

The new National Instrument 43-101

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NI 43-101 Background

- § National Instrument 43-101 is *Canadian Securities Law*, which outlines how Canadian listed companies disclose exploration, resource and reserve information on mineral projects.
- § Covers all oral statements, written documents, presentations and website content
- § Rules were developed in the late 1990's by the Canadian Securities Administrators (CSA) and are administered by the Canadian provincial securities commissions
- § Released October 19, 2001, last updated in June 30, 2011.

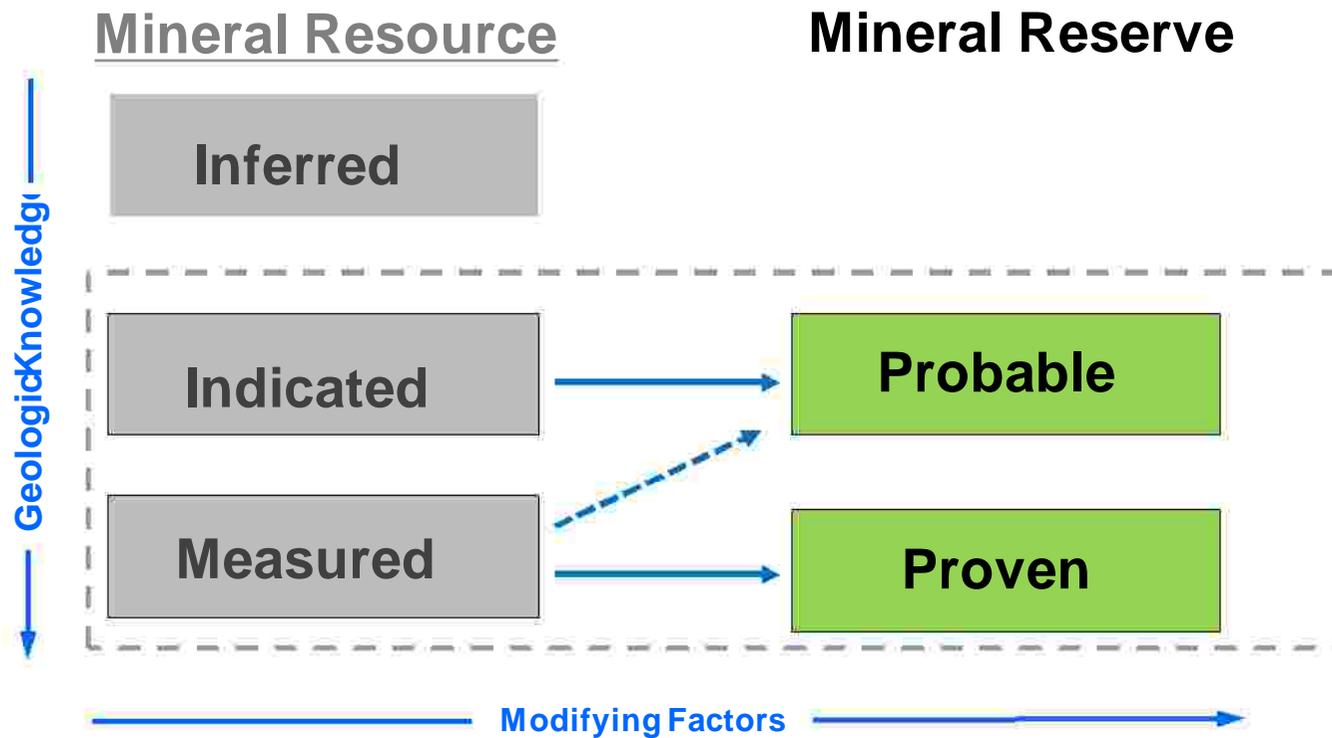
NI 43-101 Concepts

- § NI43-101 references the CIM Resource and Reserve Classification Scheme and definitions which are comparable to other CRIRSCO codes (JORC, Certification Code, SAMREC, PERC, and SME).

- § NI43-101 rules require disclosure be attributed to a "Qualified Person" (QP). In some circumstances, the QP must be independent of the issuer. Comparable to CP in the other CRIRSCO codes.

CIM - Reserve & Resource & Classification Scheme

Exploration Results



NI43-101 and the CIM

CIM

- § Classification Scheme & Definitions
- § Best Practice Guidelines
- § Guidance requested by the CSA

NI 43-101 - Qualified Person

§ NI43-101 rules requires technical disclosure be attributed to a "Qualified Person" (QP).

- *Who can prepare and disclose reserve and resource estimates?*

§ “prepared by or under the supervision of a “Qualified Person” or

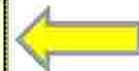
§ “*approved by a “Qualified Person”* (effective June 30, 2011)

NI 43-101 - Qualified Person

- *Who is a “Qualified Person” ?*
 - § engineer or geoscientist with a university degree, or equivalent accreditation, in geoscience, or engineering, relating to mineral exploration or mining (effective June 30, 2011)
 - § five years of experience in mineral exploration, mine development or operation, or mineral project assessment
 - § experience relevant to the subject matter
 - § in good standing with a professional association
 - § continuing professional development (effective June 30, 2011)

Foreign Associations

Foreign Association	Membership Designation
American Institute of Professional Geologists (AIPG)	Certified Professional Geologist (CPG)
The Society for Mining, Metallurgy and Exploration, Inc. (SME)	Registered Member
Mining and Metallurgical Society of America (MMSA)	Qualified Professional (QP)
Any state in the United States of America	Licensed or certified as a professional engineer
European Federation of Geologists (EFG)	European Geologist (EurGeol)
Institute of Geologists of Ireland (IGI)	Professional Member (PGeo)
Institute of Materials, Minerals and Mining (IMMM)	Professional Member (MIMMM), Fellow (FIMMM), Chartered Scientist (CSi MIMMM), or Chartered Engineer (CEng MIMMM)
Geological Society of London (GSL)	Chartered Geologist (CGeol)
Australasian Institute of Mining and Metallurgy (AusIMM)	Fellow (FAusIMM) or Chartered Professional Member or Fellow [MAusIMM (CP), FAusIMM (CP)]
Australian Institute of Geoscientists (AIG)	Member (MAIG), Fellow (FAIG) or Registered Professional Geoscientist Member or Fellow (MAIG RPGeo, FAIG RPGeo)
Southern African Institute of Mining and Metallurgy (SAIMM)	Fellow (FSAIMM)
South African Council for Natural Scientific Professions (SACNASP)	Professional Natural Scientist (Pr.Sci.Nat.)
Engineering Council of South Africa (ECSA)	Professional Engineer (Pr.Eng.) or Professional Certificated Engineer (Pr.Cert.Eng.)
Comisión Calificadora de Competencias en Recursos y Reservas Mineras (Chilean Mining Commission)	Registered Member



NI 43-101 - Changes

- *Gross Value vs. Contained Metal?*
 - § must not disclose gross value (effective June 30, 2011)
 - § restriction does not apply to quantity of metal or mineral in a deposit. (effective June 30, 2011)
 - § must not disclose “a metal equivalent grade ... unless it also discloses the grade of each metal” (effective June 30, 2011)
- *Historic Estimate?*
 - § “an estimate...that an issuer has not verified...which was prepared ~~prior to February 1, 2001~~ before the issuer...acquired, an interest ...” (June 30, 2011)

NI 43-101 - Changes

- *Changes to Acceptable Foreign Codes?*

- § “...JORC Code, PERC Code IMMM Reporting Code, SAMREC Code, SEC Industry Guide 7, the Certification Code...” (effective June 30, 2011)

- *Changes to Technical Reports?*

- § More suitable for operating mines and advanced projects. (June 30, 2011)

- § Eliminated the requirement to disclose confidential market studies and analyses. The QP will discuss the general nature of these studies. (June 30, 2011)

NI 43-101 - Changes

- *Changes to Technical Report Triggers?*
 - § If an issuer treats an *Historical Estimates* as current, the time limit for filing a new Report has been extended to 6 months. (effective June 30, 2011)
 - § Only file a *Technical Report* with *Short Form Prospectus* if it includes first time disclosure of *Reserves, Resources & Economic Assessment*. (effective June 30, 2011)



NI 43-101 - Changes

- *Questions*