

Mandatory Online Submission Of Operations Reports

A LandTrack Systems White Paper

By Rachel Burnett

September 2015



Mandatory Online Submission of Operations Reports



Contents

1.	History of Operations Reports.....	3
2.	Benefits to Industry, DMP and Users	3
3.	Overview of e-Form5 Workflow.....	4
4.	History of the Mineral Exploration Activities	5
5.	Implementing new activities – implications for accounts and broader systems.....	5
6.	Conclusion	8

Mandatory Online Submission of Operations Reports



1. History of Operations Reports

The Department of Mines and Petroleum (DMP) is making significant progress towards achieving its goal of being completely online by July 2016. Currently companies may submit either a paper Form5 or an online Operations Report (e-Form5). Online submission of single e-Form5s has been available for quite some time. As per an email from the DMP dated 10th June 2015:



Online Lodgement of Mining Act Forms

Customers can currently undertake a range of transactions online with DMP. In fact, since the implementation of our online system in 2011, more than 80 per cent of the Mineral Titles business can now be conducted through the [Mineral Titles Online System](#). Using our online systems ensures a faster and more seamless customer experience, improved processing timelines as well as reporting benefits.

The Mineral Titles Division is encouraging customers to use the available online systems and invites customers to lodge all of their future transactions online. We are aiming for a 100% take up of our online systems so we can speed up the phasing out of paper transactions. In addition, in the coming year, we will be making more forms available to our customers online.

The DMP is now encouraging customers to submit e-Form5s online. This will eventually become mandatory and paper Form5s will be phased out completely. The DMP is hoping to enforce this as soon as possible.

LandTrack Systems has been working in conjunction with the DMP to assist the industry with the transition from submitting paper Form5s to online e-Form5s. This White Paper has been written to help companies understand the processes involved in updating internal procedures for allocating expenditure within the company's accounting systems, which is ultimately be used for reporting and submitting e-Form5s.

2. Benefits to Industry, DMP and Users

Currently, around 50% of all Form5s are lodged online, and the remaining 50% are lodged as paper Form5s. The Association of Mining and Exploration Companies (AMEC) contacted the DMP after consultation with AMEC's members, and requested that the DMP publish statistics regarding the breakdown of Exploration and Mining expenditure. The statistics will be a good indicator as to where the industry may be headed because of the work that has been completed on all WA's tenements. This is why the DMP will be making the online submission of e-Form5s mandatory as soon as possible so that the raw data generated can be analysed and published.

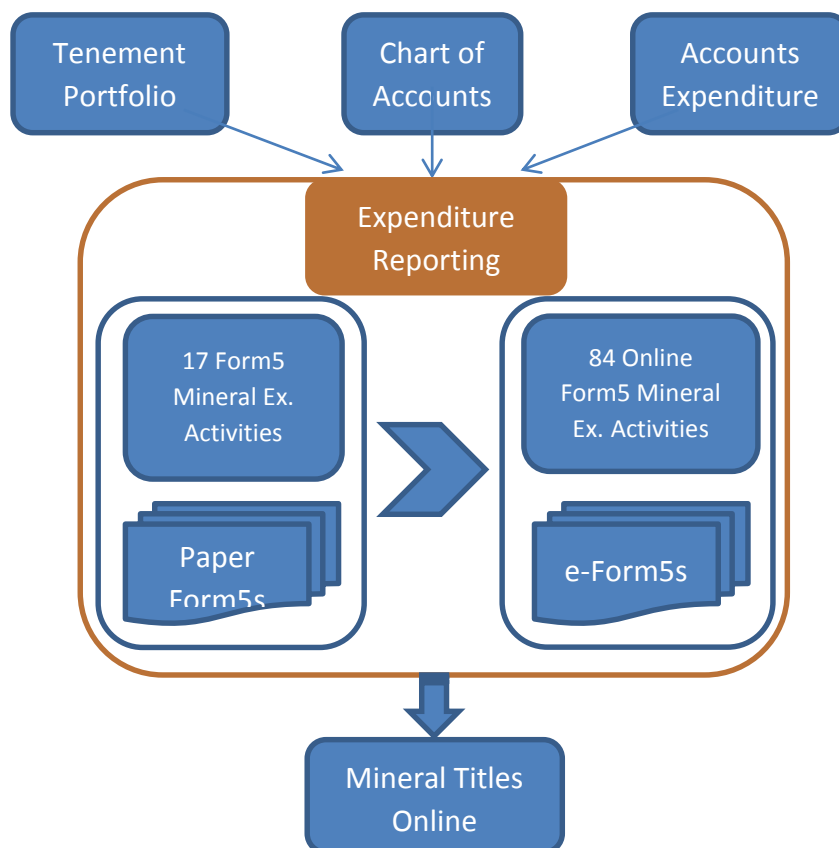


3. Overview of e-Form5 Workflow

Form5s are usually generated by a Land or Tenement Manager/Consultant. All the necessary data to submit the annual Form5 needs to be gathered and filtered so that appropriate expenditure is lodged for the tenement's reporting period. This expenditure needs to be broken down by the Form5 activities that are suggested in the supporting documentation that accompanies the paper Form5. This is quite an arduous process. Usually a company's Chart of Accounts will be set up to match the paper Form5 activities so that individual transactions for work completed on each tenement can be coded against the tenement under the appropriate Form5 activity.

The DMP recently introduced a new feature to Mineral Titles Online (MTO) where by a user can bulk upload multiple e-Form5s (max of 50) at one time. This feature will dramatically enhance the process of submitting multiple e-Form5s and reduce data entry errors as there will be no need to manually re-enter the e-Form5 details online. Single e-Form5s may also be uploaded in this fashion. Many land managers are faced with the prospect of submitting multiple e-Form5s on the same day. We know of one land manager, for a major gold producer, who was recently required to submit 220 e-Form5s on the same day.

To transition from using a paper Form5 to an e-Form5 you must understand the workflow associated with gathering the appropriate expenditure to allocate to your tenements. The workflow is as follows:





4. History of the Mineral Exploration Activities

On the instructions page of the traditional Form5 there are examples of the Mineral Exploration Activities:

[http://www.dmp.wa.gov.au/documents/Form_5_Operations_Report\(1\).pdf](http://www.dmp.wa.gov.au/documents/Form_5_Operations_Report(1).pdf)

These are as follows:

A. Mineral Exploration Activities

- | | |
|-------------------------|-----------------------|
| 1. Geological | 10. Costeaming |
| 2. Geochemical | 11. Field Supplies |
| 3. Geophysical | 12. Drafting |
| 4. Airborne geophysical | 13. Travel |
| 5. Remote Sensing | 14. Field Camp |
| 6. Mineralogical | 15. Environmental |
| 7. Surveying | 16. Feasibility Study |
| 8. Core Drilling | 17. Rehabilitation |
| 9. Non-core Drilling | |

B. Mining Activities (Development and Production)

C. Aboriginal Heritage Surveys

D. Annual Tenement Rent and Rates

E. Administration and Overheads

F. Land Access/Native Title

To be able to produce a Form5 for the tenement's reporting period the expenditure needs to be grouped by activity. Most mining companies have set up their Chart of Accounts to allow transactions to be coded appropriately. However it is the responsibility of the person preparing the Form5 to make sure that the expenditure is categorised accordingly.

5. Implementing new activities – implications for accounts and broader systems

The e-Form5 Mineral Exploration Activities have been greatly simplified from 17 to just 6. This means that the level to which expenditure needs to be reported has been reduced. The new Mineral Exploration & Mining Activities are:

The screenshot shows a software window titled "Add Mineral Exploration Activity". Inside, there is a section for "Mineral Exploration Activity Details". It contains a table with two columns: "Activity" and "Expenditure". The "Activity" column has a dropdown menu currently open, showing a list of options: "Please Select One", "Please Select One", "Drilling", "Environmental", "Geochemistry", "Geology", "Geophysics", "Drafting", "Field camp activities", "Field supplies", "Travel", and "Other". The "Expenditure" column is empty. To the right of the table are two buttons: "Add" and "Cancel".

Mandatory Online Submission of Operations Reports



A. Mineral Exploration Activities

1. Drilling
2. Environmental
3. Geochemistry
4. Geology
5. Geophysics
6. Drafting
7. Field camp activities
8. Field supplies
9. Travel
10. Other

B. Mining Activities

1. Care and Maintenance
2. Development
3. Environmental
4. Production

Expenditure needs only to be reported against Drilling, Environmental, Geochemistry, Geology, Geophysics and Other. If you have logged expenditure against any of these activities you must then define the breakdown for this expenditure i.e. select the activities that made up the work. There has been a fundamental shift in the way in which expenditure will need to be reported from what the expenditure was spent on i.e. just Travel, to why it was spent i.e. Travel but for Drilling or Travel for Geochemistry reasons.

The online eForm5 A - Mineral Exploration Activities are as follows:

1. Drilling

- | | |
|----------------------------|---------------------------------|
| 1. Aircore drilling | 7. Other |
| 2. Auger drilling | 8. Percussion drilling |
| 3. Core sampling | 9. Reverse circulation drilling |
| 4. Diamond drilling | 10. Rotary drilling |
| 5. Drilling | 11. Vacuum drilling |
| 6. Large diameter drilling | |

2. Environmental

- | | |
|---------------------------------|-------------------|
| 1. Environmental auditing | 5. Floral studies |
| 2. Environmental impact surveys | 6. Other |
| 3. Environmental management | 7. Rehabilitation |
| 4. Fauna studies | |

3. Geochemistry

- | | |
|---------------------------|------------------------------|
| 1. Assays | 9. Microdiamond analysis |
| 2. Bulk sampling | 10. Other |
| 3. Core sampling | 11. Rock chip sampling |
| 4. Deflation lag sampling | 12. Sampling |
| 5. Drill assays | 13. Soil sampling |
| 6. Electron microprobes | 14. Stream sediment sampling |

Mandatory Online Submission of Operations Reports



7. Ground water sampling
8. Infrared spectroscopy
4. Geology
 1. Computer applications
 2. Computer modelling
 3. Costeaming
 4. Data bases
 5. Exploration target generation
 6. Feasibility studies
 7. Geochronology
 8. Geological interpretation
 9. Geological mapping
 10. Geological reconnaissance
 11. GIS
 12. Hydrogeology
 13. Metallurgy
 14. Literature review
 15. Mineral resource estimate
 16. Mineralogy
 17. Other
 18. Palaeontology
 19. Petrography
 20. Photogeology
 21. Prospecting
 22. Relogging
 23. Review of exploration results
 24. Structural geology
5. Geophysics
 1. Aerial EM surveys
 2. Aerial magnetic surveys
 3. Aerial multispectral scanning
 4. Aerial photography
 5. Aerial radioactivity surveys
 6. Audiomagnetotelluric surveys
 7. Digital elevation modelling
 8. Electrical surveys
 9. Geophysical interpretation
 10. Geophysical logging
 11. Gravity surveys
 12. Ground EM surveys
 13. Ground magnetic surveys
 14. Ground radar surveys
 15. Ground radioactivity surveys
 16. IP surveys
 17. Landsat
 18. Other
 19. Photogrammetry
 20. Radioactivity surveys
 21. Resistivity surveys
 22. Satellite imagery
 23. Seismic interpretation
 24. Seismic surveys
 25. SP surveys
 26. Surveying
6. Drafting
7. Field camp activities
8. Field supplies
9. Travel
10. Other - Activity Description - this activity can be used to describe any activity that doesn't fit into the other listed activities

To be able to define which of these activities make up the expenditure there needs to be a direct mapping between the existing account codes defined in the Chart of Accounts to the new online eForm5 activities so that whoever is preparing the e-Form5 is able to allocate the expenditure appropriately. This may involve a change in the way in which companies are allocating expenditure to their account codes.



6. Conclusion

Due to the fact that there does not appear to be a direct mapping from the paper Form5 to the e-Form5 Mineral Exploration Activities and having discussed this issue with many of our clients, we are finding that most expenditure is being submitted under the 'Other' Mineral Exploration Activity. If this activity is selected you are able to define your own Activity Description by entering the description for the traditional paper Form5 activity.

Re-mapping a company's Chart of Accounts to match the new e-Form5 Mineral Exploration Activities would be very costly and time consuming and indeed almost impossible for some companies.

LandTrack Systems contacted its client base and gathered a list of suggested activity types to add to the e-Form5. We suggested to the DMP that if these missing activity types were added to the online activities this would reduce the impact on companies Chart of Accounts. This would also help with the issue of expenditure being coded against the 'Other' activity and enable the DMP to gather useful expenditure information.

On the 3rd August 2015 the DMP released version 5.13 of MTO which included 4 additional Operations Report activity types:

1. Drafting
2. Field Supplies
3. Field Camp Activities
4. Travel

Government of Western Australia
Department of Mines and Petroleum

Mineral Titles Online Help

5.13 Release 03 Aug 2015

Contents

- Home
- + Frequently Asked Questions (FAQ)
- General
- System Updates
 - 5.13 Release 03 Aug 2015
 - 5.12 Release 13 Jul 2015
 - 5.11.1 Release 11 Jun 2015

System Improvements for 5.13 Release

Enhancements

- Online Operations Report to include additional activity types:
 - Drafting
 - Field Supplies
 - Field Camp Activities
 - Travel

[← Previous Page](#)

If you are at all concerned about the transitioning from a paper Form5s to Online e-Form5s please do not hesitate to contact us at LandTrack Systems. We will be running an e-Form5 Workshop early December 2015.

Rachel Burnett, Client Relations Manager, rachel@landtrack.com.au