

MINUTES OF THE SAMREC COMMITTEE MEETING

HELD ON 24 NOVEMBER 2016 AT 09:45

**DELVILLE WOOD ROOM, MILITARY MUSEUM
SAXONWOLD, JOHANNESBURG**

Present:

K Lomborg (Chairman)	S Rupprecht
A de Bruyn	J Sullivan
A Clay	J Visser
R Croll	
T Flitton	
T Marshall	

Apologies:

A Botha	V Deonarain
E du Toit	S Joubert
A Macfarlane	J Odendaal
K Redman	T Rowland
M Tlala	R Minnitt

In Attendance:

R van der Berg, SAIMM
A Donnelly (Scribe)

1. WELCOME

The Chairman welcomed everyone to the final meeting of the year. It had been a busy year with the release of the Code and the Companion Volume Conference. He advised that there was still work to be done, as outlined on the agenda.

2. ACCEPTANCE OF PREVIOUS MINUTES

The minutes of the meeting held on 28 July 2016 were accepted, subject to the words "SAMREC Working Group" being changed to read: "SAMREC Committee" wherever this occurred.

3. MATTERS ARISING

The summary list of key action items discussed as follows:

Regarding the formation of a sub-committee on training, Dr Rupprecht advised that a few dates had been set up for February 2017 regarding an introduction to the Codes for the YPC.

Mr Lomborg advised that a provisional date of 17 July 2017 had been set up for beginners' version of SAMREC with the GSSA. It was also planned to put together an "advanced SAMREC" course, which would involve case studies and discussion. The date for this had not been finalised, would it would probably be in March 2017. Mr Lomborg

believed this might be fairly provocative; in that a closer look would be taken at CPRs to establish what was good or bad reporting.

Mr Lomborg confirmed that the list of meetings for 2017 would be sent to members. Four meetings were planned for next year, in line with the quarterly SSC meetings, i.e. February, May, August and November.

Action: Raymond v/d Berg

On the possibility of having another Companion Volume Conference in 2018/9, Mr Lomborg advised that planning for this should begin in 2017.

Regarding the election of a Chairman, Dr Marshall advised that this was to be decided by the Committee.

On the question of the SEC Guide 7, Mr Lomborg reported that Mr Dixon had submitted a draft to the SEC. There was constant interaction between the SEC and SME in the USA, but there was concern that the final version would be issued without consultation. Dr Rupprecht queried whether the replies would be circulated and Ms Flitton offered to send all committee members the relevant link, which listed all the replies. The responses had mostly come from industry.

Action: Tarryn Flitton

4. OUTSTANDING ISSUES FOR SAMREC

Ms de Bruyn queried whether there were parked issues for the SAMREC Code. Mr Lomborg responded that there were no issues, as there had mostly been good response on the Code. Dr Rupprecht suggested that a note be put out by SAIMM/GSSA to remind readers that this Code was now official.

Action: ?

Mr Lomborg reiterated his thanks to all who had participated. He confirmed that most of the printing glitches had been rectified and the Codes were on the website.

5. TRAINING

Mr Lomborg reported that additional training was planned for 2017. Some discussion followed around having another conference in 2018. Ms Flitton suggested that there should be a real focus on training in the new year. Mr Lomborg advised that papers would have to be in well before the conference and that planning would start in 2017. Dr Marshall recommended that the conference should be held in 2019 to allow people to use the Code for a year. Mr Lomborg suggested that it should be held late in 2018, i.e. August or September 2018. Dr Rupprecht wanted to see more of the younger people from the mines attending the conferences, but that this was open to discussion. Mr Lomborg advised that the aim would be to set industry standards and that a call for papers would be sent out early in 2018. Mr van der Berg confirmed that it had been diarised, but was not yet with the TPC.

6. CRIRSCO FEEDBACK

Mr Lomberg gave feedback on the recent CRIRSCO annual conference that he had attended with Mr Dixon in Jaipur, India. There were currently ten CRIRSCO members, as recently Kazakhstan, Mongolia and Brazil had joined. China, Indonesia, India and the Philippines were also currently in the wings.

The conference was held in India in order to get some movement in that country regarding CRIRSCO reporting. The way that the awarding of mineral rights worked in India was that the Government put together all the information for a block, and this was then put out to auction. These blocks were available for auction based on the information provided. The Indian Government also had the mandate to use the UNFC 97 Code to get them up to a certain level of understanding before going to auction. The UNFC 2004 Code had changed considerably from the older version and India was trying to move away from the holistic approach in order to get to a market approach.

It was a four day conference, with the first two days being an open session. The last two days were private meetings held to discuss different aspects of the Code. With ten members, it took quite a long time to get through the programme. In addition, there were four different languages other than English.

Some of the issues highlighted were:

JORC had their 2012 Code and they were now interacting with the Stock Exchange. The Stock Exchange had brought two things out: one was to look at forward looking statements and the other was on the reporting of scoping studies for which finance had not been obtained;

ASIC 214 was released in October and discussed some of the aspects;

- The Brazilians were still bedding down their Code and were doing extensive training to ensure that everybody understood the requirements, while still remembering that their Code was parallel to the law;
- The Canadians were also worried about the PEA (Preliminary Economic Assessment). They put out a staff notice about exploration targets, ranges and grades and they also got some updated commodity guidance;
- The Chileans (Minero) appointed a new chairman in July, with a complete change of guard. The new person would talk to the Peruvians, Argentinians and Colombians to also become members of CRIRSCO;
- Kazakhstan was also bedding down the Code and part of their motivation was that they wanted to be recognised internationally;
- Mongolia had done a lot of training and increased their membership to 130 professional members. They were hampered by the fact that they were not big enough to have financial clout;
- PERC (the European Code) had seen some restructuring due to EU requirements. With Brexit, most of PERC was based in the UK and they were trying to get buy-in from the different professional organisations in other countries, e.g. Finland, France and Belgium. Currently, 80% of their activities involved geologists from the UK. They were involved in strategic initiatives such as strategic minerals, e.g. platinum, fluoride, etc. Their Code was largely pointed towards building materials, i.e. cement, quarry stones, etc.;

- Russia was unable to attend but much work was being done to get better alignment between the state report and the NAEN Code;
- South Africa had launched the Code and hosted the Companion Volume. Copies of the Code were distributed and details given on the Companion Volume;
- SME (USA) reported that their activities had been almost exclusively around the SEC in respect of the replacement of IG7. They wanted to ensure that when a finding went out, that it had not been white-washed.

Mr Lomborg advised that the drive was towards getting new countries on board. The Indonesians had signed a Memorandum of Understanding and there was a good chance that the CRIRSCO conference would be held there in 2017. They had a code, but no professional organisation. The Indians were quite a long way from getting a code, because they needed political will together to make it happen. The Chinese were in the same situation. There was concern around private organisations trying to run CRIRSCO in China for financial gain rather than for the benefit of the industry.

Thereafter, the CRIRSCO representatives met independently, to look at the CRIRSCO template to ensure that it was up to date, as the current one was based on JORC 2004 and there were various updates that could be added. There were 15 topics under discussion:

- Reasonable prospects
- Exploration targets
- Environmental & Social
- Mine closure
- Life of Mine Plans
- If not/why not?
- Table 1
- Table 2
- Scoping study
- Metal equivalents
- Alignment with UNFC
- Independence/impartiality
- Mineral waste
- Industrial and construction materials
- Materiality

Mr Lomborg requested that members should advise him of any other topics they believed should be discussed by CRIRSCO.

There was also a lengthy discussion about reciprocity between the various countries/NROs. Russia and Kazakhstan had reciprocity with South Africa and consideration was being given as to where return reciprocity should be requested.

In addition, there was a discussion on whether the Code should go into ISO or not. This discussion had floundered during the Conference, but Mr Lomborg advised that it could be raised again. The motivation for this request was uncertain.

One of the important aspects was the ICMM (International Council of Minerals & Metals) which was effectively an organisation funded by 15 of the biggest companies, e.g. Anglo Ashanti. They supported CRIRSCO but had halved the financial support and, with CRIRSCO membership increasing, this made it difficult. Mr Lomborg reported that funding had been one of the biggest debates and, effectively, each NRO was asked to fund its own representative in terms of travel costs, accommodation, etc. to attend the annual CRIRSCO conference. In addition, each NRO was requested to contribute \$2 000/year. Some of the smaller countries were struggling financially and the new countries joining did not have the financial capacity as yet to send members to the conference.

Peripheral talks were also being held with the International Accounting Standards forum.

The year of service for CRIRSCO office bearers had been changed to a calendar year. This meant that Mr Lomborg would continue as secretary until the end of 2017. The CRIRSCO executive would also change every year.

The Memorandum of Understanding had been revised to ensure that people joining were aware of what was required.

Meetings were held annually and these were generally held in the country which had most recently joined. To that end, Indonesia had been nominated to host the 2017 CRIRSCO Conference, with South Africa as the back-up alternative.

Mr Lomborg advised the meeting that Mr Dixon had suggested that South Africa should become the Southern African Resource Committee.

It was also pointed out that the CRIRSCO presentations would be published on their website within the next few weeks; and the reports from Messrs Lomborg and Dixon were available on the SAMCODES website.

A complaint had been sent to the SSC regarding a coal company. The SSC asked for assistance with this and Mr Sullivan volunteered his services. Mr Croll advised that Ms Redman would set up a meeting in the following week to discuss further details.

Action: John Sullivan

7. GENERAL

Mr Croll commented on an issue that had come out of the SAMVAL meeting around the fact that wording of certificates differed between SAMVAL and SAMREC for a CPR.

In SAMREC, in all of the certificates in the CPR, the following statement was made:

"As of the date of this certificate, to the best of my knowledge, information and belief, this Competent Persons Report contains all scientific and technical information that is required to be disclosed to make the Competent Persons Report not misleading."

In SAMVAL, the following wording was used:

"... and all facts presented in the report are correct to the best of the CV's knowledge."

It had been agreed that this should be discussed at the SAMVAL meeting in February and it was recommended that Mr Lomborg and the Chair of the Readers' Panel be invited to attend.

Action: Ken Lomborg

The second issue was around the correct title to be reflected in the CPR when looking at the Code, i.e. how it should be referenced. At the SAMVAL meeting, it was agreed that it should be as written and that this would be put on the website. The same would apply to SAMREC. Mr Lomborg commented that the titles of 2009 and 2016 Codes were not the same. Previously the wording advised that it was under the auspices of the SCC and the current wording did not reflect this.

Mr Lomborg queried whether a CV should be taking on the responsibility of a CP and, if he had reviewed it; to what extent this could be accepted as gospel. Dr Marshall advised that her understanding was that a CV should at least read the CPR report more critically than just accepting the figures. Dr Rupprecht believed these issues should be captured and dealt with as and when they arose. Mr Lomborg believed that person had to be named and made to take responsibility. The best practice was that there should be a certificate, but this was not mandatory. Some discussion followed on the minimum levels of disclosure, what represented guidelines and what were guidelines. Ms de Beer believed that if there were issues with the Code, these should be communicated.

Dr Marshall asked around the implications of ISO standardisation. Mr Lomborg responded that this was a money-making exercise in terms of registration and review. He believed this should be pushed out, due to the financial restrictions.

Ms Flitton queried whether the Codes were readily available via an app, as that would be the ideal way to get people to read the Codes. She offered to look at options and report back in the new year. Mr Lomborg advised that preliminary investigations had put the costs of putting this together at R20k. The way to make it publically available would be through the PlayStore, who would take 15-17% for just hosting it. Once it was available in the PlayStore, it would be self-fulfilling and advertising the SAIMM. He suggested that Ms Flitton also discuss this with Mr Mark Austin.

Action: Tarryn Flitton

Dr Rupprecht suggested that this should be kept on the agenda for further discussion.

Action: Raymond van der Berg

8. CLOSING

The Chairman closed the meeting and advised that the next meeting would be held on 23 February 2017.

SUMMARY OF KEY ACTION ITEMS

Raymond van der Berg:

Circulate list of 2017 meeting dates to committee members

Tarryn Flitton:

Send out link regarding SEC Guide 7 responses to all committee members

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Put out note on SAIMM/GSSA to remind members that Code was now official

John Sullivan:

Contact Kelly Redman regarding volunteering to assist with coal complaint

Ken Lomborg

Attend SAMVAL February meeting to discuss CPR certificate wording

Tarryn

Liaise with Mark Austin to research options regarding putting SAMCodes on an app

Raymond van der Berg/Ken Lomborg:

Include the options of putting SAMCodes on app as an agenda item for February meeting