SLR Consulting (Canada) Ltd.
55 University Avenue, Suite 501,Toronto, ON M5J 2H7

September 13, 2022

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

Via email: ccollins@bcsc.bc; comments@osc.gov.on.ca ; consultation-en-cours@lautorite.qc.ca

Dear Canadian Securities Administrators Staff,

RE: CSA Consultation Paper NI 43-101

INTRODUCTION

SLR Consulting (Canada) Ltd. (SLR) would like to thank the Canadian Securities Administrators (CSA) for the opportunity to provide comments and feedback on the CSA Consultation Paper 43-101. Our responses to your questions are summarized below.

CONSULTATION QUESTION RESPONSES

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.

The current requirements in NI 43-101F1 provide adequate context and information for a pre-mineral resource stage project. The involvement of a Qualified Person (QP) to summarize the relevant and material information pertaining to the mineral project, determine whether further work will potentially advance the project, and take responsibility for a proposed program and budget ensures that fully informed investment decisions can be made.

2a. 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?

An NI 43-101 Technical Report provides the relevant scientific and technical information in a clear and readily accessible format. In SLR's opinion an alternate form of disclosure is not required to provide investors with information on a material mineral project.

While there is a need for continuous disclosure documents to provide project progress updates, a Technical Report is the preferred manner to comprehensively disclose current material information to investors including the proposed program and budget.

SLR notes that NI 43-101 Technical Reports appear to be becoming a compilation of all information on the property instead of summary documents. The regulators should continue to highlight the instruction, that a Technical Report is a summary document.

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

Please see our response to Question 2a.

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

Overall, there is currently adequate alignment of Mineral Resources and Mineral Reserves disclosure in the majority of major mining jurisdictions as these countries, similar to Canada, are members of the Committee for Mineral Reserves International Reporting Standards (CRIRSCO). Currently Mineral Resource and Mineral Reserve definitions are aligned in fourteen mining jurisdictions.

SLR notes, however, that the current structure of NI 43-101F1 results in unnecessary duplication and added costs when an Issuer must prepare two separate reports if it is listed in Canada and the US and not subject to the Multi-Jurisdictional Disclosure System (MJDS), for example.

3b. If so, which jurisdictions and which aspects of the disclosure requirements in those jurisdictions should be aligned, and why?

There should be greater alignment between disclosure requirements in Canada and the USA as these jurisdictions both require material technical information be disclosed in summary reports. Ideally, an NI 43-101 Technical Report by a Canadian Issuer would be acceptable in the US and an S-K 1300 Technical Report Summary (TRS) by a US Issuer would be acceptable in Canada.

It would be useful to the mining industry if CSA staff could undertake a project that assesses and identifies how to ease the compliance burden and cost for Issuers which are not subject to the MJDS but are dual listed in the USA and Canada that now have to prepare both a TRS under S-K 1300 and a Technical Report under NI 43-101 on their material properties. A solution may be the development of a mapping document, comparing NI 43-101 to S-K 1300. This official guidance document could be published as a Staff Notice for the filing of acceptable "hybrid reports" that satisfy the requirements of both jurisdictions.

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.

Though the Mineral Resource and Mineral Reserve estimates and preliminary economic assessment (PEA) disclosure are peer reviewed prior to disclosure to the public, SLR finds the filing timeframe of 45 days after disclosure to be appropriate to ensure report finalization in a timely manner, and recommends that this not be reduced.

5a. 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?

SLR considers that the requirement that a site visit by at least one QP should be maintained. The QPs, in collaboration with the Issuer, should determine the number of QPs required to visit the property and the nature of the site visit based on the stage of the project.

Under very exceptional circumstances, including, but not limited to, geopolitical risks, weather conditions, or a global pandemic, if personal health and safety is at risk then a case for an exemption should be made by the Issuer and approved by the Regulators. While currently exceptions exist, personal health and safety risks and accessibility need to be further defined/exceptions expanded to include these.

Based on SLR's experience, it is difficult to identify all potential areas of concern during a virtual site visit. While remote technology can, and should, be used as a complementary tool, it should not be considered a substitute for a personal site inspection.

5b. 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 QP should be required to demonstrate that reasonable steps have been taken to verify the site status. As mentioned, it is SLR's opinion that remote technologies should be complementary to, but not a replacement of, a personal site inspection by a 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?

The current definition of data verification is not sufficiently clear. The disclosure requirements in Section 3.2 of NI 43-101 should state that data verification of the scientific and technical information in a technical report should be performed by each QP not only by the geology QP.

All QPs should describe the information reviewed and which is the basis for estimates of Mineral Resources and Mineral Reserves, including, but not limited to, geochemical, engineering, metallurgical, and environmental aspects of the project, unless that information was developed by the QP and described elsewhere in the Technical Report.

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?

There are several ways to improve how a QP discloses the data verification procedures implemented to ascertain that the data reviewed was suitable for use in the Technical Report.

Greater guidance should be provided regarding discussions pertaining to historical data verification and regarding non geology items for validation and discussion. Items can include historical mining and processing conditions. This information could be referenced from existing sources within the industry, such as CIM Best Practice Guidelines, the Regulators, or newly developed content.

Additionally, it would be beneficial to incorporate an option to include and rely upon data verification completed in previous Technical Reports by other QPs. The QP should be able to review work previously performed by other QPs and make a determination if it is acceptable to be used as part of the verification process.

SLR recommends that each QP incorporate summaries descriptions of the activities undertaken and clear statements of opinion and an explanation. The summary should include terms such as " The QP witnessed, The QP observed, The QP verified " to reinforce the QP's opinion that the data is 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?

It would be appropriate to have the personal inspection described in detail in Item 12 by each QP, in addition to statements regarding why a personal inspection was not completed or reduced by limiting circumstances and how data was verified.

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 of an unverified estimate prepared prior to project acquisition by the Issuer does not address a number of common situations, such as:

- How to distinguish between estimates prepared for previous operators using current guidelines and previous non-compliant estimates.
- Estimates prepared under reporting codes other than CIM (i.e., JORC, SAMREC, etc.), and the key differences thereof.
- Comparison to previous estimates by the Issuer.

In our practice, SLR notes that estimates can be:

- CIM (2014) compliant and current but classified as historical under the current definition because they were prepared by/for the previous issuer. SLR is of the opinion that this can be non-sensical when it is the same QP for a NI 43-101 Technical Report where the estimate was current, and then shortly thereafter, a Technical Report is prepared for an acquiring Issuer.
- Prepared under a different reporting code, but compatible with CIM (2014) definitions. The efforts of CRIRSCO in this area have made much progress since NI 43-101 was written. SLR finds that the cautions required by Section 2.4 are excessive in this case.

- An important performance indicator for the advancement of projects, relative to the immediately preceding estimate. While comparisons such as these provide key information for investors, they are currently not required and it can be difficult to incorporate these into a Technical Report under the current rules.

SLR proposes the following revisions:

- Revise the definition of Historical Estimates to reflect estimates that pre-date NI 43-101, without the requirement that it pre-date acquisition by the Issuer.
- Define a "Previous Estimate" as one that is not current. Reasons may include collection of additional data, stale cut-off grade inputs, or merely that the estimate has been superseded by the Current Estimate. SLR notes that that a Historical Estimate is a specific type of Previous Estimate.
- Revise Section 2.4 (d) "uses other categories" to reference other reporting codes more explicitly.
- Revise Item 6 (c) to discuss significant Previous Estimates (rather than Historical Estimates).
- Add a clause to Item 14: "Where a significant Previous Estimate has been disclosed in Item 6, compare it to the Current Estimate and include a general discussion on the reasons for differences."
- Provide guidance in the Companion Policy for disclosure under these revisions:
    - The discussion of Previous Estimates should clearly distinguish between non-compliant estimates and compliant estimates prepared previously.
    - While many Previous Estimates have the potential to add value to a Technical Report, that will not be the case for all (especially non-compliant Historical Estimates). The QP should exercise judgement on whether the Previous Estimates are relevant to the current disclosure and not misleading.
    - In no way should this be construed as a requirement to list all Previous Estimates on a project in a Technical Report.

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

SLR considers the disclosure requirements in Section 2.4 of NI 43-101 to sufficiently protect investors from misrepresentations of Historical Estimates, subject to the comments related to Question 9 above.

The proposed new category of "Previous Estimates" includes some types of estimates where the cautions from clause (g) are not appropriate (e.g., a compliant estimate by the Issuer that is superseded by a new Current Estimate).

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?

The current definition of a PEA is quite broad where any technical study that is not a prefeasibility study (PFS) or feasibility study (FS) may be a PEA. A minimum standard could be established by reference to the Association for the Advancement of Cost Engineering (AACE) International cost estimation guidelines, however, at the PEA level of study (or Class 5 in the AACE International system), the stated accuracy or amount of engineering completed are subjective and the responsibility of the QP.

It may be useful to guide QPs towards AACE International (or similar systems) as possible references (particularly for writing a "basis of estimate" description), however, in SLR's opinion, making this a requirement is unlikely to make much difference in PEA contents.

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 current cautionary statement is too "weak" as it focuses on the presence of Inferred Mineral Resources, rather than other physical and cost assumption inputs which have similar uncertainty ranges.

SLR proposes that the current disclosure statement may benefit from the inclusion of language that states that the purpose of the PEA is to disclose the results of a particular business case that, along with including Inferred Mineral Resources, uses factored physical and cost inputs in order to demonstrate "what an operation could be".

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, SLR is of the opinion that an independence requirement for significant changes to PEAs that is unrelated to changes to the Mineral Resource estimate is not necessary. This is not a problem SLR has encountered with its work in this area.

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

SLR is of the opinion that this current requirement is significantly inconsistent with how producing mines plan and operate their business. Every operation SLR has visited has a long term mine plan that incorporates conversion of all Mineral Resources, including Inferred Resources. A track record of infill drilling and upgrading Inferred Resources to Indicated or Measured Resources provides some assurance that the estimate of Inferred Resources is reasonable, in a manner not available to projects with no production. On that basis, mine operators prefer to make strategic plans based on the "full potential" of the operation.

PEA study level plans also allow for early disclosure of additional options under consideration for future production.

In SLR's opinion, such plans should be considered acceptable disclosure (as a PEA) in addition to Mineral Reserve based plans.

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.

If the by-products are not described and quantified in a Mineral Resource statement, then they should not be included in a PEA cash flow model.

An exception may be reasonable for a producing property where existing production records demonstrate consistent by-product production (e.g., silver reporting to gold doré) that is not included in a Mineral Resource estimate. For this exception, SLR suggests that a percentage limit be applied regarding materiality to the project (i.e., 5% of gross revenue) before requiring a Mineral Resource estimate for such by-product(s) in order to be included into a cash flow model.

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.

SLR considers that there needs to be further clarity regarding the five year requirement of relevant experience. While this could be achieved in a CSA Staff Notice in the short term, it may be something that a technically oriented group such as CIM could address in its Best Practice Guidelines.

SLR suggests that a QP's number of years of relevant experience should commence at the time of graduation and not at the time of professional registration. Many individuals gain relevant experience by working in the minerals industry (in Canada or internationally) prior to registration. While geologists and engineers in training should not be QPs, some or all of the experience gained during those first three or four years after graduation may be very relevant. A professional in training supervised and peer reviewed by a team of professionals (P.Geo., P.Eng., etc.) to carry out a wide range of relevant tasks will gain relevant experience and develop the knowledge and confidence to explain and defend their work in front of their peers.

A potential solution could be to develop a tiered system in consultation with industry participants.

In addition, SLR notes that Canadian QPs are held to higher standard than those from other jurisdictions. It appears CSA regulators are currently applying Part 1.1.(7) of the Companion Policy to Canadian registered QPs. SLR is of the opinion that Canadian professional associations, such as Geoscientists Canada and Engineers Canada in conjunction with CIM, a learned society of technical professionals and representative on CRIRSCO should be responsible for determining qualification as a QP as they have the legislated ability to discipline and investigate members.

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?

Environmental professionals are already recognized as QPs under the current definition of geoscientists.

In SLR's opinion, the expansion of the qualified persons definition to include cost estimators should be considered, for sign off of capital cost estimates for projects. SLR notes that for operating mines that have no major capital expenditure plans, cost estimators are not required.

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

No clarification is required.

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

No, it is reasonable for directors and officers to author reports, as long as their dependent relationship is prominently disclosed (as per current requirements).

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?

A definition for a "current personal inspection" is not required. The QP should be able to determine what is necessary to review on site.

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 a current personal inspection by the QP responsible for Mineral Resource estimation is required.

Personal inspections should be completed by the QP(s) responsible for the principal foci of the project and/or of the Technical Report, which must be clearly communicated and defined in the Executive Summary and Introduction. This can be subjective and dependent on the state and stage of the property, and should remain at the discretion of the QP to determine whether it is required or not.

SLR notes that there are circumstances where current personal inspections of a property are of lesser importance, for instance a QP metallurgist on an undeveloped property.

SLR is of the opinion that the definition of "current" should reasonably include visits that are quite far in the past if there has been limited or no subsequent activity on the property.

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?

At a minimum one QP author should conduct a personal inspection. Consideration should be given to the potential for material risks at the project and QPs evaluating these specific aspects should make a judgement as to whether conducting a current personal inspection is required.

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

In SLR's opinion subsection 6.2(2) should not be removed. Specifically, SLR feels additional exceptions to 6.2(1) should be considered when personal safety is at risk. A case by case exception to 6.2(1) could be included in the Instrument to allow for situations when personal safety is impacted, and an acceptable alternative is presented in place of a site visit. SLR expects these exceptions to be extraordinary.

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?

While the current requirements in Section 3.3 are sufficiently clear, there is a high degree of redundancy in the Technical Reports between drilling in Item 10, exploration on a property in Item 9, and historical work in Item 6.

A possible solution could be to combine Items 9 and 10 to reduce redundancy between items with specific subsections to cover; 1) Drilling 2) Other exploration activities on the property 3) Exploration Targets. SLR recommends that this combined item be allowed to include work by previous operators where clearly identified as such. The CSA should consider limiting Item 6 to a summary of property ownership and development. The level of detail should be left to the discretion of the QP with the guidance to provide the reader with a clear appraisal of the work completed and potential of the project.

SLR notes that there is currently no clear definition for an "Exploration Target". The Companion Policy 43-101CP uses the terminology "Exploration Target" in the context of an alternative for reporting Historical Estimates while in Section 5 of NI 43-101, Rules and Policies there is a discussion on the disclosure of potential quantity and grade, expressed as ranges, of a target for further exploration. SLR recommends adding "Exploration Target" as a definition.

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.

Reasonable prospects for eventual economic extraction (RPEEE) should be disclosed, however, the QP should be responsible for determining what information is to be disclosed. SLR understands that Best Practice Guidelines for this area are currently in preparation, and will provide a useful reference.

26a. 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?

While the Mineral Resources estimate QP is responsible for all aspects pertaining to their work, they should not be required to conduct all of the data verification work personally. Both previous data verification work and verification carried out under the supervision of the QP by others may be relevant. It should be the Mineral Resource QP's responsibility to determine what level of due diligence they consider appropriate so as to allow them to accept responsibility (and liability) for the data used.

26b. 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?

While the QP is responsible for all aspects relating to their work, irrespective of when the information was obtained, the QP should not be required to conduct all of the data verification work. It should be left up to the Mineral Resource QP to determine what level of due diligence they consider appropriate so as to allow them to accept responsibility (and liability) for the data.

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

As currently written, Item 25 requires discussion of risks and uncertainties in the Conclusions of a Technical Report. Further guidance could provide a breakdown by areas, and/or examples of desired disclosure of risks and impacts.

SLR notes that classification of Mineral Resources and Mineral Reserves has risk assessment integrated into it already.

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?

Due to the wide variation in material environmental and social (E&S) risks among mining projects, a more prescriptive approach to E&S disclosure in NI 43-101 Technical Reports is not recommended. Furthermore, SLR notes that these Technical Reports should not be regarded as the main form of corporate disclosure on E&S issues for Issuers. SLR is of the opinion that the focus of environmental disclosure in NI 43-101 Technical Reports should remain on those E&S risks that may be material to the potential viability of a mineral property.

Nevertheless, current requirements for disclosure of E&S issues can be strengthened to improve transparency. For instance, under Item 20(c), disclosure requirements should not be limited to permitting. Issuers should also disclose other commitments that they have made with respect to the management of E&S risks and impacts, including but not limited to, international standards on human rights, tailings management, and climate change risk management. Issuers should also disclose internationally or domestically recognized E&S certifications or designations achieved or that the Issuer has committed to achieving. The need for, or status of, any Memoranda of Understanding (MOUs) or other formal agreements with communities or other jurisdictions (municipal, state/provincial, Indigenous communities, federal/national) should be disclosed. SLR notes that the content of MOUs / Agreements may be confidential and as such the content of the MOUs need not be disclosed.

In the context of access to land (Item 4), any requirements for, or the status of, resettlement and livelihood restoration should be explicitly disclosed.

The need to perpetually store tailings, waste rock, and leached ore stockpiles on or near the mine site is a material issue for nearly all modern mining operations. SLR recommends that consideration be given to removing these issues from Item 20 and placing these in a new Item. While a description of the mineralized waste management facilities is currently part of Item 18 Infrastructure, a proper

discussion on appropriateness of design, risks, safety, effects on water quality, operational practices and governance aspects should be addressed in a separate item of the Technical Report.

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?

Please see our responses to Questions 28 and 30.

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

Disclosure of community consultations should be required for Technical Reports, as consultation is relevant to all stages of a project. Disclosure should include the nature and status of engagements/consultations undertaken, with whom and by whom. Technical Reports should describe any future engagement/consultation plans, whether these are associated with host country legal requirements, through an Issuer's commitments to other standards, or the Issuer's own policies.

While projects in an early stage of development may have limited engagement with communities, Indigenous communities, and stakeholders, this remains relevant to identify any key issues to be considered for the development of the project.

Disclosures for early stage exploration properties should disclose the need for, or status of, any MOUs, Exploration Agreements, Participation/Cooperation Agreements or other formal agreements with communities or other jurisdictions (municipal, state/provincial, Indigenous communities, federal/national). SLR notes that the content of MOUs / Agreements may be confidential and as such the content of the MOUs need not be disclosed.

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?

SLR is of the opinion that the following should be disclosed:

- Indigenous rights and interests in the project area and potential impact areas.
- The need for, or status of, any MOUs or other formal agreements with Indigenous communities or groups. It is noted that the content of MOUs / Agreements may be confidential and as such the content of the MOUs need not be disclosed.
- Any requirements for, or the status of, resettlement and livelihood restoration. SLR notes that resettlement and livelihood restoration are aspects that are not specifically mentioned in current NI 43-101 guidance.

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?

Please see our response to Question 31.

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.

A QP or other expert should be expected to validate the Issuer's disclosure of significant risks and uncertainties related to its existing relationship with Indigenous Peoples with respect to the project. SLR notes that expertise will likely be needed to validate the Issuer's disclosure. Verification should be undertaken through independent research and the review of documents provided by a project proponent.

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?

Current disclosure requirements for capital and operating costs estimates are not adequate, as they are too brief and should be expanded.

To increase the visibility and transparency of capital and operating cost estimates, the QP should be required to state the basis and origin of cost data being used in the respective estimates e.g., sourced from named publicly available databases, historical costs for the property involved, bottom-up/first principle estimates, and equipment or contractor quotations.

The QP should comment on the level of engineering definition that underlies the capital cost estimate and the adequacy of the estimates for the level of study being reported on. Base unit costs such as labour, fuel, power costs and contractor costs used for the estimates should be presented and discussed.

There should be a requirement for the QP to benchmark the estimated costs against comparable projects in order to validate the estimates. Furthermore, the contingency amount included in the estimates and the appropriateness of the contingency in relation to the basis of estimate, the status of the project, and the risks associated with the project should be disclosed. The base date of the estimate should always be quoted, together with a statement regarding the inclusion or not of inflation/escalation in the estimates. A summary table of the respective costs should be provided, together with further detail breakdown tables for each cost area that then flow into the respective totals presented in the summary tables.

A consideration should be given to splitting Item 21 into two individual items for Capital Costs and Operating Costs.

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?

The Form should not be more prescriptive regarding the method or classification system to be used for the cost estimate.

As noted in Question 34 above, however, the QP should explain and justify the basis of the estimate (guess, benchmark, factored, detailed material takeoff, etc.), the source of cost data used, the estimation methodology used, the level of engineering definition underpinning the estimate and the accuracy range of the estimate.

The QP should provide their opinion as to whether the estimate basis and accuracy level is appropriate for the current level of study.

If the estimate is considered by the QP to be classified according to an internationally recognized cost estimate classification system, such as the AACE International classification system, then that could be stated along with the applicable classification system.

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

Disclosure of risks specific to the capital and operating cost assumptions is currently insufficient, as discussion of risks associated with capital and operating costs and impact on contingency allowances should be included.

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?

The current disclosure requirements for an economic analysis are comprehensive, however, a few areas could be improved.

Consideration should be given to mandating a range of minimum discount rates (possibly linked to commodity type) that should be used to disclose project economics.

In SLR's experience, it is relatively easy to generate a chart of NPVs at a range of discount rates which should be included in Item 22. This would provide an investor with the information required to evaluate the project value using their own definition of risk as represented by the selected discount rate.

SLR is of the opinion that there should be a requirement for the QP to explain the rationale behind, and appropriateness of, the selected base case discount rate.

Further guidance from the Regulators in discussion with CIM is required around the basis of economic assumptions and key metrics such as metal price, tax rates etc., that are used in the after-tax cashflow model.

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?

Item 19 Markets and Contracts should include discussion of the forecasts being used, such as:

- Provide justification for metal prices used in Items 14, 15, and 22.
- Perhaps greater clarity on discussion of labour, fuel, and power costs and contracts (discuss in Item 21).
- Contracts relative to revenue to be discussed in Item 19 i.e. smelting, take off, streaming agreements, etc.
- Discussions regarding the royalties, streaming, and back in rights listed in Item 4.

On behalf of SLR Consulting (Canada) Ltd. we would like to thank the CSA for the opportunity to comment on the CSA Consultation Paper on NI 43-101.

Yours sincerely,
SLR Consulting (Canada) Ltd.

(Signed) ***Deborah A. McCombe***

Deborah A. McCombe, P.Geo.
Global Technical Director, Global Mining Advisory

[redacted]

(Signed) ***Jason J. Cox***

Jason J. Cox, P.Eng.
Global Technical Director, Canada Mining Advisory

[redacted]