

## FREQUENTLY ASKED QUESTIONS

### THE AUSTRALASIAN CODE FOR REPORTING OF EXPLORATION RESULTS, MINERAL RESOURCES AND ORE RESERVES (JORC CODE)

This document outlines some commonly asked questions about the JORC Code. If this does not answer your question, please contact us at [jorc@ausimm.com.au](mailto:jorc@ausimm.com.au).

#### What is the key role of the JORC Code?

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2004 edition) provides minimum standards for public reporting to ensure that investors and their advisers have all the information they would reasonably require for forming a reliable opinion on the results and estimates being reported.

By establishing minimum standards for estimating and reporting exploration results, mineral resources and ore reserves, the JORC Code assists informed decision making by investors, and supports transparency in minerals sector investment markets.

#### What are the requirements for a person to be a 'Competent Person' under the JORC Code?

The JORC Code establishes a mandatory requirement for a Competent Person to sign off on Public Reports for companies listed on the Australian and New Zealand securities exchanges.

In order to be a Competent Person, a person (or persons) must have:

Current membership of an appropriate level of the AusIMM<sup>1</sup>, the AIG<sup>2</sup> or a recognised professional organisation (RPO)<sup>3</sup>.

A level of professional experience required to act as a Competent Person for any given Report, as described in the JORC Code which requires:

A Competent Person must have a minimum of five years relevant experience in the style of mineralisation or type of deposit under consideration and in the activity which that person is undertaking.

If the Competent Person is preparing documentation on Exploration Results, the relevant experience must be in exploration.

If the Competent Person is estimating, or supervising the estimation of Mineral Resources, the relevant experience must be in the estimation, assessment and evaluation of Mineral Resources.

If the Competent Person is estimating, or supervising the estimation of Ore Reserves, the relevant experience must be in the estimation, assessment, evaluation and economic extraction of Ore Reserves.

#### How is a person assessed as being a Competent Person?

The process is one of self-assessment. Before conducting work as a Competent Person, you need to assure yourself that you meet all of the criteria for a Competent Person as set out in the JORC Code, and that you are able to explain your qualifications to undertake the role.

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<sup>1</sup> The Australasian Institute of Mining and Metallurgy. [www.ausimm.com](http://www.ausimm.com).

<sup>2</sup> The Australian Institute of Geoscientists. [www.aig.org.au](http://www.aig.org.au).

<sup>3</sup> The list of RPOs which meet this part of the pre-requisite for Competent Person sign off is provided at: [http://www.jorc.org/competent\\_persons.asp](http://www.jorc.org/competent_persons.asp)

Persons electing to act as a Competent Person must be satisfied that they could face their peers and demonstrate competence in the commodity, type of deposit and situation under consideration.

If doubt exists, the person should elect not to act as a Competent Person or seek advice from their professional institute.

Competent Persons are required to be fully conversant with the obligations associated with the role specified by the JORC Code.

It is important to note that any individual may meet the requirements of a Competent Person for a specific commodity or style of deposit, but not be qualified to act as a Competent Person in different situations (for example when that role requires a different type of deposit for which the person does not have relevant experience).

A person claiming to be a Competent Person must be capable of having this claim validated by a panel of members appointed by the professional institute to review any situation where a claim of competence is challenged. In situations where a formal complaint questioning the qualifications of a person to act as Competent Person is lodged with the relevant professional institute, a peer review of the qualifications of that person to act as a Competent Person will take place

## **Who needs to be familiar with/read the JORC Code?**

Any person responsible for, or contributing to, a Public Report about minerals Exploration Results, Mineral Resources or Ore Reserves needs to have detailed, personal knowledge of the JORC Code and its requirements.

Familiarity with the JORC Code is recommended for any investor in mineral sector securities and investment advisors involved in the mineral resources sector.

## **What is the difference between a Chartered Professional (AusIMM) or a Registered Professional Geoscientist (AIG) and a Competent Person under the JORC Code?**

Professional registration programs offered by AusIMM (Chartered Professional) and AIG (Registered Professional Geoscientist - RPGeo) provide formal, peer recognition of professional experience and a commitment to continued professional development.

A person who holds Chartered Professional or RPGeo status may not be able to also act as a Competent Person for a particular JORC report by not possessing the specific experience required by the JORC Code.

## **How do the recent changes to Canadian reporting legislation affect the JORC Code?**

The revised Canadian National Instrument 43-101 came into effect on 30 June 2011. NI 43-101 and related Canadian regulations have very specific requirements for all professionals preparing reports in Canada. The Canadian regulations require that an AusIMM member who is acting as a *Qualified* Person (analogous to Competent Person under the JORC Code) must be either a Member and Chartered Professional, or a Fellow of AusIMM, or either a Member or Fellow of AIG.

## **Do Competent Persons need to have previous experience working on the specific mine/orebody they are reporting on?**

No. Competent Persons require requisite experience in the commodity and deposit style that is the subject of the report being submitted in compliance with the JORC Code.

## **How is Compliance with the JORC Code assessed and managed?**

The JORC Committee is not a policing body and cannot deal with complaints of alleged non-compliance.

Complaints alleging non-compliance with the JORC Code should be raised as follows:

Complaints about non-compliance by a Competent Person should be raised with the professional association to which the Competent Person belongs.

Complaints about non-compliance by a company issuing a Public Report should be raised with the appropriate regulatory body and/or securities exchange.

In some cases it might be appropriate to lodge a complaint with both the Professional Organisation regarding the Competent Person and with the regulatory body or securities exchange regarding the company issuing the Public Report at the same time. It is important to note that the Professional organisations are not able to share information about complaints received against a Competent Person with the regulatory bodies and/or securities exchanges due to their obligations to handle complaints in a confidential manner.

## **How do I report an alleged non-compliance by a Competent Person?**

A Competent Person must be a member of The AusIMM, the AIG or an approved RPO.

If you believe that a Competent Person has breached their obligations under the JORC Code, your complaint should be directed to the relevant Professional Organisation's complaints process.

AusIMM and AIG will investigate and, if found to be warranted, take appropriate action against any instance of non-compliance with the JORC Code by a member acting as a Competent Person. Complaints may be made by any individual or corporate entity, but must be made in writing to the Complaints Committee of either institution.

More information about The AusIMM complaints process can be found [here](#).

More information about the AIG complaints process can be found [here](#).

## **Is failure to report in accordance with the JORC Code a breach of The AusIMM or AIG Code of Ethics?**

Yes. Compliance with the JORC Code by members acting as Competent Persons is a requirement of both Institutes.

## **Is failure to report a suspected breach of the JORC Code a breach of the AusIMM or AIG Code of Ethics?**

Yes. In the case of AIG, any member is obliged to report any suspected instance of non-compliance with the Institute's Code of Ethics.

## **When should The AusIMM or AIG be notified of a failure to report in accordance with the JORC Code?**

AusIMM or AIG should be notified where non-compliance with the JORC Code is considered to be the consequence of work undertaken by the Competent Person.

## **What can happen to a Competent Person if the Code is found to have been breached?**

A Competent Person who is found to have breached their obligations under the JORC Code and, consequently, the Code of Ethics of either The AusIMM or AIG will be subject to disciplinary action that may extend to suspension or termination of membership.

## **How do I report an alleged non-compliance by a company issuing a Public Report?**

Alleged non-compliance by a company making a Public Report should be directed to the relevant securities exchange and/or securities regulator in the jurisdiction the Public Report is issued.

For Public Reports of companies listed on the Australian Securities Exchange, information on the ASX complaints and compliance procedure is available [here](#).

ASX is responsible for dealing with complaints against companies listed on the ASX. Non-compliance with the JORC Code by companies may also lead to prosecution by the Australian Securities and Investment Commission (ASIC) if it is found that the JORC Code breach also extended to a breach of Australian corporate law.

## **When should the ASX be notified of a failure to report in accordance with the JORC Code?**

Any suspected instance of non-compliance with the JORC Code by an ASX listed company should be reported using the complaints form is available from the ASX web site at: <http://www.asx.com.au/supervision/complaints/company.htm>.

All instances of alleged non-compliance with JORC relating to a public statement issued by a company required to comply with the code should be reported to ASX.

## **What can happen to a company if the Code is found to have been breached?**

The ASX has a number of enforcement options that can be considered in cases of a company not complying with the JORC Code. For more information, see: <http://www.asxgroup.com.au/enforcement.htm>.

## **Do Competent Persons need to be independent of the company for whom they are preparing a report?**

There is no obligation for the Competent Person(s) to be independent of the company which has commissioned a report in compliance with the JORC Code.

Company employees frequently possess the greatest depth of knowledge for the deposit that is the subject of the report.

Competent Persons are required to disclose employment, or any other form of financial involvement (apart from payment for professional services) in the company for which a report is prepared.

## **Is the JORC Code only for Geologists?**

The JORC Code applies to any professional responsible for any Public Report of Exploration Results, Mineral Resources or Ore Reserves for a company listed on the ASX or any other exchange where JORC Code compliance is required.

## **How can we find a Competent Person to engage?**

Exploration and mining consultancies frequently have staff able to act as Competent Persons for a variety of commodities and deposit styles. Consulting firms advertise in trade publications, business directories (such as Australia's "Yellow Pages") and have web sites that may be easily located using an internet search. Your peers and colleagues may also be able to refer you to Competent Persons they have worked with in the past.

There is no register or list of Competent Persons.

## **Do other countries recognise the JORC Code and the status of a Competent Person?**

The JORC Code has been adopted by securities exchanges. It is either a required or allowed reporting format in:

- Australia – the Australian Securities Exchange (ASX) and National Stock Exchange of Australia (NSX)
- New Zealand – the NZX
- China – HKEx in Hong Kong
- Singapore – the SGX Catalyst
- United Arab Emirates – the NASDAQ Dubai

Under an international system of 'mutual recognition', reports produced in accordance with the JORC Code may also be recognised and suitable for use in countries which use other minerals reporting standards. For example, the Canadian National Instrument NI 43-101 recognises reports produced in accordance with the JORC Code. For more information on this issue, visit the website of the Committee for Mineral Reserves International Reporting Standards (CRIRSCO) [here](#).

## **Are there prescribed standards for exploration such as spacing or depth of drill holes?**

No.

The JORC Code is based on the exercise of professional judgement and experience of Competent Persons to meaningfully assess the type and level of geological data required to delineate mineral resources and ore reserves to levels of confidence meeting resource and reserve classification criteria specified by the code. Competent Persons are required to comply with an underlying requirements for transparency and materiality in all aspects of public reporting in compliance with the JORC Code that are intended to ensure adequate provision of balanced information for investors and their advisers.

## **What is the cost of a JORC report?**

JORC reports prepared by consultants are the subject of a professional services agreement negotiated between the client and consultant.