

Exploration Package

Response to key issues raised during the public
consultation on the *Exploration Package*



Document control

Published by Mining, Exploration and Geoscience

Title: Response to key issues raised during the public consultation on the *Exploration Package*

First published: April 2022

Authorised by: Deputy Secretary, Mining, Exploration and Geoscience

CM9 reference: RDOC22/45499

Amendment schedule

Date	Version	Amendment
April 2022	1.0	Original version

© State of New South Wales through Regional NSW 2022. You may copy, distribute, display, download and otherwise freely deal with this publication for any purpose, provided that you attribute Regional NSW as the owner. However, you must obtain permission if you wish to charge others for access to the publication (other than at cost); include the publication in advertising or a product for sale; modify the publication; or republish the publication on a website. You may freely link to the publication on a departmental website.

Disclaimer: The information contained in this publication is based on knowledge and understanding at the time of writing (April 2022) and may not be accurate, current or complete. The State of New South Wales (including Regional NSW), the author and the publisher take no responsibility, and will accept no liability, for the accuracy, currency, reliability or correctness of any information included in the document (including material provided by third parties). Readers should make their own inquiries and rely on their own advice when making decisions related to material contained in this publication.

In this document

Overview	3
Exploration statement - feedback and responses	4
MEG response	5
Overview of exploration - feedback and responses	5
MEG response	6
Renewals policy - feedback and responses	6
Extenuating factors for non-completion of the work program / matters not considered extenuating factors	6
MEG response	7
Special circumstances for retaining ground subject to the exploration licence at renewal.....	10
MEG response	11
Assessment leases policy - feedback and responses	12
Assessment lease eligibility criteria	13
MEG response	13
Assessment lease renewal.....	13
MEG response	14
Assessment lease purpose and relationship with Minimum standards and the Renewals policy	14
MEG response	14

Overview

The *Exploration Package* is a set of policy and operational reforms to encourage high-quality exploration in NSW and to ensure that that mineral and coal exploration is undertaken responsibly and efficiently to maximise the benefit of the state's resources. The package comprises a suite of documents designed to ensure there is clear guidance on the policies, procedures and assessment criteria used by the Department of Regional NSW in determining the granting, renewal and regulation of exploration licences and assessment leases. These documents include:

- an overarching Exploration policy statement
- an Overview of exploration in NSW
- an updated Policy on the renewal of exploration licences (Renewals policy)
- an updated Policy on the grant and renewal of assessment leases (Assessment leases policy); and
- a position paper on reforms to exploration security deposits (Exploration security deposits paper).

Together the Exploration policy statement and Overview of exploration signal the NSW Government's intent to become the preferred Australian jurisdiction for exploration and mining investment. These documents also seek to provide certainty to prospective and current explorers, the community and landholders on the Government's expectations for responsible exploration activity and how it is encouraged and facilitated.

The Renewals policy sets out the factors that the relevant decision-maker will take into account when deciding whether to renew an exploration licence, and the extent of ground that can be retained at renewal under the proposed new section 114 of the *Mining Act 1992*, due to commence later in 2022. Similarly, the Assessment leases policy sets out the eligibility criteria for exploration licence holders to be granted an assessment lease, and the factors that the relevant decision-maker will take into account when deciding whether to renew an assessment lease.

The Exploration security deposits paper sets out the Department's position that exploration is generally a low-impact, low-risk and short-term activity. In addition, the paper sets out a number of proposed reforms designed to remove unnecessary administrative and regulatory burden on both government and industry, while still maintaining an appropriate level of assurance and securities commensurate with this risk.

Mining, Exploration and Geoscience (MEG) released draft documents comprising the Exploration package for public consultation in September 2021. The consultation period ended in October 2021. MEG received a total of seven formal written submissions from a cross section of stakeholders, including industry peak bodies, individual explorers and landholders. MEG also received additional feedback on specialised aspects of the Renewals policy and Assessment leases policy as part of its consultation on proposed amendments to the Mining Act. MEG received very little feedback on the Exploration security deposits paper and as such, this document covers feedback on the other four documents.

MEG closely considered the feedback contained in the written submissions, some of which influenced the final versions of the Exploration package documents. This document summarises the key issues raised in the submissions, MEG's position on each issue and how particular issues were addressed in the final package. This document is intended to 'close the loop' with stakeholders by:

- providing a general overview of the feedback received on the draft documents comprising the Exploration package; and
- clearly explaining how MEG considered the feedback and the rationale for including or excluding applicable suggestions in the final versions of the documents.

This document follows the structure of the Exploration package, dividing commentary between each of the components. Stakeholders also made several general comments about the Exploration package. The essence of these comments is also captured below.

Exploration statement - feedback and responses

Most of the feedback on the Exploration statement was brief and general in nature. Industry stakeholders were broadly supportive of the concept of an over-arching policy statement on exploration in NSW. Industry feedback focussed primarily on the structure of the document and to a lesser extent, suggested minor amendments and additions to more clearly articulate the current and future initiatives the NSW Government is undertaking to promote a high-performing, sustainable exploration sector. Other stakeholders were critical of the document's disproportionate focus on the exploration sector over its key stakeholders such as landholders. Their feedback reflected this.

Industry stakeholders:

- suggested that the document could be better tailored to its audience (current and prospective explorers) through structural edits that elevate some of the messages about NSW being open for business
- suggested that the statement focus exclusively on minerals, considering the recent release of the *Strategic Statement on Coal Exploration and Mining* (Future of Coal Statement) and to better align with the Government's priorities around critical and technology minerals
- suggested that additional information to be included in the document to better promote the NSW Government's activities in acquiring and making freely available quality pre-competitive geoscientific data (including making greater mention of the New Frontiers Cooperative Drilling Program, the Department's DiGs archive that contains open-file exploration data and reports from current and historical tenures, and the non-geoscientific features of the MinView platform that assist exploration and mine planning)
- suggested that the document could more clearly explain the link between the minerals processing and mining equipment, technology and services (METS) sectors, given the Government's strong focus on critical and technology minerals.

Some non-industry stakeholders expressed dissatisfaction in MEG's administration and regulation of exploration across the state and disagreed with the notion that the Exploration statement would provide greater certainty for landholders.

MEG response

The Exploration statement is a Departmental document. The Future of Coal Statement is a whole of government policy position focussed primarily on where and under what circumstances future coal exploration and mining may occur. It does not set out the Government's approach to exploration under the Mining Act generally. In addition, the Future of Coal Statement was reviewed by and commented on by all agencies and approved by Cabinet. The Exploration Statement and the Overview document are part of suite of information intended to be read together.

MEG supports the suggestions for enhancing the information conveyed in the document and has included the initiatives mentioned above and additional wording around METS in the final version of the statement. MEG also notes the feedback regarding landholder certainty and clarity and has adjusted the relevant section of the document to communicate that while individual landholder experience may be different, it is the intention of this document to provide greater certainty and clarity for landholders. References to clarity relate to the expectations placed on exploration licence holders to drive resource development and the circumstances for which exploration licences may not be renewed. In addition, MEG's Minimum standards for work programs and technical and financial capability commenced on 1 January 2021 and will apply to all new exploration licence applications and exploration licence renewal applications submitted after this date. The Resources Regulator will act upon any allegations of non-compliance with exploration licence conditions and the relevant provisions of the Mining Act. MEG encourages landholders to report any alleged non-compliance to the Resources Regulator.

Overview of exploration - feedback and responses

Most of the feedback on the Overview of exploration was general in nature.

Industry stakeholders:

- suggested structural changes to the document that would better guide current and prospective explorers in NSW through the key administrative processes
- recommended greater use of visual aids such as flow charts and hyperlinks to other important MEG documents
- suggested that information contained in both the Exploration statement and the Overview of exploration was duplicative and should be removed from the Overview.

One individual explorer called for the Department's approach to exploration licence administration to appropriately account for geographical differences across the state and their associated social and environmental dynamics. Some non-industry stakeholders expressed dissatisfaction in MEG's administration and regulation of exploration across the state. They also noted the document's disproportionate focus on assisting explorers and promoting exploration and the lack of guidance around landholder rights. In addition, they suggested minor content edits to better convey Departmental processes.

MEG response

For completeness, MEG intends for some of the Exploration statement and Overview of exploration to contain information that may be considered duplicative but has condensed some of this information in the next draft. The Overview document is intended to be high-level and a dynamic, 'living' document. MEG believes that the current document design and structure is appropriate to guide prospective applicants through the exploration process. Additional content will be included as identified, and MEG will consider developing separate, detailed guidance on particular administrative processes such as applying for and renewing exploration licences, land access, and Native Title processes (once reforms to internal information are complete). MEG will also consider updating and integrating better visual aids into the document as appropriate. Notwithstanding the document's primary focus on explorers owing to the majority of the framework applying to explorers, MEG has included additional references to landholder rights in the final version. MEG has accepted most of the minor content edits suggested to better convey Departmental processes and these are reflected in the final version.

Renewals policy - feedback and responses

Unsurprisingly, the majority of industry stakeholder feedback related to the Renewals policy. MEG also received a small number of brief comments from individual explorers and non-industry stakeholders. Industry stakeholder feedback focussed mainly on the extenuating factors for non-completion of an exploration work program, matters not considered extenuating factors, the special circumstances that an exploration licence holder can raise to retain the extent of ground subject to the licence sought at renewal, and decisions at renewal. Industry stakeholders and individual explorers also made several general comments related to the form and function of the document, as well as its relationship to other MEG policies and procedures, including MEG's exploration work program and the five-stage prospecting model. Non-industry stakeholders commented primarily on the extenuating factors for non-completion of the work program from a land access perspective.

Extenuating factors for non-completion of the work program / matters not considered extenuating factors

Industry stakeholders:

- queried why changes to exploration concepts, as listed in the existing renewals policy on the MEG website, is no longer listed as an extenuating factor
- raised concern that the draft wording for the land access extenuating factor implied that exploration licence holders must activate the Department's formal land access arbitration framework for land access to be considered a valid extenuating factor
- suggested that the policy allow exploration licence holders to provide reasonable justification as to why they may not have referred a Native Title matter to the Native Title Tribunal
- suggested that commercial factors be available to licence holders at all stages of exploration where an exploration work program has not been completed and not be limited to stage 4

- suggested that commercial factors such as an inability to raise sufficient capital be time qualified (i.e. 3 continuous years or more) for MEG not to consider as an extenuating factor for non-completion of a work program
- sought clarity on how the residual impacts of unforeseen events (commercial, financial, business, land access) would constitute a valid extenuating factor
- suggested that the Renewals policy fairly account for situations where a delay to progressing the work program is not the fault of the licence holder (for example, protracted timeframes for Departmental determination of a renewal application)
- sought clarity on:
 - the extent to which recognition of project status could formally link exploration licences
 - how project status would be qualified
 - whether the Department would entertain exemptions to the 50km radius rule for commodities with lateral mineralisation (e.g. mineral sands).
- sought clarity on:
 - whether an exploration licence holder could still have the licence renewed while awaiting development approval to progress a resource to mining status
 - how delays in the granting of renewals will be factored into decision-making.
- suggested that the residual impacts of Covid-19, such as staffing, equipment availability and border closures be captured under 'unforeseen events' extenuating factor
- noted that the five-stage prospecting model did not include rehabilitation, which is potential inconsistent with any new statutory definition of 'prospecting'.

Non-industry stakeholders disagreed with the concept of extenuating factors, especially with respect to land access issues. Non-industry stakeholders considered land access issues preventing a six-year work program from being completed indicated that the licence should not be renewed.

MEG response

Extenuating factors - key principles

One of the core intents of the Renewals policy is to facilitate efficient and timely discovery and development of the state's mineral and coal resources. Many of the state's major resource discoveries have been made by junior and mid-tier exploration companies. Without certainty of tenure, new major resource discoveries would be very difficult. Exploration licence holders need to be able to get onto the ground and acquire geoscientific data to make new discoveries, and where there are valid reasons for not being able to do so, MEG affords explorers some leeway. However, extenuating factors must be qualified in that the explorer must proactively communicate to MEG that they have experienced issues and are actively taking steps to remedy their situation.

Changing exploration concepts and delays in renewal determination

MEG no longer regards it necessary to include changing exploration concepts as an extenuating factor since the implementation of the new work program form with the Minimum standards. The exploration stages that an explorer nominates are broad in scope, designed to allow for a range of activities to be undertaken pursuant to the level of advancement in the

exploration program. In most cases, a change in exploration concepts would no longer warrant a work program amendment unless the change resulted in the explorer operating in a different stage to which was nominated in the work program. Furthermore, when ascertaining whether an exploration licence has been worked effectively, MEG counts the work completed up until the point in the change of exploration concept (i.e. the data acquired or re-processed) detailed in annual reports against the high-level success criteria of the nominated exploration stage/s in the work program. MEG has included further guidance on this matter in the final version of the policy. MEG also acknowledges that standard processes and timeframes for renewing some exploration licences (particularly for coal) can take some time. In any event, however, under the new work program, the licence holder would be able to continue operating under an existing work program in the nominated stage/s while the renewal application is being determined (because the licence remains on foot until renewal application is determined). Should the licence holder progress to the next stage of prospecting while the renewal application is still pending, they would apply to amend their work program so that they could continue their operations.

Land access

MEG considers evidence of mediations being conducted by mutually agreed arbitration processes as acceptable to meet the requirement to be proactively trying to resolve the issue. This is reflected in the final version of the document. This is on the condition that the licence holder provides adequate justification as to why they have elected not to activate the framework. In any event, the concerns around the perceived requirement to have activated the Department's formal land access arbitration framework relate primarily to its current mechanics. The key principle is an exploration licence holder must demonstrate they are taking steps to formally resolve a land access issue where there is a substantial impasse. MEG is currently investigating ways to cap the costs of land access arbitration under the formal framework.

Native Title

The overarching intent of the Native Title extenuating factor is that exploration licence holders are proactively trying to remedy the Native Title issue that is preventing them from accessing part or all of the exploration licence area. MEG considers it appropriate to renew an exploration licence despite non-completion of the work program due to Native Title issues where there is clear evidence of effort being made to achieve a resolution. In this sense, MEG considers a period of 3 years for which Native Title negotiations have stalled, to be a reasonable timeframe for which a matter should be referred to the Native Title Tribunal. However, MEG is open to discussing the merits of extending this temporal threshold in the future.

Commercial arrangements

MEG considers that the wording of the commercial arrangements factor sufficiently broad to capture situations where broader economic factors may influence an exploration licence holder's ability to secure an offtake agreement or similar. MEG has revised the relevant section in the final version of the document to better signpost this concept. MEG has also amended the final version of the document to make commercial arrangements available to exploration licence holders operating in stages 3 to 5. This will allow for commercial factors to be a valid extenuating factor where they have prevented an exploration licence holder from testing

prospects or defining a resource, as set out in the work program. MEG does not consider it appropriate to renew an exploration licence in the reconnaissance or target definition stages (1-2) where after six years the licence holder failed to generate any targets for further testing, owing to commercial arrangements.

With respect to time-qualifying commercial arrangements, under the new outcomes-based work program, events that occur in individual years (such as difficulty raising sufficient capital) are less relevant. This is because exploration licence holders are no longer held to completing specified and intended exploration activities on a year-to-year basis. The exploration licence holder is now judged on the totality of work over the term of the authority (i.e. from the grant date to the expiry date) within the context of the nominated exploration stage and associated success criteria. Therefore, the length of time and the specific years within a licence term for which an exploration licence holder has been unable to raise sufficient capital is of limited relevance. It is also worth noting that as a requirement to meeting minimum standards at grant or renewal, an applicant must declare that they have the financial capability to complete their proposed work program. Exploration licence holders are thus presumed financially capable unless this can be rebutted by raising commercial factors as an extenuating factor for non-completion of the work program.

Project status

The final version of the document signals that the relevant decision-maker may accept exploration licences targeting lateral mineralisation as part of project despite the project area exceeding the 50km radius. For example, this could apply to a mineral sands project. Project status is an amorphous and subjective concept. MEG has introduced the concept of project status into the prospecting work program form to facilitate resource discoveries and ascertain exploration progress for the purposes of licence retention at a project scale. Project status does not, nor is it intended to formally 'link' exploration licences for any other administrative purposes. Project status recognises that the objects of the Mining Act may be best served by renewing exploration licences that form part of a broader 'project', despite relatively less work being completed or proposed on a respective licence within the project grouping. This is because refusing renewal and thus turning over individual licences in a project scenario to another applicant may be counter-intuitive in some circumstances. That is, it would be less likely that individual licences that meet the project status criteria would progress to mining status in isolation. MEG will accept relatively less work being completed on some individual authorities where the totality of work completed on all authorities comprising the project is greater than that of each individual authority comprising the project. Project status is not intended to operate as a right to indefinite retention of idle authorities. Pursuant to the Minimum standards, MEG expects some level of exploration work to be undertaken on all licences with the nominated project. In addition, pursuant to the draft renewals policy, the relevant decision-maker may consider the exploration rationale contained in the work programs of each licence and consider whether the licence holder that has claimed project status has a conceptual plan to work the lower priority licences over time. The final version of the document contains additional guidance on this matter.

MEG is proposing to develop a policy statement on 'project status' to provide greater understanding for industry on the concept. Industry will be consulted on the development of the policy statement.

Unforeseen events

MEG agrees that unforeseen events that satisfy the criteria set out in the Renewals policy can have legitimate flow-on impacts that can prevent the completion of a work program by limiting access to land or capital (e.g. Covid-19 border restrictions and social distancing requirements). Some unforeseen events may also have flow-on impacts that can prevent the physical completion of a work program. MEG has revised this section of the final draft to better reflect this concept and provide further guidance on how an exploration licence holder can cite the residual impacts.

Renewal of exploration licences as a source authority for a mining lease

MEG considers the lodging of a development application to constitute 'reasonable progress in advancing a project toward mining status', pursuant to the Minimum standards. Where a development application has been lodged, MEG will renew the exploration licence/s in question on the proviso that the proposed work program nominates stage 5 and proposes activities appropriate to this phase of resource development/definition. The overarching intent of the renewals policy is to drive and reward geoscientific data acquisition and timely resource discovery and development. In this sense, an exploration licence renewal applicant that has reached the stage of lodging a development application to progress a resource to mining status will not be at risk of exploration licence renewal refusal, provided that the initial SEARS process is complete and the applicant has commenced the environmental impact assessment (EIA) process.

Rehabilitation and the five stages of prospecting

The five-stage prospecting model included in the appendix of the draft Renewals policy is intended to be a non-exhaustive, indicative guide to the types of activities that are typically carried out at each key stage of mineral and coal prospecting, in an effort to reach the stated success criteria at each stage. In other words, the absence of an explicit reference to rehabilitation in the list of indicative activities in each stage is not an implication that rehabilitation does not occur. Pursuant to section 129A of the Mining Act and MEG's work program form, exploration licence applicants (including renewal applicants) already must detail their environmental management activities to be carried out over the term of the licence. This includes rehabilitation activities.

Special circumstances for retaining ground subject to the exploration licence at renewal

Industry stakeholders:

- sought clarity on whether the Renewals policy would operate in accordance with the proposed s114 under the Mining and Petroleum Acts Amendment Bill or the current s114A of the Mining Act
- queried whether explorers who have identified particular horizons or structures as prospective but have yet to fully test the prospectivity can retain the required ground subject to the initial licence at renewal to test these horizons
- queried whether exploration licence holders may retain ground subject to the initial licence at renewal where the prioritisation of certain targets has left others untested

- sought clarity on the relationship between extenuating factors and special circumstances, particularly around retention of ground that has not been explored owing to a valid extenuating factor
- suggested that the document include an example of each extenuating factor preventing access to land for the purposes of ground retention under special circumstances
- suggested greater integration of project status considerations into the special circumstances criteria
- suggested the document recognise that an exploration licence holder may require a spatial extent be retained for:
 - use as a source tenement for a future assessment lease or mining lease application
 - rehabilitation.

MEG did not receive any specific comments about special circumstances from non-industry stakeholders or individual explorers.

MEG response

Proposed amendment to ground retention clauses in the Mining Act

The Renewals policy has been amended to give effect to the proposed amendment to section 114 of the Mining Act included in the Mining and Petroleum Legislation Amendment Bill 2022. **Therefore, the revised Renewals policy and supporting FAQs will not be published until after the passage of the Bill. Furthermore, a transitional period will also be provided following publication of the policy to allow industry to prepare for implementation of the new framework.**

Ground required for further testing horizons and structures

Exploration licence holders that are undertaking or have undertaken more tangible or focussed exploration (e.g. geophysical acquisition or drilling) would likely be able to retain their requested spatial extent of the licence at renewal where they have identified horizons or structures that require further testing. The licence would be renewed on the condition that the proposed work program supporting the renewal application meets minimum standards by proposing to test said targets. In contrast, if the licence holder has only tested in one or two places by hand sampling, this may not justify a special circumstances renewal. The relevant decision maker would also consider how the licence holder identified the horizon/structure (i.e. whether it was through on-ground work or merely geology based on the Seamless map). In addition, the decision maker would consider the reasoning around the prospectivity claim to ensure it is not being used to justify an ongoing renewal by stretching out work in an area.

Ground required to test lower priority areas subject to the exploration licence

Historically MEG has renewed exploration licences with greater than 50 per cent of the spatial extent of the licence (under the existing provision in the Mining Act) where highly prospective parts of the licence were prioritised over others. Renewal with the extent of ground sought will depend on the type of priority target investigations. It is an underlying principle of the exploration framework to reward active exploration and data acquisition (preferably more tangible/focussed exploration such as geophysical acquisition or drilling). The investigation of

priority targets by tangible methods would likely support a renewal with the spatial extent requested by the applicant, provided the proposed work program supporting the renewal application meets minimum standards by setting out to work the un-explored targets. MEG would also expect to see the sum of the exploration effort and work done to match what had been originally proposed for the whole licence, so a renewed focus on a prospect does not result in a decrease in the total proposed work.

Extenuating factors

MEG has made adjustments to the clauses relating the extenuating factors to clarify that it is possible for an exploration licence to be renewed with the spatial extent requested by the applicant where a valid extenuating factor prevented the licence holder from exploring a portion of the ground subject to the licence. MEG will entertain the retention of ground (including 100 per cent in some cases) where the licence holder can identify the area that they have not been able to access due to a valid extenuating factor, or where they can demonstrate prospectivity over nominated ground for retention through their geoscientific data acquisition. This is now reflected in the final version of the document. In addition, MEG has included examples of how each extenuating factor would relate to special circumstances in the final draft.

With respect to project status, an exploration licence holder may have other ranked targets or prospects remaining to be tested on ground subject to the licence in question, or elsewhere within a project grouping. In this situation, MEG will grant a renewal with the requested spatial extent where it is geoscientifically justified. The project status consideration with respect to special circumstances is not a means for holding ground without ever testing its prospectivity. As such, MEG expects an exploration licence holder with a project grouping to prioritise the best targets and progressively relinquish ground containing the lowest priority targets.

Exploration licence renewal applicants requesting a particular spatial extent for use as a source authority for a higher form of tenure such as an assessment lease or mining lease will retain the required ground where they have either lodged an assessment lease application or a development application. MEG does not consider it appropriate to renew an exploration licence or allow for the retention of ground under an exploration licence for the purposes of rehabilitation. If there are outstanding rehabilitation obligations on relinquished ground, the Resources Regulator has sufficient powers under section 240 of the Mining Act to request the licence holder (or former licence holder) carry out the required rehabilitation.

Assessment leases policy - feedback and responses

Industry stakeholder made substantial comments about the assessment leases policy. Most of the comments related to the eligibility criteria for an assessment lease, the renewal criteria, the purpose of the assessment lease and its relationship with MEG's Minimum standards and Renewals policy. MEG did not receive any feedback from non-industry stakeholders or individual explorers.

Assessment lease eligibility criteria

Industry stakeholders:

- suggested that the resource categorisation criterion was too onerous as a Joint Ore Reserves Committee (JORC) or JORC-equivalent Indicated Resource or Measured Resource/Ore Reserve and that the categorisation could be softened to a JORC or JORC-equivalent Mineral Resource of which at least 50 per cent is categorised as Indicated
- suggested that owing to the above issue, the criterion to have completed a pre-feasibility study be adjusted to a scoping study, pursuant to level of resource categorisation
- suggested that the spatial extent of an assessment lease may not always be equivalent to the spatial of extent required for a future mining lease
- queried whether the policy provides for the grant of assessment leases over land adjacent to a resource (e.g. for tailings dam studies) subject to reasonable justification
- recommended additional criteria be included, such as that the applicant has not conducted an environmental impact assessment.

MEG response

MEG considers the resource categorisation eligibility threshold of at least 50 per cent JORC Indicated (or equivalent) as acceptable for an assessment lease and MEG has made this change to the final version of the document. This would be subject to the applicant meeting Minimum standards by submitting a work program that nominates stage 5 and includes a rationale, objectives and activities with the aim of progressing the resource to mining status. This accords with the notion of 'authentic and tangible progress'. As such, the requirement to have a pre-feasibility study completed has been adjusted to a scoping study to accord with the new resource categorisation criterion.

MEG acknowledges that in some cases, it may make sense for an assessment lease applicant to seek a spatial extent that would be larger than that which would be required for a future mining lease. MEG has adjusted this criterion and will require the assessment lease applicant to define the spatial extent sought as 'approximate' to what they would need if applying for a mining lease. Further, assessment leases may be granted over whatever land is requested, where justified as part of mine planning and noting that the definition of prospecting will be broadened to accommodate peripheral studies such as tailings dam studies. In any event, a proposed tailings dam would likely be in the spatial extent of a future mining lease.

Assessment lease renewal

Industry stakeholders:

- sought clarity on MEG's expectations around timeframes for when a resource would be 'reasonably likely' to become commercially viable to progress to mining status
- suggested that the extenuating factors in the Renewals policy also form part of the Assessment leases policy
- sought clarity on whether the commercial factors that necessitated the assessment lease application in the first instance needed to be the same for the lease to be renewed (noting that factors that influence progression to mining status vary of time)

- sought clarity on whether assessment leases could be renewed for use as a source authority for a mining lease application.

MEG response

To increase certainty and objectivity, MEG has adjusted the assessment lease renewal criteria to state that it must remain reasonable prospects for future economic extraction of the resource.

MEG has also amended the final version of the document to clarify that the factors that necessitated the assessment lease application in the first instance need not be the same factors when applying for assessment lease renewal. In addition, MEG has integrated some of the extenuating factors from the Renewals policy into the final version of the document, signalling that such factors may validate the non-completion of a stage 5 assessment lease work program insofar as the factors prevented access to land for the purposes of progressing the resource categorisation to 100 per cent JORC Indicated and ascertaining the likelihood of progressing the resource to mining status. In addition, the final version clarified that MEG may renew an assessment lease that the applicant wishes to use as a source authority for a mining lease application.

Assessment lease purpose and relationship with Minimum standards and the Renewals policy

Industry stakeholders:

- suggested the policy should recognise that the timing of progression to “mining status” should be at the discretion of the authority holder
- highlighted the difficulties in applying the Minimum standards to an assessment lease work program if the resource categorisation threshold remain at Measured JORC or JORC-equivalent resource (i.e. most or all of stage 5 would be complete)
- suggested that JORC-related terminology be removed if not referring specifically to JORC nouns
- suggested that the sentence outlining the overarching purpose of the assessment lease be amendment pursuant to the suggested changes to the resource categorisation eligibility criterion.

MEG response

Assessment leases are not a means for parking a resource indefinitely. Where commercial viability is not a mitigating factor, a well-defined resource should progress to mining status in a timely manner. In addition to consulting Minimum standards, the relevant decision-maker may consider whether granting or renewing an assessment lease is consistent with the objects of the Mining Act. MEG has agreed to lower the relevant assessment lease eligibility criterion threshold to a JORC or JORC-equivalent Mineral Resource, with 50 per cent or greater categorised as Indicated. This will enable an assessment lease applicant to nominate stage 5 in their proposed work program and list commensurate activities to be undertaken over the term of the assessment lease. MEG has updated the relevant sections relating to the overarching purpose of the assessment lease policy in the final version of the document. This now accords with the new resource categorisation eligibility criterion, in that the assessment

lease is available as a right of retention for exploration licence holders that have a well-defined JORC or JORC-equivalent Mineral Resource (at least 50 per cent Indicated) as a result of working through the stages of exploration in MEG's new work program form.