

## Section 2.3

# Mineral Licences - Guidance for Applicants

## General Information

### 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. The legislation, and the licensing process and the requirement for environmental impact assessment reflect the fact that there is no automatic continuity between exploration and development work.

### Exceptions to 1969 Act

The legislation covers all minerals with these exceptions (the scheduled substances).

- (i) These are: 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.

## Prospecting Licences

### Preliminary Discussions with the Department’s Energy Division and Geological Survey of Northern Ireland

It is useful for any company considering an application for a prospecting licence to have preliminary discussions with the Energy Division of the Department. Officials in the Energy Division Headquarters can advise on administrative aspects while the Geological Survey of Northern Ireland, GSNI can advise on the prospectivity of any particular area and the data available for inspection or purchase. (Further information about GSNI is provided in Section 4).



### **Conditions for Prospecting Licences**

Prospecting licences are normally granted for an initial period of two years, and may provide for not more than two extensions each of two years' duration. Licensees are required to carry out an agreed scheme of prospecting and to report the result 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, 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 (available from the Department) 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.

### **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 large 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 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 early 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 Energy Division and the Planning Service at an early stage.

## **Mining Licences and Leases**

### **Mineral Development**

A company which 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 the Mineral Development 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.

### **Applications for Mining Licences and Leases**

An application for a mining licence should be presented in the form prescribed in Schedule 1 to 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 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-SR 1991 No 74.

