



Board Meeting Handout
Clarification of EITF Consensus
January 11, 2006

EITF Issue No. 04-6, "Accounting for Stripping Costs Incurred during Production in the Mining Industry"

The Board will consider a proposed editorial change to clarify the definition of the *production phase* of a mine in paragraph 4 of Issue 04-6 in *EITF Abstracts*.

Proposed Change

At its November 22, 2005 meeting, the EITF Agenda Committee requested that the FASB staff clarify the definition.

The following changes are proposed (revisions are underscored and deletions are struck through).

4. For purposes of this Issue, the definition of the production phase of a mine is as follows:

The production phase of a mine is deemed to have begun when saleable minerals are extracted (produced) from an ore body, regardless of the level of production ~~or revenues~~. However, the production phase does not commence with the removal of *de minimis* saleable mineral material that occurs in conjunction with the removal of overburden or waste material for the purpose of obtaining access to an ore body.

The proposed clarification was presented to members of the Task Force and no members objected to the changes being made. If there is no objection from the Board, the proposed changes will be made to paragraph 4 and noted in the Status section of Issue 04-6 in *EITF Abstracts*.