



GUIDELINES FOR APPLICANTS

SECTION 58(1)(b) STATEMENT TO ACCOMPANY APPLICATIONS FOR EXPLORATION LICENCES

When making an application for an Exploration Licence the applicant must provide evidence of their ability to effectively explore the land once the licence is granted.

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 and;
- II. The details of the program of work proposed to be carried out on the area of land applied for; and
- III. The estimated amount of money proposed to be expended on the exploration; and
- IV. The technical and financial resources available to the applicant.*

**The statement does not have to specify the financial resources available to the applicant if-*

- a) the applicant is an individual (not a company) and the application is in respect of not more than 4 blocks; and*
- b) the statement specifies that the applicant intends to utilise his or her own labour to carry out the programme of work referred to in subsection (1)(b)(ii).*

These guidelines are intended to assist applicants for exploration licences to prepare the statement required under section 58(1)(b). This information is for guidance purposes only and should not be considered as or used as legal advice. Applicants should seek independent legal advice if they need further information appropriate to their own circumstances.

REQUIRED INFORMATION

The statement must relate directly to the land comprised in the exploration licence application and must refer to the relevant mineral field and the application's locality. The use of "generic" statements is not acceptable.

The proposed method of exploration of the area in respect of which the licence is sought:

The statement must specify the systematic plan for exploration of the area applied for. The statement must demonstrate to the Mining Registrar or Warden that the full area applied for will be effectively explored within the term of the licence. It should include area selection rationale and target mineral details.

Details of the program of work proposed to be carried out on the area of land applied for:

The statement must specify:-

- The goals - the outcomes the program intends to accomplish;
- The objectives - the steps the program will take to attain the goal;
- The activities - the specific tasks to be undertaken to meet the objectives and ultimately fulfil the goal.

The estimated amount of money proposed to be expended on the exploration:

The work program must specify the estimated amount of money to be expended on each stage of exploration proposed in the statement.

The proposed expenditure must equal or exceed the minimum annual statutory expenditure obligations for a granted exploration licence as set by Regulation 21 of the *Mining Regulations 1981*.

Technical resources available to the applicant

The statement must include details of the applicant's geoscientific or other technical capability to carry out the proposed exploration program and satisfy technical reporting requirements. It must include the names, qualifications and experience of personnel managing and implementing the proposed exploration program.

Financial resources available to the applicant*

The financial resources available to the applicant at the time of making the application must be stated in detail. The statement of financial resources available to the applicant may be supported by any of the following or combination thereof :

- the most recent financial statement prepared in accordance with the ASX listing rules that sets out the net equity (for a public listed company);
- line of credit from a recognised financial institution;
- a current Bank statement;
- a current financial statement prepared by a Certified Practising Accountant or Chartered Accountant that sets out the net equity of a company or individual.

The statement must demonstrate to the Mining Registrar or Warden that the applicant has the financial resources available to conduct the program of work proposed to be carried out on the land applied for.

NB: It is not sufficient for the applicant's accountant to simply state that the required funds are available. Simply providing an annual report, in the case of a company, or the last tax return in the case of an individual, partnership or limited company does not meet the requirements of section 58(1)(b) of the Mining Act 1978.

Financial Commitment to Other Tenements

In addressing the question of financial resources, the applicant must have regard to their total annual commitment for all granted titles and other pending mining tenement applications for which they are responsible, either in their own name, the name of related entities or as a joint venture/farm-in partner.