



**Committee for Mineral Reserves International Reporting Standards**

[www.crirSCO.com](http://www.crirSCO.com)

## **Report on CRIRSCO Meeting held in Santiago, Chile, November 2008**

CRIRSCO held its annual meeting in Santiago from the 24<sup>th</sup> to the 27<sup>th</sup> of November 2009, hosted by Chilean members and SONOMI (National Mining Society of Chile). All current members of CRIRSCO attended, an additional Chilean representative Hernán Soza was also present

### **1. Current Issues and Developments**

Each NRO (National Reporting Organisation) gave an update on issues and developments in their jurisdiction.

Handling of complaints and disciplinary processes is different amongst members. This was recognised as an issue which requires discussion especially with regards to granting of reciprocity. (Action)

The new Pan European Reporting (PERC) Code was discussed and is due for publication in early 2009. Sponsors of the Code are endeavouring to establish formal links with the UK regulatory authorities (through the Financial Services Authority). CRIRSCO will assist where possible. (Action)

### **2. CRIRSCO strategy on the SEC**

The USA situation remains still problematic with the US Securities and Exchange Commission still not recognising the SME Guide for reporting. Recent changes to SEC requirements for oil and gas reporting have given some encouragement and CRIRSCO's US members will prepare a strategy document in anticipation of a similar exercise being instigated by the SEC in due course. The need to collaborate with other like-minded bodies such as the National Mining Association was also recognised. (Action)

### **3. Alignment with other countries and reporting systems**

Various members of CRIRSCO are leading efforts to align the reporting systems of other non-member countries with the International Reporting Template. Important recent developments include:

- The signing of a Protocol of Intentions with the Russian State Commission on Reserves (GKZ) to be followed by a joint mapping exercise.
- Engagement with the Chinese Government, which is in the process of updating the country's minerals classification and reporting system.

- Providing support to Mongolia by CRIRSCO members, including visits to Mongolia to outline the principles of Western reporting and hosting visits to US mines for Mongolian delegates.
- Preliminary discussions with Indonesia on Code development and international reciprocity.

#### **4. CRIRSCO International Reporting Template**

The need to upgrade the appearance of the Template was recognised and taking advantage of the ICMM expertise in this area was seen as a possible way of doing this. (Action)

The core definitions of the Template are derived from the Denver Accord of 1997. It is recognised that various National definitions have 'drifted' from the original Denver Accord versions and the Committee agreed that, while such changes may not have been significant, there was a need to work towards a single agreed set of International definitions again. This was seen as particularly important when dealing with external international organisations.

It was agreed that CRIRSCO would develop a protocol for changing the core definitions and that an exercise would be carried out to examine the current definitions in all member countries to see where differences existed and identify a means of removing these. (Action)

Following translation of the Template into Chinese this year, it was agreed that translation of the CRIRSCO template into other languages could be useful when appropriate. (Action)

#### **5. United Nations Framework Classification Revision Task Force**

CRIRSCO continues to participate in the United Nations Framework Classification (UNFC) Revision Task Force through regular teleconferences and occasional face to face meetings. The proposed revised UNFC has been published for comment and will be presented to the Geneva meeting of the UN Ad Hoc Group of Experts in March for approval.

CRIRSCO along with the Society of Petroleum Engineers is resisting the drafting of additional specifications for the UNFC, believing that adequate guidance is provided in the Template and the SPE equivalent Petroleum Resource Management System. The proposed UNFC is a high level system of definition that can be supported by both industry sectors without compromising the individual classifications that are in practical use throughout these industries.

#### **6. International Accounting Standards Board (IASB)**

It was noted that the IASB research initiative looking at valuation of Mineral Reserves for financial reporting is proceeding slowly. CRIRSCO is maintaining a close relationship with the IASB and other interested parties as this project develops. It was agreed that CRIRSCO should re-establish contact with the Industry Working Group set up in 2004 to provide an industry response on SEC issues. The Working Group is now preparing to engage with the IASB on the broader issue of international accounting. (Action)

## 7. Hot Topics

Various members have schemes whereby foreign Competent Persons can be recognised for reporting purposes in their countries. This often raises issues on which organisation is responsible for disciplining Competent or Qualified Persons for non-compliance with reporting codes. Members agreed that there was a need to clarify how the systems worked in each member country with a view to creating a more easily understood international format. (Action)

The definition of Inferred Resources is one that tends to create more issues than other classes as it is often the point at which resources are first declared, and where confidence in the estimate is most difficult to quantify. Members agreed that the definition of Inferred resources would form part of the exercise noted in 4 above to examine all of the definitions.

Exploration targets are noted in several member Codes but not currently in the Template. While these can be regarded as a sub-set of Exploration Results and reported on accordingly with appropriate Competent Person sign-off, the Committee considered the more general issue of how to report mineralisation that does not fall into a resource class. While it is recognised that some stakeholders such as governments may have a need to quantify mineralisation beyond Inferred resources, and that companies will commonly maintain an internal inventory of such mineralisation, the Committee did not feel that this warranted extending the Template definitions.

Various member codes refer to Pre-Feasibility as the minimum level of study before reserves can be publicly declared, but this is not universal and others leave the decision to the Competent Person of specify Feasibility as a minimum. The Committee agreed that this was an issue of concern and that some clarification is needed. An exercise will be conducted to compare current rules across member NROs with a view to reaching an agreed standard position for CRIRSCO. (Action)

## 8. CRIRSCO Administration

The Chairman confirmed that there had been no change in CRIRSCO's Terms of Reference which indicate that CRIRSCO will respond to changes made in or proposed by member NROs rather than proactively seek to make such changes. However, it was agreed that international consensus is valuable and should be pursued wherever the opportunity arises.

CRIRSCO's role as a Task Force of the International Council for Mining and Metals was discussed. The trial period for this arrangement ends in May 2009 and members discussed their views on the arrangement and whether changes were necessary. In general the relationship was seen as positive and had been of great assistance to CRIRSCO.

It was noted that representation of PERC might need to be increased to adequately cover the large UK and Western Europe constituency. It was also noted that Russia will now have direct

involvement in CRIRSCO from May 2009 when a Russian member of the European Federation of Geologists joins the Committee.

The Committee discussed the possibility that other countries would seek to join CRIRSCO over time and how this could be handled without compromising the aims and objectives of CRIRSCO, but at the same time encourage such membership. It was agreed that a fundamental principle for membership is the subscription to a reporting standard that is compliant with the Template and which contains the various governance safeguards provided by current member Codes. The Chairman was asked to produce a discussion document on future CRIRSCO membership as well as the supporting administration that would be needed. (Action)

Alternative funding for CRIRSCO is not actively being sought. Assistance provided by clients and employers in 2008 plus contributions from the ICMM adequately covered expenses for work done. Members of CRIRSCO continue to donate their time for no cost

A venue for next year's meeting was discussed and it is hoped to select a venue where the meetings would coincide with another event.

Options for management of the CRIRSCO web site and a more general exercise to re-visit CRIRSCO 'branding' in presentations and public documents were discussed. It was agreed that a review of current systems would be undertaken with a view to proposing improvements. (Action)

Niall Weatherstone will step down as Chairman in June 2009 to be replaced by Roger Dixon for a two year term. Nominations were requested for two Deputy Chairpersons to work with Roger.

## **9. Launch of the Chilean Code and Registry of Competent Persons**

CRIRSCO participated in the launch of the Chilean Comisión Minera at a public event attended by around 200 people. All CRIRSCO members gave a presentation on reporting standards in their jurisdictions. Representatives from the ASX and TSX also made presentations.

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