

AUSTRALASIAN JOINT ORE RESERVES COMMITTEE (JORC)



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Mr D Larkin, Chief Executive Officer, The AusIMM
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Mr G Corbett, President, Australian Institute of Geoscientists
Ms K Hamilton, Executive General Manager, Issuers & Market Integrity, Australian Stock Exchange
Ms C Officer, National Counsel, Investors & Companies, Australian Stock Exchange

Dear Don, Mitch, Greg, Karen and Catherine,

Following approval of the Joint Ore Reserves Committee's ("JORC's") three parent bodies, the Minerals Council of Australia, The Australasian Institute of Mining and Metallurgy, and the Australian Institute of Geoscientists, JORC is now pleased to issue an Exposure Draft of the 2003 JORC Code for public exposure and comment. JORC would be grateful if you could notify your membership of the draft, post it on your web sites if you feel this is appropriate, and invite comment to reach the Secretary of JORC by the 28th of February 2003. The Exposure Draft will be placed on JORC's web site, www.jorc.org, and comments can also be e-mailed to info@jorc.org.

The Exposure Draft will be further reviewed following receipt of submissions made in response to its public release, and a final version of the 2003 JORC Code will be prepared for the approval of JORC's parent bodies. The approved version will be forwarded to the Australian and New Zealand Stock Exchange for their review and adoption.

This Exposure Draft is the result of an exhaustive review of the 1999 JORC Code by the committee during 2002, and is based on a large number of submissions received over time on the 1999 Edition of the JORC Code and as a result of the call for public submissions issued in late 2001.

To aid in reviewing the Exposure Draft, it has been prepared as a comparison document, setting the proposed 2003 Code (middle column) alongside the current 1999 Code (left hand column), with commentary on the more significant changes (right hand column). Sections of the text that have been changed or deleted, or are proposed for inclusion, are highlighted in yellow. The guideline Table 1 is in a slightly different format: the topic heading is in the left column, the information on the topic in the 1999 edition of the JORC Code is in the middle column, and the proposed 2003 Code is in the right column.

The major proposed changes to the Code are (not in order of importance):

- The transfer, with the agreement of the ASX, of the requirement to name the Competent Person from the ASX Listing Rules to the JORC Code, clause 8.
- The inclusion of a definition of Exploration Results in the Code, clause 17.

- The requirement for a Competent Person to be responsible for the documentation upon which Exploration Results are reported and the requirement for the Competent Person to be named in a similar manner to that already required for reporting of Mineral Resources and Ore Reserves, clause 9.
- The extension of the definition of a Competent Person to cover preparation of documentation for reporting on Exploration Results, clause 10.
- The inclusion in the definition of a Competent Person of a reference to 'Recognised Overseas Professional Organisations' ('ROPOs'), clause 10.
- The removal of the requirement to name the independent valuer for diamonds, clause 11.
- The transfer, with the agreement of the ASX, of certain requirements for reporting of Exploration Results from the Listing Rules to the JORC Code, clause 18.
- The inclusion of advice, under a separate heading, regarding the reporting of exploration targets separated from the clauses of the Code dealing with reporting of Exploration Results, clause 20.
- The inclusion of a guideline encouraging Competent Persons to discuss the relative accuracy and/or confidence of Mineral Resource and Ore Reserve estimates, clauses 26 and 34 and Table 1.
- The inclusion of a guideline for the level of study expected to enable the estimation of an Ore Reserve. Adapted from the Reporting Code¹ but not including the words "prefeasibility study" which are included in the Reporting Code. Guideline to clause 30.
- The removal, with the agreement of the NSW/Queensland Coal Guidelines Committee, of a clause permitting the combining of Probable and Proved Ore (Coal) Reserves for reporting as Recoverable Reserves, clause 39 of 1999 Code.
- The inclusion of Appendix 2 – Table of Generic Terms and Equivalents.

Otherwise the changes have generally involved the adoption of wording and information from the Reporting Code, and rearrangement of some of the 1999 text.

Regards ,



P R Stephenson
Chairman JORC

Copy: Members of JORC

¹ Code for Reporting of Mineral Exploration Results, Mineral Resources and Mineral Reserves, prepared by the Institution of Mining and Metallurgy Working Group on Resources and Reserves in conjunction with the European Federation of Geologists and the Institute of Geologists of Ireland. This code is the latest of several national reporting standards based on the 1999 JORC Code.