



Mines Royal option process

Introduction

In Scotland, the rights to Mines Royal (gold and silver) is administered by Crown Estate Scotland apart from in areas shown on this [map](#).

Wardell Armstrong LLP are our agents who manage the procedures and processes relating to Mines Royal.

The option process

Following an initial discussion with Wardell Armstrong, the applicant company should submit an application containing the required information (listed below). If the application is successful, we will grant an exclusive option-to-lease agreement. The option may be granted for up to six years depending on the proposals in the application, funding and the experience of the company making the application. Options for longer periods would generally be structured in three two-yearly stages.

Companies that have no previous relationship with Crown Estate Scotland or our predecessor The Crown Estate may be granted options for shorter periods. The applicant must be a limited company registered in the UK.

The grant of an option by Crown Estate Scotland does not confer any rights of access to land. It is the option holder's responsibility to conclude separate access agreements with landowners and to obtain all other relevant permissions for its activities.

When options are granted for longer periods, the exploration company can progress automatically from one option stage to the next providing that (a) a progress report (including the programme for the next stage) is submitted at least eight weeks before the end of each stage; (b) Crown Estate Scotland is satisfied that progress has been acceptable, meets application & renewal criteria and is consistent with the previously approved work programme; and (c) that there is no competing application. Failure to meet the eight-week deadline, or unsatisfactory progress, may result in the loss of automatic progression. If there is a competing applicant for the same area, the competing applications will be reviewed by Crown Estate Scotland against the application & renewal criteria and the area awarded to the applicant whose proposal is considered to be most suitable.

The option will normally cover an area up to 250 km². The applicant company can hold more than one option at a time but Crown Estate Scotland will take into account competition issues when multiple options are sought by a single company. The option fee is an annual sum per option and remains static throughout the three stages of each option. As at 2017, the annual sum is £5,000 payable in advance. This fee is reviewed every two years but any change will not be applied to options which have already been issued.

Crown Estate Scotland also requires that its legal and mineral agent's fees for each option are paid by the applicant. The payment of option fees or legal and mineral agent's fees is not refundable in the event that Crown Estate Scotland does not grant or extend an option.

In the event that planning permission is granted for commercial development, the option holder can exercise the option to take a lease of Mines Royal. A draft of the lease is attached to the option but some changes may be required to accommodate individual circumstances.

The minimum information required in support of an application is described below. Crown Estate Scotland would prefer the information to be submitted in report format with supporting data in appendices. Applicants are free to submit more information than the minimum shown in this guidance.

Information to be submitted in support of an application and renewal for an option

1. Company details as registered at Companies House or UK regional equivalent, including the address of the principal place of business as well as the UK registered office.
2. Summary of previous mineral exploration activity undertaken by the applicant and its outcome.
3. Details of all directors including details of other directorships, any disqualifications from directorships, professional history and details of experience relevant to their role in the applicant company.
4. Details of key personnel involved in designing, supervising and interpreting exploration and development works.
5. Details of the company's history and experience of mineral exploration projects.
6. An OS plan (digital or paper) at 1:50,000 scale showing the boundary of the application area.
7. An exploration programme providing details of work to be undertaken over the application option stage with an outline of activity for the subsequent option period.
8. The most recent three years' audited financial accounts and three years' management accounts.
9. A cashflow forecast for the exploration programme described above and the subsequent option stage.
10. Details and amounts of current funding including identities of all legal and beneficial owners holding more than 5% of the company's shares, and details of significant lenders and bondholders.
11. Sources of future funding.

The completed application should be submitted to minesroyal@wardell-armstrong.com.