

43-101 Standards of Disclosure for Mineral Projects [NI Proposed - Lapsed]
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TABLE OF CONTENTS

PART TITLE

PART 1 APPLICATION, DEFINITIONS AND INTERPRETATION

- 1.1 Application
- 1.2 Definitions
- 1.3 Mineral Resource
- 1.4 Mineral Reserve
- 1.5 Interpretation

PART 2 REQUIREMENTS APPLICABLE TO ALL DISCLOSURE

- 2.1 Requirements Applicable to All Disclosure
- 2.2 All Disclosure of Mineral Resources or Mineral Reserves
- 2.3 Prohibited Disclosure
- 2.4 Exception for Disclosure of Historical Estimates

PART 3 ADDITIONAL REQUIREMENTS FOR WRITTEN DISCLOSURE

- 3.1 Written Disclosure to Include Name of Qualified Person
- 3.2 Written Disclosure to Include Data Corroboration and Other Information
- 3.3 Requirements Applicable to Written Disclosure of Exploration Information
- 3.4 Requirements Applicable to Written Disclosure of Mineral Resources and Mineral Reserves
- 3.5 Exception for Written Disclosure Already Filed

PART 4 OBLIGATION TO FILE A TECHNICAL REPORT

- 4.1 Obligation to File a Technical Report Upon Becoming a Reporting Issuer
- 4.2 Obligation to File a Technical Report in Connection with Certain Written Disclosure Concerning Mineral Projects on Material Properties
- 4.3 Form 43-101F1

PART 5 AUTHOR OF TECHNICAL REPORT

- 5.1 Prepared by a Qualified Person
- 5.2 Execution of Technical Report
- 5.3 Independent Technical Report

PART 6 NATURE OF TECHNICAL REPORT

- 6.1 Basis for Technical Report
- 6.2 Judgment of Author
- 6.3 Disclaimer in Technical Report
- 6.4 Use of Foreign Code

PART 7 PERSONAL INSPECTION

7.1 Personal Inspection

PART 8 CERTIFICATES AND CONSENTS OF QUALIFIED PERSONS FOR TECHNICAL REPORTS

8.1 Certificates of Qualified Persons

8.2 Addressed to Issuer

8.3 Consents of Qualified Persons

PART 9 EXEMPTION

9.1 Exemption

NATIONAL INSTRUMENT 43-101

STANDARDS OF DISCLOSURE FOR MINERAL PROJECTS¹

1 This proposed National Instrument originated with a reformulation of National Policy Statement No. 2-A ("NP 2-A") and National Policy Statement No. 22 ("NP 22"). The proposed National Instrument is expected to be adopted as a rule in each of British Columbia, Alberta, Manitoba, Nova Scotia and Ontario, as a Commission regulation in Saskatchewan and as a policy in all other jurisdictions represented by the CSA. NP 2-A sets out the requirements for the preparation of reports that are required to be filed under securities legislation. Securities legislation in most jurisdictions represented by the CSA requires issuers with mining operations to file reports prepared in accordance with NP 2-A, in connection with a prospectus offering for properties on which proceeds from the distribution are being expended and for any other major producing properties. Appendix A of National Policy Statement No. 47 ("NP 47") and Schedule IX of the Regulation to the Securities Act (Québec), each set out the requirements for a description of natural resource operations to be included in an Annual Information Form filed under that policy or the Regulation in Quebec. NP 47 does not require that the description be based on estimates prepared by or reviewed by independent engineers or that a report be filed. Paragraph 3(k) of Item 3 of NP 47 states that if reserves are represented as being based upon estimates prepared by independent engineers or other qualified persons the author must be identified and the Regulator may request a copy of the report as supplemental information. NP 47 and Schedule IX are being replaced by a new National Instrument 44-101, which will set out requirements for disclosure in Annual Information Forms and Prospectuses and which refers to this Instrument. NP 22 concerns the use of information and opinions regarding natural resource properties by registrants and issuers. The objective of that instrument is to ensure that references to technical data in reports, letters or other publications used directly or indirectly to sell securities conform to some uniform standards. NP 22 requires that the general disclosure standards and definitions of NP 2-A be complied with and used and that sources of information and opinion be specifically named. In addition, technical facts and opinions, such as reserve estimates, must be quoted from verbatim.

PART 1 APPLICATION, DEFINITIONS AND INTERPRETATION²

2 A national definition instrument has been adopted as National Instrument 14-101 Definitions. It contains definitions of certain terms used in more than one national instrument. National Instrument 14-101 also provides that a term used in a national instrument and defined in the statute relating to securities of the applicable jurisdiction, the definition of which is not restricted to a specific portion of the statute, will have the meaning given to it in that statute, unless the context otherwise requires. National Instrument 14-101 also provides that a provision or a reference within a provision of a national instrument that specifically refers by name to a jurisdiction, other than the local jurisdiction, shall not have any effect in the local jurisdiction, unless otherwise stated in the provision

1.1 Application - This Instrument applies to all oral statements and written disclosure of scientific or technical information, including disclosure of a mineral resource or mineral reserve, made by or on behalf of an issuer in respect of a mineral project of the issuer.

1.2 Definitions - In this Instrument

"adjacent property" means a property

(a) that has a boundary lying within two kilometres of the closest boundary of the property being reported on; and

(b) that has geological characteristics similar to those of the property being reported on;

"development property" means a property that is being prepared for mineral production and for which economic viability has been demonstrated by a feasibility study;

"disclosure" means any oral statement or written disclosure made by or on behalf of an issuer and intended to be, or reasonably likely to be, made available to the public in the local jurisdiction, whether or not filed under securities legislation, but does not include written disclosure that is made available to the public only by reason of having been filed with a government or agency of government pursuant to a requirement of law other than securities legislation;³

3 The term "local jurisdiction" is defined in National Instrument 14-101 Definitions as meaning "in a national instrument adopted or made by a Canadian securities regulatory authority, the jurisdiction in which the Canadian securities regulatory authority is situated". The term "securities legislation" is defined in National Instrument 14-101 Definitions to be, for the local jurisdiction, the statute and other instruments listed in an appendix to instrument, which generally include the statute, regulations and, in some cases, the rules, forms, rulings and orders relating to securities in the local jurisdiction.

"exploration information" means geological, geophysical, geochemical, sampling, drilling, analytical testing, assaying, metallurgical and other similar information concerning a particular property that is derived from activities undertaken to locate, investigate, define or delineate a mineral prospect or mineral deposit or to expand or further develop an existing mineral resource or mineral reserve;

"feasibility study" means a comprehensive study of a deposit in which all geological, engineering, operating, economic and other relevant factors are considered in sufficient detail to serve as the basis for a qualified person experienced in mineral production activities, acting reasonably, to make a final decision on whether to proceed with development of the deposit for mineral production;

"geoscientist" means a geologist, geochemist or geophysicist;

"IMM system" means the classification system and definitions for mineral resources and mineral reserves approved from time to time by The Institution of Mining and Metallurgy in the United Kingdom;

"JORC Code" means the Australasian Code for Reporting of Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Mineral Council of Australia as amended or supplemented;

"mineral project" means any exploration, development or production activity in respect of natural, solid, inorganic or fossilized organic substances including base and precious metals, coal and industrial minerals;

"preliminary feasibility study" means a study that

(a) relates to a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established, and where an effective method of ore processing has been determined; and

(b) is based on reasonable assumptions of technical, engineering, operating, economic and other relevant factors which are sufficient for a qualified person acting reasonably, to determine if all or part of the mineral resource may be classified as a mineral reserve;

"producing issuer" means an issuer the annual audited financial statements of which disclose

(a) gross revenues, derived from mining operations, of at least \$30 million for the issuer's most recently completed financial year; and

(b) gross revenues, derived from mining operations, of at least \$90 million in the aggregate for the issuer's three most recently completed financial years;

"professional association" means a self-regulatory organization of engineers, geoscientists or both engineers and geoscientists that

(a) has been given authority or recognition by statute;

(b) admits members primarily on the basis of their academic qualifications and experience and requires compliance with the professional standards of competence and ethics established by the organization; and

(c) has disciplinary powers including the power to suspend or expel a member;

and until [March 31, 2002] includes an association of geoscientists in Canadian jurisdictions that do not have a statutorily recognized self-regulatory association;

"qualified person" means an individual who is

(a) an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these, relevant to the subject matter of the mineral project and the technical report; and

(b) a member in good standing of a professional association;

"quantity" means either tonnage or volume, depending on which term is the standard in the mining industry for the type of mineral;

"technical report" means a report prepared, filed and certified in accordance with this Instrument and Form 43-101F1 Technical Report;

"USGS Circular 831" means the circular published by the United States Bureau of Mines/United States Geological Survey entitled "Principles of a Resource/Reserve Classification for Minerals", as amended or supplemented; and

"written disclosure" includes any writing, picture, map or other printed representation whether produced, stored or disseminated on paper or electronically.

1.3 Mineral Resource

(1) In this Instrument the term "mineral resource" means a deposit of a natural, solid, inorganic or fossilized organic, substance in such quantity and at such grade or quality that extraction of the mineral at a profit is or may be possible.

(2) A mineral resource estimate shall be based on information on the geology of the deposit and the continuity of mineralization, except that assumptions concerning economic and operating conditions including cut-off grades and economic mining widths, based on factors typical for the type of deposit, may be used if these factors have not been specifically established for the deposit at the time of the mineral resource estimate.

(3) A mineral resource shall be categorized on the basis of the degree of confidence in the estimate of quantity and grade or quality of the deposit, as follows:

(a) "inferred mineral resource" means the estimated quantity and grade or quality of a deposit, or a part thereof, determined on the basis of limited sampling and for which there is sufficient geological information and a sufficient understanding of the continuity and distribution of values to outline the deposit but not to categorize the deposit as an indicated mineral resource;

(b) "indicated mineral resource" means the estimated quantity and grade or quality of that part of a deposit for which the size, configuration and grade or quality are so well established that a reliable estimate of quantity and grade or quality can be made at a confidence level which would serve as a basis for decisions on major expenditures;

(c) "measured mineral resource" means the estimated quantity and grade or quality of that part of a deposit for which the size, configuration and grade or quality have been so well established by observation and sampling of outcrops, drill holes, trenches and mine workings that

(i) it can be used as a basis for detailed mine planning; and

(ii) no reasonable doubt exists that any variation from the stated grade or quality and quantity would be sufficient to materially affect an economic appraisal of the mineral resource.

1.4 Mineral Reserve

(1) In this Instrument the term "mineral reserve" means that part of a measured mineral resource or indicated mineral resource which can be extracted legally and at a profit under economic conditions that are specified and generally accepted as reasonable by the mining industry and which is demonstrated by a preliminary feasibility study or feasibility study.

(2) A mineral reserve shall be categorized on the basis of the degree of confidence in the estimate of the quantity and grade or quality of the deposit, as follows:

(a) "probable mineral reserve" means the estimated quantity and grade or quality of that part of an indicated mineral resource for which economic viability has been demonstrated

by adequate information on engineering, operating, economic and other relevant factors, at a confidence level which would serve as a basis for decisions on major expenditures;

(b) "proven mineral reserve" means, for the part of a deposit which is being mined, or which is being developed and for which there is a detailed mining plan, the estimated quantity and grade or quality of that part of a measured mineral resource for which the size, configuration and grade or quality and distribution of values are so well established, and for which economic viability has been demonstrated by adequate information on engineering, operating, economic and other relevant factors, so that there is the highest degree of confidence in the estimate.

(3) In addition to the geological factors necessary for an estimation of a mineral resource, an estimate of a mineral reserve shall take into account all factors relevant to the economic viability of a mineral project including mining, metallurgy, infrastructure, operating and capital costs, waste rock dilution, mining recovery, environmental considerations, reclamation and closure costs and other economic, socio-political, legal and technical factors.

(4) For greater certainty, the category of a mineral reserve shall be determined on the basis of the mineral resource category and the level of confidence in the other factors used in the mineral reserve estimate.

(5) For greater certainty, a measured mineral resource that is a mineral reserve shall be classified as a probable mineral reserve rather than as a proven mineral reserve if confidence in any of the relevant factors has not been established at the level required for a proven mineral reserve.

1.5 Interpretation

(1) In this Instrument a person or company is considered to be an affiliated entity of another person or company if

- (a) one is a subsidiary of the other,
- (b) both are subsidiaries of the same person or company, or
- (c) each is controlled by the same person or company.

(2) In this Instrument a person or company is considered to be controlled by a second person or company if

- (a) in the case of a company,
 - (i) voting securities of the company carrying 50 percent or more of the votes for the election of directors are held, otherwise than by way of security only, by or for the benefit of the second person or company; and
 - (ii) the votes carried by such securities entitle the second person or company to elect a majority of the directors of the company;
- (b) in the case of a partnership, other than a limited partnership, the second person or company holds an interest of 50 percent or more in the partnership; or

(c) in the case of a limited partnership, the general partner is the second person or company;

(3) In this Instrument a person or company is considered to be a subsidiary entity of a second person or company, if

(a) the person or company is controlled by

(i) the second person or company, or

(ii) the second person or company and one or more other persons or companies, each of which is controlled by the second person or company, or

(iii) one or more other persons or companies, each of which is controlled by the second person or company; or

(b) the person or company is a subsidiary entity of a person or company that is itself a subsidiary entity of the second person or company.

(4) In this Instrument a qualified person involved in the preparation of a technical report is not considered to be independent of the issuer in respect of the technical report, if

(a) the qualified person, or any affiliated entity of the qualified person, is, or by reason of an agreement, arrangement or understanding expects to become, an insider, associate, affiliated entity or employee of the issuer, or of an insider or affiliated entity of the issuer;

(b) the qualified person, or any affiliated entity of the qualified person, is, or by reason of an agreement, arrangement or understanding expects to become, a partner of any person or company referred to in paragraph (a);

(c) the qualified person, or any affiliated entity of the qualified person, owns, or by reason of an agreement, arrangement or understanding expects to receive, any securities of the issuer or of an affiliated entity of the issuer or an interest in the property that is the subject of the technical report or in an adjacent property; or

(d) the qualified person, or any affiliated entity of the qualified person, has received the majority of his or her income in the three years preceding the date of the technical report from one or more of the issuer and insiders and affiliated entities of the issuer.

PART 2 REQUIREMENTS APPLICABLE TO ALL DISCLOSURE

2.1 Requirements Applicable to All Disclosure - An issuer shall ensure that all disclosure of a scientific or technical nature, including disclosure of a mineral resource or mineral reserve, concerning mineral projects on a property material to the issuer is based upon a technical report or other information prepared by or under the supervision of a qualified person.

2.2 All Disclosure of Mineral Resources or Mineral Reserves - An issuer shall ensure that any disclosure of a mineral resource or mineral reserve

(a) utilizes only the applicable mineral resource and mineral reserve categories set out in sections 1.3 and 1.4 of this Instrument;

(b) reports each category of mineral resources and mineral reserves separately, and if both mineral resources and mineral reserves are disclosed, states the extent, if any, to which mineral reserves are included in total mineral resources; and

(c) does not add inferred mineral resources to the other categories of mineral resources.

2.3 Prohibited Disclosure - An issuer shall not make any disclosure of an estimate of quantity or grade of a deposit unless a qualified person has estimated a mineral resource or mineral reserve.

2.4 Exception for Disclosure of Historical Estimates - Despite section 2.2, disclosure of quantity and grade estimates made before the coming into force of this Instrument may be made by the issuer provided that the disclosure:

(a) includes the source of the estimate;

(b) confirms the relevance of the disclosure;

(c) comments on the reliability of the estimate;

(d) states if a reporting system other than the one stipulated in sections 1.3 and 1.4 of this Instrument has been used, and includes an explanation of the differences; and

(e) includes any more recent estimates or data available to the issuer.

PART 3 ADDITIONAL REQUIREMENTS FOR WRITTEN DISCLOSURE

3.1 Written Disclosure to Include Name of Qualified Person - An issuer shall ensure that all written disclosure of a scientific or technical nature, other than a news release, concerning a mineral project on a property material to the issuer identifies and discloses the relationship to the issuer of the qualified person who prepared or supervised the preparation of the technical report or other information that forms the basis for the written disclosure.

3.2 Written Disclosure to Include Data Corroboration and Other Information - An issuer shall ensure that all written disclosure of a scientific or technical nature concerning mineral projects on a property material to the issuer

(a) states whether any aspect of the sample preparation was conducted by the issuer or an employee, officer, director or associate of the issuer;

(b) states whether a qualified person has corroborated the data, including sampling, analytical and test data underlying the information or opinions contained in the written disclosure;

(c) describes the nature of and any limitations on the corroboration of data disclosed; and

(d) explains any failure to corroborate the data.

3.3 Requirements Applicable to Written Disclosure of Exploration Information

(1) An issuer shall ensure that all written disclosure containing scientific or technical exploration information concerning a property material to the issuer includes

(a) the results, or a summary of the results, of surveys and investigations regarding the property;

(b) a summary of the interpretation of the exploration information; and

(c) a statement as to the quality control measures applied during the execution of the work.

(2) An issuer shall ensure that all written disclosure containing sample or analytical or testing results on a property material to the issuer includes

(a) a summary description of the geology, mineral occurrences and nature of mineralization found;

(b) a summary description of rock types, structural controls, widths of mineralized zones and other parameters used to establish the sampling interval, and the identification of any significantly higher grade intervals within a lower grade intersection;

(c) the location, number, type, nature and spacing or density of the samples collected and the location and dimensions of the area sampled;

(d) identification of any drilling, sampling, recovery or other factors that could materially impact the accuracy or reliability of the data referred to in this section;

(e) a summary description of the type of analytical or testing procedures utilized, sample size, the name and location of each analytical or testing laboratory used, the certification of each laboratory and any relationship of the laboratory to the issuer; and

(f) a listing of the true widths of individual samples or sample composites, to the extent known.

3.4 Requirements Applicable to Written Disclosure of Mineral Resources and Mineral Reserves

- An issuer shall ensure that all written disclosure of mineral resources or mineral reserves on a property material to the issuer includes

(a) the effective date of each estimate of mineral resources and mineral reserves;

(b) details of quantity and grade or quality of each category of mineral resources and mineral reserves;

(c) details of the key assumptions, parameters and methods used to estimate the mineral resources and mineral reserves;

(d) a general discussion of the extent to which the estimate of mineral resources and mineral reserves may be materially affected by any known environmental, permitting, legal, title, taxation, socio-economic, marketing, political or other relevant issue; and

(e) a statement that mineral resources which are not mineral reserves do not have demonstrated economic viability.

3.5 Exception for Written Disclosure Already Filed - The requirements of sections 3.3 and 3.4 are satisfied by reference, in written disclosure, to a previously filed document that complies with those requirements.

PART 4 OBLIGATION TO FILE A TECHNICAL REPORT

4.1 Obligation to File a Technical Report Upon Becoming a Reporting Issuer

(1) Upon first becoming a reporting issuer in one or more jurisdictions in Canada, an issuer shall file with the regulator in the local jurisdiction or local jurisdictions, a current technical report for each property material to the issuer.

(2) Upon becoming a reporting issuer in a new jurisdiction, an issuer that is already a reporting issuer in another local jurisdiction shall file with the regulator in the new jurisdiction a current technical report for each property material to the issuer.

(3) An issuer satisfies the requirement of subsection (2) by filing a technical report that it has previously filed in another jurisdiction in which it is a reporting issuer, amended or supplemented, if necessary, to reflect material changes in the information contained in the technical report since the date of filing in the other jurisdiction.

4.2 Obligation to File a Technical Report in Connection with Certain Written Disclosure Concerning Mineral Projects on Material Properties

(1) An issuer shall file a current technical report to support statements made or information included in the following documents filed or made available to the public in the local jurisdiction describing mineral projects on each property material to the issuer:

1. A preliminary prospectus, other than a preliminary short form prospectus filed in accordance with National Instrument 44-101.
2. A preliminary short form prospectus filed in accordance with National Instrument 44-101 that includes material information concerning mining projects on material properties not contained in a previously filed technical report.
3. An information or proxy circular concerning a direct or indirect acquisition of a mineral property, including an acquisition of control of a person or company with an interest in the property, that upon completion of the acquisition would be material to the issuer if the consideration includes securities of the issuer or the person or company which continues to hold an interest in the property upon completion of the acquisition.
4. An offering memorandum.
5. A rights offering circular.
6. An annual information form or annual report that includes material information concerning mining projects on material properties not contained in a previously filed technical report.

7. A valuation required to be prepared and filed under securities legislation.

8. A directors' circular that discloses for the first time mineral resources or mineral reserves on a property material to the issuer that constitutes a material change in respect of the affairs of the issuer, or discloses any change in mineral resources or mineral reserves, from the most recently filed technical report of the issuer, that constitutes a material change in respect of the affairs of the issuer.

9. A take-over bid circular that discloses mineral resources or mineral reserves on a property material to the offeror if securities of the offeror are being offered in exchange on the take-over bid.

10. Any written disclosure, made other than in a document referred to in paragraphs 1 to 9 above, which is either

(i) first time disclosure of mineral resources or mineral reserves on a property material to the issuer that constitutes a material change in respect of the affairs of the issuer; or

(ii) disclosure of any change in the mineral resources and mineral reserves from the most recently filed technical report, that constitutes a material change in respect of the affairs of the issuer.

(2) If there has been a material change to the information in the technical report filed under paragraph 1 or 2 of subsection (1) before the filing of the final version of a prospectus or short form prospectus, the issuer shall file an updated technical report or an addendum to the technical report with the final version of the prospectus or short form prospectus.

(3) Subject to subsections (4), (5), and (6), the technical report required to be filed under subsection (1) shall be filed not later than the time of the filing of the document listed in subsection (1) that it supports.

(4) Despite subsection (3), a technical report concerning mineral reserves and mineral resources that supports disclosure described in paragraph 10 of subsection (1) shall

(a) be filed not later than 30 days after the disclosure; and

(b) if filed subsequent to the disclosure, be accompanied by a contemporaneous disclosure that reconciles any material differences between the technical report filed and the previous disclosure in connection with which the technical report was prepared.

(5) Despite subsection (3), if a property referred to in a document listed in paragraph 6 of subsection (1) first becomes material to the issuer less than 30 days before the filing deadline for the document, the issuer shall file the technical report required by subsection (1) within 30 days of the date that the property first became material to the issuer.

(6) Despite subsection (3), a technical report that supports a directors' circular shall be filed not less than 3 business days prior to the expiry of the take-over bid.

4.3 Form 43-101F1 - A technical report that is required to be filed under this Part shall be in accordance with Form 43-101F1.

PART 5 AUTHOR OF TECHNICAL REPORT

5.1 Prepared by a Qualified Person - A technical report shall be prepared by or under the supervision of one or more qualified persons.

5.2 Execution of Technical Report - A technical report shall be dated, signed and, if the qualified person has a seal, sealed, by the qualified person who prepared it or supervised its preparation, or if such an individual is an employee, officer, director or associate of a person or company the principal business of which is the provision of engineering or geoscientific services, by that person or company.

5.3 Independent Technical Report

(1) Subject to subsection (2), a technical report required under any of the following provisions of this Instrument shall be prepared by a qualified person that is, at the date of the technical report, independent of the issuer:

1. **First-time Reporting Issuer-** Subsection 4.1(1)
2. **Long Form Prospectus** Paragraphs 4.2(1)I and 7

or Valuation-

3. **Other-** Paragraphs 4.2(1)2, 3, 4, 5, 6, 8, 9 and 10 if the document discloses mineral resources or mineral reserves on a property material to the issuer for the first time or discloses a 100 percent or greater change, from the most recently filed independent technical report, in mineral resources or mineral reserves on a property material to the issuer

4. Reporting Issuer in

New Jurisdiction- Subsection 4.1(2)

(2) A technical report required to be filed by a producing issuer under paragraphs 3 and 4 of subsection (1) is not required to be prepared by an independent qualified person.

(3) A technical report required to be filed by an issuer that is or has contracted to become a joint venture participant, concerning a property which is or will be the subject of the joint venture's activities, is not required to be prepared by an independent qualified person if the qualified person preparing the report is an employee of, or retained by, another participant in the joint venture, that is a producing issuer.

PART 6 NATURE OF TECHNICAL REPORT

6.1 Basis for Technical Report - A technical report shall be prepared on the basis of all available factual data that is relevant to the disclosure which it supports.

6.2 Judgment of Author - A technical report that contains recommendations for expenditures on exploration or development work on a property shall include a statement by a qualified person that, in the qualified person's opinion, the character of the property is of sufficient merit to make the program recommended a worthwhile undertaking.

6.3 Disclaimer in Technical Report - If the author of the technical report has relied on a report, opinion or statement of legal and other non-technical experts for information concerning legal, environmental, political and other non-technical issues and factors relevant to the technical report, the technical report shall include a disclaimer in which the author identifies the report, opinion or statement relied upon, the maker of the report, opinion or statement, the extent of reliance and the portions of the author's technical report to which the disclaimer applies.

6.4 Use of Foreign Code - An issuer that is incorporated or organized in a foreign jurisdiction may file a technical report that utilizes the mineral resource and mineral reserve categories of the JORC Code, USGS Circular 831 or the IMM system provided that a reconciliation to the mineral resource and mineral reserve categories set out in sections 1.3 and 1.4 of this Instrument is filed with the technical report and certified by the author which reconciliation addresses the confidence levels required for the categorization in section 1.3 and 1.4 of this Instrument.

PART 7 PERSONAL INSPECTION

7.1 Personal Inspection - At least one author preparing or supervising the preparation of a technical report or a portion of a technical report shall inspect the property that is the subject of the technical report.

PART 8 CERTIFICATES AND CONSENTS OF QUALIFIED PERSONS FOR TECHNICAL REPORTS

8.1 Certificates of Qualified Persons

(1) An issuer shall, when filing a technical report, also file a certificate of each of the individuals who are qualified persons and who have been primarily responsible for the technical report, or a portion of the

technical report, dated, signed and, if the signatory has a seal, sealed, by the signatory.

(2) The certificate shall state for each signatory

(a) the name, address and occupation of the qualified person;

(b) the qualified person's qualifications, including relevant experience, the name of all professional associations to which the qualified person belongs, and that the qualified person is a "qualified person" for purposes of this Instrument;

(c) the date and duration of the qualified person's most recent visits to each applicable site;

(d) the section or sections of the technical report for which the qualified person is responsible;

(e) that as of the date of the certificate the qualified person is not aware of any material fact or material change with respect to the subject matter of the technical report which is not reflected in the technical report, the omission to disclose which makes the technical report misleading;

(f) whether the qualified person or any affiliated entity of the qualified person

(i) is, or under an agreement, arrangement or understanding expects to become, an insider, associate, affiliated entity or employee of the issuer or of an insider or affiliated entity of the issuer;

(ii) is, or under an agreement, arrangement or understanding expects to become, a partner of the issuer or of an insider or affiliated entity of the issuer;

(iii) owns, or under an agreement, arrangement or understanding expects to acquire, any securities of the issuer or of an affiliated entity of the issuer or an

interest in the property that is the subject of the technical report or in an adjacent property; or

(iv) has received a majority of his, her or its income during the three years preceding the date of the technical report from any one or more of the issuer and insiders and affiliated entities of the issuer;

(g) what prior involvement, if any, the qualified person has had with the property that is the subject of the technical report;

(h) that the qualified person has read this Instrument and Form 43-101F1, and the technical report has been prepared in compliance with this Instrument and Form 43-101F1; and

(i) that the technical report has been prepared in conformity with generally accepted Canadian mining industry practice.

8.2 Addressed to Issuer - All technical reports shall be addressed to the issuer.

8.3 Consents of Qualified Persons - All technical reports and addenda to technical reports that are required by this Instrument to be filed shall

(a) be accompanied by the written consent of the qualified person, addressed to the securities regulatory authorities, consenting to the filing of the technical report and to the written disclosure of the technical report and of extracts from or a summary of the technical report in the written disclosure being filed; and

(b) confirm that the qualified person has read the written disclosure being filed and does not have any reason to believe that there are any misrepresentations in the information derived from the technical report or that the written disclosure contains any misrepresentation of the information contained in the technical report.

PART 9 EXEMPTION

9.1 Exemption

(1) The regulator or the securities regulatory authority may, on application, grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption in response to an application.

(2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.

(3) Despite subsection (1), in Alberta, only the regulator may grant such an exemption.