The new National Instrument 43-101

Paul Bankes
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.
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.
NI43-101 and the CIM

CIM

- Classification Scheme & Definitions
- Best Practice Guidelines
- Guidance requested by the CSA
NI 43-101 - Qualified Person

- NI 43-101 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)
• 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

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

• Changes to Technical Reports?
  Ÿ More suitable for operating mines and advanced projects. (June 30, 2011)
  Ÿ Eliminated the requirement to disclose confidential market studies and analyses. The QP will discuss the general nature of these studies. (June 30, 2011)
• Changes to Technical Report Triggers?
  Ǧ 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)

  Ǧ 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