

## Comments and thoughts submitted post-roundtables

I do think ESG needs to come much earlier in R&R reports. Here are my reasons:

- a. The E&S setting influences prospects for eventual economic extraction and the whole design of a project.
  - i. If you look at the NI 43-101 structure, you can see that all of this can be done readily. The structure allows for this (and may have been designed for this, to some extent, originally). Much more information can go upfront in Chapters 4 and 5. Common practice is that the ESG information gets crunched into the end of the report in Chapter 20.
- b. The days are gone where E&S is not at the planning table or the last to speak, the E&S chapter should not be at the end of a R&R report.
- c. ESG needs to spearhead project planning not only to ensure that the necessary approvals and social licence to operate are obtained and maintained, but also to produce tradeable mineral products - within the next decade mineral products will have passports with their ESG credentials and provenance recorded.
- d. R&R reports are for financiers and financiers have a focus on ESG, all parts of the report need to show that sustainability is embedded in the project or operation.
- e. A project that focuses on sustainability is likely to have better outcomes for all stakeholders, including business stakeholders.
- f. A huge part of the permitting of projects relates to environmental and social matters. Permitting is not just something that presents risks to project timelines. The minerals law in many jurisdictions begins with a preface that links the law to the constitution (and human rights in the constitution), explains that the minerals are state owned and must be developed in the interest of the public, that the law promotes sustainable development of minerals and that all environmental law must be observed. Generally licences to operate can't be obtained until all key environmental approvals are in place and often numerous social plans/ agreements must be reached. Commitments are made to local stakeholders in the permits and agreements, these commitments are a product of formal engagement processes. All the people on the project planning team need to be tuned into what existing permits require, what commitments have been made to stakeholders. Too many projects are developed and reviewed without attention to the permitting and the promises made and obligations incurred in permitting processes. When R&R are reviewed, not enough attention is paid to these obligations and the risks that noncompliance presents to the company, the project, and all stakeholders (rights holders and business stakeholders).

About the word "government" in modifying factors, I think both regulatory and governance factors are important. It needs to be split into two words.

Is the “G” in ESG appropriate? Is it for a reporting code/standard, which is there to instruct a Competent/Qualified person how to publicly report exploration results, mineral/other resources and ore reserves, and the associated risks thereof? Governance surely includes many other factors outside E&S, such as accounting, employment and diversity policy, the strategic aims of the company, if dividend distributions are made etc. So where does a code stop and who would be qualified/competent to sign off. What should G be limited to; it seems superfluous? Environmental and Social Factors seems clearer.

Is there scope to cover full ESIA in an MRME reporting code, or is there scope for a separate complimentary code dedicated to ESIA, like CIMVAL and MINVAL being complimentary. The findings of which would be disclosed and referenced by MRME CP/QP.

Obviously some environmental and social considerations should be addressed at exploration and MRE reporting stages, and more so than what is currently typically disclosed. Is the deposit in a protected area, is it near, or under, an urban area, what water courses and bodies are in the area, has the community previously been known to be opposed to mining? A deposit under a small village might not be a showstopper as it could be relocated, but what about a medium village? Neither a geologist, nor most environmentalists, are qualified to assess the cost of relocating residents and assessing the impacts on the reasonable prospects test. Guidance should be given on what should be addressed at each level of the study from exploration, MRE, SS, PFS, FS and what should be described in NR documentation and technical reports.

I would expect that at PEA/SS stage a desktop study ESIA would have been completed with initial risks identified, some collection of baseline data may have started. At PFS stage, baseline data collection must have started but may be not up to 12 months, project impacts can be evaluated in more detail and preliminary impact management programmes designed. At FS a full ESIA study is complete, with a minimum of 12 months of baseline monitoring complete and mitigation and monitoring plans designed. A full ESIA will be a detailed and extensive document, to what degree should it be summarized in a public report, if declaring ore reserves in a news release, for example, how much should be described? Should the full ESIA be included in a competent/qualified persons report.

Guidance should also be given on when QP/CP sign off is required, for example a CP/QP may be comfortable to sign off mineral resource statement considering metallurgical recoveries which are taken from a similar project, or reviewed by a metallurgist, but without a dedicated metallurgist QP/CP sign off. Is a geologist qualified to sign off on likely social impacts at an exploration stage, I doubt many are? Could they rely on “other experts”, in the same way a QP/CP relies on other experts to verify legal title to a property. We don’t have lawyers signing off technical reports taking responsibility for the description of property licencing, tenure encumbrances and agreements.

How would a code provide best practice guidelines of E&S? The guidelines may be of a lower or higher standard than that required by law in each jurisdiction. Could providing best practice guidelines result in a “bare minimum” becoming the norm. Would it be better to simply have guidance on items to address and identify the presence or absence of risk and have a QP/CP specify possible mitigation steps?