

NOTES OF THE SAMREC COMMITTEE MEETING

HELD ON 29 AUGUST 2019 AT 09:45

**CSIR MININGTEK, CARLOW/RUSTENBURG ROADS, AUCKLAND PARK
JOHANNESBURG**

Present: **Mr K Lomborg (Chairperson)**
 Dr T Marshall
 Ms A De Bruyn
 Ms S Mathuray
 Mr M Austin
 Ms T Flitton
 Mr A Geldenhuys
 Ms K Redman
 Ms L Chanderman
 Mr T Rowland
 Mr M Stewardson

In Attendance: **Ms C Jardine (SAIMM) Ms G Charlie (SAIMM)**

1. WELCOME

The Chairperson welcomed everyone to the meeting.

2. ACCEPTANCE OF PREVIOUS MINUTES

The minutes of the meeting held on 30 May 2019 were accepted as being a true reflection of proceedings, subject to the following amendment:

Under Item 5 – SAMCODES App, the minutes should read "JSE" instead of "JSC".

3. MATTERS ARISING

It was agreed that the two action items from the previous meeting would be discussed under Item 5 – SAMCODES App.

4. SANS 10230 AND COAL GUIDELINES

In the absence of Ms van Deventer, the Chairperson's understanding was that the sub-committee had completed its work and the matter was now with the SABS and the editor. It was not clear how long this process would take to complete. It was hoped that a version would be released for public consultation within a few months and that the new SANS Code could be launched at the 2020 Conference.

5. SAMCODES APP

Ms Flitton advised that the App was almost complete and that all four of the Codes were in. There were minor corrections, e.g. the SAMREC appendices and Table II were still not in. SAMOG, SAMVAL and the JSE were almost completed and just needed to be checked. Ms Jardine was requested to communicate a deadline of 06 September for comments. Ms

Flitton added that sections such as 'Events' and 'News' would probably have to be updated with content within the next week. At this stage, there should not be any major changes to the App. Any major changes would have to move into Phase 2 of the scope. It was not possible to rescope the App.

It was hoped to move it to the stores as soon as possible. The Android store was not a problem; but Apple was slightly more complicated, and Ms Flitton was expecting details of what this would entail, e.g. development fee. Apple were also quite specific about not favouring an 'information website' looking App. A price had not been set for the App as yet.

Sponsorship was important to ensure ongoing funding and it had been agreed that there would be a maximum of 12 sponsors at R5k/annum, which would support the ongoing development and running of the App. The Chairperson asked if there were any other people interested in sponsoring the App, this should be communicated to him as soon as possible. Each year, the sponsorships would be reviewed. This sponsorship would include the logo, contact details and website address on the App. Ms De Bruyn would confirm whether the JSE was in agreement and recommended that the contact address should be: listings@JSE.co.za. Other sponsors included the two survey organisations, i.e. The Institute of Mining Surveyors and the Geomatics Council. The JSE and the surveyors sponsored the development of the App and anyone else would sponsor on an annual basis. GSSA and SAIMM were the patrons of the App.

ACTION: MS DE BRUYN

Ms Flitton advised that once the App went live on a store, a training session would be organised. Depending on the number of trainees, this could probably be done via Skype. It was suggested that Mr Lomberg and Stewart attend, as well as someone from SAIMM. Mr Lomberg recommended also identifying a suitable contact at GSSA to add updates, etc. to the App. Ms De Bruyn expressed interest in attending the training session.

A concern was raised regarding what people could put on the App. It was confirmed that any additions or modifications would follow process and protocol.

The Chairperson thanked Ms Flitton for her ongoing hard work on the project.

Ms Flitton suggested going with Android to start with and then taking it from there. The maintenance and support fee would commence once the App went live.

6. CRIRSCO NEWS

Mr Lomberg reported that one of the items included in the upcoming CRIRSCO meeting in Washington was a webinar between CRIRSCO, SME and the SEC. The SEC did not usually do face-to-face workshops or meetings, so that was quite prestigious. There was an invitation to dial in to this webinar and Mr Lomberg requested any interested parties to let him know. The webinar would be on 11 September, at around 16:30 and would last for approximately 2,5 hours.

There would not be much training on the new rule SK1300, and it would most likely be a discussion on the critical points that the SME were trying to clear up. Mr Lomberg's comment was that the SEC was not going to answer questions on how it would impact the user. They required questions in writing before the time, but Mr Lomberg was unsure as to how much time there would be for questions. Ms Jardine agreed to send out the invitation.

ACTION: CAMIELAH JARDINE

Mr Lomberg reported that India had become the 14th member of CRISCO recently, but had not yet had the ceremony, which would probably take place in November/December.

Other countries had expressed interest in joining CRIRSCO, e.g. China, Argentina, Malawi and Peru. Mozambique wanted to write their own Code and had requested assistance. The focus was not so much on the Code, but in having an organisation that had disciplinary powers.

The CRIRSCO template was from November 2013 at the moment and the updated version would probably be published after the Conference and, thanks to Mr Roger Dixon quite a lot of SAMREC was in there, including Table 1.

A question was raised as to whether the SAMREC group was looking at putting any mechanism together to help the current JSE/SAMREC reportees migrating to the new SEC requirements. Mr Lomborg responded that if SAMREC believed it was important to do this, there should be a sub-committee formed to set this up. It was agreed that a sub-committee would be beneficial to those South African companies which were doing dual listings. It was recommended that it would be preferable to have this sub-committee within SAMREC rather than having outside consultants. Some other companies that may be interested in being part of the sub-committee would be Goldfields, AngloGold and Chronox (Richards Bay). It was also suggested that Dr Rupprecht would be interested in serving on this sub-committee.

7. SEC NEWS

This item had been covered under Point 6 above.

8. SAMCODES 2020 CONFERENCE

It was reported that 13 papers had been received to date. Mr Lomborg advised that the Conference was entitled: 'Good Practice' and the organisers were looking for examples of leading practice. It was agreed that titles would suffice at present and that papers could be submitted later. Members were asked to liaise with Ms Jardine in this regard. It was recognised that there were legal implications around confidentiality, but Mr Lomborg noted that it was possible to present a paper on leading practice without compromising confidentiality.

ACTION: ALL MEMBERS

9. TRAINING

It was reported that there was only one more training course with the JSE for the year and that only three people had registered. It was hoped to have more attendees. This was for non-technical professionals. Mr Lomborg advised that previously there had been a basic and advanced course in the same year. The basic course this year had not been as well attended as expected and, as a result, there would probably either be an advanced or basic course, alternating every second year.

Regarding JORC online training, good feedback had been received and it was asked whether there should be online access to much of the training. This was a valid point and it was agreed that it was worth investigating. It was confirmed that people did not automatically become accredited by attending this course. Mr Lomborg advised that Dr Marshall had investigated videoing conferences and using the videos and using that as a basis, but this would require funding to make it look professional, as well as the resources of committed people. If SAMREC online training existed, it would be a really good first port of call.

Webinar workshops had been held at AngloGold and three sessions had been run to date. This could be a method to get SAMREC/SAMVAL training to a web-based platform. Dr Marshall confirmed that the training course was there; it was simply a matter of being able

to pay for the webinar platform. The cost of doing this was around \$1 000/annum. Several options were discussed and it was suggested that a sub-committee be formed to take this further. A possible candidate was mentioned, i.e. Lesley Geoffrey.

10. GENERAL

There had been no formal feedback on the SANS 10230. It was noted that all the terminology issues had been resolved.

The question was asked whether the SAMREC Code adequately covered and gave guidance on how to report the minimum standards desired of a JV situation; where the JV partner was the operator. The example was given of a 50/50 JV partner operating in Ghana who was on the TSX and therefore obligated to submit an NI43.101. If numbers were put out under SAMREC and the JSE, such numbers had to meet the minimum requirements of that partner's regime, irrespective of what the JV was up to.

Mr Lomborg explained that the Code was only about the deposit; it was not about the owners and it was not about the funding. It was only about the technical aspects of the deposit.

The SAMREC Code stated that reserves had to be reported to a minimum standard of a pre-feasibility study or a life of mine plan. A life of mine plan covered one for an ongoing mining entity, but it was felt that a pre-feasibility study was needed for a discreet new mining entity. As an example, if a mine was putting a brand-new portal into current underground, that would be a new mining entity. Mr Lomborg advised that this could be a life of mine. He added that these questions were very specific and SAMREC did not entertain giving an opinion ahead of the time, based on a conversation. If a person wanted it done, the experts would have to be involved and an expert opinion given. SAMREC would not give official opinions on anything; it would have to revert to the Competent Person. It was suggested that this question was more for the company. The life of mine should be of the same standard as the pre-feasibility study.

It was also noted that SAMREC did not give guidance on as and when a Table 1 should be used. Mr Lomborg responded that it was an ASX requirement, so many people had started doing this. There were only two occasions when a Table 1 had to be done and that was for a material announcement or maiden resource/reserve declaration; or where there was a significant change to a project. SAMREC suggested that it should be done every single time. It was not mandatory to publish it but it was put into the JSE Competent Person Report. It was a CPR issue and did not require a Table 1 or CPR but if there was a significant change in the business plan, then it should be reported. Mr Lomborg advised that the Code was about public reporting. The recommendation was that every time a declaration was made, it should be written up so that there is a record of what was done in order to be able to answer any questions later. That was where Table 1 would come in and Table 1 had been put into the public domain.

11. CLOSING

Mr Lomborg thanked all participants for their input and closed the meeting. The next meeting was scheduled to take place on 28 November 2019.

KEY ACTION ITEMS

1. ANNELIE DE BRUYN

Confirm JSE permission for use of logos, etc. on SAMREC App.

2. CAMIELAH JARDINE

Send out invitation to members in respect of joining CRIRSCO Seminar.

3. ALL MEMBERS

Submit titles for papers to be submitted for SAMCODES 2020 Conference