



PROSPECTORS &
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OF CANADA

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CANADIENNE DES
PROSPECTEURS ET
ENTREPRENEURS

August 1, 2025

Canadian Securities Administrators

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RE: Mineral industry concerns with proposed NI 43-101 amendments

Dear Canadian Securities Administrators (CSA) executive leadership,

On behalf of the Prospectors & Developers Association of Canada (PDAC), our more than 8,200 members, including individuals, professional geoscientists and more than 1,100 corporations, we offer CSA perspectives from Canada's mineral exploration and mining sector on the proposed amendments to National Instrument (NI) 43-101.

Mineral issuers represent the largest cohort of public issuers in Canada, approximately a third of all companies listed on Canadian exchanges, and these issuers generated more than 50% of the funds raised via equity in our capital marketplace in 2024.

The functionality and application of the NI 43-101 disclosure standards come at a crucial time as Canada is facing internal and external trade barriers and conflicts and is being tasked to accelerate the capacity of our mineral industry to discover and deliver much needed raw materials for supply chains of the future.

With the launch of Canada's critical mineral strategy in 2022, and recent release of the election platform of Prime Minister Mark Carney, it is patently clear that Canada's mineral industry ecosystem has been falling behind and how its potential has been stymied as a result of over regulation, a lack of capital, increasing restrictions to land access, and a knowledge gap that exists in how the mineral industry contributes to the needs of the public.



Under this backdrop, the proposed amendments call into question as to whether CSA has considered its interpretation of the spirit of NI 43-101 and the potential impacts proposed changes may have on the competitiveness of Canadian issuers.

It is our opinion that the proposals:

- do not align with the acute needs of Canadians or support listed issuers in Canada
- do not improve clarity on how the standards meaningfully support both technical disclosure and investor protections within our capital marketplace
- do not streamline reporting or improve alignment of the instrument with other recognized international disclosure standards

On many occasions it has been referenced by our Prime Minister how Canada ranks near the bottom of all mineral resource rich nations as it takes nearly 30 years for a mineral prospect to become a new mine in Canada¹. Primary factors that play into this severely protracted timeline are a lack of investment in small and medium enterprises, limited professional mobility, and overly burdensome regulation relative to other nations.

The currently proposed amendment suite represents a missed opportunity to make other changes that would improve compliance from a cost / benefit perspective and place Canadian public issuers in an equally competitive position relative to issuers in other major marketplaces. The number of proposed changes is quite extensive, will not streamline the instrument, and will likely result in material increases to the cost of compliance for public issuers without improving investor protection.

Proposed NI 43-101 amendments are likely to result in application of this instrument widening the gap between Canadian issuers and those listed on other recognizable international exchanges that adhere to other regulations or technical disclosure standards, such as [S-K 1300](#), or one of the Committee for Mineral Reserves International Reporting Standards ([CRIRSCO](#)) family of codes, such as Joint Ore Reserves Committee ([JORC](#)) codes.

Replacing the use of 'material' with 'relevant' within many parts of the instrument and companion policy will create greater uncertainty, limit the professional capacity of Qualified Persons (QPs) to determine material technical factors, increase ambiguity and ultimately transfer the decision-making process of what is required to disclose from QPs to CSA staff regulators, who may lack the acute knowledge and industry expertise of designated QPs. This can be described as CSA expanding its reach into the practice of QPs rather than the regulation of disclosure standards.

¹ A recent study by S&P Global found that the time it takes from discovery to mine production in Canada is 27 years, the third longest in the world.
https://cdn.ihsmarkit.com/www/pdf/0724/SPGlobal_NMA_DevelopmentTimesUSinPerspective_June_2024.pdf



Inviting non-technical disclosure elements, such as engagement, negotiations and proposed agreements with Indigenous People within or outside Canada presents obvious potential for conflicts of interest to arise. It is also duplicitous given disclosure of this nature that is a material factor in project development or to corporate activities is already codified in other forms of securities regulation and other publicly available disclosures and regulatory filings (i.e. [ESTMA](#), MD&A, ESG reports, etc.).

The exchange of 'material' for 'relevant', inclusion of Indigenous engagement records² and expanding data verification will result in a significant increase in costs and oversight (legal, technical, etc.) due to uncertainty in regulatory compliance standards, as well as an increase in the potential for re-filing of reports and consequential loss of financing opportunities for issuers.

The proposed requirement for data verification to be facilitated for each property and project element³, irrespective of whether the property is deemed material to an issuer is another change that will necessitate the requirement to generate a substantial amount of additional information that could in some circumstances be done through comparable audits or analysis of relevant databases. This proposed change, along with requiring all inputs for determination of a cut-off grade or economic limit in estimating a mineral resource will, in effect, require issuers to expand the amount of first and second principles estimation processes, even for early-stage projects. These changes will significantly alter the meaning of 'reasonable prospects for eventual economic extraction' by implying QPs cannot assess reasonableness, add more uncertainties for issuers and expand CSA reach beyond regulatory oversight into QP practices.

PDAC joins many across the geoscientific community and the mineral industry in questioning the logic behind CSA's proposed 5-year period, post obtaining a Professional Geoscientist or Engineering accreditation in a professional association recognized under NI 43-101, before an individual can act as a Qualified Person⁴. This approach is counter to views expressed by the ten regulatory bodies governed by the provinces and territories in which geoscience professionals work, and who accredit and administer P.Geo status, as well as organizations such as Geoscientists Canada. The regional regulatory bodies exist to, among other things, improve the standards of geoscience in Canada, enhance protection of the public, and safeguard public interests as related to geoscience practice. This approach also diverges from other international standards and will create a tremendous barrier for seasoned and qualified professionals from outside Canada to work within Canadian jurisdictions. This will not be due to a lack of experience or skill, but rather due to restrictions by CSA regulators that do not appear to be based on demonstrable statistics or analyses that justify or inform the proposed 5-year

² Proposed Form 43-101F1, Item 20 (c): "...the status and dates of any negotiations or agreements entered into with Indigenous Peoples, rightsholders or communities."

³ Proposed Form 43-101F1, Item 12: "Describe the data verification steps taken by each qualified person who prepared or supervised the preparation of all or part of an Item of the technical report..."

⁴ Proposed Companion Policy 43-101, Part 1, Section 1 – Definitions (d) qualified person: "Paragraph (a) of the definition requires 5 years of professional experience, which must be gained **after** the individual becomes registered as a professional geoscientist, professional engineer, or equivalent."



‘waiting period’ after having obtained registration with an NI 43-101 approved professional association.

The requirement for QP independence is yet another diversion from other recognized international standards like S-K 1300 and JORC that have no such requirement and PDAC has repeatedly recommended that the independence requirement for QPs be removed. Over time, the requirement for QP independence in Canada has proven to simply add more cost and time to the technical disclosure process for mineral resources, reserves and project development, without showing any measurable improvement in estimation accuracy or investor protections.

Canada is also facing a concerning shortage of geoscience, engineering and other recognized professionals as post-secondary streams, enrolments and awarded degrees have recorded material declines in recent years⁵. Additionally, regional impediments to professional mobility come as a result from not having national governing organizations or regulatory bodies, and these barriers further compound the potential workforce gaps that the mineral industry is facing over the coming decade(s).

In addition to the comments PDAC provided in our [2022 response](#) to CSA's Consultation Paper 43-401, we recommend CSA conduct a full cost / benefit analysis of the proposed changes, as well as a comprehensive review of S-K 1300 to identify practical differences to NI 43-101 and opportunities to align the two reporting standards to ensure competitiveness of Canadian issuers is not significantly eroded.

Lastly, we recommend that knowledgeable stakeholders — such as PDAC's strategic committees, regional mining and exploration industry associations, the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Mineral Resources and Mineral Reserves Committee (MRMR), the Mining Technical Advisory and Monitoring Committee (MTAMC), and professional geoscience organizations (i.e. [Geoscientists Canada](#), [Professional Geoscientists Ontario](#), [Engineers and Geoscientists BC](#), [Ordre des Géologues du Québec](#), etc.) — be more extensively engaged in follow-up to consultations such as the 2022 consultation (CP 43-401). This would help clarify recommendations and support the collection of incremental feedback on potential amendments to NI 43-101 in advance of a formal consultation on proposed changes.

PDAC invites follow-up engagement with CSA partners on the issues we outline in this letter. Please contact Jeff Killeen, Director of Policy and Programs (jkilleen@pdac.ca) to coordinate such engagement, at your convenience.

Sincerely,

Lisa McDonald

PDAC Executive Director

⁵ [MiHR Report \(2023\): From classroom to the mine site: A review of Canada's postsecondary education pipeline for the mining sector](#)



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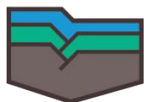
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