Miscellaneous responses from a number of employees at SRK Consulting (UK) Ltd:

- Fiona Cessford BSc, MSc, CEnv, FIMMM Corporate Consultant (Environment, Social and Governance)
- James Davey MESci, PhD, FGS Consultant (Resource Geology)
- Martin Pittuck CEng, FGS, MIMMM Corporate Consultant (Mining Geology)

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.

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.

Anyone operating early stage exploration needs to demonstrate to prospective investors that they are conversant and proactive with respect to ESG matters and stakeholder engagement. Item 20 should be covered even for project not yet at an advanced stage, its position in the F1 should therefore be moved accordingly.

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?

NI 43-101 reporting has become a “buzz word” in the global industry generally associated with top level technical disclosure so this needs to be retained. If there is a move towards a “JORC Table 1” equivalent then it should be done much more clarity in terms of intent (many practitioners have different understandings of the intent of Table 1). If there is a desire to develop this idea then maybe some formal guidance for content and disclosure style for the Technical Report Item 1 (executive) Summary – guided by a requirement to list risks and opportunities covering all ESG and RPEEE items.

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

3.

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

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

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.

We have always welcomed the 45 day reporting period

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.

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?

It is still important to have QP boots on the ground, to observe first hand the environment / geology / infrastructure / operations and meet the team on the ground. New technology does make it more feasible to reduce frequency of subsequent visits / improve the quality of routine remote communication.

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?

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.

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".

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.

Data verification, as outlined in Section 3.2 of NI 43-101, uses quite general terms and only specifically refers to the verification of “sampling, analytical, and test data”.

It seems to be a common misconception that this section (Item 12) refers only (or primarily) to the raw drilling and sample data supporting the MRE when it is actually relevant to several subsequent Items of NI 43-101 (namely 13 and 15-22). Part of the role of each QP is verifying the data supporting their technical section with the same level of rigour as is more commonly applied to the drilling, sampling and assaying work stages. In direct answer to Q6/Q7 of the Consultation paper, I think the definition and disclosure requirements of data verification, as set out in Section 3.2, need to be somewhat more explicit, across all relevant technical disciplines to ensure the reader better understands how the QP ascertained that all supporting data was suitable for use in the technical report.

Verification is sometimes interpreted to mean a requirement to undertake independent sampling which was our initial interpretation when the Instrument was first produced, I think this is more relevant when exploration is at a discovery stage, but less relevant for more advanced projects.

This is a central angle underpinning the reason the Instrument was brought into being in the first place. It is also the area where QP and CSA staff frequently find themselves with differing interpretatioins. Some additional guidance and examples of what IS acceptable rather than the bullet list above which details what is not acceptable would really help here.

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?

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?

That might be useful for the sake of consolidation. Is it enough these days to ask to QP only to verify data, should we consider asking the QP to verify technical strategy and ESG practices as evidenced on site?

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.

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

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

This is a relatively minor point but section 2.4 (f) of NI 43-101 should only really be relevant in a scenario where an updated MRE is not being reported, however this is not stated. If a new MRE is being reported then I'm not sure what relevance "comments on what work needs to be done to upgrade or verify the historical estimate as current mineral resources or mineral reserves" has. However as currently worded in section 2.4, this is a minimum requirement for the disclosure of any historical estimate.

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.

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?

I feel it may be relevant to disclose in some meaningful way, the time and cost that has been invested in a PEA / PFS / FS so that the amount of effort that has gone into derisking a project is clearly distinguishable and could possibly be benchmarked with respect to a semi-quantified scale.

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?

It does not go far enough, mineral resource risk is one important aspect but there are also considerable risks that ought to be disclosed; for example: assumed metallurgical performance / assumed permitting green lights / undercooked operating and capital cost estimates.

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?

Yes – this should be a requirement. If we start quantifying significance thresholds here, then it follows that significance thresholds and assessments of materiality of change ought ot be quantified in other parts of the instrument (where QP's frequently approach CSA to seek guidance).

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.

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

Mineral Reserves should be based on a base case plan of investment, development and operation. Supplementary studies assessing changes to the base case are normal and the Instrument should be able to accommodated these as 'alternative scenarios' presented in PEA or PFS documents – as long as any such documents reference the base case and are therefore not misinterpreted to be THE Mineral Reserve for the project.

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.

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.

We have encountered this on several occasions. Often, past production records (concentrate assays) underpin the forecast by-product revenue assuming primary vs by-product ratios ratios will continue. Where such revenue is material to the project we would want to see the work done to confirm what ws recorded in the past will continue to happen in the future. That normally requires a re-assay of historical samples to allow inclusion of the by-product grades in the resource model appropriately domained and available for conventional mine planning processes. Often though, the level of confidence attached to the bi-product will be less than the confidence attached to the main product. We consider it our duty as QPs to convey such complications very clearly in resource and reserve statements. So I don't think there is a need to prohibit inclusion of by-products as long as the work has been done to underpin related revenue forecasts.

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.

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.

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.

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?

Q17: Broadening definition of QP – in my view the definition should be broadened to reflect any technical discipline that may be needed to support the sign off of resources or reserves, particularly the latter where a much more diverse group of people are needed. Not all people contributing will be engineers or geoscientists. There may be social specialists (who may have a BA), legal people (for permitting, accountants/management consultants (for governance aspects). All should be able to sign off on their particular technical/specialist area. Or if not, then further clarity is needed on how the QPs can rely on input from these professionals without taking on sole responsibility themselves.

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.

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

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.

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

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.

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

A visit can be “current” in terms of technical data but may not be current in terms of the surrounding environment; I expect the Instrument to embrace ESG issues more fully and on that basis a statement of currency with respect to ESG aspects should be required.

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.

Q20: Elements for incorporation in current personal inspection - For early stage projects, it is reasonable to expect a QP to at least be aware of land acquisition, permitting, environmental and social issues that may influence RPEEE. However for more advanced projects, it is highly likely that the QP will be relying on one or more other professional people from different disciplines - as such, see response to Q22 below.

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?

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?

Strongly encouraged rather than required. Indeed, each Item encapsulates a number of elements that require derisking as the project develops and QPs often need the first hand experience and dedicated interaction time to fulfil their role.

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.

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

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.

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

They are quite clear in terms of Exploration Data, however I suggest an additional angle is required concerning stakeholder interactions and their impact on the investment risk concerning the Exploration Asset

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.

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.

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.

Yes, to encourage discussion and visibility of RPEEE and associated cut off grade determination; either in their own section or as a requirement in the Mineral Resource Item 14. If a check list is to be provided it makes sense for it to reflect other Items currently used for more advanced projects (Items 16 to 22 inclusive).

Q25: The comments in the consultation note and guidance on Item 14, miss out element of ESG that also need consideration when determining RPEEE. Although Item 14(d) requires potential modifying factors to be discussed, there should be a specific requirement for the assumptions around these in the determination of RPEEE to be disclosed. For example, the need to be moving towards net zero carbon has significant implications on both capital and operational costs that are often ignored at early stages, but will be a reality later so as a minimum there should be sensitivity assessments around this and other key modifying factors. Ditto for aspects around permitting that have implications for timing and schedule.

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.

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?

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?

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.

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

Q27: Enhancing project specific risk disclosure - More guidance is needed on how these clauses should be interpreted. Otherwise generic statements will continue to be applied. A key risk area is around ESG. Generic statements in early stage reporting around 'no known obstacles' to permitting, social licence etc are meaningless and indicate either a lack of experience, laziness or a lack of will to look at these. There are many examples of where ESG topics have resulted in failure of projects at later stages, the risks of which should and could have been identified and disclosed earlier.

Require the QP to address a generic set of risks and also state their view on specific risks that are more unique to the project under consideration

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.

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?

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?

Q28 & 29: Yes, disclosure requirements require significant updating to reflect current and expected norms around disclosure of ESG topics, more detail given below.

- Firstly, awareness of ESG issues should be driving project study and development right from the start. Natural and human capitals (resources) are as important as the geological resource in the ground (which actually forms part of the natural capital of an area). Thus there needs to be more emphasis and/or accompanying guidance for earlier items (specifically Items 4 and 5) within the NI43-101 report structure to assist the QP in determining what ESG factors are likely to pose risks (threats and opportunities) to the project. It is perfectly reasonable for an early stage exploration project and definitely an initial resource stage project to as a minimum identify at least a desktop basis potential issues such as: land use in the vicinity; catchment areas that may be affected (and how the water is used and how stressed it is); proximity to protected areas; likelihood of sensitive habitat or presence of species of conservation concern; possible climate changes over the envisaged life of the project; presence of indigenous people; both legal and traditional land rights; presence of ASM; localisation requirements; permitting road maps; etc. This all needs to be captured right at an appropriate level of detail commensurate to the stage of project. It should come at the start of the statement, as any or all of these may go on to influence (limit) definition of the exploration target area, resource and definitely the reserve. It should be scene setting information – with the detail of how ESG modifying factors are addressed and incorporated into project assumptions within each and every subsequent section, as appropriate.

- In Item 4 (f), the use of the term environmental liabilities is often taken to refer to historical contamination associated with previous land uses. It is suggested this bullet be completely rewritten to broaden what is meant to address the topics raised in the first bullet above.

- In Item 4 (g), the reference to permits should be expanded to include other required agreements such that any obligatory or expected agreements with communities or other third parties are appropriately disclosed if applicable.

- In Item 20, the list of considerations is ad hoc and rather random. The list of ESG issues now requiring consideration, particularly for advanced properties has increased and it is suggested this Item needs a complete rethink to either include a longer list of considerations, or to keep it simple, to remove the specific list altogether. Rather there could be emphasis on disclosing the process by which ESG factors that could influence exploration targets, have been assumed to influence RPEEE or have been identified as modifying factors in declarations of reserves have been identified, what these were and how they are proposed to be addressed. Clarity on the process will given investors confidence that the relevant risks have been identified and considered at each stage. Separate guidance could then be provided on the processes expected relevant to each stage of project development, possible issues that may need consideration (expanded list) and the level of disclosure expected for each stage.

- It is recognised there are a growing number of international standards that reflect good international industry practice. Some of these are linked to company disclosure, supply chain, industry organisations etc. Examples include GISTM, ICMC, ISO standards, TCFD, OECD human rights. In addition, there will be the host country and corporate requirements that a project needs to adhere to. It is suggested that Item 20 include a requirement for the project proponent to clearly state which requirements/guidelines/standards the project has considered and aligned with. This provides: a) some confidence to investors that the project is developed in line with recognised requirements; and b) enables further assurance to be required after the fact to prove the project has done what it said it would do.

- Where relevant it may be appropriate to indicate that cross referencing to other disclosure documents is acceptable. Rather than repeat everything, where information is available in another recent public document, reference to this document with a short summary within the R&R statement may be adequate and appropriate.

- Reference should be made to ongoing consultation being done by CRIRSCO ESG working group, SAMESG consultation and the recent changes to PERC and those being considered by JORC.

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

Q30: Yes, engagement with community commences the first time boots hit the ground - all companies should be actively encouraged to ensure all such

communications regarding initial agreements on access through to full impact assessment consultation are documented. At each level there should be a requirement to disclose known or likely issues of concern to stakeholders, such that risks around community (or other stakeholder) objections can be better understood. The definition of stakeholders should also be clarified to extend beyond just local communities and NGOs. There is increasing interest from business stakeholders (insurers, commodity purchasers, supply chain consumers etc) and this should be recognised (more applicable to advanced stage projects but worth recognising at early stage projects for some key commodities e.g. critical minerals).

Yes, A requirement to comment on stakeholder engagement at any stage makes sense. ESG is now a key part of the spectrum of risks facing the investor

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.

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?

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?

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.

Q31 – 33: Indigenous people – not an area I am strong in so only one general comment. The current emphasis in Item 4 is on 'legal' rights. In certain jurisdictions indigenous people (and in fact some non-indigenous people) may not have legal rights but definitely have traditional rights that should be acknowledged (along with the implications of this on access to sites and social licence to operate). There needs to be greater recognition of the use of land and other natural resources within the project area of influence (which may extend beyond the concession boundary), by communities. Ties to land are strong with indigenous communities and this link and any risks to future development should be acknowledged as early as possible, along with how the way forward will be managed. FPIC should be the default for indigenous communities, with an if not why not statement given if that is not the case.

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.

Capital and operating costs

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

Probably not adequate given how frequently capital overruns give a bad name to all sorts of projects. It may be defendable to have preliminary / benchmarked operating costs included in RPEEE for Mineral Resources; however a much more substantial basis of estimate should be required in a PFS and FS. The relative error associated with cost estimation can easily and significantly outweigh the impact on the NPV that the error on reserve tonnage and grade would have.

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?

In light of my above statement it would be logical to have the Instrument provide more guidance on key aspects of cost estimation. However, whilst QPs are not required to specify a numeric error margin on their estimates of tonnage and grade, neither should the engineers and cost estimators be required to do that? As with resource reserve classification, perhaps it would make sense to formally assign low / reasonable / high confidence to cost estimates.

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

Perhaps a section on Risks and Opportunities towards the end of any NI43-101 report will bring these and other risks out into the open more readily to be understood – the requirement could be to present these in order of impact and to discuss likelihood and mitigating measures for each.

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.

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?

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?

Q38: Under Section 3.4 (d) of NI43-101, reference is made to any known legal, political, environmental or other risks that could materially affect the potential development. It is suggested that the items listed here be expanded to either reflect the list given for modifying factors, or as a minimum be expanded to include specific reference to social and permitting. Permitting is implicit in legal but sadly not everyone recognises this and thus more clarity would be helpful. The need for greater emphasis on social goes without saying, particularly consider the comments made in the consultation paper regarding issues such as indigenous people.

Following a general discussion with peers, it was widely agreed Item 15 should be moved further down in the report structure as a culmination of all the other technical sections.

Comments and Submissions

We invite participants to provide input on the issues outlined in this Consultation Paper.

Please submit your comments in writing on or before July 13, 2022. Please send your comments by email in Microsoft Word format.

Please address your submission to all of the CSA as follows:

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

Deliver your comments only to the addresses below. Your comments will be distributed to the other participating CSA.

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