



SysEne Consulting Inc.
700-838 West Hastings,
Vancouver, BC, V6C-0A6
Ph: 778-288-5358
SysEne.com

September 9, 2022

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission, New Brunswick
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Service NL
Northwest Territories Office of the Superintendent of Securities
Office of the Yukon Superintendent of Securities
Nunavut Securities Office

Chris Collins
Chief Mining Advisor, Corporate Finance
British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Fax: 604-899-6616
ccollins@bcsc.bc.ca

The Secretary
Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Fax: 416-593-2318
comments@osc.gov.on.ca

Me Philippe Lebel
Corporate Secretary and Executive Director, Legal Affairs
Autorité des marchés financiers
Place de la Cité, tour Cominar
2460, boulevard Laurier, bureau 400
Québec (Québec) G1V 5C1
Fax: 514-864-8381
consultation-en-cours@lautorite.qc.ca

Sir or Madam,

This e-mail is a response to CSA Consultation Paper 43-401 – Consultation on National Instrument 43-101 Standards of Disclosure for Mineral Projects.

SysEne is niche Engineering and Management Consulting firm dedicated to the Systems approach to Energy efficiency and decarbonization for the mining industry. Since 2020 we have worked with numerous mining companies to help them develop their decarbonization roadmaps. Through this experience, we have reviewed a great many NI-43-101s and we have developed a good understanding of the pressures that the financial markets are putting on the mining industry to commit to plausible plans to reduce GHG emissions.

We would like to address only the following question:

28 Do you think the current environmental 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 environmental disclosure is not adequate. The 43-101 environmental disclosure should include the mine's estimated annual Scope 1 and Scope 2 GHG emissions and expected emissions intensity.

Expected carbon emissions are material to the value of the mine because there are risks associated with carbon emissions.

- A risk of increased direct operating cost due to the imposition or escalation of carbon taxes or emissions caps. (The effect of carbon taxes and emissions caps is typically not included in projected mine operating costs.)
- A risk of inability to raise capital, or of higher cost of capital, due to investment firms selecting investments that meet ESG investing requirements or to reduce their investor Scope 3 emissions.
- A risk that government GHG legislation and regulations may challenge the environmental approval or restrict the mine's operational growth.
- A risk of loss of market share or lower market prices. Although mine products are generally considered commodities, there is a possibility that a market preference for "green" metals and mineral may develop. As an example, "ethically sourced" diamonds sell at a premium.
- A risk of higher ongoing capital and operating costs due to the costs of decarbonizing the mine.

Mines with higher carbon emissions have commensurately higher risks. These higher risks can and will affect the value of the project. Potential investors need to be informed of the mine's expected Scope 1 and Scope 2 GHG emissions so they can assess the risk.

We are aware that the proposed NI 51-107 Disclosure of Climate-Related Matters would also require disclosure of GHG emissions. However, that disclosure would be backwards looking; it would report



SysEne Consulting Inc.
700-838 West Hastings,
Vancouver, BC, V6C-0A6
Ph: 778-288-5358
SysEne.com

GHG emissions that have already occurred. NI-43-101 is forward looking and reports anticipated value and risks.

Flyn McCarthy, P. Eng. (EGBC #46520)

Principal

flynmccarthy@sysene.com

Andrea Tylczak, P. Eng. (EGBC # 25399)

Technical Manager

andreatylczak@sysene.com