



COMMITTEE FOR MINERAL RESERVES
INTERNATIONAL REPORTING STANDARDS



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Competent Person from the perspective of all stakeholders

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EGRC, Geneva 2015



- Why is it needed?
- What is a Competent Person?
- Challenges

Why is it needed?

Resource and reserve estimation is complex

The complexities and uniqueness of the resource and reserves estimation processes mean the CRIRSCO aligned codes cannot be prescriptive.

Principle based

Rely on judgement and experience

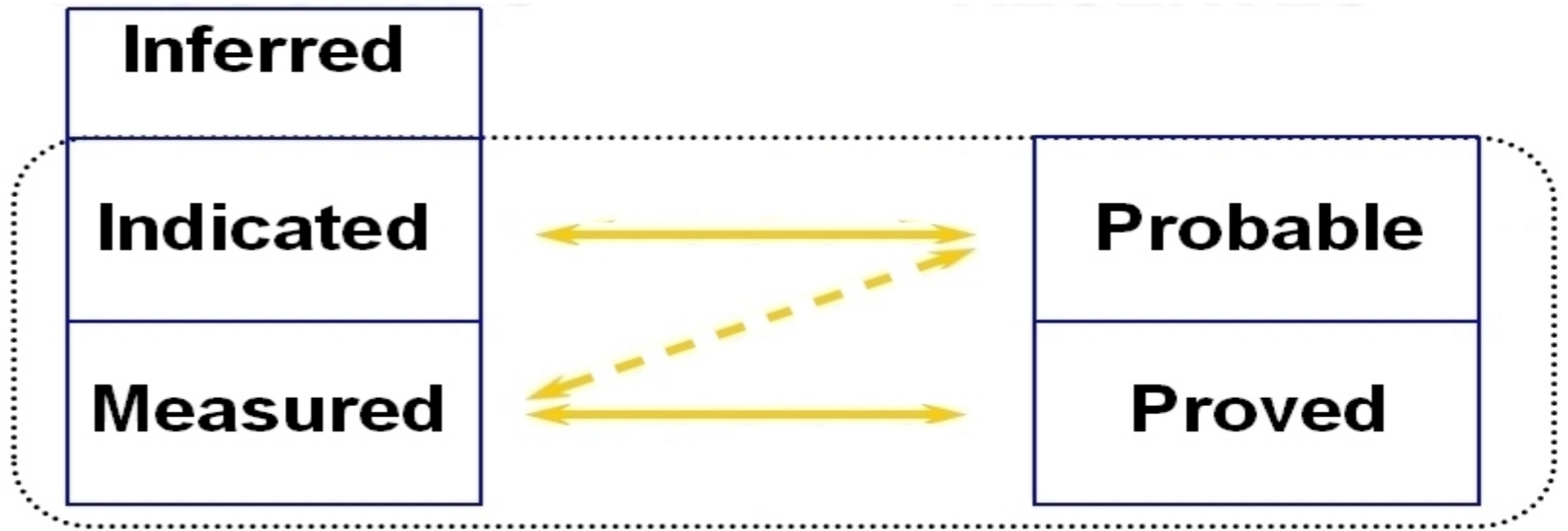
Fundamental Framework

Exploration Results

MINERAL RESOURCES

MINERAL RESERVES

Increasing level of geological knowledge and confidence

Consideration of mining, processing, metallurgical, economic, marketing, legal, environmental, infrastructure, social, and governmental factors (the "Modifying Factors").



Modifying Factors

- Mining
- **Processing**
- Metallurgical
- Economic
- Marketing
- Legal
- **Environmental**
- **Social**
- **Infrastructure**
- Governmental

Current Reporting requirements

- Reports prepared for investors or potential investors
- Regulatory reports;
- Reports that define government strategy and fiscal policy?;and
- Reports that impact on communities? National and local.

Why is it needed?

- Rio Mozambique write down of \$3.0Bn on purchase of \$3.5Bn;
- Minas Rio write down of \$4Bn on purchase of \$6Bn;
- Lumwana write down of \$3.8Bn on purchase of \$7.0Bn



Chilean Court
rejects Barrick appeal
to restart work on
USD 5-8 Billion project



Conga opponents
vandalize mine site
and kidnap worker

What is a Competent Person?

- Member or Fellow of professional body with enforceable code of ethics
- Five (5) years experience *relevant* to type of mineralization and deposit and the activity being undertaken

Competent Person

Team approach allowed but leader signs off.

Satisfied in own mind able to face peers and demonstrate competence in the commodity, type of deposit and situation.

What is a competent Person?

Legislated

- South Africa - statutory bodies for regulating the work of Engineering and Geosciences
- Mongolia
- Chile

Challenges

- Increased litigation;
- Complaints and confidentiality;
- Legal vulnerability undermining reprimands in the complaints process
- Long turnaround of complaints

Acknowledgements



ALL SLIDES

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