

## Part A      General Information of the Respondent

All fields are mandatory, except the fields with an asterisk (\*) if you are an individual respondent.

<b>Name/ Company Name*</b>	:	CanAlaska Uranium Ltd.
<b>Contact Person*</b>	:	
<b>Title*</b>	:	
<b>Phone Number</b>	:	
<b>E-mail Address</b>	:	

If you **do not wish** to disclose the above information to the public, please check the box here:

☐ I do not wish to disclose the information above.

## Part B Consultation Questions

Please indicate your preference by checking the appropriate boxes. Please make your comments by replying to questions below against proposed changes discussed in the Consultation Paper at the hyperlink: [http://www.hkex.com.hk/consult/paper/cp200909m\\_e.pdf](http://www.hkex.com.hk/consult/paper/cp200909m_e.pdf)

Where there is insufficient space provided for your comments, please attach additional pages.

For ease of cross-referencing, please note the question numbers in this questionnaire correspond to the question numbers as they appear in the Consultation Paper.

### ***Consultation Questions on Additional Eligibility Requirements for New Applicant Mineral and Exploration Companies***

- 3.1 Do you agree with the Exchange's proposal that new applicant Mineral and Exploration Companies must demonstrate that they have adequate rights to participate actively in the exploration or exploration and extraction of resources, either by having controlling interests in a majority (by value) of the assets in which they have invested or through other rights, which give them significant influence in decisions over the extraction of those resources?

☐ Yes

☐ No

Please provide specific reasons for your views.

*Such a restriction would preclude the listing of mineral/resource investment funds and royalty companies under the Mineral and Exploration Companies categorization. These entities represent a vital, active and complementary component of the capital market for resource companies elsewhere in global markets and are sought-out by investors for their professional capabilities in serving to diversify investment risk.*

*In addition, the most common form of exercise of control in the resource industry, other than via majority corporate ownership, is in the form of option/earn-in agreements. Specific reference as to the general acceptability by the Exchange of option/earn-in agreements should be delineated as part of any dissertation on control or active participation by listing candidates over mineral investments.*

- 3.2 Do you agree with our proposal that new applicant Mineral and Exploration Companies that have not yet obtained rights to extract relevant reserves must disclose details of how they plan to proceed to extraction and must state risks relevant to obtaining relevant rights?

☐ Yes

☐ No

Please provide specific reasons for your views.

***Mineral rights represent the legal and economic cornerstone to any resource extraction enterprise. However, the Exchange must be careful in the delineation of its listing rules not to introduce bias towards listings for just those companies possessing perfected mining rights or leases, over those with just exploration claims or rights. The latter category may be more economically risky, but insofar as their risks are adequately disclosed to the investor, exploration/development-stage companies are equally deserving of capital market access.***

3.3 Do you agree that new applicant Mineral and Exploration Companies must demonstrate that they have sufficient working capital for 125% of their budgeted working capital needs for the next twelve months? Do you consider that the requirement for a working capital statement should be extended beyond a period of twelve months?

☒ Yes

☐ No

Please provide specific reasons for your views.

***In agreement on the understanding that the 125% working capital test is applied to the listing company's financial position POST-receipt of listing proceeds. Such a level would provide the investor of an assurance of the company's viability as a going-concern POST listing***

3.4 Do you agree that estimates of cash operating costs must include those of: (a) workforce employment; (b) consumables; (c) power, water and other services; (d) on and off-site administration; (e) environmental protection and monitoring; (f) transport of workforce; (g) product marketing and transport; (h) non-income taxes, royalties and other governmental charges; and (i) contingency allowances?

☐ Yes

☒ No

Please provide specific reasons for your views.

***This definition is too restrictive if it is to encompass the objectives as outlined in Sec. 3.14(a) of the Consultation Document. Key expenditures related to "property holding costs and the cost of proposed exploration and development" such as professional contractor costs, claim assessment and environmental bonds etc. do not seem to be covered under the outlined definition. In fact, it appears that this definition does not attempt to address the expenditures of companies situated in the exploration or mineral development stages.***

- 3.5 Do you agree that producing new applicant Mineral and Exploration Companies must disclose their operating cash cost per appropriate unit for the mineral(s) and/or oil and gas produced?

☒ Yes

☐ No

Please provide specific reasons for your views.

*This represents a good comparative measure for investors to determine the economic viability of a mineral project. However, agreement with this disclosure is conditioned under the proviso that those companies not presently in the mineral production stage are entitled to report "estimated" cash costs of production within its submission of the CPR.*

- 3.6 Do you agree that a new applicant Mineral and Exploration Company must demonstrate that its board and senior management, taken together, have adequate experience relevant to the mining and/or exploration activity that the applicant is pursuing, unless it can meet the financial track record requirements under Listing Rule 8.05? Do you agree that individuals relied on must have a minimum of five years relevant experience?

☒ Yes

☐ No

Please provide specific reasons for your views.

*This represents a solid benchmark to ensure that the quality of companies being listed on the Exchange meets with standards expected by investors for the pursuit of genuine mineral project development and shuts the door on principals who utilize mineral projects for the sake of financial manipulation.*

#### ***Consultation Questions on Disclosure (General) Obligations***

- 4.1 Do you agree with our proposal that technical reports and valuations required by the Listing Rules must be prepared by independent Competent Persons?

☒ Yes

☒ No

Please provide specific reasons for your views.

***Agree that the technical reports must be prepared by a CP. A technical CP generally does not have comprehensive valuation skills. Therefore, a SEPARATE independent valuer should be assigned the responsibility of determining value and commenting on risk factors. The valuer should also have 10 years resource industry experience, but does not necessarily need to be a member in good standing of an RPO.***

- 4.2 Do you agree with our proposal that a Competent Person must be a member of a Recognised Professional Organisation?

☒ Yes

☐ No

Please provide specific reasons for your views.

***This provision is in-line with global practice. But refer to proviso in Question 4.1 above as to suggestion for an independent valuer separate from the technical CP.***

- 4.3 Do you agree that the Exchange should only accept Competent Persons' Reports (CPRs) prepared by Competent Persons who are registered in jurisdictions where the statutory securities regulator has adequate arrangements with the Securities and Futures Commission for mutual assistance and exchange of information for enforcing and securing compliance with relevant laws of each jurisdiction?

☒ Yes

☐ No

Please provide specific reasons for your views.

***There are complications with strict enforcement of this provision. It might significantly restrict Chinese-based projects or the use of Chinese technical experts. The Exchange may need to designate a list of acceptable Chinese CPRs***

***A far bigger issue is whether the project valuation must be prepared by a qualified CPR as most generally will not undertake valuations in jurisdictions unfamiliar to them. The valuation assessment is best left to an independent commercial valuer and not the CPR who prepares the technical report.***

- 4.4 Do you agree that the CPR must have an effective date less than six months prior to the date of the publication of the prospectus or circular required under the Listing Rules?

☐ Yes

☒ No

Please provide specific reasons for your views.

*6 months is far too restrictive. Planning cycles in the mineral resource industry typically take place in years rather than months. Even the process of preparing a technical report can take several months just by itself. In addition, the cost of repeating such a major report can represent a significant economic disincentive to listing in HK,*

*So long as there is an update of material assumptions or a no material change statement to accompany the listing submission, a CPR with a shelf-life of 24 months should be considered acceptable.*

4.5 Do you agree that CPRs must include an up to date no material change statement?

☒ Yes

☐ No

Please provide specific reasons for your views.

*This should a valid and standard warranty*

4.6 Do you agree that all Mineral and Exploration Companies must disclose in the CPR, where one is required, risk factors and provide a risk analysis in the format outlined in Appendix I to the Consultation Paper?

☐ Yes

☒ No

Please provide specific reasons for your views.

*A checklist approach can never be comprehensive or express the true nature or complexity of risk, even with the addition of crude risk weighting categorizations. Nice to propose in a theoretical sense, but highly dangerous to implement as the nature of mineral projects is that they are subject to a host of exogenous risks, often cross-correlated. Far better to compel management to disclose the specific nature of risks that are associated with the individual project as in a standard "Management Discussion and Analysis (MD&A)" Both the form as well as the content of management disclosure should provide the investor with a more multi-dimensional presentation of risk. It also compels both the investor and the Exchange to become better-educated rather than relying on a tick-form assessment approach.*

- 4.7 Do you agree with the Exchange's proposal that disclosure on risks must be provided as part of a Competent Person's Report?

☐ Yes

☒ No

Please provide specific reasons for your views.

*Risk disclosure should ultimately be management's responsibility. A CP is commonly equipped to comment on technical fact only. Risk evaluation and management is not his or her forte, nor should he/she be saddled with such a burden. Doing so would only compromise the objectivity that such a professional brings to the job of preparing the technical report. As discussed above in Question 4.3, an independent commercial valuer, who is not acting in the position of a CPR, is in a more favourable position to opine as to both risk and value of the enterprise.*

- 4.8 Do you agree that data on reserves and resources must be presented in tables in a manner readily understandable to a non-technical person?

☒ Yes

☐ No

Please provide specific reasons for your views.

*The standard 43-101 / JORC/SAMEC presentation format is well understood by the international resource investment community.*

#### ***Consultation Questions on Disclosure (Technical Reporting) Standards***

- 5.1 Do you agree with the Exchange's proposal to accept the three main JORC-type codes for the presentation of information on resources and reserves, namely the JORC Code, NI 43-101 and the SAMREC Code?

☒ Yes

☐ No

Please provide specific reasons for your views.

*There is, in essence, very little to distinguish among them. International investors are generally familiar with all three codes.*

- 5.2 Do you agree with the Exchange's proposal to request reconciliation to one of the above codes where information is presented in accordance with Russian or Chinese standards, until such time as they achieve widespread recognition or efforts at convergence between these standards and JORC-type codes are sufficiently advanced?

☒ Yes

☐ No

Please provide specific reasons for your views.

*This is a qualified "yes" as the answer very much depends on the identity of the end-user / investor. If the predominant investor for resource companies listed in HK are of Chinese origin, then conversion to the international standards would seem counter-productive. However, if the investor community is primarily composed of foreign financial institutions and investors, then reconciliation with international standards is recommended. The Exchange will need to take a view as to which investor market segment it wishes to attract.*

- 5.3 Do you agree with the Exchange's proposal to require that estimates of mineral reserves be supported at a minimum by a pre-feasibility study as defined in the SAMREC Code and NI 43-101?

☐ Yes

☒ No

Please provide specific reasons for your views.



*I summarise that the driver for such a proposal is that the Exchange wishes to attract high quality, mature resource company for listings in Hong Kong over riskier and more speculative exploration driven candidates. However, I believe that this to be a very uni-dimensional evaluation criterion which precludes market access by and investor participation in erstwhile deserving exploration concerns. In fact, the unreasonableness of such a criterion can be compared to a similarly artificial criterion which would only admit for listing those companies who possess resources located in the G-7 countries, all for the sake of shielding investors from political risk.*

*Many exploration companies that only possess in-situ resources, but who have yet to reach the pre-feasibility level, can possess solid valuations and enjoy high levels of investor support internationally.*

*Ultimately, why not let the investor and market decide as to whether a listing candidate is worthy of support, so long as the listing candidate can demonstrate that it is an erstwhile and legitimate mineral exploration/development enterprise?*

5.4 Do you agree with the Exchange's proposal that information on mineral resources and mineral reserves must not be combined?

☒ Yes

☐ No

Please provide specific reasons for your views.

*It is general practice in the mineral industry to differentiate the two categories.*

5.5 Do you agree with the Exchange's proposal that mineral resources must only be included in economic analyses if they are appropriately discounted for the probabilities of their conversion to reserves and the basis on which they are considered to be economically extractable is stated?

☐ Yes

☒ No

Please provide specific reasons for your views.

*As theoretically reasonable as this proposal may seem, assigning discount rates for the conversion of mineral resources is almost haphazard in practice, leading to far greater investor uncertainty and confusion.*

*It is already highly difficult to assign values to existing reserves. Imposing a discount rate criterion on the conversion value of mineral resources necessitates an understanding of the ore body that just cannot be fathomed with the level and detail of geological information at-hand at the mineral resource stage. Instead, the investor should be cautioned that any economic analyses derived from calculation of in-situ resources are for "indicated" purposes only.*

- 5.6 Do you agree with our proposal that Mineral and Exploration Companies must explain the methodology used to determine commodity prices used in pre-feasibility and feasibility-level studies and valuations of reserves and resources, and state the basis on which such prices represent reasonable views of future prices?

☒ Yes

☐ No

Please provide specific reasons for your views.

*The mineral price forecast assumptions and bases for such assumptions should certainly be presented. However, it is the investor who should ultimately assess the reasonableness of these assumptions. Having management or the CP state that the assumptions are reasonable will not necessarily make it so.*

- 5.7 Do you agree with our proposal that Mineral and Exploration Companies must present sensitivity analyses on price in their valuations of reserves and profit forecasts?

☒ Yes

☐ No

Please provide specific reasons for your views.

*Scenario and sensitivity modelling is standard market practice.*

- 5.8 Do you consider that the requirement to state the methods used to determine prices and state the basis on which they are reasonable should extend to forecast prices of oil and gas?

☐ Yes

☐ No

Please provide specific reasons for your views.

*No Comment*

5.9 Do you agree with our proposal to adopt the PRMS as the accepted reporting code for CPRs related to oil and gas resources?

☐ Yes

☐ No

Please provide specific reasons for your views.

*No Comment*

5.10 Do you agree with the proposal that Proved and Proved plus Probable Reserves be presented as Net Present Values ("NPVs") on a post-tax 'unrisked' basis at varying discount rates, including a reflection of the weighted average cost of capital or minimum acceptable rate of return applicable to the entity at the time of evaluation?

☐ Yes

☐ No

Please provide specific reasons for your views.

*No Comment*

5.11 Do you agree with the proposal that Proved Reserves and Proved plus Probable Reserves must be analysed separately and the principal assumptions must be stated in all cases?

☐ Yes

☐ No

Please provide specific reasons for your views.

*No Comment*

- 5.12 Do you agree with the proposal that companies must present estimates of NPVs of reserves using a forecast price as a base case but must also provide a sensitivity analysis including a constant price, to be represented by the unweighted arithmetic average of the closing price on the first day of each month in that 12 month period? Please note the possible variation in this proposed rule applicable for companies that may be subject to the SEC's Oil and Gas Disclosure Standards in paragraph 5.59 of the Consultation Paper.

☐ Yes

☐ No

Please provide specific reasons for your views.

*No Comment*

- 5.13 Do you agree with the Exchange's proposal that disclosures about estimated volumes of oil and gas resources should be allowed, provided relevant risk factors are clearly stated?

☐ Yes

☐ No

Please provide specific reasons for your views.

*No Comment*

- 5.14 Do you agree with our proposal that Mineral and Exploration Companies should not be permitted to attach economic values to Contingent or Prospective Resources?

☐ Yes

☐ No

Please provide specific reasons for your views.

*No Comment*

- 5.15 Do you agree with the Exchange's proposed definition of 'Competent Person' for oil and gas reporting?

☐ Yes

☐ No

Please provide specific reasons for your views.

*No Comment*

- 5.16 Do you agree with the Exchange's proposal that CPRs must be prepared by independent Competent Persons and deal with the list of items in Appendix II to the Consultation Paper?

☐ Yes

☐ No

Please provide specific reasons for your views.

*No Comment*

- 5.17 Do you agree with the Exchange's proposal to accept the VALMIN, CIMVAL and SAMVAL valuation codes for the valuation of natural resources properties?

☐ Yes

☐ No

Please provide specific reasons for your views.

*No Comment*

- 5.18 Do you agree with the Exchange's proposed definition of 'Competent Person' for valuation purposes?

☐ Yes

☒ No

Please provide specific reasons for your views.

*No Comment*

- 5.19 Do you agree with the Exchange's proposal that company management and the relevant independent expert must determine whether a valuation report is required?

☐ Yes

☐ No

Please provide specific reasons for your views.

*No Comment*

***Consultation Questions on Continuing Obligations (for companies treated as Mineral and Exploration Companies and existing listed issuers engaging in mineral and/or exploration activity)***

- 6.1 Do you agree with our proposal that Mineral and Exploration Companies must produce CPRs on transactions for the acquisition or disposal of resources and/or reserves, which require shareholder approval (i.e. transactions which are classed as 'major' or above)?

☒ Yes

☐ No

Please provide specific reasons for your views.

***Both a technical report and an independent valuation should be submitted for shareholder approval.***

- 6.2 Do you agree with our proposal that listed issuers which enter into acquisitions for resources and/or reserves classed as major or above must also comply with the requirement to produce CPRs? Do you consider that such companies should be granted a short grace period for relevant transactions that have already been entered into and announced on implementation of the new rules?

☒ Yes

☐ No

Please provide specific reasons for your views.

***These companies have acquired an asset that requires proper delineation for shareholders familiar with such reports. It is reasonable to provide a grace period of 6 mos. for the preparation of such reports.***

- 6.3 Do you agree with our proposal that, we may dispense with the requirement for CPRs on relevant transactions if detailed information on reserves and resources, in accordance with our approved mineral and/or oil and gas codes, is already in the public domain?

☒ Yes

☐ No

Please provide specific reasons for your views.

*There is no need for duplication and added expense.*

- 6.4 Do you agree listed issuers that have previously published details of reserves and resources must update such statements once a year in their annual reports?

☒ Yes

☐ No

Please provide specific reasons for your views.

*Agree for disclosure by management. Reference must be made to any new CPR undertaken in prior year and any new CPRs to be published publicly.,*

- 6.5 Do you agree with our proposal that Mineral and Exploration Companies must provide details of exploration, mining production and development activities and details of expenditure incurred on these three activities in their interim (half-yearly) and annual reports?

☒ Yes

☐ No

Please provide specific reasons for your views.

*Should reflect common international practice.*



- 6.6 Do you agree with the Exchange's proposal to prohibit blanket disclaimers in technical reports?

☒ Yes

*Should conform with NI-43-101 practice. It works well.*

☐ No

Please provide specific reasons for your views.

- 6.7 Do you agree with the Exchange's proposal to disallow material indemnities in favour of the Competent Person or entity that prepared the report?

☐ Yes

☒ No

Please provide specific reasons for your views.

*Practice should reflect existing commercial practices. If enforced, could end up with no CP willing to work on a HKEX listing*

#### ***Consultation Question on Social and Environmental Standards***

- 7.1 Do you agree with the Exchange's proposal to encourage Mineral and Exploration Companies to consider and provide disclosure on the social and environmental matters described in paragraph 7.1 of the Consultation Paper, where material to their business operations?

☒ Yes

☐ No

Please provide specific reasons for your views.

*Only to the extent that that management deems an individual issues to be material. The outlined issues should represent a checklist for management best practice.*

***Consultation Questions on Eligibility of exploration companies***

- 8.1 Do you agree that Chapter 18 should be amended to allow Mineral and Exploration Companies that have mineral or oil and gas resources to apply for listing?

☒ Yes

☐ No

Please provide specific reasons for your views.

***These companies, providing that they are governed and managed by competent Boards of Directors and seasoned management, represent the neediest and most deserving recipients of investor capital. Investor interest for such candidates are commensurately high they stand to deliver superior returns.***

- 8.2 Do you agree that it is not appropriate to list early stage exploration companies in the interests of investor protection, i.e. those that have not yet determined the existence of resources?

☐ Yes

☒ No

Please provide specific reasons for your views.

***Per comments in response to Question 5.2, the Exchange should let the market decide on investment appetite for the higher levels of risk associated with exploration companies. Adequate disclosure as to the state of exploration progress by both management and in the form of CPRs is most necessary for investor transparency, However, the CPR need not be held to the test of a Pre-Feasibility Study.***

- 8.3 Do you agree that new applicant Mineral and Exploration Companies that have not yet commenced production must disclose their plans to proceed to production with indicative dates and costs?

☒ Yes

☐ No

Please provide specific reasons for your views.

*Would only insist on indicative dates and costs where obtainable. For example, if further development of a mineral project depends upon securing financing or permitting, management can only provide rough estimates of the date of completion of financing or permitting, with such estimates being independent of whatever time and cost estimates are feasible from a technical point of view.*

- 8.4 Do you consider that new applicant Mineral and Exploration Companies which have not yet commenced production should be subject to any additional eligibility requirements, such as a requirement to have a minimum market capitalisation?

☐ Yes

☒ No

Please provide specific reasons for your views.

***If the proposed disclosure and management experience hurdles are met, the marketplace is smart enough to decide on whether to support such companies without added Exchange intervention. Let the market decide!!***

- 8.5 Do you agree with the Exchange's proposed definition for 'Mineral and Exploration Companies'?

☒ Yes

☐ No

Please provide specific reasons for your views.

***Would support a higher than 25% principal activity threshold. 40% would be ideal.***

- End -