December 16 2024

Attn: Consolidated Mining Standard Initiative (CMSI)

RE: Public Consultation Draft Documents

The Prospectors and Developers Association of Canada (PDAC), along with our 8,000+ individual and corporate members, values integrity, accountability, and transparency. We also value partnership, mutual respect, and collaboration with all stakeholders to share experiences, information, and knowledge. PDAC is a proud partner of the Mining Association of Canada (MAC) and a member of the International Council on Mining and Metals (ICMM). We applaud the initiative taken by MAC, ICMM, the Copper Mark and the World Gold Council to develop and implement a consolidated mining standard that integrates their four voluntary standards.

During this open consultation period, PDAC aims to flag assumptions made within the draft standard to identify potential limitations for its use. Additionally, we will highlight preliminary linkages between the draft consolidated mining standard and our guidance for junior mineral exploration companies, known as Driving Responsible Exploration (DRE) (Appendix A).

The Consolidated Mining Standards Initiative should ensure transparency regarding the application of the standard, and clearly identify what constitutes the smallest scale for which the foundational level of the standard can be practically applied without compromising on its core sustainability goals. For example, the very first Performance Area (Corporate Requirements: 1.1 Board and Executive Accountability, Policy and Decision-Making) sets as a foundational practice to "identify an individual(s) from senior management to be responsible for corporate-wide sustainability practice and performances".

In very small companies, such as junior explorers and developers, there are limited organizational resources to oversee sustainability and other corporate-wide initiatives, which can constrain their capacity to expand public disclosures beyond regulatory requirements. Often, senior management must juggle multiple responsibilities—such as the CEO or CFO also taking on the role of sustainability officer—which can divert from other critical business operations like value creation or operational efficiency. For junior companies, it may be more effective to increase organizational focus on sustainability gradually. This often starts by forming cross-departmental teams or outsourcing specific tasks until internal resources are sufficiently developed to support a dedicated role. As a result, the consolidated standard may not apply until a company meets certain employee thresholds. Other potential thresholds could include revenue generation, the stage of mining operations, or the permanence of facilities.

A broader evolution of conscientiousness may place a greater onus on junior companies to adopt the consolidated standard at early stages of mineral exploration to align with larger corporations or investors demanding more ESG transparency. This dynamic can create a paradox where juniors are expected to meet standards they may not be equipped to fulfill, potentially affecting their competitiveness or market access. If juniors are not expected to meet the same rigorous standards as mid-tier and major companies, this should be explicitly stated in the guidelines. Moreover, the standard's scope should not include early-stage exploration projects, as such assets lack clarity in terms of development trajectory and could not readily comply with a Consolidated Mining Standard. A phased-in approach could allow companies to progressively meet the foundational practices as their projects advance into the development and operational phases and should be considered.

Please consider the following key assumptions that may be out of scope for juniors, even at lower tiers:

1. Established Systems and Infrastructure
Sections throughout the standard assume that companies have established systems for tracking and reporting health & safety, environmental impacts, social factors, and governance metrics. Junior companies may not have comprehensive or integrated systems to collect and disclose such data beyond regional regulatory requirements. For example, a requirement for detailed carbon footprint tracking may presume the company already has energy-use accounting systems, which is often not the case for smaller projects.

See also Performance Area 10.1 Emergency Preparedness and Response Planning: Any active mining facility needs Emergency Response Planning - due to its vast infrastructure, complex operations, larger workforce, and greater risk exposure - to allow the facility to safely and effectively manage emergencies. For small exploration camps, forming crisis response teams with reporting structures is disproportionate, and annual meetings with local first responder leadership would likely take greater priority.

2. Financial and Operational Capacity
Implementing even the most basic sustainability measures often requires an upfront investment. This can include compliance with environmental regulations, acquiring technology, and engaging with stakeholders. While this is a reasonable expectation for producing mining companies, it may not be feasible for junior exploration companies.

For instance, Section 13.2 on Community Development and Benefits presumes that companies have the financial means to establish a community investment program. To onboard smaller mining companies effectively, expectations in the consolidated standards—such as stakeholder and Indigenous engagement, impact assessments, and community investments—should align with the scale and probability of project effects. These expectations must also consider the company's resources, size, and development stage.

A key component of the Consolidated Mining Standard is the Assurance Process. For many junior companies, this is an enormous burden, both financially and logistically. The cost of engaging third-party auditors can be prohibitive, and the time required to prepare for an audit might divert resources away from the company's core activities, such as growth or operational improvement.

3. Long-Term Sustainability Commitments
Creating a "Year in Review" is distinct from producing an annual report, primarily regarding the level of accountability and long-term commitment each represents. Sections that require public disclosure of aspirational commitments, such as an annual report (e.g. 1.2 Sustainability Reporting or 20.2 Corporate Climate Change Strategy), assume that companies will actively participate the following year. While an early-stage mine may aim to establish decades-long strategies for decarbonization, water management, or biodiversity protection, companies in the exploration or early development phases may find such commitments unrealistic, particularly when they are focused on value creation, maintaining market access and ensuring financial stability as a going concern. Their business models might evolve, or they may lack the necessary data and clarity to commit to long-term strategies. Most junior companies plan for an exit strategy—usually involving strategic agreements with a larger mining company or an asset acquisition —before significant sustainability commitments can be established or fulfilled.

The outlined assumptions are particularly suitable for companies in production or late development stages, as they generally possess the resources, systems, time, and capacity needed to implement and scale comprehensive sustainability practices. With these assumptions in place, foundational requirements are the minimum that a company can enhance to foster genuine sustainability. By building upon these *Foundational Practices*, larger companies are better equipped to meet *Good Practice* requirements, set long-term sustainability goals, engage in meaningful transparency, and ultimately achieve *Leading Practices*. This approach contributes to the overall transformation of the sector.

In conclusion, PDAC supports the overall direction of the Consolidated Mining Standard Initiative and acknowledges the valuable work being done by MAC, ICMM, the Copper Mark, and the World Gold Council. While the standard meets our expectations of good sustainability practices for an operating mining company, the scope should exclude early exploration and junior companies from such obligations. This should be communicated clearly to avoid any confusion or unintended requirements for junior companies by investors or regulators. By ensuring this clarity, the standard can remain applicable and effective for companies at different stages of operation without placing undue burden on juniors. As an impartial reviewer, PDAC is committed to ensuring that the standard supports sustainability while being practical for all sub-sectors of the mining industry.

Many of the sentiments expressed above are reflected in our other advocacy submissions such as the feedback to the Canadian Sustainability Standards Board (CSSB) regarding their public consultation on the draft Canadian Sustainability Disclosure Standards (CSDS). In that submission, PDAC recommended:

"CSSB work with regulators to establish minimum public issuer criteria for CSDS reporting (e.g. minimum assets, revenue, employee thresholds, etc.)

For examples of relevant thresholds in Canadian legislation, CSSB can reference other Canadian reporting standards such as the Fighting Against Forced Labour and Child Labour in Supply Chains Act and the Extractive Sector Transparency Measures Act. The thresholds can be adjusted to reflect the needs of the CSSB. Examples of such thresholds are as follows:

- *it has at least $20 million in assets,*
- *it has generated at least $40 million in revenue, and*
- *it employs an average of at least 250 employees. "*

To read the full CSSB submission, please click here: PDAC Responds to CSSB Exposure Draft

To read the full suite of PDAC's regulatory submissions, please click this link.

Please contact Jeff Killeen (PDAC Policy & Program Director) at jkilleen@pdac.ca should you wish to discuss our comments further.

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Appendix A:

We have made preliminary connections between the Consolidated Mining Standard Draft Performance Areas and our *Driving Responsible Exploration: Guidelines for Exploration in the Minerals Industry* by identifying key principles and practices that promote responsible governance, environmental stewardship, and social responsibility throughout the mining lifecycle. Our Principles and Guidance notes reflect the understanding that responsible exploration practices should be integrated early in the project to lay the foundation for long-term mining sustainability and to meet internationally recognized standards, such as those outlined by CMSI.

While time constraints have limited our ability to fully develop these connections at this stage, the table below provides an initial comparison, linking select Performance Areas with corresponding exploration activities. We expect to expand this table over the coming months as we continue to refine and enhance these connections.

Consolidated Mining Standard Draft	Applicability to Exploration	PDAC Resource
Performance Area 1: Corporate Requirements	These requirements are moderately applicable to mineral exploration, as junior exploration companies may not yet be fully equipped to implement comprehensive sustainability reporting, transparency of revenues, or crisis management, but they are still crucial for fostering early accountability, assessing risks, and establishing foundational governance practices to ensure responsible operations as projects evolve.	Principles and Guidance Notes Social Responsibility Toolkit • Chapter 1: Governance
Performance Area 2: Business Integrity	These requirements are more likely to apply to mineral exploration, as junior exploration companies are expected to comply with legal regulations and uphold high standards of business ethics and accountability from the outset, ensuring responsible practices and transparency throughout the exploration process.	Principles and Guidance Notes Social Responsibility Toolkit • Chapter 5: Ethical Conduct Environmental Stewardship Toolkit • Chapter 4: Planning Needs
Performance Area 3: Responsible Supply Chains	These requirements are project-dependent, and applicability will vary depending on the scale and nature of the mineral exploration project, with these practices becoming more relevant as the project progresses towards development and production.	

Performance Area 4: New Projects, Expansions and Resettlement	The section on new projects still assumes that the project is past the early exploration stage, as it mentions conducting an environmental, social, cultural, and economic impact assessment. However, these assessments typically occur after initial steps, such as securing land access and conducting early engagement activities. These early stages, which include discussions around land access and building relationships with local communities, should be considered a prerequisite before collecting baseline data and proceeding with formal impact assessments. Additionally, exploration rarely necessitates resettlement, while we highlight land access above, section 4.2 is not generally applicable to exploration.	We recommend utilizing the entire suite of the *Driving Responsible Exploration* (DRE) guidelines to guide this performance area.

Performance Area 5: Human Rights
 	
Performance Area 6: Child Labour and Modern Slavery
 	
Performance Area 7: Rights of Workers
	The sections on human rights should be considered during the exploration stage; however, exploration activities often involve fewer employees and contractors compared to a fully operational mine. Despite this, responsible exploration practices should still prioritize human rights to ensure that the foundation for ethical and sustainable practices is laid early in the project lifecycle.	Principles and Guidance Notes
		
		Social Responsibility Toolkit
		• Chapter 7: Human Rights
		  ○ Subsection 7.13: Child Labour
		  ○ Subsection 7.14: Forced Labour

Performance Area 8: Diversity, Equity, and Inclusion		Gender Diversity and Inclusion Guide

Performance Area 9: Safe, Healthy and Respectful Workplaces Performance Area 10: Emergency Preparedness and Response Performance Area 11: Security Management	The sections on safe workplaces should be considered during the exploration stage; however, exploration camps typically have fewer employees and less infrastructure compared to a fully operational mine. As such, the safety measures in place at the exploration stage will differ significantly, with a greater focus on adapting to the more limited resources and conditions of temporary exploration settings.	Principles and Guidance Notes Gender Diversity and Inclusion Guide Health and Safety Toolkit • Chapter 1: General Safety Principles • Chapter 2: General Safety • Chapter 3: Emergency Response Field Safety Pocket Guide
Performance Area 12: Stakeholder Engagement Performance Area 13: Community Impacts and Benefits Performance Area 14: Indigenous Peoples Performance Area 15: Cultural Heritage	The application of these performance areas to exploration projects should consider the scale and available resources at this stage, ensuring that community engagement and Indigenous relations practices are proportional to the project's size and potential impacts. While some actions, like community investments, may be excessive for exploration projects without profits, most foundational practices may be feasible when scaled appropriately. Financial support for Indigenous capacity building should be balanced, as smaller companies may not have the same resources as larger operations, and non-financial support can be equally valuable.	Principles and Guidance Notes First Engagement: A field guide for explorers Social Impact of Mineral Development Projects in Indigenous Communities Economic Impacts of Exploration Projects on Indigenous Communities Social Responsibility Toolkit • Chapter 4: Community Development Environmental Stewardship Toolkit • Chapter 3: Archaeological and Cultural Sites

Performance Area 17: Grievance Management		Social Responsibility Toolkit • Chapter 1: Governance ○ Subsection: 1.6 Grievance and Complaints Mechanisms
Performance Area 18: Water Stewardship Performance Area 19: Biodiversity, Ecosystem Services and Nature Performance Area 20: Climate Action Performance Area 22: Pollution Prevention	The climate and environmental performance areas would need to be adapted to the scale and potential impacts of exploration projects. While full environmental assessments may not be necessary at the early stages, it is important to integrate basic environmental stewardship practices early on, including monitoring and mitigating potential environmental impacts. After conducting materiality assessments, exploration projects may prioritize specific water, biodiversity, or climate-related risks, adjusting their focus to address future environmental challenges as the project evolves. Proportional to their size and scope, exploration companies should be encouraged to implement environmental best practices while remaining flexible to the realities of limited resources at this stage.	Environmental Stewardship Toolkit • Chapter 9: Water Use and Conservation • Chapter 5: Land Disturbance • Chapter 8: Fish and Wildlife Management • Chapter 10: Hazardous Materials • Chapter 11: Spill Management • Chapter 12: Waste Management • Chapter 14: Reclamation and Closure Caribou Management Strategies: Best Practices for the Mineral Industry GHG Calculator
Performance Area 23: Circular Economy	At the exploration stage, principles of the circular economy can be applied by focusing on resource efficiency and waste reduction. Exploration companies can prioritize practices such as reusing equipment, reducing fuel consumption, and minimizing waste generation in their early operations. Tracking waste from drilling, camp operations, and material handling allows for better planning of sustainable waste management practices.	