

February 16, 2022

The Secretary
Ontario Securities Commission
20 Queen Street West, 22nd Floor, Box 55
Toronto, Ontario M5H 3S8
Sent via email: comment@osc.gov.on.ca

Dear Secretary,

Re: AME Comments on Proposed Climate Disclosure Rule 51-107

On behalf of the Association for Mineral Exploration (AME) and its members both active or based in British Columbia, I thank you for the opportunity to comment on *Proposed National Instrument 51-107: Disclosure of Climate-related Matters*. AME appreciates the need for climate-change related disclosure, but does not support the proposed policy as presented, and respectfully urges that Canadian Securities Administrators (CSA) take the time to make changes to the proposed rule to prevent undue issuer burden for our members.

GENERAL CONCERNS

Our members are committed to the principles of Environmental, Social and Governance (ESG) best practices, and increasingly understand the material risks, opportunities and financial impacts presented by climate change. Over the past five years in BC, many of our members' activities have been affected by wildfires, flooding and reduced glacier cover. However, due to the episodic nature of extreme events and the nature of hidden mineral potential, it is difficult to attribute the impacts of these events specifically to climate change within the context that these may constitute material information (for example, a drill program that is halted due to flooding or a wildfire in a nearby community may be reported through a news release, but cannot be attributed immediately to climate change).

COSTS AND CHALLENGES OF DISCLOSURES CONTEMPLATED BY THE PROPOSED INSTRUMENT (FORM 51-107A)

We appreciate the critical evaluation by CSA of the recommendations made by the Task Force on Climate-related Financial Disclosures. Most of our members active in mineral exploration are not professionally trained in climate change disclosure. They run mineral exploration programs that rely on variables including availability of financing, availability of skilled personnel such as drillers, ability to spend flow-through financing within the period of eligibility, timing of permitting, various restrictions including time windows for activities in sensitive wildlife habitat areas, and limited weather windows. Any administrative burden that does not rely on the expertise of a Professional Geoscientist or Professional Engineer increases costs for an explorer while reducing investor confidence that funds are spent on exploring and evaluating mineral potential. Form 51-107A as proposed is a burden for various reasons, but primarily because it inappropriately assumes professional expertise in assessing and reporting on climate change-related risks particularly from a governance and risk management perspective.

DISCLOSURE OF GHG EMISSIONS AND SCENARIO ANALYSIS (FORM 51-107B)

AME appreciates the proposed flexibility in reporting greenhouse gas emissions, and expects that due to a lack of resources and difficulty in tracking the activities of contractors and consultants, accounting for even Scope 1 emissions would be a burden for many of our members. We support the ability for venture issuers to disclose that these are not available for when emissions are largely limited to travel and program mobilization and not representative activities of the mining industry in general (e.g., hauling, milling). Only the largest and well-financed mineral exploration programs currently need to report emissions under Environment and Climate Change Canada's (ECCC) Greenhouse Gas Reporting Program (GHGRP), and we support that a GHG reporting framework for venture issuers (that may include an alternative simplified reporting mechanism) be thoroughly tested and finalized before NI 51-107 goes into effect. Scope 2 and Scope 3 emissions, without the availability of a model to estimate these emissions, would be difficult to calculate, making reporting of these numbers inaccurate.

Thank you for the opportunity to comment on the proposed NI 51-107. Please feel free to connect with me [REDACTED] if you wish to discuss further.

Yours truly,

Kendra Johnston

Kendra Johnston, PGeo, MBA
President & Chief Executive Officer
Association for Mineral Exploration

cc: Board of Directors, AME
Lisa McDonald, Executive Director, Prospectors & Developers Association of Canada
Victoria Yehl, Senior Geologist, Corporate Finance, BC Securities Commission