

Exploration Opportunities in Fiji

Procedures & Policies

In Fiji, mineral rights and ownership are vested in the State. To prospect, explore or mine any mineral, various permits are required from the Director of Mines, Mineral Resources Department. These permits are stipulated in the Mining Act (CAP 146) of 1978.

The permits granted, depend on the type of exploration or mining activity being proposed to be undertaken. These are: *Prospector's Right, Prospecting Licences, Special Prospecting Licence, Permit to Mine, Mining Lease, Special Mining Lease, Special Site Right and Road Access Licence*. More usually for mineral exploration the permits required are a *Prospector's Right (PR) and a Special Prospecting Licence (SPL)*.

Any person undertaking field work must have a *Prospector's Right*.

Special Prospecting Licences are granted for areas greater than 1,300 ha but a Prospecting Licence can be granted for areas up to 400 ha.

Application for a Special Prospecting Licence

- ❖ An individual or a company can apply for a Prospecting Licence or a Special Prospecting Licence.
- ❖ If non-resident, the individual or the company needs to appoint an accredited agent in Fiji with the necessary Power of Attorney. This agent is normally an accountant, a lawyer or a consultant.
- ❖ The accredited agent, or the applicant company can appoint another agent to undertake any work in the field.
- ❖ The Prospectors Right holder or the applicant should give notice to the landowner or land occupier about his intention to enter land to carry out prospecting.
- ❖ Before an application is made, the applicant should peg the area or apply in writing to the Director for the waiver of pegging requirements.
- ❖ For the waiver of pegging requirement, only partial waiver is granted. The applicant and/or his agent, (holder of the *Prospector's Right*) should present himself to the chiefly village in the application area to explain his intentions and plans for exploration.

Evidence of this visit is required when lodging the application.

- ❖ The applicant company is required to register in Fiji as a local or an overseas company.
- ❖ The application is made on Form I – *Application for a Mining Tenement*. With the application, the following is required :
 - a plan/map outlining the area applied for preferably on 1:50,000 or 1:250,000 scale map depending on size of the area applied for.
 - evidence of compliance of the conditions attached to the approval of the partial waiver. (Conditions are specified at the time partial waiver is granted).
 - application fees and annual fees (see Information Sheet – Schedule of Fees)
 - minimum expenditure acceptable for a licence is normally \$40,000 - \$50,000 for a Licence area about 4,000 ha, increasing proportionately with the size of the licence area. Previous work history in the area is, however, taken into account when considering expenditure levels.
 - evidence of technical and financial capability of applicant for carrying out the proposed exploration.
 - a proposed scheme of exploration with the statement of the proposed expenditure. A phased exploration programme and expenditure is normally required.

Processing of the application

- ❖ Bona fide standing of the application is checked.
- ❖ Assessment of the work programme and related expenditure is made.
- ❖ Boundaries of the application area is checked in relation to existing tenements or applications.
- ❖ The application is advertised for comment by public and is open for 30 days.

- ❖ Recommendations are made for the Minister's consideration.

General Conditions

Special Prospecting Licences are granted for one year at a time with 12-month renewals if licence conditions have been complied with. Licences can be granted or renewed for up to 5 years for the advanced projects.

Applications can be withdrawn before they are granted. If the withdrawal is done before the licence is advertised, all fees paid is refunded, less the application fees.

The Licence can be surrendered at any time after it has been granted, under conditions acceptable to the Director.

The holder of a *Prospector's Right* or a *Special Prospecting Licence* must pay compensation for any damage done to improvements on the land and also for any permanent damage done to the land.

A deposit/bond is required at the time a Prospecting Licence/Special Prospecting Licence is granted as a guarantee for the compliance of the provisions of the Act, Special Conditions of the Licence, including compliance of the conditions on environmental impacts.

Fiscal Matters

Fiscal payments under the Mining Act include application fees, annual licence fees for land under PLs and SPLs, annual lease rents for land under mining lease, mining royalties and various other administration fees (see Information Sheet – Schedule of Fees).

Royalties

Following the political changes in 1987, mineral royalties became payable to the owners of the land from which minerals were extracted, less Government administration costs. Prior to this all such royalties were payable to the state. The 1990 Constitution also incorporated this provision. The Constitution Amendment Act of 1997 made further provisions on the royalty payment to landowners including the consideration for environmental damage and taking into consideration of other benefits derived by landowners from mineral development on their land.

Mining

A Mining Lease may be granted to a Prospecting Licence holder following an application made in the prescribed

manner. The grant of a mining lease is subject to the submission of a feasibility report demonstrating the commercial viability of the project, a detailed financing plan of the project and an acceptable environmental management plan. The mining lease can be granted for a term between five and twenty one years.

Disputes

The Director can rule in the event of disputes but any person aggrieved by the decision may submit an appeal to the Mining Appeals Board whose decisions can be referred to the High Court.

Reporting

Quarterly and Annual Reports on prospecting activities are required. The guidelines on reporting are available in MRD Note BP 63/4, copies of which can be obtained from the Department.

Update

The Mining Act and Regulations in Fiji are presently under review with a view to modernising, and simplifying procedures where possible, and allowing the development of procedures and policies that would make the administration and regulation of the industry more efficient. Changes to fiscal policy recognize the difficulties that the industry is currently experiencing due to the depressed gold price, whilst new licensing procedures are being developed to streamline application procedures and monitoring of exploration activity. These changes would involve full consultation with industry and other stakeholders.

References

Flint, D.J.; BP Note 63/3. A Guide to Aspects of the Mining Act and MRD's Administrative Policies.

Flint, D.J.; BP Note 63/4. Notes on the Preparation of Geotechnical Reports Required under the Conditions of (Special) Prospecting Licences and (Special) Mining Leases.

Tompkins, E.; (Comp.) Fiji's Mineral Policy.