AMEC

# Association of Mining and Exploration Companies

ANNUAL REPORT 2020

## With grateful thanks to our key partners, sponsors and supporters this year

COVER IMAGE: EQ Resources' Mt Carbine Tungsten project, Queensland
AMEC would also like to thank our other members for internal images

# CONTENTS


REPORT FROM OUR PRESIDENT & CEO 2

AMEC COUNCIL 4

ADVOCACY AND ACHIEVEMENTS 6

AMEC AWARDS 13

AMEC EVENTS 14

AMEC DINNER 16

FINANCIAL STATEMENTS 18

AUDITOR'S REPORT 35

# REPORT FROM OUR PRESIDENT & CEO

## It is fair to say 2020 won't be a year anyone forgets in a hurry.

Like most years, it seemed that attracting investment would again be the largest key issue for our industry.

A challenging investment environment created by a number of highly publicised issues and international shocks created considerable uncertainty around the global economy, trade relations, and, closer to home, the devastating impact of the bush fires all impacted our economy and its attractiveness for investment. These had far reaching implications; however, Australia was not alone in facing these global challenges.

By the end of the first quarter of 2020, the COVID-19 pandemic had arrived and was having a catastrophic impact at a local, national and global level. For all of us, 2020 has imposed an extraordinary change in many aspects of daily life.

COVID-19 re-wrote the rule book for work in Australia and has had a bigger impact on our industry than anything in recent memory. Governments around Australia had to move quickly to put in place a wide range of restrictive measures to slow the spread of the virus and to protect the safety of all Australians. Although necessary for keeping people safe, these restrictions also had a profound and powerful impact across our society and our economy.

Our mining industry was given special exemption from some of these restrictions, enabling mining and exploration activities to continue to operate under strict new guidelines and protocols, and to ensure the health and safety of our workforce and the broader community. In this, we were fortunate, as many other Australian industries were forced to close.

It meant big changes for all, adapting to a new set of requirements and a new operating environment for over 250,000 employees.

We had to ensure that our companies and our employees adhered to these requirements to show Governments and the community how seriously we took our responsibility. It has also proved the ability of Australia's mining industry to move quickly to implement new operational requirements.

Travel restrictions and hard border closures meant that many interstate employees had to relocate, while many others lost jobs. Companies refocused their recruiting on finding new locally based employees to replace them, and to ensure greater contingency in their workforce.

Remote Aboriginal communities were closed, and large areas of the country locked up to protect these vulnerable communities. Companies placed exploration programs on hold and stood down employees as they attempted to buffer against a long and difficult period.

COVID-19 also completely flattened investment appetite in mineral exploration and many other industries. Without the ability to access this critical source of funds, and with companies' cash reserves depleting, the ability for many of these companies to survive the year was in question.

This had obvious impacts downstream for service providers and the drilling industry, with many companies needing to consider what they could expend on further exploration.

There are hundreds of small to medium size businesses that service and support our industry. These companies were also hit hard, with not much reserve to buffer against these impacts. Industry had to focus their efforts on surviving this crisis to emerge at its end, to assist our industry and country in the herculean task of economic recovery. Thankfully, we were able to access some forms of cost relief and financial assistance from Governments where needed, to take some of the pressure off.

Looking back, the speed with which we moved to meet the swiftly changing requirements of Governments to keep our industry open, to ensure the safety of our employees, and our communities, was incredible.

That we have been able to sustain our operations through this period is a remarkable achievement.

Australia's effort to 'flatten the curve' worked, and with that success came the promise of limited restrictions, the re-opening of businesses, and a return to a new normal.

Over the last 12 months, some extremely encouraging exploration results emerged, pointing the way to future projects. And although many of these early exploration successes still need to be proven as commercial discoveries, they are showing that the last few years of exploration effort are starting to pay dividend.

Despite the initial impacts of COVID-19, the wider exploration industry is finally enjoying a bumper period, with significant investment taking place in mining and exploration projects across Australia.

If Australia can continue to keep COVID-19 in check, and manage our vaccination program, our continent will have a clear advantage in attracting new mining investment as investors look for opportunities protected from the impacts of COVID-19.

Our ability to keep our mining and mineral exploration industry open and working is a significant benefit to the nation. It is also becoming a major competitive advantage globally at a time when many major mining jurisdictions around the world have been closed or severely limited by tight restrictions.

Governments around Australia are now heavily focused on the economic recovery process, and all have acknowledged that the mining industry has been holding up the Australian economy, contributing to improved public sentiment in what we do.

2020 has been a challenging year, for the Association and our member companies. Together, we have faced this adversity head on, and exceeded expectations. AMEC is proud to have been able to support our members through this period and we would like to thank all AMEC members for their support in 2020.

We sincerely thank our AMEC Councillors, Committee and Working Group members for their contributions in 2020 and thank the dedicated AMEC team for their hard work.

Looking ahead, there is a profound bullish sentiment in the demand for metals, particularly those required to unlock clean energy. Australian explorers and miners are well positioned to leverage off this improved investment sentiment and to continue to demonstrate our value proposition for all Australians and our nation.

Australia's economic recovery, and the fortunes of a great many Australians may well depend on the mining industry's ability to continue operations, paying wages and generating revenue.

Warren Pearce & Peter Bradford

Our industry has saved Australia from recession and depression before. We are now being called on to do it again. From what we have seen of our industry this year, we are more than equal to the challenge.

AMEC Chief Executive Officer
Warren Pearce

AMEC President
Peter Bradford

# AMEC COUNCIL

The AMEC Council consists of 18 industry leaders elected from our membership. Council elections are held annually and Councillors are drawn from all facets of the mineral exploration and mining industry around Australia.

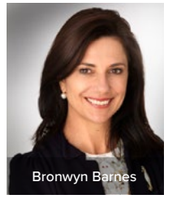
Peter Bradford

Jim Beyer

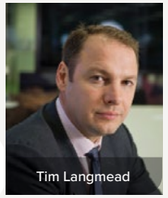
Bruce Fulton

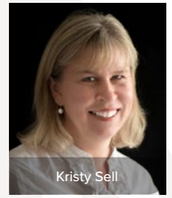
Campbell Baird

Will Robinson

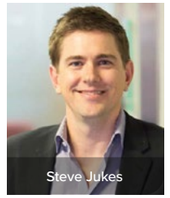

Bronwyn Barnes

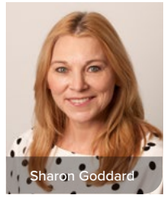
Shannon McMahon


Tim Langmead


Kristy Sell

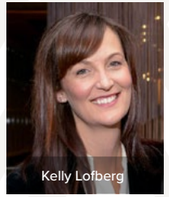
Darren Walker

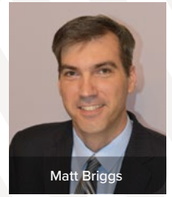

Steve Jukes

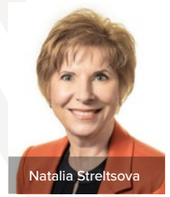

Sharon Goddard

Joanne Palmer

Keren Paterson

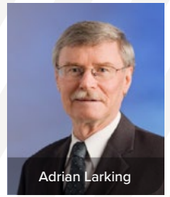

Kelly Lofberg

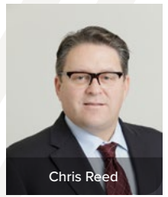

Matt Briggs

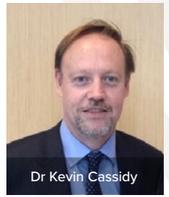

Natalia Streltsova

Jonathon Trewartha

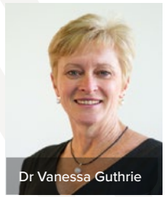
Outgoing Councillors in 2020


Adrian Larking


Chris Reed


Dr Kevin Cassidy

Ian Murray


Dr Vanessa Guthrie

| 2020 Council Meeting Attendence | Total |
|---|---|
| Shannon McMahon | 8 |
| Campbell Baird | 8 |
| Kristy Sell | 8 |
| Bruce Fulton | 7 |
| Peter Bradford | 7 |
| Jim Beyer | 7 |
| Darren Walker | 6 |
| Bronwyn Barnes | 6 |
| Tim Langmead | 5 |
| Kelly Lofberg | 5 |
| Joanne Palmer | 5 |
| Matt Briggs | 5 |
| Will Robinson | 4 |
| Steve Jukes | 4 |
| Sharon Goddard | 4 |
| Keren Paterson | 4 |
| Jonathon Trewartha | 4 |
| Natalia Streltsova | 4 |
| Adrian Larking | 1 |
| Chris Reed | 1 |
| Ian Murray | 1 |
| Kevin Cassidy | 0 |
| Vanessa Guthrie | 0 |

The Association of Mining and Exploration Companies (AMEC) represents the mining and mineral exploration sector in Australia. AMEC also has the largest membership base in the resources industry.

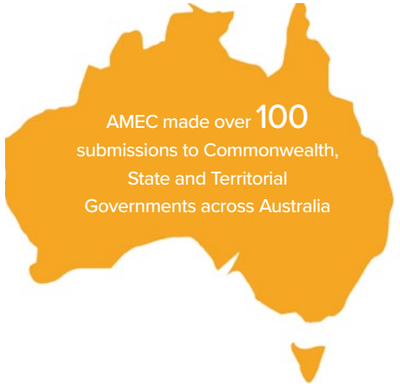
AMEC has saved the industry millions of dollars by being willing to challenge public policy issues and advocate crucial initiatives to reduce the cost of doing business for the industry and increase Australian mineral exploration and discovery.

AMEC has built strong relationships with Ministers and Government decision-makers in Federal, State and Territory jurisdictions. Through these relationships AMEC addresses public policy issues and implement positive change.

AMEC has industry based committees and working groups with representatives from our members. These groups allow members to become directly involved and ensure our policies and advocacy initiatives align with industry directions.

AMEC is serviced by a small, hardworking and dedicated team of professional staff with many years of hands-on experience in the minerals industry and industry representation.

AMEC had over **350** members in 2020




AMEC hosted over **40 virtual and in person events** across Australia

# ADVOCACY & ACHIEVEMENTS

## FEDERAL

### Successful Implementation of Junior Minerals Exploration Incentive (JMEI)

Following strong advocacy by AMEC, the Federal Government implemented the $100m Junior Minerals Exploration Incentive in 2018. The four year program, which concludes in 2021, has been over-subscribed demonstrating its success. AMEC is now advocating for its extension and expansion. AMEC provided considerable input in the design of the JMEI which has been critical to attracting private investment into greenfield exploration.

### Foreign Investment Review Board Reforms

AMEC has strongly opposed further barriers to foreign investment in Australia's mineral industry, which puts new projects and the continued development of our industry and economy at risk. AMEC continues to argue against further changes that discourage foreign investment into Australia's mining and exploration industry.

### Environmental Bilaterals and EPBC Reforms

AMEC has long advocated for reduction in duplication created by State and Commonwealth environmental legislation. In 2020, Commonwealth and State Governments have committed to implementing bilateral environmental assessments and approvals, 'single-touch approvals', which will remove significant duplication. AMEC continues to work with Governments to see these changes implemented.

### Research and Development Tax Incentive

AMEC fought changes to the R&D tax incentive that would have reduced the support provided by the program to industry by $1.8b over four years. Prior to the election, AMEC strongly opposed these changes, which saw the legislation referred to committee for review and deferred. Ultimately, these proposals were dropped by Government with the onset of COVID-19.

### Potash and Brine Guidelines

AMEC facilitated the drafting of a brine reporting guideline to increase the transparency and certainty of reporting of brine deposits on the ASX. These guidelines were subsequently accepted by JORC as the recommended methodology for measuring brine minerals.

### Critical Minerals Investment Document

Working with Austrade, AMEC has developed a portfolio of Australian investment opportunities in critical mineral companies. This document has been circulated amongst Australia's international Government Trade offices, showcasing the opportunity to invest in Australian mining and mineral exploration companies.

### National Resources Statement

AMEC was intimately involved in the development of the National Resources Statement, as well as the 2030 Resources Taskforce recommendations that preceded it. AMEC continues to work with the Commonwealth on its implementation.

### Exploring for the Future

AMEC advocated for the extension of the *Exploring for the Future* program, with the Commonwealth committing $125m to continue the program to create greater pre-competitive geological information to unlock future mineral discoveries.

### Policy Platform to Maximise Australia`s Resource Potential

AMEC has developed a comprehensive platform for supporting and growing Australia's mining industry. It covers a range of key industry issues including supporting exploration; investment attraction; streamlining assessment and approval processes; fiscal policies that support growth; energy and emissions reduction; and workforce and skills.

### Exploration Incentive Scheme / Co-funded Drilling

AMEC continues to strongly promote the financial, social and scientific benefits of co-funded drilling programs to all State and Territory Governments. With new programs and funding commitments announced in most States and Territories in 2020.

## SOUTH AUSTRALIA

### Mining Act Legislation

AMEC was heavily involved in the most comprehensive review of South Australia's mining legislation since its inception. AMEC has consistently advocated for the development of the legislation, and has met with the Premier, the Mines Minister and relevant Ministerial and Departmental staff to ensure the Government re-introduced the legislation unchanged. This legislation has now been passed and consultation begun on the regulations.

### Critical Minerals Strategy

AMEC successfully advocated for a critical mineral's strategy so that South Australia can take advantage of the significant investment and development opportunities on offer. In 2020, the Government committed $800,000 to identifying gaps in the critical minerals supply chain.

### Explore the Gawler

Government has committed $5m over three years to continue the *Explore the Gawler* challenge following calls from AMEC to develop a crowdsourced competition to use big data to discover the mines of the future.

### Identification of Groundwater Resources and Multi-user Infrastructure Corridors

$5.6m has been allocated to the identification of groundwater resources in priority mining regions and the development of a business case for multi-user infrastructure corridors. AMEC has called for this investment to support growth in key South Australian regions currently constrained by access and infrastructure issues.

### Right of Veto

In 2020, AMEC won important commitments from the Premier not to introduce 'right of veto' provisions into mining legislation, as was being called for by the agricultural industry.

### Accelerated Discovery Initiative

AMEC succeeded in convincing the Government to re-introduce and fund the co-funded drilling scheme in South Australia, now known as the ADI. This followed the cutting of the PACE initiative in 2018.

### Part 9B Mining Act: Right to Negotiate Consideration

The review of how Native Title is considered in South Australia via Part 9B of the Mining Act agreed to further consideration of AMEC's consistent recommendation of the Right to Negotiate. The next step to discuss how the Right to Negotiate would apply is expected in 2021.

## WESTERN AUSTRALIA

### Low Impact Notification & Streamlining

AMEC has long advocated for the introduction of low impact notification in WA, reducing the approvals requirements for low impact activities. Government has now committed to its introduction in 2021, along with a range of other streamlining measures for mining proposals and approvals.

### Aboriginal Cultural Heritage Reform

AMEC prepared a detailed response to the WA Governments draft of the Aboriginal Cultural Heritage Bill and has been an active stakeholder in the reform process. AMEC has advocated extensively for substantial changes to the draft Bill to ensure the proposed reforms will strike the right balance between protecting cultural heritage and economic development. The introduction of the Bill has now been deferred until 2021.

### Minerals in Brine mendments

AMEC advocated on behalf of the emerging minerals in brine industry to reduce the cost impost of the mining rehabilitation fund for minerals in brine project evaporation ponds. This resulted in winning a reduction from $52,000 per hectare to $20,000 per hectare. The area included in the calculation was also substantially reduced to only the areas needing rehabilitation, further reducing the costs.

### Diamond Royalty Rate

AMEC successfully advocated to the WA Government to lower the royalty rate for diamonds from 7.5% to 5% so that all companies can enjoy the same rate as those under a State Agreement.

### Lithium Royalty Relief

AMEC secured a financial assistance package from the WA Government for lithium spodumene producers. The package provides a 50% deferral of royalties for a twelve-month period, to be repaid over the following two years. The program will help these companies survive a temporary low-price environment and prevent further mine closures and job losses in the lithium industry.

### Regulation 169: Agents and Representatives

Parties appearing before the Warden in the early stages of Part IV Proceedings can now be represented by either a lawyer or an agent without seeking special leave. Amending Regulation 169 has been a key advocacy outcome sought by AMEC members.

### Minerals in Brine – Tenement Fees Reduction

AMEC helped secure a 90% reduction in the tenement fees for mineral in brine tenements, due to the low impact, large scale, and long life of these projects. This attracted a disproportionally high mining lease rental that rendered these projects uneconomic. The existing rental rate of $18.70 per hectare was reduced to $2.32 per hectare for the first five years of the lease; and $4.64 per hectare from year six onwards.

### Plan for our Parks
AMEC has directly assisted members wherever possible during the consultation and negotiation process. AMEC helped secure excision, or a lower conservation estate classification for member companies that highlighted a concern with the proposed park boundaries.

## NORTHERN TERRITORY
### Mine Management Plans
AMEC successfully persuaded and worked with the NT Government to streamline the Mine Management Plan for Exploration. This has made it easier for members and led to much faster approval timeframes.

### Environmental Reform
In recent environmental legislative reforms, AMEC successfully advocated to narrow the open standing provisions provided for all community members in the draft legislation, to only proponents and those directly affected. AMEC is heavily engaged in representing industry views to the Ministers and Departments during this major ongoing reform process.

### Critical Minerals and Mineral Investment Strategy
AMEC called for a NT Critical Minerals Strategy and launched an industry plan for the Territory. The Government adopted much of this plan in delivering its own strategy. AMEC is currently working with Government on its implementation and to develop a broader mineral investment strategy.

### Mining Remediation Fund
AMEC advocacy has ensured that the Mining Remediation Fund has remained separate to consolidated revenue and has prompted Government to develop a strategy, and form a panel to guide the expenditure of the fund on appropriately prioritised legacy sites. Prior to AMEC's intervention, the Fund had gathered $23m without a transparent method of acquitting its expenditure.

### Major project status
AMEC has been advocating for the adoption of the WA lead agency model, to improve co-ordination of project approvals and timeframes. The Operation Rebound Report has adopted this recommendation and AMEC is working to persuade Government to begin implementation.

### Prioritisation of Tanami Road Sealing
AMEC, working with members, has identified key areas of the Tanami Road that should be prioritised by government for sealing, to lower the impact this rugged track has on mineral exploration. AMEC has supported the NT Government to secure Commonwealth Government funding.

## QUEENSLAND
### Collaborative Exploration Initiative - Expanded Minerals, Geography and Frequency
Recent rounds of the initiative were focused on 'New Economy Minerals' and the region of the North West Minerals Province. AMEC's advocacy has sought for the expansion of the geographic area to be wider and to cover more mineral types, which was subsequently delivered by Government. The CEI was also boosted by $10m over the next four years.

### CopperString 2.0
AMEC has been advocating for the continued development of the North West Minerals Province, and associated infrastructure, to unlock the potential new mining projects. The Queensland and Commonwealth Government has now committed initial funding toward the CopperString 2.0 high voltage transmission line connecting the North West Minerals Province to the National Electricity Market. This critical energy infrastructure will lower energy costs and benefit both existing and emerging producers.

### Improving Resource Approval Efficiency
During the 2020 State election, AMEC won a commitment from the Qld Government to review the efficiency and timeliness of resource approval processes, including the reduction of duplication between assessing agencies. AMEC continues to work with the State Government to improve resource approval processes and assist Queensland to remain globally competitive.

### Tenure Reform
AMEC had substantial input into significant exploration tenure reforms. The reforms were designed to ensure land turnover and encourage progression to production, and introduced an option for operators to move to outcomes-based work programs, and a cap on the overall life of Exploration Permits.

### Data Confidentiality
As part of the consultation on the initiative, AMEC co-hosted an industry forum for stakeholders to discuss the rationale and mutual benefit that comes from making data available for future use. AMEC is continuing to advocate for the need for industry and Government alignment on data confidentiality timeframes.



### Geoscience Data Modernisation Project
The Geological Survey of Queensland have been working on the Geoscience Data Modernisation Project for several years. During 2020, AMEC worked with the Department of Natural Resources, Mines and Energy on the historic report resubmission process and the Practice Directions for reporting going forward to get a balance between an improved process and good geoscience data capture for exploration in the future.

## NEW SOUTH WALES
### NSW Minerals Strategy
Delivering a NSW strategy was the first key recommendation in the 2020 AMEC Policy Platform. The State Government released the NSW Minerals Strategy this year, aiming to increase investment attraction and position the State as a preferred destination for exploration and development. AMEC is now working closely with Government to ensure each and every action item is delivered.

### Mineral Allocation Areas Open for Expression of Interest
The NSW Government has finalised a new process to allow explorers access to NSW Mineral Allocation Areas. This follows extensive advocacy from AMEC following the Gazettal of these areas in 2018, preventing new exploration licence applications in these areas without Ministerial consent. Expressions of Interest will now be sought every two years.

### Rehabilitation Security Deposit Framework
AMEC developed a brief for Government outlining the current issues with the rehabilitation security deposit framework for exploration, recommending alternatives including reducing the security for exploration, providing group securities for multiple tenure, and an option to review annually as well as trust or levy alternatives. AMEC continues to push for these changes.

### Ministerial Minerals Industry Advisory Council
AMEC has advocated for the creation of, and been appointed to, the Ministerial Minerals Industry Advisory Council. The Council has been established to provide advice directly to the Deputy Premier as Minister for the Resources portfolio on current, emerging and future opportunities and challenges.

### NSW Policy and Regulation
AMEC has worked tirelessly over 2020 to ensure that industry views are heard in Government consultation on a range of policy and legislative measures. This has included Work, Health and Safety legislative review; Mining Act reform; red tape reduction; rental fees review; reconnaissance only tenure; renewal policy; coal allocation policy; review of the Geological Survey; new Tenure Management System; agricultural land use reform; Dams Safety levy; publication of reports from 'live' tenure; Minimum Standards for exploration; and work program forms and reporting.

### AMEC Support for NSW Mentoring Program
AMEC provided a scholarship for the NSW Women in Mining Mentoring Program to support a place for a woman from the exploration or emerging miner sector. AMEC also provide a mentor. The program offers women individual mentoring in a structured process that includes comprehensive professional matching and has proven results.

## VICTORIA
### Rehabilitation
AMEC is a member of the Stakeholder Reference Group being consulted on the changes to rehabilitation requirements in Victoria and is reviewing an update on the rehabilitation bond calculator that was last updated in 2011. The Government is focused on improving the framework and requirements for rehabilitation following the Victorian Auditor General Office's report. AMEC is working to prevent unreasonable requirements being placed on members.

### Additional Departmental resources
The Victorian Government has received a record number of tenure applications in 2020, in the wake of significant gold and copper discoveries. Following advocacy from AMEC, significant additional resourcing was allocated to manage the tenure as well as develop initiatives to streamline processing and reduce delays to support further mineral industry investment.

AMEC Members, Wallis Drilling on Chalice Gold's Julimar site

# 2020 AMEC MEMBER SURVEY

THE MEMBER SURVEY RETURNED SOME VERY FAVOURABLE RESULTS, WITH SIGNIFICANT IMPROVEMENTS ON THE RESULTS OF THE 2018 MEMBER SURVEY. THE KEY RESULTS FROM THE SURVEY WERE AS FOLLOWS:

**97%** of Associate Members were happy with the access to Explorers and Producers.

**83%** of respondents thought that AMEC provided sufficient support in the jurisdiction they operate, up from 65% in 2018.

**94%** believe AMEC membership is good value for money, up from 78% in 2018.

**93%** of survey respondents believe that AMEC is an influential organisation, up from 89% in 2018

**60%** thought that AMEC should do more to **build community support** for the industry.

**94%** feel that AMEC is progressing in the right direction, up from **83%** in 2018

**88%** of respondents feel that their views are being represented effectively, up from 77% in 2018.

**87%** of respondents said they were happy with the level of support and advocacy they received from the Association during COVID-19.

**83%** of respondents had attended AMEC events, and an overwhelming majority of respondents rated all AMEC events as either **good** or **excellent.**



# OUT & ABOUT

Lucy McClean, Haydn Lynch, Paula Dell-McCumstie at Manuka Resources' Mt Boppy site, NSW

Doug Bowie, Andrew Penkethman, Mathew Longworth, Matt Painter at Diggers & Dealers, WA

Kate Dickson, Ngaire Tranter, Luke Tranter, Thomas Dwight at BBMC Gala, QLD

Warren Pearce, Doug Bowie, Kate Dickson, Lucy McClean, Paula Dell-McCumstie, Neil van Drunen at RIU Explorers, WA

WA Boardroom Lunch with Richard Sellers Director General of the Department of Jobs, Science, Tourism & Innovation

# COVID-19 ADVOCACY

Mining operations across Australia remain open and AMEC has been closely involved in ongoing conversations and negotiations around Government policies and restrictions to make these as practical and achievable as possible for member companies, enabling work to continue.

AMEC worked hard to ensure that exploration was considered an essential activity in all States and Territories, ensuring that this work could continue.

AMEC advocacy secured the following outcomes:

**Western Australia** provided an exemption for exploration expenditure for 12 months on application, reduced the mine safety levy, and three month mineral exploration tenement rental fee deferrals on a case by case basis

**South Australia** provided a 12 month waiver on exploration expenditure and a six month deferral on mineral exploration tenement rental fees

**New South Wales** announced a deferral of new and current exploration tenure fees and levies for six months, amended tenure advertising requirements, as well as acknowledgement of COVID-19 as an extenuating factor for completion of work programs and in renewal applications until at least June 2021.

**Queensland** has delivered a 12 month waiver of rent on exploration land due between 1 April 2020 and 31 March 2021, a freeze on fees and charges under the Resource Acts at 2019–20 rates until 1 July 2021, and brought forward $2.8m in grant funds for innovative exploration, and an additional $10m over four years will extend and expand the existing Collaborative Exploration Initiative. To assist work program commitments, recognition that COVID-19 is an exceptional event that may require explorers to vary work programs and/or relinquishment conditions has also been implemented.

**Victoria** provided a deferral of rents and annual fees on exploration and retention tenure for six months, amendment to tenure advertising requirements, and consideration of impact of COVID-19 on exploration expenditure, renewals, and other requirements on a case by case basis as well as a freeze on fee increases.

**Tasmania** announced the Explorer Support Package including suspension of rental payments for exploration licences, exemptions from licence work conditions, fees for applications waived in addition to the six-month extension of the Exploration Drilling Grant Initiative, and the freeze on government fee increases.

**Northern Territory** is currently considering relief measures and is consulting with Land Councils before a decision is made. AMEC is also requesting Land Councils provide relief for areas explorers are no longer able to access.

AMEC successfully advocated to the Commonwealth Government to lift the Commonwealth Biosecurity Area requirements, enabling mineral exploration to recommence without restriction. AMEC has continued to advocate for easing of border restrictions to enable mining industry workers to travel to and from work safely.

"Geos Mining has been impressed with AMEC's professionalism, integrity, and ability to proactively engage its members towards providing a united voice that can be heard by major political decision makers."

TOM BRADBURY, MANAGING DIRECTOR, GEOS MINING.

"With all of the other pressures on mid to small-cap miners, it's great that AMEC can help with the heavy lifting on the less glamorous but equally important activities of government policy and mining advocacy,"

MIKE YOUNG, MANAGING DIRECTOR, VIMY RESOURCES.

Staff social distancing on IGO's Nova site



# AMEC AWARDS

This year's AMEC Awards showcased the commitment to exploration, the environment and community within the Australian mineral exploration and mining sector. The winners of these prestigious awards were announced at the annual AMEC Awards Dinner in Perth on Thursday 10 December.

And once again, the standard from all nominees was exceptional making judging in each category a difficult task. The 2020 Prospector Award was presented to joint winners Peter Muccilli, Robert Hartley, Mark Muller & Tahn Doan for the Cassini Discovery; and Hilke Dalstra, Jennifer Maguire & Mawson Croaker for the Winu Project.

Following some lean years for mineral exploration, it is exciting to see so many nominations for the Prospector Award and joint winners for the first time. This is an excellent sign that our industry is not only recovering, but growing.

The AMEC Community Contribution Award recognises companies who are collaborating with the community in emerging and established partnerships to provide enduring benefits to communities. This year's winners, SO4 Potash and the Wiluna community have established a partnership that uses a holistic approach encompassing all aspects from education and employment for both the community and the company, to responding to cultural and community needs.

The AMEC Media Awards were also presented at the dinner. These awards recognise excellence in journalism covering the Australian mineral exploration and mining industry. The entries for the two Media Award categories – Online and Print – are judged on clarity, relevance, quality of research, and level of impact on industry stakeholders.
The winner of the Online Award was Jarrod Lucas from the ABC for his article "*There's got to be a better way: Exploration company pushes to reduce plastic bags*". The Print Media Award was presented to Peter Ker from The Australian Financial Review for his article "*End of the lifestyle company as fewer explorers deliver more drilling*".

Cassini Discovery Team, Co-winners of the Prospector Award 2020

Consolidated Minerals, Winners of the Environment Award 2020

The AMEC Environment Award is presented to a company that goes above and beyond in their environmental management or is developing innovative methods to achieve better long-term environmental outcomes. This year winners were Consolidated Minerals who have developed an AI program to automate the process of identifying the endangered Northern Quoll within camera trap photos. This AI application has huge potential to become a standard method for remote species identification.

Winu Discovery Team, Co-winners of the Prospector Award 2020

# AMEC EVENTS 2020

COVID-19 restrictions throughout Australia in 2020 meant that a number of in person events were held virtually, and seminars and workshops were held as Webinars

## Webinars

AMEC AGM by video conference

Navigating Disruption Webinar

Community Confidence Webinar

Meet the NSW Resources Regulator

QLD Industrial Manslaughter

NAIF Webinar

Meet NSW Mining, Exploration and Geoscience (MEG)

NSW Tax Webinar

Zephyr Capital Webinar

Meet NSW Department of Planning, Industry and Environment

QLD NROLA is here!

WA Economic Recovery Webinar

Meet VIC Earth Resources

Critical Minerals Webinar

NSW Resources Regulator Site Inspections

Unravelling NSW Regulation

VIC Earth Resources Community Consultation Webinar

Exploring for the Future, Geoscience Australia Webinar

QLD Tenure Performance Dashboard

NSW Environmental Obligations

The Ins and Outs of Chinese Outbound Investment

Environmental, Social and Governance (ESG) Webinar

Working with the Media Webinar

QLD Financial Provisioning, Progressive Rehabilitation and Closure Plans

Preparing for the QLD Wet Season

NSW Regulator Portal

## Boardroom Lunches (In-person and Virtual)

Hon Bill Johnston, WA Minister for Mines and Petroleum

Mr Dale Last, QLD Shadow Minister for Natural Resources and Mines

Matt Keogh MP, Shadow Minister for Western Australian Resources

Rohan Cobcroft, Director, Geological Survey of SA

Ian Scrimgeour, Director, NT GeoSurvey

Tom Hatton, Chair WA Environmental Protection Authority

Hon Dr Anthony Lynham, QLD Minister for Natural Resources, Mines and Energy

Karen Hussey,  Deputy Director General, QLD Department of Environmental Policy & Programs

Mike Rowe, Director General, WA Department of Environment and Water Regulation

Hon Jaclyn Symes, VIC Minister for Resources

Hon Rob Stokes, NSW Minister for Planning and Public Spaces

## WA EXPLORERS DAY

On 10 March 2020, AMEC held the inaugural Explorers Event in the Western Australian Parliament House. This event aimed to raise awareness of mineral exploration in Western Australia and gave AMEC Members and Members of Parliament the opportunity to speak directly about the regulatory framework that impacts the discovery of future mines of WA.

Hon Peter Tinley AM MLA, Bronwyn Barnes, Hon Bill Johnston MLA, Mike Young

Adrian Larking, Iva Morrell, Matthew Budge, Jim Beyer, Shannon McMahon, Simon Millman

QLD Company Directors Workshop

## WORKSHOPS & SEMINARS

AMEC was able to host three events in February prior to the COVID-19 lockdown. Thanks to Gallagher for hosting a Company Directors workshop in Brisbane, McCullough Robertson for hosting a NSW Water Workshop in Sydney and JBS&G for hosting a PEPR event in Adelaide.

AMEC's long time partner Allion Partners hosted a seminar on the changes to Western Australian's Work Health and Safety Legislation, and what it means for the mineral exploration and mining industry.

In September, AMEC held a seminar in Perth to update members with the latest of environmental reforms and initiatives as well as leading industry knowledge and management practices. The seminar featured presentations from the Hon Bill Johnston MLA, Minister for Mines and Petroleum, Energy, Industrial Relations; Hon Stephen Dawson MLC, Minister for Environment, Disability Services, Electoral Affairs; and Dr Tom Hatton, Chair, WA Environmental Protection Authority plus senior WA departmental representatives and mining company and environmental specialists.

## INVESTOR BRIEFINGS & BREAKFAST

AMEC held two Investor Briefings in Perth during 2020 offering listed mining and exploration companies the opportunity to present to a targeted audience of high net worth investors, self-funded superannuation investors, retirees, and company shareholders.

In October, AMEC brought together leaders from four emerging mining companies that are building and/or commissioning new mines in the next couple of years. This breakfast event gave members an opportunity to learn about the operations of these companies and their procurement needs during the important development phase.

AMEC Investor Briefing

## WA GOLF DAY

The AMEC Golf Day 2020 was held on Tuesday 20 October at the exclusive Lake Karrinyup Country Club, one of WA's premier golf courses. This event provided an ideal opportunity to network with industry colleagues and play on a course which is generally not open to the public.

Thirty teams took to the challenging fairways competing for a number of hole prizes including a vehicle on the Hole-in-One sponsored by Gallagher and Auto Classic and a gold nugget donated by Westgold on the Circle Competition hole.

Thanks to all our golf day sponsors and players and congratulations to all the prize winners on the day. All money raised from the hole competitions was donated to the Royal Flying Doctor Service.

Lake Karrinyup Country Club

# AWARDS DINNER

Over 300 AMEC members and guests gathered at the spectacular State Reception Centre in Kings Park on Thursday 10 December to celebrate the outstanding contributors to the mineral exploration and mining industry year

AMEC expresses sincere thanks to all the Award Sponsors - DDH1 Drilling, Hetherington and Argonaut. Congratulations to all the award winners.

Long serving AMEC Councillor Adrian Larking was awarded an AMEC life membership. Adrian was an AMEC Councillor for 17 years and has represented the Association on a number of industry bodies. Adrian continues to chair the prestigious Prospector Award Committee.

This year we were joined by the Australian Prospectors and Miners Hall of Fame who inducted Mrs Gina Rinehart into the categories of Entrepreneurs and Promotors. This induction recognised her outstanding achievements in leading Hancock Prospecting in the development of the Roy Hill iron ore mine in Western Australia.

Tim Goyder, Linda Goyder, Hannah Dorsch, Alex Dorsch

Justin Osborne, Chris Wipple, Sharon Goddard, Campbell Baird, Kristy Sell

Jennifer Cairns. Chris Cairns, Kim Hewson, Kate Anderson

Vicky Bradford, Peter Bradford, David Parker

Warren Pearce, Lee Moore, Hon Norman Moore

Neil Martson, Sue Marston, Samantha McGahan, Iva Morrell, Jaya Prasad, Shannon McMahon

Bryan Smith AM & Doug Koontz

SO4 Team - Winners of 2020 AMEC Community Contribution Award for their Lake Way Sulphate of Potash project

Peter Bradford presenting Adrian Larking with AMEC Life Membership

Mrs Gina Rinehart, Inductee of the Australian Prospectors and Miners Hall of Fame

Jim Beyer, Julian Tapp, Hon Bill Johnston MLA, Jon Hronsky OAM, Lyn Hronsky, Mike Young

## OPERATIONAL AND FINANCIAL REPORT Association of Mining and Exploration Companies

The net assets and net profit/(loss) after tax for the 2020 financial year are:

| | Y/E 31 December 2020 | Y/E 31 December 2019 |
|---|---|---|
| NET ASSETS | $2,668,690 | $2,602,304 |
| NET PROFIT/ (LOSS) AFTER INCOME TAX | $66,386 | $(225,436) |

### Principal Activity

The Association of Mining and Exploration Companies Inc. (AMEC) is a national industry body that represents and provides services to corporate and individual members with direct or indirect interests in the Australian resources sector.

### Significant Changes in the State of Affairs

No significant change in the nature of these activities occurred during the financial year.

### COVID-19

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organisation. The pandemic has not significantly affected the entity itself, though did impact the Association's events program and associated revenue.

### Significant Events after Balance Date

No matters or circumstances have arisen since the end of the financial year which significantly affect the operations of the entity, the results of those operations or the state of affairs of the entity in future financial years.

### Environmental Regulation and Performance

The entity's operations are not regulated by any environmental regulation under a law of the Commonwealth or of a State or Territory.





### Councillors Remuneration Report

Councillors receive no remuneration or other benefits as the positions are honorary in nature.

### Indemnification and Insurance of Councillors and Officers

During the financial year the Association paid an insurance premium of $4,319.70 to indemnify Councillors and Officers against all loss and/or defence costs for which they become legally obligated to pay, through their position with the Association, and on account of any claim first made against them during the period of insurance cover where such claim is brought:

- Pursuant to the Trade Practices Act 1974, Fair Trading or similar legislation of any State or Territory, and/or pursuant to any other consumer protection legislation.
- In respect of a breach or alleged breach of contract, libel or slander.
- In respect of infringement of copyright, trademarks, registered designs or patents, or any plagiarism, or breach of confidentiality.

Provided that any liability does not arise directly or indirectly in relation to dishonest, fraudulent, criminal or malicious act.

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or part of those proceedings. The entity was not a party to any such proceedings during the year.

### Non-Audit Services

The entity's auditor, KPMG, provided no non-audit services during the year ended 31 December 2020.

Signed on 26 February 2021 in accordance with a resolution of Councillors on 26 February 2021.

Peter Bradford
President

# Lead Auditor's Independence Declaration under Part 5 - Division 5 of the Section 307C of the Associations Incorporations Act 2015 (WA)

To the Councillors of the Association of Mining and Exploration Companies Inc (AMEC)

I declare that, to the best of my knowledge and belief, in relation to the audit of AMEC for the financial year ended 31 December 2020 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

R Gambitta
*Partner*

Perth

26 February 2021

KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.





## COUNCILLORS' DECLARATION

The Councillors have determined that the Association is a reporting entity and that this general purpose financial report should be prepared in accordance with the accounting policies as set out in note 2 to the financial statements.

1. In the opinion of the Councillors:

(a) the financial statements including the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and notes to the accounts:

(i) presents fairly the financial position of the Association of Mining and Exploration Companies Inc. as at 31 December 2020 and of its performance for the year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Association of Mining and Exploration Companies Inc. will be able to pay its debts as and when they fall due.

2. This declaration has been made in accordance with a resolution of the Council on 26 February 2021, and is signed on 26 February 2021.

Campbell Baird
Treasurer

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

>> For the year ended 31 DECEMBER 2020

| | 2020 | 2019 |
|---|---|---|
| **REVENUE** | **$** | **$** |
| Subscriptions | 1,619,427 | 1,404,147 |
| Revenue from operations | 289,710 | 434,108 |
| Interest and other income | 325,143 | 95,364 |
| **TOTAL REVENUE** | **2,234,280** | **1,933,619** |
| **EXPENDITURE** | | |
| Expenditure on core operations | 1,872,007 | 1,886,389 |
| Communications | 30,285 | 33,218 |
| Occupancy | 47,999 | 29,870 |
| Depreciation | 72,870 | 76,856 |
| Other general expenses | 144,733 | 132,722 |
| **TOTAL EXPENDITURE** | **2,167,894** | **2,159,055** |
| **Profit/(loss) from continuing operations before income tax expense** | 66,386 | (225,436) |
| Income tax expense | - | - |
| Net Profit/(Loss) from continuing operations after income tax expense | 66,386 | (225,436) |
| **TOTAL COMPREHENSIVE INCOME/LOSS** | **66,386** | **(225,436)** |



# STATEMENT OF FINANCIAL POSITION >> As at 31 DECEMBER 2020

| ASSETS | Notes | $ 2020 | $ 2019 |
|---|---|---|---|
| Current Assets | | | |
| Cash and cash equivalents | 3 | 425,445 | 488,055 |
| Term Deposits | 3 | 3,553,277 | 2,900,000 |
| Trade and other receivables | 4 | 4,330 | 11,940 |
| Prepayments | 5 | 859 | 3,273 |
| Rental Bond | | 23,494 | - |
| **TOTAL CURRENT ASSETS** | | **4,007,405** | **3,403,268** |
| Non-Current assests | | | |
| Property, plant and equipment | 6 | 49,717 | 12,805 |
| Right of Use Asset | | 151,825 | - |
| Total non-Current assets | | **201,543** | **12,805** |
| **TOTAL ASSETS** | | **4,208,948** | 3,416,073 |
| **LIABILITIES** | | | |
| Current Liabilities | | | |
| Trade and other payables | 7 | 254,543 | 81,712 |
| Provisions | 8 | 127,786 | 169,746 |
| Unearned revenue | 9 | 1,003,152 | 562,311 |
| Lease Liability | | 47,287 | - |
| **TOTAL CURRENT LIABILITIES** | | 1,432,768 | 813,769 |
| **NON-CURRENT LIABILITIES** | | | |
| Lease Liability | | 107,490 | - |
| **TOTAL NON-CURRENT LIABILITIES** | | 107,490 | - |
| **TOTAL LIABILITIES** | | 1,540,258 | 813,769 |
| **NET ASSETS** | | **2,668,690** | **2,602,304** |
| **EQUITY** | | | |
| Retained profits | 10 | 2,668,690 | 2,602,304 |
| **TOTAL EQUITY** | | **2,668,690** | **2,602,304** |

## Statement of Cash Flows >> For the year ended 31 December 2020

| CASH FLOWS FROM OPERATING ACTIVITIES | Notes | 2020 $ | 2019 $ |
|---|---|---|---|
| Receipts from operating activities | | 2,346,986 | 1,767,882 |
| Receipts from bank interest and other income | | 335,745 | 93,660 |
| Payments to suppliers and employees | | (1,982,283) | (2,090,013) |
| Net cash flow generated from/(used in) operating activities | 11 (a) | 700,448 | (228,471) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Property, plant and equipment | | (49,156) | (1,399) |
| Net cash used in investing activities | | (49,156) | (1,399) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Payment of Lease Liabilities | | (60,625) | (69,771) |
| (Increase)/Decrease in Term Deposits | | (653,277) | 200,000 |
| Net cash used in financing activities | | (713,902) | 130,229 |
| Net increase/(decrease) in cash and cash equivalents | | (62,610) | (99,641) |
| Cash and cash equivalents at 1 January | | 488,055 | 587,696 |
| Cash and cash equivalents at 31 December | | 425,445 | 488,055 |

## Statement of changes in Equity >> For the year ended 31 December 2020

| | Notes | Retained Earnings $ | Total $ |
|---|---|---|---|
| As at 1 January 2019 | | 2,827,740 | 2,827,740 |
| Net profit for the period | | (225, 436) | (225, 436) |
| As at 31 December 2019 | 10 | 2,602,304 | 2,602,304 |
| As at 1 January 2020 | | 2,602,304 | 2,602,304 |
| Net profit for the period | | 66,386 | 66,386 |
| As at 31 December 2020 | 10 | 2,668,690 | 2,668,690 |



# OPERATIONAL AND FINANCIAL REPORT

## NOTES TO AND FORMING PART OF THE ACCOUNTS

### 1. CORPORATE INFORMATION

The financial report of the Association of Mining and Exploration Companies Inc. for the year ended 31 December 2020 was authorised for issue in accordance with a resolution by the Council members dated 26 February 2021.

The entity is an association incorporated under the Associations Incorporation Act 2015.

The entity is a not for profit entity and was established for the purpose of representing and providing services to its membership.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of preparation**

The Councillors have determined that the accounting policies and standards adopted for the preparation of this report are appropriate to meet the needs of the members. In the opinion of the directors, the Company is not publicly accountable. This financial report is a Tier 2 general purpose financial statements prepared in accordance with Australian Accounting Standards – Reduce Disclosure Requirements adopted by the Australian Accounting Standards Board ("AASB") and the Associations Incorporations Act 2015. These financial statements comply with Australian Accounting Standards – Reduced Disclosure Requirements.

The financial report has been prepared on a Going Concern basis which assumes continuity of normal business activities and the realisation of assets and liabilities in the ordinary course of business.

The financial report has been prepared on an accrual's basis and in accordance with the historical cost convention. All amounts are presented in Australian dollars, unless otherwise noted.

Judgments made by management in the application of Australian Accounting Standards that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements and are consistent with those applied in previous years.

**Revenue recognition**

Revenue is recognised over time as the services are provided to members. The following specific recognition criteria must also be met before revenue is recognised:

**Subscriptions**

Membership subscriptions are recognised as revenue in the year to which they relate.

**Cash**
Cash and cash equivalents in the balance sheet comprise cash at bank and in hand.

**Term deposits**
Term deposits which have a term of > 3 months. These deposits do not relate to short term operational funds and are disclosed as term deposits.

**Trade and other receivables**
Trade receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Association will not be able to collect the receivable.

Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

**Income tax and other taxes**
The Association is exempt from Income Tax under Section 50-40 of the Income Tax Assessment Act 1997.

Revenues, expenses and assets are recognised net of GST except:

- when the GST incurred on purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquiring an asset or as part of an expense item as applicable; and

- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a net basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

**Property, plant & equipment**
Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. The assets residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Depreciation is calculated on a straight-line basis over estimated useful life of the asset. The depreciation rate used for plant and equipment is 7.5% - 33% pa.





*Impairment*
Carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash flows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

Impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the income statement in the cost of sales line item. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

**Trade and other payables**
Trade payables and other payables are carried at amortised cost due to their short-term nature and they are not discounted. They represent liabilities for goods and services provided to the entity prior to the end of the financial year that are unpaid and arise when the entity becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

**Employee leave entitlements**
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employee's services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

**Long service leave**
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service.

**Leases**
The determination of whether an arrangement is or contains a lease is based in the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

**Changes in significant accounting policies**
Several new standards are effective for annual periods beginning after 1 January 2020, but they do not have a material effect on the Association.

**New Standards and Interpretations yet to be adopted**
Standards applicable for the first time from 1 January 2020 have had no material effect on the Association.





| 3. CASH AND TERM DEPOSITS | 2020 $ | 2019 $ |
|---|---|---|
| Cash at bank and in hand | 425,445 | 488,055 |
| Short term Deposits | 3,553,277 | 2,900,000 |
| | **3,978,722** | 3,388,055 |

Cash at bank earns interest at floating rates based on daily bank deposit rates.
Short-term deposits are made for varying periods of up to twelve months, depending on the immediate cash requirements of the entity, and earn interest at the respective short-term deposit rates

| 4. TRADE AND OTHER RECEIVABLES | | |
|---|---|---|
| Trade and other receivables | 4,330 | 11,940 |
| | 4,330 | 11,940 |

| 5. PREPAYMENTS | | |
|---|---|---|
| Prepaid expenses | 859 | 3,273 |
| | 859 | **3,273** |

| 6. PROPERTY, PLANT AND EQUIPMENT | | |
|---|---|---|
| At cost | 154,726 | 141,659 |
| Less accumulated depreciation | (105,009) | (128,854) |
| | 49,717 | **12,805** |

| 7. TRADE AND OTHER PAYABLES | 2020 $ | 2019 $ |
|---|---|---|
| Trade payables | 85,188 | 5,007 |
| Sundry creditors | 169,355 | 76,705 |
| | 254,543 | 81,712 |

| 8. PROVISIONS | | |
|---|---|---|
| Employee leave provisions | 127,786 | 169,746 |
| | 127,786 | 169,746 |

| 9. UNEARNED REVENUE | | |
|---|---|---|
| Unearned event fees | - | - |
| Full member subscriptions | 854,033 | 471,981 |
| Associate member subscriptions | 149,119 | 90,330 |
| | 1,003,152 | 562,311 |

| 10. RETAINED PROFITS | | |
|---|---|---|
| Retained profits at beginning of the financial year | 2,602,304 | 2,827,740 |
| Net profit/(loss) for the year | 66,386 | (225,436) |
| RETAINED PROFITS AT THE END OF FINANCIAL YEAR | 2,668,690 | 2,602,304 |



| 11. CASH FLOW STATEMENT | 2020 $ | 2019 $ |
|---|---|---|
| (a) Reconciliation of net profit to net cash flow from operations | | |
| Profit/(loss) from ordinary activities | 66,386 | (225,436) |
| Non-cash items | | |
| Depreciation | 72,870 | 76,856 |
| Changes in assets and liabilities: | | |
| (Increase)/Decrease in trade receivables | 7,611 | 31,928 |
| Decrease/(Increase) in prepayments | 2,414 | 8,917 |
| Increase/(Decrease) in trade and other payables | 172,830 | (12,568) |
| Increase/(Decrease) in unearned revenue | 440,840 | (104,004) |
| Increase/(Decrease) in current provisions | (41,960) | (4,162) |
| (Increase)/Decrease in rental bond | (23,494) | - |
| (Increase)/Decrease in Right of Use Asset | (151,825) | - |
| Increase/(Decrease) in Current Lease Liability | 47,287 | - |
| Increase/(Decrease) in Non Current Lease Liability | 107,489 | - |
| NET CASH FLOW GENERATED FROM/(USED IN) OPERATING ACTIVITIES | 700,448 | (228,471) |

## 12. COUNCILLOR DISCLOSURES

**Details of Key Governance Personnel**

The following were Councillors of the Association during the period:

Peter Bradford (President )
Bruce Fulton (Vice President)
Jim Beyer (Vice President)
Campbell Baird (Treasurer)
William Robinson
Shannon McMahon
Tim Langmead
Darren Walker
Steve Jukes
Bronwyn Barnes
Kristy Sell
Sharon Goddard
Keren Paterson
Kelly Lofberg
Joanne Palmer
Matt Briggs
Jonathan Trewartha
Dr Natalia Streltsova
Adrian Larking (retired April 2020)
Chris Reed (retired April 2020)
Dr Vanessa Guthrie (retired April 2020)
Dr Kevin Cassidy (retired April 2020)
Ian Murray (retired April 2020

**Compensation of Key Management Personnel**
The key management personnel compensation for the two executive positions was $410,215 (2019: $506,375) for the year ended 31 December 2020.

**Other Transactions with Key Governance Personnel**
The Councillors have not entered into any transaction with the Association that was not at arm's length on normal trading terms available to other members of the Association.

## 13. EVENTS AFTER THE BALANCE SHEET DATE

There have been no material post balance date events or transactions which could affect the financial position or performance of the entity.

## 14. AUDITOR RENUMERATION

The auditor of the Association of Mining and Exploration Companies is KPMG.

| | 2020 $ | 2019 $ |
|---|---|---|
| Fees for audit of the financial report of the entity | 11,000 | 11,000 |
| | 11,000 | 11,000 |

KPMG's audit fees are provided as a contra to certain sponsorships, events and advertising offered by the Association of Mining and Exploration Companies.

## 15. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

**Overview**
The Association has exposure to the following risks arising from financial instruments:

(a) Credit Risk
(b) Market Risk
(c) Liquidity Risk

This note presents information about the Association's exposure to each of the above risks and the Association's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

The Association's Council Members have overall responsibility for the establishment and oversight of the Association's risk management framework. Risk management policies and systems are monitored regularly by the Council to reflect changes in market conditions and the Association's activities.

**(a) Credit Risk**
Credit risk is the risk of financial loss to the Association if a customer or counterparty to a financial instrument fails to meet it obligations, and arises principally from the Association's receivables from customers and cash deposits.

**Trade and other receivables**
The Association's exposure to credit risk is influenced mainly by the individual characteristics of each customer.
New customers are generally analysed individually for creditworthiness before credit is offered.





The Association establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

**Impairment losses**
The aging of trade receivables at the reporting date was:

| | Gross 2020 $ | Impairment 2020 $ | Gross 2019 $ | Impairment 2019 $ |
|---|---|---|---|---|
| Not past due 0-30 days | - | - | - | - |
| Past due 31-60 days | 4,330 | - | 1,337 | - |
| Past due 61-90 days | - | - | | - |
| Past due 91+ days | - | - | | - |
| TOTAL | 4,330 | | 1,337 | |

**(b) Market Risk**
Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Association's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**Interest Rate Risk**
Interest rate risks are limited to the impact of changes in interest rates on income earned on cash and term deposits. Interest rate risk represents the only significant market risk of the Association. At the reporting date the interest rate profile of the Association's interest-bearing financial instruments was:

| | Carrying Amount 2020 | 2019 |
|---|---|---|
| **Variable rate instruments** Cash at bank | 425,245 | 487,855 |
| **Fixed rate instruments** Term deposits | 3,553,277 | 2,900,00 |

With respect to cash at bank, a change of 100 basis points in interest rates would increase or decrease the profit and loss by $4,252 (2019: $4,879). The fair value of financial assets and liabilities approximate their carrying value at year-end.

(c) Liquidity Risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Association's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Association's reputation.

The following are the contractual maturities of financial liabilities being trade payables at the reporting date.

| | Contractual Cash Flows | |
|---|---|---|
| Non-derivative financial liabilities | 2020 | 2019 |
| Less than 6 months | 83,688 | 81,712 |

There are no derivative financial liabilities.

**16. ENTITY DETAILS**

The registered office and principal place of business of the entity is:

Level 2, 1 Havelock St,
West Perth, Western Australia 6005



KPMG

# Independent Auditor's Report

To the members of Association of Mining and Exploration Companies Inc.

## Opinion

We have audited the ***Financial Report*** of the Association of Mining and Exploration Companies Inc. (the Association).

In our opinion, the accompanying Financial Report gives a true and fair view, in all material respects, the financial position of the Association as at 31 December 2020, and of its financial performance and its cash flows for the year then ended, in accordance with *Australian Accounting Standards Reduced Disclosure Requirements* and the *Associations Incorporation Act 2015 (WA).*

The ***Financial Report*** comprises:

- Statement of financial position as at 31 December 2020
- Statement of profit or loss and other comprehensive income and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Councillors Declaration

## Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report.

KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.

We are independent of Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

## Restriction on use and distribution

The Financial Report has been prepared to assist the Councillor of the Association in complying with the financial reporting requirements of section 74 of Associations Incorporation Act 2015 (WA).

As a result, the Financial Report and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the members of the Association and should not be used by parties other than the members of the Association. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Report to which it relates, to any person other than the members of the Association or for any other purpose than that for which it was prepared.

## Responsibilities of the Councillors of the Association of the Financial Report

Councillors are responsible for:

- Preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Associations Incorporation Act 2015 (WA).*
- Implementing necessary internal control to enable the preparation of Financial Report that is free from material misstatement, whether due to fraud or error.
- Assessing the Association's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.



## Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- To obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- To issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

KPMG

R Gambitta
*Partner*

Perth

26 February 2021

Association of Mining and Exploration Companies
PO Box 948, West Perth WA 6872
ABN 33 362 864 696

info@amec.org.au | 1300 738 184
Follow us on
www.amec.org.au