September 9, 2022

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Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marché 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
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RE: Canadian Securities Administrators ("CSA") Consultation Paper 43-101 – Consultation on National Instrument 43-101 Standards for Disclosure of Mineral Projects ("NI 43-101")

This letter is provided to the CSA in response to its Consultation Paper dated April 14, 2022 (the "Consultation Paper").

Dundee Precious Metals Inc. ("DPM") is a Canadian-based international mining company listed on the Toronto Stock Exchange engaged in the acquisition, exploration, development, mining and processing of precious metal properties. Our current operations and projects are located in Bulgaria, Namibia, Ecuador and Serbia. DPM is a reporting issuer in all provinces and territories of Canada.

DPM welcomes CSA's initiative of seeking feedback from stakeholders about the efficacy of several key provisions of NI 43-101, priority areas for revision, and whether regulatory changes would address concerns expressed by certain stakeholders. DPM believes the consultation constitutes a very positive step and looks forward to improvements of NI 43-101 that will hopefully streamline the regulatory regime, reduce red tape and move towards a more efficient and competitive Canadian capital markets. We accordingly express our general support for CSA's initiative.

The following are our responses to certain of the consultation questions for which CSA has requested feedback in the Consultation Paper. For ease of reference we reproduce the relevant consultation questions below with our responses under each. To the extent consultation questions reproduced below do not have a response, we have no comments on the same.

Consultation Questions and Responses from DPM:

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?

The first stated objective of the Form is "…to provide a summary of material scientific and technical information concerning mineral exploration, development, and production activities on a mineral property

that is material to an issuer" (emphasis added). We have noted that this primary objective has not been achieved as the length of technical reports very often largely exceed 200 pages and most of the information contained therein is not material information. Therefore, the CSA should consider ways to limit the size of technical reports to promote the stated objective of providing a summary of material scientific and technical information concerning a mineral property that is material to an issuer.

The information required in NI 43-101F1 is also largely duplicative of the information required by item 5.4 of NI 51-102F2 from a materiality standpoint. The CSA could consider simplifying the Form better in line with item 5.4 of Form 51-102F2 and specify parameters to make it clear that it is meant to be a summary.

As an alternative to the current requirement to file technical reports upon the occurrence of specified triggers, we believe it would be beneficial for CSA to consider a disclosure and compliance model based around an annual (or upon first time disclosure of Mineral Reserves, Mineral Resources or a Preliminary Economic Assessment ("PEA")) mineral disclosure statement in the form or substantially in the form of item 5.4 of NI 51-102F2 (the "Technical Summary Disclosure Statement"). This Technical Summary Disclosure Statement could be integrated into the Annual Information Form ("AIF") for AIF filers (or stand alone for issuers who do not file AIFs) and could be certified annually by Qualified Persons ("QPs") (with the same independence parameters as are in place for technical reports) to the extent material changes occurred since the previous AIF.

For prospectuses and other comparable documents, a similar requirement with respect to the inclusion or incorporation by reference of the disclosure required by the Technical Summary Disclosure Statement would exist, again without the requirement to file a separate technical report.

Upon the announcement of material changes in Mineral Resources, Mineral Reserves and PEAs, all disclosure, including news releases, would need to be reviewed and approved by QPs, as is currently the case, who would continue to take personal responsibility for such disclosure (and CSA could consider the filing of QP certifications to support such disclosure).

We believe significant costs and time could be preserved by simplifying the process and either simplifying the Form or eliminating the concept of technical reports.

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

CSA should consider the checklist of assessment and reporting criteria from the Joint Ore Reserves Committee Code, 2012 edition ("JORC (2012)"). It is a useful tool for transparent reporting of exploration drilling results and would ensure the QP has assessed and provided opinion on all the relevant technical information needed to support the results. It would also allow for a greater deal of parity between disclosures of exploration results.

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.

The 45 days filing requirement is a suitable amount of time for the preparation and filing of a technical report and should not be reduced. It achieves both the timely disclosure requirement by allowing for prompt disclosure of material information by issuers with respect to Mineral Reserves and Mineral Resources while also allowing some additional time to prepare the detailed supporting technical report. We believe reducing the 45-day period may place unnecessary time pressure on issuers which could result in inadvertent errors and in fact CSA should consider increasing the filing requirement to 60 days.

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?

The QP visit is essential for those responsible for the geology and mining related sections of disclosure as they must dedicate time to understanding the deposits physical characteristics, which currently can only be completed by physically inspecting core and visiting the field or mining operation.

Virtual visits facilitated by technology may have the risk of being curated by the issuer, which leaves open the possibility that some important information or deficiencies could be selectively excluded. We should avoid giving investors the impression that a virtual inspection is an acceptable substitute for a personal inspection.

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?

We believe that the current definition of what should be verified by the QP could be improved since the general disclosure that most issuers produce generally relates to quality assurance and quality control, analytical and drillhole data. However, we note that the definition of data verification is broader. To provide clarity, CSA may consider providing a checklist of items to be included in the data verification. As a general comment, in instances like this, where interpretations can vary and practice often fails to meet the expected standard, some further guidance or prescriptiveness in the Instrument or Companion Policy is warranted.

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

We believe the reliability of a historical estimate should be discussed in detail versus the current suggestion of 'commenting' on the reliability. It should be immediately clear to an investor why a historic estimate cannot be deemed to be a current estimate.

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

We do not believe that disclosing a PEA on a mineral project or property should be precluded by prior disclosure of Mineral Reserves. For instance, many projects and mineral properties contain different deposits, or even different zones within a deposit. Perhaps an oxide portion of a deposit is in Mineral Reserves, but the issuer envisions an add-on project to mine and process the sulphide portion of a deposit, much of which is inferred. The issuer should not be precluded from doing so. We believe that it may be beneficial to have more clarity as to when it is allowable for an issuer to do so by way of a concrete list of specific circumstances where it is allowable (i.e. codify the circumstances identified in Staff Notice 43-307 and other circumstances where the CSA Members Staff has considered it appropriate) and also provide a means within the form for issuers to report these situations. Perhaps CSA should consider adding a new section for satellite deposits.

In the case where the issuer wishes to evaluate different options for developing a project, we feel this should be done entirely at the PEA stage. Further to this we believe that at the PEA stage issuers should be allowed to include trade off studies. Following the PEA stage, if Mineral Reserves are already defined, and the issuer wishes to disclose a different alternative for developing the project, the issuer should be required to declare that the Mineral Reserves are no longer current and issue a PEA conceptualising the alternative option. If the issuer wishes to compare both options, the original option (the Mineral Reserve case) must be restated at a PEA-level alongside the alternative case. Ideally, this would be done prior to issuing a pre-feasibility study ("PFS"), but there are instances, such as when a project is acquired by a new issuer, when a reversion to PEA status is warranted. A new PFS would then be required in order to re-establish current Mineral Reserves.

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

We hesitate to support this due to the varied nature of mineral projects at different stages of development. Being overly prescriptive could compromise the inspection.

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?

We believe that additional disclosure requirements would place an additional burden on issuers, especially on earlier stage projects or projects being advanced by smaller companies without an established sustainability reporting mechanism. Requirements in this area should be aligned to any other statutory reporting obligations on environmental, social, and governance ("ESG") as this area is not limited to the mining industry.

At this stage, there is not enough standardization in the industry regarding disclosure standards and methodologies for forward-looking environmental/climate change impacts, so this would need to be very

clearly defined, or risk creating a complicated process for investors to be fully informed on environmental disclosure.

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?

We believe that this is better suited in other continuous disclosure documentation. Once flagged, investors look for continuous information on the social aspect of projects, which is often fluid and rapidly changing. Therefore, CSA may consider alternative disclosure avenues.

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

The level of cost estimates performed for a given type of study (PEA, PFS or feasibility study ("FS")) and the amount of detail reported in the technical report varies widely. Item 21 could be more prescriptive in this regard. Specifically, there is a lack of consistency in the quality of estimates and disclosure. We would prefer to see something more prescriptive by explicitly stating the cost accuracy (+/- x%), level of engineering completed, standardized contingency ranges for each level of study, etc. If CSA considers this to be too rigid, CSA may consider making disclosure of certain standard items mandatory so investors may judge the risk for themselves.

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?

We believe items 21 and 22 of NI 43-101F1 should address the disclosure of certain common non-GAAP measures, such as cash cost per ounce, all-in sustaining costs ("AISC") and earnings before interest, taxes, depreciation and amortization ("EBITDA") often used in the disclosure of a PEA, PFS, and FS (together, "Mining Studies"). In particular, we note that Section 7(a) of NI 52-112 says that an issuer must not disclose a non-GAAP financial measure that is forward-looking information in a document unless the document discloses an equivalent historical non-GAAP financial measure.

Generally, Mining Studies are for a pre-production mining project and therefore there is no historical information available. Consequently, it appears on the face of it that it is impossible for an issuer who wants to disclose expected cash costs per ounce or AISC per ounce in a Mining Study or related disclosure on a new project to provide the equivalent historical measures and comply with section 7(a) of NI 52-112. We understand that it may not be the intent of NI 52-112 to prohibit disclosure of estimated cash costs, AISC or EBITDA for pre-production mining projects, but it would be beneficial for NI 43-101 and NI 52-112 to be amended to clarify that disclosure of such non-GAAP measures for pre-production mining projects is not prohibited and clearly provide guidance as to how they can be disclosed in compliance with the expectations of NI 52-112. These are important and widely used metrics that investors look for in order to

fully assess a project and make informed investment decisions, so the restrictions and barriers for companies in reporting them is doing investors a disservice and makes it more difficult for issuers to provide transparent disclosure.

In general, QPs tend to understand the level of estimate that should be conducted to support a PEA versus a PFS versus a FS. However, there is still substantial variance from issuer to issuer and QP to QP. NI 43-101 and the CIM Definition Standards should be adjusted to define (or at least suggest) a particular AACE class of estimate for each of the three types of studies for which economic analyses are undertaken. For instance, a PEA (NI 43-101) could be guided at a Class 5 level, a PFS (CIM) could be guided at a Class 4 level, and a FS (CIM) could be guided at a Class 3 or Class 4 level. NI 43-101F1 could also be more prescriptive as to what degree of detail these costs are broken out in Item 21.

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

We believe improved disclosure around the length of time between the effective date of a study and the anticipated date of a project commencing would benefit investors. Typically, the economics of a study are presented as if the capital expenditures begin immediately: cash flows are discounted to the point at which the first expenditures begin but are presented in today's dollar figures. In other words, there is no recognition of the fact that it will be several years (especially at a PEA level) before the project construction commences. During that time, there will inevitably be cost inflation, which is not considered in the economics. Some additional disclosure of, or incorporation into, the economics of these risks would be beneficial.

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?

See our response to question 35 above with respect to the disclosure of certain non-GAAP measures. We would like to see the Form be more prescriptive in terms of what metrics must be presented and in what format, this would help investors to easily compare different projects. Having a prescribed range of discount rates for discounted cash flow analyses would be helpful, but the QP should remain free to select an appropriate discount rate for the project, based on their expertise, and present that, as well, along with some commentary on why that discount rate was selected. Discount rates tend to be underestimated, particularly in earlier-stage economic studies (i.e. PEA), as there is a disconnect between what an appropriate discount rate ought to be and what discount rates investors are expecting to see (for comparison purposes).

Given the current mixed practices on the sensitivity analysis, it would be beneficial if more prescribed requirements are defined in NI 43-101 regarding mandatory sensitivity analysis, including the assumptions to be covered, sensitivity range (+/- %s), etc.

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?

Tax Reporting

The Ontario Securities Commission has stated that best practices for economic analysis include pre-tax and after-tax returns. We do not see any value in pre-tax numbers. They are often referenced in marketing materials or given more prominence than after-tax numbers which can be misleading.

Pre-tax numbers may be helpful in reviewing and auditing the taxation calculations, in the context of mathematical transparency, and understanding the impact to the economics attributable to taxation. However, there should be a requirement, when disclosing net present value and internal rate of return metrics, to disclose the after-tax values in prominence to the pre-tax values, if those are also disclosed; and if the pre-tax values are disclosed, they should be accompanied by cautionary text. It may even be worthwhile to go so far as to prohibit the disclosure of pre-tax metrics outside of the technical report itself.

Summary Section

We often see Item 1 of N1 43-101F1 misused. Some QPs simply copy and paste a selection of paragraphs from the main report, others even introduce new information in Item 1 that is not presented in the detailed sections. Item 1 should be prescribed as a summary form, not unlike JORC (2012) Table 1, to avoid misuse of this section and to provide the key summary information in a standardised format.

We thank you for considering our responses to your questions and would be happy to further discuss any of the above at your convenience.

DUNDEE PRECIOUS METALS INC.

[redacted]

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