

# **CIM - Standing Committee on Mineral Reserve and Mineral Resource Definition**

CRIRSCO Meeting  
October, 2012

## **CIM - Standing Committee on Reserve Definition**

- CSA – CIM Agreement, updated in May 2012
- Integration of CRIRSCO Core Definitions into CIM Definition Standards and Guidance referenced by NI43-101
- Update on CIM Best Practice Guidelines.
- CSA Staff Notice 43-307 & 43-308

## **CSA - CIM Updated Letter of Understanding**

- Letter was updated in May 2012
- Outlines the relationship between the CSA and CIM
- CSA recognizes the CIM's ongoing role and commitment in providing industry **guidance** and **standards**.
  - CIM Definition Standards
  - CIM Best Practice Guidelines
- NI43-101, (CSA) has incorporated, by reference, certain industry definitions from the CIM Definition Standards.

## CSA - CIM Updated Letter of Understanding

- CIM Definition Standards.
  - All definitions for Mineral Resources and Mineral Reserves
  - Pre-feasibility (after 2011)
  - Feasibility (after 2011)
- CIM Definitions Standards include
  - Definitions (**in bold**)
  - Guidance (*shown in italics*)
- While only the **bolded definitions** are incorporated, by reference, into NI43-101, CSA staff generally will look to the CIM Definition Standards for ***interpretative guidance*** on the definitions.

## **CSA - CIM Updated Letter of Understanding**

- CIM definitions can be modified, without changing NI43-101.
- Changes to these definitions, adopted by the CIM Council, from time to time, will automatically be incorporated by reference into NI43-101.
- CSA staff generally will look to the various CIM Best Practice Guidelines, as adopted by the CIM Council, for guidance on industry practices and methodologies.

## **CIM - Standing Committee on Reserve Definition**

- Ten of 13 “Core Definitions” are currently referenced by NI43-101 to the CIM Standards:
  - Mineral Resource
  - Inferred Resource
  - Indicated Resource
  - Measured Resource
  - Mineral Reserve
  - Probable Reserve
  - Proven (Proved) Reserve
  - Modifying Factors
  - Pre-Feasibility Study (2011)
  - Feasibility Study (2011)
  
- Three remaining definitions are still imbedded in NI43-101:
  - Public Reports
  - Qualified (Competent) Person
  - Exploration Results

## CIM - Standing Committee on Reserve Definition

- In 2012, the CIM Standing Committee on Reserve Definitions updated the 10 draft definitions integrating CRIRSCO Core Definitions into CIM draft definition standards.
- Draft CIM Definitions Standards which include new:
  - ❑ Definitions **(in bold)**
  - ❑ Guidance *(shown in italics)*

## CIM - Standing Committee on Reserve Definition

- Draft Definition Standards include updated:
  - ❑ Definitions (**in bold**)
  - ❑ Guidance (*shown in italics*)
- Guidance on “proponent” in Feasibility Study.
- Informal Industry Consultation
- Formal Industry Comment Period
- Approval by CIM Council in 2013





## **CIM – Feasibility Study**



A 'Feasibility Study' is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable modifying factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a **proponent or financial institution** to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study.

The term proponent captures issuers who may finance a project without using traditional financial institutions. In these cases, the technical and economic confidence of the Feasibility Study is equivalent to that required by a financial institution.

## CIM - Standing Committee on Reserve Definition

- Draft Definition Standards include updated:
  - ❑ Definitions **(in bold)** ✓
  - ❑ Guidance *(shown in italics)* ✓
- Guidance on “proponent” in Feasibility Study. ✓
- Informal Industry Consultation ✓
- Formal Industry Comment Period
- Approval by CIM Council in 2013

## **CIM – Best Practice Guidelines**

- CIM Best Practice Guidelines for Mineral Processing 
- The OSC requested , a sub-committee be established to prepare guidelines for estimation for lithium brine deposits. 
- A sub-committee has been established to review and re-write the CIM potash guidelines
- Guidance for Pre-feasibility and Feasibility studies

## **CSA Staff Notice 43-307 & 43-308**

- NI43-101 defines a PEA as a study other than a PFS and FS
- A PEA can only demonstrate potential viability of mineral resources
- PEA studies on material properties trigger Technical Reports
- PEA disclosure and By-product credits
- Recognition of Institution of Engineers Australia (CPEng)

## **CIM - Standing Committee on Reserve Definition**

- Questions