

**NOTES OF THE SAMREC COMMITTEE MEETING**

**HELD ON 28 FEBRUARY AT 09:45**

**C.S.I.R. MININGTEK, CARLOW ROAD & RUSTENBURG ROAD, AUCKLANDPARK,  
JOHANNESBURG**

**Present:** K Lomborg (Chairperson)  
T Williams  
S Cameron  
S Rupprecht  
L Jeffrey  
N Lock  
M Austin  
T Marshall  
T Steele-Schober  
T Flitton

**Apologies:** C Dohm  
G Smith  
J Odendaal  
S Mathuray  
V Deonarain  
L Koorsse  
T Rowland  
A Du Bruyn

**In Attendance:** C Jardine  
Y Ndimande  
M Engelbrecht (Scribe)

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**1. WELCOME**

Mr Lomborg chaired the meeting and welcomed the committee.

**2. ACCEPTANCE OF PREVIOUS MINUTES**

The minutes of the meeting held on 30 August 2018 were received the morning of the meeting. It was decided that if there are any comments/corrections, that Camielah will be informed of such.

**3. MATTERS ARISING**

**3.1 SANS Document**

Mr Stewardson not present therefore no feedback available. Ms Jeffrey requested that Mr Stewardson's name be replaced with her own as she is able to attend 90% of the meetings.

**Action: Lesley Jeffrey/Karen van Deventer**

### **3.2 Formation of the Sub-Committee acquire sponsorships for the SAMCODES app**

Mr Mullins to discuss this with Mr Lomborg and provide feedback once this meeting has taken place.

**ACTION: Matt Mullins/Ken Lomborg**

### **3.3 Concern regarding the definition of competent person to be raised at CRIRSCO**

Mr Lomborg will discuss this with Dr Lock and feedback will be provided once this meeting between Mr Lomborg and Dr Lock has taken place.

**ACTION: Ken Lomborg/Norman Lock**

### **3.4 SAMESG Presentation**

Mr Lomborg introduced Ms Theresa Steele-Schrober. Ms Steele-Schrober represents SAMESG which is the guideline for environmental and social issues, which is one of the two guidelines at the moment for within the SAMCODES family.

Ms Steele-Schrober agreed that the code is repetitive, but this is because they have different departments or divisions, exploration, reserves, resources, etc. We obviously know why we have the SAMREC SAMVAL Codes. ESG issues are incorporated as modifying factors that can potentially materially impact their future audience, which is why the guideline was developed in the first place.

In today's world valuing a mineral resource is a lot more than looking at what's on the ground. Particularly when you're looking at ongoing projects, there's things like tailings dams that influence the overall economic viability of the whole project, there is the lack of rehabilitation that accrues to viability. SAMESG asks you to consider and describe liabilities for concurrent rehabilitation, issues like this will fall into that. We then have social issues where we for example have a core mine where there is a community that is settled right here next to an open dam, there houses are inundated with dust on a daily basis. It will not be long before those people demand to be relocated somewhere further away from the mine. All of these impacts the economic viability of the mining projects. They have strategic water resource areas scattered throughout South Africa, and one of the things that SAMESG's asks in their authors of their reports to do, is to look at their zones of influences from mining projects. If you are situated on a property adjacent to a strategic water resource areas, it could impact on what you're able to do on site, what irrigation measures you need to put in place which in turn influences your objects and your capex in terms of influencing the viability of your project. The other example of Coal of Africa where they are trying to develop many projects in the battle zone of a world heritage site, which resulted in massive protest that eventually somehow got approved by the organisation who paid the first highest form to the Department of Environmental Affairs for non-compliance with the national environment management, which amounted to R8 billion rand. This is really why SAMESG has been put into place. All of these influencing the EEE compliance, these are essential requirements. SAMESG has been put into place to help these to ask Mining Companies to consider these factors on their reports.

The World Economic Forum releases their risk report on an annual basis. This is the latest report that was released in Davos and it's always very interesting to see what risks they raised globally as having the greatest likelihood of all the greatest impact. All the ones circled in red are things that SAMESG's ask all to consider when they are writing your reports because it can have an impact on their projects viability. The one thing where there is area for improvement that will be discussed with SAMESG later today, is around carbon mitigation. This has not been articulated clearly in the guidelines, but carbon changes and certainly pose

a risk that needs to be considered. So the guideline talks thought the ESG value chain process but effectively what comes out of all of these activities, and the SAMESG by the way is based on International Standards for example, the IFC, performance standards, all of that is integrated into the way that SAMESG develop their guidelines and the requirements to the guideline. This process in effect, generates material ESG issues, so they are not asking to talk about every five meters of oil that was spilled on their site, but they want to know what are the big risks from a social perspective, and environmental perspective but also from a governance perspective. We ask them to have a look at internal and external, social and political risks that could influence their project. They have the same set of requirements, which is the repetition that Ken mentioned earlier. The reason they have the same set of requirements is because upfront in the SAMESG they recognize that the level of detail and accuracy of information is going to change as you go through a process of doing aspiration, identifying resources and quantify reserves. And so what they ask is slightly different to the summary focus, is they want typical studies to be done during the aspiration phase. And in fact they want some of those studies to be done before they get to decide at desktop level, that they need to know before you start doing aspiration, if you are within the catchment of one of these strategic water resorts areas. You still need the DMR to approve environmental authorisations and for mining projects. SAMESG likes to think they are a competent Regulator who has an idea of the factors in the first place but it is not always the case. Mining Companies may find it inconvenient to recognise that they are in the battles of a world heritage site. And they may not necessarily know that. SAMESG understand that there are challenges on the regulator side. They also expect honesty from the Company's side and so that is why SAMESG has those requirements. SAMESG will say well what are the sensitive areas around your site? Hopefully if they've done their homework, it's not an additional owner's requirement in the Company, because they should exactly be aware of it. So by including this in their report, it shows that they've internalized it, they understood it, and they have a plan in place on how to address it. If they haven't and we later discover it, that is a whole other ball game for discussion. The way SAMESG has been written is that the requirements are not over and above what companies should be understanding and articulating in the first place. It's just that not all of them are making that information publicly.

To make it easier, SAMESG has based it on legislation from a National perspective typical Standard International as well as recognising the financial requirements, Castro being a big one where you are looking at for example, compliance and what it means to actually be able to run the operation. So all of these aspects influence their EEE, they integrated into the 2016 codes and there is nine components. General, they are asked to put together key maps and plans, location section summary, provided more detail explanation of what they are expected to see from an ESG perspective, where they talk about their location. Legal aspects, internal social political, external social political, environmental liability, audits and risk.

These components basically feeds into the trading one items of SAMREC and SAMVAL. And what they have done, they are meeting about an extra document that has table one in it, it is a SAMVAL guideline and they have done a mapping of the SAMREC requirements against the SAMESG and SAMVAL table one.

They include direct section references for the SAMVAL. They include direct section references for the SAMESG component so it makes it easier for the user to find where those components sit within SAMESG, so for example you've got a rotation is country profile description, they provide further detail from an ESG perspective on what they can expect. This is part of table one currently on the website. They would like to improve the way SAMESG references SAMES because it is not necessarily clear what SAMREC expects authors of CPR's adhere to the SAMES components. This table one provides useful method to help authors of the report to be able to do that. SAMESG don't expect a separate standalone report, they anticipate that there would be a single integrated report with the SAMES components written into the various sections, which is why they have done the mapping to make the process easier. However within the SAMES guideline they do have a table of content should someone prefer to write a standalone document, they may do so. The guideline is on the website and then

also in table one excel document, is where the mapping is available. It has the SAMESG table one and the SAMVAL table one available. It's got two other sheets, the she SAMESG SAMVAL mapping and the SAMES SAMREC mapping and that will be updated soon.

Ms Steele-Schrober had the same discussion earlier with the SAMVAL Committee, they are looking at replacing their table one appendix to their co with a PDF formalised version with this mapping, so that it is formally acknowledged as part of the code.

In essence this is what SAMESG is all about. And they appeal to organisations where they work with people that is doing CPR's and they have no idea what SAMESG is all about. Please take SAMESG and that which they do out to those companies, SAMESG would very much like to go to those companies and give them a summary of what they do. Their contact details are available on their website.

The question was raised that from a listed company perspective, would this be complimentary or would it replace the current sustainability reports that the companies are currently issuing? Ms Steele-Schrober commented that listed companies, in their sustainability reports, if they have done it comprehensively, they should be able to tick all the boxes for a SAMES perspective. It depends on how well it was done.

A second question was that if there is a chance that at some stage this will supplant or in fact become the guideline for the sustainability report? Ms Steele-Schrober is of the opinion that it won't become the guideline because the sustainability report, or a lot of them, are written with the GRI, which is far more onerous in its requirements.

A third question was that the table that was presented in the presentation looks more like a guideline for writing of compilations of reports to aid the CPR process. Ms Steele-Schrober agreed, what they are expecting to happen is that within a large organisation, presumably there is a person in charge of managing social and environmental issues, SAMESG propose you first contact that person when writing the report because SAMVAL or SAMREC expect you to consider these things in your report. Get that professional involved, get them to help contribute to the report but also influence your decision making as an organisation, because if you are coming, for example, Mpumalanga is full of wetland, you've got a poll project that is now anticipating you are going to get a licence to mine through a wetland, that has certain sensitive species and it is a protected environment. That should not be included under resources or reserves because there is no EEE for mining in that wetland. But yet we see time and again this underlying assumptions that there is a right to mine through everything. Reserves and resources are assumed to be including in the CPR, but there should be some kind or risk description around the uncertainty and they actually have a requirement to discuss their permitting processes, what they expect to be the realistic chance of getting the authorisations. The challenge again that they sit with in South Africa, is the competence of the regulator and the manner in which some organisations go about and securing their licences and also that the regulator doesn't apply the standard evenly across the board. So one Company may very well get a licence to mine through that wetland but the next Company won't. SAMESG is trying to bring that into consideration during decision making within the organisation. It is not only really about including the information but allowing the information to influence your decision.

Ms Jeffrey suggested that Ms Steele-Schrober come to the Cold Day and talk to the attendees. Ms Steele-Schrober agreed and asked for twenty minutes to half an hour. Ms Jeffrey confirmed that the programme is really full already but that they will make a plan to accommodate Ms Steele-Schrober.

Mr Lomborg thanked Ms Steele-Schrober for the presentation and also suggested that they should maybe see in SAMREC, their reference to SAMESG and how the two are properly connected and the difficulties that SAMREC are also dealing with. SAMREC would like to comply with all legal requirements and also best practice requirements, including all other requirements. Mr Lomborg is of the opinion that because the codes are in excel

spreadsheets, it is easier to download and then they have it automatically and it will be used more.

#### **4. MINOR ALTERATIONS: DRILLHOLE**

Mr Lomborg stated that there has to be consistency in their code and other codes and the question was asked, borehole, drillhole, or drill-hole or drill hole as two words? Dr Lock was asked to do some research and have a look at it. Dr Lock's first observation was that the primary goal should be internal consistency with whatever they determine the version to use and the secondary goal should be in alignment with CRIRSCO and perhaps with other International Codes. Dr Lock had a look at SAMCODES and CRIRSCO templates and Australian and Canadian documents. The first observation is that in SAMREC, the only appearance of borehole is in the coal section. At the time Dr Lock prepared this memorandum, he didn't look at the main SANS Document but later on he did and found that they use borehole throughout. So it wasn't a case of inconsistency, it was a case of completely different approach. Dr Lock had a look at the different dictionaries as well but prefer not to discuss this. Then it looks as though SAMREC has used drill hole with a space primarily. In looking at Australia, they are consistently inconsistent. They use drill hole and in the ASX documents they use drill-hole. They can continue to live in their inconsistency. Dr Lock looked at the Monograph 23, which is a guidelines document from 2001. And of course there's a lot of inconsistency there, but there is no bore hole. It is mainly drill hole with a space, some drillhole with no space, and none with a hyphen. Looking at the Canadian documents, they are consistent across in definition standards and NI43-101 and estimation best practice, drill hole with a space. CRIRSCO is almost consistent throughout in using drill hole with a space and there's one example, drillhole without a space. So the question is, what is the preferred option for SAMREC? Dr Lock consulted the diamond guidelines, he looked at the Companion Volume for 2016, drill hole with a space is the primary usage in the Code, but there are a couple of so, occurrences with drill-hole with a hyphen and there is one instance in the Diamond guide with drill hole with a hyphen. Within the Companion Volume, there is inconsistency between all three version of the drillhole but no usage of borehole at all.

The question is what does SAMREC want to recommend going forward, with regards to the primary usage of drill hole, with a space is the way to go? That also makes us consistent with CRIRSCO and to a certain extent with CHALK. Clearly something needs to be done about borehole. In discussion with the coal people or instruction to people, we wouldn't do instruction. Whatever they decide, Dr Lock is of the opinion that their guide should include consistency in the usage, both internally and across the board. Dr Lock would like to highlight the fact that in his consulting life, it was competent policy to use drillhole as a singular word. Although this might not be the recommendation in the SAMCODE, it might be something that could be allowed as an alternative.

Currently SAMCODES are aligned with the United States. The question was raised, if they want to change the usage of drillhole, to which one do they want to align? The important part of this whole research and issue is that in SAMREC they want to be consistent. It is semantics and really doesn't make a big difference. The preference that was agreed upon was **drill hole** with a space.

#### **5. SAMCODES APP**

Ms Flitton and Mr Austin have been driving the SAMCODES App very strongly and they've done fantastic work so far.

Ms Flitton took the lead. They have a Company that is doing the work for them. They have been paid in full. The way which it was approached, originally it was going to be a SAMREC App, then Mr Mullins got involved and they decided that it will be a SAMCODES App. At the moment the other three aspects, SAMVAL, SAMREC and JSC haven't been populated. The approach is that they are first going to get the SAMREC part right first and then present to

the other committees, and if they want to be involved, they will have to do something about it. Ms Flitton said a lot of work has gone into the SAMREC Codes, how they want it and how they want it formatted. Once that is done, it can be moved into the other Codes. They have breakdowns of the Code, as per Ms Flitton, it is a list of content. What they have done, they broke the Code into chunk size pieces that can be viewed on a phone. The idea is to pick up your phone and read rather than having to zoom in or out of a PDF, that wouldn't work on a phone. There was a complication with the search functionality, they wanted to search within the app, if they want a key word they want to search, they must be able to search. The limitation was that this can only be done with an online search. So phase two will be to move into downloading the app and if you are in the field in the middle of nowhere, they should be able to search. Currently this functionality is not available.

Ms Flitton continued, different phones look completely different at this point in time. They are guaranteeing that once you download the app, it will look the same. Ms Flitton has an iPhone and it looks completely zoomed in, with the Android phone, it looks different. The developers of an Android phone, developed it in such a way that the users are able to change text size. Whomever has got this app, can change the text size on the URL that the developers are giving them. Either make the text size bigger or smaller.

The SAMCODES opens in three Codes and then the JSC and that would be the listing rules, Section 12. So they have those three Codes and then they have a more complex business directory notification. The business directory will be shown a bit later. It is just how they intend to sponsor the development and the maintaining of the app. They just used examples for now, to enable them to demo it. Then My Account, and it was discussed in the last meeting, the sensitivity around keeping people's personal information. From an app perspective, and this is how the developers described it to them, they want the owner of the app, they want the owner of the app to know whom their users are, it is up to the individual and it is not compulsory. It is up to the individual to log in with Facebook and currently they only have to login with Facebook or use an email account to create a user and password. This has not been tested as such but they will have to decide if they need this functionality or not. Ms Flitton think that it should not be made compulsory, given the Privacy Information. There is a whole Privacy Policy and that is why Ms Flitton has to go back to the developers to understand what kind of information that needs to be captured and is it necessary.

They are looking at a URL, it's like a simulated app, and it is not how the Apple works. So it is opening a new screen or new tab, just for demo purposes. In the app the user would just see the next screen. If the user go to SAMREC, SAMREC has been broken up into sections. So they have got Introduction, General Reporting, it is essentially the majority of the Code, where the user go into Coal Diamonds, it is Industrial under Additional Reporting and Ms Flitton invited the committee to make suggestions with regards to the terminology used on the app, and also suggestions on the icons used. The developers has given the icons. Figures and Appendix's. The Appendix's still need to be added. The tables which will be shown a bit later, is full Code. A user can download the full Code in PDF. Ms Flitton opened it on her phone and showed the Committee the full Code downloaded on her phone in PDF format. The Code is broken down in chunk size pieces. If the user now go into Introduction, they can go to Glossary, forward, etcetera. Ms Flitton went into the Glossary to show the committee what it looks like, what they have done, specifically in the Glossary. It would go down to wherever the Glossary ends and search again. Ms Flitton showed them the search functionality, using Audit. And it shows one out of three occurrences and then they can go through and search where those occurrences are.

That was the idea with the app. If the user needed a keyword and they needed to find something they could. What is not done as yet, they haven't included the actual clause numbers which they have asked them to now include. It is quite important, the user will search for clause 1, and then they will find it. Ms Flitton scrolled further down the line, under General Reporting, Exploration Results for example, the developers were able to recreate the formatting, definition with an orange background, exactly what the Code looks like. Again, the user can do the same search functionality at the top, and page through it.

It looks completely different on the iPhone but they are guaranteeing that once the user downloaded the app, it would look the same and the user wouldn't have these different text sizes and zoom levels. If Ms Flitton goes to Additional Reporting, again the user can use whatever icons they want. If Ms Flitton goes into the Diamond Section, it looks different to the previous screen, the content has not been checked and Ms Flitton said she will have people test that the content is exact. The app can be opened on a laptop and tested, Ms Flitton specifically demo it on the phone so the committee can see what it looks like on the phone.

Ms Flitton moved onto tables. The developers guarantee that the tables will open perfectly and the user can zoom in and zoom out. It is quite easy and the user can still search. Originally, they were going to keep the tables in the PDF version but it made more sense to have the search available when the user is looking for specific keywords.

Moving on to the figures which they actually only inserted the day before. The figures still needs to be labelled as figure 1, figure 2, etcetera. But the user can actually go through the figures. So that zoomed in nicely, the user don't have to have text around it. They must just make sure that it refers to figure 1 in the actual sections of the report.

Ms Flitton concluded with a quick summary. They covered the figures, they covered the tables, the Code, essentially broken up into three sections and if they look at it its equal equivalent of the number of pages. They covered the search functionality and the format correct. Originally they were opening chunk size bits of the PDF and then they explained to the developers that they want to be able to read it on a screen and zoom in and zoom out. The next steps, once the Committee is happy, they will be moving on to SAMVAL and SAMOG. If they are having trouble with SAMVAL and SAMOG, they could theoretically grey those out for now and launch the app, as discussed with Mr Lomborg.

There are however, other complications, like cost onto stores. An Android store or Google play, whatever you choose, won't be cost related but as soon as you move it to an IOS, it will be cost related. It might be something like \$99 per year or extra costs. The developers need to be able to proof that this app is worth an Apple app, which makes it a bit complicated. The next step would rather be, to get it onto an Android device to see if they can get the app working, working on a phone and then launch it. And if the committee want to rather wait for SAMVAL and SAMOG, Ms Flitton is of the opinion that the JSC can get done pretty easy, she has been given the breakdown. It would be broken down in a similar way.

Then just to show the committee, they have Contact Us, which they will have to work on. They have taken a lot of the content from the SAMCODES site. Ms Flitton think they should put mapping, the photo is blurry because it was taken from the website. As far as Ms Flitton can tell, they don't give your contact details but they do give you an e-mail, and whether you wanted that e-mail to go to a central e-mail or whether it must come directly to you, it gives people the ability to contact the committee so that the users potentially know what each of the members are involved in. They would need to take new photos and also include their titles in the content for users to contact if necessary.

Ms Flitton moved onto the business directory. Going through the app, she pointed out that you might be able to give some information on your company on or in the specific area. It will consist of their logo, company phone number and the website. They haven't put it up-front, they haven't added avatars, strips at the top. They don't want it to be like that and they just thought to use a couple of Companies from the Geo Bulletin as an example so they could demo it. Ms Flitton think it might be by location and it is not necessarily going to work. Ms Flitton think it can be changed to how they want to view it. They will still work on it, Ms Flitton has put it in the back end because they want to get the SAMCODE in.

Under the heading More, there is quite a bit, there is an Events, any events coming up can be put in there. There's nothing in there right now. News World, that which they

had while creating the app can be put in there, for interest sake. Training, it was discussed the other day. They are not against Training, a number of individuals, so whomever they decide, three or four, potentially in the different codes, the SAMREC, SAMVAL, SAMOG, can put the information out. Ms Flitton doesn't know if it should go the SAIMM. It was suggested that it would be great to train at least someone in the SAIMM, because SAMREC will be moving around and SAIMM will be more consistent.

Ms Flitton commented that by the sound of it, the app and maintaining and updating the site is not difficult.

There is a functionality for the user to click that they are only interested in SAMESG, then any events that are SAMESG listed will be notifications to the user. The user will not receive everything or that which they are not interested in. Again, Ms Flitton will still have to test first. It gives the user the ability to filter down when they are interested or not.

Gallery is a couple of photos. Ms Flitton is not one hundred percent sure on Help, it might only be to guide you through the app. Notifications are similar to the news wall but it could be go look at the latest guideline. Ms Flitton suggested to have a button of guidelines, whatever guidelines they have on their site, which could be opened as PDF as well. Ms Flitton also suggested a link to the website and not necessarily the PDF to be opened in the app.

They created under each of the Codes, related links which will just be updates, and it would then if you click on CRIRSCO, it will direct you to the CRIRSCO website. This is an option that they could explore.

Ms Flitton concluded by showing the committee what SAMVAL looks like. They have full Codes and related links. The breakdown of the Code is the content. For now, that is what the developers were given and there is nothing inside. Ms Flitton took the SAMVAL Code and broke it down in smaller chunks. As soon as they are happy with SAMCODES, they will be moving on to SAMVAL, SAMOG and JSC. Ms Flitton confirmed that there is still some work to do in finalising the SAMCODES app, get the MC's in, do the changes as per suggestions from the committee in the next week or so, and potentially share the link again, making sure that the committee is happy with SAMREC and then continue with the other Codes.

Ms Flitton asked for suggestions on how to improve the app. There was a suggestion to change General Reporting to Public Reporting. Another suggestion was to change Additional Reporting to Commodities Specific Reporting, that explains a bit more about what it is. It was also suggested that the Committee will send Ms Flitton the easy creators and then they can play around with it, test it, and see if there are things that might be disastrous.

Ms Flitton will be sending it out to the committee to use and test it for a week and see if they like it, enjoy it and give feedback. Ms Flitton wanted to know where the committee want to add the guidelines. If they wanted them to add the guidelines to the Code it relates to? There were no suggestions. So then Ms Flitton suggested that while they use the app, they can think about it. Ms Flitton feels strongly about the fact that the guidelines should be added.

Ms Flitton also asked the committee to bear in mind that the content on the app is old and that they will get better with maintaining the information once they train people up to assist with this. The question was raised that in the event that the user has downloaded a document and there is an update available on the app, will the user be notified that there is an upgrade so they can go and download the upgraded version?

Ms Flitton confirmed that the notifications can be used for this purpose. In terms of the Code, they will automatically upgrade the original and if and when you view it, you will have access to the updated version.

## **6. CRIRSCO NEWS**

At the moment as per Mr Lomborg, there is quite a lot of work getting China into the CRIRSCO fold. They are in the process of finalising their Chinese Code called CAMRA. Mr Lomborg doesn't know what it stands for. It is in the process of being reviewed. The other country that is also just signed an MOU, is the Philippines. The Philippines have had something for a while but haven't had the professional bodies supporting it, and some of the engineers were giving them a bit of grief. So they have gone ahead, they have spoken to the stock exchange, this is in the process of happening.

The way CRIRSCO is working now is that each one of these Codes, as they come in, if they want to have a ceremony, then that gets done independently of the CRIRSCO annual meeting. It doesn't interfere with the annual meeting, they had two occasions that the annual meeting was completely hijacked by the hosts. So that's now being avoided. The annual meeting this year will probably be in Washington DC, there are quite a few people from countries that may well struggle or may be reluctant to even go. The Mongolians are not too enthusiastic, Kazakhstan, there are a few that might not want to take a chance.

As per Dr Lock he tried to make contact with people at the Botswana stock exchange. He had a look at the document, and there were quite a number of matters that needed to be discussed in the CRIRSCO context. It was mentioned that last year when they had the Advanced SAMREC Course, they had quite a big contingent for that event. It is probably the biggest single contingent, there is some movement, it sound like they are interested, but they haven't gotten back to SAMREC since then. Dr Lock commented that most of the Companies listed on the BRC are jewel listed Companies.

If the Company is primarily listed in Johannesburg, the Company has to comply with SAMREC and SAMVAL. If the Company request it otherwise, it might be considered but if they are secondary listed on the JSE, the requirement is SAMREC and SAMVAL.

Botswana is currently re-evaluating their coal resources and their coal reserves. Ms Jeffrey asked Mr Lomborg if there is a requirement for them to fit in with a Code when they do that and if so, what that Code is? Mr Lomborg suggested that they go to SANS for that.

The question was raised about the CAMRA Code. Will it, as far as Mr Lomborg know, as far as the accreditation process, this will obviously eventually mean that the Ministry of Mining in China, their Mining department, will make this a Universal Code for should I say, Chinese Main Land Listed Companies? Mr Lomborg's response is to not include the word obviously in there. The difficulty the Chinese Companies has, is that they are told what to do. It is top-down process. Mr Lomborg further continued and said that the big discussion he had in his session with them was the difference between the commercial requirements for reporting and the country requirements for reporting. And they really struggle with that. They will have to sort this out internally, and it might be a long process. From a Hong Kong listing perspective, SAMREC has accepted, CHALK has accepted, so it is an interesting development.

For CRIRSCO, the big issue is not the Code. It is the governance of the Code, so it is the way to control the practitioners and one of the things, as per Mr Lomborg, which is a personal worry to him, the CHALK guys went into training with the Chinese, only about twenty, and made them accredited competent persons. The Chinese might put a value to it going forward.

## **7. SEC NEWS**

Mr Lomborg informed the committee that SEC has issued a new Industry Guide 7 as opposed to the one or two pages, it is now 300 pages. A gentlemen from Goldfields, Tim Rolland, was keen to form a subgroup, and Mr Lomborg suggested that he be the Chairman. Mr Lomborg suggested that they put it on the table and make Mr Rolland Chairman of the sub-committee. And also invited anybody that are interested to be a part of that to volunteer for this cause. It was confirmed that Companies that needs to report under the new Industry Code has till the end of 2021 to comply. That is one of the reasons why they have the next CRIRSCO meeting in Washington DC, is to meet with the SEC and just work through all the bits and pieces with them. Mr Lomborg continued that there would probably be a bit of assistance going forward from the SEC.

## **8. TRAINING**

Mr Lomborg stated that they have got the basic training. They were going to have a SAMCODES 2019, but for various reasons, mostly due to logistics, it has been moved to February the 25th and 26th next year and it is going to be called SAMCODES 2020.

They will be putting out a flyer shortly and the idea is to galvanize as many people as they can to start submitting abstracts and bent arms and broken legs to get people to submit. The reason they initially wanted in October, was to make sure there is continuity with abstracts and final documentation. Previously they had it in May and the Christmas issue just turned everything upside down, and everybody had to have everything done before Christmas, but they only presented in May, and that gap was just too big and now we want to try and get all the final papers and everything done before the Christmas break and then it's only a matter of formatting it and getting the final bits and pieces in the six weeks or so after Christmas before the Conference. It'll be pretty much the same as last time. It will be a stick with all the papers on it and the booklet with just an abstract. And there are quite a few, slightly more controversial aspects that will be discussed, like the relevance of the Codes and a few bits and pieces that would make it a little bit more interesting than just 20 people getting up and boring everyone else with Power Point slides. So we are hopefully going to make it a bit more entertaining.

Then they have the training in September for non-technical, actually professions at the JSE.

And the one that they are still in discussion about is the Advanced Course they have now had for three years in a row. They need to establish if there is a market for another Advanced Course. Mr Lomborg suggested that they should push it later in the year. There was a suggestion to do it a bit different, to shake it up a little bit. It was decided to look at it offline and then decide how they want to proceed.

They have been asked to do the Introductory SAMREC to the DMR and probably later in the year a full valuation onto the DMR, similar to what they did a couple of years ago. The dates were confirmed and then the dates were changed.

They are having the standard training in May and there will also be the YPC in May, for the Young Professionals and everyone else goes along because it is cheap. Obviously, we're going to strong-arm a few people around the table and few the art of the table to try and get them to help the visitations.

## **9. SANS 10230 AND COAL GUIDELINES**

Ms Jeffrey gave a bit of background. After the public comment, and their meetings with SANVAL, what was proposed to do was to try and run SANS the Diamond Guide, but that didn't quite work out because there's certain things that one has to obey from a SANS point of view. At the moment, and this is the way it will be, is sections one and two, I think things like Foreword and Introduction, Three is all our definitions, so it's like your Glossary. Chapter

Four is the one that is the need to babysit. What they've done is to strip out all quotes from SANREC unless they're in the definitions and then they made sure that they are an exact copy. Absolutely word for word. It was found that it couldn't exactly be done like the Diamond Guideline. Then they took the order of the SAMREC Code itself and they followed that order exactly. Where theirs were a clause and SEMREC had a bigger section, or something similar, it follows the same order. All the public reporting information is now sitting in our Clause Four and it mimics the way SAMREC has done things, obviously with any coal specific item that needs to come into that. That made the most of what was SANS original Chapter Five, actually got subsumed into Four and everything from Chapter Six onward is all the how to information, that we can't lose because that's one of the things that Industry requires of SANS.

They virtually completed Clause Four now. They had a meeting last week where they looked at a couple of diagrams that were giving trouble. One of these diagrams was the one that had inventory coal resources, coal reserves, which SAMREC was not happy with. After SANS doing all this, they had a look at their diagram and realised they don't actually need it. Inventory coal is completely separate, it has nothing to do with the public reporting section at all.

The did spend a heck of a lot of time, three hours on one diagram, the diagram now measure the definition and it's far more explanatory. Clause Four is put to bed, Clause Five no longer exist, there is not going too much to change in the how-to-stuff because it doesn't actually relate to SAMREC. In this coming Monday meeting they are going to put back together their document and look at it in its entirety instead of digging down into the detail of it. They try to meet every two weeks to get it out of the way. They have informed SANS about SAMCODES 2020 and want to launch it then, they want to give SANS a heads up that their editing has to happen. From a technical point of view, the majority of the work is done. Unfortunately that's not what takes the time.

Once they had a look at the whole document, it will go back to those people that commented first time round.

## **10. GENERAL**

Nothing was discussed.

## **11. CLOSING**

Mr Lomborg announced that the next meeting is set as the 30<sup>th</sup> of May 2019 at the same time as today 09.45 to 11:15.

Mr Lomborg thanked all the members for their participation in the meeting and formally adjourned the meeting.

### **SUMMARY OF KEY ACTION ITEMS**

#### **1. Ken Lomborg**

Ken Lomborg to provide feedback on the SAMCODES demo app presented to CRIRSCO.

#### **2. Matt Mullins/Ken Lomborg**

Matt Mullins to drive the formation of the sub-committee that will look at sponsorship options for the SAMCODES app.

#### **3. Ken Lomborg**

Ken Lomborg has to ensure that Dr Norman Lock's concern regarding the definition of the competent person is raised at CRIRSCO.

**4. Steven Rupprecht/Tania Marshall**

Feedback to be provided on the SAMCODES app that was presented to CRIRSCO.