



COMMITTEE FOR MINERAL RESERVES INTERNATIONAL REPORTING STANDARDS

REPORT ON CRIRSCO ANNUAL MEETING HELD IN BEIJING, CHINA.

CRIRSCO held its Annual Meeting in Beijing, China, on Saturday 24 October and Sunday 25 October, 2009. All current members of the Committee attended. The Chairman (Roger Dixon) welcomed new members Grigoriy Malukhin (PERC) and Ian Douglas (SME) and acknowledged the retirement of John Clifford (PERC) and Jean-Michel Rendu (SME) after long and valued service.

1. Update from National Reporting Organisations. (NROs)

Each of the six NROs made a presentation of material changes to matters related to their Codes since the last Meeting. In **Australia**, there has been increased effort in education and the ASX has made public its monitoring results. More than half of the breaches relate to Competent Person Statements. There is also more public disclosure of disciplinary action. The JORC Code is undergoing a two-stage review, with the first incorporating Company Updates and the second a thorough review. The **Canadian** Securities Commission has commenced a review of NI 43-101 and CIM has made some submissions with more to be done. In **Chile**, Comision Minera has conducted more training sessions on the new Code and its implications and is increasing the number of Competent Persons who are registered. More development is being done on the Competent Person system. Contact has been made by Edmundo Tulcanaza and Hernan Soza with other South American countries, Ecuador, Peru, Brazil and Argentina, and further meetings are scheduled to progress the introduction of CRIRSCO-style Codes. The **South African** Codes have formed 5 discussion groups looking at specific aspects: Competent Persons' accreditation, Independence, Inclusive or Exclusive Resources, Beyond Inferred Resources and Best Practices. In **Europe**, PERC is lobbying to enhance its standing and seeking to have the PERC Code accepted as the reference reporting standard by European stock exchanges. It was agreed that CRIRSCO and the NROs would make submissions to the Commission of European Securities Regulators in support of PERC.

Action – NROs

A document, sponsored by CRIRSCO and GKZ of Russia, is being prepared, which maps the Template with the Russian classification system. The Registered Members category of **SME** has applied to be registered as a Foreign Association under the NI 43-101. The SME Emerging Issues Task Force is working with the SEC on various issues and it is hoped that the SME 2007 Guide might obtain more recognition as a result. The SME representatives, Harry Parker and Ian Douglas, plan to meet with SEC staff before the end of 2009

2. Reciprocity and Disciplinary Procedures.

A discussion paper on these related subjects was presented by John Postle. Some minor revisions are needed before it can be placed on the website. Although the ROPO system is in place, some deficiencies were highlighted. The class of members of the institutions who can be Competent Persons and are subject to disciplinary processes needs to be specified. There was also discussion



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on how information about specific disciplinary cases may be shared between ROPOs. It is intended that the paper be published by the end of the year. **Action – John Postle**

3. Governance

A discussion took place on a paper prepared by Ian Goddard on the objectives of CRIRSCO and how it operates. Criteria for allowing other NROs to become members and guidelines for the holding of annual meetings were agreed. It was decided that part of future meetings would be open for interested parties to attend. A separate document will be prepared to spell out the protocol.

Action – Ian Goddard

CRIRSCO has a strategic relationship with the International Council for Mining and Metals (ICMM), which provides a significant portion of the funds required for CRIRSCO to operate. A draft MOU between CRIRSCO and ICMM was accepted, subject to some slight changes requested by ICMM. The relationship with ICMM and how it will work in practice were discussed at length and a subcommittee under the First Deputy Chairperson, Deborah McCombe, will ensure that communications with ICMM are enhanced. Another subcommittee, under Niall Weatherstone, will address the relationship between Sustainable Development and the estimation of resources and reserves.

Action – Deborah McCombe, Niall Weatherstone

4. Expansion of Membership

Progress was reported in the development of CRIRSCO-style Codes in 10 countries throughout the world. The situation in Russia and South America was discussed. Peter Stoker (JORC) has had significant dealings with parties in China, Philippines and Indonesia on behalf of CRIRSCO. China has proposed changes in the categorisation system and is moving towards more compatibility with CRIRSCO Template, as is Russia, which is keen to have a CRIRSCO style Code for public reporting. Both have a need for Government reporting associated with the National Mineral Inventory. Mongolia is reviewing their system and PERC (Stephen Henley) will follow up an approach from Turkey. CRIRSCO will encourage and assist countries to upgrade their Reporting system to align it with the CRIRSCO Template.

5. United Nations Framework Classification Revision Taskforce (UNFC)

CRIRSCO representatives continue to participate in the deliberations of this Task force, at meetings and via emails and telephone conferences. CRIRSCO and the Society of Petroleum Engineers (SPE) have been seeking to have the UNFC system as a high level umbrella classification, containing minimum specifications and guidelines, with the industry accepted standards of CRIRSCO and PRMS used by industry sectors. It is expected that a document (UNFC 2009) will be published for comment following a meeting in Geneva in November and it will show that we have been successful in this



COMMITTEE FOR MINERAL RESERVES INTERNATIONAL REPORTING STANDARDS regard. A Technical Advisory Group (TAG) is being recommended to be set up to assess the feedback from stakeholders, who will be asked to map UNFC 2009 with their system and others. The TAG will also assess whether Government, Business, Financial and Energy Study needs have been addressed. CRIRSCO will maintain its involvement with UNFC through Ferdi Camisani. Niall Weatherstone will be withdrawing from this forum after 10 years of participation.

6. International Accounting Standards Board (IASB)

An IASB Discussion Paper on accounting issues related to Extractive Activities has been published by the Extractive Activities Research Project Team. A formal request for comments will be issued in the first quarter of 2010 with a likely comment period of six months. It is expected that IASB will make a decision whether or not to proceed to an International Financial Reporting Standard on these matters by the end of that year. CRIRSCO representatives, led by Harry Parker and Niall Weatherstone, have had a close working relationship with the project team. The project team strongly recommends that the CRIRSCO Template definitions be used; however the revised UNFC system will be reconsidered.

The draft was discussed in some detail. CRIRSCO will make its submission early next year and will consult with NROs and ICMM members for their views prior to finalising the CRIRSCO submission.

Action – Niall Weatherstone, Harry Parker, Ian Douglas

7. Securities Exchange Commission (SEC)

The SEC has not yet accepted the 2007 SME Guide as a basis for the Reporting of Resources and Reserves. Recently, the SEC conducted a review into reporting for the Oil and Gas industry, but there has been no public announcement of a similar review of the Solid Minerals industry. Harry Parker and Ian Douglas plan to meet with SEC staff before the end of 2009 to discuss matters of common concern.

Action – Harry Parker, Ian Douglas

8. Acceptance of the Pan European Reserves Committee (PERC)

PERC and the PERC Code have not reached a satisfactory level of acceptance with European stock exchanges and regulators. PERC has widespread and growing membership and this will be formalised so that the standing of the Committee will be enhanced. Subcommittees of PERC have been established to promote acceptance, and submissions will be made to the Commission of European Securities Regulators by PERC, CRIRSCO and NROs. Speaking opportunities will be sought and promotional material created.

Action – Stephen Henley

9. CRIRSCO branding and communication



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CRIRSCO is developing a more prominent brand image, which will incorporate the new logo and the strategic relationship with ICMM. A subcommittee under Deborah McCombe has been formed to address communication issues.

Action – Deborah McCombe

10. CRIRSCO Template Update

The CRIRSCO Template was originally developed to provide a guide for countries wishing to develop National Reporting Codes. In recent years, it has become a reference document with the UNFC and IASB. There is a need to review developments that have occurred within NROs to see if there are improvements that should be incorporated into the Template. Changes to the logo and the strategic relationship with ICMM must be included in the current Template. A hard copy of the existing Template with these changes will be produced for appropriate distribution.

Action – Roger Dixon Deborah McCombe

A spreadsheet, prepared by Peter Stoker, compared the definitions used by NROs with the Template and with the original Denver Accord definitions. There is a need to demonstrate that the major definitions are similar, with country-specific differences handled in the Guidelines. A subcommittee under Niall Weatherstone will propose a process for a review by the NROs and the CRIRSCO Committee of the core 10 definitions. The process is planned to be finished in the middle of 2010.

Action – Niall Weatherstone

It was stressed that CRIRSCO is a follower not a leader and has no mandate to dictate to NROs.

The Committee recognised the existence of material beyond Inferred Resources and noted various definitions in use in other classification systems. Material beyond Inferred is not part of the Template and cannot be considered Resources or Reserves. A discussion paper will be prepared by Niall Weatherstone.

Action – Niall Weatherstone

11. Russia

A committee of representatives of PERC/CRIRSCO and the Russian State Commission on Mineral Reserves (GKZ) has produced draft Guidelines mapping the Russian minerals reporting standards and the CRIRSCO Template. It will shortly be released as a consultation draft for public comment.

Action – Stephen Henley

12. CRIRSCO Administration



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In the next twelve months, the CRIRSCO website will be upgraded to include new features to make it more user friendly, to increase the content, to incorporate the new logo and to spell out the strategic relationship with ICMM.

Action – Stephen Henley, Ian Goddard

The practice of combining the CRIRSCO Annual Meeting with other related events will be continued. It is likely that the 2010 meeting will be in Russia to promote the CRIRSCO Template and the developments in reporting standards in that country. The 2012 meeting will be in Brisbane, Australia, to coincide with the 34th IGC Meeting.

MINISTRY of LAND and RESOURCES MEETING

On Friday 23 October, the day prior to the CRIRSCO Meeting, an International Seminar on Mineral Resource and Reserve Reporting Standards was held, jointly organised by the Consulting and Research Center of the Ministry of Land and Resources (MLR) (Li Yuwei) and CRIRSCO (Peter Stoker). It was well attended and was designed to highlight the changes that are being proposed to the Chinese system of reporting and to promote the CRIRSCO Template. Following the welcoming speeches from the Ministry, the Consulting and Research Centre and CRIRSCO, there were presentations on the new Chinese system (by Yan Tiexiong and Madam Wang Bei) and the Template (by Roger Dixon). The six NROs then outlined their Codes and standards and the specific differences from others. In the afternoon, there was more detail on the Chinese system (Yan Tiexiong) and how it relates to the UNFC 2009 (Ferdinand Camisani). The concept of Competent Person was discussed in the context of the current situation in China (Harry Parker), followed by a free flowing discussion session which highlighted the many similarities in philosophy and approach to estimation and classification. Finally, there was a CRIRSCO presentation on the similarities and differences of the various Codes and standards of CRIRSCO members and the relationship of these with the regulatory authorities (Niall Weatherstone). It was regarded by all as a very successful event and CRIRSCO has offered to assist where it can in the further development of the new Chinese reporting standard and its alignment with the CRIRSCO Template. The presentations have been placed on the CRIRSCO website.

On Monday 26 and Tuesday 27 October, eight of the CRIRSCO representatives were hosted by MLR on a visit to the Zijinshan Gold-Copper mine in Fujian Province. It is the largest gold mine in China, with around 500,000 oz annual production. Both the gold and copper are extracted using bio-leaching. Technical discussions and site inspections were held. CRIRSCO would like to express its gratitude to both MLR and the Zijin Mining Company Group Limited for their generous hospitality.

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