

Mineral exploration

The AEG agreed to change the item “mineral exploration” to “mineral exploration and evaluation” and to draw on the IASB coverage of this item to specify the SNA item.

The AEG agreed that the description of the valuation of this item should be clarified to make clear that it is market production to be valued either at market prices, if purchased, or as the sum of costs plus mark-up, if produced on own-account.

The AEG agreed to maintain a distinction between mineral exploration and evaluation as a produced asset and the mineral deposit as non-produced assets.

The AEG agreed that the preferred valuation for mineral deposits, market price, is seldom available. In default, the deposit should be valued as the present value of future receipts of resource rent.

The AEG agreed that, in principle, payments by the extractor to the owner of the deposit are property income. However, when the owner is government and the payments are described as taxes, adhering to this principle introduces a discrepancy between taxes in the SNA and in government accounts. This needs further consideration.

The question of attribution of the ownership of a deposit extracted by a unit not the legal owner is deferred to a future meeting when leases and licenses will be discussed more generally.