

Notice

Repeal and Replacement of National Instrument 43-101 *Standards of Disclosure for Mineral Projects, Form 43-101F1 Technical Report, and Companion Policy 43-101CP*

April 8, 2011

Introduction

We, the Canadian Securities Administrators (CSA), are adopting new versions of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (the New Instrument), Form 43-101F1 *Technical Report* (the New Form), and Companion Policy 43-101CP (the New Companion Policy) (together, the New Mining Rule).

The New Mining Rule will replace the previous versions of these documents (the Previous Mining Rule), which came into effect in all CSA jurisdictions on December 30, 2005.

Concurrently with this Notice, we are publishing the New Mining Rule, the Consequential Amendments (see below), and blacklines of the New Instrument and the New Form showing all changes from the versions of these documents currently in force. These documents are also available on the websites of CSA members, including the following:

- www.bcsc.bc.ca
- www.albertasecurities.com
- www.sfsc.gov.sk.ca
- www.osc.gov.on.ca
- www.lautorite.qc.ca
- www.nbsc-cvmnb.ca

In some jurisdictions, Ministerial approvals are required for these changes. Subject to obtaining all necessary approvals, the New Mining Rule and the Consequential Amendments will come into force on **June 30, 2011**.

Substance and Purpose of the New Mining Rule

The changes in the New Mining Rule

- eliminate or reduce the scope of certain requirements
- provide more flexibility to mining issuers and qualified persons in certain areas
- provide more flexibility to accept new foreign professional associations, professional designations, and reporting codes as they arise or evolve
- reflect changes that have occurred in the mining industry, and
- clarify or correct areas where the Previous Mining Rule was not having the effect we intended

Background

We have been monitoring the Previous Mining Rule since its adoption. In the spring of 2009, CSA members carried out focus group discussions with market participants from various sectors, consulted with their advisory committees, and solicited written comments concerning a range of issues related to the Previous Mining Rule. We developed proposed changes to the Previous Mining Rule and published them for a 90-day comment period on April 23, 2010 (the April 2010 Materials).

The New Mining Rule reflects our further consideration of these proposed changes in light of the comments we received, the results of a survey we conducted of the costs of filing technical reports in connection with short form prospectuses, and other developments during the comment period.

Written Comments

The comment period expired on July 23, 2010. During the comment period, we received submissions from 50 commenters. We have considered these comments and we thank all the commenters. A list of the 50 commenters and a summary of their comments, together with our responses, are contained in Appendices B and C.

Summary of Changes to the April 2010 Materials

We have made some revisions to the April 2010 Materials, including changes of a minor nature or made only for the purposes of clarification or further streamlining. Appendix A describes the key changes made to the April 2010 Materials. As the changes are not material, we are not republishing the New Mining Rule for a further comment period.

Consequential Amendments

We are also adopting consequential amendments to

- National Instrument 44-101 *Short Form Prospectus Distributions*
- Form 51-102F1 *Management's Discussion and Analysis*
- Form 51-102F2 *Annual Information Form*
- National Instrument 45-106 *Prospectus and Registration Exemptions*
- National Instrument 45-101 *Rights Offerings*

(together, the Consequential Amendments).

The Consequential Amendments are contained in Appendices D through G.

Local Notices

Certain jurisdictions are publishing other information required by local securities legislation in Appendix H.

Questions

If you have any questions, please refer them to any of the following:

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Appendix A

Summary of Key Changes to the April 2010 Materials

The New Instrument

Part 1 Definitions and Interpretation

- Instead of defining the terms “preliminary feasibility study”, “pre-feasibility study” and “feasibility study” in the Instrument, we incorporated by reference, in new section 1.4, the definitions of those terms under the CIM Definition Standards, as amended.
- In the definition of “mineral project”, we added the words “a similar interest” to capture metals streaming agreements that are similar to royalty interests.
- We revised the proposed definition of “qualified person” as follows:
 - We applied the requirement for a university degree or equivalent accreditation to the qualified person, rather than to the membership designation in a foreign professional association.
 - We applied the requirement for continuing professional development to the professional association, rather than to the membership designation in a foreign professional association.
 - With respect to membership designations in a foreign professional association that do not require a favourable confidential peer evaluation, we changed the alternative criteria from “at least ten years of post-degree practical experience” to “demonstrated expertise”. We also reduced the minimum peer recommendations from three to two.

Part 2 Requirements Applicable to All Disclosure

- We clarified in paragraph 2.3(1)(c) that the restriction applies to the disclosure of gross value, not quantity, of metal or mineral in a deposit.

Part 4 Obligation to File a Technical Report

- In paragraph 4.2(1)(b), we restricted application of the technical report trigger for a preliminary short form prospectus to situations where the preliminary short form prospectus discloses for the first time mineral resources, mineral reserves, or the results of a preliminary economic assessment that constitute a material change in relation to the issuer, or a change in this information, if the

change constitutes a material change in relation to the issuer. This is Case 3 as described in the April 2010 Materials.

- We revised the 45-day exemption in subsection 4.2(5) to clarify that, if the disclosure is also included in a preliminary short form prospectus, the technical report must be filed by the earlier of the date of filing the preliminary short form prospectus and 45 days after the first time disclosure.
- We revised the new six-month exemption in subsection 4.2(7) to clarify that, if the disclosure is also contained in a preliminary short form prospectus, the technical report must be filed by the earlier of the date of filing the preliminary short form prospectus and 180 days after the first time disclosure.

Part 7 Use of Foreign Code

- In subsection 7.1(2), we re-instated a modified version of the reconciliation requirement in the Previous Mining Rule. An issuer must provide a reconciliation of any material differences between the mineral resource and mineral reserve categories used and the categories under the CIM Definition Standards.

Part 9 Exemptions

- In section 9.2, we added the words “or similar interest” to capture metals streaming agreements.
- We amended subparagraph 9.2(1)(a)(i) to include the requirement that the owner or operator be a reporting issuer, as reporting issuers are subject to more rigorous disclosure requirements.

The New Form

- We added an instruction to Item 6: History indicating the need to distinguish work done outside the current property boundaries, from work done within the boundaries.
- We added a similar instruction to Item 10: Drilling regarding drilling conducted by previous operators.
- In Item 15: Mineral Reserve Estimates, paragraph (a), we removed references to the preliminary feasibility study or feasibility study.
- In Item 19: Market Studies and Contracts, paragraph (a), we eliminated the requirement to disclose the results of relevant market studies and similar analyses. We substituted a requirement for the qualified person to discuss the general nature

of the studies done, and to confirm that they have reviewed the studies and that the results support the assumptions in the technical report.

The New Companion Policy

- We added general guidance on our expectations regarding updating the lists of “acceptable foreign codes” and “professional associations” in Appendix A.
- We added new guidance on
 - our interpretation of the good standing requirement for “qualified persons” and the meaning of “demonstrated expertise”
 - the restriction against disclosing gross value of contained metal or mineral
 - triggers with permitted filing delays, and
 - the exemptions for royalty or similar interests in section 9.2 of the New Instrument
- We removed the last paragraph of the guidance on section 2.4 of the New Instrument. We had intended this guidance to merely repeat the tests in paragraph 4.2(1)(j) of the New Instrument but concluded that it was unnecessary and confusing.
- We replaced the proposed guidance on the preliminary short form prospectus trigger because the trigger still applies in certain circumstances.
- We made some additions and clarifications to Appendix A to reflect the changes to the definition of “qualified person”.