

WiFi and Wiki logonSlide 2• WIFI Log on and PasswordGo to wiki.landtrack.com.au• Select "Training Resources";Then "Understanding Tenement Expenditure Training Course"• Go to "Expenditure data examples" and download "All Excel Sessions"Course OutcomesSlide 6

Understanding Tenement Expenditure Participant Notes

- 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

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Website: www.landtrack.com.au

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

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| | 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 | | Slide 8 | |
|--|---|---------------|-------|
| [Session 5] Distributing Expenditure | | Session Times | |
| Morning Tea | 5 | 9.00 | 10.30 |
| [Session 6] Incorporating distributed expenditure into | 6 | 10.40 | 12.10 |
| Form 5 | 7 | 12.50 | 2.50 |
| Lunch | 8 | 3.00 | 4.30 |
| [Session 7] Exemption from Expenditure | | | |
| Afternoon Tea | | | |
| [Session 8] Project Expenditure Exemptions using Excel | | | |

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

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Hunt on Mining Law of Western Australia

Fith Edition

Michael Hunt Tim Kavenagh James Hunt

THE FEDERATION PRESS

Introduction, Form 5 and Accounts

Introduction, Form 5 and Accounts 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?

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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.]



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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 <u>section 68(3)</u> 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 <u>section 68(3)</u>, 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.]



Why understand tenement expenditure?

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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.]

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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.]



Why understand tenement expenditure?

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Mining Act 1978 Section 102 – Exemption from expenditure conditions

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;



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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.]

Operations Report - Form 5 – Paper

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) | | | | |
|---|---|--|--|--|--|
| | Annual: Final: | | | | |
| | Tenement Type: Number : / | | | | |
| | Reporting Period: From: / / To: / / | | | | |
| | MINERAL-EXPLORATION AND/OR MINING ACTIVITIES | | | | |
| Itemize activities and expenditure on Attachment 1 | A. MINERAL-EXPLORATION ACTIVITIES: \$ | | | | |
| | B. MINING ACTIVITIES: | | | | |
| Evidence of lodgement to be provided | C. ABORIGINAL HERITAGE SURVEYS: \$ | | | | |
| | D. ANNUAL TENEMENT RENT AND RATES: \$ | | | | |
| | E. ADMINISTRATION/OVERHEADS: \$ | | | | |
| | F. (OTHER) LAND ACCESS/NATIVE S S | | | | |
| | Jointly not to exceed 20% of the minimum commitment or expenditure on the activities shown above, whichever is the greater (see instructions). | | | | |
| | TOTAL EXPENDITURE: \$ | | | | |
| | 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. | | | | |
| | OR | | | | |
| Itemize activities and expenditure on Attachment 2 | PROSPECTING AND/OR SMALL SCALE MINING ACTIVITIES | | | | |
| | TOTAL EXPENDITURE: S | | | | |
| | (A to E ON ATTACHMENT 2) | | | | |

<u>A copy of this page</u> of the Operations Report <u>and Attachment 1</u> titled "Summary of Mineral-Exploration and/or Mining Activities" <u>or Attachment 2</u> 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 tanement under option or joint venture). | NAME: ADDRESS: | | | | | |
| List here details of the related annual mineral- | Mineral-explor Title: | ation report (1 | for single tenement) | | | |
| exploration report. | Combined min | eral-exploration | on report (for group | of two or | more tenements |) |
| | Combined report | ting number fo | r tenement group: | С | ſ | |
| Combined reporting date for group: / | | | | | / / | |
| Signature of or agent (if i name and ad agent) | I certify that the is Mining Activities a true statement o period specified. Tholder agent, full ldress of | nformation on pa " or Attachment f the operations o | ges 1 and 2 and in Attac 2 "Summary of Prospec carried out and monies e | hment 1 "S ting and/or xpended or Date: | Summary of Mineral Small Scale Mining this mining tenems / | -Exploration and/or Activities" constitu ent during the reporti |
| (Tick appropriate box and show expenditure. If more than one commodity sought, tick appropriate boxes and allocate expenditure for each one). | MINERAL CO Gold Iron or Nickel Copper Zinc/Si | MMODITY S c Cobalt /Lead/ liver | S S S S | | Diamond Mineral Sands Other (specify) | 5 5 5 |
| This page is n Note: ATTACHMEN OF MINICAL AND/OR MIN (A) The stacks the cost of separate be used. (B) A copy of the Form 5 | not to be copied in TT 1 SUMMARY -EXPLORATION ING ACTIVITIES ments to the Form 5 at each activity. For Al- each acti | Conjunction with COE PRO SCAI re to provide a sum tachment I you mu the pro-forma shee I be provided toget mant of the preserv | h regulation 96(3). ACHMENT 2 — SUMM/ SPECTING AND/OR SM LE MINING ACTIVITIE mary of the activities carris ty either use the pro-forma in under 4(4), and (11) in th a vailable from the Depart har with a copy of the front hed fee. | ARY OF ALL S ad out and sheet or a ment must page of | H This op E D D F F E E E E E | erations report received |

| Full name and address of holder/s. | f NAME: | | | | | |
|--|---|--|--|-------------------------------------|--|--------------------------------|
| | ADDRESS: | | | | | |
| | | | | | | |
| | | | | | | |
| Full name and | | | | | | |
| address of operator | NAME: | | | | | |
| mining tenement | ADDRESS: | | | | | |
| under option or joint | | | | | | |
| venture). | | | | | | |
| List here | Mineral-expla | ration report (f | or single tenement) | | | |
| details of the related annual mineral- | Title | | , ingre tenennet, | | | 1 |
| exploration report. | | | | | | |
| | Combined mi | neral-exploratio | a report (for group o | f two or | r more tenements) | |
| | Title: | | | | | |
| | Combined repo | orting number for | tenement group: | С | / | |
| Combined reporting date for group: / | | | | 1 1 | | |
| | I certify that the Mining Activitie a true statement period specified. | information on page s" or Attachment 2 of the operations co | es 1 and 2 and in Attach "Summary of Prospecti arried out and monics exp | ment 1 "S ng and/or pended or | Summary of Mineral-Exploration a r Small Scale Mining Activities" eo n this mining tenement during the r | nd/or nstitutes eporting |
| Signature of or agent (if a name and ad | holder agent, full ldress of | | | Date: | . / / | |
| agenty | | | | | | |
| rtick | MINERAL O | OMMODITY S | OUGHT ON TENEN | IENT | | |
| appropriate box and show | Gold | | 5 | | Diamond S | |
| If more than one | Iron o | re | s | | Mineral Sands S | |
| commodity sought, tick | | | | | | |
| boxes and allocate | Nicke | VCobalt | 5 | | Other (specify) 5 | |
| expenditure for each one). | Coppe Zinc/S | er/Lead/ silver | 5 | | | |
| This many is a | ut to be carried in | conjunction with | regulation 96(3) | | | |
| Note: ATTACHMEN OF MINERAL | T 1 - SUMMARY | | CHMENT 2 - SUMMAI | RY OF | H This operations report re | coived |
| AND/OR MIN | ING ACTIVITIES | SCAL | E MINING ACTIVITIES | | D 0 | |
| (A) The attache the cost of separate d | nents to the Form 5 each activity. For J heat with the suggest | are to provide a same trachment 1 you may ed headings as shown | nary of the activities carried y either use the pro-forma sh a under 4(A) and (B) in the | out and out or a | F F | |
| instruction be used. | For Attachment 2 | the pro-forma sheet | available from the Departm | cat must | E U | |
| (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. | | | | | | |

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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.)

Costeaning: 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:

Why understand tenement expenditure?

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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 Interpretation of the Mining Act and Regulations

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)

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

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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 | | |
| | | | |



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





| Government of Western An Department of Mines, Indust | ustralia ry Regulation and Safety aister Online Transactions Enquiry + Admin + Help + | MINERAL WILLES ONLINE |
|---|---|--|
| Online Lodgement: Operation | ns Panort - Submission Id 227061 | |
| 1 Tenement Selection | Step 2 - Tenement Details | |
| 2 Tenement Details | Tenement ID: E 38/2320 Holder Details: EASTERN GOLDFIELDS | MINING COMPANY PTY LTD |
| 3 Report Details | GREAT BOOLDER RESO | OKCES EIMITED |
| 4 Activity Selection | What type of operations report are you submitting ? Annual Final | Tenement Details Help |
| 5 Activity Summary | Which reporting period does this submission apply to ? | Select type of operations report you are submitting |
| 6 Commodity Expenditure | From 23/03/2018 To 22/03/2019 | (Annual or Final) and enter the reporting period by selecting |
| 7 Signing Party | Please enter the details of the Operation Manager (optional): | the date picker icon |
| 8 Attach Documents | Given Surname | When you have finished entering the |
| 9 Review | Street 1 | relevant information, click the Next button below to continue |
| 10 Signature | Suburb State Postcode | through each required step, Previous to |
| 11 Delivery | | 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 An Department of Mines, Indust | Istralia ry Regulation and Safety | MINERAL THES ONLINE |
|---|--|--|
| Home Tenement Re | gister Online Transactions Enquiry 🔻 Admin 👻 Help 💌 | |
| Online Lodgement: Operation | ns Report - Submission Id 227061 | |
| 1 Tenement Selection 🗸 | Step 3 - Report Details | |
| 2 Tenement Details 🗸 | Tenement ID: E 38/2320 Holder EASTERN G Reporting From 23/03/2018 To Details: COMPANY PO Details: COMPANY PO | GOLDFIELDS MINING PTY LTD |
| 3 Report Details 🛛 🗲 | Period: 22/03/2019 GREAT BOC | LUER RESOURCES LIMITED |
| 4 Activity Selection | Related Annual Mineral Exploration Report | Tenement Selection Help |
| 5 Activity Summary | Are you expecting to lodge a related Mineral Exploration Repo | rt If you select Yes to |
| 6 Commodity Expenditure | No | select whether this is for the individual |
| 7 Signing Party | Ves | tenement as part of a Combined Reporting |
| 8 Attach Documents | | Group by selecting the respective radio button. Additionally |
| 9 Review | | please enter the title of the report. |
| 10 Signature | | Click the Next button to save and continue to Step 4 |
| 11 Delivery | | to step 4. |
| | | |
| | | |
| | Cancel | Previous Next |



| Government of Western An Department of Mines, Indust | ustralia ry Regulation and Safety | MINERAL TITLES ONLIN |
|---|--|--|
| Home Tenement | Register Online Transactions Enquiry - Admin - Help - | |
| Online Lodgement: Operation | ns Report - Submission Id 227323 | |
| 1 Tenement Selection 🗸 | Step 5 - Summary of Mineral Exploration and/or Mining activities | |
| 2 Tenement Details 🗸 | Tenement ID: E 38/2320 Holder Details: EASTERN GOI Reporting Period: From 23/03/2018 To 22/03/2019 Case of the second | DFIELDS MINING COMPANY PTY LTD DER RESOURCES LIMITED |
| 3 Report Details 🗸 | | |
| 4 Activity Selection | A - Mineral Exploration Activities | Activity Summary Help |
| 5 Activity Summary | Please select activities and their expenditures: Add Activity | There are / sections for Mineral Exploration activity that you can complete (attachment 1). Use the links below to help you |
| 6 Commodity Expenditure | Mineral Exploration Activities Expenditure Activity Type No Records | section. |
| 7 Signing Party | | A - <u>Mineral Exploration</u> B - <u>Mining Activities</u> |
| 8 Attach Documents | SECTION A TOTAL: \$0.00 | C - <u>Aboriginal Heritage Surveys</u> D - <u>Annual Tenement Rent &</u> <u>Rates</u> |
| 9 Review | | E - Administration & Overheads F - Land Access / Native Title Comments |
| 10 Signature | B - Mining Activities (Development and Production) | Click the Next button below to save and continue to Step 6. |
| 11 Delivery | Please select activities and their expenditures: Add Activity | |
| | Mineral Activities Expenditure | |
| | | |
| | SECTION B TOTAL: \$0.00 | |
| | C - Aboriginal Heritage Surveys | Tee |
| | Please select activities and their expenditures: Add Activity | |

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Operations Report - Form 5

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:

| TenementID | Status | Next Anniversary Date | Commencement Date | Next Form 5 Due |
|------------|--------|-----------------------|----------------------|--------------------|
| 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

- 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

- 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.

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Operations Report - Form 5 – Things to Note - GST

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.

Operations Report – Form 5 – Public Holidays and Weekends Slide 33

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.

Interpretation Act 1984

November December January Sun Mon Tue Wed Thu Fri Sat Sun Mon Tue Wed Thu Fri Sat Sun Mon Tue Wed Thu Fri Sat g Δ Australia Day **Anniversary Date** Due Date

60 Days

Slide 34

Operations Report - Form 5 Categories – Paper Lodgement Activities Slide 35

| 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 |
| | Costeaning | | 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

| 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 - Other | A - Geophysics - Other |
| A - Drilling – Drilling | A - Geochemistry - Microdiamond analysis | A - Geology - Palaeontology | 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 | g 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 |

Operations Report - Form 5 Categories – Paper Lodgement Activities

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| 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 - Costeaning | 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 <i>-</i> Assays | A - Geology - Geological reconnaissance | A - Geophysics - Gravity surveys | A - Travel - Travel |

Operations Report - Form 5 and Accounts

Slide 38

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

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)
 - \circ $\;$ Difficult to split and itemise in the Form 5 $\;$
- Expenditure Transactions are coded to:
 - o Tenements
 - Bucket Codes with a known distribution across tenements.

Operations Report - Form 5 – Simple Transaction Flow

- 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 41

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

| Vendo | or Invoice | | Accounting System | | | F | 0 | rm 5 I | Mapping | | |
|-----------------------------|--|------------|-------------------|-------------------|-----------------------------|--------------------|---------------------|--------|---------|--------------------------------|---|
| Date | 31/05/2019 | Date | Cost Code | | Description | Tenement ID | Amount (Inc GST) | Cost | Code | Description | Form 5 Category |
| leference | E38/2320 | | | | | | | | | | |
| Company Name Description | ABC Drilling Company Rotary Drilling Services | 31/05/2019 | 625200 | | Rotary Drilling Services | E38/2320 | \$5400.00 | 6252 | 00 | Rotary Cut Drilling | A – Mineral Exploratio Activities: Drilling - Ro drilling |
| Amount (inc. GST) | \$5400.00 | | | Ch | = art of Acc | unts | | 6260 | 00 | Rotary Abrasive Drilling | A – Mineral Exploratio Activities: Drilling - Ro drilling |
| | | Cost Code | - | Cos | t Type | Descrip | tion | | | | |
| | | 625000 | | Inc Expe Ex | ome ense pense | Rotary D | rilling | 7000 | 00 | Tenement Rents | D – Annual Rent and Rates: Rent/Rates - R |

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

Slide 39

Operations Report - Form 5 – Transaction to Form 5

Slide 42

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 43

| | | | | | | 7 | Form 5 Activity | Summe for Activ | d Amounts rity |
|------------------|-----------|----------|--|-------------------|---|----|--------------------------------------|--------------------|-------------------|
| Transaction Date | Cost Code | Tenement | Description | Amount (Inc. GST) | Form 5 Activity | h | | | |
| 5/02/22 | A104 | E38/2320 | <transaction description=""></transaction> | \$593 | A - Drilling - Diamond drilling | | | | |
| 6/02/22 | A108 | E38/2320 | <transaction description=""></transaction> | \$777 | A - Drilling - Other | | | | |
| 16/01/22 | A108 | E38/2320 | <transaction description=""></transaction> | \$581 | A - Drilling - Other | | | | |
| 27/01/22 | A154 | E38/2320 | <transaction description=""></transaction> | \$1,417 | A - Environmental - Fauna studies | | | | |
| 12/05/22 | A154 | E38/2320 | <transaction description=""></transaction> | \$554 | A - Environmental - Fauna studies | | A - Drilling | \$ | 1,951.00 |
| 25/02/22 | A157 | E38/2320 | <transaction description=""></transaction> | \$510 | A - Environmental - Other | | A - Environmental | Ś | 2.807.00 |
| 21/04/22 | A156 | E38/2320 | <transaction description=""></transaction> | \$326 | A - Environmental - Rehabilitation | | A - Exploration | Ś | 409.00 |
| 4/05/22 | A552 | E38/2320 | <transaction description=""></transaction> | \$409 | A - Exploration - Other Exploration | | A - Eigld Supplies | ć | 2 141 00 |
| 4/05/22 | A457 | E38/2320 | <transaction description=""></transaction> | \$608 | A - Field Supplies - Field Supplies | | A - Field Supplies | ې د | 2,141.00 |
| 31/01/22 | A458 | E38/2320 | <transaction description=""></transaction> | \$1,533 | A - Field Supplies - Field Supplies | | A - Geochemistry | Ş | 1,364.00 |
| 14/03/22 | A213 | E38/2320 | <transaction description=""></transaction> | \$1,364 | A - Geochemistry - Water sampling | | A - Geology | Ş | 7,090.00 |
| 11/05/22 | A253 | E38/2320 | <transaction description=""></transaction> | \$867 | A - Geology - Costeaning | | A - Travel | Ş | 1,951.00 |
| 23/03/22 | A254 | E38/2320 | <transaction description=""></transaction> | \$1,661 | A - Geology - Data bases | | A - Total | \$ | 17,713.00 |
| 3/01/22 | A256 | E38/2320 | <transaction description=""></transaction> | \$1,415 | A - Geology - Exploration target generation | | | | |
| 11/02/22 | A262 | E38/2320 | <transaction description=""></transaction> | \$1,446 | A - Geology - GIS | | | | |
| 18/03/22 | A263 | E38/2320 | <transaction description=""></transaction> | \$1,701 | A - Geology - Hydrogeology | | | | |
| 17/02/22 | A501 | E38/2320 | <transaction description=""></transaction> | \$1,419 | A - Travel - Travel | | | | 5 40 00 |
| 6/03/22 | A602 | E38/2320 | <transaction description=""></transaction> | \$548 | B - Mining - Development | | B - Mining - Development | Ş | 548.00 |
| 7/02/22 | A603 | E38/2320 | <transaction description=""></transaction> | \$742 | B - Mining - Environmental - Mining | | B - Mining - Environmental | Ş | 1,541.00 |
| 14/03/22 | A603 | E38/2320 | <transaction description=""></transaction> | \$799 | B - Mining - Environmental - Mining | | B - Mining - Total | \$ | 2,089.00 |
| 14/03/22 | A702 | E38/2320 | <transaction description=""></transaction> | \$1,613 | D - Rent/Rates - Rates | 5 | D - Rent/Rates - Rates | \$ | 1,613.00 |
| 6/03/22 | A551 | E38/2320 | <transaction description=""></transaction> | \$1,906 | E - Admin - Other | н. | D - Rent/Rates - Total | \$ | 1,613.00 |
| 8/05/22 | A751 | E38/2320 | <transaction description=""></transaction> | \$980 | E - Admin - Other | | | | |
| 21/01/22 | A751 | E38/2320 | <transaction description=""></transaction> | \$1,506 | E - Admin - Other | | E - Admin - Other | \$ | 7,032.00 |
| 22/03/22 | A751 | E38/2320 | <transaction description=""></transaction> | \$1,536 | E - Admin - Other | | E - Admin - Other - Total | \$ | 7,032.00 |
| 9/05/22 | A752 | E38/2320 | <transaction description=""></transaction> | \$712 | E - Admin - Other | | | | |
| 5/02/22 | A753 | E38/2320 | <transaction description=""></transaction> | \$392 | E - Admin - Other | | | | |
| 11/02/22 | A803 | E38/2320 | <transaction description=""></transaction> | \$657 | F - Land Access Native Title - Other | ۲. | F - Land Access Native Title - Other | \$ | 1,119.00 |
| 22/04/22 | A804 | E38/2320 | <transaction description=""></transaction> | \$462 | F - Land Access Native Title - Other | | F - Land Access Native Title - Total | \$ | 1,119.00 |
| | | | | | | | C - Aboriginal Heritage Surveys | \$ | |

Operations Report - Form 5 Categories – Online Lodgement Activities

| Government of Western A Department of Mines, Indust | ustralia ny Regulation and Safety renement Register Online Transactions Enquiry + Admin | ▼ Help ▼ | NINERAL MILLES ONLINE |
|--|---|---|---|
| Online Lodgement: Operation | ns Report - Submission Id 226239 | | |
| 1 Tenement Selection 🖌 | Step 5 - Summary of Mineral Exploration an | Add Mineral Exploration Activity | × * |
| 2 Tenement Details | Tenement ID: E 38/2320 Reporting Period: From 23/03/2018 | Mineral Exploration Activity Details Activity Drilling Expenditure § | N GOLDFIELDS MINING COMPANY PTY LTD BOULDER RESOURCES LIMITED |
| 4 Activity Selection | A - Mineral Exploration Activities | Aircore dniling Dniling Reverse circulation dniling Auger dniling Large diameter dniling Monther Holes: Cancel Menter Volles: Menter Volles: Cancel | Activity Summary Help There are 7 sections for Mineral Exploration activity that |
| 6 Commodity Expenditure | Please select activities and their expenditures: Add X Mineral Exploration Activities | Core sampling Other Vacuum drilling Diamond drilling Percussion drilling | you can compete (attachment 1). Use the links below to help you maybat to each respective section. A - <u>Mineral Exploration</u> B - <u>Minica Activities</u> |
| 7 Signing Party | | | C - <u>Aboriginal Heritage Surveys</u> D - <u>Annual Tenement Rent & Rates</u> E - Administration & Overheads |
| 8 Attach Documents | | SECTION A | F - Land Access / Native Title Comments COTAL: \$0.00 |
| 9 Review | | | Click the Next button below to save and continue to Step 6. |
| 10 Signature | B - Mining Activities (Development and Pro | duction) | Ing |

- 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 2 Account Codes in Chart of Accounts?

| Operations Report | t - Form 5 Categories | - Online Lodgement A | 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 |
| 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 - Other | A - Geophysics - Other |
| A - Drilling - Drilling | A - Geochemistry - Microdiamond analysis | A - Geology - Palaeontology | 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 - Dnilling - Rotary drilling | A - Geochemistry - Stream sediment samplin | g 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 - Costeaning | 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 | 8 - 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 | | | | |
|-------------------|----------|-----------------|--|--|
| CostCode | CostType | Description | | |
| | Income | | | |
| 625000 | Expense | Rotary Drilling | | |
| | Expense | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

| Form 5 Mapping | | | | |
|----------------|--------------------------|--|--|--|
| CostCode | 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

Operations Report – Mapping Account Codes to Form 5 Category Activities - Gotchas

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

| | | | | _ | |
|---|----------|-----------|-------------|---|----------------------------|
| | C | hart of A | Accounts | | Form 5 Category Heading |
| C | ost Code | CostType | Description | | A – Mineral Exploration |
| | | Income | | | |
| 6 | -1000 | Expense | Exploration | | Activities |
| 6 | -2000 | Expense | Mining | | |
| 6 | -3000 | Expense | Office | | |
| | | | | | |

- <u>Problem</u>: 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.
- <u>Solution</u>: 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.

Operations Report – Mapping Account Codes to Form 5 Category Activities - Gotchas

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• 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 Outcomes

• The Form 5 "Other" Categories

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

Outcomes

- 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

- 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 & Slide 52 Copy/Paste

- 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

Slide 51

- 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 53

- 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 54

- 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. | Conce • • | ot 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. | Individ • | ual Exercises Examples to try individually and obtain feedback from us |
| 4. | Gotcha • | as Can be large and confusing |
| Practi | ical Ses | sion: Form 5 Activity Mapping – Simple Formulas Slide 56 |
| • | Mappi | ng Chart of Accounts data to Form 5 Activities |
| • | Using I | Excel to create mapping and ensure data consistency |
| | • | Manual Entry |
| | • | Copy/Paste |
| | • | Data Validation |
| | • | Sorting and Filtering |
| | • | Formulas |
| | | |
| | | |
| | | |
| | | |

Practical Session: Form 5 Activity Mapping – Simple Formulas

Session 3: Allowable Expenditure

Outcomes

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
 - o Administration And Overheads
 - Land Access/ Native Title
- What is not Expenditure
- Expenditure accrued

Definitions

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

- S8 Definition *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"

The difference between Expenditure and Expenses

Slide 2

Slide 3

Definitions

- "Expenditure Conditions"
 - In relation to a mining tenement means the prescribed conditions applicable to a mining tenement that require the expenditure of <u>money on or in connection with</u> the mining tenement or the mining operations carried out thereon or proposed to be so carried out
- "Mining" is defined in s8(1)
 - o 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

'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

"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*"

Slide 5

Slide 6

Prescribed Expenditure

- 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

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.)

Costeaning: 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

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.

Slide 8

Slide 9

The Purpose behind commitment and expenditure

- 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

- **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 Monev

- 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

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

Slide 13

Slide 14

Slide 11

Wardens Allowable Expenditure

- 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

- 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

- 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

- 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 plainted tenement.
 - Defendant was in breach of a Sale agreement of a tenement to the Plaintiff



Slide 18

Slide 17

Slide 16

Metal detecting, dolling, sampling and panning

- 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

- 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.)

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)



Slide 19

Action

Slide 21

Administration

• 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

- (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

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

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

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

Slide 24

Slide 25

Slide 26

Session 4 : Producing the Form 5 using Excel

Outcomes

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

Export from any Accounting Package

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

Importing Structure from Accounting Package MYOB

| | | | | Blue Sky Mining PO BOX 1720 WEST PERTH WA 6005 | | | | | | | | | | |
|--------|--------------------------------|-----|-----------|--|-------------|--------|----------|--|--|--|--|--|--|--|
| | Account Transactions [Accrual] | | | | | | | | | | | | | |
| | 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 | | | | | | | | |
| | · · - | | | | | | | | | | | | | |

| 1 | А | В | C | D | E | F | G | н | 1 |
|----|-----------|----------|-----|------------|---------------------------------|-------------|------------|----------|----------|
| 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 |
| 40 | 1 | | | | | | | | |

Importing Structure from Accounting Package - INTEGRA

Slide 5

| | A | В | C | D | E | F | G | Н |
|----|------------|--|-------------|--------|---------|----------------------------|--------------|---------|
| 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 | |
| 11 | | | | | | | | |

Practical Session: Cleaning up accounting export

Slide 6

Slide 7

- 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

- 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

| | Α | В | С | D | E | F | G | н | - I |
|----|--------|----------------------------|----------|-----------|------------|------------|-------------|---------------|------|
| 1 | Date | Account | Budget | Encumbrar | Actual | Funds Avai | Description | ı | |
| 2 | Jan-21 | 203.7851.60.74630.0000.000 | 654256.3 | 0 | 42953.03 | 0 | Handling F | Handling Fees | |
| 3 | Jan-21 | 203.5450.30.74515.0000.000 | 76387033 | 0 | 6301945.98 | 0 | Natural Ga | s | |
| 4 | Jan-21 | 203.1239.20.72500.0000.000 | 15000 | 0 | 168.07 | 0 | Maintenan | ce Parts | |
| 5 | Jan-21 | 203.1239.20.80200.0000.000 | 12000 | 0 | 300 | 0 | Internal La | arge | |
| 6 | Jan-21 | 203.1233.20.72500.0000.000 | 132000 | 0 | 10183.58 | 0 | Maintenan | ce Parts | |
| 7 | Jan-21 | 203.1233.20.80200.0000.000 | 144000 | 0 | 12555 | 0 | Internal La | bour Recha | arge |
| 8 | Jan-21 | 203.1241.20.72500.0000.000 | 78000 | 0 | 9463.91 | 0 | Maintenan | ce Parts | |
| 9 | Jan-21 | 203.1241.20.80200.0000.000 | 502200 | 0 | 19363.5 | 0 | Internal La | bour Recha | arge |
| 10 | Jan-21 | 203.1255.20.72500.0000.000 | 55500 | 0 | 9117.54 | 0 | Maintenan | ce Parts | |
| 11 | Jan-21 | 203.1255.20.80200.0000.000 | 39000 | 0 | 2250 | 0 | Internal La | bour Recha | arge |
| 12 | Jan-21 | 203.1253.20.72500.0000.000 | 60000 | 0 | 2595.66 | 0 | Maintenan | ce Parts | |
| 13 | Jan-21 | 203.1253.20.80200.0000.000 | 48000 | 0 | 2463 | 0 | Internal La | bour Recha | arge |
| 14 | Jan-21 | 203.1271.20.72500.0000.000 | 36000 | 0 | 229.56 | 0 | Maintenan | ce Parts | |
| 15 | Jan-21 | 203.1273.20.72500.0000.000 | 6000 | 0 | 1809.64 | 0 | Maintenan | ce Parts | |

Importing Structure from Accounting Package - ORACLE

Account 203 7851.60 74630 0000.000

Practical Session: Surfacing secret data

- 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

Slide 9

Slide 10

Remember this?

| Export from a | ny Acco | unting | y Pacl | kage |
|----------------------------------|---------|--------|--------|------|
| Principles: | 10-0 | 8 | 8 | |
| Simplest lay | out pos | sible | | |

- 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

- 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?

- 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?

Slide 13

Practical Session: Automation using Macros

- 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

- 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

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."*

Expenditure outside Tenement Area

- Definition of Expenditure Conditions
- 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.

Aerial Survey Distribution



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Distributing by Area

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

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

- 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?

Slide 8

Nonspecific Expenditure

Slide 9

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

- 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
 - \circ Drafting
 - Environment Studies.

Administration Costs

Slide 11

"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



Administration Costs

Slide 12

"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

- 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

- 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.

Summary

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.

Slide 14

Slide 13

A Vest Kimberley Project A pp - West Kimberley JV A pp - West Kimberley JV B Granted - Merlin Option B Granted - Merlin Optio

Session 6: Incorporating distributed expenditure into Form 5 using Excel

Outcomes

- 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

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

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

Slide 3

Slide 4

Practical Session: Converting bucket coded expenditure to tenement expenditure

- 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, %

- 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 1273="" 15="" area="" eagleeye="" m="" of="" total=""></ratio> |
| EAGLEEYE | M 15/1369 | 7.68 | <ratio 1369="" 15="" area="" eagleeye="" m="" of="" total=""></ratio> |
| EAGLEEYE | E 37/1241 | 7.462 | <ratio 1241="" 37="" area="" e="" eagleeye="" of="" total=""></ratio> |
| | | <total area="" eagleeye="" in=""></total> | |
| | | | |
| 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=""></total> | |

Slide 5

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

| | А | В | С | D | E | F | G | Н | 1 | J |
|----|----|------------|-------------|-------------|-----------|-----------------------|-----------------|-------------------|------------|----------|
| 1 | ID | Date | Description | Amount | Code | Tenement/Bucket Code | Tenement Amount | Form 5 Activity | Tenement | |
| 2 | 1 | 3/05/2021 | | Calc | ulato pr | oportion of cost fro | | | | |
| 3 | 2 | 5/05/2021 | | | | upper to be allocated | | ne Form 5 | | |
| 4 | 3 | 5/05/2021 | | tot | ha eubia | at tenement's Form | | nat nda ta tha | Enter subj | ect |
| 5 | 6 | 10/05/2021 | | uein | | of the Distribution | | | tenement | s number |
| 6 | 13 | 21/05/2021 | | Tab | la lookup | of the Distribution | trapagati | | | |
| 7 | 14 | 21/05/2021 | | \$10.00 | 5101 | Scontion | transacti | on | | |
| 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 | Sum the tota | amount | | |
| 18 | 4 | 8/02/2021 | | \$ 6.90 | 1045 | EAGLEEYE | of all transact | ions to | | |
| 19 | 5 | 9/02/2021 | | \$ 5.75 | 1060 | EAGLEEYE | be allocated t | o the | | |
| 20 | 7 | 12/02/2021 | | \$ 21.89 | 1075 | EAGLEEYE | subject tener | nent's | | |
| 21 | 8 | 12/02/2021 | | \$ 34.99 | 1080 | EAGLEEYE | Form 5 | | | |
| 22 | 9 | 12/02/2021 | | \$ 105.83 | 1090 | EAGLEEYE | | | | |
| 23 | 10 | 13/02/2021 | | \$ 274.24 | 1091 | EAGLEEYE | | | | |

Individual Tenement Expenditure Table

| Building the formulas – (| (1) Form 5 Activity |
|---------------------------|---------------------|

| | А | В | | D | | | |
|----|-----------|----------------------------|------------|---------------------|-------------------------------|--|--|
| 1 | Cost Code | Account Na | me | | 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 - Admir | n - 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 - Ong | oing | E - Admin - Other | | | |
| | < + | Expenditure List | COA - Comp | oleted | Distribution Table - Exercise | | |

| | | Α | В | С | D | E | F | G | Н | I. I. |
|---|----|-------------|------------|--------------|-----------|------|------------------------|-----------------|-----------------|---------------|
| 1 | ID | | Date | Description | Amount | Code | Tenement/Bucket Code | Tenement Amount | Form 5 Activity | Tenement |
| 2 | | 1 | 3/05/2018 | | \$17.5 | 4000 | CORPION | | | E 37/1241 |
| 3 | | 2 | 5/05/2018 | | \$245.54 | 1010 | SCORPION | | | |
| 4 | | 3 | 5/05/2018 | | \$36.63 | 1020 | SCORPION | | | |
| | 4 | <u>ار ا</u> | . Distribu | tion Table - | Completed | lr | d Ten Trans - Exercise | CategorisedActi | vities Ind T | en 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 | H2 • : × · f _x =VLOOKUP(E2, 'COA - Completed'!A:D,4,FALSE) | | | | | | | | | | | | |
|----|---|-----------|-------------|----------|------|----------------------|-----------------|-------------------|-----------|--|--|--|--|
| | A B C D | | | D | Е | F | G | Н | 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).

| 4 | Δ | В | С | D | E |
|---|-------------------|--------------|-----------|-------------------------|-------------|
| 1 | ComboCode | ucket 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 |
| e | | | | | |
| 7 | SCORPIONE 38/2320 | CORPION | E 38/2320 | 840 | 0.027688609 |
| 8 | SCORPIONE 38/2685 | CORPION | E 38/2685 | 3360 | 0.110754435 |
| 9 | SCORPIONE 38/2952 | CORPION | E 38/2952 | 840 | 0.027688609 |
| 1 | SCORPIONE 38/2953 | CORPION | E 38/2953 | 5600 | 0.184590726 |
| 1 | SCORPIONE 38/2957 | CORPION | E 38/2957 | 16800 | 0.553772177 |
| 1 | SCORPIONE 37/1241 | CORPION | E 37/1241 | 2800 | 0.092295363 |
| 1 | SCORPIONP 38/4178 | CORPION | P 38/4178 | 97.3855 | 0.003210082 |
| 1 | | | | 30337.3855 | 1 |
| | Distribu | on Table - O | Completed | Ind Ten Trans - Exercis | e Categori |

| А | В | С | D | Е | F | G | Н | I |
|----|---|---|--|---|--|---|---|--|
| ID | Date | Description | Amount | Code | Tenement/Bucket Code | Tenement Amount | Form 5 Activity | Tenement |
| 1 | 3/05/2021 | | \$17.59 | 4000 | SCORPION | | | |
| 2 | 5/05/2021 | | \$245.54 | 1010 | SCORPION | | | |
| 3 | 5/05/2021 | | \$36.63 | 1020 | SCORPION | | | |
| 6 | 10/05/2021 | | \$75.49 | 1070 | SCORPION | | | |
| 13 | 21/05/2021 | | \$7.50 | 1750 | SCORPION | | | |
| 14 | 21/05/2021 | | \$13.00 | 3101 | SCORPION | | | |
| | A ID 1 2 3 6 13 14 | A B ID Date 1 3/05/2021 2 5/05/2021 3 5/05/2021 6 10/05/2021 13 21/05/2021 14 21/05/2021 | A B C ID Date Description 1 3/05/2021 - 2 5/05/2021 - 3 5/05/2021 - 6 10/05/2021 - 13 21/05/2021 - 14 21/05/2021 - | A B C D ID Date Description Amount 1 3/05/2021 \$1 \$245.54 2 5/05/2021 \$245.54 \$36.63 3 5/05/2021 \$1 \$36.63 6 10/05/2021 \$1 \$575.49 13 21/05/2021 \$1 \$513.00 | A B C D E ID Date Description Amount Code 1 3/05/2021 \$1 \$100 \$100 2 5/05/2021 \$245.54 1010 3 5/05/2021 \$36.63 1020 6 10/05/2021 \$75.49 1070 13 21/05/2021 \$51.00 \$101 14 21/05/2021 \$1 \$100 | ABCDEFIDDateDescriptionAmountCodeTenement/Bucket Code13/05/2021\$17.594000SCORPION25/05/2021\$245.541010SCORPION35/05/2021\$36.631020SCORPION610/05/2021\$75.491070SCORPION1321/05/2021\$1\$71.00SCORPION1421/05/2021\$1\$113.00\$101SCORPION | ABCDEFGIDDateDescriptionAmountCodeTenement/Bucket CodeTenement Amount13/05/2021\$1\$1\$00\$CORPION25/05/2021\$24\$1010\$CORPION35/05/2021\$36.631020\$CORPION610/05/2021\$1\$75.49\$1070\$CORPION1321/05/2021\$1\$57.50\$100\$CORPION1421/05/2021\$1\$13.00\$101\$CORPION | ABCDEFGHIDDateDescriptionAmountCodeTenement/Bucket CodeTenement AmountForm 5 Activity13/05/2021S\$17.594000SCORPIONSCORPIONSCORPIONSCORPION25/05/2021S\$36.631020SCORPIONSCORPION35/05/2021S\$36.631020SCORPIONSCORPION1321/05/2021S\$7.50\$CORPIONSCORPION1421/05/2021S\$13.00\$101SCORPION |

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.

| | Α | В | С | D | E | F | G | Н | 1 |
|---|------|------------|---------------|----------|--------|---------------------|-------------------|--------------------------------------|-----------|
| 1 | ID 🖵 | Date 🚽 | Description 🖃 | Amount 🕞 | Code 🚽 | Tenement/Bucket CoĠ | 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 | Ş20.30 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

- 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:

| File | Hon | ne Insert | Dra | w Page Layout | Formulas | Data | Reviev | v | View Dev | eloper | Add-ins | Help | |
|-------------|------------------------|---------------------------------|-------|---|------------------|---------------|---------------|-----|--|--------|-----------|-------|--|
| Pivot A1 | able Reco Piv Ta | mmended Tab otTables bles | ole 🗸 | Pictures Shapes Icons Billustrations ID | | | | | H Get Add-ins My Add-ins Visio Data Visualizer Add-ins | | | | |
| | А | В | | С | D | | E | | | F | | | |
| 1 | ID 🖵 | Date | - | Description | - Amoun | t 🖵 | Code | - T | enement | /Bucl | ket Co('- | Tenen | |
| 2 | 1 | 3/05/20 | 021 | | \$1 | 7 59 | 4000 | (| CORPION | | | | |
| 3 | 2 | 5/05/20 | 021 | PivotTable from | n table or range | | | | ? > | < | | | |
| 4 | 3 | 5/05/20 | 021 | Select a table o | r range | | | | | | | | |
| 5 | 6 | 10/05/20 | 021 | Lable/Range: | Ind I en I ran | s - Comp | to be place | d - | | T | | | |
| 6 | 13 | 21/05/20 | 021 | <u>N</u> ew Wor | ksheet | | | - | | | | | |
| 7 | 14 | 21/05/20 | 021 | O Existing V | /orksheet | | | | | | | | |
| 8 | 15 | 21/05/20 | 021 | Location: | er vou want to a | nalvze m | ultiple table | es | | T | | | |
| 9 | 16 | 21/05/20 | 021 | Add this o | iata to the Data | <u>M</u> odel | antipre tubi | | | | | | |
| 10 | 17 | 23/05/20 | 021 | | | | 0 | К | Cancel | | | | |
| 11 | 18 | 24/05/20 | 021 | L | \$2 | 8.00 | 3105 | 9 | CORPION | | | | |
| 12 | 21 | 1/05/20 | 021 | | \$21 | 2.50 | 1350 | 9 | CORPION | | | | |

| 1 | A | В | С | PivotTable Fields | × |
|---|--|----------------------------|---|---------------------------------|-----------------------|
| 2 | | | | Choose fields to add to report: | - 45 - * |
| 3 | Row Labels 🗸 | Sum of Tenement Amount | | Search | Q |
| 4 | A - Drilling - Aircore drilling | 21.50481952 | | | |
| 5 | A - Drilling - Auger drilling | 35. <mark>1</mark> 0823304 | | Date | |
| 6 | A - Drilling - Core sampling | 1040.858347 | | Description | |
| 7 | A - Drilling - Diamond drilling | 64.22921483 | | | |
| 8 | A - Drilling - Large diameter drilling | 44.18427016 | | Tenement/Bucket Code | |
| 9 | A - Drilling - Percussion drilling | 4.865596218 | | ✓ Tenement Amount | • |
| 0 | A - Geology - Other | 13.62412076 | | Drag fields between areas below | N: |
| 1 | E - Admin - Other | 897.5403716 | | T Filters | III Columns |
| 2 | F - Land Access Native Title - Other | 22.66220337 | | | |
| 3 | (blank) | 2144.577176 | | | |
| 4 | Grand Total | 4289.154353 | | Rows | Σ Values |
| 5 | | | | Form 5 Activity 🔻 | Sum of Tenement Amo 🔻 |
| 6 | | | | | |
| - | | | | | |

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

| 12 | | • : | × | √ f _x | =LEFT(H2 | ,1) | | | | | |
|----|------|------------|-----|------------------|----------|--------|-----------------------|-------------------|--------------------------------------|----------------|--------------------|
| | Α | В | | С | D | E | F | G | Н | I. | J |
| 1 | ID 💌 | Date | Ŧ | Description 🔻 | Amount 💌 | Code 💌 | Tenement/Bucket Coc 🔻 | Tenement Amount 💌 | Form 5 Activity | Form 5 Heading | Form 5 Sub Heading |
| 2 | 1 | 3/05/2 | 021 | | \$17.59 | 4000 | SCORPION | \$1.62 | E - Admin - Other | E | |
| 3 | 2 | 5/05/2 | 021 | | \$245.54 | 1010 | SCORPION | \$22.66 | F - Land Access Native Title - Other | | |
| 4 | Э | 5/05/2 | 021 | | \$36.63 | 1020 | SCORPION | \$3.38 | E - Admin - Other | | |
| 5 | 6 | 10/05/2 | 021 | | \$75.49 | 1070 | SCORPION | \$6.97 | A - Geology - Other | | |
| 6 | 13 | 21/05/2 | 021 | | \$7.50 | 1750 | SCORPION | \$0.69 | E - Admin - Other | | |
| 7 | 14 | 21/05/2 | 021 | | \$13.00 | 3101 | SCORPION | \$1.20 | A - Drilling - Aircore drilling | | |
| 8 | 15 | 21/05/2 | 021 | | \$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)

| J2 | | • | : > | < √ fx | =FIND(" - | ",H2,3) | | | | | |
|----|------|-----|----------|-------------|-----------|---------|-----------------------|-------------------|--------------------------------------|----------------|--------------------|
| | А | | в | с | D | E | F | G | н | I. | J |
| 1 | ID 💌 | Dat | e 🔻 | Description | Amount 💌 | Code 💌 | Tenement/Bucket Coc 🔻 | Tenement Amount 💌 | Form 5 Activity | Form 5 Heading | Form 5 Sub Heading |
| 2 | 1 | 1 3 | /05/2021 | L | \$17.59 | 4000 | SCORPION | \$1.62 | E - Admin - Other | E | 10 |
| 3 | 2 | 2 5 | /05/2021 | L | \$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))

| J2 | | , | • = : | $\times \checkmark f_x$ | =LEFT(H2 | ,(FIND(" | -",H2,3))) | | | | |
|----|----|---|------------|-------------------------|----------|----------|-----------------------|-------------------|-----------------------------------|----------------|----------------------------|
| | А | | в | с | D | E | F | G | н | I | J |
| 1 | ID | - | Date | Description 💌 | Amount 💌 | Code 🔻 | Tenement/Bucket Coc 🔻 | Tenement Amount 🔻 | Form 5 Activity | Form 5 Heading | Form 5 Sub Heading |
| 2 | | 1 | 3/05/202 | 1 | \$17.59 | 4000 | SCORPION | \$1.62 | E - Admin - Other | E | E - Admin |
| 2 | 1 | ſ | E /OE /202 | • | 6045 F4 | 1010 | SCORDION | 600 FF | E. Land Assass Nativa Titla Other | - | E Land Access Native Title |

Using Pivot table to aggregate Form 5 Headings/Sub Headings

- 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.

| File | e Home | Insert Dra | aw Page Layout | Formulas | Data | Review | View | Developer | Add-ins | Help 🖓 | Tell me wh |
|-------|------------------------------------|--------------|-------------------|--------------------------------------|---------------|-------------|---------|---|------------------------|---------------------|---------------------|
| Pivot | tTable Recomm - PivotT Table | nended Table | Pictures Shapes | cons 3D Models ~ Illustrations | SmartAr | rt hot ~ | 🕂 Get A | dd-ins Visio dd-ins Visio Visu Add | Data alizer -ins |) Maps ple Graph | Recommend Charts |
| A1 | - | : × 🗸 | f _x ID | | | | | | | | |
| | А | В | С | D | E | | F | | | G | |
| 1 | ID 💌 | Date 🔻 | Description - | Amount - | Code 🚽 | Tene | ment/B | ucket Cod - | Tenemen | t Amount | - Form 5 |
| 2 | 1 | 3/05/2021 | | \$17.59 | 4000 | SCOR | PION | | | \$1.6 | 2 E - Adn |
| 3 | 2 | 5/05/2021 | PivotTable from | n table or range | | | ? | × | | \$22.6 | 6 F - Land |
| 4 | 3 | 5/05/2021 | Select a table o | r range | | | | | | \$3.3 | 8 E - Adn |
| 5 | 6 | 10/05/2021 | Table/Range: | 'Pivot Prep - C | omplete'!SAS | 51:SKS30 | | Ť | | \$6.9 | 7 A - Gec |
| 6 | 13 | 21/05/2021 | Choose where | you want the Piv | otTable to be | e placed | | | | \$0.6 | 9 E - Adn |
| 7 | 14 | 21/05/2021 | New Wor | ksheet | | | | | | \$1.2 | 0 A - Dril |
| 8 | 15 | 21/05/2021 | O Existing V | Vorksheet | | | | | | \$4.6 | 5 A - Dril |
| 9 | 16 | 21/05/2021 | Location: | | | | | Ť | | \$0.8 | 6 A - Dril |
| 10 | 17 | 23/05/2021 | Choose wheth | er you want to ar | nalyze multip | le tables | | | | \$7.0 | 3 A - Dril |
| 11 | 18 | 24/05/2021 | Add this o | data to the Data <u>I</u> | <u>M</u> odel | | | | | \$2.5 | 8 A - Dril |
| 12 | 21 | 1/05/2021 | | | [| OK | | Cancel | | \$19.6 | 1 E - Adn |
| 13 | 22 | 1/05/2021 | | \$7,150.00 | 1360 | SCOR | PION | | | \$659.9 | 1 E - Adn |
| 14 | 23 | 4/05/2021 | | \$163.72 | 1750 | SCOR | PION | | | \$15.1 | 1 E - Adn |

| | А | В | C | | PivotTable Fields | | | |
|----|--|------------------------|---|----|---------------------------------|-----------------|-------|-----|
| 2 | | | | | Pivot l'able Fields | | Ť | |
| 3 | Row Labels 🔹 | Sum of Tenement Amount | | | Choose fields to add to report: | | -0 | • • |
| 4 | | 1224.374601 | | | C 1 | | | |
| 5 | ⊟ A - Drilling | 1210.750481 | | | Search | | | P |
| 6 | A - Drilling - Aircore drilling | 21.50481952 | | | D | | | |
| 7 | A - Drilling - Auger drilling | 35.10823304 | | | Date | | | |
| 8 | A - Drilling - Core sampling | 1040.858347 | | | Description Amount | | | |
| 9 | A - Drilling - Diamond drilling | 64.22921483 | | | Code | | | |
| 10 | A - Drilling - Large diameter drilling | 44.18427016 | | | Tenement/Bucket Code | | | Ш |
| 11 | A - Drilling - Percussion drilling | 4.865596218 | | | ✓ Tenement Amount | | | |
| 12 | 🗏 A - Geology | 13.62412076 | | | | | | - |
| 13 | A - Geology - Other | 13.62412076 | | | Drag fields between areas belo | w: | | |
| 14 | ₽E | 897.5403716 | | | | | | |
| 15 | 🗏 E - Admin | 897.5403716 | | | ▼ Filters | III Columns | | |
| 16 | E - Admin - Other | 897.5403716 | | | | | | |
| 17 | ■F | 22.66220337 | | | | | | |
| 18 | F - Land Access Native Title | 22.66220337 | | | = 0 | S VI | | |
| 19 | F - Land Access Native Title - Other | 22.66220337 | | | Earm E Heading | Z values | 4.000 | |
| 20 | Grand Total | 2144.577176 | | | Form 5 Heading Descr | Jun of Tenement | Am0 | · |
| 21 | | | | | Form 5 Activity 🔻 | | | |
| | | | | 11 | | | | |

Outcomes

- 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

Session 7: Exemption from Expenditure

Outcomes

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

DMIRS Guidelines for Exemptions

- DMIRS Policy Guidelines for Exemption from Expenditure Conditions
- Warden's criticism of DMIRS Exemption Guidelines
 - "a Warden acting administratively, is not bound to apply published ministerial or departmental policy guidelines" Morellinni v IPT Systems Ltd [2003]
 - "the Guidelines have no Ministerial sanctions status" St Ives Gold Mining Company v Hawks [2013]
 - Warden Willson said "in his view the [Guidelines] are not in compliance with the Act" Blackfin v Mineralogy [2013]
- Hunt considers the Guidelines go beyond the requirement of the Act, but it is prudent to adhere to the Guidelines as not to prejudice your application.

Exemptions under the Act

- 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.

Slide 2

Slide 3

Exemption under the Regulations

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
 - o Pay a fee
 - Stat dec describing the for reasons within 28 days of application for exemption application
- r55

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- 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
- o Certificate of exemption shall be in the form of a Form 19

Reasons for Exemption

- The title to the mining tenement is in dispute: s102(2)(a)
- There must be evidence of the dispute
 - o 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)

- 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
 - o Wardens will not accept inaction



Reason for Exemption (cont)

- 102(2)(c)Time is required to purchase and erect plant and machinery.
- Depending on the purchase types, its availability and the remoteness of any construction, a period of up to one year may be considered reasonable by DMIRS.
 - Need evidence
 - Purchase Orders
 - Construction times
 - Construction type



Reason for Exemption (cont)

Slide 9

- 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)

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Slide 10
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- 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
 - \circ $\;$ 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)

- s102(2)(f) The ground of the mining tenement contains ore required to sustain future operations of an existing or proposed mining operation
- An exemption may be granted where an economic deposit (mineral ore) exists on the tenement and mining is planned in the future as part of an existing or proposed mining operation.



Reasons for Exemption

s102(2)(g)

- Political, environmental or other difficulties in obtaining approvals prevent mining or restrict it in a manner that subject to conditions that are impracticable
 - Private Land Consent
 - Heritage Surveys
 - Aboriginal Reserves



Slide 12

requisite is, or

Reasons for Exemption

Slide 13

- 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 14

• 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 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 15

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



Aggregate Exploration Expenditure Exemption

- 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

| Holders | Description | Relationships | Survey | General | Shire | Grant | Conditions | Dealings |
|-------------|----------------|---------------|---------------|-----------|-----------------------|---------------|-----------------------|--------------|
| Payments | Expenditure | Combined Rep | orting Bo | nd Ma | p Native | e Title Warde | n's Court Do | cuments |
| C Number: | 62/2005 | Project: Wo | odie Woodie | Reporting | Date: 31/0 | 03 Affecting | Period: 0 | 1/01 - 31/12 |
| Active Tene | ements | | | | | | | |
| E 45/2201 | -I (04/04/2006 | 5) G 45/3 | 7 (26/02/2010 |) M 45 | /429-I (04/0 4 | /2006) M | 45/1115-I (2 | 0/02/2012) |
| E 45/2470 | -I (04/04/2006 | 5) G 45/3 | 8 (26/02/2010 |) M 45 | /430-I (04/0 4 | I/2006) M | 45/1218-I (2 | 0/06/2012) |
| E 45/2641 | -I (01/04/2016 | 5) G 45/39 | 0 (26/02/2010 |) M 45 | /431-I (04/0 4 | I/2006) M | 46/92-I (04/0 |)4/2006) |
| E 45/2697 | -I (11/04/2006 | 5) G 45/40 | (26/02/2010 |) M 45 | /432-I (04/0 4 | I/2006) M | 46/93-I (04/0 |)4/2006) |
| E 45/2698 | -I (26/02/2010 | 0) G 45/2 | 79 (26/02/201 | 0) M 45 | /433-I (04/0 4 | I/2006) M | 46/94-I (04/0 |)4/2006) |
| E 45/2985 | -I (12/03/2010 | 0) G 45/2 | 80 (26/02/201 | 0) M 45 | /434-I (04/0 4 | I/2006) M | 46/108-I (04 / | /04/2006) |
| E 45/2086 | T (26/02/201) | n) G 45/29 | 81 (26/02/201 | 0) M 45 | ///35_T (0//0/ | 1/2006) M | 46/137-T (04) | /04/2006) |

Aggregate Exploration Expenditure Exemption

- s102 of the Mining Act provides a mechanism for exemption from expenditure commitments for a given expenditure year where such compelling reasons exist
 - \circ $\;$ 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

- 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

- 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.



Slide 18

What this means...

Slide 20



Exemption from the Warden's Courts

- GMK Exploration Pty Ltd & Big Bell Gold Operations Pty Ltd v Glyn Thomas Morgan (2016)
 - 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.

Exemption from the Supreme Courts

- 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."



Slide 22

Considering Exemptions

Slide 23

s102(4)

When consideration is given to an application for exemption regard shall be had to the current grounds upon which exemptions have been granted and to the work done and the money spent on the mining tenement by the holder thereof.

Regis v Cleary In Her Capacity as Mining Warden & Richmond [2024] WASC 427



Tips for an Exemption Application

- 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.

Exercise

- 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.

Assessing Exemptions Applications

- 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 20% shortfall of expenditure
 - In the next instance 40% then 60%?
 - Usually refused after 3 exemptions
 - Ps referred to the Warden
- Applicant's submissions should list proposed exploration

Objection to exemption

- 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

- 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



Slide 27

Slide 28

Outcomes

- 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:
 - o IF (Nested)
 - VLOOKUP
 - Cell Concatenation (&)
 - o DAY, MONTH, YEAR
 - \circ 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: 1st 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 <u>Note: From this point forward, all tenement and expenditure data may modified from reality for the purpose of this session</u> 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?



Practical Session: Exemption from Expenditure Calculation

- 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

Today's Date: 31st 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

230/2332, 230/2333, 230/2337, 230/2330, 130/4170, 230/2003, 230/2320

Practical Session: Which expenditure years can I include in my Slide 7 Exemption Application?



Dangers in Exemption Calculation

Open C136-2005

- What will we need to consider as we approach tenement anniversaries?
- What can we do about this?

Open C228-2008

- What is the problem with this CRG?
- What can we do to address this?

Slide 8

Practical Session: Exemption from Expenditure Calculation

- 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?

Practical Session: Exemption from Expenditure Calculation

Slide 10

| Subject Tenement | Examption Application Year End Date | | | | |
|---------------------------------|--|------------|------------|--------|---------------|
| | Exemption Application fear End Date | | | | |
| 238/2320 | 22-1VId1-21 | | | | |
| Combined Reporting Tenements | Expenditure Year | Commitment | | Expend | liture Lodged |
| E38/2320 | 2021 | \$ | 50,000.00 | \$ | 20,000.00 |
| E38/2685 | 2020 | \$ | 30,000.00 | \$ | 325,638.00 |
| 538/2952 | 2020 | \$ | 15,000.00 | \$ | 231,597.00 |
| 538/2953 | 2020 | \$ | 20,000.00 | \$ | 306,808.00 |
| 538/2957 | 2020 | \$ | 60,000.00 | \$ | 2,270,655.00 |
| 38/2958 | 2020 | \$ | 20,000.00 | \$ | 307,698.00 |
| 938/4178 | 2021 | \$ | 3,920.00 | \$ | 50,948.00 |
| | | \$ | 198,920.00 | \$ | 3,513,344.00 |
| | | | | | |
| | | | | | |
| <manual entry=""></manual> | | | | | |
| Automatically Populated> - when | n 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

- Components:
 - Manually Compiled Data Source Worksheets:
 - C51_2016 Tenements
 - C51_2016 MTO Exp Yrs 2019-2021
- Referenced cells
 - o Yellow cells
 - Cells from source worksheets
 - o Hidden cells
- Formulas (Purple cells)
 - IF (Nested)
 - VLOOKUP
 - Cell Concatenation (&)
 - DAY, MONTH, YEAR
 - o SUM

Practical Session: Automated Project Expenditure Worksheet Breakdown

Slide 13

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 | В | 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 | |
| | | | | |

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>)

| | А | В | С | D |
|---|-----------------------|---|----------------------|---|
| | Exemption Application | | | |
| 1 | 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 | | 3 | =IF(A5<>3,"Not 3",A5) |
| 6 | 2021 | | 3 | =IF(A5=C5,C5,A5) |
| - | | | | |

| Practical Session: Automated Project Expenditure Worksheet Breakdown Nested IF Logic | Slide 15 |
|---|----------|
| IF(<logical test="">, <what if="" return="" to="" true="">, - this can be another if statement <what false="" if="" return="" to="">) - this can be another if statement</what></what></logical> | |
| For our purpose our structure will be: | |

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

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>)

Practical Session: Automated Project Expenditure Worksheet Breakdown

Slide 17



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)))

| | А | В |
|---|-------------------------------------|-------------------------------------|
| 1 | Subject Tenement | Exemption Application Year End Date |
| 2 | E38/2320 | 23-Mar-22 |
| 3 | | |
| 4 | Combined Reporting Tenements | Expenditure Year |
| 5 | E38/2952 | 2021 |
| 6 | | |

Practical Session: Automated Project Expenditure Worksheet Breakdown

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!"

| 1 | A | В | С | D | E |
|---|---------------|----------|------|--------------|----------------------|
| 1 | Tenement&Year | Tenement | Year | Formula in A | Alternative Forumula |
| 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

| Practical Session: Automated Project Expenditure Worksheet | Slide 21 |
|--|----------|
| Breakdown | |

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 WorksheetSlide 22Breakdown

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

| C5 | 5 • I × • | <i>f</i> _∗ =VLOOKUP(\$A5&\$B5,'C51_2016 MTO Exp Yrs 2020-2022'!\$A:\$G,5,0) | | | |
|----|-------------------------------------|--|--------------|--------|--|
| | А | В | С | | |
| 1 | Subject Tenement | Exemption Application Year End Date | | | |
| 2 | E38/2320 | 23-Mar-21 | | | |
| 3 | | | | | |
| 4 | Combined Reporting Tenements | Expenditure Year | Commitment | Expend | |
| 5 | E38/2320 | 2021 | \$ 30,000.00 | \$ | |
| ~ | 530/2005 | | | | |

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

| Subject Tenement | Exemption Application Year End Date | | | |
|------------------------------|---|--|--|--|
| E38/2320 | 23-Mar-21 | | | |
| | | | | |
| Combined Reporting Tenements | Expenditure Year | Commitment | Expenditure Lodged | |
| E38/2320 | 2021 | \$ 30,000.00 | \$ 20,00 | 00.00 |
| E38/2685 | 2020 | \$ 30,000.00 | \$ 42,07 | 76.00 |
| E38/2952 | 2020 | \$ 15,000.00 | \$ 28,09 | 90.00 |
| E38/2953 | 2020 | \$ 20,000.00 | \$ 43,83 | 33.00 |
| 538/2957 | 2020 | \$ 60,000.00 | \$ 95,93 | 32.00 |
| E38/2958 | 2020 | \$ 20,000.00 | \$ 35,04 | 46.00 |
| P38/4178 | 2021 | \$ 3,920.00 | \$ 76,9: | 17.00 |
| | | \$ 178,920.00 | \$ 341,89 | 94.00 |
| | ubject Tenement 38/2320 ombined Reporting Tenements 38/2320 38/2685 38/2952 38/2953 38/2953 38/2957 38/2958 38/2178 | ubject TenementExemption Application Year End Date38/232023-Mar-21ombined Reporting TenementsExpenditure Year38/2685202038/2952202038/2953202038/2958202038/41782021 | ubject Tenement Exemption Application Year End Date 38/2320 23-Mar-21 ombined Reporting Tenements Expenditure Year 38/2320 2021 38/2685 2020 38/2952 30,000.00 38/2953 2020 38/2957 2020 38/2958 2020 38/4178 3,920.00 | ubject Tenement Exemption Application Year End Date 38/2320 23-Mar-21 ombined Reporting Tenements Expenditure Year 38/2320 2021 38/2320 \$ 38/2320 2021 38/2320 \$ 38/2320 2021 38/2320 \$ 38/2320 2021 38/2320 \$ 38/2320 2020 38/2353 20200 38/2953 20200 38/2958 20200 38/2958 20200 38/4178 2021 \$ 3920.000 \$ 3920.000 |

Outcomes

- 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
 - $\circ ~~\text{SUM}$