

Mineral and coal exploration statement April 2022

Introduction

The Mineral and coal exploration statement (Exploration statement) signals the NSW Government's approach to promoting and facilitating active and responsible exploration activity to achieve its aim to be the preferred Australian jurisdiction for exploration and mining investment. This includes the Government's support for acquiring and sharing quality pre-competitive geoscientific data, assisting new explorers in getting onto the ground in NSW and driving high performance to instil landholder and community confidence in the state's resources sector. NSW is a world-class exploration and mining jurisdiction with exceptional resource endowment and a robust yet supportive regulatory environment. The Exploration statement should be read in conjunction with the Overview of exploration in NSW and other relevant policies listed in these documents.

NSW: open for business, open for explorers

NSW is open for business for mineral and coal exploration investment. Exploration activity is fundamental to realising the full economic benefit of our state's resources and assisting the government in achieving its economic vision and priorities. The NSW Government aspires to be the preferred investment destination for exploration and mining in Australia. It is a NSW Government priority to continue to encourage and facilitate the ongoing development of the state's resources for the public benefit.

Supporting the state's strategic economic priorities

The NSW Government has released the Critical Minerals and High Tech Metals Strategy, building on the [NSW Minerals Strategy](#) to help unlock the state's critical mineral potential and become a leading global supplier. The Government has also clearly signalled its position on coal resource development as a long-term global transition toward low carbon energy takes place. The [Strategic Statement on the Future of Coal Mining and Exploration](#) identified areas where new coal exploration cannot occur, as well as committing to streamlining the process for allocating coal exploration licences in areas adjacent to current mines.

The NSW Government's strategic priorities extend to the development of an integrated local critical minerals supply chain. This will leverage the state's resource potential and offer greater supply chain diversity and security to local and global customers. Developing this industrial capability presents an opportunity to capitalise on the forecast growth in demand for minerals used in advanced manufacturing (such as electric vehicles, batteries and mobile phones), renewable energy, defence applications. NSW is well placed to meet this demand and holds

significant resource potential, particularly for copper, zirconium, rare earths, cobalt and scandium, with further unexplored potential. Mineral exploration is crucial to realising this strategic priority.

Mineral exploration is also critical to supporting the refreshed [*20 Year Economic Vision for Regional NSW*](#). The Economic Vision highlights the importance of mining and exploration to the regional and state economy and identifies renewable energy and advanced manufacturing as emerging industries in NSW.

The NSW Government encourages exploration activity in greenfields areas that will test new geological ideas and models and exploration in regions covered by significant cover of ground. As little as five per cent of all drilling for minerals in NSW has been deeper than 150 metres and almost all exploration has focused on areas where the rocks hosting metal deposits are near the surface. This means as much as 80 per cent of the state's rugged landscape remains unexplored.

The NSW Government is also committed to giving assistance to explorers. The [*New Frontiers Cooperative Drilling Program*](#) is designed to promote investment in NSW by providing grants to applicants for exploration drilling programs targeting base metals, precious stones and mineral sands. Grants are awarded to programs that demonstrate strong prospectivity, sound financial planning and a proven technical base. From 2014 to 2021, the program delivered three rounds of grants, with a maximum of \$200,000 awarded per project. This has resulted in an expansion in publicly available pre-competitive geoscientific data.

NSW: a world-class exploration jurisdiction

NSW is a politically stable and supportive mineral and coal exploration jurisdiction with immense resource potential and a robust regulatory environment. NSW has exceptional gold and copper deposits, substantial high-quality coal resources, among many other commodities including lead, silver, zinc and mineral sands. NSW also has a high-quality geoscientific database supporting its considerable untapped resource potential in conventional metals and emerging critical and technology minerals.

Quality pre-competitive geoscientific data

The NSW geoscientific database is designed to support explorers in generating exploration targets across the state. Much of this pre-competitive geoscientific data is freely available and accessible online through the interactive mapping application [*MinView*](#). This includes:

- geological mapping
- mineral systems studies
- geophysical surveys and interpretations
- basin studies
- energy resource assessment
- geochronology

- palaeostratigraphy
- database development and 3D mapping
- spatial data on actual and potential development constraints and considerations (e.g. land uses, biodiversity, water resources).

The [NSW Statewide Seamless Geology map](#) is one of the most complex geodata sets ever compiled and released worldwide. In addition, the [DiGS publication archive](#) is a fully searchable database, with more than 140,000 maps, publications and reports available for free download.

The NSW Government is committed to the ongoing development of its geoscientific database and is currently working to deliver the following priority projects:

- An annual exploration report release policy - supporting the Government's commitment to making historical data more readily available in the public domain to encourage greater exploration investment and activity.
- The [NSW Seamless Geology Project](#) - the first of its kind in Australia, which provides a state-wide compilation of the best available mapping data in an internally consistent format. This is delivering a single, dynamic state-wide geological model that can be interrogated at the best resolution available, improving access to the wealth of historical geoscientific data for NSW.
- A 'critical minerals' map layer in [MinView](#), offering unprecedented access to data on prospective resources such as cobalt, scandium and rare earths.
- The Geological Survey of New South Wales' participation in the MinEx Cooperative Research Centre's [National Drilling Initiative](#) program, committing \$16 million to the program over 10 years to undertake [geological mapping](#), [airborne electromagnetic](#) and other geophysical surveys, [hydrogeochemistry](#), [biogeochemistry](#), and drilling in the Central West and Far West of the state.
- Rare Earth Resource Potential ARC Linkage Project, examining the potential for new styles of rare earth element (REE) mineralisation, with a focus on alkaline volcanism in the eastern half of NSW and potential REE-phosphate bearing systems in the Curnamona Province.
- Geological mapping, including [generation of 3D models](#) of lithological and structural aspects of basin and orogenic provinces, at scales ranging from broad to site specific.

A supportive, stable investment environment

In addition to providing high-quality geoscientific data, the NSW Government is committed to reducing red tape and streamlining elements of its regulatory framework to help unlock the state's untapped resource potential. These initiatives will reduce friction, improve exploration regulation and encourage and facilitate the next round of major resource discoveries across the state.

Facilitating effective and sustainable mineral and coal exploration in NSW

NSW is open for business for explorers that are committed to active and responsible exploration activity. The resources project lifecycle starts with exploration and junior and mid-tier companies are the engine room of the sector. Exploration is an iterative and dynamic process, as are the variables that influence resource development such as commodity prices, investment capital flows and technologies.

The NSW Government's approach to mineral and coal exploration directly supports the objects of the state's mining legislation by facilitating the discovery and development of the state's mineral and coal resources in a timely and effective manner. It also provides confidence to the community and stakeholders, landholders and the government in the way in which resources are discovered and developed occurs across the state, and that the rights of landowners and the interests of the community will be protected.

The general rule for exploration for minerals is 'first in time'. Explorers utilise the NSW geoscientific database and their own information to generate exploration targets across the state and apply for an exploration licence for land when it becomes available for exploration.

The NSW Government developed the [Strategic Release Framework for Coal and Petroleum Exploration](#) to deliver greater transparency and control over the release of exploration areas and the granting of prospecting titles for coal and petroleum resources. The framework recognises there are competing uses for land and seeks to balance these interests. Areas will be released for exploration only after environmental, social and economic factors have been considered and the community has had an opportunity to identify its values and issues. This will facilitate the safe and sustainable development of resources under a process that balances the needs of the community, the economy and the environment.

Driving high performance and striving for greater landholder certainty

While only a small number of exploration areas progress to mining operations, the Government recognises that exploration activity can generate uncertainty for landholders and communities. Supporting the exploration mission while reducing community and landholder uncertainty requires confidence in the regulatory framework and government policies and procedures that facilitate responsible exploration activity. This includes ensuring that exploration licence holders are appropriately skilled and resourced and demonstrate a genuine intent to discover and develop the states resources. It also requires explorers to progressively relinquish non-prospective areas to provide certainty as to where resource projects may progress to mines in the future.

The NSW Government does this via a framework of exploration-focused policies and procedures. This includes an outcomes-based approach to exploration work programs and performance management, which underpins the Government's [Mineral prospecting minimum standards](#), *Policy on the renewal of mineral and coal exploration licences*, and *Policy on the granting and renewal of assessment leases*.

Explorers are also held to high standards of exploration activity including fulfilling community consultation requirements, exploring in an environmentally responsible and safe manner, managing produced water management and rehabilitating disturbed ground.

Conclusion

The NSW Government is committed to promoting and facilitating active and responsible exploration activity to become the preferred Australian jurisdiction for exploration and mining investment. The Government will continue to leverage its world class resource endowment by supporting the ongoing acquisition and sharing of quality pre-competitive geoscientific data, working to assist new explorers in NSW and driving high performance among the sector.

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CM9 reference: RDOC22/37785