

# Advanced Tenement Management Participant Notes

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#### **Course Outcomes**

- Describe the restrictions and requirements of exploring and mining on various underlying land categories
- Using various tools to do the monitoring and exploration of tenure in WA
- Understanding the PoW process and strategic applications
- Strategically apply for and hold tenure while complying with WA legislation
- Understand the development of resource law in WA and the effect of managing tenure
- Be able to view, understand and audit tenure information
- Describe the framework of environmental compliance in the context of tenement management in WA
- Understand the meaning of Expenditure in WA
- Success strategies for tenement compliance

#### Johari Window

#### Slide 4

Open Area	Blind Area
(Known knowns)	(Known unknowns)
Hidden Area	Unknown Area
(Unknown knowns)	(Unknown unknowns)

2

#### Sessions

[Session 1] Introduction and Monitoring [Session 2] Strategically Acquiring Tenure [Session 3] Exploration - PoW [Session 4] Expenditure and Development in Resource Law

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

### Sessions

[Session 5] Environmental Management: Mining Proposal [Session 6] Environmental Legacy [Session 7] Risk and Tenement Management [Session 8] Risk and Tenement Management

#### Housekeeping

Phones Discussion and Disagreement Muting your microphone Video on or off Expectations Exercise: Challenging assumptions

Roberto Goizueta

### 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 and Google Earth

# Recent Developments in Judicial Review of Administration Decisions in the Resources Sector

- <u>Carnegie Gold Pty Ltd v Maughan [2018] WASC 366</u>
- Paterson v The Minister for Mines and Petroleum [2018] WASC 200
- <u>Forrest & Forrest Pty Ltd v The Honourable William Richard Marmion, Minister for Mines</u> and Petroleum [2018] WASCA 32
- Bond v Maughan [2018] WASC 162
- Forrest & Forrest Pty Ltd v Wilson [2017] HCA 30
- Brewer v John Francis O'Sullivan, Warden at Kalgoorlie [No 2] [2017] WASC 269

3



Slide 7

Slide 8

Slide 6

Side

- Golden Pig Enterprises Pty Ltd v O'Sullivan [2021] WASC 396
   True Fella Pty Ltd v Pantoro South Pty Ltd [2022] WAMW 19

#### LIST OF ACRONYMS

AACR	Annual Audit Compliance Report
AER	Annual Environmental Report
DMIRS	Department of Mines, Industry Regulation and Safety
DAWE	Department of Agriculture, Water and the Environment
DWER	Department of Water and Environment Resources
EARS	Environmental Assessment and Regulatory System
EIA	Environmental Impact Assessment
EP Act	Environmental Protection Act
EPA	Environmental Protection Authority
EPBC Act	Environmental Protection and Biodiversity Conservation Act
ESA	Environmentally Sensitive Areas
МСР	Mine Closure Plan
MNES	Matters of National Environmental Significance
MRF	Mine Rehabilitation Fund
NGERS	National Greenhouse Gas Emissions Reporting Scheme
PoW	Programme of Work
PoW-P	Programme of Work (hardcopy form submission)
PoW-S	Programme of Work (Spatial or online submission)
RIWI Act	Rights in Water and Irrigation Act
SER(A)	Society for Ecological Restoration (Australia)
TSF	Tailings Storage Facility

### Monitoring Tenure – Session 1

#### Outcomes

- Describe the methods of monitoring tenure
- Be aware of all the tools available for monitoring tenure
- Have an understanding of the strategies and methods of monitoring tenure
- The ability to assess tenure data and identify potential problems

#### Scenario

#### Slide 11

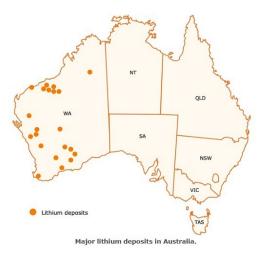
A small company, Blue Sky Mining, has a market cap of \$1M. They have raised \$2M with the intention of riding the wave of demand for battery minerals. The Exploration Manager asks you to provide a list of all ground in WA that might have the potential for battery minerals.

### **Information Pamphlet Battery Minerals**

https://qz.com/1585667/the-elements-used-in-batteries-of-the-past-present-and-future/

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												Pb	Bi			

#### **About lithium**



Lithium is a "comparatively rare element" and, in nature, it is usually found in ionic compounds such as granite pegmatites (hard rock deposits (spodeume))26% or in brines 58%.

Also, as the world's lightest and densest metal, lithium is so soft it can be cut with a knife.

In its pure form, lithium is silvery-white, but because it is highly reactive, it is not found in nature in its metal form.

Trace amounts of lithium are found in the human body and lithium salts have been used to stabilise mood in bi-polar sufferers. The main global uses of lithium.

In addition to the human body, the mineral has multiple and varied applications, with the element sought for use in the nuclear sector as well as in heat-resistant glass and ceramics, greases and polymers, air treatments, industrial powders, steel and aluminium.

However, what the mineral has become renowned for in recent years is its critical inclusion in the lithium-ion battery, which now accounts for almost half of global consumption. 

 Image: Constraint of the sector of the se

Slide 12

Slide 13

#### https://smallcaps.com.au/lithium-stocks-asx-ultimate-guide/

Viable lithium Resource has to be:

- 2% Li for Hardrock
- 2200 ppm for brine

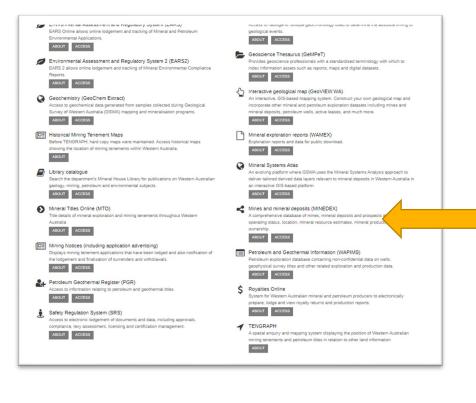
#### **Tools for Locating Prospective Areas**

- Google:
  - The most expensive mineral (products that are easy to process)
    - Companies that mine lithium
      - Brines lower
      - Hardrock Spodumene Lepidolite
      - Clay/Shale deposits
    - o 78 companies in Australia hold lithium tenure
    - Look at the web sites
      - For trends
      - Locations
      - View share prices and financials
      - Take over potential?
- Mindex
- Geoview
- Wamex

#### **Mindex - Locating Prospective Areas**

http://www.dmp.wa.gov.au/Geological-Survey/Mines-and-Mineral-Deposits-1407.aspx

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	ial data from MINED					Information") in the	following formats:							



#### Mines and mineral deposits (MINEDEX)

Home Online Systems Mines and mineral deposits (MINEDEX)

Mines and Mineral Deposits (MINEDEX) under maintenance from 4:30 PM on Monday, 23rd November 2020 to 5:00 PM on Monday, 23rd November 2020
MINEDEX is a spatial and textual database providing comprehensive data on mining and exploration sites and projects in WA. MINEDEX is maintained by the department's Geological Survey of Western Australia (GSWA). MINEDEX is free to use without registration.
Mines and Mineral Deposits (MINEDEX)
MINEDEX provides data on:
Location and geology of mineralized sites     Commodities     Project structure, status, ownership and history     Mineral resource estimates     Mineral production data     Environmental registrations     Site operators     Inventory of Abandoned Mine Sites
MINEDEX allows comprehensive searching of the textual database. Spatial searching can be done using <u>GeoView WA</u> , our free interactive online mapping (GIS-based) system. Custom reports and bulk downloads of MINEDEX data are also available in multiple file formats.
Spatial data from MINEDEX can also be downloaded from the Data and Software Centre (under "Mineral Information") in the following formats:
CSV     ESRI Shape File     ESRI File Geodatabase     Goode Farth KMZ File (ZIP)

MapInfo TAB

Sites from MINEDEX are also displayed in other DMIRS spatial systems including TENGRAPH, Royalties online, and Safety Regulation System

http://www.dmp.wa.gov.au/Mines-and-mineral-deposits-1502.aspx

### Mines and Mineral Deposits (MINEDEX)

Search for information on **mines**, **mineral deposits** and **prospects**.

Search all

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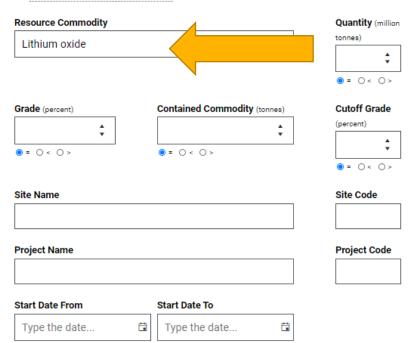
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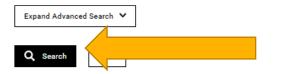
**MINEDEX** provides information on

Sites >	Site Operators >	Commodity Groups >	Reports >
Projects >	Project Owners >	Commodities and Minerals	Data Extracts >
Tenements >	Environmental Registrations >	Products >	
Resource Estimates >	Abandoned Mine Features		
Production >	>		

Search by using a combination of any of the fields below:

▶ Help with Resource Estimates search





Limit the search results to:

Include Resource Estimates O Current O End Dated

Both

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### Search Resource Estimates

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09 October 2020		Kathleen Valley Lithium Resource Group	S0236960	11.7
09 October 2020		Kathleen Valley Lithium Resource Group	S0236960	11.7
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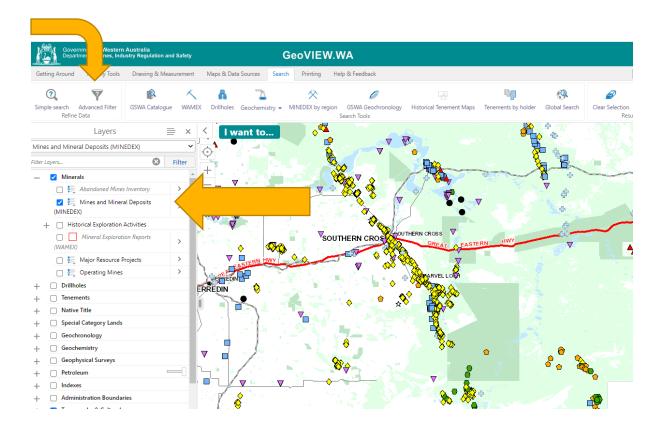
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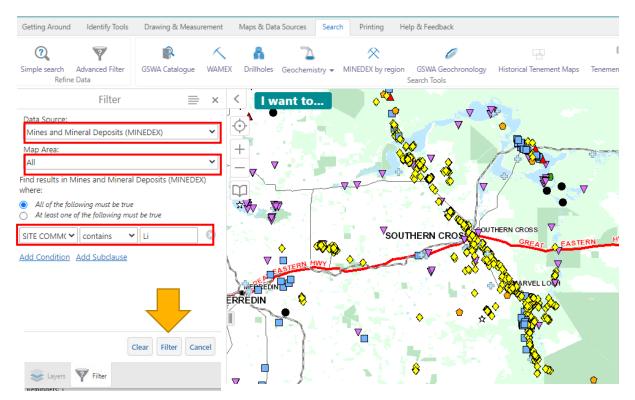
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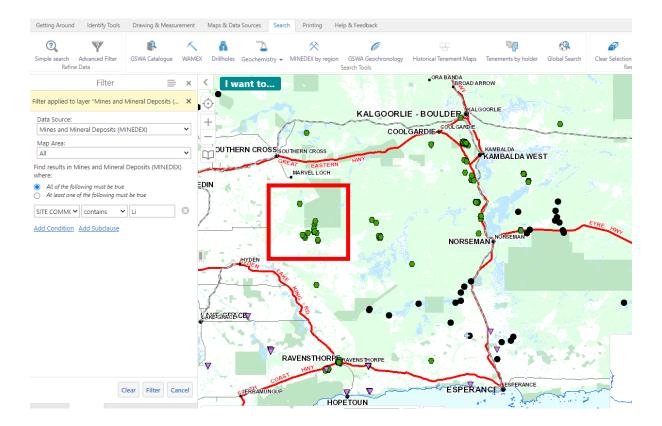
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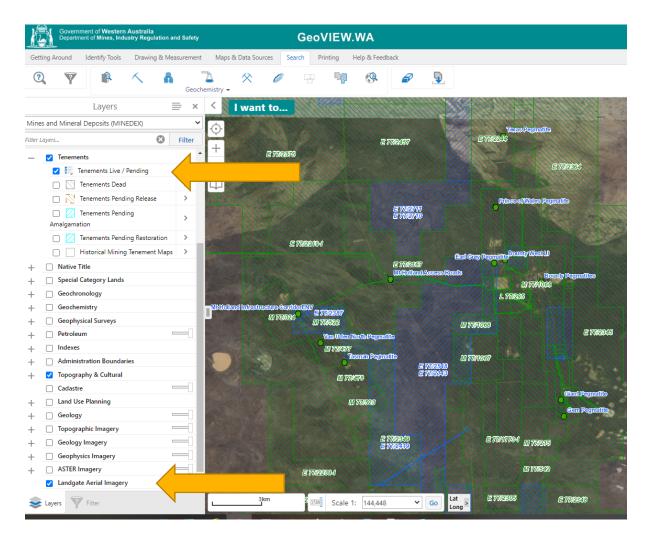
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Kathleen Valley Lithium Resource Group	6.869	6.365	5,264	3.925	3.827	26.25	Resource Status	Ψ
Lynas Find Main Pegmatite	8.6758	9.511	51204	21520	2.027	18.1868		
Lynas Find Track Pegmatite	3.179	3.688				6.867		
Monster	5.7924	5.8817	3.6682			15.3423	■ Rows ∑ Values	
Mt Cattlin - Dowling Openpit	14.7889	11.9236	14.341	8.6914	7.096	56.8409	Site / Group Site Name 🔻 Sum of Grade	*
Mt Marion Area 4 Pegmatite	7.48	9.05	2.7			19.23		
Mt Marion Area 5 Pegmatite	5.1	12.9				18		
Sheet1 ResourceEstimates (+)		1		_		,	Defer Layout Update	Update
Sneet ResourceEstimates (+)		: [4]				•		
								- + 100%

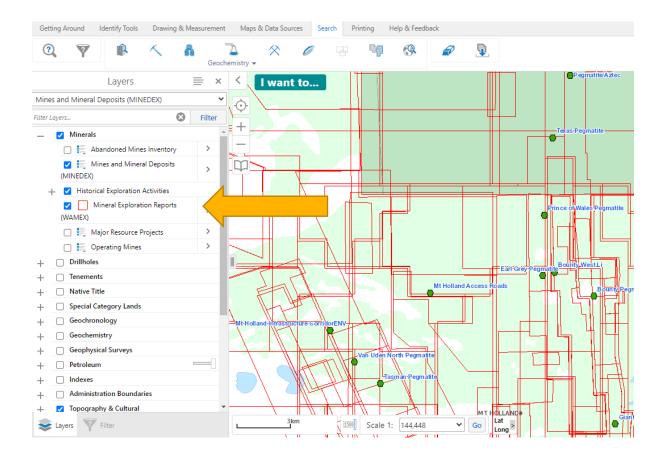
GOVERNMENT OF WESTERN AUSTRALIA	Department of <b>Mines</b> , Industry Regulation and Safety	MIN	EDE)	(			Terms & condition	ons A	Accessibility	Contact us
	Browse 🗸 Search by n	nap								
Н	ome > Search Sites									
\$	Search Sites									
	earch by using a combination o	of any of the fiel	ds below: Site Code		Limit the se Include Site © Current N	Names				
P	roject Name		Project C	ode	Include Site	es and Grou	and Alternative oups Sites p Sites 〇 Site			
S	ite Stage				Abandoned O Yes () No		atures			
Г	commodities associated with the Lithium oxide ×	Site			What are	Abandone	d Mine Features	2		
	Expand Advanced Search 💙									
	Q Search Clear									
S	howing 16 records found							Export	t Results	
	Site Name 🕇	▼ Site Cod	e 🔻	Project Name		Ŧ	Project Code	Ŧ	Name 1	
	Anna	S023612	1	Buldania Lithium			J05283		Current	

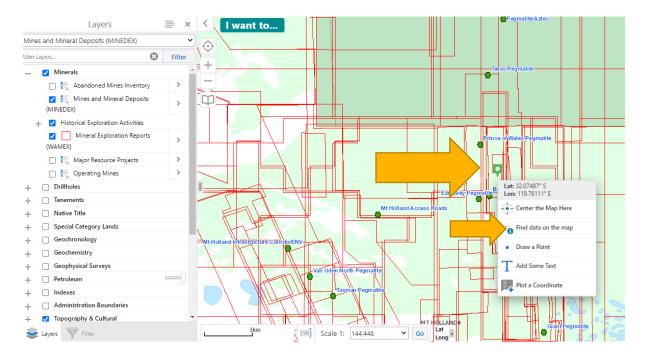


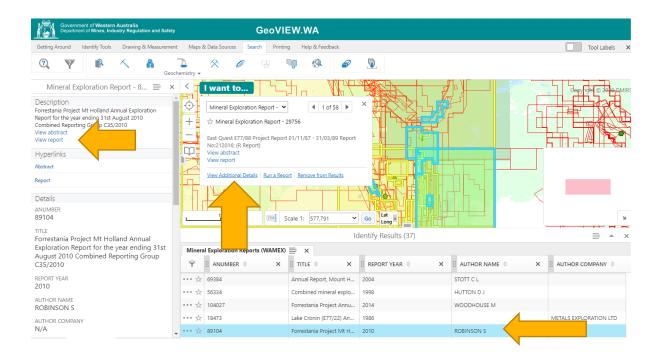












#### File list

#### Mineral Exploration Reports Filter: A89104

Title	Author	Category	Released d	Size
A089104_appendix_11392363.ZIP		Mineral Exploration Reports		20.34 MB
A089104_C35_2010_2010A AnnualReport_16477410.PDF		Mineral Exploration Reports		885.16 kB
A089104_Drilling_16590657.ZIP		Mineral Exploration Reports		495.07 kB
A089104_resource_model_11377963.ZIP		Mineral Exploration Reports		2.38 MB
A089104_SurfaceGeochem_16608517.ZIP		Mineral Exploration Reports		16.95 kB
<u>A89104_a89104_a089104_c35_2010_2010a</u> annualreport_16477410_(OCR).pdf		Mineral Exploration Reports		1.62 MB

#### **Tools for Monitoring**

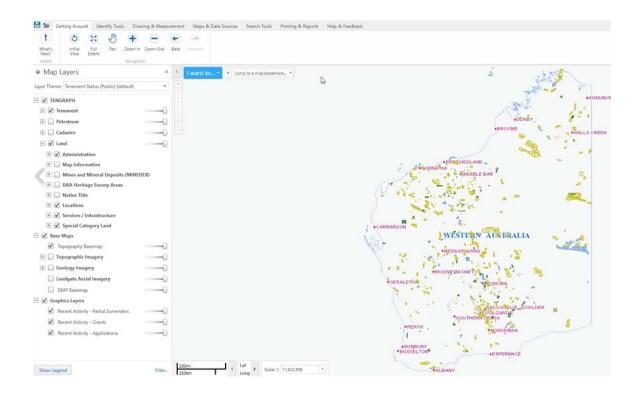
- Geoview
- MTO
  - Status Search
  - Dealing search
- Tengraph Web

#### **Tengraph Monitoring**

Slide 15

Slide 14

Tengraph Web



#### **Understanding Mineral Titles Online**

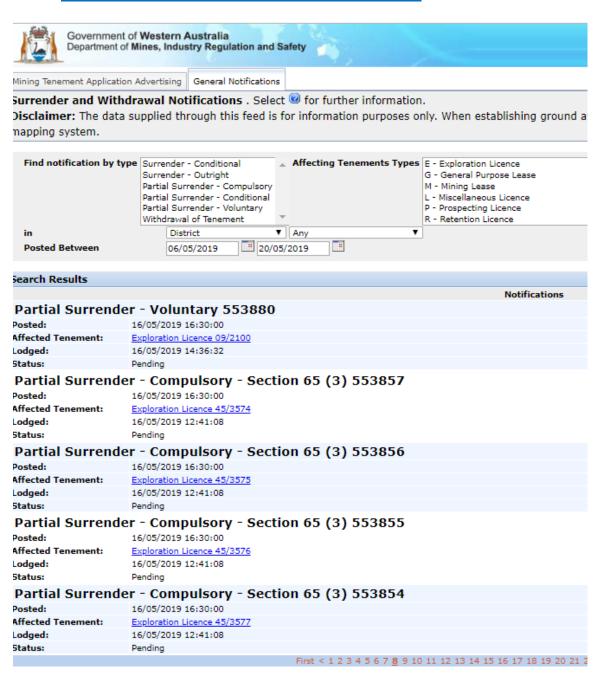
Slide 16

DMIRS Policy of updating MTO data

- Tenement surrenders and withdrawals are "registered" in the dealings tab of MTO when received then marked as finalised when the various checks are completed
- These type of dealings are not made public until 4:30 in the afternoon
- A search will show these dealings
- If you want to be first in line for an application you need to access the dealings

#### **Voluntary v Compulsory Surrender**

- Voluntary Surrender does not have a moratorium period (the words "voluntary surrender" must be written on the surrender document).
- A Compulsory Surrender goes into a moratorium period
- https://emits.dmp.wa.gov.au/emits/advert/index.xhtml



#### **MTO Status Search**

- Approximately 30% of the "Status" field (e.g. live and expired) are released on the same day.
- Login on to MTO and do a status search
- Enquiry>Tenement General
- Status "Dead"
- Select "Refine"

Sear	Search Criteria:									
Find t	Find tenements with status Dead 🔻 and type E - Exploration Licence 🔻									
held b	held by Anyone Change Holder Selection									
in Di	in District									
Refin	Refine ( Searching with Refinement )									
									Close	
Sear	ch R	esults		Date Range	Death	<ul> <li>Date Between</li> </ul>	en 12/05/2019	20/05/2019		
		Tenement	Status	Death Reason	Any 🔻					
		E 52/3690	Dead	07/0 Special Indicato	or Any	▼ Status	All 🔻			
		E 77/2582	Dead	18/01/2019 12:56:21				17/05/2019 15:20:00	Withdrawn	
		E 46/1217	Dead	25/10/2017 08:30:00				17/05/2019 12:41:20	Withdrawn	
		E 46/1218	Dead	25/10/2017 08:30:00				17/05/2019 12:41:20	Withdrawn	
		E 53/2064	Dead	05/02/2019 08:30:00				17/05/2019 10:08:01	Withdrawn	
		E 45/5357	Dead	12/10/2018 14:26:58				17/05/2019 10:05:47	Withdrawn	
		E 53/2070	Dead	05/04/2019 08:56:02				15/05/2019 23:59:59	Invalid	
		E 46/1221	Dead	27/10/2017 14:01:45				15/05/2019 15:34:21	Withdrawn	
		E 45/5306	Dead	19/07/2018 13:56:23				15/05/2019 15:31:05	Withdrawn	
		E 47/4011	Dead	16/05/2018 08:33:35				15/05/2019 15:31:05	Withdrawn	
Opti	Options 🔻 Total of 18 results.									

#### Paid Extract – Activity

#### Tenement Search

Enquiry: Tenement General

#### https://emits.dmp.wa.gov.au/emits/enquiry/home2.xhtml

#### **Forfeiture & Expiring Tenure**

- Prospecting licences expire after 8 years
- Forfeiture notices in the Government Gazette
- Google: WA government Gazette
- https://www.wa.gov.au/government/publications/government-gazette

	А	MINING ACT 1978 Application for an Order for Forfeiture	
		Department of Mines ar	nd Petroleum, Kalgoorlie WA 6430.
liable to forfeits	ure under the provision of S	he <i>Mining Regulations 1981</i> , notice is hereby given the section 96(1)(a) of the <i>Mining Act 1978</i> for breach of cost and/or non-compliance with the reporting provisional	ovenant, being failure to comply
			A. HILLS-WRIGHT, Warden.
To be heard by	the Warden at Kalgoorlie o	n 9 March 2018.	
		EAST COOLGARDIE MINERAL FIELD	
		Prospecting Licences	
P 25/2161 The F P 25/2162 The F P 25/2163 The F P 25/2163 The F P 25/2164 The F P 26/3705 North P 26/3706 North P 26/3708 North P 26/3708 North P 26/3709 North	ern Mining Ltd ood Revolution Group Ltd ood Revolution Group Ltd ood Revolution Group Ltd ern Mining Ltd ern Mining Ltd ern Mining Ltd ern Mining Ltd ern Mining Ltd		
P 26/3710 North	ern Mining Ltd		
		NORTH COOLGARDIE MINERAL FIELD Prospecting Licences	
P 31/2070 Satur P 31/2071 Satur P 31/2072 Satur	n Metals Limited n Metals Limited n Metals Limited n Metals Limited n Metals Limited		

#### Slide 19

#### **Data Sites**

- https://dasc.dmp.wa.gov.au/dasc/
- DMIRS Data Site contains ESRI, Mapinfo files and KMZ files
- Among other files the following are available
  - Under Minerals
    - Mindex
    - Wamex
    - Historical Exploration Activity
    - Other info such as Mines and Mineral deposits
  - Under the Tenements
    - Current tenements
    - Pending releases, which is important for monitoring ground and is updated daily
- Files are updated overnight; this is too late for acquiring tenure

#### **Tenement Consultants**

What are tenement consultants doing?

- MacMahons state on their website that they have a couple of bespoke systems to monitor tenements.
- Austwide state that they have the best ground monitoring service in WA.

#### Blue Sky Mining

Given the previous information what strategy is Blue Sky Mining going to adopt to monitor ground for a tenement application?

#### **Outcomes for Monitoring**

Describe the methods of monitoring tenure Be aware of all the tools available for monitoring tenure Have an understanding of the strategies and methods of monitoring tenure The ability to assess tenure data and identify potential problems

Slide 21

#### Slide 23

Slide 22

### Acquiring Tenure -Session 2

#### Session 2 Outcomes

#### Sessions

[Session 1] Introduction and Monitoring

#### [Session 2] Strategically Acquiring Tenure

- [Session 3] Exploration PoW
- [Session 4] Expenditure and Development in Resource Law
- [Session 5] Environmental Management: Mining Proposal
- [Session 6] Environmental Legacy
- [Session 7] Management of Tenure Difficulties
- [Session 8] Management of Tenure Difficulties

#### **Session 2 Outcomes**

- Pre-Application Considerations
- Post Application Considerations
- Due Diligence
- Suspending tenure applications
- Finding problems with tenure in a due diligence
- Mitigating problems uncovered in a due diligence
- Identifying Post Application considerations.

#### Acquiring Tenure - Pre-Application Scenario

Blue Sky Mining has now selected an area based on new geological concept. What does it need to consider before it makes an application considering it is short of money because last month the MD and CFO attended a lithium conference in Paris, splurging on French wine etc.

The capital raising has been delayed hence the funding for exploration so you need to warehouse Blue Sky's tenements until the money is raised. Though when the money does arrive you need them granted quickly. Entering into the JV Agreements and managing the tenure.

#### Outcome

We learnt how to make Exploration and Prospecting Licence applications in the "Practical Tenement Management" course, so we want to look at the strategies for securing ground, within the framework of the *Mining Act* and DMIRs policies and the *Corporation Law* and ASX listing rules.

\_\_\_\_\_

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Slide 3

Slide 4

#### **Pre-Application Considerations**

Question

What needs to be considered before making a tenement application?

2 3

1

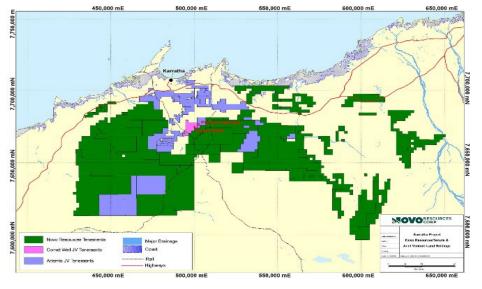
4

#### Separate Companies

- In what company name should the application be made?
- Why?
- What about JV partners in our application?

#### Multiple Applications Simultaneously

- Can the geological concept be applied elsewhere and all applications made at once?
- Does Blue Sky Mining need to apply for all the ground it possibly can before it is public knowledge?
- Example: Nova Resources' multiple applications in the Pilbara over the conglomerate that contained watermelon seeds of gold. They applied for 20-30 exploration licences in the space of 24 hours.



#### Slide 5

Slide 6

Slide 7

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#### **Continuous Disclosure Rules**

- Reporting any Listing Rule 3.1 "Immediate notice of material information provides: "Once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately tell ASX that information."
- Listing Rule 3.1 give the following examples of the type of information that could be market sensitive:
  - a transaction that will lead to a significant change in the nature or scale of the entity's activities;
  - a material mineral or hydrocarbon discovery;
  - a material acquisition or disposal;
  - the granting or withdrawal of a material licence;
  - the entry into, variation or termination of a material agreement;
  - becoming a plaintiff or defendant in a material law suit;
  - the fact that the entity's earnings will be materially different from market expectations;

#### **Continuous Disclosure Rules (continued)**

- the appointment of a liquidator, administrator or receiver;
- the commission of an event of default under, or other event entitling a financier to terminate, a material
- financing facility;
- under subscriptions or over subscriptions to an issue of securities (a proposed issue of securities is
- separately notifiable to ASX under Listing Rule 3.10.3);
- giving or receiving a notice of intention to make a takeover; and
- any rating applied by a rating agency to an entity or its securities and any change to such a rating.

https://www.asx.com.au/documents/about/abridged-continuous-disclosure-guideclean-copy.pdf

#### Underlying Title

- Are there any areas that may be affected?
- Do you want to exclude the tenure from the application or have a separate application to cover the underlying tenure.
  - Areas of influence
  - Native title
  - o Land tenure underlying the application
    - Freehold
    - Pastoral lease
    - Diversification Lease
    - VCL
    - Reserves
    - Aboriginal reserves
  - o Other tenements effected e.g. Ls

#### Slide 10

# S58(1) Statement to Accompany the Application

Exploration Statement with the Blue-Sky Mining lacking sufficient funds?

An application for an exploration licence must be accompanied by a statement specifying: i. The proposed method of exploration of the area in respect of which the licence is sought.

ii. The details of the program of work proposed to be carried out on the area of land applied for.

iii. The estimated amount of money proposed to be expended on the exploration. iv. The technical and financial resources available to the applicant.

http://www.dmp.wa.gov.au/Documents/Minerals/Minerals\_Sect58(1)(b)\_Statement.pdf

Recent decision of True Fella v Pantoro South Pty Ltd

#### **Financial Resources**

DMP Guidelines: Use one or more of:

- the most recent financial statement (ASX rules);
- line of credit from a recognised financial institution;
- a current Bank statement;
- a current financial statement prepared by a Certified Practicing Accountant or Chartered Accountant.

#### Why Companies Delay Tenements Grant

Why postpone tenement's grant?

- Not pay rent
- Not pay rates
- Not committed to exploration
- Commitment doesn't escalate
- Delays the period of 40% partial surrender.
- Raise funds for exploration

Can we access to the ground in the current environment?

#### How do Companies Delay a Tenements Grant

Blue Sky Mining may want to suspend the tenure as applications until such time they have JV funding? How are they going to do this?

- Competing tenure
- Objections
- Over lapping tenure
- Native Title negotiations
- Overlapping into national parks or nature reserves
- Repeat applications

### Slide 14

Slide 12

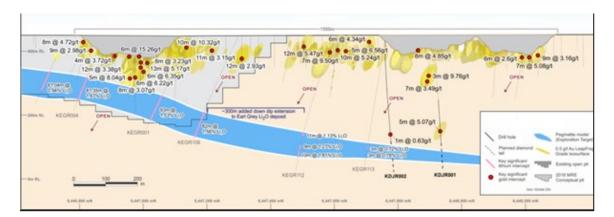
#### Slide 15

#### Acquiring Tenure by JV

Scenario

Blue Sky Mining has identified spodumene in pegmatite veins on Ora Banda Mining (OBM) formerly Eastern Goldfields Limited's (EGS) now known as tenements and wish to enter and explore the area. Specifically, the first 5 tenements in Eastern Goldfield's Prospectus.

Note: OBM subsidiary companies are Siberia Mining, Carnegie Gold Pty Ltd. Using 5 tenements from 2019 Annual Report (page 89), identify any issues arising. M24/39, M24/960, M30/103, M30/255 and M30/256



#### Due Diligence

#### Slide 16

Due Diligence Considerations

- Ownership Arrangements, e.g. Administrators, registered holders, beneficial holders, mortgagee
- Tenure in good standing, expenditure, rents, rates, exemptions, plaints, group reporting, partial surrenders, reporting lodged, MRF, disturbance.
- Native Title agreements
- Landholder agreements pastoralists
- Related tenure agreements
- Heritage searches
- Royalties
- M's surveys done
- Outstanding Stamp Duty
- Friendly Forfeiture Applications

Use MTO, Quick Appraisal Reports, Tengraph Web, Prospectus Question: How will we mitigate the issue identified?

Due Diligence M24/39	Slide 17
Due Diligence M24/960	Slide 18
Due Diligence M30/103	Slide 19
Due Diligence M30/255	Slide 20

#### Due Diligence M30/256

#### Post Application Considerations

Blue Sky Mining has just had the tenure granted, what are the things to consider?

- Shareholder notifications
- Land Tenure notifications
- Meeting first year commitments or reason for exemptions
- Get the tenement into a group report
- Organise Heritage Surveys
- Budgeting for exploration

#### Summary

Summary of the issues covered are:

- Pre-Application Considerations
- Post Application Considerations
- Due Diligence
- Suspending tenure applications
- Identifying problems with tenure in a due diligence
- Mitigating problems in a due diligence
- Identifying Post Application considerations.

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Slide 22

## Exploration and PoWs -Session 3

#### Session 3

[Session 1] Introduction and Monitoring

[Session 2] Strategically Acquiring Tenure

[Session 3] Exploration - PoW

[Session 4] Expenditure and Development in Resource Law

[Session 5] Environmental Management: Mining Proposal

[Session 6] Environmental Legacy

[Session 7] Management of Tenure Difficulties

[Session 8] Management of Tenure Difficulties

### Session 3 Outcomes

Participants will be able to understand the requirements before commencing exploration in WA including:

- PoW requirements
- PoW lodgement
- Strategic analysis PoW requirements
- Strategic analysis of exploration requirements
- Reaching the desired outcomes

### **Exploration and PoW**

Scenario

• Blue Sky Mining now signed a JV to explore E30/468 and M30/256 and now is required to undertake exploration on the ground. The capital raising has been delayed hence the funding for exploration. But now you need your ducks in a row for when the money does eventually arrive to get on the ground and start drilling.

Outcome

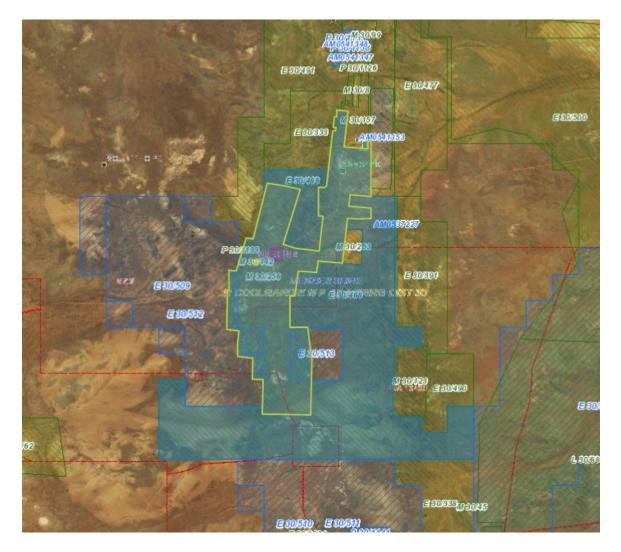
• Plan a strategy for undertaking exploration on the Exploration Licence and Mining Lease considering the various legislative requirements in particular lodging a PoW.

Slide 3

Slide 4

**Strategy for Exploration** 

#### Slide 5



# Overarching philosophy of the Mining Act 1978 (W.A)

Slide 6

'...ground should be explored, mined and otherwise kept in good condition. If not, the grant of a tenement over that ground should be revoked.'

Hunt, Michael --- "Legal Aspects of Mining Tenement Management in WA" [1987]; 6(1) Australian Mining and Petroleum Law Bulletin 33

#### Programme of Work Applications

- Use P 70/1738 for the purposes of this exercise, working over a JV area
- Online application process.
- Intersects proposed activities with environmental and culturally significant data layers and highlights all potential impacts.
- Proponents can then make adjustments to their proposed activities to avoid impacting sensitive areas.
- Environmental concerns have to be identified before submission. Once submitted, they cannot be amended.
- Incomplete applications will be rejected

#### **Environmental information required**

Description of existing landforms, environment and vegetation:

- Do activities require the clearing of native vegetation?
- Do activities occur in Environmentally Sensitive Areas (ESA)?
- Do activities occur on isolated hills/ranges in the MidWest or Yilgarn (Banded Iron Formations)? E.g. Helena and Aurora Range (Bungalbin)

#### Environmental information required (cont'd)

- Description of disturbance to the beds and/or banks of a watercourse
- Safety procedures for fibrous minerals, e.g. asbestos
- Radiation Management Plan in the event that radioactive material is inadvertently found
- Consideration of Rights in Water and Irrigation (RIWI) Act 1914

#### **Environmentally Sensitive Areas (ESA)**

- Environmentally Sensitive Areas are defined in Regulation 6 of the *Environmental Protection (Clearing of Native Vegetation) Regulations* 2004. Some examples of ESAs are World Heritage property; wetlands; Bush Forever Sites; areas listed on the Register of National Estate for natural values; areas within 50 m of Declared Rare Flora; and areas covered by a Threatened Ecological Community.
- Clearing for exploration purposes is exempt from requiring a clearing permit, provided it is not within an Environmentally Sensitive Area (ESA), and is conducted under an authority granted under the Mining Act 1978 (e.g. an approved Programme of Work).
- Proposals taking place in an ESA requires Native Vegetation Clearing Permit (Clearing Permit).
- Clearing Permit system administered by Department of Water and Environmental Regulation (DWER) not DMIRS.

#### Slide 8

# Slide 9

# Environmentally Sensitive Areas (ESA) cont'd

Application for proposed mining activities will need to include:

- Type of ESA
- Clearing Permit submission number and lodgement date

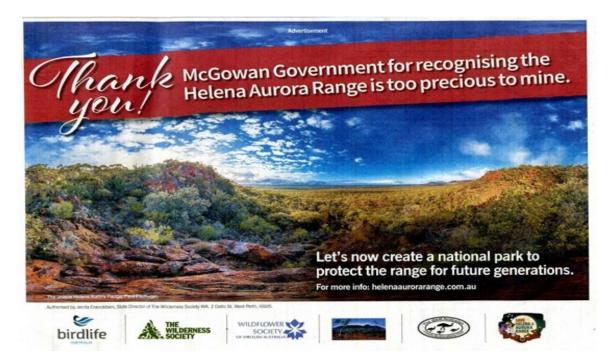
Note: If your proposed activities involve the clearing of Native Vegetation within an ESA, and no Clearing Permit has yet been lodged with DWER Native Vegetation Assessment Branch, you will be unable to proceed with the lodgement process any further.

The Clearing Permit System Map can assist those intending to clear to determine whether an area is an ESA and its type

https://www.rameliusresources.com.au/wp-content/uploads/bsk-pdfmanager/2019/05/15.05.19-Greenfinch-Project-Update.pdf

#### Environmentally Sensitive Areas (ESA) cont'd

#### Slide 12



#### What does Best Practice mean to you?

Slide 13

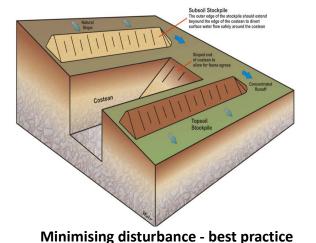
Discussion Q:

Outcomes:

# Minimising disturbance - best practice environmental management

Raised blade during clearing Use of existing tracks

Excavations (sumps, costeans, etc.) appropriately ramped to allow fauna egress



environmental management



Slide 15

- Avoiding significant vegetation (large trees and dense patches of vegetation).
- Leaving stands of vegetation or corridors within areas of clearing.
- Topsoil and vegetation stockpiled separately for use in rehabilitation.
- Use of liners and drip trays under rigs to minimise risk of hydrocarbon spillage.
- Appropriate storage of hydrocarbons (if being used on site).
- Use of sumps of appropriate size to contain all water and sediment encountered during drilling (sump to be located away from significant vegetation and water courses).
- Use of machinery to minimise impacts (e.g. excavator instead of bulldozer, wheeled machinery instead of tracked, specialist drill rig etc.).
- Vehicle hygiene maintained to prevent the spread of plant pathogens (e.g. Phytophthora sp.) and/or invasive species where required.

#### **Discussion: PoW Application in practice**

If you have to take just one thing away... Contact DMIRS (and DWER) prior to application: They

Contact DMIRS (and DWER) prior to application: They are there to facilitate (within the law), not to block and resist applications.

Early contact:

- builds relationships
- clarifies requirements for applications
- saves time (and money) in the long run.



For the logon use: ex12284

Password: ..sth..r1 this will be available until next Monday.

Select 'Access Ears Online'

http://www.dmp.wa.gov.au/Environmental-Assessment-and-1471.aspx

		nent of West ent of Mines,		Type your search Go to whole of WA Government search					
*	Minerals & Mining	Petroleum	Dangerous Goods	Geological Survey	Environment	Safety	Investor Information	Community & Education	About Us & Careers
Syste	em (EA	ntal Ass RS) nvironmental Ass			U U	ory	🔊 Online Sys	tems	~
EARS On	line and EAR	S 2 are online s	systems for su	bmitting and tr	acking environ	mental applica	ations and com	pliance reportir	ıg.
	st be registere I for will be dis	-	mpany in orde	r to access eitl	her system. Or	nly applications	s lodged by the	e company you	are
EARS	Online								
EARS On	line allows on	line lodgement	and tracking o	of the following	Minerals and	Petroleum Env	/ironmental Ap	plications:	
• Mir • Mir • En	vironment Pla	(MP) with Mine Clos		ЛСР)					
Acces		ental Assessm	ent and Regul	atory System (	(EARS			ACCESS EARS C	NLINE

#### PoW Application - 2

#### Slide 18

Select "ONLINE LODGEMENTS' on the top line 'Programme of Work Spatial' then select 'No' and then "Start Application"

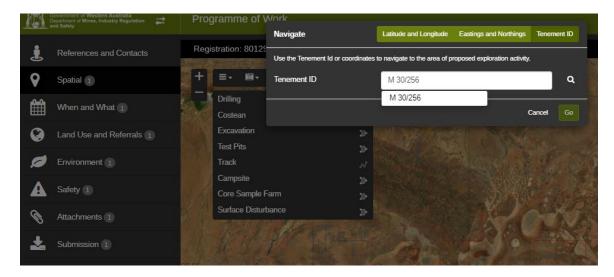
Govern Departs	nment of Western Australia ment of Mines, Industry Regulatio	on and Safety		Nolcomo Dotor		nental Assessm	
APPF	ROVALS TRACK	ING ONLINE	ELODGEMENTS		· · · ·		
>0	NLINE LO	DGEMEN	its 🔶				
oply	Online						
	Programme o	f Work - Spat	ial 🔻	Start M	y Application		
This is a lodgement system for Programmes of Work, where proposed exploration and prospecting activities are entered directly into the map- based system or uploaded via TAB files or Shapefiles. Questions are generated based on the types of activities entered and their geographical location.							
	The Programme of Work - Spatial system replaces the Programme of Work - Exploration application form and is an alternative to the Programme of Work - Prospecting PDF hard copy form.						
	Do you want to use the data from an existing spatial application as your starting point for this application?: ■ ● Yes ● No						
ırrei	nt Applicatio	n Lodgeme	nts				
			ns that have not pplication will be		d within three mo deleted.	nths from the	
	Not Cubmitte	ed - Drafts (	1)				
	NOT SUDIFICE						
	Application Id		Category	Created Date	Lodgement Date	Actions	

Fill in your reference and add the new person if needed

Registration: 7	9768		Operator: SAGE	LAND Pty Lt
References				•
DMIRS Reference	79768			
Your Reference	Mammoth Li Project			
Contact Detai	ls			•
Submitter	BRAMMALL, Peter (ex72451)			
Applicant	SAGELAND Pty Ltd	91		
Primary Contact	8 Melrose Street, ROSSMOYNE WA AU BRAMMALL, Peter (ex72451) peter@landtrack.com.au, +61 451 077 1	•	Use Submitter	Add New
Add New P				
First Name*		Last Name*		
Email*		Position*		
* You must er <b>Telephone</b>	nter either a Telephone number or a	Mobile number <b>Mobile</b>		
Fax				

Complete the tenement number and select Go and then select "Drilling" and draw a polygon.

Search for M 30/256

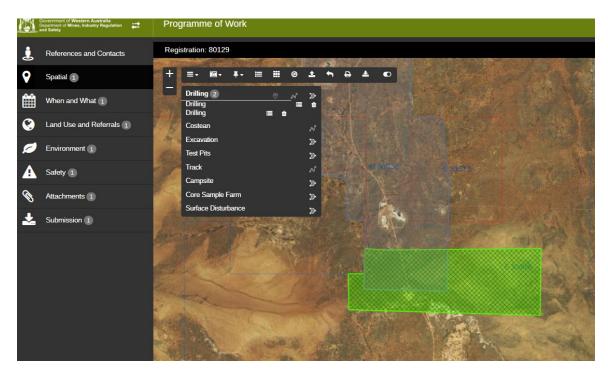


#### **PoW Application - 5**

	Government of Western Australia Department of Mines, Industry Regulation	Programme of Work
1	References and Contacts	Registration: 80129
9	Spatial 1	$+ \equiv \bullet \boxtimes \bullet \bullet \bullet \oplus \bullet \bullet$
Ħ	When and What 1	Driling 2 0 1 2 1 2 1 2 2 1 2 2 2 2 2 2 2 2 2 2
۲	Land Use and Referrals 1	Costean N
ø	Environment (1)	Excavation >> Test Pits >>
▲	Safety 1	Track A' Campsite D
Ø	Attachments 1	Core Sample Farm
*	Submission 1	Surface Disturbance
		and the second of the second o

Fill out the form and do a drop down of the calculations and the tonnage disturbed then select save

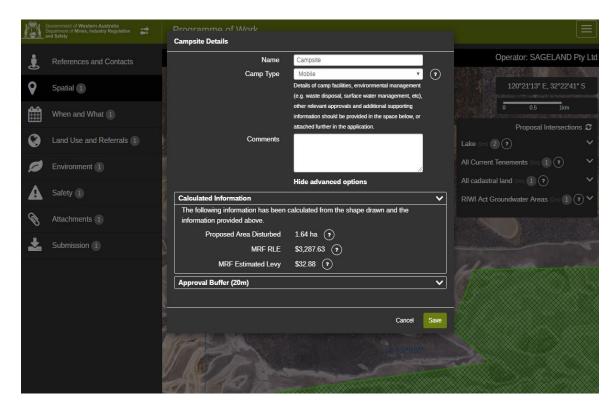
Do 100 x 200mdeep holes



#### **PoW Application - 7**

- There are limits to the mass that can be excavated, extracted or removed from a tenement.
- That limit is 1000 tonnes per Exploration Licence or Retention Licence, and 500 tonnes per Prospecting Licence or Special Prospecting Licence.
- All limits are for the life of the Licence. Any additional tonnes must be approved by the Department

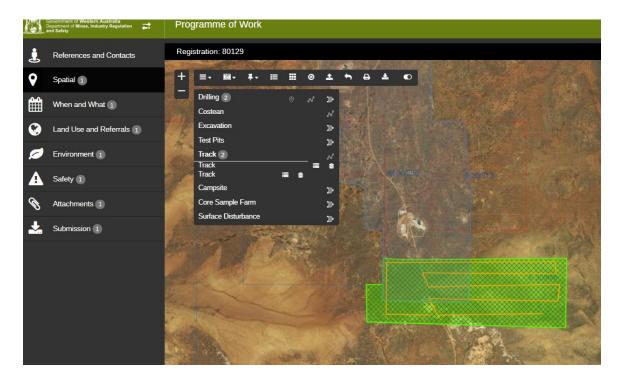
Add a camp site and select "Save" do tracks as well.



**PoW Application - 9** 

Slide 25

Tracks need to be on the PoW: To join drill holes Where ever ground is driven across



**PoW Application -10** 

Proposed Activity	Dates					•	?	
Exploration Approva any specific environr			espective of the date	s entered here. Thes	e dates help to dete	rmine audit plans an	b	
Proposed Activity Date Range	From 01/06/2	2019						
	To 16/02/2	2023						
Mineral Targets								
Select Mineral Targets TIN - TANTALUM - LITHIUM ×								
Disturbance Table	e Summary					•	?	
This table summaris	es the data entered	in the spatial section	. To update please n	nodify the earlier ma	p.			
Export to Exe	cel							
Drag a column he	ader and drop it her	e to group by that col	lumn					
Tenement 🕤	Activity 🕤 Name	Activity Type 🕤	Proposed 🕤 Area Disturbed	Proposed ⑦ Mass Disturbed	MRF RLE 🕤	MRF Est. 🐨 Levy		
M 30/256	Drilling	Drilling Area (RC)	0.03	0.00	\$53.40	\$0.53	*	
E 30/468	Drilling	Drilling Area (RC)	0.07	0.00	\$130.60	\$1.31		
M 30/256	Track	Track (9.12km)	1.82	0.00	\$3,649.60	\$36.50		
E 30/468	Track	Track (19.07km)	3.81	0.00	\$7,626.04	\$76.26	-	
			Total Disturbance = 5.73 ha	Total Disturbance = 0.00 tonnes	Total MRF RLE = \$11,459.63	Total MRF Levy = \$114.60		
H 4 1 +	H					1 - 4 of 4 items		

Tenement Holders				•
	ing tenement holders will be notified by em holder before commencing operations:	ail that this proposal has been submitted. It is essential that you liaise v	vith and obta	in
Tenement Holder		Consent Granted?		
WODGINA LITHIUM PT TENEMENT ADMINISTF DEPARTMENT PO BOX APPLECROSS E 63/1880		No v		
Crown Land				•
<ul> <li>with, any Crown Land that i</li> <li>for the time being un</li> <li>used or situated with</li> <li>situated within 100 n</li> </ul>	is: Ider crop (or within 100 m of that crop); in 100 m of a yard, stockyard, garden, cult n of any land that is in actual occupation ar I within 100 m of any cemetery or burial gr	not entitled to prospect or fossick on, explore, or mine on or under, or o tivated field, orchard, vineyard, plantation, airstrip or airfield; nd on which a house or other substantial building is erected; ound.	therwise inte	erfere
Environmental Protecti	on Authority		4	<mark>،</mark> ۱
Has the area of proposed a Part IV of the <i>Environmenta</i>		assessed by the Environmental Protection Authority under	O Yes	® No
Has the area of proposed a Environmental Protection A		he Environmental Protection Authority under Part IV of the	Yes	® No
			_	
Waterways			4	2
Does the proposed activity	involve disturbing the beds and/or banks of	of a watercourse?	Yes	◎ No
Is the interference related t	o the taking, or accessing of water?		Yes	No
Will you minimise impact of	n water flow and resources and prevent blo	ockages?	Yes	® No
Explain why?	there is no drainage			

## Slide 28

Does your proposal involve the clearing of native vegetation?	© Yes ◎ No
Isolated Hills and Ranges in the Midwest/Yilgarn	•?
Do the proposed activities occur on any isolated hills or ranges, such as Banded Iron Formations?	○ Yes ● No
Environmental Management	•
Please select your environmental management techniques and methods of minimising disturbance:	
All groundwater intercepted during drilling and/or drilling water appropriately stored and contained (e.g. within sumps or tanks)	• Yes 🔍 No
Excavations (sumps, costeans etc.) appropriately ramped to allow fauna egress	• Yes 🔍 No
Avoiding significant vegetation (e.g. large trees and dense patches of vegetation)	• Yes 🔍 No
Topsoil and vegetation stockpiled appropriately for use in rehabilitation	• Yes 🔍 No
Management measures implemented to minimise risk of hydrocarbon spillage (e.g. use of liners and drip trays under drill rigs)	• Yes 🔍 No
Vehicle hygiene maintained to prevent the spread of weeds	⊛ Yes 🄍 No
Rehabilitation Practices	•?
Rehabilitation Practices Please select your rehabilitation practices and timing	•?
	♥? ®Yes ○No
Please select your rehabilitation practices and timing	
Please select your rehabilitation practices and timing Surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe immediately after completion	● Yes ○ No
Please select your rehabilitation practices and timing Surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe immediately after completion Drill holes securely plugged below ground in a manner that prevents long-term slumping or subsidence, within 6 months of drilling.	● Yes ○ No ● Yes ○ No
Please select your rehabilitation practices and timing Surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe immediately after completion Drill holes securely plugged below ground in a manner that prevents long-term slumping or subsidence, within 6 months of drilling. Drill sample piles rehabilitated or buried	● Yes ○ No ● Yes ○ No ● Yes ○ No
Please select your rehabilitation practices and timing Surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe immediately after completion Drill holes securely plugged below ground in a manner that prevents long-term slumping or subsidence, within 6 months of drilling. Drill sample piles rehabilitated or buried Excavations (sumps, costeans, etc) backfilled or appropriately made safe	<ul> <li>Yes</li> <li>No</li> <li>Yes</li> <li>No</li> <li>Yes</li> <li>No</li> <li>Yes</li> <li>No</li> </ul>
Please select your rehabilitation practices and timing Surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe immediately after completion Drill holes securely plugged below ground in a manner that prevents long-term slumping or subsidence, within 6 months of drilling. Drill sample piles rehabilitated or buried Excavations (sumps, costeans, etc) backfilled or appropriately made safe Blocking access to rehabilitated tracks Compacted areas such as access tracks, core farms, camp sites, etc, rehabilitated in an appropriate manner (e.g. deep ripped,	<ul> <li>Yes</li> <li>No</li> <li>Yes</li> <li>No</li> <li>Yes</li> <li>No</li> <li>Yes</li> <li>No</li> <li>Yes</li> <li>No</li> <li>Yes</li> <li>No</li> </ul>
Please select your rehabilitation practices and timing Surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe immediately after completion Drill holes securely plugged below ground in a manner that prevents long-term slumping or subsidence, within 6 months of drilling. Drill sample piles rehabilitated or buried Excavations (sumps, costeans, etc) backfilled or appropriately made safe Blocking access to rehabilitated tracks Compacted areas such as access tracks, core farms, camp sites, etc, rehabilitated in an appropriate manner (e.g. deep ripped, scarified).	<ul> <li>Yes</li> <li>No</li> </ul>

Previous

Next

## Slide 29

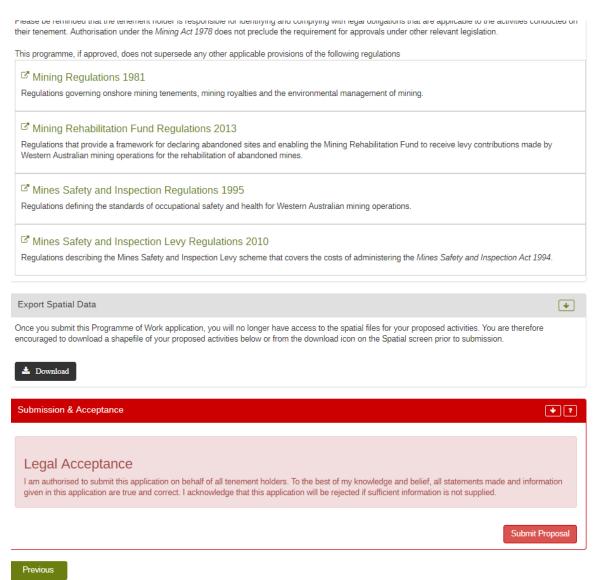
Registration: 79768 Op	erator: SAGELAND Pty Ltd
Fibrous Materials	• ?
Is your exploration programme likely to encounter fibrous materials such as asbestos?	© Yes ⊛ No
Radiation Management	* ?
Is your exploration program likely to encounter Radioactive Material?	○ Yes ⑧ No
Exploration Operation Notification	¥
In accordance with the Mines Safety and Inspections Act 1994, an Exploration Operation Notification form must be submitted to Mines prior to any exploration activities taking place.	Safety Division of DMIRS
http://www.dmp.wa.gov.au/Documents/Safety/MSH_F_ExplorationNotification.pdf	
Previous	Next

## PoW Application -14

Registration: 79768			C	Operator: SAGELAND Pty Ltd
Additional Commen	ts			•
Please add any addition	nal comments that you feel are	relevant, but are not covered by exist	ing questions.	
Additional Attachme	nts			•
Please add any support	ing documents below. Appropr	iate supporting documents include:		
<ul> <li>Flora &amp; Fauna Su Stakeholder English</li> </ul>	urveys agement & Consultation			
	provals & details of correspon	dence		
Select files				
Attachments Summ	ary			•
Here is the summary of	all the files attached to question	ns in this application.		
File Name	File Size	Date Attached	Section	Action
There are no documen	ts attached to questions in this	application.		
Previous				Next

Registration: 79768			Operator: SAGELAND Pty L			
Submission Issues			V			
We have analysed your s	ubmission and identified a r	number of items that are not quite right. Can you please revi	ew and update your responses?			
Issues Summary						
Section	Subsection & Details	Issue				
Land Use and Referrals	WODGINA LITHIUM PTY LTD TENEMENT ADMINISTRATOR C/- TENEMENT DEPARTMENT PO BOX 1095, CANNING BRIDGE APPLECROSS E 63/1880	The application cannot be submitted if consent has not be	een obtained from a Tenement Holder.			
Tenement Conditions Additional tenement cond in this application are:	itions may be imposed as p	art of the assessment of this application. Current tenement (	conditions that apply to the tenements selected			
Group by Tenement			Conditions Endorsements			
Conditions			Tenements			
All disturbances to the surface of the land made as a result of exploration, including costeans, drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, DMIRS. Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, DMIRS.						
spp. or our in thinking by th	All waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings being removed from the mining tenement prior to or at the termination of exploration program.					
All waste materials, rubl			E 63/1880			

#### Slide 32



#### **Discussion: PoW Application in practice**

## Slide 33

How are PoW applications handled in your company (re: environmental management)? How can it be done more efficiently and effectively?

- Strategic PoW lodgement
- Strategic Exploration Planning
- How do we mitigate issues identified

## Think P.R.O.C.E.S.S

## **Discussion: PoW Application in practice**

## Think **PROCESS**

- Personnel Who is involved?
- Resources What factors are in place to accomplish task?
- Obstacles Any barriers, blockers and problems (define)?
- Communication Interpersonal, interdepartmental or regulatory information consistently shared to required parties?
- Efficiency Is what is to be achieved in alignment with resources expended?
- Systemised Is the process documented and standardised?
- Successful Does it work? Why does(n't) it work? Improvements?

## Summary

Participants will be able to understand the requirements before commencing exploration in WA including:

- PoW requirements
- PoW lodgement
- Strategic analysis PoW requirements
- Strategic analysis of exploration requirements
- Reaching the desired outcomes

## The End

"Tell me and I forget. Teach me and I remember. Involve me and I learn." Benjamin Franklin



## Slide 35

## Understanding Tenement Expenditure Session 4

## Session

- [Session 1] Introduction and Monitoring
- [Session 2] Strategically Acquiring Tenure
- [Session 3] Exploration PoW
- [Session 4] Expenditure and Development in Resource Law
- [Session 5] Environmental Management: Mining Proposal
- [Session 6] Environmental Legacy
- [Session 7] Management of Tenure Difficulties
- [Session 8] Management of Tenure Difficulties

## Session 4 Outcomes

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

- Combined Reporting Groups
- Mineral Exploration Reporting
- Expenditure Reporting
- Rent
- Administration Reporting
- What is classed as Expenditure
- What is not Expenditure

## Expenditure Commitments

E, P, M and R require exploration reporting All due within 60 days of anniversary or surrender Prospecting Licence — \$40.00 per ha; \$2000 minimum Mining Lease — \$100 per ha; \$5000 minimum if 5ha or less; otherwise \$10,000 Exploration Licence:

Year	Per Block	Min for 1 block	Min for 2 – 5 block	Min for 6 -20 block
1–3	\$1000 per block	\$10,000	\$15,000	\$20,000
4–5	\$1500	10,000	\$20,000	\$30,000
6–7	\$2000	\$15,000	\$30,000	\$50,000 6 to 25 blocks
8 onwards	\$3000	\$20,000	\$50,000	\$70,000 6- 23 blocks

Slide 3

Slide 4

## **Expenditure Reporting**

A Form 5 is required to be lodged 60 days after anniversary Extensions can be requested https://www.dmp.wa.gov.au/Minerals-Mining-16304.aspx

## **Expenditure Categories**

Holder required to meet expenditure commitment An exemption allows the holder not to meet the expenditure commitment An exemption can only be requested for specific reasons under s102

#### 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:

#### 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.

#### ABORIGINAL HERITAGE SURVEYS

Evidence that a survey has been conducted must be provided to the Department.

ANNUAL TENEMENT RENT AND RATES

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

#### ADMINISTRATION AND OVERHEADS

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

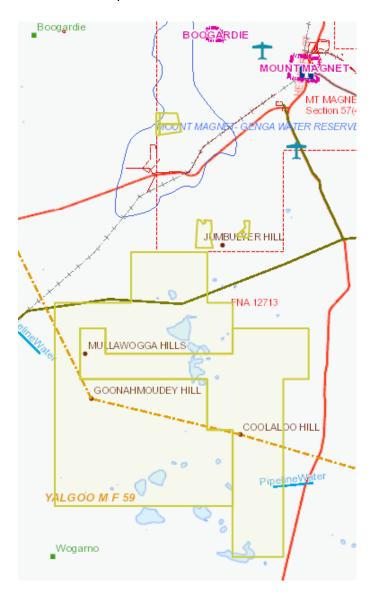
All other native title and land access costs including private land access costs but excluding payments for compensation.

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 5

## **Combined Reporting Groups**

Allows annual reporting on a group of tenements Allow for exemption from expenditure on a group of tenements Application Requirements Common geology Contiguous tenure Same holder Max. size 300sqkm



## **Exemption Combined Reporting Groups**

## s102(2)(h) Mining Act 1978

The tenement is comprised within a project involving more than one tenement and that expenditure on a tenement or tenements in that project would have been such as to satisfy the expenditure requirements in relation to the tenement concerned had that aggregate expenditure been apportioned in respect of the various tenements comprised in this project.

## **DMIRS Policy Guidelines**

For the purpose of an exemption from expenditure:

- "aggregate exploration expenditure" was total expenditures for all the tenements in the group.
- EXCLUDING 'Mining Activities' in the Form 5s. Note the content of Mining Activities and the "etc"
- Meaning All expenditure recorded in items A and C, D, E and F in each Form 5 in the Group.

## Exclusion of Expenditure Items

Initially the Warden in Blackfin Pty Ltd v Mineralogy Pty Ltd [2013] WAMW 19 And later in GMK Exploration concluded that all expenditure was to be excluded from the calculation Except "A. Mineral Exploration Activities" Contrary to the DMP guidelines.

## Brewer v O'Sullivan

Brewer v John Francis O'Sullivan, Warden at Kalgoorlie [No 2] [2017] WASC 269.

- This case supported DMIRS Policy Guidelines in that "aggregate exploration expenditure" includes items A and C, D, E and F in each Form 5
- No appeal lodged
- The meaning of "aggregate exploration expenditure" is settled
- <u>https://www.dmp.wa.gov.au/Documents/Minerals/Guide\_ExemptExpenditure2020</u> <u>revised.pdf</u>

## Slide 9

Slide 10

## **Options for Explorers**

Discussion: What should we do? Follow DMIRS policy OR Use the conservative approach of only using Item A – expenditure.

## What is Administration Expenditure?

## s96(3) Mining Act 1978

Administration and land access costs relating to land which is the subject of a mining tenement may be used in the calculation of expenditure expended on, or in connection with, mining on the mining tenement, but only up to 20% of the minimum commitment, or 20% of the total expenditure on the mining tenement, whichever is the greater amount.

## Warden Caulder on Admin Expenditure

- Mawson West Ltd & Anor v Saruman Holdings Pty Ltd.
- Warden Caulder takes us through the steps of determining how to calculate admin expenditure.
- Regulation 90 says that the Forms prescribed in the regulations are to be completed in accordance with the directions specified in the form.
- Form 5 under 'Instructions For Completion of a Form 5' instruction 3
- Administration/overheads/land access/native title costs are not to exceed 20% of the minimum expenditure commitment, or the total of expenditure incurred on activities, whichever is the greater (see D and E below for the costs that can be claimed).
- E Administration Overheads

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

## Warden Caulder continued

- 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 percent of the aggregate amount of any such expenditure on other activities, then 20 percent of that other expenditure may not be claimed for administration or overheads.
- The holder may only claim actual expenditure.

Warden Caulder went on to state:

"[the administration expenditure]... was not based upon any acceptable formula for the making of a reasonable calculation in the absence of a capacity within the holders administrative system to accurately attribute or otherwise calculate actual expenditure on a particular tenement."

## Slide 12

Slide 13

Slide 14

## **Expenditure Year**

s31(1a) Mining Act 1978 (multiple references in the Regulations) Expenditure incurred under subregulation (1) during the month in which the anniversary date of the commencement of the term of the lease occurs may be treated by the holder as expenditure incurred in either the year immediately preceding that anniversary date or the year starting from such date.

## Rent

Bond v Maughan [2018] WASC 162 see para 80

Look at this case regarding double claiming rent twice for the same year r96C(2a) allows rent to be included in expenditure calculation

r31 allows expenditure incurred during the anniversary month to be included in either year *"properly construed, it is clear that only a particular year's rent may be included in the particular year's expenditure calculation"* Warden

However, the case does indicate if the evidence can be presented that 2 year' rent is paid in the same year both years' rent can be claimed in the same year.

## **Payment Across Years**

- Incurring the liability is sufficient to constitute expenditure Bakarra PtyLtd v Juler Pty Ltd
- Payments in one year can be claimed in that year for work done in next year *Brosnan v Meridian Mining Ltd*
- Though the expenditure incurred must be claimed in the year it occurred *Kennedy v Reif*

## What is Expenditure

s96 of the legislation states

- Aboriginal heritage surveys even while the tenement is an application.
- Rehabilitation in connection with a tenement.
- Annual rent and rates.
- Cutting and polishing minerals
- Aerial surveys
- s118A: A person's expenditure where the person has been authorised in writing to carry out mining by the tenement holder.
- r90 "says that the Forms prescribed in the regulations are to be completed in accordance with the directions specified in the form" Warden Caulder in Mawson West Ltd & Anor v Saruman Holdings Pty Ltd

On the Form 5 "Mineral Exploration Activities" is described

Slide 18

Slide 17

Slide 16

## What is not Expenditure under Legislation

Legislation excluded Expenditure r96C states

- Marking out a mining tenement
- Costs associated with the sale of mining tenement
- Research not related to a specific tenement
- Compensation payments

## What is not Expenditure

The courts have deemed that the following is not expenditure

- Depreciation of plant and equipment *Craig v Spargos Exploration NL*
- Caretakers expenses; though where a caretaker was undertaking mining related activities (environmental monitoring) it was deemed allowable
- Loss on sale of fixed assets *Craig v Spargos*
- Research by the holder Roberts v Richmond
- An optionee conducting research on whether to exercise the option. Also applied for a due diligence by a prospective purchaser *Bakarra PtyLtd v Juler Pty Ltd*
- Food and accommodation that are normal living expenses unrelated to mining Nunn v Carnicelle
- Cooking and associated housework Newt v Lavery
- Share of gold paid to a tributer *Roberts v Richmond*
- Expenses relating to use of the mineral after production, eg marketing and freight
- Hire of one's own vehicle *Roberts v Richmond*
- Expenses related to use of mineral after production Jones v Black Swan

## What is not Expenditure

What accounting categories are set up for Electronic Form 5?

https://wiki.landtrack.com.au/wiki/147/mandatory-online-submissions-of-operationsreports

See this session's wiki for an excel version

## **Recent Court Decisions**

The following decisions are worth reading to come up to speed with resource law:

- Carnegie Gold Pty Ltd v Maughan [2018] WASC 366
  - o "Bet both ways"
  - This allows the lodging of exemptions against the whole commitment even if expenditure commitment was met.
- Bond v Maughan [2018] WASC 162
  - The decision addresses
    - the claiming of rent

## Slide 20

## Slide 24

Slide 23

## L

- Receipts for claiming expenditure
- The money is actually expended by the lease holder

## **Recent Court Decisions**

- Brewer v John Francis O'Sullivan, Warden at Kalgoorlie [No 2] [2017] WASC 269
  - Determines the meaning of "aggregate exploration expenditure" for combined reporting tenements under section 102(2)(h)
- Focus Minerals v Brosnan and Ors
  - Tenement Managers must be prepared to prove their expenditure has been legitimately allocated
  - Administration expenditure is very difficult to determine, allocate and prove even on expenditure > \$100 Million

## **Recent Court Decisions**

Brosnan v O'Sullivan [2022] WASC 414,

- The Supreme Court determined that the requirement for written authorization in section 118A of the Mining Act 1978 (WA) applied only to work completed on the physical land of a tenement and did not apply broadly to all work done in relation to a tenement.
- In this case, the requirement for written authorization did not apply to work performed remotely by a Queensland geologist for Mr Brosnan pursuant to an oral contract.

## **Recent Court Decisions**

Regis Resources Limited v Richmond [2023] WAMW 5,

- The Warden held that the factors to be considered in determining whether an exemption from expenditure conditions should be granted are not limited to those set out in section 102(4) of the Mining Act 1978 (WA).
- Therefore, the Minister could consider policy considerations, such as whether the applicant was "**warehousing**" tenements (where tenements are strategically retained in a way that avoids having to mine the land and comply with expenditure requirements).

## Slide 25

## Slide 26

## **Recent Court Decisions**

## Aria Projects Pty Ltd v Australia Stone Group Pty Ltd [2023] WAMW 7,

- Warden McPhee recommended forfeiture of a Pilbara exploration licence after finding the Form 5 relied on by the tenement-holder provided insufficient detail of the expenditure and therefore,
- in the absence of other evidence from the tenement-holder and competing evidence from the applicant for forfeiture, a case for non-compliance, and therefore forfeiture, was made out.
- Miners are required to provide more than a bare Form 5 to resist a forfeiture application where there is evidence of no work on the ground.

## **Covid-19 Exemptions**

On the 3rd of April the Government gazetted the following Ministerial Statement of Opinion by Minister of Mines:

## MINERALS AND PETROLEUM

#### MP401

#### MINING ACT 1978

MINISTERIAL STATEMENT OF OPINION

Exemption from Expenditure Conditions for Exploration Licences

This Statement recognises the impacts of current and future mitigation risk measures required to protect Western Australia against the spread of the COVID-19 pandemic.

In relation to section 102(3) of the Mining Act 1978 (the Act)<sup>1</sup>, I am of the opinion that until 31 March 2021 a reason for granting of an exemption from expenditure conditions for the holder of a Mining Tenement under section 102 of the Mining Act can be that the holder was unable to meet the expenditure requirements relating to the tenement as the direct result of COVID-19 or restrictions imposed by governments in response to the COVID-19 pandemic.

Applicants should therefore provide a statement demonstrating that exploration expenditure conditions have not been met because of a direct result of the effects of COVID-19 and/or the restrictions imposed by governments in response to the COVID-19 pandemic; which will then be considered in determining the application.

Hon BILL JOHNSTON MLA, Minister for Mines and Petroleum.

<sup>1</sup>... exemption may also be granted for any other reason which may be prescribed or which in the opinion of the Minister is sufficient to justify such exemption.

## Outcomes

Participants will be able to understand the expenditure reporting requirements of tenements in WA with respect to: Combined Reporting Groups Mineral Exploration Reporting

### Slide 28

Slide 30

Expenditure Reporting Rent Administration Reporting What is classed as Expenditure What is not Expenditure

## The End

Slide 31

Success is walking from failure to failure with no loss of enthusiasm. Winston Churchill



## Rehabilitation, MRF and AER Submissions -Session 5

## **Session Outcomes**

## To understand:

- 1) Environmental expectations of the tenement holder
- 2) What successful rehabilitation might look like
- 3) Why is rehabilitation important?
- 4) Mine Rehabilitation Fund (MRF) and Reporting
- 5) Annual Environmental Report (AER)

## Environmental expectations of the tenement holder

## Surface water

No surface water contaminated as a result of mining operations leaves the land.

Groundwater Outcome

Ensure that there is no adverse impact to the quality and quantity of ground water caused by mining operations to existing users and water dependent ecosystems.

• Groundwater Strategy

No mining is undertaken within 3 metres of the highest seasonal groundwater table level.

Native Vegetation

Ensure no loss of abundance or diversity of on or off the land through clearance, dust/contaminant deposition, fire, reduction in water supply, or other damage.

## Environmental expectations of the tenement holder

(cont'd)

## • Fauna

No native fauna injuries or deaths due to mining operations that could reasonably have been prevented.

## • Weeds, Pests and Pathogens

No introduction of new species of weeds, plant pathogens or pests (including feral animals), nor sustained increase in abundance of existing weed or pest species in the land compared to adjoining land.

## Visual Amenity Outcomes

Effectively screen mining operations from residences and public roads.

## Aboriginal and European Heritage Outcome

During construction and operation of the Mining Tenement, ensure that there is no disturbance to Aboriginal or European heritage sites, objects or remains unless prior approval under the relevant legislation is obtained.

Slide 2

Slide 3

## Environmental expectations of the tenement holder (cont'd)

## Traffic Outcome

Ensure that there are no traffic accidents involving the public at mine access points that could have been reasonably prevented by the Tenement Holder.

## • Third Party Property Outcome

No adverse impacts to third party land use on property adjacent to and on the Land as a result of mining operations (other than those agreed between the Tenement Holder and the affected user).

## • Public Safety Outcome (post mining)

The risks to the health and safety of the public so far as it may be affected by operations on the tenement are as low as reasonably practicable.

# Environmental expectations of the tenement holder Slide 6 (cont'd)

## • Post Mine Completion

Ensure that the form, contrasting aspects and reflective aspects of mining operations are visually softened to blend in with the surrounding landscape.

## Mine Closure and Rehabilitation Outcome

Mine closure outcomes such as mine waste materials remaining onsite are to be left chemically and physically stable.

## Rehabilitation – a definition

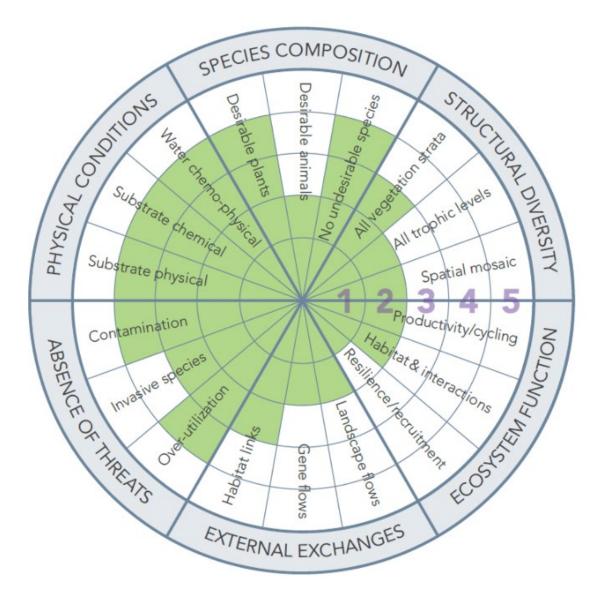
The Society for Ecological Restoration (SER) says that rehabilitation is:

*'...the process of assisting the recovery of an ecosystem that has been damaged, degraded or destroyed.'* 

'...creation of a self-supporting ecosystem that is resilient...'

Specific indicators are selected to help evaluate whether these targets, goals and objectives are being met as a result of the interventions.

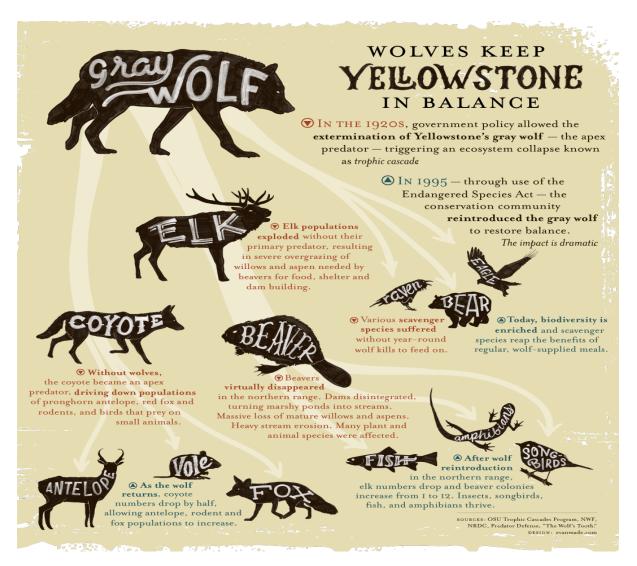
Slide 7



- Common indicators only
- Scoring based on informal or formal monitoring indicators for the project
- Indicators should be identified at the outset of the project to provide ecologically meaningful information attributes being evaluated.

#### **Rehabilitation – Wolves in Yellowstone**

#### Slide 9



#### Successful Rehabilitation

## Slide 10

The SER recommends the use of nine ecosystem attributes for measuring rehabilitation success:

- 1. Similar ecosystem diversity and community structure to those of reference sites
- 2. Presence of indigenous species
- 3. Presence of functional groups necessary for long-term stability
- 4. Capacity of the physical environment to sustain reproducing populations
- 5. Normal functioning
- 6. Integration within the landscape
- 7. The elimination of potential threats
- 8. Resilience to natural disturbances
- 9. Self-sustainability

## **Successful Rehabilitation Examples**

During operation

CROPPING Coal & Allied are rehabilitating land for crop production, producing a hybrid of wheat and rye. After three years of production, hay yields are now above the district average.



GRAZING Glencore land is now used as a grazing pasture with cattle growing faster and averaging an extra 79 kgs over neighbouring pasture cattle. This returned a 25% price increase at the abattoir.

## Prospecting and Exploration Rehabilitation

- Prospecting and exploration activities approved under a Programme of Work (PoW) must be rehabilitated within six months of completion of ground disturbance or following an approved extension.
- Rehabilitation reports should be submitted to DMIRS and include both before and after photographs (including a significant landmark) with captions detailing location, date and a brief description of the content of the photograph.
- The <u>Programme of Work Rehabilitation Report Template</u> can be lodged in hardcopy over the counter at any DMIRS office, or submitted electronically via the DMIRS website.

## **Mining Lease Rehabilitation**

Poor rehabilitation performance of the industry to date:

- Complex design life and durability standards pertaining to mine waste landforms such as tailings storage facilities and waste rock dumps against which performance can be assessed.
- Unique and diverse array of sites and material available for landform construction creates complex issues no one size fits all scenarios.
- A highly informed and sceptical public may no longer accept assurances that structures will be forever risk free.

## Industry and the regulator therefore must present realistic expectations, be clear about, and have *mechanisms* in place to manage possible residual risks.

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revealed a way to create a cap to exclude oxygen and neutralise water. Once implemented, water quality rapidly improved and environmental standards met.

CONSERVATION Bluestone Mines and CSIRO have



NATIVE RESTORATION Cristal Mining have re-stablished a semi-arid vegetation ecosystem with native flora species and native lizard and bird species now resettled in the area.

### Slide 11

After rehabilitat

Slide 12

#### BOX 1. Example conditions that experts considered well-defined

"Remove all infrastructure" -> Not open to Interpretation and clearly achievable.

"Reflecting the surrounding natural ecosystem" → Implies that ecosystems need to be consistent with the surrounding landscape, but don't necessarily need to be the same. A contrasting example that would not be achievable is "restoration as closely as practicable (to) the <u>pre-disturbance</u> biodiversity and ecosystem functional values".

"The dominant species, species composition, percentage cover and community structure in rehabilitated areas" -> Ticks off on variety of relevant richness aspects instead of just a percentage cover and diversity.

"Undertake trials" or "Conduct laboratory and field scale research" → Such targets are clearly achievable. However, they should be linked to delivering an outcome. Doing research for the sake of research is not necessarily useful.

## **Group Discussion – Rehabilitation Experiences**

## • How are rehabilitation conditions on tenements viewed within your company?

- Are there any examples of successful rehabilitation outcomes in your company?
- Are there any examples of unsuccessful rehabilitation outcomes in your company?
- How is rehabilitation success typically measured in your company?
- What were the issues contributing to rehabilitation success or lack thereof?
- What might be the typical problems and common issues faced by WA mining companies with regard rehabilitation requirements?

Why is rehabilitation important?

## • Social Licence to Operate

One of the greatest compliance risks is a company losing its social license to operate (the acceptance of a company's business practices and operating procedures by its employees, stakeholders and the general public), thus limiting its future access to resources.

## Financial liability

Effective and early planning helps minimise rehabilitation costs as engagement, monitoring and collaboration with regulatory bodies can be improved. Failure to plan and manage these can see financial liabilities sky-rocket.

## Compliance and approvals risk

Companies failing to meet regulatory requirements and expectations run the risk of increased scrutiny, additional restrictions and higher compliance and legal costs. Mine rehabilitation efforts are now seen as a key performance indicator and a competitive advantage.

## Legacy issues

Poorly rehabilitated mines leave significant legacy problems and risks for all elements of society — governments, communities and companies

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Slide 16
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## Why is rehabilitation important?

## Slide 17

## Vale TSF Wall Collapse

https://www.youtube.com/watch?v=sKZUZQytads

The world's biggest miner, BHP (ASX: BHP), has been hit with the UK's biggest damages claim of \$7.2 billion for its part in the 2015 Fundao tailings dam failure in Brazil.

The failure of the dam killed 19 people and sent about 40 million cubic metres of toxic sludge through various communities on the Rio Doce river, before eventually spilling into the Atlantic Ocean 650km away and polluting beaches.

While the more recent January collapse of a Vale-operated tailings dam in the town of Brumadinho in Brazil killed an estimated 300 people, the Fundao dam collapse is still regarded as being the biggest environmental disaster in Brazil and has led to massive compensation and remediation work by BHP and its Samarco joint venture partner, Brazil's Vale.

## Mine Rehabilitation Fund

- Fund created to enhance the State's capacity to manage and rehabilitate abandoned mines to lead to better environmental and community safety outcomes.
- Money in the fund is available to rehabilitate abandoned mines across the State in circumstances where the tenement holder/operator has failed to meet rehabilitation obligations and efforts to recover funds from the holder/operator have been unsuccessful.
- Just over \$32M in contributions for 2018/19 Fund now totals \$150M
- The MRF Act allows for monies owed for rehabilitation work on abandoned sites to be recovered through the Courts from those responsible.
- All tenement holders operating on Mining Act 1978 (Mining Act) tenure are required to report disturbance data and contribute annually to the fund.
- The Rehabilitation Liability Estimate (RLE) Calculator assists tenement holders to estimate their rehabilitation liability and the associated MRF levy under a variety of scenarios.

## **Mining Rehabilitation Fund Categories**

## Appendix 1:

## **Rehabilitation Liability Categories and Unit Rates**

The following tables have been reproduced from Schedule 1 of the MRF Regulations.

Description of infrastructure or land	Category	Unit rate
Tailings or residue storage facility (class 1) Waste dump or overburden stockpile (class 1) Heap or vat leach facility Evaporation pond Dam – saline water or process liquor	A	\$50,000
Tailings or residue storage facility (class 2) Waste dump or overburden stockpile (class 2) Low-grade ore stockpile (class 1) Plant site Fuel storage facility Workshop Mining void (with a depth of at least 5 metres) — below ground water level Landfill site Diversion channel or drain Dam — fresh water	В	\$30,000
Low-grade ore stockpile (class 2) Sewage pond Run-of-mine pad Building (other than workshop) or camp site Transport or service infrastructure corridor Airstrip Mining void (with a depth of at least 5 metres) — above ground water level Laydown or hardstand area Core yard Borrow pit or shallow surface excavation (with a depth of less than 5 metres) Borefield Processing equipment or stockpile associated with <i>Basic Raw</i> <i>Material</i> extraction Land (other than land under rehabilitation or rehabilitated land) that is cleared of vegetation and is not otherwise described in this Table	С	\$18,000
Land (other than land under rehabilitation or rehabilitated land) that has been disturbed by exploration operations	D	\$2,000
Land under rehabilitation (other than land that has been disturbed by exploration operations) Topsoil stockpile	E	\$2,000
Exploration operations: land under rehabilitation, rehabilitated land	No rate a	pplicable

#### **MRF COMPLIANCE**



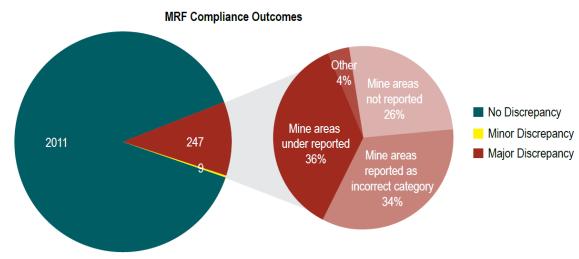


Figure 4 - 2018-19 Compliance Findings

# What is your experience of MRF reporting andSlide 21contributions?



## **Common Issues in MRF Reporting**



Exploration and Prospecting Activities

- Each report must account for all of the work that you have done so far under the Programme of Work (PoW).
- If you have approval to do exploration or prospecting (meaning, a Programme of Work has been approved) but you haven't yet started work, you will still need to lodge an MRF report.
- Work that does not involve disturbing the ground (like detecting) does not count as an 'activity'.

## Common Issues in MRF Reporting (cont'd)

## Reporting Period

Required to <u>report any disturbance</u> on the surface of the tenement, whether or not you have undertaken any activity during the current reporting period. This means that, if you have not done any work during this reporting period, but have disturbed the land previously, you would normally report the same as you did in the previous period (except for exploration and prospective activity as mentioned previously).

## <u>Ultimately, you report the footprint of the activity as it exists on the day that you assessed it.</u>

## Common Issues in MRF Reporting (cont'd)

- A mining activity cannot be considered as 'rehabilitated' unless all of the closure obligations in the mining proposal have been met and <u>signed off by an appropriate</u> <u>officer within the Environmental Compliance Branch</u>.
- A mining activity cannot be considered as 'land under rehabilitation' until all required earthworks have been completed in accordance with closure obligations and you have <u>commenced work toward revegetation and monitoring</u>.

## Common Issues in MRF Reporting (cont'd)

'Historical' or 'Legacy' mining activities or infrastructure

- When you purchase a tenement from another party, you effectively <u>inherit all of</u> <u>their rights and obligations</u> as if you, yourself, had held that tenement from the time it was granted.
- If a disturbance pre-dates the grant of the tenement (for example, old workings, roads or infrastructure), you would not normally need to include them in your report <u>unless you have disturbed them or used them yourself.</u>

## Annual Environmental Report

- A condition requiring the submission of an AER is imposed on the tenement following the approval of a mining proposal.
- Online AER submission currently requires all activity on mining tenure to be reported, including exploration.
- This satisfies the reporting requirements under the PoW and a separate report is not required.
- Document the activities which have occurred over the reporting period specific to the tenement or group site.
- The hardcopy submission of AERs is no longer accepted by DMP.

, ( <sup></sup>		Year			AER repor	ting period 31 October						AER preparation period
Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Reporting Period Start		I	_		-	-	-	-		_		porting AER due riod End November (must bi submitted prio to ax November)

Slide 24

Slide 25

Slide 23

## Annual Environmental Report (cont'd)

## Objectives

- To concisely document the major mining activities for the reporting year and proposed activities for the following year.
- To enable the Department to understand operator environmental management and rehabilitation activities for the reporting year and proposed activities and developments in the following year.

Slide 27

Slide 28

- To encourage operators to conduct an environmental analysis of the project.
- To assist operators in self regulation
- Encourage operators to be prepared for mine closure
- To provide basic information to the Department about the extent of mining operations in the State and the standard of environmental management and mine closure planning being achieved.

## Annual Environmental Report (cont'd)

## Report Content

- Report Details name, site details, reporting period, contact person.
- Review Tenements will auto-populate based on tenement groupings
- Environmental Group Site the individual tenements for the purposes of further distinguishing the operations which make up a particular Project. Includes: site summary, materials balance, closure plan, site plan, etc.
- Mining Activities exploration activity, ore processed, waste moved, operational status.
- Area of activity per tenement voids, dump, haul road workshop etc., survey method e.g. GPS.
- Compliance compliance with env. approvals, document env. Incidents.
- Rehabilitation and Closure Planning.
- Future work description of the mining activities, env. management and rehabilitation proposed for the following year.

## Penalties in Lieu of Forfeiture (4th QTR 2018)

### Slide 29

Penalty	Nature of Breach	Learnings for Industry	Detection By	Minister's Decision Date	No. of Tenements	Individual or Company
\$41,533	Failure to comply with tenement conditions and failure to rehabilitate.	Ensure operations and closure planning is carried out in accordance with legislative requirements.	Inspection	3/12/2018	3	Company
\$19,200	Alteration or expansion of operations without approval.	Ensure all approvals have been received before undertaking works and operations.	Inspection	27/11/2018	3	Company
\$40,000	Not managing dust.	Ensure operations are undertaken in accordance with approvals.	Inspection	29/08/2018	1	Company
Forfeiture	Under expenditure and poor expenditure history.	Ensure that all expenditure obligations are met and that reporting is robust and verifiable.	Application for forfeiture of Exploration Licence by other party	28/02/2019 Warden recommended that the Minister grant the Application for Forfeiture	1	Company

## **Session Outcomes**

To understand:

- 1) Environmental expectations of the tenement holder
- 2) What successful rehabilitation might look like
- 3) Why is rehabilitation important?
- 4) Mine Rehabilitation Fund (MRF) and Reporting
- 5) Annual Environmental Report (AER)

## Morning Tea Break

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## **Environmental Legacy - Session 6**

## **Environmental Legacy**

## Parallel Thinking using Six Hats (E. DeBono, 1985)

The White Hat: calls for information known or needed. The facts, just the facts.'

The Yellow Hat: symbolizes brightness and optimism. You can explore the positives and probe for value and benefit

> The Blue Hat: is used to manage the thinking process. It ensures that the 'Six Thinking Hats' guidelines are observed.

The Red Hat: signifies feelings, hunches and intuition - the place where emotions are placed without explanation

**Hypothetical Scenario** 

used here

Blue Sky Mining would like to purchase a gold mine that has been in operation since 1977. The current owner of the gold mine wants to sell.

## **Environmental Legacy**

**HYPOTHETICAL SCENARIO** Gold mine in operation from 1977 Site requires rehabilitation Cost of rehab makes sale prohibitive Currently in care and maintenance since 2012 Rehabilitation liability estimate for the entire site is estimated at \$36,854,280. Company statement to shareholders reads: "The process plant and mine has been placed on care and Owner wants to be relinquished from any further maintenance since April 2012 and has been maintained to a high environmental obligations. standard and in an operational ready condition.' Series of company hand overs since the mine began · Failed tailings facility resulting in cyanide contamination to operation nearby tenements and pastoral lease with accommodation and No break in tenure tourism income to a radius of 2 km2. Water users located further downstream may also face a risk of cyanide poisoning in future. Owner wants to sell Lack of adequate fencing and secure bunds at of main pit Owner has declared bankruptcy in the past. causing cattle deaths (drowning and suspected poisoning) Ongoing and growing costs affiliated with holding the lease Evidence of erosion and high salinity groundwater Remains a corporate responsibility rather than a liability of Lack of adequate fencing and secure bunds at of main pit the State as per WA Contaminated Sites Regulations 2006 causing cattle deaths (drowning and suspected poisoning) The buyer would like indemnification of long-term No decisive action to date and owner continues to deliberate environmental impacts and a deed of settlement re: on a rehabilitation plan. Buyer also wants reimbursement for contractual obligations of rehabilitation monitoring costs

The Green Hat: focuses on creativity, possibilities, alternatives and new ideas. It is an opportunity to express new concepts and new perceptions - lateral thinking could be





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The Black Hat:

signifies caution and

critical thinking - do

not overuse! Why something may not

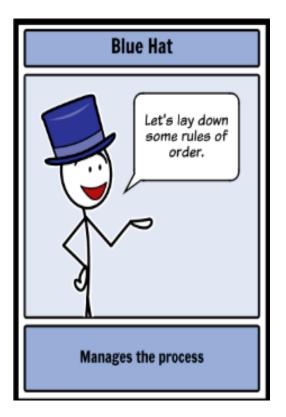
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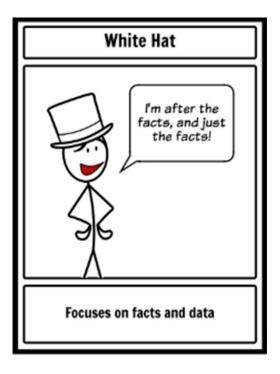


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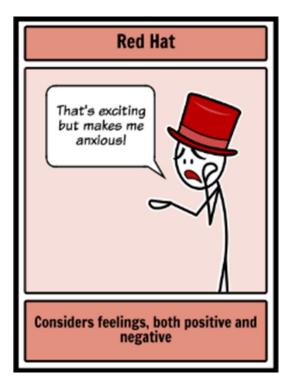
## Blue Hat



White Hat



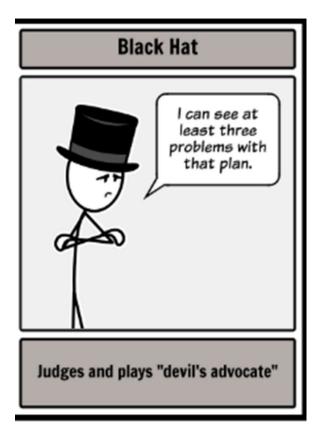
## Red Hat



**Green Hat** 



## Black Hat



Yellow Hat



The End

Slide 41

## Risk and Tenement Management – Session 7 & 8

## Outcomes

Johari Window

- Demonstrate the ability to identify risks that are <u>inherent to</u> tenement management
- Demonstrate the ability to identify risks that <u>affect</u> tenement management
- Develop options and recommendations based on risk management processes
- •

	Known to Me	Not Known to Me
Known to Others	Open Area (Known knowns)	Blind Area (Known unknowns)
Not Known to Others	Hidden Area (Unknown knowns)	Unknown Area (Unknown unknowns)

## **Risk Process**

## Slide 4

Slide 2

Slide 3

"I have minimal tenement management risk strategies in place. My tenement manager knows their job and they have a wealth of industry experience."

- 1. Identify the threats
- 2. Assess the vulnerability of critical assets to specific threats
- 3. Determine the risk (i.e. the expected likelihood and consequences of specific types of attacks on specific assets)
- 4. Identify ways to reduce those risks
- 5. Prioritize risk reduction measures

## Separating Risk

- Risks inherent to tenement management:
  - Does this risk originate in Tenement Management?
  - Is this risk external to, but affects Tenement Management?
- Why do we care about the difference?
  - Control

## Features of effective Risk Management

- Create value resources expended to mitigate risk should be less than the consequence of inaction
- Be an integral part of organizational processes
- Be part of decision-making process
- Explicitly address uncertainty and assumptions
- Be a systematic and structured process
- Be based on the best available information
- Be tailorable

## Features of effective Risk Management

### Slide 7

- <u>Take human factors into account blame free, role focus not individual personalities</u>
   <u>focus</u>
- Be transparent and inclusive
- Be dynamic, iterative and responsive to change
- Be capable of continual improvement and enhancement
- Be continually or periodically re-assessed

		Impact							
		Negligible	Minor	Moderate	Significant	Severe			
Î	Very Likely	Low Med	Medium	Med Hi	High	High			
۹ ۱	Likely	Low	Low Med	Medium	Med Hi	High			
Likelihood	Possible	Low	Low Med	Medium	Med Hi	Med Hi			
	Unlikely Low		Low Med	Low Med	Medium	Med Hi			
	Very Unlikely Low		Low	Low Med	Medium	Medium			

## Exercise

## Slide 9

- What are some of the scenarios that represent a risk to tenure?
- Discuss the events where do they belong on the risk framework?
- What can be done to reduce the likelihood or impact?
- What can we plan in response?

## Thinking outside of the box

## Slide 10

Company Areas	Viewed From Role
Tenement	CEO
Environmental	Exploration Manager
Heritage	Tenement Manager
Native Title	Accountant

## Outcomes

- Demonstrate the ability to identify risks that are <u>inherent to</u> tenement management
- Demonstrate the ability to identify risks that <u>affect</u> tenement management
- Develop options and recommendations based on risk management processes