

MINUTES OF THE SAMREC WORKING GROUP MEETING
HELD ON 29 MAY 2014 AT 09:30
IN THE DELVILLE WOOD ROOM, MILITARY MUSEUM

Present:	M Austin A N Clay R Croll C Dohm T M Fitton P-J Gräbe M Lynne	K Lomborg (Chairperson) T Marshall M McWha J Nel S M Rupprecht J Sullivan M Tlala
Apologies:	J Botha R Davel A de Bruyn V Deonarain M Harley K Johnstone A Macfarlane	S Mathuray C Musingwini G Njowa S Nupen G Smith E Takolia J Visser
In Attendance:	S Moolla J Carpenter	Manager, SAIMM Recordist and Minute-taker

1. Welcome

The Chairman welcomed all to the meeting.

2. Acceptance of previous minutes with reference to actions noted

The minutes of the meeting held on 27 March 2014 were accepted as a true reflection of proceedings.

3. Matters Arising

Page 2, Minute 4, Discussion: Revision of the SAMREC Code,: the Chairman stated that he had prepared a presentation but had not distributed it. This is still to be done.

Action: KEN LOMBERG

Summary of Key action items:

The SSC logo should be edited to include SAMOG. This issue would to be tabled to the SSC for confirmation.

Action: ANDY CLAY

SANS has issued a revision document for coal. The question was where did SANS fit in relevant to SAMREC and should SAMREC continue to endorse the SANS document or incorporate/reference the document in SAMREC? The SSC had discussed the matter of Mr Dingemans not being invited to attend the SSC meetings, and it was noted that this could have been as a result of an oversight when the invitation letters were reissued.

It was agreed that the Chairman will engage with the SANS committee to try and get better alignment between SAMREC and SANS. One avenue that will be explored is should the SANS document become a principle-based one, applied in conjunction with SAMREC? The alignment between SANS and SAMREC should be guidelines and not best practices.

SAMREC wants to compile the guidelines along with an additional best practices document so that if best practices are updated, the entire Code does not have to be updated.

Action: KEN LOMBERG

Discussion on CPs/poor reporting:

Mr Rupprecht reported that despite all the rewrites of all the mineral codes, there have been no instances of CPs being called to answer for inaccurate reports. Mr Clay stated that it has been proven that to bring inaccurate reporting to the attention of the GSSA and SAIMM for sanction had not been effective as these organisations do not want to take on any contingent litigation which may arise. The JSE has offered to step in but it is mandated through the Financial Services Board and effectively is licensed by Government. All it can deal with is public reports. The question was what is to be done in the case of inaccurate reporting in non-public reports? Mr Rupprecht stated that he had reported a case to the JSE six months' ago and no action has been taken. The Chairman concurred stating that during an engagement with the GSSA it transpired that no geologist has faced an enquiry for poor reporting for a period of several years.

Mr Clay pointed out that sponsors and accountants can both be "brought to book" by the JSE in cases where they are deemed to have acted unprofessionally. Does SAMREC want to use the same process with CPs whereby the JSE will pick up on calling to account those CPs deemed to have acted unprofessionally? The Chairman stated that the issue with CPs is broader than that of accountants and there has to be a mechanism put in place whereby CPs can be held accountable. Mr Clay emphasised that the JSE had stated that it will take up any issues in terms of public reporting, exactly what the SAMREC Code supports. Dr Marshall countered by stating that public reporting encompasses not only JSE-based documents; there are other public reports which are not necessarily linked to the requirements of the JSE.

Mr Croll suggested that the non-discipline of CPs and other professionals be raised at the SSC level as there are more and more instances of inaccurate reporting being noticed with no concrete action being taken by professional bodies against the persons involved.

The following further suggestions were made:

- a. Determine how many cases of inaccurate reports have been reported and how many disciplinary cases have emanated from these.
- b. Consider reviewing, anonymously, a selection of reports submitted to the JSE and determine how many are accurate/partially accurate/outright failures.
- c. Consider the coaching/mentoring of CPs.

The Chairman will take the "perennial debate" around the issue of inaccurate/incompetent reports/CPs to the SSC and ask for fixed guidance on how the issue can be resolved.

Action: KEN LOMBERG

Consider the implementation of training courses in SAMREC, its requirements and relation to all other codes. Nothing discussed.

Feedback on SAMVAL: Mr Clay reported that the SAMVAL Committee has done significant work on the rewrite of the SAMVAL Code.

Debate on CPs/CVs/learned societies/statutory bodies (registration): The SSC is putting together a workshop to debate this issue. SAMVAL, the JSE, GSSA, SAIMM, ECSA and Plato will all be represented at the workshop. The date for the workshop is yet to be confirmed.

4. Discussion: revision of the SAMREC Code; process for finalisation.

The SSC wanted to publish the revised Code in the first quarter of 2015, taking into account the following steps which have to be undertaken and which will take several months:

- a. Ratification of the rewrite by the WG and SSC
- b. Garnering public comment
- c. The JSE must peruse the rewrite and consult internally. Thereafter it will report back to the SSC and WG.
- d. Publication in the Government Gazette for commentary

In order to achieve publication early 2015, all outstanding work on the rewrite must be complete by end August 2014.

Areas of the Code that still need review:

- a. Reserves – the wording attached thereto
- b. Table 1

Once the Code is available for publication, then work will start on the companion volume. It is hoped that a seminar or conference will be convened by the middle of 2015 at which the proposed companion volume can be presented.

Discussion on range versus sensitivity: The Chairman asked that those who have strong views on the meaning of range/sensitivity submit their arguments to him for consideration.

5. Discussion: Exploration Target reporting

Discussion was held on the presentation of a range for reporting of an exploration target. Various points of view were discussed. It was concluded that this point has been discussed at length previously and when it was concluded that a exploration targets would be reported as a range.

6. Discussion: revision of Table 1

Table 1 revisions: Those done thus far will be circulated for input.

Action: KEN LOMBERG

7. Discussion on SAMREC rewrite announcement

See point 4 above.

8. General

The Chairman informed the meeting that Mr Swindell is looking for case studies of both good and bad reports on the reporting of resources and reserves. All reports will be treated in absolute confidentiality. The purpose of perusing the reports is to determine where the shortcomings are and what training is needed to raise the standard of reporting.

8. Closing

The meeting concluded at 11:30.

SUMMARY OF KEY ACTION ITEMS

Chairman:

Forward a copy of the tabled presentation and document "Re-write of the SAMREC Code (2014) to the SAIMM Secretariat for circulation to all Working Group members for comment and suggestions.

Ken Lomborg:

To approach Mr Dingemans and Ms van der Merwe with the view to align SANS with SAMREC.

Ken Lomborg:

Take the "perennial debate" around the reporting of inaccurate reports/CPs to the SSC and ask for fixed guidance on how the issue can be resolved.