ISSUER AND INVESTOR INSIGHTS ON ARTIFICIAL INTELLIGENCE, GOVERNANCE AND TRUST

The Mining Association of Canada (MAC) and Millani have worked together for the past eight years to support dialogue between mining companies and institutional investors, with the aim of better aligning issuers' sustainability disclosure with investors' evolving expectations. This discussion paper is the result of the most recent MAC-Millani Investor-Issuer Dialogue, held on September 14, 2026, which focused on artificial intelligence (AI) and its implications for the Canadian mining sector.

The dialogue opened with a presentation of Millani's 2026 Institutional Investor Sentiment Study, which drew on conversations with 36 Canadian institutional investors holding a combined C$7.2 trillion in assets. A panel with perspectives from industry, assurance, the Canadian investment community and federal government followed, along with roundtable discussions between investors, MAC members and panelists.

The findings show that investors are assessing AI through a governance lens, while issuers are applying AI to defined operational problems, with safety the clearest source of value. Participants stressed that AI used in reporting and assurance must be governed and quality-controlled to be trusted, and that issuer disclosure is becoming more important as investors use AI to form their own views. Government perspectives focused on building trust in AI, Canada's approach to regulation and sovereign computing capacity. During the discussion, participants raised growing concerns around competition between mines and data centers for electricity, a lack of human quality control on AI outputs such as audit reports or research findings, and the increased use of AI for research coming at the same time as anti-greenwashing legislation is giving issuers reason to be more cautious about their disclosures.

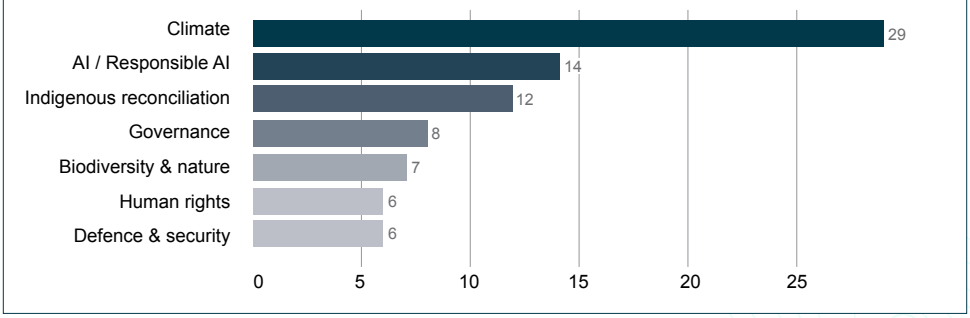
AI IS ENTERING THE INVESTMENT PROCESS

Opening the dialogue, Millani described the current moment as an inflection point for investors. Material issues are emerging faster and increasingly overlap, making it harder to anticipate what investors will be tracking, even in the short-term. Governance provides the structure for managing those connections, and AI is now firmly among the issues it must address. Investors surveyed by Millani placed AI second among their priorities looking forward, after climate and ahead of Indigenous reconciliation and governance.

Investors are also adopting AI themselves. From December 2025 to June 2026, the proportion of investors making little or no use of AI when assessing ESG-related risks halved. Millani noted that AI is a governance question as much as a technology one, and that the expectations investors are now placing on their own managers are likely to reach portfolio companies next.

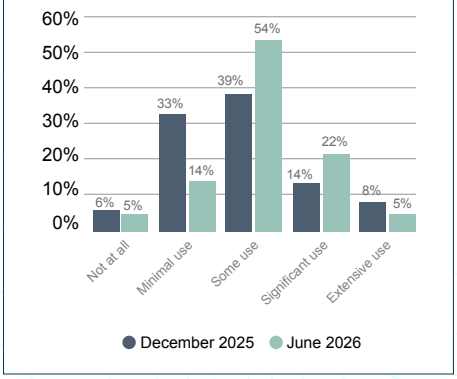
Investors participating in the dialogue said there is broad agreement that AI needs to be addressed, but less clarity on which questions to ask, and they have not yet settled on a common framework for assessing it. In the meantime, they are returning to governance fundamentals: board oversight, management accountability, and operating processes that keep pace with deployment. Investors cautioned that broad, catch-all framings of AI risk are of limited use, and that engagement should focus on where AI is financially material, who is accountable and how risk is controlled. Investors also identified the emerging issues they are watching, including the geopolitical origin of AI technologies and how AI models learn about and portray marginalized groups, with AI being cited as a reason for workforce reductions.

Figure 1
Top three priorities looking ahead



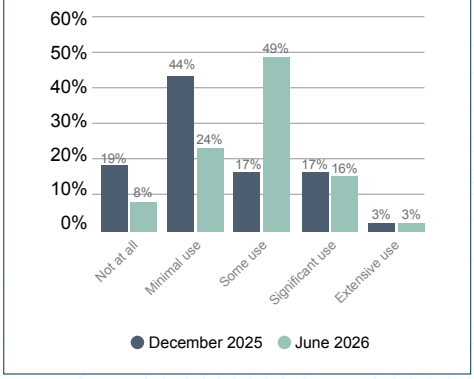
Millani's Canadian Institutional Investors Sentiment Study, Adaptive Capacity, September 2026.

Figure 2
AI use in issuer analysis:
December 2025 versus June 2026



Millani's Canadian Institutional Investors Sentiment Study, Adaptive Capacity, September 2026.

Figure 3
AI use in ESG-related risk assessments:
December 2025 versus June 2026



Millani's Canadian Institutional Investors Sentiment Study, Adaptive Capacity, September 2026.

ISSUERS ARE STARTING WITH A FOCUS ON OPERATIONAL CHALLENGES

Issuers described AI in two ways. The first is as a market: data centres and AI infrastructure require copper and other critical minerals, making the AI economy a growing customer for Canadian mining. The second is as a tool, used both through general-purpose applications that support employees with information and productivity tasks, and through AI being built into specific operational workflows.

Rather than deploying AI because the technology is available, issuers described starting with a defined operational problem and asking whether AI can help solve it. Implementation has focused on tasks characterized as dangerous, dirty or dull:

- **Dangerous:** removing people from hazardous environments. In deep underground mines, AI-enabled cameras and proprietary algorithms are being used to plan where ground-support bolts should be installed and to verify that bolting has been completed correctly, drawing on data from different mines, depths and geological conditions. Collision avoidance is another area of focus.
- **Dirty:** reducing the need for people to carry out difficult or undesirable physical work.
- **Dull:** automating repetitive, data-heavy tasks. Companies with long operating histories hold decades of historical drilling and geological records, much of it manually categorized. AI can convert these records into structured data to characterize ground conditions and help predict seismicity and other ground risks.

Issuers also pointed to applications in analyzing emissions data, estimating closure costs and Scope 3 emissions using information from multiple sites, and supporting exploration, processing and project development. Looking further ahead, participants saw potential for AI to help rethink mine design, which has changed relatively little in decades, and to better integrate work across teams.

Mining is data-rich, and much of its data is proprietary, which issuers viewed as an advantage. Issuers were clear that AI informs decisions but does not make them. They described supporting AI and data management through central functions, avoiding standalone initiatives disconnected from business priorities, and investing in employee training. Issuers also acknowledged that, as with any innovation, not every project will succeed. As an industry with many fast followers, mining can use consortia to share risk and accelerate adoption.

> **“AI tools are only as good as the data you have.”**
>
> — Dialogue participant

DECISION-USEFUL INFORMATION FOR INVESTORS AND ISSUERS

While investors are forming expectations centered on governance, issuers participating in the dialogue reported that the AI questions they receive from investors tend to focus on cybersecurity, safety and productivity, with controversies remaining a significant driver of investor questions more generally. This suggests a gap between what investors are beginning to expect and what issuers are hearing. Issuers preparing only for operational questions may be less ready when investors turn to board oversight and accountability for AI.

Issuers also have limited visibility into how investors use AI to assess them. Each investor typically runs its own models, which reduces herd thinking but adds inconsistency in how the same company is assessed, and AI can produce errors even when accurate data is available. This echoes a concern raised during last year's dialogue, when issuers noted a lack of transparency about how their ESG data informs investment decisions. Participants called for more transparency about the guardrails and human controls applied to AI at each stage of the value chain, including in investor research.

As in previous iterations of this dialogue, where participants noted that ESG questions are still being asked, but increasingly in business terms, issuers are encouraged to engage investors proactively on how AI is governed rather than wait to be asked.

ASSURANCE REQUIRES GOVERNED AI

Participants with assurance and audit experience drew a distinction between AI that is convenient to use and AI whose outputs can be assured. For information to be assurable, a company must be able to establish where it came from, reproduce it and provide supporting evidence. Reproducibility is a particular challenge, since the same question asked in different ways can produce different answers. Using AI to organize or prepare data is different from using AI to generate it, and AI can produce errors even when the underlying data is sound.

This has direct implications for sustainability reporting and for the assurance process itself, where quality assurance and quality control expectations for AI-supported data are still being defined. The same questions apply to investors using AI in their research. Participants said companies need clear answers on who owns data capture, who owns data processing and who is accountable for decisions, supported by training and change management so employees use AI appropriately.

The roundtables identified practical gaps in guardrails and controls:

- Employees may be reluctant to disclose when they use AI, and may rely on free, unsanctioned tools rather than those their company has approved.
- Companies have limited visibility into how engineering, legal and other service providers use AI in work delivered to them, and contracts rarely address it.
- Human review remains essential AI can strengthen the work of people with expertise but can be harmful where that expertise is absent.
- Boards' primary concerns with AI are business continuity and cybersecurity.

Participants called for more openness about when AI is used, so quality control can be applied where it is needed, and for greater transparency about guardrails and controls at each stage of the value chain, similar to the assurance reports used for other critical systems.

IF COMPANIES DO NOT TELL THEIR STORY, AI WILL

One of the key messages repeated throughout the discussion revolved around the importance for issuers to tell their story as otherwise, they run the risk of AI doing it for them – and getting it wrong. Investors now draw on AI tools to pull together company filings, media coverage and outside data sets. Those tools can surface useful information, but they can also reach conclusions based on partial or outdated information, or at times, hallucinate from data that does not exist. A company's own reporting is where it can set out its strategy and supply the context those tools lack.

Participants discussed the Competition Act amendments on anti-greenwashing and environmental claims, which have led some companies to reduce disclosure. Investors supported a safe harbour for good-faith targets, but cautioned that where a company leaves a gap, AI models seeking comparability will fill it with information that may not be the company's own. Legal and compliance teams may need to be more involved, but companies need to keep disclosing.

BUILDING TRUST: THE FEDERAL GOVERNMENT PERSPECTIVE

Government perspectives at the dialogue focused on adoption and trust. For businesses to adopt AI, they need to understand and trust what it does. That requires skills, particularly in understanding and using the data an organization holds; infrastructure and computing capacity that is secure and protected; and social licence, meaning that customers, stakeholders and governments are comfortable with how the technology is used. For companies, this means understanding both the return AI will generate and whether its use has the support of those it affects.

The importance of data sovereignty was emphasized and was described as having several meanings, including confidence that the tools Canadians rely on will not be withdrawn and that capabilities of strategic importance remain under Canadian control. Participants noted that the federal government's current priorities, including how data is used, privacy and security, signals what it will expect of businesses.

CONCLUSION

The 2026 MAC-Millani Investor-Issuer Dialogue showed AI following a familiar path in investor expectations to many previously discussed issues: an assessment through a governance lens. While investors have not yet settled on a framework, their expectations are consistent: board oversight, clear accountability, controls and human review, measurable value, and transparent disclosure are key. For issuers, the priorities are practical: applying AI where it improves safety and operations, protecting the integrity of their data, building the controls needed for AI-supported information to be assured, and securing the reliable power their operations depend on. Canadian mining companies are well placed as suppliers of the minerals AI depends on, holders of proprietary data and operators with clear safety use cases. Canadian mining companies are well placed as suppliers of the minerals AI depends on, holders of proprietary data and operators with clear safety use cases. The opportunity now is to close the gap between what investors are beginning to ask and what issuers are prepared to answer. Companies that govern AI well and explain their approach clearly will be in a stronger position to build investor confidence and compete for capital.

Recommendations for issuers

Recommendation	Description
Start with the problem	Deploy AI against defined operational problems and measure its value in cost, revenue or safety.
Define accountability	Put in place a holistic AI strategy that connects AI use to business objectives, risk management, data, people and controls, with board oversight, management accountability and clear ownership of data and decisions.
Build for assurance	Design AI-supported workflows so outputs have clear data origins and can be reproduced. Apply robust human review and quality control before outputs are used and set expectations for how AI-supported information is assured, including work delivered by service providers.
Tell your own story	Continue to disclose, including how AI is used and governed. Gaps will be filled with information from other sources.
Invest in data and people	Improve data quality, train employees and provide approved tools to reduce reliance on unsanctioned ones.

Recommendations for investors

Recommendation	Description
Focus AI engagement	Concentrate questions on where AI is financially material, who is accountable and how risk is controlled.
Be clear on what is decision-useful	While frameworks develop, share with issuers which AI governance information you need and why, recognizing that the information that may be prioritized may be first and foremost focused on operational issues.
Apply the same standard to your own AI use	Be transparent about how AI is used in research and stewardship, and the controls applied to it.
Continue the dialogue	Support forums that bring issuers and different parts of the investment chain together.

The Mining Association of Canada | L'association minière du Canada

ABOUT THE MINING ASSOCIATION OF CANADA (MAC)

The Mining Association of Canada is the national organization for the Canadian mining industry. Its members account for most of Canada's production of base and precious metals, uranium, diamonds, metallurgical coal and mined oil sands, and are actively engaged in mineral exploration, mining, smelting, refining and semi-fabrication.

For the last 87 years, MAC has been the national voice of the Canadian mining industry, working with governments, playing an education role for different stakeholders and encouraging sustainable practices, while promoting the Canadian mining industry's value creation and leadership worldwide. Through MAC's reporting framework, Towards Sustainable Mining (TSM), MAC members are guided by principles that align social, economic and environmental performance with the priorities of the communities in which they operate.

For more information, please visit **www.mining.ca.**

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ABOUT MILLANI INC.

Millani provides sustainable investing and corporate sustainability advisory services, including ESG integration and impact, to both investors and companies.

For the past 18 years, Millani has become the partner of choice for institutional investors and corporations alike. By providing advisory services on integrating material ESG issues into investment strategies and decision-making processes, Millani helps reduce risks, increase returns and create value. Millani also regularly develops thought leadership on investor and disclosure trends. The firm leverages this expertise and experience to help corporations, both public and private, create strategies, engage with stakeholders and strengthen their disclosures, supporting the organizations in their access to capital and optimization of market value.

Millani's success is founded on a bespoke, client-centric approach that focuses on material issues, practical implementation and independent advice. Its capital markets experience and expertise in ESG and sustainable finance, and their connection to value creation, position Millani at the nexus between investors and companies in the Canadian market.

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