



CANADIAN
INSTITUTE
OF MINING,
METALLURGY
AND PETROLEUM

Sheryl Thomson
Senior Legal Counsel, Corporate Finance
British Columbia Securities Commission
PO Box 10142 Pacific Centre
701 West Georgia Street
Vancouver, BC V7Y 1L2
Tel: (604) 899-6778
Fax: (604) 899-6581

May 19, 2010

**SUBJECT: NI 43101 - Request for Comments — Incorporation of
CIMVal Standards and Guidelines (CIMVal), by reference.**

Chris Twigge-Molecey
President 2010-2011

Jean Vavrek
Executive Director

*CIM National Office:
3400 de Maisonneuve Blvd. W.
Suite 855
Montreal, Quebec
Canada H3Z 3B8*

*Telephone: (514) 939-2710
Fax: (514) 939-2714
E-mail: cim@cim.org*

www.cim.org

Dear Ms. Thomson;

The Canadian Institute of Mining, Metallurgy and Petroleum Special Committee on Valuation of Mineral Properties (CIMVal Committee) requests that the Canadian Securities Administrators (CSA) consider referring to the CIMVal Standards and Guidelines for Valuation of Mineral Properties in the revised NI 43-101. This could be done in Part 4.2 (g) which states that when a valuation is required to be prepared and filed under securities legislation, an appended Technical Report is required. We recommend that the revised NI 43-101 also specify or recommend that the valuation itself comply with CIMVal. You may otherwise choose to handle CIMVal in NI 43-101 as you deem appropriate.

.../2

As you are aware, NI 43-101 came into being in 2001 largely as a result of the Mining Standards Task Force which was formed by the Toronto Stock Exchange and the Ontario Securities Commission after the Bre-X fiasco. Among its recommendations, the Mining Standards Task Force final report in 1999 specifically recommended that the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) form a committee of valuation practitioners to review and advise on approaches to valuation of Mineral Properties. The CIMVal Committee was formed in 1999 and the CIMVal Standards and Guidelines for Valuation of Mineral Properties were developed in consultation with interested parties and the final CIMVal document was adopted and approved by CIM Council in March 2003.

We note that, from time to time in the past few years, CIMVal has received verbal enquiries from market practitioners enquiring whether CIMVal is a requirement for valuations relating to NI 43-101. This indicates that there is some issue with respect to the use of a mining valuation standard in the marketplace. We recommend that CIMVal be that standard in NI 43-101. We also note that a key requirement of CIMVal is a stipulation on who is authorized to do a mineral property valuation (similar to the Qualified Person Concept in NI 43101).

We understand that there are other standards and guidelines, and regulations for valuation such as those in Multilateral Instrument 61-101 and Canadian Institute of Chartered Business Valuators. However, these deal with valuation in general and with valuation of businesses, whereas CIMVal deals specifically with valuation of mineral properties. We therefore think that it would be beneficial and in the public interest to refer to the CIMVal Standards and Guidelines in the revised NI 43-101. Although NI 43-101 does not deal

specifically with valuation, many mineral properties valuations are based on mineral resources and mineral reserves.

The CIMVal Standards and Guidelines have been incorporated by reference in Appendix 3G of the TSX Venture Exchange with some modifying wording on valuation methodology.

We further wish to point out that VALMIN (the Australian valuation code) which is similar to CIMVal in many respects, is referred to by the Australian Securities and Investment Commission, when “reviewing mining and exploration prospectuses and takeover documents” (page 2 VALMIN Code).

We appreciate the opportunity to comment on the revised NI 43-101 draft and hope that CSA will consider our request. Please do not hesitate to contact any of the undersigned to discuss our request further.

Respectfully submitted,

Keith N. Spence

William E. Roscoe



Co Chair, CIMVal

Co Chair, CIMVal

knspace@globalmining.ca

william.roscoe@scottwilson.com

cc Jean Vavrek, Executive Director, Canadian Institute of Mining,
Metallurgy and Petroleum (jvavrek@cim.org)