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Request for observer status in accordance with rule 82, paragraph 1 (e), of the rules of procedure of the Assembly on behalf of the Committee for Mineral Reserves International Reporting Standards

Note by the Secretariat

1. On 4 July 2014, the Committee for Mineral Reserves International Reporting Standards, known as CRIRSCO, submitted a letter to the Secretary-General of the International Seabed Authority, requesting observer status in the Assembly of the Authority. The text of the letter and additional information provided by the applicant are contained in annexes I and II to the present note.
2. In accordance with rule 82, paragraph 1 (e), of the rules of procedure of the Assembly, non-governmental organizations with which the Secretary-General has entered into arrangements in accordance with article 169, paragraph 1, of the United Nations Convention on the Law of the Sea, and other non-governmental organizations invited by the Assembly that have demonstrated their interest in matters under consideration by the Assembly, may participate as observers in the Assembly.
3. Paragraphs 5 and 6 of the same rule further provide that observers referred to in paragraph 1 (e) of that rule may sit at public meetings of the Assembly, and upon the invitation of the President and subject to approval by the Assembly, may make oral statements on questions within the scope of their activities, and that written statements submitted by observers referred to in paragraph 1 (e) of that rule within the scope of their activities that are relevant to the work of the Assembly should be made available by the Secretariat in the quantities and in the languages in which the statements are submitted.



Annex I

Letter dated 4 July 2014 from the Chair, Edmundo Tulcanaza, and the Deputy Chair, Harry Parker, of the Committee for Mineral Reserves International Reporting Standards addressed to the Secretary-General of the International Seabed Authority

The Committee for Mineral Reserves International Reporting Standards (CRIRSCO) respectfully requests recognition by the Assembly as an observer to the International Seabed Authority under the provisions of rule 82 (1) (e) of the rules of procedure of the Authority.

CRIRSCO is a non-governmental, not-for-profit organization comprising national organizations in the field of public reporting in respect of exploration results, mineral resources and mineral reserves. CRIRSCO members are national reporting organizations that are responsible for developing mineral reporting codes, standards and guidelines in Australasia, Chile, Canada, Europe, the Russian Federation, South Africa and the United States of America.

CRIRSCO promotes best practices in the public reporting of exploration results, mineral resources and mineral reserves. CRIRSCO acts as an international advisory body, relying on its constituent members to ensure regulatory and disciplinary oversight at the national level. Its existence recognizes the truly global nature of the minerals industry and the agreed need for international consensus on reporting standards.

CRIRSCO has a history of successful collaboration with other groups, including the Economic Commission for Europe United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources, the International Council on Mining and Metals and the International Accounting Standards Board.

CRIRSCO views the minerals of the deep ocean floor as a resource of growing economic potential. We believe that the Authority, sponsoring States, contractors and CRIRSCO itself can all benefit from the involvement of CRIRSCO as an official non-governmental observer with the International Seabed Authority and respectfully request your support with the present application for recognition.

(Signed) Edmundo **Tulcanaza**

Chair
Comisión Minera, Chile

(Signed) Harry **Parker**

Deputy Chair
Society for Mining, Metallurgy and Exploration,
United States of America

Annex II

International Seabed Authority observer status request

1. Name of organization

Committee for Mineral Reserves International Reporting Standards (CRIRSCO)

2. Address of office

CRIRSCO
849 Tyner Way
Incline Village, Nevada 89451
United States of America

Postal address (preferred)
c/o Harry Parker
Box 4411
Incline Village, Nevada 89450
United States of America

3. Name and address of proposed primary representatives

Chair

Edmundo Tulcanaza, Institute of Mining Engineers of Chile (IMEC), Chile
Email: edmundo.tulcanaza@hotmail.com

Deputy Chair

Harry Parker, Society for Mining, Metallurgy and Exploration (SME), United States of America
Email: harry.parker@amec.com

4. Aims and purpose of CRIRSCO

CRIRSCO aims to promote best practices in the international public reporting of mineral exploration results, mineral resources and mineral reserves.

CRIRSCO aims to achieve its stated objective by:

- Promoting uniformity, excellence and continuous improvement in national and international reporting standards for mineral exploration results, mineral resources and mineral reserves, through consultation and cooperation.
- Representing the international minerals industry on resource and reserve reporting issues, including discussions with other international organizations, attending international meetings and providing written submissions.
- Encouraging the continued development of international reciprocity of competent/qualified persons through nationally based recognized professional organizations.
- Promoting the use of a uniform and coherent best practices reporting standard for mineral exploration results, mineral resources and mineral reserves, including the provision and maintenance of the CRIRSCO International Reporting Template.

- Facilitating the exchange of information and dialogue among CRIRSCO members and other stakeholders through an actively managed website that promotes discussion on current issues.

5. History

CRIRSCO, which was formed in 1994 under the auspices of the Council of Mining and Metallurgical Institutes (CMMI), is a grouping of representatives of organizations that are responsible for developing mineral reporting codes and guidelines in Australasia (Joint Ore Reserves Committee (JORC)), Canada (Canadian Institute of Mining, Metallurgy and Petroleum (CIM)), Chile (Certification Code), Europe (Pan-European Reserves and Resources Reporting Committee (PERC)), Russian Federation (National Association for Subsoil Examination (NAEN)), South Africa (South African Code for Reporting of Mineral Resources and Mineral Reserves (SAMREC)) and the United States (SME). The combined value of mining companies listed on the stock exchanges of these countries accounts for more than 80 per cent of the listed capital of the mining industry.

The international initiative to standardize market-related reporting definitions for mineral resources and mineral reserves had its start at the 15th CMMI Congress at Sun City, South Africa, in 1994. The mineral definitions working group (later called CRIRSCO) was formed after a meeting at that Congress and was made up of representatives from the countries listed above (except for Chile, which joined later), with the primary objective of developing a set of international standard definitions for the reporting of mineral resources and mineral reserves.

In 1997, the five participants reached agreement (the Denver Accord) on the definitions of the two major categories, mineral resources and mineral reserves, and their respective subcategories, measured, indicated and inferred mineral resources, and proved and probable mineral reserves.

In 1999, agreement was reached with the Economic Commission for Europe (ECE), which had, since 1992, been developing an International Framework Classification for Mineral Reserves and Resources, to incorporate into the Framework Classification the CMMI-CRIRSCO resource/reserve definitions for the categories that were common to both systems. The agreement gave true international status to the CMMI-CRIRSCO definitions.

Following the agreements, an updated version of the JORC Code was released in Australia in 1999 (and more recently, in 2012), followed by similar codes and guidelines in Canada, Chile, the Russian Federation, South Africa, the United States, and the United Kingdom of Great Britain and Northern Ireland/Ireland/Western Europe. The JORC Code (Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists, and Minerals Council of Australia) has played a crucial role in initiating the development of standards definitions for these codes and guidelines.

The similarity of the various national reporting codes and guidelines has enabled CRIRSCO to develop an international minerals reporting code template, which is available on the CRIRSCO website. This can act as a “core code and guidelines” tool for any country wishing to adopt its own CRIRSCO-style reporting standard, after including provisions for country-specific requirements such as those

of a legal and investment regulatory nature. In 1997, the five participants reached agreement (the Denver Accord) on the definitions of the two major categories, mineral resources and mineral reserves, and their respective subcategories measured, indicated and inferred mineral resources, and proved and probable mineral reserves.

6. Recent activities

The recent activities of CRIRSCO may be grouped into four categories: the international reporting template; education, coordination and outreach; association and cooperation with other organizations; and CRIRSCO membership and annual meetings.

A. International reporting template

The international reporting template is a document that draws on the best of the CRIRSCO-style reporting standards, the JORC Code (Australasia), SAMREC Code (South Africa), Pan-European Reporting Standard (United Kingdom/Ireland/Western Europe), CIM Definition Standards (Canada), SME Guide (United States), Certification Code (Chile), and NAEN code (Russian Federation). These reporting standards are recognized and adopted worldwide for market-related reporting and financial investment.

13 November 2012, revised standard definitions. At the CRIRSCO annual meeting in 2012, the standard definitions were reviewed. Two new definitions (exploration target and scoping study) were added, and the definition of a mineral reserve had an additional paragraph inserted, following developments in codes and standards. National reporting organizations are to consider the changes, as well as to indicate a time frame in which the definitions could be incorporated into their codes/standards. The revised standard definitions have been incorporated into the JORC Code (2012), Pan-European Reporting Standard (2013), CIM Standard Definitions (2014) and the SME Guide (2014).

23 October 2009. The Consulting and Research Centre of the Ministry of Land and Resources (China) and CRIRSCO conducted a joint seminar in Beijing on reporting codes and the guidelines, standards and codes supporting the Chinese reporting standard and the CRIRSCO template.

B. Education, coordination and outreach

2 April 2014, presentation by Roger Dixon, CRIRSCO representative “Standard definitions, international reporting template, July 2006 to November 2013”, at the Fifth Session of the Expert Group on Resource Classification 29 April to 2 May.

28 November 2013, updated CRIRSCO international reporting template at the annual meeting in Bogota in November, 2013.

31 October 2013, presentation by Roger Dixon on CRIRSCO at the national conference on sustainable mining in New Delhi.

23 April 2013, presentation by Paul Bankes from CRIRSCO (CIM Canada) to the International Atomic Energy Agency meeting in Geneva.

21 June 2013, international reporting standards with particular reference to sampling techniques and data.

June 2013, Roger Dixon, past Chair of CRIRSCO, made a presentation at the conference on sampling and analysis on “Best-practice in African mining”, organized by the Southern African Institute of Mining and Metallurgy (SAIMM) and held at the Misty Hills Conference Centre from 4 to 6 June 2013.

6 June 2013, Stephen Henley, Deputy Chair of PERC and a PERC representative on CRIRSCO, recently made a presentation on CRIRSCO and the United Nations Framework Classification at a European Union meeting in Brussels on 14 May 2013.

C. Association and cooperation with other organizations

ECE continued to promote the idea of a single global code for reporting all minerals, including oil and gas. The 2004 version of the United Nations Framework Classification was largely rewritten to include petroleum (oil and gas) reporting and, in the process, many of the earlier minerals definitions were lost. CRIRSCO re-engaged with ECE to address this issue and, during the period 2006-2009, worked with the Society of Petroleum Engineers as petroleum industry representatives to map the CRIRSCO template (first published in 2006) to the petroleum resource management system, participated in a ECE task force set up to map the template and PRMS to the United Nations Framework Classification and another task force to recommend revisions to the Framework Classification. This work culminated in the release of a new, and much simplified, version of the Framework Classification in December 2009. The United Nations Framework Classification 2009 satisfies the need for high-level definitions that can bridge the petroleum and minerals industries but leaves intact the detailed definitions, rules and guidelines that are commodity specific.

Since January 2007, CRIRSCO has been associated with the International Council on Mining and Metals (ICMM), which shares similar objectives and also represents the international mining industry with regards to sustainable development. Initially CRIRSCO was a task force of that organization and from October 2009 a strategic partner. CRIRSCO acts at all times to uphold the principles of the Council (www.icmm.com). The Council provides financial and administrative support to CRIRSCO but has no direct control or influence over CRIRSCO activities other than those required to maintain the relationship, such as budgetary approvals and periodic reporting of progress on agreed projects. Both parties agree to promote the activities of the other where appropriate.

From 2007 CRIRSCO was invited to work with the International Accounting Standards Board as part of its research project on the possible application of international financial reporting standards to extractive activities (petroleum and minerals). This relationship is ongoing and as a result of the mapping exercise between CRIRSCO and the Society of Petroleum Engineers, the Board is likely to adopt the definitions contained in the template and PRMS as the basis for commodity-specific financial reporting. Consultation on the Board’s extractive activities project was suspended in 2010 on completion of the project. It is likely that the Board will resume work in 2015.

Each of the initiatives has a significant bearing on how mineral resources and reserves are defined, estimated and valued, and the way in which they are reported and used in financial statements. The role of CRIRSCO as an international monitor of and participant in such changes is clearly a relevant one.

D. CRIRSCO membership and annual meetings

12 December 2013, CRIRSCO annual meeting second open session (see CRIRSCO website). The slides used in the presentations at the second open session of the CRIRSCO annual meeting on Thursday, 21 November, are listed below. They expanded upon the developments in the national reporting organizations as reported on Wednesday, but also covered discussions with potential members and marine mining.

Member reports

Australasia — JORC

Canada — CIM

Chile — Comisión Minera

Europe — PERC

Russia — NAEN

South Africa — SAMREC

United States — SME

Potential members

Brazil

China

Ecuador

Kazakhstan

Mongolia

Turkey

New issues

Marine mining

Unconventional hydrocarbons

6 June 2013, memorandum of understanding signed by authorities from Kazakhstan and the Russian Federation.

7. Descriptive statement of the extent to which the purposes of CRIRSCO relate to those of the International Seabed Authority, including, in particular, the contributions that can be made to the progress of the Authority

The focus of CRIRSCO on the standards and processes of mineral valuation and rules and practices for the public presentation of reserve and resource

information is closely linked to the Authority's requirements for reporting of reserve and resource information at the end of the exploration period and to the demonstration of technical and financial capability to undertake commercial exploitation. This includes both processes for valuation of mineral deposits and international accepted standards and best practices in evaluating "modifying factors" used to convert mineral resources to mineral reserves, including commodity prices, costs of construction and operation of exploitation systems and application of standards for protection of the environment and for health and safety.

Industry standards and best practices for mineral valuation are closely related to the reports and assessments that may be required in the development of the Authority's mining code for exploitation of marine minerals. These include definitions of scoping studies and, pre-feasibility and feasibility studies.

Mineral valuation and the reporting of mineral reserves and resources comprise key components of international accounting standards for the extractive industries and are a component of ensuring transparency in the financial reports of the extractive industries.

8. Structure

National reporting organizations are responsible for the reporting codes/standards used by countries that are members of CRIRSCO. Each organization has two representatives on CRIRSCO. The number of representatives from each organization will be reviewed on an annual basis. The term of their involvement and who should replace a current representative are for the organization to decide.

The Executive consists of the Chair, past Chair, Deputy Chair and Secretary, elected by Committee members from within the Committee. The Chair is elected for a period of two years, commencing on 1 July, having served as Deputy Chair for a period of two years. The past Chair and the Secretary will also serve a two-year term. The Secretary will deal with the administrative requirements and act as a stand-in for either the Chair or Deputy Chair.

Subcommittees shall be formed on an as-needs basis. Issues which might require such a continuing presence include dealing with ECE and the International Accounting Standards Board and expanding membership.

The preferred method of decision-making is by consensus, based on an acceptance of the benefits of a united voice on matters related to the reporting of mineral exploration results, mineral resources and mineral reserves.

CRIRSCO has no power to instruct any member national reporting organization on any matter. It is accepted that there will be differences in the detail, while there can be an embracing of common principles.

9. CRIRSCO member organizations

The Australasian Joint Ore Reserves Committee JORC (Australasia)

Canadian Institute of Mining, Metallurgy and Petroleum CIM (Canada)

Comisión Minera (Chile)

Pan-European Reserves and Resources Reporting Committee PERC (Europe)

National Association for Subsoil Examination NAEN (Russian Federation)
 The Samcode Group of Codes SAMCODES (South Africa)
 The Society for Mining, Metallurgy and Exploration Inc SME (United States of America)

10. Current member representatives to CRIRSCO

Officers

Chair

Edmundo Tulcanaza, IMEC, Chile

Deputy Chair

Harry Parker, SME, United States of America

Past Chair

Deborah McCombe, CIM, Canada

Secretary

Ian Goddard, JORC, Australasia

Members' representatives

Peter Stoker, JORC, Australasia

Paul Bankes, CIM, Canada

Juan Pablo González, Toledo, Chile

Carlos Almeida, PERC, Europe

Eddie Bailey, PERC, Europe

Grigoriy Malukhin, NAEN, Russian Federation

Oleg Ilyin, NAEN, Russian Federation

Roger Dixon, SAMREC, South Africa

Ken Lombergm, SAMREC, South Africa

Ian Douglas, SME, United States of America

11. Affiliated organizations

International Council for Mining and Metals

Lima Stock Exchange

Society of Petroleum Engineers

International Accounting Standards Board

Economic Commission for Europe