



Value from Resource/Reserve Audits and the JORC Code

2 Day Professional Development Workshop for Technical Mining Professionals

Course Leaders: John Vann and Scott Dunham

Objectives of the Workshop

In the continued fallout of the World Financial Crisis investors and lenders will place increasing importance on the reliability of company forecasts and performance predictions. Consequently both industry and regulators are placing even more emphasis on identifying and understanding risk in all aspects of business. The mineral resource and ore reserve are the key assets of any mining company. The certainty and confidence of the tonnes, grade and quality of resources and reserves underpin cash flow forecasts and directly impact on a wide range of business drivers. Understanding the resource/reserve risk is a critical factor in business success and has growing importance from a regulatory standpoint.

This two day professional development program gives participants a thorough understanding of the role and application of resource/reserve audits as a tool for understanding and managing resource and reserve risk. The audit function and, specifically, its relationship to the JORC Code will be investigated and participants are led through both internal and external audit scenarios. Other international codes will be summarised and compared to JORC. The program outlines the role of standards and procedures, the need to define an audit scope and ways to drive value from the audit process. The critical issues surrounding resource/reserve classification, Competency, and public reporting are dealt with. Time is devoted to exploring the key things an auditor looks for when reviewing an estimate. Practical tips on scoping, conducting and being prepared for audit are set out. The presenters draw from their personal experience in conducting audits and being audited to highlight examples of the process being beneficial or value destructive. The issues of independence and the potential legal liabilities of both Competent persons and auditors are touched upon. The possible future evolution of JORC and the regulatory framework will be examined.

Who Should Attend?

This program is intended to demystify issues surrounding resource/reserve audits and the JORC Code. It is designed for professionals involved at all levels of the resource/reserve process from those directly involved with estimation, their supervisors and managers through to corporate personnel responsible for implementing and conducting corporate standards in a regulatory framework. This program would suit both hands on practitioners as well as those involved in these issues at corporate level.

Program

Day 1	Audits defined Role of audits Importance of the scope Internal vs. external audit Prior preparation prevents poor performance What does 'audit-ready' mean? Audit top 10 issues Validation vs. verification Risk assessment and audits Australian Risk Management Standard (AS/NZS 4360:2004) Audit and continuous improvement
Day 2	JORC Code introduced JORC Code – what, why and how The question of Competency Reporting framework Classification considerations and audit Modifying factors and audit Public reporting and disclosure International codes and trends

A full set of PowerPoint slides will be provided to each participant. Additional reference materials including examples and test cases will be provided electronically at the completion of the program.

Course Leaders: John Vann & Scott Dunham



John Vann is a geologist and geostatistician with over 20 years experience of base metal, coal, nickel, iron, gold, bauxite, manganese and copper projects. John has taught over 150 short courses and seminars on resource estimation, geostatistics, sampling and risk topics since 1993 in Australia, the USA, Canada, UK, Indonesia, Zimbabwe, South Africa and PNG. He has been an independent auditor of major iron, copper-gold and nickel deposits in recent years in Australia and Mongolia. He is a Director of QG and holds degrees in geology from RMIT and the University of New England and geostatistics from the University of Leeds. John is Adjunct Professor of Geology at UWA, Adjunct Senior Lecturer in Geostatistics at the University of Adelaide and was a member of the JORC Committee for 11 years. He has been involved in resource classification and auditing of resources under JORC, NI-43-101 and SEC rules.

Scott Dunham is a technical mining manager with degrees in geology and information technology. He has over 20 years experience in a variety of commodities including copper, nickel, gold, tin, silver-lead-zinc. Scott has specific expertise in managing geology, mine planning, scheduling and geotechnical professionals in operational and project development environments and is a past Technical Services Manager for Newcrest, WMC Resources and RGC/Goldfields. Scott joined QG as a director in 2006 and has lead training on management, reconciliation and geometallurgical modelling for a variety of clients including BHP Billiton and Rio Tinto. Scott has recently been working on resource and reserve audits and due diligence reviews for a wide range of companies in Australia, PNG and North America. He has acted as a Competent Person for both underground and open pit resources and reserves and has been responsible for Board level audit programs both internally and as an external consultant.

QG's Audit Expertise

QG has significant experience in auditing and reviewing the resource and reserves for a large range of projects and mines including world class copper, copper-gold, copper-uranium, nickel, gold, lead-zinc, diamonds, iron and PGEs. QG's philosophy focuses on business risk and improvement opportunities.

Further enquiries: info@qgroup.net.au and see also www.qgroup.net.au