

THE US DOLLAR AND COMMODITY PRICES AND CHANGES TO CPRs

By Andy Clay

Having more than twenty years experience in preparing public domain documents, it has been frustrating seeing the confusion that exists with respect to understanding the specific form and content of a CPR by clients and the industry at large. This is partly because of the number of codes that exist.

One specific aspect is the shelf-life of the CPR which in South Africa, is six months. However, if a company prepares a CPR and after six months there are no material changes it should retain its integrity and the author should be able to redate making it clear that there 'no material changes'.

However, one complication is the volatility in the USD and commodity prices which means that when either the mineral resource or mineral reserve is taken into account, inevitably material changes will have taken place with respect to economics and more importantly the valuation.

The question then arises, how long will it take and what is involved in the revision. Unfortunately, obtaining a pragmatic and cost-efficient process may not be easy. However, in our experience, if reports are prepared to NI 43-101, this process is easier since all Items can be systematically worked through.

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