



COMMITTEE FOR MINERAL RESERVES
INTERNATIONAL REPORTING STANDARDS



Update by National Reporting Organizations - Canada

Paul Bankes, Deb McCombe
CRIRSCO AGM,
Jaipur India, November, 2016

- **Canadian Institute of Mining, Metallurgy and Petroleum (CIM) – Paul Bankes**
 - Background on CIM and NI43-101
 - CIM Definition Standards
 - CIM Best Practices Guidelines
- **NI43-101 and Regulatory Updates – Deborah McCombe**

- Unlike other CRIRSCO codes, NI 43-101 references the “CIM Definition Standards” for major reserve and resource definitions, definition guidance and Industry Best Practice.
- CIM Council created the “CIM - Standing Committee on Mineral Reserve and Mineral Resource Definitions” to:
 - Maintain and update the “CIM Definition Standards”
 - Represent the CIM on CRIRSCO
 - Represent CIM on CSA-CIM Working Committee
 - Represent CIM on ISO TC 82 Mirror Committee

- CIM Definition Standards
 - Between 2010 and 2014, the Standing Committee completed new definitions and guidance for the 10 definitions currently referenced to the CIM.
 - New definitions incorporate CRIRSCO Core definitions and address changes in NI 43-101 as well as industry, and CSA requests for clarification and guidance. May 10th 2014

Pre-Feasibility Study

Feasibility Study

Modifying Factors

Mineral Resource

Inferred Mineral Resource

Indicated Mineral Resource

Measured Mineral Resource

Mineral Reserve

Probable Mineral Reserve

Proven (Proved) Mineral Reserve

- **Exploration Target**
- **Scoping Study / Preliminary Economic Assessment**
- Exploration Results
- Qualified Person
- Public Reports

- In late 2015, the CIM began discussions with CSA staff to address the remaining CRIRSCO Core Definitions not referenced to the CIM.
- In early 2016, we agreed the CIM Standing Committee on Reserve Definitions incorporate definitions and definition guidance for :
 - **Exploration Target**
 - **Scoping Study / Preliminary Economic Assessment**

- NI 43-101, (June 30, 2011) “exploration target” is not a defined term, even though it was used 5 times in Companion Policy 43-101CP, with specific guidance on how an “exploration target” can and cannot be disclosed.

Progress:

- The CIM Standing Committee on Mineral Reserve and Mineral Resource Definitions:
 - draft definition for “Exploration Target”- April
 - CSA Staff consultation and comment - May
 - Final definition and definition guidance – June
 - Definitions for exploration target and Scoping Study should be approved by CIM council in early 2017

Comments

- A PEA is currently defined in NI 43-101 by “what it is not rather than what it is”.
- “Scoping study” is mention but not defined .
- Since a PEA is an important NI 43-101 term, the CSA has requested industry guidance.

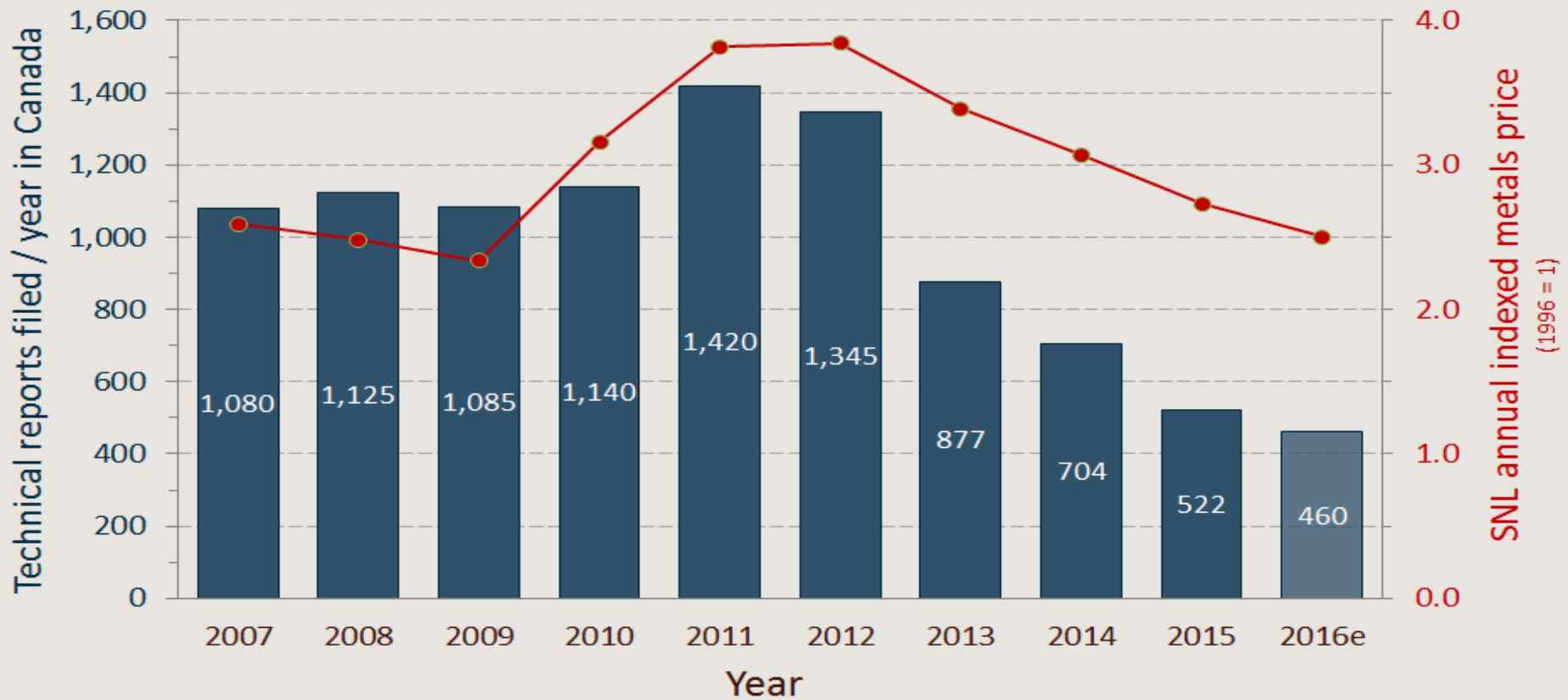
Progress:

- work on a draft definition began in September
- Definition and definition guidance should be approved by CIM council in early 2017

- updated Commodity Price Guidance
- The CIM Best Practice Committee will prepare guidelines outlining the Exploration Target tonnage and grade ranges.

- No plans to update NI 43-101 at present, although the impact of newly proposed SEC mining disclosure rules in the USA will need to be considered
- CSA Notice of Changes to Companion Policy 43-101CP (published February 2016)
- Updated Appendix A list of the foreign associations to include both Engineers Australia and Engineers New Zealand (CPEng) and Russian Society of Subsoil Use Experts (Expert) and NAEN Code
- Considering a proposal to send a questionnaire to each foreign association listed in Appendix A

Technical reports filed per year (2007 to 2016e)



2011 to 2016 = 68% fewer technical reports

SNL indexed metal price (Au, Ag, Cu, Ni, Co, Pt, Mo, Zn)

NI 43-101 Issuers Identified by Regulators

- Impact of sustained lower commodity prices on “current” technical reports with mineral reserves
 - Review focussing on how issuers are explaining this impact in their public disclosure (review is still ongoing)
- Companies going into production without mineral reserves
 - Review focussing on making sure issuers are providing additional disclosure about the higher risk of technical and economic failure related to the decision to proceed with production prior to establishing mineral reserves (review is still ongoing)

12 Full Time Regulatory Technical Staff (Geologists)

- BCSC 3
- OSC 2
- AMF 2
- TSX 1
- TSX-V 3
- IIROC 1

General

- CIM provided comments to the SEC Industry Guide 7 on August 26, 2016
- Paper on CRIRSCO activities in CIM Magazine (June/July 2016)



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The Canadian Institute
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