



COMMITTEE FOR MINERAL RESERVES
INTERNATIONAL REPORTING STANDARDS



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INTERNATIONAL REPORTING STANDARDS

The New Russian Reporting Standard


CRIRSCO Annual Meeting. Day 1, Open Session

Grigoriy Malukhin

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Increasing involvement of international mining companies, consultants, and investors in the Russian market

Increasing participation by Russian companies in mineral development projects outside the Russian Federation



A need for mutual recognition of professionals of different countries, understanding of different national standards for classification and reporting of reserves and resources, improving transparency and investment attractiveness of subsurface resources

- CIM Standards (Canada, in NI 43-101)
- JORC Code (Australasia)
- SAMREC Code (South Africa)
- PERC Code (Europe)
- SME Guidelines (USA)
- Certification Code (Chile)
- **NAEN Code (Russia)**
- CRIRSCO Template (International)

- The existing Russian (governmental) standard for classification and reporting fully meets the requirements for which it was defined:
 - reliable State accounting
 - efficient use of mineral resources
 - development of strategic plans for management and replenishment of mineral resources

However - the current system has the following problems:

- In some places the Russian and international classifications differ, and require further clarification
- Data presented according to the Russian classification system is not acceptable on major international capital markets
- Estimates quoted within the Russian classification system are liable to misunderstanding by foreign investors
- There is duplication of effort in evaluation of mineral deposits
- Reserve estimates obtained by the two systems can be difficult to reconcile

2006

GKZ-CRIRSCO working group founded to address basic questions

2008

Protocol of Intent GKZ-CRIRSCO

2010

Guidelines for harmonisation of reporting standards

2011

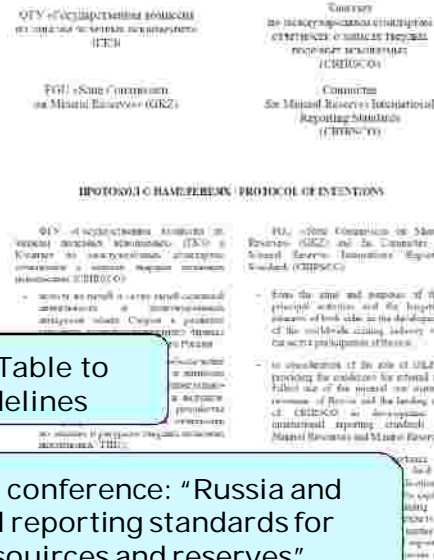
Russian CRIRSCO-aligned Code for public reporting exploration results, resources, and reserves

Adoption of the Code for public reporting

OERN Round Table to discuss Guidelines

International conference: "Russia and international reporting standards for mineral resources and reserves"

Seminar on International Standards for reporting mineral reserves and resources



Parties for Development of the Russian Code

NAEN

“Self-Regulating Organization “National Association for Subsoil Audit” includes corporate members and an association of individual specialists (OERN)
Coordinates and financially supports the OERN activity for the Russian Code development

OERN

Russian Society of Experts on Subsoil Use is self-regulating association of geologists, mining engineers, petroleum engineers, hydrogeologists, surveyors, ecologists and other specialists in related fields of subsoil use
Does actual work on development the Russian Code for Reporting

Russian Code

GKZ

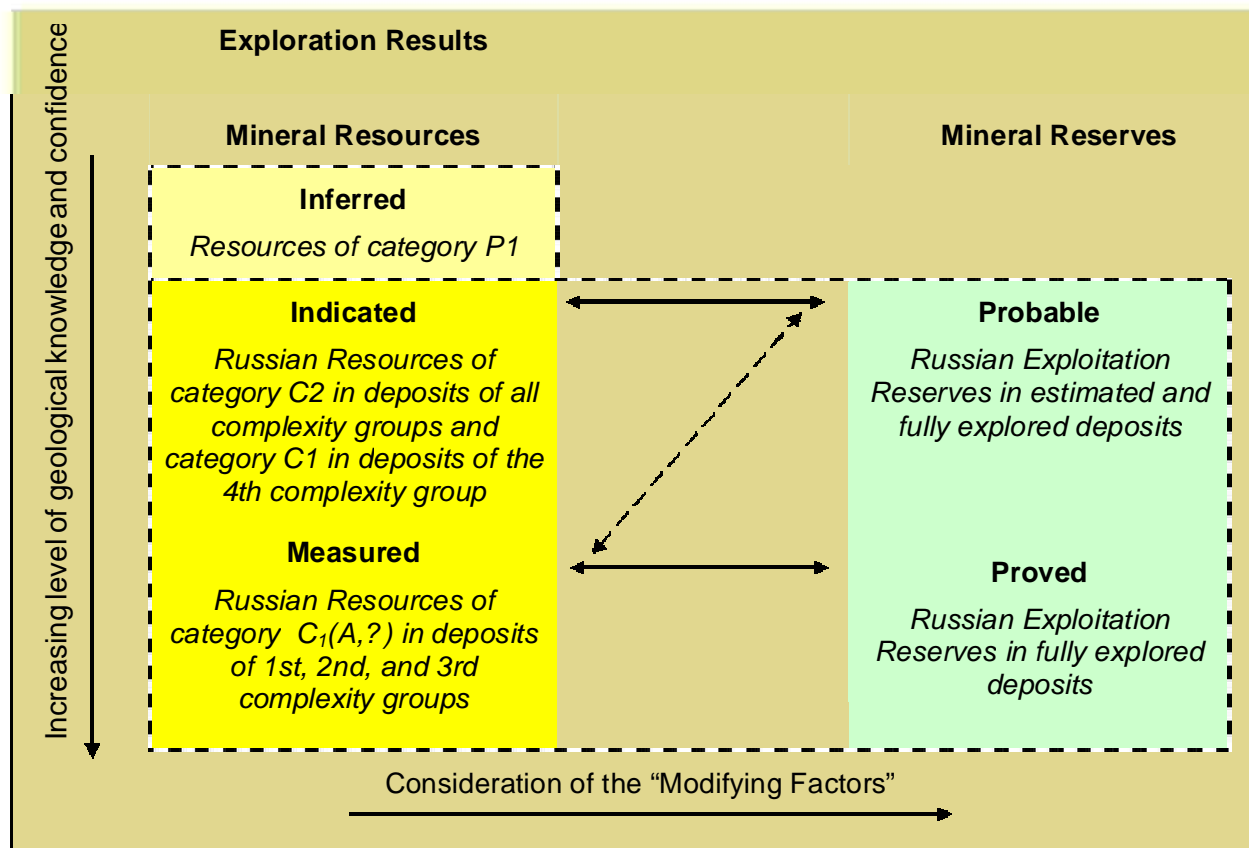
Provides methodological assistance in meeting state regulatory requirements for resources/reserves reporting

CRIRSCO, PERC

Provides methodological assistance in meeting international requirements for resources/reserves reporting

Name: The Russian Code for public reporting of exploration results, reserves and resources of solid minerals (The NAEN Code)

- Developed by NP NAEN, OERN, GKZ, CRIRSCO
- Based on the CRIRSCO Template with guidelines from the Russian classification system
- Establishes minimum requirements for public reporting by mining and exploration companies
- Designed for use in international markets, in parallel with the Russian classification used for State purposes



This is not a mechanical translation but must be informed by professional knowledge and experience

Комитет по международным стандартам отчетности о запасах (CRIRSCO)
Национальная ассоциация по экспертизе недр (НАЭН)

РОССИЙСКИЙ КОДЕКС



ПУБЛИЧНОЙ ОТЧЕТНОСТИ О РЕЗУЛЬТАТАХ
ГЕОЛОГОРАЗВЕДОЧНЫХ РАБОТ, РЕСУРСАХ,
ЗАПАСАХ ТВЕРДЫХ ПОЛЕЗНЫХ ИСКОПАЕМЫХ
(КОДЕКС НАЭН)

Председатель Наблюдательного
совета НАЭН
Ю.А. Пастурин
31 октября 2011



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2011

Committee for Mineral Reserves International Reporting Standards (CRIRSCO)
National Association for Subsoil Examination (NAEN)

RUSSIAN CODE



FOR THE PUBLIC REPORTING OF EXPLORATION
RESULTS, MINERAL RESOURCES,
MINERAL RESERVES
(NAEN CODE)

Chairman CRIRSCO
Deborah McCombe
31 October 2011



Prepared by NAEN and Russian Society of Subsoil Use Experts
(OERN) in cooperation with CRIRSCO and FBU
"State Commission on Mineral Resources" (FBU GKZ)



2011

- Russian Society of Experts on Subsoil Use (OERN) set up in 2007
 - ü Independent self-regulating organisation,
 - ü An association of professional minerals industry geologists and mining engineers
 - ü Has a defined code of professional ethics and disciplinary procedures

- OERN is a member organisation of the European Federation of Geologists (EFG)
- Its members can apply for the title “European Geologist” (EurGeol)



- A candidate member of CRIRSCO
 - An opportunity for Russian experts to become members of a recognized professional organization
 - Acceptance of OERN internationally as a recognised professional organisation ('ROPO')



New opportunities today:

- OERN members to act as Competent Persons
- Development of a common approach to reporting
- Achieve convergence and comparability of estimates to satisfy the requirements of both the Russian State and international markets
- Provide more comprehensive and comprehensible information on reserves and resources of Russian deposits to the foreign financial community and investors
- To align the Russian and international reporting systems more closely and to assist in increasing capitalisation of Russian mineral resources

Acknowledgments to:

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