



COMMITTEE FOR MINERAL RESERVES
INTERNATIONAL REPORTING STANDARDS



Update by National Reporting Organizations - Canada

Paul Bankes, Deborah McCombe
CRIRSCO AGM,
Ulaanbaatar, Mongolia 16 October 2014

- **Canadian Institute of Mining, Metallurgy and Petroleum (CIM) - P. Bankes**
 - Background on CIM and NI43-101
 - CIM Definition Standards
 - CIM Best Practices Guidelines
 - CIM - ISO Activities
- **NI43-101 and Regulatory Updates - D. McCombe**

- Unlike other CRIRSCO codes, NI 43-101 references the “CIM Definition Standards” for major reserve and resource definitions, definition guidance and classification schemes.
- 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 (Committee for Mineral Reserve International Reporting Standards)
 - Represent CIM on ISO TC 82 Mirror Committee

Definition - Background

- Over time, the major definitions maintained by CRIRSCO members drifted from the common 1997 definitions.
- CIM Definition Standards
 - Last major update November 2005.
 - Over the last three years, the Standing Committee has 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.

Pre-Feasibility Study

Feasibility Study

Modifying Factors
Reserve

Mineral Resource

Inferred Resource

Indicated Resource

Measured Resource

Mineral Reserve

Probable Reserve

Proven (Proved)

- The Standing Committee has worked with CIM staff to develop a process for Industry consultation. Status:
 - ✓ CIM staff completed Web Site where members shared comments - late March 2013
 - ✓ Sent notice to advise CIM members of process.
 - ✓ Published an article and “call to web” in CIM Magazine - May 2013
 - ✓ 90 day member, CSA and industry consultation - May to August 2013
 - ✓ Incorporate and respond to comments - October to April 2014
 - ✓ CIM Council approved “CIM Definition Standards” - May 10th 2014
 - ✓ CIM Definition Standards became part of “Canadian securities law” - May 10th 2014
- Began CSA discussions on incorporating remaining CRIRSCO Core Definitions not referenced to the CIM - ongoing

- New CIM Best Practices Guidelines for :
 - Feasibility Study
 - Prefeasibility Study
- Draft for review – December 2014
- Public comment - spring of 2015.

International Organization for Standardization (ISO)

- Technical Committee 82 (TC-82):
 - Mining Working Group
 - Reserve Calculation - Scope of work.
 - Propose ISO references CRIRSCO Template as the international standard for Mineral Reserve and Mineral Resource disclosure.

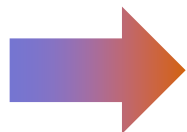
- NI 43-101 as a brand
- Issues with Technical Reports
- Targeted Continuous Disclosure Reviews
- Acceptance of Russian NAEN Code as a foreign code
- Changes in Canadian Securities Administrators and TSX technical staff

- If a company says:
- “*We have a NI 43-101 compliant estimate*”, or
- “*We have a NI 43-101 compliant technical report*”
- Then investors may have certain expectations:
 - Prepared according to NI 43-101
 - Contains all the important information
 - Signed-off by a qualified person
 - It must be correct ... right?

What “*NI 43-101 Compliant Estimate*” Really Means

- The company has to comply with the **disclosure rules** in NI 43-101 – that’s what being “compliant” really means.
- The term “*NI 43-101 compliant estimate*” refers to the manner of the reporting, not the quality or the accuracy of the estimate.
- Describing a resource/reserve estimate as being a “*NI 43-101 compliant estimate*” is potentially misleading. The correct reference is to the governing code, i.e. CIM or JORC.
- This refers not just to resources and reserves but to cost estimates as well.

“*NI 43-101 compliant estimate*” should be interpreted to mean:



An estimate determined by a Qualified Person and reported in accordance with NI 43-101



Mission Mining & the “NI 43-101 Report” Brand

Nov. 12, 2013 - LAS VEGAS -- Mission Mining Company (OTC: MISM)

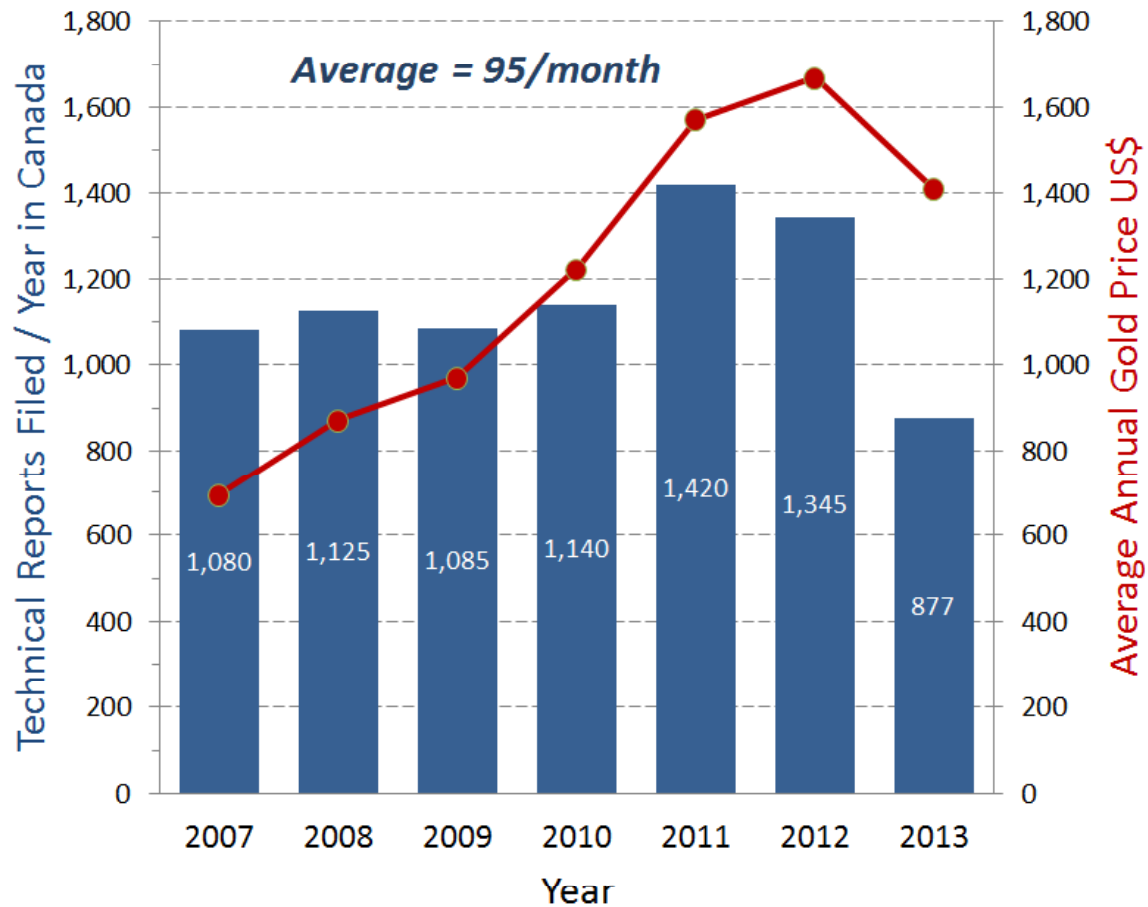
Mission Mining Company NI 43-101 Report Confirms \$25.5 Billion in Measured Gold, Silver Resources

The NI 43-101 Report confirms total Measured mineral resources of 17.2 million ounces of gold and 148.3 million ounces of silver located in the top 30 feet of surface material across the six Gold Star Mine claims. - \$MISM

Nov. 28, 2013

The BCSC recommends that investors in B.C. exercise extreme caution when dealing with any company that purports to release a NI 43-101 technical report, but does not file the report with a securities regulator in Canada. Any technical report that a publicly traded company files with a securities regulator in Canada under NI 43-101 is available to the public on SEDAR.

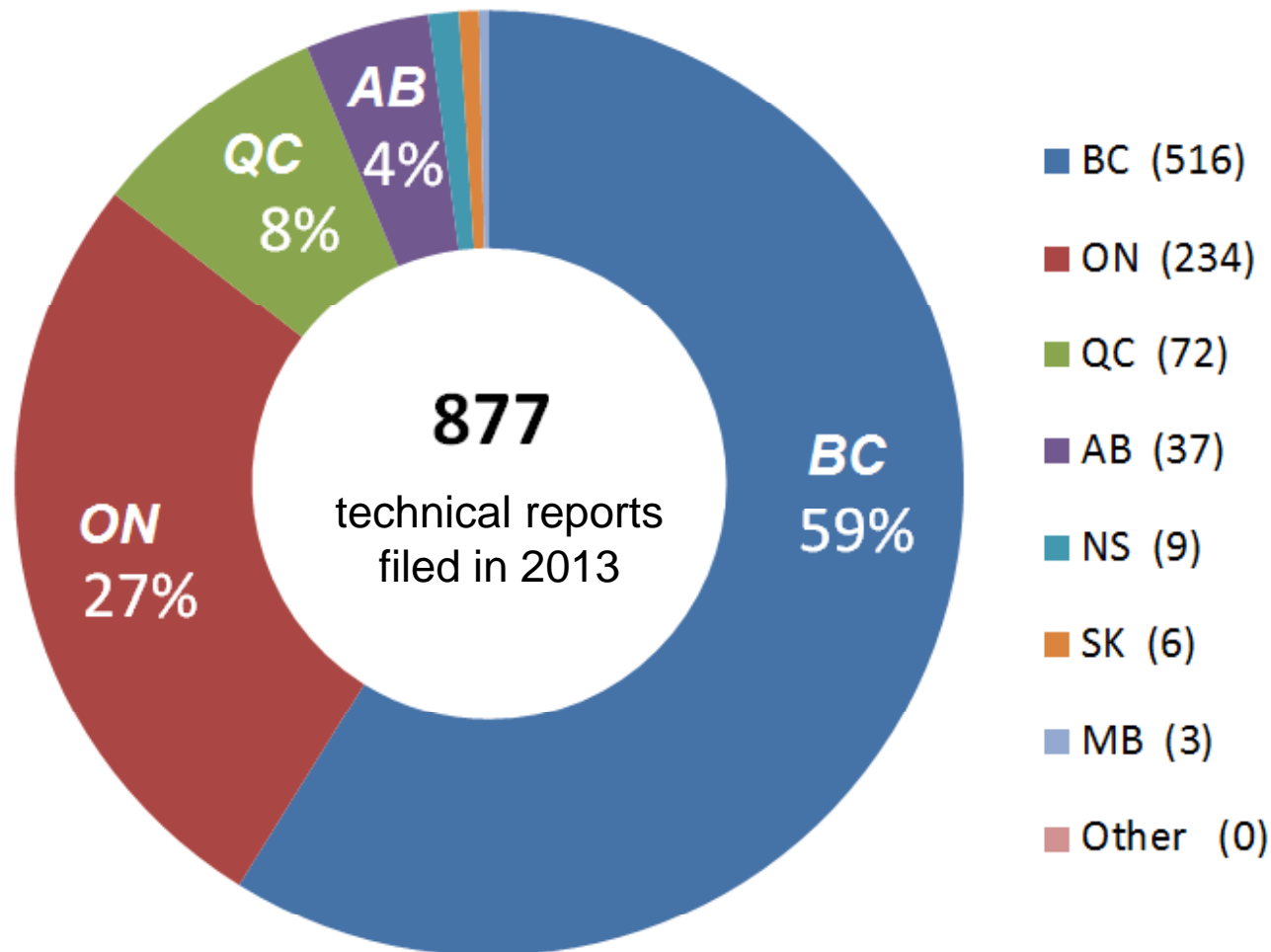
Technical Reports Filed Per Year (2007 – 2013)



Review of Reports:

- Long-Form or Short-Form Prospectus
- Continuous Disclosure Review

Technical Reports Filed in 2013 by Jurisdiction



Technical Report Checklist

- All material information should be in the summary of the Technical Report.
- Check relevant experience of the QP in Certificate.
- Was there a site visit, if not, why not?
- Exploration target vs resources.
- Mineral Resources/Mineral Reserves.
 - Are the assumptions and parameters described?
 - Cut-off grades – reasonable for open pit or underground projects?
 - Metal prices – similar to peers or similar projects?

- What level of study is this? PEA, PFS or FS.
- Other Issues with Advanced Projects – metallurgy, environmental and social, permitting.
- Are the risks as well as opportunities disclosed?

- Russian NAEN Code is accepted as a recognized foreign code.
- Updates to Appendix A – Accepted Foreign Associations and Membership Designations which appear as Staff Notices.

1.1.2 CSA Staff Notice 43-308 (Revised) Professional Associations under NI 43-101 Standards of Disclosure for Mineral Projects



**CSA Staff Notice 43-308 (Revised)
Professional Associations
under NI 43-101 Standards of Disclosure for Mineral Projects**

(First published August 16, 2012, revised February 21, 2013)

February 21, 2013

Introduction

This Notice confirms staff's view that certain professional organizations meet the tests set out in National Instrument 43-101 *Standards of Disclosure for Mineral Projects (NI 43-101)* for professional associations and membership designations.

As noted in subsections 1.1 (5) and 1.1 (7) of Companion Policy 43-101CP (the **Companion Policy**), Canadian securities regulatory authorities will periodically update the list of foreign professional associations and membership designations in Appendix A of the Companion Policy. Staff may communicate its interpretation of the tests in NI 43-101 as they apply to other foreign professional associations by revisions to this Notice between periodic updates of the Companion Policy.

Additions to the List of Foreign Associations and Membership Designations

After considering submissions received, in staff's view the organizations listed in this Notice meet the definition of a "professional association" in NI 43-101, and the membership designations listed meet the criteria in paragraph (e) of the definition of "qualified person" in NI 43-101.

Foreign Association	Membership Designation	Date of Determination
The Institution of Engineers Australia (Engineers Australia)	Chartered Professional Engineer (CPEng)	May 29, 2012
The Institution of Professional Engineers New Zealand (Engineers New Zealand, IPENZ)	Chartered Professional Engineer (CPEng)	November 5, 2012

These associations and membership designations should be considered additions to the list of accepted foreign associations and membership designations in Appendix A of the Companion Policy.

Issuers filing technical reports where an author holds a designation listed in this Notice should note that the author must still meet all other elements of the definition of "qualified person" in section 1.1 of NI 43-101, including the requirements for relevant education and professional experience.

- Continuous disclosure review of all reporting issuers every three to five years.
- Regulators carry out targeted reviews.
- Currently reviewing Company's Corporate presentations on their website for compliance with NI 43-101.



How to Improve Your Company's Compliance

- Regulations (NI 43-101)
- Companion Policy (NI 43-101CP) – guidance
- Staff Notices – updates from regulators
- CIM Definition Standards (www.cim.org)
- CIM Best Practices





New Canadian Regulatory Technical Staff

- BCSC – Chris Collins, Chief Mining Advisor, P.Geo.
- TSX – Paul Teniere, Senior Manager Mining, P.Geo.