



**Rialtas na hÉireann**  
Government of Ireland

# **Revision of Aggregation and Carry-over Terms and Conditions for Prospecting Licences (w.e.f. 01/01/22)**

**December 2021**

Prepared by the Department of  
the Environment, Climate & Communications  
[gov.ie/decc](http://gov.ie/decc)

# Revision of Aggregation and Carry-over Terms and Conditions for Prospecting Licences

The Geoscience Regulation Office (GSRO) is reviewing the current terms and conditions for mineral exploration in Ireland. As part of this review the GSRO are revising the Aggregation and Carry-over terms and conditions. This includes an update to the Departmental 2002 moratorium which allowed the 25% rule (Aggregation) be applied for each two year phase of a licence (appendix 1).

These revisions will come into effect on the 1<sup>st</sup> January 2022 and will be applied to the next Review/Renewal after this date for each prospecting licence. How this will work in practice is set out later in the document. These revisions will apply to Standard, Incentive and Competition Licences.

## Aggregation Rule

Total expenditure on work programmes within a block (prospecting licences for contiguous areas or part of a wider integrated exploration programme) may, if the Minister consents, upon written application, be aggregated once every 6 years for each licence, provided that:

1. The total expenditure requirement for the block is met, and
2. At least 25% of the expenditure requirement (for a two-year phase) for each licence within the block is met.

The Aggregation rule cannot be applied to a licence already at 25% of the minimum expenditure requirement (MER) due to the application of the Carry-over rule (see Carry-over rule below). The Aggregation rule can be applied to the other licences in the block that have not benefitted from the Carry-over rule.

Notwithstanding the rule above, aggregation can be applied for in bullet point 1 and 2 below in each 2 year phase of a licence. In these instances the 25% expenditure requirement for each licence does not need to be met.

1. **Seismic Surveys & Seismic Validation Drilling:** Aggregation of the costs incurred in the acquisition of seismic reflection surveys and seismic validation drilling (to include the initial processing and interpretation of the data). For details please see the [Seismic Data Acquisition, Reporting & Submission: Mineral Exploration Guidance Document](#) published by the GSRO in June 2021.

2. **Airborne Geophysical Surveys:** Aggregation of the costs incurred in the acquisition of a regional airborne geophysical survey. For details please see the [Guidelines for Regional Airborne Geophysical Surveying](#).

## Carry-over Rule

Expenditure on work programmes for prospecting licences which is significantly in excess of the original MER (see table 1) in any period for any licence may, if the Minister consents, upon written application, be carried over into the next licence period. The MER of the licence for the subsequent 2 year phase can be reduced to a maximum reduction of 25% of the listed MER (table 1). The Carry-over rule can only be applied:

1. if expenditure is in excess of €10,000 for that licence;
2. in the subsequent 2 year phase of the licence;
3. to the licence in which the expenditure was incurred;

The €10,000 excess can only be considered for the original MER of the PL for that 2 year phase (see table 1). For example if the MER is reduced to €3,750 from an original MER of €15,000 due to carry-over from the previous phase, the expenditure would have to be in excess of €10,000 of the original MER of €15,000 for that PL in order to be carried over.

As noted in the Aggregation rule section above, if the Carry-over rule has been applied to a licence in the previous phase to reduce the MER to its minimum 25% (for example from €10,000 to €2,500) in the subsequent phase, then the Aggregation rule cannot be applied as the licence is already at its minimum acceptable expenditure.

**Table 1: Minimum Expenditure Requirements - Renewal periods 1 to 8**

Minimum Expenditure Requirements				
Renewal	Years		Standard	Incentive
1	1	2	€ 10,000	€ 2,500
	3	4	€ 15,000	€ 5,000
	5	6	€ 20,000	€ 10,000
2	7	8	€ 30,000	€ 30,000
	9	10	€ 30,000	€ 30,000
	11	12	€ 37,500	€ 37,500
3	13	14	€ 50,000	€ 50,000
4	15	16	€ 50,000	€ 50,000
5	17	18	€ 50,000	€ 50,000
6	19	20	€ 62,500	€ 62,500
7	21	22	€ 62,500	€ 62,500
8	23	24	€ 62,500	€ 62,500

## Allowable Expenditure (including Ancillary costs)

In order for expenditure to be considered for contribution towards the minimum expenditure requirements, expenditure must be incurred directly as part of a technical/field programme. Where costs appear excessive, the Minister may require the provision of adequate supporting documentation, for example invoices. If the information requested is not provided to the satisfaction of the Minister, the Minister at their absolute discretion may disallow the costs, delay the decision on the licence or revoke the licence. If the company fails to adequately report data on a particular technique, this expenditure will automatically be excluded from the allowable expenditure. Ancillary costs can be attributed towards the minimum expenditure requirement up to a maximum of 10%. Ancillary costs include, but are not limited to, licence fees, report writing, meetings, software, office expenditure and administrative expenses. The Minister reserves the right to make the final determination on what costs can be considered ancillary.

## How this will work in practice from January 1st 2022:

1. The Aggregation rule can only be applied to a licence once every 6 years, for example, the rule can be applied to licence X in phase 1 (year 1 and 2) and then cannot be applied to that licence X again until phase 4 (years 7 and 8). This means if your next review or renewal for a licence falls in 2022, then the Aggregation rule can only be applied once between 2022 and 2026 to that licence;
2. The exception to 1 above is the acquisition of Seismic Surveys, Seismic Validation Drilling and Airborne Geophysical Surveys where the aggregation rule can be applied in each 2 year licence phase;
3. Any new Prospecting Licence will be subject to these revised exploration expenditure requirements.

## Key Definitions

**Block (Group):** Consists of a group of Prospecting Licences for contiguous areas or Prospecting Licences that are part of a wider integrated exploration programme. In this context, "a wider integrated exploration programme" shall mean an exploration programme carried out in non-contiguous areas dealing with the same geological terrain, results from which should be equally applicable to all the non-contiguous areas. Such areas should not normally be separated by more than two Prospecting Licence Areas.

**Prospecting Licence:** A prospecting licence (PL) is a permit, issued by the Minister, which allows the holder (the licensee) to prospect for specified minerals in a defined geographic area referred to as a prospecting licence area. Prospecting licences are issued for a period

of six years (maximum), for specified minerals, and can be renewed. A minimum expenditure per licence is required, and varies with the age of the licence (see table 1 above). A minimum work programme is also required, details of which are agreed with the licensee. Progressively increased work and expenditure commitments are usually required on renewal. Work reports are required after every two year phase, and are held confidential for six years thereafter, or until expiry or surrender of the licence.

**Incentive Prospecting Licence:** A licence where significant financial incentives are available for the first six years of exploration on relatively neglected areas or areas where current exploration is restricted to certain minerals. The incentives consist of substantially reduced fees and expenditure requirements. The incentives apply to two categories of ground:

1. Open Areas where Prospecting Licence areas have been available for application for more than four years.
2. Areas currently licensed for certain minerals, but available for exploration for other minerals, provided that these minerals have not themselves been the subject of exploration in the four years preceding application.

**Competition Prospecting Licence:** At specific times, a Competition is held for certain Prospecting Licence areas. The competition relates to areas for which licences have been surrendered or terminated, or that have been offered but declined. Previously unavailable ground may also be released through competition.

**Minimum Expenditure Requirement (MER):** Every prospecting licence area has a required minimum spend for a two year period, which the licence holder must incur on a technical field programme on the prospecting licence area. Ancillary costs attributable to prospecting are allowed up to a maximum of 10% of the MER.

## Appendix 1- Previous Aggregation Terms and Conditions

Original Aggregation Rule within the “New Terms and Procedures for Prospecting Licences under Minerals Development Acts, 1940 to 1995”:

Expenditure on work programmes for Prospecting Licences for contiguous areas may be aggregated, provided that (i) the total expenditure requirement for the group is met, and (ii) at least 25% of the expenditure requirement (for a two-year phase) for each area within the group is met. Also, aggregation of expenditure may be applied more than once in a group of licences, but the 25% minimum required expenditure concession will only be allowed for one two-year period in the life of the licence.

Current rule which has been in place since 2002, introduced in response to the foot and mouth crisis:

For licences more than six years old, the 25% Rule (aggregation) may be applied to the same licence for each two year period.