



PROSPECTORS &  
DEVELOPERS  
ASSOCIATION  
OF CANADA

## BY ELECTRONIC MAIL

D. Grant Vingoe,  
Chair & CEO  
Ontario Securities Commission  
Floor 22 - 20 Queen Street West  
Toronto, Ontario, M5H 3S8

June 23, 2021

### **SUBJECT: Proposed Amendments to National Instruments 58-101 Disclosure of Corporate Governance Practices (NI 58-101) to include black, indigenous and people of color (“BIPOC”)**

Dear Mr. Vingoe,

The Prospectors & Developers Association of Canada (PDAC) is the leading voice of the mineral exploration and development community that represents thousands of members across Canada and around the globe, including a significant number of the nearly 1,200 mineral industry issuers listed on Canadian stock exchanges.

PDAC has consistently taken a leadership role in advocating for changes to regulatory and policy frameworks that affect our members, as well as the mineral industry as a whole.

In July 2020, PDAC [issued a statement](#) stressing “PDAC’s commitment to stand against racism and discrimination.” We support diversity initiatives to encourage underrepresented groups in the corporate sector, particularly at the executive and board level; and support taking concrete action towards this goal.

Research has shown how high performing Board of Directors are most often diverse and culturally fluent. Such boards make more effective decisions for all stakeholders, and inherently leads to better financial returns. A study published by McKinsey & Co in 2015<sup>1</sup> showed how gender-diverse companies were 15 per cent more likely to outperform the national industry median.

In December 31, 2014, *NI 58-101* was amended to require companies to report various data regarding the representation of women on companies’ boards, and since then there has been a steady increase in women representation on corporate boards. This shift in representation seems to support the concept of “what gets measured, gets done”.

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<sup>1</sup> McKinsey & Co, Why diversity matters, January 2015:  
<https://www.mckinsey.com/~media/mckinsey/business%20functions/organization/our%20insights/why%20diversity%20matters/why%20diversity%20matters.pdf>



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The same 2015 study by McKinsey & Co found that ethnically diverse companies were 35 per cent more likely to outperform their peers. Therefore, if proactive regulatory steps are taken to increase representation, improved market dynamics are an inevitable outcome.

**Accordingly, PDAC recommends the following:**

- Amend NI 58-101, Form 58-101F1, sections 11 to 15; to add “BIPOC” wherever there is reference to “women”

Or

- Add a new section that will address BIPOC and mirror the same governance guidelines that are required for women.

Note that the usage of BIPOC in the recommendation above parallels the nomenclature included in section 19 of the Ontario Capital Markets Modernization Taskforce report from July, 2020.

PDAC looks forward to understanding what amendments the OSC and the CSA may be considering with respect to NI 58-101 and we welcome any subsequent engagement to discuss or clarify the recommendations above.

Sincerely,

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

**CC:**

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