

To:

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission, New Brunswick
Superintendent of Securities, Department of Justice and Public Safety,
Prince Edward Island Nova Scotia Securities Commission
Office of the Superintendent of Securities, Service NL
Northwest Territories Office of the Superintendent of Securities
Office of the Yukon Superintendent of Securities
Nunavut Securities Office

From:

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Victoria, B.C., Canada
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Date:

May 2nd, 2022

RE:

CSA Consultation on
National Instrument 43-101
Disclosure for Mineral Projects

Thank you for the opportunity to participate in this discussion! Please find my answers to all the questions for the consultation as below. On this page, see my vision for how I'd like to see 43-101.

"In summary, I believe the 43-101 rules should be so simple that people at investment conferences know them and talk about them in public as part of bullish conversations among investors. This is a drastically different world from what we have now, but anything is possible in a mining bull market."
Peter Bell

About me:

<https://linktr.ee/peterbell>

Kermode Resources Ltd (TSXV: KLM):

<https://linktr.ee/kermoderesources>

A. Improvement and Modernization of NI 43-101

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

No.

There is no way to “fully inform” or “protect” investors who are speculating on projects at the “pre-mineral resource stage.” These are the most speculative niche in the mining business, and there are severe limitations as to the potential viability of an eventual mine at the site. The single most impactful thing that I can imagine to help investors get better information on a standardized basis across all issuers would be as follows: require a “site visit video” to be prepared with certain required sections designed to match the content of the 43-101 technical report. Before we have a resource, we have the site visit -- show investors what the project looks like on the ground, and they will have a better sense of it, even when it is the “pre-mineral resource stage.”

A.2.a Is there an alternate way to present relevant technical information that would be easier, clearer, and more accessible for investors to use than the Form?

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

Yes, there are alternate ways to present relevant technical information. There are alternatives for mineral projects at all stages, from staking to production and through closure. Imagine, for example, how the risk profile for a closure plan is effected by a decision where the miner sets up a series of video cameras and environmental sensors that provide live data publicly online in perpetuity after closing the mine site. Unusual situation, but maybe the reinsurance groups like that?

Read a story I wrote on the “data visualization” in mining.

<https://ceo.ca/@Newton/data-visualization-studio-for-mine-planning-a-short-story>

Maria opened the door and rolled her chair over to her new desk. The large corner office was mostly empty and all the stuff from her old cubicle barely covered half the desk, which was the only thing the former CEO had left in the room. The desk sat in the middle of the room. She knew that it had been moved into this awkward position as statement of some sort, but she kind of liked it there. She picked up one side of the desk and moved it a bit to give her a clear view out the floor-ceiling windows and Stanley Park. The entire floor of this building used to be filled with people from her company. Now, she was the only full-time employee left. There were some administrative support staff around, but the Board had purposefully removed everything associated with the prior management, who had simply spent too much money on the wrong things. "Why did they keep me," she thought to herself. "And what am I going to do now?" She thought back to the first day she visited the office. She couldn't remember exactly how she got in touch with the former CEO, but she did remember making a good impression. She had been working as an instructor at a college in an intake program for the mine engineering program at UBC, but wanted to work in the industry. When they first sat down in this same office, she remembered that he was intrigued by her background. There weren't many people out there with PhDs in mathematics who cared about the mining industry. Let alone ones who were also certified as professional engineers. He had asked her about that, and she remembered seeing this as a great opportunity to shift into her science-advocate persona and talk about the power of applied maths. What had she said, exactly? Something about going beyond algorithms that produced a single answer, like an optimal pit design, and into things that helped support expert's decision making. He had not been convinced. She remembered that he said "what-if" scenario analysis was a fine way of addressing these concerns. "Yes," she was beginning to remember parts of the conversation. "But these scenarios are restricted to the same constraints and objectives of the single optimum." She continued, "I have something broader in mind, which allows for better visualization of more dimensions of the problem." "Well," he had said "they say that the sign of a first-rate intellect is the ability to hold two opposing thoughts in mind at the same time and retain the ability to function. In my experience," he told her "people are better at that than programs." She remembered that the conversation paused at that moment. It felt like an eternity at the time, but she waited quietly. The next thing he said was "I don't know where you're going with this but I'm intrigued. Let's get you involved with the company somehow and see what you can do." "See what you can do..." She remembered the words so clearly. And what had happened next? She had organized some funding through the college and had some success shaping up her ideas. The first research was very general, but had done a lot to distinguish her in the company. The second round of research funding helped, too, as it ended up bringing a substantial sum of money into the company. More money than they spent on exploration that year. Maria laughed a bit to herself and drew her focus back to the empty office. "Well, let's see what I can do!" She said out loud to herself. Five years later, the office was very much the same. She had added a table on wall with a small plant and coffee machine on top, and some filing space hiding underneath. There was also a large lounge chair close to the windows with a small table that housed some 3D headsets, keyboards, and joysticks. Maria had created a data visualization studio in her own office and, today, she had the President from a major mining company sitting in the chair, exploring the virtual world she had created. She sat at her desk and talked to the man about what he was seeing. "Right now, you are looking at the historical underground workings and our model of the mineral deposit prior to us restarting the mine. Let me show you how to move through time to see what we did and how it worked out." She said. He had some controls to move around the model of the mine site and choose how the layers of information were shown, but she had access to everything they knew about the mine at her computer. And they knew quite a lot about the mine because it had been operated several times over the past 100 years and all the records had been carefully stored at a university by one of the former owners. One of the first things Maria did as CEO was to digitize all of the data, and then set about verifying it and expanding on it. The last five years had been busy and she had impressed herself with her accomplishments. "Wow," the President said, "what a great way to see what is going on there. I loved this video when I first saw it online, but the ability to interact with it is even better." He paused. "Now, can you please show me more about why you decided to do it this way? The way you did selective mining from these different levels underground makes sense as great way to generate early cash flow with minimal cap-ex, but the schedule that you followed is not obvious. How did you come up with that?" "Well, thank you," she replied, "I would love to walk you through all of that. To begin with, let me show you what some of the conventional algorithms would have suggested in a case like this."

Again, the question, “*Is there an alternate way to present relevant technical information that would be easier, clearer, and more accessible for investors*” is very important because investors have an incentive to make the best use of all the information they can. However, they can. Some investors are better at collecting and interpreting information than others,

and that is an essential, healthy part of competitive markets. The 43-101 framework should not (!) inhibit the best investors from getting the most meaningful information that they can in the fastest ways possible. It should not do a “top-cut” on our investors. At its best, the 43-101 rules will help more people to become better investors in the mining business. One way to do this is by forcing issuers to make disclosures that follow along with a “checklist” that includes key questions from legendary investors.

Here’s an example of a useful checklist:

EXPLORATION PROJECT CHECKLIST

(C) BRIMM UBC, 2022

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RESOURCE

- Size
- Shape of ore body
- Grade (is it economic)
- By products

MINE TYPE

- Underground
- Metallurgy
- Open pit
- Tonnage

LOCATION

- Mining transportation
- Port
- Exploration access
- Distance/cost of freight
- License to operate
- Country risk

PERMITTING

- First nation/native ownership
- Mining permits time
- Nimbyism
- Drill permit time
- Local protected areas
- Legal process

FINANCIALS

- CAPEX/OPEX
- Management
- What does a mine cost
- Royalty/JV/streaming

INFRASTRUCTURE

- Power
- People
- Water
- Tailings

MANAGEMENT

- Are they explorationists
- Can they raise money
- Can they build a mine
- How smart
- Connected

FINANCING OPTIONS

- Who wants it
- Build alone
- Sell out
- JV
- Debt/equity

DEVELOPMENT

- Current status
- What steps are left
- Burn rate of company
- Don't need ?
- Time to build a mine once permitted?

NOTES:

This checklist may seem problematic because many questions are highly subjective. But it's important for investors to address questions that may not have simple answers; sometimes the question is more important than the answer for a speculator.

Check out this quote from Eric Sprott's speech about "Conservatism versus Reality" in 2017:

"One of the things that I contrast is analysts and investors. Those of you who are issuers -- we hear you saying, "We've got to get some analysts to do whatever." No, you don't. You've gotta get some investors to invest. Get investors to invest -- they're the ones with the money. The analyst is the guy who's gonna lowball whatever the hell you think you're really gonna do as a stupid conservative estimate. I don't want that. I want to know how big

it could be, realistically.” <https://ceo.ca/@Newton/conservatism-versus-reality-ericprott-2017-miningbullmarket>

At it's best, the 43-101 rules will help more people to become better investors in the mining business. This applies to all stages of the mining business from pre-discovery to post-closure and beyond. Again, the best way to help investors make better decisions is to show them how the better investors do it.

There is room for very precise legislation of required disclosure of certain types of information (like, an issuer has to publish a KMZ of the property outline) but the best government is that which governs least, so I would encourage you to let the private sector figure out the details. I'm sure VRify Technology Inc. would love it if every issuer was required to use their software, but I don't think a monopoly on marketing like that is a good idea for a high-risk speculative business like mining.

Lots more to say but one important point to make in passing is about “project data room”. These need to be more widespread.

The September 20, 2020 “**Open Letter to Global Gold Company CEOs & Boards**” to the Shareholders' Gold Council mentions data briefly, asking companies to:

“Maintain active data rooms without onerous entry conditions, such as open-ended time and scope-limited standstills, which preclude potential acquirers from taking offers directly to shareholders;”
<https://www.goldcouncil.net/press-release>

The Shareholders' Gold Council is an example of a cohort of the best investors in the Canadian mining business, as I mentioned above. Please note that if the members of that organization are not providing commentary on how to fix 43-101 in this ongoing consultation, then something is wrong. And I would go so far to say that the government does not have a

sufficiently representative view of the opinions of participants in the Canadian mining business until it has solicited responses to these questions from at least five (5) of the members of the Shareholders' Gold Council (total 17 members as per their website).

And this question *“for which stages of mineral projects could this alternative be appropriate, and why?”* is also very important. All stages of the mining business in Canada deserve to be reinvigorated, particularly around information sharing. Look at how popular the “celebrity gold miners” have been in recent years in entertainment, whether on YouTube or network TV. The general public has a huge, intuitive interest in mining, and the 43-101 rules need to make issuer disclosure simpler and more accessible. And this opportunity goes beyond explorers or producer companies. Consider how the royalty companies could provide better information on a standardized basis about their interests in different projects.

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

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

Yes.

Which jurisdiction? Australia because I believe it is leading in the world in all aspects of the mining business.

For example, the way news releases for exploration results are standardized in Australia is very helpful for investors and I would encourage more of that. Note: In conjunction with a “longer checklist” of standardized disclosure like the Australian exploration news releases, I would like to give all issuers more discretion to make non-standardized disclosure at their discretion. Consider, for example, how a public company in another country may disclose the “GAAP Earnings” and “Non-GAAP

Earnings". Some people may say the Non-GAAP numbers are worse than useless, but they can be very helpful for a company to explain idiosyncratic aspects of their particular situation. This leeway is subject to abuse, but it also allows companies to make more accurate descriptions of what is going on at their project. The combination of highly standardized disclosure in one part and highly individualized disclosure in another part

Which aspects of the disclosure requirements and why? All of them because capital is global. (Ideally in my opinion, Canada would have policy that is even simpler than Australia.)

A.4 Paragraph 4.2(5)(a) of NI 43-101 permits an issuer to delay up to 45 days the filing of a technical report to support the disclosure in circumstances outlined in paragraph 4.2(1)(j) of NI 43-101. Please explain whether this length of time is still necessary, or if we should consider reducing the 45-day period.

Totally inappropriate.

The full and final report should be filed concurrently (at the same time) as the public announcement of the summary results.

It is totally inappropriate for the issuer to decide how to summarize the work done as per the 43-101 rules because the rules are highly standardized, but the issuer can basically say what they want in the news release. I consider this news release to be like a "bad leak" where the issuer can "bury" any negative features of the project that are not immediately reflected in the summary table of results. The Devil is in the details, and by waiting some 45 days, the issuer has enough time from the initial excitement of the announcement to when people have moved on before the issuer has to actually publish the full report that may (if we're lucky) have enough detail to identify subtle aspects that will make or break the project.

The full and final report should be ready before the issuer announces the results of the report. Imagine one scénario where you have to make an investment decision (!) on a summary, written by the issuer, versus another scénario where you get the full report before you make the investment decision. Which scénario is better for investors?

A.5.a Can the investor protection function of the current personal inspection requirement still be achieved through the application of innovative technologies without requiring the qualified person to conduct a physical visit to the project?

A.5.b If remote technologies are acceptable, what parameters need to be in place in order to maintain the integrity of the current personal inspection requirement?

No.

The “integrity of the current personal inspection requirement” cannot be circumvented by technology. The point of the QP is the personal touch that comes from experience. Trust that the investors who review these reports have their own opinions about which QP are more accurate in their reports versus others who are more inaccurate!

Note that it is possible to remove the current definition of the requirement for a personal inspection and replace it with different policy. I would prefer to use a simpler definition that expands the scope to include new technology to “visit” the project, rather than introducing new language into the 43-101 that details exactly how to use the new technology (my reason is that technology is moving fast and the policy will be outdated before it’s approved).

B. Data Verification Disclosure Requirements

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

No.

The definition of data verification should include much more public disclosure of complete data sets as part of a “project data room”. The issuer should make data sets available in full to the public for free anonymously. When dealing with historic data not created by the issuer itself, the issuer should provide the work files associated with all data cleaning and compilation.

B.7. How can we improve the disclosure of data verification procedures in Item 12 of the Form to allow the investing public to better understand how the qualified person ascertained that the data was suitable for use in the technical report?

By making the raw data available to the public. Also, making the work files and full data for the final results available to the public for free anonymously in a public project data room.

B.8. Given that the current personal inspection is integral to the data verification, should we consider integrating disclosure about the current personal inspection into Item 12 of the Form rather than Item 2(d) of the Form?

Considering that this “personal inspection” is integral, it should probably be it’s own Item. I don’t know what the difference is between Item 12 and Item 2(d), but neither of those sound like a particularly important part of the overall report. All aspects of the design of the 43-101 policy should provide clarity of focus on the most important things, first in the most simple terms and then in full technical detail.

C. Historical Estimate Disclosure Requirements

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

Yes, it is clear in some parts.

Specifically, section 2.4(a), *“the estimate is an estimate of mineral resources or mineral reserves prepared by or on behalf of a person or company other than the issuer”* is very clear.

It is not clear in terms of exactly what constitutes a historical estimate. If the mine manager wrote a letter saying that he thought there was a million dollars of gold in 1880, then is that a historical estimate? Can an exploration company disclose that? Should it?

I think the 43-101 should encourage issuers to gather and share more quality information with investors. If the company is aware of relevant information then I want the policy to make it clear how they can do that simply for everyone to see. I would like to see more specific language to encourage issuers to make fulsome disclosure of all aspects of all historical information that they gather.

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

No, they do not.

An ill-tempered issuer to make “selective disclosure” of a historical estimate by making a summary description that omits fatal flaws. To fix: issuer must share primary source document.

D. Preliminary Economic Assessments

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

Yes.

Yes, “disclosure requirements related to cost estimation parameters or the amount of engineering completed” is absolutely essential. Rather than focus on creating hurdles for companies to pass before they can issue this report or that, I would prefer to have increased disclosure around the “process” used to generate any economic model.

I'm sorry to say I don't have good answers for how, exactly, to change the definition. But I would point out that the phrase “preliminary economic assessment” does not actually appear in the 43-101 document? The policy mentions a “preliminary assessment” why don't we use the same language? In my opinion, the routine parlance of investors should match the policy in the letter and spirit of the law.

D.12. Does the current cautionary statement disclosure required by subsection 2.3(3) of NI 43-101 adequately inform investors of the full extent of the risks associated with the disclosure of a preliminary economic assessment? Why or why not?

No.

It is basically impossible to “adequately inform investors of the full extent of the risks” of an economic model like this.

Cautionary language that is effective works by pointing out specific risks that investors face for a particular project.

In contrast, cautionary language that is not (!) effective works by lulling investors into complacency. One way to make investors complacent is by getting them to read boilerplate legal language. When I think about the “cautionary statement disclosure” language mentioned here, it reminds me of the “forward-looking statements” risk disclosure statements. So many investor presentations start with an issuer saying something like, “this just means that it’s not my fault if you lose money,” but that’s not the purpose of this cautionary language. At it’s best, the cautionary language throughout 43-101 rules will do two things: one is to alert investors to the big risks in the particular circumstance of this project, and the other is to alert investors as to the big risks of mining, generally.

D.13. Subparagraph 5.3(1)(c)(ii) of NI 43-101 triggers an independence requirement that may not apply to significant changes to preliminary economic assessments. Should we introduce a specific independence requirement for significant changes to preliminary economic assessments that is unrelated to changes to the mineral resource estimate? If so, what would be a suitable significance threshold?

How many angels can dance on the head of a pin?

https://en.wikipedia.org/wiki/How_many_angels_can_dance_on_the_head_of_a_pin%3F

I would encourage you to simplify wherever possible. Add an independent requirement to everything if it’s so important.

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

Oh, boy!

The best way to deal with complicated rules is not by adding more rules.

The nuance between inferred resources and mineral reserves is very important. The fact that the sees many cases where *“issuers continue to disclose an economic and technically viable mineral reserve case, while at the same time disclosing a conceptual alternative preliminary economic assessment with more optimistic assumptions and parameters”* is a very large problem. It suggests to me that the industry sees the disclosure of mine models as more of a compliance hurdle than an information-sharing exercise.

Further the CSA wrote, *“In many cases, the two are mutually exclusive options”* and that just says it all. How many investors are able to figure out, quickly and simply, that the issuer is making statements about economic aspects of mine plans that are not representative? If the issuer wants to make it difficult to determine that the two scenarios are different, then no-one will find out this inaccuracy quickly or simply.

One way to deal with this problem with mine plans modeled from reserves vs resources is the increased disclosure of the full project data set associated with the mine plan. There is a sophisticated audience of investors out there today and if the issuer provides them with all the raw data and workfiles necessary to recreate the economic models reported by the issuer, then the investors have a chance to figure out if they are being misled by an issuer.

D.15 Should NI 43-101 prohibit including by-products in cash flow models used for the economic analysis component of a preliminary economic assessment that have not been categorized as measured, indicated, or inferred mineral resources? Please explain.

Yes.

Keep it super simple. If the preliminary assessment or pre-feas or whatever economic model requires a certain “category” for the main metal then all metals included in the economic model should be modeled at the same category to ensure standardized data structures.

E. Qualified Person Definition

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

“qualified person” means an individual who (a) is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these; (b) has experience relevant to the subject matter of the mineral project and the technical report; and (c) is a member in good standing of a professional association;

This definition is fine.

E.17. Should paragraph (a) of the qualified person definition be broadened beyond engineers and geoscientists to include other professional disciplines? If so, what disciplines should be included and why?

No, it is fine. I consider “engineer” and “geoscientist” to be very broad definitions that include everything from metallurgists to geophysicists.

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

No, it's okay.

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

No.

It is absolutely essential that directors and officers are able to write technical reports in circumstances where independence is not required. The Canadian junior mining business needs the opportunity to do things like this “in-house” to keep our teams lean and mean. I don’t think the potential for such insiders to write misleading information in a technical report is a big problem because I believe investors and the investing community is capable of tracking “bad actors” over time. If there was a team where insiders were misleading investors, then that team likely wouldn’t want to publish their materials permanently on SEDAR with all the trappings of a technical report!

I think good policy encourages our better side more than it prohibits our bad side.

F. Current Personal Inspections

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

I don't know, but I think the definition of Personal Inspection as per section 6.2 of the 43-101 policy is inadequate.

F.21. Should the qualified person accepting responsibility for the mineral resource estimate in a technical report be required to conduct a current personal inspection, regardless of whether another report author conducts a personal inspection? Why or why not?

Yes, because the person accepting responsibility should reach the highest bar of anyone on their team.

F.22. In a technical report for an advanced property, should each qualified person accepting responsibility for Items 15-18 (inclusive) of the Form be required to conduct a current personal inspection? Why or why not?

Yes, because the mining business is a team game.

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

Yes, please remove it. I strongly encourage you to remove parts of the legislation. If you are not removing things over time, then you are doing it wrong. Legislation is like a living thing and industry thrives on simplicity.

G. Exploration Information

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

It's pretty good.

It could be improved by making it shorter, but stronger. For example, 3.3(2)(c) "the location, number, type, nature and spacing or density of the samples collected and the location and dimensions of the area sampled;" this is really important, but it seems to be subject to interpretation. Does this policy require an issuer to provide this info for all samples, or only the ones that appear in the summary? This line of the policy could be changed to make it explicit that all such sampling data must be included, but this quickly becomes overwhelming for an exploration news release and that's where we get back into the relevance of a project data room.

The single most impactful thing to change for exploration is to require issuers to report full data sets for all exploration results. Even 10 years ago, this may have been an impractical requirement because of limitations sharing data online. I don't want people to type data into a form on a government website, but I do want issuers to know exactly what data they need to publish and in what format.

H. Mineral Resource / Mineral Reserve Estimation

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

Tough one. My first instinct is no because it's too much power for the report author to say, but second thought is that it's better than nothing.

Yes, I'd say this is a great element to include. It really puts the onus on the author to make a bold statement. In fact, I would push this further and say that the author not only has to make a "specific disclosure of reasonable prospects for eventual economic extraction," but they have to prepare an example mine plan! If they think it could be mined, then show me the production schedule against the 3D resource model. If it can't be mined, then show me a mine plan that loses money. And if the author can't do this work, then they are exempt from this requirement? The potential to make this an optional or extra-credit element is interesting to me, but likely very controversial to give the author of the report so much discretion because it invites controversy over the merits of the mine plan and may distract from the original intent for the scope of the report.

H.26.a Should the qualified person responsible for the mineral resource estimate be required to conduct data verification and accept responsibility for the information used to support the mineral resource estimate? Why or why not?

H.26.b Should the qualified person responsible for the mineral resource estimate be required to conduct data verification and accept responsibility for legacy data used to support the mineral resource estimate? Specifically, should this be required if the sampling, analytical, and QA/QC information is no longer available to the current operator. Why or why not?

Yes. Imagine if they had gold grades in PPM rather than PPB. Inexcusable mistake.

The integrity of the data is absolutely essential to investor confidence in the 43-101 modelling process. There is a missed opportunity to focus on the “process side” of data compilation, where increased information sharing will encourage more sophisticated investors who are better informed to make the best decisions as quickly as possible.

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

A combination of highly structured disclosure following a series of checklists and highly unstructured disclosure following the discretion of the issuer. Think of it like GAAP / Non-GAAP disclosure.

I. Environmental and Social Disclosure

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

Yes. These are complicated topics, but I believe the lists of questions included here cover the important aspects.

I.29 Do you think the current social disclosure requirements under Items 4 and 20 of the Form are adequate to allow investors to make informed investment decisions? Why or why not?

Yes. These are complicated topics, but I believe the lists of questions included here cover the important aspects.

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

Yes.

J. Rights of Indigenous Peoples

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

I don't know.

J.32 What specific disclosures should be mandatory in a technical report in order for investors to fully understand and appreciate all significant risks and uncertainties related to the relationship of the issuer with any Indigenous Peoples on whose traditional territory the mineral project lies?

I don't know. Maybe something about what kind of work has been done by the issuer or other people at the project to fully understand and appreciate all significant risks and uncertainties related to the relationship of the issuer with any Indigenous Peoples on whose traditional territory the mineral project lies.

J.33 Should we require the qualified person or other expert to validate the issuer's disclosure of significant risks and uncertainties related to its existing relationship with Indigenous Peoples with respect to a project? If so, how can a qualified person or other expert independently verify this information? Please explain.

I don't know.

K. Capital and Operating Costs, Economic Analysis

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

It's close, but not quite.

The language in this section is simple and effective, but I would like to suggest that a more detailed breakdown of all assumptions is relevant here. Rather than "a summary of capital and operating cost estimates" I'd encourage the 43-101 rules to require issuers to provide a data room that includes details of all aspects, large and small.

K.35. Should the Form be more prescriptive with respect to the disclosure of the cost estimates, for example to require disclosure of the cost estimate classification system used, such as the classification system of the Association for the Advancement of Cost Engineering (AACE International)? Why or why not?

Again, I would come back to my GAAP / Non-GAAP suggestion here. I would suggest that it is helpful for investors if the report includes both a standardized cost estimates method and then an *ad hoc* one.

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

What disclosure requirement? I'm sorry but I don't see where this disclosure requirement is listed.

Generally, when I study a project I find that the disclosure statements do not mention the same risks that I identify in my own study. The disclosure statements could be made into a more relevant feature by forcing the

author or issuer to identify the top three risks they are facing, how things could go wrong and what to do in response or to prepare.

K.37. Are there better ways for Item 22 of the Form to require presentation of an economic analysis to facilitate this key requirement for the investing public? For example, should the Form require the disclosure of a range of standardized discount rates?

This a very rich topic of conversation. There are so many fun things that the government could require issuers to do, but I would encourage simplicity for the sake of clarity.

Yes, “NPV at different rates?” is an important question for investors but there are much more important ones out there (“grade disappoints?” or “delays on plant build?” or others). It is possible for policy to prescribe a checklist of scenarios to consider as “stress tests” for any particular mine plan. But there is a deeper opportunity to help investors ask their own questions by giving them the raw data for them to investigate.

K.38. Are there other disclosure requirements in NI 43-101 or the Form that we should consider removing or modifying because they do not assist investors in making decisions or serve to protect the integrity of the mining capital markets in Canada?

Generally not. I think most of the Items in the Form should be there and I wouldn't remove or modify major parts in any way.

SOURCES:

https://www.osc.ca/sites/default/files/2022-04/ni_20220414_43-101_consultation.pdf

<https://www.osc.ca/en/securities-law/instruments-rules-policies/4/43-401/csa-consultation-paper-43-401-consultation-national-instrument-43-101-standards-disclosure-mineral>

https://www.osc.ca/sites/default/files/2022-05/com_20220503_43-101_ronningp.pdf

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THIS FILE:

https://docs.google.com/document/d/1Fk1a-yZwZJKbBcGcS-5rgLeZYJ5kda2IVfelxwN_PU8/edit

DATA ROOM:

https://drive.google.com/drive/u/0/folders/1Bp5TGwL_ekGh0eF6TPyu0L4_utL5occv

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