

MINUTES OF THE SAMREC COMMITTEE MEETING

HELD ON 28 MAY 2020 AT 09:45

Via ZOOM

Present:

- Mr K Lomberg (Chairperson)**
- Ms L Chanderman**
- Ms A Elliott**
- Ms T Flitton**
- Mr R Ingram**
- Dr T Marshall**
- Ms B Matthee**
- Mr M Mullins**
- Dr S Rupprecht**
- Dr M Emond (South 32)**
- Mr J Sullivan**
- Ms S Turnbull**
- Ms K van Deventer**
- Mr J Whitley**

Apologies:

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

1. WELCOME

Mr Lomberg welcomed everyone to the meeting and asked members to introduce themselves.

2. ACCEPTANCE OF PREVIOUS MINUTES

The minutes of the meeting held on 28 November 2019 were accepted as being a true reflection of proceedings, subject to the following correction:

On **Page 2, Agenda Item 7** – the words ‘to be held’ are duplicated in the first sentence.

3. MATTERS ARISING

28 November 2019

Page 2, Agenda Item 5 – SAMCODES APP: Feedback on this action item would be discussed as a separate point on the agenda.

Page 3, Agenda Item 6 – SK 1300 Issues: Dr Rupprecht advised that he had not yet put together the list of parked issues but that he would attend to this.

ACTION: Dr Rupprecht

05 March 2020

Page 3, Agenda Item 8 – TRAINING: Mr Lomberg advised that the questionnaire had not yet been done on the relevance of the SAIMM courses, but that Covid-19 had changed the way in which courses would be presented in the future.

Page 3, Agenda Item 9 – CRIRSCO DEFINITIONS: Mr Lomborg agreed to put something together for the CRIRSCO definitions and this would be discussed in this meeting.

Page 4 – Agenda Item 10 – REVIEW OF INDEPENDENCE: Mr Lomborg advised that Mr Njowa was not at the meeting but had advised that he would provide feedback on the work he was doing in due course.

Page 5 – Agenda Item 10 – REVIEW OF INDEPENDENCE: Regarding circulation of the CRIRSCO document for comment and discussion at the next meeting, Mr Lomborg advised that this was about the JSE and that this action item needed to be changed. He advised that a special meeting would be put together to discuss the CRIRSCO definitions, because that was one of the things that would be addressed at this year's meeting.

Page 11 – Agenda Item 11 – GENERAL: Mr Lomborg reported that sponsorship for the App had been received and he thanked Ms Jardine for her work in this regard.

4. SANS 10230 AND COAL GUIDELINES

Ms van Deventer was asked to give feedback on the Coal Guidelines. She advised that the document was approved for publication at the end of March and was available on the SANS website. She agreed to circulate the link to all participants.

ACTION: Ms van Deventer

5. SAMCODES APP

Ms Flitton reported that she was still battling to get the App released on the Apple Store. She would pursue this in the following week. There was a bit of a glitch around the Apple Store rejecting the app, as they said it was minimum-content and was more like a website. The Android Store had no issues and the app was up and running. There was a possibility that Apple users could be asked to run it on a web application, i.e. give them an address and they could run it from there. This was what was done during the testing phase. It was not ideal, and the matter would continue to be pursued with the Apple Store.

She had updated some of the content and some events had been added. The news wall had also been updated. The question that she had was that she needed a list of 2-4 people to do additional training so that they could start adding content. It was not ideal to leave it up to one person, because if that one person could not get to it, then the content would be lagging in terms of news, events, log-ins, etc. She believed it would be ideal to get Ms Moolla or somebody from SAIMM and then maybe two or three other individuals from SAMVAL, SAMOG and SAMESG to also represent the other Codes. Mr Lomborg asked if anyone from the meeting would like to get involved. There were no volunteers and it was suggested that people would have to be recruited from the other Codes. Ms Jardine advised that, from SAIMM, it would be Thato Letebele (Marketing Liaison) and she would set this up with Ms Letebele once dates and times were advised.

ACTION: Ms Jardine

Ms Flitton asked who was responsible for updating the SAMCODES website. Dr Marshall confirmed that it was her and that she spoke directly to the webmaster in this regard. Ms Flitton suggested it would be ideal if she was informed as soon as an article was added to the news wall, so that she could keep it up-to-date; or that the person who was updating the website could update the app as well. She advised that this would not take long. Dr Marshall advised that whenever she did an update on the website, she would copy Ms Flitton in on that. This was agreed.

ACTION: Dr Marshall

Ms Flitton was also thinking of adding the meetings to the app as well as events. People could then actually see that meetings were happening, and the forum could grow further. Mr Lomberg asked if Ms Flitton could provide figures on how many hits there had been. She agreed to try and obtain these details. She also wanted to find out about user accounts and the push notifications, so that SAMREC could understand who was using the app.

ACTION: Ms Flitton

Mr Lomberg added that the commercial arrangement needed to be sorted out, as it had come to the end of the original input and the sponsorship money could now be used for further development. Ms Flitton would take this offline with Mr Lomberg.

ACTION: Ms Flitton / Mr Lomberg

Mr Lomberg thanked Ms Flitton for her work on this project.

6. CRIRSCO NEWS

Mr Lomberg reported that the CRIRSCO situation was that there would certainly be a virtual meeting, which could be difficult considering all the different time zones. An executive meeting would be held during the next week to finalise those issues.

The other side was that one of the things that had been put on the agenda was to look at the standard definitions and that still had to happen. Comments would be invited from everybody and a special session would be set up for SAMREC to deal with it directly from this side. Mr Lomberg believed that there were aspects of the definitions that SAMREC would want to change. Dr Rupprecht suggested that Mr Roger Dixon be present for that session as well, as he believed it was crucial for him to join the discussion. Mr Lomberg agreed.

Mr Lomberg continued that there was a lot of activity about countries that were interested in joining CRIRSCO. China was very keen to join this year, which meant that there would be a lot of movement on that side and all the BRICS countries would be members of CRIRSCO. Mr Lomberg added that the real driver behind this was Mr Peter Stoker. Mr Lomberg's understanding was that the DMR-equivalent in China would be running it and it would become the requirement in China for all local reporting, even to the Government. This meant that it would no longer be just a stock exchange issue. In response to a question from Mr Mullins, Mr Lomberg advised that it was driven by the same organisation that visited South Africa.

Countries like the Philippines and Azerbaijan were very keen, so it looked like there would be continued movement.

The Chinese wanted to have a big ceremony when it was launched in that country. He advised that a Memorandum of Understanding had been signed with Azerbaijan during the previous week. CRIRSCO had been split up into five different divisions and one of the division's job was to manage all the countries that were potential candidates; and South Africa was busy doing that. The person who would be running that was Mr Neil Wells. Mr Wells' details would be shared with Mr Mullins.

ACTION: Mr Lomberg

Regarding CRIRSCO definitions, these would be addressed, and this was ongoing.

7. SAMCODES 2020 CONFERENCE

The SAMCODES Conference had originally been scheduled to be held in February but, due to a poor response, this had been pushed out to August. Then, because of Covid-19 and also largely because the Committee wanted this to be a face-to-face conference, the event had been moved out to October 2021. The Committee would also be reviewing at all the submissions, to ensure that they were still relevant or whether they needed to be updated in any way. That also opened the opportunity for more presentations and papers. In the meantime, the Committee was in the position of putting together a list of about eight papers that would be published in the SAIMM journal. A meeting would be held offline between Ms Jardine and Mr Lomberg to discuss that. Mr Mullins asked what the deadline submission date was for the SAIMM journal. Mr Lomberg was unsure of the publication date, but the papers had been selected from those that had been submitted for the Conference. Dr Rupprecht confirmed that it was August. Mr Mullins asked whether any other papers would be considered, and Mr Lomberg responded that it was too late and that the Committee would prefer to go with what they already had.

8. REVIEW OF INDEPENDENCE

An informal discussion had been held on this at the last meeting and Mr Lomberg advised that the two things that SAMREC wanted to do was that Mr Njowa was going to give the Committee some work that he had done on independence; and Ms de Bruyn would give some more formal detail on what she had been looking at. Mr Lomberg suggested parking this issue for the moment. Mr Mullins believed the write up in the minutes had been comprehensive and that it would be a tricky issue. Mr Lomberg agreed and advised that that was why it had not been included in the previous Codes.

9. TRAINING

Dr Marshall advised that the 'Introduction to the SAMCODES' and then the 'Advanced Course on the SAMCODES' was presented on alternate years. This year was planned to be the Advanced Course because there was not going to be a SAMCODES Conference. Due to the complications caused by Covid-19, it had been decided to do the 'Introduction to the SAMCODES and JSE Compliance' as a Zoom webinar, so four mornings had been put together to do that. That would happen late in August. There was also the 'SAMVAL for Non-Technical Professionals', which was being discussed with the JSE and would also be done as a Zoom meeting on two consecutive mornings. In addition, there was a SAMESEG workshop, also planned as a Zoom meeting, and that would be towards the end of September. Those were the only virtual training meetings planned so far, either through the GSSA or through SAIMM. Mr Lomberg confirmed that next year's training programme would be put together later in the year.

Mr Lomberg noted that one of the interesting things was that Covid-19 had thrown everyone into the digital age. There had been talk for quite a while for the industry to become digital and have remote conferencing, and now the GSSA had really taken it to heart with all the lunchtime lectures, so it was something that no longer required looking for funding. Dr Marshall confirmed this and the good thing with Zoom was that the sessions could also be recorded. For a long time, she had been wanting to record particularly the introductory sessions, to be able to give these to universities, etc. With the advent of Zoom meetings, this was now possible, without any additional funding being necessary. Mr Mullins believed that the JORC training was going down pretty well, but that it was quite expensive at \$2 500. Dr Emond agreed that it was expensive but that it had been well-received by the people who had attended it from his organisation and the CPs had gained a lot out of it. Dr Marshall continued that what SAMREC was trying to do with the introductory course was to make it very affordable and accessible so that a lot of young entrants could get into it. Dr Emond agreed that this would allow people to become familiar with the material and, if there was an interactive session, it was an opportunity to

leverage some of the more experienced Competent Persons to share their knowledge. It was a great way for people to share their skills and understand the challenges of being a Competent Person.

Ms Flitton advised that AngloGold Ashanti ran a Competent Persons' Workshop once a year. They recorded all their sessions and ran multiple sessions for the multiple time ones, and it was quite successful. That was the way they essentially got their Competent Persons familiar with the content and the requirements for their company. Because the company ran with multiple jurisdictions and multiple codes, they needed to ensure that everyone was well-informed and aware of their responsibilities. Mr Lomberg asked whether there was a possibility to see some of the content, to ensure that any holes in SAMREC's content could be plugged. Ms Flitton responded that she would have to discuss this with her team. It was not different to what the SAMREC Code did and she would have to look at the content of what SAMREC was putting out in terms of training and do the mapping. AngloGold Ashanti's Competent Persons' Workshop was really around the internal guidelines. Dr Emond suggested that it was probably quite similar to what was being run in South 32, where they had their own internal procedures that aligned with their own internal tollgates in terms of procedures, etc., but it also covered the JORC Code and some of the other codes as well.

10. CLARIFICATION: CLAUSE 49 – SAMREC CODE

Mr Lomberg advised that Mr Mullins had requested clarification on Clause 49 of the SAMREC Code, which reads:

'The Systematic Evaluation of Coal Deposits, Coal Exploration Results, Inventory Coal, Coal Resources and Coal Reserves (SANS 10320) provides the methodologies and definitions of the relevant terms that must be considered when preparing reports on Coal Resources and Coal Reserves'.

It was suggested that there were two aspects. The SAMREC Code says that the Competent Person must be able to face his/her peers, so they had to motivate what they had used to their peers. Also, if you review the spacing as proposed by SANS and do not believe it is applicable, then the motivation for doing it differently had to be stated. Ms van Deventer agreed that the Competent Person had to be able to motivate their reasoning and the main thing was to educate the Competent Person on how to use guidelines and the SAMREC Code.

Mr Mullins responded that if a Competent Person referred to SANS and said that they had looked at the SANS recommendations and decided to do something different, would they still be using SANS? Ms van Deventer responded that SANS did allow writers to deviate.

Mr Sullivan's understanding was that if something had to be listed on the JSE, the SANS documents had to be used for the resources and reserves. Ms van Deventer added that early on in the discussions, the Committee decided that it could not tell everyone what was necessary for the JSE, but in terms of that, SAMREC was the Code and the SANS documents were in support of that Code. It was the choice of the Competent Person what to use in their report and for the JSE to determine whether the required listing regulations had been correctly applied. In that sense, it was ideal for everybody to use it; but it was up to the Competent Person.

Dr Emond confirmed that the regulator in this case was the JSE, so if the requirements were not complied with, then the Competent Person was likely to be pulled up by their professional association on this matter; but if you comply with the requirements of the regulator, that would be fine. Competent Persons needed to address the requirements and, if not, they needed to explain why.

Mr Mullins asked for something to be put in writing on that, so that if there was pushback, SAMREC's position could be stated. Ms van Deventer agreed to draft a response and she would circulate this to all members before finalisation.

Mr Mullins asked whether SANS needed to be applied as a whole and not in part. Mr Lomborg responded that the documents did say that; but it also said that if the writer was talking about spacing, that that was a guidelines/proposal from which the writer could decide. Ms van Deventer added that it remained a guideline and the Competent Person had to motivate why they were deviating from what the guidelines/standards were. She would find the right wording and would provide this in her reply.

ACTION: Ms van Deventer

11. REQUEST FOR CLARITY FROM MR ANDY CLAY

A letter had been received from Mr Andy Clay which was also addressed to the JORC Committee in Sydney. There were seven inter-related points and Mr Lomborg would address these and find a volunteer to look at this and draft a formal response. The points were as follows:

- i. What is considered 'sufficient' with respect to a Press Release when reporting to JORC/SAMREC?*
- ii. Is it necessary to always publish Table 1 for each project for a Press Release?*
- iii. If the answer to (ii) is 'yes', where is it specifically stated in the Codes?*
- iv. Should the comment 'validate and verify' be included in the Codes to express some additional meaning to the existing wording in the Codes for minerals?*
- v. If the answer to (iv) is 'yes, include this wording', what should the Oil & Gas Industry do to conform to the new level of 'assurance' by the Competent Persons?*
- vi. If the answer to (iv) is 'yes', what recognition of this trend should be taken by the accounting profession that appears to use the term 'test' and certainly won't include 'validate and verify'?*
- vii. Can 'mineral project cash flows' be anyway linked to 'forward looking statements' accepted for listed companies?*

Mr Lomborg was hoping that somebody could assist in going through this and start putting together a formal response to Mr Clay. The letter had been addressed to Dr Marshall and the JORC Committee. Mr Mullins reiterated that he had been asked to join the Ethics Committee of the AusIMM, which worked a bit differently and operated more like a readers' panel. Any questions on the resources and reserves went to the Ethics Committee. He mentioned that this looked non-specific but he would probably be asked to look at it with his AusIMM hat on. Mr Lomborg responded that Mr Steve Hunt had already put something together in response to this. His view was that this was looking at specific wording within the Code and how it related to *inter alia* the Hong Kong Stock Exchange. It was very specific and would require much thought to give a proper reply. Mr Mullins believed this was a JORC/ASX/AusIMM issue.

Mr Ingram reported that a public announcement had to be signed off by a Competent Person, but there was no mention of Table 1. Mr Mullins believed one jurisdiction should handle the query in order not to create confusion.

Mr Lomberg believed it still needed to be addressed, even if it was only to advise that some of these things were not in the jurisdiction of SAMREC. Mr Whitley offered to get involved. Messrs Ingram and Rupprecht were also asked to contribute. Mr Clay's letter and Mr Hunt's response would also be circulated to Messrs Whitley, Rupprecht and Ingram to review over the next three to four weeks to determine how SAMREC should respond.

Dr Marshall confirmed that SAMREC did need to send a formal reply to Mr Clay and suggested including Mr Peter Dekker (SAMOG) and Mr Hannes Bornman (SAMVAL).

ACTION: Messrs Lomberg/Whitley/Ingram/Rupprecht/Dekker/Bornman

12. GENERAL

Ms van Deventer requested that Mr Mullins letter be sent to her.

ACTION: Mr Lomberg

Dr Emond thanked the Committee for inviting him to attend the meeting.

Mr Ingram referred to the query from South 32. If their primary listing was on the ASX, there were certain parts of the JSE Section 12 requirements that they did not have to comply with and a look would just need to be taken to make sure what their standing was in this regard, because if it was an Australian-registered company with its primary listing on the ASX, they were probably not required to follow certain of the requirements. That just needed to be clarified. For the first listing of a company with a secondary listing in South Africa, he was not sure that that needed to comply with the SAMREC Code or whether it could be done via JORC rules. Dr Emond agreed. Ms van Deventer's experience with Eskom was that if a company was delivering coal to Eskom, Eskom required SAMREC compliance. She was not sure how the JORC-listed companies dealt with that.

13. CLOSING

Mr Lomberg thanked all participants for their input and closed the meeting. The next meeting was scheduled to take place on 28 August 2020.

KEY ACTION ITEMS	
1. DR STEVE RUPPRECHT	Put together and distribute list of parked issues.
2. KARIN VAN DEVENTER	Circulate link to SANS website to all members in respect of the Coal Guidelines.
3. CAMIELAH JARDINE	Set up training on SAMREC app for Thato Letebele once dates and times are advised.
4. DR TANIA MARSHALL	Copy Ms Flitton whenever updates are done on the SAMCODES website.
5. TARRYN FLITTON	Provide figures on app hits and find out about user accounts and push notifications.
6. TARRYN FLITTON/KEN LOMBERG	Discuss how sponsorship money could be used for further development of the app.
7. KEN LOMBERG	Send Mr Wells' details to Mr Matt Mullins.

8. KARIN VAN DEVENTER

Draft a formal response to Mr Mullins regarding SAMREC's position on Clause 49 of the SAMREC Code.

9. KEN LOMBERG

Send a copy of Mr Mullins' letter to Ms van Deventer.