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CANADIAN
INSTITUTE
OF MINING,
METALLURGY
AND PETROLEUM

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CESR Submission by Canadian Institute of Mining, Metallurgy and Petroleum

The Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standing Committee on Reserve Definitions supports the consultation submission prepared by PERC. The CIM is in full agreement with PERC's submission, and in particular, fully endorses their recommendation that markets within the European Union should adopt the PERC standard as the reference standard for Disclosure of Mineral Resources/Reserves and Exploration results.

The CIM Definition Standards for Mineral Resources and Reserves (CIM Definition Standards) are incorporated by reference in Canadian securities law – National Instrument 43-101 Standards of Disclosure for Mineral Projects. The CIM Definition Standards are one of the CRIRSCO group of standards for the reporting of resources and reserves. These standards have been developed specifically for use in reporting by mineral companies that are governed by the Canadian Securities Administrators (CSA), the umbrella group of provincial and territorial securities commissions in Canada and by the Canadian Stock Exchanges, such as the Toronto Stock Exchange (TSX).

Mining industry practice has developed such that the CIM Definition Standards, like other CRIRSCO reporting standards, have come to be used for reporting on other stock exchanges internationally. The reason for this is that many companies now operate globally.

While the various CRIRSCO standards are converging, it is unlikely they will ever become identical due to the different requirements of national/regulatory regimes. Definitions in the standards are very similar though not yet identical, and in places, there remain differences in interpretation or emphasis among the different CRIRSCO standards.

We consider it important that, like the Canadian securities regulators, your reporting standards should, as far as possible, eliminate the potential for confusion among investors that might be caused by a company's selection of the reporting standard to be used. It is for this reason the CSA and TSX require the CIM Definition Standards be used exclusively in preference to others, and any reports prepared using other standards must be reconciled to the CIM Definition Standards.



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A problem which has arisen is the difficulty of enforcement of competency requirements globally. Where a company based in one country lists on a stock exchange in a second country or region using a reporting standard defined for a third country, the chain of responsibility can become very complex. It has been our experience it helps if there is a strong geographic link and relationship between the securities regulator and the organization responsible for defining the reporting standard as that organization will be mandated by professional associations within the same region (in the European case by a consortium of European institutions and societies representing geologists and engineers) and subject to the same legislative framework.

We strongly recommend that the CESR should adopt the PERC reporting standard as the "reference" standard for reporting mineral resources and reserves in the markets for which you are responsible.

Sincerely

A handwritten signature in black ink, appearing to read 'Paul C. Banks', with a stylized flourish at the end.

Paul Banks, Chairman
CIM Standing Committee on Reserve Definitions

Deborah McCombe, Member
CIM Standing Committee on Reserve Definitions