



Australasia Update JORC – Open Session

Peter Stoker, Deputy Chairman, JORC
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JORC Update on Australasia – JORC

- Committee
- Reporting of scoping studies - interaction with regulators continues
- Focus on Education

JORC Committee (1)

The Joint Ore Reserves Committee (JORC) is a voluntary committee whose parent bodies are:



It has representatives from the Australian Securities Exchange (ASX), Financial Services Institute of Australia (FinSIA) and recently the Association of Mining and Exploration Companies (AMEC).



JORC Committee (2)

- Some JORC members have left due to changes in employment, as MCA representatives must be employees of MCA members.
- Improved representation of mining engineers on JORC, and gender diversity.
- The Association of Mining and Exploration Companies (AMEC) invited to participate for a 12 month trial – working well.
- JORC is still considering the potential status of other Australian based professional bodies for either inclusion as RPOs, or as representative bodies. Little enthusiasm from JORC due to either relatively recent formation or lack of perceived commitment from these bodies.
- Succession for JORC representatives on CRIRSCO needs to be resolved – in a manner to maintain continuity.

Reporting of scoping studies

- The Australian Securities and Investments commission (ASIC) in particular has objected to the reporting of scoping studies as if the project is ready to produce and that financial returns are certain.
- One of the main issues was junior companies reporting scoping studies with that implication, but with no means of financing the development of the project.
- ASIC's regulatory reaction to this situation has caught up many more conservative companies as well.

Interaction with Regulators: ASIC and ASX

- JORC has engaged with both the ASIC and ASX on reporting of forward looking statements (which under Australian law requires “reasonable grounds”) and scoping studies. AMEC and the VALMIN committee have been separately involved.
- ASIC issued Information Statement IS 214 - “Mining and resources - Forward-looking statements” in June 2016, after consultations with ASX, JORC, and AMEC.
- ASIC IS 214 caused great consternation and intense lobbying particularly from the junior end of the market, and after further “consultation” a revised version was issued.
- The form of the “consultation” also caused concern.
- A revised version of ASIC IS 214 was released on 12 October 2016.



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Mining and resources - Forward-looking statements

It is common for investors in mining and resources when considering an investment. In

- production targets (i.e. project estimations for periods that

What if secured

All start-up projects, in they have adequate ca

You should only make income-based valuation includes all material ur

At RG 111.99, we state methodology before a grounds for the forward methodologies should

One of the main issues for industry was ASIC's secured funding requirement. Now partially resolved.

Secured funding is not necessarily required to show reasonable grounds for production targets

You do not necessarily need to have secured funding to show reasonable grounds for production targets, but you must have (and disclose) reasonable grounds for any assumptions that you make about your funding sources.

Irrespective of where the funding comes from, all start-up projects, including mineral projects, will only go into operation or production and become income producing if they have adequate capital and operational finance as and when required by development and production schedules.

Any assumptions you make about the scheduling of development and production – or about the availability of project finance underpinning a production target, or forecast financial information or income-based valuation based on a production target – are material assumptions that must be disclosed under ASX Listing Rules 5.16.1 and 5.17.1.

For the production target, forecast financial information or income-based valuation not to be misleading, there must be objectively reasonable grounds for these assumptions.

Regulators: ASIC and ASX (2)

- ASX commenced preparing guidance on reporting scoping studies in consultation with ASIC, JORC and AMEC.
- ASIC's revised IS 214 issued in early October, was a little clearer and slightly less controversial, but still was not clear about the requirements for reasonable grounds and how to demonstrate those.
- The basis for reasonable grounds must be demonstrated or else the reports are deemed potentially misleading.
- ASX issued Interim Guidance: reporting scoping studies, issued last Friday, 4 November 2016.

ASX guidance Reporting scoping studies

ASX interim guidance:
Reporting scoping studies

NOVEMBER 2016



Interim Guidance: reporting scoping studies issued last Friday 4 November 2016. This interim guidance provides a check list for reporting Scoping Studies.



Regulators: ASIC and ASX (2)

- Continuing need for education on reporting the outcomes of low confidence scoping studies.
- Consequences are serious for a company which is found to be in breach:
 - Trading halt - maximum 2 days
 - Suspension until announcement is corrected

JORC Update – Education etc.

- As noted on the last slide there is a need for education on the reporting of scoping studies, JORC has participated in public forums discussing this issue.
- JORC continues education activities on public reporting in conjunction with AusIMM and AIG with further Monograph 30 roadshows and a webinar in cooperation with an MPIGM seminar in Ulan Baatar.

Education -building confidence in Public Reports

- JORC has encouraging its professional parent bodies and ASX to provide data related to the types on non-compliance they are observing related to public reports.
- JORC has undertaken some reviews of public reports but this proved controversial.
- Issue of concern is whether a deficient report is simply a routine minor breach of the JORC Code or more fundamental issues which materially affect the public report?
- Progress has been slow due to the scoping study reporting issues.

AUSTRALASIAN CODE FOR PUBLIC REPORTING
OF TECHNICAL ASSESSMENTS AND VALUATIONS
OF MINERAL ASSETS



THE VALMIN CODE
2015 EDITION



VALMIN Code 2015

The 2015 VALMIN Code was issued in December 2015, effective 30 January and became mandatory from 1 July 2016.

The VALMIN committee has run a series of workshops on the application of the Code in Australasia and participated in workshops in Indonesia and China.

Effective 30 January 2016
Mandatory for AusIMM and AIG members from 1 July 2016

Prepared by The VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists



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And to my CRIRSCO colleagues:



which is a strategic partner of



My employer AMC Consultants Pty Ltd

