

July 13, 2022

Hello All,

We (Orano) have reviewed the CSA consultation paper from April 14th. Thank you for allowing input from the industry on this topic. Please see below for our comments.

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

The 45-day time period is still valid as there is a significant allocation of time to complete these reports and ensures they are following the standard. Additionally, due to the complexity of the reports (and certain deposits) there is a larger team of professionals contributing to the report, making final reviews and signatures time consuming.

In recent years, CSA staff have observed mining issuers making use of new technologies to conduct exploration on their properties, including the use of drones. During the COVID-19 pandemic, we received inquiries from qualified persons about the possible use of remote technologies to conduct the current personal inspection. Notices April 14, 2022 (2022), 45 OSCB 3911 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?

It is recommended to keep the current personal inspection requirement without allowing the use of remote technologies.

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?

A minimum of satellite imagery conducted within previous 1 to 5 years. The use of drones would be the preferred method.

Item 12: Data Verification of the Form addresses a core principle of NI 43-101 and is a primary function of qualified persons. Mining Reviews demonstrate that disclosure in this item is often non-compliant. For example, we do not consider any of the following to be adequate data verification procedures by the qualified person:

- **QA/QC measures conducted by the issuer or laboratory;**
- **database cross-checking to ensure the functionality of mining software;**
- **reliance on data verification by the issuer or other qualified persons related to previously filed technical reports; and**
- **unqualified acceptance of legacy data, such as disclosing that former operators followed “industry standards”.**

In addition, qualified persons frequently limit data verification procedures to the drill hole data set, resulting in a general failure to meet the disclosure requirements of Item 12 of the Form, which apply to all scientific and technical information in a technical report. 7.

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

I completely disagree that the use of QA/QC measures conducted by the laboratory is not an adequate data verification step. This step is integral in the validation of the efficacy of the geochemical results and thus the underlying data used to inform the resource. This is rarely a problem with modern laboratories, but has been a problem with older data or data not commonly used for estimations. The majority of data, other than drill hole data, is difficult to conduct QA/QC work on. This is something that should not be mandated, but recommended.

Lab QAQC should be accepted as additional verification in addition to QAQC and as verification for historical data. Other QAQC should be accepted as control hole for probing data (specific uranium).

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?

Yes, this should be clearer in the instrument. A short discussion of the personal inspection should be stated, including any QC checks that would have been completed (such as verification of drill collars with a personal GPS).

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

The current definition fails to mention the use of partner resource estimations. When declaring resources separately from the project partner, both the previous historic estimate and the most recent partner resource estimate should be declared with a short discussion on the differences.

In some cases, issuers are disclosing the results of a preliminary economic assessment that includes projected cash flows for byproduct commodities that are not included in the mineral resource estimate. This situation can arise where there is insufficient data for the grades of the by-products to be reasonably estimated or estimated to the level of confidence of the mineral resource. We consider the inclusion of such by-product commodities in the preliminary economic assessment to be misleading. 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.

By-products should be at a reasonable level of estimation confidence to be classified as resources as long as the main product shows some form of reasonable prospect of eventual economic extraction in those same blocks.

16. qualified person

The definition is quite clear, especially the list of the professional associations to which the person can belong to. Nevertheless, the process to adhere to the different professional association is not coherent and can be harder for some professional association. For example; being a member of AusIMM is very easy and no specific document is asked.

The qualified person expertise in the field of mineral exploration or mining should be explained with examples.

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?

This should be made to include metallurgists as a main component of the reasonable prospect of eventual economic extraction is the recovery of products from milling.

Maybe list the specialties under “engineers and geoscientists”:

- Hydrogeologist?
- Metallurgist
- Environmental person → for QP on the water quality, remediation plan parts

20. Current personal inspection:

yes a clear definition can help organizing the inspection. Maybe have a kind of general checklist depending on the stage of the project.

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?

As long as an inspection is done by one QP this is sufficient. For issuers who require independent QP sign-offs, the inspection should be done by the independent person(s) to ensure investor protection. Many projects are very difficult to logistically access/visit as well as security concerns for many regions. These issues are becoming more and more difficult the more remotely the industry explores. The pandemic is another reason to keep the rule with just one QP doing a site visit.

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?

No, only one QP is required. It is recommended that all QPs visit the site, but this should not be mandated. For issuers who require independent QP sign-offs, the inspection should be done by the independent person(s) to ensure investor protection.

G. Exploration Information CSA staff continue to see significant non-compliant disclosure of exploration information, including inadequate disclosure of: • the QA/QC measures applied during the execution of the work being reported on in the technical report, • the summary description of the type of analytical or testing procedures utilized, and • the relevant analytical values, widths and true widths of the mineralized zone.

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

The disclosure of technical data related to widths/true widths, Grade x thickness, or other relevant measures of mineralization intensity should not be limited to deposits that have technical reports with resources so long all, or reasonably sufficient, relevant details are provided.

We expect issuers to consider the current personal inspection requirement in developing the timing and structure of their transactions and capital raising. Subsection 6.2(2) of NI 43-101 does allow an issuer to defer a current personal inspection in limited circumstances related to seasonal weather, provided that the issuer refiles a new technical report once the current personal inspection has been completed. However, this provision has been used infrequently since it was adopted in 2005. In rare circumstances where issuers do rely on this provision, CSA staff see significant non-compliance with the refiling requirement.

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

This option should remain and should be broadened to account for pandemics or serious safety concerns out of the normal. A maximum timeline, before the technical report needs to be retracted, should be stated.

CSA staff are concerned that the gatekeeping role of the qualified person conflicts with the fiduciary duties of directors and officers. We have seen situations where the self-interest of such individuals in promoting an attractive outcome for the mineral project overrides their professional public interest obligation as a gatekeeper.

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

This may be difficult for small sized juniors where staff is limited.

I believe this would be the best path forward. The use of directors and officers could be used in technical reports where mineral resources or reserves are not being declared (i.e. early stage reports that detail project activities only).

Once the projects become more advanced (starting with the declaration of resources), the use of directors and officers should not be an option.

26 Data verification

- a. different QP can sign for the data verification but a point can be added to specify that the qualified person responsible for the mineral resource estimate accept the data as being reliable for the resource estimation (meaning: we can consider an additional signature for the data in term of resource estimation and 2 QP signatures for the data)
- b. yes but in a lighter way if the same QP is not signing for data verification and resource estimation

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

For early stage exploration projects this may be difficult for many issuers to complete. Should be a recommendation for early stage. This is something that could be considered, however, this should become a requirement for late stage projects with mineral reserves.

Split of early and late stage can be defined in the NI 43-101, maybe with the declaration of reserves.

Other comments:

There have been some instances where technical reports were refused and there was no possibility for an appeal. There is a need for an oversight board, or an appeals procedure, that includes representatives from industry.

Regards/Cordialement,

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