

ASX – JORC Code Update

Justin Nelson

Manager, Issuers (Adelaide)

10 December 2008

Presentation outline



ASX

AUSTRALIAN SECURITIES EXCHANGE

- Chapter 5 and the JORC Code
- ASX Companies Updates
- Regulatory action
- Reporting issues
- Recent developments

Chapter 5 and the JORC Code



- Chapter 5 applies to all companies that have interests in mining tenements.
- Listing rule 5.6 requires that all reports issued by mining entities, or any other entity that has interests in mining tenements, must comply with Appendix 5A (the JORC Code) if they include statements relating to any of the following.
 - Exploration results.
 - Mineral resources or ore reserves.

ASX Companies Updates



- 03/07 Metal equivalents, competent person statement & suggested consent form, sampling and extrapolation.
- 11/07 Historical and foreign estimates not reported in accordance with the JORC Code.
- 03/08 In situ values, target statements, lack of drill hole information, combining categories of resources and reserves, incorrect use of reserves and resources to describe results, competent person statement, historical and foreign estimates.

Regulatory action

- Action has been taken in respect of 191 Public Reports for the quarter ended 30 September 2008.
- The action taken has included educational warnings, corrective announcements, release of correspondence to the market, suspensions and ASIC referrals.

Reporting issues

- Competent person statement
 - Are required for Public Reports.
 - Must do the following:
 - Disclose name, state if full time employee of the company, if not name employer
 - Must have at least 5 years relevant experience
 - Issued with prior written consent.
- Target Statements
 - Tonnage and grade must be provided as a range.
 - Proximate health warning.

Reporting issues

- In situ values
 - Contrary to intent of clause 27 of the Code.
 - Lacks transparency and materiality.
- Failure to state resource category or aggregation of resources with reserves.
- Selective reporting/lack of drill hole information.

Reporting issues

- Historical Estimates
 - Refer to Companies Update 11/07.
 - To disclose either historical estimates or foreign resource or reserve estimates not reported in accordance with the JORC Code, a waiver is required from listing rule 5.6.
 - Relevant to IPOs, announcements & explanatory memoranda to notices of meeting.

Reporting issues

- Historical Estimates
 - To obtain a waiver from rule 5.6:
 - Satisfy the 10 requirements detailed in Update 11/07, including:
 - Explaining why the estimate is reliable.
 - Providing any more recently available data.
 - Having a Competent Person accept responsibility for the accuracy of the disclosure.

Recent developments

LISTING RULE AMENDMENTS

Proposal

Section 4 of Appendix 5B be amended as follows. A full version of the current Appendix 5B can be obtained at <http://www.asx.com.au/ListingRules/appendices/App5b.doc>

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	
4.2 Development	
4.3 Production	
4.4 Administration	
Total	

Purpose of Amendment

The amendments to Appendix 5B (Mining Exploration Entity Quarterly Report) will require mining and exploration companies to disclose an estimate of administrative costs and production costs for the forthcoming quarter. Investors will benefit from this information as it will help to present a more complete picture of the company's anticipated cash outflows in the coming quarter. The requirement is also expected to act as a discipline on the use of administration expenses.

Contact Details



ASX

AUSTRALIAN SECURITIES EXCHANGE

- Justin Nelson
Manager, Issuers (Adelaide)
Phone: (08) 8216 5000
Email: justin.nelson@asx.com.au