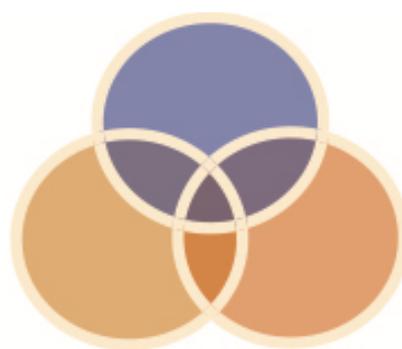


**Summary of comments on the
Exposure Draft Australasian Code for
Reporting of Exploration Results,
Mineral Resources and Ore Reserves as
released for comment September 2012**

JORC
Joint Ore Reserves Committee



AusIMM
THE MINERALS INSTITUTE



Prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC)

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OVERVIEW OF JORC CODE REVIEW PROCESS

The process to review the JORC Code 2004 Edition commenced in 2011.

In October 2011 the JORC Committee released a 55 page Issues Paper to stimulate discussion and comment on how the JORC Code could be improved. The Issues Paper attracted significant input, with 114 written submissions received as well as significant additional feedback received through public forums and meetings.

The extensive comments on the Issues Paper confirmed that there is strong support for the JORC Code to remain a principles-based professional Code. Comments also highlighted there was a need for improved disclosure standards and a greater balance between the core principles of Transparency, Materiality and Competence in Public Reporting.

There were, of course, diverse views on many issues, but there was a clear majority consensus about the overall direction of the Code and the need to improve the level and transparency of disclosure in reporting of Exploration Results, Mineral Resources and Ore Reserves.

The clear messages about the future direction of the Code enabled the JORC Committee to prepare an Exposure Draft of the JORC Code which was released for public comment in September 2012. The Exposure Draft attracted a lot of attention. In addition to many comments made in consultation forums and meetings, the JORC Committee received 82 written submissions in response to the Exposure Draft.

The comments received were overwhelmingly supportive of the direction of the changes to the JORC Code as proposed in the Exposure Draft. Comments also provided many valuable suggestions that enabled the JORC Committee to further refine the final text of the JORC Code, 2012 Edition to remove ambiguity and reduce the potential for misinterpretation of the Code, ensuring that its intent and requirements are as clear as possible.

Our international counterparts through CRIRSCO (the Committee for Mineral Reserves International Reporting Standards) also provided a number of very valuable comments that assisted in ensuring the best possible alignment of the JORC Code, 2012 Edition with its international counterparts.

The JORC Committee is very grateful to everyone who took the time to attend consultation sessions and provide comments throughout the review process.

During the JORC Code review process, the JORC Committee has been working in collaboration with the Australian Securities Exchange (ASX) and the Australian Securities and Investments Commission (ASIC). Companies that are listed on the ASX are required to comply with the relevant listing rules in addition to the JORC Code when reporting Exploration Results, Mineral Resources and Ore Reserves. The ASX released a parallel discussion paper and exposure draft documents (listing rules and guidance notes) alongside the JORC consultation documents in 2011 and 2012. The ASX published updated Listing Rules and an associated *Guidance Note 31 – Reporting on Mining Activities* in November 2012.

The JORC Committee is very appreciative of the strong support and collaborative approach from the ASX and ASIC, and believes that the JORC Code and ASX listing rules reinforce each other more strongly than in the past.

The JORC Committee notes that the ASX listing rules also contain information regarding the reporting of foreign and historical estimates, production targets and the inclusion of annual Mineral Resources and Ore Reserves statements in company annual reports.

The JORC Committee in collaboration with its parent bodies (The AusIMM, the AIG and the MCA) and other partners is planning an extensive program of seminars and workshops to build minerals professionals' understanding of the JORC Code, 2012 Edition. These important professional development sessions will support the effective implementation of the revised JORC Code and

provide an excellent platform for improved reporting of Exploration Results, Mineral Resources and Ore Reserves. More information will be available in the near future.

COMMENTS RECEIVED ON THE SEPTEMBER 2012 EXPOSURE DRAFT

Eighty-two written submissions were received in response to the Exposure Draft. Submissions were received from private individuals or groups of private individuals collaborating on a submission, from professional associations and from companies. Submissions received ranged widely in their content, including submissions that incorporated:

- Expressions of support for the review process and the direction proposed in the Exposure Draft.
- Detailed editorial changes.
- Deletion and addition suggestions.
- Queries about the intent and the intended or unintended practical impact upon Public Reports and the work of Competent Persons for particular clauses of the Exposure Draft.
- Some comments critical of the additional requirements and guidance included in the Exposure Draft.

The JORC Committee examined each of the submissions received in detail, and in many cases Committee members engaged in follow up discussion with submission authors.

The overall message in the 82 submissions was supportive of the JORC Code and the directions proposed in the Exposure Draft. Clearly there were diverse views, and some submissions expressed a view that the Code is too prescriptive and detailed, but there was a clear majority support for the Code and the direction of the changes to the Code proposed in the Exposure Draft.

The JORC Committee has been impressed by the very constructive nature of the vast majority of the feedback provided. That input has been invaluable and has helped to build a clearer final JORC Code, 2012 Edition.

TRANSITION PERIOD TO FULL IMPLEMENTATION

The JORC Code 2012 Edition and the new ASX Listing Rules relating to the disclosure of reserves and resources by ASX-listed mining and oil & gas exploration and production companies will come into effect on 1 December 2013 (with the exception of the requirement for a Pre-Feasibility Study or a Feasibility Study to be completed in order to declare an Ore Reserve, which will come into effect on 1 December 2014).

During the transition period until 30 November 2013, the minimum requirement for Public Reports is compliance with the JORC Code 2004 Edition and the current ASX Listing Rules. From 1 December 2013 all Public Reports must comply with the JORC Code 2012 Edition and the new ASX Listing Rules (with the exception of the above-mentioned Pre-Feasibility Study and Feasibility Study requirements which must be complied with from 1 December 2014).

The new ASX Listing Rules are available at:
<http://www.asxgroup.com.au/compliance-downloads.htm>.

Both ASX and JORC encourage early voluntary adoption of the JORC Code 2012 Edition and the new ASX Listing Rules during the transition period, before the new requirements come into effect.

An entity that voluntarily adopts the new requirements before they come into effect should ensure that it is in a position to apply the new requirements to all Public Reports issued by it from that point. ASX will expect the entity to continue to comply with the new ASX Listing Rules for the remainder of the transition period (with the exception of the above-mentioned Pre-Feasibility Study and Feasibility Study requirements, unless they are early-adopted).

OVERVIEW OF CHANGES FROM EXPOSURE DRAFT TO THE JORC CODE, 2012 EDITION

The headings below relate to the Clause and Appendix numbers in the Exposure Draft JORC Code as released for comment in September 2012. In many cases, the equivalent clause in the final JORC Code, 2012 Edition is a different Clause number, and the number of the final Clause is noted in the text below.

Under each heading, an overview of the submissions received and a summary of the changes made in response to those submissions is presented.

Clause 1

A small number of submissions commented on Clause 1 of the Exposure Draft, providing mostly editorial comments.

One submission suggested adding in further detail about jurisdictions, other than Australia, in which the JORC Code is recognised. The Committee agreed it was best to not attempt to include such information as it would create a risk of conflict and confusion between the Code and information provided by securities exchanges or government agencies who require or encourage the application of the JORC Code in their own jurisdiction.

The final Clause 1 includes editorial and clarity changes. Its intent and purpose is unchanged.

Clause 2

A small number of submissions commented on Clause 2, largely providing editorial suggestions.

The final Clause 2 includes editorial and clarity changes. Its intent and purpose is unchanged.

Clause 3

A small number of editorial suggestions were received for Clause 3 of the Exposure Draft.

The final Clause 3 includes editorial and clarity changes. Some sections of text have been changed to be presented as Code text (rather than guidance as in the Exposure Draft) in order to lift their profile and importance within the Code. The Clause's intent and purpose is unchanged.

Clause 4

A large number of comments were received for Clause 4 of the Exposure Draft. The comments included editorial suggestions, comments about the scope of the JORC Code (including suggestions of both expanding and narrowing reporting requirements) and questions about the practical intent of the JORC Code principles. Many submissions raised questions of clarity about how and when Table 1 of the Exposure Draft is intended to apply.

The Exposure Draft Clause 4 has been split into two Clauses in the final JORC Code, 2012 Edition:

- Clause 4 focusses on describing the Principles of the Code and how they interact together and should be applied.
- Clause 5 focusses on the role of Table 1 of the Code. Amendments made include clarity about the circumstances in which 'if not, why not' reporting against Table 1 is required. A significant new guidance section has been added to assist in the consistent application of Table 1 of the JORC Code, 2012 Edition.

Clause 5

A number of editorial suggestions were received for Clause 5 of the Exposure Draft. Comments received also highlighted the fact that the JORC Code is used in various jurisdictions and that there are challenges in stipulating consistent application of the Code given its interaction with different local rules in the various jurisdictions.

The final Clause 6 includes editorial and clarity changes. The guidance section of the Clause has been expanded to further explain the intent and application of the Code to Public Reports.

Clause 6

A few submissions commented on Clause 6 of the Exposure Draft. One comment sought further explanation in Public Reports of the 'scale' of Mineral Resources and Ore Reserves in public reports, which is an issue that is addressed by the increased transparency and disclosure required by changes throughout the final JORC Code 2012.

The final Clause is unchanged from the Exposure Draft, apart from now being re-numbered Clause 7.

Clause 7

No comments were received regarding the Exposure Draft's Clause 7. The final Clause is unchanged from the Exposure Draft, apart from now being re-numbered Clause 8.

Clause 8

Clause 8 of the Exposure Draft attracted significant commentary. Comments ranged from editorial suggestions, queries about exactly what was intended by particular wording within the draft Clause, suggestions for changes to the required competencies and experience of a Competent Person (this included suggestions of increases and decreases in the minimum standards for a Competent Person), and a number of queries and suggested amendments to the text about disclosures of conflict of potential interest.

The final Clause 9 includes a number of changes from the Exposure Draft including:

- Numerous editorial and clarity changes.
- Some elements of the text were changed to be included as Code text (rather than guidance as in the Exposure Draft).
- Some material on appropriate forms of compliance statements was transferred from the Clause to a new Appendix 3 of the Code.
- Some expanded guidance has been included to assist with the interpretation and consistent application of the Clause.

Clause 9

Clause 9 attracted a small number of comments. One submission suggested combining it with Clause 8, one raised concerns that the requirement for documentation to be prepared by the Competent Person was overly bureaucratic, and one queried how the Competent Person's documentation would be distributed and used. One addition was made to the final Clause 10 to clarify that a Public Report about an Exploration Target must be based upon documentation prepared by a Competent Person.

Clause 10

Clause 10's definition of a Competent Person and associated guidance attracted a fairly small number of comments. Those who did comment provided some very detailed suggestions.

A key concern raised in the comments on Clause 10 related to the requirement that the Competent Person signing off on a Public Report must take responsibility for the whole of that report, including any work done by other parties under the supervision of the Competent Person. Some submissions were received about the requirement for five years of relevant experience in order to qualify as a Competent Person, with arguments to reduce and increase the required experience both received. One submission suggested that each Competent Person should be required to disclose the level or type of membership they hold with their relevant professional association.

The final Clause 11 includes some editorial changes to improve clarity, but is fundamentally unchanged from the Exposure Draft. The JORC Committee feels that the requirements to qualify as a Competent Person are well understood and are broadly supported, and that changing those

requirements in response to the comments received was not appropriate. It is the clear intent of the final JORC Code, 2012 Edition that the Competent Person responsible for the information released via a Public Report should take full responsibility for the work conducted under that person's supervision and published with their consent.

Clause 11

A moderate number of comments on Clause 11 and Figure 1 were received. There were a number of comments that related to consistency of language or clarity of 'linkage' between the Exposure Draft's Clause 11 and Figure 1 and other Clauses of the Exposure Draft, and in many cases these linkages have been clarified through edits in other parts of the final Code.

Some submissions were received that argued for either more or less 'granularity' in the acceptable descriptors for Exploration Results, Mineral Resources and Ore Reserves. These suggestions were not adopted as the JORC Committee believes that there is strong acceptance and understanding of the current framework, including through JORC's peer international minerals reporting frameworks and the CRIRSCO template and there is no compelling case for change.

A small number of editorial changes have been made to improve clarity, but the final Clause 12 is fundamentally unchanged from the Exposure Draft.

Clause 12

No changes were suggested to the Exposure Draft's Clause 12 in the submissions received. The final Clause 13 is unchanged from the Exposure Draft.

Clause 13

A small number of editorial and clarification comments were received on Clause 13. The final Clause 14 includes some minor changes to improve its clarity of scope and intent, but the Clause is fundamentally unchanged.

Clause 14

A small number of editorial and clarification comments were received on Clause 14. A few submissions explicitly supported the intent of the draft Clause, and one argued that it imposes unnecessary 'red tape' and that companies should only be required to issue a new report when there has been a material change.

The final Clause 15 includes some minor changes to improve its clarity of scope and intent, but the Clause is fundamentally unchanged.

Clause 15

A few submissions pointed out inconsistencies in the use of language around quality/grade and volume/tonnage throughout the Exposure Draft document. Those comments led to a number of edits to other Clauses throughout the final Code. The final Clause 16 is unchanged.

Clause 16

A large number of comments were received for Clause 16 of the Exposure Draft. The comments included a number of editorial suggestions. There were many comments about the language used. These included suggestions to add significant further detail on the acceptable language, suggestions to add new defined terms, and suggestions that the restrictions on language allowed to be used in describing an Exploration Target are inappropriate.

Some submissions supported the scope and intent of the Exposure Draft's Clause 16, and some argued that the Clause should be deleted and the reporting of Exploration Targets should be prohibited as a result of a view that the concept has been abused or very poorly used in the past.

The final Clause 17 includes a number of edits to improve the clarity of the Clause, but its fundamental content and intent is unchanged. One important change to note is that the second last paragraph of the Clause which was guidance material in the Exposure Draft has been changed

to be Code text in the final Clause 17 in order to emphasise the importance of disclosing whether or not 'actual Exploration Results' underpin the reported Exploration Target.

Clause 17

A small number of submissions were received on the Exposure Draft's Clause 17. Some suggested edits to the definition of Exploration Results were not adopted because doing so would create an inconsistency between the JORC Code and the CRIRSCO standard definitions¹. It was one of the objectives of the review to adopt the CRIRSCO definitions so that there will eventually be consistency of definitions in all the international reporting codes. The final Clause 18 includes minor editorial change to improve clarity.

Clause 18

There were a large number of submissions on Clause 18, including a range of editorial suggestions. Some submissions criticised the level of information the Competent Person is asked to provide under this Clause of the Exposure Draft, and in some cases this extended to criticising elements of the JORC Code 2004 Edition that were included in the Exposure Draft. Some submissions asked that it be made clearer which information is mandatory and which is to be provided at the discretion of the Competent Person.

The final Clause 19 includes some minor changes that increase clarity about the obligations of the Competent Person. This includes clarifying which sections of Table 1 are mandatory when reporting Exploration Results.

Clause 19

Clause 19 attracted a very large number of comments, including some very detailed suggestions. A number of comments were made about the term 'reasonable prospects for eventual economic extraction', with opinions split between those who supported the concept and saw additional clarity in the Exposure Draft's wording and others who argued the concept is inappropriate or overly complex or could diminish the distinction between Mineral Resources and Ore Reserves. Similarly to some comments on Clause 10, a few submissions expressed concern at the level of understanding of Modifying Factors including mining economics and financial factors that the Competent Person is required to have.

Some suggested edits to the definition of Mineral Resource were not adopted because doing so would create an inconsistency between the JORC Code and the CRIRSCO standard definitions. It was one of the objectives of the review to adopt the CRIRSCO definitions so that there will eventually be consistency of definitions in all the international reporting codes.

The final Clause 20 includes a number of editorial and clarity improvements. The fifth paragraph of the Exposure Draft ("Where a Mineral Resource is reported at an average grade ... that is currently not economic ...") was deleted in response to comments received that indicated it was too narrow an example, and the Code should more appropriately rely on the Competent Person to discuss the relevant elements of Table 1.

Clause 20

Most of the comments on Clause 20 of the Exposure Draft related to the relative place of an 'Inferred Mineral Resource' in the spectrum of descriptors set out in Figure 1. A number of suggested edits to the definition of Inferred Mineral Resource were not adopted because doing so would create an inconsistency between the JORC Code and the CRIRSCO standard definitions. It was one of the objectives of the review to adopt the CRIRSCO definitions so that there will eventually be consistency of definitions in all the international reporting codes.

The final Clause 21 includes a number of editorial and clarity improvements, including added cross-referencing to relevant Clauses of the Code. The text relating to estimates 'presented on the

¹ The revised CRIRSCO definitions are available at: http://www.crirSCO.com/news_items/CRIRSCO_standard_definitions_oct2012.pdf.

basis of extrapolation' has been changed from guidance material to being Code text in the final document.

Additional guidance material has been included to assist in the application of the Code clauses relating to "technical studies" (see Clauses 37 to 40 of the JORC Code, 2012 Edition).

Clause 21

Most of the comments on Clause 21 of the Exposure Draft related to the relative place of an 'Indicated Mineral Resource' in the spectrum of descriptors set out in Figure 1. A number of suggested edits to the definition of Indicated Mineral Resource were not adopted because doing so would create an inconsistency between the JORC Code and the CRIRSCO standard definitions. It was one of the objectives of the review to adopt the CRIRSCO definitions so that there will eventually be consistency of definitions in all the international reporting codes.

The final Clause 22 includes a number of editorial and clarity improvements. Additional guidance material has been included to assist in the application of the Code clauses relating to "technical studies" (see Clauses 37 to 40 of the JORC Code, 2012 Edition).

Clause 22

Most of the comments on Clause 22 of the Exposure Draft related to the relative place of a 'Measured Mineral Resource' in the spectrum of descriptors set out in Figure 1. A number of suggested edits to the definition of Measured Mineral Resource were not adopted because doing so would create an inconsistency between the JORC Code and the CRIRSCO standard definitions. It was one of the objectives of the review to adopt the CRIRSCO definitions so that there will eventually be consistency of definitions in all the international reporting codes.

The final Clause 23 includes a number of editorial and clarity improvements. Additional guidance material has been included to assist in the application of the Code clauses relating to "technical studies" (see Clauses 37 to 40 of the JORC Code, 2012 Edition). Additional guidance on the circumstances in which a Measured Mineral Resource might be converted to a Probable Ore Reserve or Proved Ore Reserve is also provided to assist in the interpretation of the definition of Measured Mineral Resource.

Clause 23

Clause 23 of the Exposure Draft attracted a small number of editorial and presentational suggestions. Comments also focussed on the importance of a clear distinction between an Indicated Mineral Resource and an Inferred Mineral Resource in the proper application of this Clause of the Code.

The final Clause 24 of the JORC Code, 2012 Edition includes minor editorial changes to improve clarity, and additional guidance material to assist in ensuring a clear distinction between an Indicated Mineral Resource and an Inferred Mineral Resource, including through the use of technical and economic studies (see Clauses 37 to 40 of the JORC Code, 2012 Edition).

Clause 24

Clause 24 of the Exposure Draft attracted a small number of editorial and presentational suggestions (for example to convert some of the guidance text into Code text). The final Clause 25 of the JORC Code, 2012 Edition includes only very minor editorial changes from the Exposure Draft.

Clause 25

Clause 25 of the Exposure Draft attracted a small number of comments that focussed largely on the issue of how Mineral Resources and Ore Reserves at an individual site are reported.

One submission argued Mineral Resources should be reported as in addition to Ore Reserves, another submission argued the Code should require Mineral Resources to be reported inclusive of Ore Reserves. Given the relatively small number of comments, the conflicting nature of the comments received and the fact that this issue was not a high profile issue during the consultation

phase, the JORC Committee has not changed the Code's requirements with regards these suggestions.

The final Clause 26 is unchanged from the Exposure Draft (except for updated Clause numbering).

Clause 26

Clause 26 attracted a moderate number of comments. Some comments correctly focussed on the fact that for companies listed on the ASX this Clause needs to be read in conjunction with the ASX listing rules. Some suggestions that the ASX listing rules should be repeated within the Clause could not be adopted as that would change the meaning of the Clause for companies reporting in accordance with the requirements of other securities exchanges or jurisdictions. A number of suggestions to improve clarity within the Clause have been adopted in the final JORC Code, 2012 Edition.

A number of significant additions and editorial changes to improve the clarity of this Clause have been included in the final Clause 27. This includes some re-drafted text being included as Code text (rather than guidance as in the Exposure Draft) to clarify the importance of reporting of all relevant criteria in Table 1 when Mineral Resource estimates are first Publicly Reported or when material change occurs.

Clause 27

The Exposure Draft Clause 27 attracted a small number of editorial and clarity suggestions. The final Clause 28 includes only very minor editorial amendment.

Clause 28

Clause 28 attracted a very large number of comments, including some very detailed and diverse editorial suggestions. A number of suggested edits to the definition of Ore Reserve were not adopted because doing so would create an inconsistency between the JORC Code and the CRIRSCO standard definitions. It was one of the objectives of the review to adopt the CRIRSCO definitions so that there will eventually be consistency of definitions in all the international reporting codes.

The last sentence of the Exposure Draft's definition has been changed to Code text to be consistent with the CRIRSCO definition, and the CRIRSCO paragraph relating to the reference point at which the reserves are defined (usually the point where the ore is delivered to the processing plant) was added. The final Clause 29 includes a number of minor editorial changes, but no significant changes have been made after considering the range of comments received.

Clause 29

A small number of comments were received on Exposure Draft Clause 29. Some suggested edits could not be adopted because doing so would create an inconsistency between the JORC Code and the CRIRSCO definition of a Probable Mineral Reserve. Most of those comments related to the repetition of information already included in the Ore Reserve definition.

The final Clause 30 includes an additional guidance paragraph that highlights the importance of the confidence level of the Modifying Factors in conversion from Mineral Resources to Ore Reserves.

Clause 30

A small number of comments were received on Exposure Draft Clause 30. The final Clause 31 adopts a suggested addition to the guidance text to improve the clarity of the level of confidence in the Modifying Factors that is required in Public Reporting of a Proved Ore Reserve.

Clause 31

Clause 31 attracted a small number of comments. The final Clause 32 includes some additions to the guidance section of the Clause to further clarify the distinction between a Probable Ore Reserve and a Proved Ore Reserve.

Clause 32

Clause 32 attracted a small number of comments. The final Clause 33 includes some minor editorial changes to improve clarity.

Clause 33

Clause 33 attracted a small number of comments. The final Clause 34 includes some minor editorial changes to improve clarity.

Clause 34

Clause 34 attracted a small number of comments, but some significant issues were raised in terms of the need for further clarity about when reporting against Table 1 is required. The final Clause 35 includes an additional paragraph of Code text (which is a further development of the first guidance paragraph in the Exposure Draft's Clause 34) and some further guidance text in order to support this improved clarity.

Clause 35

Clause 35 of the Exposure Draft attracted a small number of comments. The comments included editorial suggestions, and one that focussed on the question (raised also in comments on Clause 25) of whether the Code should prescribe whether or not Mineral Resources can be reported as additional to or inclusive of Ore Reserves.

The final Clause 36 includes some minor editorial changes to improve clarity.

Clause 36

Clause 36 of the Exposure Draft attracted a moderate level of comment. Comments included a number of editorial suggestions, requests for greater clarity about the role of technical and economic studies and how they should be used and requests for clarity about the level of reporting of technical and economic studies that is required.

In addressing these comments, the final JORC Code, 2012 Edition includes:

- A new sub-heading "Technical Studies" inserted above the final Clause 37 (equivalent of the Exposure Draft's Clause 36) to highlight the Clauses relating to the application of technical and economic studies and to clarify that they are distinct from the preceding Clauses under the "Reporting of Ore Reserves" heading.
- A new introductory Clause 37 setting out the reason why definitions of technical and economic studies have been incorporated into the Code.
- A number of 'flow-on' clarification additions to various Clauses of the Code that improve the referencing to the use of technical and economic studies in the production of Public Reports. (For example, see the changes to the Exposure Draft's Clauses 20 to 23 noted above).
- Substantial amendments from the Exposure Draft (Clause 36) to the final Clause 38, including an amended definition of a Scoping Study, increased clarity about the fact that a Scoping Study is not to be used as a basis for estimation of Ore Reserves, and enhanced guidance to support the effective use of Scoping Studies in accordance with the JORC Code.

Clause 37

Clause 37 of the Exposure Draft attracted a moderate level of comment. Comments included a number of editorial suggestions, requests for greater clarity about the role of Pre-Feasibility Studies and requests for clarity about the level of reporting of Pre-Feasibility Studies that is required. One submission highlighted the fact that the new *AusIMM Cost Estimation Handbook – Monograph 27* which is being published early in 2013 will assist Competent Persons with the use of the various technical and economic studies including Pre-Feasibility Studies.

The final Clause 39 includes some additional guidance material to support the effective use of Pre-Feasibility Studies. The improved referencing to the use of technical and economic studies in the production of Public Reports (as noted above) is also relevant to this Clause.

Clause 38

Clause 38 of the Exposure Draft attracted a small number of comments.

The final Clause 40 includes some editorial amendments to improve clarity and additional guidance material to support the effective use of Feasibility Studies. The improved referencing to the use of technical and economic studies in the production of Public Reports (as noted above) is also relevant to this Clause.

Clause 39

Clause 39 attracted a small number of comments, including comments highlighting the importance that any reporting in accordance with this Clause should separately itemise each relevant element of mineralised fill, remnants, pillars, low grade mineralisation, stockpiles, dumps and tailings.

The final Clause 41 is unchanged from the Exposure Draft (Clause 39) apart from very minor editorial adjustments.

Clause 40

A fairly large number of comments were made on Clause 40 of the Exposure Draft.

A number of submissions argued that the 2003 edition of the *Australian Guidelines for Estimating and Reporting of Inventory Coal, Coal Resources and Coal Reserves* may not be appropriate to a large number of Coal Resources and Coal Reserves reported under the JORC Code, and some submissions argued that the JORC Code should no longer refer to these Guidelines. The JORC Committee noted the concerns raised about the 2003 edition of the Guidelines. The Committee believes it would be inappropriate for the JORC Code to not refer at all to any coal guidance, and the text of the final Clause has therefore been modified to refer to the existing Guideline document 'or its successor document as published from time to time'. The JORC Committee will encourage an update to the existing 2003 edition of the Guidelines.

A further amendment to the final Clause 42 was made to confirm that the *Reporting of In-Situ or In-Ground Valuations* Clause (Clause 50 of the Exposure Draft and Clause 51 of the final Code) is also intended to apply to the *Reporting of Coal Resources and Reserves* section of the Code.

Clause 41

No comments were received regarding Clause 41 of the Exposure Draft and the final Clause (Clause 43 of the JORC Code, 2012 Edition) is unchanged.

Clause 42

The Exposure Draft's Clause 42 was a proposed new Clause that was not built upon an existing Clause in the 2004 Edition of the Code.

A moderate number of comments were received on the proposed Clause 42, and they indicated varying opinions about the value and intent of the proposed Clause. Comments highlighted a lack of clarity about the meaning of the phrase 'significant beneficiation' and about why the proposed Clause applied to Coal Resources only.

After considering the comments received, the proposed Clause has been deleted from the JORC Code, 2012 Edition (and there is therefore no equivalent Clause in the final Code).

Clause 43

Clause 43 of the Exposure Draft attracted a small number of comments. The submissions highlighted the importance of the reporting of 'Marketable Coal Reserves', and argued that reporting of this information should be mandatory. Some submissions noted that requiring such reporting would align this element of the JORC Code with the SAMREC Code.

The final Clause 44 adopts amendments to clarify that the reporting of 'Marketable Coal Reserves' is required where it is relevant. An additional paragraph of guidance has also been added to clarify the circumstances in which 'coking coal' or 'metallurgical coal' should be referenced in a Public Report.

Clause 44

The only comment on Clause 44 of the Exposure Draft was an indication of support for the Clause.

An amendment was made to the final Clause 45 to confirm that the *Reporting of In-Situ or In-Ground Valuations* Clause (Clause 50 of the Exposure Draft and Clause 51 of the final Code) is also intended to apply to the *Reporting of Diamond Exploration Results, Mineral Resources and Ore Reserves* section of the Code.

Clause 45

Only one comment was received on Clause 45 of the Exposure Draft. It suggested minor editorial changes which have been adopted in the final Clause 46 of the JORC Code, 2012 Edition.

Clause 46

No comments were received regarding Clause 46 of the Exposure Draft and the final Clause (Clause 47 of the JORC Code, 2012 Edition) is unchanged.

Clause 47

Only one comment was received on Clause 47 of the Exposure Draft. It questioned an inconsistency between the guidance paragraph for this Clause and other guidance on the application of Table 1 in earlier Clauses of the Code.

The final Clause 48 is unchanged apart from the deletion of the paragraph of guidance which was included in the Exposure Draft (and which was redundant given explanation of how Table 1 should be applied in Public Reporting elsewhere in the Code).

Clause 48

A small number of submissions were received on Clause 48 of the Exposure Draft. One submission suggested the Clause should be deleted from the Code and another supported the changes proposed from the 2004 Edition of the Code.

The final Clause 49 includes some minor editorial changes from the Exposure Draft's version of this Clause.

One submission suggested that much more detailed guidance on the analysis and reporting of mineral sands should be provided in the Code. The JORC Committee would welcome the development of a further industry guideline to support mineral sands reporting as is currently the case for the coal reporting guideline and other industry guidelines on the estimation and reporting of Diamond Resources and Diamond Reserves.

Clause 49

Clause 49 of the Exposure Draft attracted a moderate number of comments, and some of the comments received were extremely detailed. Some comments supported the inclusion and intent of the Clause. Some comments raised concerns that previous Public Reports have included misleading reporting of metal equivalents. A number of suggestions about improving the clarity of the draft Clause were received, including comments about the status of various text as definition, Code or guidance.

The final Clause 50 includes a number of editorial changes to improve clarity. The draft text (first paragraph) presented as definition in the Exposure Draft has been presented as Code text in the final Clause. The last paragraph, which was presented as Code text in the Exposure Draft, has been changed to guidance text in the final Clause.

Clause 50

The Exposure Draft's Clause 50 attracted a moderate number of comments, and some of the comments received were extremely detailed. The comments highlighted the need for greater clarity about the intent of the Clause, with some comments indicating the draft Clause could be mis-interpreted as a prohibition on the reporting of Mineral Resources in the ground.

The final Clause 51 includes a number of clarifying changes, including adopting the language of '*in situ*' or 'in ground' financial values' to ensure that it is clear that the Clause is intended to clarify that reporting of financial values of minerals in the ground is inconsistent with the intent of the JORC Code. This change clarifies that Clause 51 does not restrict the reporting of Mineral Resources in the ground in terms of their volume or grade. A number of flow-on editorial changes have been made throughout the final Clause.

The final guidance paragraph in the Exposure Draft has been deleted from the final JORC Code, 2012 Edition as it was repetitive of earlier guidance on the conversion of Mineral Resource estimates to Ore Reserve estimates and did not fit well in this Clause.

Table 1 Checklist of Assessment and Reporting Criteria

A very large number of comments were received on Table 1. These included a range of suggestions of an editorial nature and comments to improve the clarity of presentation of Table 1. A number of specific suggestions about additions or deletions to Table 1 were received, both suggestions to add or delete a specific criteria from the Table and also suggested additions and deletions from the explanation column for various of the specific criteria.

The changes made in the final JORC Code, 2012 Edition are too detailed to present here, but they include for example:

- The addition of section numbering to each part of Table 1 for ease of reference elsewhere in the Code.
- A significant expansion of the guidance text in the introduction to Table 1, including new guidance on the circumstances in which a company issuing a Public Report might be able to exclude some commercially sensitive (eg commercial-in-confidence) information from that Public Report.
- Significant edits and additions to the 'Drill hole information' criterion in section 2 of Table 1.
- The addition of a 'Social' criterion in section 4 of Table 1, with that criterion being a part of the Exposure Draft's 'Other' criterion relating to the 'status of agreements with key stakeholders and matters leading to social licence to operate'. Reference to the ability to satisfy the Equator Principles was also removed from this section of Table 1 in response to comments received.

Appendix 1 Generic Terms and Equivalents

A small number of comments were received on Appendix 1. The final JORC Code, 2012 Edition includes a number of editorial changes, including the re-ordering of the 'generic terms' by alphabetic order.

Appendix 2 Competent Person's Consent Form

A small number of comments were received on Appendix 2. These included editorial and content suggestions for the form, a suggestion that the form should be replaced by the use of the Canadian (NI 43-101) equivalent, and a request the requirement for a witness signature should be removed.

The final Competent Person's Consent Form includes some minor editorial and presentation changes, but is unchanged in its core intent and format.

Appendix 3 Compliance Statements

The final JORC Code, 2012 Edition includes a new Appendix 3 that sets out examples of Compliance Statements that might be used in Public Reports. This new Appendix further develops material previously included in the Exposure Draft's Clause 8 as guidance material.

Appendix 4 List of Acronyms

The final JORC Code, 2012 Edition includes a new Appendix 4 that sets out the various acronyms used throughout the Code. It is presented to assist the use of the Code only.