

**GUIDELINES** 

Mineralisation report and supporting statement for a mining lease application

Pursuant to the *Mining Act 1978* Section 74(1) (ca), all mining lease applications will be accompanied by one of the following types of documentation:

- Section 74(1)(ca)(i) a mining proposal (See Guidelines for Mining Proposals in Western Australia); or
- Section 74(1)(ca)(ii) a statement in accordance with subsection (1a) and a mineralisation report prepared by a qualified person; **or**
- Section 74(1)(ca)(iii) a statement in accordance with subsection (1a) and a **resource report** (see <u>Guidelines for submitting mining lease applications via a Resource Report</u>).

These guidelines are in respect to mining lease applications accompanied by a statement and mineralisation report – pursuant to section 74(1)(ca)(ii).

## **Contents**

General information	4
Supporting statement	
Required content of supporting statement	4
Recommended content of supporting statement	5
Mineralisation report	5
Required content of mineralisation report	5
Recommended content of mineralisation report	5

#### **General information**

- 1. before applying for a mining lease, it is important that the applicant determines the most appropriate route. It is not possible to change from a mineralisation report route to a mining proposal route, or vice versa, once the application has been submitted. The Department of Mines, Industry Regulation and Safety (DMIRS) welcomes applicants to discuss the issue prior to lodging an application (see <a href="website">website</a> for more information or contact Resource Tenure Division).
- 2. If the purpose of the mining lease application is to either extract Basic Raw Materials (rock, sand or gravel) or to conduct a small-scale mining operation, and there are insufficient "exploration results" to demonstrate significant mineralisation, then it is recommended that the most appropriate method to proceed is via a mining proposal under Section 74(1)(ca)(i). Otherwise, "exploration results" must be obtained prior to lodging the mining lease application.
- 3. The purpose of these guidelines is to specify the format, content, and standards required in a mineralisation report and the information required in the separate supporting statement under Section 74(1)(ca)(ii).
- 4. The report will contain all relevant information that is to be assessed by the Director, Geological Survey. The report and the supporting statement will become available to the public when they have been submitted to DMIRS.
- 5. The mineralisation report and the supporting statement should be submitted as two separate documents, however, they MUST be submitted at the same time with the tenement application to be compliant with the *Mining Act 1978*. These documents should be submitted in digital format as PDF files with a high enough resolution that ensures all information presented in the figures is clearly legible.
- 6. In cases where the applicant submits multiple mining lease applications, a separate mineralisation report and a separate supporting statement will be provided for each application.
- 7. The report should be concise with the text generally between five and 10 pages (not including tables).
- 8. Text figures (maps, plans and drill sections) in the report will be submitted in a generalised format, similar to that used in reports and announcements to the Australian Securities Exchange (ASX). All labels and text within the figures must be clear and legible.
- 9. A mineralisation report must be prepared by a 'qualified person' being a member of either the Australasian Institute of Mining and Metallurgy (AusIMM) or the Australian Institute of Geoscientists (AIG) as prescribed in s.25C of the Mining Regulations 1981.

## **Supporting statement**

Note that if the information from a supporting statement is incomplete or does not satisfy the strict compliance requirements, then the mineralisation report **cannot** be assessed as the application would be deemed invalid.

# Required content of supporting statement

As required under Section 74(1a) the statement referred to in subsection (1)(ca)(ii) that accompanies the mineralisation report and mining lease application shall set out information about the mining operations that are likely to be carried out in, on or under the land to which the application relates, including information as to:

- a) when mining is likely to commence;
- b) the most likely method of mining; and
- c) the location, and the area, of land that is likely to be required for the operation of plant, machinery and equipment and for other activities associated with those mining operations.

# **Recommended content of supporting statement**

- 1. A section outlining when mining is likely to commence. Section 74(7) defines 'likely' to mean reasonably likely having regard to the information available to the applicant when the application is made. A statement providing a timeframe for the likely commencement of mining (i.e. the year(s) mining is expected to likely commence) is enough detail to satisfy this requirement. A statement to the effect that mining will commence once feasibility studies are finalised is not definitive enough to meet the required content of the supporting statement. Failure to meet this likely date will not result in forfeiture of the tenement, but failure to define this aspect could result in issues of strict compliance.
- 2. A section outlining the most likely method of mining. This should include how ore is going to be mined and processed.
- 3. A plan showing the location, and the area, of land that is likely to be required for the operation of plant, machinery and equipment (infrastructure) and for other activities associated with those mining operations, in relation to the zone (or zones) of significant mineralisation and the mining lease boundary. If the location of the plant is not included due to processing at an alternate location, then a statement needs to be made on where processing is to be conducted.

DMIRS has provided a draft example of a supporting statement.

#### **Mineralisation report**

This report must contain all the relevant information with supporting figures, cross-sections and data to support the grant of a mining lease. This report should be concise, however it should be able to stand-alone.

#### Required content of mineralisation report

Under Section 74, a mineralisation report is defined as a report that sets out details of exploration results in respect of a deposit of minerals located in, on or under the land to which the application relates, including details of:

- a) the type of minerals located in, on or under that land;
- b) the location, depth and extent of those minerals and the way in which that extent has been determined; and
- c) analytical results obtained from samples of those minerals.

The mineralisation report is required to be prepared by a qualified person. Pursuant to section 25C of the Mining Regulations 1981, a 'qualified person' means a person who is a member of one of the following prescribed body:

- a) The Australasian Institute of Mining and Metallurgy (AusIMM)
- b) The Australian Institute of Geoscientists (AIG).

#### **Recommended content of mineralisation report**

- 1. a statement that a deposit of minerals has been defined within the boundaries of the area applied for and the results of exploration activities indicate that there is a reasonable expectation that mining operations can be undertaken to extract minerals. In most cases this area will be within an existing prospecting or exploration licence and the relevant underlying tenement number(s) should be quoted.
- 2. A list of minerals that have been defined within the deposit. Section 8 of the *Mining Act 1978* defines the term 'minerals' as naturally occurring substances obtained or obtainable from any land by mining operations carried out on or under the surface of the land, but does not include:
  - a) soil;
  - b) a substance the recovery of which is governed by the Petroleum and Geothermal Energy Resources Act 1967 or the Petroleum (Submerged Lands) Act 1982;

(ba) without limiting paragraph (b) geothermal energy resources as defined in the Petroleum and Geothermal Energy Resources Act 1967 section 5(1);

c) a meteorite as defined in the Museum Act 1969; or

- d) any of the following substances if it occurs on private land:
  - (i) Limestone, rock or gravel
  - (ii) Shale, other than oil shale
  - (iii) Sand, other than mineral sand, silica sand or garnet sand
  - (iv) Clay, other than kaolin, bentonite, attapulgite or montmorillonite.
- 3. The methods used to define the zone of mineralisation (e.g. drill intersections, costean channel sampling, old adit sampling, etc.). The methods may include historical data and work undertaken by previous tenement holders of the same ground.
- 4. A plan showing the outline of the deposit of minerals (projected to the surface as a polygon), the boundaries of the existing tenement(s) (where applicable), and the proposed boundaries of the mining lease application.
- 5. A plan showing the outline of the deposit of minerals (projected to the surface) and the positions of all drill holes, costeans, adits, etc. that have intersected the deposit. The plan should also show the locations of at least two representative cross sections (or one cross section and one long section). If multiple mineral deposits are defined then at least two representative cross sections (or one cross section and one long section) should be provided for each deposit. The plan labels and legend must be clearly legible.
- 6. Cross sections/long sections (with drill profiles and/or costean outlines) to show intersections of mineralisation and its host rocks, together with analytical results in a generalized format (i.e. showing bulked intersections with average grades. If aggregated, it needs to be clear where the intervals in the table come from). All drillhole labels and legend must be clearly legible on cross sections.
- 7. A table of analytical results and brief discussion in the text to demonstrate the existence of significant grades and widths of mineralisation. These may include earlier results obtained by previous tenement holders of the same ground. The table should include as a minimum those drillholes (and/or costeans and/or adits) that appear on the plan referred to in point 5 above. The table should include drillhole names, collar coordinates, depth to significant intersection, width of significant intersection, and grade. Describe sampling techniques, drill sample methods and recoveries, and quality of analytical data for all samples. The table should be accompanied by mineralisation cut-off grades where mineralisation zones are represented by averaged results. In the case of certain industrial minerals the results should include analyses of the physical properties which demonstrate that the deposit can be economically extracted.
- 8. While endeavouring to submit a concise but detailed report, additional information that an applicant may wish to submit, to further support the existence of a deposit of minerals and the intention to extract those minerals, may include (for example):
  - proposed program of work and expenditure to be undertaken to increase the level of geological knowledge and confidence of the deposit of minerals after the proposed mining lease is granted
  - metallurgical test results
  - · bulk densities of mineralised material
  - geotechnical characteristics of the deposit of minerals and its host rocks
  - potential penalty or credit elements or minerals
- 9. A final section in which a qualified person signs the mineralisation report and certifies that they are a "qualified person" under the Act.

DMIRS has provided a draft example of a mineralisation report.

Government of Western Australia

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