

International standardisation for the reporting of resources and reserves

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The mining industry is a vital contributor to national and global economies and yet it is very different from other industries. It is based on depleting finite mineral resources, the knowledge of which is imperfect prior to the commencement of mining or extraction. It is an industry with a colourful history of success and failure, entrepreneurs and opportunists, visionaries and short sightedness. These aspect or traits were both positive, it fostered innovation, and negative for the industry. Negative in that the merit of certain projects or results was difficult to assess, it created a credibility issue and consequently investment in the industry was impacted. In 1989 the first JORC code was released (Joint Ore Reserves Committee) in Australia. It was incorporated into the Australian Stock Exchange (ASX) listing rules thereby becoming binding on companies listed on the ASX it was also adopted by the Australian Institute of Mining and Metallurgy (AusIMM) and became binding on its members. Essentially JORC was the pre-cursor or model for an international standard for the reporting of exploration results, mineral resources and ore reserves.

A trend towards tighter corporate governance and regulation demanded an international standard to “good practice” in mineral reserve management as well as high standards of public reporting by responsible, experienced persons. In 2006 CRIRSCO (Committee for Mineral Reserves International Reporting Standards) released an International Reporting Template (the Template), the purpose of which is to assist with the dissemination and promotion of effective, well-trying, good practice for public reporting of Exploration Results, Mineral Resources and Ore Reserves already widely adopted through national reporting codes and standards. CRIRSCO’s members are National Reporting Organisations (NROs) that are responsible for developing mineral reporting codes, standards and guidelines in Australasia (JORC), Chile (National Committee), Canada (CIM), Europe (PERC), Russia (NAEN), South Africa (SAMREC) and the USA (SME). The member NROs nominate representatives to the Committee.

The top 5 listed mining companies in the world all report their resources and reserves in accordance with the CRIRSCO family of codes. Two of which, BHP Billiton and Rio Tinto are uranium producers. It is noteworthy that prior to the inclusion in 2010 of the Russian NAEN code in the CRIRSCO family the combined value of mining companies listed on stock exchanges of CRIRSCO member countries accounted for more than 80% of the listed capital of the mining industry.

Mineral resource and Ore Reserve codes are the basic building block underpinning the confidence required for investment in the mineral resources sector. They are the basis for our decisions when evaluating or selling projects

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