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For the attention of:

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission, New Brunswick
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Service NL
Northwest Territories Office of the Superintendent of Securities
Office of the Yukon Superintendent of Securities
Nunavut Securities Office

Dear Members of the Canadian Securities Administrators:

Re: CSA Consultation Paper 43-101 *Consultation on National Instrument 43-101 Standards of Disclosure for Mineral Projects*

Ausenco Pty Ltd. welcomes the opportunity to comment on the Canadian Securities Administrators' (the "**CSA**") Consultation Paper, "Consultation on National Instrument 43-101 Standards of Disclosure for Mineral Projects" (the "**CSA Paper**").

The Canadian markets enjoy a premier and enviable position in the global markets with respect to mining, largely attributable to the existing disclosure framework under NI 43-101 (the "**Instrument**"). In reviewing the questions presented in the CSA Paper, we generally support the need for greater clarity on certain issues in order to ensure more consistency in technical disclosure.

The CSA Paper is very timely because the recent debut of subpart 1300 under the S-K Regulation **("S-K 1300**") in the USA means small cap companies with earlier stage properties can now also disclose technical information to the broader market. This brings the technical disclosure requirements for smaller companies more in line with Canada, thus allowing these companies the option to seek investor money in the considerably deeper pockets of the USA.

However, because of the increased competition from S-K 1300, we do not think this is the time for the Canadian regulators to be adding to the compliance burden of issuers or qualified persons. Many of the measures proposed are not likely to have a material affect an investor's decision to invest in a company, but could have a significant negative impact on financial and temporal burdens for Canadian issuers and qualified persons.

Regards,

Sally Gillies, P.Geo. - Technical Director – Geology and Compliance

Paul Staples, P. Eng. – Vice President & Global Practice Lead, Minerals and Metals

Jared Dietrich, P. Eng. – Vice President Technical Services, North America

Consultation Questions

A. Improvement and Modernization of NI 43-101

1. Do the disclosure requirements in the Form for a pre-mineral resource stage project provide information or context necessary to protect investors and fully inform investment decisions? Please explain.

Response:

We believe the current disclosure requirements for pre-mineral resources stage projects, as prescribed under 43-101 F1 (the "**Form**"), provide adequate information or necessary context for investors. The Form allows companies to disclose information for properties that do not meet the definition of an "Advanced Stage Property" under Items 1-14, 23-27 of the Form. The required disclosure is comprehensive as it permits all material information regarding exploration, drilling, previous historical estimates, previous production and environmental, social and governance ("**ESG**") disclosure, as well as supporting material regarding surrounding properties to be disclosed.

2.a) Is there an alternate way to present relevant technical information that would be easier, clearer, and more accessible for investors to use than the Form? For example, would it be better to provide the necessary information in a condensed format in other continuous disclosure documents, such as a news release, annual information form or annual management's discussion and analysis, or, when required, in a prospectus?

Response:

We strongly support that information for properties with mineral resource and/or mineral reserves ("**MRMR**") is best presented in the report format. As a result, we believe it would cause confusion for investors to have to look for technical disclosure on a pre-resource stage property in a different disclosure document for a number of reasons, including:

- Investors are accustomed to finding this information in technical reports and should not have to look in two or more different types of disclosure depending on the development status of the property;

- Early stage properties are often sold, causing a current mineral resource or mineral reserve on a property for one issuer, being deemed historical for the party buying the property. It would be misleading and lacking in transparency if the investors have to look for a technical report for a property with a MRMR, but have to look at another type of disclosure document if that MRMR is suddenly an historical estimate and the property has reverted back to an early stage property;

- We note many TSX Venture companies are not short-form prospectus eligible and therefore do not produce an Annual Information Form. They are also the companies most likely to have pre-mineral resource stage projects, so this would not be a good avenue for disclosure for such companies.*b) If so, for which stages of mineral projects could this alternative be appropriate, and why?*

Response:

As noted above, we do not believe it is in the investors best interests to have disclosure on pre-mineral stage properties only available outside a technical report.

3.a) Should we consider greater alignment of NI 43-101 disclosure requirements with the disclosure requirements in other influential mining jurisdictions?

Response:

All recognised foreign codes for technical disclosure are based on the Committee for Mineral Reserves International Standards ("**CRIRSCO**"), with NI 43-101 being no exception. We are generally satisfied that NI 43-101 disclosure requirements are not too dissimilar to those under other foreign codes.

However, we do believe specifically, that parts of the Instrument are more restrictive than codes in other foreign jurisdiction, thus increasing the compliance burden for Canadian mining companies. This includes:

1. The requirement for an Independent Technical Report under (Section 5.3 of the Instrument); and

2. The requirement for individual Certificates of Qualified Persons or Consents when a report has been prepared by another 3rd party (Section 5.2 of the Instrument).

b) If so, which jurisdictions and which aspects of the disclosure requirements in those jurisdictions should be aligned, and why?

Response:

We believe the Instrument could better align with all other foreign codes, as follows:

1. Independent Technical Report: NI 43-101 is the only code based on CRIRSCO, which has requirements for an "Independent Technical Report" (Section 5.3 of NI 43-101). All other codes only require that a QP must state their relation to an issuer, but do not require independence from the issuer.

We note that to be a qualified person on a Technical Report, an individual is already required to meet a high standard as defined in NI 43-101, Section 1.1. This includes the requirement to be a member in good standing with a recognised Professional Body, which themselves are subject to requirements under NI 43-101, as well as provincial and/or local regulations. As part of NI 43-101, the Professional Bodies are required to have established professional standards of competence and ethics and have disciplinary powers. In addition, we note that often the best person with relevant experience to write technical disclosure with respect to certain sections of the technical report, are QP's who may not be independent by virtue of their relationship to their employer. Nonetheless, they are still bound by the same strict ethical and disciplinary measures as an independent QP.

As a result, we believe NI 43-101 should align with all other foreign jurisdictions and eliminate the requirement for an "Independent Technical Report" as described under Section 5.3 of NI 43-101, while adhering to all other requirements requiring of being allowed to be a called a "qualified person" and include disclosure of their relationship to the Issuer in their Certificate of qualified person.

2. Individual consents and certificate of qualified person: We note the Securities and Exchange Commission ("**SEC**") in the USA has formally bought in into effect S-K 1300. That regulation states, "*A third-party firm comprising mining experts, such as professional geologists or mining engineers, may date and sign the technical report summary instead of, and without naming, its*

employee, member or other affiliated person who prepared the technical report summary" (§ 229.1302(b)(1)(ii)).

We support changes to NI 43-101 which would allow consulting firms and/or companies to provide consents for technical reports. The naming of individual professionals in other regulatory filings is not required with respect to accounting, auditing, and legal matters and we feel that naming individual qualified persons does not provide any material change to an investor's confidence in the technical disclosure. We would support this reduction in the requirement for consent and/or certificate of qualified person in order to (i) reduce the cost of compliance on the Issuer with respect to filing other documents which incorporate technical disclosure, and (ii) reduce the liability burden on individual qualified person's.

4. Paragraph 4.2(5)(a) of NI 43-101 permits an issuer to delay up to 45 days the filing of a technical report to support the disclosure in circumstances outlined in paragraph 4.2(1)(j) of NI 43-101. Please explain whether this length of time is still necessary, or if we should consider reducing the 45-day period

Response:

We support the delay to provide a report under Paragraph 4.2(5)(a) of NI 43-101 to remain at 45 days, or even increase the delay to 60 days. The 45 day requirement allows for greater transparency in the markets as it permits the issuer to release the results of a mineral resource and/or mineral reserve before the information required in a report is finalised. This is important as it reduces the time frame an issuer may be withholding material information that investors and the markets are unaware of.

5.a) Can the investor protection function of the current personal inspection requirement still be achieved through the application of innovative technologies without requiring the qualified person to conduct a physical visit to the project?

Response:

For most technical reports, we do not believe site inspections can be satisfactorily completed without a physical visit to the project. The purpose of site inspections is to verify the validity of the information they are taking responsibility for in technical disclosure. A site inspection carried out by a qualified person can take many forms depending on what they are responsible for in the report, and what stage of exploration or development the project is at. Innovative technologies may improve the qualified person's site inspection, but they cannot replace it.

However, we do believe there might be very limited circumstances where a site inspection could be conducted through the application of innovative technologies. This would likely apply only to early stage properties (as defined in Section 1.1 of NI 43-101) and where there has been no material surface work completed.

b) If remote technologies are acceptable, what parameters need to be in place in order to maintain the integrity of the current personal inspection requirement?

Response:

The very phrase 'innovative technologies' implies these are new and rapidly evolving technologies. To try and place prescriptive limits on them in NI 43-101, which does not evolve as fast as the technology, would be very restrictive. If remote surveys do become permissible, then parameters for them should be decided upon by industry via the Canadian Institute of Mining and Metallurgy.

B. Data Verification Disclosure Requirements

6. Is the current definition of data verification adequate, and are the disclosure requirements in section 3.2 of NI 43-101 sufficiently clear?

Response:

The pre-amble to this question is very leading and the regulators appear to be seeking approval for an extremely prescriptive approach to data verification. However, just as it is not feasible to create a set of rules under the Instrument for each type of mineral deposit, it is not feasible to be prescriptive with respect to data verification. The data the qualified person has to use in a report can be quite varied and range across decades of exploration, development and production. The standards required today for data verification are already more onerous than required for data collection before the Instrument came into effect or several decades ago.

As a result, we believe the current definition for data verification as required under section 3.2 of NI 43-101 is sufficiently clear.

7. How can we improve the disclosure of data verification procedures in Item 12 of the Form to allow the investing public to better understand how the qualified person ascertained that the data was suitable for use in the technical report?

Response:

The measures for data verification described in the pre-amble to this question may or may not be acceptable, depending on the stage of development the project is at. Furthermore, the preamble seems to discredit data verification that QP's are currently doing. Data verification is still data verification and QP's are bound by the Instrument and ethically by their professional bodies to disclose what data verification they have done.

The only bullet point in the preamble that is likely open to question is the qualified person claiming they "*accepted former legacy data as the operators followed industry standards*" – of which there are no 'industry standards.' Use of that statement (or similar) could be misleading to investors. Guidance about use of the word, 'industry standard' with respect to data verification could be provided in Part 3 of 43-101 Companion Policy ("43-101 CP").

In terms of providing greater clarity for QP(s) taking responsibility for the data verification under Item 12 of the Form, we would recommend it is clear in the Form that <u>all</u> QP's taking responsibility for data in the report should disclose the data verification they did. That would remove the current bias to only comment on the geological, geochemical data and database integrity.

8. Given that the current personal inspection is integral to the data verification, should we consider integrating disclosure about the current personal inspection into Item 12 of the Form rather than Item 2(d) of the Form?

Response:

We do not think the location within the report for the details of the current personal inspection is critical, as long as it is disclosed.

C. Historical Estimate Disclosure Requirements

9. Is the current definition of historical estimate sufficiently clear? If not, how could we modify the definition?

Response:

We believe the current definition is sufficiently clear. However, requiring all the information under section 2.4 of NI 43-101 each time an historical estimate is disclosed can make for lengthy disclosure which is arguably not necessary (for example, in the Item 1 – Summary, of the Form). We would recommend the following:

1. The definition provided in section 2.4 of NI 43-101 should be reduced to only require that if an historical estimate is disclosed, then the information under section 2.4 (a), (b), and (d) should be included, as well as the cautionary language under section 2.4 (g); and

2. Historical estimates should become a separate line item under item 5 – History of the Form. The full requirements as per section 2.4 (a) thought to (g) should be disclosed here.

10. Do the disclosure requirements in section 2.4 of NI 43-101 sufficiently protect investors from misrepresentation of historical estimates? Please explain.

Response:

We believe the disclosure requirements in section 2.4 of NI 43-101 are sufficient to protect investors from misrepresentation of historical estimates.

When the historical estimate is disclosed as currently required under section 2.4 of NI 43-101 - or even with the abbreviated requirements suggested in our response under question (9) - the investor has sufficient information to not be misled about the information pertaining to the historical estimate. Adding more prescriptive measures and disclosure requirements is unlikely to make the disclosure 'less' misleading.

D. Preliminary Economic Assessments

11. Should we consider modifying the definition of preliminary economic assessment to enhance the study's precision? If so, how? For example, should we introduce disclosure requirements related to cost estimation parameters or the amount of engineering completed?

Response:

We believe the definition of a preliminary economic assessment is vague. However, we also note the definition for mineral resources, mineral reserves, preliminary feasibility studies and feasibility studies are all given in the *CIM Definition Standards for Mineral Resource and Mineral Reserves (May 19, 2014*). Any expansion or clarification to the definition of a PEA should also be included in the *CIM Standards for Mineral Resource and Mineral Reserves*, rather than in the Instrument itself.

We would also recommend that any definition is expanded to better define what a PEA is, versus what it is not.

12. Does the current cautionary statement disclosure required by subsection 2.3(3) of NI 43-101 adequately inform investors of the full extent of the risks associated with the disclosure of a preliminary economic assessment? Why or why not?

Response:

We think the cautionary statement required by subsection 2.3(3) of NI 43-101 is constrained by the definition of a PEA provided in NI 43-101 and does not convey the conceptual nature of a PEA. The statement could be revised to (i) have language stating the study is 'conceptual' in nature rather than 'preliminary' and (ii) have additional language stating that underlying assumptions for the PEA ('modifying factors') may change before a production decision.

Alternatively, we would recommend that for Items 13 - 22 of the Form, there is an additional line item requiring the QP to detail the risks and opportunities that remain for each relevant section (see comment "Significant Risks" under Part L, below).

13. Subparagraph 5.3(1)(c)(ii) of NI 43-101 triggers an independence requirement that may not apply to significant changes to preliminary economic assessments. Should we introduce a specific independence requirement for significant changes to preliminary economic assessments that is unrelated to changes to the mineral resource estimate? If so, what would be a suitable significance threshold?

Response:

As we recommend removing the requirement for independent technical reports (see response to question 3(b)), we do not believe there needs to be any additional requirements for an updated independent PEA as a result of material changes to the information. The decision to update the PEA should reside with the issuer and their determination of materiality of the information.

14. Should we preclude the disclosure of preliminary economic assessments on a mineral project if current mineral reserves have been established?

Response:

We do not recommend removing the ability to disclose a PEA on a property where there are established mineral reserves. Any number of factors can cause an issuer to take a step back and re-evaluate if there is a better way to develop the property. To remove the ability to include a PEA within a report with a mineral reserve would be misleading to investors who may now not be made aware the issuer is exploring other options. This relates to an issue we have raised under Part L, regarding "One current report for an issuer."

15. Should NI 43-101 prohibit including by-products in cash flow models used for the economic analysis component of a preliminary economic assessment that have not been categorized as measured, indicated, or inferred mineral resources? Please explain.

Response:

We note in the preamble to this question, that the regulators consider additional information regarding by-products as part of the economic analysis provided by QP's to be misleading. We would argue it is more misleading to not include this information if the Issuer is currently exploring this as a means to get the deposit into production.

We would also argue that if this information is to be "limited," then it should be included in any revision to the definition of a PEA which should be guided by industry and CIM (see response to Question 11).

E. Qualified Person Definition

16. Is there anything missing or unclear in the current qualified person definition? If so, please explain what changes could be made to enhance the definition.

Response:

We believe the current definition of a qualified person as per section 1.1 of NI 43-101 is satisfactory, subject to our response under question 17.

17. Should paragraph (a) of the qualified person definition be broadened beyond engineers and geoscientists to include other professional disciplines? If so, what disciplines should be included and why?

Response:

We support the expansion of the definition of qualified person to include people from other professions. Most qualified persons as defined under NI 43-101 do not have the relevant experience with respect to environmental, social, biological, political, financial, geotechnical and other issues, and yet are required to comment and take responsibility for this information. Furthermore, many experts in disciplines outside the area of a qualified person's area of expertise do not necessarily write documents which can be used in Item 3 of the Form. Therefore, it makes more sense to have the right professionals prepare and present a summary of the required disclosure.

However, we do not recommend the CSA define which other professions are acceptable as that restricts the experts qualified persons can rely – as already evidenced in Item 3 of the Form which currently restricts reliance on other experts to just legal, environmental, political and tax matters. The more advanced a project is, the greater the diversity of experts a qualified person has to rely on, and that list of experts is not just restricted to those already permitted under Item 3 of the Form.

18. Should the test for independence in section 1.5 of NI 43-101 be clarified? If so, what clarification would be helpful?

Response:

As noted above in our response to question 3(b), we do not believe there should be a requirement for "Independence." This is a uniquely Canadian feature amongst all the codes based on CRIRSCO and places a higher burden on both the issuer and qualified person. Even the SEC in its recent introduction of S-K 1300 does not require independent qualified persons to author reports.

We also do not believe the best person to write a report is necessarily someone deemed 'independent,' and the investors would obtain better disclosure if it's provided by someone who is truly an expert in the subject matter, no matter what their relationship is to the Company. It is incorrect to always assume a qualified person has made wrongful disclosure because they were not independent – more frequently, wrongful disclosure is made because the qualified person was incompetent or ill-informed. However, all qualified person's, independent or not, are subject to disciplinary action by both the regulators and their professional body, which we believe provides adequate controls over the work done by those qualified persons.

As such we would propose that section 1.5 of NI 43-101 should be removed, along with section 5.3.

We would support the statement under Section 8.1(g) of the Instrument being expanded to include the relationship the qualified person has with the issuer, and not just restricted to their relationship to the property.

If the concept of "Independence" remains, we seek clarification for consultants in 43-101 CP, Section 1.5. We believe that qualified person's working for a consulting firm offer a greater degree of independence than the company's own qualified person when authoring a report. If a consulting firm holds less than 10% of the issuer's issued and outstanding securities, then a qualified person who works for a consulting firm should still be regarded as independent, as per the current guidance in the companion policy.

19. Should directors and officers be disqualified from authoring any technical reports, even in circumstances where independence is not required?

Response:

We do not believe it is necessary to prevent directors and officers from authoring any technical reports. Most often, they are the people with the most relevant experience and expertise for the report. In addition, as they must be qualified persons to author a report, they are subject to disciplinary actions by their professional body and the regulators if they make misleading disclosure.

F. Current Personal Inspections

20. Should we consider adopting a definition for a "current personal inspection"? If so, what elements are necessary or important to incorporate?

Response:

We do not believe there is a necessity to provide a definition for 'current personal inspection.' The requirements for a current personal inspection are clear in Section 6.2 of the Instrument and expanded upon in section 6.2 of 43-101 CP. Mineral properties go through multiple stages before going into production. Each of those stages requires qualified person(s) to take responsibility for a diverse range of information ranging from exploration data through community engagement to financial analyses. It would be challenging to try and make the description more prescriptive.

We also note it is implied in the preamble that a qualified person has a lot of time to absorb the processes carried out by a Company, both during and after any program. This type of site inspection would be better performed by someone who is not independent and supports the recommendation to remove the requirement for independent technical reports.

21. Should the qualified person accepting responsibility for the mineral resource estimate in a technical report be required to conduct a current personal inspection, regardless of whether another report author conducts a personal inspection? Why or why not?

Response:

We are strongly against any prescriptive mandates for certain qualified person(s) to make site inspections. The qualified person(s) authoring a technical report should be the one(s) determining who makes a site inspection. To carve out a site inspection requirement for a qualified person doing a resource considerably increases the burden on the qualified person doing the resource as well as the issuer.

22. In a technical report for an advanced property, should each qualified person accepting responsibility for Items 15-18 (inclusive) of the Form be required to conduct a current personal inspection? Why or why not?

Response:

While we do support the need for site inspections, as per question 22, we do not support any mandates to force a qualified person to complete a site inspection just because they authored a particular section of the report. The qualified person(s) authoring the report should be able to co-ordinate and determine who needs to do site inspections.

At present, a site inspection is only required by at least one qualified person on a report (section 6.2(1) of the Instrument). In addition, the guidance currently given in section 6.2(1) of 43-101 Companion Policy states a site inspection is deemed current, provided "*there is no new material scientific or technical information about the property since that personal inspection*."

A technical report is always a snapshot in time. A company may have to re-evaluate the project multiple times on its journey from discovery to mine. There will be many instances where certain parts of a technical report have not changed, and other parts where it has materially changed. As a result, we would support additional guidance in section 6.2(1) of 43-101 Companion Policy recommending a new site inspection be completed by a qualified person taking responsibility for material changes to information under Items 15-18 of the Form.

23. Do you have any concerns if we remove subsection 6.2(2) of NI 43-101? If so, please explain.

Response:

We do not support the removal of section 6.2(2) of NI 43-101 as that would afford issuers no flexibility with respect to site inspections, and we believe it should be expanded to allow for delays in site inspections for other instances beyond the issuers control.

The recent COVID-19 pandemic highlighted that it is not always possible to undertake a site inspection. It is duly noted during this period, the regulators mandated site inspections for any technical report that required independent qualified persons and included disclosure of a mineral resource or economic analysis. It is very questionable whether this provided any benefit to the investor at all, as often these site inspections were performed by people who did nothing more than gain access to the property and did not observe any exploration programs or have anything to do with any other aspect of the technical report.

We believe this is another example where this unsatisfactory situation could have been avoided if there was no requirement for independent qualified persons to author certain technical reports.

It is our belief that the requirement for a site inspection needs to be flexible enough to allow for deferral of a site inspection when circumstances are beyond an issuer's control such as pandemics, war, weather, etc. Instead, we strongly recommend the expansion of Section 6.2(2) the Instrument to permit increased flexibility with respect to conducting a site inspection, especially when the circumstances that prevent a site inspection are beyond the control of the issuer or qualified persons.

We also note in the preamble that the regulators deem it necessary for a company to factor in site inspections in developing the timing and structure of their transaction and capital raising. As per the TMX 2022 Guide to Listing, 47% of the 5,300+ mining exploration projects operated by TSX and TSXV companies are located outside of Canada. If a Company is doing a capital raise only, it can cause considerable delays and costs to send a qualified person to do a site inspection,

particularly if they are operating in remote parts of the world where it can easily take upwards of a week just to get to site.

With respect to the requirement to update a technical report for a prospectus offering which is not an initial prospectus offering ("IPO"), consideration should be given to the issuer's ongoing continuous disclosure record that is available on SEDAR, and which includes MD&A and news releases. While recognising there may be material changes to the property since the technical report was filed, investors are still informed of the current status of the report via the Company's continuous disclosure requirements. Therefore, requiring a site inspection when there is no other trigger other than the Company is filing a non-IPO prospectus creates unnecessary burden and delays for the issuer as well as requiring a qualified person to try and find time to complete the site inspection which may or may not add any value depending on work completed since their last site inspection (see response to Questions 21-22).

Therefore, we support the requirements under section 6.2(2)(c) of NI 43-101 remaining – either here or in 43-101 CP – to ensure that a site inspection is completed.

G. Exploration Information

24. Are the current requirements in section 3.3 of NI 43-101 sufficiently clear? If not, how could we improve them?

Response:

Section 3.3 of NI 43-101 applies to all written technical disclosure by a mining company. It is unclear from the preamble to this question as to where the regulators are seeing 'significant non-compliant disclosure' – is it websites? News releases? Social media? That being said, given the very diverse range of media with which a company can provide investors and markets written technical disclosure, we are satisfied that current requirements under section 3.3 of NI 43-101 are sufficiently clear.

H. Mineral Resource / Mineral Reserve Estimation

25. Should Item 14: Mineral Resource Estimates of the Form require specific disclosure of reasonable prospects for eventual economic extraction? Why or why not? If so, please explain the critical elements that are necessary to be disclosed.

Response:

Although we believe there is considerable confusion around what constitutes 'reasonable prospects for eventual economic extraction' with a mineral resource estimate, there is also considerable guidance given in section 6.12 of the *CIM Estimation of Mineral Resources & Mineral Reserves Best Practice Guidelines (November 29, 2019.* Here, a qualified person can find a lengthy description of what they should consider when determining 'reasonable prospects for eventual economic extraction.' However, as deposits will vary, what may be an essential modifying factor for one deposit may not be for another. As such we do not support a more prescriptive approach in the Instrument and continue to support the guidance being provided by CIM.

26.a) Should the qualified person responsible for the mineral resource estimate be required to conduct data verification and accept responsibility for the information used to support the mineral resource estimate? Why or why not?

Response:

A company disclosing a mineral resource estimate is often a team effort between both the company resource modellers who may or may not be qualified persons, and the qualified persons for a report. In addition, no mineral resource estimate is created in isolation as it may require inputs from many disciplines including metallurgists, process engineers, environmental scientists, financial modellers, etc. As a result, a lot of information that goes into the mineral resource estimate is outside the resource qualified person's area of expertise.

As we noted in question 7 above, we support that all QP's should detail the data verification they did on the data they are responsible for.

b) Should the qualified person responsible for the mineral resource estimate be required to conduct data verification and accept responsibility for legacy data used to support the mineral resource estimate? Specifically, should this be required if the sampling, analytical, and QA/QC information is no longer available to the current operator. Why or why not?

Response:

Whether or not legacy data verification is included in a report, a qualified person is required to take responsibility for the information in the current report. As part of that, the qualified person should have done their own due diligence to verify the legacy data is suitable in the report.

27. How can we enhance project specific risk disclosure for mining projects and estimation of mineral resources and mineral reserves?

Response:

The existing cautionary language around disclosure about potential risks and uncertainties does apply to most deposits and does not need refining. As noted in our response to question 25, deposits can be quite varied and what may be critical to one deposit may not be so important for another. However, the current cautionary language does cover off most deposits.

We would support there being a requirement in the Form for sections 13-22 for qualified persons to discuss risks and opportunities for each section. This would overcome the "unforeseen bias" in technical reports where a qualified person for mineral resource and/or mineral reserve maybe unaware of a risk or opportunity because the qualified person who wrote any of sections 13-22 may have been a third party and not in direct contact with the MRMR qualified person(s).

I. Environmental and Social Disclosure

28. Do you think the current environmental disclosure requirements under Items 4 and 20 of the Form are adequate to allow investors to make informed investment decisions? Why or why not?

Response:

We believe the current environmental disclosure requirements are adequate. The technical report is supposed to be a summary of technical information regarding the property as of the effective date of the report. An investor making an 'informed decision' should not be relying on a technical

report to provide information on something that is both outside the expertise of qualified persons, and more readily in the public domain as a result of other regulations.

29. Do you think the current social disclosure requirements under Items 4 and 20 of the Form are adequate to allow investors to make informed investment decisions? Why or why not?

Response:

We believe the current social disclosure requirements are adequate. The technical report is supposed to be a summary of technical information regarding the property. Social disclosure will vary considerably depending not only through time, but whether the property is an early stage property or advanced property. We believe there are adequate provisions for this disclosure under item 4(h) and item 20(c),(d) of the Form.

We do not believe an investor should be making an 'informed decision' based on the social disclosure in a technical report because unlike the evolving social support (or lack thereof) for a project, a technical report is just a static snapshot of what is known at the effective date of the report. The investor would be better informed seeking current information from the issuer continuous disclosure record and other publicly available sources than a from a technical report.

As a result, we believe the technical report is not the place for comprehensive disclosure regarding social information and the summary information required under the Form is adequate.

30. Should disclosure of community consultations be required in all stages of technical reports, including reports for early stage exploration properties?

Response:

We believe the current community consultations requirements are adequate. The technical report is supposed to be a summary of technical information regarding the property. Community consultations will vary considerably depending not only in time, but whether the property is an early stage property or advanced property. We believe there are adequate provisions for this disclosure under item 4(h) and item 20(c),(d) of the Form.

Furthermore, an investor should not be making an 'informed decision' based on the community consultation disclosure in a technical report because this is a landscape that constantly evolves over time, and a technical report is just a summary of what is known as at the effective date. The investor would be better informed seeking current information from the issuer's continuous disclosure record and via other publicly available sources than a technical report.

As a result, we believe the technical report is not the place for comprehensive disclosure regarding community consultations and the summary required under the Form is adequate.

J. Rights of Indigenous Peoples

31. What specific disclosures should be mandatory in a technical report in order for investors to fully understand and appreciate the risks and uncertainties that arise as a result of the rights of Indigenous Peoples with respect to a mineral project?

Response:

We believe the current disclosure requirements in section 4 and 20 of the report are adequate. The technical report is supposed to be a summary of technical information regarding the property. The rights of Indigenous People's over any property is often complex and nuanced. This is

something well and truly outside the expertise of a qualified person as currently defined in the Instrument.

We note that if the definition of qualified person and/or requirements under Item 3 of the Form are expanded (as we recommend in our response to question 17,) then it would be possible to get experts to summarise this information. However, we also note this will likely cause a considerable burden on the issuer to find such experts, as well as incurring possible delays in updating the technical disclosure.

However, an investor should not be making an 'informed decision' based on the Indigenous People's disclosure in a technical report because this is a very subjective landscape that constantly evolves over time, and a technical report is just a summary of what is known as at the effective date. The investor would be better informed seeking current information from the issuer's continuous disclosure record or other publicly available sources than a technical report.

32. What specific disclosures should be mandatory in a technical report in order for investors to fully understand and appreciate all significant risks and uncertainties related to the relationship of the issuer with any Indigenous Peoples on whose traditional territory the mineral project lies?

We do not believe any additional disclosure is required. The information required under Item 4 and 20 of the Form is summary and provides a snapshot of what the status is only as at the effective day of the technical report.

However, there are numerous examples in the past decade throughout Canada where a variety of unforeseen circumstances in negotiations with Indigenous Peoples can suddenly, materially change a company's circumstances and render the information on social engagement in any form in a technical report irrelevant

Therefore, for an investor to be fully understand and appreciate all significant risks and uncertainties to the relationship of the issuer with any Indigenous Peoples, it should be the issuers responsibility to provide necessary disclosure on developments with Indigenous Peoples.

33. Should we require the qualified person or other expert to validate the issuer's disclosure of significant risks and uncertainties related to its existing relationship with Indigenous Peoples with respect to a project? If so, how can a qualified person or other expert independently verify this information? Please explain.

Response:

As noted in our response to questions 31-32 above, we do not believe the qualified person(s) as defined under the Instrument has the necessary qualifications and relevant experience to validate the issuers disclosure of significant risks and uncertainties related to its existing relationship with Indigenous Peoples.

Furthermore, we do not believe it is possible to 'validate' something as ephemeral as an Issuer's relationship with Indigenous Peoples.

K. Capital and Operating Costs, Economic Analysis

34. Are the current disclosure requirements for capital and operating costs estimates in Item 21 of the Form adequate? Why or why not?

Response:

We support there being more clarity on minimum standards of accuracy for each level of economic analysis. However, each project will have different requirements based on a wide range of inputs. To make this more prescriptive would constrain the current flexibility qualified person's have to adapt the capex and opex costs for the project.

35. Should the Form be more prescriptive with respect to the disclosure of the cost estimates, for example to require disclosure of the cost estimate classification system used, such as the classification system of the Association for the Advancement of Cost Engineering (AACE International)? Why or why not?

Response:

We find the requirements under Item 21 of the Form to be satisfactory – there is already a requirement to explain and justify the basis for the cost estimates. Further guidance around what should be disclosed is also available in the CIM's "*Estimation of Mineral Resources and Mineral Reserves (November 29, 2019)*". However, getting more prescriptive just reduces the flexibility the qualified person has to adapt the cost estimates to the project.

36. Is the disclosure requirement for risks specific to the capital and operating cost assumptions adequate? If not, how could it be improved?

Response:

We note at present there is no requirement in the Instrument or the Form. As noted in our previous response to questions 12 and 22, we would support there being a line item in the Form for this section where the qualified person discloses risks and opportunities resulting from the analysis.

37. Are there better ways for Item 22 of the Form to require presentation of an economic analysis to facilitate this key requirement for the investing public? For example, should the Form require the disclosure of a range of standardized discount rates?

Response:

The only clarifications we recommend are in (d) and (e) of Item 22 for the Form. We recognise both are implied but feel it would be beneficial to specifically state that the summary include:

- pre- and post-tax for the NPV/IRR
- include streaming agreements
- if applicable, sensitivities should also include exchange rate

We feel any other more prescriptive requirements such as requiring the disclosure of a range of standardised discount rates is restrictive and could lead to misleading disclosure as no two deposits are alike. Just because two projects may share similar deposit types or geology, does not mean they can be directly comparable – they may have completely different variables ranging from technical, political through to ESG affecting their development. As a result, trying to standardize the variables could be misleading for investors as that may result in the real issues with the project not being disclosed.

L. Other

38. Are there other disclosure requirements in NI 43-101 or the Form that we should consider removing or modifying because they do not assist investors in making decisions or serve to protect the integrity of the mining capital markets in Canada?

Response:

1. Regulatory comment: We note that when the SEC comments on a technical report in the US, the comment and responses are posted on EDGAR. We believe Canada would benefit from this level of transparency as at present, only the affected parties receive comments from regulators regarding technical disclosure issues. This leads to inconsistency in technical report writing as issuers and qualified person's alike are unaware of changes in the regulators interpretation and/or understanding of NI 43-101.

2. One current report for an issuer: – Under section 4.2(8) of 43-101 CP it states, "*There should only be one current technical report on a property at any point in time*." This seems to assume that projects are developed in a linear fashion from discovery to mineral resource to PEA to Mineral Reserve and Preliminary Feasibility Study to Feasibility Study. This is often just not the case as any number of modifying factors can impact a project over time.

   Companies should have the freedom to be able to (for example) update their mineral resource without negating their previously disclosed PEA. Section 4.2(7) of the 43-101 CP indeed seems to allow for this, merely putting the responsibility on the issuer to determine if they need to update their previous economic analysis or not. It is does no service to investors for an issuer to have to sacrifice an applicable economic analysis because of a material change to the mineral resource.

   Furthermore, no other mining disclosure code based on CRIRSCO requires there is only 'one' report current for the issuer. We believe this requirement may actually lead to investors being misled because:

   - Investors can seek out previous reports as they are filed on SEDAR;
   - With respect to PEA's, these are conceptual studies at best, and it is potentially misleading to investor to only have one report to rely on when the issuer may be exploring a number of different options for development ranging from property acquisition to different processing applications;
   - Similarly, issuer sometimes find it necessary to disclose a PEA on a property with a mineral reserve in response to new information.

   We do note that this should only apply to economic analyses that are current for the issuer and continue to support there being no reliance on economic analysis in a report that was prepared for a previous issuer.

3. Permitting S-K 1300 reports to be filed on SEDAR for dual-listed issuers: We note that a dual-listed issuer in Canada and the US might be required to file two reports to comply with both NI 43-101 and S-K 1300. It would be helpful to issuers if regulators can find a solution – whether in NI 43-101 or other regulations - that enables certain issuers to file one report that is acceptable in both jurisdictions. We believe this would reduce the chance of confusion amongst investors if they are only viewing one source for technical disclosure, rather than two or more as a result of the different regulations in each country.

4. Definition of a Qualified Person: We note that under part (b) of section 1.1, the qualified person is required to have "*at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these, that is relevant to his or*

her professional degree or area of practice." However, of late the regulators appear to be combining the 5 years required for the qualified person to get their professional designation and an additional 5 years of experience in the relevant area. This is creating considerable confusion as:

- A qualified person could very well have obtained 5 years experience in the relevant area of their expertise while they were 'in-training;
- A qualified person could also obtain 5 years relevant experience in the subject matter anywhere between 5 and 10 years of working – it is very exclusionary to discount relevant experience just because some or all of it was obtained while they were 'in-training;
- This appears to be a uniquely Canadian feature which doesn't seem to apply to qualified person's that are recognised as registered by a foreign professional body as per Appendix A of 43-101 CP;
- This is not an interpretation utilised by any other recognised foreign codes; and
- It creates a higher threshold to be a qualified person in Canada that will deter people from becoming qualified persons in the first place.

We feel that as long as a qualified person can demonstrate they have 5 years relevant experience in the subject matter they are taking responsibility for the report, then as per the definition in the Instrument, they are an acceptable qualified person.

5. Significant Risks: Throughout the consultation paper, it is apparent there is concern the risks are not being disclosed, despite there being adequate requirements under the Form. We suggest that this is in part due to the collaborative approach taken to compiling technical reports on advanced stage properties. Although we recognise that significant risks and uncertainties should be summarised under Item 25, we recommend that the risks and uncertainties are incorporated as additional requirements under each of items 13-22 of the Form in addition to any requirement under Item 25.