

Guidance for Applicants for Prospecting and Exploration Licences for Minerals (other than Common Minerals)

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1. Introduction

This guidance is to assist applicants in making an application for a licence to carry out prospecting and/or exploration activities for minerals in the Falkland Islands. This guidance does not apply to “common minerals”, defined as stone, flint, chalk, gravel, sand or calcified seaweed. These will be subject to a separate regulatory framework that is still under development.

Useful contextual information is contained in the sections about the Falkland Islands and Falkland Islands geology.

The role of the Department of Mineral Resources (DMR) is explained and how it fits in the Falkland Islands Government.

The mining legislation section contains links to the current legislation and gives some explanation as to the licensing framework

This guidance then sets out how to apply for a prospecting or exploration licence and what information you need to supply and why. This guidance does not override the relevant legislation and applicants should ensure that they are familiar with all relevant legislative requirements.

Information is then provided on how licence applications are considered and determined and what you can do if your application is refused.

This guidance also sets out how DMR will apply the model licence conditions in a way that is proportionate and appropriate to the type of licence, mineral, work programme and environmental context.

Finally links and references are provided to useful information or contacts which may assist you with your application.

Please note that this document contains guidance only. It is for the applicant to be satisfied that they fully understand the legislative requirements and to take their own independent legal advice in relation to the interpretation and application of the legislation to any application they may be considering making, and that they rely on their own assessment of any and all technical, geological or other data that they may have access to.

2. About the Falkland Islands

The Falkland Islands have a land mass of around 4700 square miles (or two-thirds the size of Wales) and are set in an area of outstanding natural beauty in the South Atlantic, about 400 miles east from the South American mainland and 8000 miles south west of the UK.

With two main islands, East and West Falkland and hundreds of small islands and islets, the majority of the population (around 3,400 people at the time of the 2016 Census) are based in the most southerly capital city of the world, Stanley, which is located in East Falkland.

The British military have a garrison about 35 miles west of Stanley at Mount Pleasant, which is home to around 1200 military personnel and 400 civilians, plus their dependants. You will often hear Mount Pleasant referred to as MPA or MPC – Mount Pleasant Airport or Mount Pleasant Complex, which also serves as the International Airport.

The rest of the population are based out in 'Camp' – the countryside, distributed across the rest of the Falklands, often in small settlements of one or two homes or on small islands. The vast majority of the Falkland Islands is comprised of privately owned farm land with the dominant farming activities being the grazing of sheep and some beef.

The climate is typically cool and windy, with winters being fairly mild compared to the UK, but summers being cooler. Temperatures range from a maximum of around 25°C in January down to a minimum of around minus 5°C in July or August. Rainfall is generally low and the Falklands enjoy more sunshine per year than the south of England.

The Falkland Islands is an extremely diverse and multi-national country with people living here from all over the world. Around 60 nationalities were represented in the last census and around 30 languages are spoken by residents.

The Falkland Islands is a British Overseas Territory, is self-governing, and makes its own laws. English is the national language. The Legislative Assembly of the Falkland Islands comprises of 8

elected members. Elections are held every 4 years. The Falkland Islands Government implements policy and delivers all services to the people of the Falkland Islands. The United Kingdom retain responsibility for defence, foreign affairs and an overriding interest in good governance. In relation to the exploitation of minerals, the Secretary of State for the Foreign, Commonwealth and Development Office grants consents to certain elements and activities under the minerals legislation.

Further information on the Falkland Islands and the Government is available on:

<https://www.falklands.gov.fk/>

3. Falkland Islands Geology & History of Exploration

Geology

The geology of the Falkland Islands shares a remarkable similarity with that of South Africa, with the Islands having been originally located off the Transkei coast before the break-up of the Gondwanaland Supercontinent. It is the geological similarity to the mineral rich provinces of South Africa that has led to an interest in mineral exploration in the Falklands.

The oldest rocks on the Island are Pre-Cambrian gneisses and granite found at Cape Meredith in the very southern part of West Falkland. These are overlain by folded and thrustured Silurian to Devonian sedimentary rocks which form the bulk of the Islands, and are similar to the Cape Fold Belt rocks of South Africa. The southern part of East Falkland (also known as Lafonia) is predominantly Carboniferous to Permian in age, and the rocks are very similar to the Karoo successions of South Africa. The youngest rocks occur as several suites of igneous dykes of Jurassic to Cretaceous age that cut across the islands with various orientations.

Details of the geology, published in the memoir produced to accompany the most recent (1998) systematic geological mapping, can be downloaded from:

<http://nora.nerc.ac.uk/id/eprint/507542/1/WC99010.pdf>

Some more recent piece-meal re-mapping and other investigations have been reported here:

<http://nora.nerc.ac.uk/id/eprint/514068/1/FI-TRSEreview.pdf>

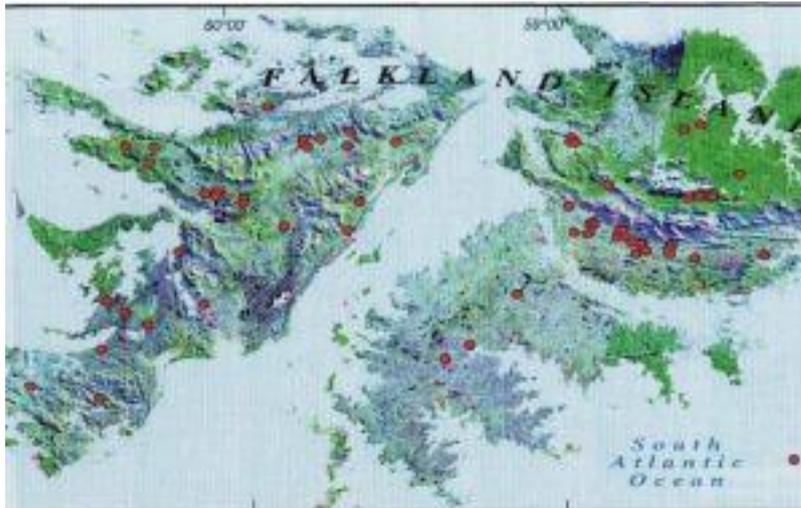
<http://nora.nerc.ac.uk/id/eprint/507998/1/OR14040.pdf>

[http://nora.nerc.ac.uk/id/eprint/502684/1/Richards et al Falklands Magmatism 2013 web.pdf](http://nora.nerc.ac.uk/id/eprint/502684/1/Richards_et_al_Falklands_Magmatism_2013_web.pdf) (available on DMR website)

Further summary explanations of the geology can be found at www.falklands-oil.com

Mineral Exploration History

Gold grains have been panned from a number of Falklands streams, and fresh, angular gold grains have been discovered, suggesting that the grains have not travelled far from their bedrock source. Over 300 gold grains have been independently analysed by BGS, confirming three potentially different gold sources: a pyritic Black Shale source; and two separate epithermal sources in unknown host rocks. Click on the thumbnail below to see the locations of gold samples found in stream samples.



Gold found in stream sediment samples

Garnet and rutile grains are concentrated in features such as raised beach deposits. These could potentially form extractable mineral deposits, but with current knowledge are considered to be uneconomic due to the geographical isolation of the Falklands.

A comprehensive gold exploration programme was conducted in the early to mid 2000s by Falklands Gold and Minerals Ltd. They acquired an extensive aeromagnetic survey of the Islands, and subsequently drilled and cored many of the identified geophysical anomalies. They failed to locate any potentially viable gold deposits, and the company relinquished its exploration licence in 2008. However, alternative geological models and updated exploration techniques might result in future exploration successes.

4. Department of Mineral Resources

The Department of Mineral Resources is the Falkland Islands Government regulatory body charged with oversight of offshore oil and gas exploration and exploitation and onshore mineral prospecting, exploration and mining. Core responsibilities include licensing, health and safety and environmental controls. The Department comprises of a small team of people supplemented by a variety of subject matter experts in geoscience, health and safety, licensing, environmental regulation and other matters as may be required.

The Department has a webpage which contains useful content on the regional geology and onshore geology and links to geological papers.

The Department is located in offices on Ross Road, Stanley, Falkland Islands. Contact details are as follows:

Telephone number +500 27322

Email: info@mineralresources.gov.fk

Web: <https://www.fig.gov.fk/mineralresources> or www.falklands-oil.com

5. Mining legislation

The principal Ordinance that sets out the framework for the regulation of mining activity is the Mining Ordinance 2005.

Regulations have been made under that Ordinance that set out the licensing framework for prospecting and exploring for minerals (apart from stone, flint, chalk, gravel, sand and calcified seaweed), and set out the model conditions that apply to those activities. These are the [insert title of regulations].

Applicants should ensure that they are aware of and comply with all other relevant legislation including planning controls, employment law, land law, environmental protection law. Applicants are recommended to take independent legal advice on the application of Falkland Islands law to the activities they propose to undertake.

Authoritative versions of the legislation can be found on the Falkland Islands legislation website at: <https://www.legislation.gov.fk/>

6. How to apply for a licence

Before submitting an application for a licence, applicants are advised to carefully read through the Application Form, the Mining Ordinance and the Regulations, and available guidance. Applicants should ensure that they have the necessary information needed for an application, and that they understand and can comply with the conditions of a licence.

Staff at the Department of Mineral Resources are happy to discuss your licence application informally with you and give you guidance on what is required in order for your application to be considered.

Applications for a prospecting or exploration licence should be made on the attached Application Form. Applications will not be considered that do not contain all the required information. Application Forms and accompanying documents can be submitted electronically to info@mineralresources.gov.fk or can be delivered to the Department of Mineral Resources, Ross Road, Stanley.

The Application fee can be paid by the following methods:

[insert payment methods]

7. How applications will be decided

An Application will not be considered unless it contains all the required information and the Application fee has been paid. If an application is missing information or the fee has not been paid then the Applicant will be informed and offered guidance on what they need to do to enable their application to be considered.

When an application is considered it will first be assessed by the Department of Mineral Resources (DMR) to see if any further information is required. If additional information is required DMR will contact the Applicant, provide guidance and ascertain whether the Applicant wishes to proceed with the Application.

The Application will then be reviewed in conjunction with external specialist advisers to verify that the proposed work programme and commitments appear appropriate for the area under application. It is generally expected that if an application is made for a particular Licence Block then there will be a work programme proposed within that area. Applications which are not accompanied by a work programme that is relevant and meaningful are unlikely to be approved. Similarly an application that does not adequately address relevant environmental or health and safety issues is unlikely to be considered complete or approvable.

An Application which has all the required information and where the Applicant has paid the required fee will be submitted to the Governor for determination. In making this decision the Governor will determine the licence application in Executive Council. Prior to granting a licence on the advice of Executive Council, the Governor must also obtain the consent of the Secretary of State. The Secretary of State may give or withhold consent at their discretion.

The licence will only be granted if the Governor in Executive Council approves the grant of the licence and the Sec of State consents to the licence being granted.

A licence will be then be issued to the Applicant in the form shown at Appendix B. Please note however that the terms and conditions of each licence may vary to take account of the specific circumstances of the Application.

If your application for a licence is refused then you will be given the reasons why the licence application has been refused. There is no right of appeal against refusal. If you think the decision to refuse you a licence is unfair, unreasonable or improper in some way then you should seek independent legal advice.