

This secondary legislation is administered by the External Reporting Board.
For more information please see:
Website: www.xrb.govt.nz
Contact phone: +64 4 550 2030
Contact address: Level 6/154 Featherston St, Wellington, 6011

This standard was published in the *Gazette* on 19 June 2026 and takes effect on 17 July 2026. There is an [explanatory note](#) at the end of this standard that includes an explanation of how and from when this standard operates.

Public Benefit Entity International Public Sector Accounting Standard 50 *Exploration for and Evaluation of Mineral Resources*

This standard is issued under section 12(a) of the [Financial Reporting Act 2013](#) by the New Zealand Accounting Standards Board

- (a) acting under delegated authority of the External Reporting Board (given in accordance with section 73 of the Crown Entities Act 2004); and
- (b) after complying with section 22 of the Financial Reporting Act 2013.

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Appendix A: Amendments to Other Standards

Schedule 1

Title

- 0.1 This standard is the Public Benefit Entity International Public Sector Accounting Standard 50 *Exploration for and Evaluation of Mineral Resources*.

Commencement

- 0.2 This standard takes effect on the 28th day after the date of its publication under the Legislation Act 2019 (see section 27 of the Financial Reporting Act 2013).

Interpretation

- 0.3 In this standard
- (a) **PBE IPSAS 50** means the Public Benefit Entity International Public Sector Accounting Standard 50 *Exploration for and Evaluation of Mineral Resources*, and
 - (b) **PBE IPSAS** means Public Benefit Entity International Public Sector Accounting Standard

Application

- 0.4 The accounting periods in relation to which this standard commences to apply are:
- (a) For an **early adopter**, those accounting periods following, and including, the **early adoption accounting period**.
 - (b) For any other reporting entity, those accounting periods following, and including, the first accounting period for the entity that begins on or after the **mandatory date**.

- 0.5 In paragraph 0.4:

Early adopter means a reporting entity that applies this standard for an early adoption accounting period.

Early adoption accounting period means an accounting period of the early adopter:

- (a) That begins before the mandatory date but has not ended or does not end before this standard takes effect (and to avoid doubt, that period may have begun before this standard takes effect); and
- (b) For which the early adopter:
 - (i) First applies this standard in preparing its financial report; and
 - (ii) Discloses in its financial report for that accounting period that this standard has been applied for that period.

Mandatory date means 1 January 2027.

Revocation

0.6 [Not used]

Transitional, savings, and related provisions

0.7 The transitional, savings, and related provisions (if any) set out in Schedule 1 have effect according to their terms.

Objective

1. The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources.
2. In particular, the Standard requires:
 - (a) Limited improvements to existing accounting practices for exploration and evaluation expenditures.
 - (b) Entities that recognise exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with PBE IPSAS 26 *Impairment of Cash-Generating Assets*.
 - (c) Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognised.

Scope

3. An entity that prepares and presents financial statements shall apply this Standard to exploration and evaluation expenditures that it incurs.
- 3.1 **This Standard applies to Tier 1 and Tier 2 public benefit entities.**
4. This Standard does not address other aspects of accounting by entities engaged in the exploration for and evaluation of mineral resources.
5. An entity shall not apply this Standard to expenditures incurred:
 - (a) Before the exploration for and evaluation of mineral resources, such as expenditures incurred before the entity has obtained the legal rights to explore a specific area.
 - (b) After the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

Definitions

6. **The following terms are used in this Standard with the meanings specified:**

Exploration and evaluation assets means exploration and evaluation expenditures recognised as assets in accordance with the entity's accounting policy.

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

Exploration for 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.

Any other terms defined in other PBE Standards are used in this Standard with the same meaning as in those Standards.

Recognition of Exploration and Evaluation Assets

7. **When developing its accounting policies, an entity recognising exploration and evaluation assets shall apply paragraph 12 of PBE IPSAS 3 *Accounting Policies, Changes in Accounting Estimates and Errors*.**

Exemption from PBE IPSAS 3 Paragraphs 14 and 15

8. Paragraphs 14 and 15 of PBE IPSAS 3 specify sources of authoritative requirements and guidance that management is required to consider in developing an accounting policy for an item if no PBE Standard applies specifically to that item. Subject to paragraphs 10 and 11 below, this Standard exempts an entity from applying those paragraphs to its accounting policies for the recognition and measurement of exploration and evaluation assets.

Measurement of Exploration and Evaluation Assets

Initial Measurement

9. **Exploration and evaluation assets shall be measured at cost.**

Elements of Cost of Exploration and Evaluation Assets

10. An entity shall determine an accounting policy specifying which expenditures are recognised as exploration and evaluation assets and apply the policy consistently. In making this determination, an entity considers the degree to which the expenditure can be associated with finding specific mineral resources. The following are examples of expenditures that might be included in the initial measurement of exploration and evaluation assets (the list is not exhaustive):
- (a) Acquisition of rights to explore;
 - (b) Topographical, geological, geochemical and geophysical studies;
 - (c) Exploratory drilling;
 - (d) Trenching;
 - (e) Sampling; and
 - (f) Activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource.
11. Expenditures related to the development of mineral resources shall not be recognised as exploration and evaluation assets. The *Public Benefit Entities' Conceptual Framework* and PBE IPSAS 31 *Intangible Assets* provide guidance on the recognition of assets arising from development.
12. In accordance with PBE IPSAS 19 *Provisions, Contingent Liabilities and Contingent Assets* an entity recognises any obligations for removal and restoration that are incurred during a particular period as a consequence of having undertaken the exploration for and evaluation of mineral resources.

Subsequent Measurement

13. An entity shall apply the cost model or the revaluation model to the exploration and evaluation assets. If the revaluation model is applied (either according to the model in PBE IPSAS 17 *Property, Plant, and Equipment*, or according to the model in PBE IPSAS 31) it shall be consistent with the classification of the assets (see paragraph 16).

Changes in Accounting Policies

14. **An entity may change its accounting policies for exploration and evaluation expenditures if the change makes the financial statements more relevant to the economic decision-making needs of users and no less reliable, or more reliable and no less relevant to those needs. An entity shall judge relevance and reliability using the criteria in PBE IPSAS 3.**

15. To justify changing its accounting policies for exploration and evaluation expenditures, an entity shall demonstrate that the change brings its financial statements closer to meeting the criteria in PBE IPSAS 3, but the change need not achieve full compliance with those criteria.

Presentation

Classification of Exploration and Evaluation Assets

16. An entity shall classify exploration and evaluation assets as tangible or intangible according to the nature of the assets acquired and apply the classification consistently.
17. Some exploration and evaluation assets are treated as intangible (e.g., drilling rights), whereas others are tangible (e.g., vehicles and drilling rigs). To the extent that a tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is part of the cost of the intangible asset. However, using a tangible asset to develop an intangible asset does not change a tangible asset into an intangible asset.

Reclassification of Exploration and Evaluation Assets

18. An exploration and evaluation asset shall no longer be classified as such when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Exploration and evaluation assets shall be assessed for impairment, and any impairment loss recognised, before reclassification.

Impairment

Recognition and Measurement

19. **Exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, an entity shall measure, present and disclose any resulting impairment loss in accordance with PBE IPSAS 26, except as provided by paragraph 22 below.**
20. For the purposes of exploration and evaluation assets only, paragraph 21 of this Standard shall be applied rather than paragraphs 25–29 of PBE IPSAS 26 when identifying an exploration and evaluation asset that may be impaired. Paragraph 21 uses the term ‘assets’ but applies equally to separate exploration and evaluation assets or a cash-generating unit, in the case of cash-generating assets per PBE IPSAS 26.
21. One or more of the following facts and circumstances indicate that an entity should test exploration and evaluation assets for impairment (the list is not exhaustive):
- (a) The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed.
 - (b) Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
 - (c) Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
 - (d) Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full, from successful development or by sale.

In any such case, or similar cases, the entity shall perform an impairment test in accordance with PBE IPSAS 26. Any impairment loss is recognised as an expense in accordance with PBE IPSAS 26.

Specifying the Level at which Exploration and Evaluation Assets are Assessed for Impairment

22. An entity shall determine an accounting policy for allocating exploration and evaluation assets to cash-generating units or groups of cash-generating units for the purpose of assessing such assets for impairment.
23. The level identified by the entity for the purposes of testing exploration and evaluation assets for impairment may comprise one or more cash-generating units.

Disclosure

24. **An entity shall disclose information that identifies and explains the amounts recognised in its financial statements arising from the exploration for and evaluation of mineral resources.**
25. To comply with paragraph 24, an entity shall disclose:
 - (a) Its accounting policies for exploration and evaluation expenditures including the recognition of exploration and evaluation assets.
 - (b) The amounts of assets, liabilities, revenue and expense, and operating and investing cash flows arising from the exploration for and evaluation of mineral resources.
26. An entity shall treat exploration and evaluation assets as a separate class of assets and make the disclosures required by either PBE IPSAS 17 or PBE IPSAS 31 consistent with how the assets are classified.

Commencement and Application

27. – 28. [See now paragraphs 0.2 and 0.4 – 0.5.]
- 28.1 An entity that applies this Standard for an early adoption period shall disclose that fact when reporting in relation to that period.

Transitional Provisions

29. [See now part 1 of Schedule 1]

Schedule 1

Transitional, savings, and related provisions

Part 1 Provisions relating to this standard as made

- S1. If it is impracticable to apply a particular requirement of paragraph 19 to comparative information that relates to annual periods beginning before 1 January 2027, an entity shall disclose that fact. PBE IPSAS 3 explains the term ‘impracticable’.

Issued at Wellington on 15 June 2026

Dr Carolyn Cordery

Chair

New Zealand Accounting Standards Board acting under delegated authority of the External Reporting Board

EXPLANATORY NOTE AND OTHER INFORMATION

This note and other information is not part of the standard

Explanatory note

This standard is the Public Benefit Entity International Public Sector Accounting Standard 50 *Exploration for and Evaluation of Mineral Resources*.

This standard provides guidance on accounting for exploration and evaluation expenditures, including the recognition, measurement and presentation of exploration and evaluation assets.

This standard applies to accounting periods that begin or after 1 January 2027 unless the reporting entity is an early adopter. An early adopter of this standard is required to adopt the amending standard *Consequential Amendments arising from PBE IPSAS 50* when it adopts this standard.

This standard should be read in the context of its objective, the NZASB's Basis for Conclusions on PBE IPSAS 50, the IPSASB's Basis for Conclusions on IPSAS 50, the *Public Benefit Entities' Conceptual Framework* and Standard XRB A1 *Application of the Accounting Standards Framework*. PBE IPSAS 3 *Accounting Policies, Changes in Accounting Estimates and Errors* provides a basis for selecting and applying accounting policies in the absence of explicit guidance.

This standard is accompanied by the NZASB's Basis for Conclusions on PBE IPSAS 50 which explains why the New Zealand Accounting Standards Board adopted PBE IPSAS 50 and provides background to this standard.

Bases for Conclusions accompany, but are not part of the Standard and are available on the XRB website.

This standard was issued by the New Zealand Accounting Standards Board acting under delegated authority of the External Reporting Board.

Comparison with IPSAS 50

PBE IPSAS 50 *Exploration for and Evaluation of Mineral Resources* is drawn from IPSAS 50, *Exploration for and Evaluation of Mineral Resources*.

The significant differences between PBE IPSAS 50 and IPSAS 50 are:

- (a) PBE IPSAS 50 uses different terminology from IPSAS 50. For example, PBE IPSAS 50 refers to "cost model" or "revaluation model" (in line with PBE IPSAS 17 *Property, Plant, and Equipment* and PBE IPSAS 31 *Intangible Assets*) while IPSAS 50 refers to "historical cost model" or "fair value" (in line with IPSAS 45 *Property, Plant, and Equipment* and IPSAS 31, *Intangible Assets*).
- (b) PBE IPSAS 50 does not contain requirements regarding size of the cash generating unit. IPSAS 50 specifies that the size of the cash generating unit cannot exceed the segment determined in accordance with IPSAS 18, *Segment Reporting*.

PBE IPSAS 50 includes additional consequential amendment to XRB A1 *Application of the Accounting Standards Framework*. Furthermore, in PBE IPSAS 50, the consequential amendments that do not relate to PBE Standards (i.e. amendments to IPSAS 33 *First-time Adoption of Accrual Basis IPSASs*) have been removed.

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History of Amendments

Table of instruments – PBE IPSAS 50

This table lists the instruments amending this standard.

Instrument	Date made	Application date

Minimum Legislative Information

This standard is secondary legislation published under the Legislation Act 2019.

Title	Public Benefit Entity International Public Sector Accounting Standard 50 <i>Exploration for and Evaluation of Mineral Resources</i>
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