

September 12, 2022

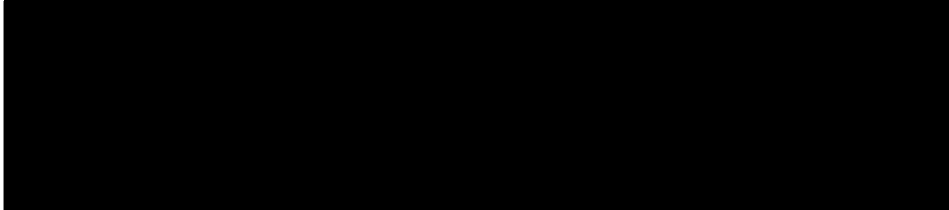
To the constituent member of the Canadian Securities Administrators:

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.

Please accept this submission from the CIM Mineral Resource and Mineral Reserve Committee (MRMR) to the CSA request for comment to the NI43-101 Consultation Paper. We appreciate the opportunity to respond and offer our guidance toward this important initiative.

Respectfully submitted,

On behalf of the MRMR Committee,



Garth Kirkham, P. Geo, FGC

Co-chair, CIM MRMR Committee

12 September, 2022

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 Canadian Securities Administrators Staff,

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

Introduction

The members of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Mineral Resource and Mineral Reserve Committee (the Mineral Resource and Mineral Reserve Committee, we, or our) would like to thank the Canadian Securities Administrators (CSA) staff for the opportunity to provide comments and feedback on CSA Consultation Paper 43-101.

The CIM Mineral Resource and Mineral Reserve Committee has had a long working relationship with the CSA, with the CIM formally recognized within National Instrument 43-101 Standards of Disclosure for Mineral Projects (the Instrument) as the source of defined terms, as set out in the CIM's CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended. The Companion Policy 43-101CP to National Instrument 43-101 Standards of Disclosure for Mineral Projects (the Companion Policy) also recognizes the CIM as providing practice guidelines for Qualified Persons and issuers that set out procedures and methodologies which are consistent with current industry practices.

In this comment letter, we note that there are a number of mining terms that we suggest being taken out of the Instrument, Companion Policy and Form 43-101F1 Technical Report (the Form) and being defined as mining terms within the CIM Definition Standards on Mineral Resources and Mineral Reserves. We also note other terms that we suggest being defined for the first time within the CIM Definition Standards on Mineral Resources and Mineral Reserves. We think that this step is in line with the CIM's position as the industry standard setter for mining terminology, is in line with CIM's commitments as a member of The Committee for Mineral Reserves International Reporting Standards (CRIRSCO), and the CIM's commitment as part of CRIRSCO to use mining term definitions set out in the CRIRSCO International Template (the CRIRSCO Template). We consider that the CIM is the logical custodian for mining terms, as the CIM has the flexibility to update and modify definitions on an as-needs basis, rather than the industry waiting on updates to terms that have changed occurring only when updates to the Instrument, Form, and Companion Policy are proposed.

We also provide some feedback on how the CSA staff may use the CIM Practice Guidelines as non-prescriptive guidance opposed to extensions of the Instrument. In summary, we are of the opinion that practice guidelines are not instructions and prescriptive lists of activities that Qualified Persons must abide by; instead, we consider them to be useful advice for a Qualified Person to contemplate when undertaking a particular activity. Our guidelines cannot, and do not, capture all nuances of a particular practice, in all cases.

Subsection A: Improvement and Modernization of NI 43-101

The disclosure items in the Form have generally remained unchanged since NI 43-101 was adopted in 2001, with some reorganization for advanced stage properties in 2011.

Question 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 from CIM Mineral Resource and Mineral Reserve Committee

In our view, the current Form contents provide a reasonable basis for disclosure of material scientific and technical information on a pre-mineral resource stage project.

We observe that in the Instrument, completion of a technical report based on the Form is the responsibility of a Qualified Person. It is the primary responsibility of a Qualified

Person to ensure that the Form content requirements are met. We do not consider that the Form content requirements need to be rewritten to be more prescriptive.

We note that the mining industry globally has developed practice guidelines, amongst which are the CIM's 2018 Mineral Exploration Best Practice Guidelines. We believe that practice guidelines should be consulted when a Qualified Person is preparing exploration content for a technical report. We believe that it is the judgment call of the Qualified Persons to decide which practice is guidance, is relevant in the context of the mineral project being considered, and whether there should be content, and the detail of the content that should be incorporated into the Form.

In our view, the Form should provide a framework for presentation of the scientific and technical content and set out the principles that the Qualified Person should follow. The Form should not set out specific, prescriptive instructions that are unlikely be applicable to all deposit types and commodities in all instances.

Question 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 from CIM Mineral Resource and Mineral Reserve Committee

We believe the Form is sufficient for the purpose of providing a summary technical report of the scientific and technical information as a snapshot in time (the effective date). The technical report should support the issuers continuous disclosure, periodic disclosure and prospectus disclosure, but the issuer should be expected to provide timely updates of relevant technical information between filings of technical reports.

Question 2(b)

If so, for which stages of mineral projects could this alternative be appropriate, and why?

Response from CIM Mineral Resource and Mineral Reserve Committee

Please review our response to Question 2(a).

Question 3(a)

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

Response from CIM Mineral Resource and Mineral Reserve Committee

Canada is a signatory to CRIRSCO, and as such has obligations as part of the membership.

We note that the majority of the major mining jurisdictions use the CRIRSCO Template definitions or have definitions that are derived from the CRIRSCO Template (e.g., Regulation S-K 1300 in the United States (S-K 1300)). As a result, we do not believe that a greater alignment is required.

The CRIRSCO Template allows for individual country guidance to be appended to selected definitions. We consider that this is sufficient to provide alignment across the CRIRSCO family of codes and allow for individual country practices.

Question 3(b)

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

Response from CIM Mineral Resource and Mineral Reserve Committee

We do not think that any additional alignment is required with other CRIRSCO-derived codes, as the countries that use the CRIRSCO template, or have reporting codes that are derived from this code constitute the majority of the jurisdictions of importance to the mining industry.

However, we think it would be beneficial to the mining industry if the CSA staff could undertake a project that assesses what can be done to ease the compliance burden and costs for those minority of companies, which are not subject to the Multi-Jurisdictional Disclosure System (MJDS), but are dual-listed in the USA and Canada, that now have to prepare both a technical report summary under S-K 1300 and a technical report under NI 43-101 on their material properties.

Question 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 from CIM Mineral Resource and Mineral Reserve Committee

We do not support a reduction in the 45-day filing period. We consider that the current 45-day period is the minimum duration that should be allowed for report filing.

We would recommend that the CSA staff review extending this period to 60 days. This longer period would be well-received by industry, particularly in the context of preparing technical reports on advanced properties, where there are numerous discipline areas with detailed information that must be reviewed and summarized into the technical report, and the individual peer review processes used by most Qualified Persons and issuers as a cross-check on the information in the technical report can take considerable time.

Question 5(a)

In recent years, CSA staff have observed mining issuers making use of new technologies to conduct exploration on their properties, including the use of drones. During the COVID-19 pandemic, we received inquiries from qualified persons about the possible use of remote technologies to conduct the current personal inspection

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 from CIM Mineral Resource and Mineral Reserve Committee

We believe that a site visit by at least one Qualified Person should be maintained as a compliance requirement. Which Qualified Person performs the visit, and how many Qualified Persons should visit for a particular project stage should be determined by the Qualified Persons, in discussion with the issuer.

The use of remote technology should be encouraged, but the use of such technology should augment, not completely replace, the need for a site visit by at least one Qualified Person.

Question 5(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 from CIM Mineral Resource and Mineral Reserve Committee

We do not believe that prescriptive parameters around remote technologies should be included in any future update of the Instrument, Form, or Companion Policy. In our opinion, what is reported in a technical report should be left to the judgement and expertise of the Qualified Person.

It is not possible to establish forward-looking guidelines based on industry practices around technologies that may be used in the future, or newly developing technologies.

Hence, the principles-based approach in NI 43-101 with CIM providing guidance once an industry-accepted practice is established. We believe that in these instances, the judgement and expertise of the Qualified Person is the best source of the summarization of information on the innovative or novel methods used, and the outcomes.

Subsection B: Data Verification Disclosure Requirements

Mineral projects commonly pass through the hands of several property holders, each generating exploration and drilling data. Using data collected from former operators prior to the current issuer's involvement in the project (legacy data) may be legitimate, but this data needs to be carefully verified, and transparently documented in technical reports. CSA staff see inadequate data verification disclosure at every project stage, from early stage exploration properties to feasibility studies.

Describing sample preparation, security, analytical procedures, and quality assurance/quality control (QA/QC) measures is critical to an understandable mineral resource estimate. Qualified persons must state their professional opinion on those processes, explain the steps they took to verify the integrity of the data, and state their professional opinion whether the data suits the purpose of the technical report. CSA staff emphasized these requirements in both CSA Staff Notice 43-309 Review of Website Investor Presentations by Mining Issuers and CSA Staff Notice 43-311 Review of Mineral Resource Estimates in Technical Reports (CSA Staff Notice 43-311).

Data verification as defined in section 1.1 and outlined in section 3.2 of NI 43-101 applies to all scientific and technical disclosure made by the issuer on material properties. For example, data verification:

- requires accurate transcription from the original source, such as an original assay certificate,*
- is not adequate when limited to transcribing data from a previous technical report,*
- is not limited to technical reports but also to other disclosure such as websites, news releases, corporate presentations, and other investor relations material, and*

- *is not limited to the drill hole database and must be completed for all data in a technical report.*

Response from CIM Mineral Resource and Mineral Reserve Committee

We would like to make some comments on the wording used in this preamble.

We are concerned at the CSA staff are making judgement calls as to what is inadequate versus adequate data verification disclosure. We would welcome CSA staff providing guidance on this issue to industry.

The CSA Staff Notice 43-311 can be helpful to issuers and Qualified Persons when assessing estimation practices; however, we have concerns when staff notices appear to be used as a rule-making extension of the Instrument.

We note that although the concept of data verification is well established in the industry for geological information such as drilling and sampling, the same cannot be said for discipline areas other than geology. In cases such as mining methods, recovery methods, infrastructure, environmental, social, legal/permitting and economic analysis, the industry is only now starting to consider what data verification could look like, and there is no industry consensus of what steps should be undertaken by the Qualified Person to verify information used in those discipline areas. The Qualified Persons should not be being reviewed by CSA staff for compliance with data verification procedures where such have not been generally established.

Question 6

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

Item 12: Data Verification of the Form addresses a core principle of NI 43-101 and is a primary function of qualified persons. Mining Reviews demonstrate that disclosure in this item is often non-compliant. For example, we do not consider any of the following to be adequate data verification procedures by the qualified person:

- *QA/QC measures conducted by the issuer or laboratory;*
- *database cross-checking to ensure the functionality of mining software;*
- *reliance on data verification by the issuer or other qualified persons related to previously filed technical reports; and*
- *unqualified acceptance of legacy data, such as disclosing that former operators followed “industry standards”.*

Response from CIM Mineral Resource and Mineral Reserve Committee

The CIM is the custodian of the CIM Definition Standards which includes definitions of mining technical terms (e.g. mineral resources and mineral reserves) and study types (e.g. pre-feasibility and feasibility studies). The definition of “data verification” should be provided by the CIM as part of the CIM Definition Standards. The CIM has the flexibility to update and modify definitions and guidance as required, rather than wait on changes to the Instrument, Form, and Companion Policy.

We consider that the definition of data verification should be removed from the Instrument, Form, and Companion Policy and be defined by the CIM. Guidance to what constitutes data verification should also be the responsibility of the CIM.

While we do agree that legacy data should not be accepted without review, we do not agree with the bullet point list of what is being interpreted as inadequate data verification procedures by the Qualified Person. We consider that:

- Whether QA/QC measures conducted by the issuer or laboratory are acceptable to support the use of the data should be the judgment call of the Qualified Person in the context of the Qualified Person’s knowledge of the issuer, laboratory, and type of data being assessed;
- Database cross-checking to ensure the functionality of mining software is also an acceptable practice. It is a valid form of verification and a standard procedure when validating data;
- Reliance on data verification by the issuer or other qualified persons related to previously-filed technical reports. The fact that the current qualified person did not do the verification does not automatically mean that the work of others is unreliable or not useful, or that the data are suspect. The qualified person should be able to rely on previous work, and, once they have reviewed that work, opine on whether the data are suitable to be used in the technical report;
- Unqualified acceptance of legacy data, such as disclosing that former operators followed “industry standards” or “accepted practices” at that time. We agree that no data should be accepted without review, but if the Qualified Person considers that the former operator did follow the industry standards at the time the data were collected, and if the qualified person has performed other checks on that information, then the qualified person should be able to state that, and accept the data for the purpose for which it will be used.

We believe that the disclosure requirements in section 3.2 of NI 43-101 are sufficiently well described that no change is needed.

Question 7

In addition, qualified persons frequently limit data verification procedures to the drill hole data set, resulting in a general failure to meet the disclosure requirements of Item 12 of the Form, which apply to all scientific and technical information in a technical report.

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 from CIM Mineral Resource and Mineral Reserve Committee

We do not believe that the industry has the same understanding of what information requires data verification that the CSA staff are presenting in this question. The majority of the industry considers that the location of the Item, prior to metallurgy, resource and reserve estimation, mine planning, recovery methods, infrastructure, social and environmental and financial assessment, means that the verification applies to the earlier Items of the Form, and not to the later Items.

Hence, we consider that the CIM should define the term, and provide the relevant guidance around verification. We note that many of the discipline areas in later Form Items currently have no industry-standard consensus guidelines on what data verification is in those areas. Data verification is well established in terms of principles, guidance, and methodologies for the geological areas (drilling, sampling, sample preparation, assaying) but principles, guidance, and methodologies are either being developed in terms of a consensus industry approach or do not yet exist within the industry for aspects of metallurgical sampling and test work, mine planning, recovery methods, infrastructure, social and environmental, cost estimation, and financial assessment.

Question 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 from CIM Mineral Resource and Mineral Reserve Committee

Item 2(d) is a reasonable location to describe what the scope of the personal inspection was, and what was done; it is also, after two decades of Form usage where investors expect to see this information. Unless there is a compelling reason for moving the content requirement, which has not been provided in the preamble, we suggest that the requirement remains under Item 2(d).

We note that if the Qualified Person chooses to provide additional information on the scope of the site visit, there is nothing in Item 2(d) that precludes more detailed

discussion. The Qualified Person is equally able to provide details of the site visit in Item 12 if they choose and include what they did in terms of verifying data and information as part of the discussion of the procedures applied by the Qualified Person under the Item 12 content requirements.

Subsection C: Historical Estimate Disclosure Requirements

In spite of extensive guidance in the Companion Policy, CSA staff see significant non-compliant disclosure of historical estimates. We remind issuers that non-compliance with section 2.4 of NI 43-101 can trigger the requirement to file a technical report under subsection 4.2(2) of NI 43-101. Examples of non-compliance include:

- *failure to review and refer to the original source of the historical estimate,*
- *failure to include the cautionary statements required by paragraph 2.4(g) of NI 43-101, or inappropriate modification of such statements,*
- *failure to include required disclosure of key assumptions, parameters and methods used to prepare the historical estimate, and*
- *inappropriate disclosure by an issuer of a previous estimate.*

Question 9

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

Response from CIM Mineral Resource and Mineral Reserve Committee

The CIM is the custodian of the CIM Definition Standards which includes definitions of mining technical terms (e.g., mineral resources and mineral reserves) and study types (e.g., pre-feasibility and feasibility studies). The definition of a “historical estimate” should be provided by the CIM as part of the CIM Definition Standards. The CIM has the flexibility to update and modify definitions and guidance as required, rather than wait on changes to the Instrument, Form, and Companion Policy.

We consider that the definition of a historical estimate should be removed from the Instrument, Form, and Companion Policy and be defined by the CIM. Guidance to what constitutes a historical estimate should also be the responsibility of the CIM, and the basis of the historical estimate at the time of the estimate.

We consider that the CIM can also address within its defined term the differences between historical estimates and prior estimates, i.e., those Mineral Resources estimates prepared by the issuer but now superseded by a current Mineral Resource estimate.

Question 10

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

Response from CIM Mineral Resource and Mineral Reserve Committee

We believe that the term definition and associated guidance should be the responsibility of the CIM.

If the term remains within the Rule, then we acknowledge that the current language in section 2.4 of NI 43-101 is acceptable and does not require modification.

Subsection D: Preliminary Economic Assessments

The disclosure requirements for preliminary economic assessments were substantially modified in 2011, resulting in unintended consequences requiring additional guidance published in CSA Staff Notice 43-307 Mining Technical Reports – Preliminary Economic Assessments in August 2012.

Mining Reviews continue to show that preliminary economic assessment disclosure remains problematic for issuer compliance and, more importantly, is potentially harmful to investors. While the inclusion of inferred mineral resources is a recognized risk to the realization of the preliminary economic assessment, CSA staff's view is that the broad, undefined range of precision of a preliminary economic assessment also contributes to that risk. This range of precision is incongruent with one of the core principles of NI 43-101, which is that investors should be able to confidently compare the disclosure between different projects by the same or different issuers. In addition, CSA staff see evidence of modifications to cautionary language required by subsection 2.3(3) of NI 43-101 that render this provision less effective.

Response from CIM Mineral Resource and Mineral Reserve Committee

We are concerned that the industry use of, and understanding of, the purposes of PEAs is not reflected by, or captured in, the current definition of a PEA in the Instrument, or by how CSA staff are interpreting such a study. In our view the following are critical concepts:

- A PEA is a what-if analysis of what a project could be, based on limited information, and numerous assumptions and predictions;
- A prefeasibility study (PFS) is an analysis of what a project could be, based on more information than a PEA, and with some assumptions and predictions verified or discarded;

- A feasibility study (FS) is an analysis of what a project should be, based on detailed information and project specific assumptions and predictions verified or discarded;
- The operating mine plan is the presentation of what the project is, based on actual operating data.

We consider that there is a gap between what is provided in the Instrument definition of a PEA, and the actual industry practices, in that PEAs are used in numerous what-if scenario analyses, including:

- Initial scoping of what a project may look like;
- Alternates analyses: examination of one mining or processing option versus other options; step-back and re-evaluation analyses of a proposed or operating mine plan; examination of future options such as transitioning from open pit to underground mining methods.

We believe that the CIM can address this gap by taking ownership of the PEA definition and associated guidance.

We also consider that presentation of information, assumptions, accuracies and risks/opportunities in disclosures of the results of a PEA should be the responsibility of the Qualified Person.

We do not consider that introducing prescriptive content requirements on such disclosure is in the best interests of the investor. We also believe that such prescriptive content requirements could negatively impact the costs of completing such studies and form an unnecessary burden on issuers. We also do not agree with the expectation “*that investors should be able to confidently compare the disclosure between different projects by the same or different issuers*”. PEAs and other types of mining studies are based on interpretations of limited data that are used to come up with simplified models of complex systems. The models evolve as more and better data is acquired and the mining studies are then updated. There should not be an unreasonable expectation of confident comparison between studies.

Question 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 from CIM Mineral Resource and Mineral Reserve Committee

The CIM is the custodian of the CIM Definition Standards which includes definitions of mining technical terms (e.g., mineral resources and mineral reserves) and study types

(e.g., pre-feasibility and feasibility studies). The definition of a “preliminary economic assessment” should be provided by the CIM as part of the CIM Definition Standards. The CIM has the flexibility to update and modify definitions and guidance as required, rather than wait on changes to the Instrument, Form, and Companion Policy.

We consider that the definition of a preliminary economic assessment should be removed from the Instrument, Form, and Companion Policy and be defined by the CIM. Guidance to what constitutes a preliminary economic assessment should also be the responsibility of the CIM.

We do not believe that the CSA staff providing prescriptive cost estimation parameters, or the amount of engineering will be of benefit to an investor. It is very likely to increase the cost burden on issuers completing mining studies that must meet such parameters.

In our opinion, cost estimations should be the responsibility of the Qualified Person in consultation with the issuer, as estimates, accuracies, and contingency allocations will vary widely, based on a project’s location, the deposit type and complexity of that particular deposit under consideration, the nature of the saleable product, the available infrastructure in that jurisdiction and the ability to use that infrastructure, community experience with mining operations, the amount of information available on the project, the issuer’s acceptance of the nature and type of risks associated with any project development or expansion, and the issuer’s own internal metrics for “go/no-go” decisions.

Question 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 from CIM Mineral Resource and Mineral Reserve Committee

We are concerned with the statement that any disclosure can present “*the full extent of the risks*”, as this is an unrealistic objective based on the preliminary data available at this particular study stage.

We believe that the term definition and associated guidance should be the responsibility of the CIM. In our view, this will provide the mining industry, including investors with a reasonable understanding of conceptual nature and intent of the study type, and the types of risks that may be involved.

Question 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 from CIM Mineral Resource and Mineral Reserve Committee

We do not believe that a specific independence requirement for significant changes to preliminary economic assessments that is unrelated to changes to the mineral resource estimate is necessary.

We are concerned that the proposal to require independence is an additional cost burden on the issuer, and the CSA staff have provided no information on how the step will add value, or protection, to an investor.

We note that Canada is the only reporting jurisdiction in the CRIRSCO family of codes that requires independence of Qualified Persons in certain instances. We also note that S-K 1300 does not require Qualified Persons to be independent of the issuer. In all cases the requirement is simply that the Qualified Person discloses their relationship to the issuer.

Question 14

In 2011, we broadened the definition of preliminary economic assessment in NI 43-101 in response to industry concerns that issuers needed to be able to take a step back and re-scope advanced properties based on new information or alternative production scenarios. In this context, the revised definition was based on the premise that the issuer is contemplating a significant change in the existing or proposed operation that is materially different from the previous mining study.

CSA staff continue to see considerable evidence of preliminary economic assessment disclosure, subsequent to the disclosure of mineral reserves, which is potentially misleading and harmful to investors. In many cases, issuers continue to disclose an economic and technically viable mineral reserve case, while at the same time disclosing a conceptual alternative preliminary economic assessment with more optimistic assumptions and parameters. In many cases, the two are mutually exclusive options.

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

Response from CIM Mineral Resource and Mineral Reserve Committee

We do not agree with the premise that disclosure of preliminary economic assessments on a mineral project should be precluded if current mineral reserves have been established.

Evaluations of alternate scenarios for a mining project continue after mineral reserve declaration, and because alternate scenarios typically have one or more elements that are not supported by the level of information used to estimate mineral reserves, are done at a PEA level. This is an accepted industry practice for internal strategic planning, trade off studies, and alternative development options analyses.

We agree that such alternate scenario evaluations should only be completed on mineral resources if they are to be publicly disclosed. However, we believe it reasonable for those alternate scenarios to re-use some or all of the mineral resources already converted to mineral reserves in the evaluation.

We do not agree that mutually exclusive options cannot be disclosed. We consider informing the investor of the alternatives under consideration is beneficial, not misleading.

Question 15

In some cases, issuers are disclosing the results of a preliminary economic assessment that includes projected cash flows for by-product commodities that are not included in the mineral resource estimate. This situation can arise where there is insufficient data for the grades of the by-products to be reasonably estimated or estimated to the level of confidence of the mineral resource. We consider the inclusion of such by-product commodities in the preliminary economic assessment to be misleading.

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 from CIM Mineral Resource and Mineral Reserve Committee

We agree that that by-product elements, if not in the mineral resource estimate, should not be in the PEA economic analysis that is publicly disclosed.

We comment also that by-products, if not in the mineral reserve estimates, should not be in the economic analysis for pre-feasibility or feasibility studies, or be used in a life-of-mine plans that are publicly disclosed.

Issuers should be able to alert investors to the presence of by-product elements in the saleable products that may have project upside potential, however, as long as this is expressed qualitatively, not quantitatively.

Subsection E: Qualified Person Definition

CSA staff have substantial evidence that the current qualified person definition is not well understood, and have seen an increase in practitioners with less than 5 years of experience as professional engineers or geoscientists acting as qualified persons in technical reporting. CSA staff have directed many comments to issuers informing them that the qualified person does not meet the requirements of NI 43-101 in the circumstance under review.

Question 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 from CIM Mineral Resource and Mineral Reserve Committee

CIM is a learned, not for profit society comprising technical professionals, and is not a professional association. However, as the CIM is the steward for definition standards, we consider that the definition of the Qualified Person should be the responsibility of the CIM and be part of the CIM Definition Standards. In addition, we recommend that guidance be provided to Qualified Persons and issuers as part of that definition to assist them in determining how and whether a Qualified Person meets the requirements to be a Qualified Person. Such guidance will also provide education and information resources for investors.

It is suggested, particularly in the case of Canadian Qualified Persons, that the Professional Associations lead by Geoscientists Canada and Engineers Canada, consult and assist with developing clear guidance and resources for Qualified Persons and issuers.

Question 17

Currently, the qualified person definition requires the individual to be an engineer or geoscientist with a university degree in an area of geoscience or engineering related to mineral exploration or mining.

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 from CIM Mineral Resource and Mineral Reserve Committee

While the CIM is a learned, not for profit society comprising technical professionals, and is not a professional association, we would like to see the definition of Qualified Person be expanded.

We believe that there are many engineering and geoscience aspects of mining studies and technical disclosure that are within the purview of a Qualified Person, as currently defined. However, the current definition also requires that engineers or geoscientists take responsibility for content that is outside of their field of practice.

We note that substantial components of mining studies are prepared by experts who do not necessarily have degrees in engineering or geoscience that is directly related to the mining industry. Examples include cost estimators, those preparing the financial analysis, environmental and social studies, and certain onsite and offsite infrastructure.

In our view, the objective should be for the person to be preparing, and taking responsibility for, the information in the mining study be someone who is qualified by academic education, relevant experience, and subject to standards of professional practice and ethics. To cover these disciplines, the definition of Qualified Person needs to be broader than the current definition.

Question 18

Qualified person independence

The gatekeeping role of the qualified person is essential for the protection of the investing public. CSA staff see evidence of issuers and qualified persons failing to properly apply the objective test of independence set out in section 1.5 of NI 43-101. The Companion Policy provides certain examples of specific financial metrics to consider. This list is not exhaustive. There are multiple factors, beyond financial considerations, that must also be considered in determining objectivity, including the relationship of the qualified person to the issuer, the property vendor, and the mineral project itself.

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

Response from CIM Mineral Resource and Mineral Reserve Committee

Please review our response to Question 13.

Question 19

Named executive officers as qualified persons

CSA staff are concerned that the gatekeeping role of the qualified person conflicts with the fiduciary duties of directors and officers. We have seen situations where the self-interest of such individuals in promoting an attractive outcome for the mineral project overrides their professional public interest obligation as a gatekeeper.

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

Response from CIM Mineral Resource and Mineral Reserve Committee

Please review our response to Question 13.

Subsection F: Current Personal Inspections

The current personal inspection requirement in section 6.2 of NI 43-101 is a foundational element of the qualified person’s role as a gatekeeper for the investing public. It enables the qualified person to become familiar with conditions on the property, to observe the property geology and mineralization, and to verify the work done on the property. Additionally, it provides the only opportunity to assess less tangible elements of the property, such as artisanal mining or access issues, and to consider social licence and environmental concerns. The current personal inspection is distinctly different from conducting exploration work on the property; it is a critical contributor to the design or review, and recommendation to the issuer, of an appropriate exploration or development program for the property.

Question 20

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

Response from CIM Mineral Resource and Mineral Reserve Committee

The CIM is the custodian of the CIM Definition Standards which includes definitions of mining technical terms (e.g., mineral resources and mineral reserves) and study types (e.g., pre-feasibility and feasibility studies). The definition of a “current personal inspection” should be provided by the CIM as part of the CIM Definition Standards. The CIM has the flexibility to update and modify definitions and guidance as required, rather than wait on changes to the Instrument, Form, and Companion Policy.

We consider that the definition of a current personal inspection should be removed from the Instrument, Form, and Companion Policy and be defined by the CIM. Guidance to what constitutes a current personal inspection should also be the responsibility of the CIM.

Question 21

CSA staff's view is that qualified persons must consider their expertise and relevant experience in determining whether they are suitable to conduct the current personal inspection. For example, geoscientists are generally not qualified to conduct elements of the current personal inspection related to potential mining methods or mineral processing. Similarly, engineers may not be qualified with respect to elements of the geoscience. In such cases, more than one qualified person may be required to conduct a current personal inspection, particularly for an advanced property.

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 from CIM Mineral Resource and Mineral Reserve Committee

We believe that the term definition of a “current personal inspection” and the associated guidance should be the responsibility of the CIM.

We do not believe a site visit by the mineral resource estimator needs to be a statutory requirement within the Instrument, Form, or Companion Policy. We believe that the determination as to whether a site visit is required is a judgement call made by each Qualified Person for their area of expertise, in discussion with the issuer.

Question 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 from CIM Mineral Resource and Mineral Reserve Committee

We believe that the term definition of a “current personal inspection” and the associated guidance should be the responsibility of the CIM.

We believe that the requirement for a current site inspection is at the judgement call of each Qualified Person for their area of expertise, in discussion with the issuer.

Question 23

We expect issuers to consider the current personal inspection requirement in developing the timing and structure of their transactions and capital raising. Subsection 6.2(2) of NI 43-101 does allow an issuer to defer a current personal inspection in limited

circumstances related to seasonal weather, provided that the issuer refiles a new technical report once the current personal inspection has been completed. However, this provision has been used infrequently since it was adopted in 2005. In rare circumstances where issuers do rely on this provision, CSA staff see significant non-compliance with the refiling requirement.

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

Response from CIM Mineral Resource and Mineral Reserve Committee

We do not agree with the removal of subsection 6.2(2) of NI 43-101. We consider it prudent to retain the provision. Although the provision for deferring site visits for weather-related considerations has not recently been invoked, the circumstances, given the mining industry is cyclical, will recur.

We think that the wording in subsection 6.2(2) should be extended to allow for delay of site visits due to other causes, the most topical being pandemics.

Subsection G: Exploration Information

CSA staff continue to see significant non-compliant disclosure of exploration information, including inadequate disclosure of:

- *the QA/QC measures applied during the execution of the work being reported on in the technical report,*
- *the summary description of the type of analytical or testing procedures utilized, and*
- *the relevant analytical values, widths and true widths of the mineralized zone.*

Question 24

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

Response from CIM Mineral Resource and Mineral Reserve Committee

We consider that the requirements in section 3.3 of NI 43-101 are sufficiently clear, and no update is needed.

Subsection H: Mineral Resource/Mineral Reserve Estimation

In CSA Staff Notice 43-311 published in June 2020, a comprehensive review of disclosure in technical reports identified several areas of inadequate disclosure of mineral resource estimates

Question 25

Reasonable prospects for eventual economic extraction

CIM Definition Standards guidance states that a qualified person should clearly state the basis for determining the mineral resource estimate and that assumptions should include metallurgical recovery, smelter payments, commodity price or product value, mining and processing method, and mining, processing and general and administrative costs. Revisions to the CIM Definition Standards in 2014 and CIM Best Practices Guidelines in 2019 emphasized the requirement for the practitioner to clearly articulate these assumptions and how the estimate was developed.

Mining Reviews provide evidence of technical reports that lack adequate disclosure on metal recoveries, assumed mining and processing methods and costs, and constraints applied to prepare the mineral resource estimate to demonstrate that the mineralized material has reasonable prospects for eventual economic extraction.

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 from CIM Mineral Resource and Mineral Reserve Committee

The CIM is the custodian of the CIM Definition Standards which includes definitions of mining technical terms (e.g., mineral resources and mineral reserves) and study types (e.g., pre-feasibility and feasibility studies). The definition of “reasonable prospects of eventual economic extraction” should be provided by the CIM as part of the CIM Definition Standards. The CIM has the flexibility to update and modify definitions and guidance as required, rather than wait on changes to the Instrument, Form, and Companion Policy.

The CIM has the flexibility to update and modify definitions and guidance as required, rather than wait on changes to the Instrument, Form, and Companion Policy.

We consider that the definition of reasonable prospects of eventual economic extraction should be removed from the Instrument, Form, and Companion Policy and be defined by the CIM. Guidance to what constitutes reasonable prospects of eventual economic extraction should also be the responsibility of the CIM. We believe better definitions and guidance around reasonable prospects of eventual economic extraction will improve estimation practices that will lead to better outcomes of mineral resource estimates, and will be the basis for better disclosure.

Question 26(a)

Data verification

Disclosure of a mineral resource estimate is a significant milestone for an issuer. CSA Staff Notice 43-311 noted that disclosure of data verification procedures and results was one of the weakest areas in the mineral resource estimate review, stating that in technical reports reviewed by CSA staff, more than 20% had incomplete disclosure concerning the qualified person's data verification procedures and results.

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 from CIM Mineral Resource and Mineral Reserve Committee

We believe that data verification is a team effort, as set out in CIM's Practice Guidelines on Mineral Resources and Mineral Reserves.

The Qualified Person is responsible for conducting a reasonable investigation into the data used, and to support their opinion that the data are suitable for use.

Question 26(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 from CIM Mineral Resource and Mineral Reserve Committee

We find that use of legacy data is always undertaken by industry on a case-by-case basis. Legacy data often reflect a significant scientific, technical and monetary investment in a project, and such data should not be discarded simply because they are legacy information.

As set out in CIM's Practice Guidelines on Mineral Resources and Mineral Reserves, verification is typically a team effort. However, we consider that it is the responsibility of the Qualified Person to determine what is necessary to verify information in the context of that project, deposit type, and sampling methods, including consideration of previous data verification efforts, to allow the Qualified Person to accept the information as suitable for the purposes used in the technical report.

Question 27

Risk factors with mineral resources and mineral reserves

Paragraph 3.4(d) of NI 43-101 requires issuers to identify any known legal, political, environmental and other risks that could materially affect the potential development of the mineral resources or mineral reserves. In addition, Items 14(d) and 15(d) of the Form require the qualified person to provide a general discussion on the extent to which the mineral resource or mineral reserve estimate could be materially affected by any known environmental, permitting, legal, title, taxation, socio-economic, marketing, political or other relevant factors.

Many technical reports only provided boilerplate disclosure about potential risks and uncertainties that are general to the mining industry. Failure to set out meaningful known risks specific to the mineral project make mineral resource and mineral reserve disclosure potentially misleading.

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

Response from CIM Mineral Resource and Mineral Reserve Committee

We consider that identification of risks with mineral resource estimation is the responsibility of the Qualified Person in discussion with the issuer.

We note that the mineral resource and mineral reserve confidence classification categories that a Qualified Person must apply to meet the CIM Definition Standards, inclusive of modifying factors, already incorporate risk because of the confidence category assigned. In our view, investors are already aware that the lower the confidence category, the higher the risk.

The modifying factors, by their nature, include elements that cannot be quantified. The risk profile of a project can change significantly over short periods and the technical report should not be viewed as the only means of communicating the current risks to the mineral resource and mineral reserve estimates. Issuers have other periodic and continuous disclosure documents that can be used to address short- and longer-term changes in risk to the mineral project.

Subsection I: Environmental and Social Disclosure

In recent years, CSA staff have seen an increase in public and investor awareness of environmental and social issues impacting mineral projects. Item 4: Property Description and Location and Item 20: Environmental Studies, Permitting and Social or Community Impact of the Form allow for disclosure of relevant environmental and social risk factors for the mineral project.

However, these disclosure requirements related to environmental and social issues have remained largely unchanged since NI 43-101 was adopted in 2001.

Question 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 from CIM Mineral Resource and Mineral Reserve Committee

We are not providing a response to this question, as the CIM's ESG Committee will be providing a separate response.

Question 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 from CIM Mineral Resource and Mineral Reserve Committee

We are not providing a response to this question, as the CIM's ESG Committee will be providing a separate response.

Question 30

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

Response from CIM Mineral Resource and Mineral Reserve Committee

We are not providing a response to this question, as the CIM's ESG Committee will be providing a separate response.

Subsection J: Rights of Indigenous Peoples

We recognize Indigenous Peoples to include First Nations, Inuit and Métis Peoples in Canada. We also recognize that issuers have projects in jurisdictions outside of Canada, and those jurisdictions will have Indigenous Peoples.

The unique legal status of Indigenous Peoples has received national and international recognition. For many projects, the rights of Indigenous Peoples overlap with legal tenure, property rights and governance issues. We believe that disclosure of these rights, and the Indigenous Peoples that hold them, forms an essential part of an issuer's continuous disclosure obligations.

Item 4 of the Form requires disclosure of the nature and extent of surface rights, legal access, the obligations that must be met to retain the property, and a discussion of any other significant factors and risks that may affect access, title, or the right or ability to perform work on the property. We are interested in hearing whether other disclosures should be included in the Form, or the issuer's other continuous disclosure documents, that relate to the relationship of the issuer with Indigenous Peoples whose traditional territories underlie the property.

Question 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 from CIM Mineral Resource and Mineral Reserve Committee

We are not providing a response to this question, as the CIM's ESG Committee will be providing a separate response.

Question 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?

Response from CIM Mineral Resource and Mineral Reserve Committee

We are not providing a response to this question, as the CIM's ESG Committee will be providing a separate response.

Question 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 from CIM Mineral Resource and Mineral Reserve Committee

We are not providing a response to this question, as the CIM's ESG Committee will be providing a separate response.

Subsection K: Capital and Operating Costs, Economic Analysis

Capital and operating costs assumptions are integral to the financial and economic analysis of mineral projects. We see longstanding evidence, including industry-based case studies, of significant variance between disclosed cost estimates in technical reports and actual costs as projects are developed. This variance can have negative impacts on investors who rely on financial disclosure in technical reports.

Question 34

Capital and operating costs

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

Response from CIM Mineral Resource and Mineral Reserve Committee

We consider that no changes are required to the content requirements set out currently for Item 21. We believe that they are adequate.

Question 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 from CIM Mineral Resource and Mineral Reserve Committee

We do not believe that any introduction of prescriptive requirements on cost estimate accuracy will be in the best interests of investors.

We do not think that the Qualified Person needs to identify a specific cost estimate classification system, since many issuers have their own criteria for study stages, that are not necessarily based on a specific public-domain cost estimate classification system. We also observe that operating mines do not fit into an AACE-type classification, which is restricted to study types.

We believe that the prescriptive cost accuracy ranges included in the new SEC S-K 1300 mining disclosure standards are unreasonably narrow and will encourage issuers and qualified persons to claim they are meeting these ranges without having the appropriate detailed level of project definition and engineering inputs.

Question 36

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

Response from CIM Mineral Resource and Mineral Reserve Committee

We observe that for many projects, cost estimation risks are not project specific. Qualified Persons and issuers only provide general disclosure about potential risks and uncertainties, simply because that is all that is known for that project stage. Many projects also face exactly the same risks. We note that because those risks may apply to many projects, that doesn't mean that they are not real risks or uncertainties for a particular project.

Question K 37

Economic analysis

As stated above, a core principle of NI 43-101 is to require disclosure that will allow investors to be able to confidently compare the disclosure between different projects by the same or different issuers. Standardized disclosure is fundamental to this principle.

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 from CIM Mineral Resource and Mineral Reserve Committee

We do not consider that changes to Item 22 of the Form are needed.

We do not agree that “a core principle of NI 43-101 is to require disclosure that will allow investors to be able to confidently compare the disclosure between different projects by the same or different issuers” or that “Standardized disclosure is fundamental to this principle”. We consider that this premise is an unreasonable expectation. Mining projects are subject to assumptions using limited data; they include estimates of mineral resources and reserves, costs, and mine plans based on limited project definition and engineering inputs.

We believe that the selection of discount rate and other key parameters should remain the responsibility of the Qualified Person in discussion with the issuer.

We agree that good practice would be to show a selection of discount rates, but this should not be mandatory.

Subsection L: Other

Question 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 from CIM Mineral Resource and Mineral Reserve Committee

CIM as Standards Setter

As noted in the introduction to this comment letter, the CIM have had a long working relationship with the CSA, with the CIM formally recognized within the Instrument as the source of defined terms, as set out in the CIM's CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended. The Companion Policy also recognizes the CIM as providing practice guidelines for Qualified Persons and issuers that set out procedures and methodologies which are consistent with industry standard practices.

We are of the opinion that there are a number of mining terms that should be removed from the Instrument, Form, and Companion Policy and be defined as mining terms within the CIM Definition Standards on Mineral Resources and Mineral Reserves.

These include:

- Qualified Person;
- Current site inspection;
- Data verification;
- Historical estimate;
- PEA;
- Reasonable prospects of eventual economic extraction.

We think that this step is in line with the CIM's position as the industry standard setter for mining terminology, is in line with CIM's commitments as a CRIRSCO member, and the CIM's commitment to use mining term definitions set out in the CRIRSCO Template.

We consider that the CIM is the best custodian for mining terms, as the CIM has the flexibility to update and modify definitions on an as-needs basis, rather than the industry waiting on updates to terms that have changed occurring only when updates to the Instrument, Form, and Companion Policy are proposed.

As updates to NI 43-101 can be more than a decade apart as shown by the most recent adoption, having the definition only in the Instrument does not provide the industry with the benefit of rapid incorporation of changes that reflect shifts in the industry's viewpoint,

the industry's uptake by of new technologies or approaches, or changes in approaches driven by stakeholder or investor expectations.

We note that the CIM has access to a broad membership base, comprising individuals, junior mining companies, major mining companies and consultancies, representing numerous disciplines that have a wide-ranging experience with different commodities, deposit types, extraction methodologies, social consultation, environmental studies and permitting, amongst other areas, which will allow the CIM to provide proximal and detailed guidance to the defined terms for Qualified Persons and issuers to consider when employing a particular term, and provide context around usage of the term.

Use of CIM Practice Guidelines

We acknowledge that by virtue of the use of the term “best practices” we may have inadvertently contributed to the interpretation that the CIM guidelines are an extension of the Instrument as a prescriptive list of requirements. We are in the process of revising the terminology to reflect the fact that what we present in our guidance documents are practices that are current as at the date the guidance was accepted by CIM Council, and that as the guidance ages, it may not be reflective of either current industry practices or what industry has moved on to consider to be a leading or best practice.

We would like to clarify that we established practice guidelines to provide general advice and guidance to Qualified Persons and issuers on particular topics, not as must-comply adjuncts to the Instrument. In the case of Mineral Resource and Mineral Reserve estimates, the guideline provides a general discussion of current estimation practices and methodologies that can be employed and steps that can be undertaken. In the case of exploration practices, the guideline provides general information on the type and nature of exploration-stage activities, such as data collection and storage procedures that can be used.

The presentation in the guidelines is not necessarily applicable to all practices in all areas, since as a guideline, the topics covered are necessarily generalized and do not reflect each and every circumstance that can be encountered during exploration and estimation. We also note that guidelines are not mutually exclusive, in that if a specific topic is covered in one guideline but not another, that does not mean that the topic is also not applicable to the other guideline.

We do agree that it is good, and accepted, industry practice in Canada for the Qualified Persons to prepare disclosure in accordance with our guidelines, but our guidelines are advice, not legislation nor regulation. We consider the guidelines to be highly useful advice for a Qualified Person to contemplate when undertaking a particular activity. Our guidelines cannot, and do not, capture all nuances of a particular practice, in all cases. That is the role of the Qualified Person using their judgment based on their formal training, industry experience in those types of deposits, in the particular context of that project history and current information.

Conclusions

In conclusion, the key points from this comment letter are that:

- CIM should become the preferred source and keeper of mining term definitions and associated guidance;
- CIM guidance documents are not extensions of the Instrument, and should not be interpreted as such, since they are prepared as advice for Qualified Persons and issuers, not as a set of prescriptive regulatory requirements.

We thank the CSA staff again for the opportunity to provide comment and feedback.

Yours truly,

Members of the CIM Mineral Resource and Mineral Reserve Committee.