



COMMITTEE FOR MINERAL RESERVES INTERNATIONAL REPORTING STANDARDS

## CESR SUBMISSION BY CRIRSCO

CRIRSCO is writing this in support of the consultation submission prepared by PERC. It is in agreement with PERC's submission, and in particular endorses their recommendation that markets within the European Union should adopt the PERC standard as the reference standard for disclosure of mineral resources, mineral reserves and exploration results.

The PERC standard is one of the CRIRSCO aligned standards for reporting resources and reserves. It has been developed specifically for use in reporting by minerals companies on the European stock exchanges and it is expected that it will normally be read in conjunction with the CESR listing rules.

Mining industry practice has developed such that the PERC reporting standard, like other CRIRSCO reporting standards, has come to be used for reporting on other international stock exchanges. The reasons for this, is that many companies now operate globally.

The various CRIRSCO standards are very similar, but it is unlikely that they will ever become precisely identical because of different requirements of national/regional regulatory regimes. Definitions in the standards are very similar though not yet identical, and in places there remain differences in interpretation or emphasis among the different CRIRSCO standards.

We consider it important therefore that like other securities regulators your reporting standards should as far as possible eliminate the potential for confusion among investors that might be caused purely by a company's own selection of the reporting standard to be used.

It is for this reason that securities regulators insist that the reporting standard relevant to their jurisdiction be used in preference to others and that any reports prepared using other standards must be reconciled to the relevant National Reporting Organization (NRO) standard, even when there are few or no material differences in the definition or interpretation.

Please note also that the USA SEC IG7 is not compatible with the CRIRSCO Template and the CRIRSCO reporting principles and definitions.

A problem which has arisen from time to time is the difficulty of enforcement of competency requirements globally. Where a company based in one country lists on a stock exchange in a second country or region using a reporting standard defined for a third, the chain of responsibility can become very complex. It has been our experience that it helps greatly if there is a strong geographical link, and relationship, between the securities regulator and the organisation responsible for defining the reporting standard, as that organisation will be mandated by professional associations within the same region (in the European case by a consortium of European institutions and societies representing professional geologists and engineers) and subject to the same legislative framework.



COMMITTEE FOR MINERAL RESERVES INTERNATIONAL REPORTING STANDARDS

Our strong recommendation to CESR, therefore, is that you should adopt the PERC reporting standard as the "reference" standard for reporting mineral resources and reserves in the markets for which you are responsible. This will enable national regulatory organizations which adopt the CESR recommendations to monitor compliance to reporting requirements through reconciliation of reports, prepared under other CRIRSCO aligned standards to a single reference standard, the PERC Code.

Yours truly,

Roger Dixon

Chairperson

8 July 2010