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How to get a prospecting licence

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A big blue book, faded, fraying at the edges and at least 20 years old by the looks of it, holds the index to all of SA's mineral rights.

This book is the key to getting permission to mine the country's resources, worth \$2.5-trillion according to a Citigroup survey.

Every mineral right is painstakingly recorded and the entire system is still manual, an official tells me, pointing to the book lying on an unoccupied desk at the mineral regulations office. The rest of the office is empty desks and unpacked boxes.

How do I find out if a right is still available in a specific area? Fill out this form, pay R35 at the cashier and return the receipt with the form, another official explained.

The form, a request for access to records, requires personal information and the particulars of the record requested.

The completed form is sent to the registry. If no licences have been issued over the specific area, the request is referred to the legal services office to ensure that the information is made available. The whole process takes 30 days, whereafter the applicant is informed by letter of the availability of the area, one of the officials explains.

"Remember, just because the office informed you in the morning that the right is still available, doesn't mean it will still be available in the afternoon. Another rights application may be received in the time you prepare your documents."

The prospecting rights application should be much easier, the first official assures me. The initial application needs little more than an application form, a financial guarantee - depending on the size of the area ("This is not crucial," he says) - a planned work programme and comment from people likely to be affected by the prospecting.

The prospecting application form of Imperial Crown Trading 289 (ICT), which sought a 100% prospecting right over Sishen mine and was granted the 21.4% not converted by ArcelorMittal, ran to a total of six pages. It

required little more than personal details, certified copies of the certificate of incorporation and the certificate to commence business, its BEE status, the types of minerals, certified copies of the title deeds, methods of prospecting and the duration of the proposed prospecting operation.

A prospecting work plan is required, as well as details of financial and technical competence. ICT indicated a guarantee for R30000.

Keysha Investments 220, a member of the HolGoun group, which got a prospecting licence for base metals over a portion of a working Lonmin mine, said it submitted "blanket applications (in excess of 120) for the right to prospect for all base metals in the bushveld region using the platinum occurrences as a footprint".

As fate would have it, Lonmin had not during its mining-right conversion applied for associated metals in the area where Keysha would also apply.

The most difficult part of an exploration licence application is the work and environmental management programmes. These are, however, fairly generic documents and can be obtained from consultants quite cheaply. It is only once one starts applying for mining licences that things become really tricky and expensive.

Getting the prospecting licence approved shouldn't take more than six months, the first official says. And then, for ICT at least, the deals start rolling in.