

Professional Practice and Ethical Issues in the Estimation of Mineral Resources

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National Instrument 43-101 (NI 43-101) has established a set of requirements for securities issuers in Canada in regard to the disclosure of scientific and technical information on mineral properties, including estimates of mineral resources and mineral reserves. As a critical part of the disclosure process the instrument has created the designation of Qualified Person (QP), the person responsible for preparing, or supervising the preparation of, the information. The events leading up to NI 43-101, the establishment of the QP designation and the coincident creation of Professional Societies for geologists in all of the Canadian provinces and territories has resulted in sustained focus on professional practice over the last decade, particularly in the area of mineral resource estimation. The estimation, or auditing, of mineral resources may present the QP with numerous, and possibly overlapping, professional practice and ethical issues that must be recognized and addressed. Such issues can arise at any time during an assignment. This paper will present a number of these issues, as encountered by Micon in its 21 year history of professional practice, and will suggest pre-emptive approaches for managing or avoiding them. Areas of practice examined will include considerations before acceptance of an assignment, planning for the assignment, completion of the resource estimate and use of the results after the fact. No discussion of the technical considerations in deposit modeling, statistics, grade interpolation or resource estimation will be presented.