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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

Re: CSA Consultation Paper 43-401 – Consultation on National Instrument 43-101 Standards of Disclosure for Mineral Projects

Thank you for the opportunity to participate in this discussion. Please find following my responses to certain of the questions in the consultation paper. I have put the questions in italics and my responses in plain text.

*A.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.*

From a technical perspective, on topics typically within the competence of a Geoscientist or Engineer I believe that the disclosure requirements provide sufficient information.

From the perspective of mineral tenure, land access and underlying agreements, the provision that allows the authors to rely on “the issuer” may provide a bit of a loophole for dishonest

issuers. Since the Qualified Persons are unlikely to be experts in these matters, I would prefer to see them removed from a document whose purpose is technical disclosure. See also my answer to A.2, following.

With respect to environmental, social license and governance matters (“ESG”) I believe that these elements should be relegated to separate documents dedicated to these topics.

*A.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?*

It is useful to provide a format to those preparing technical disclosure. However, this could be a condensed format that would lend itself to direct insertion into other continuous disclosure documents. I note that although the rules for other documents such as AIFs etc. allow for technical disclosure to be summarized and allow for the inclusion of Technical Reports “by reference”, some law firms insist on including almost the entirety of the Technical Report in these documents and explicitly state that the Technical Report is not included by reference. This makes for an unnecessarily cumbersome AIF or other document. It also makes the jobs of the QPs harder because they are required to consent as “experts” to the disclosure in the AIF. When almost the entire Technical Report is included in an AIF or other document the QPs have to go through it almost line-by-line, because even when it looks like lawyers pasted in text verbatim, one usually finds that they have changed something, whether intentionally or not. Therefore, a much shorter technical summary, prepared by the QPs and intended for re-use in various documents would be easier to check when re-used and QPs could reasonably insist that in most documents the text be used verbatim, with no lawyerly editing.

*A.2.b If so, for which stages of mineral projects could this alternative be appropriate, and why?*

An alternative shorter format something like that described above could work for projects in the exploration stage. At the pre-feasibility and later stages, something more elaborate is probably needed.

*A.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-day period is rarely needed, but I have had experience with clients who take up most of the 45 days with “internal” reviews by their management, board, legal advisors etc. However, if

the Technical Reports were shorter and more summary in nature it could be feasible to reduce this period.

*A.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?*

I am older and perhaps for that reason am sceptical of remote technologies. I like to touch and feel the rocks. To date I am unaware of a technology that allows for spontaneous observations that lead to unexpected insights. A chance conversation with a driller's helper in the cook shack might be very revealing. Perhaps the day will come when remote technologies will be good enough, but I don't think we're there yet.

*A.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?*

- The technology would have to be under the control of and fully understood by the person doing the inspection.
- The technology would have to have excellent mobility, and accurate, secure location feedback.
- The optical sensors and any other sensors would have to be of excellent quality.

*B.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?*

I think it's reasonable to have the current personal inspection disclosed early in the report, such as in Item 2. This does not preclude mentioning aspects of the current personal inspection, such as the results of independent sampling, or observations from inspecting drill core, in Item 12 or elsewhere.

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

Would this not have the effect of excluding investors from knowledge of corporate deliberations that could help them understand the company or the project? Perhaps some more careful and prominent cautionary language is needed.

*D.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.*

Such by-products should not be included in a preliminary economic assessment if they are not included in properly classified mineral resources. It seems to me that this would be outside the definition of a PEA and would leave investors unclear as to whether the economics are dependent on unclassified material.

*E.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?*

Based on the current requirements of NI 43-101, the Companion Policy and form F1, I don't see a need to expand the definition of Qualified Person. However, if in future NI 43-101 is modified to require more details of environmental, social license and governance matters, then the definition would have to be expanded to bring in persons with specific expertise in these matters. I would prefer to see ESG requirements handled separately from NI 43-101 and Technical Reports, because the skill sets needed are very different.

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

In theory, the requirement for a Qualified Person to be a member of a professional organisation with appropriate governance should mean that directors and officers of a company who are also QPs are under quite stringent rules and codes of ethics imposed by their professional organisation and should be relied upon to abide by those rules and codes. I believe this to be case for Canadian professional organizations, and most foreign ones. Under such circumstances there is no reason to disqualify directors and officers of an issuer.

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

A definition would be helpful, especially one including a checklist. The definition could include an "if not, why not?" proviso, such as for example, if you did not collect independent samples, why not? However, I would resist including social license issues on the grounds that most geoscientists and engineers lack the necessary skills to assess those issues. Furthermore,

adequately assessing social license issues cannot be done within the time frame of a typical 2-to-4-day site visit.

I would also resist incorporating environmental concerns into a site visit checklist unless you wish to specify that one of the QPs must be an expert in environmental science.

*F.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?*

In most cases yes, but in a few cases, not necessarily. An example of an exception might be a case in which another suitably experienced member of the same firm or team does the site inspection.

*F.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?*

My response is the same as for F.21, above.

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

I have no concerns about this.

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

They are sufficiently clear.

*H.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?*

In most cases yes, but in some cases not necessarily. Exceptions might be cases in which teams of colleagues are assembled to attend to different aspects of the process.

*H.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?*

Verification of legacy data should be done to the extent possible. The degree to which verification is possible and the limitations of that verification should be clearly disclosed. The person responsible for the mineral resource estimate should clearly indicate how legacy data was used, how the limitations of the legacy data were compensated for, and how the legacy data affects confidence in the estimate. In most cases the estimator should do the verification of the legacy data, but if a team has been assembled to cover different aspects of the process, verification of the legacy data might be done by another suitably qualified team member.

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

In my view the typical geoscientist or engineer ought not be expected to offer opinions on “environmental, permitting, legal, title, taxation, socio-economic, marketing, political or other relevant factors”. Some geoscientists or engineers may have specific professional credentials that qualify them to comment on one or more of these matters, but most do not and very few if any would be qualified to comment on all of these. In my view, in offering opinions, over my professional seal, on any of these matters I risk being in violation of the bylaws and code of ethics of EGBC.

Furthermore, in my view, with the exception of “environmental”, the items I mentioned above fall outside any reasonable understanding of “technical” in the term “Technical Report”. Certainly these are all items that need to be disclosed, especially for advanced projects, but the Technical Report ought to be a concise summary of technical matters and these other items ought to be dealt with by appropriate experts in other documents.

*I.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?*

As you might infer from the answer to H.27, above, I believe that at least two of the points in Item 20, namely permitting and social or community-related requirements should be pulled out of the Technical Report and dealt with by subject-experts in other documents. In saying that by

no means do I dismiss their importance. I simply believe that they should be discussed by appropriate experts using appropriate formats.

*I.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?*

For advanced projects they are probably not adequate in today's world and as I noted under I.28, I believe that these should probably be removed from the Technical Report and dealt with by subject matter experts in appropriate formats.

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

The requirements for early-stage properties are a difficult topic, as we do not want to burden early-stage projects with heavy community-engagement requirements. In this instance I would again say that this topic should be removed from the Technical Report and given its own more suitable disclosure format. Such required disclosure could be very simple for early-stage projects, becoming more complex as the project advances.

*J.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?*

Item 4 allows the report authors to rely on "Other Experts". Insofar as this relates to Indigenous People I would go further and say that this discussion belongs in a document prepared by subject experts separately from the Technical Report. The required scale of disclosure would increase as the project advances.

*J.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?*

As a geological engineer, even with considerable experience working in the field with Indigenous People, I do not feel qualified to answer this question. I would defer to subject matter experts.

*J.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.*

This is another question on which I would defer to subject matter experts and would prefer to see the topic pulled out of Technical Reports and given its own format for disclosure. I will note however that many agreements with indigenous groups have confidentiality provisions that preclude the counterparty disclosing details of the agreement. This makes validation by any third party problematic.

This concludes my comments on the Consultation Paper. Thank you again for the opportunity to participate in the discussion.

*“Peter Ronning”*

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