

SAMESG Committee Minutes
14 June 2017

Mr Davies commented that, as a non-environmentalist, he understood the document and could work out how to apply it. In a purely South African context, he understood it; but he was more concerned about whether it would work outside South Africa. He suggested that the ROPO's would have to be extra-territorial. Ms Magnus agreed to change the wording to read: "regulatory body" and send an update to members within a few days. There were some people who were under the impression that SAMESG was a standalone document and it would be ideal to avoid users having to download other documents.

Ms Dixon was not familiar with the other Codes and, in some instances, she could not see from the document what was meant, e.g. RPEEC. Those acronyms came in under the South African context.

Ms Magnus undertook to make these changes as soon as possible.

Action: Sarah Magnus

Mr Davies advised that he had read the document and understood the objectives. He believed an environmentalist would understand this as well. His only concern was with the South African acronyms.

Ms Dixon added that often the documents were not going down to the relevant specialists. She believed that one of the issues with all of these documents would be whether the Competent Person understood what needed to be done or understood that the technical specialist had to get involved. With that in mind, she queried whether there were any places where one could recommend that the documentation could be rewritten in order in order that, not necessarily the environmentalist, but also the Competent Person would understand.

Mr Davies reiterated that he could work out where he would have to ask for assistance and where he would be able to manage on his own. Given that the Competent Person was ultimately liable; if they did not ask, it was on their own heads. If the Competent Person wishes to use his/her judgement and not refer to a professional, that was his/her call under the SAMREC Code. He believed that SAMESG should not appear arrogant.

Ms Magnus responded that that was the reason for the briefing document. She believed it was important to introduce the briefing document to the Readers' Panel, to help them to understand whether the relevant information had been included.

Mr Davies advised that this could be done in three ways:

- Via feedback from the GSSA SAMREC/SAMVAL conference
- Via contributions that would be made to the Mineral Project Valuation School 2017
- Through the complaints process

If it became obvious that the complaints process was identifying that there were areas where application was lacking, it would get the message out to the Competent Persons. If the Competent Persons were not reading the briefing document, this message would come out into the market via the communication process. He did not believe it was necessary to start penalising people who were making mistakes that were not material; those people would just be reminded to include all the information in future. He believed the message would get through in time.

Ms Magnus voiced her concern that it was not around discipline; there were many people who believed that pages and pages of information needed to be included. It was only when they actually made the submissions that they realised it was not so onerous.

Mr Davies suggested that, through the FAQs, it might be possible to ascertain via Ms Marshall if there was a potential to open a hotline on this subject.

Ms Magnus advised that there was the option to contact the committee via the website and Ms Marshall was working on getting that information out into the public domain.

3.2 SAMESG / SAMREC / SAMVAL Tables

Mr Davies commented that he had gone through the guideline, the briefing document, the FAQs and the tables. He understood what was required and did not get the impression that a competent person would have to complete reams of documentation, as 90% of the required information was already on file.

Ms Dixon confirmed that she did not have any major comments. She believed the documentation was easy to read and could be followed. The only issue she experienced was with the abbreviations and acronyms for the various bodies. She was slightly concerned about the legal aspect under Item 2.3 (Legal Aspects) in terms of disclosures. From previous experience, she knew that people grappled with what should be a recognised claim and what should be applied. She did not see, from the guideline table, that it was that helpful when trying to determine what should be included.

Ms Magnus responded that the most logical place to put that in was in Appendix 1, depending on how much detail was required. She believed that recognised claims were quite tricky and there were two options. The first was to put in a description in SAMESG itself; the second was to put in a note saying: "refer to Appendix 1 for further guidance on recognised claims".

Ms Dixon advised that that would be helpful and she agreed that this was a difficult area, as were other areas such as "any future financial liabilities". She suggested that the Appendix would be the place to put that.

Mr Davies reported that some years ago, on the penalties and such, for the mining companies which were registered with the SSC, these had an amount of \$100k included, i.e. everything over \$100k had to be included in a [...] announcement, not just in the CP report. He was not sure of the level of fines on Environmental, but a number could be included. Ms Dixon agreed that guidance should be sought on where to look for such a threshold. Any penalties and fines would be a low threshold.

Comment [AD1]: Could not hear?

Ms Magnus advised that this could be linked to the issue of materiality and a figure could be added. Mr Davies responded that the majors would not disclose anything so he would recommend getting a physical number for a fine in the South African context. The SSC figure of \$100k was applicable to everybody – small, medium or large. The number had to be big enough so that companies who were regularly "sinning" in South Africa should expect to get cautioned by the NGO.

Ms Magnus commented that, with the current definition on materiality, she was satisfied with an amount of R1m.

On the guideline document, Ms Magnus reported that she had been able to do the SAMREC portion fairly easily, but had struggled with SAMVAL and asked whether the other members had any material ESG aspects that they considered modifying factors. Mr Davies responded that his company never applied SAMVAL. He suggested that Ms Magnus speak to colleagues at Venmyn. Ms Magnus advised that she would meet with Ms Redman to ask for her input and would then circulate the information. She added that the idea was to publish all of this on the website by the end of July for companies to start downloading.

Action: Sarah Magnus

4. FEEDBACK FROM THE GSSA SAMREC / SAMVAL CONFERENCE

Ms Magnus reported that a half-hour timeslot had been allowed for discussions on SAMESG, but there were a lot of Questions and Answers, which resulted in there not being enough time. A lot of interest was shown, but the main query that came out of the Conference was that more time needed to be spent on SAMESG. The other question was around the application and she had spent some time explaining the briefing document.

Ms Dixon added that there was a discussion on materiality, but because it was so new, people did not really understand.

The Readers' Panel had advised that they would look at the questions that came through and bring those up as topics for discussion at the next Conference.

5. CONTRIBUTIONS TO THE MINERAL PROJECT VALUATION SCHOOL 2017

A presentation would be delivered at the Mineral Project Valuation School by Mr Cross on different ways of establishing liabilities. Ms Dixon would give a presentation on legislation. Ms Magnus advised that once she had received the presentations from Ms Dixon and Mr Cross, these would be uploaded to the website to provide more clarity.

Comment [AD2]: ??

Comment [AD3]: ??

Action: Sarah Magnus

6. GENERAL

Ms Magnus advised that Mr Sunday Mabaso from the DMR in Gauteng had contacted the Committee to express his interest in SAMCodes and becoming more involved. She suggested that he might be able to give SAMESG some good insight.

Comment [AD4]: ??

Ms Magnus requested Ms Dixon to think about writing a guiding note on working mine claims.

7. CLOSING

Ms Magnus thanked all members for their attendance.

8. DATE OF NEXT MEETING

It was agreed that the next meeting would be held at 12:00 on 30 November 2017, to coincide with the SAMVAL and SAMREC Meetings. Ms Jardine agreed to resend the meeting requests.

The Chairman closed the meeting.

SUMMARY OF KEY ACTION ITEMS

Sarah Magnus:

Committee responses to edits on documentation would be taken to Tania Marshall

Sarah Magnus:

Liaise with Kelly Redman regarding modifying factors

Sarah Magnus:

Send presentations of Carol Dixon and James Cross to Tania for upload to the website.

Camielah Jardine:

Resend meeting request for 30 November 2017