

2012 JORC Code and revised Chapter 5 of the ASX Listing Rules

Corporate Commercial Update

On 1 December 2013, compliance with the 2012 JORC Code and the additional reporting requirements under Chapter 5 of the ASX Listing Rules become mandatory for all ASX listed entities, save for requirement that a pre-feasibility and feasibility level study be completed before declaring an Ore Reserve, which comes into effect on 1 December 2014.

Competent Person sign-offs under the “if not, why not” regime

The 2012 JORC Code imposes new obligations for announcements of all initial disclosures of, and material changes to, Exploration Results, Mineral Resources and Ore Reserves.

For each such announcement, a competent person must address each of the criteria described in the “Checklist of Assessment and Reporting Criteria” in Table 1 of the Code following the new “if not, why not” regime. This means that an explanation must be provided in respect of each and every item in Table 1 that is not discussed in the report. In accordance with the amendments to Chapter 5 of the ASX Listing Rules, this information must be contained in a separate annexure to the report.

Conversely, subsequent announcements of results have been simplified. Pursuant to the 2012 JORC Code and ASX Listing Rule 5.23, announcements of estimates and results that have previously been reported under the new regime will not require a competent person sign-off in any form, provided that the original announcement of the results is properly referenced and the results have not materially changed.

ASX Listing Rules - Chapter 5 amendments

The revised Chapter 5 of the ASX Listing Rules requires generally that announcements of new or materially changed estimates and results of Exploration

Who does this affect?

- ASX listed mining and exploration entities.
- Geologists or other technical specialists acting as Competent Persons.

Article Highlights

- Reporting of all new or materially changed estimates or results for material mining projects from **1 December 2013** must comply with the 2012 JORC Code and amended Chapter 5 of the ASX Listing Rules.
- Announcements of new or materially changed results must comply with “if not, why not” reporting against Table 1 of the 2012 JORC Code.
- Subsequent announcements of estimates or results that have been reported under the new reporting regime do not require a further Competent Person sign-off.
- Certain historical and foreign results and estimates may be announced without an ASX waiver.



Results, Mineral Resources and Ore Reserves must give a fair and balanced representation of the information in the relevant report. They must also include an annexure containing all of the information required in Table 1 of the 2012 JORC Code.

In addition, Chapter 5 specifically requires that the annexure to the announcement contain all information, that is material to understanding the reported estimates and results, in relation to specified methods and techniques that were applied in collecting and interpreting the data and calculating the reported results. This includes drilling and sampling techniques, geological interpretation, sampling methods and estimation methods.

The significant change from the previous regime is the requirement to report against additional prescribed information when announcing results or estimates regardless of whether the 2012 JORC Code addresses such information.

Similarly to Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves, the revised Chapter 5 creates specific reporting obligations in relation to announcements of “historical estimates”, “foreign estimates” and “production targets” (as defined in the ASX Listing Rules). Notably, prior to Chapter 5 being amended, foreign and historical results and estimates could not be reported by ASX listed entities without first obtaining a waiver by ASX.

What does the new regime apply to?

The new JORC regime applies to all announcements of new results or estimates of, or material changes to, Exploration Results, Mineral Resources and Ore Reserves in respect of:

- a “significant project” (see Appendix 1 of the 2012 JORC Code); or
- a “material mining project” (see ASX Listing Rule 19.12).

A “significant project” is *“an exploration or mineral development project that has or could have a significant influence on the market value or operations of the listed company, and/or has specific prominence in Public Reports and announcements”*.

A “material mining project” means a project in which an entity (or its subsidiaries) has an economic interest (whether solely or jointly) and which is, or is likely to be, material in the context of the overall business operations or financial results of the entity (and its subsidiaries).

ASX has provided guidance that, in determining whether a project is a material mining project, an entity must act sensibly and commercially in considering the project as a whole (see ASX Guidance Note 31). Essentially, it should be self evident whether a project is material or not.

Can a listed entity still report under the 2004 JORC Code?

Estimates and results that were previously reported under the 2004 JORC Code can continue to be reported in the same way provided that this is expressed in the

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announcement and that 2004 JORC Code requirements are followed. This means that a Competent Person statement will still be required for each subsequent announcement of those results. Importantly, material changes to such results or estimates will need to be reported in accordance with the 2012 JORC Code.

What should listed entities be doing?

To avoid embarrassing retractions of announcements or, far worse, allegations of misleading and deceptive conduct as a result of non-compliant disclosure, ASX listed mining and exploration entities must ensure that they fully understand the new reporting regime.

ASX listed entities that have not already updated their announcements to the new regime should be asking themselves the following questions as a matter of urgency:

- Is the entity going to continue using the 2004 JORC Code for estimates and results previously announced under the 2004 JORC Code or update results to the 2012 JORC Code by making new announcements that comply with the new regime?
- Is the entity going to update estimates and results previously announced under the 2004 JORC Code on an ad hoc basis or update all prior estimates and results in a single announcement?
- Has the entity previously announced production targets that cannot be reported under the new regime as they rely solely on exploration targets, inferred resources and exploration targets or historical and foreign estimates (other than qualifying foreign estimates)?

To assist with ensuring compliance under the revised reporting regime, [please click here to view our 'Estimates and Results Reporting Checklist'](#).

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