



Mining Lease Restricted to Minerals Dissolved in Brine

Purpose

This document summarises the guidelines used by the Department of Mines, Industry Regulation and Safety (DMIRS) for Mining Leases Restricted to Minerals Dissolved in Brine.

Background

Projects involving potash and other minerals dissolved in brine are generally located on salt lakes in remote regions of Western Australia. The majority of the proposed projects require mining tenure over expansive areas that are 10 to 20 times bigger than areas under tenure for the largest conventional mining operations in Western Australia.

Section 110 of the *Mining Act 1978* (Mining Act) gives discretionary power to the Minister to grant a mining lease restricted to mining of specific minerals, having regard to the locality of the land and if it is in the public interest.

On 24 May 2019, the Mining Regulations 1981 (Mining Regulations) were amended to introduce a concessionary rental rate for mining leases restricted to minerals dissolved in brine. The concessionary rate is directed at supporting the establishment of the potash mining industry in Western Australia by reducing the fixed cost imposed by government to a level more comparable with other conventional mining operations.

Guidelines

The restricted mining lease and concessionary rent rate is only available to proponents seeking to extract minerals dissolved in brine, which may include potash, halite (salt), iodine, lithium, magnesium, bromine, and/or other materials. The brine may be groundwater, surface water or seawater. Brine mining differs from solution mining or in-situ leaching in that those methods inject water or chemicals to dissolve materials that are in a solid state. In brine mining, the minerals are already naturally dissolved.

Proponents should make a concise written submission summarising the key points why the application should be restricted to minerals dissolved in brine, having regard to the locality of the land and if it is in the public interest.

Relevant information should include, but not be limited to, the:

- expected economic and social benefits that advance the interest or welfare of the public, society and the State of Western Australia;
- impacts and relationships with local and regional communities and businesses; and
- impacts and relationships with other resource developments and projects located in the vicinity.

Pertinent to the public interest test is the engagement the applicant has with other interested parties including Local Government, Native Title parties and other land users such as affected pastoralists.

The submission should be made to DMIRS at the time the mining lease application is lodged or as soon as reasonably practicable after lodgement if the submission does not accompany the application.

Applicants may be requested to provide additional information to support the submission.

For the mining lease application to be valid, it must be accompanied by, among other items, the first year's rent at the standard mining lease rate, as prescribed at item 8, Schedule 2 to the Mining Regulations. This is because the Minister's discretion to restrict the mining lease to minerals dissolved in brine with the concessionary rent rate can only be exercised later, at the time the mining lease is granted.

Payment

As at June 2019, DMIRS has a policy that limits the payment by credit card to a maximum of \$99,999.00. This means that any application for a mining lease greater than 5,300 hectares cannot be lodged through the department's online application portal and must be lodged at a Mining Registrar's office (including Perth). It must be accompanied by a bank cheque for the total amount of the application fee and first year's rent.

A refund of the calculated difference in rent between the standard mining lease rent rate (item 8) and the concessionary rent rate (item 9), as prescribed in Schedule 2 to the Mining Regulations, will be made immediately after the mining lease restricted to minerals dissolved in brine is granted.

Holders of a mining lease restricted to minerals dissolved in brine remain subject to the statutory covenants and conditions. These include the standard expenditure requirements. Otherwise, holders can apply for an exemption under Section 102 of the Mining Act.

Because the Minister exercises the discretion under Section 110 of the Mining Act at the time of grant, the restricted mineral provisions cannot be applied retrospectively to existing mining leases.

Reference links

Section 110 of the *Mining Act 1978*

Section 102 of the *Mining Act 1978*

Schedule 2 – Fees and Rents of the Mining Regulations 1981

Regulation 64 (8) of the Mining Regulations 1981

Regulation 149 of the Mining Regulations 1981

Section 26D of the *Native Title Act 1993*

Government of Western Australia

Department of Mines, Industry Regulation and Safety

8.30am – 4.30pm

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