



**CSA Global**  
Mining Industry Consultants

## Dassault Systèmes Natural Resources Forum 2016

# Disclosure in a rapidly changing globalised mining industry.

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## When Disclosure Goes Awry...



(Source: [bobbybloomfield.com](http://bobbybloomfield.com) : Beating stage fright February 2014)

- Company website
- ASX market announcement platform
- the press (print and web-based news sites)
- stock websites
- social media (LinkedIn and Facebook)
- bloggers who have gained significant following.
- radio
- commercial or cable television
- public forums
- subscription only newsletters.



## What to include:

- what is material to the company and needs to be disclosed;
- templates for different scenarios;
- who is responsible for preparing the releases;
- the mechanisms for board approval; and
- the subsequent release.

# A Disclosure Strategy

## When drafting a release:

- Don't assume the reader is technically sophisticated.
- Be clear and highlight key information.
- Tell it as it is, avoid the possibility of investors “reading between the lines” and drawing conclusions that may not be supportable.
- Use clear and relevant headings - headings are often what gets picked up and highlighted in the media.
- Make sure the release is consistent with reporting codes:
  - JORC and VALMIN codes for minerals releases
  - the ASX or other exchange listing rules if listed
  - Australian Corporation Act.



## Whitehaven Coal - ANZ Hoax

- In January 2013, an activist distributed a fake press release that caused a coal company's share price to plummet
- The fake statement purported to be from the ANZ bank in January 2013, saying the bank was withdrawing \$1.2 billion in funding from Whitehaven's Maules Creek mine project, in north-west NSW.
- The false information was published by some media outlets and caused a temporary \$314 million drop in Whitehaven Coal's market value before a trading halt was put in place and the hoax was revealed.
- The activist was supported by a local community protest group, which opposed the mine.

(source: ABC News 11 July 2014 <http://www.abc.net.au/news/2014-07-11/jonathan-moylan-anz-hoax-sentence/5589512>)



**No surprises: be clear your coal port is near the Great Barrier Reef  
– avoid getting derailed by activism**



# Disclosure: CRIRSCO

## Aligned jurisdictions and Codes





The following are the National Reporting Standards that are in accordance with the principles of the CRIRSCO Template:

- **Australia**
  - [The JORC Code \(2012\)](#)
- **Canada**
  - [The CIM Definition Standards for Mineral Resources and Reserves \(2014\)](#)
- **South Africa**
  - [The SAMREC Code \(2016\)](#)
  - [The SAMVAL Code \(2008\)](#)
  - [The SAMREC Code \(2007\)](#)
- **Europe**
  - [Pan-European Reserves & Resources Reporting Committee](#)
  - [Pan-European Standard for Reporting of Exploration Results, Mineral Resources and Reserves \("The PERC Reporting Standard"\) 2013, revision 2](#)

The following are the National Reporting Standards that are in accordance with the principles of the CRIRSCO Template:

- **Mongolia**
  - [Mongolian Code for the Public Reporting of Exploration Results, Mineral Resources and Mineral Reserves \(The MRC Code\) 2014](#)
  
- **Russia**
  - [The NAEN Code for the Public Reporting of Exploration Results, Mineral Resources, Mineral Reserves.](#)
  
- **United States of America**
  - [The SME Guide for Reporting Exploration Results, Mineral Resources and Mineral Reserves \(The 2014 SME Guide\)](#)
  
- **Chile: Certification Code for Exploration Prospects, Mineral Resources and Ore Reserves (2004)**
  - [English version](#)
  - [Spanish version](#)
  - website: [www.comisionminera.cl](http://www.comisionminera.cl)

**Apart from the mining reporting Codes, the following may need to be considered also:**

- US: Sarbanes- Oxley 2002 (transparency)
- US: Dodd-Frank 2010 (s1502 Conflict Minerals)
- Equator Principles – banking industry framework for social and environmental risk management



# Thank you



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