

Exposure Draft of Proposed

**AMENDMENTS TO  
IFRS 6 EXPLORATION FOR  
AND EVALUATION OF  
MINERAL RESOURCES  
AND  
IFRS 1 FIRST-TIME ADOPTION OF  
INTERNATIONAL FINANCIAL  
REPORTING STANDARDS**

*Comments to be received by 3 June 2005*

This Exposure Draft of proposed Amendments to IFRS 6 *Exploration for and Evaluation of Mineral Resources* and IFRS 1 *First-time Adoption of International Financial Reporting Standards* is published by the International Accounting Standards Board (IASB) for comment only. The proposals may be modified in the light of the comments received before being issued in final form as amendments to IFRS 6 and IFRS 1. Comments on the Exposure Draft should be submitted in writing so as to be received by **3 June 2005**.

All responses will be put on the public record unless the respondent requests confidentiality. However, such requests will not normally be granted unless supported by good reason, such as commercial confidence. If commentators respond by fax or email, it would be helpful if they could also send a hard copy of their response by post. Comments should preferably be sent by email to: **CommentLetters@iasb.org** or addressed to:

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## BACKGROUND

Paragraph 36B of IFRS 1 *First-time Adoption of International Financial Reporting Standards* currently provides an exemption from the requirement to provide comparative disclosures for IFRS 6 to an entity that both (a) adopts IFRSs for the first time before 1 January 2006 and (b) applies IFRS 6 *Exploration for and Evaluation of Mineral Resources* before that date. The intentions of the International Accounting Standards Board were to provide a wider exemption—not only to exempt such entities from providing comparative disclosures, but also to exempt them from the recognition and measurement requirements of IFRS 6 for the comparative period. The Board's intentions in this respect are clearly summarised in paragraphs BC63-BC65 of the Basis for Conclusions on IFRS 6.

It has come to the Board's attention that some constituents are confused by the inconsistency between the wording of IFRS 1 paragraph 36B and the discussion in the Basis for Conclusions. As a result, those constituents are uncertain whether a wider exemption from providing comparative information is available for these entities. To dispel any such uncertainty, and bearing in mind that the amendment is relevant for entities applying IFRS 6 in 2005, the Board has decided to amend IFRS 1 paragraph 36B as soon as possible to clarify that this exemption is wider than comparative disclosures. The Board hopes to issue the amendment no later than 30 June 2005.

## INVITATION TO COMMENT

The Board invites comments on the changes to IFRS 6 and IFRS 1 proposed in this Exposure Draft. Comments should be submitted in writing so as to be received by **3 June 2005**.

## PROPOSED AMENDMENTS

The [draft] amendments shall be applied for annual periods beginning on or after 1 January 2006. If an entity applies IFRS 6 for an earlier period, these amendments shall be applied for that earlier period.

### [DRAFT] AMENDMENT TO IFRS 6

In the Basis for Conclusions on IFRS 6 *Exploration for and Evaluation of Mineral Resources*, paragraph BC66 is amended as follows (deleted text is struck through).

BC66 The following is a summary of the main changes from ED 6 to the IFRS.  
The Board:

...

- (g) provided transitional relief for ~~disclosures for~~ entities adopting IFRSs for the first time and adopting the IFRS before 1 January 2006 (paragraphs BC59-BC65).

### [DRAFT] AMENDMENT TO IFRS 1

In IFRS 1 *First-time Adoption of International Financial Reporting Standards*, paragraph 36B is amended as follows (new text is underlined and deleted text is struck through).

#### **Exemption from the requirement to ~~provide~~ present comparative disclosures ~~information~~ for IFRS 6**

- 36B An entity that adopts IFRSs before 1 January 2006 and chooses to adopt IFRS 6 *Exploration for and Evaluation of Mineral Resources* before 1 January 2006 need not ~~present the disclosures required by IFRS 6 for comparative periods~~ apply the requirements of IFRS 6 to comparative information presented in its first IFRS financial statements.