



COMMITTEE FOR MINERAL RESERVES INTERNATIONAL REPORTING STANDARDS

Report for the period ended March 31 2010

The 2009 Annual Meeting was held in October in Beijing. The highlight of the meeting was a day seminar held with the Ministry of Land and Resources of China where the CRIRSCO Template and the recently amended China classification for resources and reserves were discussed in depth. Dialogue with China will be ongoing as they finalize their classification system over the next two years.

A Public Summary of the meeting was sent to the ICMM and a copy may be found on the website site www.crirSCO.com. It was decided that part of the CRIRSCO Annual Meeting will in future be open to all interested parties. The next meeting is scheduled to coincide with the Minex conference in Moscow in late September 2010.

Members of CRIRSCO have been actively involved with the Expert Group on Resource Classification (EGRC) and the Specifications Task Force (STF) on behalf of the Sustainable Energy Division of the UNECE. National Reporting Organizations (NROs) have been canvassing members with regard to the need for further specifications and guidelines for the recently issued UNFC 2009. Early indications are that mining companies rarely use the UNFC. The UNFC 2009 is a non mandatory system which applies to solid minerals and petroleum and which has been previously mapped to the Template and the Petroleum Resource Management System (PRMS).

Work has continued to compare the fundamental definitions contained in the Template and those in the standards and codes of the NROs. Although each NRO determines the content of its standards or code the presentation of a common set of definitions for the solid minerals industry, through the Template will be enhanced if NRO definitions are to a large degree congruent with those in the Template.

CRIRSCO in conjunction with The Russian Federal Government Agency State Commission on Mineral Reserves (FGU GKZ) have released a consultation draft of the GKZ – CRIRSCO Handbook which contains guidelines on alignment of Russian minerals reporting standards and the CRIRSCO Template. The document has been posted on the CRIRSCO website for public comment.

CRIRSCO representatives will be engaging with working groups to discuss the IASB Discussion Paper released in late March on the financial reporting of mineral reserves and resources.

30 March 2010

Report for the period ended 30 June 2010

Members of CRIRSCO attended the first session of the Bureau of the UNECE Expert Group on Resource Classification (EGRC) in Geneva on 28 and 29 April 2010. The work of the Specifications Task Force (STF) was presented. The results of the extensive survey that was undertaken in both the solid minerals and the oil and gas industry revealed that there were few using the UNFC as a classification system and therefore there was little requirement for further specifications and guidelines. It was proposed that the STF continue its work within the following tenets:

- (a) The STF should not work on changes to the UNFC main structure of classes or subclasses listed in the UNFC-2009. They should report them to the Bureau for its consideration.
- (b) The STF should not work on disclosure requirements as these are covered by various financial and regulatory groups and lie outside the EGRC mandate.



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(c) The STF should prioritize comments by area and significance of the impact also taking cognizance of the source of the comment. STF should develop a basic discussion format for the specifications so all pertinent information is presented to the Bureau for a robust discussion.

(d) When the STF believes there is a need for a specification or guideline for the UNFC-2009, prior to developing the detailed guidance, it should be sent to the appropriate professional society (SPE, CRIRSCO) to see if it can be accommodated in the PRMS or CRIRSCO template.

The IASB Discussion Paper for Extractive Activities (DP) was issued in early April inviting comment by July 30 2010. CRIRSCO representatives have participated in the Industry Working Group (IWG) in the USA which has been formulating a detailed response for solid minerals. Several ICMM member companies were also represented on the IWG. CRIRSCO members (NROs) have also been participating in forums in their own jurisdiction to discuss the DP and formulate comment.

The DP did recognize the resource and reserve definitions in the CRIRSCO Template and the Petroleum Resources Management System (PRMS) as the dominant international classification systems for reserves and resources. With regards to the Template it was also noted that the national reporting codes (JORC, SAMREC etc) form the basis of market regulator disclosure requirements in most jurisdictions that have formalized mineral reserve and/or resource disclosure requirements (excluding the US SEC).

Paragraph 2.67 of the DP states:

The project team recommends that the CRIRSCO Template and PRMS definitions of reserves and resources are suitable for use in a future IFRS for extractive activities. In the project team's view, the nature and extent of the similarities that exist between the CRIRSCO Template and the PRMS reserve and resource definitions indicates that these definitions are capable of providing a platform for setting comparable accounting and disclosure requirements for both minerals and oil and gas properties.

The Pan European Reserves and Resources Reporting Committee (PERC) are about to submit detailed comment on the Committee of European Securities Regulators (CESR) Consultation Paper on the proposed amendments to the CESR's recommendations for the consistent implementation of the European Commission's Regulations on Prospectuses. The PERC submission with support of CRIRSCO members will propose that the PERC Code be the reference code for Europe as JORC is for Australia and SAMREC is for South Africa.

CRIRSCO members will be participating in the first day of an international conference, open to all which will be hosted by GKZ in Moscow on Monday 27 and Tuesday 28 September 2010. Details of program and venue will be made available by GKZ in the near future. The CRIRSCO annual meeting will be held on Tuesday 28 and Wednesday 29 in Moscow. The morning of Tuesday 28 will be open to the public and the NROs will give feedback on activities in their jurisdiction.

4 July 2010