

CONSULTATION SUMMARY

REPORT

for

Mineral Prospecting Licence Applications

from

Dalradian Gold Limited

MPLA1/22 & MPLA2/22

Applications MPLA1/22 and MPLA2/22 are for two areas, known as DG5 and DG6, that the Department previously licensed to Dalradian Gold Ltd – the most recent licences, DG5/16 and DG6/16, expired on 31 May 2022.

1. Introduction

Under the Mineral Development Act (Northern Ireland) 1969 (the 1969 Act), the Department for the Economy (the Department), grants Mineral Prospecting Licences (MPLs), for the exploration of base metals as vested in the Department.

Please note that precious metals i.e. gold and silver, are vested in the Crown and the Crown Estate Commissioners is the authority for the granting of Options for the exploration of both gold and silver in Northern Ireland.

2. Consultation Process

On 19 November 2021, Dalradian Gold Limited submitted applications to the Department for two MPLs covering two areas that Dalradian had previously held MPLs for. The previous MPLs, known as DG5/16 and DG6/16 expired on 31 May 2022.

As required under the Act, the Department undertook a notification/public consultation process on the two applications. The documentation issued to inform that process can be viewed at: [Dalradian MPLA1/22 and MPLA2/22 documents](#). The consultation period ran from 17 January 2022 to 10 April 2022.

A map showing all existing and prospective MPLs in Northern Ireland, including the two areas subject of this consultation, can be viewed at: [Minerals Licence Map](#).

The objective of this document is to provide a summary of the issues and concerns raised during the consultation period and to set out the Departments' response to each.

3. Number of Consultation Responses

When the consultation period closed on 10 April 2022, the Department had received a total of 1,635 responses in respect of both applications.

As the notification/consultation documentation outlined, as well as allowing the general public to provide a response, the Department specifically requested a number of stakeholder organisations to provide views on the intention to award the MPLs.

Out of the total 1,635, four responses were from those stakeholder organisations and the remaining 1,631 were from other organisations and the public.

As in previous licensing consultation processes, several template letters have been produced to allow the public to make representations. Four such template letters were identified. In total, these accounted for 99% of all responses from the public and outlined in Table 1 below

Table 1: Template Letters

Template	No of Responses	% of Overall Total
1	1,016	62
2	479	29
3	68	4
4	48	3
Total	1,611	99

4. Issues/Concerns Raised and Departmental Response

The Department has reviewed all 1,635 responses and has drawn out all the relevant issues and concerns raised which can be grouped into the following six themes:

1. The Consultation Process
2. Legislative
3. Applicant Company
4. Societal
5. Environmental
6. Economic

The remainder of this Consultation Summary Report details the issues, in the above order, and provides a Departmental response to each.

The Consultation Process

Issue 1: Failures with the consultation process

Some respondents stated that they believed that the consultation process undertaken by the Department was inadequate and failed to meet legislative requirements.

Departmental Response

The Department went beyond the minimum requirements as set out in the 1969 Act for several aspects of the consultation process.

The specific notification arrangements for MPLs are specified in sections 11 (3) and (4) of the 1969 Act. In summary this requires the Department to:

1. notify its intention to grant licences by publicising for two successive weeks in the Belfast Gazette and in one or more newspapers circulating in the locality where the land is situated;
2. consult other Departments, public bodies and local authorities (Local Councils) concerning the intention to issue a licence;
3. name a place or places (including at least one place in the locality) where maps identifying the land are available for inspection at all reasonable hours; and
4. consider representations made to it within one month of publicising its intention in respect of the licence application when taking a decision.

The Department has met all statutory requirements as outlined above. Below are several key enhancements to that process.

1. all relevant documentation pertaining to the application was/is placed on the Department's website;
2. the notification of the intention to award the licences was placed in 12 local newspapers and the Belfast Gazette for the required two-week period; and
3. the period of notification/consultation was extended to 12 weeks.

One respondent also raised a concern that the Department failed to meet the requirements of the 1969 Act by not placing physical documents in local offices for viewing.

The approach taken by the Department in respect of fulfilling this requirement has changed from previous consultations. However, while clear that the original intention within the legislation, which is now more than 50 years old, was to ensure that the public had access to the documentation, most potential respondents have access to the documentation through electronic means.

The provision of the physical documentation is therefore no longer required to the same extent. A review of the previous consultation process indicates that not one single person accessed the documentation at the locations where it was available in hard copy. Given that evidence and the on-going, albeit relaxing pandemic restrictions, the Department took the decision that on this occasion, to manage appointments centrally for anyone wishing to view the documentation. The intention was to arrange for people to view the documents at a locally convenient office. For information, the Department did not receive any requests for this service.

Issue 2: Amount of information redacted from the application forms provided

Some respondents stated that they believed that the consultation process was inadequate due to the amount of information redacted from the provided documentation, particularly around the proposed Work Programmes.

Departmental Response

An application for an MPL contains commercially sensitive information. While the Department aims to be as open and transparent as possible, it is also required safeguard the interests, economic and otherwise, of the applicant i.e. the withheld information could be used by other companies to their commercial advantage and to the detriment of the company's commercial interests. Redaction of information is in

line with the Environmental Information Regulations 2004 - The Environmental Information Regulations 2004 (legislation.gov.uk)).

Issue 3: No environmental screening or assessment provided

Some respondents cited concerns about the lack of environmental screening or assessment at application stage.

Departmental Response

Under the Conservation (Natural Environment, etc.) Regulations (Northern Ireland) 1995 (as amended) (commonly referred to as the Habitats Regulations) certain sites have been designated as either Special Areas of Conservation (SACs) or Special Protection Areas (SPAs). Ramsar sites have been designated under the Ramsar Convention on Wetlands. Together these sites form part of the National Site Network in Europe.

Under this legislation the Department, as the Competent Authority, in considering issuing an MPL where the land area is designated as being part of the National Site Network, undertakes assessment to meet the requirements of all environmental legislation including the Habitats Regulations.

When an application is received, designated environmental areas that might be affected by the work carried out under the terms of the licence are identified and noted for future reference. These areas may be within the licence boundary, or outside it if there is potential impact from exploration work within the licence area. Formal Habitats Regulation Screening is not carried out at this stage. However, once a Licensee notifies the Department of proposed specific exploration activity under the licence that may have an impact on a designated area, a screen of the activity is carried out. If the results of the screen indicate that one is necessary, a formal Habitats Regulation Assessment is completed within the required guidelines.

Habitats Regulations Assessments are carried out against specific work activities and in consultation with the Northern Ireland Environment Agency (NIEA). The Department

ensures that an assessment in accordance with the Habitats Regulations is carried out where an MPL includes any activities that are likely to cause a significant disruption or disturbance to the designated features of a protected area. The Licensee must comply with the outcome of any Habitats Regulations assessment made by the Department.

Issue 4: Lack of information on the validation process

Some respondents raised concerns around the lack of information about the validation process undertaken by the Department on receipt of an application.

Departmental Response

The Department carries out due diligence checks on the financial viability of companies applying for an MPL including, where appropriate, seeking a Parent Company Guarantee for the monies required to deliver the agreed Work Programme over the full term of the licence. On behalf of the Department, the Geological Survey of Northern Ireland (GSNI) also carries out a full technical assessment of the proposed work programme including ensuring that the geological data used by the licensee is accurate. It should therefore be assumed that given that the Department has deemed these applications valid, GSNI has assessed the work programme as viable in exploring for base minerals that, based on the geology, could be potentially found in the area. Under relevant legislation, due to commercial sensitivities it is not appropriate for that technical information to be released.

This due diligence is undertaken by the Department in line with all current regulations in terms of the operational programme and the Department provides information related to the process available at the consultation stage. Information not put in the public domain at that stage is deemed to be commercially sensitive and is redacted in line with relevant legislation (the Environmental Information Regulations 2004 - The Environmental Information Regulations 2004 (legislation.gov.uk)).

Issue 5: Lack of input or information from other statutory bodies

Some respondents were concerned that the consultation was being carried out in the absence of a view on the applications from other statutory bodies e.g. NI Environment Agency etc.

Departmental Response

The organisations outlined in the consultation documentation are consulted as part of the consultation process and their views are taken into consideration along with all other responses received through that process.

It should also be noted that as specific exploration activities are notified to the Department throughout the lifetime of a licence, where appropriate, these statutory organisations are consulted.

Legislative

Issue 6: The legislation governing MPLs is no longer fit for purpose

Some respondents noted that due to the legislation governing applications being over 50 years old i.e. the Mineral Development Act (NI) 1969, the legislation is no longer fit for purpose.

Departmental Response

The Department is undertaking a review of minerals licensing policy and has commissioned research into the economic, societal, and environmental impacts of mineral exploration and mining, in Northern Ireland.

The research will collate and use relevant contemporary qualitative and quantitative information and research on the economic, social and environmental aspects of the mineral life cycle (from exploration to mine development through to mine closure and restoration). In addition, the research will consider the relevant strategic policy context, the global demand and supply position for minerals and NI's potential prospectivity. The research will focus on the interaction of all of these key aspects and will inform the Department's initial consideration of the scope of the issues to be considered as part of the review of mineral exploration and mining policy and legislation.

Issue 7: Lack of effective regulation of mineral exploration

Some respondents noted that they believe that exploration companies working across Northern Ireland are not regulated appropriately.

Departmental Response

The Department would contend that effective regulation of mineral exploration is in place. MPLs are issued in line with existing legislation - the Minerals Development Act (Northern Ireland) 1969. Due diligence is undertaken on all applicants in terms of financial and technical capacity. A work programme is agreed in advance of the exploration process, and this ensures that the company takes account of all requirements to minimise and mitigate any potential impacts. The Department meets with Licensees at least twice a year including undertaking site visits. Compliance is also required with all other relevant regulations as mineral exploration takes place within the framework of planning and environmental legislation.

The Department will closely monitor the work programme under this licence to ensure that all necessary regulations are being adhered to.

Applicant Company

Issue 8: Dalradian Gold Prospecting Licences – Rights and Permissions

Some respondents raised concerns about the rights conferred to Dalradian Gold Ltd by an MPL.

Departmental Response

The Department issues MPLs which confer limited rights on the Licensee to search for minerals, this is not a carte blanche permission to carry out all exploration related activities. Licensees are required to obtain a range of further separate permissions for more advanced operations from the Department and other regulatory authorities.

It should be noted that Dalradian Gold Limited does not take exploration activity for gold under licence from the Department. Gold is not vested in the Department but in the Crown and therefore the authority for Dalradian Gold Limited to carry on exploration activities in connection with their gold operation is provided by the Crown Estate Commissioners. It should also be noted that should Dalradian Gold Limited succeed in their application to the Department for Infrastructure to build a goldmine, permission to develop gold will also come from the Crown Estate and not the Department.

Issue 9: The Ownership of Dalradian Gold Limited

Some respondents questioned the impact of change of ownership of Dalradian Gold Limited when it was privatised in 2018 by Orion Resource Partners a private equity firm. Respondents believed that a public listed company is subject to significantly more regulatory and public scrutiny than a private firm.

Departmental Response

In carrying out its due diligence checks for the assessment of Mineral Prospecting Licence (MPL) applications, the Department complies with all requirements as set out in the Mineral Development Act (Northern Ireland) 1969, Mineral Development (Applications, Fees and Model Clauses) Regulations (Northern Ireland) 1970 and in its own guidance documentation "How a Mineral Prospecting Licence Application is Assessed." This includes the financial viability of the applicant.

Section 12 (1) of the 1969 Act states: "Before granting a prospecting licence the Ministry may require the applicant to furnish evidence as to his character, financial standing or technical qualifications and to give such security as the Ministry may think fit for the fulfilment of this obligations under the licence."

The Department has no say in the make-up or ownership of any company which applies for an MPL, and the assessment of the application was carried out in accordance with the requirements of the legislation.

Consequently, in accordance with Section 12 (1) of the 1969 Act, the Department carried out a character assessment of the applicant company, in this case Dalradian Gold Limited. The Department checked that the applicant was a registered company. The check showed that Dalradian Gold Limited was first registered with Companies House on 26 November 1971 as Ulster Base Metals Limited. Company Number - NI008465. The Department then confirmed with The Insolvency Service Northern Ireland, that the company was not in liquidation and that none of the named Directors had been disqualified from acting as a director in a company based in the United Kingdom.

Finally, a check of Companies House confirmed that as the applicant company is a UK registered company it complied with all the requirements of Companies House, which includes providing details of their Directors, Shareholders as well as filing a copy of their annual financial accounts for every financial year it trades.

Societal

Issue 10: Issuing Mineral Prospecting Licences causes division in the local community

Some respondents noted their concerns about the impact that the work of Dalradian Gold Limited is having on the community in the area affected.

Departmental Response

The Department is aware of tensions between those opposed to and those in support of the development of a goldmine by Dalradian Gold Limited. As noted previously authorisation for gold exploration and development is not within the remit of the Department.

The Department encourages all exploration companies to engage proactively with the local community and the Department is aware of programmes that Dalradian Gold Limited has in place. The company has confirmed to the Department that it has a Community Engagement Programme in place. In addition, landowner permission must be obtained for access onto private land.

Environmental

Issue 11: Environmental Impacts of exploration

All respondents raised concerns around the environmental impact of granting the two licences. However, a small number of respondents specifically pointed to lack of a Departmental strategy on the environmental impacts of exploration licences and asked that the Department work along the lines of the Precautionary Principle. Others raised the fact that the application areas encompass Areas of Outstanding Natural Beauty (AONB)/ Areas of Special Scientific Interest (ASSI)/Special Areas of Conservation (SAC) and therefore should not be exploited at all.

Departmental Response

All Northern Ireland Government Departments have a statutory duty to carry out functions in a way that promotes sustainable development. Mineral exploration and development takes place within a framework of environmental legislation that is intended to protect the natural heritage and minimise environmental impacts. A number of environmental European Directives are enforced through locally enacted rules and regulations. These are administered by the Department of Agriculture, Environment and Rural Affairs (DAERA), the Department for Infrastructure, and Local Councils.

Part of the Department's role is to ensure that all exploration activity is carried out in strict accordance with the terms of the licence, subject to all regulatory consents and carried out to best practice and standards.

Northern Ireland Environment Agency (NIEA) is consulted on any relevant activities under the licence and as the Regulatory Body responsible for the environment they will advise the Department on impacts resulting from works including learning from previous activities.

A full Environmental Impact Assessment (EIA) is not required for exploration due to the nature as it is small scale and low impact as outlined in the Common Exploration Methods Paper. However, it is accepted that an EIA will be required at planning stage for a mine.

The document at the link below provides information on common exploration methods:
<https://www.economy-ni.gov.uk/publications/mineral-prospecting-common-exploration-methods>

The Precautionary Principle is binding but applied when the actual exploration activities are taking place at a specific field based task level. The classic definition of the principle states that, "*Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation*" (UNEP 1992).

The evidence from the last 50 years of exploration suggests that there is little chance of serious or irreversible damage to the environment. There is a risk, as damage cannot be ruled out, but the likelihood has been demonstrated to be negligible.

The award of an MPL is informed, not just by the application but by the history of exploration in Northern Ireland. The Department considers all licence applications against the Habitats Regulations. Habitats Regulations Assessments are carried out against specific work activities and in consultation with the NIEA. Not all exploration activities require assessment, and the Department ensures that assessment in accordance with the Habitats Regulations is carried out where an MPL includes any activities that are likely to cause a significant disruption or disturbance to a protected species or area. The Company must comply with the outcome of any Habitats Regulations assessment made by the Department.

The Department's position on Strategic Environmental Assessment (SEA) is that it applies to the overarching policy which defines the licencing regime. The granting of an individual licence does not fall within the remit of legislation requiring an SEA. It should be noted that the Department is currently reviewing the mineral licensing regime and any changes to the policy may require an SEA to be carried out.

Issue 12: Impact of Exploration on local water courses

As well as general environment issues, some respondents raised concerns specifically about the impact of exploration on local water courses.

Departmental Response

The proposed licences are for mineral exploration and are not related to the proposed mine at Curraghinalt. The mining operation undertaken by Dalradian Gold Limited is carried out under licence from the Crown Estate.

Activities undertaken within the terms of an MPL are monitored closely to ensure compliance with all relevant regulations and controls put in place by all statutory bodies, Government Departments and Local District Councils.

Environmental legislation exists not seek to restrict or limit development, but to ensure that development does not lead to environmental damage or harm. Legislation is designed to regulate the aspects of such activities that have the potential to damage the environment. In the case of activity that might relate to the Water Framework Directive, any abstraction or discharge of water connected with exploration drilling is carried out under licence from NIEA, where required.

NIEA reports that it monitors the discharge from the site, including pH and metals, which would flag any acid water generation and have stated that they have no concerns about this issue at the site.

NIEA has recorded six water pollution incidents attributable to Dalradian Gold Ltd between January 2015 and May 2022. Five of the incidents were classified as 'Low' Severity and one was classified as 'Medium' severity. These incidents had a localised impact upon the Curraghinalt Burn but there is no evidence of impact within the Owenkillew River.

Economic

Issue 13: Impact on Tourism

Some respondents raised concerns about the potential impact of exploration activity on the tourism industry.

Departmental Response

The Northern Ireland Government Departments are committed to the principles of sustainable development and environmental protection. In Northern Ireland mineral exploration and development takes place within a framework of environmental legislation that is intended to protect the natural heritage and minimise environmental impact. These are administered by the Department of Agriculture, Environment and Rural Affairs, the Department for Infrastructure, and Local Councils.

One of the conditions of granting an MPL is that the exploration company is required to make good any land or property impacted by its exploration activities. The Department will monitor the work programme of the company closely to ensure that this requirement is fulfilled.