



COMMITTEE FOR MINERAL RESERVES  
INTERNATIONAL REPORTING STANDARDS

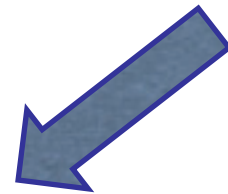


# **Update by National Reporting Organisation on major issues in Russia**

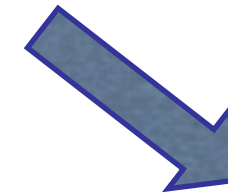
October 2012

- **OERN recognition as RPO by NROs**
- **NAEN Code recognition**
- **NAEN/OERN other main activities**
  - NAEN Code update
  - NAEN expansion
  - Seminars and conferences
  - The NAEN Journal
- **Conclusion**

Acceptance of OERN internationally as a RPO



Allow OERN's members to  
act as Competent Persons



Prepare reports in  
compliance with the  
International standards

## APPENDIX 5 RECOGNISED PROFESSIONAL ORGANISATIONS (RPOS)

This is a list of professional organisations (RPOs, or Recognised Professional Organisations) and required membership levels for the purpose of the definition of a Competent Person in the PERC Standard (paragraph 10).

To be recognised as an RPO, an organisation must satisfy the following criteria:

- 1 be a self-regulatory organisation covering professionals in the mining and/or exploration industry;
- 2 admit members primarily on the basis of their academic qualifications and professional experience;
- 3 require compliance with the professional standards of competence and ethics established by the organisation anywhere in the World (not just within the home jurisdiction of the organisation); and
- 4 have disciplinary powers, including the power to suspend or expel a member for breaches of professional standards of competence or ethics anywhere in the World.

The minimum membership classes required are consistent with those in other CRIRSCO codes and have been set at a level where the membership class is based on a system of peer scrutiny, including submission of documentation demonstrating experience and expertise and normally a professional interview, or where there is no interview PERC would need to be satisfied that the system of peer scrutiny is sufficiently robust.

### EUROPEAN RPOS RECOGNISED BY PERC, AND MEMBERSHIP LEVELS REQUIRED

Organisation	Minimum membership class required
The Institute of Materials Minerals and Mining (IOM3)	'Member' (MIMMM) or 'Fellow' (FIMMM)
National Associations which constitute the European Federation of Geologists (EFG)	'European Geologist' (EurGeol)
The Institute of Geologists of Ireland	'Professional Geologist' (PGeo)
The Geological Society of London	'Chartered Geologist' (CGeol) or 'Chartered Scientist' (CSci)

### RPOS OUTSIDE EUROPE

Organisation	Minimum membership class required
OERN (Russia)	'Expert'
Australasian Institute of Professional Geologists (AIPG)	Certified Professional Geologist
Mining and Metallurgical Society of America (MMSA)	Qualified Professional
Australasian Institute of Mining and Metallurgy (AusIMM)	Fellow or Member
Australian Institute of Geoscientists (AIG)	Fellow or Member
South African Institute of Mining and Metallurgy (SAIMM)	Fellow

South African Council for Natural Scientific Professions Professional Natural Scientist (SACNASP)	Professional Natural Scientist
Association of Professional Engineers, [Geologists/Geoscientists] [and Geophysicists] of any province of Canada	Professional Member
Canadian Institute of Mining, Metallurgy and Petroleum (CIM)	
Geoscientists Canada (any member association)	Professional Geoscientist (P.Geo)
Other organisations within Europe or elsewhere which have been defined as acceptable by the European Securities and Markets Authority regulations for minerals companies paragraph 133.i) a) i) 2). These will be appropriate recognised professional associations, institutions or bodies relevant to the activity being undertaken, with enforceable rules of conduct.	Any person who is professionally qualified and a member or registrant in good standing of such professional association, institution or body, who is subject to the enforceable rules of conduct, and whose membership status is based on rigorous peer scrutiny including submission of documentary evidence of experience and competence and an examination (oral or written).



# OERN recognition as RPO by Comision Minera - Chile

## Reciprocity Agreement between NAEN, Comision Minera and OERN, signed on 2 May, 2012



Некоммерческое партнерство  
«Саморегулируемая  
организация «Национальная  
ассоциация по экспертизе  
недр»  
(НП НАЭН)  
Non-Profit Partnership "Self-  
Regulatory Organization  
"National Association for  
Subsoil Use Auditing"  
(NAEN)



Квалификационная комиссия по  
компетенции в области  
минеральных ресурсов и запасов  
(Горная комиссия)  
Comisión Calificadora de  
Competencias en Recursos y Reservas  
Mineras  
(Comisión Minera)



Общество экспертов  
России по  
недропользованию  
(ОЭРН)  
Russian Society of Subsoil  
Use Experts  
(OERN)

### ВЗАИМНОЕ СОГЛАШЕНИЕ / RECIPROCITY AGREEMENT

Некоммерческое партнерство  
«Саморегулируемая  
организация «Национальная  
ассоциация по экспертизе  
недр» (НП НАЭН), Квалификационная  
комиссия по компетенции в области  
минеральных ресурсов и запасов (Горная  
комиссия) и Общество экспертов России по  
недропользованию (ОЭРН):

- исходя из целей и задач своей основной  
деятельности и долгосрочных  
интересов обеих сторон в развитии  
мирового горнопромышленного бизнеса;
- отмечая растущую важность  
международного взаимодействия в  
области недропользования в условиях  
глобализации рынков сырья и капитала,  
и, в частности, укрепления  
профессиональных контактов между  
Компетентными лицами России и Чили.

### ДОГОВОРИЛИСЬ О НИЖЕСЛЕДУЮЩЕМ:

1. Целью настоящего Соглашения является  
создать условия, при которых  
Компетентные лица будут признаны  
другой юрисдикцией, являющейся  
Стороной данного Соглашения.
2. Компетентные лица. Согласовано, что как  
в России, так и в юрисдикциях Чили,  
оценки ресурсов ТПИ должны готовиться

высококвалифицированными  
профессиональными геологами либо  
инженерами.

3. Если оценки ресурсов ТПИ  
предназначаются для публикации в  
соответствии с принципами прозрачности,  
материальности и компетентности, то эти оценки  
должны быть верифицированы геологами  
либо инженерами, имеющими  
квалификацию и опыт работ,  
соответствующие требованиям к  
Компетентному лицу CRIRSCO.

4. Компетентные лица, ставящие свои  
подписи под оценками ресурсов ТПИ,  
принимают на себя персональную  
ответственность за точность и надежность  
этих оценок; они могут подвергаться  
дисциплинарным мерам воздействия со  
стороны профессиональных организаций,  
членами которых они являются.

5. Российские геологи, инженеры или другие  
специалисты будут признаны  
Компетентными лицами в Чили, если они  
являются членами ОЭРН и отвечают  
требованиям, обозначенным чилийским  
законодательством.

6. Чилийские геологи, инженеры или другие  
специалисты будут признаны  
Компетентными лицами в России в  
соответствии с российским  
законодательством, если они обладают  
квалификацией и опытом работы и  
являются членами Горной комиссии Чили.

prepared by suitably qualified professional  
geologists or engineers.

3. If mineral resources estimates are to be  
published under proven transparency,  
materiality, and competence, then they  
must be verified by geologists or engineers  
with qualifications and appropriate  
experience to be defined as Competent  
Persons according to the CRIRSCO  
definition.

4. Competent Persons, when signing  
estimates of mineral resources, take  
personal responsibility for the accuracy  
and reliability of these estimates and are to  
be subject to disciplinary procedures of the  
professional organisations of which they  
are members.

5. Russian geologists, engineers or other  
specialists will be recognised as  
Competent Persons in Chile if they are  
members of OERN and if they meet  
requirements imposed by the Chilean  
regulatory system.

6. Chilean geologists, engineers or other  
specialists will be recognised as  
Competent Persons within Russia if they  
have qualifications, experience, and valid  
membership in Comision Minera de Chile  
as Competent Persons and if they meet  
requirements imposed by the Russian  
regulatory system.

Директор НП НАЭН / Director, NAEN  
Первый заместитель председателя ОЭРН /  
Vice-chairperson, OERN

Александр Иванович Ежов / Alexander Ezhov

2 мая 2012 г.



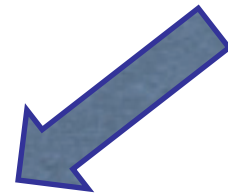
Президент Горной комиссии / President,  
Comisión Minera

Эдмундо Тулканаса / Edmundo Tulcanaza

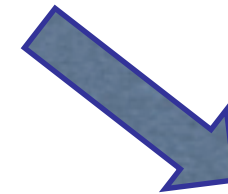
2 May 2012

According to the Agreement,  
Russian geologists, engineers  
will be recognised as  
Competent Persons in Chile if  
they are members of OERN  
and if they meet requirements  
imposed by the Chilean  
regulatory system

Recognition of the NAEN Code by stock exchanges



Allow to accept NAEN Code  
by stock exchanges



Allow to prepare reports in  
compliance with the NAEN  
Code

## Interaction with:

**London Stock Exchange (LSE)**



**European Securities and Markets Authority (ESMA)**



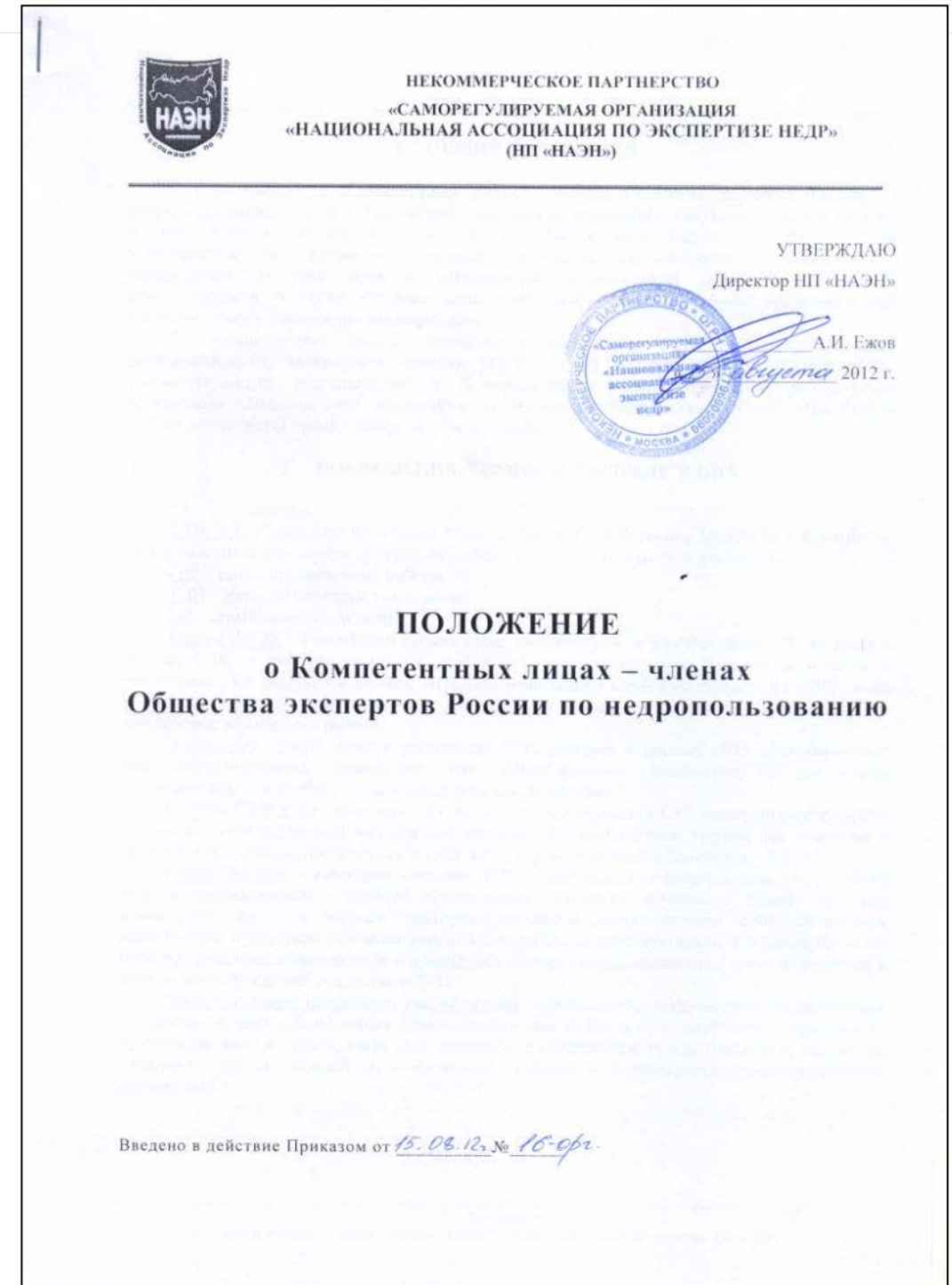
**Canadian Securities Administrators (CSA)**





# Provision for Competent Persons – OERN members

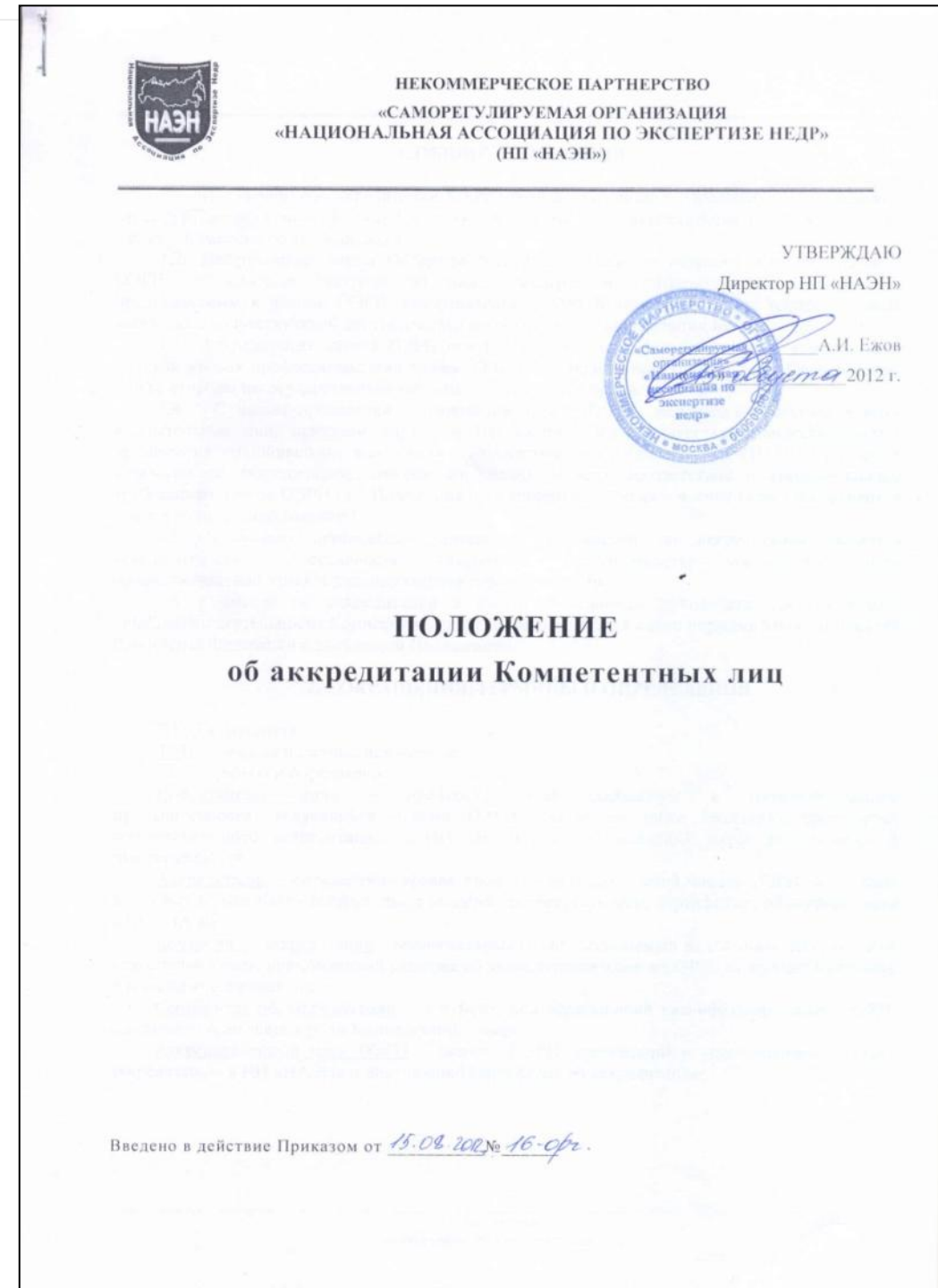
- **Regulates the performance of OERN members as Competent Persons**
- **Establishes the basic requirements for OERN members**
- **Determines range of their rights and responsibilities**
- **Establishes disciplinary actions**



# Provision on Accreditation of Competent Persons

It establishes:

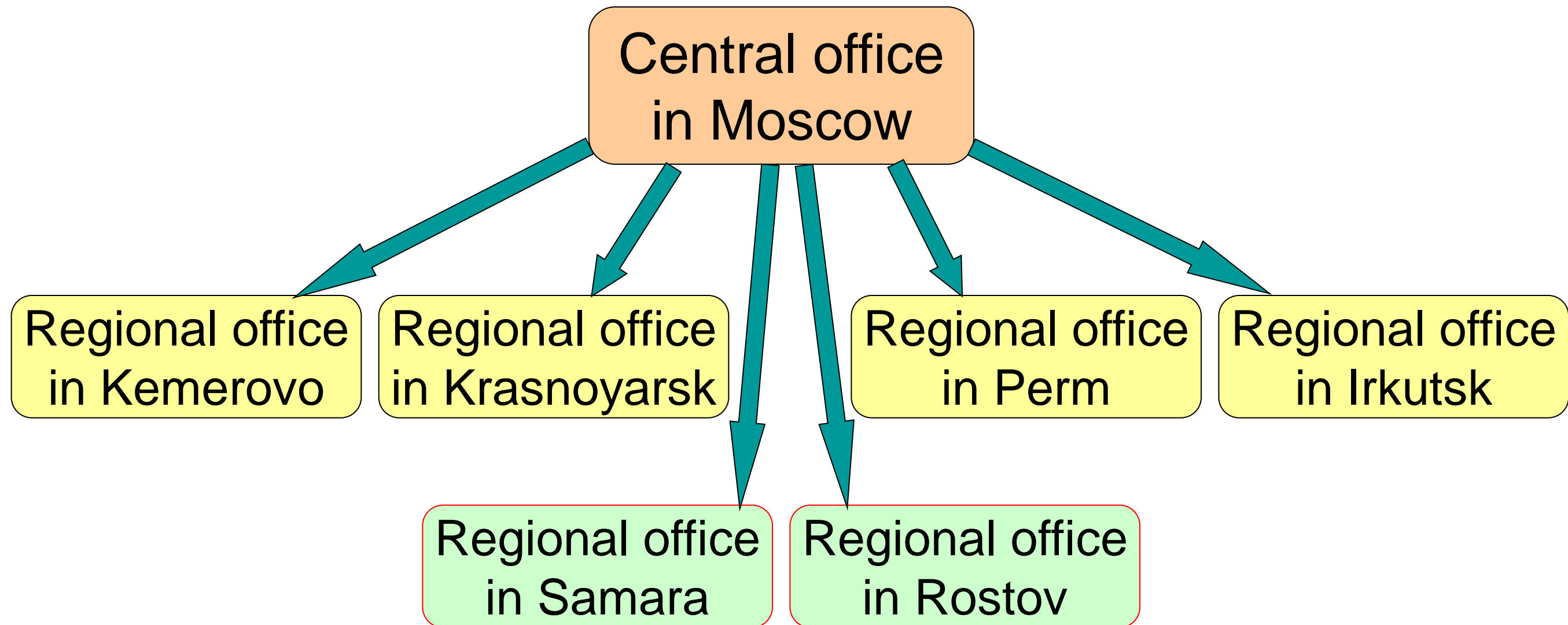
- Procedure of accreditation of Competent Persons
- Functions and structure of the Commission on Accreditation of Competent Persons



## **The NAEN Code was updated in the following areas:**

- **Revised standard definitions which were agreed at the CRIRSCO meeting last year in London**
- **Edited text for more accurate translation from English to Russian**
- **Improved stylistics and changed a couple paragraphs for clarification**

# New regional offices of OERN



**NAEN jointly with OERN held 16 seminars, 2 round tables and 1 conference**

**Seminar: “Reporting on solid mineral reserves and resources according to the International standards” considered the following issues:**

- **Practical aspects of the procedure and approach when reporting mineral resources and reserves in accordance with international standards**
- **Competency and how to become a Competent Person for Russian specialists**
- **Experience in the application of international standards to estimate and report mineral resources and reserves of Russian mining companies**



# Round Table - application of block modeling for the Mineral Resource/Reserve evaluation in the State Expert Review

The relevancy of this Round Table was determined by intensive application of block modeling in the Russian practice for geological and economic evaluation of the mineral deposits.

This requires development of specific approaches for the state examination of block models to be sure that calculated resources/reserves are correct.



Decision – to arrange a working party whose task will be development of the guidelines on the representation of the block modeling results to the state expert examination and development of recommendations for the expert review of the block modeling

**OERN participated in many other mining events such as:**

- **MINEX Central Asia and MINEX Russia**
- **Annual Conference of London Stock Exchange in Moscow**
- **VII All-Russian Congress of Geologists and other**



- In 2012 one of the key issues that was discussed in journal editions was the use of Russian and International reporting systems



## Plans:

- to continue working with NROs – CRIRSCO members - towards OERN recognition
- to continue working with stock exchanges
- to continue working towards developing a special exchange floor in Russia for mining companies similar to LSE, TSX, etc.
- to continue working on development of the Russian society of Competent persons
- to continue education program – seminars, conferences, workshops