

# IFRS 6. Exploration and Evaluation of Mineral Resources

## Overview

Exploration for and Evaluation of Mineral Resources has the effect of allowing entities adopting the standard for the first time to use accounting policies for exploration and evaluation assets that were applied before adopting IFRSs.

It also modifies impairment testing of exploration and evaluation assets by introducing different impairment indicators and allowing the carrying amount to be tested at an aggregate level, not greater than a segment.

IFRS 6 was issued in December 2004 and applies to annual periods beginning on or after 1 January 2006.

## Definitions

Exploration and evaluation of mineral resources means the search for mineral resources, including minerals, oil, natural gas and similar non-regenerative resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource.

Exploration and evaluation expenditures are expenditures incurred in connection with the exploration and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource is demonstrable.