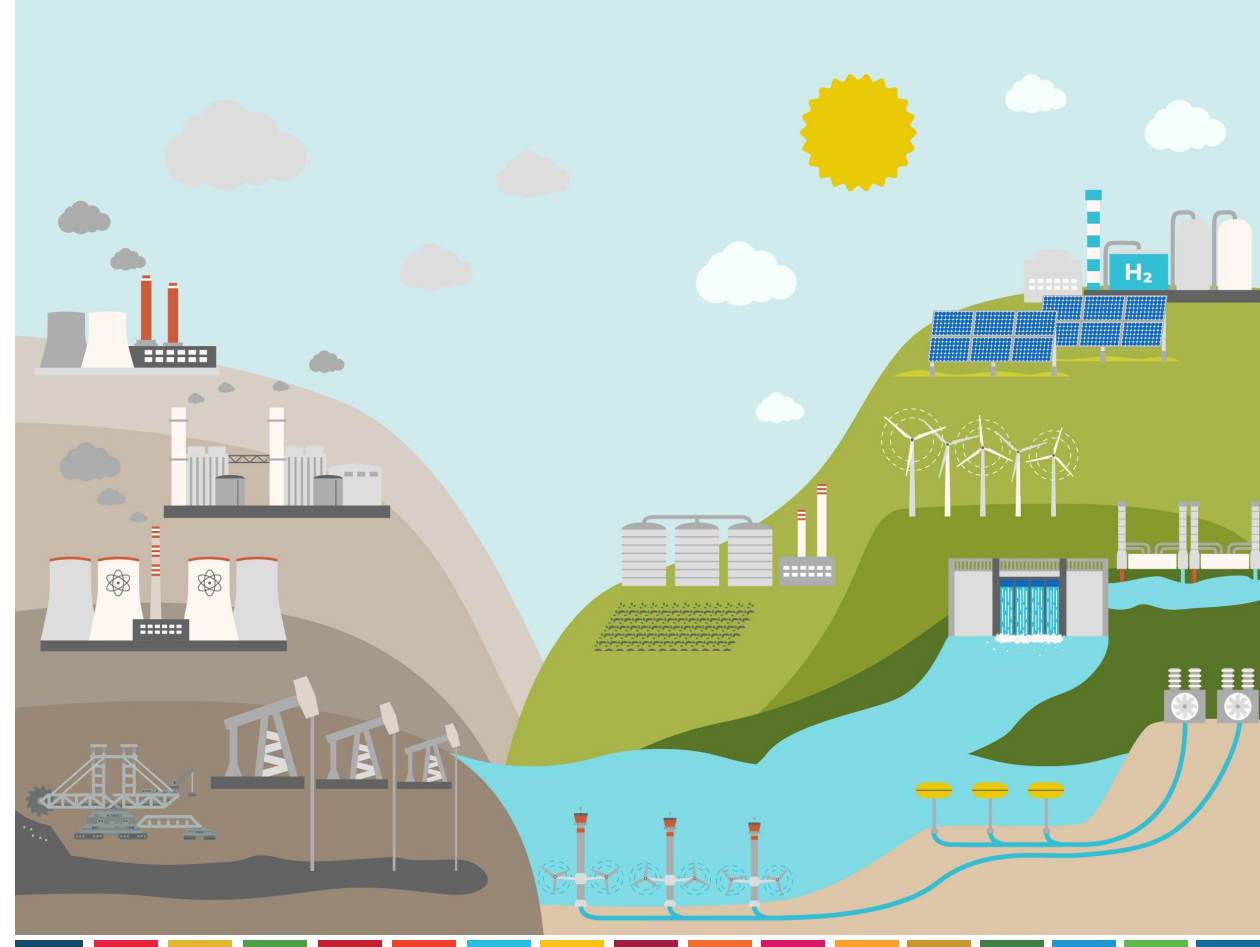


# Canadian Perspective on Mineral Project Disclosure, Competency, and Professionalism

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**RESOURCE MANAGEMENT WEEK 2024**

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# Why Canada has Mineral Project Disclosure Rules

- **Mineral projects are capital-intensive and take many years to explore, permit, and develop**
  - Path from discovery to production is uncertain with numerous risks and chances of success are very low
  - Companies need ongoing access to a significant capital
- **Investors providing capital need to have confidence and trust in the information disclosed**
  - Investors need information that is clear, reliable, truthful, balanced, and not misleading
  - Technical work must be done by knowledgeable, competent, experienced, and ethical professionals



Nothing happens in mineral project development without **investor confidence and money!**



# Objective of NI 43-101 *Standards of Disclosure for Mineral Projects*

- Enhance the trust and credibility of mineral project disclosure
- Foster accountability of professionals for their opinions and decisions
- Promote ethical practices, behaviors, and standards by professionals
- Empower investors to make informed and knowledge-based decisions

## NI 43-101 requires disclosure about mineral projects which is:

- Balanced and not misleading
- Understandable to a reasonably person
- Based on reliable and verified data
- Based on reasonable assumptions which are clearly explained
- Uses standardized terms and definitions
- Unbiased and identifies the potential risks and uncertainties
- Signed off by a **Qualified Person** who takes responsibly for the information



# Role of the Qualified Person in NI 43-101

Professionals “acting” as a Qualified Person (QP) play a critical public protection and a gatekeeper role within the Canadian capital markets

All Qualified Persons are Professionals, but not all Professionals are Qualified Persons

## Four key requirements under NI 43-101 where the QP “acts” as a gatekeeper

- All disclosure of technical information on a property material to the company must:
  - 1) Be prepared by or approved by a QP
  - 2) Name the QP and provide their relationship to the company
  - 3) State whether the QP has verified the data and describe how the data was verified
- A technical report must:
  - 4) Be prepared and signed-off by one or more QPs who provide a certificate



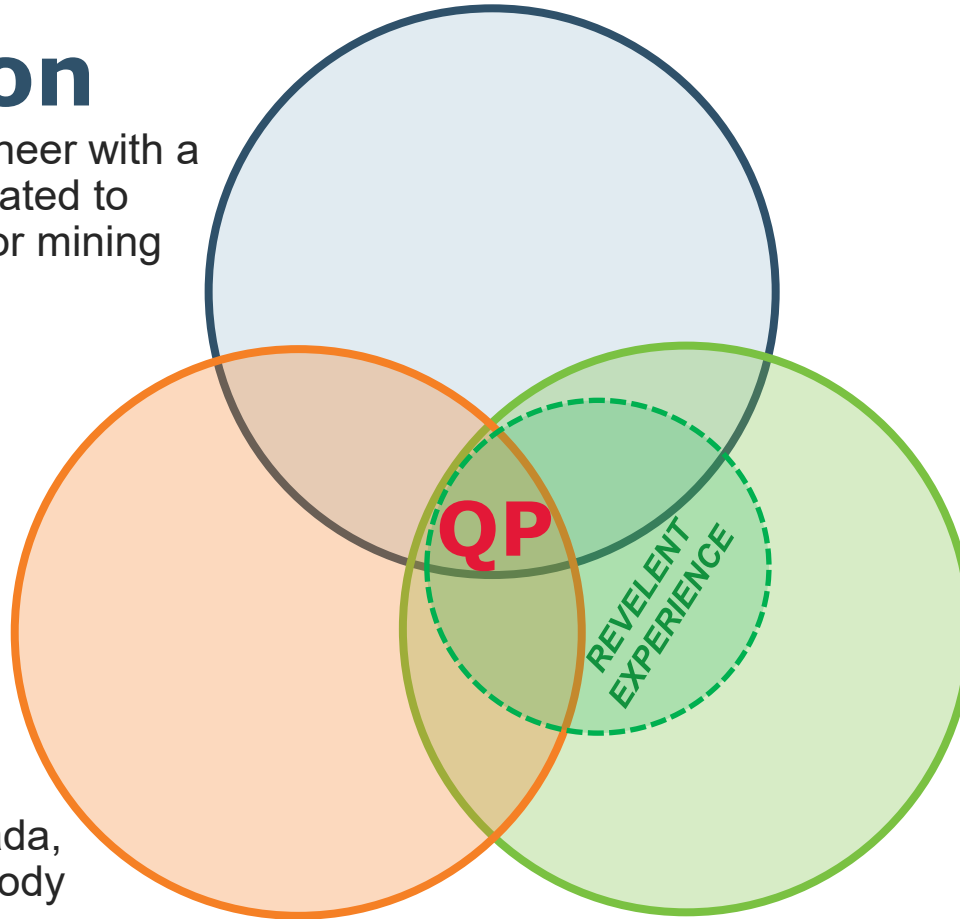
# 3 “E”s of the Qualified Person Definition

## Education

Geoscientist or engineer with a university degree related to mineral exploration or mining

## Ethics

In good standing with a professional regulator recognized by law in Canada, or a foreign professional body listed in NI 43-101



**Qualified Person (QP)** is a term created by the capital markets for the capital markets

## Experience

At least **5 years** of experience in the mineral industry that is related to their professional degree or area of practice and

has **Relevant Experience** related to the subject matter of the mineral project

# Assessing Relevant Experience to “Act” as a QP



**1) Review relevant regulations, standards, and guidelines that apply to you**



**2) Assess your education and training, including professional development**



**3) Assess your work experience history (prepare a work experience matrix)**



**4) Assess your level of responsibility on past mineral projects**



**5) Important Step: Seek feedback from your peers and colleagues**

# Summary of What Was Discussed



## 1) Disclosure

- Fundamental to an efficient capital market, and confidence in the capital market



## 2) NI 43-101 *Standards of Disclosure for Mineral Projects*

- Objective is to enhance the reliability of technical disclosure provided to investors



## 3) Role of professionals

- Act as gatekeepers (*i.e.* Qualified Persons) who are accountable for their opinions



## 4) Professionals assessing their relevant experience

- Know your competency limits, be honest with yourself, seek feedback from peers



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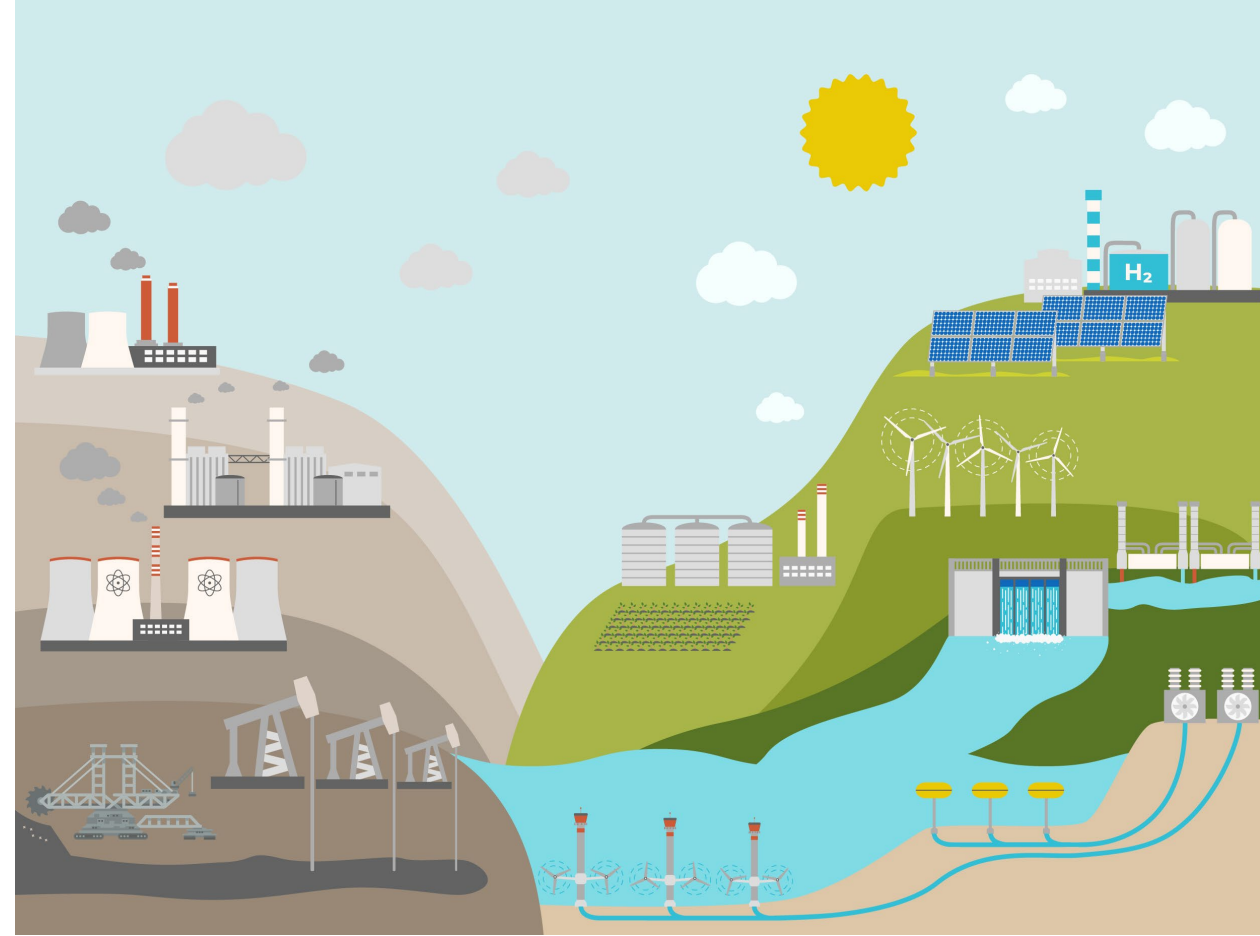
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# Thank you!

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