

# The Golden Thread

Aligning company strategy,  
planning and public disclosures

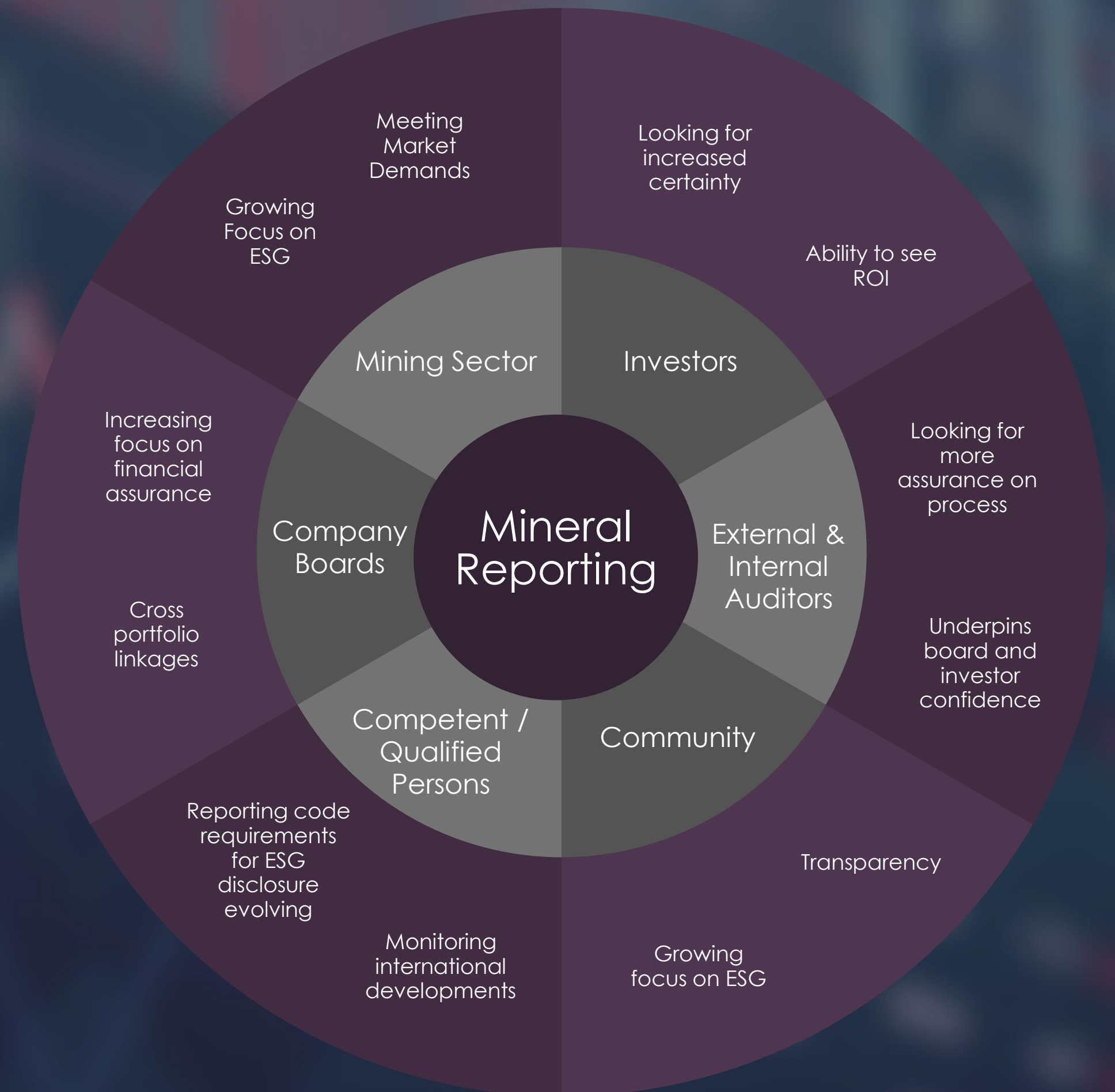


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# The Reporting Landscape is Evolving

Mining suffers from a lack of trust in ESG performance and is being pressured by multiple stakeholders to increase transparency to address ESG concerns.

Stakeholders with a vested interest in a company's mineral reporting and the core focus of those stakeholders is shown in the figure to the right.





# What is 'The Golden Thread'?

ESG needs to be fully integrated across company strategy, business plans, and operations, with a clear 'golden thread' linking all these to public mineral reporting.

When a mining company publicly reports Mineral Resources and Ore Reserves it is providing the investors and stakeholders with information on the fundamental asset of the company. Regarding Ore Reserves, it is specifically providing information on how the company expects to execute and deliver value into the future, which must consider any costs associated with meeting ESG commitments.

This is the Golden Thread linking Ore Reserves to Strategy, Business Planning and realistic Execution.





# Why 'The Golden Thread' Matters

If there is a significant or material disconnect between the Ore Reserve parameters, including ESG considerations, and how the company will operate its assets to deliver value, then the reported Ore Reserve will lack integrity. This means the publicly reported Ore Reserve could be potentially misleading to investors.

The Ore Reserve diligence and review process that supports a company's Competent Person should benchmark the key Ore Reserve metrics against those being achieved by the company's operating assets to monitor the thresholds, overall alignment and applicability of those metrics as suitable for Ore Reserve reporting.

Maintaining The Golden Thread through all phases of the planning cycle is vital to avoid disconnects between critical resourcing, scheduling & funding needed to deliver ESG outcomes promised to stakeholders.





# Environment, Social and Governance

Environmental, social and governance (ESG) issues have become a defining feature in the marketplace to differentiate preferred investments.

There is wide acceptance that the term “ESG” embraces all aspects of sustainability and is often used inter-changeably. International reporting codes (e.g., JORC, SAMCODES, NI-43101), are in the process of being updated, with some key changes linked to ESG disclosure widely expected. All of this can leave mining companies feeling overwhelmed.

It is now imperative to rapidly develop the approach taken by mineral companies to adequately identify and address ESG risks and opportunities in the reporting of Mineral Resources and Ore Reserves.

Public mineral reporting cannot be effective if ESG is not integrated into the strategy, business model, input assumptions and processes that defines and drives robust public reporting. Therefore, determination of ESG factors is vital to mineral reporting.





# Framing ESG Themes

Achieving minimum ESG disclosure relies on a sharp focus on adding value to the users of the information and highlighting matters based on materiality, risk and transparency. Here are 20 principles for improving the quality of ESG in public minerals reporting:

## Transparency

1. Language used in reports aligns with modern ESG terminology
2. Report ESG matters in clear, concise and simplistic way
3. Differentiate from broader sustainability reporting
4. Reference publicly available sources of information
5. Promote consistency in how ESG is integrated with mineral reporting to enable comparative analysis
6. Support a procedural approach for ESG integration to avoid tick box disclosure
7. Wire ESG metrics into strategy and reporting – connecting corporate commitments to project development and execution

## Materiality

8. Acknowledge waste, water, energy, closure and climate resilience are integral to project planning, implementation and reporting
9. Drive convergence in company ESG reporting
10. Elevate but don't over-amplify consideration of ESG matters
11. Focus on ESG needs of end user
12. Proactively engage with security regulators to aid alignment with the respective listing rules
13. Advise on how materiality of ESG factors can be determined
14. Clearly agree on and explain governance, including how ESG impacts upon risk, reputation and liability

## Competence

15. Provide guidance that can be realistically & reasonably enacted across the spectrum of company sizes & types
16. Provide guidance on minimum & leading practice ESG reporting requirements for each project stage (exploration to closure)
17. Clarify the role of ESG in different stages of reporting of mineral asset valuations
18. Provide specific, practical direction on ESG in assessments of RPEE & application of Modifying Factors in establishing Ore Reserves
19. Provide guidance regarding ESG competence expectations for CP & SMEs
20. Encourage ESG assessments to be undertaken by SMEs in support of CPs



# Competent Person

A Competent Person is a person who is registered with a Recognised Professional Organisation (e.g., AusIMM, AIG). These organisations have ethical standards and enforceable disciplinary processes including the powers to suspend or expel a member. The Competent Person must comply with the provisions of the relevant organisation.

The lead CP should accept overall responsibility for the report and must be satisfied with the work undertaken by other contributors, including JV partners. Where there is a clear division of responsibilities within a team each person should accept responsibility for their contribution. A site visit is necessary under normal circumstances.







# What 'The Golden Thread' Means for CPs

Competent Persons must not only be aware of the Golden Thread running through their organisation, they must also play an active role in development of business strategy, plans and of course public reports. This will ensure the public mineral reports have integrity.

To do this, the company must ensure the Competent Person has the requisite knowledge and experience (training and development opportunities), and resources (access to SMEs), to assess the materiality of ESG matters for a given project or mine.



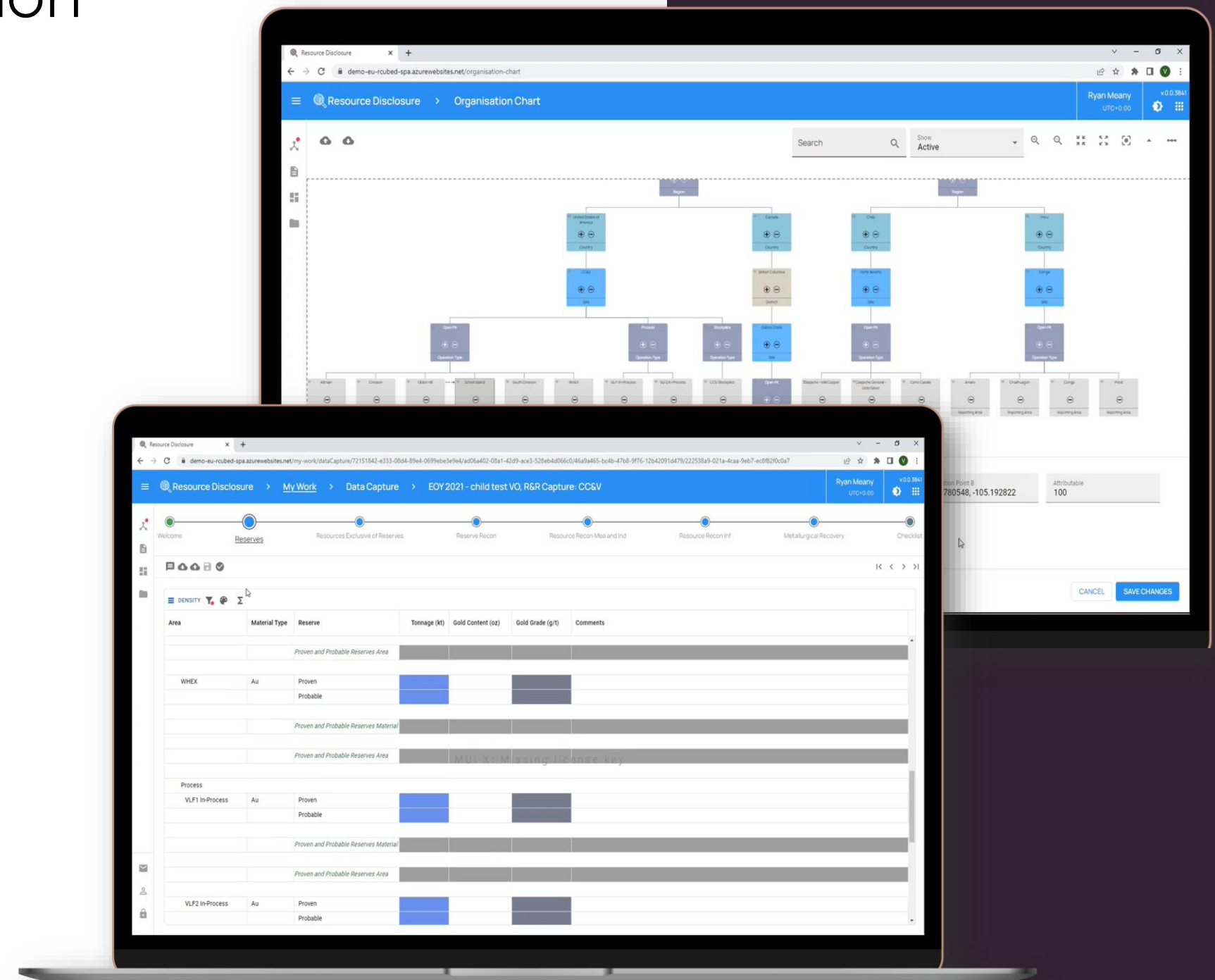
# K2fly Resource Disclosure

## An Inventory Data & Reporting Solution

With objectives to improve transparency and confidence in public reporting, K2fly's Resource Disclosure provides mining and resource companies a structured, governed, and auditable process to capture information about their Resource and Reserve estimates for their mineral deposits.

Built on our Resource Governance platform, our solution is designed to address the complexities of the reporting landscape by adhering to any reporting code across any stock exchange.

Learn more about our solution [here](#).







## Learn more about K2fly

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