

# JORC 2012... Are you ready?

If you are in the Australian industry you would have to be living under a rock (excuse the pun) to have not heard about the revision to the Joint Ore Reserves Committee Code in 2012 (JORC Code 2012 Edition).

The JORC Code 2012 Edition changes will effect all entities looking to promote their projects in the public domain using the JORC Code as a reporting standard (ASX, AIM, LSE and others). The deadline for implementing the changes is December 1 and releases after this date must be reported in accordance with the JORC Code 2012 Edition.

CSA Global team members Gerry Fahey and Graham Jeffress have been intimately involved in the revision and implementation of JORC Code 2012 Edition and are ideally placed to assist with providing advice on how best to comply. Over the past 12 months, Gerry, as a member of JORC, and Graham, as a representative of the Australian Institute of Geoscience (AIG), have presented at several CSA Global, JORC and other professional development seminars to educate the industry on the changes.

The guiding principles of the JORC Code – materiality, transparency and competence – have not changed. However, the new code provides clearer instruction on implementing the guiding principles in public disclosure. To further assist in this regard CSA Global has highlighted eight key areas that are likely to be a focus for public reporting of exploration, resource or mining projects under the new code (information in parentheses indicates the appropriate clauses in JORC Code 2012).

**JORC 2012 Table 1:** The new Table 1 has been modified to provide more detailed instructions on what is appropriate to report at each stage of a project. When reporting results for a Significant Project (Appendix 1) the relevant elements of Table 1 must be discussed on an “if not, why not” basis. Simply stating it is not applicable is not adequate there must be an explanation of why it is not applicable. Table 1 provides a very useful checklist for reporting in accordance with the JORC Code 2012 Edition – use it! (Clauses 2, 5, 19, 27 and 35)

**Competent persons (CP):** The code is clear about the attributes of a CP and the situations in which a CP is required to sign off. However, the new code provides additional information on the level of disclosure required by the CP and clearer instruction to the CP to comment on what is material. Another important change is that a CP is no longer required to provide sign off on each new announcement when the same data is already in the public domain. (Clauses 9-11 and appendices 2 and 3)

**Exploration results:** For significant projects ensure diligent and transparent reporting of the results on an “if not, why not” basis for Sections 1 and 2 of Table 1 of the code. Table 1 is clear on the level of data required; use it as a



New JORC guidelines will come into effect on December 1 2013

guide. (Clauses 17-19)

**Exploration targets (ET):** It is no longer acceptable for an ET to headline an announcement. When an ET is stated, there must be clear explanation of the data used to establish the target and a summary of future work that will be implemented to better define it. A proximal statement regarding the uncertainty of the ET must be included in the same paragraph (no more footnotes). (Clause 17)

**Resource estimates –** Table 1 has always provided a clear guide to the factors that need to be addressed in mineral resource estimates. Table 1 has been expanded with clearer instructions and these need to be addressed on “if not, why not basis”. The relevant sections of Table 1 must be included in public announcements. (Clauses 20-28)

**Technical study definitions:** The code has provided definitions on the appropriate terminology for three levels of study; scoping, preliminary feasibility and feasibility study. Use these definitions appropriately in all announcements (Clauses 37-40).

**Ore reserves and PFS:** To quote an ore reserve the project must have been subject to a PFS.

**Metal equivalents:** If using a metal equivalent to provide information on the grade of a poly-metallic deposit it is appropriate to quote the element that contributes the most to the metal equivalent. It is also a requirement to provide a clear statement for the basis for establishing the metal equivalent grade, which must include:

- the individual grades of the constituent elements;
- the commodity prices used for each element included in the calculation of the metal equivalent;
- the assumed metallurgical recovery for each element, and the basis for the assumption;
- a clear statement that in the opinion of the company all the elements can be recovered and sold; and
- the calculation formula used (clause 50)

During the course of 2013 CSA has completed public disclosure documents for many projects under the JORC Code 2012 Edition guidelines, including exploration projects, resource estimates and engineering studies.

Should you require some assistance with reporting under the new code we have Principal level geology and engineering staff that can provide advice.

December 1 will see the new JORC guidelines introduced for ASX-listed companies. In an effort to understand the requirements of these new guidelines, CSA Global has conducted a series of seminars for exploration geologists and resources companies. Here, CSA managing director Jeff Elliott discusses key areas of the new guidelines.

