

Mineral Exploration and Development in Northern Ireland

Mineral Licences-Guidance for Applicants

Mineral Development Act

The Mineral Development Act (Northern Ireland) 1969 (“the 1969 Act”) vested most minerals in the Department and enables it to grant prospecting licences and mining licences for exploration and development of minerals. This licensing system is based on the provisions of the 1969 Act and on subsequent subordinate legislation. The provisions relating to prospecting for minerals are quite separate and distinct from those relating to the development of minerals. There is no automatic continuity between exploration and development work.

Exceptions to 1969 Act

The legislation covers all minerals with three main exceptions (the scheduled substances):

- (i) Gold and Silver belong to the Crown Estates and were not vested in the Department,
- (ii) the few mineral deposits (mainly salt) which were being worked at the time of the 1969 Act were not vested in the Department, and,
- (iii) ‘common’ substances including crushed rock, sand and gravel and brick clays are excluded.

A full list of these exceptions can be found in Schedule 1 to the 1969 Act. Development of these substances, although excluded from the Department’s licensing regime, is subject to the normal planning constraints of the Department of the Environment.

Licences for Precious Metals

Prospecting licences for precious metals are issued by the Crown Estate Commissioners (CEC) and companies wishing to explore for precious metals should apply simultaneously to CEC and the Department for licences. Once the Department issues its licence, CEC will normally issue a concurrent licence for a coterminous area.

Expression of Interest

The Expression of Interest (EoI) is valid for 12 months from the date of submission. At any time during this period, the EoI holder can submit to DETI a full application for a prospecting licence, or licences within the area of interest, which DETI will process in the usual manner. If DETI should receive any prospecting licence applications from third parties located wholly or partly within the area of interest, DETI will inform the EoI holder. The holder will then have 30 days to submit a competing application for the area, or part of it, as it so decides. The third party will also be made aware of any application made by the holder. However, the identity of the competing applicant would not be made known to either party, unless both parties agreed to this. Both applications would then be treated on their merits in a competitive situation. The EoI is not a guarantee that any prospecting licence would be awarded to the holder. Any data collected by the holder during this pre-licence phase covered by the EoI, will remain the property of the holder, unless the company chooses to make it available to the Geological Survey of Northern Ireland. If so, the company may request commercial confidentiality for a period not exceeding five years. If this is the case, all documentation should be clearly marked “Commercial in Confidence”. A company can place an EoI on the standard form.

Prospecting Licences

It is useful for any company considering an application for a prospecting licence to have preliminary discussions with the Minerals Branch of the Department and the GSNI. Officials in the Minerals Branch Headquarters can advise on administrative aspects while the GSNI can advise on the prospectivity of any particular area and the data available for inspection or purchase.

Conditions for Prospecting Licences

Prospecting licences are normally granted for an initial period of two years, and may provide for two further extensions of two years’ duration each. Licensees are required to carry out an agreed scheme of prospecting and to report the results of their work programmes to the Department on an annual basis or more frequently. This information can be kept confidential, if the company so requires, for up to ten years after submission, but after that it becomes publicly available. A licence gives the licensee the exclusive right to explore over the whole licensed area, which can cover up

to 250 square kilometres. Depending on the nature of the work to be undertaken, licensees are required to give up to four weeks notice of their intention to enter land. Licensees must seek the agreement of landowners before entering their property. Compensation is payable by the licensee to the landowner for any damage which may be caused during exploration.

Applications for Prospecting Licences

Applications may be made either on an application form or in the form prescribed in Schedule 1 to the Mineral Development (Applications, Fees and Model Clauses) Regulations (Northern Ireland) 1970. Details of the current fees are provided in the 1991 amendment to these regulations.

An application must be accompanied by two original 1:50,000 Ordnance Survey of Northern Ireland outline maps. The application area should be clearly delineated and the boundary should normally follow grid lines. The relevant fee (currently £450 for a prospecting licence) and audited accounts of the applicant company for the three years prior to the making of the application (together with, if applicable, similar audited accounts from any parent company) should also be included.

The Department will expect an applicant to provide a rationale for the proposed work programme showing an understanding of the geological information already available and to submit a phased and costed work programme.

Applications for extensions to Prospecting Licences

Applications may be made either on an application form or in the form prescribed in Schedule 1 of the Mineral Development (Applications, Fees and Model Clauses) Regulations (Northern Ireland) 1970.

An application must be accompanied by the relevant fee (currently £300 for an extension to a prospecting licence), the most recent audited company Annual Report and an Interim report covering the work completed on the current licence since the last reporting period.

The Department will expect an applicant to provide a rationale for the proposed work programme showing an understanding of the geological information already available and to submit a phased and costed work programme. Before extending a licence the Department must be satisfied that the licensee has fully observed and preformed the terms and conditions of the licence.

Processing Applications

Applications take approximately four months to process. When considering any application for the issue of a licence, the Department must be satisfied that the applicant has the technical and financial resources to carry out the proposed exploration.

Under the provisions of the 1969 Act the Department is required to consult other Departments and public bodies concerning its intention to issue a licence. Also in accordance with the 1969 Act the Department is obliged to place notices in the Belfast Gazette and at least one local newspaper circulating in the area to provide an opportunity for the public, particularly the owners of the surface land within the application area, to make their views known.

All representations are considered by the Department and, if appropriate, passed to the company together with the draft licence and a 'letter of offer'. This 'letter of offer' may contain a number of conditions as consultees anticipate possible development at a later stage. At the prospecting stage however it is normally sufficient for the company to keep the listed contacts informed of its plans and progress.

When the conditions in the 'letter of offer' are accepted and the terms of the draft licence agreed, the final versions (engrossments) of the licence are prepared and then executed by the company and the Department.

Every application for a prospecting licence is treated on its own merits and in accordance with the provisions of the 1969 Act.

Planning Permission

Planning permission is not required for the initial stages of exploration though the Planning Service of the Department of the Environment should be kept informed of the nature and scale of the company's activities. Companies who hold prospecting licences and are considering extraction should discuss any such proposals with Minerals Branch and the Planning Service at an early stage.

Environmental legislation

The Government is committed to the principles of sustainable development and environmental protection. In Northern Ireland, mineral exploration and development takes place within a framework of environmental legislation that is intended to protect the natural heritage and minimise environmental impact. Various environmental European Directives are enforced through locally enacted statutory rules and regulations. These are administered by the Department of the Environment (Environment and Heritage Service and the Planning Service) and companies are advised to liaise with these bodies.

Mining Licences and Leases

A company that finds minerals in commercial quantities and seeks to develop these is required to apply to the Department for a mining licence or a mining lease under the provisions of 1969 Act. There are separate and distinct provisions in the 1969 Act dealing with mining licences and leases. It is also necessary to apply to the Department of the Environment for planning permission. An environmental impact assessment will be required.

Applications for Mining Licences and Leases

An application for a mining licence should be presented in the form prescribed in Schedule 1 of the 1970 Regulations. Each application should include reserve calculations, details of the geological evidence on which they are based and a scheme of mineral working. Information should also be provided concerning the ownership of the surface land and, if known, about the former ownership of the mineral rights. An application must be accompanied by two original Ordnance Survey 1:10,000 maps showing the application area and three 1:2,500 maps illustrating the proposed mine design. The relevant fee (currently £2,000 for a mining licence or lease) should be included together with audited accounts of the applicant company for the three years prior to the making of the application (and if applicable, similar audited accounts from any parent company) if these have not already been supplied.

Processing of Mining Licences and Leases

In considering any applications for mining licences and leases the Department, in accordance with the provisions of the 1969 Act, investigates the technical and financial resources of the applicant and carries out a consultation procedure. Advice is taken from consultants who have expertise in mining to ensure that the proposed mine design is based on adequate geological data and that potentially hazardous conditions have been located and defined. In addition to the usual consultees, the Department consults the Health and Safety Executive for Northern Ireland about the safety aspects of the proposed mine, and the Valuation and Lands Agency on the question of royalties.

Every application for a mining licence or lease is treated on its own merits and in accordance with the provisions of the 1969 Act.

Royalties and Compensation to Former Owners of Mineral Rights

Under the 1969 Act compensation becomes payable to 'former mineral rights owners' when minerals are extracted. The Department collects royalties from mining companies based on the quantity of minerals mined, and then pays compensation to the former owners of the mineral rights by apportioning the royalties less a deduction for administrative costs.

In respect of any precious metals extracted royalties are negotiated with and collected by the Crown Estate Commissioners.

Relevant Legislation

Mineral Development Act (Northern Ireland) 1969.

Mineral Development (Application, Fees and Model Clauses) Regulations (Northern Ireland) 1970-SR 1970 No 20.

Mineral Development (Application, Fees and Model Clauses) (Amendment) Regulations (Northern Ireland) 1986-SR 1986 No 152.

Mineral Development (Application, Fees and Model Clauses) (Amendment) Regulations (Northern Ireland) 1991-SR1991 No74.