



Information Series

EXPLORATION LICENCES GRATICULAR BOUNDARY SYSTEM

7

PART I

INTRODUCTION

The Mining Amendment Act No. 22 of 1990 provides for exploration licences to have boundaries defined by lines of predetermined latitudes and longitudes.

The amending legislation applies to all exploration licences lodged on or after the commencement date 28 June 1991.

All existing exploration licences and applications pending prior to 28 June 1991 are subject to the then existing rules, as if this amendment had not been made.

PART 2

ANSWERS TO SOME COMMON QUESTIONS

1. **What is a graticule, a graticular section and a block?**

- The surface of the earth is divided by predetermined lines of latitude and longitude into regular units of land.
- The lines are known as GRATICULES and the units of land created are called GRATICULAR SECTIONS.
- The basic graticular section under the legislation will be one minute of latitude by one minute of longitude.
- A part graticular section will be counted as one full graticular section and both a full and a part graticular section for the purposes of the legislation will each be known as a BLOCK.

2. **How are blocks numbered?**

- Each block has a unique reference number (block identifier) and this number comprises three components.
 - (i) 1:1,000,000 Plan Name – There are twenty two 1:1,000,000 plans which in total cover the State of Western Australia.
 - (ii) Primary Number – Each 1:1,000,000 plan is divided into 5 minute x 5 minute areas and each of these areas are in turn numbered from 1 to 3456 to give the Primary Number.
 - (iii) Graticular Section – Each 5 minute by 5 minute area (i.e. Primary Number) is divided into twenty five, one minute by one minute areas to give the basic graticular section. Each of these twenty five one minute by one minute areas are in turn identified by the letters a to z (omitting i).

- To correctly identify a block each of these three components must be given for example: Hamersley Range 1:1,000,000; 2300; h

3. **How do I apply for an exploration licence under the graticular boundary system?**

- There is no change to the method of application that is currently in use for exploration licences.
- However, it will now be necessary to complete two new attachments to the Form 21 Application for Mining Tenement.
- Attachment 1 identifies the block or blocks applied for. The individual block reference number is endorsed onto this attachment.
- Attachment 2 is the map. The individual blocks together with an outline of the external boundaries of the licence application are delineated onto this attachment.
- An example of how to complete the Form 21 and Attachments 1 and 2 is shown in Part 4 of this pamphlet.

4. **Is there a limit on the number of blocks that can be included in the grant of an exploration licence?**

Yes, an exploration licence is limited to;

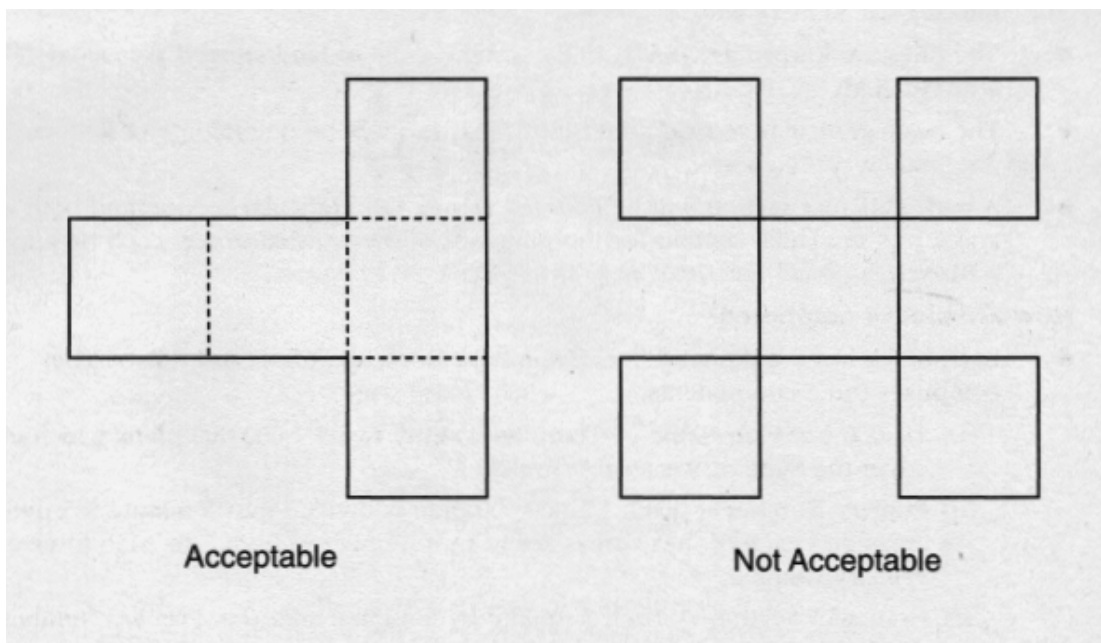
- a block or a maximum of 70 blocks within the known mineralisation zones.
- a block or a maximum of 200 blocks outside of known mineralisation zones.

Mineralisation zones are detailed on Tengraph as follows: Special Category: MZ/1 or MZ2 Mineralisation Zone, Non Section 57(2aa).

There is no limitation on the number of exploration licences that a person may hold.

5. **Is there any restriction on the shape of an exploration licence?**

- Yes, where an exploration licence is granted in respect of more than one block the licence must constitute a single group such that each block has at least one side in common with another in the group.
- There are a number of exceptions to this rule for more details refer to Sections 57(2b) and 65(1) of the Mining Act 1978.



6. **What costs are involved?**

- Each exploration licence applied for will attract an application fee and annual rental at a rate prescribed from time to time in the Mining Regulations. An information sheet is available from the Department which shows the fees and charges applicable to the various tenement types.

7. **How much is a licensee required to expend on exploration each year?**

Expenditure is based on the number of blocks granted in an exploration licence and the term the licence is held.

(a) during the years 1 to 3 of the term of the licence \$1000.00 per block -

- With a minimum of \$10,000.00 where only one block is subject to the licence;
- With a minimum of \$15,000.00 where 2 to 5 blocks are subject to the licence;
- With a minimum \$20,000.00 where 6 or more blocks are subject to the licence;

(b) during each of years 4 and 5 of the term of the licence \$1500.00 per block -

- With a minimum of \$10,000.00 where only one block is subject to the licence;
- With a minimum of \$20,000.00 where 2 to 5 blocks are subject to the licence;
- With a minimum \$30,000.00 where 6 or more blocks are subject to the licence;

(c) during years 6 and 7 of the term of the licence \$2000.00 per block -

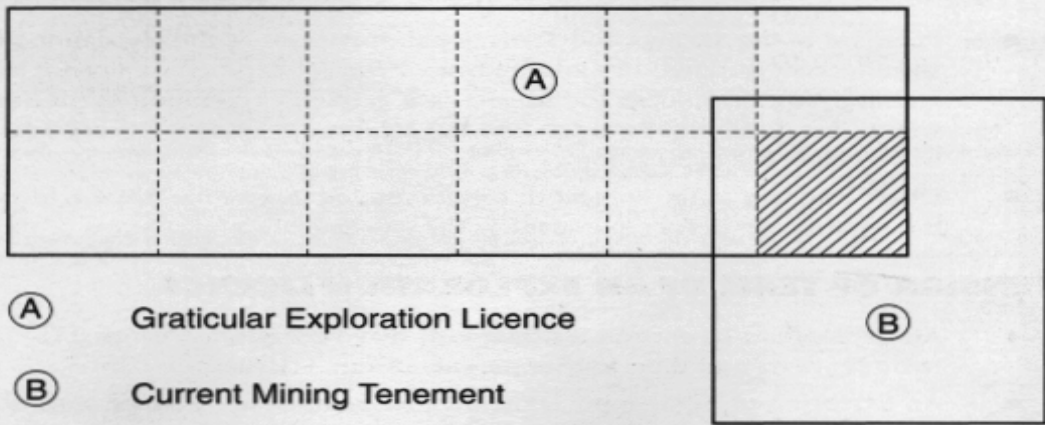
- With a minimum of \$15,000.00 where only one block is subject to the licence;
- With a minimum of \$30,000.00 where 2 to 5 blocks are subject to the licence;
- With a minimum \$50,000.00 where 6 or more blocks are subject to the licence;



(d) During year 8, and each subsequent year of the term of the licence, \$3,000 per block -

- With a minimum of \$20,000 where only one block is the subject of the licence;
- With a minimum of \$50,000.00 where 2 to 5 blocks are subject to the licence;
- With a minimum \$70,000.00 where 6 or more blocks are subject to the licence;

8. **What happens when a block is the subject of a current mining tenement?**

- Where a block is WHOLLY the subject of a current mining tenement then the block CANNOT be included in the grant of an exploration licence.
- Where a portion of a block is the subject of a current mining tenement then an exploration licence may be granted in respect of the rest of the block which is not the subject of a current mining tenement. However, for the purposes of the Mining Act the licence is deemed to be granted in respect of the WHOLE of the block.
- Note that land which is the subject of a current mining tenement is unavailable for exploration by the licensee and the rights of the current mining tenement holder are preserved, including the right of access.



- Ⓐ Graticular Exploration Licence
- Ⓑ Current Mining Tenement
- Boundaries of Block
-  Block Not Included In Grant
-  Whole Block Deemed Included in Grant

9. What happens when a block at the time of application is the subject of a current mining tenement, and that mining tenement is surrendered, forfeited or expires prior to the grant of an exploration licence?

Essentially the same rules apply as in answer to Question 8, except where the tenement which died is a non-graticular exploration licence.

- Where the WHOLE block is affected the block cannot be included in the grant.
- Where the block is PARTLY affected then a licence may be granted in respect of the rest of the block, however the whole of the block is deemed to be included in the licence.
- The land the subject of the former mining tenement is unavailable for exploration but is available for marking out and application by any other person (but not as an exploration licence).
- If the tenement which dies is a non-graticular exploration licence (pre 28 June 1991) any relevant part blocks affected are deemed to be included in the application for the graticular licence (except if any forfeiture of the non-graticular licence was the result of plaintiff action).

10. Is it compulsory for a licensee to surrender 50% of the licence before the expiry of the third and fourth year of the term of the licence? Note: The following relates to exploration licences in force or applied for prior to 10 February 2006.

- Yes, a licensee is required to surrender not less than half the number of the blocks the subject of the licence.
- Where the number of blocks is uneven then the following formula is used:

$$S = \frac{N - 1}{2}$$

Where S means the number of blocks to be surrendered; and 2 N means the number of blocks in the licence.

11. Exploration Licences applied for and granted after 10 February 2006 are required to surrender 40% of the licence at the end of the 5th year of the term.

PART 3

INCORPORATION OF ADDITIONAL LAND INTO AN EXPLORATION LICENCE

- Pursuant to the Savings and Transitional provisions of the legislation all land surrendered, forfeited or expiring from a current exploration licence that is situated within a block or blocks the subject of a granted exploration licence (not full blocks) will automatically be included into the subject exploration licence and that land will be available for exploration.
- Other land that is the subject of former mining tenements may be incorporated into the exploration licence pursuant to the amalgamation provisions of the Mining Act.

EXTENSION OF TERM OF AN EXPLORATION LICENCE

- An exploration licence in its final year may be extended for an initial period of 5 years, then further periods of 2 years.
- An Extension of Term application shall be made in accordance with Section 61 of the Mining Act 1978 and Regulation 23A of the Mining Regulations 1981.

Note: An exploration licence granted or applied for and not granted prior to 10 February 2006 may extend the term in prescribed circumstances by a period of 2 years, one further period of 2 years and in exceptional circumstances by a further period or periods of one year.

FORM 21 - ATTACHMENT 2

MAP SHOWING BLOCKS APPLIED FOR IN EXPLORATION LICENCE No/.....

(i) Indicate 1:1,000,000 Plan Name(s) highlighting sheet boundaries in the areas marked (*) e.g. Kalgoorlie

(ii) Indicate Graticular Section e.g.



(iii) Indicate Primary Number(s) e.g.

PRIMARY No. 318

(iv) Outline external boundaries of licence applied for.

		1 : 1,000,000 PLAN NAME(S)					
		* WAMESLEY RANGE	* OAKOVER RIVER	* OAKOVER RIVER	* OAKOVER RIVER	*	
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			* WAMESLEY RANGE	* OAKOVER RIVER	* OAKOVER RIVER	* OAKOVER RIVER	*
			1 : 1,000,000 PLAN NAME(S)				

This pamphlet is issued by the Mineral Titles Division of the Department of Mines and Petroleum.

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N.B. The information contained in this pamphlet is designed to assist in gaining a general awareness of the requirements of the Mining Act 1978 and is not intended to be a substitute for understanding the statutory requirements of the Act and Regulations thereunder.