# Background

The following information is to provide clarity around the application of section 29 of the Mineral Titles Act 2010 (the Act), in particular in relation to exploration licences (EL’S) that contain either five or six blocks.

* Section 29 of the Act does apply to all EL’s where the block count is greater than four blocks, to the extent allowed.
* Example: An EL has five or six blocks. The maximum reduction allowed is one or two blocks. Although this is not 50%, it complies with s29 to the extent allowed by retaining a minimum of four blocks.
* Section 29 does not apply where the EL area consists of four or less blocks. The title holder will not be required to nominate blocks for retention.

# Reduction period

Section 29 of the Act states that a title holder must reduce the area of an EL by 50% at the end of each period of two operational years, known as a reduction period.

Before the end of a reduction period, the title holder must give the Minister a notice nominating the blocks to be retained in the title area of the EL.

Example: Reduction period – end of year two, four or six.

After the reduction, the title area will comprise no more than three separate areas containing at least four adjoining blocks each.

NOTE: The reduction requirement under section 29 only applies to the initial term of grant.

# Application to vary reduction requirement

If the title holder does not wish to reduce in accordance with s29, they may, before the end of each reduction period, make application to the Minister under s29(4) of the Act for approval to vary this requirement.

This application is referred to as a Waiver of Reduction and can relate to any of the following:

* No reduction of the title area (full waiver)
* A lesser reduction than is required (partial waiver)
* A deferral of reduction

It is important to note that a deferral does not remove the need to reduce the title area or make an application for a full or partial waiver at the end of the deferral period.

This provision is generally only utilised when the title holder wishes to undertake further assessment before a final decision is made on the title area. The maximum period allowed for a deferral is 12 months.

# Requirements for a waiver of reduction application

Approved Form 29 to be completed with the following information:

* Type of request;
* Project name (if applicable);
* Estimated current year expenditure to date and a summary of activities undertaken for the current reporting year;
* Proposed expenditure for the forthcoming year and a summary of the proposed activities for the next operational year; and
* Reasons behind the request.

All applications must also be accompanied by the scheduled fee (refer to [Mineral Title fees and rents](https://nt.gov.au/industry/mining-and-petroleum/mineral-titles/mineral-title-fees-and-rents)[[1]](#footnote-1))

# Notification of decision

Once an application has been assessed and either approved or refused, the title holder will receive written advice of the decision.

# Further information

Mineral Titles

5th Floor Centrepoint Building, The Mall

Darwin, Northern Territory

Phone: 08 8999 5322

Email: titles.info@nt.gov.au

**Disclaimer** Whilst this information bulletin has been provided to assist applicants in their compliance with the Act, it is incumbent on them to acquaint themselves with the provisions of the Actand all other laws of the Northern Territory as are applicable. Fees are subject to change without notice.

1. <https://nt.gov.au/industry/mining-and-petroleum/mineral-titles/mineral-title-fees-and-rents> [↑](#footnote-ref-1)