



ASX Listing Rule Amendments – Reporting Requirements for Mining Companies and the JORC Code 2012

ASX Presentation 2013

Overview



- ASX review & consultation
- New reporting requirements under the ASX Listing Rules, including Guidance Note 31
- Transition period & implementation

ASX Review & Consultation



New ASX Listing Rules developed following extensive consultation

- 2 rounds of consultation, with 2 consultation papers
- 138 written submissions received
- 64 consultation roundtables and consultation meetings
- all peak industry bodies and shareholder groups actively involved in the process – JORC, AIG, AusIMM, MCA, AMEC, ASA

Summary of the New Reporting Framework

Chapter 5 Listing Rule reporting requirements for material mining company resource disclosures

- underpinned by 2012 JORC Code
- remains principles-based but acknowledges need for enhanced disclosure standards
- Guidance Note 31 - Reporting on Mining Activities

Rules Focused on Materiality

Many Chapter 5 requirements for additional disclosure are triggered when reporting on 'material projects':

- exploration results (minerals)
- initial & materially changed estimates of mineral resource (inferred, indicated, measured)
- historical and foreign estimates
- longer term production targets not based on ore reserve & an operating mine

New Reporting Requirements

- Exploration results
- Mineral resources
- Ore reserves
- Competent person sign-off
- Historical and foreign estimates
- Production targets
- Cautionary statements
- Annual disclosure

Exploration Results

LR 5.7 – disclosure of exploration results for a material project:

- material drill-holes, a drill-hole table showing specific location & intercept information:
 - easting, northing, elevation, dip, azimuth, down hole width & depth & end of hole
- if not, then an explanation of why the company has determined that this information is not material to understanding the reported results

Exploration Results (cont.)

- requirement for a report based on sections 1 (sampling techniques and data) & 2 (reporting of exploration results) of Table 1 of the JORC Code to be attached to the market announcement
 - the report can be prepared on an 'if not, why not' basis
 - if an entity determines that one or more of these criteria is not material it must identify each criterion and explain why it has been determined that it is not material to understanding the exploration results

- streamlined CP sign-off

Mineral Resources

LR 5.8 – disclosure of initial (or materially changed) estimates of mineral resources for a material project:

- requirement for a summary of prescribed parameters in the market announcement
 - geology, sampling techniques & analysis, drilling techniques, data spacing, estimation methodology, cut-off grade, mining & metallurgical methods & parameters considered to date
- requirement for a report based on sections 1-3 of Table 1 of the JORC Code to be prepared on an 'if not, why not' basis and attached to the market announcement
- streamlined CP sign-off

Ore Reserves



LR 5.9 – disclosure of initial (or materially changed) estimates of ore reserves for a material project:

- requirement for a summary of prescribed parameters in the market announcement
 - material assumptions & outcomes of PFS, criteria used for classification, estimation methodology, basis of cut-off grade selected, mining & processing methods selected, material modifying factors

Ore Reserves (cont.)

- requirement for a report based on sections 1-4 of Table 1 of the JORC Code to be attached to the market announcement
- streamlined CP sign-off
- Guidance Note 31 – guidance on commercially sensitive economic assumptions – why the information is considered commercially sensitive and methodology used to be disclosed

Competent Person Sign-off

Streamlined competent person sign-off requirements:

- prior written consent required when reporting for the first time exploration results & estimates of MR & OR for a material project
- subsequent reporting of the same information does not require CP sign-off, subject to certain conditions being met
- new CP sign-off required where there is a material change to the estimates and/or a material change to the assumptions & technical parameters underpinning the estimates

Historical and Foreign Estimates

LRs 5.10 to 5.14 – disclosure of historical & foreign estimates:

- requirement for the disclosure of supporting information
- annual reporting requirements for updating progress on converting the estimates to MR/OR reported in accordance with the JORC Code
- prohibition on including historical & foreign estimates (other than qualifying foreign estimates) in economic studies

Production Targets/Forecast Financial Information



LRs 5.15 to 5.19 – disclosure of production targets:

- rules apply to longer term projections of production not underpinned by operating mine(s) & solely underpinned by:
 - OR
 - OR & measured MR
 - OR and measured MR and/or indicated MR
- prohibition on the disclosure of a production target based:
 - solely on an exploration target
 - solely on a combination of inferred MR and an exploration target
 - on historical & foreign estimates (other than qualifying foreign estimates)

Production Targets/Forecast Financial Information



- additional disclosure required:
 - material assumptions
 - company to confirm underlying mineralisation signed-off by a CP
 - respective proportions of OR, MR & exploration potential underpinning the target to be disclosed
- where it includes inferred MR & exploration potential – proximate cautionary statements required & disclose the basis for including exploration potential

Production Targets/Forecast Financial Information



- additional requirements when it is based solely on inferred MR:
 - disclose the basis for target & level of confidence of inferred MR
 - completion of a technical report of a sufficient level of confidence to support the production target
 - public release of the technical report
 - technical report prepared by independent CP
 - cautionary statements
 - Guidance Note 31 - guidance in relation to it being in exceptional circumstances where a company may have a basis for this

Cautionary Statements

Cautionary statements for production targets and historical estimates:

- must be proximate – on the same page and same paragraph or immediately preceding or following paragraph
- not satisfactory in a footnote or a general disclaimer
- must have equal prominence – same font type, size and colour as the relevant information
- if statement in a heading, cautionary statement must also be in a heading

Annual Disclosure

LRs 5.20 & 5.21 – annual MR & OR statement in the annual report which discloses:

- results of annual review of MR & OR
- aggregated holdings of MR & OR by commodity & by geographical area
- comparison of MR & OR aggregated holdings against estimates from previous year – explaining material changes
- summary of governance arrangements and internal controls

Transition

- Effective from 1 December 2013 save for the requirement for feasibility or pre-feasibility study prior to the declaration of an OR estimate which is effective from 1 December 2014
- During the transition period, minimum requirements for public reports compliance with JORC Code 2004 and current listing rules
- Entities encouraged to early adopt but required to comply with new listing rules and 2012 JORC Code from the point of early adoption
- **Be prepared for the implementation of the new rules and the 2012 JORC Code from 1 December 2013**

Enquiries



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