

## 21. Expenditure condition

- (1) The holder of an exploration licence shall expend, or cause to be expended, in mining on or in connection with mining on the licence during each year of the term of the licence or, where the term of the licence is extended under section 61(2), during each of the first 5 years of that term —
  - (a) in respect of an existing exploration licence, not less than \$300 for each square kilometre or part thereof of the area of the licence with a minimum of \$20 000; or
  - (b) in respect of a graticular exploration licence —
    - (i) not less than \$10 000 where one block only is subject to the licence;
    - (ii) not less than \$15 000 where 2 blocks only are subject to the licence;
    - (iii) where 3 or more blocks are subject to the licence, not less than an amount assessed by reference to the number of blocks comprising the licence, calculated at \$900 per block with a minimum of \$20 000.
- (1aa) Expenditure incurred under subregulation (1) or (1b) during the month in which the anniversary date of the commencement of the term of the licence occurs may be treated by the holder as expenditure incurred in either the year immediately preceding that anniversary date or the year starting from such date (including any period referred to in subregulation (1c)).
- (1a) Where a part of a block comprises or is included in the land in respect of which an exploration licence is granted, the whole of that block is deemed to be subject to the licence for the purposes of subregulation (1)(b).
- (1b) If the term of an exploration licence is extended under section 61(2), the holder of the exploration licence shall, subject to subregulation (1d), expend, or cause to be expended, in mining on or in connection with mining on the licence —
  - (a) during the sixth and seventh year of the term of the licence, not less than \$50 000 per year;
  - (b) during the eighth, ninth and any subsequent year of the term of the licence, not less than \$100 000 per year,irrespective of the area of the licence or, in the case of a graticular exploration licence, the number of blocks that are subject to the licence.
- (1c) Subregulation (1) applies in respect of any period in which an exploration licence continues in force because of —
  - (a) an application to extend the term of the licence under section 61;
  - (b) an application for a lease under section 67; or
  - (c) an application for a retention licence under section 70B,except that the amount to be expended during that period is to be calculated on a pro rata basis for each whole month from the last anniversary date of the commencement of the term of the licence until the application is determined.

- (1d) If an application for the extension of the term of an exploration licence is granted after the date on which the licence would have expired (but for section 61(3)), the amount to be expended under subregulation (1b) during the period from the date on which the application is granted until the next anniversary date of the term of the licence is to be calculated on a pro rata basis for each whole month of that period.
- (1e) The specific provisions in regulation 96C, relating to allowable expenditure and non-allowable expenditure for the purposes of calculating expenditure under a licence, apply when calculating expenditure under this regulation.
- (2) If an exploration licence is surrendered then a pro rata reduction of the amount to be expended will apply in respect of each whole month from the date of surrender to the next anniversary date of the commencement of the term of the licence.
- (3) If during a particular year of the term of an exploration licence or any period referred to in subregulation (1c), the holder of the licence is directly engaged part-time or full-time in mining on land the subject of the licence, an amount equivalent to the wages the holder would otherwise have earned if similarly employed elsewhere in the district is to be deemed to have been expended during that year or period, as the case requires.

*[Regulation 21 amended in Gazette 16 November 1990 p.5728; 31 May 1991 p.2697; 31 July 1992 p.3776; 13 October 1995 pp.4814-5; 11 June 1999 p.2543; 18 June 1999 pp.2642-3.]*