

CRIRSCO PROGRESS REPORT

**FERDI CAMISANI
NIAL WEATHERSTONE
PAT STEPHENSON
JOHN CLIFFORD**

Geneva, 11-13 October 2006

JOHANNESBURG MEETING

16-18 May 2006

JOINT UNECE/CRIRSCO COMMITTEE

- **Andrej Subelj**
- **Ferdi Camisani**
- **Kirill Kavun accompanied by : Mikail Komarov, Vadim Aliskerov, Grigoriy Malukhin**
- **Niall Weatherstone**
- **Apologies: (Chinese representative, John Clifford)**

OBSERVER MEMBERS OF THE COMMITTEE

- **Mucella Ersoy (UNECE)**
- **Riaan Davel Deputising for Bob Garnet (IASB)**
- **Jim Ross Deputising for John Ritter (SPE)**

SOUTH AFRICAN WORKING GROUP

- **Danie Krige** (Private Cons., Academic, ex-mining)
- **Hennie Theart** (Academic, ex-mining)
- **Roger Dixon** (Mining Professional)
- **Andy Clay** (Mining Professional)
- **Keith Rayner** (CA, Stock Broker)

AHGE

- **Sigurd Heiberg**

JSE

- **Annalie De Bruyn** (Listing Division)
- **Noel Greenhill** (Alt^x)

The JOHANNESBURG MEETING

“ORIENTATION MEETING”

**Discussion of the various parties' policies,
principles, priorities and responsibilities**

CLARIFICATIONS

- UNECE has produced the 2004 United Nations Framework Classification (UNFC)
- Updating, expanding and maintaining the UNFC is subject to various agreements between SPE (oil & gas), CRIRSCO (solid minerals) and the UNECE
- The UNFC is not a mandatory document and is not imposed on any State, organisation, company or institutions
- The wording of the UNFC is the responsibility of the relevant Committees ie the Joint UNECE/CRIRSCO Committee for the Solid Minerals section

OPTION CONSIDERED FOR UNFC SOLID MINERALS SECTION

The following slides present one option for the Solid Minerals section of the UNFC which is consistent with discussions between UNECE and CRIRSCO prior to, and during, the Johannesburg meeting

CRIRSCO does not present this option as its preferred approach, as it recognises disadvantages for both CRIRSCO and UNFC

A major disadvantage for CRIRSCO is the embedding of its core product, the CRIRSCO Template, in a system over which it does not have full control

CRIRSCO may consider alternative options such as the SPE approach based on using a mapping module and making changes to the UNFC preamble to focus on principles

SOLID MINERALS SECTION

- **PART A** **ECONOMIC MINERALISATION**
- **PART B** **NON-ECONOMIC MINERALISATION
INVENTORY**
- **APPENDICES** **GLOSSARY OF TERMS**

CRIRSCO'S POLICY

PART A = THE CRIRSCO TEMPLATE

OWNED AND MANAGED BY CRIRSCO

**Current CRIRSCO Template available in:
www.crirSCO.com**

PART A

CLASSIFICATION AND REPORTING OF ECONOMIC MINERALISATION

- Financial Institutions
- Mining Groups
- Governments and State Organisations
- National and Super-national Organisations and Agencies

Part A = CRIRSCO Template, owned and managed by CRIRSCO

- Integral part of UNFC (core of the option) or referred to in the UNFC (currently not recommended), (modalities & agreement pending)
- Contemporaneous Publication on UNECE website and CRIRSCO website for relevant updates of UNFC and CRIRSCO Template respectively (modalities pending)
- Appendices
 - Check-list
 - Code of Ethics
 - List of Synonyms

Competent Person

A 'Competent Person' is a person who is a **Member or Fellow of a recognised professional body** relevant to the activity being undertaken, and who is **subject to enforceable Rules of Conduct**.

A Competent Person must have a **minimum of five years experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which that person is undertaking**.

If the Competent Person is preparing a report on Exploration Results, the **relevant experience** must be in exploration. If the Competent Person is estimating, or supervising the estimation of Mineral Resources, the relevant experience must be in the estimation, assessment and evaluation of Mineral Resources. If the Competent Person is estimating, or supervising the estimation of Mineral Reserves, the relevant experience must be in the estimation, assessment, evaluation and economic extraction of Mineral Reserves.

PART A

TRADITIONAL UNFC CODES

Exploration Results	
Mineral Resources	↓
Inferred	333
Indicated	332
Measured	331
Mineral Reserves	
Probable	121+122
Proved	111

UNFC – 3-D Codification

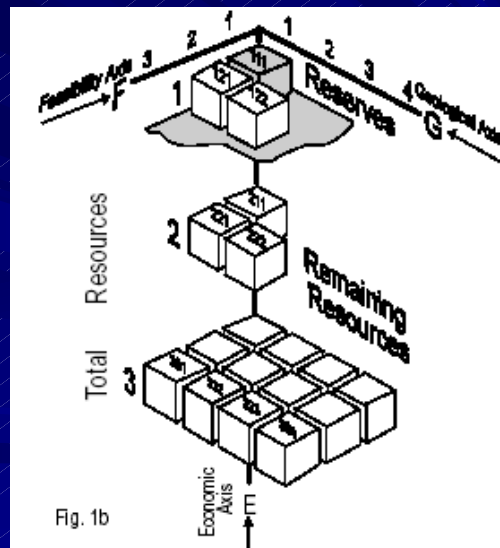
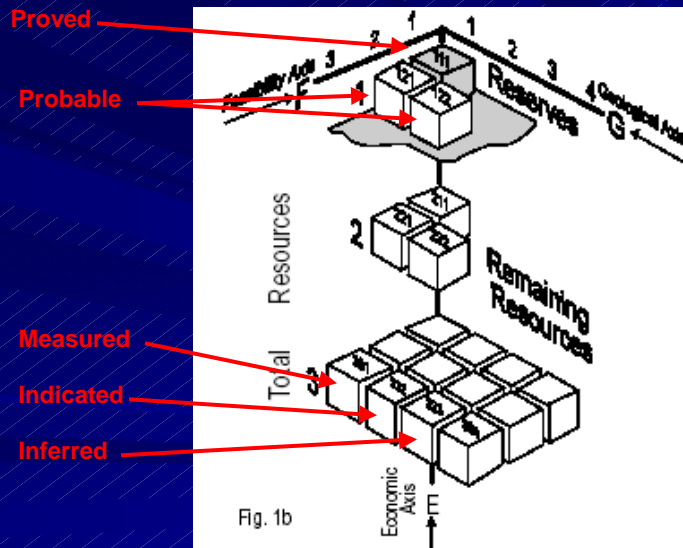


Fig. 1b

CMMI/UN



PART B

CLASSIFICATION AND REPORTING OF NON-ECONOMIC MINERALISATION

- Mining Groups
- Governments and State Organisations
- National and Super-national Organisations and Agencies

Part B = ADDITIONAL TO & INDEPENDENT OF PART A

- No Commodity-specific sections
- Transparency, Materiality and Competence Principles and Standards apply, as per Part A

PART B

TRADITIONAL UNFC CODES

Non-economic Mineralisation¹

Reconnaissance

334

Pre-feasibility

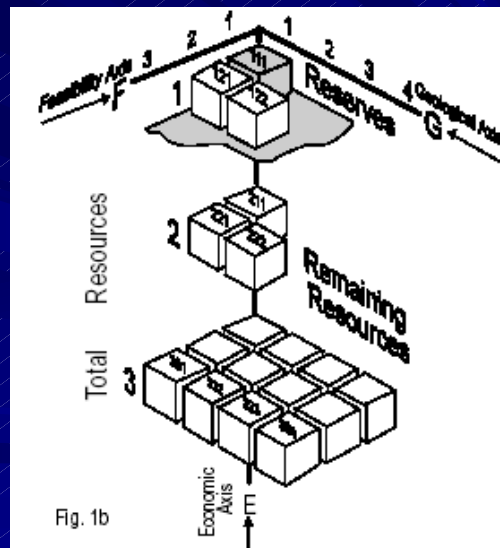
221+222

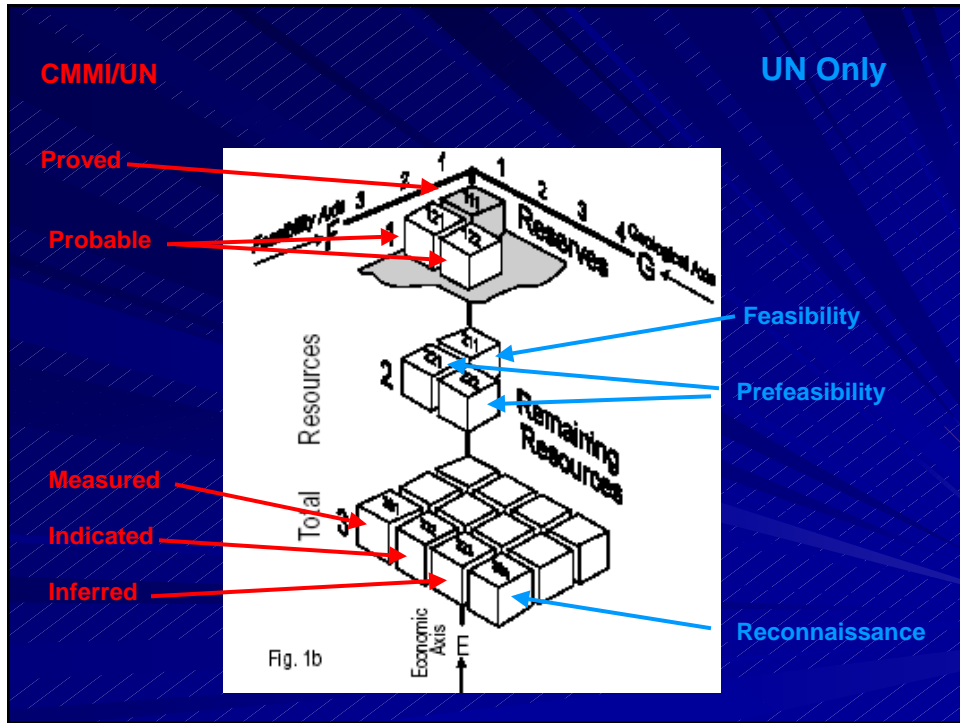
Feasibility

211

¹ Agreement on terminology pending

UNFC – 3-D Codification





PROPOSALS ON TRADITIONAL ALPHA-NUMERICAL UNFC CODIFICATION IN THE 3-DIMENSIONAL SPACE

NECESSITY FOR CODIFICATION CHANGES

ECONOMIC AXIS (Traditional UNFCs representation)



But, by UNFC definition, **Intrinsically E. = Economic to Potentially E.**
 Result: Vertical Misplacement Causing Confusion and Misunderstanding
 (ie Measured Resource relegated to E3 level when it directly feeds Proven Reserve at E1 level)

POSSIBLE CODIFICATION CHANGES¹

ECONOMIC MINERALISATION

Mineral Resources	Historical	Possible Change ?
Inferred	333	→ 232
Indicated	332	→ 231
Measured	331	→ 221
Mineral Reserves		
Probable	121+122	→ 121
Proved	111	→ 111

¹ Pending on new mandate, agreement and further investigations

POSSIBLE CODIFICATION CHANGES¹

NON-ECONOMIC MINERALISATION

	Historical	Poss. Change ?
Reconnaissance	334	→ 334
Pre-feasibility	221+222	→ 321
Feasibility	211	→ 311

¹ Pending on new mandate, agreement and further investigations

CODIFICATION CHANGES CURRENT SITUATION

CHANGES TO BE CONSIDERED WHEN MANDATE
REVISED

CURRENT PROJECT BEING CONTINUED BY
RUSSIAN DELEGATES AND CRIRSCO ON A LOW
PRIORITY BASIS

CODIFICATION CHANGES

MANDATE

**CRIRSCO RECOMMENDS THAT
MANDATE BE BROADENED TO INCLUDE**

**-INVESTIGATION INTO CODIFICATION
FOR SOLID MINERALS SECTION**

- OTHERS, AS REQUIRED

GLOSSARY OF TERMS

NOT PERTINENT TO THE TEMPLATE

50 TERMS LISTED AND DESCRIBED

**RUSSIAN TEAM, IN COOPERATION WITH COMMITTEE, TO
EXPAND/REVISE GLOSSARY TO AVOID TRANSLATION &
INTERPRETATION PROBLEMS**

CONVERGENCE WITH OIL&GAS

EXERCISE IN PROGRESS

IMPORTANCE AND RELEVANCE RECOGNISED

PRIMARY CLIENT IS THE IASB

**SCHEDULE CONSISTENT WITH IASB EXTRACTIVE
INDUSTRIES RESEARCH PROJECT**

THANK YOU

