ESG and Critical Minerals Development – Part 5: The Challenge of Disclosure

written by InvestorNews | March 21, 2023

It is my style to attempt to personalize my writings by adding historic anecdotes from my past resources or finding more topical news to add spice to the theme of the day. So last week my mind was searching for the right “insert” to the Environment, Social, and Governance (“ESG”) theme. To my absolute amazement, last week became a very special, somewhat magical week. I was introduced to Watson!

Now by introduced I don’t mean up-front and personal, shaking hands type of first meeting. That would be difficult because a) Watson has paws, and b) Watson lives in Toronto (more than 10,000 miles / 16,000 km away). No, it was an across-the-airwaves type of introduction. Now, I have needed to reference the Canadian Privacy Laws to ascertain what I can and cannot say about Watson and I think what I am about to say is OK. Watson is a dog, owned by a professional colleague of mine. I do not know Watson’s breed, his colouring, or anything really, but I do know he is definitely male. A couple of reasons will soon be revealed.

Watson was taking his owner for a walk through the Toronto snow when he discovered something interesting in a three-foot snow drift. In he went! My recollection of the phone conversation at this point is: “Watson has just dived into a three-foot snow drift and all I can see are his ‘nads!” So, with those two attributes taken as a given, Watson is male! What that has to do with ESG and Critical Minerals is coming up.

The silence of ASX-listed critical minerals companies on ESG

Now, for those of you who frequently scan my writings to review the updates of the ASX-listed Critical Minerals companies you will have noticed that there are no tables. This is simply because there are no updates!

To date, I have contacted 16 of the 36 Rare Earth related companies for nada response. I have contacted 13 of the 60 Lithium companies. And again, thanks Ian Bucknell of Ioneer Ltd. for your reply. And again it is well worth taking the time to review their "Towards Sustainable Mining" work. That's 1. Plus 14 of the 19 Vanadium companies and 13 of the 28 Cobalt companies. So, I am 56 reach outs and only 1 reply. What does this have to do with Watson?

Well, I am hoping that the ASX-listed Critical Minerals companies would respond to general queries on their ESG programs and progress. Guess not yet! And be careful of our North American friends who may be thinking things about Aussies. I have yet to receive a proactive North American Critical Minerals company pounding at my door to tell the story of their ESG prowess! Back to Watson. So instead of writing about the ESG performances, I guess I'll have to talk about why I have no responses. This is where Watson fits in. Watson realized there was something valuable in that snow drift and in chasing it he went. He was prepared to leave his 'nads exposed. That's how I am feeling now. Not that exposed, but in looking at why people haven't responded, I may upset someone. Is it worth postulating? Here goes!

It was suggested that all of my queries have been captured by Spam-ware and have disappeared before being given any serious consideration. But you would have thought that references to the

Critical Minerals Institute and InvestorIntel would have piqued some interest?

Is it me or you?

Then I thought that maybe it was me! However, I don't think I know enough people in the space for that possibility to be real. Although, I have presented at many conferences, seminars, and the like, and my presentation style can sometimes be seen as a little non-conventional, but I don't think that was the reason.

No. I am sure it is the company's approach to ESG that is preventing public disclosure other than what is necessary in ASX rules and then only available on websites. Why? Can it be our (Aussie) tall poppy syndrome, where if you raise your head someone will shoot it off? Makes some sense not to be seen as an early target for the woke ESG warriors. However, as I raised in the last article, by not being proactive, you run the risk, no, you have already lost control of the agenda. Remember the superannuation funds asking for "disclosure of time-bound climate transition plans". Still makes me cringe! As I clarified:

1. You have to have a climate transition plan,
2. That plan is time-bound, and
3. The plan has to be disclosed.

And heaven forbid if this Investor Group (and its lobby groups) isn't satisfied with the details in the plan. It gets worse.

Now for my ultimate Watson. I am going to put myself into the position of a CEO of a Critical Minerals company looking to raise funds but having to face the woke ESG brigade. How do you relate to the audience that the technology you are using is state of the art, best in class, minimizes power usage, presents products into the world of renewables, BUT, does not achieve

anywhere near net zero carbon? I’ll leave you with that question and trust when it is your turn to present, your audience appreciates your Watson moment!