

22 July 2010

Canadian Securities Administrators:

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission – Securities Division
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés 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

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Dear Securities Administrators

RE: Notice and Request for Comment.

Proposed Repeal and Replacement of National Instrument 43-101

Coffey Mining has more than 50 years experience as specialist mining consultants and is operating in over 60 countries in particular in West Africa, South America, South East Asia, the Middle East and Australia. The Coffey Mining team comprises approximately 300 professional staff in Australia, South Africa, Ghana, Zambia, Brazil and Canada. Coffey Mining provides a full range of services to the mining sector, from engineering to environmental management, as well as business consulting such as feasibility studies. These services necessarily include preparation of technical reports for public companies worldwide, including Canadian and international companies listed on the Toronto Stock Exchange.

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As a subsidiary of Coffey International Ltd, Coffey Mining has the backing and support of an ASX top 300 publicly-listed, multi-specialist consulting group, but retains the independence essential for confidence in the technical advice and reporting.

As Qualified Persons and authors of many NI43-101 reports we are mindful of the efforts of the CSA to continuously monitor the operations of the Mining Rule and to recognise the need for periodic review to investigate and respond to recognised issues. Coffey Mining applauds the efforts of your review team and welcomes the invitation to contribute through this public Request for Comment.

- In particular, Coffey Mining strongly supports the proposed changes relating to:
- Definition of the “effective date” as distinct from the “date of signature”
- Consents for NI43-101 and NI44-101
- Revision of the definition of “historical estimates”
- Separation of Mineral Resource and Mineral Reserve reporting, and general restructuring and improvement of NI43-101F1
- Amendments to “Reliance on Other Experts” section
- Amendment to allow QP to rely on and quote from previous TRs on the property, thus facilitating readability

Coffey Mining has prepared a number of comments and criticisms that we believe should be carefully considered by your team before finalising the Repeal and Replacement of NI43-101. For ease of review we have listed these in the order of Key Proposed Changes presented in your request.

The Instrument

Part 1 Definitions and Interpretation

“acceptable foreign code”: the definition in the Instrument includes SEC Industry Guide 7, but this is missing from the Companion Policy.

“qualified person”: QP has been redefined, ostensibly to replace “prescriptive with objective tests”. However for a professional association in a foreign jurisdiction the objective tests will effectively disenfranchise a very large group of engineers and geoscientists who have been Members (Fellows are not affected) of the AusIMM and AIG for many years (including many Coffey Mining staff).

MAusIMM in particular has been a global professional affiliation for many years fulfilling all the requirements for QP in Canada. If the amendment is approved this large group of professionals will no longer be QPs for work already completed, or in progress.

The use of the “acceptable foreign code” will be neutered as CP compliance under JORC will not be recognised by NI43-101 even if in all other respects the TR is acceptable.

The listed objective tests comprise:

- Tertiary education, and
 - Position of responsibility, and
 - CPD, and
 - Confidential peer evaluation,
- or
- Recommendation from 3 peers, and
 - 10 years post-graduation practical experience

	APEGBC	APEGGA	APEGS	APEGM	APGO	APEGNB	NAPEG	MAusIMM	FAusIMM
University degree in geoscience	Y	Y	Y	Y	Y	Y	Y	Y	Y
University degree in engineering	Y	Y	Y	Y	Y	Y	Y	Y	Y
position of responsibility	N	N	N	N	N	N	N	N	Y(5y)
CPD	recommended	mandatory	mandatory	?	mandatory	mandatory	?	recommended	mandatory
confidential peer evaluation	4	3	3	2/3	3	?	3	N	N
recommendation of 3 peers	N	N	N	N	N	?	N	Y	Y
10 years post-degree experience	4y	4y	4y	4y	4y	?	4y	3-4y	10y

These tests introduce constraints inconsistent with Canadian professional registration with regard to “positions of responsibility” and length of “post-graduate experience”. No Canadian professional association requires attainment of positions of responsibility or more than four years of post-graduate experience.

Further, it should be noted that many professional associations, including those in Canada, have a general membership that may have little involvement in the minerals industry; the test that the tertiary education or post-graduate experience should relate to, or be in the field of, “mineral exploration or mining” is thus unworkable and inconsistent with Canadian requirements.

Sub-sections (a) and (b) of the National Instrument definition ensure that the qualified person is experienced for the specific NI43-101 reporting purpose. Stricter monitoring of QP credentials may in some cases be necessary.

Appendix A to the proposed Companion Policy includes several Foreign Associations that do not meet the tests. For example, SACNASP provides registration for a large group of Natural Scientists that do not all relate to mineral exploration or mining; that do not require attainment of positions of responsibility, only requires three years of post-graduate experience and only requires two referees.

The CSA is requested to revisit the definition of a QP and the Appendix A list of Foreign Associations (Membership Designation) as a matter of priority. The approach in our view should be inclusive with respect to the *status quo ante* that embraces nearly ten years of experience with the Instrument.

“**Preliminary economic assessment**”: the definition in the Instrument refers only to Mineral Resources and the Companion Policy clarifies that this is a “scoping study” in general parlance. This implicitly means a study before any PFS or FS.

Coffey Mining is confused as to the purpose and intentions of the proposed changes in this definition as they relate to a PEA elsewhere in the instrument.

Part 2 Requirements Applicable to All Disclosure

2.3 Restricted Disclosure paragraph 2.3(3)(c)

It is unclear why an issuer would compile a PEA on the “results of any pre-feasibility or feasibility study”, as is suggested in 2.3(3)(c)? If the intention is to provide for economic analyses of the potential viability of Inferred Resources, this needs to be stated explicitly and unmistakably.

CIM Definition Standards specifically exclude Inferred Mineral Resources from "... estimates forming the basis of feasibility or other economic studies." The CIM Definition Standards are just that, Definitions; whereas National Instrument 43-101 specifically addresses public disclosure and reporting, and bases this on CIM Definitions. The Instrument, in allowing Inferred Resources as part of a PEA, establishes an exception that over-rides the CIM exclusion! However the Companion Policy makes clear that PEA and Scoping Study are synonymous.

Coffey Mining suggests the definition could be split for, on the one hand a PEA / scoping study, and on the other an economic assessment of Inferred Resources that may be included in a Life of Mine plan but not in a PFS or FS.

Coffey Mining is of the opinion that a PEA should not be confused with a "trade off" study that may be part of the PFS task list.

If this split and clarification were made, consequent changes may become necessary elsewhere in the Instrument.

(JORC advises caution if Inferred Resources are used in technical and economic studies. SAMREC accepts that mine design and planning may include a proportion of Inferred Mineral Resources.)

A FS is not defined in the CIM Definition Standards but if it were it would surely include the classification of Mineral Reserves and reference to a financial analysis similar to that in the definition of a PFS, and also look similar to the FS definition in the Instrument.

2.4 Disclosure of Historical Estimates

Reference to "original terminology" may be confusing! Does this refer to the original terminology in a TR under NI43-101 (2005) (ie a report dating pre-2001) or the original terminology in the document containing the historical estimate (new definition) – the two may be substantially different.

Deletion of "using the original terminology" may remove this confusion altogether.

Part 3 Additional Requirements for Written Disclosure

While Coffey Mining supports the streamlining of QP identification in disclosure documents such as Press Releases, we have some concerns as to unintended pressures that may be applied.

Independent consultant companies contract QPs to issuer companies for the purpose of preparing or supervising studies that may be disclosed on completion of the study. In the past the QP was involved

in "sign off" on the wording of issuer disclosure of the work completed. While this approach is still possible, the alternative of approval by a QP (other than the QP doing the work) opens the door to coercion between issuer/client and consultant when the original QP is not available. Additionally if the QP responsible for the work is no longer available for whatever reason, an alternate QP in the consultant company may be pressured to assume responsibility without due regard to specific project knowledge.

"Approval" by a QP for a disclosure is a responsibility best reserved for an employee of the issuer. Appropriate wording would be needed to make this distinction.

Amended Form

It will be interesting to work with the new form.

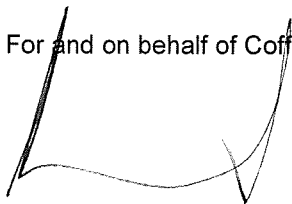
Amended Companion Policy

See note above regarding "acceptable foreign code".

See note above regarding "qualified person" and Appendix A.

We sincerely hope our comments are received and reviewed in the spirit they are provided and we wish the CSA every success with the relaunch of NI43-101 next year.

For and on behalf of Coffey Mining Pty Ltd



Rob Slater
Global Leader