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INTERNATIONAL REPORTING STANDARDS

CANADIAN DISCLOSURE STANDARDS

CIM

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Mining Disclosure Standards Under Securities Law


Implemented Feb 1, 2001, amended Dec 30, 2005.

- National Instrument 43-101
- **Disclosure and filing rules** that must be followed
- Companion Policy 43-101CP
- Purpose
 - Enhance the accuracy and integrity of disclosure in the mining sector
- Result
 - Provides a level of investor protection by ensuring the right information is coming from the right individuals




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Desired Outcome of NI 43-101


- Investors have sufficient information to make an informed investment decision
- Provides information that is not misleading
- Promotes balanced disclosure with context
- Understand the significance of the results
- Able to compare similar projects
- Understand risks and limitations of data
- Confidence in those that prepared the technical information for disclosure



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Basic Principles of NI 43-101

Qualified person involvement


- preparing information for public disclosure

Standard terminology


- Definitions, i.e. CIM Definition Standards

Disclosure Standards


- Technical report supporting disclosure
- Filed on SEDAR www.sedar.com
- Follow industry best practice guidelines



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Qualified Person - Definition


- An Engineer or Geoscientist with at least 5 years experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these
- Has experience relevant to the subject matter of the mineral project
- Is a member in good standing of a professional association
- The QP concept is a regulatory concept
- It is not a new title or license



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Responsibilities of a QP


- Reasonable reliance on other experts
- Site visit
- Data verification
- Certificate and Consent
- Review disclosure; Not responsible for misquote unless provided a consent



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Responsibilities of the QP


- Comply with professional practice and industry standards
 - E.g. CIM Best Practices Guidelines
- Comply with professional code of ethics (APGO, APEGBC, etc.)
 - Uphold truth, honesty and trustworthiness
 - Protect public interest
 - Advise client of possible consequences
 - Report unethical or illegal professional practices
 - Make sure qualified to do assignments
 - Ensure opinions based on adequate knowledge and honest conviction



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Professional Associations

Canada


- Authority or recognition by statute
- Admit members primarily on academic qualifications and experience
- Require compliance with professional standards and ethics
- Have disciplinary powers to suspend or expel members



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Professional Associations In Canada

- Association of Professional Engineers and Geoscientists of the Province of British Columbia (APEGBC)
- Association of Professional Engineers, Geologists and Geophysicists of Alberta (APEGGA)
- Association of Professional Engineers and Geoscientists of Saskatchewan (APEGS)
- Association of Professional Engineers and Geoscientists of Manitoba (APEGM)
- Association of Professional Geoscientists of Ontario (APGO)
Professional Engineers of Ontario (PEO)
- Ordre des ingenieurs du Québec (OIQ)
- Ordre des Géologues du Québec (OGQ)
- Association of Professional Engineers of Prince Edward Island (APEPEI)
- Association of Professional Engineers and Geoscientists of New Brunswick (APEGNB)
- Association of Professional Engineers of Nova Scotia (APENS)
- Association of Professional Geoscientists of Nova Scotia (APGNS)
- Association of Professional Engineers and Geoscientists of Newfoundland (APEGN)
- Association of Professional Engineers of Yukon (APEY)
- Association of Professional Engineers, Geologists & Geophysicists of the Northwest Territories (NAPEGG)
(representing NWT and Nunavut Territory)



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Foreign Professional Associations


Appendix A of National Instrument 43-101
Recognized Foreign Associations and Designations

Foreign Association	Designation
American Institute of Professional Geologists (AIPG)	Certified Professional Geologist
Any state in the United States of America	Licensed or certified as a professional engineer
Mining and Metallurgical Society of America (MMSA)	Qualified Professional
European Federation of Geologists (EFG)	European Geologist
Australasian Institute of Mining and Metallurgy (AusIMM)	Fellow or member
Institute of Materials, Minerals and Mining (IMMM)	Fellow or professional member
Australian Institute of Geoscientists (AIG)	Fellow or member
South African Institute of Mining and Metallurgy (SAIMM)	Fellow
South African Council for Natural Scientific Professions (SACNASP)	Professional Natural Scientist
Institute of Geologists of Ireland (IGI)	Professional Member
Geological Society of London (GSL)	Chartered Geologist
National Association of State Boards of Geology (ASBOG)	Licensed or certified in: Alabama, Arizona, Arkansas, California, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Maine, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, North Carolina, Oregon, Pennsylvania, Puerto Rico, South Carolina, Texas, Utah, Virginia, Washington, Wisconsin or Wyoming




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Disclosing Mineral Resources & Reserves


- Only use the five CIM categories (www.cim.org)
- Measured, indicated, inferred resource (highest to lowest confidence level)
- Proven, probable reserve
- In essence, same as CRIRSCO definitions
- Can't disclose tonnes and grade of a deposit unless it has been classified as mineral resource or reserve.
- Must have at least a pre-feasibility study to qualify reserves



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Mineral Resources and Reserves


- Mineral Resource
 - Concentration of material of economic interest in such a form, quality and quantity that it has a reasonable prospect of economic extraction
 - Classified as inferred, indicated and measured
- Mineral Reserve
 - Economically mineable part of a measured and/or indicated resource demonstrated by at least a prefeasibility study
 - Classified as probable and proven



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CIM Mineral Resources and Mineral Reserves Best Practice Guidelines


- Economic parameters
- Cut-off grade or economic limit used to define a mineral resource must provide “reasonable prospects for economic extraction”
- Cut-off grade must realistically reflect the location, deposit scale, continuity, mining method, metallurgical processes, costs and reasonable long-term metal prices appropriate for the deposit
- Assumptions should be clearly defined



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Additional Guidelines Referenced in NI 43-101

- CIM Exploration Best Practice Guidelines
- CIM Definition Standards on Mineral Resources and Reserves
- CIM Guidelines for the Reporting of Diamond Exploration Results
- GSC Paper 88-21 Coal Resource/Reserve Reporting
- www.cim.org



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