

Irregularities may lead to rights withdrawals

By Deborah Spicer

The Department of Mineral Resources' (DMR's) review of all prospecting rights that have been granted has resulted in the detection of numerous irregularities, and may result in many mineral rights holders facing the potential withdrawal of their licenses.

This is according to a prominent Johannesburg lawyer, who explained the procedure for the withdrawal of prospecting rights to industry participants and Earth Science honours students at the Venmyn and Pretoria University Compliance and Reporting in the Minerals Industry course last month.

The lawyer noted that, where prospecting rights have been based on fraudulent, incorrect or misleading information, rights holders may face the loss of these rights. Such would be the case, for instance, where rights holders have claimed that exploratory drilling had taken place when, in fact, it hadn't.

The rights-removal process is initiated by mineral rights holders being given letters saying that it is the intention of the DMR to take away these rights.

Mineral rights holders are then given a period in which they are able to supply written reasons why their rights should not be taken away.

They are then also invited to make an oral representation of their case.

For those who have misrepresented information to the DMR, and are unsuccessful in convincing the DMR that they should be allowed to retain the rights, the result will be the withdrawal of their prospecting rights.

There are believed to be numerous letters that have been sent out to errant rights holders, and the investigation, and subsequent withdrawal of irregular prospecting rights, may free up additional rights for those who intend to utilize them.