A Guide to Reporting Mineral Resources Exclusive of Mineral Reserves

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# ABSTRACT

With the introduction of CRIRSCO[[1]](#footnote-1) based mineral asset disclosure Regulation S-K part 1300, 2019 (S-K1300) by the United States (US) Securities and Exchange Commission (SEC), applicable to companies listed on the New York Stock Exchange from 2021, Mineral Resources are now *required* to be reported Exclusive of Mineral Reserves, referred to here as ‘Exclusive Mineral Resources’ (EMR). EMR is equivalent to reporting Mineral Resources additional to Mineral Reserves, which has been permitted in jurisdictions outside the US for many years. Despite this, there are no practical guidelines in the literature or relevant reporting codes and rules for Competent/Qualified Persons (CPs) to refer to, which creates a risk that disclosure of EMR estimates across the industry will be inconsistent and potentially ambiguous for analysts, investors, potential investors, and other stakeholders.

S-K1300, like other disclosure guidelines and reporting standards, does not discuss *how* the reporting of EMR should be done from a technical point of view. In this paper we propose technical definitions and discuss the merits of various approaches and issues that CPs should consider when reporting.

In simple terms we define EMR as the Inclusive (total) Mineral Resources (IMR) less the portion converted to Mineral Reserves before dilution and other modifying factors are applied. Importantly, consideration of the spatial conditions is critical so that estimating EMR is not a straightforward ‘accounting’ approach.

We discuss and recommend an approach for addressing the fundamental issue of determining Reasonable Prospects for Eventual Economic Extraction (RPEEE) of the resultant EMR. The term RPEEE is used in CRIRSCO, the JORC Code[[2]](#footnote-2), 2012 edition and SAMREC[[3]](#footnote-3), 2016 edition, whereas S-K1300 uses a subtly different version – Reasonable Prospects for Economic Extraction (RPEE). There are important nuances between RPEEE and RPEE that may need careful consideration when companies are reporting in multiple regulatory jurisdictions.

1. Committee for Mineral Reserves International Reporting Standards [↑](#footnote-ref-1)
2. The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves [↑](#footnote-ref-2)
3. The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves [↑](#footnote-ref-3)