Dual Listing Implications: JSE / NYSE

SK-1300 Perspective and Context: Key Moving Parts

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Disclaimer

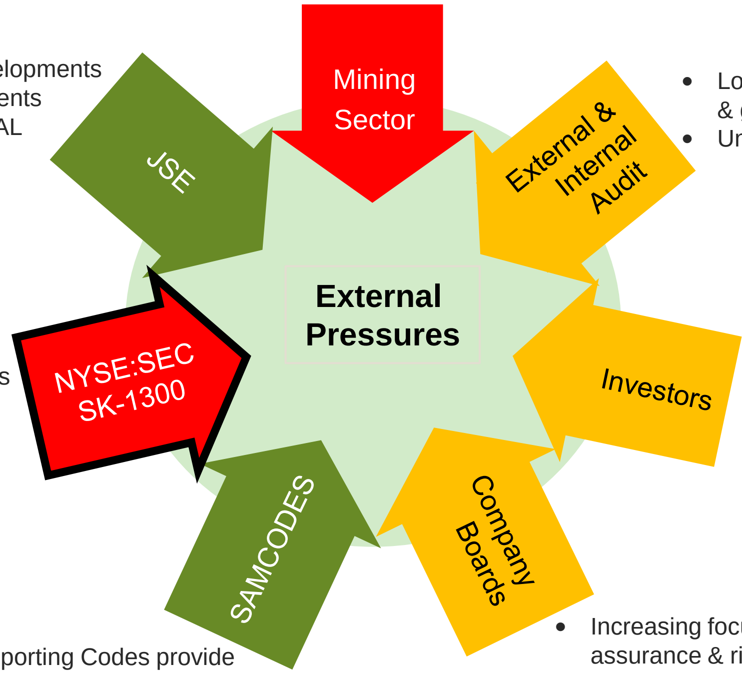
The information in this presentation is purely for discussion and to encourage engagement on the topic and no one should place reliance on the content, information or views contained therein or treat it as formal guidance or instruction.

SK-1300 R&R Reporting and Disclosure

Themes

- Reporting Landscape
- What’s Changed and Why?
- What’s Important to Know?
- How does this Impact on Dual listed companies?
- Meeting the New SK-1300 Requirements:
  - Key Considerations
  - Technical Report Summary (TRS)
  - Emerging Challenges
  - Materiality
  - Qualified Person / Competent Person aspects
- Suggested Focus Areas for further Discussion

Reporting Landscape is Changing



Mining Sector
- Meet market demands: reposition for long term growth
- Double down on ESG
- Clean energy transition

JSE
- Monitoring international developments
- Section 12 Listing Requirements
- Relies on SAMREC / SAMVAL
- Routine JSE panel audits

External & Internal Audit
- Looking for more assurance on process & governance
- Underpins Board & Investor confidence

NYSE:SEC SK-1300
- SK-1300 disclosure
- Resources Exclusive of Reserves
- CRIRSCO template
- Over-arching SOX
- Public access - EDGAR

Investors
- Looking for increased certainty
- Ability to return on capital invested
- Deliver on AIC/oz
- Greater stakeholder value

SAMCODES
- Reporting Codes provide minimum standards
- SAMESG to be integrated with SAMREC & SAMVAL

Company Boards
- Increasing focus on technical / financial assurance & risk mitigation
- Cross portfolio linkages e.g. ESG
- Company Risk registers and King IV

Getting more complex

Increasing rigour / oversight

Needing to future proof

What's Changed and Why?

SEC have had to modernise their company disclosure rules – to support more informed investment decisions

- Replaces SEC's Industry Guide 7
- Aligning with current industry & global regulatory practices and standards
- New disclosure broadly based on CRIRSCO* but maintains some key differentiating points from other similar reporting standards (e.g., SAMREC) - not simply a re-order of NI 43-101
- Key changes from Industry Guide 7:
  - Significantly more prescriptive
  - Public filing of a full technical report summary and economics
  - QP certification now required – competency, experience and affiliation
  - Full disclosure on Resources, in addition to Reserves – Resources exclusive of Reserves
  - Ability to report exploration results
  - Confirmation that a PFS or FS / Life of Mine Plan is required to support a Mineral Reserve
  - Opex, Capex and Contingency thresholds set for PFS and FS Studies
  - Metal price selection flexibility – no longer a 3-year trailing average but price needs justifying
- Past exposure to risk for US listed companies was limited: only reporting for summary reserves, no economics and no resources

*Committee for Mineral Reserves International Reporting Standards

**PFS: +-25% Capex and Opex and +-15% Contingency   FS: +-15% and 10% Contingency

SEC Requirements Are Demanding More R&R Reporting Functionality

What’s Important to know

Technical reporting obligations have significantly increased for NYSE listings

- Must file technical report summaries (TRS’s) for material assets as an exhibit to the relevant Commission filing when disclosing resources or reserves for the first time or when there is a material change in estimates from the last technical report filed
- SK-1300 rule in 453 page ‘modernisation disclosure’ incorporates ~100 prescriptive instructions
- Separate SK-1300 and SAMREC CPR reports are typically required to properly meet respective exchange guidance – need to drive convergence in content
- Reporting of Exclusive Mineral Resources (EMR) is new default
- Involves public filing of a TRS submitted on EDGAR with increased exposure now including Mineral Resources, Mine Economics and Mine Closure Planning etc.
- This is NOT a platform for ‘marketing’ or ‘selling a strategic case’!

SK-1300 is a Major Piece of Work Typically Requiring Additional Capacity and Integration

How does this Impact on Dual listed companies?

Detailed technical report per asset now public with extensive new information for investors

- Prescribed limits on estimates for levels of study and information required on TSF's, mine closure planning, ESG, capital, opex and economic analysis
- 25 Chapters in TRS versus ~13 Chapters in SAMREC CPR
- First time public disclosure on key aspects – CPRs were never routinely in public domain:
  - Executive Summary and Introduction
  - Data verification and model confidence
  - Infrastructure and adjacent properties
  - Capital and Operating Costs – LoM cash flow YOY
  - Economic Analysis and Market Studies
  - ESG such as mine closure plan, environmental studies and local group agreements
  - Interpretation and Conclusions
  - Recommendations and Reliance on information
- Qualified Person
  - QP's now front and center in reporting – comment on adequacy, data verification and internal controls
  - Discuss significant risks and uncertainties impacting reliability / confidence
  - Where applicable, describe recommendations for additional work with costs
  - QP is responsible for information provided by third parties
  - Signatory QP's on SEC disclosure

Need to Adapt Reporting to Meet New requirements

SK 1300 Key Considerations

Important Reporting Aspects

- SEC guidance and instructions issued for the SK-1300 rule must be appropriately addressed
- Capacity and capability to deliver to SEC requirements will vary across companies
- QP and Subject Matter Experts need to collaborate with integration between Technical, ESG, Finance, Regions and Sites
- Harmonise conventions, abbreviations and tone of the documents
- Plain English principles, avoid large amounts of technical data, even in appendices
- Communication, consistency and standardisation across the company
- Exploration reporting: competitive advantage IP / price sensitive
- MRMR Reporting Systems
- Standard for Exclusive Mineral Resource Reporting (EMR) - auditability
- SK-1300 Training
- Assurance, governance and audit
- ‘Legal’ and ‘Disclosure’ perspectives
- TRS documents should be sanitised to control forward looking statements and personal opinion

"If you think compliance is expensive, try non-compliance"

- Former U.S. Deputy Attorney General Paul McNulty

SK Reporting is Multi-faceted, Collaborative and Integrated

SK 1300 Technical Report Summary Chapters

Chapter	Chapter Description	Chapter	Chapter Description	Chapter	Chapter Description
Chapter 1	Executive Summary	**Chapter 10**	Mineral processing and metallurgical testing	**Chapter 19**	Economic analysis
Chapter 2	Introduction	**Chapter 11**	Mineral resource estimates	**Chapter 20**	Adjacent properties
Chapter 3	Property description	**Chapter 12**	Mineral reserve estimates	**Chapter 21**	Other relevant data and information
Chapter 4	Accessibility, climate, local resources, infrastructure and physiography	**Chapter 13**	Mining methods	**Chapter 22**	Interpretation and conclusions
Chapter 5	History	**Chapter 14**	Processing and recovery methods	**Chapter 23**	Recommendations
Chapter 6	Geological setting, mineralization, and deposit	**Chapter 15**	Infrastructure	**Chapter 24**	References
Chapter 7	Exploration	**Chapter 16**	Market studies	**Chapter 25**	Reliance on information provided by the registrant
Chapter 8	Sample preparation, analyses, and security	**Chapter 17**	Environmental studies, permitting, and plans, negotiations, or agreements with local individuals or groups		
Chapter 9	Data verification	**Chapter 18**	Capital and operating costs		

Select Chapters Prescribe New Information in Addition to ‘SAMREC’ CPR’s

SEC: Relevant Factors in Technical Studies

‘Accuracy and Contingency Thresholds Introduced’

Factors	Initial Assessment / Scoping Study		Preliminary Feasibility Study		Feasibility Study	
	SK 1300	SAMREC	SK 1300	SAMREC	SK 1300	SAMREC
Environmental compliance, cost & permitting	Assume tailings disposal, reclamation, and mitigation plans	Factored from historical estimate – high level conceptual	Detailed tailings disposal, reclamation, and mitigation plans	Estimate from experience, factored from similar project – preliminary options	Tailings disposal, reclamation, and mitigation plans finalised	Estimate from detailed zero-based budget – detailed plan
Other relevant factors	Reasonably assumed technical and economic factors necessary to demonstrate RPEE	State and justify all modifying factors and assumptions	Reasonable MF assumptions sufficient to demonstrate that extraction is economically viable	Refer to SAMREC Tables 1 and 2	Detailed assessments of MFs to demonstrate that extraction is economically viable	Refer to SAMREC Tables 1 and 2
Capital costs	**Optional. If included: Accuracy: ±50%* Contingency: 25%***	Accuracy: ±25-50% Contingency: ±30%	**Accuracy: ±25%* Contingency: 15%***	Accuracy: ±15-25% Contingency: ±15-30%	**Accuracy: ±15%* Contingency: 10%***	Accuracy: ±10-15% Contingency: 10-15%
Operating costs	**Optional. If included: Accuracy: ±50%* Contingency: 25%***	Accuracy: ±25-50% Contingency: ±25%	**Accuracy: ±25%* Contingency: 15%***	Accuracy: 15-25% Contingency: ±15%	**Accuracy: ±15%* Contingency: 10%***	Accuracy: ±10-15% Contingency: ±10%
Economic analysis	Optional. If included: Taxes and revenues are assumed. DCF analysis based on assumed production rates & revenues from available M&I mineral resources	Refer to SAMREC Tables 1 and 2	Taxes in detail; revenues are estimated based on at least a preliminary market study; economic viability assessed by detailed DCF cash flow analysis	Refer to SAMREC Tables 1 and 2	Taxes in detail; revenues are estimated based on at least a final market study & economic viability assessed by detailed DCF analysis	Refer to SAMREC Tables 1 and 2

*Note specific language in the rule, e.g.: “adopting the proposed instruction providing that operating and capital cost estimates in a feasibility study ***must, at a minimum****, have an accuracy level of approximately ±15 percent and a contingency range not exceeding 10 percent*.”

Tailings Disposal and Mine Closure Need Supporting Plans

Emerging Issues / Challenges

Topics creating most confusion / uncertainty - where should the focus be?

Tier 1 Topics

- SK Rule context and differences to SAMREC
- Exclusive Mineral Resource (EMR)
- Economic analysis, including annual cash flow forecasts based on an annual production schedule for asset life
- RPEE versus RPEEE
- QA/QC data verification and model confidence
- Role of QP and RPO / ROPO: what the QP must be satisfied with…
- QP Accreditation, Liability and Indemnity
- Embed QP/CP accreditation and consent protocol
- QP must summarise interpretations and conclusions in TRS and discuss significant risks and uncertainties
- Legal review and oversight

Tier 2 Topics

- Importance of integrating information – e.g. ESG / Finance
- Avoiding potential pitfalls
- Consistency and standardisation - uniformity in formatting and messaging
- Verify correct language, QP opinion & disclaimers
- Avoidance of forward-looking statements
- Project criteria
- Financial & Mine Closure Cost components
- Disclosure obligations and liability with JV's
- Role of SOX - secure same assurance and risk management as 20-F
- Consistency with 20-F filing and IAR disclosure
- Training and Upskilling

Suggested Initiatives:

- Potential for annual SEC conference sessions in US for SK 1300 updates and guidance on developments as per existing arrangements with 20-F Accounting and Financial Reporting
- Cloud based MRMR Reporting systems configured to report to SAMREC (JSE) and SK-1300 (NYSE) formats consistently and to avoid confusion (e.g. EMR) – authorised work flows and auditable

Importance of Collaborative & Interactive Training and Upskilling

Considerations when assessing Materiality

Is a mining property significant enough to justify individual public disclosure of a Technical Report Summary (TRS) or be aggregated in a summary disclosure?

Quantitative Measure Examples:

- Contribution to the company EBITDA – profitability of the business
- Contribution to company revenue
- Acquisition cost / capital investment
- Forecast capital expenditure – notably for project development
- Expected reclamation cost / environmental liability – in context of total business value
- Contribution to total company Mineral Reserves – potential long term value contribution
- Contribution to total company Mineral Resources – for pre-Reserve assets

Qualitative Measure Examples:

- Importance to long-term strategic goals e.g., maiden entry to new jurisdiction
- Social / environmental - disclosure of information potentially impacting investment decisions
- Materiality for technical characteristics e.g., potential material TSF risk to the business or a new technology

SEC has moved away from 10% materiality threshold – self assessment needed

Qualified / Competent Person (QP/CP)

Key Themes concerning QP’s and SK 1300 disclosure

1. Relevant experience, certification and RPO accreditation
2. Status on Liability and Indemnity?
3. Probably increases under Registration Statement (US Prospectus), Security Form (Debt raising) or IPO conditions
4. Under normal annual reporting conditions probably not materially different to previous 20-F reporting?
5. QP needs to provide written opinion on internal controls, data verification, reliability and adequacy of studies / procedures / models and confidence etc.
6. Status remains unclear for QP’s:
   - Liability profile for Annual Reporting in 20-F and SK 1300 versus a US Registration Statement?
   - Under ‘normal conditions’ is the QP liability profile now materially different under SK?
   - How does due diligence in the preparation of the Technical Report Summary help mitigate liability risk?
   - Could companies be liable for deficient mining disclosures made by their JV partners?
   - What disclosure obligations do companies have regarding JV’s?
   - If a third-party expert is used in the preparation of MRMR estimates, the QP has to take responsibility
7. Secure same DD, assurance and risk management as in the 20-F filing

Importance of QP Accreditation, Declaration, Appointment and Consent Protocol

Suggested Focus areas for further discussion:

Efficient, Effective and Equitable Disclosure for Dual Listed Mineral Companies (JSE and NYSE)

- Significant overlap in content but critically the SK-1300 TRS is prescriptive on the inclusion of specific technical & financial information for disclosure not typically included for JSE reporting
- Appreciation of the reporting differences is key and how they impact consistent and equitable reporting for the two jurisdictions

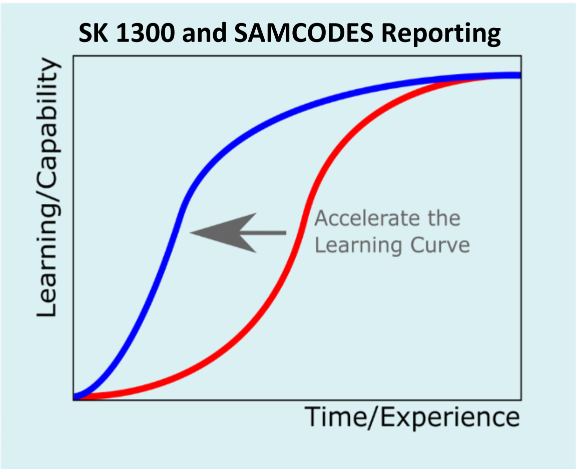
Important to map out the reporting overlaps, differences, exclusivities and opportunities for convergence and streamlining to reduce the reporting burden – avoid over-reporting

- Companies' capacity to deliver to SEC requirements – streamlining effort?
- Secure and auditable MRMR Reporting Systems
- Standard for Exclusive Mineral Resource Reporting (EMR)
- SK-1300 training for company staff and CPD development / RPO – QP accreditation
- ‘Legal and Liability’ perspective and ‘Risk and Materiality’
- Potential for annual engagement with the SEC in US like current “Conference on current SEC and PCAOB developments” arranged by the American Institute of certified public accountants (AICPA): e.g., propose “Annual Conference on current SEC and SK-1300 developments” for listed companies

Importance of Discipline Integration across the whole MRMR Value Chain

Key Learnings and Next Steps

SAIMM & SAMCODES Webinar: SK 1300 Implications for Dual listed companies



- ☑ Mentimeter confirmed opportunity for SK 1300 upskilling
- ☑ Traction on improving overall understanding
- ☑ Facilitated a community of interest

- Flagged numerous queries and concerns
- Top tier issues emerged as reasonably generic
- Appetite for ongoing accelerated learning
- Next 2-3 years should see the SEC & Industry move toward a natural balance supporting meaningful, pragmatic & value add reporting

Key Themes:

- ❑ Important to map out the reporting overlaps, differences, exclusivities and opportunities for <u>convergence and streamlining to reduce the reporting burden</u> – avoid data dumping and over-reporting: "value accretion to the end user"
- ❑ Role of QP and RPO / ROPO: accreditation, liability / indemnity & what the QP must be satisfied with…"due diligence defence"
- ❑ Materiality assessments and their application: "self assessment"
- ❑ Importance of <u>integrating information consistently</u> with SME's: technical, ESG, financial - interpretation and conclusions
- ❑ JV disclosure obligations / risk mitigation
- ❑ What does minimum compliance and leading practice actually look like for the SK TRS – "Summary Report"?
- ❑ Potential for engagement like current "Conference on current SEC and PCAOB developments" arranged by the AICPA: e.g., propose "Annual Conference on current SEC and SK-1300 developments" for listed mineral companies – game plan
- ❑ Follow up session to advance discussion and progress greater resolution on issues ?