



PRESS RELEASE

WHAT IS THE JORC CODE!

The **Joint Ore Reserves Committee (JORC) Code** is a Code of practice which sets minimum standards for public reporting in Australia and New Zealand of Exploration Results, Mineral Resources and Ore Reserves. It provides a mandatory system for classification of tonnage/grade estimates according to geological confidence and technical/economic considerations in reports prepared for the purposes of informing investors, potential investors and their advisors.

The Code requires Public Reports to be based on work undertaken by a **Competent Person** and the Code describes the qualifications and type of experience required to be a Competent Person. The Code also provides extensive guidelines on the criteria to be considered when preparing reports on exploration results, mineral resources and ore reserves.

However the JORC Code does not regulate the procedures used by Competent Persons to estimate and classify mineral resources and ore reserves. Nor does it regulate companies internal classification or reporting systems and JORC does not deal with breaches of the Code by:

- Companies which is the responsibility of the ASX, or
- By individuals as these are dealt with under the Code of Ethics of The Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists or the recently introduced Recognised Overseas Professional Organisations.

Underlying fundamental principles of the JORC Code are:

- Transparency – clear and unambiguous presentation of information
- Materiality – all the information reasonably required and expected, and
- Competence – public reports based on work undertaken by Competent Persons.

The Code was first released in 1989, with the latest edition (2004) included in the ASX Listing Rules on 17 December 2004. It sets mandatory reporting standards for members of AusIMM and AIG and is regarded as best practice by the Minerals Council of Australia and Securities Institute of Australia. The Code has been highly influential in developing international reporting standards.

As stated above the JORC Committee does not deal with breaches of the Code as they are a policy making body. Concerns and complaints are referred to the ASX who then may seek expert advice and ask relevant questions around disclosure.

If an AusIMM member is alleged to have not complied with the Code and a complaint is received in writing, the alleged breach could be a breach of The AusIMM Code of Ethics and would thus be handled by The AusIMM Ethics Committee as outlined in The AusIMM By-Laws whilst ensuring that natural justice is accorded to all parties involved. The AusIMM Ethics Committee may find that the complaint has not been established or may find that the non-compliance or unethical behaviour has been established in which case the Ethics Committee may decide to take no further action, or may warn or reprimand the member concerned, or resolve that the membership of the member concerned be suspended for a period of time. The Ethics Committee may also recommend that notice of the breach be published in a publication of The AusIMM.

This has very serious implications for the professional concerned as it is their professionalism and livelihood that is at stake and this is similar to complaints against a doctor or surgeon which must be investigated thoroughly by their professional institute with natural justice to all involved.

With regard to reporting of exploration targets, it is recognised that it is common practice for a company to comment on and discuss its exploration in terms of target size and type. Any such information relating to exploration targets must be expressed so that it cannot be misrepresented or misconstrued as an estimate of mineral resources or ore reserves. The terms resource(s) or reserve(s) must not be used in this context. Any statement referring to potential quantity and grade of the target must be expressed as ranges and must include:

- (1) a detailed explanation of the basis for the statement, and
- (2) a proximate statement that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the determination of a mineral resource.

Terms such as “probable resources”, “geological resources”, “in situ reserves”, “mining reserves”, “mining inventory”, “possible reserves” for example have no meaning under the Code and may not be used in public reports of resources or reserves.

The purpose of the above statement is to clarify what the JORC Code is and what it is not. For further information go to the JORC or AusIMM websites or email ceo@ausimm.com.au.

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