

28 September 2022

To:

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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

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To whom it may concern

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 addressed to the CSA in response to its Consultation Paper dated April 14, 2022 (the “Consultation Paper”). The following responses represent the opinion of the Management of OceanaGold Corporation (TSX: OGC).

A. Improvement and Modernization of NI 43-101

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

No comments.

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 current Form is the preferred approach. It does have some issues with logical flow of information, such as mining methods coming after reserves, however it is better than not having a template or any other long form of reporting.

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

For late-stage projects with Reserves, the current Form is preferred but using a logical order of presentation of information e.g. mining methods coming after reserves.

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

NI 43-101 is reasonably well aligned with the other reporting codes.

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

No comments.

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.***

No. A period of 45 days should be retained for the filing of a technical report.

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?***

Virtual technologies can be used to augment a physical site visit but should not be a replacement. An application might be for subsequent site visits to be made virtually following an initial physical visit.

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?

An initial physical site visit should be required for each stage of property development – for example exploration, construction, operation, and closure. Virtual site visits could be used for follow-up inspections.

Virtual site visits, if used, must include the same level of freedom of movement and inspection as a physical site visit. That is, the QP must be allowed to guide the site entity to places of interest without pre-set inspection paths that might be used to obscure issues or information from the QP.

B. Data Verification Disclosure Requirements

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

No comments.

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?***

No comments.

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?***

No. 2(d) is generally used to identify the QPs and which sections they are responsible for. It makes sense to also outline up front in the report the latest site inspections completed by each QP.

C. Historical Estimate Disclosure Requirements

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

The current definition is sufficiently clear.

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

Yes. If all the information and disclaimers for the historical estimate are provided as required under Section 2.4 then there should be little room for misinterpretation. It would be helpful to include a statement that historical estimates should only be disclosed if their disclosure is important to the understanding of the project.

D. Preliminary Economic Assessments

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

No, the precision level should not be defined in NI 43-101 as this should be dealt with in the Canadian Institute of Mining (CIM) Guidelines rather than in the instrument. A better usage of a preliminary economic assessment ("PEA") might be to add a confidence range, and have

economic results reported on that range similar to an exploration target rather than a single outcome.

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?***

The cautionary statement is adequate.

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?***

No, this would be seen as a move in the wrong direction. It would introduce additional challenges around availability of suitably qualified independent QP's, added cost, and availability. It would be of benefit to consider aligning with many other mining jurisdictions reporting requirements by removing the requirement for independence of technical reports. This would not eliminate Independent second opinions as they are currently sought at the discretion of the issuer as part of their internal governance process.

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

No. Allowing preliminary economic assessments on a mineral project with current mineral reserves is a valuable continuous disclosure tool. It would also be beneficial to loosen the restrictions on PEAs for mineral projects with mineral reserves in a number of circumstances. For example, an operating open-pit mine should be able to release a PEA on a potential underground operation that will run in parallel to the open-pit and impact the total project schedule and cashflow, so long as it is clearly presented separately to the main reserve scenario. In this way PEAs could improve continuous disclosure that is currently precluded under the regulations.

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.***

Yes. If a by-product cannot be estimated through the mineral resource reporting process, then they do not have sufficient confidence to be included in a financial assessment.

E. Qualified Person Definition

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

The definition of QP is clear. However, there has been recent concern about interpretations of "at least five years of experience..." to mean five years of experience since obtaining professional accreditation (for example, P.Eng or P.Geo). This should not be the requirement, as relevant experience can be gained prior to obtaining accreditation. This is of relevance to non-Canadian engineers and geologists who might obtain Canadian accreditation well into their professional careers.

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?***

No comments.

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

No, the test for independence is clear.

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

No comments.

F. Current Personal Inspections

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

Yes. At a minimum, a site inspection ceases to be “current” at the change of development phase of a project – exploration to resource definition, to construction, to commissioning, to operation, and to closure. Guidance is also required on acceptable timeframes for the meaning of current, particularly during operation.

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?***

Yes, the mineral resource QP should be required to conduct a current (i.e., no material change since latest inspection) personal inspection. This is a requirement for data verification.

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?***

Yes, QPs for Items 15-18 require current (i.e., no material change since latest inspection) site inspections. For example, for mining methods and infrastructure, site inspections are useful to augment electronic topography data that does not always convey the complete story of how a project will be laid out. However, it is recognized there may be rare exceptions.

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

Rather than remove, subsection 6.2(2) might need to be modernised to take account of other barriers to site visits, such as seen with Covid 19 in 2020 and 2021. In these cases, 6.2(3) could be rewritten to include a requirement for a virtual site inspection in advance of a physical site inspection. Where subsection 6.2(2) is triggered, issuers could be required to issue a parallel public release highlighting the lack of site inspection and including a scheduled timeframe for when this will be remedied and by what date a re-filed technical report would be expected.

G. Exploration Information

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

No comments.

H. Mineral Resource / Mineral Reserve Estimation

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

Yes. Reasonable Prospects of Eventual Economic Extraction (RPEEE) already requires disclosure of assumptions around modifying factors such as mining method, metallurgical recovery, unit costs, and metal price assumptions. If these assumptions are stated clearly, including the justification for the assumptions, then RPEEE is covered.

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?***

Yes.

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?

The qualified person should be expected to provide an opinion on whether the legacy data is acceptable for estimation purposes. If in the opinion of the qualified person additional verification is required, then this should be done. Steps taken to validate the legacy data should be documented.

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

Enforce the current NI 43-101 requirements. There is already a requirement for disclosure of risks. That it is generally glossed over by using generic mining property risk descriptions and is a failure of understanding by practitioners and a lack of enforcement by regulators. Further education is required, which is best delivered through the CIM and the professional registration bodies.

I. Environmental and Social Disclosure

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

No comments.

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?***

No comments.

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

No, however, disclosure on community consultation should be required. It is more appropriate to report these matters in MD&A and media releases which update investors more frequently.

J. Rights of Indigenous Peoples

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

No comment.

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?***

No comment.

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.***

No comment.

K. Capital and Operating Costs, Economic Analysis

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

No, they are not adequate. Interpretation of "major components" is highly subjective. A more detailed description similar to that for Item 22 is required, indicating, for example, whether:

- If a life-of-mine summary is sufficient
- If an annual breakdown is required
- If major components refer to mining, processing, etc, or if more detail is required within each of those areas

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?***

No, the cost estimate classification system should not be required. However, an indication of the expected relative accuracy of the estimate would be useful.

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

No. A discussion of risk is only specifically required in Item 25, plus Item 14 and Item 15 through the requirement in Section 3.4 of NI 43-101. A specific requirement for discussion of risk in Item 21 in particular would be useful, with specific guidance into known problem areas such as labour and logistics.

- 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?***

Including a requirement for a sensitivity analysis on discount rates would be more useful than specifying a range, given that discount rates are, or at least should be, highly project specific. More guidance on sensitivity analysis in general would be useful to remove the subjectivity of statements like “other significant parameters”.

- 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?***

No comment.

We thank you for considering our responses to your questions and please contact the undersigned should you wish to follow-up.

On behalf of OceanaGold Corporation

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