



COMMITTEE FOR MINERAL RESERVES  
INTERNATIONAL REPORTING STANDARDS



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# Marketing and Economics

## Modifying Factors

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A Mineral Reserve is the **economically** mineable part of a Measured and/or Indicated Mineral Resource.

It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors.

Such studies demonstrate that, at the time of reporting, **extraction could reasonably be justified.**

- Market
- Revenue
- Capital Costs
- Operating Costs
- Evaluation

## Table 1 of the CRIRSCO Template

- *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.*
- *A customer and competitor analysis along with the identification of likely market windows for the product.*
- *Price and volume forecasts and the basis for these forecasts.*
- *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*

## Table 1 of the CRIRSCO Template

- *Commodity price*
- *Exchange rates*
- *Transportation charges*
- *Penalties*
- *Treatment charges*
- *Royalties*

## Table 1 of the CRIRSCO Template

*The derivation of, or assumptions made, regarding projected capital and operating costs*

- Detail
- Currency
- Contingency

## The 2014 SME Guide

- Description and justification of capital and operating costs.
- All capital items identified.
- Detailed equipment list.
- Price quotes for all major equipment items
- Capital (including sustaining) and operating budgets defined by year



CRIRSCO Template Table 1

Statement where appropriate

## Study Accuracy and Contingency Ranges and for Capital and Operating Cost Estimates

	<b>PreFeasibility</b>	<b>Feasibility</b>
<b>Accuracy Range</b>	<b>± 25%</b>	<b>± 15%</b>
<b>Contingency Range</b>	<b>± 15%</b>	<b>± 10%</b>

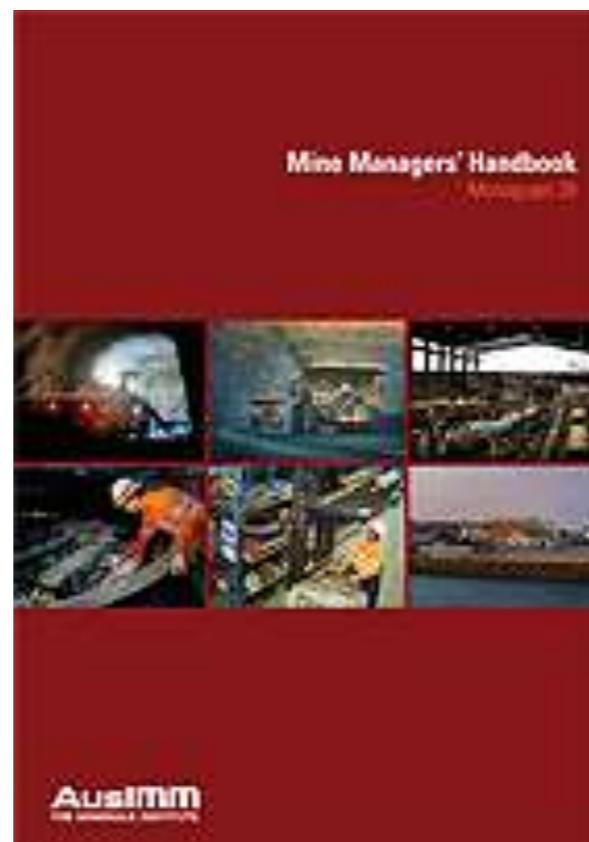
- Annual revenues
- Annual capital and operating costs
- Tax
- Net cash flows
- CRIRSCO Table 1 - *Basic cash flow inputs for a stated period.*

- *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.*
- *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*

- NPV
- DCF
- Payback
- Hurdle rates

- Project vs company
- Sensitivities

- Subject in itself
- Courses
- Books



# Conclusion







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