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Nova Scotia Securities Commission  
Office of the Superintendent of Securities, Newfoundland and Labrador  
Northwest Territories Office of the Superintendent of Securities  
Office of the Yukon Superintendent of Securities  
Superintendent of Securities, Nunavut

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| Ontario Securities Commission                                      | Corporate Secretary and Executive Director, Legal Affairs  |
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**RE: CSA Notice of Publication and Request for Comment – Proposed Coordinated Blanket Order 51-933 Exemptions to Permit Semi-Annual Reporting for Certain Venture Issuers; Proposed Ontario Securities Commission Rule 51-507 Exemptions to Permit Semi-Annual Reporting for Certain Venture Issuers**

Dear Canadian Securities Administrators (CSA),

The Prospectors & Developers Association of Canada (PDAC) appreciates the opportunity to comment on the proposed Coordinated Blanket Order 51-933 and OSC Rule 51-507 relating to voluntary semi-annual financial reporting (SAR) pilot for certain venture issuers.

PDAC is the leading voice of the mineral exploration and development industry. Representing over 8,200 individual and corporate members in Canada and around the world, PDAC's work centers on supporting a competitive, responsible, and sustainable mineral industry. The mineral industry is the largest group of public issuers in Canada, accounting for approximately a third of all companies listed on Canadian exchanges and half of all equity raises in the Canadian capital marketplace in 2024 and 2025.



We recognize that a voluntary SAR framework would apply to all issuers, including those outside the mineral sector. Our comments and suggested approaches to supplementary interim disclosure are focused specifically on mineral exploration issuers, reflecting the unique characteristics, risks, and investor expectations within this sector.

### **Support for a voluntary SAR framework for certain venture issuers**

PDAC is supportive of CSA's proposed voluntary SAR pilot, which is limited to venture issuers with annual revenues below \$10 million. This approach is pragmatic and would meaningfully assist pre-revenue small and medium size enterprises (SMEs), particularly early-stage mineral exploration companies, which typically operate with limited capital and personnel.

Quarterly reporting can be disproportionately burdensome for SMEs and permitting reduced reporting frequency would allow companies to direct a greater amount of human capital and time towards value creation, developing assets and advancing projects versus preparing quarterly filings that often provide limited incremental disclosure. In general practice, investor decision-making with pre or small revenue generating SMEs is driven primarily by material project developments and news releases rather than quarterly financial results.

### **Supplementary information during non-reporting quarters**

Alongside our support for the proposed voluntary SAR framework, we remain attentive to investor concerns that may exist around reducing reporting frequency.

For comparison, the Australian Stock Exchange (ASX) hosts a similarly large cohort of mineral companies and semi-annual reporting is the default requirement for all issuers, with an option to file quarterly financial information. In addition, mineral companies from exploration to extraction stages must publish a quarterly supplementary cash flow report and a quarterly activity report outlining exploration, development, and production work, material developments, associated expenditures, changes in tenements or agreements, and confirming no substantive activity has occurred<sup>1</sup>. This comparison is relevant as Canadian mineral companies compete for investment capital within the same global marketplace.

Domestically, in the 2021 consultation related to *National Instrument 51-102 Continuous Disclosure Obligations (NI 51-102)*, the CSA sought feedback on a semi-annual reporting model and proposed an alternative interim disclosure framework<sup>2</sup>. PDAC supported this approach, which would require issuers to provide a brief update within 60 days of each non-reporting quarter, summarizing key developments in operations, milestones, risks, financing, and liquidity.

<sup>1</sup> For further details, refer to ASX Listing Rules, Guidance Note 23:

<https://www.asx.com.au/content/dam/asx/rules-guidance-notes-waivers/asx-listing-rules/guidance-notes/gn23-quarterly-reporting.pdf>

<sup>2</sup> Annex G of the 2021 CSA Consultation: <https://www.bcsc.bc.ca/-/media/PWS/New-Resources/Securities-Law/Instruments-and-Policies/Policy-5/51102-Semiannual-reporting-for-certain-venture-issuers-May-20-2021.pdf>



The proposed framework also included explanation of any significant changes to previously disclosed uses of financing proceeds and disclosure of any other material events investors should be aware of ahead of the next full set of financial statements and MD&A.

Discussions with PDAC's investor members revealed concerns about limited visibility into cash balances and changes in the burn rate over a six-month period, which could lead to unanticipated capital-raising needs. Investors have indicated a preference for some form of supplementary reporting to provide greater clarity between formal reporting periods.

To respond to the concerns noted above, **we recommend** that CSA consider adding financial highlights disclosure to the framework (i.e. cash balance, key expense information, material changes, etc.) to ensure investors have regular financial touchpoints through the year to gauge whether characteristics like a company's burn rate remains broadly aligned with expectations. We believe such an approach should remain proportionate and carefully calibrated to avoid introducing obligations that could diminish the intended benefits of the SAR framework for SMEs. In order to commence the pilot by the end of March 2026 as stated by CSA, we suggest that consideration of interim reporting proceed concurrently, rather than delaying implementation of the pilot.

Provided the framework is successfully implemented in Canada for Venture-listed issuers with annual revenue below \$10 million, we encourage CSA to consider expanding the framework to include issuers at higher revenue thresholds so that the potential benefit of SAR can be realized by as many Canadian issuers as possible, maximizing the competitiveness advantage of this scheme.

We welcome continued engagement with CSA as the SAR pilot progresses. Please contact Jeff Killeen, PDAC's Director, Policy & Programs at [jkilleen@pdac.ca](mailto:jkilleen@pdac.ca) if there are questions or clarifications required for the content in this letter.

Sincerely,

Lisa McDonald  
Executive Director  
Prospectors & Developers Association of Canada (PDAC)