



CANADIAN
INSTITUTE
OF MINING,
METALLURGY
AND PETROLEUM

October 14, 2011

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission - Securities Division
Manitoba Securities Commission
Ontario Securities Commission
Autorite des marches financiers
New Brunswick Securities Commission
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon Territory
Superintendent of Securities, Nunavut

Dear Ms. Poole:

**Re: Notice and Request for Comment:
Proposed Amendments to National Instrument 41-101**

On July 15th 2011, the Canadian Securities Administrators requested comments on a number of amendments which included proposed amendments to:

- National Instrument 41-101 *General Prospectus Requirements*
- Companion Policy 41-101CP to National Instrument 41-101 *General Prospectus Requirements*

The *Canadian Institute of Mining, Metallurgy and Petroleum (CIM), Standing Committee on Reserve Definitions* appreciates the opportunity to provide comment on page 7 paragraph (g) and page 13 of the July 15th *CSA Notice and Request for Comment*.

In our opinion, imposing additional burdens on *Foreign Qualified Persons (QPs)* is potentially damaging to the Canadian mining industry and unnecessary since foreign QPs must be registered with professional bodies listed in National Instrument 43-101 Companion Policy (Appendix A). As a CRIRSCO member (Committee for Mineral Reserve International Reporting Standards), we share the concern that these amendments deviate from the evolving international system of mutually recognized professional bodies for Qualified Persons.

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Comments

The *CIM Standing Committee on Reserve Definitions* believes the proposed requirements for foreign QPs to file a “non-issuers submission to jurisdiction” and to appoint an “agent for service” in Canada will impose sufficient hardship to discourage foreign QPs from authoring Technical Reports required by Canadian securities law. Anticipated consequences to Canada include:

- a) Increased shortage of “Qualified Persons” in an already tight market
- b) Increased difficulty in attracting the most qualified professionals in an increasingly global mining industry. Canadian companies frequently evaluate mineral deposits which are not typical to Canada. For these projects, companies and investors rely on the specialized experience of foreign QPs.
- c) Canada may lose its dominant position as a preferred location for international mining companies to list and raise capital. Exploration and mining companies may well decide to list in jurisdictions where their QPs are willing to prepare technical reports to support prospectus disclosure.

The proposed extension of the requirement on foreign directors to appoint an “agent for service” in Canada to a foreign QP appears unnecessary. Unlike a foreign director, who could easily change address without notice, a foreign QP must be registered with a recognized professional body. As a result, the QP can be readily contacted. Since the QP is already liable for the quality of opinions provided, these measures would not improve investor protection.

As one of the founding members of CRIRSCO, the CIM strongly supports CRIRSCO’s goal in promoting consistent, best practice disclosure within the international mining community. *CIM Definition Standards* and *Best Practice Guidelines*, which are referenced by NI43-101, are aligned with standards in the CRIRSCO Template and other CRIRSCO members.

As a CRIRSCO member, we share the concern expressed by other members that these amendments deviate from the evolving international system of mutually recognized professional bodies and Qualified Persons. The *CIM Standing Committee on Reserve Definitions* is concerned our foreign colleagues will perceive the proposed CSA amendments as barriers to foreign experts preparing technical reports to support prospectus disclosure in Canada and a move towards isolation from the international mining community.

Answers to Questions on Page 13

- (a) Do you believe that it is appropriate to extend the requirement to file a non-issuer’s submission to the jurisdiction and appointment of an agent for service form to foreign experts who have consented to the disclosure in a prospectus of information from a

report, opinion or statement made by them given that these persons are liable under our statutory liability regime for misrepresentations in the prospectus that are derived from that report, opinion or statement?

Answer: No - As discussed above, we do not believe it is appropriate.

(b) If foreign experts are required to file a non-issuers' submission to the jurisdiction and appointment of an agent for service form, do you anticipate that this obligation will impose any significant practical or financial burden on these experts or issuers?

Answer: Yes - We believe the obligation will impose significant practical and financial burden on the expert and the issuer. Our reasoning for this is explained above.

Would your response change if the form requirement for foreign experts only concerned either submission to the jurisdiction or an appointment of an agent for service?

Answer: No.

Regards

Paul C. Bankes
Chairperson
CIM Standing Committee on Reserve Definitions