Notice

Replacement of Regulation 43-101 respecting Standards of Disclosure for Mineral Projects, Form 43-101F1 Technical Report, and Policy Statement to Regulation 43-101 respecting Standards of Disclosure for Mineral Projects and Regulation to amend Regulation 51-102 respecting Continuous Disclosure Obligations

We, the Canadian Securities Administrators (CSA), are replacing the following regulations, which came into effect on February 1, 2001:

- Regulation 43-101 respecting Standards of Disclosure for Mineral Projects (Previous Regulation 43-101) and
- Form 43-101F1 Technical Report (Previous Form),

with the following regulations, respectively:

- Regulation 43-101 respecting Standards of Disclosure for Mineral Projects (New Regulation 43-101), and
- Form 43-101F1 Technical Report (New Form).

In this Notice, New Regulation 43-101 and the New Form are collectively referred to as the Regulation.

The Policy Statement to Regulation 43-101 respecting Standards of Disclosure for Mineral Projects (the Policy), which includes explanations, discussion and examples on how the CSA will interpret and apply the Regulation, is also being replaced.

In order to conform with the Regulation we made a consequential amendment to Regulation 51-102 respecting Continuous Disclosure Obligations (Regulation 51-102).

In Québec, the New Regulation 43-101 and Regulation 51-102 are published as draft regulations for a period of thirty days pursuant to section 331.2 of the *The Securities Act* and may not be made by the *Autorité des marchés financiers* (the "Authority") or submitted to the Minister of Finance for approval, with or without amendment, before 30 days have elapsed since their publication in the Bulletin of the Authority.

Members of the CSA in the following jurisdictions have made, or expect to make, the Regulation

- a rule in each of British Columbia, Alberta, Manitoba, Ontario and Nova Scotia, Prince Edward Island, New Brunswick and Newfoundland and Labrador;
- a commission regulation in Saskatchewan and a regulation in Québec; and
- a policy in the Northwest Territories, Yukon and Nunavut.

We also expect the Policy to be adopted in all jurisdictions.

In British Columbia and Ontario, the implementation of the Regulation is subject to ministerial approval.

In Ontario, the Instrument and the other materials required to be delivered to the minister responsible for the oversight of the Ontario Securities Commission were delivered on October 6, 2005.

In Québec, the Regulation and Regulation 51-102 will be made under section 331.1 of *The Securities Act* (Québec) and must be approved, with or without amendment, by the Minister

of Finance. The Regulation will come into force on the date of its publication in the *Gazette officielle du Québec* or on any later date specified in the Regulation.

Provided all necessary ministerial approvals are obtained, the Regulation and consequential amendments to Regulation 51-102 will come into force on **December 30, 2005**. The Policy will also come into force at that time. At that same time, the Previous Regulation 43-101 and the Previous Form will be repealed. In addition, at that same time, the Policy relating to the Previous Regulation 43-101 and CSA Staff Notice 43-302 *Frequently Asked Questions - National Instrument 43-101 Standards of Disclosure for Mineral Projects* will be withdrawn.

The final text of the Regulation and the Policy is being published concurrently with this Notice and can also be obtained on websites of CSA members, including the following:

- www.albertasecurities.com
- www.bcsc.bc.ca
- www.osc.gov.on.ca
- www.lautorite.qc.ca

Substance and Purpose
We have been monitoring the operation of the Previous Regulation 43-101 and the Previous Form since adoption. We identified a number of areas that were not operating as intended. We proposed a number of changes to:

- reflect changes that have occurred in the mining industry,
- correct errors,
- simplify the drafting,
- provide exemptions in specified circumstances, and
- generally make the Regulation more user-friendly and practical.

Prior Publications
Details of the proposed changes (Proposed Changes) were contained in a notice and request for comments published for a 90-day comment period on September 10, 2004.

Summary of Written Comments Received by the CSA
The 90-day comment period expired on December 10, 2004. During the comment period, we received 60 submissions from 58 commenters. We have considered these comments and thank all the commenters. A list of the 58 commenters and a summary of their comments, together with our responses, are contained in Appendices B and C to this Notice.

Summary of Changes to the Regulation and Policy
After considering the comments received, we made further revisions to the Proposed Changes. As these changes are not material, we are not republishing the Regulation or the Policy for a further comment period. Appendix A describes the revisions made to the Proposed Changes, other than those changes that are of a minor nature, or those made only for the purposes of clarification or for further streamlining or drafting reasons.

Consequential Amendment

National Amendment
We will amend Regulation 51-102 respecting Continuous Disclosure Obligations by revising the definition of "mineral project" in that regulation so that it has the same meaning as in New Regulation 43-101.

We will also amend Form 51-102F2, Annual Information Form, of Regulation 51-102. The amendment is based on the comments received in connection with the draft amendment to Item 15 of Form 44-101F1, Short Form Prospectus, of Regulation 44-101 respecting Short Form Prospectus Distributions that we published on January 7, 2005 for comment. The amendment causes the disclosure requirement in respect of the interests of experts provided

for under section 16.2 of Form 51-102F2 to be identical to that published for comment under section 15.2 of Form 44-101F1.

The Regulation to amend Regulation 51-102 is set out in Appendix D to this Notice and is published as a draft regulation for a period of 30 days pursuant to section 331.2 of *The Securities Act*.

Questions
If you have any questions, please refer them to any of the following:

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October 7, 2005

Appendix A

Summary of Changes

Regulation 43-101

Part 1 Definitions and Interpretation

- We changed the proposed term "grassroots exploration property" to "early stage exploration property". We also broadened the meaning of this term to include a property that has "no current mineral resources or mineral reserves defined, and no drilling or trenching proposed" in a technical report being filed. The effect of this change is that an exploration property that has had historical work done on it may be included in the definition of early stage exploration property.

- We added a definition for the term "historical estimate".

- We revised the definition of "mineral project" to include an explicit reference to "royalty interest or similar interest" in any exploration, development or production activity. We also clarified that diamonds were included in the definition.

- We have attached, as Appendix A to the New Regulation 43-101, a list of foreign associations we reviewed and accepted for the purpose of paragraph (a)(ii) of the definition of "professional association".

- We decided to retain and modify the definition of "technical report" to reflect the requirements currently existing in section 4.3 of Previous Regulation 43-101 and Item 20 of the Previous Form.

- We revised the language in the new definition of independence under section 1.4 to make it less prescriptive and easier to understand.

Part 4 Obligation to File a Technical Report

- We removed the requirement under section 4.1 for an issuer to file a technical report each time it becomes a reporting issuer in another Canadian jurisdiction if it is already a reporting issuer in another Canadian jurisdiction. We retained the requirement that an issuer must file an independent technical report the first time it becomes a reporting issuer in a Canadian jurisdiction.

- We decided not to add the "annual management's discussion and analysis" as a technical report trigger under section 4.2(1)(f) as proposed. Since the results of work programs for venture issuers are not always completed on an annual basis, we agreed with those commenters who expressed concern that requiring a technical report annually would be too great a burden for those issuers. We believe that the financing-related triggers and the news release trigger for first time disclosure of mineral resources or mineral reserves or a preliminary assessment, which are in the Previous Regulation 43-101 currently in force, should provide investors with technical report disclosure at the most relevant times in a venture issuer's activities.

- We also removed the "annual report" as a technical report trigger under section 4.2(1)(f). This trigger was originally intended to apply only to a document required under Quebec securities laws which is no longer a required filing in that jurisdiction.

- We created a new section 4.2(2) that incorporates the concepts that were published for comment in section 2.9 of the Policy. This change provides that an issuer will not trigger the requirement to file a technical report under section 4.2(1)(j) for first time disclosure of an historical estimate of mineral resources or mineral reserves if that disclosure includes the cautionary statements set out in section 4.2(2)(b)(i)

to (iii). We made this change because the Policy is not the correct place for prescribing statements an issuer should make.

Part 5 Author of Technical Report

- We eliminated the proposed requirement under section 5.3(1) 2 that the technical report prepared by or under the supervision of a qualified person in support of a TSX Venture Exchange offering document be prepared by an independent qualified person.

Part 6 Preparation of Technical Report

- We broadened the new exemption under section 6.2 (2) that permits a delay of the required personal inspection because of seasonal weather conditions (published for comment as section 9.2). As a result of the changes made to the definition of "early stage exploration property" in section 1.1, the expanded exemption will now apply to a property that has "no current mineral resources or mineral reserves defined, and no drilling or trenching proposed" in a technical report the issuer is filing. To rely on the exemption the issuer must disclose in the technical report the intended time frame to complete the personal inspection. We maintained the requirement that the qualified person must conduct the personal inspection as soon as practical, and immediately file an updated technical report and qualified person's certificate and consent once he or she completes the inspection.

- We moved the prohibition against disclaimers in technical reports published for comment in the Proposed Changes as Instruction 7 in Form 43-101F1 to section 6.4 of the New Regulation 43-101. We also changed this prohibition so that it is less restrictive. We decided not to prohibit all types of disclaimers (except those permitted for the limited purposes set out in Item 5 of the New Form, i.e. reliance on other experts who are not qualified persons). We will continue to prohibit blanket disclaimers unless they comply with section 6.4(a) and (b) of the Regulation.

Part 8 Certificates and Consents of Qualified Persons for Technical Reports

- We published for comment an amendment to section 8.1(2)(e) of the Previous Regulation 43-101 removing the requirement that the qualified person certify that he or she is not aware of any material fact or material change with respect to the subject matter of the technical report which is not reflected in the report, the omission of which makes the report misleading. We felt it was inappropriate to require a qualified person to make a determination of material fact or material change in respect of an issuer.

  We also published for comment a new requirement in section 8.1(2)(i) that the qualified person certify that the technical report contains all the information required under Form 43-101F1 in respect of the property which is the subject of the report. In the New Regulation 43-101, we have amended section 8.1(2)(i) to require the qualified person to certify that, to the best of the qualified person's knowledge, information and belief, the technical report contains all scientific and technical information required to be disclosed to make the report not misleading. We believe the revised section 8.1(2)(i) of the New Regulation 43-101 requires a statement that the qualified person is in the best position to make and provides meaningful information to the public.

Part 9 Exemptions

- We added section 9.2 to provide a limited exemption for a company that only has a royalty interest or similar interest in a mineral project and has triggered the requirement to file a technical report. The exemption provides a company with relief from completing those items of the New Form relating to scientific and

technical information that the royalty holder cannot complete if the royalty holder has requested access to the data from the operating company but has been denied such access, and is also unable to obtain the information from public sources. The royalty holder must disclose these facts under Item 3 *Summary* in the technical report and describe the content under each item in the New Form that it did not complete. In order to rely on this exemption, all technical disclosure made by the royalty holder must include a cautionary statement explaining that the issuer has an exemption from completing certain items under the New Form in the technical report it has filed and a reference to the title and date of the technical report.

- We removed the exemption for certain foreign issuers published for comment in our Proposed Changes as section 9.3. In contrast to the several requests we had shortly after the initial implementation of the rule, over the past two years no issuer has sought this type of relief. Therefore, we decided to continue to deal with this type of relief on a case by case basis through the exemptive relief application process.

Form 43-101F1

- We moved the prohibition against disclaimers in technical reports from published for comment in the Proposed Changes as Instruction 7 to Form 43-101F1 to section 6.4 in the New Regulation 43-101 (see *Part 6* above). We added a reference to section 6.4, in Instruction 7 of the New Form, to remind issuers and qualified persons about the prohibition against blanket disclaimers.

Policy Statement 43-101

- We amended the Policy to reflect the changes to the Regulation described above. For example, we

  i. added guidance about royalty interests and other similar interests and provided some clarification about the new exemption under section 9.2 of the New Regulation 43-101; and
  ii. clarified the prohibition against disclosure of an economic analysis that includes inferred resources if the project has advanced past the preliminary feasibility study stage.

- We deleted various discussions in the Policy that we believe no longer provide useful guidance.

Appendix B

List of Commenters on Regulation 43-101 respecting Standards of Disclosure for Mineral Projects, Form 43-101F1 Technical Report and Policy Statement to Regulation 43-101 respecting Standards of Disclosure for Mineral Projects

1. Association de l'Exploration Minière du Québec by letter dated December 10, 2004
2. Arne, Kenneth PE by letter dated December 7, 2004
3. Association of Professional Engineers and Geoscientists of British Columbia by letter dated December 12, 2004
4. Association of Professional Geoscientists of Ontario by letter dated December 9, 2004
5. Bear Creek Mining Corporation by letter dated December 6, 2004
6. Canadian Institute of Mining, Metallurgy and Petroleum by letter dated December 8, 2004
7. Canadian Listed Company Association by letter dated December 6, 2004
8. Carter, N.C., Ph.D., P.Eng. by letter dated December 9, 2004
9. Crosshair Exploration & Mining by letter dated December 8, 2004
10. Davis & Company LLP by letter dated December 10, 2004
11. Diamonds North Resources Ltd. by letter dated December 6, 2004
12. DRC Resources Corporation by letter dated December 6, 2004
13. Elk Valley Coal Corporation by letter dated October 6, 2004
14. Endeavour Financial by letter dated November 15, 2004
15. Entrée Gold Inc. by letter dated December 8, 2004
16. First Point Minerals Corp. by letter dated December 7, 2004
17. Fjordland Exploration Inc. by letter dated December 6, 2004
18. Fraser Milner Casgrain LLP by letters dated December 14 and December 17, 2004
19. Freeport Resources Inc. by letter dated December 6, 2004
20. Gold City Industries Ltd. by letter dated December 6, 2004
21. Gossan Resources Limited by letter dated December 10, 2004
22. Gowling Lafleur Henderson LLP by letter dated December 10, 2004
23. Grace, Kenneth A., P. Eng. by letter dated November 2, 2004
24. International Northair Mines Ltd. by letter dated December 6, 2004
25. Lebel Geophysics Consulting & Contracting by letter dated October 13, 2004
26. Macauley, T. N., P. Eng. by letter dated December 9, 2004
27. Micon International Limited by letter dated November 12, 2004
28. Miramar Mining Corporation by letters dated September 22 and November 30, 2004
29. The Association of Professional Engineers, Geologists and Geophysicists of the Northwest Territories (and Nunavut) by letter dated December 22, 2004
30. NDT Ventures Ltd. by letter dated December 6, 2004
31. Ordre des géologues du Québec by letter dated December 10, 2004
32. Ordre des ingénieurs du Québec - comments inserted in Regulation, Policy and Form F1
33. Orequest Consultants Ltd. by letter dated November 30, 2004
34. Osler, Hoskin & Harcourt LLP by letter dated December 10, 2004
35. Pathfinder Resources Ltd. by letter dated December 6, 2004
36. Paul A. Hawkins & Associates Ltd. by letter dated December 8, 2004
37. Pearson, William, Ph.D., P.Geo. and Wonnacott, Tony, LL.B. by letter dated December 10, 2004
38. Peatfield, Giles R., Ph.D., P.Eng. by letter dated December 10, 2004
39. Pine Valley Mining Corporation by letter dated December 3, 2004
40. Postle, John T. by letter dated December 6, 2004
41. Professional Engineers Ontario by letter dated December 20, 2004
42. Prospectors & Developers Association of Canada by letter dated December 20, 2004
43. Roberts, Wayne J., P.Geo. by letter dated December 10, 2004
44. Royal Gold, Inc. by letter dated December 10, 2004
45. Schafer, Robert W. by letter dated October 11, 2004
46. Sherwood Mining Corporation by letter dated December 6, 2004

47. Silver Standard Resources Inc. by letter dated December 15, 2004
48. Southern Rio Resources Ltd. by letter dated December 7, 2004
49. Stoeterau, Judy, P.Geol. by letter dated December 7, 2004
50. Stornoway Diamond Corporation by letter dated December 6, 2004
51. Strathcona Mineral Services Limited by letter dated December 13, 2004
52. Tagish Lake Gold Corp. by letter dated December 8, 2004
53. Teck Cominco Limited by letter dated December 22, 2004
54. Tenajon Resources Corp. by letter dated December 9, 2004
55. Tournigan Gold Corp. by letter dated December 6, 2004
56. Troon Ventures Ltd. by letter dated December 6, 2004
57. TSX Group Inc. by letter dated December 14, 2004
58. Wright, Frank, P. Eng. by letter dated December 4, 2004

Appendix C

REGULATION 43-101 RESPECTING STANDARDS OF DISCLOSURE FOR MINERAL PROJECTS, POLICY STATEMENT TO REGULATION 43-101 RESPECTING STANDARDS OF DISCLOSURE FOR MINERAL PROJECTS AND FORM 43-101F1

SUMMARY OF COMMENTS

#	Theme	Comments	Responses
1.	General support for the initiative	The majority of the commenters expressed general support for the initiative, although the support was qualified by the need to address matters raised in the comments.	We acknowledge the support of the commenters and thank them for their comments. We have carefully considered all of the comments, and amended the proposed Regulation, Policy Statement and Form where we believe it is appropriate.
2.	Lack of support for the initiative	Two commenters expressed disappointment about the changes. One commenter hoped that changes are not made again for many years. The problem is that they will have to re-learn the Regulation because the changes are so substantial. Both commenters said the changes will make the process more difficult, more time-consuming, and more expensive for the issuer without any added protection to investors.	We acknowledge that changing the Regulation requires learning new requirements. However, the CSA was very conscious of the need to ensure the changes would not disrupt the industry's familiarity with the layout and substantive requirements of the Regulation. Although the number of small fixes, drafting simplifications, and revisions appear large, they do not substantially alter the original requirements in the Regulation. After the implementation of the amendments, the CSA will continue to hold regular, free educational seminars for companies and QPs to learn about the amendments and how to comply with the Regulation. Please check the BCSC or OSC websites regularly for announcements of such seminars.
Amended Regulation 43-101			
3.	Former Section 1.1 Application	One commenter stated that we should not remove the *Application* provision in the Regulation. Despite the lengthy guidance in s. 1.3 of the Policy Statement, a rule should have its goals and objectives presented at the beginning, not in an explanatory document.	The CSA has researched this point and concluded that not all rules need to have an application section at the beginning. The application section in the original version of the Regulation gave some companies a loop-hole from complying with other parts of the Regulation. We believe removing it makes it clearer that all mining issuers must comply with each part of the Regulation. To the extent clarification is needed, it is set out in s. 1.3 of the Policy Statement.
4.	Section 1.1 Definitions "adjacent property"	One commenter said this definition is too restrictive. For example, a kimberlite property that is many kilometres away is caught by this definition, but should not be.	We disagree. We do not believe a reasonable person would think that a property that is "many" kilometres away would be a reasonably proximate property.
5.	Section 1.1 Definitions "feasibility study" and "pre-feasibility study"	Many commenters disagreed with adding legal to the relevant factors in these two definitions because it is outside the expertise of the QP. If it is included, then it should at least be qualified, as the (Canadian Institute of Mining, Metallurgy and Petroleum) CIM definition is, by adding "which are sufficient for a QP, acting reasonably".	We believe legal is an important factor that must be included in order to call a comprehensive study a feasibility study or a pre-feasibility study. Item 5 of the Form allows a QP to rely on other experts for opinions that are outside the QP's area of expertise. We agree that the QP can qualify his/her discussion about legal factors by stating he/she is relying on another expert for that information.

Appendix C

**REGULATION 43-101 RESPECTING STANDARDS OF DISCLOSURE FOR MINERAL PROJECTS,
POLICY STATEMENT TO REGULATION 43-101 RESPECTING STANDARDS OF DISCLOSURE FOR MINERAL PROJECTS AND FORM 43-101F1**

SUMMARY OF COMMENTS

#	Theme	Comments	Responses
		One commenter said it is not appropriate for the definition of feasibility study to include the reference to "serve as the basis for a final decision by a financial institution to finance the development of the deposit for mineral production". All the requirements for appropriate mine development plans and design that will support safe financial planning should be solely determined by the QP and the company's directors. One commenter suggested that the definition of pre-feasibility study should be revised. It does not follow the guidelines of the *Professional Engineers of Ontario (1989)* and causes professional problems for the QP that must meet the standard of its professional oversight body.	We disagree. Our requirement for the study to "serve as the basis for a final decision by a financial institution to finance the development of the deposit for mineral production" is a conceptual standard that we are setting for the contents of the report. We are not stating that a company must seek approval from a financial institution for the report, but it must at least be able to reasonably argue that a financial institution would accept the contents of the study as a sufficient basis to allow a decision to be made about financing the project. We adopted the definition of pre-feasibility study from the CIM Definition Standards on Mineral Resources and Mineral Reserves dated November 14, 2004. We believe the source is widely used and understood in the Canadian mining industry. Therefore, we will consider changes to this definition in accordance with any changes the CIM may propose.
6.	Section 1.1 Definitions "grassroots exploration property"	Two commenters said this definition is too narrow to make the proposed new site visit exemption useful. It does not take into account that a property with some historical exploration work done could still be a preliminary property in terms of current exploration technologies. It also does not take into account a property that is newly acquired for diamond exploration but has been previously explored for other commodities. It also does not take into account properties that have only limited surveying and sampling but no comprehensive drilling program would also be early stage. Many commenters said this definition is too arbitrary because it deems any drilling and trenching to be relevant. Even with some past trenching and drilling, the current program may not be able to rely on those results, so the	We agree with the commenters and amended the definition accordingly. The definition should not exclude a newly acquired early stage property that has had previous drilling and trenching for other commodities than those being sought. We agree that including "has had no trenching or drilling" posed a problem in that a company or the securities regulatory authorities may lack knowledge of previous drilling and trenching on a property. We also renamed this term early stage exploration property.

#	Theme	Comments	Responses
		property would still be grassroots. One of these commenters suggested revising it to include the words "no *substantive* drilling or trenching activity *in the past*". One commenter said that we should use a different term to prevent confusion with exactly the same term defined under the *Income Tax Act*. Or, we should use the same definition. One commenter said the proposed definition of this term is too ambiguous as many properties are grassroots for diamond exploration but not other commodities and vice versa. Also, historical trenching techniques, primitive diamond drilling, and even exploration shaft sinking should not put a property outside consideration as grassroots. The commenters suggested that we use the term early stage exploration property and its definition should include airborne surveys, gridding, geological mapping, soil geochemistry for differing commodities, trenching and surface geophysical surveys as preliminary or historical exploration and no diamond drilling for the commodity being sought. One commenter said this definition is not functional because it circles on itself. Many companies do not report the results of unsuccessful exploration activities. Therefore, the QP, the company, and the securities regulatory authority cannot know if any previous drilling and trenching was done on the property.	
7.	Section 1.1 Definitions "IMMM system"	One commenter suggested that this definition should be changed to IOM3 as that is how this organisation refers to itself on its website.	We acknowledge that the organization calls itself IOM3. It uses the term *Reporting Code* to refer to its code. Since the term reporting code is too generic, we prefer to use IMMM Reporting Code for ease of reference and

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SUMMARY OF COMMENTS

#	Theme	Comments	Responses
			understanding.
8.	Section 1.1 Definitions "mineral project"… "including a royalty, net profits interest, or similar interest in these activities,…."	In response to a specific request for comments, many commenters opposed amending the definition of mineral project to include "a royalty, net profit interest, or similar interest" and four commenters agreed with the change. The various reasons for opposing this change were: • A company with a royalty interest does not have access to the data from the operating company to complete and file a technical report. • Contractual arrangements with the producer about access and sharing information are either already set or are too difficult for a royalty holder to negotiate, so it is not possible to arrange for access to the property or data. • The reference to royalty interests should only catch companies that are engaged only in that type of activity and it is material. • A royalty holder should not have to file a technical report about a property in which it has a material royalty interest if the operating company already has a current technical report filed for that property. • A royalty holder should not have to bear the cost of preparing a technical report if the operating company	We have considered all the commenters' responses to our specific request for comment. We concluded that a company with a royalty interest in a mineral project must comply with all parts of the Regulation and file, as required, technical reports in accordance with the Form with an exception from certain Form requirements. We will not expect the royalty holder to complete those items of the Form relating to scientific and technical information that the royalty holder cannot complete if the royalty holder has requested access, but is not able to access, the data from the operating company and is not able to obtain the information from the public domain. We have created a new exemption under s. 9.2 of the Regulation for royalty holders providing such relief. The royalty holder will have to state both of these reasons under Item 3 *Summary* in the technical report and describe each item under Form 43-101F1 that it did not complete. It will also have to include a cautionary statement with all technical disclosure made to the public that explains the royalty holder has an exemption from completing certain items under Form 43-101F1 in the technical report required to be filed and states the title and date of that technical report. We disagree that a royalty holder should be able to rely on the technical report filed by the operating company by referring to the operating company's public record. The civil liability provisions under securities laws would not protect the shareholders of a royalty holder for misrepresentations made by the operating company. Therefore, to make the civil liability provisions available for shareholders of a royalty holder, the royalty holder must file its own technical report and QP's consent. We disagree that a royalty holder should not have to file a technical report if the operating company did not file a technical report. An interest may not be

#	Theme	Comments	Responses
		was not required to prepare one due to a grandfathering provision. Also, it is not appropriate for the royalty holder to incur the costs for a technical report if it only holds a small percentage of the interest in the reserves, while the operating company does not have to prepare a report but it holds the largest percentage of interest in the reserves.	material or a change in information may not be a material change, for an operating company, but it may be material or a material change for the royalty holder. We understand that this may mean the royalty holder will incur costs that the operating company may not. However, we believe the need to protect the interests of shareholders of a royalty holder outweighs those costs.
		• A royalty holder should only have to comply with the Regulation if the Regulation also mandates that an operating company is obligated to co-operate with the royalty or non-operating interest holder to provide the data and access necessary to complete a technical report.	We do not agree that we can obligate an operating company to co-operate with a royalty holder. That needs to be negotiated between the two parties and set out in the terms of the royalty agreement. However, we believe the limited relief we have added under s. 9.2 of the Regulation should address this issue (see first paragraph above under this Item 8).
		• It makes public mining royalty companies subject to an unfair burden compared to other royalty companies and other investment companies and mutual funds that hold an interest in mining companies.	We acknowledge the commenter's concern. However, we do not agree with the commenter's comparison. We believe that we are dealing with mining royalty holders in the same manner as other mining issuers whose shareholders are investing directly in a company whose primary business is related to the operation of a mineral project.
		• Requiring royalty holders to comply with the technical report filing requirement will lead to less royalty companies operating in Canada. Canadian junior companies and investors will suffer because the royalty companies have assisted junior companies to operate without complete reliance on equity or bank financing. Of the four commenters that supported this change, their reasons were:	We believe the limited relief we have added under s. 9.2 of the Regulation should address this concern (see first paragraph above under this Item 8).

Appendix C

REGULATION 43-101 RESPECTING STANDARDS OF DISCLOSURE FOR MINERAL PROJECTS,
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SUMMARY OF COMMENTS

#	Theme	Comments	Responses
		• A company whose only interest in a mineral project is a royalty interest should be subject to all of the Regulation, including the technical report filing requirements. The contractual arrangements with the producing issuer should not be a problem because they make the royalty holder privy to the same technical information as the owners/operators of the mineral project. • A royalty holder should comply with the entire Regulation just like other mining companies provided that the property and the income derived from it is material to the company. However, it is the terms of the royalty agreement that are more important than a technical report from these types of companies. • A royalty holder should have to file a complete technical report if its business is to only hold royalty interests in mining properties and it has several royalty interests with an aggregate amount of annual revenue that reaches a threshold percentage of the company's total revenue. • Reliable projections of future royalty income should be based on mineral reserves that are subject to the Regulation. Four commenters suggested that if we decide royalty interest holders must comply with all of the requirements of the Regulation, then we should permit such companies to rely on a current technical report that is filed by the operating company. Three of these commenters suggested adding the condition that the royalty interest	We disagree with these two suggestions. Instead, we decided to limit the content under certain items in the Form that a royalty holder must comply with, subject to conditions. See our response in the first paragraph above under this Item 8 and the new relief added under s. 9.2 of the Regulation.

#	Theme	Comments	Responses
		holder or its QP files a form of certificate that provides full disclosure about not filing a Regulation 43-101 technical report, indicates it is relying on the disclosure in the technical report filed by the operating company that was prepared by its QP, and has no knowledge of any other information about the mineral project that is not contained in that disclosure.	
9.	Section 1.1 Definitions "preliminary assessment"	Five commenters opposed broadening the definition of preliminary assessment. Two said it will trigger a independent technical report for disclosure of all resource categories, if the disclosure does not fall within the meaning of pre-feasibility study. If this is an attempt to catch those statements that a company uses to compare the potential of early stage projects, such as identified resources but have no engineering studies, then that should be clearer instead of creating this unnecessary expansion. Another commenter said that since many junior companies always do some kind of economic evaluation on a property, the change proposed to this definition will trigger more technical reports for junior companies. Another of these commenters recommended a cut-off of 20-25% of inferred resources at which a study becomes downgraded to a preliminary assessment. Two commenters suggested this term should be changed to scoping study or define both terms the same way. Preliminary assessment is not a recognized term internationally and most refer to it as scoping study or use both terms anyway.	We acknowledge the comments that opposed broadening this definition. However, the CSA believes that a broader definition is necessary. The original Regulation did not trigger a technical report under s. 4.2(1)(j) for a news release that disclosed an economic analysis based only on measured or indicated mineral resources. We believe that it is in the public interest that an independent opinion be prepared for these types of economic analyses for first time disclosure (an independent QP is not required for subsequent disclosure of material changes in the preliminary assessment). Many of these studies have little engineering basis. Without an independent Regulation 43-101 technical report to support these economic analyses, it is not possible for public investors or the securities regulatory authorities to determine the credibility of the disclosure of the analysis. We disagree with the suggestion to create a percentage threshold as a cut-off for triggering a preliminary assessment report. See our response above. We disagree with the suggestion to change the term preliminary assessment to scoping study. The CSA purposely created the term preliminary assessment at the time the Regulation was originally implemented. The reason was that we wanted to create a term for a study of this nature that was specific for certain requirements in the Regulation. We have included a reference to scoping study in s. 1.7 of the Policy Statement.

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#	Theme	Comments	Responses
		One commenter noted that this definition is missing the reference to mineral resources which was included in the summary about this change in the CSA Notice.	We agree. The summary in the CSA notice was what we intended. We have amended the definition to clarify this.
		One commenter said we should not permit any economic evaluations that include inferred resources. Therefore, this definition and the guidance about preliminary assessments in s. 1.7 of the Policy Statement should be deleted. Rather, this commenter recommends the appropriate approach with inferred resources is an appraisal of the mineral potential based on the available geoscience and sampling information in order to justify additional, more elaborate work to either bring the inferred resources to the level of indicated or measured mineral resources, or fail to confirm their potential interest.	We acknowledge the comments. However, the CSA has had to respond to the reality that companies do create such economic evaluations (i.e. scoping studies that include inferred resources) for their own internal use and for assisting to attain financing for exploration projects. The CSA believes that the prohibition against such information would lead to it being available to only a select few, not to all market participants equally. Therefore, to ensure that all market participants have equal access to the same information (which is one of the mandates of the securities regulatory authorities), we decided that establishing conditions on how a company must disclose this type of information and requiring a Regulation 43-101 technical report to support it in certain instances was the best approach for dealing with these types of studies.
10.	Section 1.1 Definitions	One commenter suggested that we should publish the list of acceptable foreign professional associations in the Policy Statement.	Subsequent to our publication for comment, we learned that we must include this list in the Regulation. Therefore, it is attached as Appendix A to the Regulation.
	"professional association"	One commenter said that this definition should be broadened to include foreign entities by adding to the phrase "that is given authority or recognition by statute" to permit other types of legal or governmental authority.	We disagree with the suggested language for dealing with foreign professional associations. As stated in the paragraph above, we created Appendix A to the Regulation, which lists the foreign professional associations and classifications they recognize that we consider acceptable. We do not have sufficient knowledge about authorization processes in foreign jurisdictions so we prefer to review them on a case by case basis. Any person may make an application for relief to CSA staff requesting acceptance of other foreign associations that are not on the list in Appendix A.
	(a)(ii) accepted by the securities regulatory authority or regulator in a notice published for this purpose	One commenter said that the addition of paragraph (a)(ii) seems to add a level of authority to the CSA to infringe on the jurisdictions of Canadian professional associations.	We acknowledge this commenter's concern that paragraph (a)(ii) suggests the CSA may also accept other Canadian associations that have not been recognized by statute. To clarify, we amended this paragraph to restrict its application to

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#	Theme	Comments	Responses
		This commenter recommends that this provision be limited to reports covering projects outside of Canada by non-Canadian QPs. The same commenter also noted that a licensee in paragraph (c) of the definition of qualified person that is licensed by certain foreign professional associations may not meet the requirements under paragraphs (b), (c) and (d) of the definition of professional association.	foreign associations. We disagree with solving this concern by restricting foreign QPs to only work on foreign properties. This may give the appearance of the CSA being an overseer of the laws of the Canadian professional associations. That is not our role. We have reviewed our list of foreign associations and made all necessary corrections to the reference to licensees that were set out in our previous list.
11.	Section 1.1 Definitions "qualified person" (c) is a member or licensee in good standing of a professional association	One commenter said that guidance is needed about whether paragraph (c) covers temporary permits to practice that may be granted to non-Canadian QPs by Canadian professional associations.	We disagree. As long as a Canadian professional association allows an individual to practice, under a temporary permit or otherwise, in their jurisdiction, the requirement under (c) is met. We deleted the reference to member or licensee in (c) because many of the acceptable foreign professional associations listed in Appendix A use classifications other than just member or licensee.
12.	Section 1.1 Definitions – general	One commenter suggested we need to include a definition of TSX Venture Exchange Short Form Offering Document. Three commenters questioned our removal of the definition of technical report and indicated it may lead many to think the reference to technical report in the Regulation would not need to be a Regulation 43-101 technical report. Three commenters suggested that since there are many references to material change and material property, those terms should be defined in the Regulation. The guidance about materiality in s. 2.4(2) of the Policy Statement is not precise.	We acknowledge the commenter's suggestion. However, we disagree with adding it to the definitions. Since the term is only used once in the Regulation, we decided to describe it in more detail under s. 4.2(1)(h) of the Regulation. We have reconsidered our removal of this definition and have decided to retain and modify it. Although s. 4.3 requires a technical report filed under that part to be a Regulation 43-101 report, we agree with the commenter that having it defined would clarify what a technical report means under other parts of the Regulation. We disagree. Material change is defined under provincial securities legislation. It is not possible to define materiality precisely because whether a property is material may fluctuate depending on many factors outlined in the Policy Statement. There is no bright-line test for materiality. Therefore, we believe we have dealt with this concept appropriately by the guidance in the Policy

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#	Theme	Comments	Responses
		One commenter noted that the term scientific and technical information is often used throughout the Regulation but is not defined. It should be defined.	Statement. We disagree. We believe that the meaning of scientific and technical information in the context of a mineral project is self-explanatory. The CSA staff have not observed, in public disclosure, any problems with companies and QPs distinguishing what is scientific and technical information on a mineral project.
13.	Section 1.4 Independence	Many commenters recommended that we retain the present definition because the new definition contains terms that are subject to interpretation, such as adjacent property, reasonable person, and influence. One of these commenters suggested we define non-independence as a person related to the issuer and then give examples of its meaning in the Policy Statement. Eight commenters supported a change to this definition, with reservations. They all have reservations about its application because it is too vague and can be widely interpreted. Several suggested that we remove the vague words such as “expects to have” and “other relationship” as those phrases would likely catch every QP that plans to do more work for the same client after the conclusion of the current contract. Two commenters also suggested that the reference to adjacent property should only catch an ownership interest or be removed. It affects companies with properties in remote areas where there are only a few QPs available with knowledge of those areas. One commenter said the problem with this new definition is	We disagree with the commenters that suggested we retain the present definition. It did not adequately cover many situations of non-independence. Rather than a prescriptive definition, we believe the best solution for covering all possible situations of independence is by the proposed principle-based definition. This approach is consistent with the way independence is defined in other CSA rules. We also disagree with this suggestion. We believe that this concept would not cover any interests in a property. Therefore, we prefer to remain with a principle-based definition, rather than a prescriptive one. We acknowledge the concerns about the vagueness of the proposed definition. We believe we have dealt with this by the additional revisions we made to this definition. The revised version does not contain references to “expects to have”, “other relationship”, and “would consider an influence”. We decided to remove the list of specific references to agreement, arrangement, etc, and mineral project, property, and adjacent property because we do not think it was correct to limit the circumstances in which an assessment of a QP’s independence should be considered, based on the opinion of a reasonable person. We believe the examples we give under s. 3.5(1)(e) and (f) of the Policy Statement about the extent of a QP’s interest in an adjacent property are relevant and reasonable. We expect that a reasonable person would not include the QP’s contract for services with the company to work on the project that is the subject of the technical report as one of the circumstances that may interfere with the QP’s judgment.

#	Theme	Comments	Responses
		that "any agreement" can be interpreted to catch the contract the QP has with the company to get the work done. One commenter suggested adding "likely to influence" instead of "influence". Many commenters said that the new definition will increase compliance costs because legal advice will be necessary to interpret compliance.	We disagree that companies and QPs will have to seek legal advice to interpret their compliance with this definition because it is an objective test based on a reasonable person standard. Companies and QPs should be able to do this for themselves. We have also included some examples in s. 3.5(1) of the Policy Statement to assist with their interpretation.
14.	Section 2.1 Requirements Applicable to All Disclosure	One commenter suggested that we amend this section to be more specific, as follows: "An issuer shall ensure that: (1) all disclosure of scientific or technical information made by or behalf of an issuer concerning mineral projects on a property material to the issuer is based upon a technical report prepared by or under the direct supervision of a qualified person; (2) disclosure of a mineral resource must be based on a technical report by, or directly supervised by, a qualified person; (3) disclosure of mineral reserves must be based on a report involving several QPs providing the specialised skills required."	We disagree with amending this section as suggested. The suggested language regarding the number of QPs that must be involved in mineral resource and mineral reserve estimates is too specific. The CSA believes that it is not our responsibility to delineate the professional and ethical obligations of QPs. Also, s. 3.3 and s. 6.4 of the Policy Statement include guidance on our expectations about this.
15.	Section 2.2 All Disclosure of Mineral Resources or Mineral Reserves 2.2(b) reports mineral resources and mineral reserve separately 2.2(c) does not add inferred mineral resources to the other categories of mineral	One commenter suggested that s. 2.2(b) needs clarification whether indicated mineral resources and measured mineral resources may be added together as long as both are also disclosed separately. Many commenters disagreed with the prohibition under s. 2.2(c) against adding inferred resources to other resource categories. Two subtotals are complicated, because people just add them in their heads anyway.	We disagree. This section does not restrict a company from adding indicated mineral resources and measured mineral resources together. The CSA supports the prohibition against adding inferred mineral resources to other categories because of the principle that the confidence level of inferred resources is significantly lower than the other categories.

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	resources 2.2(d) states the grade or quality and the quantity for each category	Three commenters agreed with the addition of s. 2.2(d). One also suggested we should include the parameters used (namely cut-off grade and the justification for such parameters). Also, one of these commenters recommended we only require the reporting of two of the following three: tonnes, grade, and contained metal, as that allows an estimation of the third.	We disagree with the commenter's suggestion because the parameters are already covered under s. 3.4 of the Regulation and therefore, they will be contained in the company's written disclosure. We believe that it is not onerous to expect a company to disclose all three.
		One commenter said that the Regulation should prohibit adding resources and reserves together. Also, this commenter suggests adding the following subsections: (e) for mineral reserves based on an appropriate level of mineral processing sampling and testing, use the estimated metal recovered after mining and mineral processing losses; (f) if no tests or insufficient tests have been carried out, estimates of metal in place should only be reported within a warning that the actual proportions of the metal in place that could be recovered after mining and processing cannot yet be estimated accurately.	We disagree with the suggestion to prohibit adding resources and reserves together because we believe the conditions required under s. 2.2(b) allow this to be done in a way that is not misleading to investors. We disagree with making these additions to s. 2.2. These are key assumptions and parameters. We believe they are sufficiently dealt with under the s. 3.4(c) of the Regulation and Items 18, 19(f), and 25(b) of Form 43-101F1.
		One commenter said that the requirements of s. 2.2(d) should also be exempted under s. 3.5. That information should not have to be repeated in each news release if it is contained in a previously filed disclosure document.	The s. 3.5 exemption can only be considered for the information required under Part 3 of the Regulation. We believe we have appropriately determined which information under Part 3 should be exempted under s. 3.5. We also note that s. 3.4(b) (which is a similar disclosure requirement as 2.2(d)) is not exempted. We believe this type of information should be disclosed each time.
		One commenter said s. 2.2(d) should prohibit the disclosure of gross dollar value or net smelter return	We acknowledge the comment in regards to gross dollar value if it does not include qualifications. This type of disclosure has always been prohibited under

#	Theme	Comments	Responses
		(NSR) even with the proximate cautionary language.	general securities laws. It would be misleading disclosure. Therefore, it does not need to be specifically stated in the Regulation as we can enforce any improper disclosure of this under general securities laws. We have not included NSR in the prohibition because we believe NSR should factor in mine, metallurgical, and smelter recovery.
16.	Section 2.3 Prohibited Disclosure	One commenter made drafting suggestions about this section. The commenter suggested that s. 2.3 (1), (2) and (3) would be clearer if we re-wrote s. 2.3(1) in a positive statement, making it conditional upon complying with s. 2.3(2) and (3).	We disagree. We believe that the positive statement makes it appear that we encourage this type of disclosure. We do not want to encourage it. It has been our experience that this type of disclosure can result in misleading disclosure. Therefore, we prefer to retain the format and the *Prohibited Disclosure* title for this section.
		One commenter disagreed with permitting, under s. 2.3(2), the disclosure of "the potential quantity and grade expressed as ranges, of a possible mineral deposit that is the target of further exploration" as such disclosure for early stage projects is indefinite and will vary from company to company. The commenter recommended deleting the reference to "a possible mineral deposit" because, based on the CIM definition of inferred mineral resources and the AIMR principles, it is not appropriate to have a preliminary assessment of a possible mineral deposit. At most, for an early stage exploration project, appraisals of the mineral potential based on the various types of sampling information available may justify recommendations for follow up work on a possible mineral deposit.	We disagree. This issue was the subject of extensive discussions during the original drafting of Regulation 43-101. At that time it was felt that the details of an exploration target could be material information for the shareholders of exploration stage companies. We believe it is better to allow this disclosure with appropriate cautionary language and a discussion of the basis of the target, rather than trying to prohibit it completely.
		One commenter disagreed with s. 2.3(3) which permits disclosure of an economic evaluation (including preliminary assessment, feasibility study, and pre-feasibility study) that includes inferred resources provided	We do not agree with the commenter's interpretation of s. 2.3(3). Section 2.3(3) is about requiring a proximate statement only when disclosing a preliminary assessment that includes inferred mineral resources. By definition, a preliminary assessment can only be prepared prior to a pre-feasibility study. Section 2.3(3)

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		the required proximate statement is made. The commenter said the inclusion of inferred resources in feasibility and pre-feasibility studies, even if accompanied by a proximate statement, is completely unacceptable and such situations could be breaches of professional ethics on several counts. The level of trustworthiness of inferred mineral resources does not warrant including them in any engineering plans and economic forecasts required for a feasibility study that will lead to major appraisal and/or production decisions. However, at the pre-feasibility study level only, the inclusion of inferred resources in designing a mining system should be done as an alternative estimation to establish the justification of spending funds to bring them to the indicated, and eventually the measured level.	does not apply in the case of pre-feasibility and feasibility studies. The Regulation prohibits the inclusion of inferred resources in feasibility and pre-feasibility studies under s. 2.3(1)(b).
17.	Section 2.4 Disclosure of Historical Estimates 2.4(b) confirms the historical estimate is relevant	One commenter suggested that we add language to this section to indicate when a company needs to file a technical report. The same commenter suggested we remove s. 2.4(b) because it is redundant. A company would not use the historical estimate if it were not relevant. Two commenters suggested that this section should refer to the guidance in s. 2.9(2) of the Policy Statement to ensure better compliance. The present day disclosure of historical estimates involves more complex options than this section originally contemplated (as indicated by s. 2.9 of the Policy Statement).	The amendments to s. 2.9(4) of the Policy Statement gives new guidance about this. We do not agree with inserting it in the Regulation because the Regulation should only state the law, not guidance. We acknowledge the commenter's suggestion. We have clarified this section to say "comment on the relevance and reliablity". We have also added new guidance under s. 2.9(3) of the Policy Statement about what we expect in the company's comment of relevance and reliability. We agree with the commenter's suggestion. However, since the proposed s. 2.9(2) of the Policy Statement was mandating a disclosure requirement, it was not actually a policy. The proper place for it is in the Regulation. Therefore, we moved the proposed s. 2.9(2) of the Policy Statement to the Regulation as a new s. 4.2(2). Since it is about relief from filing a technical report, we believe the proper place for it is under s. 4.2 (to follow the technical report triggers), rather than s. 2.4.
18.	Section 3.1 Written Disclosure to Include	One commenter disagreed with this addition because it	We disagree. Under s. 3.1, the company already has to name the QP in all other

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	Name of QP	will increase the costs for companies as they will have to pay a QP to review all documentation.	written disclosure. Also, companies listed on the TSX and TSX Venture Exchange already have this requirement. Therefore, we believe that this is not a significant change. Also, we believe that adding the requirement to name the QP in the news release does not obligate a QP to review the disclosure. However, we have encouraged companies to establish that practice to ensure their technical disclosure is accurate and not misleading.
19.	Section 3.2 Written Disclosure to Include Data Verification	One commenter suggested that s. 3.2 should be limited to the verification of sampling, analytical, and test data because when preparing a technical report it is not possible to verify all geological, geophysical, and other data. This is even more the case when compiling and trying to verify prior work. One commenter suggested that s. 3.2, 3.3, and 3.4 should not apply to news releases and material change reports because these requirements interfere with timely disclosure. Since a company will have to provide this disclosure in annual information forms, the information will still be available to investors. The content required by these sections clutters the critical information conveyed through the news release.	We disagree. The circumstances described are allowed in s. 3.2(b) and (c). We agree the disclosure of material information must be timely, however it must also not be misleading. The information required by these sections gives the necessary context to prevent the disclosure from being misleading. We believe that the changes we made to s. 3.5 deals with de-cluttering news releases by permitting reference to previously filed disclosure containing that information, provided it is still current.
20.	Section 3.3 Requirements Applicable to Written Disclosure of Exploration Information	One commenter suggested that s. 3.3(1)(c) needs more specific details. It should state that quality assurance programs and quality control measures should apply to all information acquisition methods, such as geoscience work, drilling/sampling, sample reduction methods, environmental data tests and other types of test, not just to assaying. One commenter suggested that we remove s. 3.3(2)(c) as a written disclosure requirement because more companies provide information about sample spacing and density of	We disagree. This section is not limited to assaying. It applies to all exploration information. We disagree. A company satisfies the requirements under s. 3.3(2)(c) if it uses figures. They are included under the definition of written disclosure in the Regulation.

#	Theme	Comments	Responses
		the samples in figures, not in a written discussion. One commenter suggested that we remove "certification of each laboratory" from s. 3.3(2)(e). It is not included in most disclosure. Since a government certification process accredits all Canadian labs, this disclosure is not very useful. One commenter suggested that s. 3.3(2)(f) should be amended to remove the requirement for "a listing of the lengths of individual samples or sample composites" because it is too onerous, such as when a company acquires a new property that has assay data for over 2,000 drill holes. An overall summary should be sufficient in such cases.	 We agree with commenter's suggestion. We have removed that requirement from s. 3.3(2)(e) of the Regulation. We believe the important information of precision and accuracy of the analytical results are covered under s. 3.2 (data verification), and s. 3.3(1)(c) (quality assurance/quality control). Further context is also provided under the remainder of s. 3.3(2)(e). We agree with the commenter's suggestion. We have amended s. 3.3(2)(f) accordingly.
21.	Section 3.4 Requirements Applicable to Written Disclosure of Mineral Resources and Mineral Reserves	Two commenters said that the requirements of s. 3.4(b), "details of quantity and grade or quality of each category of mineral resources and mineral reserves" should also be exempted under s. 3.5. That information should not have to be repeated in each news release if it is contained in a previously filed disclosure document. One commenter said that the request to state key assumptions, parameters, and methods in s. 3.4(c) is vague. Instead, it should be more specific, such as require disclosure of commodity price, relevant foreign exchange assumptions, and operating cost estimates. One commenter said the requirement under s. 3.4(d) to provide a general discussion of the points listed in that section only leads to boiler plate language by companies that ends up being of little use to investors. Instead, it	We disagree. We think that a company should repeat this type of information in a news release despite it being previously disclosed in a filed document. It provides useful information on the significance and potential economic viability of the resource or reserve. Investors should have these details at the same time they receive the material information disclosed in a news release. We disagree. The key assumptions, parameters, and methods are specific to each mineral project. We believe investors will receive more meaningful disclosure if the company and QP have the flexibility to determine the key assumptions, parameters and methods of the project. We disagree for the reasons set out in our response above.

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		should require specific disclosure about those points and whether they are likely to have a material effect on the resource or reserve estimate.	
22.	Section 4.2(1) Obligation to File a Technical Report in Connection with Certain Written Disclosure Concerning Mineral Projects on Material Properties 4.2(1)(c) – information circular trigger	Many commenters said the wording in s. 4.2(1)(c) deleted the reference to the need for a transaction to be material to the company.	The word material in the original s. 4.2(1)(c) was referring to the property of the issuer that exists after the transaction is completed. It did not refer to the transaction. To clarify the problems with interpretation of s. 4.2(1)(c), we moved the reference to material property of the resulting issuer into the lead-in paragraph, s. 4.2(1). Now, the end of that paragraph reads "on a property material to the issuer, or in the case of paragraph (c) below, the resulting issuer". This means, in the case of s. 4.2(1)(c), a company is only required to file a technical report for a property that is material to the resulting company.
		One commenter noted that clarification is needed in s. 4.2(1)(c) to indicate that the determination of materiality of the acquiror's own mineral projects should be made after giving effect to the subject acquisition.	We believe we covered this in the changes we made to s. 4.2(1). Please see our response above.
	4.2(1)(d) – offering memorandum trigger	One commenter agreed with the principle of the change to this trigger (i.e. that an offering memorandum (OM) delivered to an accredited investor does not trigger a technical report). However, that commenter suggested re-writing it to say a technical report is required for an OM if it is filed in connection with an OM exemption under provincial and territorial securities laws.	We disagree. We do not want to limit the trigger to only those OM's filed under an exemption because certain jurisdictions may have a requirement to file an OM for other purposes.
	4.2(1)(e) – rights offering circular trigger	One commenter suggested that we should not require a technical report with a rights offering circular unless the circular contains a material change in the technical information contained in a previously filed technical report. Since rights offerings are made to existing shareholders, they should already have full disclosure of	We believe we dealt with this by the addition of s. 4.2(8).

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		all technical information about the company.	
	4.2(1)(f) – annual report trigger	One commenter suggested that we remove this trigger as an annual report is not a prescribed or required form of disclosure. The contents of annual reports would still be subject to the other disclosure requirements under Part 3.	The annual report trigger referred to a document required to be filed under Quebec's securities laws in certain instances. The filing of a technical report with an annual report is no longer required in Quebec. Therefore, we have removed annual report from this subsection.
	4.2(1)(f) – annual MD&A trigger	Many commenters disagreed with replacing the AIF filing trigger for a technical report with the annual MD&A trigger because it increases the cost burden for venture issuers who have elected not to file an AIF. The current regime of both annual technical report filings and intermittent technical report filings is too onerous and costly for companies and is not the most efficient way to ensure the public has current technical disclosure of mineral projects. One of these commenters suggested that the removal of the MD&A trigger would not be a loss of technical information to investors as they will obtain a technical report from a company when it is necessary, such as when a news release announces first time disclosure of resources or reserves or a material change in resources or reserves. As an alternative, the MD&A trigger should only require a new technical report if a company has not filed one within the past three years. As another alternative, all of the triggers other than the MD&A and news release triggers should be deleted to create a regime of annual and material change reporting similar to Regulation 51-101. Many commenters suggested that the completion of	We acknowledge the commenters' concern. We have reconsidered this change and have decided not to include MD&A as a trigger for a technical report.

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		technical reports should not be tied to annual filing dates, but rather to a point in time when material information from a program has been received and interpreted. Another commenter had a similar suggestion to require a technical report on the earlier of (a) the completion of the program of exploration or development, or (b) 12 months after the filing of the most recent technical report on the property, if there has been a material change in the technical information provided by the previous technical report.	
	4.2(1)(g) – valuation trigger	One commenter suggested that all valuations of mineral properties should be prepared in accordance with the CIMVal Standards and Guidelines.	We disagree. The CSA prefers to not endorse one particular standard for preparing valuations.
	4.2(1)(h) – TSX Venture Exchange offering document trigger	Four commenters suggested that we remove this trigger because that type of offering document was designed by the exchange to be a quick and inexpensive means of raising a limited amount of funds. Requiring a Regulation 43-101 report for such financings defeats its purpose. One of these commenters noted that this requirement would cause a double trigger because the TSX Venture offering document requires an issuer to have filed an AIF. Therefore, the company should already have a technical report filed for the AIF.	We disagree. The TSX Venture Exchange also expects a company to file a technical report with their short form offering document if the technical disclosure in the technical report filed with the AIF is not current. However, we revisited this trigger and decided to limit it to a TSX Venture offering document that includes material information about a mineral project on a property material to the company not contained in a previously filed technical report. We have made this change by adding s. 4.2(8) in the Regulation.
	4.2(1)(j)(ii) – material change in a preliminary assessment or resources or reserves from the most recently filed technical report	One commenter suggested that s. 4.2(1)(j)(ii) of the Regulation should have a more definite measure that determines what would constitute a material change. The commenter recommends a “change that exceeds 25% of previously estimated resources, provided the 25% exceeds 100,000 oz”.	We disagree. See our discussion under Item 12 above regarding the meaning of materiality.

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SUMMARY OF COMMENTS

#	Theme	Comments	Responses
23.	4.2(4)(a) 30 day delay permitted for filing technical report after news release announcing resources or reserves or a preliminary assessment or a 100% change 4.2(5) 30 delay permitted for filing technical report for property that becomes material less than 30 days before filing AIF or MD&A	Five commenters noted the timing requirements in s. 4.2(4) and (5) for completing a technical report are too tight. Three of them suggested it should be extended to at least 60 days. One suggested 90 days. (The same comments apply to s. 2.9 of the Policy Statement guidance about disclosure of an acquisition of a mineral project.)	We acknowledge this concern. We have reconsidered the time period allowed under s. 4.2(4) and (5) (now s. 4.2(5) and (6)) and decided to change it to 45 days instead of 30 days. We expect that the QP should have the technical report nearly completed by the time the issuer makes the disclosure. Therefore, we think that extending the time by 50% for the QP to complete the technical report is reasonable. We have amended the Regulation and the Policy Statement accordingly.
24.	4.2(7) permission to not repeat filing of same technical report previously filed provided there is no material change in information in report and a new QP certificate and consent is filed	Two commenters agreed with the addition of s. 4.2(7). However, one suggested that we should remove the requirement for an updated certificate. Only an updated consent should be relevant. Another commenter said it was unreasonable to have to track down the original QP and secure their time to re-evaluate and decide if any new work constitutes a material change in the information in the original technical report. Instead, we should allow the company to use its in-house QP to certify the report is current.	We do not agree with either removing the requirement in s. 4.2(7) (now s. 4.2(8)) for an updated certificate or permitting the company to use its in-house QP (or any other QP) to certify the original QP's report is current. If this new section were not added, the company would be in the situation of having triggered another technical report and therefore, would have to re-file the whole technical report prepared by the original QP, and certificate and consent. Our reasoning behind the addition of s. 4.2(7) (now s. 4.2(8)) was to remove the problem of having multiple filings of the same report on SEDAR. It was purely for administrative ease. The company still must obtain the original QP's consent to use the report for the new purpose. The consent requires the QP to review the new disclosure being made and determine that it accurately reflects the information in the technical report. Therefore, the original QP must still be involved in assessing the materiality of the results of any new work. As a result, we believe that the requirement for the QP to provide an updated certificate should be retained.
25.	Section 5.2 Execution of Technical Report	One commenter suggested that we make s. 5.2(b) clearer to indicate the technical report must be signed by the QP.	We disagree that clarification is needed. Section 5.2 requires that the technical report must be signed by: (a) the QP, or (b) the engineering company that has an employee, director, or officer that is the QP who is responsible for the technical report.
26.	Section 5.3 Independent Technical Report	One commenter said the addition under s. 5.3(1) that requires an independent QP for any disclosure captured by	We agree and have not retained the addition that was proposed for this sentence in the version published for comment.

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		the enumerated items under that section is a significant departure from the current requirement. Disclosure may be captured by one of those items, and may be based on information prepared by an in-house QP, yet the requirement for an independent technical report may not be triggered.	
		Many commenters disagreed with requiring an independent technical report to support a TSX Venture offering document because it removes the whole purpose of that offering document which is to be a quick and inexpensive means to raise a limited amount of funds.	We have reconsidered this proposed change and decided to remove the requirement for an independent technical report for a TSX Venture offering document.
		Three commenters said we should not add any more requirements for independent technical reports as it will increase the current problem for junior issuers in that many technical people who know most about the property are excluded from authoring a report. It adds a cost burden to junior companies, with little or no benefit to the investing public.	We disagree. We believe there is a benefit to the public in the instances where an independent technical report is required. Although our change to the definition of preliminary assessment broadens the circumstances for triggering an independent technical report for preliminary assessments, we have eliminated other triggers for an independent QP (i.e. not retaining the requirement for independent technical report for the TSX Venture offering document and removing the requirement for a technical report if an issuer becomes a reporting issuer in any other Canadian jurisdiction after it is a reporting issuer in any one Canadian jurisdiction.)
		Three commenters said that s. 5.3(1)(c) should be clarified. It is not clear whether the 100% or greater change is referring to the measured, indicated, or inferred or a 100% change in the total. Another commenter questioned whether it meant 100% change in tonnage, grade, or total combined metal. Also, the same commenter asked whether it was meant to catch a change in metal price that causes a 100% increase or decrease in the	We agree with the commenters' suggestion. We have added language to this subsection to make it clear that the 100% or greater change must be in *total* mineral resources or *total* mineral reserves.

#	Theme	Comments	Responses
		resources or reserves without any further work being completed. Another questioned whether it meant a 100% change in the size of the mineral resource or the size of the property.	
		One commenter suggested that we should permit an independent QP to audit an in-house QP's reports and disclosure of the auditing process and conclusions, rather than requiring companies to incur the unnecessary cost for an independent QP to complete a full, separate technical report. Many independent QPs typically only audit the company's work and require certain quality assurance work anyway. This approach would reduce a very large cost burden for junior companies imposed by the Regulation.	We disagree with this suggestion. The existing rules do not prohibit an independent QP from having an in-house QP co-author an independent technical report. However, the independent QP must take responsibility for the entire technical report and provide the required certificate and consent.
		One commenter said s. 5.3(1) should not limit the independence requirement to the time of the disclosure. It should provide that the QP must have been independent two years prior to and continue to be independent for one year after preparing and completing the technical report.	We disagree. The commenter's suggestion would create an additional burden on companies that we cannot justify. We believe that past work would not interfere with a QP's independence. Also, we believe that a QP that expects to have a relationship to the company one year in the future may not be independent if the test for independence under s. 1.4 of the Regulation is not met.
		Another commenter said we should provide guidance about whether the previous technical report could still be used (assuming it is current) if the QP that filed the initial report is no longer independent (i.e. the QP becomes a director of the company) but the second filing still requires an independent QP. In this situation, we should allow the company to use its in-house QP to certify the report is current.	We acknowledge the commenter's concern. We have decided to retain the words "at the date of the technical report" in the current Regulation. Accordingly, the time for determining whether the QP is independent is the date of the completion of the technical report. Therefore, a previous independent technical report from a QP that is no longer independent at the time of the disclosure could be used provided the report is current and supports the scientific and technical disclosure in the disclosure captured by the enumerated items under s. 5.3(1).

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	5.3(3) Exception from independence requirement for junior joint venture company	Many commenters said s. 5.3(3) should also permit a QP of a junior joint venture company to rely on data provided by a QP that is a consultant or contractor of the producing issuer, not only a QP that is an employee. Four commenters suggested that we need to reconsider how difficult it is for a junior joint venture company to obtain the information necessary from a producing issuer, especially if the mineral project is not material to the producing issuer. The amendments to the Regulation need to address this problem. Two of these commenters recommended that we should not require a junior company to file a technical report if the producing issuer already has one filed. The junior company should be able to refer to the producing issuer's technical report. Another recommended that the junior company should have relief from the technical report filing requirement if the producing issuer does not have a technical report filed. One commenter noted that with the new civil liability laws proposed in certain jurisdictions, the benefit of s. 5.3(3) of the Regulation is lost. Since those laws would make an expert liable if it provides a company its consent, most QPs of a producing issuer would refuse to provide a consent to a junior joint venture company for relying on their data or technical report.	We agree. We have amended s. 5.3(3) of the Regulation accordingly. We disagree with these suggestions. In most cases, by the terms of the joint venture agreement, the junior company should be able to arrange access to the property and data with the producing issuer. Firstly, we believe that providing an exemption to a junior joint venture company where the producing issuer has filed a technical report will provide little benefit for junior companies since most producing issuers will not have a technical report filed because the property is not material to the producing issuer. Secondly, if the technical disclosure is not filed by the junior company and the consent to that disclosure is not filed by the junior company's QP, there is no means by which the junior company's shareholders and public investors will have a civil liability claim if the technical information filed by the producing issuer contains a misrepresentation. We understand that in some cases, the junior company may not be able to get access to the data or the property. Where a junior company is unable to get access to the data or the property, it should apply for exemptive relief from the requirements. We acknowledge the commenter's concern. The proposed civil liability laws will only affect experts who provide a formal consent that must be filed by the junior company. The consent that the junior company must file under the Regulation would not come from the producing issuer's QP. It must be provided by the junior company's QP who prepares the technical report that must be filed. The producing issuer's QP provides the junior company with the data, not the consent the junior company is required to file.
27.	Section 6.2 Current Personal Inspection	One commenter said that the site visit requirement for each report is excessive. There should be relief if the QP was just on the property during the same year. Many commenters suggested the site visit requirement	We disagree. The CSA views the prescribed site visit each time a technical report is prepared and filed as one of the cornerstones of the Regulation. We have consulted with the CSA Mining Technical Advisory and Monitoring Committee (MTAMC) (composed of a balanced range of professionals in the

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		should be left to the professional discretion of the QP as the mandatory requirement is too prescriptive. If the QP determines a site visit is not required or should be delayed, then the QP should disclose the reasons in the QP certificate. The new exemption proposed does not take into account numerous additional reasons a site visit may not be necessary besides extreme seasonal conditions. One commenter said this section needs a definition of current inspection of the property. One commenter suggested that this section should refer to the requirement that the site visit must be independent if an independent technical report is required under Part 5 of the Regulation. (Also, see the comments and responses under Item 33 below relating to s. 9.2 *Exemption from Personal Inspection*).	mining industry) about this frequency. We received confirmation that the need for a site visit with every technical report is sound and we should only consider otherwise on a case by case basis or if the site visit is impossible due to weather conditions. Accordingly, we limited the site visit relief as proposed, now under s. 6.2(2) and (3). The proposed changes to the Policy Statement contain guidance on the meaning of current personal inspection. Please refer to s. 6.1 in the Policy Statement. We disagree with the suggested addition. Section 6.2 (the site visit requirement) states the QP that prepares or supervises the preparation of the technical report must complete the site visit. If the QP must be independent (pursuant to s. 5.3), then s. 6.2 requires an independent QP to complete the site visit requirement. It is not necessary to repeat the same requirement under Part 5.
28.	Section 6.3 Maintenance of Records	Two commenters said the requirement to retain records for seven years is too onerous, especially for a junior company. One of these commenters noted that this is beyond the period of time expected by the Canada Revenue Agency. One commenter said the seven year retention period is too short as the codes of ethics of certain professional associations require a 10 year retention period. Therefore, this section may place some QPs in breach of their professional ethics.	We acknowledge the commenters' concerns. We understand that various legislations have different requirements for document retention periods. However, we believe that seven years is reasonable. If a QP's code of ethics requires retention of documents longer than seven years, then QPs should be aware of those requirements. The seven year requirement is only a minimum and does not affect other longer retention periods.
29.	Section 7.1 Use of Foreign Code	Three commenters suggested that we should remove the	We disagree. Although these foreign codes are accepted and are largely

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		requirement under Part 7 to reconcile the permitted foreign codes to the CIM definitions. It defeats the principle of accepting those foreign standards if we expect a reconciliation to the CIM standards.	comparable to CIM, they may evolve over time. A reconciliation will address this.
		One commenter suggested that when a company is reporting under the JORC Code or SAMREC Code, we should allow a company to combine measured, indicated, and inferred resources, provided that the details of the separate categories are fully disclosed. That follows the manner of reporting that is permitted under each of those foreign codes. It is not reasonable to allow those foreign codes under the Regulation if a company cannot report in the manner permitted by those codes.	We disagree. Section 7.1 relates only to the use of the mineral resource and mineral reserve categories of the JORC and SAMREC codes. This does not mean we endorse or agree with those aspects of these codes that are not consistent with other parts of Regulation 43-101.
		One commenter suggested that we should provide a mechanism for accepting other foreign codes in the future by adding to s. 7.1 and 7.2 the words "or such other reporting codes or systems as may be accepted by the securities regulatory authorities in a notice published for this purpose".	We acknowledge the commenter's suggestion. However, we are not able to make that change because some jurisdictions of Canada are precluded, under their rule-making procedures, from making future changes to a rule by publishing the changes in a notice.
		One commenter suggested that we should not permit the reporting of foreign codes unless it is based on reconciliations to the CIM definitions. Reporting of the original figures in the foreign code should be optional but only secondary to the reconciliations to the CIM definition. That would ensure all technical disclosure is reported in a consistent and uniform manner for the benefit of Canadian investors.	We disagree with the commenter. We believe that the reconciliation of the foreign reporting code to CIM is sufficient.
30.	Section 8.1 Certificates of Qualified Person	One commenter suggested we provide guidance about whether the list of professional associations required	We disagree. Please see the definition of professional association in the Regulation.

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		under s. 8.1(2)(c) should include a list of professional licensees licensed by government agencies.	
		One commenter suggested it was excessive to require under s. 8.1(2)(c) a listing of all the QP's professional associations. A listing of the relevant ones should be sufficient.	We disagree. We do not expect the list to include all professional organizations that the QP is a member of, only the professional associations as defined under the Regulation.
		One commenter said it was useless to require a summary of a QP's relevant experience because some people will exaggerate or inflate their experience anyway.	We disagree. The definition of QP requires a QP to have relevant experience. Therefore, we expect the QP to certify this. Since it is a breach of most provincial and territorial securities laws for any person to file a misleading statement with the securities regulatory authorities, QPs should not exaggerate or inflate this information.
		One commenter suggested that s. 8.1(2)(d) should include an option for a co-authoring QP to state the name of the QP who completed the site visit for circumstances when another QP is primarily responsible for the report and that other QP completed the site visit.	We disagree with the commenter's suggestion. We decided that a QP should not have to certify whether another QP has completed the site visit or if the company obtained an exemption. The QP should not have to certify something that is the company's obligation. We have removed the requirement to state that information from the certificate. Item 4(d) of the Form sufficiently covers disclosure of this type.
		Many commenters suggested the requirement under s. 8.1(2)(f) to give reasons why a QP is not independent is not relevant. A statement whether he/she is independent or not should be sufficient.	We acknowledge the commenters' point. It prompted us to revisit this proposed change. We have removed the requirement from s. 8.1(2)(f) that the QP state why the QP may not be independent.
		One commenter suggested that we should require a QP to make full disclosure of all potential conflicts of interest under s. 8.1(2)(f) rather than require a QP to make a simple statement whether he/she is independent or not. Investors can use that disclosure to make their own assessment about the degree of influence on the QP.	We disagree. The company and its QP should make the determination of whether a QP is independent. The purpose of the statement of independence is to provide assurance to investors that the determination has been properly made.

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		One commenter disagreed with the removal of s. 8.1(2)(e) because it takes away a statement of protection for the QP.	We disagree. We believe the proposed change is for the benefit of the QP because it removes the requirement for a QP to make an assessment about material facts and material changes that should be included in the technical report. Management of a company should make the assessment of material facts and material changes. Therefore, we replaced the former paragraph (e) with the new paragraph (i) and expect the QP to make a statement that to the best of the QP's knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.
31.	Section 8.3 Consents of Qualified Persons 8.3(b) – confirming that the QP has read the written disclosure being filed and that it fairly and accurately represents the information in the technical report	One commenter disagreed with our change to s. 8.3(b) because the revised words are broader than what a QP should have to state. It seems that the QP is being asked to confirm that the disclosure is an accurate summary of the whole technical report. Rather, it is the company's obligation to select what information is material and needs to be disclosed. The QP should only need to confirm that the written disclosure is a fair and accurate representation of the technical report "that is the subject of the disclosure". One commenter said that QPs are not given enough time to review the disclosure document to verify the accuracy of the technical disclosure. Also, the same commenter said this section is a problem in that a QP has to give the required consents to the company when he/she signs the technical report. Often, the QP has not even seen the written disclosure at that time. This places the QP in the position to potentially breach his/her code of ethics. The commenter recommends amending s. 8.3(b) to include a requirement for the company to present the QP with the written disclosure being filed in sufficient time for the QP	We agree with this comment but have modified the commenter's suggested language. Section 8.3(b) now reads, "confirming that the QP has read the written disclosure being filed and that it fairly and accurately represents the information in the technical report that supports the disclosure." We do not agree with the commenter's suggestions. We believe it is in the public interest to have a QP consent to extracts from, or a summary of, the technical report contained in the written disclosure. We believe that the commenter's concern is an issue that needs to be resolved between a QP and the company. A QP is entitled to refuse to give his/her consent until he/she has had sufficient time to review the final version of the written disclosure. Also, s. 2.5 of the Policy Statement provides some guidance to issuers dealing with disclosure of material information not yet confirmed by a QP.

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		to review it before giving his/her consent. The same commenter suggests deleting the text in s. 8.3(a) that refers to consenting to "extracts from or a summary of the technical report in the written disclosure being filed" to resolve that problem.	
32.	Section 9.1 Authority to Grant Exemptions	One commenter suggested that we should add another exemption that accepts foreign technical reports prepared in accordance with the standards and requirements of any of the foreign codes accepted under Part 7 of the Regulation. More emphasis should be placed on substance over form, such that those foreign technical reports are acceptable as technical reports required under the Regulation. One commenter asked whether the cost of exemptions could be reduced by having a company file for and obtain relief in only one jurisdiction, but have that relief applicable in all jurisdictions the issuer reports. One commenter said that the CSA resolves too many issues about the Regulation by making companies apply for exemptive relief. That causes companies to incur significant legal costs and transaction uncertainty during the relief application process. The Regulation should be amended to provide more discretion to the QP and less prescriptive disclosure requirements to minimize the need for companies to seek out exemption orders. In addition, this commenter suggested that the CSA should publish and organize all exemption orders granted in one central location for ease of reference by the public and to improve the transparency of the securities regulatory authorities.	We disagree. The accepted foreign codes do not provide specific guidance on the required contents or format for technical reports under those jurisdictions. We are not aware of any recognized foreign technical report format that companies could use in place of the Form. We believe they do not consistently meet the substance of the content required under the Form. Currently, the CSA has a system for one jurisdiction to grant orders for relief on behalf of all the other jurisdictions, the Mutual Reliance Review System. However, a company must make an application and pay the applicable fee for the relief in each jurisdiction. We do not agree with giving QPs full discretion under the Regulation. At this time, the purpose of these proposed amendments is limited. It does not include adding any changes that amount to rewriting the requirements to be less prescriptive. However, by the current proposed amendments, we have minimized a company's need to apply for relief by adding the new proposed delay of site visit relief for an early stage property under s. 6.2(2) and (3) and the limited relief for holders of royalty interests and other similar interests under s. 9.2 of the Regulation. The CSA acknowledges the commenter's request for a central database of exemptive relief orders. Although we cannot refer companies to a CSA database at this time, we suggest that you refer to the BCSC website for their e-services database. It is user-friendly and contains a complete source of all orders granted

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			for relief from all or parts of the Regulation for BC reporting issuers. It lists all the orders under Regulation 43-101 and sets out the key elements that existed in the company's fact situation for each particular type of relief granted.
33.	Section 9.2 Exemption from Personal Inspection	In response to a specific request for comment about the scope of the new site visit exemption (proposed under Part 9 as s. 9.2 but now moved to Part 6 under s. 6.2(2) and (3)), we received the following responses: Four commenters agreed with limiting this exemption to the case of extreme weather conditions and agreed with keeping a tight (six month) time limitation on the exemption. Five commenters suggested we broaden the exemption. Two of these commenters suggested it should be expanded to include more advanced projects, not only grassroots properties (suggesting the proposed definition of grassroots property needs revising). They also suggested those properties that have had no exploratory work done for over ten years, or those properties on which only limited surveying and sampling has occurred, but which do not have a comprehensive drilling program should also be early stage. Another commenter suggested the relief should not be limited to newly acquired properties. Two of these commenters suggested that rather than tying the time limit to six months from a newly acquired property, it should be six months from the time a property became material to the company. Six commenters agreed with a limited time period for relief from a current site visit, but not all agreed with six months. Two suggested it should not be less than nine	We have considered all of the commenters' suggestions. We have reconsidered this relief and decided not to include a time limit for ownership of the property. We also broadened some of the other aspects. First, we have broadened the definition of grassroots exploration property, and changed that defined term to early stage exploration property. Second, we decided not to limit this relief to newly acquired properties or newly material properties. We decided not to include advanced stage projects in the relief because we believe those situations should be considered on a case by case basis through the exemptive relief application process.

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		months. Three suggested it should be 12 months because the thaw in the very northern regions would not make a six-month limit useful.	
		Two commenters noted this section was not an exemption, but was actually only a delay of the site visit.	We acknowledge this comment. We have moved the requirements under previously proposed s. 9.2 to s. 6.2(2) and (3). Even though a company's obligation is to complete a current personal inspection before it files a technical report, this new provision provides relief by permitting a company to conduct the personal inspection at a later time when the property is accessible.
		Many commenters disagreed with the limited scope of the proposed relief from a site visit. One of these said the relief should not be only in the case of seasonal conditions, but also other natural disasters or political/civil unrest.	We disagree with including natural disasters and civil unrest because those circumstances are exceptional in nature and timing. We expect a company to apply for relief in such circumstances that we may review the specific factors of the situation.
		Many commenters said the QP should have more discretion about whether the site visit is safe or beneficial and the past work is relevant (i.e. not all drilling and trenching is relevant). One of these commenters suggested the following language: "any conditions which, in the view of the QP, make it unsafe, or otherwise inadvisable to access the property or obtain any beneficial information from it". There are some instances where a QP can provide a professional opinion as to a recommended program without a visit to the property. One of the commenters suggested, as a means of ensuring greater accountability by the QP in exercising his/her discretion, we should add a requirement to the QP certificate obligating the QP to disclose the reasons why he/she did not conduct a site visit.	We disagree with the suggestions to give the QP full discretion to determine whether a personal inspection is necessary. See our comments under Item 27 above.

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		Many commenters said there are numerous additional reasons a site visit may not be necessary besides extreme seasonal conditions. One example is when a company's technical report discloses negative results and a property is being downgraded to less than material status, the recent site visit should be sufficient. Another example is exploration projects that have had satellite imagery or airborne geophysics conducted. These circumstances should be exempted from the site visit requirement or only require a site visit at the QP's discretion.	We disagree. For an early stage exploration property, Regulation 43-101 does not trigger a technical report if the results are negative and a property is being downgraded to less than material status. Since no technical report is triggered, no site visit is required. We believe that satellite imagery or airborne geophysics being conducted does not remove the necessity for a site visit. A QP should inspect the property to check the anomaly.
34.	Section 9.3 Exemption for Certain Foreign Issuers	Two commenters agreed with the addition of this exemption. One of them suggested that s. 9.3(1)(b) should also include the American Stock Exchange and the London Alternative Investment Market. One commenter suggested that we should allow foreign issuers who are listed on the TSX an exemption from the Regulation provided they meet the threshold that is consistent with the requirements for designated foreign issuers in Regulation 71-102 Continuous Disclosure and Other Exemptions relating to Foreign Issuers. One commenter disagreed with this exemption because it creates an uneven playing field in terms of the reporting standards Canadian companies must follow compared to foreign companies. They should follow our rules if they want to come into our market.	We decided not to add this exemption into the amended Regulation. Since the CSA has not received any requests for relief from this type of issuer for several years, we decided to deal with this relief on a case by case basis through the exemptive relief application process.
Amended Policy Statement 43-101			
35.	General – provincial and territorial licensing requirements	Three commenters recommended that we refer to the provincial/territorial registration/licensing requirements	The CSA believes it is not our role to remind QPs of their professional obligations. That would give the CSA the appearance of being an overseer of the

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		for QPs. They said that international and local QPs need to be aware that when they undertake work on a property, they must be registered or licensed by the professional association that governs QPs in the province or territory where the property is located. Also, QPs need to be aware that certain provincial/territorial professional associations will have jurisdiction over a QP that is registered/licensed with them, even though they work on a property outside their jurisdiction.	requirements of the Canadian professional associations. We refrain from doing that for any other professions, for example the legal and accounting professions.
36.	General – the terms "valuation" and "economic evaluation"	Two commenters suggested that we make a distinction between these two terms in accordance with their meaning as defined by CIMVal. Valuation refers to the value or worth of a mineral property. Economic evaluation refers to an economic assessment or determination of the economic merit of a mineral property. One of these commenters said it was not clear whether the terms economic analysis and economic evaluation are the same thing. One commenter suggested we should give clarification about the valuation trigger for a technical report under s. 4.2(1)(g) of the Regulation. Guidance is needed about whether it would apply to an information circular prepared in accordance with the JSE Securities Exchange requirements, which must include cash flow information and net present value calculations that are not required disclosure under Canadian securities laws.	We agree that there is a distinction between valuation and economic evaluation. We believe valuation is used correctly in the Regulation. To prevent confusion, we have changed all references of economic evaluation to economic analysis in the Regulation, Policy Statement, and Form. We do not believe the suggested guidance is needed. The valuation trigger under s. 4.2(1)(g) is only meant to apply to valuations that are required to be prepared and filed under Canadian provincial and territorial securities laws. We believe we made this clear by the changes we made to that section.
37.	General – guidance about best practices for assaying and analytical laboratories	One commenter noted that the CSA deferred adopting the recommendations made under Part 4 *Setting New Standards, Mining Standards Task Force Final Report* until laboratories were more prepared. This commenter thinks sufficient time has elapsed to warrant the CSA	We acknowledge the comment. We support the establishment of industry best practice guidelines. The CIM has already established guidelines for mineral resources and reserves, exploration, and disclosure specific to reporting diamond exploration results. We have referred to those guidelines in s. 1.5 and 1.6 of the Policy Statement. These guidelines contain recommendations for quality

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#	Theme	Comments	Responses
		establishing best practice guidelines for assaying and analytical laboratories.	assurance and quality control, and laboratories.
38.	Section 1.3 Application of the Regulation	One commenter suggested that we include more guidance in this section about what includes oral disclosure, such as presentations, webcasts, and speeches at annual general meetings. In addition, we should include more guidance about what is written disclosure such as websites, posters, redistributing analyst reports, and president messages/letters to shareholders. Another commenter also suggested that we add website disclosure to this guidance.	Under s. 1.1 Definitions of the Regulation, the term written disclosure is defined. We have added websites to this definition. Oral disclosure is self-defining. Therefore, we do not believe we need to specifically define it under this Regulation or provide guidance as to its meaning.
		One commenter said that we should give guidance that the Regulation does not apply to coal bed methane deposits as they are governed by Regulation 51-101 Standards of Disclosure for Oil and Gas Activities.	We have added guidance to s. 1.3 of the Policy Statement that the Regulation does not apply to coal bed methane.
39.	Section 1.5 Best Practices Guidelines for Mineral Resources and Mineral Reserves – coal reporting	One commenter said this guidance makes coal reporting very difficult because s. 2.2(a) of the Regulation mandates the use of the CIM Definition Standards for reporting resources and reserves. The coal reserves estimation is prepared using one classification system (Paper 88-21) while the reporting must use another system (CIM Definition Standards). The terms required by each system do not match. The commenter recommends that in the case of coal, we allow the reporting with the defined terms in Paper 88-21 instead of with the CIM Definition Standards. If not, then provide guidance as to how to convert the coal estimate made using Paper 88-21 to report them in the CIM Definition Standards.	We acknowledge this comment. We have provided more clarification to this guidance for coal reporting. We understand from our consultation with QPs that are experts in the estimation of mineral resources and mineral reserves for coal that it is a straightforward process to use Paper 88-21 to estimate the mineral resources and reserves, and then to report in the equivalent reporting categories under CIM Definition Standards.
		The same commenter said there are quantification differences between the CIM Definition Standards and the Paper 88-21 system.	We believe s. 3.4 of the Regulation addresses this by requiring the company to state the key assumptions, parameters and methods used to estimate the mineral resources or mineral reserves for coal.

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REGULATION 43-101 RESPECTING STANDARDS OF DISCLOSURE FOR MINERAL PROJECTS, POLICY STATEMENT TO REGULATION 43-101 RESPECTING STANDARDS OF DISCLOSURE FOR MINERAL PROJECTS AND FORM 43-101F1

SUMMARY OF COMMENTS

#	Theme	Comments	Responses
		One commenter expressed reservations about endorsing the use of the CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (CIM Resource and Reserve Guidelines) because they are not presented in an object-oriented and principle-based perspective. That prevents the QP from exercising professional discretion, as needed from project to project, to contribute more fully to improved industry efficiency and better return for investors.	These guidelines were developed through industry's input to CIM. We are endorsing them because we believe industry has accepted CIM as the appropriate organization to develop these standards.
40.	Section 1.6 Best Practices Guidelines for Mineral Exploration	One commenter noted that although the Mineral Exploration Best Practices Guidelines have more of an objective-oriented and principle-based approach than the CIM Resource and Reserve Guidelines, they are too brief to offer more than a generic perspective. The commenter suggests we refer to the more detailed text in the *Draft Standards for Exploration and Resource/Reserve Estimation*, a report that was sponsored by the ministère des Ressources naturelles du Québec.	We acknowledge the commenter's concern. In general, we prefer the Mineral Exploration Best Practice Guidelines because they were established by the mining industry across Canada, which represents a broader consensus of people in the industry.

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SUMMARY OF COMMENTS

#	Theme	Comments	Responses
41.	Section 1.7 Preliminary Assessments	One commenter suggested we add guidance to this section explaining that disclosure of a scoping study should include a statement of the basis on which the parameters for the economic evaluation were developed. This commenter also did not agree that a scoping study provided important information to the market because they are not as trustworthy as a feasibility study.	We do not believe it is appropriate to insert this type of guidance in the Policy Statement. The purpose of the Policy Statement is to give guidance about specific requirements of the Regulation. The commenter's suggestion relates to a specific disclosure practice. Also, this disclosure is required in the technical report. However, the commenter's point prompted us to realize this section is missing guidance about s. 3.4(e) of the Regulation. An issuer must include a cautionary statement when mineral resources are used in an economic analysis, including a preliminary assessment. We have added this guidance to the Policy Statement. We acknowledge the commenter's concern. However, we believe that prohibiting the disclosure of a preliminary assessment could put a company in the position where it may not be able to comply with the principles of timely disclosure of what it believes is material information. We believe it is better to allow the disclosure of preliminary assessments with appropriate detail and cautionary language than to try to suppress this information.
42.	Section 1.8 Objective Standard of Reasonableness	Two commenters said we need to provide more clarification as to whether the reasonable person would be a person with some technical knowledge or with no ability at all to interpret technical data.	We believe the reasonable person concept is a concept that evolves through decisions of the court. Therefore, we do not think it is appropriate for us to give prescriptive guidance about the meaning of this concept.
43.	Section 1.9 Improper Use of Terms in French Language	One commenter disagreed with this guidance about the use of gisement advising it is not restricted to economic deposits that can be considered as ore/mineral reserves. The commenter also advised gisement or gisement mineral is more equivalent to mineral resources than to mineral reserves. Therefore, it is inappropriate to ascribe to the term gisement a meaning similar to that of mineral reserve or ore reserve. The commenter recommends this proposed section should be removed or it will create more	We disagree. These terms are distinct and understood by most French speaking geologists. All industry participants should use the terms appropriately in accordance with our guidance.

#	Theme	Comments	Responses
		confusion and will more likely debase, rather than improve, the French disclosure of mineral exploration information.	
44.	Section 2.1 Disclosure is the Responsibility of the Issuer	One commenter said the final sentence of s. 2.1 should be revised to remedy the problem that most companies do not give a QP sufficient time to review the written disclosure being filed for the QP to give his/her consent to its filing and the extracts. This commenter recommends removing the reference to strongly urging the company to have the QP review the disclosure and replace it with guidance that obligates the company to have the QP review the disclosure. Also, it should obligate the company to give the QP sufficient time to review it and make any necessary amendments and revisions before the QP gives his/her consent.	We disagree with these suggestions. Please refer to our reasons as stated under the last paragraph of Item 31 above. In addition, our reference to strongly urging relates to urging companies to have their QP review all scientific and technical disclosure a company makes, regardless of whether it triggers a technical report and requires a QP's consent. For example, a company may file a news release that does not trigger a technical report but it contains an update on the company's mineral project. We urge companies to have their QPs review such disclosure to ensure it is accurate, complete, and updated.
45.	Section 2.4 Materiality	One commenter said the guidance on materiality was made less concise and is now too general. This will increase the compliance costs as issuers will have to seek legal advice. One commenter suggested we should inform companies that if they have many properties that individually, are not material, they must disclose at least one of them (i.e. the most active) as material. One commenter said guidance is needed about who is responsible for determining when the addition of a	The former guidance tried to set a bright-line test for materiality relating to more than 10% of book value of the total of the company's mineral properties. This guidance was removed because it led many companies to incorrectly apply a bright-line test for assessing materiality. As we stated under Item 12 above, whether a property is material may fluctuate depending on many factors outlined in the Policy Statement. There is no bright-line test for materiality. Therefore, we believe we have dealt with this concept appropriately in the Policy Statement. We disagree. We do not believe that we can set this type of bright-line guidance for assessing the materiality of a company's properties. If a company is not active on any of its properties, it may be possible that it has no material properties. However, we believe that most active companies will have at least one property to keep its shareholders and the public market interested. We expect that property would be material. We agree. The assessment of materiality must be made by the company's management. We have added this guidance to the Policy Statement under s. 2.4.

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		mineral property is a material change to the company.	
46.	Section 2.5 Material Information not yet Confirmed by a Qualified Person	One commenter suggested that we should add guidance that all confirmations from a QP about the company's material technical disclosure should be in writing.	We disagree. We believe this is a matter that should be negotiated between a company and its QP. However, we agree that companies and QPs should carefully consider the commenter's suggestion, especially in light of the proposed civil liability laws in certain jurisdictions.
47.	Section 2.7 Meaning of Current Technical Report	One commenter suggested that we clarify this guidance by explaining a technical report would remain current so long as the only change in the reserve estimate in the technical report is through depletion in the ordinary course of mining.	We agree with the commenter that normal mining depletion does not, by itself, result in a material change to previously reported mineral reserves. We have amended this section of the Policy Statement to clarify this point.
48.	Section 2.9 Use of Historical Estimates	Many commenters said the 30-day time limit for filing a report is too short. It should be extended to 60 or 90 days to prevent non-compliance or the avoidance of timely disclosure. One commenter suggested adding more guidance in this section regarding: acceptable sources for a historic estimate, points to consider when confirming the relevance of a historic estimate, and points to consider when commenting on the reliability of an historic estimate.	We acknowledge the commenters' concern. We have reconsidered the time period allowed under this section and decided to change it to 45 days instead of 30 days. See our response to Item 23 above. We agree with the commenter that the Policy Statement should provide some guidance on the source of the estimates. We have added s. 2.9(2) and (3) to the Policy Statement to provide further guidance on the disclosure of historical estimates.
49.	Section 2.10 Use of Other Foreign Codes	One commenter suggested that the first paragraph of s. 2.10 should state that relief to permit disclosure of foreign estimates would likely include the conditions set out in s. 2.9(2) of the Policy Statement, not those in s. 2.4(a) to (e) of the Regulation. This would make the conditions for relief consistent with the guidance given for disclosure of historical estimates under s. 2.9(2) of the Policy Statement.	We acknowledge the comment. We have deleted the reference in the guidance to s. 2.4 of the Regulation. However, we do not agree that the guidance under s. 2.10 of the Policy Statement should refer to the conditions set out in s. 2.9(2) of the Policy Statement (now moved to the Regulation as s. 4.2(2)(b)).
50.	Section 3.1 Selection of Qualified Person	One commenter suggested we should have consistency of	We disagree that this type of clarification is needed. We believe that since the

#	Theme	Comments	Responses
		terms with other continuous disclosure rules. For example, certain sections of the forms under Regulation 51-102 Continuous Disclosure Obligations refer to report and expert. We should give clarification whether those terms include Regulation 43-101 technical report and qualified person.	terms expert and report are general terms, there should be little confusion that they include a QP and a Regulation 43-101 technical report. We also believe that the Policy Statement is not the appropriate place for such guidance.
51.	Section 3.2 Assistance of non-Qualified Persons	One commenter suggested that the reference to other persons should be limited to other professional geoscientists and engineers who do not yet have the required experience of QPs. Other people not so qualified should not carry out work that is in the scope of professional laws regulating the practice of the geosciences and engineering in Canada or other countries with such laws.	We disagree. Not all persons involved in collecting or processing data need to be geoscientists or engineers. Exploration programs frequently use technicians, field assistants, and other non-professional staff working under the supervision of a QP. The purpose of this section is to clarify and confirm that the QP must take responsibility for the information collected or provided by these non-QPs.
52.	Section 3.3 More than One Qualified Person	Five commenters said it was unreasonable to expect a QP preparing a technical report to take responsibility for a resource or reserve estimate made by another QP in a previous report on the same property. There would not be enough documentation to review as the QP is unlikely to have obtained all the work sheets, plans, and sections of the earlier estimate. It would only be reasonable to expect the QP to investigate and resolve any major concerns he/she may have with an estimate. A company and its QP should be able to use previously published resource estimates, otherwise a large amount of unnecessary re-work is being required. A QP is able to rely on the work of other engineers and geologists for work in other areas. The same should apply to the work done by another QP in the field of mineral resources and mineral reserves. Some QPs will use this guidance to refuse a company an initial Regulation 43-101 report for an acquisition (delaying the implementation of the previously recommended work	A cornerstone of the Regulation is for the issuer to involve a QP when making disclosure of mineral resources or reserve estimates. If a technical report is required, the QP or QPs who prepare that technical report must take responsibility for the report as a whole. It is in the public interest to have a QP take responsibility for the former estimates of mineral resources or reserves contained in a new technical report that the issuer must file. Although there is a cost to having a QP take responsibility for the former QP's estimate, we believe it is justifiable. Otherwise, companies will continue to rely on the former estimate year after year without any QP confirming that it is still reasonable to do so.

#	Theme	Comments	Responses
		program) unless the company contracts with them for a complete work program and a full update of resources and reserves. One commenter recommended we amend the last sentence of this guidance to read "should make whatever investigations and verifications are necessary to validate that information". This is more appropriate given the recent emphasis on greater data quality based on quality assurance and the need for objective-oriented and principle-based methods.	We acknowledge the suggestion. However, we do not agree with adding such prescriptive guidance.
53.	Section 3.4 Exemption from the Qualified Person Requirement	One commenter pointed out that it would not be appropriate for the CSA to give an exemption from the QP requirement if it would result in a breach of the laws that govern the work of geoscientists and engineers in a province or territory. This guidance should specify that. It should also explain foreign persons can apply for a temporary work permit from a professional association in Canada. The same commenter noted that the final paragraph of s. 3.4(2) should be clarified so that it does not sound like a waiver from the independence requirement will exist for a company that has a QP in its management positions.	We acknowledge the commenter's concern. Similar to our comments under Item 10 above, we do not believe it is our role to be an overseer of the legal requirements QPs have under non-securities legislation and the professional associations that govern them. Each QP should ensure that they are complying with all applicable legal, professional, and ethical requirements. However, we have changed the guidance under the second sentence of s. 3.4(2) to more accurately reflect that the criteria we consider for relief would not include a QP who must register with a professional association in his/her jurisdiction. We have considered the commenter's concern and agree this part is confusing. We have deleted it because we believe the sentence above it covers the same point.
54.	Section 3.5 Independence of Qualified Person	One commenter said the new guidance about the application of the new definition of independence is straightforward and reasonable. One commenter said s. 3.5(1)(h) is not restrictive enough as a QP's independence is a problem even if only a small percentage of his/her total income is from one source over	We appreciate the comment. We believe that the example under s. 3.5(1)(h) (now s. 3.5(1)(g)) is appropriate. A QP that has a majority of his/her income from one source over three years is no longer independent.

#	Theme	Comments	Responses
		three years. Three commenters said s. 3.5(1)(h) is too onerous. In times of industry downturns it is common for a QP to receive all or a majority of his/her income from one client or a related party to the client.	
		Many commenters said that all references to expects to hold or have in s. 3.5(1)(d), (e), (f) and (g) of the guidance about a QP's independence is too difficult to assess because it requires a QP's speculation.	We disagree. The reference to expects to have refers to current understandings that exist between the QP and the company.
		One commenter noted the language in the guidance about the test to apply to determine independence confuses the independence definition under s. 1.4 of the Regulation.	We agree with the commenter's concern. We have removed that sentence from the Policy Statement.
		Three commenters said that the language "holds a very small number" in reference to an issuer's total securities is too vague. One suggested it should be referred to in percentage terms such as "holds securities of the issuer representing less than XX% of the issuers total issued and outstanding securities".	We agree with changing this paragraph but not as the commenter suggested. We are not prepared to not include any bright-line tests in the guidance. We have amended the paragraph to remind companies that a QP may hold an interest in their securities, but they need to apply the test in s. 1.4 of the Regulation.
		One commenter suggested the following revision to the text in s. 3.5(3): " … provided that the independent qualified person has, in his/her professional judgement, taken whatever investigation and verification steps are required or mandated to ensure that the information he/she relies on is sound and allows him/her to take responsibility, *within limits to be specified*, for that information *and the*	We have deleted s. 3.5(3) because it repeats the guidance in s. 3.2. We do not agree with prescribing guidance that suggests a QP could limit their responsibility.

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SUMMARY OF COMMENTS

#	Theme	Comments	Responses
		conclusions and recommendations derived from it….."	
55.	Section 4.1 Addendums not Permitted	Three commenters disagreed with the prohibition against the use of addendums. Addendums should be allowed to update a report and to correct errors. One commenter said companies incur a significant cost to reproduce a complete report for a minor update. The TSX and TSX Venture Exchange permit addendums and only require a complete, new technical report when the property has been materially advanced to the next stage. One commenter suggested adding more guidance to this section that explains a new QP can update a previously filed technical report prepared by a former QP. The new QP needs to take responsibility for the whole, new report and sign it off as his/her report.	We acknowledge the comment. We believe that there is little to no difference in the time and cost for a QP to go into the electronic copy of the outdated technical report, replace the outdated parts with updated information compared to creating an addendum that must state that sections of the report that are deleted and the text that replaces the deleted text. Investors need to be assured that when they review a company's most recently filed technical report on SEDAR, it contains all the updated information about the company's mineral projects. Also, investors may not easily find the addendum among all the documents filed in the company's disclosure record. We agree. We have amended s. 4.1 of the Policy Statement accordingly.
56.	Section 4.2 Filing on SEDAR	Many commenters suggested additional clarification is needed about how to file maps and drawings which are not easily converted to electronic form and may not be easily viewed on SEDAR. Two commenters said their experience is that SEDAR cannot take very large filings. The inclusion of figures and drawings make the file too large. One commenter said this guidance is contrary to advice given by staff at certain securities commissions cautioning against making filings that are too large for SEDAR.	We acknowledge the commenter's concern. We do not believe the Policy Statement is the appropriate place for this type of guidance. It is a SEDAR filing issue, not a Regulation 43-101 issue. Please refer to the SEDAR Filing Manual for guidance on this issue. We disagree. The inclusion of the maps and figures required by Form 43-101F1 does not need to result in huge file sizes that cannot be easily filed on SEDAR. We encourage QPs to limit their use of photographs, high density maps and graphics, and scanned supporting documents, such as drill logs and assay sheets. These are not specifically required under the Form and are often responsible for much of the excessive file size. There are numerous examples of technical reports with figures that are less than 3 megabytes filed on SEDAR.
57.	Section 5.2 Disclaimers in Technical Reports	Five commenters agreed with the added clarification about the limitation on the use of disclaimers. One noted that this addition was a welcome clarification.	We thank the commenters for this feedback.

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SUMMARY OF COMMENTS

#	Theme	Comments	Responses
		One commenter said that we should accept the use of other disclaimers when there are multiple authors of a report and each wants to disclaim responsibility for the part of the report that he/she did not prepare.	We acknowledge the commenter's concern. We believe the QP does not need to disclaim responsibility for parts of the report prepared by other QPs because the QP is required to state the parts of the report he/she is responsible for in his/her certificate. This means each QP would only be responsible for the parts they certify. We also believe that our prohibition from disclaimers was too broad (now moved to s. 6.4 of the Regulation and retained as Instruction 7 in the Form). We have revised it.
		Three commenters said that the prohibition against all other disclaimers is too broad. Two of these commenters said that this change causes an increased cost burden to QPs that they will pass on to companies because QPs will have to pay more for liability insurance. Another of these commenters suggested that we should permit a general disclaimer on a technical report provided it contains a statement that the disclaimer is "subject to applicable securities laws providing otherwise". If this relaxation of the disclaimer is not made, then many of the QPs who prepared Regulation 43-101 technical reports will cease doing so because of the increasing risk of liability. The loss of quality QPs will be an increased cost and time burden to the companies trying to seek a QP to complete a report.	See our response above. We have made this prohibition less broad. However, we disagree with removing it. We do not believe that this prohibition should add to the costs for a QP or a company because the QP's and the company's potential liability is the same with or without the type of disclaimer we are prohibiting. As we stated in our CSA Notice announcing this proposed change, the civil liability provisions of provincial and territorial securities legislation set out the circumstances when a QP and a company will be liable for a misrepresentation contained in certain disclosure. A QP and a company cannot contract out of such liability. Therefore, we believe it is misleading for a QP to insert a disclaimer that informs third parties that they cannot rely on the contents of the technical report. Since this liability is the same for QPs now as it was before the implementation of the Regulation, we do not expect this prohibition to be the cause of possible insurance increases QPs may experience in the future.
		One commenter also suggested that if we retain the prohibition against disclaimers, then it should not be set out in Instruction 7 of the Form, but should be included in the Regulation instead.	We agree. Although the Form is part of the Regulation and is therefore law, we have included this prohibition as a new section (s. 6.4) in the Regulation because it is a critical requirement that issuers may miss if it is only an instruction in the Form. Since we believe the instruction should also be proximate to Item 5 of the Form, we have retained it as Instruction 7 in the Form.
		One commenter suggested we need to add clarification	We disagree in part. Item 5 of the Form is clear about identifying the "maker of

#	Theme	Comments	Responses
		for a QP that inserts a disclaimer of responsibility for the opinions of other experts. The commenter said that the name of, and consent from, the expert was not required.	the report, opinion, or statement" that is being relied on. However, there is no requirement to obtain consent from the expert. That is up to the QP and the arrangements he/she makes with the expert.
58.	Section 6.1 Meaning of Current Personal Inspection	Two commenters said the guidance about what is a current personal inspection is not clear. One of the commenters suggested it should simply state that an inspection is current if there has been no material change in the property since the most recent site inspection. The other commenter suggested it should clarify that the obligation to conduct a new personal inspection arises only if there has been a material change to material scientific and technical information about a mineral project. Many commenters said guidance is needed about whether we expect a current personal inspection if the material change in the scientific and technical information results in a decision not to further develop and explore the property.	We agree. We have simplified the wording and have amended the meaning to reflect that the material change relates to the scientific and technical information on the mineral project. We disagree. This is related to our response in the second last paragraph of Item 33 above. Regulation 43-101 does not trigger a technical report for disclosure of results that are negative and the property is being downgraded to less than material status. Since no technical report is triggered, no site visit is required.
59.	Section 6.3 Exemption from Personal Inspection Requirement	Many commenters disagree with the removal of the reference to "or not beneficial" from the guidance about the acceptable criteria the regulators would consider for relief from the site visit requirement. The QP's professional discretion should be accepted.	We disagree. The CSA considered this carefully prior to creating the proposed amendments. We never intended the phrase "or not beneficial", that was in the former Policy Statement, to mean that a QP could make the decision about whether a site visit was beneficial or not and the company only had to apply for relief on that basis. We removed the phrase to prevent further confusion.
60.	Section 6.4 More then One Qualified Person	Many commenters noted that not all QPs who author a report are relevant for a proper site visit. One commenter said we should caution against ghost writing of reports to ensure that the QP writes the report.	We acknowledge the comment. We believe the guidance in s. 6.4 of the Policy Statement covers this. We acknowledge the comment but disagree with adding the suggested caution. The QP who signs the technical report and certificate is taking responsibility for the technical report and its contents whether or not the QP actually wrote the words.
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SUMMARY OF COMMENTS

#	Theme	Comments	Responses
61.	Table of Contents	Three commenters said the format should only serve as a guide and allow the report author to report the required information in the most practical manner. One commenter said the format unnecessarily departs from the established format of reports required before Regulation 43-101. One commenter said the CSA should allow technical reports that may be accepted by recognized foreign jurisdictions. The concern expressed was that foreign issuers wanting to list in Canada were incurring unnecessary expense by having to re-format existing reports. Two commenters suggested the certificates of QPs be required contents of the report and be included in the table of contents.	We acknowledge the comment. However, we believe it is important to retain a standard reporting format. It makes it easier for investors and regulators to find the required disclosure under each item instead of having to search for it. We disagree. The Form requires the same information that was required before, but has additional sections, as suggested by the Mining Standards Task Force, requiring the disclosure of the integrity of the data, such as data verification, quality assurance/quality control, and sample security. We disagree. We are not aware of technical report form requirements being specified in the foreign jurisdictions recognized by the CSA. Our experience has been that geological or engineering reports prepared in foreign jurisdictions have frequently lacked essential content required under the Form and are not compliant with the Regulation. For example, the required disclosure regarding data verification and sample security is frequently absent and the required disclosure for historical resources or exploration targets is frequently missing. We disagree. The QPs' certificates are separate documents and although many are filed with the report, the Regulation contemplates situations where the certificates are filed separately from the report.
62.	Instruction 1	One commenter suggested including an instruction that the technical report need only be a summary of the technical information.	We agree. We expect the QP to review all of the available technical information but need only summarize the relevant information in the technical report. We have inserted the phrase "a summary of" into Instruction 1.
63.	Instructions 3 and 4	One commenter was concerned that it is not clear whether certain item headings can be deleted if there is nothing relevant to report.	We agree and have modified Instruction 3 to make it clear that all of the headings of the items must be included.
64.	Instruction 6	One commenter was concerned that the format of the technical report is suited more towards early to mid-stage exploration properties and is not suitable for properties at the feasibility stage or operating mines. The commenter felt that the allowance for summarizing in Instruction 6 did not go far enough and that a second report format	We disagree. It has been our experience that many report authors have already recognized the practicality of summarizing the contents under certain items of the Form for developed or producing mining properties. We believe the new Instruction 6 will encourage this and will obviate the need for two technical report forms.

#	Theme	Comments	Responses
		should be prepared for feasibility studies or an operating mine.	
65.	Instruction 7	Two commenters stated strong support for the prohibition on the use of blanket disclaimers and one commenter thanked us for the clarification on Item 5.	We thank you for these comments.
		One commenter pointed out that disclaimers of professional responsibility are forbidden by Quebec professional laws and codes of ethics and that similar laws are in place in most Canadian jurisdictions.	We agree. The QP concept relies on the individual preparing the technical report being bound by the requirement to meet the professional standards and code of ethics of their professional association. To disclaim this responsibility goes against one of the essential principles of the QP involvement in public disclosure.
		One commenter expressed concern that the prohibition on blanket disclaimers will increase the difficulty in obtaining QPs or engineering firms to undertake technical reports because of the perceived increase in liability.	We disagree. The liability is not new. It has always existed in law. Blanket disclaimers ignore the purpose of technical reports and they provide the misleading impression that QPs, or the engineering firm they work for, can disclaim all personal, professional, and statutory liability.
		One commenter suggested allowing a blanket disclaimer as long as it includes the statement "subject to applicable securities law providing otherwise".	We disagree. We do not believe investors will understand the limits that suggested phrase would put on a blanket disclaimer. Also, the suggested phrase would not deal with the problem that many QPs are disclaiming their professional responsibility and codes of ethics. However, we also decided that our prohibition from disclaimers as proposed was too broad. We have revised it. See our response under Item 57 above regarding s. 5.2 of the Policy Statement.
		One commenter suggested the prohibition on blanket disclaimers should be included in the Regulation, not just as an instruction to the Form.	We agree. Although the Form is part of Regulation, and therefore is law, we have included this prohibition as new section 6.4 in the Regulation because it is a critical requirement that issuers may miss if it is only an instruction in the Form. Since we believe it should also be proximate to Item 5 of the Form, we have retained it as Instruction 7 in the Form.
66.	Item 1 Title Page	Two commenters pointed out that we have not been consistent in the use of author and qualified person throughout the report.	We acknowledge the commenters' point. However, the terms author and QP are not always interchangeable. There may be co-authors of a technical report that are not QPs, but a QP must be responsible for each part of the report. Where appropriate, we have made changes to refer to both QP and author.

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67.	Item 4 Introduction	Many commenters expressed concern that the deletion of "terms of reference" from this item would cause report authors to not address the scope of the report and additional information.	We disagree. We believe the disclosure under Items 3 and 4 should adequately describe the scope of the report.
68.	Item 5 Reliance on Other Experts	One commenter thought it should be made clear that the QP should not opine on matters that are not within his/her expertise.	Item 5 makes it clear that if a QP is relying on another expert's opinion, the QP is not required to provide their own opinion on matters that are outside their area of expertise.
69.	Item 6 Property Description and Location – (c)	Two commenters suggested replacing the narrow term claim with a more general term mineral tenure.	We agree with this suggestion. We have amended Item 6(c) accordingly.
70.	Item 6 Property Description and Location – (d)	One commenter suggested including the requirement to specify the minerals or commodity that the claim or mineral tenure may be restricted to.	We disagree any additions are needed. We believe this is required disclosure under Item 6(d).
71.	Item 6 Property Description and Location – (e)	Many commenters expressed concern regarding the required disclosure of the survey system used to locate the property boundaries because it implies a requirement to survey the property boundaries.	We agree this was confusing. We changed the wording to "how the property boundaries were located".
72.	Item 6 Property Description and Location – (f)	One commenter pointed out that Item 6(f) is a repetition of the requirements under Item 26(a).	We agree it was redundant. We have deleted the words "by showing the same on a map" from Item 6(f).
73.	Item 8 History - (b)	Two commenters suggested the requirement to describe the results of exploration under Item 8(b) would be more appropriate under Item 12 or 13. One commenter expressed the concern that the phrase "the owners and any previous owners" was confusing because it did not distinguish between owners of the property and operators that may have performed work on the property in the past or at present. One commenter suggested that if the historical data is not verifiable, then a warning to that effect be required.	We disagree with the extent of the change the commenter suggested. However, we have amended results to read general results under Item 8(b). We agree. We have changed "owners and any previous owners" to "any previous owners or operators". We disagree. This is already covered by the required disclosure under Item 16 *Data Verification*, which is meant to provide investors with specific disclosure

#	Theme	Comments	Responses
			on how the data was verified and any limits on the verification.
74.	Item 11 Mineralization	One commenter suggested that it was not logical to discuss the relevant geological controls, width and especially depth of mineralization prior to first discussing Items 12 and 13.	We disagree. We believe report authors can make general statements on geological controls and the dimensions of mineralization with the details being provided under later items.
75.	Item 12 Exploration	One commenter suggested that the QP should be allowed the discretion of reporting the relevant exploration results of past operators on the property along with that of the issuer.	We do not believe this is prevented by Item 12. However, we expect the disclosure for this item to clearly identify the exploration work done by, or on behalf of, the issuer. We have added an instruction under this item to clarify this.
		Three commenters suggested including a general instruction to authors to clearly distinguish between work conducted by or on behalf of the issuer from work that was conducted by previous operators.	We agree. See our response above. We have made the change suggested.
		One commenter requested that drilling be excluded from this item.	We disagree. Item 12 allows a summary of the quantities and location of drilling performed by the issuer. The results of all drilling are to be reported under Item 13.
	Item 12(a)	One commenter suggested replacing parameters with specifications under Item 12(a).	We disagree. QPs may report the specifications to the extent they feel necessary.
	Item 12(b)	One commenter believed the requirement for interpretation under Item 12(b) is redundant to the requirement for interpretation under Item 13.	We disagree. Exploration results can cover geophysics, geology, geochemistry, etc. Drilling generally represents a relatively high proportion of exploration costs and investors place significant weight on the outcome. Therefore, we believe drilling and interpretation specific to drilling warrants its own item in the Form.
	Item 12 (d)	One commenter disagreed with the deletion of this sub-section and suggested it should be enhanced to cover different interpretations of geology between successive exploration campaigns and correlation of data between	We disagree. We expect the QP to review all of the information that is the subject of the technical report and to comment where appropriate under Item 16 *Data Verification*.

#	Theme	Comments	Responses
		campaigns, and to describe the level of reliability or uncertainty.	
76.	Item 14 Sampling Method and Approach	One commenter suggested that clarification be provided that the requirement for location, spacing or density of samples under Item 14(a) can be met by showing the same on a map. One commenter suggested that there should be a requirement to describe the results of a quality assurance program on the sampling method used.	We disagree. Although Item 26(a) *Illustrations* requires the technical report contain detailed maps that show all important features described in the text, the requirement in Item 14(a) can only be met by a brief written description. We disagree. It is already covered in the requirements for a discussion of the sample quality. The need for a quality assurance program on the sampling method should be left to the discretion of the QP.
77.	Item 15 Sample Preparation, Analyses and Security – (b)	One commenter disagreed with the deletion of the requirement for describing the sub-sample size. One commenter suggested strengthening the requirement "to report whether the analytical lab has been certified by any standards association" since this requirement is frequently ignored.	We disagree with the comment. Sub-sample size can still be described under Item 15 *Sample Preparation, Analyses and Security*. Also, Item 14(c) can include sub-sample size with a discussion of sample quality, whether the samples are representative, and factors that may have caused sample biases. We disagree. We believe the requirement to report this information is clear.
78.	Item 15 Sample Preparation, Analyses and Security – (d)	One commenter suggested removing the required statement of the author's opinion on adequacy of sampling, sample preparation, security and analytical procedures. The commenter believes that this should be addressed in the recommendation section of the report.	We disagree with moving this whole subsection into the recommendation section. However, we agree with removing the reference to sampling in this section because the adequacy of the sampling is already covered under Item 14(c).
79.	Item 16 Data Verification	One commenter suggested that quality assurance should be applied to interpretation of data. One commenter felt there should be a requirement that data verification include a reconciliation of the grades forecast from mineral reserves with actual production grades.	We believe this should be left up to the QP and reported as appropriate under the data verification procedures applied under Item 16(a). We agree that a QP should report on any data verification that he/she feels is necessary. Accordingly, we have amended Item 16(b) so that it is not specific to sampling and analytical data.
80.	Item 17 Adjacent Properties	One commenter suggested replacing the term Adjacent	We disagree. The term adjacent property is a defined term under the Regulation.

Appendix C

REGULATION 43-101 RESPECTING STANDARDS OF DISCLOSURE FOR MINERAL PROJECTS, POLICY STATEMENT TO REGULATION 43-101 RESPECTING STANDARDS OF DISCLOSURE FOR MINERAL PROJECTS AND FORM 43-101F1

SUMMARY OF COMMENTS

#	Theme	Comments	Responses
		Property with Nearby Property. One commenter suggested removing the requirement for placing the required statements under Item 17(c) in bold face type. This is the only requirement for bold face type in the Regulation and it is an unusual item to be emphasized.	This term is more in line with the requirement that the adjacent property have a boundary that is reasonably proximate to the closest boundary of the property being reported on. We agree. We have removed this requirement.
81.	Item 18 Mineral Processing and Metallurgical Testing	One commenter objected to striking out the words "of sample selection representativity and". One commenter suggested the words "and discuss the representitivity of the samples".	We did not remove this required disclosure. We simply reworded the statement since representativity is not a word. The required disclosure remains the same. We disagree with using the term representitivity.
82.	Item 19 Mineral Resource and Mineral Reserve Estimates – (j)	One commenter was concerned that Item 19(j) allowed inferred mineral resources to be included in the economic analysis of a preliminary feasibility or feasibility study.	We disagree. We believe Item 19(i) of the Form, and s. 2.3(1)(b) of the Regulation make this prohibition clear.
83.	Item 20 Other Relevant Data and Information	One commenter felt the inclusion of the phrase "and not misleading" is insulting and goes against the QP concept. The commenter suggests the alternative "Include any additional information or explanation necessary to make the technical report understandable".	We disagree. Item 20 was included in the Form to provide a catch-all to allow a QP to provide additional information or an explanation that would prevent the report from being misleading but may not have a logical place under other items in the Form. We believe the commenter's suggestion does not convey the importance that an omission of material information would be misleading.
84.	Item 21 Interpretation and Conclusions	One commenter suggested changing the title of this item to *Discussion and Interpretation*.	We disagree. Most report authors have adapted to the reporting format that has been established. Therefore, we prefer to leave it as is.
85.	Item 22 Recommendations	Two commenters questioned whether it was necessary to include the required statement on the merit of the property. One commenter suggested changing the title of this item to *Conclusions and Recommendations*.	We agree and believe the merit of the property will be self-evident in the contents of the report, including the recommended work program. Therefore, we deleted this requirement. We disagree. Most report authors have adapted to the reporting format that has been established. Therefore, we prefer to leave it as is.
86.	Item 25 Additional Requirements for	One commenter felt that it was inappropriate to require	We disagree. We believe this information is important because it is requested by

Appendix C

REGULATION 43-101 RESPECTING STANDARDS OF DISCLOSURE FOR MINERAL PROJECTS, POLICY STATEMENT TO REGULATION 43-101 RESPECTING STANDARDS OF DISCLOSURE FOR MINERAL PROJECTS AND FORM 43-101F1

SUMMARY OF COMMENTS

#	Theme	Comments	Responses
	Technical Reports on Development Properties and Production Properties – (h)	economic analysis with cash flow forecasts on an annual basis for producing properties.	investors to assist them in their investment decisions regarding the issuer. As well, the cash-flow is provided as a forecast, with sensitivity analyses to show the affect of specific variables.
87.	Item 26 Illustrations	One commenter recommended clarifying that illustrations need not only be at the back of the report, but can be presented throughout the report.	We agree. We have added the phrase “and be included in the appropriate part of the report.”
88.	Item 26 Illustrations – Instruction	Many commenters expressed concern over the technical challenge and cost to simplifying many maps to allow for SEDAR filing and that a summarized map could result in a misleading summary.	We disagree. It is feasible to follow this instruction and comply with the technical requirements. We have observed a significant number of technical reports that meet the requirements for illustrations under the Form and the limited electronic file size required by the SEDAR Filer Manual. The QP must decide what to include in the summary to ensure it is not misleading.