



SAMCODES

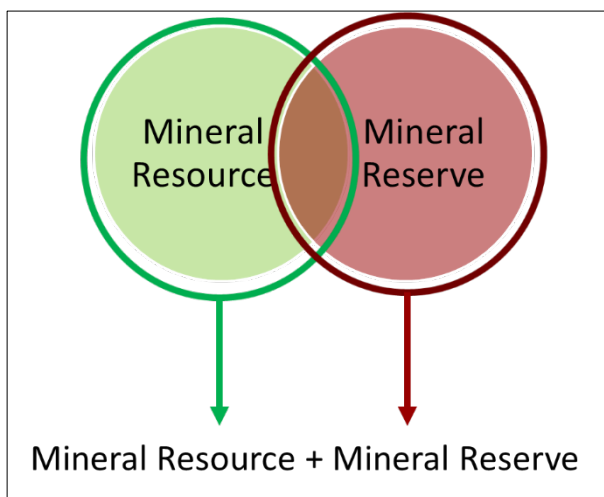
SNIPPETS

Inclusive vs Exclusive Reporting

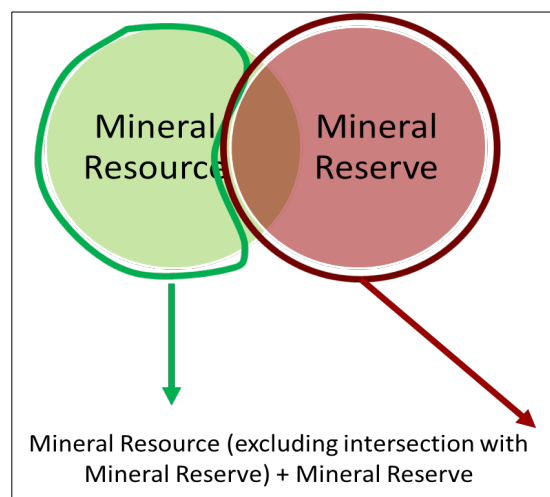
The debate regarding whether Mineral Resources should be reported inclusive or exclusive of Mineral Reserves has been ongoing for years, and circa 2012 it was classified as a 'parked issue' by the SAMREC Working Group as no consensus was reached. (Rupprecht, 2020).

Clause 42 of the SAMREC Code notes that *"In situations in which both Mineral Resources and Mineral Reserves are reported, the Public Report must include a statement that clearly indicates whether the Mineral Resources are inclusive of, or additional to, those Mineral Resources that have been modified to produce Mineral Reserves."*

INCLUSIVE REPORTING



EXCLUSIVE REPORTING



Lomberg, K (2025; pers. Comm).

The 2016 SAMREC Code allows the Competent Person (CP) to decide on whether to report Mineral Resources as inclusive or exclusive of those converted to Mineral Reserves. This is similar to the requirements in the CRIRSCO Codes (including the CRIRSCO template). By contrast, the 2020 SEC SK-1300, requires that Mineral Resources be reported as exclusive of (or additional to) those already

converted to Mineral Reserves (Technical Summary Reports may also report Mineral Resources inclusive of Mineral Reserves, as long as they are also reported exclusive as well) (Rowland et al., 2023).

Guidance in the SAMREC Code notes that

- in some situations, there are reasons for reporting Mineral Resources as inclusive of Mineral Reserves or exclusive (ie where the Mineral Resources reported are additional to those which have been modified to produce Mineral Reserves). It should be made clear which form of reporting has been adopted. Appropriate forms of clarifying statements may be *'The Measured and Indicated Mineral Resources are inclusive of those modified to produce Mineral Reserves'* or *'The Measured and Indicated Mineral Resources are additional to Mineral Reserves'*.
- If any Mineral Resources have not been modified to produce Mineral Reserves for economic or other reasons, the relevant details of these unmodified Mineral Resources should be included in the Public Report. This is to help the reader judge the likelihood of the unmodified Measured and Indicated Mineral Resources eventually being converted to Mineral Reserves.

Various authors have commented on some of the issues that arise during the inclusive/exclusive debate. Interested parties are referred to two of these below.

Rupprecht (2020) notes that “there will be several nuances the Competent Person must consider for this declaration, and not simply a subtraction of the Mineral Resources used in the estimation of the Mineral Reserve.” Rowland et al, (2024) further indicate that “there are no practical guidelines in the literature or relevant reporting codes and rules for Competent/Qualified Persons 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.”

References

Rowland, T., Arvidson, H., Noppe, M., Mattera, M., Parsons, B., Chamberlain, V., and Marinho, R. (2023): A Guide to Reporting Mineral Resources Exclusive of Mineral Reserve. <https://k2fly.com/wp-content/uploads/2023/08/A-Guide-to-Reporting-Mineral-Resources-Exclusive-of-Mineral-Reserves-Final.pdf>

Rupprecht, S.M. (2020): Future trends in the international Reporting Codes based on SEC's Regulations SK-1300. J. SAIMM., 120 (12), 659-664.