

Zambia Institute of Chartered Accountants' comments on ED 6: *Exploration for and Evaluation of Mineral Resources*

Question	Comments
No.1 – Definition and additional guidance	<i>The definitions in the proposed paragraphs 7 and 8, and in Appendix A are adequate.</i>
No.2 – Method of accounting for exploration for and evaluation of mineral resources	<i>Proposals (a) and (b) are not appropriate as they fly in the face of the intention to promote proper comparability of various entities' financial statements. In our view the objective of the IFRS is to attempt to enhance uniformity in accounting for mineral resources given the divergence of current practices, particularly in the mining industry. To allow entities to continue with their current practices will fail to achieve the intended objective. The option to continue with current practices may be as a result of trying to find common ground between the mining industry on one hand, and the oil & gas sector on the other. As the two have different operational activities perhaps their accounting treatment should be more distinct.</i>
No.3 – Cash-generating units for exploration and evaluation assets	<i>Appropriate.</i>
No.4 – Identifying	<i>Appropriate.</i>

exploration and evaluation assets that may be impaired	
No.5 - Disclosure	<i>The proposed disclosures are appropriate. No additional disclosures should be required as this would result in an unnecessary glut of information.</i>