



The work of the JSE Panel of Readers for Solid Minerals 2022

**Annual Presentation to the SSC
24th November 2022**

by

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Chairman:

Panel of Readers for Solid Minerals

Ingram Consulting

Sources and Acknowledgements

- ❖ The SAMCODES, the JSE Listing Requirements and the Mandate can be found at [‘www.samcode.co.za’](http://www.samcode.co.za)
- ❖ Members of the Solid Minerals Panel contributed to the presentation.

Disclaimer.

The information used in this presentation is derived from multiple sources and is believed to be accurate at the time of the presentation. The reporting codes are subject to revision from time to time.

The views and opinions expressed in this presentation are the author’s own and do not necessarily reflect the views of the GSSA, SAIMM, the JSE, the SSC, or the members of the Panel.

JSE Panel of Readers for Solid Minerals 2022

1. The Panel of Readers:
2. Review of work 2000 to date:
3. Review of CPRs and IARs 2022.
4. Comments by Readers on recent IARs, CPRs and Valuations.
5. Future challenges

JSE Panel of Readers for Solid Minerals 2022

CPRs Reviewed by the Panel 2000 – 2022*

(Solid Minerals only)

| Year | Number |
|--------------|------------|
| 2000-2004 | 50 |
| 2005-2009 | 81 |
| 2010-2014 | 64 |
| 2015 | 11 |
| 2016 | 5 |
| 2017 | 9 |
| 2018 | 13 |
| 2019 | 3 |
| 2020 | 3 |
| 2021 | 17 |
| 2022* | 14 |
| Total | 270 |

* Year to date.

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CPRs - number of submissions before approval

| Submissions | Number | Percent |
|-------------|--------|---------|
| 1 | 45 | 17% |
| 2 | 94 | 35% |
| 3 | 60 | 22% |
| 4 | 13 | 5% |
| 5+ | 6 | 2% |
| NR | 52 | 19% |
| Total | 270 | |

NR

Not Recorded

Abandoned

| Submissions | Number | Percent |
|-------------|--------|---------|
| 1 | 45 | 21% |
| 2 | 94 | 43% |
| 3 | 60 | 28% |
| 4 | 13 | 6% |
| 5+ | 6 | 3% |
| Total | 218 | |

Note that 64% of CPRs are approved on the second review and 92% after the third review.

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CPR approval rate over time.

2000 through 2016

| Submissions | Number | Percent |
|----------------|------------|-------------|
| First | 36 | 23.4% |
| Second | 50 | 32.5% |
| Third | 53 | 34.4% |
| Fourth | 11 | 7.1% |
| More than five | 4 | 2.6% |
| Total | 154 | 100% |

Before 2017

From 2017, annual training sessions were held to increase awareness of the Codes among industry professionals and to improve standards of reporting.

Improved outcomes are noted.

From 2017 to date

| Submissions | Number | Percent |
|--------------|-----------|---------|
| First | 9 | 15% |
| Second | 46 | 74% |
| Third | 3 | 5% |
| Four or more | 4 | 6% |
| Total | 62 | |

After 2017

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CPRs Reviewed by the Panel 2000 – 2022*

(Solid Minerals only)

CPRs submitted by Author.

| Author | Number | Percent |
|-------------------------------|---------------|----------------|
| SRK | 50 | 19% |
| Venmyn | 43 | 16% |
| Minxcon | 20 | 7% |
| TMC | 17 | 6% |
| Snowden | 11 | 4% |
| IRES | 8 | 3% |
| Individual consultants | 74 | 27% |
| Not Recorded | 47 | 17% |
| | 270 | |

'Individuals & Consultants includes: (7 or fewer)

Merlin, CSA Global, Gemecs, Kia Batla, Rock & Stock, Turnberry Xstract Mining Consultants, Camden, Runge Pincock Minarco, ACA Howe, Maynard & Assoc., Coffey/Pivot, Metorex, Explorations Unlimited, Read Swatman & Voigt, AMC Consultants, Creo Consulting, Tenement.. Mining Companies; Palaborwa Mining, Metorex, SACMH, Thabex, Tenement, and numerous individual consultants.

*** Year to date.**

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CPRs Reviewed by the Panel 2000 – 2022*

(Solid Minerals only)

CPRs submitted by Commodity.

| Commodity | Number | Percent |
|--------------------------|---------------|----------------|
| PGM | 61 | 23% |
| Gold | 47 | 17% |
| Coal | 38 | 14% |
| Industrial | 37 | 14% |
| Diamonds and Gems | 29 | 11% |
| Chrome | 17 | 6% |
| Base Metals | 17 | 6% |
| Ferrous | 11 | 4% |
| Uranium | 4 | 1% |
| Diverse/Dumps | 3 | 1% |
| Lithium | 2 | 1% |
| Antimony/Gold | 2 | 1% |
| Tin | 2 | 1% |
| Total | 270 | |

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Work done by the Panel in 2022.

Section 12.13 issues noted in recent IARs

| | 12.13 (i) | | | | | | 12.13(iii) | | | | | | | | | | | | |
|-------------|-----------|---|---|---|---|---|------------|---|---|---|---|---|---|---|---|----|----|----|----|
| | 1 | 2 | 3 | 4 | 5 | 6 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| First Cycle | | | | | | | | | | | | | | | | | | | |
| A | | | | | | | | | | | | | | | | | | | |
| B | | | | | | | | | | | | | | | | | | | |
| C | | | | | | | | | | | | | | | | | | | |
| D | | | | | | | | | | | | | | | | | | | |
| E | | | | | | | | | | | | | | | | | | | |
| Totals | | | | | | | | | | | | | | | | | | | |

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Section 12.13 issues identified in some recent IARs

1 instance

12.13 (i) (6)

Mineral Companies must include a statement that they have written confirmation from the Lead Competent Person that the information disclosed in terms of these paragraphs is compliant with the SAMREC Code and where applicable, the relevant Section 12 and Table 1 requirements, and that it may be published in the form and context in which it was intended [stand alone].

12.13 (iii) (1)

a brief description of any exploration activities, exploration expenditures, exploration results and feasibility studies undertaken; [stand alone but refer to T4 and T5 for guidance.];

12.13 (iii) (2)

a brief description of the geological setting and geological model; [refer to T 4.1];

12.13 (iii) (3)

a brief description of the type of mining and mining activities, including a brief history of the workings or operations [refer to T 1.3];

12.13 (iii) (4)

production figures, including a comparison with the previous financial year/period [stand alone];

12.13 (iii) (7)

description of the methods and the key assumptions and parameters by which the Mineral Resources and Mineral Reserves [refer to T 7] were calculated and classified;

12.13 (iii) (8)

a comparison of the Mineral Reserve and Mineral Resource estimates with the previous financial year/period's estimates together with explanations of material differences [stand alone];

12.13 (iii) (12)

appropriate locality maps and plans [refer to T 1.5];

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Work done by the Panel in 2022.

CPRs Reviewed

| | ID# | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 17 | 18 | 19 |
|---------------|-------------|---|---|---|---|---|---|---|-----|---|-----|----|-----|----|----|----|----------------|----|-----|
| No of CPRs | Pages | | | | | | | | | | | | | | | | | | |
| 1 | 65 | | | | | | | | | | CPR | | | | | | No valuation | | |
| 2 - 12 | 1476 | V | | | | V | | | CPR | | CPR | | CPR | | | | V | V | CPR |
| 12 | 206 | V | | | | | | | CPR | | | | | | | | | | |
| 13 | 123 | V | | | | | | | | | | | | | | | CPR | | |
| 14 | 1691 | V | | | | V | | | | | | | | | | | Valuation only | | |
| | | | | | | | | | | | | | | | | | | | |
| Totals | 3561 | | | | | | | | | | | | | | | | | | |

Note:

1. JORC-compliant ITAR for a secondary listing on the JSE.
14. CIMVAL-compliant Valuation and NI 43-101 reports.

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Findings from CPRs for 2022;

- ❖ CP not familiar with SAMREC Table 1 requirements.
- ❖ CV apparently unfamiliar with the SAMVAL Code and lacked competence in valuing a mineral property.
- ❖ ITAR light on essential detail, ESG issues neglected, resource categorisation poorly justified, limited disclosure.
- ❖ Maps and plans poor quality or illegible, checklists poorly done or missing.
- ❖ If not, why not missing.
- ❖ Exploration Targets confused with Inferred Resources.
- ❖ Grades and tonnages of Exploration Targets not expressed as ranges.
- ❖ Valuations; WACC and discount rate issues, inclusion of Inferred Resources.
- ❖ Poor editorial control evident of some submissions, but excellent editing in most.
- ❖ Formula for Chromite (Fe,Mg) Cr_3O_4 given as Cr_2O_3 .

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Challenges for the future.

Accommodating S-K1300 TRS requirements within the SAMCODE and JSE Requirements.

Exposure to reporting codes other than SAMREC/SAMVAL: NI 43-101, CIMVAL, JORC, VALMIN, and possibly others.

Inward secondary listings on the JSE.

Companies moving primary listing from the JSE to NYSE etc.

Awareness and application of JSE Requirements Section 18.

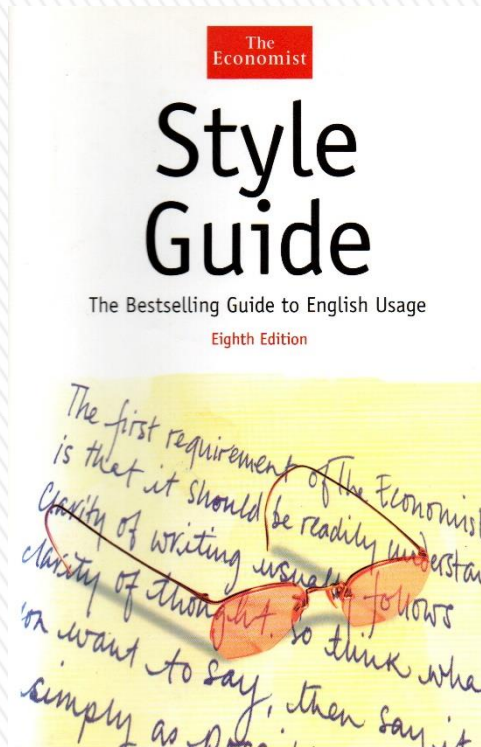
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Challenges for the future.

Some questions.

- **Is the page count of CPRs; too much or too little?**
- **Does the investment community and the 'interested investor' need so much information and detail in a CPR?**
- **Who (apart from the CPs, Editors, and the Readers) reads a CPR from end to end?**

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Report writing

1. Make sure you set the MS Word language default To English (South African or United Kingdom), and not English (United states). Multi-author CPRs should use the same English version.
2. Make use of the built-in editor in MS Word 365 to Tidy up spelling and grammar. A premium version is also available on subscription.
3. Or, subscribe to editing software such as Grammarly™ which will aid you in deep cleaning your reports.

Perleeze people! Proof-read and edit your reports before you send them to the JSE Readers for review. We are not an editorial service and will not correct your errors and mistakes, these are your responsibility.