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DEPARTMENT OF MINERAL RESOURCES AND ENERGY

NO. R. 4789 **7 May 2024**

PUBLICATION OF THE AMENDMENTS TO THE MINERAL AND PETROLEUM RESOURCES DEVELOPMENT REGULATIONS 75 AND 76 FOR IMPLEMENTATION.

I, **SAMSON GWEDE MANTASHE, MP**, Minister of Mineral Resources and Energy under section 107 of the Mineral and Petroleum Resources Development Act, 2002, (Act No. 28 of 2002), hereby amend the Mineral and Petroleum Resources Development Regulations, published under Government Notice R527 in Government Gazette 26275 dated 2004.

These Amendment Regulations will become effective on the date of publication in the gazette.

MR SAMSON GWEDE MANTASHE
DEPARTMENT OF MINERAL RESOURCES AND ENERGY
DATE: 29/04/2024

GENERAL EXPLANATORY NOTE:

[ ] Words in bold type in square brackets indicate omissions from existing enactments.

_____ Words underlined with a solid line indicate insertions in existing enactments.

ARRANGEMENT

(These amendments are only in respect of petroleum applications)

CHAPTER 4

GENERAL AND MISCELLANEOUS REGULATIONS

Application fees for permission, permits, rights and appeals

Amendment of regulation 75 of Act 28 of 2002

Regulation 75 is hereby amended-:

(a) by the substitution of subregulation (2) of the following subregulation:

1. Application fees for onshore and offshore permits and rights listed on the table below are as per base year 2023 and will increase by the annual average headline South African Rand (ZAR) Consumer Price Index (CPI), year on year. The applicable adjusted rates will be from the 1st of April every year and will be published on the Designated Agency's website.

DESCRIPTION	ONSHORE (R)	OFFSHORE (USD)
1. (a) Reconnaissance permit	**[100,00]** *20 000,00*	**[500,00]** *3500 or rand equivalent*
2. (b) Technical co-operation permit	**[100,00]** *10 000,00*	**[500,00]** *1400 or rand equivalent*

3. Exploration right or renewal thereof	**[500,00]** *30 000,00*	**[1000,00]** *4000 or rand equivalent*
4. Production right or renewal thereof	**[1000,00]** *50 000,00*	**[5000,00]** *4500 or rand equivalent*

Amendment of regulation 76

2. Regulation 76 is hereby amended

(b) by the substitution for sub regulation (1) of the following subregulation:

"(1) The prospecting fees **[or exploration fees]** payable as contemplated in section (19)(2)(f) **[and section 82(2)(e)]** of the Act, shall be as follows:

(c) by the substitution of paragraphs (a) and (c) of the following paragraphs:

(a) A prospecting right **[or an exploration right]** granted in terms of section 17 **[or section 80]** of the Act **[, on land other than offshore areas],** the scheduled rates shall apply as categorized below:

CATEGORY	A	B
Area in hectares	0-1000	1001 and greater
Year	Fixed annual (R)	Rate R/Hectare
1	1000,00	1,00
2	1100,00	1,50
3	1200,00	2,00
4	1300,00	2,50
5	1400,00	3,00

All hectares will be rounded to the nearest hectare; by rounding up if the fraction is 0,5 hectare or more, or otherwise by rounding down.

(c) A renewal of a prospecting right **[or an exploration right]** granted in terms of section 18 **[or section 81]** of the Act, the following scheduled rates apply as categorized below:

CATEGORY	A	B
Area in hectares	0-1000	1001 and greater
Year	Fixed annual (R)	Rate R/hectare
1	2800.00	5.00

2	2900.00	6.00
3	3000.00	7.00

(i) All hectares will be rounded to the nearest hectare; by rounding up if the fraction is 0,5 or more, by otherwise rounding down.

[(ii) In the case of an exploration right renewed for more than one period of two years as provided for in section 81 (4), the renewed exploration fees will escalate at R1,0 per annum for each subsequent renewal]

(d) by the deletion of paragraph (f) and (g).

(e) by the substitution of subregulations (2)(3)(4)(5) for the following sub regulations:

"(2) The prospecting fees **[or exploration fees]** must be paid by the holder of such right annually in advance and not later than 30 days from the commencement date of such right and thereafter not later than 30 days following the anniversary of each respective year of the prospecting right for the duration thereof."

(3) If the prospecting fees **[or exploration fees]** referred to in sub regulation (2) are not paid punctually on the due dates of payment, the holder shall be in mora debitoris and shall pay interest thereon at the rate prescribed in terms of section 80 of the Public Finance Management Act, 1999 (Act No.1 of 1999) reckoned from the day following the last day allowed for payment up to and including the day of payment."

(4) Upon the relinquishment of areas already prospected **[or explored]**, in respect of the applicable prospecting [**or exploration]** right, excluding a right granted, over a diamond concession area, the prospecting **[or exploration]** fees payable may be reduced accordingly: Provided that-

(a) written notification with details of the relinquishment is submitted by the holder of the prospecting **[or exploration]** right to the regional Manager **[or Designated Agency, whichever is applicable,]** at least 90 days before payment of the annual prospecting **[or exploration]** fees becomes due; and
(b) the holder is not in mora debitoris due to late payments on any amount in respect of prospecting **[or exploration]** fees, or where any debt in respect of prospecting **[or exploration]** fees are outstanding."

(5) Where advance payments have been made and the prospecting **[or exploration]** right is abandoned, suspended or cancelled before the lapsing of such right, no refunds of prospecting **[or exploration]** fees paid will be allowed."

Insertion of regulation 76(A) (1)

1. The following regulation is hereby inserted in the regulations after regulation 76:

"**Onshore and Offshore *exploration* fees**

76(A)(1) The exploration fees payable as contemplated in section 82(2)(e) of the Act, shall be as follows:

Onshore

1. The exploration fees for onshore rights listed on the tables below are as per base year 2023 and will increase by the annual average headline South African Rand (ZAR) Consumer Price Index (CPI), year on year. The applicable adjusted rates will be from the 1st of April every year and will be published on the Designated Agency's website. The increase will be effective on the anniversary date of the exploration right and subsequent renewal.

Initial Period:

CATEGORY	*A*	*B*
Areas in hectares	*0-1000*	*1001- greater*
Year	*Minimum annual amount (R)*	*Rate R/hectares*
1.	*2000*	*2,00*
2.	*2600*	*3,00*
3.	*2900*	*4,00"*

2. The onshore exploration renewal fees payable as contemplated in section 81 of the Act, shall be as follows:

First Renewal Period:

CATEGORY	*A*	*B*
Areas in hectares	*0-1000*	*1001 - greater*
Year	*Minimum annual amount (R)*	*Rate R/hectares*
1.	*6000*	*6,00*
2.	*6900*	*7,00*

Second Renewal Period:

CATEGORY	A	B
Areas in hectares	0-1000	1001- greater
Year	Minimum annual amount (R)	Rate R/hectares
1.	8000	8,00
2.	9000	9,00

Third Renewal Period:

CATEGORY	A	B
Areas in hectares	0-1000	1001- greater
Year	Minimum annual amount (R)	Rate R/hectares
1.	10000	10,00
2.	11000	11,00

(3) All hectares will be rounded to the nearest hectare; by rounding up if the fraction is 0,5 hectare or more, or otherwise by rounding down.

Offshore:

1. The exploration fees for offshore rights listed on the tables below are as per base year 2023 and will increase by the annual average headline United State Dollars (USD) consumer price index (CPI), year on year. The applicable adjusted rates will be from the 1st of April every year and will be published on the Designated Agency's website. The increase will be effective on the anniversary date of the exploration right and subsequent renewal period.

Initial Period:

CATEGORY	A	B
Initial ER period (First Term)	Minimum annual amount (USD)	Annual Rate Per km^2 (USD)
1.	$50 000,00 or rand equivalent (base year 2023)	$10 or rand equivalent (base year 2023)

(2) The offshore exploration renewal fees payable as contemplated in section 81 of the Act, shall be as follows:

Renewal Periods;

CATEGORY	*A*	*B*
Renewal term	*Minimum annual amount (USD)*	*Annual Rate Per km^2 (USD)*
1.	*$70 000,00 or rand equivalent*	*$15 or rand equivalent*
2.	*$90 000,00 or rand equivalent*	*$20 or rand equivalent*
3.	*$250 000,00 or rand equivalent"*	*$25 or rand equivalent*

(3) All square kilometer will be rounded to the nearest square kilometer; by rounding up if the fraction is 0,5 square kilometer or more, or otherwise by rounding down.

Payment of exploration fees

(1)" The exploration fees must be paid by the holder of such right annually in advance and not later than 30 days from the commencement date of such right and thereafter not later than 30 days following the anniversary of each respective year of the exploration right for the duration thereof.

(2) If the exploration fees referred to in sub regulation (1) are not paid on the due date, the holder shall be in mora debitoris and shall pay interest thereon at the rate prescribed in terms of section 80 of the Public Finance Management Act, 1999 (Act No.1 of 1999) and shall be reckoned from the day following the last day allowed for payment up to and including the day of payment.

(3) Upon the relinquishment of areas already explored, in respect of the applicable exploration right, excluding a right granted over a, the exploration fees payable may be reduced: Provided that-

(a) written notification with details of the relinquishment is submitted by the holder of the exploration right to the Designated Agency at least 90 days before payment of the annual exploration fees becomes due; and
(b) the holder is not in mora debitoris due to late payments on any amount in respect of exploration fees, or where any debt in respect of exploration fees is outstanding.

(4) Where advance payments have been made and the exploration right is abandoned, suspended or cancelled before the lapsing of such right, no refunds of exploration fees paid will be allowed."

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