

# EGRC Technical Advisory Group (TAG)

TAG Report “Number 1” to  
5<sup>th</sup> Session of UNECE Expert group on  
Resource Classification (EGRC)

Geneva

April 30, 2014

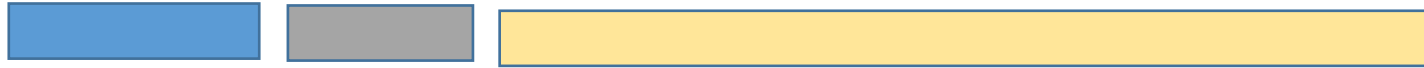
# EGRC Technical Advisory Group (TAG)

## Report Agenda

- Background
  - TAG Timeline
  - Review of TAG Mission
  - Introduction of TAG Members
- Work Areas & Objectives
- Process Overview
- Current Projects – status and interim reports
- 2014-15 Potential Projects
- Summary

# EGRC Technical Advisory Group (TAG)

## TAG Timeline



June 2012: Establish task force to develop Terms of Reference (TOR)

April 2013: EGRC approved TAG initiative/TOR

2013-14: Identify TAG members

February 27, 2014: First TAG teleconference

March 19, 2014: Second TAG teleconference

April 30, 2014 - 8:00 am: First face to face meeting of TAG members

April 30, 2014 – 12:00 pm: First report to EGRC





# TAG Mission Statement

Provide technical advice & assistance on the interpretations and/or applications of UNFC-2009

The client = principal Stakeholder groups

- Analysts of energy and mineral resources
- Governments
- Industry
- Financial Community

*Provide timely reporting of such interactions to the Bureau of the Expert Group as well as the Expert Group on Resources Classification (EGRC).*

# EGRC Technical Advisory Group (TAG)

<b><u>Members</u></b>	<b><u>Affiliations</u></b>	<b><u>Country</u></b>	<b><u>Representing</u></b>
Santosh Adhikari	India Bureau of Mines	India	Solid Minerals & UNFC 1997
John Barry	Irus Consulting Ltd	Ireland	Solid Minerals
Per Blystad	Norwegian Petroleum Directorate	Norway	Petroleum & National Reporting
Leesa Carson	Geoscience Australia	Australia	Minerals & National Reporting
Roger Dixon	SRK Consulting	South Africa	CRIRSCO
John Etherington	PRA International Ltd	Canada	SPE PRMS
Alistair Jones	BP Exploration	UK	Industry, Petroleum, Renewables & Academia
Michael Lynch-Bell	Kazakhymus PLC	UK	Financial Reporting (Alternate)
Maksim Saakian	State Commission on Mineral Resources (GKZ)	Russia	Petroleum, Minerals & Government Reporting
Danny Trotman	Ernst & Young LLP	UK	Financial Reporting
Harikrishnan Tulsidas	International Atomic Energy Agency (IAEA)	Austria	Nuclear Fuel Resources
<b>Observers</b>			
David Macdonald	BP Exploration	UK	
Charlotte Griffiths	Sustainable Energy Division	Switzerland	

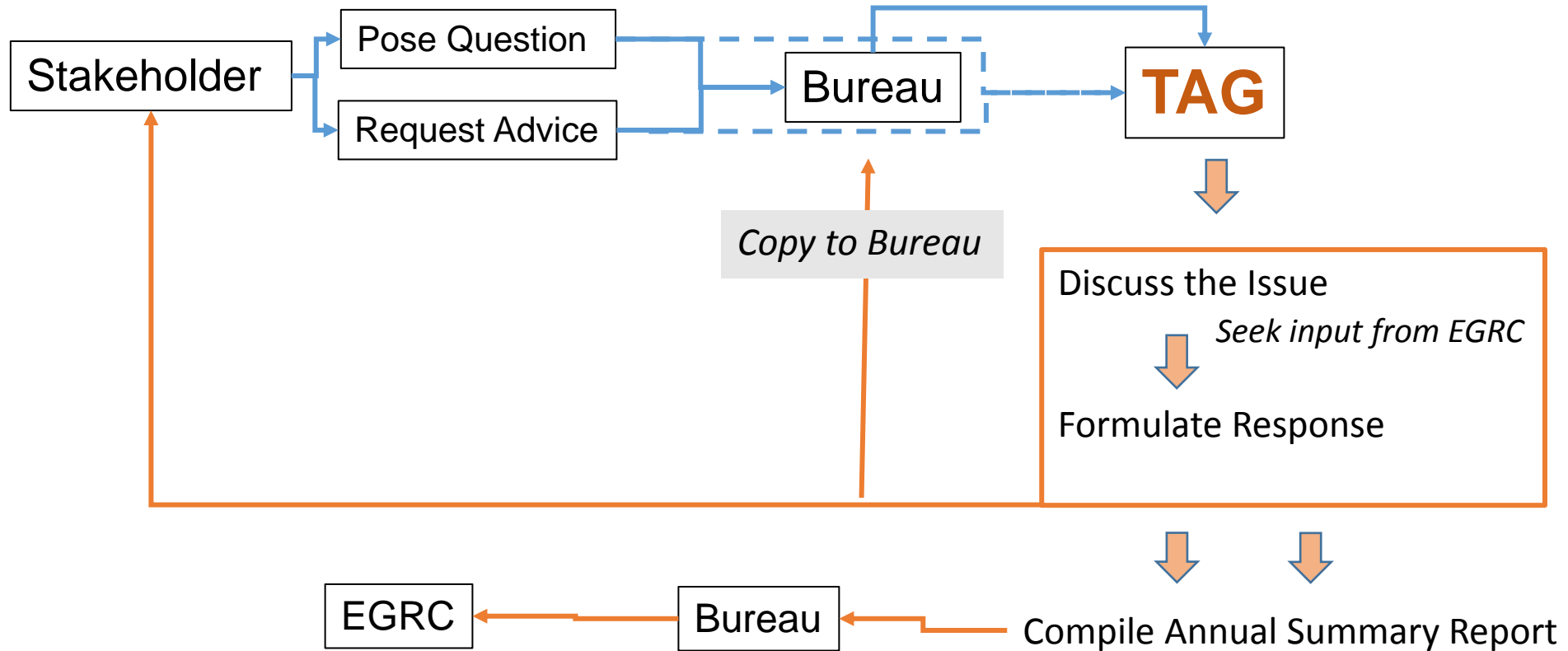
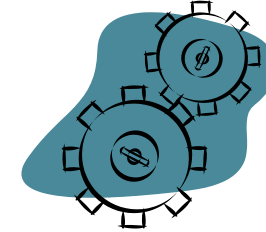
# TAG Activity Areas & Objectives



1. Advise on interpreting, applying and/or mapping to UNFC-2009.
2. Provide training on application of UNFC-2009.
3. Receive, compile and analyze the results of mapping activities & case studies.
4. Review draft Bridging Documents and recommend endorsement.
5. Identify potential for additional specifications & guidelines
6. Report activities/outcomes to the Bureau and then to the EGRC.

# EGRC Technical Advisory Group (TAG)

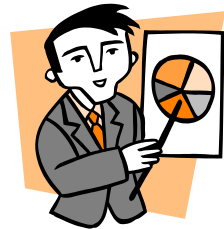
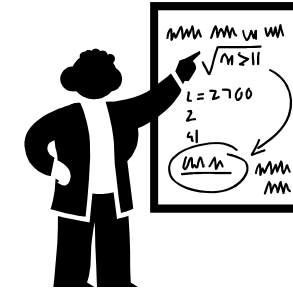
## The Process



# EGRC Technical Advisory Group (TAG)

## Training and Outreach Activities

“Act as presenters or trainers as needed on various aspects of the development and application of UNFC-2009 to various stakeholders.”



Coordinate with Communications Sub-Committee

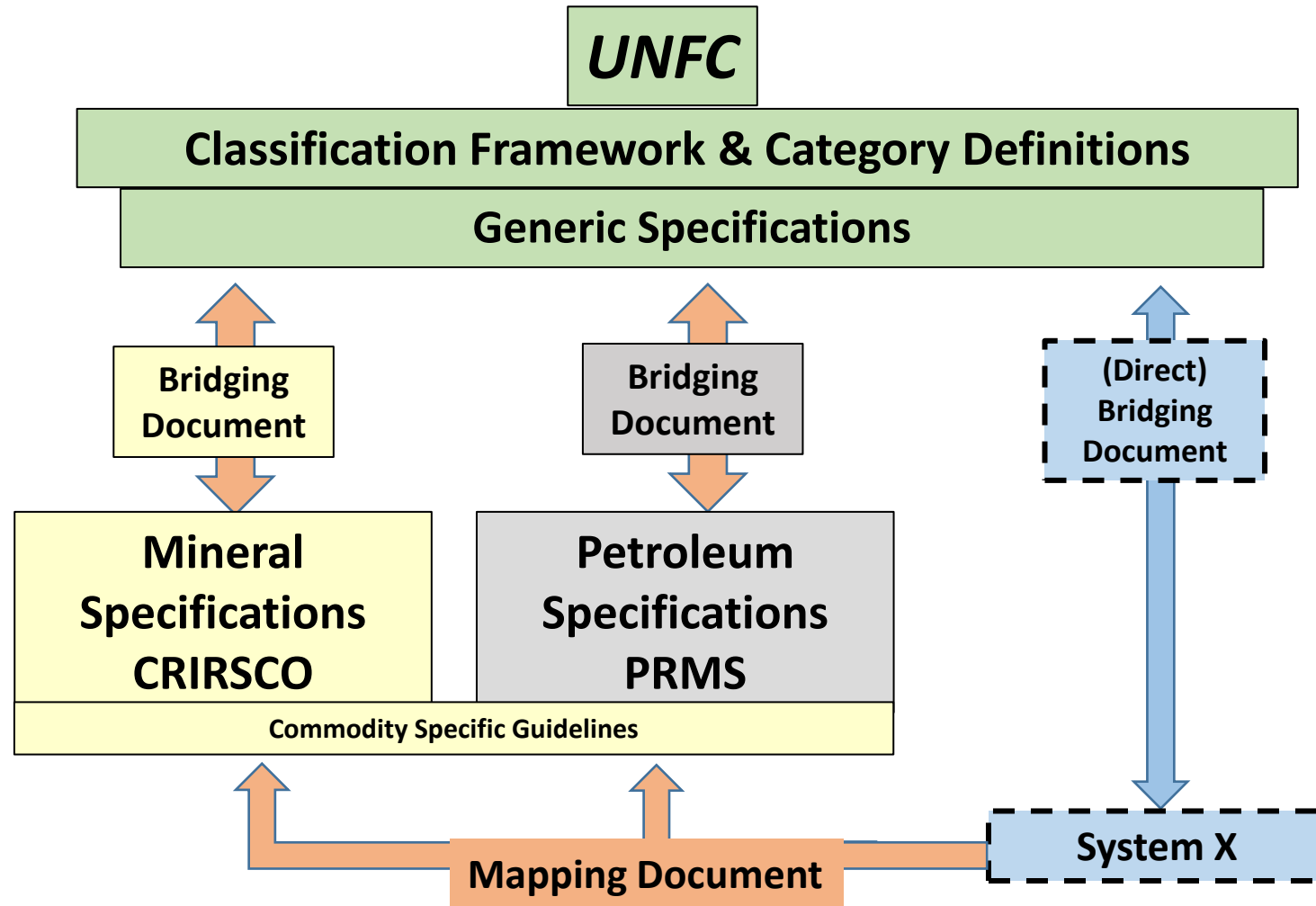
Assist in review and use of standardized training packs being developed

Simplified case studies for use in workshops

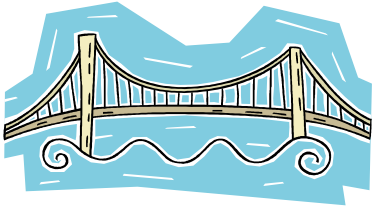
**Issue:** Will need to manage TAG workload and priorities



# Bridging and Mapping



# Bridging versus Mapping



A **bridging document** explains the relationship between UNFC-2009 and another classification system, including instructions and guidelines on how to classify estimates generated by application of that system using the UNFC-2009 Numerical Codes.

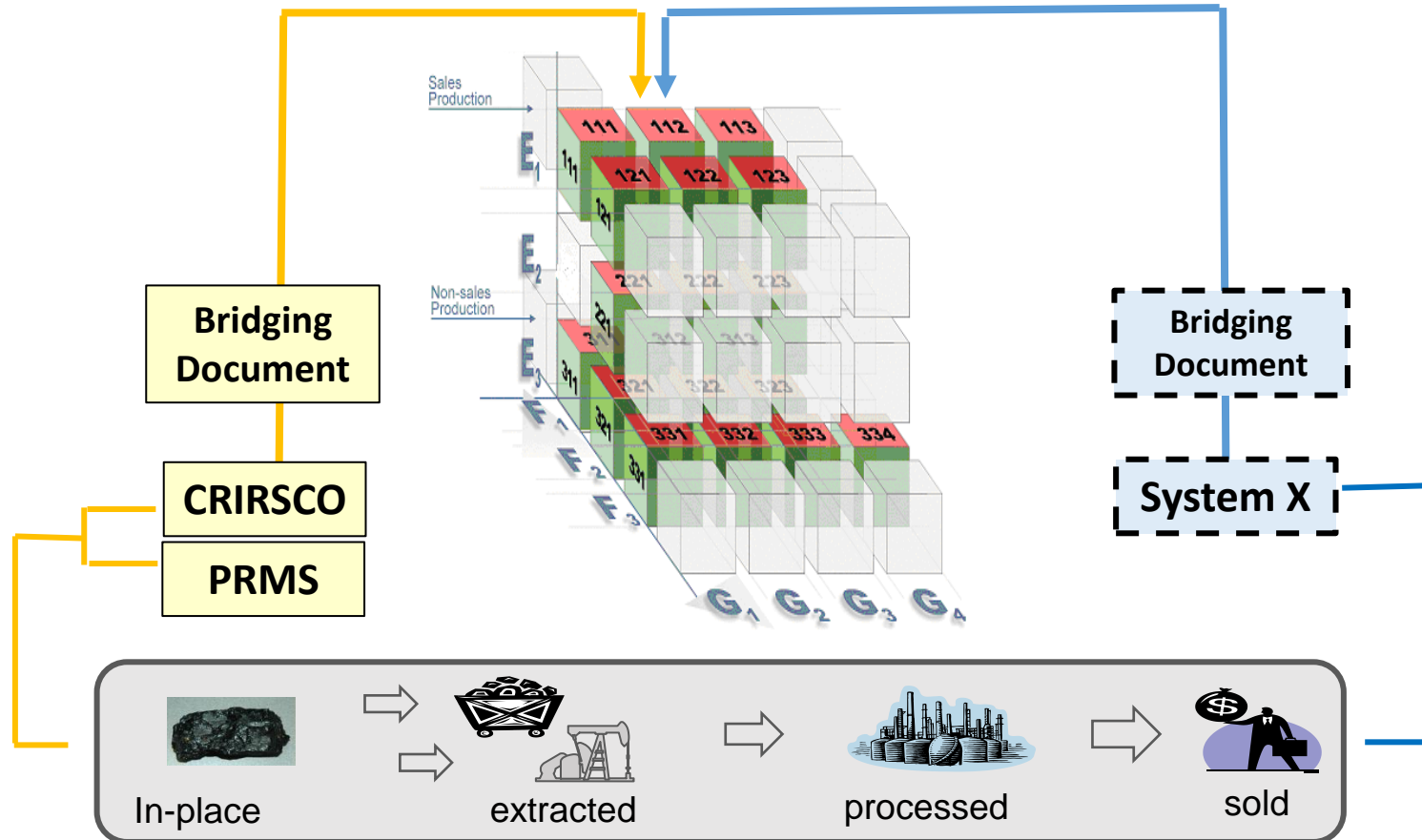


A **mapping document** highlights the similarities and differences between systems applied to the same or similar commodity .

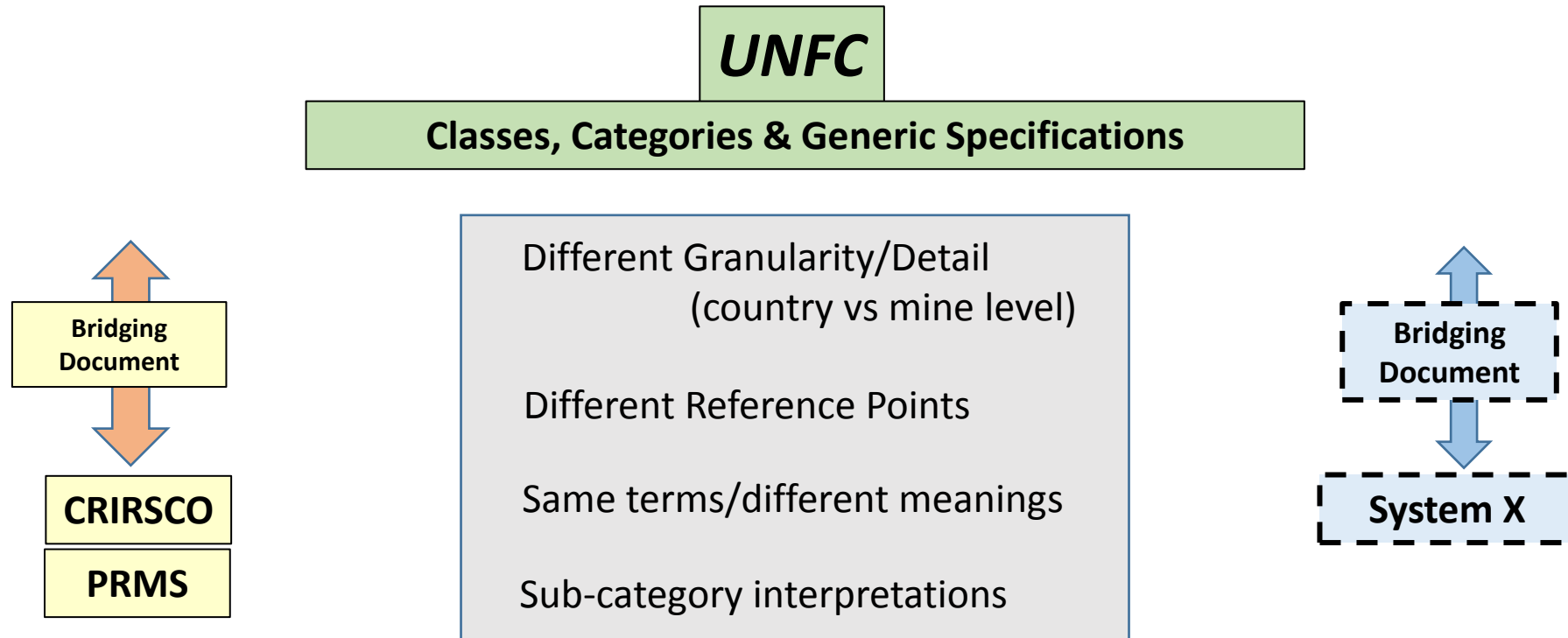
It is not the intention to require the new system to modify any of its principles as a result of completing a mapping or bridging document.

# Testing a Bridging Document

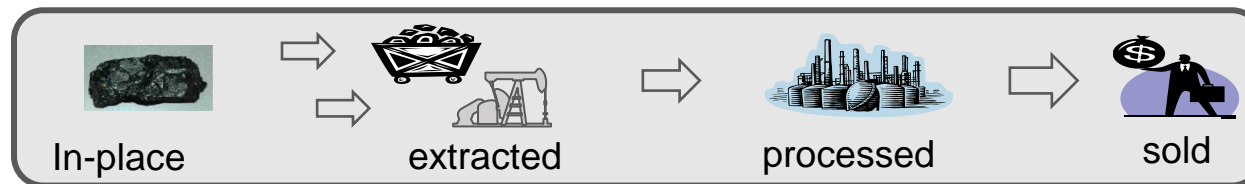
Estimates reported using UNFC-2009 should be comparable with no significant difference to those that would result from the application of the classification system for which Bridging documents have already been endorsed (i.e. aligned Systems).



# Potential Issues in Bridging & Mapping



*some level of "mapping" is often required to assess consistency*

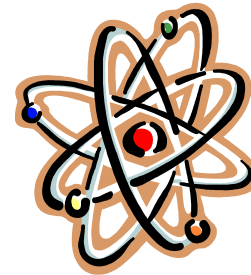


# EGRC Technical Advisory Group (TAG)

## Current Projects

- 1) Preliminary Review of draft NEA/IAEA Bridging Document  
– Roger Dixon

(see detailed project presentation in agenda item 12)



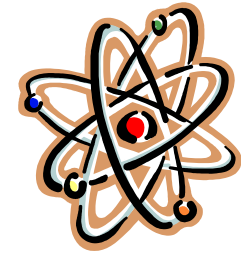
- 2) Preliminary Review of Case Study – application of UNFC 2009 to solid minerals  
- John Barry

(see detailed project presentation in agenda item 16)



# Review of Draft NEA/IAEA Bridging Document

– Roger Dixon



- Bridging document between Red Book and UNFC 2009
- Demonstrates the benefit of UNFC as a numerical and language independent umbrella classification scheme.
- Red Book enables energy studies, government resource management rather than business processes and financial reporting.
- Limited information from a disparate group of countries
- By necessity takes a long term view (100 years)

# Review of Draft NEA/IAEA Bridging Document

– Roger Dixon

Issues for consideration:



- Should terminology be aligned with UNFC and/or commodity specific systems?
- Should it be mapped to CRIRSCO Template?
- Should differences between 'reserves' and 'resources' be defined more clearly?
- Integration of cost categories into UNFC-2009

# Review of Case Study – application of UNFC 2009 to solid minerals

- John Barry



## Key Findings:

- CRIRSCO focused on regulators & investors – more granularity
- UNFC-2009 focused on sovereigns & future supply – macro-level
- Variability in point of reference creates confusion
- Mineral Resources and Reserves should not be reported combined
- We do not deal effectively with exploration targets and results
- Lack of standards for classifying stockpiles



# Review of Case Study – application of UNFC 2009 to solid minerals

- John Barry

Issues for consideration:



- Look at G4 sub-classes in more detail
- Should/can we separate risk and uncertainty?
- Focus on 334 and specifications “P” and “R”
- Amend UNFC\_CRIRSCO Bridging document?

# EGRC Technical Advisory Group (TAG)

## Potential Projects 2014 - 2015

1. Advise migrating legacy UNFC-1997 to UNFC-2009
2. Mapping of new Russian petroleum classification (GKZ RF 2014) to UNFC 2009 and PRMS
3. Specifications for Renewables
4. Other

# EGRC Technical Advisory Group (TAG)

## Summary

TAG activated February 2014 (11 members)

Assessing work process options

Preliminary Reviews

Bridging Document - NEA/IAEA Uranium Classification  
Case Study -application of UNFC 2009 to solid minerals

1<sup>st</sup> Report to EGRC April 30, 2014



# EGRC Technical Advisory Group (TAG)



Questions?