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and Executive Director, Legal Affairs  
Autorité des marchés financiers

On behalf of: 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

## **CSA Consultation Paper on NI 43-101, Environmental and Social Disclosure: Comments on Sections I and J of the Consultation Paper**

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To whom it may concern:

I am a professional that has been working on the environmental aspects of mining projects since the mid-80's with the belief that mining can be done in an environmentally and socially responsible manner. For many years, I have been a Qualified Person with respect to the environmental and social aspects of NI 43-101 documents specifically Items 4 and 20, but also as an active participant in the feasibility and design process. Recently, I have been a part of the team that has produced draft guidance for the environmental and social aspects of mining, specifically: CIM Environmental, Social, and Governance Guidelines for Mineral Resource and Mineral Reserve Estimation (in draft). This project brought together a number of skilled professionals with the specific goal of addressing perceived shortcomings to the environmental and social aspects of NI 43-101 documents, specifically Items 4 and 20.

I recommend that this document, when it is finalized, become the guidance for the environmental and social aspects of NI 43-101. The document is a comprehensive look at many of the issues raised in your questions on Sections I and J of the Consultation Paper. The main difference is that the CIM ESG Guidance focus is broadened to include the full Environmental, Social and Governance (ESG) topic, and in doing so, broadens the discussion to include governance as a key component of managing environmental and social risk. Governance per the draft CIM ESG guidance is focused on the ability of management to understand environmental and social risks and to act appropriately in dealing with those risks. As such, much of the governance discussion is focused on management systems (e.g. ISO/CSA 14001:2015 or equivalent processes) as a major component of a well governed project.

The use of the ESG focus allows for the discussion of broader issues such as climate change, use of renewables, Indigenous rights, and other complex subjects that may have a material impact on a project. It also opens the door for the company to discuss sustainability or their compliance with one of the global standards in ESG reporting.

Some consider the 'G' in ESG to be governmental, not corporate governance. I believe that the governmental (regulatory) is well covered in the environmental risk portion of ESG, and in a management system it would be identified as regulatory requirements when aspects are identified. As such, the 'G' should be a discussion of a company's ability to effectively govern a project and manage the risks attendant to that project. Such governance not only provides structure to compliance and risk mitigation, it provides the company with due diligence mechanisms. All of this should provide more comfort to investors than knowing a company simply understands the regulatory requirements. The CIM ESG Guidance talks to governance in practical terms as the line of sight management of a project from the Board of Directors to the work face and the measures in place to mitigate risk to the environment and public health and safety, which includes worker health and safety. An Item 20 governance discussion could include whether a Board has committees that focus on environmental and social issues, whether there are policies directing staff in those areas, what mechanisms are in place to deal with environmental and social risk (i.e. management systems), and emergency preparedness and response plans.

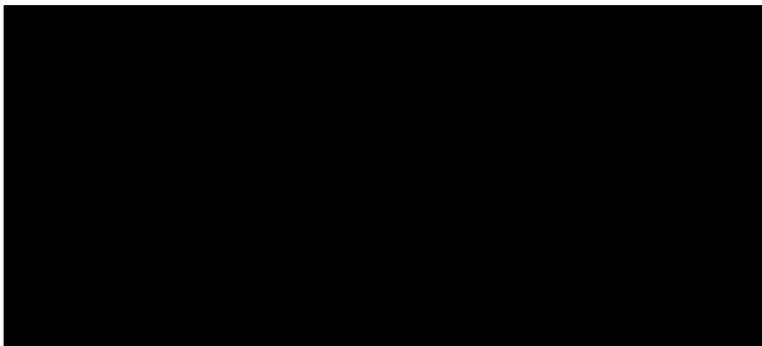
With respect to questions 28 and 29 of the Consultation document I believe that the environmental risks are generally better done than the social risks, although I see improvement in both areas. If the guidance in the CIM ESG Guidance is followed, there would be significant improvements in all areas if proponents follow the guidance. Governance should be a major topic of discussion in Item 20 with respect to the management of environmental and social risk. The CIM ESG Guidance also covers the topic of Indigenous Rights, and in answer to question 30, recommended practices on consultation.

With respect to Qualified Persons, I believe that the NI 43-101 guidance should continue to recommend at least five years experience as a key condition. If a person has less than five years experience, their work must be reviewed and signed off by a QP. An alternative I could accept is to make it four years to be a QP as this would align with the level of supervised work experience required to move to a professional engineering or geoscience designation from an EIT or GIT

designation. The QPs would still have to be qualified in the areas they are applying their credentials to. While I write Item 20 reports at the PEA to FS levels, I rely on the reports, input and review of other Subject Matter Experts in the bio-physical and social sciences to ensure risks are properly articulated. It is necessary that persons in these specialty areas can be SMEs but without the mining/exploration experience they may not have the experience to be QPs *per se*.

NI 43-101 Item 20 should be expanded to include a governance discussion on how a company is dealing with their material environmental and social risks. As the securities agencies in Canada have relied on expert guidance from the CIM in the past, I recommend that the CIM Environmental, Social, and Governance Guidelines for Mineral Resource and Mineral Reserve Estimation, when they are finalized later in 2022, be used to guide the environmental and social discussions in Items 4 and 20 of NI 43-101 reports.

Yours truly,



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