

The highly vexed issue of RPEEE – narrowing the range of practice

I M Glacken

Director – Geology, Optiro, West Perth, WA 6005. iglacken@optiro.com

ABSTRACT

The concept of Reasonable Prospects of Eventual Economic Extraction – or RPEEE – has been part of the JORC Code for classification and reporting of resources for several iterations, but it has assumed greater importance and relevance in the 2012 edition of the Code and in those international Codes (SAMREC, PERC) which post-date it. There is a very wide range of practice in the Australian and global mining industry regarding the process of satisfying or demonstrating RPEEE, and not all of it relates to the junior/major company divide. In general, RPEEE determination for open pit mines is relatively straightforward and most (but importantly not all) organisations use some form of economic constraint, together with a cut-off grade. It is the area of underground mining, however, where there is a depressingly wide range of practice and some very loose interpretations of the concepts of ‘eventual’, ‘economic’, or ‘extraction’. Resource companies with large pre-RPEEE resources or reserves have seen significant decreases when RPEEE has been applied; others have made the decision not to apply RPEEE and subsequently report a very poor resource to reserve conversion rate. This paper reviews the range of current practice in applying RPEEE for both open pit and underground resources, presents a number of case studies across a range of commodities and mining methods, and makes a plea for more consistency and fairness to shareholders when RPEEE is being addressed in resource declaration.