



An Engineers Without Borders Canada Venture

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Manitoba Securities Commission  
Ontario Securities Commission  
Autorité des marchés financiers  
Financial and Consumer Services Commission, New Brunswick  
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## **Re: Consultation on National Instrument 43-101 Standards of Disclosure for Mineral Projects**

We at the Mining Shared Value initiative of Engineers Without Borders Canada greatly appreciate the opportunity to provide comments regarding National Instrument (NI) 43-101.

For your background information, we are a non-profit initiative which works to improve the development impacts of mining activity through increasing local procurement of goods and services by the sector in the host countries and communities that choose to host mineral extraction. For the past ten years we have been in continuous engagement with both Natural Resources Canada and Global Affairs Canada, including commissioned research work, and participation in reviews and consultations.

Our comments focus on the need to modernize NI 43-101 to ensure investors and other stakeholders understand more about the social and economic impacts of proposed projects – especially the projected economic benefits. Economically viable deposits of minerals mean little if local communities and their wider host economy stakeholders object to the project because they are not able to participate in the job and procurement opportunities of the mining life cycle. This is especially the case with projects close to Indigenous communities who hold land rights.

As such, without information on projected economic benefits for a given project, and the status of engagement and agreements with Indigenous communities, investors and other stakeholders lack the necessary information to determine if a project is likely to proceed.

Below we have provided answers to questions from the Consultation Paper that are relevant for these issues:

### **A. Improvement and Modernization of NI 43-101**

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 - the disclosure requirements in the Form do not provide enough information or context necessary to protect investors and fully inform their investment decisions. This conclusion comes from the notable lack of requirement for reporting on local social context outside of Item 20, which is only required for advanced properties. There is no requirement for reporting on engaging with local communities or Indigenous groups, or requirements associated with property access. There is also no required reporting on projected economic benefits of a given*

*project, such as direct jobs through hiring and indirect jobs via procurement of goods and services, both of which ultimately will influence whether local stakeholders and government regulators will approve a project to go forward.*

*A discussion of any potential social or community related requirements, expected economic benefits, and the status of any negotiations or agreements with local communities should be stipulated for all exploration result reports.*

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

*There should be greater alignment with PERC's 2021 Reporting Standards and SME's 2017 Guide for Reporting as their disclosure requirements include higher levels of social context reporting – leading to more transparency for investors as to whether a project may face opposition. PERC requires that “all public reports of exploration results, mineral resources and mineral reserves must include the consideration and reporting of the environmental, social performance (including health and safety), and governance (ESG) context and factors that could have a material effect on the outcome of the project or operation.” Similarly, SME has social license reporting integrated into multiple stages of reporting, starting with exploration information reporting.*

*Not only should Item 20 be expanded, but social context reporting should be required for all projects.*

### **B. Data Verification Disclosure Requirements**

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

*Verification should be more clearly defined for environmental and social information. There should be less reliance or acceptance of environmental and social information provided by the owner without verification.*

### **I. Environmental and Social Disclosure**

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?

*No – The current social disclosure requirements are not adequate to allow investors to make informed investment decisions. There is an inadequate amount of requirements regarding early engagement with local Indigenous communities or legally recognized governmental bodies.*

*There should be further stipulations added requiring projected economic or job opportunities created by the mine, to the benefit of the community, to be included in the report. There needs to be transparency around how potentially economically beneficial, or not, the project is for the local community, as this is a crucial factor in determining whether a project will be accepted by stakeholders and regulators.*

### **J. Rights of Indigenous Peoples**

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?

*A disclosure that pertains to any pre-existing agreements, as well as local hiring and local procurement requirements, made with Indigenous or legally recognized governmental bodies should be made mandatory in the technical report. An understanding of these agreements and requirements needs to be accounted for as to prevent the blocking of proposals or postponement of projects.*

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?

*An understanding of any pre-existing agreements, and local hiring and procurement requirements within them, needs to be accounted for as to prevent the blocking of proposals or postponement of projects. Projects that do not have agreements that ensure economic opportunities for Indigenous communities will face opposition in most cases and it is vital for investors to see such agreements are in place. Therefore, disclosure pertaining to any social issues, agreements, or stipulations should be made mandatory, that encompasses economic benefits.*

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.



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*The disclosure of the issuer regarding significant risks and uncertainties related to its existing relationship with Indigenous Peoples with respect to a project should require the validation of the qualified person or other expert to prove indigenous support. Without validation of said qualified person, the issuer runs the risk misrepresenting the validity of the local community's acceptance of, or openness to, the project thus potentially jeopardizing investors contributions.*

Thank you again for the opportunity to contribute. If we can provide additional clarification on any our comments, or if you require additional resources, do not hesitate to reach out.

Sincerely,



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Engineers Without Borders Canada

