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Distribution List

COMMENTS ON CSA CONSULTATION PAPER 43-401 NATIONAL
INSTRUMENT 43-101 STANDARDS OF DISCLOSURE FOR MINERAL PROJECTS

References: a. BCSC Corporate Finance Stakeholder Forum 22 June 2022

- b. CSA Consultation Paper 43-401 Consultation on National Instrument [43-101 Standards of Disclosure for Mineral Projects](#)
- c. [National Instrument 43-101 Standards of Disclosure for Mineral Projects Form 43-101F1 Technical Report](#)
- d. [CIM Definition Standards on Mineral Resources and Mineral Reserves](#)

1. I am an individual investor and became aware of the subject consultation paper as part of my participation in the forum meeting at reference A. As an investor I have not participated in many mineral resource stocks and when I have it has been with majors like Barrick and Glencore. This has mostly been by my suspicion of dubious claims-activities concerning the junior resource sector; however, I do hold some junior energy stocks. That said, I did review references B-D and am providing comments on the subject proposal from my perspective as a potential investor. I will not comment on all aspects of the consult paper but, will limit my comments to areas where I believe that I can provide value added assistance.

2. My first observation concerns the definition of “qualified person.” It was explained that the intent is for this person to be an expert and while the definition discusses a level of experience any assessment of “expert” is implicit and not explicit. Therefore, concerning “qualified person” I would submit that this be limited to the current engineers or geoscientists unless an expert designation for a “qualified person” is created like e.g. Professional Engineer. Furthermore; it would be a lot cleaner if for engineers and geoscientist if a “qualified person” accreditation was created. One would assume that the financial gain from having such a designation would be worth it for individuals to attain. As an investor it would be more assuring if someone has the designation than trying to guess if they meet the defined criteria. A second observation is that directors and officers should not be permitted to be a “qualified person” for their own offering or project. At a minimum there should be some distance-independence from the company and its assessments. Finally, the section 6.2.2 requirement for a qualified person

to visit the site should remain. While I am all for advances in technology permitting remote surveys, including satellite data, the qualified person should visit the site to physically assess the situation to avoid instances of potential fraud from e.g. tainted data. From these past comments you can see that as investor it is preferable that the “qualified person” be accredited and independent.

3. Concerning disclosures, I was not sure what a quote “oral disclosure” was. It was explained that this could be at an investor road show or TV presentation e.g. BNN. It would be helpful if there was some explanatory note on what constitutes an oral disclosure.

4. New technology. As indicated above new technology should be permitted to be exploited. That said, there must be some approved technical validation of the proffered technology. I would submit that either be via the “qualified person” or via the CIM standard at reference D.

5. On the question of harmonizing standards, I am fully supportive of that approach including adopting the best standard from whatever jurisdiction.

6. Concerning indigenous rights, I believe that it is premature to set a hard precedent. Issuers should be encouraged to state what buy in they have from an indigenous group; however, as we are experiencing with pipelines in BC what is the distinction and legal authority of e.g. the elected Band Council or a hereditary chief who might be self-proclaimed. I am not sure that there is a near term solution to that distinction. On a related topic I would avoid any reference to the oft used term “social licence” which, tends to be code for an activist group that doesn’t like something hence they claim there is no “social licence.” That said, buy in from directly affected groups is important and issuers should be encouraged to state those groups/stakeholders in agreement with a project or dissenters so that an investor can weigh the risks.

7. As a final comment I would like the regulators to consider more accountability via enforcement vice just regulation. While regulation is fine at setting standards and norms it is not worth much without enforcement. As an investor I do not like seeing individuals, board members, officers or a “company” escape criminal accountability. While a “company” might be permitted to survive fraud, bribery etc. the humans behind it should face criminal consequences and not merely fines. I submit that criminal accountability will achieve far more than just improving regulations.

8. I hope that the above comments are of assistance in improving the subject document. If you require any clarification, please contact me as appropriate

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