

Technical Disclosure Best Practices and Useful Tips for Mining Professionals and Executives

by Paul Ténrière. M.Sc., P.Geo.

National Instrument 43-101 Common Pitfalls from a User's Perspective: A Practical Approach to Technical Report Analysis

by Steve King, P.Geo.

October 25, 2016 from 11:00 a.m to 12:00 noon

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Proper disclosure of technical information by TSX and TSXV-listed exploration and mining companies is crucial to maintaining a fair and balanced market. This presentation focuses on technical news release best practices and provides useful tips to avoid any issues with the Exchanges, IIROC, and the securities commissions. The target audience is the Qualified Person (QP), mining executives, geologists, engineers, and mining consultants signing off on written disclosure captured by NI 43-101 rules.

Topics covered include:

- Summary of TSX and TSXV disclosure policies including the TSX Timely Disclosure Policy (TDP), market hours, and pre-filing material news releases.
- The definition of 'material information' requiring dissemination via news release.
- Technical disclosure requirements for news releases, websites, corporate presentations and other public disclosure documents. Examples include proper disclosure of exploration, drilling, and assay results; exploration target and resource/reserve estimates; QA/QC procedures; metal equivalents; economic results, etc.
- Common disclosure issues from the perspective of the Regulators and how to avoid them.

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Whereas NI 43-101 Standards of Disclosure encompass the full spectrum of mineral project development, more recently it has become synonymous with development stage projects and resource estimate statements in particular. As high-profile cases of negative resource estimate revisions come to light Technical Report users, both general and professional, are increasingly looking for additional guidance on Technical Report analysis.

In many cases, the NI 43-101 Standards of Disclosure were ostensibly met and sufficient background information was presented such that alternative interpretations could reasonably result. In other cases the information that would support the technical conclusions was poorly presented or inconclusive thereby increasing the risk profile (i.e. not all resources estimate statements have a similar risk profile regardless of conformity). Fundamentally, it is the obligation of the user to employ the basic diagnostic techniques of verification and validation to extract value from the Technical Report and derive a related risk profile.

In practice and in every instance where Standards are met *sensu strictu* there are several key sections (i.e. within the list of "Required Items") that impact the resource estimate statement in particular. Therefore, a practical approach to understanding the soundness and context of a mineral resource, or drill results, necessarily includes a review of these key "Risk Elements": 1) quality control and data verification, 2) geostatistical treatment, 3) resource estimation and 4) mining and economic constraints. Fundamentally they all revolve around a core theme of geology and first principles.

It can be demonstrated that this process-based approach with geology focus and a simple qualitative low-medium-high risk weighting or quantitative sensitivity analysis related to each risk element can provide a more effective approach to using the NI 43-101 Technical Report and assigning a more relevant risk profile to a mineral development project.

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About the Speakers



Paul Ténrière. M.Sc., P.Geo.
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Paul has been with the TSX since 2014 and his main responsibilities are to assess whether potential issuers meet the technical listing requirements for exploration and mining companies, review existing mining issuers' compliance with TSX disclosure rules, and supporting the TMX Global Mining Business Development team. He advises mining companies on their listing eligibility and offers guidance to meet TSX listing and NI 43-101 requirements. Prior to joining TSX, he was Chief Geologist with Sherritt International (Coal Division) and spent over 15 years in various senior roles with mining, petroleum, and mining consulting companies based in Canada, USA, New Zealand and Australia. He is a registered professional geoscientist (P.Geo.) with the Association of Professional Geologists of Ontario (APGO), an active member of the APGO Mentoring Program, and has a M.Sc. in Geology from Acadia University and a B.Sc. (Honours) in Earth Sciences from Dalhousie University.



Steve King, P.Geo.
Independent Mining Consultant, Due Diligence
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Steve has more than 25 years' experience in the mineral exploration and development industry and currently focuses on technical reviews of resource, financial and valuation models for corporate transactions and investment purposes. He has spent nearly 20 years working for major and junior mining companies in North America, Asia and Africa; holding positions of Senior Geologist, Senior Geophysicist, Exploration Manager and VP Exploration. He also has more than 5 years' experience on the capital markets side as a mining analyst and as an independent consultant. He has additional training in the resource estimation process, financial accounting and quality auditing. Steve obtained his B.Sc. in Geophysics from Memorial University of Newfoundland and his M.Sc. in Geology from Acadia University. He has been a registered professional geoscientist in Newfoundland and Labrador for 20 years.