

PRESS RELEASE

Reporting of Reserves and Resources in Russia: Agreement between GKZ and CRIRSCO

At a meeting in Moscow on 21-22 October 2008 between the FGU "State Commission on Mineral Reserves" (GKZ) and the Committee for Mineral Reserves and International Reporting Standards (CRIRSCO), a breakthrough agreement was reached on alignment of the two reporting systems. Key points of this agreement include the following:-

- a basis for mutual recognition of Competent Persons
- a set of guidelines for conversion of reporting categories for resources and for reserves, which will be developed fully in a handbook to be issued jointly by GKZ and CRIRSCO before the end of 2009.
- a commitment to coordination of future efforts in standardisation of reporting
- an immediate invitation to the Russian Association of Mineral Resource Experts (OERN) to nominate a representative as a member of PERC (the Pan-European Reserves & Resources Reporting Committee), whose new CRIRSCO-compliant minerals reporting code is to be published within the next few weeks

In parallel, the European Federation of Geologists (EFG) has also invited its Russian member organisation OERN to nominate the next PERC representative to sit on the CRIRSCO committee.

Following the signing of the Protocol of Intentions on 22nd October, Mr Yuri Podturkin, General Director of GKZ, said that we are of the opinion that international geologists understand each other, and it is necessary that, by our joint efforts, international investors and financial institutions see the transparency and adaptability of the Russian system of recording and assessing mineral reserves and resources. We are going together with CRIRSCO to achieve this objective. Mr Niall Weatherstone, chairman of CRIRSCO, said that this agreement recognises the importance of Russia as both a producer of minerals and an international partner in many mining ventures. Mutual recognition of minerals reporting systems and greater integration with the well established CRIRSCO reporting methodologies will assist industry practitioners, regulators, and the financial community in the future.

Further information from --

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Web Links: both English and Russian texts of the Protocol can be found on the web sites of GKZ (www.gkz-rf.ru) and CRIRSCO (www.crirSCO.com).