

Paper Number: 154

The Importance of the International Reporting Codes in the Mining Industry

Lomberg, K.G.¹

¹South African Representative on CRIRSCO. ken.lomberg@coffey.com

The mining industry is a vital contributor to national and global economies. However, its role in contributing to the different national economies varies greatly. Foreign exchange earnings from mining can create positive developmental effects. In many countries, the mining and metals industry is gaining recognition as an important contributor to job creation and poverty reduction.

However the mining industry depends on the trust and confidence of investors, governments, local communities and other stakeholders for its financial and operational well-being. Unlike many other industries, it is based on depleting mineral assets, the knowledge of which is imperfect prior to the commencement of extraction. It is therefore essential that the industry communicates the risks associated with investment effectively and transparently in order to earn the level of trust necessary to underpin its activities.

Mining projects and mines are capital-intensive and are also characterized by high technical and economic risks. These factors pose challenges to mining entrepreneurs when they seek to raise seed capital for mine development and operating. There are limited sources of mining investment funds internationally. The development of a mining project relies on the interrelation of financial institutions and governments and the basic requirement is to attract investments and produce wealth. The development must also consider commodity needs which change due to rapidly advancing technologies and the globalization of markets and consumerism.

The reporting of Mineral Resources and Mineral Reserves to investors and financiers, a critical step in the cycle of a mine or project, is essential in the development and well-being of the global mining industry. It is necessary to report Mineral Resources and Mineral Reserves that can be extracted economically whether in a relatively short period or as potential long-term resources or occurrences. Companies are not interested in deposit or mineralisation that has no reasonable prospect for economic extraction under expected market conditions.

The CRIRSCO family of international reporting Codes is based on scientific and engineering principles, together with environmental and social guidelines within economic constraints. The Public Reports must be based on and fairly reflect the view of the Competent Person(s) who is required to take responsibility for the Public Report or declaration. CRIRSCO strives to promote International Best Practice in the Reporting of Mineral Exploration Results, Mineral Resources and Mineral Reserves

This paper will discuss the various Reporting Codes and provide guidance on their application.

