

**THE SOUTHERN AFRICAN INSTITUTE OF MINING AND METALLURGY**

**SSC MEETING**

**Minutes of the meeting held in the SAIMM Boardroom, 5<sup>th</sup> Floor, Chamber of Mines Building  
5 Hollard Street, Johannesburg on 16 July 2009 at 14h00**

**PRESENT:** Roger Dixon (Chairman)  
Annalie de Bruyn Dr Ferdi Camisani  
Mike O'Brien David Dingemans  
Stewart Foya Prof Fred Cawood

**APOLOGIES** Keith Bright

**IN ATTENDANCE:** Julie Dixon

**1. CONFIRMATION OF THE PREVIOUS MINUTES OF THE MEETING HELD ON 29 JANUARY 2009.**

The minutes from the meeting held on 29 January 2009 were tabled as a true reflection of the events of the meeting save for the following corrections:

Page 1: Prof Fred Cawood and Jurgens Visser are the representatives for the Institute of Mine Surveyors of SA. .

**2. MATTERS ARISING FROM MINUTES NOT ON THE AGENDA**

The representatives appointed from the Petroleum Agency shall be directed to the Oil and Gas committee. Mr Billy Mills has been appointed as their representative.

**3. CONFIRMATION OF REPRESENTATIVES**

A meeting to be convened between a representative of the SSC and The DME and Minerals Bureau to discuss participation.

Banking Association	Stuart Grobler	Accepted
Institute of Mine Surveyors of SA	Fred Cawood and Jurgens Visser	Accepted
Engineering Council of South Africa	Hu Hanrahan	Declined
Investment Analysts Society	Keith Bright	Accepted
JSE Limited	Anne de Bruyn	Accepted
CRIRSCO	Dr Ferdi Camisani	Accepted
Council for Geosciences	Stewart Foya	Accepted
South African Mining Development Association	Grant Mitchell	Pending – to be followed up

General Council of the Bar of South Africa	Adv CDC Loxton	Pending – to be followed up
Geological Society of South Africa	Mike O'Brien	Accepted
Chamber of Mines of SA	Dave Dingemans	Accepted
Department of Minerals and Energy	Mpumzi Bonga	Accepted
Minerals Bureau	TBC	Pending – to be followed up
Law Society of the Northern Provinces	TBC	Pending – to be followed up.

#### **4. SUCCESSION PLANNING**

Mr Gordon Smith has been nominated as the successor to J.R Dixon as the SAIMM representative on SSC Committee.

Successors for J.R Dixon and F Camisani on the CRIRSCO committee must be identified

As per the Terms of Reference the SAIMM and GSSA must jointly appoint the Chairperson and Deputy Chairperson for the SSC Committee in July 2010.

#### **5. SIGN OFF OF SAMCODE REPRINT**

The meeting then reviewed the amended document on a page by page basis and the necessary changes were made..

Quotes to be obtained for reprint, both in A4 and A5 and a CD version.

Manager to approach sponsors to cover costs of reprint.

#### **6. MAIN WORKING GROUP PROGRAM**

The Working Group held a meeting on the 27<sup>th</sup> of March and determined several 'parking lot' matters. These matters will form the basis for the SSC's mandate to the working group. Upon the SSC approval the Working Group will carry out the mandate taking into account any recommendations stemming from the SSC.

The 'Parking Lot' matters with comments from the Working Group meeting are discussed below:

- Registration of competent persons and valuers  
There are people opposed to registration. It was suggested that the term accreditation be used instead of registration, as done by the Chileans which has proved effective. Either way, a definite process needs to be defined before any attempt is made to sell it as a concept. Consideration should be given to the difference between a ROPO and a Competent Person.
- Independence  
This topic must be considered but it is not deemed a priority at present. Independence needs to be considered carefully with regards to ongoing requirements. At the last ICMM meeting comments had been made with regards to the chairperson of CRISCO not being

an employee of a company affiliated to the ICMM. This matter needs to be carefully considered with regards to ongoing requirements.

- Reporting Styles

Compliance to Section 12 and the SAMREC/SAMVAL checklists are important. It was suggested that the SSC website be used as a forum to improve code-compliant report writing. A specialized 'best report writing' seminar could also be considered.

- Best Practice guide

This is a very broad subject. It was suggested that case studies be posted on the website to illustrate best practice and this would then form a working document. Companies could use the examples as a basic outline but then formulate their own internal best practice.

Again it was suggested that provision be made on the website for a Question and Answer section similar to the Canadians. An extension of this idea would be an anonymous dialogue option between the public and the readers' panel.

If a seminar was held on best practice, the papers of the seminar could be posted on the website and all topics would be covered. It would form a Best Practice guide across the commodities.

- Coal

In the Code, reference is made to The South African Guide to Systematic Evaluation of Coal Resources and Coal Reserves (SANS) as the criteria to be used for classification of coal resources. JORC also refers to a standard. The two standards referred to above are not equal. This would again only become an issue when crossing jurisdictions. As a rule of thumb, when working on a report for a company to be listed on the JSE, the report would have to be SAMREC compliant.

Under SANS there is a definition for a reconnaissance resource which is not present in the SAMREC definitions. In cases where reconnaissance resources need to be evaluated, the SANS would need to be used as SAMREC would not be an option.

A similar issue had arisen in the discussions on the revised UNFC, where it was suggested that the term Reserve is not well understood, or applied consistently in the solid minerals industry. This was a result of government organizations reporting inventories for countries in a format not always compliant with the National Reporting Organizations' Code or standard.

## **7. OIL AND GAS WORKING GROUP REPORT BACK**

Mr Dixon, Dr Camisani and Ms de Bruyn met with Mr Malcolm Wood, the new leader of the Oil and Gas Working Group at the Indaba in Cape Town. It was agreed that Malcolm would do further research into what other countries were doing and then come forward with a concrete proposal which could be reviewed by the Working group. Jeff Aldridge the original leader of the Working Group had resigned from PetroSA. . It was also confirmed that the Working Group should be representative of all the constituents of the oil and gas industry in South Africa, which would include those working with coal to petroleum/gas technologies

Dr Camisani contacted a Mr S van der Merwe, the geology manager at SASOL. Mr Jurie Moffat was also nominated for the committee. Mr Wood is aware and is happy with this development.

It was noted that many of the experts in this field have left the country. Competent persons are therefore few. As a consequence, the few that are left in SA at the moment are not interested in joining the committee as their workloads are very heavy.

Mr Wood highlighted a problem with the introduction of a SA Code, specifically for oil and gas. No other Code has a requirement for competent persons, they do however have a requirement for a competent auditor who is defined but is not classified as a competent person.

It was suggested that Mr John Ritter a representative of the SPE be contacted to see if he knew of any other SPE members in SA who could assist the Working Group.

#### **8. PUBLIC REPORT MONITORING**

The Australian Stock Exchange monitors all published reports and listings on an annual basis. The results are made publicly available

It was submitted that South Africa needs to take its monitoring of all public reports to a new level.

It was noted that many of the non compliant reports or statements were coming through the Stock Exchange News Service (SENS).

It was suggested that the JSE remind users of SENS of their obligations to comply with Samrec and Samval

#### **9. CRIRSCO REPORT BACK**

Continued interaction with the Ad Hoc Group of Experts (AHGE) at the UNECE aimed at the publication of the United Nations Framework Classification (UNFC) in October 2009.

Development in conjunction with GKZ, the Russian authorities, of a handbook which maps the Russian reporting standards with the CRIRSCO template.

Interaction with relevant personnel in Peru aimed at admitting Peru to CRIRSCO.

Continued dialogue with Ministry of Land and Resources (MoLAR) in China. CRIRSCO will hold a joint seminar with MoLAR in conjunction with the CRIRSCO annual meeting to be held in Beijing Oct 23-25 2009.

Mapping exercise has been undertaken to compare the basic definitions for Resources and Reserves in the various standards and Codes and the CRIRSCO Template.

Exercise underway to compare the disciplinary processes applicable in Recognized Overseas Professional Organizations in CRIRSCO member countries.

Discussions have taken place in Canberra Australia between CRIRSCO representatives and Geoscience Australia to resolve differences in reporting standards.

Ongoing dialogue and monitoring of the activities of the IASB Research Project for Extractive Industries which is due to release a Discussion Paper in August to which CRIRSCO will formally respond after the necessary consultation with members.

Work has commenced on developing a CRIRSCO 'brand'

#### **10. UNFC REPORT BACK**

A meeting took place in February in order to prepare for the main meeting in March to finalize the UNFC document. . The final UNFC document will be finalized before the meeting in October in Geneva.

Three documents have been posted on the website and feedback would be welcome All feedback should be sent to Mr Camisani by 15 August so that it can be consolidated and Mr Camisani can relay to the task force.

**Document 1: United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources (UNFC-2009).**

From this document it was decided to remove the word 'reserves' as its misinterpretation was causing confusion. The word has however been reinstated.

**Document 2: Report of the Task Force on Revision of the UNFC.**

A subgroup was nominated by the bureau to record all comments received. All modifications made as a result of comments received are listed in the document with an explanation. After the April meeting, all comments had to be incorporated and this resulted in the production of the abovementioned document.

**Document 3: Discussion paper prepared by the Revision Task Force on the need/desirability of specifications and guidelines for the UNFC**

There are 5 options listed for the complementary texts with option 4.5 (page 6 of the document) being the most desirable option.

The umbrella body would have extra specifications to link it to other classification systems such as The CRIRSCO Template and the SPE PRMS

It was mentioned that there is some concern in Europe that there are problems with supply of energy and materials. The Netherlands suggested a survey to determine where the resources are and their availability especially with regards to Europe. The UN agreed to participating in the project and thought it may be of interest to parties in South Africa who wanted to be part of the research.

#### **11. GENERAL**

None

There being no further business the meeting concluded at 15h00.

Next meeting to be held on the 28<sup>th</sup> of January 2010.

Signed:.....

Date:.....