

**To:** Members of the Bureau of the UNECE Expert Group on Resource Classification

**From:** David MacDonald and Charlotte Griffiths

<p><b>Conference Calls with the Bureau of the Expert Group on Resource Classification 3pm 29 August and 9am 30 August 2012 FINAL MINUTES</b></p>
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**Present on 3pm Call:**

1. David MacDonald (Chair)
2. Grigoriy Malukhin *representing* Yuri Podturkin
3. Jim Ross
4. Rawdon Seager
5. Hari Tulsidas
6. Brad Van Gosen
7. Charlotte Griffiths

**Observers on 3pm Call:**

1. Per Blystad
2. Danny Trotman (from 3.15pm)

**Present on 9am Call:**

1. David MacDonald (Chair)
2. Michael Lynch-Bell (Chairman Ex-officio)
3. Leesa Carson (from 9.30am)
4. Roger Dixon
5. Capella Festa *representing* Fatih Birol
6. Jim Ross
7. Charlotte Griffiths

**Observers on 9am Call:**

1. Yanis Miezitis

**Apologies:**

1. Karin Ask
2. Fatih Birol
3. David Elliott
4. Mucella Ersoy
5. HE Qingcheng
6. Kjell Reidar Knudsen
7. Yuri Podturkin
8. Tim Smith

**Draft Agenda**

1. Approval of Draft Agenda
2. Draft Minutes of Bureau call of 11 July 2012 held jointly with STF-2 (as circulated 13 August 2012)

3. Bureau Membership Changes
4. STF-2 Status Report and Approval Process for Specifications Documents for Public Comment
5. UNECE Review of Current Status of Work re UNFC
6. Technical Advisory Group Task Force Status Report
7. Education and Outreach Update
8. Timing of Next Bureau Calls
9. Any Other Business

**Item 1: Adoption of the Agenda**

1. The agenda was adopted without amendment.

**Item 2: Draft Minutes of Bureau Call of 11 July 2012**

2. The Chair noted that the representative of the USGS had approved the draft minutes in writing prior to the call.
3. The representative of CRIRSCO objected to the use of the company name listed in paragraph 21, so it was agreed to amend the wording to read “A representative of the financial sector advised...”. Subject to this amendment, the draft minutes as circulated on 13 August 2012 were approved and will be posted to the UNECE website.
4. A debate took place on which capacity Bureau members act i.e. as representatives of an organization or company or in an individual/personal capacity. It was agreed that the issue of the capacity of Bureau members and company attribution should be tabled for discussion on the next Bureau call.

**Item 3: Bureau and STF Membership Changes**

5. The Chair noted that effective 12 July 2012, USGS had changed its representative on the Bureau from Mr. Larry Meinert to Mr. Brad Van Gosen. It was noted that Mr. Van Gosen had attended the second and third sessions of the Expert Group on Resource Classification and was familiar with the UNFC. Mr. Van Gosen was extended a warm welcome to the Bureau.

**Item 4: Specifications Task Force-2 Status Report and Approval Process for Specifications Documents for Public Comment**

6. An update was provided by the Chair of the Specifications Task Force Phase 2 (STF-2) on the status of the work of STF-2. He noted that good progress had been made on advancing the specifications document for public comment. Unfortunately, no feedback has been received from the SPE since the EGRC meeting held in May 2012, in particular to the revised version of the specifications document (EGRC-3/2012/INF.1) that was circulated in early June. He noted that the representative of SPE on the STF had indicated on the STF call held on 22 August that he would provide comments on a number of the annexes by the end of that week and a final set of comments by 31 August.
7. The STF-2 Chair advised that the text of the caveats for the specifications document and associated report had been agreed by all members.

8. The main text of the specifications document (version 17 August 2012) has now been agreed in current form by all STF-2 members except CRIRSCO and SPE. With regard to CRIRSCO there are five issues outstanding and efforts are on going to seek to resolve these. In the case of SPE, comments from SPE would be forthcoming by 31 August at latest. The representative of SPE had noted that the concerns were the same as identified in Geneva in May 2012. The STF-2 Chair advised that since there have been quite a few changes since the EGRC meeting in May he had requested that any further SPE comments be specifically documented in the context of the current version of the text.

9. The status of the annexes to the specifications document was provided:

- Annexes I (Glossary of terms) and II (Guidelines on the application of key instructions in UNFC-2009): agreed by all except SPE.
- Annex III (Bridging document - relationship between UNFC-2009 and the CRIRSCO Template): a revised version of that prepared by CRIRSCO has recently been issued by the Chair of STF-2 which now addresses the added granularity of UNFC.
- Annex IV (Bridging document - relationship between UNFC-2009 and PRMS): still awaiting feedback from SPE and the other PRMS sponsors.
- Annex V (Guidelines on the use of project maturity to classify projects): agreed by all except SPE.
- Annex VI (Examples of reporting resource quantities using UNFC-2009): the STF had debated whether to include this annex or not. Since it is not essential it was decided to not include for now and wait until after the public comment period before making a final decision.

10. The specifications report (EGRC-3/2012/INF.2) is still being updated by the Chair of STF-2 and he will endeavour to circulate as soon as possible.

11. The STF-2 agreed on a comment period of two months. The CRIRSCO representative had though indicated that in his view it could be shorter. The process for achieving consensus for the documents to be released for public comment had also been discussed by the STF-2, but not agreed upon since this is an issue for the Bureau. The STF-2 Chair noted that there was very strong support within the STF-2 for issuing the documents for public comment as soon as possible, with STF members still being entitled to provide comments during the public comment period along with all others.

#### 12. Duration of Public Comment Period for the Specifications Documents

The Bureau discussed the preferred duration for this. A two month comment period was agreed upon.

#### 13. Approval Process for Specifications Documents for Public Comment

Following discussion, it was agreed that the **final** published version of the specifications document (EGRC-3/2012/INF.1) requires a full consensus of the Bureau (and then the subsequent endorsement of the EGRC). In view of this, it was therefore felt that there was a balance to be achieved between the time necessary to try to reach a full consensus on the draft specifications document that is issued for public comment (and which will almost certainly change as a result of the public comments) and the need for (and potential usefulness and relevance of) input received from that comment period. It was agreed by all members on the two Bureau calls that the specifications document and report should be issued for public comment in early October.

14. The STF-2 will need to consider all comments received during the public comment period, as well as any additional feedback received after 31 August from CRIRSCO, SPE and other STF-2/Bureau members, and then work to finalize the document for Bureau review and approval in time for review and approval by the EGRC in April 2013. The actual process followed in dealing with all the comments received will be documented in the accompanying specifications report (EGRC-3/2012/INF.2).

15. It was emphasized that all STF-2 and Bureau members will have the opportunity to also comment during the public comment period (e.g. if any member wishes to submit comments personally or on behalf of his/her company). The CRIRSCO representative expressed the opinion that it would be preferable if CRIRSCO and SPE did not submit additional comments during the public comment.

16. The SPE representative on the Bureau requested clarification on the process to be followed if subsequent changes are made to the specifications document and report following a comment by an STF member i.e. would the documents need to be re-exposed? It was clarified that the specifications document and report to be issued for public comment would be accompanied by a cover letter outlining areas where consensus had not been achieved, and the specifications document and report prepared after the public comment would require full consensus of the Bureau prior to finalization.

17. For comments to be incorporated into the specifications document to be issued for public comment, there was agreement that these should be received by 31 August with the exception of Annexes III and IV (bridging documents) since these have only recently been circulated i.e. any comments received by close of business on 31 August will still be incorporated into the documents. This deadline was noted to be in line with the date by which the SPE representative on the STF-2 had advised he would submit all SPE comments.

18. It was agreed that a cover note would be included with the specifications document and report that are issued for public comment outlining any areas of current debate within the STF-2 and Bureau on issues that have not yet reached consensus.

#### **Item 5: Review of Current Status of Work re UNFC**

19. Clarification was provided regarding the e-mail message of 31 July 2012 sent to the Chair and other Bureau members by the Chief of the Energy Industries Section of the UNECE Sustainable Energy Division requesting feedback on the implementation of the programme of work of the Expert Group on Resource Classification. It was noted that this request had been made in the context of the review of UNECE that is currently being undertaken by UNECE member countries. It was emphasized that all programmes of work at UNECE are being reviewed and not just the work of the EGRC. It was noted that the EGRC Chair, the representative of CRIRSCO and David Elliott had all provided written comments, following which the EGRC Chair had spoken with the Chief of the Energy Industries Section to provide additional clarification. The report that is being prepared offers a positive opportunity to highlight the work of the EGRC in developing the UNFC and the progress that has been made in recent years.

#### **Item 6: Technical Advisory Group Task Force Status Report**

20. The minutes of the conference calls of the Technical Advisory Group (TAG) Task Force of 27 June 2012 and 25 July 2012 were circulated to the Bureau on 7 August.

21. It is anticipated that a draft Terms of the Reference for the TAG will be circulated by the TAG Task Force to the Bureau for comment in early September. Bureau members will be requested to provide written feedback. It was agreed that once the Chair of the TAG Task Force has had an adequate opportunity to review these comments he will be invited to participate in a future Bureau call, hopefully the call due to be held the week of 17 September.

#### **Item 7: Education and Outreach Update**

22. A brief overview of events at which a presentation on or reference to the UNFC has recently been made or will be made was provided.

(a) 34<sup>th</sup> International Geological Congress, Brisbane, Australia, 6-10 August

23. The Symposium 7.3 "Resource and reserve reporting, international codes and the valuation of mineral assets" was noted to be well balanced and comprehensive, with presentations on the UNFC delivered by a number of EGRC experts. The event was well attended, but unfortunately the audience was limited by the small room size.

(b) Reserve Estimation for Unconventional Resources, Houston, 20-21 August

24. A representative of SPE delivered a presentation on the application of the UNFC to unconventional resources.

(c) Workshop "Mining Towards the Future", Buenos Aires, Argentina, 28 August

25. A representative of the Center for Minerals Technology (CETEM), Brazil, delivered a presentation on the UNFC.

(d) IAEA Training Course on "Sustainable uranium resources development", 3-7 September, Tanzania

26. This will include a presentation on the UNFC to be delivered by the IAEA representative on the Bureau.

(e) EU-USA Workshop on "Mineral Raw Material Flows & Data", Brussels, 12-13 September

27. A CRIRSCO representative will deliver a presentation on the CRIRSCO Template and the UNFC.

(f) SPE Course "Managing Your Business using PRMS", Mexico City, 24 September

28. The SPE representative who is running the course has indicated he will briefly explain the UNFC.

(g) SPE Applied Technology Workshop "Petroleum Resources Management System (PRMS) Application Guidelines Document", Mexico City, 25-26 September

29. The Chair will briefly introduce the UNFC at this event.

(h) UNFC Workshop, Mexico City, 27-28 September

30. Organization of this workshop is progressing well, with all international speakers confirmed including from CRIRSCO and SPE, as well as the EGRC and STF-2 Chairs. The event, which will be opened by the Minister of Energy of Mexico, is being organized by the National Hydrocarbons Commission (CNH) in cooperation with UNECE and ECLAC. Approximately 75 participants are anticipated, including from Pemex, Ministry of Energy,

CNH, Mexican Petroleum Institute, Mexican Association of Petroleum Engineers, Mexican Geological Survey and the Mexican Association of Geologists.

- (i) Interregional IAEA-CYTED<sup>1</sup>-UNECE Workshop on Recent Developments in Evaluation of Uranium and Thorium Resources, Lisbon, Portugal, 15-18 October  
31. The EGRC and STF-2 Chairs, the IAEA representative and the UNECE Secretariat will participate.
- (j) 10<sup>th</sup> Annual Global Reserves Summit, London, 29-31 October  
32. The Chair will deliver a presentation on the UNFC.
- (k) UNFC Workshop, New Delhi, India, 5-6 December (dates to be confirmed)  
33. Organization of this event is progressing slowly.
- 34. The IAEA representative noted that there is a highly publicised debate currently underway in the Indian parliament over the allocation of coal blocks based on the findings of a recent report by Government auditors. This has led to a number of references to the UNFC in the Indian press. Although the Indian Government took a decision in 2001 to use the UNFC of 1997 for solid minerals it has not been consistently implemented. Whilst a large part of the mining sector in India is now using the UNFC significant efforts, including by the Ministry of Coal, are being made throughout the sector to update to the UNFC of 2009.
- (l) 24th Colloquium of African Geology, Addis Ababa, 8-14 January 2013  
35. An abstract has been submitted and sponsorship is being sought from the conference organizers for an EGRC representative from the Ministry of Energy and Mineral Development of Uganda to deliver the presentation if the abstract is accepted.
- (m) Joint AAPG/SPE/SEG Unconventional Resources Technology Conference, Denver, 12-14 August 2013  
36. The SPEE representative drew the attention of the Communications Sub-Committee to this event.  
37. The Chair thanked all those who commit time and effort to deliver presentations on the UNFC and/or organize events.  
38. The Chair Ex-officio indicated his willingness to deliver presentations on the UNFC.

#### **Item 8: Timing of Next Conference Call/Meeting**

- 39. It was agreed that the next Bureau call would be held as a joint call with the Specifications Task Force during the week of 17 September 2012.

#### **Item 9: Any Other Business**

- 40. The Chair advised that the Society of Exploration Geophysicists (SEG), which is one of the sponsor organizations of the PRMS Applications Document, has been invited to join the EGRC as a result of the work of the Communications Sub-Committee on membership gaps. Whilst the Chair of the SEG Oil and Gas Reserves Committee declined the invitation to join

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<sup>1</sup> CYTED = Ibero-American Programme for Science, Technology and Development

the EGRC he successfully identified another member of that Committee who will participate in the EGRC and attend the April 2013 meeting.

41. The representative of the IEA noted that the organization is currently updating its publication “Resources to Reserves” that was last issued over five years ago and for which the audience is policymakers and industry alike. The UNFC was not referenced in that version. The revised version is currently being reviewed internally at IEA following which an external review process is anticipated in two to three months time. The Bureau will be offered an opportunity to review the publication. The CRIRSCO representative underlined his interest in CRIRSCO being included in the external review process.

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