



# LandTrack Systems

Improve mining compliance performance, profit and productivity with our specialised training, tools and support

## Understanding Tenement Expenditure Participant Notes

### WiFi and Wiki logon

Slide 2

- WIFI Log on and Password .....
- Go to [wiki.landtrack.com.au](http://wiki.landtrack.com.au)
- Select "Training Resources";
- Then "Understanding Tenement Expenditure Training Course"
- Go to "Expenditure data examples" and download "All Excel Sessions"

### Course Outcomes

Slide 7

- Introduction, Form 5 and Accounts
- Accounting data to Form 5 Category Mapping
- Allowable Expenditure
- Producing the Form 5
- Distributing Expenditure
- Incorporating distributed expenditure into Form 5
- Exemption from Expenditure
- Project Expenditure Exemptions using Excel



## Sessions – Day 1

[Session 1] Introduction, Form 5 and Accounts  
Morning Tea  
[Session 2] Accounting data to Form 5 Category  
Mapping  
Lunch  
[Session 3] Allowable Expenditure  
Afternoon Tea  
[Session 4] Producing the Form 5

## Slide 8

	Session Times	
1	9.00	10.30
2	10.40	12.10
3	12.50	2.50
4	3.00	4.30

## Sessions – Day 2

[Session 5] Distributing Expenditure  
Morning Tea  
[Session 6] Incorporating distributed expenditure into  
Form 5  
Lunch  
[Session 7] Exemption from Expenditure  
Afternoon Tea  
[Session 8] Project Expenditure Exemptions using Excel

## Slide 9

	Session Times	
5	9.00	10.30
6	10.40	12.10
7	12.50	2.50
8	3.00	4.30

## Resources

- Hunt on Mining Law of Western Australia Fifth Edition
- *Mining Acts* 1978
- *Mining Regulations* 1984
- Proposed Amendments to the *Mining Act*
- Warden's Court Rulings
- Tenement Management Wiki, LandTracker Maps, Tenement Safety Net
- Tengraph Web, Mineral Titles Online, Gazette
- WAMEX and GeoVIEW
- Google Earth

## Slide 10

**Introduction, Form 5 and Accounts**

**Slide 12**

**Outcomes**

- Regulations that outline tenement expenditure requirements
- Reporting requirements regarding tenement expenditure
- How do the requirements for reporting translate into tasks?
- The relevant data sources and the flow of data
- Data compilation and reporting

**Why understand tenement expenditure?**

**Slide 13**

Why are we here? One word – Regulations (Mining Regulation 1981)  
Regulation 16 – Referring to Prospecting Licences

**MINING REGULATIONS 1981 - REG 16**

**16 . Reports to be filed (Act s. 51)**

- (1) A report required under [section 51](#) is to be in the form of Form 5 and is to be filed —
  - (a) within 60 days after each anniversary date of the commencement of the term of the licence; and
  - (b) within 60 days after the surrender, forfeiture, expiry or other cancellation of the licence.
- (2) A person who, in a report required under section 51 of the Act, gives information that the person knows is false or misleading in a material respect commits an offence.

*[Regulation 16 amended: Gazette 2 Jul 1993 p. 3270; 17 Jan 2003 p. 110; 15 Jan 2010 p. 99; 1 Feb 2013 p. 451.]*

Regulation 22 – Referring to Exploration Licences

## MINING REGULATIONS 1981 - REG 22

### 22 . Reports to be filed (Act s. 68(3))

(1) The reports required under [section 68\(3\)](#) shall be a report on operations on the mining tenement in the form of Form 5 to be filed —

- (a) within 60 days after each anniversary date of the commencement of the term of the licence; and
- (b) within 60 days after the surrender, forfeiture, expiry or other cancellation of the licence.

(2) A person who, in a report required under [section 68\(3\)](#), gives information that the person knows is false or misleading in a material respect commits an offence.

*[Regulation 22 amended: Gazette 2 Jul 1993 p. 3270; 13 Oct 1995 p. 4815; 17 Jan 2003 p. 110-11; 15 Jan 2010 p. 100; 1 Feb 2013 p. 452.]*

*[ 22A, 22B. Deleted: Gazette 1 Feb 2013 p. 452.]*

Regulation 23E – Referring to Retention Licences

## MINING REGULATIONS 1981 - REG 23E

### 23E . Reports to be lodged (Act s. 70H(1))

(1) The periodical reports and returns required under section 70H(1)(f) shall be a report on operations on the mining tenement in the form of Form 5 to be lodged —

- (a) within 60 days after each anniversary date of the commencement of the term of the licence; and
- (b) within 60 days after the surrender, forfeiture, expiry or other cancellation of the licence.

(2) A person who, in a report required under section 70H(1)(f), gives information that the person knows is false or misleading in a material respect commits an offence.

*[Regulation 23E inserted: Gazette 24 Jun 1994 p. 2928-9; amended: Gazette 17 Jan 2003 p. 111; 15 Jan 2010 p. 101; 1 Feb 2013 p. 452.]*

Regulation 32 – Referring to Mining Leases

**MINING REGULATIONS 1981 - REG 32**

**32 . Reports to be filed (Act s. 82(1))**

- (1) The reports required under [section 82\(1\)](#) shall be in the form of Form 5 and filed —
  - (a) within 60 days after each anniversary date of the commencement of the term of the lease; and
  - (b) within 60 days after the surrender, forfeiture, expiry or other cancellation of the lease.
- (2) A person who, in a report required under section 82(1) of the Act, gives information that the person knows is false or misleading in a material respect commits an offence.

*[Regulation 32 amended: Gazette 2 Oct 1987 p. 3816; 2 Jul 1993 p. 3270; 17 Jan 2003 p. 112; 15 Jan 2010 p. 102; 1 Feb 2013 p. 453.]*

*Mining Act 1978* Section 102 – Exemption from expenditure conditions

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**MINING ACT 1978 - SECT 102**

**102 . Exemption from expenditure conditions**

- (1) Subject to this Act, on an application (an *application for exemption*) made, as prescribed, by the holder of a mining tenement (other than a retention licence) or his authorised agent prior to the end of the year to which the proposed exemption relates, or within the prescribed period after the end of that year, the holder may be granted a certificate of exemption in the prescribed form totally or partially exempting the mining tenement to which the application relates from the prescribed expenditure conditions relating thereto, in an amount not exceeding the amount required to be expended —
  - (a) in respect to any mining tenement other than a mining lease, in any one year; and
  - (b) in respect to a mining lease, subject to subsection (7), in a period of 5 years.
- (1a) An application for exemption may relate to more than one mining tenement.

*Mining Act 1978* Section 102 – Exemption from expenditure conditions

- (2) A certificate of exemption may be granted for any of the following reasons —
- (a) that the title to the mining tenement is in dispute; or
  - (b) that time is required to evaluate work done on the mining tenement, to plan future exploration or mining or raise capital therefor; or
  - (c) that time is required to purchase and erect plant and machinery; or
  - (d) that the ground the subject of the mining tenement is for any sufficient reason unworkable; or
  - (e) that the ground the subject of the mining tenement contains a mineral deposit which is uneconomic but which may reasonably be expected to become economic in the future or that at the relevant time economic or marketing problems are such as not to make the mining operations viable; or
  - (f) that the ground the subject of the mining tenement contains mineral ore which is required to sustain the future operations of an existing or proposed mining operation; or
  - (g) that political, environmental or other difficulties in obtaining requisite approvals prevent mining or restrict it in a manner that is, or subject to conditions that are, for the time being impracticable; or

## Why understand tenement expenditure?

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*Mining Act 1978* Section 115A – Mineral Exploration Reports

### **MINING ACT 1978 - SECT 115A**

#### **115A . Mineral exploration reports**

(1) In this section —

*guidelines* means guidelines published under the regulations;

*mineral exploration report* means a report containing records of the progress and results of —

- (a) programmes involving the application of one or more of the geological sciences;
- (b) drilling programmes;
- (c) activities involving the collection and assaying of soil, rock, groundwater and mineral samples,

that have been carried out in search for minerals;

## Why understand tenement expenditure?

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*operations report* means a report of the kind required under section 51, 68(3), 70H(1)(f) or 82(1)(e).

(2) The holder of a mining tenement shall file a mineral exploration report, or cause a mineral exploration report to be filed —

- (a) in conjunction with an operations report in such circumstances as are set out in the guidelines and
- (b) whenever required to do so by the Minister by notice in writing.

(3) A mineral exploration report is to be filed in the prescribed manner and is to be in the form required by the guidelines and is to contain information of the kind required by the guidelines.

(4) The Minister may, under the guidelines, approve of arrangements for combined mineral exploration reports to be filed for 2 or more mining tenements and mineral exploration reports can be filed under those arrangements despite the requirement of subsection (2)(a) for them to be filed in conjunction with operations reports.

(5) The Minister may, under the guidelines, cancel arrangements referred to in subsection (4).

[Section 115A inserted: No. 58 of 1994 s. 45; amended: No. 12 of 2010 s. 37.]

Form 5

WESTERN AUSTRALIA

*Mining Act 1978*  
(Secs. 51, 68, 70H, 82 and 115A)  
(Regs. 16, 22, 23E, 32, 96B and 96C)

**OPERATIONS REPORT – EXPENDITURE ON MINING TENEMENT**

(To be completed in accordance with instructions)

<b>Annual:</b> <input style="width: 50px;" type="text"/>	<b>Final:</b> <input style="width: 50px;" type="text"/>
<b>Tenement Type:</b> <input style="width: 150px;" type="text"/>	<b>Number :</b> <input style="width: 50px;" type="text"/> / <input style="width: 50px;" type="text"/>
<b>Reporting Period: From:</b> <input style="width: 50px;" type="text"/> / <input style="width: 50px;" type="text"/> / <input style="width: 50px;" type="text"/>	<b>To:</b> <input style="width: 50px;" type="text"/> / <input style="width: 50px;" type="text"/> / <input style="width: 50px;" type="text"/>

Itemize activities and expenditure on Attachment 1

Evidence of lodgement to be provided

<b>MINERAL-EXPLORATION AND/OR MINING ACTIVITIES</b>		
<b>A. MINERAL-EXPLORATION ACTIVITIES:</b>		\$ <input style="width: 100px;" type="text"/>
<b>B. MINING ACTIVITIES:</b>		\$ <input style="width: 100px;" type="text"/>
<b>C. ABORIGINAL HERITAGE SURVEYS:</b>		\$ <input style="width: 100px;" type="text"/>
<b>D. ANNUAL TENEMENT RENT AND RATES:</b>		\$ <input style="width: 100px;" type="text"/>
<b>E. ADMINISTRATION/OVERHEADS:</b>	\$ <input style="width: 100px;" type="text"/>	
<b>F. (OTHER) LAND ACCESS/NATIVE TITLE COSTS:</b>	\$ <input style="width: 100px;" type="text"/>	\$ <input style="width: 100px;" type="text"/>
<small><i>Jointly not to exceed 20% of the minimum commitment or expenditure on the activities shown above, whichever is the greater (see instructions).</i></small>		
<b>TOTAL EXPENDITURE:</b>		\$ <input style="width: 100px;" type="text"/>
<small>N.B. Full details and results of mineral-exploration activities must be submitted in the annual mineral-exploration report in accordance with section 115A of the Act and the guidelines published under regulation 96B.</small>		

**OR**

Itemize activities and expenditure on Attachment 2

<b>PROSPECTING AND/OR SMALL SCALE MINING ACTIVITIES</b>	
<b>TOTAL EXPENDITURE:</b>	\$ <input style="width: 100px;" type="text"/>
<b>(A to E ON ATTACHMENT 2)</b>	

A copy of this page of the Operations Report and Attachment 1 titled "Summary of Mineral-Exploration and/or Mining Activities" or Attachment 2 titled "Summary of Prospecting and/or Small Scale Mining Activities" may be obtained by any person on the payment of the prescribed fee in accordance with regulation 96(3).



Full name and address of holder/s.

**NAME:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_

\_\_\_\_\_

Full name and address of operator/ manager (if mining tenement under option or joint venture).

**NAME:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_

\_\_\_\_\_

List here details of the related annual mineral-exploration report.

**Mineral-exploration report (for single tenement)**

Title: \_\_\_\_\_

**Combined mineral-exploration report (for group of two or more tenements)**

Title: \_\_\_\_\_

Combined reporting number for tenement group: C / \_\_\_\_\_

Combined reporting date for group: / / \_\_\_\_\_

I certify that the information on pages 1 and 2 and in Attachment 1 "Summary of Mineral-Exploration and/or Mining Activities" or Attachment 2 "Summary of Prospecting and/or Small Scale Mining Activities" constitutes a true statement of the operations carried out and monies expended on this mining tenement during the reporting period specified.

Signature of holder or agent (if agent, full name and address of agent)

\_\_\_\_\_

Date:

/ / \_\_\_\_\_

(Tick appropriate box and show expenditure. If more than one commodity sought, tick appropriate boxes and allocate expenditure for each one).

**MINERAL COMMODITY SOUGHT ON TENEMENT**

<input type="checkbox"/> Gold	\$ _____	<input type="checkbox"/> Diamond	\$ _____
<input type="checkbox"/> Iron ore	\$ _____	<input type="checkbox"/> Mineral Sands	\$ _____
<input type="checkbox"/> Nickel/Cobalt	\$ _____	<input type="checkbox"/> Other (specify)	\$ _____
<input type="checkbox"/> Copper/Lead/ Zinc/Silver	\$ _____		_____

This page is not to be copied in conjunction with regulation 96(3).

Note:  
**ATTACHMENT 1 — SUMMARY OF MINERAL-EXPLORATION AND/OR MINING ACTIVITIES** OR **ATTACHMENT 2 — SUMMARY OF PROSPECTING AND/OR SMALL SCALE MINING ACTIVITIES**

(A) The attachments to the Form 5 are to provide a summary of the activities carried out and the cost of each activity. For Attachment 1 you may either use the pro-forma sheet or a separate sheet with the suggested headings as shown under 4(A) and (B) in the instructions. For Attachment 2 the pro-forma sheet available from the Department must be used.

(B) A copy of Attachment 1 or 2 will be provided together with a copy of the front page of the Form 5 to any person on payment of the prescribed fee.

**This operation report received**

H  
E  
A  
D  
D  
F  
F  
I  
C  
E  
  
U  
N  
E

Full name and address of holder/s.

**NAME:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_

\_\_\_\_\_

Full name and address of operator/manager (if mining tenement under option or joint venture).

**NAME:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_

\_\_\_\_\_

List here details of the related annual mineral-exploration report.

**Mineral-exploration report (for single tenement)**

Title: \_\_\_\_\_

**Combined mineral-exploration report (for group of two or more tenements)**

Title: \_\_\_\_\_

Combined reporting number for tenement group: C / \_\_\_\_\_

Combined reporting date for group: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

I certify that the information on pages 1 and 2 and in Attachment 1 "Summary of Mineral-Exploration and/or Mining Activities" or Attachment 2 "Summary of Prospecting and/or Small Scale Mining Activities" constitutes a true statement of the operations carried out and monies expended on this mining tenement during the reporting period specified.

Signature of holder or agent (if agent, full name and address of agent)

\_\_\_\_\_

Date:

\_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

(Tick appropriate box and show expenditure. If more than one commodity sought, tick appropriate boxes and allocate expenditure for each one).

**MINERAL COMMODITY SOUGHT ON TENEMENT**

<input type="checkbox"/> Gold	\$ _____	<input type="checkbox"/> Diamond	\$ _____
<input type="checkbox"/> Iron ore	\$ _____	<input type="checkbox"/> Mineral Sands	\$ _____
<input type="checkbox"/> Nickel/Cobalt	\$ _____	<input type="checkbox"/> Other (specify)	\$ _____
<input type="checkbox"/> Copper/Lead/ Zinc/Silver	\$ _____		_____

This page is not to be copied in conjunction with regulation 96(3).

**Note:**  
**ATTACHMENT 1 — SUMMARY OF MINERAL-EXPLORATION AND/OR MINING ACTIVITIES** **OR** **ATTACHMENT 2 — SUMMARY OF PROSPECTING AND/OR SMALL SCALE MINING ACTIVITIES**

(A) The attachments to the Form 5 are to provide a summary of the activities carried out and the cost of each activity. For Attachment 1 you may either use the pro-forma sheet or a separate sheet with the suggested headings as shown under 4(A) and (B) in the instructions. For Attachment 2 the pro-forma sheet available from the Department must be used.

(B) A copy of Attachment 1 or 2 will be provided together with a copy of the front page of the Form 5 to any person on payment of the prescribed fee.

This operation report received

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**A. MINERAL EXPLORATION ACTIVITIES**

- Geological activities:** geological mapping, sampling, drilling supervision, core logging, non-core drill-sample logging, geological data processing and interpretation, petrology, planning of exploration programs, report preparation; where appropriate, general prospecting can be added here.
- Geochemical activities:** geochemical sampling, analysis of surface geochemical samples or subsurface drilling samples, geochemical data processing and interpretation. ALSO show number of samples collected.
- Geophysical activities (surface/subsurface):** ground geophysical surveys, downhole logging, geophysical data processing and interpretation.
- Airborne geophysical activities:** aerial survey costs, geophysical data processing and interpretation.
- Remote sensing activities:** aerial photography, remote sensing images, photo interpretation, image processing and interpretation.
- Mineralogical activities (exploration for diamonds, heavy mineral sands, etc.):** bulk sampling, mineral separation, mineralogy and analysis of diamond indicator minerals or other minerals.
- Surveying activities:** gridding, line clearing, grid tie-in, tenement boundaries, etc.
- Core drilling:** diamond drilling costs (including pre-collar open-hole non-core drilling), access road and drill-site preparation; ALSO show metres drilled and number of holes completed.
- Non-core drilling:** drilling costs, access road preparation; ALSO show metres drilled and number of holes completed. Costs for deep geochemical sampling by auger or air-core drilling can also be shown here. (N.B. Specify drilling for groundwater supply.)
- Costeasing:** plant and equipment hire for trenching and bulk sampling.
- Field supplies:** exploration equipment, consumables and supplies, plant and equipment hire, fuel, oil, etc., depreciation of direct exploration equipment, wages for non-professional field personnel.
- Drafting activities:** drafting equipment, consumables and supplies, salaries for drafting personnel.
- Travel:** travel costs directly associated with mineral exploration activities conducted on the tenement.
- Field camp activities:** establishment and maintenance of exploration base camps, food and accommodation, vehicle costs, contractor helicopter support.
- Environmental:** environmental studies.
- Feasibility study activities:**
- Rehabilitation activities:**

**B. MINING ACTIVITIES (DEVELOPMENT AND PRODUCTION)**

Mine planning, open-cut mining, underground mining, shaft sinking, decline construction, underground drilling, pre-blast bench drilling, ore treatment, construction and maintenance of ore stockpiles, waste dumps, tailings dams and dumps, etc. ALSO show tonnes mined or treated. Any costs associated with care and maintenance on an idle mining operation can also be shown here.

[C.deleted]

**D. ANNUAL TENEMENT RENT AND RATES**

Rental and local government rates, paid in connection with the mining tenement each year.

**E. ADMINISTRATION AND OVERHEADS**

All non-field activities such as head office costs, accounting, mining tenement management, administration, research, literature studies, training, etc.

**F. LAND ACCESS/NATIVE TITLE**

All other native title and land access costs including private land access costs but excluding payments for compensation.

N.B. The amount allowed under E and F not to exceed 20% of the minimum expenditure commitment or the total expenditure incurred on activities, whichever is the greater.

**NON-ALLOWABLE EXPENDITURE**

- 5. This includes the following —
  - (a) cost of marking-out of mining tenements;
  - (b) acquisition costs of tenements and associated expenses;
  - (c) research activities not directly related to a specific tenement; and
  - (d) compensation payments.

The Courts define expenditure:

- Wardens Court
- Supreme Court single Judge
- Full Court of the Supreme Court – 1 to 3 judges
- High Court
- Full Court of the High Court

**What do the regulations mean for me?**

Regulations should translate into tasks by:

- Ensuring we are aware of all regulatory requirements
- Mapping out the regulatory dates for each tenement (e.g. Form 5 due dates, Exemption Application due)
- Setting up a schedule of tasks to ensure documentation is submitted on a timely manner:
  - Slide 15 Gather data from various internal departments
  - Slide 16 Process data
  - Slide 17 Produce compliance documentation
  - Slide 18 Submit compliance documentation
  - Slide 19 Verify receipt of compliance documentation.

**What do the regulations mean for me?**

Schedule Template (Sample)

<b>Example Task List for lodging each Form 5</b>	
<b>Description</b>	<b>Due Date</b>
<b>Meet with Exploration Manager</b>	60 days before Due date
<b>Notify Accounts</b>	59 days before Due date
<b>Gather allowable expenditure data</b>	59 days before Due date
<b>Check to see if there is drill data from Database Geologist</b>	59 days before Due date
<b>Generate Expenditure Report</b>	30 days before Due date
<b>Lodge Expenditure Report</b>	15 days before Due date
<b>Lodge Exemption (if required)</b>	14 days before Due date
<b>Exemption Application Fee required from accounts</b>	14 days before Due date
<b>Verify Form 5 Lodged on MTO</b>	7 days before Due date
<b>Lodge Statutory Declaration (if required) (r.54(3))</b>	28 days after Due date

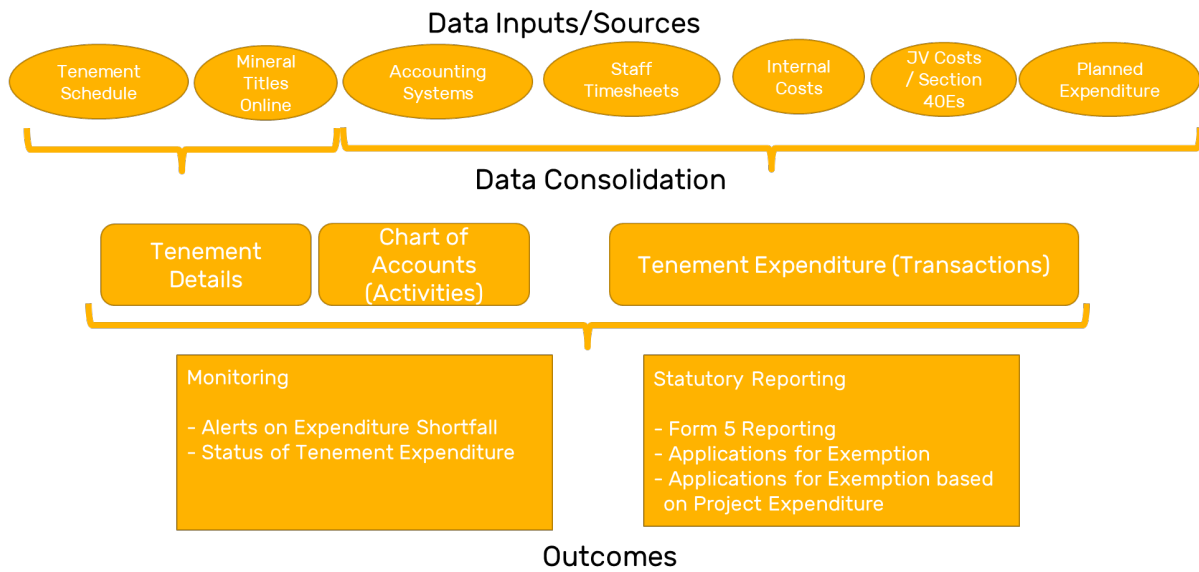
Example:

Example Task List for lodging Form 5 for E38/2320 (Due Date: Fri 22-May-2020)	
Description	Due Date
Meet with Exploration Manager	23-Mar-2020
Notify Accounts	24-Mar-2020
Gather allowable expenditure data	24-Mar-2020
Check to see if there is drill data from Database Geologist	24-Mar-2020
Generate Expenditure Report	22-Apr-2020
Lodge Expenditure Report	7-May-2020
Lodge Exemption (if required)	8-May-2020
Exemption Application Fee required from accounts	8-May-2020
Verify Form 5 Lodged on MTO	15-May-2020
Lodge Statutory Declaration (if required) (r.54(3))	19-Jun-2020

☐ ☐

## Data Sources and Flow

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## Example Company: Blue Sky Mining Limited

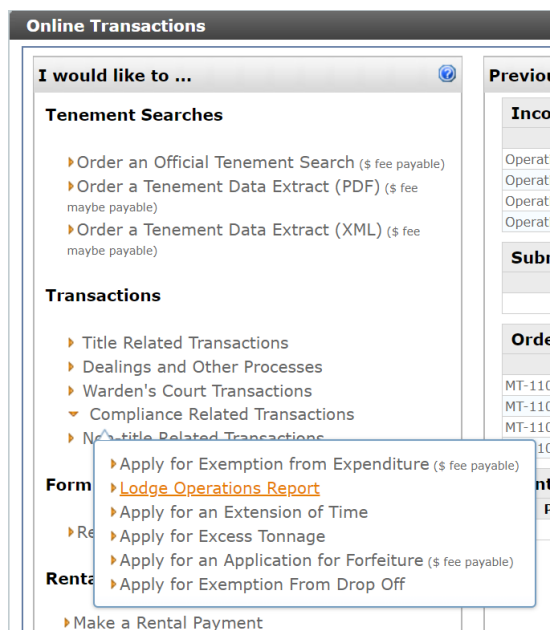
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- Blue Sky Mining Limited is the name we've given to the company we will be referencing throughout the course
- Real tenements are being used throughout the course to allow us to demonstrate aspects of Mineral Titles Online as there is no test platform available
- Though the tenements belong to real holders, neither the specific tenements nor the respective holders are relevant to topics we are covering – merely using them as sample data.

## Operations Report - Form 5 – Online

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A Form 5 Operations Report is an expenditure report for a mining tenement



**Online Lodgement: Operations Report**

**1 Select Type** ←

**Step 1 - Operations Report Type**

Select the type of Operations Report you wish to lodge.

- Single Operations Report
- Multiple Operations Reports (BULK UPLOAD)

**Operations Report Type Selection Help**

Operations Reports may be lodged individually by entering data on a per tenement basis guided through a wizard based process, review and sign-off.

**or**

Operations Reports data for multiple Tenements structured in Operations Report XML format may be uploaded for processing, review and sign-off.

Government of Western Australia  
Department of Mines, Industry Regulation and Safety

**eMiTS**  
MINERAL TITLES ONLINE

Home Tenement Register Online Transactions Enquiry Admin Help

**Online Lodgement: Operations Report**

**1 Tenement Selection** ←

**Step 1 - Tenement Selection**

Please enter the Tenement ID

**Tenement Selection Help**

Enter the tenement identifier and then click the **Next** button to save and continue to Step 2. The tenement identifier should be in the standard format e.g. M30/21.

As you progress through the online process your form is automatically saved and can be completed at a later time. You can continue incomplete forms if required from the **Online Transactions** page.

Government of Western Australia  
Department of Mines, Industry Regulation and Safety

Home Tenement Register Online Transactions Enquiry Admin Help

**Online Lodgement: Operations Report - Submission Id 227061**

1 Tenement Selection ✓  
2 Tenement Details ←  
3 Report Details  
4 Activity Selection  
5 Activity Summary  
6 Commodity Expenditure  
7 Signing Party  
8 Attach Documents  
9 Review  
10 Signature  
11 Delivery

### Step 2 - Tenement Details

**Tenement ID:** E 38/2320 **Holder Details:** EASTERN GOLDFIELDS MINING COMPANY PTY LTD  
GREAT BOULDER RESOURCES LIMITED

**What type of operations report are you submitting ?**  
 Annual  Final

**Which reporting period does this submission apply to ?**  
 From  To

**Please enter the details of the Operation Manager (optional):**  
 Given Name  Surname   
 Street 1   
 Street 2   
 Suburb  State  Postcode   
 Country

**Tenement Details Help**

Select type of operations report you are submitting (Annual or Final) and enter the reporting period by selecting the date picker icon.

When you have finished entering the relevant information, click the **Next** button below to continue through each required step, **Previous** to return to the previous step or **Cancel** to cancel the online lodgement process and return to the Online Transactions page.

Click the **Next** button to save and continue to Step 3.

Expenditure Report (Form 5) and Applying for Exemption From Expenditure Conditions

Cancel Previous Next

Government of Western Australia  
Department of Mines, Industry Regulation and Safety

Home Tenement Register Online Transactions Enquiry Admin Help

**Online Lodgement: Operations Report - Submission Id 227061**

1 Tenement Selection ✓  
2 Tenement Details ✓  
3 Report Details ←  
4 Activity Selection  
5 Activity Summary  
6 Commodity Expenditure  
7 Signing Party  
8 Attach Documents  
9 Review  
10 Signature  
11 Delivery

### Step 3 - Report Details

**Tenement ID:** E 38/2320 **Holder Details:** EASTERN GOLDFIELDS MINING COMPANY PTY LTD  
GREAT BOULDER RESOURCES LIMITED  
**Reporting Period:** From 23/03/2018 To 22/03/2019

Related Annual Mineral Exploration Report

**Are you expecting to lodge a related Mineral Exploration Report for this tenement?**  
 No  Yes

**Tenement Selection Help**

If you select **Yes** to step three then please select whether this is for the individual tenement or the tenement as part of a Combined Reporting Group by selecting the respective radio button. Additionally please enter the title of the report.

Click the **Next** button to save and continue to Step 4.

Cancel Previous Next





Online Lodgement: Operations Report - Submission Id 227061

- 1 Tenement Selection ✔
- 2 Tenement Details ✔
- 3 Report Details ✔
- 4 Activity Selection ←
- 5 Activity Summary
- 6 Commodity Expenditure
- 7 Signing Party
- 8 Attach Documents
- 9 Review
- 10 Signature
- 11 Delivery

**Step 4 - Activity Selection**

**Tenement ID:** E 38/2320      **Holder Details:** EASTERN GOLDFIELDS MINING COMPANY PTY LTD  
**Reporting Period:** From 23/03/2018 To 22/03/2019      **Details:** GREAT BOULDER RESOURCES LIMITED

Please enter the activity type:

- Prospecting and/or small scale Mining Activities Report
- Mineral Exploration and/or Mining Activities Report

**Activity Selection Help**

Select the activity type by clicking the respective radio button.

Click the **Next** button to save and continue to Step 5.

Cancel

Previous

Next



Online Lodgement: Operations Report - Submission Id 227323

- 1 Tenement Selection ✔
- 2 Tenement Details ✔
- 3 Report Details ✔
- 4 Activity Selection ✔
- 5 Activity Summary ←
- 6 Commodity Expenditure
- 7 Signing Party
- 8 Attach Documents
- 9 Review
- 10 Signature
- 11 Delivery

**Step 5 - Summary of Mineral Exploration and/or Mining activities**

**Tenement ID:** E 38/2320      **Holder Details:** EASTERN GOLDFIELDS MINING COMPANY PTY LTD  
**Reporting Period:** From 23/03/2018 To 22/03/2019      **Details:** GREAT BOULDER RESOURCES LIMITED

**A - Mineral Exploration Activities**

Please select activities and their expenditures: [Add Activity](#)

Mineral Exploration Activities	Expenditure	Activity Type
No Records		

**SECTION A TOTAL: \$0.00**

**B - Mining Activities (Development and Production)** [See](#)

Please select activities and their expenditures: [Add Activity](#)

Mineral Activities	Expenditure
No Records	

**SECTION B TOTAL: \$0.00**

**C - Aboriginal Heritage Surveys** [See](#)

Please select activities and their expenditures: [Add Activity](#)

**Activity Summary Help**

There are 7 sections for Mineral Exploration activity that you can complete (attachment 1). Use the links below to help you navigate to each respective section.

- [A - Mineral Exploration](#)
- [B - Mining Activities](#)
- [C - Aboriginal Heritage Surveys](#)
- [D - Annual Tenement Rent & Rates](#)
- [E - Administration & Overheads](#)
- [F - Land Access / Native Title Comments](#)

Click the **Next** button below to save and continue to Step 6.

A Form 5 Operations Report will be filed at the Department within 60 days after each anniversary of the commencement of term of the tenement:

<b>Tenement ID</b>	<b>Status</b>	<b>Next Anniversary Date</b>	<b>Commencement Date</b>	<b>Next Form 5 Due</b>
E38/2320	Live	Mon 23-Mar-2020	Wed 23-Mar-2011	Fri 22-May-2020

Unless a period of extension has been applied for and approved under Section 162B of the Mining Act 1978

**Operations Report - Form 5 – Required Information**

**Slide 31**

- Required Information (Refer to [Ops Report Expenditure](#))
- **Report Type:** Annual, Final or Surrender (including partial surrenders)
- **Period:** Anniversary commencement date to anniversary conclusion date (or surrender date)
- **Tenement Type:** M, P, E or R
- Brief details of operations carried out
- Expenditure amount claimed for each type of operation along with total amount expended on the tenement
- Cost and description for each activity claimed under Part A “Mineral Exploration Activities” or Part B “Mining Activities” in Attachment 1
- Drilling or Geochemistry also requires drill hole and sample data
- Details of related annual mineral exploration report
- Mineral Commodity details.

**Operations Report - Form 5 – Things to Note**

**Slide 32**

- If a Form 5 is not lodged within the required period notice of intention to forfeit, proceedings will be initiated on the basis of non-compliance with the reporting and/or expenditure conditions
- Also make sure that the appropriate attachment is completed:
  - Attachment 1 is to be completed only if exploration or mining activities have taken place on the tenement during the relevant period
  - Attachment 2 is to be completed only if prospecting or small scale mining has taken place on the tenement during the relevant period
- Incomplete or incorrect Form 5’s will not be processed or entered in the tenement registry until the form complies with requirements.

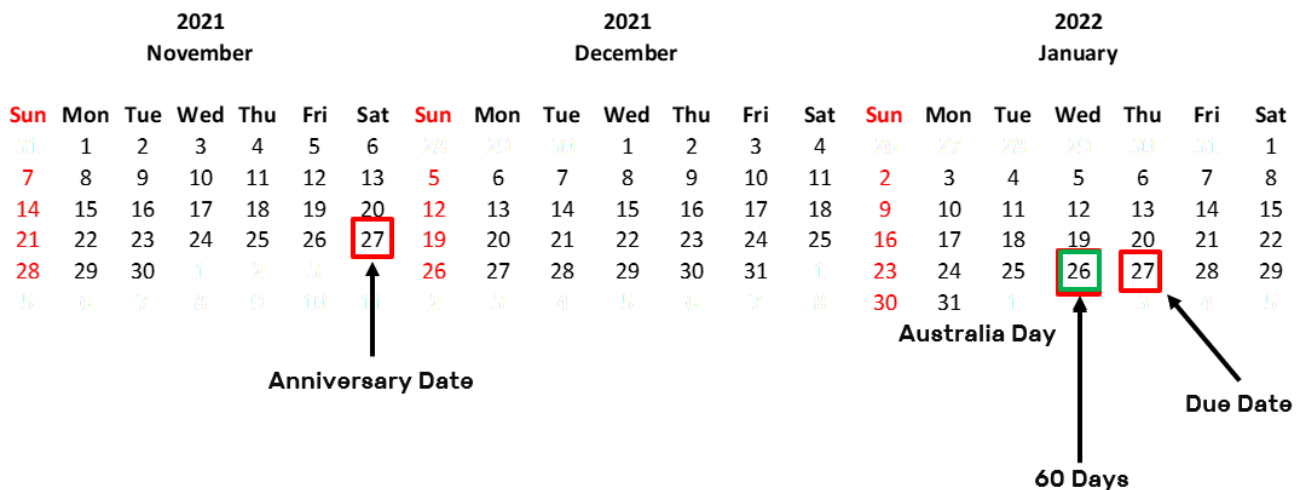
NOTE: Tenement expenditure and goods and services tax (GST)

It is required that expenditure on mining tenements be recorded and reported on an annual basis. The GST component of expenditure in connection with mining tenements should be included in the calculation of annual expenditure reported on the Form 5 Operations Report.

Interpretation Act 1984 <https://wiki.landtrack.com.au/wiki/329/interpretation-act>

Question: What date is the Form 5 due if the anniversary is on 27 November 2021?

- Read s61 of the Act (in the WIKI)
- s68 of the Mining Act and Regs. 22 state that the Form 5 is due within 60 days after each anniversary date.
- s61(c) Interpretation Act states where anything is done within in a specified time shall not include that date
- s61(e) where a time limited for the doing of a thing expires or fall on excluded day the thing may be done on the next day
- s61(2) ...excluded day means Saturday, Sunday or public holiday.



Operations Report - Form 5 Categories – Paper Lodgement Activities

Slide 36

Form 5 Activity Headings	Form 5 Activities		Form 5 Activity Headings	Form 5 Activities
A - Mineral Exploration Activities	Airborne geophysical activities		A - Mineral Exploration Activities	Non-core drilling
	Core drilling			Rehabilitation activities
	Costeaming			Remote sensing activities
	Drafting activities			Surveying activities
	Environmental			Travel
	Feasibility study activities		B - Mining Activities (Development and Production)	Mining activities
	Field camp activities		C - Aboriginal Heritage Surveys	Aboriginal Heritage Surveys
	Field supplies		D - Annual Rent and Rates	Rates
	Geochemical activities		D - Annual Rent and Rates	Rent
	Geological activities		E - Administration and Overhead	Administration
	Geophysical activities (surface/subsurface)		F - Land Access/Native Title	Land Access/Native Title
	Mineralogical activities			

Operations Report - Form 5 Categories – Online Lodgement Activities

Slide 37

Category Letter - Activity - Activity Type	Category Letter - Activity - Activity Type	Activity - Activity Type	Activity - Activity Type
C - Aboriginal Heritage Survey - Other	A - Geochemistry - Bulk sampling	A - Geology - GIS	A - Geophysics - Ground EM surveys
E - Admin - Other	A - Geochemistry - Core sampling	A - Geology - Hydrogeology	A - Geophysics - Ground magnetic surveys
A - Drafting - Drafting	A - Geochemistry - Deflation lag sampling	A - Geology - Literature review	A - Geophysics - Ground radar surveys
A - Drilling - Aircore drilling	A - Geochemistry - Drill assays	A - Geology - Metallurgy	A - Geophysics - Ground radioactivity surveys
A - Drilling - Auger drilling	A - Geochemistry - Electron microprobes	A - Geology - Mineral resource estimate	A - Geophysics - IP surveys
A - Drilling - Core sampling	A - Geochemistry - Ground water sampling	A - Geology - Mineralogy	A - Geophysics - Landsat
A - Drilling - Diamond drilling	A - Geochemistry - Infrared spectroscopy	A - Geology - <b>Other</b>	A - Geophysics - <b>Other</b>
A - Drilling - Drilling	A - Geochemistry - Microdiamond analysis	A - Geology - Palaeontology	A - Geophysics - Photogrammetry
A - Drilling - Large diameter drilling	A - <b>Geochemistry - Other</b>	A - Geology - Petrography	A - Geophysics - Radioactivity surveys
A - <b>Drilling - Other</b>	A - Geochemistry - Rock chip sampling	A - Geology - Photogeology	A - Geophysics - Resistivity surveys
A - Drilling - Percussion drilling	A - Geochemistry - Sampling	A - Geology - Prospecting	A - Geophysics - Satellite imagery
A - Drilling - Reverse circulation drilling	A - Geochemistry - Soil sampling	A - Geology - Relogging	A - Geophysics - Seismic interpretation
A - Drilling - Rotary drilling	A - Geochemistry - Stream sediment sampling	A - Geology - Review of exploration results	A - Geophysics - Seismic surveys
A - Drilling - Vacuum drilling	A - Geochemistry - Water sampling	A - Geology - Structural geology	A - Geophysics - SP surveys

Category Letter - Activity - Activity Type	Category Letter - Activity - Activity Type	Activity - Activity Type	Activity - Activity Type
A - Environmental - Environmental auditing	A - Geochemistry - Whole rock assays	A - Geophysics - Aerial EM surveys	A - Geophysics - Surveying
A - Environmental - Environmental impact surveys	A - Geology - Computer applications	A - Geophysics - Aerial magnetic surveys	F - Land Access Native Title - Other
A - Environmental - Environmental management	A - Geology - Computer modelling	A - Geophysics - Aerial multispectral scanning	B - Mining - Care and Maintenance
A - Environmental - Fauna studies	A - Geology - Costeaming	A - Geophysics - Aerial photography	B - Mining - Development
A - Environmental - Flora studies	A - Geology - Data bases	A - Geophysics - Aerial radioactivity surveys	B - Mining - Environmental - Mining
A - Environmental - <b>Other</b>	A - Geology - Exploration target generation	A - Geophysics - Audiomagnetotelluric surveys	B - Mining - Other
A - Environmental - Rehabilitation	A - Geology - Feasibility studies	A - Geophysics - Digital elevation modelling	B - Mining - Production
A - Exploration - Other Exploration	A - Geology - Geochronology	A - Geophysics - Electrical surveys	D - Rent/Rates - Other
A - Field Camp Activities - Field Camp Activities	A - Geology - Geological interpretation	A - Geophysics - Geophysical interpretation	D - Rent/Rates - Rates
A - Field Supplies - Field Supplies	A - Geology - Geological mapping	A - Geophysics - Geophysical logging	D - Rent/Rates - Rent
A - Geochemistry - Assays	A - Geology - Geological reconnaissance	A - Geophysics - Gravity surveys	A - Travel - Travel

I know I have to lodge Form5s for each tenement and categorise the expenditure into the provided activities but:

1. Where do I get the expenditure data from?
  - Accounts Department / Accounting System.
2. Great, I have access to accounts, but what data do I need to request?
  - A - Chart of Accounts
    - Account Code
    - Description
  - B - Periodic Expenditure Listings (which are hopefully coded to tenements)
    - Date
    - Account Code
    - Transaction Description
    - Tenement ID/Bucket Code
    - Amount (incl. GST)
3. I have all the data, how do I collate it all together to generate the Form 5?

## Operations Report - Form 5 and Accounts

Slide 40

A few key ideal requirements in assisting to categorise expenditure:

- No account codes span across multiple Form 5 Activities
  - e.g. Account code 3200 – Geo (Geology, Geochemistry, Geophysics)
  - Difficult to split and itemise in the Form 5
  
- Expenditure Transactions are coded to:
  - Tenements
  - Bucket Codes – with a known distribution across tenements.

## Operations Report - Form 5 – Simple Transaction Flow

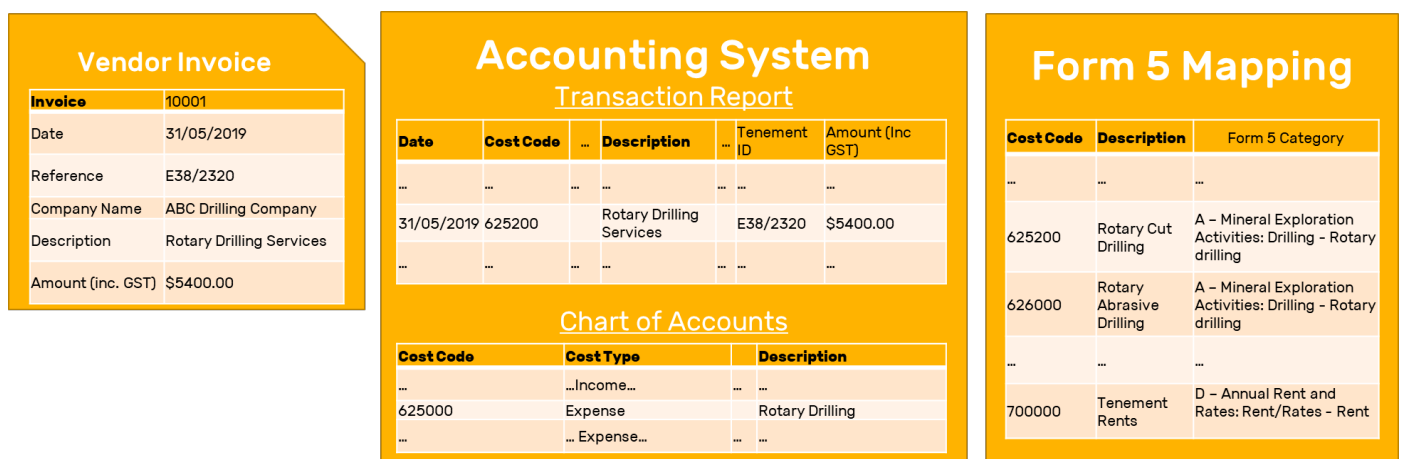
Slide 41

- Build a business process
- How to complete a form 5
- More importantly – how do we complete a form 5?
- Exercise: create a form 5 process
- All processes have:
  - Trigger
  - Outcomes
  - Inputs

## Operations Report - Form 5 – Simple Transaction Flow

Slide 42

A very simple example of a transaction flow from Accounts to Form 5:



The amount of this transaction will then be added to all the other transactions that have been coded against cost code 625200 as well as all other cost codes that have been mapped to A – Mineral Exploration Activities: i.e. Drilling and entered into the Form 5

Operations Report - Form 5 – Transaction to Form 5

Slide 43

For each Form 5 Category Activity we need to determine the total amount spent:

- Retrieve an expenditure list of all transactions within the tenement’s expenditure year.
- Group the transactions by Form 5 activity (using the Form 5 Mapping table).
- Sum up amounts for each Form 5 activity and enter into online portal.

Operations Report - Form 5 – Preparing expenditure list for Form 5

Slide 44

Transaction Date	Cost Code	Tenement	Description	Amount (Inc. GST)	Form 5 Activity
5/02/22	A104	E38/2320	<Transaction Description>	\$593	A - Drilling - Diamond drilling
6/02/22	A108	E38/2320	<Transaction Description>	\$777	A - Drilling - Other
16/01/22	A108	E38/2320	<Transaction Description>	\$581	A - Drilling - Other
27/01/22	A154	E38/2320	<Transaction Description>	\$1,417	A - Environmental - Fauna studies
12/05/22	A154	E38/2320	<Transaction Description>	\$554	A - Environmental - Fauna studies
25/02/22	A157	E38/2320	<Transaction Description>	\$510	A - Environmental - Other
21/04/22	A156	E38/2320	<Transaction Description>	\$326	A - Environmental - Rehabilitation
4/05/22	A552	E38/2320	<Transaction Description>	\$409	A - Exploration - Other Exploration
4/05/22	A457	E38/2320	<Transaction Description>	\$608	A - Field Supplies - Field Supplies
31/01/22	A458	E38/2320	<Transaction Description>	\$1,533	A - Field Supplies - Field Supplies
14/03/22	A213	E38/2320	<Transaction Description>	\$1,364	A - Geochemistry - Water sampling
11/05/22	A253	E38/2320	<Transaction Description>	\$867	A - Geology - Costeaming
23/03/22	A254	E38/2320	<Transaction Description>	\$1,661	A - Geology - Data bases
3/01/22	A256	E38/2320	<Transaction Description>	\$1,415	A - Geology - Exploration target generation
11/02/22	A262	E38/2320	<Transaction Description>	\$1,446	A - Geology - GIS
18/03/22	A263	E38/2320	<Transaction Description>	\$1,701	A - Geology - Hydrogeology
17/02/22	A501	E38/2320	<Transaction Description>	\$1,419	A - Travel - Travel
6/03/22	A602	E38/2320	<Transaction Description>	\$548	B - Mining - Development
7/02/22	A603	E38/2320	<Transaction Description>	\$742	B - Mining - Environmental - Mining
14/03/22	A603	E38/2320	<Transaction Description>	\$799	B - Mining - Environmental - Mining
14/03/22	A702	E38/2320	<Transaction Description>	\$1,613	D - Rent/Rates - Rates
6/03/22	A551	E38/2320	<Transaction Description>	\$1,906	E - Admin - Other
8/05/22	A751	E38/2320	<Transaction Description>	\$980	E - Admin - Other
21/01/22	A751	E38/2320	<Transaction Description>	\$1,506	E - Admin - Other
22/03/22	A751	E38/2320	<Transaction Description>	\$1,536	E - Admin - Other
9/05/22	A752	E38/2320	<Transaction Description>	\$712	E - Admin - Other
5/02/22	A753	E38/2320	<Transaction Description>	\$392	E - Admin - Other
11/02/22	A803	E38/2320	<Transaction Description>	\$657	F - Land Access Native Title - Other
22/04/22	A804	E38/2320	<Transaction Description>	\$462	F - Land Access Native Title - Other

Form 5 Activity	Summed Amounts for Activity
A - Drilling	\$ 1,951.00
A - Environmental	\$ 2,807.00
A - Exploration	\$ 409.00
A - Field Supplies	\$ 2,141.00
A - Geochemistry	\$ 1,364.00
A - Geology	\$ 7,090.00
A - Travel	\$ 1,951.00
<b>A - Total</b>	<b>\$ 17,713.00</b>
B - Mining - Development	\$ 548.00
B - Mining - Environmental	\$ 1,541.00
<b>B - Mining - Total</b>	<b>\$ 2,089.00</b>
D - Rent/Rates - Rates	\$ 1,613.00
<b>D - Rent/Rates - Total</b>	<b>\$ 1,613.00</b>
E - Admin - Other	\$ 7,032.00
<b>E - Admin - Other - Total</b>	<b>\$ 7,032.00</b>
F - Land Access Native Title - Other	\$ 1,119.00
<b>F - Land Access Native Title - Total</b>	<b>\$ 1,119.00</b>
C - Aboriginal Heritage Surveys	\$ -

- The total expenditure for each activity is entered under each activity (eg. Drilling) with every respective sub-activity ticked (e.g. Diamond drilling, Core sampling)
- The totals for the activities under each heading is then automatically summed to provide a Section Total.



So how do we map our Form 5 categories ☒ Account Codes in Chart of Accounts?

Operations Report - Form 5 Categories - Online Lodgement Activities			
Category Letter - Activity - Activity Type	Activity - Activity Type	Activity - Activity Type	Activity - Activity Type
C - Aboriginal Heritage Survey - Other	A - Geochemistry - Bulk sampling	A - Geology - GIS	A - Geophysics - Ground EM surveys
E - Admin - Other	A - Geochemistry - Core sampling	A - Geology - Hydrogeology	A - Geophysics - Ground magnetic surveys
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A - Drilling - Diamond drilling	A - Geochemistry - Infrared spectroscopy	A - Geology - Other	A - Geophysics - Other
A - Drilling - Drilling	A - Geochemistry - Microdiamond analysis	A - Geology - Paleontology	A - Geophysics - Photogrammetry
A - Drilling - Large diameter drilling	A - Geochemistry - Other	A - Geology - Petrography	A - Geophysics - Radioactivity surveys
A - Drilling - Other	A - Geochemistry - Rock chip sampling	A - Geology - Photogeology	A - Geophysics - Resistivity surveys
A - Drilling - Percussion drilling	A - Geochemistry - Sampling	A - Geology - Prospecting	A - Geophysics - Satellite imagery
A - Drilling - Reverse circulation drilling	A - Geochemistry - Soil sampling	A - Geology - ReLogging	A - Geophysics - Seismic interpretation
A - Drilling - Rotary drilling	A - Geochemistry - Stream sediment sampling	A - Geology - Review of exploration results	A - Geophysics - Seismic surveys
A - Drilling - Vacuum drilling	A - Geochemistry - Water sampling	A - Geology - Structural geology	A - Geophysics - SP surveys
A - Environmental - Environmental auditing	A - Geochemistry - Whole rock assays	A - Geophysics - Aerial EM surveys	A - Geophysics - Surveying
A - Environmental - Environmental impact surveys	A - Geology - Computer applications	A - Geophysics - Aerial magnetic surveys	F - Land Access Native Title - Other
A - Environmental - Environmental management	A - Geology - Computer modelling	A - Geophysics - Aerial multispectral scanning	B - Mining - Care and Maintenance
A - Environmental - Fauna studies	A - Geology - Costeaming	A - Geophysics - Aerial photography	B - Mining - Development
A - Environmental - Flora studies	A - Geology - Data bases	A - Geophysics - Aerial radioactivity surveys	B - Mining - Environmental - Mining
A - Environmental - Other	A - Geology - Exploration target generation	A - Geophysics - Audiomagnetotelluric surveys	B - Mining - Other
A - Environmental - Rehabilitation	A - Geology - Feasibility studies	A - Geophysics - Digital elevation modelling	B - Mining - Production
A - Exploration - Other Exploration	A - Geology - Geochronology	A - Geophysics - Electrical surveys	D - Rent/Rates - Other
A - Field Camp Activities - Field Camp Activities	A - Geology - Geological interpretation	A - Geophysics - Geophysical interpretation	D - Rent/Rates - Rates
A - Field Supplies - Field Supplies	A - Geology - Geological mapping	A - Geophysics - Geophysical logging	D - Rent/Rates - Rent
A - Geochemistry - Assays	A - Geology - Geological reconnaissance	A - Geophysics - Gravity surveys	A - Travel - Travel

+

Chart of Accounts		
Cost Code	Cost Type	Description
...	...Income...	...
625000	Expense	Rotary Drilling
...	... Expense...	...

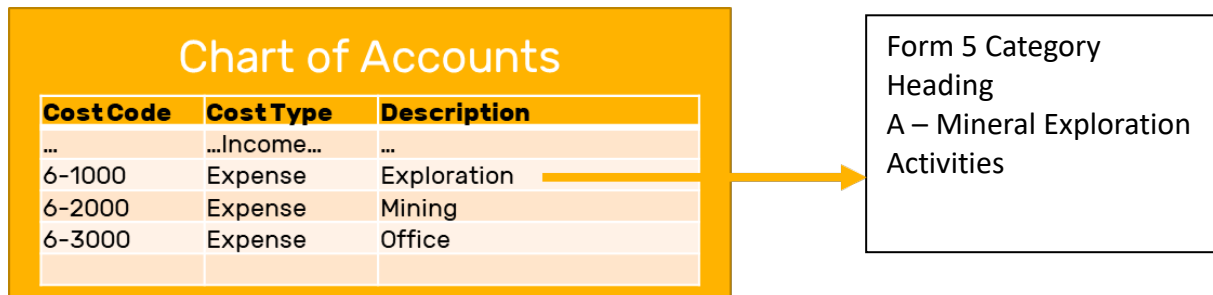
=

Form 5 Mapping		
Cost Code	Description	Form 5 Category
...	...	...
625000	Rotary Cut Drilling	A - Mineral Exploration Activities: Drilling - Rotary drilling
626000	Rotary Abrasive Drilling	A - Mineral Exploration Activities: Drilling - Rotary drilling
...	...	...
700000	Tenement Rents	D - Annual Rent and Rates: Rent/Rates - Rent

Grab a cup of Coffee – It’s a sit down job of Manual Decision and Entry

Gotchas

- Account codes not setup with enough granularity for mapping to Form 5 Activities
- Example - We don't have many account codes and one of them is 6-1000 and has description Exploration



- Problem: We may be able to map costs to the Form 5 Heading of “A – Mineral Exploration Activities”, but not to the activity level required by the department.
- Solution: Work with accounts to add further cost codes to accounts. Ideally there is at least 1 cost code for each of the 100 activities. Real work: accounts to work with the individual department/person who are incurring the expenses to code each transaction to the correct code.

- The Form 5 “Other” Categories

Category Letter - Activity - Activity Type
C - Aboriginal Heritage Survey - Other
E - Admin - Other
A - Drilling - Other
A - Environmental - Other
A - Exploration - Other Exploration
A - Geochemistry - Other
A - Geology - Other
A - Geophysics - Other
F - Land Access Native Title - Other
B - Mining - Other
D - Rent/Rates - Other

- Ideally, these are to be used once all the other activities that have been provided have been considered and do not fit.
- We don't see these categories as good or bad, but more as required to cater for the situation where the appropriate category doesn't exist.

## Session 2 : Chart of Accounts to Form 5 Activity Mapping Practical Session using Excel

### **Outcomes**

**Slide 51**

- Mapping Chart of Accounts data to Form 5 Activities
- Using Excel to create mapping and ensure data consistency
  - Manual Entry
  - Copy/Paste
  - Data Validation
  - Sorting and Filtering
  - Formulas

### **Practical Session Structure**

**Slide 52**

1. Concept
  - What
  - Why
  - Demo
2. Group Hands-On
  - Examples where we perform the tasks as a group
3. Individual Exercises
  - Examples to try individually and obtain feedback from us
4. Gotchas

### **Practical Session: Form 5 Activity Mapping – Manual Entry & Copy/Paste**

**Slide 53**

1. Concept
  - What – Mapping Form 5 Activity to Account Code by Manual Entry & Copy/Paste
  - Why – Need to have a table with this data to use in generating Form 5s
  - Demo
2. Group Hands-On
  - Examples where we perform the tasks as a group
3. Individual Exercises
  - Examples to try individually and obtain feedback from us
4. Gotchas
  - Errors, Formulas disguised as values/text

## **Practical Session: Form 5 Activity Mapping – Data Validation**

**Slide 54**

1. Concept
  - What – Validating Form 5 Activity entry consistency using Data Validation
  - Why – It is important that each activity is validated to prevent errors when formulas are being applied to the table when generating the Form 5 later
  - Demo – Validation of manual entry and selection from list
2. Group Hands-On
  - Examples where we perform the tasks as a group
3. Individual Exercises
  - Examples to try individually and obtain feedback from us
4. Gotchas
  - Sneaky errors (e.g. spaces, dodgy characters)

## **Practical Session: Form 5 Activity Mapping – Sorting and Filtering**

**Slide 55**

1. Concept
  - What – Using sorting and filtering to ensure our completeness in our Form 5 mapping
  - Why – To easily visualise data
  - Demo
2. Group Hands-On
  - Examples where we perform the tasks as a group
3. Individual Exercises
  - Examples to try individually and obtain feedback from us
4. Gotchas
  - Non-contiguous rows

1. Concept
  - What – Formulas are tools we can use to analyse data such as COUNTIF
  - Why – Extract information from large datasets to serve a purpose
  - Demo
2. Group Hands-On
  - Examples where we perform the tasks as a group
3. Individual Exercises
  - Examples to try individually and obtain feedback from us
4. Gotchas
  - Can be large and confusing

### Outcomes

### Slide 2

Participants will be able to understand the expenditure reporting requirements of tenements in WA with respect to:

- What is Expenditure
  - Mineral Exploration Activities
  - Mining Activities
  - Rent and Rates
  - Administration And Overheads
  - Land Access/ Native Title
- What is not Expenditure
- Expenditure accrued

### Definitions

### Slide 3

*Mining Act 1978 definition*

*“Expenditure Conditions in relation to a mining tenement means the prescribed conditions applicable to a mining tenement that require the expenditure of money on or in connection with the mining tenement or the mining operations carried out thereon or proposed to be so carried out”*

The difference between Expenditure and Expenses

### Definitions

### Slide 4

- s8 of the *Mining Act*
- ‘Expenditure conditions in relation to a mining tenement means the **prescribed conditions** applicable to a mining tenement that require the expenditure of money on or in connection with the mining tenement or the mining operations carried out thereon or proposed to be so carried out;’

## Definitions

Slide 5

- “Expenditure Conditions”
  - *In relation to a mining tenement means the prescribed conditions applicable to a mining tenement that require the expenditure of money on or in connection with the mining tenement or the mining operations carried out thereon or proposed to be so carried out*
- “Mining” is defined in s8(1)
  - *includes fossicking, prospecting and exploring for minerals, and Mining Operations*
  - *‘Mining Operations’ is defined as anything to do with extracting ore or metals or digging it out of the ground.*

## Mining Operations

Slide 6

*‘mining operations’*

*means any mode or method of working whereby the earth or any rock structure stone fluid or mineral bearing substance may be disturbed removed washed sifted crushed leached roasted distilled evaporated smelted or refined or dealt with for the purpose of obtaining any mineral therefrom whether it has been previously disturbed or not and includes –*

- (A) the removal of overburden by mechanical or other means and the stacking, deposit, storage and treatment of any substance considered to contain any mineral;*
- (B) operations by means of which salt or other evaporites may be harvested;*
- (C) operations by means of which mineral is recovered from the sea or a natural water supply; and*
- (D) the doing of all lawful acts incident or conducive to any such operation or purposes”.*

## Lee Decision

Slide 7

*“The words ‘**in connection with**’ are words of wide import and, as with the words ‘connected with’, and, subject to the context in which the words are used, are capable of describing a spectrum of relationships ranging from the direct and immediate to the tenuous and remote”*

*“the connection must be **direct and immediate** rather than tenuous and remote”*

Horseshoe gold mine was in care and maintenance, Mr and Mrs Sivwright and Mr and Mrs Coumbes lived and work on the mining lease looking after the camp

McClure, Pullin and Buss JA (WASCA) said it would be wrong to read down “*in connection with mining*”

## Prescribed Expenditure

Slide 8

- The Mining Act states– “Comply with Prescribed expenditure conditions” ...“In the prescribed manner”
- 51, 68, 70H, 82 of the Mining Act
  - The holder of the P, E or M will report all work done and money expended
- Regulations 16, 22, 23E, 32, 96B and 96C
  - The reports required under section [name] shall be a report on operations on the mining tenement in the form of **Form 5**
  - **Form 5** and is to be filed with 60 days

## Form 5 Definition of Expenditure

Slide 9

### A. MINERAL EXPLORATION ACTIVITIES

**Geological activities:** geological mapping, sampling, drilling supervision, core logging, non-core drill-sample logging, geological data processing and interpretation, petrology, planning of exploration programs, report preparation; where appropriate, general prospecting can be added here.

**Geochemical activities:** geochemical sampling, analysis of surface geochemical samples or subsurface drilling samples, geochemical data processing and interpretation. ALSO show number of samples collected.

**Geophysical activities (surface/subsurface):** ground geophysical surveys, downhole logging, geophysical data processing and interpretation.

**Airborne geophysical activities:** aerial survey costs, geophysical data processing and interpretation.

**Remote sensing activities:** aerial photography, remote sensing images, photo interpretation, image processing and interpretation.

**Mineralogical activities (exploration for diamonds, heavy mineral sands, etc.):** bulk sampling, mineral separation, mineralogy and analysis of diamond indicator minerals or other minerals.

**Surveying activities:** gridding, line clearing, grid tie-in, tenement boundaries, etc.

**Core drilling:** diamond drilling costs (including pre-collar open-hole non-core drilling), access road and drill-site preparation; ALSO show metres drilled and number of holes completed.

**Non-core drilling:** drilling costs, access road preparation; ALSO show metres drilled and number of holes completed. Costs for deep geochemical sampling by auger or air-core drilling can also be shown here.

(N.B. Specify drilling for groundwater supply.)

**Costeasing:** plant and equipment hire for trenching and bulk sampling.

**Field supplies:** exploration equipment, consumables and supplies, plant and equipment hire, fuel, oil, etc., depreciation of direct exploration equipment, wages for non-professional field personnel.

**Drafting activities:** drafting equipment, consumables and supplies, salaries for drafting personnel.

**Travel:** travel costs directly associated with mineral exploration activities conducted on the tenement.

**Field camp activities:** establishment and maintenance of exploration base camps, food and accommodation, vehicle costs, contractor helicopter support.

**Environmental:** environmental studies.

**Feasibility study activities:**

**Rehabilitation activities:**

## Form 5 Definition of Expenditure

Slide 10

### B. MINING ACTIVITIES (DEVELOPMENT AND PRODUCTION)

Mine planning, open-cut mining, underground mining, shaft sinking, decline construction, underground drilling, pre-blast bench drilling, ore treatment, construction and maintenance of ore stockpiles, waste dumps, tailings dams and dumps, etc. ALSO show tonnes mined or treated. Any costs associated with care and maintenance on an idle mining operation can also be shown here.

[C. deleted]

### D. ANNUAL TENEMENT RENT AND RATES

Rental and local government rates, paid in connection with the mining tenement each year.

### E. ADMINISTRATION AND OVERHEADS

All non-field activities such as head office costs, accounting, mining tenement management, administration, research, literature studies, training, etc.

### F. LAND ACCESS/NATIVE TITLE

All other native title and land access costs including private land access costs but excluding payments for compensation.

N.B. The amount allowed under E and F not to exceed 20% of the minimum expenditure commitment or the total expenditure incurred on activities, whichever is the greater.



### The Purpose behind commitment and expenditure

Slide 11

- Hunt: “The policy behind expenditure conditions is that prospective land should not be left idle and so, to the extent that the holder does not work the land, others should be given the opportunity of doing so.”
- Economic activity on land – prevents the warehousing of land.
- Principle of working with crown land – compare with freehold land and the exemption from Mining Act and Regulations.
- Working with finite resources in a regulated environment.
- Which licence types require expenditure? M, P, E (and R).
- Why not Ls? Why not General or State Agreements?

### Allowable Expenditure - Regulations

Slide 12

- Regulations:
  - R15, 21, 31: The holder of a licence will expend or cause to be expended in mining on or in connection with mining
  - As the holder, I don't have to be responsible for paying the invoices.
  - But the **cause** of expenditure or a liability incurred
  - **During the currency of a licence** “*the holder thereof shall comply with the prescribed expenditure conditions*”
  - Tenements must be live except as define in 96C(1a) heritage or aerial surveys while application
  - Unless in accordance with the Act a total or partial exemption therefrom is granted – S50, 62, 70 and 82.

### Real Money

Slide 13

- It must be real money spent (*Craig v Spargos unreported 1986*)
- Spargos claimed depreciation as defined under the Income Tax Assessment Act
- Warden Reynolds decided that it was the expenditure in the time it was spent
- To allow depreciation would fly in the face of object and policy of the Act
- 

### Allowable Expenditure Reg 96C

Slide 14

Allowable Expenditure stipulated in the Regulations

Regulations: 96C

- Aboriginal heritage surveys
  - Pending or Live tenements
- Rehabilitation
- Rent and rates
- Cutting and polishing samples
- Aerial survey (even partial)
  - Pending or Live

## Wardens Allowable Expenditure

Slide 15

- Hunt outlines list of Expenditure
- Hunt states it is not a comprehensive list
- Incurring a liability on expenditure (*Bakarra v Juler 1990* p6)

## Travel Cost

Slide 16

- Travel allowed only in relation to work done on a tenement.
- When the travel is used to view the tenement or to show it to investors is not allowable.
  - *Nunn v Carnicelli, Penns & Ors 1990*, before Warden Calder
    - Reasonable travel costs. Not for viewing for sale.
  - *Newt v Lavery*
    - a worker's time on the lease disallowed, therefore their travel costs were disallowed
  - *Jones and Connell v Sanidine*
    - a contractor travel across multiple sites, which was reapportioned by the warden.

*Roberts v Richmond* – hire of ones own vehicle was disallowed.

## Accommodation and Field Supplies

Slide 17

- Accommodation and Field Supplies (*Newt v Lavery*, p4)
  - allowable when they are attributable to mining work, not normal living expenses.
  - *Lavery* was a backyard family operation, Dad was the holder, Mum and the daughter did some cooking on site.
  - disallowed was that the tenement was a short drive from the family home, where the living expenses were largely incurred and judged to be normal living expenses.

## Drilling Costs

Slide 18

- Drilling costs -*Surina v Belcrest 1987*
  - Six GMLS under the 1904 Act changed Ms under 1978 Act
  - Steinnockel the Plaintiffs witness said only bulldozing occurred on the tenements
  - A 14 hole drilling programme was reduced to 4 due to mechanical problems
  - due to mechanical failure no work was on the plained tenement.
  - Defendant was in breach of a Sale agreement of a tenement to the Plaintiff

## Metal detecting, dolling, sampling and panning

Slide 19

- Metal detecting *Newt v Lavery*
- Take the samples away to your house and do your panning, **NO**
- But drill samples sent away to a lab, **YES**.
- Metal detecting by another person with an agreement pursuant to s118A is allowed expenditure

- Reasonable work costs *Flint v Brosnan 2002*
- The Plaintiff did not challenge the hours but only the amount claimed
- The hours were agreed to by the Warden, but the amount of payment was not
- Warden Wilson applied the Minimum Conditions of Employment Act 1993 and cut expenditure down from \$350 to \$125 per day.

### Plant and Equipment

Slide 20

- Plant and equipment (Craig v Spargos, p12)
- claimed only in the year it was purchased
- Can also claim the value of plant and equipment that was provided in regards to an equity holding
- Hire of equipment
- Safe only if there is an invoice
- You can't claim the hire costs of a vehicle owned by a holder. *Roberts v Richmond*
- Bulldozer (Surina v Belcrest; Nunn v Carnicelli, p7)
- Water tanker

### Allowable Expenditure (cont.)

Slide 21

Warden's Court decisions:

- Stationery and office equipment (*Newt v Lavery*, p9)
- Maps and printing (*Jones and Cornell v Sanidine*, p14)
- Geological assessments and off ground work (*Jones and Cornell v Sanidine*, p17)
- Tools and equipment (*Newt v Lavery*, p9)
- Wages
- Holders' wages (*Newt v Lavery*, p8)
- Supervisory work (*Nunn v Carnicelli*, p5)
- Care and maintenance – limited (Lee decision, p45)

### Administration

Slide 22

- Up to a maximum of 20% of commitment or expenditure, whichever is the greater of the two
- Be careful not to count twice
- **Administration can only be claimed where there is an administration cost on the tenement**
- **You can't just arbitrarily decide to allocate 20%**
- *Mawson v Saruman* – point 37

## Administration Costs

Slide 23

**For Discussion:** How do you get to your % allocation?

You can't just arbitrarily decide to allocate 20% - *Mawson v Saruman* – clause 37:

*\$4600 claimed for overheads and administration, he (Thomas for Saruman) said, was calculated on the basis that the legislation allows 20 per cent of the minimum expenditure to be claimed.*

*He referred to the instructions at item 3 on the Form 5 saying that it states that 20 per cent can be apportioned against administration and overheads.*

*A perusal of that instruction shows that the witness has a misunderstanding of its purpose and effect.*

*..... In addition to the two abovementioned amounts the Form 5 also includes expenditure for rent and rates totalling \$3337. Mr Thomas agreed that he did not know precisely what amount had been spent, if any, on E63/1042.*

## Form 5 Categories

Slide 24

- (A) Mineral-exploration activities:
- (B) Mining activities:
- (C) Aboriginal heritage surveys:
- (D) Annual tenement rent and rates:
- (E) Administration/overheads
- (F) (Other) land access/native title costs

*Administration/ Overheads: 'All non-field activities such as head office costs, accounting, mining tenement management, administration, research, literature studies, training, etc.'*

## Non Allowable Expenditure

Slide 25

Regulations: 96C

- The cost of acquiring or selling a tenement
- The cost of marking out
- Research activities (not allocated to a tenement)
- Compensation payments

## Prorata Expenditure Exploration Licences

Slide 26

r21(1d)

- *If an application for the extension of the term of an exploration licence is granted after the date on which the licence would have expired (but for section 61(3)), [late lodgement] the amount to be expended under subregulation (1) or (1b) [commitment] during the period from the date on which the application is granted until the next anniversary date of the term of the licence is to be calculated on a pro rata basis for each whole month of that period.*

In English –

- after expiry to the grant of the extension of term application
- the commitment is calculated pro rata for the period remaining to the next anniversary

## Summary

## Slide 27

- Participants will now be able to understand the expenditure reporting requirements of tenements in WA with respect to:
  - What is Expenditure
  - Mineral Exploration Activities
  - Mining Activities
  - Rent and Rates
  - Administration And Overheads
  - Land Access/ Native Title
- What is not Expenditure
- Expenditure accrued

**Outcomes**

**Slide 2**

- Work with different Accounting Packages
- Overcome the typical difficulties encountered
- How to manipulate data using
  - Text functions
  - Text to columns
  - Pivot Tables
  - Vlookup
  - Macros
  - Conditional formatting

**Export from any Accounting Package**

**Slide 3**

- Principles:
- Simplest layout possible
  - No subtotals
  - No blank rows or columns
  - Each row has all the relevant data
  - 1 Header row
  - All header columns are named
  - No funky formatting
- Quick
- Repeatable
- Painless

<p style="text-align: center;"><b>Blue Sky Mining</b> PO BOX 1720 WEST PERTH WA 6005</p> <p style="text-align: center;"><b>Account Transactions [Accrual]</b></p>							
	ID No.	Src	Date	Memo/Payee	Debit	Credit	Job No.
1-5180	Computing PJ003693	PJ	2/07/2021	Purchase; LandTrack Systems	\$10,764.00		General
					\$10,764.00	\$0.00	
1-5215	Consultants PJ003690	PJ	1/07/2021	Purchase; Eastern Desert Native	\$4,112.89		E37/1241
					\$4,112.89	\$0.00	
1-5230	Consultants 00002174	PJ	1/08/2021	Purchase; OldMate Drilling	\$390.00		E38/2958
					\$390.00	\$0.00	
1-5240	Consultants PJ003743	PJ	1/08/2021	Purchase; Exploration Solutions P	\$21,000.00		E38/2685
					\$21,000.00	\$0.00	
1-5260	Consultants 00002137	PJ	1/07/2021	Purchase; Bilbo Pty Ltd	\$250.00		E38/2685
	PJ003694	PJ	4/07/2021	Purchase; Geoscience Assaying	\$2,700.00		E38/2952
					\$2,950.00	\$0.00	

	A	B	C	D	E	F	G	H	I
1	Cost Code	ID No.	Src	Date	Memo/Payee	Debit	Credit	Amount	Job No.
2	1-5180	PJ003693	PJ	2/07/2021	Purchase; LandTrack Systems	\$10,764.00		10764.00	General
3	1-5215	PJ003690	PJ	1/07/2021	Purchase; Eastern Desert Native	\$4,112.89		4112.89	E37/1241
4	1-5230	00002174	PJ	1/08/2021	Purchase; OldMate Drilling	\$390.00		390.00	E38/2958
5	1-5240	PJ003743	PJ	1/08/2021	Purchase; Exploration Solutions	\$21,000.00		21000.00	E38/2685
6	1-5260	00002137	PJ	1/07/2021	Purchase; Bilbo Pty Ltd	\$250.00		250.00	E38/2685
7	1-5260	PJ003694	PJ	4/07/2021	Purchase; Geoscience Assaying	\$2,700.00		2700.00	E38/2952
8	1-5425	00002193	PJ	1/08/2021	Purchase; Mike Smith & Co	\$583.34		583.34	E38/2953
9	1-5425	00002193	PJ	1/08/2021	Purchase; Mike Smith & Co	\$583.33		583.33	E38/2957
10	1-5425	00002193	PJ	1/08/2021	Purchase; Mike Smith & Co	\$583.34		583.34	E38/2958
11	1-5425	00002196	PJ	1/08/2021	Purchase; Grabbit and Runn Law	\$360.00		360.00	E38/2685
12	1-5710	00002159	PJ	19/07/2021	Purchase; Jeremy McGuinness	\$520.00		520.00	E38/2685
13	1-5730	GJ002489	GJ	6/07/2021	WAGES - Justin	\$2,737.50		2737.50	General
14	1-5740	00002177	PJ	1/08/2021	Purchase; Shire Of Meekatharra	\$1,905.12		1905.12	E38/3318
15	1-5740	00002178	PJ	1/08/2021	Purchase; Shire Of Meekatharra		\$2,233.59	-2233.59	E38/2685

## Importing Structure from Accounting Package - INTEGRA

Slide 5

	A	B	C	D	E	F	G	H
1	workDate	activityID	tenID	distID	jobCode	description	amount	RefNo
2	01-Jul-21	245 - Consumables - General	E 25/455 -		E250455	SP(2):Black cable ties		109
3	01-Jul-21	415 - Geochem - Diamond Drilling	M 25/125 -		M250125	June 2012 Amdel		1050
4	01-Jul-21	415 - Geochem - Diamond Drilling	M 28/164 -		M280164	June 2012 Amdel		6165
5	01-Jul-21	640 - Conferences	M 25/236 -		M250236	Accrue June 2012 TB Visa		-5785
6	01-Jul-21	155 - Consultants - Environmental	M 28/43 -		M280043	Accrue June 2012 Soilwater		-10000
7	01-Jul-21	420 - Geochem - RAB/AC Drilling	M 25/350 -		M250350	Accrue June 2012 Amdel		-57150
8	01-Jul-21	155 - Consultants - Environmental	P 25/1922 -		P251922	Accrue June 2012 Soilwater		-16590
9	01-Jul-21	328 - Contractors - Earthworks Drill Site Prep	P 25/1918 -		P251918	Accrue June 2012 Saltbush		-9000
10	01-Jul-21	155 - Consultants - Environmental	M 28/43 -		M280043	Accrue June 2012 EIGG		-21384

## Practical Session: Cleaning up accounting export

Slide 6

1. Concept
  - a. What – Finding common characters to clean up accounting exports
  - b. Why – Ease of processing in the following steps, consistency
  - c. Demo: the dash in Integra tenement ID's
2. Group Hands-On
  - Separating Accounting Codes and Descriptions
3. Individual Exercises
  - None
4. Gotchas
  - Inconsistent data formats, rogue characters, invisible spaces

## Practical Session: Cleaning up accounting export - Macro

Slide 7

1. Concept
  - Macro for common tasks
2. Group Hands-On
  - Same as before, but repeatable
3. Individual Exercises
  - None
4. Gotchas
  - It must be perfect
  - Personal workbook
  - Locked down IT environments



**Importing Structure from Accounting Package - ORACLE**

**Slide 8**

	A	B	C	D	E	F	G	H	I
1	Date	Account	Budget	Encumbrat	Actual	Funds Avai	Description		
2	Jan-21	203.7851.60.74630.0000.000	654256.3	0	42953.03	0	Handling Fees		
3	Jan-21	203.5450.30.74515.0000.000	76387033	0	6301945.98	0	Natural Gas		
4	Jan-21	203.1239.20.72500.0000.000	15000	0	168.07	0	Maintenance Parts		
5	Jan-21	203.1239.20.80200.0000.000	12000	0	300	0	Internal Labour Recharge		
6	Jan-21	203.1233.20.72500.0000.000	132000	0	10183.58	0	Maintenance Parts		
7	Jan-21	203.1233.20.80200.0000.000	144000	0	12555	0	Internal Labour Recharge		
8	Jan-21	203.1241.20.72500.0000.000	78000	0	9463.91	0	Maintenance Parts		
9	Jan-21	203.1241.20.80200.0000.000	502200	0	19363.5	0	Internal Labour Recharge		
10	Jan-21	203.1255.20.72500.0000.000	55500	0	9117.54	0	Maintenance Parts		
11	Jan-21	203.1255.20.80200.0000.000	39000	0	2250	0	Internal Labour Recharge		
12	Jan-21	203.1253.20.72500.0000.000	60000	0	2595.66	0	Maintenance Parts		
13	Jan-21	203.1253.20.80200.0000.000	48000	0	2463	0	Internal Labour Recharge		
14	Jan-21	203.1271.20.72500.0000.000	36000	0	229.56	0	Maintenance Parts		
15	Jan-21	203.1273.20.72500.0000.000	6000	0	1809.64	0	Maintenance Parts		

**Importing Structure from Accounting Package - ORACLE**

**Slide 9**

Account
203 7851.60.74630.0000.000

**Practical Session: Surfacing secret data**

**Slide 10**

1. Concept
  - a. What – Exposing the elements of codes that show tenements and account IDs
  - b. Why – Necessary for the calculation of expenditure
2. Group Hands-On
  - Separating Accounting and Tenement codes
    - Using Text to Columns
    - Using MID
  - Vlookup for Tenement codes to tenements
3. Individual Exercises
  - None
4. Gotchas
  - Inconsistent data formats, rogue characters, invisible spaces

Remember this?

### Export from any Accounting Package

- Principles:
- Simplest layout possible
  - No subtotals
  - No blank rows or columns
  - Each row has all the relevant data
  - 1 Header row
  - All header columns are named
  - No funky formatting
- Quick
- Repeatable
- Painless

All of this goes away with a Comma Separated Values file – Use them!

## Practical Session: Form 5 pivot

Slide 12

1. Concept
  - a. What – Creating a Form 5 from a CSV
  - b. Why – Calculating expenditure for an individual tenement
2. 2. Group Hands-On
  - VLOOKUP Account code to Form 5 category
  - Create Pivot table structure
3. Individual Exercises
  - Create a pivot with Rows: Date (Remove Years and Quarters) and Form 5 category
  - Pivot filter P25/2217
4. Gotchas
  - Inconsistent data formats, rogue characters, invisible spaces

## Can we do a Form 5?

Slide 13

- Login to MTO
- MTO don't have a training environment
- DO NOT submit
- Online transactions -> Compliance Transactions -> Operations report
- Load data for P25/2217 from our spreadsheet
- What's missing?

## Practical Session: Automation using Macros

Slide 14

1. Concept
  - a. What – Automate the process
  - b. Why – Save time
2. Group Hands-On
  - Same as last exercise, when we save the XLSX, start the macro recorder
  - Stop at the pivot rows
3. Individual Exercises
  - None
4. Gotchas
  - Not being absolutely perfect

## Practical Session: Conditional formatting

Slide 15

1. Concept
  - a. What – Another approach to isolating our source
  - b. Why – More than one way to get to the result we want
2. Group Hands-On
  - Conditional format -> Highlight cells -> Greater than -> 1/8/2018 – Why do this?
  - Filter, subtotal
3. Individual Exercises
  - Filter for all shire payments
  - Error check: transactions greater than today (New rule, Use formula, A2>TODAY())
  - Test your new rule!
4. Gotchas
  - Tricky criteria, Formula conditions

## Outcomes

Slide 16

- Work with different Accounting Packages
- Overcome the typical difficulties encountered
- How to manipulate data using
  - Text functions
  - Text to columns
  - Pivot Tables
  - Vlookup
  - Macros
  - Conditional formatting

## Session 5: Distributing Expenditure

### Outcomes

### Slide 2

Participants will be able to understand the expenditure distributing requirements across tenements in WA with respect to Form 5 (Operation Reports):

- When costs can be distributed
- Requirements needed to distribute costs
- The need for a logical formula for distributing costs

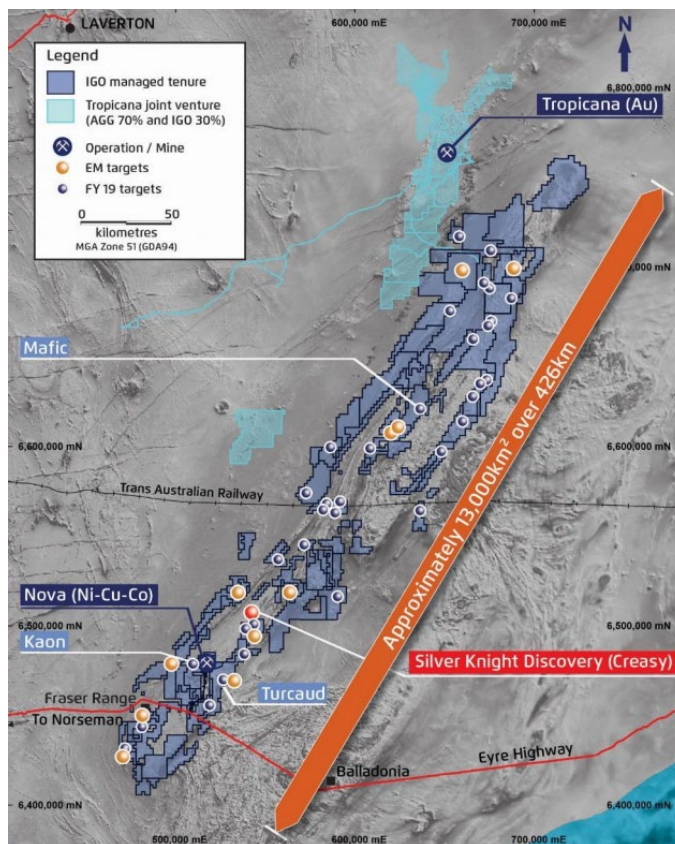
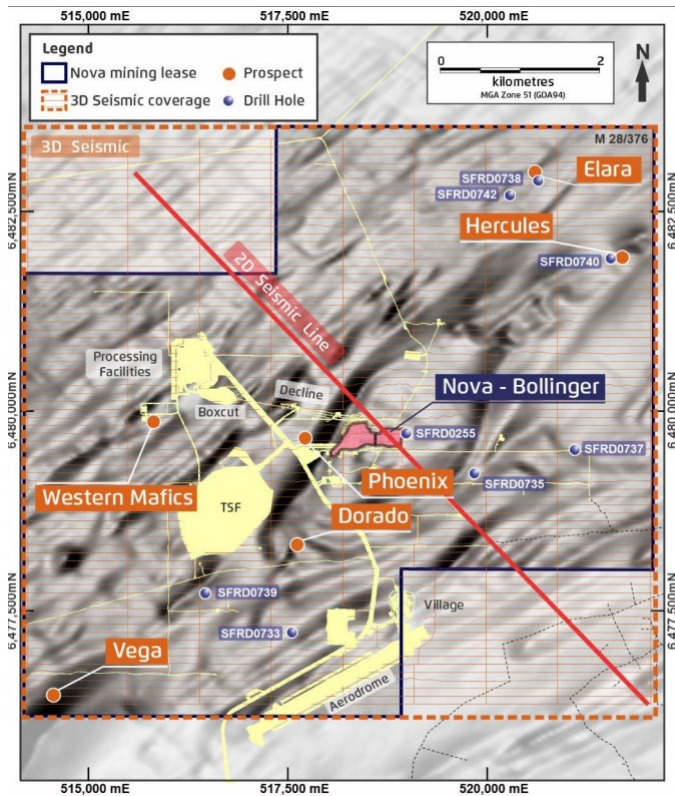
### Aerial Survey Distribution

### Slide 3

- Aerial Survey Distribution
- Aerial Surveys
  - Regulations: 96C
  - Aerial survey (even partial)
    - Pending or Live
- r96C(3b) states:
  - *“The cost of an aerial survey may be used in the calculation of expenditure expended on, or in connection with, mining on any mining tenement that is located wholly or partly within the boundaries of the survey when those boundaries are projected onto the surface of the Earth.”*
- r96C(3d) states:
  - *“Where the cost of an aerial survey is used in the calculation of expenditure for more than one mining tenement, the cost is to be **apportioned** between the mining tenements in such a way that the total expenditure claimed does not exceed the cost.”*

# Aerial Survey Distribution

Slide 4



## Distributing by Area

Slide 5

Distributing Expenditure by Area:

“I agree with the decision of Warden Calder in *Brosnan & ors v Meridian Mining Ltd* (Supra) that the proper method of the allocation of expenditure amongst a number of mining tenements **where the actual expenditure on each mining tenements cannot be identified** and the expenditure cannot be identified but has indiscriminate application to all of the mining tenements is a pro rata apportionment based upon the **area** of each tenement as the total area of all the tenements.”

Wilson in *Blackfin P/L v Mineralogy P/L* [2013] WAMW 19

## Departure from Area Based Distribution

Slide 6

Other types of distributions can be used:

*“I would add to the decision of Warden Calder that circumstances may exist in which the **departure from a pro rata apportionment** based upon the area of each tenement as the total area of all the tenements. However, where such a departure occurs, the holder of the mining tenement should be in a position, when called upon either under the Act or Regulations or before the Warden in proceedings, **to justify why such a departure** was considered appropriate and to demonstrate the method and calculation used in the allocation of each amount to expenditure on each mining tenement.”*

Wilson in *Blackfin P/L v Mineralogy P/L* [2013] WAMW 19

## Logical Distribution of Expenditure

Slide 7

- Other Methods of Distribution
- By commitment
- By POW area
- By the area that mining pit falls into each mining lease
- On the basis of a Combined Reporting Group
- Admin across all tenements.
  
- What other methods have you used?

## Nonspecific Expenditure

Slide 8

Expenditure that is non specific

*“...proper method of the allocation of expenditure amongst a number of mining tenements where the **actual expenditure on each mining tenements cannot be identified** and the expenditure cannot be identified but has indiscriminate application to all of the mining tenements...”*

Wilson in *Blackfin P/L v Mineralogy P/L* [2013] WAMW 19

Accommodation & Meals at Looma	415
Gordon Marshall	361
Roger Buzacott	1833
West Kimberley Computers	73
Expenses incurred by Bruce Preston (Director)	3500
CPG Consulting	517.5
Economic Consulting Services	375
Featherstone Geological	798
International Coal Consulting	1306
MBA Petroleum Consultants	397
Resources Intermap P/L	1027
SMG Consultants	266
Kimberley Land Council	3939
Administration and Overheads	7017
McMahon Title Services	1390

What other expenditure might be nonspecific enough to be distributed among tenure?

## Distributing Expenditure

Slide 9

- Distributing Expenditure
  - It is much better to correct your expenditure in your accounts to meet commitment than to lodge an exemption and bring it to the attention of DMIRS or Objectors.
- Expenditure that can be easily corrected
  - Geological studies and planning
  - Drafting
  - Environment Studies.



*“In my view, the administration expenses attributed to those tenements on which there was no work on the ground have not been verified and cannot be taken into account.”*

Warden O’Sullivan in *MH Gold Pty Ltd And Others v Phoenix Rise Ltd and Anor* [2018] WAMW 13



*“In my opinion, those provisions of the Mining Act and Regulations and the instructions in the Form 5 to which I have made reference do not have the effect that where expenditure on administration and overheads is in fact less than 20 per cent of the minimum prescribed expenditure or less than 20 per cent of the total of allowable expenditure on all other activities the holder is entitled to record in the Form 5, as expenditure on administration and overheads, 20 per cent of either of the minimum prescribed expenditure or the aggregate of allowable expenditure on all other activities.*

***If there was no expenditure on administration or overheads which can be directly or indirectly attributed to a tenement, then nothing may be claimed. If the actual amount of any such expenditure is less than 20 per cent of the aggregate amount of allowable expenditure on other activities, then 20 per cent of that other expenditure may not be claimed for administration or overheads. The holder may only claim actual expenditure”.***

Warden Calder’s remarks in *Mawson West Ltd & Anor v Saruman Holdings Pty Ltd*

## Distributing Expenditure Practice

## Slide 12

- Mt Holland Project
- At the start of the year the Geologist buys \$300,000 of sample bags not knowing where they are going to drill. How will the expenditure be distributed?
- The Geologist has been consulting with the Traditional Owners with a external lawyer. The parties sign a heritage agreement for whole project which includes a compensation payment to Claimants. They undertake a heritage survey over Earl Grey Lithium portion of the tenements.

## Distributing Expenditure Practice

## Slide 13

- Mt Holland Project
- The drilling is to commence over the lithium tenements. In Jan the geologist secures a locked in contract for 100,000 metres of drilling for \$10M, with \$2.5M to be paid in advance every quarter.
- 2 Mining Leases (of the 20 tenements) one month before their anniversary have low expenditure, require a Form 5.

Participants will now understand how to distribute expenditure across tenements

- When costs can be distributed
- Requirements needed to distribute costs
- The need for a logical formula for distributing costs.

## Session 6: Incorporating distributed expenditure into Form 5 using Excel

### Outcomes

### Slide 2

- Distributing expenditure across tenements using bucket/project codes
- Methods of distribution
- Mapping bucket/project codes to tenements
- Calculating individual tenement expenditure as per distribution
- Produce Form 5 with distributed expenditure

### Distributing Expenditure

### Slide 3

As Session 5 highlighted, there is often a need to distribute expenditure across tenements. So how are these expenditure items recorded in the accounting system to facilitate eventual distribution to particular tenements at reporting time?

#### Bucket Codes

What are bucket codes?

Accounting Codes that have been setup to account for costs that encompass a known set of tenements (e.g. Projects)

### Method of Distribution

### Slide 4

Session 5 also highlighted the various methods that can be utilised to calculate the distribution across tenements.

- Area
- Commitment
- PoW area
- etc...

We will use cost distribution by Area for the purpose of demonstrating how Excel can be used as a powerful tool to collate all relevant expenditure for a single tenement's form 5

**Practical Session: Converting bucket coded expenditure to tenement expenditure**

**Slide 5**

1. Concept
  - a. What – For transactions coded to bucket codes (rather than individual tenements), calculate the portion of the transaction that can be attributed to the individual tenement
  - b. Why – To ensure the correct proportion of each transaction is being allocated according to the selected method
  - c. Demo
2. Group Hands-On
3. Examples where we perform the tasks as a group
4. Individual Exercises
5. Examples to try individually and obtain feedback from us
6. Gotchas
7. Errors in Vlookup, eg. N/A

**Distribution Table: Bucket code, Tenement, Area, %**

**Slide 6**

- A Distribution Table needs to be created that maps bucket codes to tenements. To calculate the ratio of transactions claimed per tenement:
  - Firstly total the area of all tenements in bucket code (SUM)
  - Secondly calculate the ratios as percentages (Division)
- Distribution Table: Bucket code, Tenement, Area, %

Bucket Code	Tenement	Area of Tenement (ha)	% of Area
EAGLEEYE	M 15/1273	9.396	<RATIO OF M 15/1273 AREA TOTAL EAGLEEYE AREA>
EAGLEEYE	M 15/1369	7.68	<RATIO OF M 15/1369 AREA TOTAL EAGLEEYE AREA>
EAGLEEYE	E 37/1241	7.462	<RATIO OF E 37/1241 AREA TOTAL EAGLEEYE AREA>
		<TOTAL AREA IN EAGLEEYE>	
SCORPION	E 38/2320	840	
SCORPION	E 38/2685	3360	
SCORPION	E 38/2952	840	
SCORPION	E 38/2953	5600	
SCORPION	E 38/2957	16800	
SCORPION	E 37/1241	2800	
SCORPION	P 38/4178	97.3855	
		<TOTAL AREA IN SCORPION>	

## Individual Tenement Expenditure Table

Slide 7

Now we can add columns to our original expenditure list to calculate expenditure relating to our one subject tenement

	A	B	C	D	E	F	G	H	I	J
1	ID	Date	Description	Amount	Code	Tenement/Bucket Code	Tenement Amount	Form 5 Activity	Tenement	
2	1	3/05/2021								
3	2	5/05/2021		\$						
4	3	5/05/2021								
5	6	10/05/2021								
6	13	21/05/2021								
7	14	21/05/2021								
8	15	21/05/2021		\$50.39	3102	SCORPION				
9	16	21/05/2021		\$9.30	3103	SCORPION				
10	17	23/05/2021		\$76.16	3104	SCORPION				
11	18	24/05/2021		\$28.00	3105	SCORPION				
12	21	1/05/2021		\$212.50	1350	SCORPION				
13	22	1/05/2021		\$7,150.00	1360	SCORPION				
14	23	4/05/2021		\$163.72	1750	SCORPION				
15	24	5/05/2021		\$220.00	3101	SCORPION				
16	25	6/05/2021		\$330.00	3102	SCORPION				
17	26	6/02/2021		\$ 1,040.00	3103	E 37/1241				
18	4	8/02/2021		\$ 6.90	1045	EAGLEEYE				
19	5	9/02/2021		\$ 5.75	1060	EAGLEEYE				
20	7	12/02/2021		\$ 21.89	1075	EAGLEEYE				
21	8	12/02/2021		\$ 34.99	1080	EAGLEEYE				
22	9	12/02/2021		\$ 105.83	1090	EAGLEEYE				
23	10	13/02/2021		\$ 274.24	1091	EAGLEEYE				

Calculate proportion of cost from Amount column to be allocated to the subject tenement's Form 5 using lookup of the Distribution Table

Lookup the Form 5 activity that corresponds to the Account Code of the transaction

Enter subject tenement's number

Sum the total amount of all transactions to be allocated to the subject tenement's Form 5

## Individual Tenement Expenditure Table

Slide 8

Building the formulas – (1) Form 5 Activity

	A	B	D
1	Cost Code	Account Name	Online Form 5 Activities
2	4000	Tenements	E - Admin - Other
3	1010	Legal & Professional Fees	F - Land Access Native Title - Other
4	1020	Bank Charges	E - Admin - Other
5	1045	ASIC Fees	E - Admin - Other
6	1060	Office Supplies	E - Admin - Other
7	1070	Dues and Subscriptions	A - Geology - Other
8	1075	Subscriptions - Geological	A - Geology - Other
9	1080	Telephone	E - Admin - Other
10	1090	Tenement Expenses - Ongoing	E - Admin - Other

Expenditure List | COA - Completed | Distribution Table - Exercise

	A	B	C	D	E	F	G	H	I
1	ID	Date	Description	Amount	Code	Tenement/Bucket Code	Tenement Amount	Form 5 Activity	Tenement
2	1	3/05/2018		\$17.5	4000	SCORPION			E 37/1241
3	2	5/05/2018		\$245.54	1010	SCORPION			
4	3	5/05/2018		\$36.63	1020	SCORPION			

... | Distribution Table - Completed | Ind Ten Trans - Exercise | CategorisedActivities | Ind Ten Trans - Co

To lookup the Form 5 Activity for transaction ID 1, we need to use the Account Code in E2 and lookup the corresponding "Online Form 5 Activities" value in the Chart of Accounts (COA).

H2      =VLOOKUP(E2,'COA - Completed'!A:D,4,FALSE)

	A	B	C	D	E	F	G	H	I
1	ID	Date	Description	Amount	Code	Tenement/Bucket Code	Tenement Amount	Form 5 Activity	Tenement
2	1	3/05/2018		\$17.59	4000	SCORPION		E - Admin - Other	E 37/1241
3	2	5/05/2018		\$245.54	1010	SCORPION			

### Individual Tenement Expenditure Table

Slide 9

To calculate the Tenement Amount for transaction ID 1, we need to multiply the Amount (D2 - \$17.39) with the ratio of the total area that E37/1241 makes up of the total area (E12 - 0.092295363).

	A	B	C	D	E
1	ComboCode	Bucket Code	Tenement	Area of Tenement (ha)	% of Area
2	EAGLEEYEM 15/1273	AGLEEYE	M 15/1273	9.396	0.382916293
3	EAGLEEYEM 15/1369	AGLEEYE	M 15/1369	7.68	0.312983943
4	EAGLEEYEE 37/1241	AGLEEYE	E 37/1241	7.462	0.304099764
5				24.538	1
6					
7	SCORPIONE 38/2320	SCORPION	E 38/2320	840	0.027688609
8	SCORPIONE 38/2685	SCORPION	E 38/2685	3360	0.110754435
9	SCORPIONE 38/2952	SCORPION	E 38/2952	840	0.027688609
10	SCORPIONE 38/2953	SCORPION	E 38/2953	5600	0.184590726
11	SCORPIONE 38/2957	SCORPION	E 38/2957	16800	0.553772177
12	SCORPIONE 37/1241	SCORPION	E 37/1241	2800	0.092295363
13	SCORPIONP 38/4178	SCORPION	P 38/4178	97.3855	0.003210082
14				30337.3855	1

	A	B	C	D	E	F	G	H	I
1	ID	Date	Description	Amount	Code	Tenement/Bucket Code	Tenement Amount	Form 5 Activity	Tenement
2	1	3/05/2021		\$17.59	4000	SCORPION			
3	2	5/05/2021		\$245.54	1010	SCORPION			
4	3	5/05/2021		\$36.63	1020	SCORPION			
5	6	10/05/2021		\$75.49	1070	SCORPION			
6	13	21/05/2021		\$7.50	1750	SCORPION			
7	14	21/05/2021		\$13.00	3101	SCORPION			

But... how do we programmatically know from the information in the Transactions Table, which row in the Distribution Table we need to look up to obtain the correct "% of Area" value?

We need a unique identifier! Which in this case did not exist in our Distribution Table so we have to create one, called "ComboCode" which concatenates (links together) both the BucketCode and Tenement to produce a unique value we can now lookup.

	A	B	C	D	E	F	G	H	I
1	ID	Date	Description	Amount	Code	Tenement/Bucket Co	Tenement Amount	Form 5 Activity	Tenement
2	1	3/05/2021		\$17.59	4000	SCORPION	\$1.62	E - Admin - Other	E 37/1241
3	2	5/05/2021		\$245.54	1010	SCORPION	\$22.66	F - Land Access Native Title - Other	
4	3	5/05/2021		\$36.63	1020	SCORPION	\$3.38	E - Admin - Other	
5	6	10/05/2021		\$75.49	1070	SCORPION	\$6.97	A - Geology - Other	

## Individual Tenement Expenditure Table

Slide 10

Building the formulas – (2a) Tenement Amount (all rounder)

What happens when an actual tenement ID is in the Tenement/Bucket code column? ... #N/A

15	24	5/05/2021		\$220.00	3101	SCORPION		\$20.30 A - Drilling - Aircore drilling
16	25	6/05/2021		\$330.00	3102	SCORPION		\$30.46 A - Drilling - Auger drilling
17	26	6/02/2021		\$ 1,040.00	3103	E 37/1241	#N/A	A - Drilling - Core sampling
18	4	8/02/2021		\$ 6.90	1045	EAGLEEYE		\$2.10 E - Admin - Other
19	5	9/02/2021		\$ 5.75	1060	EAGLEEYE		\$1.75 E - Admin - Other

In this case, we need to match the tenement id in the column with the subject tenement and if they are the same, we use the figure in Amount, otherwise we enter “NA”. We can do this using:

=IFNA(value, value\_if\_na)

=IFNA(<calculate tenement amount using distribution table>, IF(<value in Tenement/Bucket Code column matches subject tenement, use the figure in Amount>, “NA”))

## Practical Session: Present subject tenement’s expenditure amounts grouped by Form 5 Activities

Slide 11

### 1. Concept

- a. What – Once we have all the relevant expenditure for a tenement to be reported on the Form 5, we need to categorise these into the Form 5 Activities to report heading figures.
- b. Why – To facilitate the aggregation of amounts within Form 5 activity headings onto the Form 5
- c. Demo

### 2. Group Hands-On

- a. Examples where we perform the tasks as a group

### 3. Individual Exercises

- a. Examples to try individually and obtain feedback from us

### 4. Gotchas

- a. Transactions may be missing account codes and in turn miss out on being reported to relevant Form 5 Activity



## Using Pivot table to aggregate Form 5 Activities

Slide 12

- Generating the Pivot Table
- By selecting the range of data we want to categorise we can use a pivot table to aggregate our amounts into their respective Form 5 Activities. Form 5 Activities → Rows and Tenement Amount → Summed Values:

ID	Date	Description	Amount	Code	Tenement/Bucket Code	Tenement
1	3/05/2021		\$17.59	4000	SCORPION	
2	5/05/2021					
3	5/05/2021					
4	6	10/05/2021				
5	13	21/05/2021				
6	14	21/05/2021				
7	15	21/05/2021				
8	16	21/05/2021				
9	17	23/05/2021				
10	18	24/05/2021	\$28.00	3105	SCORPION	
11	21	1/05/2021	\$212.50	1350	SCORPION	

Form 5 Activity	Sum of Tenement Amount
A - Drilling - Aircore drilling	21.50481952
A - Drilling - Auger drilling	35.10823304
A - Drilling - Core sampling	1040.858347
A - Drilling - Diamond drilling	64.22921483
A - Drilling - Large diameter drilling	44.18427016
A - Drilling - Percussion drilling	4.865596218
A - Geology - Other	13.62412076
E - Admin - Other	897.5403716
F - Land Access Native Title - Other	22.66220337
(blank)	2144.577176
<b>Grand Total</b>	<b>4289.154353</b>

So this is a start, BUT usually we want to see a total amounts for the Headings (e.g. A, E) or Sub Headings (A – Drilling, A – Geology). To do this we need to split the Form 5 Activity into columns to allow this.

**Using Pivot table to aggregate Form 5 Headings/Sub Headings**

**Slide 13**

- Setting up the raw data for aggregation into pivot table
- To obtain the Form 5 Headings and Sub Headings we need to split up the current activity text
- I.e. E – Admin – Other becomes just “E” for Heading and “E – Admin” for Sub Heading
- To obtain the Heading Letter, we need to extract the first character of the “Form 5 Activity” column
- =left(<text>,<number of characters>) – for Heading

Formula bar: =LEFT(H2,1)

	A	B	C	D	E	F	G	H	I	J
1	ID	Date	Description	Amount	Code	Tenement/Bucket Cod	Tenement Amount	Form 5 Activity	Form 5 Heading	Form 5 Sub Heading
2	1	3/05/2021		\$17.59	4000	SCORPION	\$1.62	E - Admin - Other	E	
3	2	5/05/2021		\$245.54	1010	SCORPION	\$22.66	F - Land Access Native Title - Other		
4	3	5/05/2021		\$36.63	1020	SCORPION	\$3.38	E - Admin - Other		
5	6	10/05/2021		\$75.49	1070	SCORPION	\$6.97	A - Geology - Other		
6	13	21/05/2021		\$7.50	1750	SCORPION	\$0.69	E - Admin - Other		
7	14	21/05/2021		\$13.00	3101	SCORPION	\$1.20	A - Drilling - Aircore drilling		
8	15	21/05/2021		\$50.39	3102	SCORPION	\$4.65	A - Drilling - Auger drilling		

**Using Pivot table to aggregate Form 5 Headings/Sub Headings**

**Slide 14**

- Setting up the raw data for aggregation into pivot table
- To obtain the Heading letter with the Sub Heading, we can devise a formula that finds the index of the second space and hyphen “\_” and extract everything to the left of that.
- As we know that the first space and hyphen is within the first 3 characters, we can start the search at 3.
- =find(<text to find>, <within text>, <starting index number>) provides the index of the starting position of the text we’re looking for
- =find(“\_”, H2, 3)

Formula bar: =FIND("-",H2,3)

	A	B	C	D	E	F	G	H	I	J
1	ID	Date	Description	Amount	Code	Tenement/Bucket Cod	Tenement Amount	Form 5 Activity	Form 5 Heading	Form 5 Sub Heading
2	1	3/05/2021		\$17.59	4000	SCORPION	\$1.62	E - Admin - Other	E	
3	2	5/05/2021		\$245.54	1010	SCORPION	\$22.66	F - Land Access Native Title - Other	F	

- Now we have the starting position of the second space and hyphen, we can encapsulate the find formula into the second parameter of the left formula to obtain the Heading with Sub Heading
- =left(H2,find(“\_”, H2, 3))

Formula bar: =LEFT(H2,(FIND("-",H2,3)))

	A	B	C	D	E	F	G	H	I	J
1	ID	Date	Description	Amount	Code	Tenement/Bucket Cod	Tenement Amount	Form 5 Activity	Form 5 Heading	Form 5 Sub Heading
2	1	3/05/2021		\$17.59	4000	SCORPION	\$1.62	E - Admin - Other	E	E - Admin
3	2	5/05/2021		\$245.54	1010	SCORPION	\$22.66	F - Land Access Native Title - Other	F	F - Land Access Native Title

## Using Pivot table to aggregate Form 5 Headings/Sub Headings

Slide 15

- Generating the Pivot Table
- Now we have the additional columns for the Heading and Sub Heading, when we generate the pivot on this data we can see a better breakdown of the Tenement Amounts categorised in a way that makes reporting and auditing against the activities clearer.

ID	Date	Description	Amount	Code	Tenement/Bucket Code	Tenement Amount	Form 5
1	3/05/2021		\$17.59	4000	SCORPION	\$1.62	E - Adm
2	5/05/2021					\$22.66	F - Land
3	5/05/2021					\$3.38	E - Adm
4	10/05/2021					\$6.97	A - Gec
5	21/05/2021					\$0.69	E - Adm
6	21/05/2021					\$1.20	A - Drill
7	21/05/2021					\$4.65	A - Drill
8	21/05/2021					\$0.86	A - Drill
9	23/05/2021					\$7.03	A - Drill
10	24/05/2021					\$2.58	A - Drill
11	1/05/2021					\$19.61	E - Adm
12	1/05/2021		\$7,150.00	1360	SCORPION	\$659.91	E - Adm
13	4/05/2021		\$163.72	1750	SCORPION	\$15.11	E - Adm

Row Labels	Sum of Tenement Amount
<b>A</b>	<b>1224.374601</b>
<b>A - Drilling</b>	<b>1210.750481</b>
A - Drilling - Aircore drilling	21.50481952
A - Drilling - Auger drilling	35.10823304
A - Drilling - Core sampling	1040.858347
A - Drilling - Diamond drilling	64.22921483
A - Drilling - Large diameter drilling	44.18427016
A - Drilling - Percussion drilling	4.865596218
<b>A - Geology</b>	<b>13.62412076</b>
A - Geology - Other	13.62412076
<b>E</b>	<b>897.5403716</b>
<b>E - Admin</b>	<b>897.5403716</b>
E - Admin - Other	897.5403716
<b>F</b>	<b>22.66220337</b>
<b>F - Land Access Native Title</b>	<b>22.66220337</b>
F - Land Access Native Title - Other	22.66220337
<b>Grand Total</b>	<b>2144.577176</b>

- Distributing expenditure across tenements using bucket/project codes
- Methods of distribution
- Mapping bucket/project codes to tenements
- Calculating individual tenement expenditure as per distribution
- Produce Form 5 with distributed expenditure

### Outcomes

### Slide 2

Participants will be able to understand the exemption from expenditure reporting requirements of tenements in WA with respect to:

- Project Expenditure
- Legislation
- Guidelines from the Department
- Warden's and Supreme Court decisions
- Exemption conditions
- Objection to exemption

### Exemption under the Act

### Slide 3

- s102 Mining Act
  - *Subject to this Act, on an application [for exemption] made by the holder of a mining tenement prior to the end of the year to which the proposed exemption relates, or within the prescribed period after the end of that year, the holder may be granted a certificate of exemption...*
    - a) *in respect to any mining tenement other than a mining lease, in any one year; and*
    - b) *in respect to a mining lease,... in a period of 5 years.*

### Exemption under the Regulations

### Slide 4

Further described under Mining Regulations

- r54: Application for Certificate of Exemption
  - Use Form 18 or online
  - Anniversary plus 60 days
  - The form 18 is published on DMIRS website
  - Pay a fee
  - Stat dec describing the for reasons within 28 days of application for exemption application
- r55
  - ~~An E or P exemption (under 102(3)) may be applied because of COVID pandemic and be supported by a statement at the same time (a stat dec is not necessary)~~
- r58
  - Certificate of exemption shall be in the form of a Form 19

## Reasons for Exemption

## Slide 5

- The title to the mining tenement is in dispute: s102(2)(a)
- There must be evidence of the dispute
  - when/how did the dispute start,
  - what court action has been or will be taken
  - that the dispute prevented the tenement holder from carrying out exploration or mining on the tenement.
  - In the case of Application for Forfeiture the decrease the commitment.

## Reason for Exemption (cont)

## Slide 6

- 102(2)(b) Time is required to evaluate work done, to plan future exploration or mining or to raise capital:
  - Standard industry excuse.
  - The policy is to allow a reasonable period of time
  - To assess the results of exploration activities that have been completed to date on the tenement before continuing with the next stage of exploration or development and/or to plan future exploration or mining.
  - Wardens usually will allow 2 years but not a 3rd year
  - Any capital raised must be for exploration on the tenement.
  - Wardens will accept a structured plan
  - Wardens will not accept inaction

## Reason for Exemption (cont)

## Slide 7

- 102(2)(c) Time is required to purchase and erect plant and machinery.
  - Need evidence
- s102(2)(d) The ground of the tenement is for any sufficient reason unworkable
  - Usually for weather conditions. Requires of evidence of rainfall figures, photos of puddles and road closure signs.
  - Note that is best to gain the evidence at the time.
  - The Southern Forest die back restriction in winter is normally used.
  - Has to be beyond normal seasonal variations (Cyclonic flooding and related road closures, extreme heat)
  - DMIRS policy states it must be extended periods.

## Reason for Exemption (cont)

Slide 8

- s102(2)(e) The ground of the mining tenement contains a mineral deposit which is uneconomic but may become economic or market problems make the mining unviable
  - Provide evidence
  - Though the Warden's look for more than a inferred resource.
  - Three limbs (1) ground contains a mineral deposit (2) the mineral deposit is uneconomic (3) it will become economic in the future.
  - No person can mine the deposit, just not the current owner.
  - At the time of exemption application it is uneconomic
- s102(2) The ground of the mining tenement contains ore required to sustain future operations of an existing or proposed mining operation

## Reason for Exemption (cont)

Slide 9

- s102(2)(g) Political, environmental or other difficulties in obtaining requisite approvals prevent mining or restrict it in a manner that is, or subject to conditions that are impracticable
  - Private Land Consent
  - Heritage Surveys
- S102(3) The Minister may grant an exemption for any other reason other than those set out above, which, in his opinion, is sufficient to justify an exemption
  - Very rarely granted
- s102A the holder of an exploration licence authorised to explore for iron ore may apply for an exemption

## Aggregate Exploration Expenditure Exemption

Slide 10

- 102(2)(h)
- that —
  - (i) *the mining tenement is one of 2 or more mining tenements ( combined reporting tenements ) the subject of arrangements approved under section 115A(4) for the filing of combined mineral exploration reports; and*
  - (ii) *the aggregate exploration expenditure for the combined reporting tenements would have been such as to satisfy the expenditure requirements for the mining tenement concerned had that aggregate exploration expenditure been apportioned between the combined reporting tenements.*
- 102(2a)
  - *aggregate exploration expenditure means expenditure —*
    - (a) *on, or in connection with, exploration for minerals on the combined reporting tenements; and*
    - (b) *worked out in a manner specified in the regulations.*

## **Aggregate Exploration Expenditure Exemption**

**Slide 11**

- Allows Annual Report on a Group of Tenements
- Allow for Exemption from Expenditure on Group of Tenements
- Application Requirements
  - Common geology
  - Contiguous tenure
  - Same holder
  - Max size 300sqkm

## **Aggregate Exploration Expenditure Exemption**

**Slide 12**

- r58A Aggregate Exploration Expenditure
- relevant operations report means the Form 5 for the tenement
- filed for a combined reporting tenement;
- covering the year or any part of the year to which the proposed exemption relates
- The definition of aggregate exploration is to be worked out by adding together the total exploration expenditure shown in each relevant operations report



## Aggregate Exploration Expenditure Exemption

Slide 13

- s102 of the Mining Act provides a mechanism for exemption from expenditure commitments for a given expenditure year where such compelling reasons exist
  - to allow for some flexibility when planning exploration programs or mining
- Under s102(2)(h) of the Mining Act the project expenditure commitment and the aggregate expenditure will be calculated on the subject tenement's anniversary date plus 60 days (or, if an extension of time to lodge the Form 5 has been granted, at the expiry of that extended period),
  - thereby ensuring that the reported expenditure for the subject tenement will be included in the calculations.

## Aggregate Exploration Expenditure Exemption

Slide 14

- DMIRs Guidelines
- The project expenditure commitment and the aggregate expenditure will be calculated on the **subject tenement's anniversary date plus 60 days** (or, if an extension of time to lodge the Form 5 has been granted, at the expiry of that extended period), thereby ensuring that the reported expenditure for the subject tenement will be included in the calculations.

## Exemption from the Warden's Courts

Slide 15

- Blackfin v Minerology:
- *In my opinion, the Policy Guidelines and submission by Blackfin are fundamentally flawed in that they both overlook a significant requirement of both the Act and Regulations when reporting expenditure on an exploration licence whether individually or as part of combined reporting tenements.*

## Exemption from the Warden's Courts

Slide 16

- GMK Exploration Pty Ltd & Big Bell Gold Operations Pty Ltd v Glyn Thomas Morgan
  - *In my view it is only those expenses referred to at sub-paragraph "A" and property characterized as 'Mineral-Exploration Activities' which can be used to calculate the aggregate exploration expenditure.*

What this means...

Slide 17

MINERAL-EXPLORATION AND/OR MINING ACTIVITIES		
Itemize activities and expenditure on Attachment 1	A. MINERAL-EXPLORATION ACTIVITIES:	\$ <input type="text"/>
	B. MINING ACTIVITIES:	\$ <input type="text"/>
Evidence of lodgement to be provided	C. ABORIGINAL HERITAGE SURVEYS:	\$ <input type="text"/>
	D. ANNUAL TENEMENT RENT AND RATES:	\$ <input type="text"/>
	E. ADMINISTRATION/OVERHEADS:	\$ <input type="text"/>
	F. (OTHER) LAND ACCESS/NATIVE TITLE COSTS:	\$ <input type="text"/> \$ <input type="text"/>
	<small>Jointly not to exceed 20% of the minimum commitment or expenditure on the activities shown above, whichever is the greater (see instructions).</small>	
	TOTAL EXPENDITURE:	\$ <input type="text"/>
<small>N.B. Full details and results of mineral-exploration activities must be submitted in the annual mineral-exploration report in accordance with section 115A of the Act and the guidelines published under regulation 96B.</small>		

Only this!

←

Exemption from the Supreme Courts

Slide 18

- *Brewer v O’Sullivan [2017] WASC 269*
  - *“Regulation 96C deals with particular kinds of expenditure that may (or may not) be taken into account for the purpose of calculating expenditure 'on or in connection with mining' in relation to an exploration licence. Expenditure which may be taken into account in that calculation includes, for example, the cost of aboriginal heritage surveys, tenement rent and local government rates, administration and land access costs (within limits) and the cost of aerial surveys.”*

Tips for an Exemption Application

Slide 19

- Put as many reasons as possible on the Exemption Application Form,
- Always request for the full amount of expenditure,
- In the supporting letter and stat dec all statements need to be supported by evidence
- Always add 102(3) “any reason the Minister may see fit” to justify an exemption and add in as many reasons you can possibly think of
- When writing the supporting letter quote the section and follow up with the reasoning so there is no mistake about which section and what reasons are being used.

- Analysis of Exemption Application
- Look at the Exemption from Expenditure Application
- Look at the supporting statutory declaration
- Identify the faults in the documents
- Note: This is real exemption applications and supporting letters with the person and company deleted.

#### Ten Commandments for Plain Language Drafting

1. Consider your reader and write with their point of view in mind.
2. Write short sentences.
3. Say what you have to say, and no more.
4. Use the active voice.
5. Use simple, "everyday" words.
6. Use words consistently.
7. Avoid strings of synonyms.
8. Avoid unnecessary formality.
9. Organize your text:
  - in a logical sequence,
  - with informative headings, and
  - with a table of contents for long documents.
10. Make the document attractive and designed for easy reading.

## Reasons

Slide 21

- The Exemption Committee
  - Jutta Pagel of GSWA
  - Exemption Officer – Peter Cahill
  - Manager Compliance unit Mineral Titles Division
- If an Exemption is refused DMIRS will:
  - Commence Forfeiture Proceedings
  - Ask for another submission for the Minister
  - Impose fine of 10% shortfall of expenditure
  - Usually refused after 3 exemptions
- Applicant's submissions should list proposed exploration

## Objection to exemption

Slide 22

- Form 16 – Objection
- Up to 35 days after the exemption (or any application including expenditure)
- Serve a copy to the applicant
- Heard by the Warden
  
- Discussion: Is there a case for legislative consolidation of expenditure and exemptions?

## Application for Forfeiture

Slide 23

- A plaintiff will gain the tenement by:
- Lodging an Objection to Exemption Application (must be lodged with 35 days can be lodged electronically)
- 14 day to serve notice of the Objection
- 8 months after anniversary to serve Application for Forfeiture
- Warden hears the Objection and Application for Forfeiture if lodged
- Warden makes recommendation to the Minister
- May impose a fine instead of forfeiture
- The Plaintiff has 14 days to mark out the tenement
- Once an application for forfeiture has been lodged, there is a pro-rata reduction in the annual expenditure amount rounded to each whole month r52

- Participants will be able to understand the exemption from expenditure reporting requirements of tenements in WA with respect to:
  - Project Expenditure
  - Legislation
  - Guidelines from the department
  - Warden's and Supreme court decisions
  - Exemption conditions
  - Objection to exemption

## Session 8 : Project Expenditure Exemptions using Excel

### Outcomes

### Slide 2

- Building the case for exemption from expenditure
- Collating data for calculating group expenditure to ensure group commitment is satisfied
- Building your own Project Expenditure Calculator in Excel
- Excel Concepts:
  - IF (Nested)
  - VLOOKUP
  - Cell Concatenation (&)
  - DAY, MONTH, YEAR
  - SUM

### Practical Session: Need to Lodge Application for Exemption of Expenditure

### Slide 3

#### Scenario: Lodge Application for Exemption of Expenditure

Based on Mining Act 1978 – Section 102 (h) (ii) the aggregate exploration expenditure for the combined reporting tenements would have been such as to satisfy the expenditure requirements for the mining tenement concerned had that aggregate exploration expenditure been apportioned between the combined reporting tenements

Today's Date: 1<sup>st</sup> Apr 2022

Subject Tenement: E 38/2320

Tenement Reporting Period: 22 Mar 2021 – 23 Mar 2022

Tenement Commitment for (22 Mar 2020 – 23 Mar 2021): \$50,000

Combined Reporting Group: C51/2016

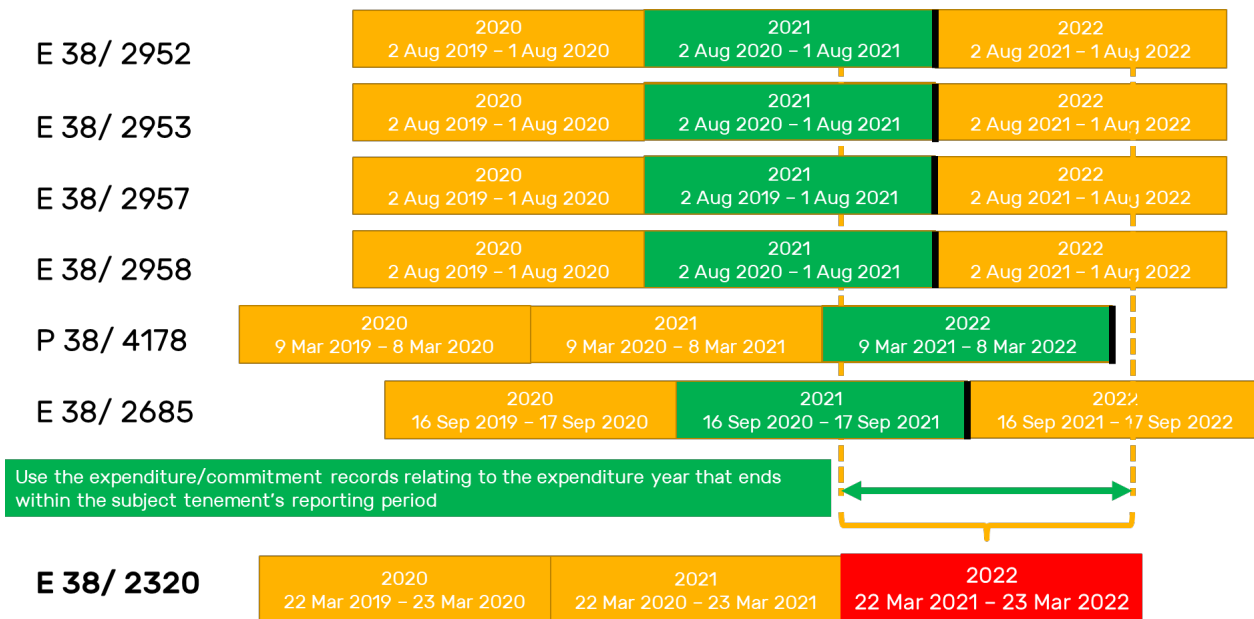
Note: From this point forward, all tenement and expenditure data may modified from reality for the purpose of this session

Tenements belonging to C51/2016:

- E38/2952, E38/2953, E38/2957, E38/2958, P38/4178, E38/2685, E38/2320

**Practical Session: Which expenditure years can I include in my Exemption Application?**

**Slide 4**



**Practical Session: Exemption from Expenditure Calculation**

**Slide 5**

1. Concept
  - a. What – Collating data for calculating group expenditure to ensure group commitment is satisfied
  - b. Why – For lodging applications of exemption from expenditure
  - c. Demo
2. Group Hands-On
  - Examples where we perform the tasks as a group
2. Individual Exercises
  - Same exercise but for E 38/2958
3. Gotchas
  - Copying the wrong record, getting the formulas wrong etc.

**Practical Session: Need to Lodge Application for Exemption of Expenditure**

**Slide 6**

Today's Date: 31<sup>st</sup> August 2021

Subject Tenement: E 38/2958

Tenement Reporting Period: 2 Aug 2020 – 1 Aug 2021

Tenement Commitment for (2 Aug 2020 – 1 Aug 2021): \$20,000

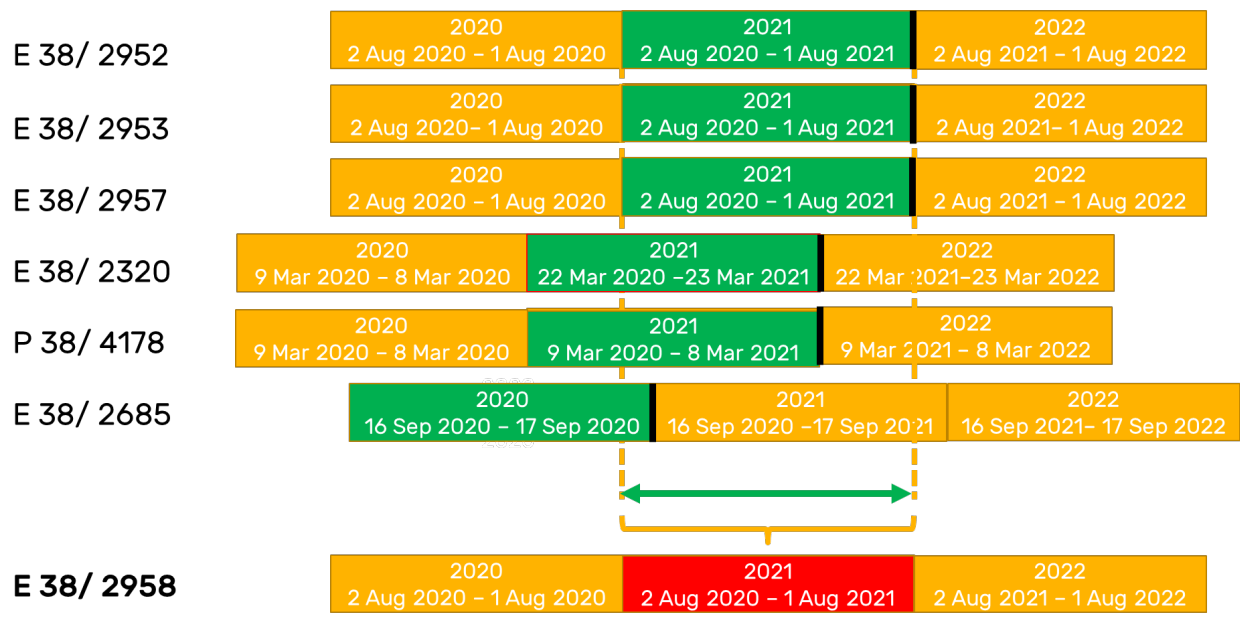
Combined Reporting Group: C51/2016

Tenements belonging to C51/2016 between (2 Aug 2020 – 1 Aug 2021):

- E38/2952, E38/2953, E38/2957, E38/2958, P38/4178, E38/2685, E38/2320

**Practical Session: Which expenditure years can I include in my Exemption Application?**

**Slide 7**



**Practical Session: Exemption from Expenditure Calculation**

**Slide 8**

Imagine having to do this process for every exemption application you wish to lodge!!

Wouldn't it be nice if I didn't have to think so much every time we wanted to do this?

OK, what if I just wanted to enter the tenement, all the tenements in the CRG and the last date of the tenement expenditure year for which I want to lodge an exemption?...

Would it be possible for Excel to work out the correct expenditure years to use for me, import the required commitment and expenditure lodged and also provide a summed total?



Subject Tenement	Exemption Application Year End Date		
E38/2320	22-Mar-21		
Combined Reporting Tenements	Expenditure Year	Commitment	Expenditure Lodged
E38/2320	2021	\$ 50,000.00	\$ 20,000.00
E38/2685	2020	\$ 30,000.00	\$ 325,638.00
E38/2952	2020	\$ 15,000.00	\$ 231,597.00
E38/2953	2020	\$ 20,000.00	\$ 306,808.00
E38/2957	2020	\$ 60,000.00	\$ 2,270,655.00
E38/2958	2020	\$ 20,000.00	\$ 307,698.00
P38/4178	2021	\$ 3,920.00	\$ 50,948.00
		\$ 198,920.00	\$ 3,513,344.00
<Manual Entry>			
<Automatically Populated> - when source spreadsheets are setup properly			

Practical Session: Exemption from Expenditure Calculation  
Supercharged

1. Concept
  - a) What – Building your own Project Expenditure Calculator
  - b) Why – Create an easier way of collating and summarising project expenditure
  - c) Demo
2. Group Hands-On
  - Examples where we perform the tasks as a group
3. Individual Exercises
  - Examples to try individually and obtain feedback from us
4. Gotchas

Practical Session: Automated Project Expenditure Worksheet  
Breakdown

- Components:
  - Manually Compiled Data Source Worksheets:
    - C51\_2016 Tenements
    - C51\_2016 MTO Exp Yrs 2019-2021
- Referenced cells
  - Yellow cells

- Cells from source worksheets
- Hidden cells
- Formulas (Purple cells)
  - IF (Nested)
  - VLOOKUP
  - Cell Concatenation (&)
  - DAY, MONTH, YEAR
  - SUM

**Practical Session: Automated Project Expenditure Worksheet Breakdown**

**Slide 12**

DAY, MONTH, YEAR Formulas

DAY – Will return in the day number of the date in the selected cell

MONTH - Will return in the month (as a number [1-12]) of the date in the selected cell

YEAR – Will return the year as a 4 digit number of the date in the selected cell

	A	B	C
1	Subject Tenement		Exemption Application Year End Date
2	E38/2320		23-Mar-21
3		Formula in Column C	
4	Exemption Application Year End Date (Day)	=DAY(C2)	23
5	Exemption Application Year End Date (Month)	=MONTH(C2)	3
6	Exemption Application Year End Date (Year)	=YEAR(C2)	2021

**Practical Session: Automated Project Expenditure Worksheet Breakdown**

**Slide 13**

IF Formulas

Logic

IF(<logical test>, THEN <what to return if true>, ELSE <what to return if false>)

Excel

IF(<logical test>, <what to return if true>, <what to return if false>)

	A	B	C	D
1	Exemption Application Year End Date		Today's Date	
2	23-Mar-21		13/06/2021	
3			Formula	
4	23	Earlier in the Month	=IF(A4>DAY(C2), "Earlier in the Month", "Later in the Month")	
5	3		=IF(A5<>3, "Not 3", A5)	
6	2021		=IF(A5=C5, C5, A5)	

## Practical Session: Automated Project Expenditure Worksheet Breakdown

Slide 14

Nested IF Logic

IF(<logical test>,  
<what to return if true>, - this can be another if statement  
<what to return if false>) - this can be another if statement

For our purpose our structure will be:

IF(<logical test>,  
<what to return if true>,  
IF(<logical test>,  
IF(<logical test>,  
<what to return if true>)  
<what to return if false>))

## Nested If Logic for determining Expenditure Year

Slide 15

### Nested If Logic for determining Expenditure Year

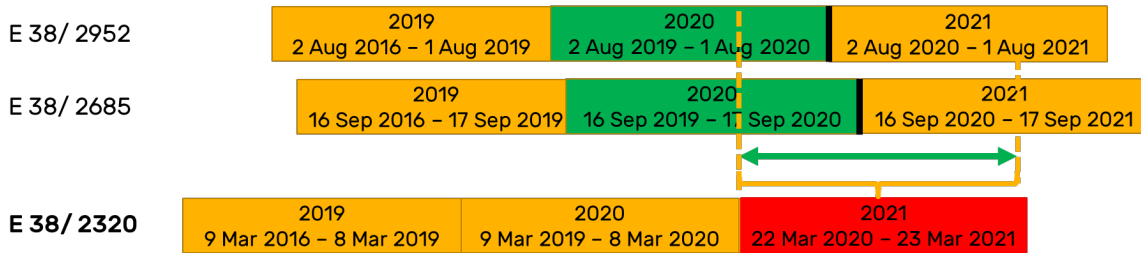
What is our subject anniversary for this year?

What is our CRG anniversary for this year?

- 3 scenarios:
  - Dates are the same: use this year's CRG
  - Subject Anniversary > CRG Anniversary: use previous year CRG
  - Subject Anniversary < CRG Anniversary: use this year's CRG

### Excel Logic

IF(<logical test>,  
<what to return if true>,  
IF(<logical test>,  
    <what to return if true>)  
    IF(<logical test>,  
        <what to return if true>)



LOGIC

Dates are the same: use this year’s CRG  
 Subject Anniversary > CRG Anniversary: use previous year CRG  
 Subject Anniversary < CRG Anniversary: use this year’s CRG

- Nested If Analysis
- Logic

Dates are the same: use this year’s CRG  
 Subject Anniversary > CRG Anniversary: use previous year CRG  
 Subject Anniversary < CRG Anniversary: use this year’s CRG

- Excel Formula (in cell B5)

=IF(DAYS(\$B\$2,F5)=0,YEAR(F5),  
 IF(DAYS(\$B\$2,F5)>0,YEAR(F5),  
 IF(DAYS(\$B\$2,F5)<0,YEAR(F5)-1)))

	A	B
1	<b>Subject Tenement</b>	<b>Exemption Application Year End Date</b>
2	E38/2320	23-Mar-22
3		
4	<b>Combined Reporting Tenements</b>	<b>Expenditure Year</b>
5	E38/2952	2021
6		

**Concatenation of cells (CONCATENATE and &)**

There may be scenarios where we want to concatenate (join) the value of 2 or more cells and values together. To do this we can use the concept of concatenation which Excel provides two methods/formulas.

eg. =C2 & " is an awesome year!" or  
 =CONCATENATE(C2, "is an awesome year!")  
 both return "2021 is an awesome year!"

	A	B	C	D	E
1	<b>Tenement&amp;Year</b>	<b>Tenement</b>	<b>Year</b>	<b>Formula in A</b>	<b>Alternative Forumula</b>
2	E38/29522022	E38/2952	2022	=B2&C2	=CONCATENATE(B2,C2)
3	E38/29522021	E38/2952	2021	=B3&C3	=CONCATENATE(B3,C3)
4	E38/29522020	E38/2952	2020	=B4&C4	=CONCATENATE(B4,C4)

**Calculating correct Expenditure Years**

We'll use all the concepts we've worked on so far to build a sheet to automatically calculate and return the correct Expenditure Years to use for a list of tenements and then lookup the respective commitments and expenditure totals.

With our initial IF scenario, we need to now extend this to lookup the tenement details table (C51\_2016 Tenements) for the values of Commencement and Anniversary

**Lookup the respective Commitments and Expenditure Totals**

Once we have the respective Expenditure Years to lookup from the table of expenditure records (C51\_2016 MTO Exp Yrs 2019-2021) we can use this table as our lookup table

**Problem:** What do we perform the lookup on? We have the Tenement and the Expenditure Year but how do we do a lookup as they are in separate columns.

**Solution:** That's where our concatenation comes in and we can use the concatenated column as our lookup as that will be a unique list. You'll see this being done in a hidden column (A) in C51\_2016 MTO Exp Yrs 2019-2021

**Practical Session: Automated Project Expenditure Worksheet Breakdown**

**Slide 21**

**Lookup the respective Commitments and Expenditure Totals**

Vlookup(lookup\_value, table\_array, col\_index\_num, [range\_lookup])

The lookup\_value in this case is a concatenation of both the Combined Reporting Tenement and the Expenditure Year

eg. ="E38/2320"&"2021" will return E28/23202021 to lookup\_value and this will be used to lookup column A of C51\_2016 MTO Exp Yrs 2020-2022

	A	B	C	D
1	Subject Tenement	Exemption Application Year End Date		
2	E38/2320	23-Mar-21		
3				
4	Combined Reporting Tenements	Expenditure Year	Commitment	Expenditure
5	E38/2320	2021	\$ 30,000.00	\$

**Practical Session: Automated Project Expenditure Worksheet  
Breakdown**

**Slide 22**

Last Step: Sum up Commitments and Expenditure Totals

Sum up the commitments by using the SUM formula and selecting the cells to sum

SUM(number1, number2,...)

eg. SUM(C5:C11) will sum up the commitments for the list of combined reporting tenements

1	Subject Tenement	Exemption Application Year	End Date		
2	E38/2320		23-Mar-21		
3					
4	Combined Reporting Tenements	Expenditure Year	Commitment		Expenditure Lodged
5	E38/2320	2021	\$ 30,000.00	\$	20,000.00
6	E38/2685	2020	\$ 30,000.00	\$	42,076.00
7	E38/2952	2020	\$ 15,000.00	\$	28,090.00
8	E38/2953	2020	\$ 20,000.00	\$	43,833.00
9	E38/2957	2020	\$ 60,000.00	\$	95,932.00
10	E38/2958	2020	\$ 20,000.00	\$	35,046.00
11	P38/4178	2021	\$ 3,920.00	\$	76,917.00
12			\$ 178,920.00	\$	341,894.00

**Outcomes**

**Slide 24**

- Building the case for exemption from expenditure
- Collating data for calculating group expenditure to ensure group commitment is satisfied
- Building your own Project Expenditure Calculator in Excel
- Excel Concepts:
  - IF (Nested)
  - VLOOKUP
  - Cell Concatenation (&)
  - DAY, MONTH, YEAR
  - SUM