

North Central Victorian Goldfields Ground Release Information Sessions

Questions and answers

Q. Could mining occur beneath the Axedale township?

A. Successful tenderers as part of the North Central Victorian Goldfields Ground Release will be eligible to apply for a minerals exploration licence. Mining activity is not permitted under an exploration licence.

Minerals exploration is permissible within townships. However, not all areas within a township are accessible.

A licensee must not do any work under the licence within 100 metres of, or within 100 metres below, a dwelling that existed before an approved work plan was registered.

Written consent from the property owner, however, may allow such work to proceed.

Q. What if my private land sits within a block?

Will this mining be on public land or private land?

A. In Victoria, like all other states in Australia, the Crown owns the minerals on behalf of all the people. An act of parliament, the [Mineral Resources \(Sustainable Development\) Act 1990](#) (MRSD Act) gives the government the right to grant licences to companies to search for minerals. They can generally undertake that search on both Crown land and freehold land (with landholder consent).

You can find out more information about earth resources licences that might be near your property at [Mining Licences Near Me](#).

Q. What are the expected timelines to progress from exploration to full mining operations?

- A.** Exploration licences are generally issued for five years, usually with the option to renew the licence for a further five years.

In the event a commercial deposit was identified as part of exploration, there is a robust approvals process that a company is required to go through to obtain a mining licence and commence mining.

This process is comprehensive. It can take between 10 years and 20 years from the start of exploration to receive approval to develop a mine.

- Q. How many companies submitted tenders?**

What percentage are Australian owned?

- A.** There was a strong response to the tender, with a higher than expected number of submissions received.

Given the assessment of tenders is ongoing, the number of tenderers and the ownership status of companies that submitted a tender cannot be disclosed.

- Q. What is typical compensation as a daily rate?**

- A.** Compensation is usually agreed by negotiation between the landholder and the licensee. A financial payment may be involved but may also include work in lieu of a financial payment (such as new fencing or road grading).

Compensation agreements must be in writing and lodged with the mining registrar. We recommend you seek legal advice before you enter into a compensation agreement.

The MRSD Act specifies that compensation is payable to the landholder or occupier for any of the following (as long as they arise from exploration work or a proposal to carry out the activity):

- Deprivation of possession of the whole or part of the surface of the land
- Damage to the surface of the land and to any improvements on the land
- Access from one paddock to another is severed by exploration works
- Loss of amenity including recreational and conservation values
- Loss of opportunity to make planned improvements
- Any decrease in market value of the owner's or occupier's interest in the land
- Any reasonable incidental expense in obtaining or moving to replace land (when required).

The MRSD Act does not state that these are the only factors for which compensation is payable. Additional items can be negotiated between the parties.

Compensation is not payable for the value of the minerals, nor is it a prerequisite for landholder consent.

Q. What is the timeframe for this project?

What are the plans if a commercial mineral deposit is identified?

- A.** Applications for mining activities involve detailed and stringent planning approvals and regulatory controls. Studies are undertaken to assess potential environmental, social and economic impacts, how these will be managed, and extensive consultation with communities. This process is comprehensive. It can take between 10 years and 20 years from the start of exploration to receive approval to develop a mine

In addition to government approval, the company is also required to purchase or lease the land required to undertake mining from the existing landholder.

Q. Is this proposed to be above or underground mining?

A. The licences to be issued as part of the North Central Victorian Goldfields Ground Release are for minerals exploration only. However, the nature of the geology of the area suggests that if a commercially viable deposit is found and a mine was to be approved, it would be underground.

The process for being granted approval to build and operate a mine in Victoria is very rigorous. It involves detailed environmental, heritage, land planning and water assessments, and detailed studies to assess potential environmental, social and economic impacts.

Q. Will these companies receive government funding for exploration?

A. There are currently no new government grants to support minerals exploration in Victoria.

Q. What are the benefits to the landowners from future projects that may be done on their land?

A. Where compensation is required, landholders will receive payment on terms they negotiate with the explorer.

Landholders, like local communities, also benefit indirectly from regional economic flow-on effects because the explorer will spend locally on goods and services such as fuel, equipment, food and staff accommodation. Explorers may also employ local people to assist with exploration and rehabilitation work.

Minerals exploration expenditure increased by 33 per cent to \$136.5 million in 2019-20, up from \$102.3 million in 2018-19 (seasonally adjusted).

In the last financial year, minerals exploration licence holders in north central Victoria spent \$18.2 million on local exploration activities.

Q. We have a covenant and the critically endangered Plains Wanderer on our native grassland. Do we have to allow drilling if we do not want?

A. Conservation covenants generally impose limitations on the use of that land for both the current and future landholders of the property. Legal rights to the topsoil are held by the property owner, while legal rights to the minerals below the soil are held by the Crown. As a result, the security of existing covenants is not a given.

The department recommends landholders make known to explorers any sensitive sites when negotiating the terms and conditions for consent to access private property.

A licensee must take all reasonable measures relating to crops, livestock, native vegetation and faunal habitats, so it is highly likely they will be amenable to avoiding these areas and addressing landholder concerns.

Several State and Commonwealth acts provide safeguards to threatened species of flora and fauna and their habitats, including the [Flora and Fauna Guarantee Act 1988](#), [Environment Protection and Biodiversity Conservation Act 1999](#) and the [Wildlife Act 1975](#) with additional safeguards provided under the MRSD Act.

The department commissioned Jacobs Engineering to undertake a land inventory and assessment project to support the ground release. This project identified features within or near the ground release area that are of regional significance or community interest from environmental, cultural and/or socio-economic perspectives. The Plains Wanderer was one bird species identified in the Jacobs consultations with the North Central Catchment Management Authority.

The inventory's Environment section highlights threatened species of native flora and fauna listed under Commonwealth and/or Victorian

legislation, including records of birds listed under international migratory bird agreements. Listed species, such as the Plains Wanderer, are protected wherever they are located. These cannot be disturbed without appropriate approval.

The MRSD Act allows access to freehold land for exploration activity with the prior consent of the landholder and/or occupier, including compensation, if applicable.

If agreement cannot be reached, landholders and exploration companies can seek mediation through the Mining Warden. If mediation does not achieve an outcome and the landholder does not provide consent and/or an appropriate amount of compensation cannot be agreed, then either party may refer the matter to the Victorian Civil and Administrative Tribunal (VCAT) or the Supreme Court.

VCAT or the Supreme Court will determine how much compensation you are entitled to, not whether the licensee has the right to search for minerals on your property.

Once compensation has been determined by VCAT or the Supreme Court, exploration may be undertaken on the landholders' property.

Landholders are encouraged to seek their own legal advice on these matters. Normal costs rules would apply (ordinarily each member bears their own costs) but ultimately this is a matter for the Tribunal or Court to make a ruling.

Q. Under the North Central Victorian Goldfields Ground Release, if a licensee discovers a commercial deposit quickly, could they have a mining licence application fast-tracked?

A. No, the licence holder would be required to go through the same process as for any mining licence application.

Q. What is the level of philanthropy expected through the assessment of social licence of the tenderers?

A. The Victorian Government encourages a commercially viable resources sector which makes the best use of mineral resources in a way that is compatible with the economic growth, social and cultural wellbeing and environmental health of the state.

As part of the responses, tenderers were required to demonstrate their plans for community engagement and building and maintaining a social licence to operate. In fact, 45 per cent of the total tender evaluation criteria relate to responsible exploration criteria.

Q. Could a tenderer seek all four blocks, e.g. could Fosterville “win” all four North Central Victorian Goldfields Ground Release blocks or must there be four different companies?

A. Yes, tenderers were eligible to submit a tender response for more than one of the four blocks being made available through the North Central Victorian Goldfields Ground Release.

Q. If Fosterville is one of the successful tenderers, would it be able to expand its mining operations south from its current licence area?

A. A mining licence would be required for Fosterville to expand its operations into nearby areas.

To progress from an exploration to a mining licence, studies must first be undertaken to assess potential environmental, social and economic impacts, how these will be managed, as well as extensive consultation with communities.

This process is comprehensive. It can take between 10 years and 20 years from the start of exploration to receive approval to develop a mine.

Q. What is the expected date of the land release announcement of successful tenderer(s)?

A. The date for announcing successful tenders as part of the North Central Victorian Goldfields Ground Release is yet to be confirmed.

We expect to be able to provide an update soon.

Q. What are the expected exploration performance milestones for the successful tenderer(s)?

A. The conditions of the licences may include requirements for licence holders to report against particular work program commitments and milestones.

Licensees will be required to provide an annual activity and expenditure report and a technical report in relation to any exploration undertaken under the licence.

Q. What vetting do you do of foreign tenderers, particularly Chinese applicants, for these blocks?

A. With the North Central Victorian Goldfields Ground Release, we are taking a strategic approach to the release of ground for exploration in the region due to the geological data indicating that the area is prospective for [gold](#) and [other minerals](#).

Requiring all companies to compete in a tender process allows us to select the best minerals exploration programs and the most appropriate explorers. The tender guidelines emphasised the importance of good social values and a commitment to working with Traditional Owners, local communities and landholders.

Successful tenderers (subject to licensing) will gain the exclusive mineral exploration rights for the relevant block(s). The successful tenderers,

irrespective of whether they're based within Australia or internationally, will still need to satisfy the legislative requirements under Section 15(6) of the MRSD Act, including demonstrating they they're a [fit and proper person](#) to hold a licence, providing evidence of an appropriate exploration work program and demonstrating that they can fund both the work and a rehabilitation bond.

Q. Will the successful tenderers have an opportunity to engage with the community alongside Earth Resources Regulation engagement in joint information sessions?

When and how will the successful tender applications be advertised to the community?

A. The successful licensees for all four blocks will be invited to join the Earth Resources team for community information sessions. These sessions will follow the completion of the applications for each of the licences.