surveys involving drones, low flying helicopters or light aircraft fitted with instruments flying in a grid pattern.

Follow-up investigations: Areas of interest identified in the early exploration may require follow-up investigation. This may involve collecting soil or rock samples in a survey grid, geophysical surveys using (usually hand-held) electronic instruments, or more detailed airborne surveys.



Soil sampling is a common follow-up exploration technique

Drilling: The next stage of exploration would usually involve drilling. Exploration drilling may be shallow to bring up rock chips for chemical analysis or deeper to bring up a core of rock. Depending on the type of drilling, drill rigs may be mounted on a ute or may be larger and similar to water bore drill rigs.



Diamond drilling (like water bore drilling) is one of the most advanced forms of exploration

EXPLORERS NEED TO FORM AN AGREEMENT PRIOR TO ACCESS

In Victoria, the explorer may not access or carry out any work on the land covered by an exploration licence unless a written agreement or informed verbal consent has been obtained from any relevant private land owner/occupier.

Land owner/occupiers may not veto exploration, although certain areas are protected including principal residences. Access arrangements must be negotiated and registered before exploration can commence. Where access arrangements cannot be reached by mutual agreement, they may be determined by a Tribunal or Supreme Court.

The land access agreement details the conditions on which an explorer will access the land and any compensation payable (if appropriate). All access arrangements should be based on the understanding that explorers are 'guests' on private land and an appreciation by land owner/occupiers of the needs and rights of mineral explorers.

***Courtesy, honesty, and respect
go far to build trust and
effective working relationships
between explorers and the
land owner/occupier.***

To assist the land owner/occupier and explorers to understand their rights and negotiate a land access agreement, the template *AMEC Victorian Land Access Arrangement for Mineral Exploration* has been developed in a clear, easy to use format. The AMEC template and the accompanying information are written in plain English and outline practical conditions, with options, to allow the agreement to reflect the individual needs of both the land owner/occupier and explorer. The Victorian Government has also published a template and supporting information.

COMPENSATION MAY BE PAYABLE TO THE LAND OWNER/OCCUPIER

Land owners/occupiers are entitled to compensation as defined in the *Mineral Resources (Sustainable Development) Act 1990*. Compensation is payable for loss caused by damage during exploration activities or for deprivation of the use of the land.

Compensation should always be negotiated between the explorer and land owner/occupier using 'just and fair' principles. The amount of compensation is dependent on, among other things, the value of the land, improvement of the land, time of land deprivation, loss of amenity and/or the area of land disturbed.

Compensation may be monetary but may also be in kind, for example, repair of a fence or construction of a track.

RIGHTS AND RESPONSIBILITIES OF EXPLORERS

Explorers have important rights and responsibilities in the exploration process including:

- Explore for minerals owned by the State
- Undertake the proposed program of exploration detailed in the exploration licence
- Negotiate an agreement (written or verbal) for access in good faith before exploration commences
- Advise the land owner/occupier of changes to the onsite management or any proposed activity in the exploration program
- Minimise damage to the land or land owner/occupier's property and promptly rehabilitate the land after exploration activities are completed
- Respect land owner/occupiers and liaise with them with fairness and in good faith.

RIGHTS AND RESPONSIBILITIES OF LAND OWNER/OCCUPIER

The land owner/occupier have important rights and responsibilities in the exploration process including:

- Negotiate an agreement for access before exploration commences in good faith
- Advise the exploration licence holder of a change in land ownership or management
- Work with the explorers and liaise with fairness and in good faith.



Explorers need to form an agreement prior to accessing land

REFERENCES

Legislation - legislation.vic.gov.au

Victorian Government information - earthresources.vic.gov.au

Images courtesy of AMEC members.

Prepared by Association of Mining and Exploration Companies Inc (AMEC)

AMEC is a leading national minerals industry body representing over 450 member companies across Australia. Our members are explorers, emerging miners, producers, and a wide range of businesses and services working in and for the minerals industry. AMEC represents a growing number of companies investing in Victoria.

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