

Exploration for and Evaluation of Mineral Resources (IFRS 6)

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1. Background and objective of IFRS 6

Objective

IFRS 6 *Exploration for and Evaluation of Mineral Resources* specifies how entities should account for expenditures incurred in exploring for and evaluating mineral resources (such as minerals, oil, natural gas and similar non-regenerative resources).

The standard aims to:

- **Allow limited continuity of existing industry practices** for exploration and evaluation (E&E) expenditures.
- **Require impairment testing** of recognised E&E assets when certain facts and circumstances arise.
- **Improve disclosure** so users understand the amounts, timing and uncertainty of future cash flows arising from E&E activities.

Context

IFRS 6 was issued as an interim standard to deal with a specialised industry where practices were already well-developed and diverse. Rather than forcing immediate convergence, the IASB allowed entities to retain many existing policies, subject to some safeguards (especially around impairment and disclosure).

2. Scope of IFRS 6

2.1 Activities covered

IFRS 6 applies to **exploration for and evaluation of mineral resources**. These activities include:

- **Exploration:** the search for mineral resources after the entity has obtained legal rights to explore in a specific area.
- **Evaluation:** determining the technical feasibility and commercial viability of extracting the mineral resource.

The standard applies **only after legal rights to explore have been obtained** and **until** technical feasibility and commercial viability of extraction are demonstrable.

2.2 Activities not covered

IFRS 6 does **not** apply to:

- **Pre-exploration activities** (e.g. general geological surveys before obtaining legal rights).
- **Development activities** (e.g. construction of mines, production facilities) after technical feasibility and commercial viability are demonstrable.

- **Production activities** (actual extraction and sale of mineral resources).

Those phases are typically accounted for under other standards, such as IAS 16 *Property, Plant and Equipment*, IAS 38 *Intangible Assets*, and IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

3. Key definitions

Some core terms used in IFRS 6:

- **Exploration and evaluation expenditures:** Expenditures incurred in connection with the exploration for and evaluation of mineral resources before technical feasibility and commercial viability of extracting the resource are demonstrable.
- **Exploration for and evaluation of mineral resources:** The search for mineral resources (minerals, oil, natural gas and similar non-regenerative resources) after obtaining legal rights to explore in a specific area, and the determination of technical feasibility and commercial viability of extracting the resource.
- **Exploration and evaluation assets (E&E assets):** Exploration and evaluation expenditures recognised as assets in accordance with the entity's accounting policy.

These definitions are important because they mark the boundary between IFRS 6 and other standards.

4. Recognition of exploration and evaluation assets

4.1 Policy choice and temporary exemption from IAS 8

IFRS 6 allows entities **significant flexibility** in determining which exploration and evaluation expenditures are recognised as assets. An entity:

- **Develops an accounting policy** for E&E assets.
- May **continue using** recognition and measurement practices applied immediately before adopting IFRS 6 (temporary exemption from IAS 8 paragraphs 11–12).
- Must apply the chosen policy **consistently**.

This is unusual compared with other IFRS standards, which normally require strict adherence to the Conceptual Framework and IAS 8 for new policies.

4.2 Recognition threshold

IFRS 6 does not prescribe a single recognition threshold. Instead, it requires that:

- The entity applies IFRS 6 to **all exploration and evaluation expenditures** it incurs.
- The entity's accounting policy specifies **which expenditures are capitalised** as E&E assets.

- The key consideration is the **association of expenditure with specific exploration and evaluation activities** in a particular area.

Common practice is to capitalise expenditures that can be directly linked to obtaining and evaluating mineral resources in a defined area, once legal rights exist.

4.3 Examples of recognition

Example 1 — Capitalised E&E expenditure

An entity obtains a licence to explore Area A for oil. After obtaining the licence, it incurs:

- Geological and geophysical studies specific to Area A.
- Exploratory drilling costs in Area A.
- Sampling and testing costs to evaluate the reservoir.

Under a policy that capitalises directly attributable E&E costs, these expenditures are recognised as **E&E assets**, because they relate to exploration and evaluation in a specific area where legal rights exist.

Example 2 — Expensed expenditure

Before obtaining any licence, the entity conducts broad regional surveys and desktop studies to identify promising basins. These costs are **pre-exploration** and not linked to a specific area with legal rights. They fall outside IFRS 6 and are typically **expensed** as incurred.

5. Measurement of exploration and evaluation assets

5.1 Measurement at initial recognition

On initial recognition, E&E assets are measured at **cost**.

Elements of cost may include:

- **Acquisition of rights** to explore (licence fees, lease payments).
- **Topographical, geological, geochemical and geophysical studies.**
- **Exploratory drilling** and trenching.
- **Sampling and evaluation of technical feasibility and commercial viability.**
- **Directly attributable overheads** related to E&E activities.

However, **development expenditures** (e.g. construction of production facilities, mine shafts for production) are **not** recognised as E&E assets. They fall under other standards once feasibility and viability are demonstrable.

5.2 Obligations for removal and restoration

If exploration and evaluation activities create an obligation to remove equipment or restore the site (for example, dismantling drilling rigs and rehabilitating land), the entity recognises a **provision** in accordance with IAS 37. The cost of this obligation is included in the carrying amount of the E&E asset.

5.3 Measurement after recognition

After initial recognition, an entity applies either:

- **Cost model**, or
- **Revaluation model**,

depending on how the assets are classified and which underlying standard applies (IAS 16 for tangible assets, IAS 38 for intangible assets).

Under the **cost model**, E&E assets are carried at cost less accumulated depreciation (if applicable) and impairment losses. Under the **revaluation model**, they are carried at a revalued amount (fair value at revaluation date less subsequent depreciation and impairment), provided fair value can be measured reliably.

6. Classification and presentation

6.1 Tangible vs intangible classification

E&E assets are classified as **tangible** or **intangible** according to their nature, and that classification must be applied consistently.

Examples:

- **Intangible E&E assets**
 - Exploration rights and licences.
 - Capitalised geological and geophysical studies (if treated as intangible).
- **Tangible E&E assets**
 - Drilling rigs and equipment used specifically for exploration.
 - Vehicles and other physical assets used in exploration.

The classification determines whether IAS 16 or IAS 38 is applied for subsequent measurement and disclosure.

6.2 Separate class of assets

E&E assets must be presented as a **separate class of assets** in the financial statements. Disclosures under IAS 16 or IAS 38 are made consistently with the classification, but IFRS 6 also adds specific disclosure requirements (see Section 8).

6.3 Reclassification

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, E&E assets are **reclassified** to another appropriate category (e.g. development assets, property, plant and equipment, or intangible assets under IAS 38). From that point, IFRS 6 no longer applies; other standards govern subsequent accounting.

7. Impairment of exploration and evaluation assets

7.1 Requirement to test for impairment

Entities that recognise E&E assets must assess them for impairment when **facts and circumstances suggest** that the carrying amount may exceed recoverable amount.

Once impairment is identified:

- The **measurement** of the impairment loss follows IAS 36 *Impairment of Assets*.
- The **recognition, presentation and disclosure** of the impairment loss follow IAS 36.

7.2 Level of impairment testing (cash-generating units)

An entity must determine an accounting policy for **allocating E&E assets to cash-generating units (CGUs)** or groups of CGUs for impairment testing. Each CGU or group of CGUs to which E&E assets are allocated must **not be larger than an operating segment** as defined in IFRS 8 *Operating Segments*.

This ensures that impairment is assessed at a reasonably granular level, reflecting how the entity monitors and manages its operations.

7.3 Indicators of impairment

IFRS 6 provides a non-exhaustive list of facts and circumstances that may indicate impairment. Examples include:

- The **period of the right to explore** in the specific area has expired or will expire in the near future, and is not expected to be renewed.
- **No further substantive expenditure** on exploration or evaluation in the specific area is planned or budgeted.
- Exploration and evaluation in the specific area have **not led to the discovery of commercially viable quantities**, and the entity has decided to discontinue such activities.
- Sufficient data indicate that, although development is likely to proceed, the **carrying amount of the E&E asset is unlikely to be recovered** in full from successful development or sale.

If one or more of these indicators exist, the entity must test the E&E asset (or CGU) for impairment under IAS 36.

7.4 Example — Impairment assessment

Example 3 — Licence expiry and impairment

An entity holds an exploration licence for Area B, capitalising E&E costs. The licence expires in six months, and the government has announced it will not renew licences in that region. The entity has no plans to incur further expenditure and has not discovered commercially viable quantities.

These facts indicate that the **recoverable amount** of the E&E asset is likely to be **nil or very low**. The entity must perform an impairment test and recognise an impairment loss equal to the carrying amount (if recoverable amount is nil).

Example 4 — Negative exploration results

In Area C, extensive drilling and testing show that the reservoir is too small or too complex to be commercially viable. The entity decides to abandon the area.

Again, this is an impairment indicator. The E&E asset for Area C is tested for impairment and written down to recoverable amount (often zero).

8. Disclosure requirements

IFRS 6 requires disclosures that help users understand:

- The **amounts** recognised in the financial statements arising from exploration and evaluation of mineral resources.
- The **nature and extent** of E&E activities.
- The **risks and uncertainties** associated with future cash flows from E&E assets.

Key disclosure points include:

1. Accounting policies

- The entity must disclose the accounting policies adopted for E&E expenditures and E&E assets, including:
 - Criteria for recognising E&E assets.
 - Basis of measurement (cost or revaluation).
 - Classification as tangible or intangible.

2. Amounts of E&E assets

- Carrying amounts of E&E assets, split between tangible and intangible if relevant.
- Movements during the period (additions, disposals, transfers, impairment losses, depreciation/amortisation).

3. Impairment information

- Impairment losses recognised or reversed during the period.
- Circumstances leading to impairment.
- The level at which impairment is assessed (CGUs or groups of CGUs).

4. Nature and extent of E&E activities

- Description of significant areas of exploration and evaluation.
- Expenditure incurred in those areas.
- Status of projects (e.g. early exploration, advanced evaluation, near feasibility).

These disclosures are often presented in notes dedicated to “Exploration and evaluation of mineral resources”.

9. Interaction with other IFRS standards

9.1 IAS 8 — Accounting policies

Normally, IAS 8 requires entities to select accounting policies that are consistent with IFRS and the Conceptual Framework. IFRS 6 provides a **temporary exemption** from IAS 8 paragraphs 11–12, allowing entities to continue with existing E&E policies even if they are not fully aligned with the Framework, provided they meet minimum reliability and relevance criteria.

9.2 IAS 16 and IAS 38 — Subsequent measurement

Once classified as tangible or intangible, E&E assets follow the **subsequent measurement** and **disclosure** requirements of IAS 16 or IAS 38, respectively (cost or revaluation model, depreciation/amortisation, etc.).

9.3 IAS 36 — Impairment

Impairment testing and measurement for E&E assets are governed by IAS 36, once indicators arise under IFRS 6. The recoverable amount is the higher of **fair value less costs of disposal** and **value in use**.

9.4 IAS 37 — Provisions

Obligations for site restoration and dismantling of exploration equipment are recognised as provisions under IAS 37, with the cost capitalised as part of the E&E asset.

10. Comprehensive examples

10.1 Example — Full life cycle of an exploration project

Scenario

MinerCo obtains a licence to explore Area D for copper.

1. Pre-licence phase

- Regional surveys and desktop studies: expensed (outside IFRS 6).

2. Exploration phase (IFRS 6 applies)

- Licence fee for Area D: capitalised as an intangible E&E asset.
- Geological mapping and geophysical surveys in Area D: capitalised.
- Exploratory drilling and sampling: capitalised.
- Site restoration obligation for drilling pads: provision recognised under IAS 37; cost added to E&E asset.

3. Evaluation phase (still IFRS 6)

- Detailed feasibility studies, metallurgical testing, and economic modelling: capitalised as E&E assets, if policy allows.

4. Feasibility achieved

- Studies show technical feasibility and commercial viability.
- E&E assets are **reclassified** to development assets (e.g. under IAS 16 or IAS 38).
- Subsequent costs (mine construction, processing plant) are accounted for under IAS 16.

5. Impairment considerations

- During exploration, if results are poor or licence is at risk, MinerCo assesses impairment indicators under IFRS 6 and tests E&E assets under IAS 36.

10.2 Example — Different accounting policies

Entity A — Conservative policy

- Only capitalises costs directly related to drilling and evaluation in specific licensed areas.
- All general geological studies and overheads are expensed.

Entity B — More inclusive policy

- Capitalises a broader set of costs, including certain overheads and early geological work once a specific area is identified.

Both policies can be acceptable under IFRS 6, provided they are:

- Clearly disclosed.
- Applied consistently.
- Result in information that is relevant and reliable.

However, users must rely on disclosures to understand differences in asset bases and profit patterns between entities.

11. Common pitfalls and practical issues

Pitfall 1 — Mis-scoping expenditures

Entities sometimes capitalise costs that belong to **development or production** phases as E&E assets. This misclassification can distort profit and asset values. Careful distinction between exploration/evaluation and later phases is essential.

Pitfall 2 — Ignoring impairment indicators

Because exploration is inherently risky, impairment indicators often arise. Failing to test E&E assets when indicators exist can lead to overstated assets and delayed recognition of losses.

Pitfall 3 — Inconsistent policies across projects

IFRS 6 allows flexibility, but **inconsistency** between projects or periods undermines comparability. Policies must be applied consistently to similar circumstances.

Pitfall 4 — Weak disclosure

Given the uncertainty and risk in E&E activities, users rely heavily on disclosures. Minimal or vague disclosure about E&E assets, policies, and impairment can make the financial statements much less useful.

12. Summary and key takeaways

- IFRS 6 is an **interim, industry-specific standard** dealing with exploration and evaluation of mineral resources.
- It applies **after legal rights to explore are obtained** and **until feasibility and viability are demonstrable**.
- Entities have **flexibility** to define which E&E expenditures are capitalised, but must apply policies consistently and disclose them clearly.
- E&E assets are measured at **cost** initially, then under **cost or revaluation models** via IAS 16/IAS 38.
- Assets are classified as **tangible or intangible** and presented as a **separate class**.
- **Impairment testing** is mandatory when indicators arise, with measurement under IAS 36.
- **Robust disclosure** is critical to explain the nature, extent, and risks of E&E activities.

13. Multiple-Choice Questions (20)

1. IFRS 6 applies to which phase of mineral resource activities?

- A. Pre-exploration activities
- B. Exploration and evaluation activities
- C. Development and production activities
- D. Decommissioning activities

➤ **Correct answer: B**

2. Exploration and evaluation activities begin when an entity has:

- A. Discovered commercially viable quantities
- B. Obtained legal rights to explore a specific area
- C. Started production
- D. Completed feasibility studies

➤ **Correct answer: B**

3. Pre-exploration expenditures (e.g., regional surveys before obtaining rights) are:

- A. Capitalised under IFRS 6
- B. Capitalised under IAS 16
- C. Expensed as incurred
- D. Deferred until exploration rights are obtained

➤ **Correct answer: C**

4. IFRS 6 allows entities to:

- A. Follow only IAS 38 for all E&E costs
- B. Continue using certain existing accounting policies for E&E costs
- C. Capitalise all costs automatically
- D. Use fair value measurement only

➤ **Correct answer: B**

5. Exploration and evaluation assets are initially measured at:

- A. Fair value
- B. Cost
- C. Net realisable value
- D. Value in use

➤ **Correct answer: B**

6. Which of the following may be included in the cost of E&E assets?

- A. Mine construction costs
- B. Production overheads
- C. Geological and geophysical studies
- D. Selling and distribution costs

➤ **Correct answer: C**

7. Obligations for site restoration arising during exploration are accounted for under:

- A. IFRS 6
- B. IAS 37
- C. IAS 16
- D. IFRS 13

➤ **Correct answer: B**

8. After initial recognition, E&E assets are measured using:

- A. Only the cost model
- B. Only the revaluation model
- C. Either cost or revaluation model depending on classification
- D. Fair value less costs of disposal

➤ **Correct answer: C**

9. E&E assets must be classified as:

- A. Only intangible assets
- B. Only tangible assets
- C. Either tangible or intangible depending on their nature
- D. Financial assets

➤ **Correct answer: C**

10. When technical feasibility and commercial viability are demonstrable, E&E assets are:

- A. Expensed immediately
- B. Reclassified to development assets
- C. Written off
- D. Transferred to inventory

➤ **Correct answer: B**

11. Impairment testing for E&E assets is required when:

- A. The entity changes accounting policies
- B. Indicators of impairment exist
- C. Production begins
- D. Exploration rights are first obtained

➤ **Correct answer: B**

12. Impairment of E&E assets is measured in accordance with:

- A. IFRS 6
- B. IAS 38
- C. IAS 36
- D. IFRS 13

➤ **Correct answer: C**

13. A CGU (cash-generating unit) used for E&E impairment testing must not be larger than:

- A. A geographical region
- B. A reporting entity
- C. An operating segment
- D. A single mine

➤ **Correct answer: C**

14. Which of the following is an impairment indicator under IFRS 6?

- A. Increase in commodity prices
- B. Discovery of commercially viable quantities
- C. Expiry of exploration rights with no expected renewal
- D. Increase in exploration budget

➤ **Correct answer: C**

15. General overheads unrelated to exploration activities are:

- A. Capitalised
- B. Expensed
- C. Deferred
- D. Included in revaluation surplus

➤ **Correct answer: B**

16. IFRS 6 requires disclosure of:

- A. Only impairment losses
- B. Only accounting policies
- C. Nature and extent of E&E activities
- D. Production volumes

➤ **Correct answer: C**

17. Which of the following is NOT an E&E activity?

- A. Exploratory drilling
- B. Metallurgical testing
- C. Construction of production facilities
- D. Geological mapping

➤ **Correct answer: C**

18. The temporary exemption in IFRS 6 relates to:

- A. IAS 36
- B. IAS 16
- C. IFRS 13
- D. IAS 8 paragraphs 11–12

➤ **Correct answer: D**

19. If exploration results are negative and the entity decides to abandon the area, the E&E asset is:

- A. Tested for impairment
- B. Reclassified to PPE
- C. Automatically amortised
- D. Transferred to inventory

➤ **Correct answer: A**

20. E&E assets must be presented:

- A. As part of intangible assets only
- B. As part of PPE only
- C. As a separate class of assets
- D. Within financial instruments

➤ **Correct answer: C**

14. Comprehensive Question Bank (with Solutions)

SECTION A — Short-Answer / Theory Questions

1. Define the scope of IFRS 6.

Solution: IFRS 6 applies to **exploration and evaluation (E&E) activities** undertaken **after an entity obtains legal rights to explore** a specific area and **before technical feasibility and commercial viability** of extracting the mineral resource are demonstrable. It does **not** apply to pre-exploration, development, or production activities.

2. What is the objective of IFRS 6?

Solution: To specify financial reporting for E&E expenditures, allow continuity of existing industry practices, require impairment testing when indicators exist, and ensure adequate disclosure of E&E activities and related risks.

3. List three examples of expenditures that may be capitalised as E&E assets.

Solution:

- Geological and geophysical studies
- Exploratory drilling
- Sampling and feasibility evaluation costs (Provided they relate to a specific area with legal exploration rights.)

4. Explain why IFRS 6 provides a temporary exemption from IAS 8.

Solution: Because the extractive industry historically used diverse accounting practices, IFRS 6 allows entities to **continue using existing policies** for E&E costs even if they do not fully align with IAS 8's requirement for Conceptual Framework-based policy selection.

5. Distinguish between exploration and evaluation activities.

Solution:

- **Exploration:** Searching for mineral resources after obtaining legal rights.
- **Evaluation:** Assessing technical feasibility and commercial viability of extraction.

6. When must E&E assets be reclassified?

Solution: When **technical feasibility and commercial viability** are demonstrable, E&E assets must be reclassified to development assets (e.g., PPE or intangible assets under IAS 16/IAS 38).

7. What is the initial measurement basis for E&E assets?

Solution: E&E assets are initially measured at **cost**.

8. Name two items that must NOT be capitalised as E&E assets.

Solution:

- Pre-exploration activities (e.g., regional surveys before obtaining rights)
- Development or production costs (e.g., mine construction)

9. What is the role of IAS 37 in IFRS 6?

Solution: IAS 37 governs **provisions** for site restoration or dismantling obligations arising during exploration. The cost of such obligations is added to the E&E asset.

10. What disclosures are required under IFRS 6?

Solution: Entities must disclose:

- Accounting policies for E&E assets
- Amounts of E&E assets
- Impairment losses and indicators
- Nature and extent of E&E activities

SECTION B — Applied / Scenario-Based Questions

11. Scenario: Licence Expiry

An entity's exploration licence expires in six months. The government has announced it will not renew licences in that region. No further expenditure is planned.

Required: Identify the accounting implication.

Solution: This is an **impairment indicator** under IFRS 6. The E&E asset must be tested for impairment under IAS 36. The recoverable amount is likely nil, so the asset is written off.

12. Scenario: Pre-Licence Costs

Before obtaining exploration rights, an entity conducts broad geological surveys costing R2 million.

Required: How should these costs be treated?

Solution: They are **pre-exploration** and fall outside IFRS 6. They must be **expensed** as incurred.

13. Scenario: Successful Exploration

An entity discovers commercially viable quantities of gas.

Required: What happens to the E&E asset?

Solution: Once feasibility and viability are demonstrable, the E&E asset is **reclassified** to development assets under IAS 16 or IAS 38.

14. Scenario: Mixed Costs

An entity incurs the following costs in Area X:

- Exploratory drilling: R5 million
- Construction of a processing plant: R40 million
- Geological mapping: R1 million

Required: Identify which costs qualify as E&E assets.

Solution: Capitalise:

- Exploratory drilling (R5m)
- Geological mapping (R1m)

Expense, or classify under IAS 16:

- Processing plant construction (R40m) — development/production cost, not E&E.

15. Scenario: Restoration Obligation

Exploration drilling creates a legal obligation to restore the land. Estimated cost: R500,000.

Required: How is this accounted for?

Solution: Recognise a **provision** under IAS 37 and **add the cost** to the E&E asset.

SECTION C — Calculation-Based Questions

16. Calculation: Impairment Test

- Carrying amount of E&E asset: R10 million
- Recoverable amount (higher of FVLCD and VIU): R6 million

Required: Calculate the impairment loss.

Solution: Impairment loss = R10m – R6m = **R4 million**

17. Calculation: Asset Reclassification

- E&E asset cost: R12 million
- Restoration provision added: R1 million
- ➔ Total carrying amount before reclassification: R13 million

Required: What amount is transferred to development assets?

Solution: Total transferred = **R13 million**

18. Calculation: Cost Components

An entity incurs the following costs:

- Licence acquisition: R3 million
- Exploratory drilling: R4 million
- Production equipment: R10 million
- Sampling and testing: R2 million

Required: Calculate the E&E asset.

Solution: Capitalise:

- Licence: R3m
 - Drilling: R4m
 - Sampling/testing: R2m
- ➔ Total E&E asset = **R9 million**
- Production equipment (R10m) is IAS 16 PPE.

SECTION D — Conceptual / Discussion Questions

19. Discuss why IFRS 6 allows flexibility in accounting policies for E&E assets.

Solution: The extractive industry historically used diverse accounting practices. Imposing strict IFRS rules immediately would disrupt comparability and operations. IFRS 6 therefore allows entities to continue using existing policies, provided they are applied consistently and produce relevant, reliable information.

20. Explain how IFRS 6 interacts with IAS 36.

Solution: IFRS 6 identifies **impairment indicators** specific to exploration activities. When indicators exist, IAS 36 governs **measurement**, **recognition**, and **disclosure** of impairment losses. IFRS 6 triggers the test; IAS 36 performs it.

21. Why must E&E assets be presented as a separate class of assets?

Solution: Because E&E activities are high-risk, uncertain, and unique to extractive industries. Separate presentation enhances transparency and helps users assess the nature, extent, and recoverability of exploration investments.

22. Discuss the importance of impairment indicators in IFRS 6.

Solution: Exploration is inherently uncertain. Without strict impairment triggers, entities could overstate assets for abandoned or unproductive areas. IFRS 6's indicators ensure timely recognition of losses and prevent inflated asset values.

23. Provide examples of tangible and intangible E&E assets.

Solution:

- **Intangible:** exploration rights, licences, geological studies (if treated as intangible).
- **Tangible:** drilling rigs, vehicles, equipment used specifically for exploration.
Classification determines whether IAS 16 or IAS 38 governs subsequent measurement.

24. Why does IFRS 6 not prescribe a single recognition threshold for E&E assets?

Solution: Because exploration practices vary widely across industries and jurisdictions. A single threshold would not accommodate the diversity of extractive operations. Flexibility allows entities to apply policies suited to their operational realities.

25. Discuss how IFRS 6 enhances comparability despite allowing policy flexibility.

Solution: Although recognition policies may differ, IFRS 6 requires **clear disclosure** of policies, E&E activities, impairment indicators, and asset movements. These disclosures allow users to compare entities even when accounting policies differ.
