



COMMITTEE FOR MINERAL RESERVES INTERNATIONAL REPORTING STANDARDS

October 19, 2011

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission - Securities Division
Manitoba Securities Commission
Ontario Securities Commission
Autorite des marches financiers
New Brunswick Securities Commission
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon Territory
Superintendent of Securities, Nunavut

Attention: Ms. Alex Poole, Alberta Securities Commission
alex.poole@asc.ca

Dear Ms. Poole:

**Re: Notice and Request for Comment:
Proposed Amendments to National Instrument 41-101**

On July 15th 2011, the Canadian Securities Administrators (CSA) requested comments on a number of amendments which included proposed amendments to:

- National Instrument 41-101 *General Prospectus Requirements*
- Companion Policy 41-101CP to National Instrument 41-101 *General Prospectus Requirements*

The **Committee for Mineral Reserves International Reporting Standards, (CRIRSCO)** appreciates the opportunity to provide comment on page 7 paragraph (g) and page 13 of the July 15th Notice and Request for Comment.

CRIRSCO wishes to make a submission on behalf of its Members, as it feels that the proposed change imposes significant burden on Foreign Qualified Persons (QPs) (also known as Competent Persons in other jurisdictions) and is not in the best interests of CRIRSCO, its members, the CSA and indeed the Canadian Minerals industry as it deviates from the evolving international system of mutually recognized professional bodies and QPs. It suggests that further consideration of the changes in legislation is warranted.

I realise the deadline has passed, but ask that you accept this submission on such an important topic.



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CRIRSCO

CRIRSCO's members are National Reporting Organisations¹ (NROs) that are responsible for developing mineral reporting codes, standards and guidelines in Australasia (JORC), Chile (National Committee), Canada (CIM), Europe (PERC), Russia (NAEN), South Africa (SAMREC) and the USA (SME). The member NROs nominate representatives to the Committee. The combined value of mining companies listed on the stock exchanges of these countries accounts for a significant proportion of the listed capital of the mining industry. The current list of NROs and their sponsors is shown in Appendix 1.

A trend towards tighter corporate governance and regulation demands the application of good practice in mineral reserve management as well as high standards of public reporting by responsible, experienced persons. Based on the reporting codes of the above countries, CRIRSCO has developed an International Reporting Template (the Template), the purpose of which is to assist with the dissemination and promotion of effective, well-trying, good practice for public reporting of Exploration Results, Mineral Resources and Mineral Reserves already widely adopted through national reporting codes and standards. The International Accounting Standards Board (IASB) has recognized the benefit of having internationally accepted definitions for mineral resources and reserves for the purposes of IFRS.

CRIRSCO aims to promote best practice in the international public reporting of Mineral Exploration Results, Mineral Resources and Mineral Reserves. CRIRSCO is an international advisory body without legal authority, relying on its constituent members to ensure regulatory and disciplinary oversight at a national level. Its existence recognises the truly global nature of the minerals industry and the agreed need for international consensus on reporting standards.

CRIRSCO aims to achieve its stated objective by:

- Promoting uniformity, excellence and continuous improvement in national and international reporting standards for Mineral Exploration Results, Mineral Resources and Mineral Reserves, through consultation and cooperation.
- Representing the international minerals industry on resource and reserve reporting issues, including discussions with other international organisations, attending international meetings and providing written submissions.
- Encouraging the continued development of international reciprocity of Competent/Qualified Persons through nationally-based Recognised Professional Organisations ("ROPOs").
- Promoting the use of a uniform and coherent best practice reporting standard for Mineral Exploration Results, Mineral Resources and Mineral Reserves, including the provision and maintenance of the CRIRSCO International Reporting Template.
- Facilitating the exchange of information and dialogue among CRIRSCO members and other stakeholders through an actively managed web site that promotes discussion on current issues.

¹ A National Reporting Organisation is defined as the body that produces and is responsible for a reporting standard, whether for a single country or a grouping of countries.



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SUBMISSION

In CRIRSCO's opinion, the proposed amendments will impose additional administrative and financial burdens on foreign QPs, particularly individuals or those from small consulting firms. This burden will result from the proposed requirements for foreign QPs to file a "non-issuers submission to jurisdiction" and to appoint an "agent for service" in Canada. The following unintended consequences are anticipated:

1. Smaller pool of QPs to prepare National Instrument 43-101 (NI43-101) technical reports or any expert report as foreign QPs may decline to author technical documents which support the scientific and technical disclosure in prospectuses filed with Canadian securities regulators.
2. Potential negative effect on the quality and efficiency of the Canadian capital market. For example, the current technical report prepared by a QP on an issuer's material property may support disclosure of a mineral resource on a property. If the issuer wants to use this report to support a prospectus and a foreign QP prepared the report, the foreign QP would now have to find and appoint agents, pay fees and possibly register themselves or their firms with provincial professional associations and government agencies. This has the potential to increase the cost of preparing technical reports and possibly would delay their issuance while suitable agents and/or registrations are sought.
3. Perception that Canada is creating barriers to foreign QPs being able to prepare technical reports for Canadian securities purposes.

CRIRSCO Members strongly believe that the concept of the QP or CP embodied in the family of CRIRSCO compliant codes provides a great deal of assurance that public disclosure will be transparent, material and accurate. All QPs/CPs must have a university degree in geosciences or mining/metallurgical engineering and at least five years of relevant experience and must be members of a professional association with disciplinary powers, including the power to expel a member. These values and safeguards are designed to maintain a proper chain of accountability.

CRIRSCO is of the opinion that the benefits of finding and appointing agents in Canadian jurisdictions do not justify the costs for foreign QPs or provide enhanced protection to the Canadian investing public and may result in unintended consequences detrimental to the Canadian capital markets.



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ANSWERS TO QUESTIONS POSED IN THE CSA REQUEST FOR COMMENTS

- (a) Do you believe that it is appropriate to extend the requirement to file a non-issuer's submission to the jurisdiction and appointment of an agent for service form to foreign experts who have consented to the disclosure in a prospectus of information from a report, opinion or statement made by them given that these persons are liable under our statutory liability regime for misrepresentations in the prospectus that are derived from that report, opinion or statement?

Answer: No, we do not believe it is appropriate. Our reasoning is explained above.

- (b) If foreign experts are required to file a non-issuers' submission to the jurisdiction and appointment of an agent for service form, do you anticipate that this obligation will impose any significant practical or financial burden on these experts or issuers?

Answer: We believe the obligation will impose significant practical and financial burden on both the experts and the issuers. Our reasoning for this is explained above.

- (c) Would your response change if the form requirement for foreign experts only concerned either submission to the jurisdiction or an appointment of an agent for service?

Answer: No, it would not.

CRIRSCO appreciates the opportunity to provide comments on this important issue.

Sincerely

Deborah A. McCombe, P. Geo.

Chairperson

CRIRSCO

416-642-1476



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Appendix 1: National Minerals Reporting Codes and their Sponsors

The following countries are currently represented on CRIRSCO. Member organisations include all bodies that have a direct influence on the form and content of national reporting codes although they may be more or less active in the affairs of the national committee.

Australasia	
National Committee	Joint Ore Reserves Committee (JORC)
Member organisations	Australasian Institute of Mining & Metallurgy (AusIMM) Australian Institute of Geoscientists (AIG) Minerals Council of Australia (MCA)
Representation from	Australian Securities Exchange (ASX) Financial Services Institute of Australia (FinSIA)
Canada	
National Committee	Canadian Institute of Mining, Metallurgy and Petroleum (CIM)
Member organisations	Canadian Institute of Mining, Metallurgy and Petroleum (CIM)
Chile	
National Committee	National Committee for the Certification of Competency in Mineral Resources and Reserves
Member organisations	Mining Council (Consejo Minero) SONAMI (small + medium sized mining companies) Institute of Mining Engineers of Chile Association of Geologists Association of Engineers
Europe	
National Committee	Pan European Resources and Reserves Reporting Committee (PERC)



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Member organisations	European Federation of Geologists (EFG) The Geological Society of London Institute of Materials, Minerals and Mining (IMMM) Institute of Geologists of Ireland (IGI)
South Africa	
National Committee	South African Mineral Resource Committee (SAMREC)
Member organisations	Southern African Institute of Mining and Metallurgy (SAIMM) South African Council for Natural Scientific Professions (SACNASP) Geological Society of South Africa (GSSA) Geostatistical Association of South Africa (GASA) South African Council for Professional Land Surveyors and Technical Surveyors (PLATO) Association of Law Societies of South Africa General Council of the BAR of South Africa Department of Minerals and Energy Johannesburg Stock Exchange (JSE) Council for Geoscience The Banking Association of South Africa The Chamber of Mines of South Africa (CoM)
United States of America	
National Committee	Society for Mining, Metallurgy and Exploration (SME)
Member organisations	Society for Mining, Metallurgy and Exploration (SME)
Russia	
National Committee	National Association for Subsoil Examination (NAEN)
Member organisation	Russian Society of Subsoil Use Experts(OERN)