SAMREC Committee Meeting Minutes

Date of Meeting	31 August 2023	**Time**	09:45
Chaired by:	Ken Lomberg	**Location**	Zoom
Minutes prepared by:	**Ann Donnelly**		

Present:

Maria Antoniadis	Ken Lomberg	Godknows Njowa
Johannes du Plessis	Tania Marshall	Tim Rowland
Adrienne Elliot	Santoshnie Mathuray	Seef Vermaak
Tarryn Flitton	Matt Mullins	Nicole Wansbury
Rob Ingram	Jacques Nel	Bruce Williamson

SAIMM Secretariat:
Nazli Mamdoo

Apologies:

Annelie de Bruyn	Johan Odendaal
Roger Dixon	Gordon Smith
Siobhan Joubert	Lisa Chanderman
Harley Michael	

Topic	**Discussion**
1. Welcome	Ken Lomberg welcomed everyone to the meeting and apologies were noted.
2. Minutes of previous meeting	The minutes of the meeting held on 25 May 2023 had been circulated and no changes were noted. Proposer: Tania Marshall Seconder: Rob Ingram
3. Action items from previous meetings	Report back on the action items from previous meetings was as follows: The issue of putting forward questions for debate under technical issues was ongoing. Advising CRIRSCO member companies from non-English speaking countries to edit their translations of the template thoroughly was being addressed at a CRIRSCO level and would be taken off the action list.

	Upcoming courses and training for the App would be discussed under the agenda. Keeping Tarryn informed of any event, news, update on the website was ongoing. Feedback regarding representation from other SAMCode committees on the App would be discussed during the meeting. In connection with following up with AusIMM re circulation of the paper on ESG integration for mineral reporting, Tim Rowland advised that he was no longer on the ESG working group and that somebody else would have to give an update. Matt reported that he did not get a reply from AusIMM. Tim advised that he had been overseas for a few weeks, but that he would circulate the paper on how to calculate exclusive mineral resources. Ken advised that focus for this meeting was to discuss ESG. Two suggestions had been made, one was from CRIRSCO and the other was from the ESG working group relating to SAMREC.
4. SAMCODES App	There had been quite some activity during the last while and Jacques Nel bought the meeting up to date on this. He reported that he and Tarryn Flitton had been updating the quiz on a monthly basis. The number of users who had done the quizzes was quite low and he and Tarryn were at a loss on how to improve the utilisation of the App through the quiz. Numerous communications had been sent out and they were looking for suggestions on how to get users more involved. There had been a couple of recommendations on how to do this. There were a couple of queries around things like privacy, which had been addressed. When looking at the statistics they got on the details of who had used the quiz, etc; on the last one there had only been seven users who had used the quiz. The month before that there were nine, which was disappointing. A question had also been asked as to where to send out a monthly e-mail targeting SAIMM and GSSA members, to remind them of how to instal the App and how to utilise or do the quiz. Another suggestion was to attach CPD points to the quiz to encourage participants to start using it. The main thing was that they could continue to send out e-mails, etc. asking people to do the quiz, but it was really about people being self-motivated and doing it on a monthly basis, and using the App itself. They had also been looking at trying to get the App registered on the Apple Store and feedback was still awaited from the developers on that. They were going to do the submission at their own cost and the team was just waiting for feedback in that regard. He invited comments.

	Ken asked everyone to contribute by doing the quiz. Tania noted that this was on the GSSA website and it went on the monthly newsletter as well. One of the recommendations she made was that maybe once a month was too much; and that perhaps once a quarter would suit people better and they would be more inclined to do the quiz. That was noted. Jacques advised that the quiz was not there to test people on their understanding of the codes: it was one of the tools that they were trying to use to encourage the amount of traffic on the App itself. There were several resources available, i.e. news; what was happening in the different codes; any training that was taking place, etc. Jacques and Tarryn were thanked for their effort in keeping the App alive and Ken encouraged members to do their part by broadcasting it. In terms of the I-Phone users, Godknows asked if they were still able to do the quizzes. Jacques advised that both he and Tarryn did the quiz on their I-Phones through the PWA application on the phone. There was also an installation guide that was available to use on how to instal that on the I-Phone. The other reason why the developers were looking at trying to register the App on the Apple Store was to eliminate this issue.
5. CRIRSCO News	Ken reported that the CRIRCO meeting in October this year would be held in Brazil. One of the items that would be discussed was that the Philippines were looking to join this year. There would also be a report from JORC on how far they were in putting out a draft for comment. They were waiting for final approval on those aspects. The big item they were putting on the table was the whole way in which the CP is addressed. ASIC wanted them to have more responsibility for the CP and ensuring that they were competent.
6. CRIRSCO ESG Definitions - Response	Ken presented the proposed CRIRSCO definitions and guidance, as well as the response from JORC. He read out the definitions for E, S and G. Teresa advised that the CRIRSCO ESG working group had been working on these proposed definitions for some time and the document showed PERC's response to and comments on those definitions. The definitions had been circulated to all NROs with the request for them to revert to the ESGS Committee with comments on the definitions. This was not being led by PERC, but this was their response. There had been comment from other NROs and it would be very useful for SAMCodes to provide formal feedback to the ESG working group with their views on the definitions. Ken read out the definition for Environment and invited comments. Matt noted that he had not had an opportunity to digest this and would like some time to consider it first before that.

	Tim commented that the working group had discussed at some length the aerial cover of the environment of a property and the way this read, it just says 'the surroundings in which the property exists', which was probably a bit loose. He believed it should indicate to the reader that it was all areas that could potentially be impacted by the property. Teresa advised that this was where the guidance was very important. In the italics below the definition, it says that internal factors were typically considered within zones of influence. 'Zones' was intentionally in the plural, recognising that each sort of environmental attribute may have a different zone of influence. There had been a lot of conversation in the working group around what went into the actual definition and what went into the guidance. The guidance needed to be read together with the definition; and then the CP could provide a comment based on the entirety of that little 'package'. Tim noted that understanding of the zone of influence means was important for the practitioner or CP at the end of the day. Ken advised that there was also always going to be some element of training that would be required and this would be kept in mind and addressed when training. This was very much in the same way in which the Codes have always been: that there were definitions and there was guidance, and those two spoke to each other. Teresa added that zones of influence was a concept which environmental and social practitioners were extremely familiar with, as they dealt with that daily. It was the merging of disciplines and the collaboration between the CP and the environmental/social specialist in interpreting and applying the principles. Matt asked a question regarding the zones of influence in the supply chain. Teresa responded that the supply chain aspects could become tricky and there was a wide view on how far up or down the supply chain an individual mining company's responsibility should extend in the context of mineral reporting. She suggested the zone of influence needed to align with the scope of that public report. Something like trucking was directly related to the project because they would not be on the road if it was not for that project. She believed that was something that needed to be discussed in more detail in terms of guidance, because one needed to consider direct, indirect, and cumulative impact, etc. and trucking would be a classic example of falling into those buckets. Teresa would ensure that that conversation was held. Matt cited some more examples and asked how far the CP should go in establishing whether those might affect the reserve or not. Teresa believed that there was merit in having a detailed, in-depth conversation outside of the SAMREC meeting in this regard. One of the litmus tests would be that, if there was likely to be an impact that could impact the reputation of the mining company, that impact should be considered as part of the process. Matt advised that having only looked at this in the last couple of days, he would not have the ability to say whether it was correct or not. Ken noted that and commented on the hypothetical example that Matt had put forward. He believed that it would be difficult to distinguish between what was a planning aspect and what was an operational

	aspect. He cited an example. Teresa believed it came down to what was put in the initial CPR and what went into the annual report. The PERC response was the output following a dedicated session that the PERC Committee held to discuss the definitions. She suggested that it might be useful to have such a dedicated session from the SAMREC perspective. Ken supported that and suggested that this be done in the next month or so, in order to be ready to give feedback to CRIRSCO. He proposed that this should be an in-person meeting and that there should be a time limit set on the session. He would put out a proposal for a meeting in mid-September. He appreciated it if those who would be keen to participate could prepare for that meeting. Regarding the Social definition, this read that *'Social relates to the lives, livelihoods, social organisation, cultural heritage and health, safety and wellbeing of people who live and work within the project's one of influence'.* That was a very broad definition and the CP would need to look at that very carefully, to see what that would entail. Matt asked whether this included assessment of unions. He asked how far one would go when talking about the zone of influence. Ken suggested that that might be included under 'Risks'. The CP would decide, depending on the situation. Matt believed that, in South Africa, it was quite prevalent in the mining industry. Regarding Governance, the definition read that *'Governance relates to the company leadership, strategies, policies, and systems aimed at driving compliant and sustainable development. It specifically includes mechanisms to enable the company to effectively implement, verify and report on the management of business risks (threats and opportunities). Governance strategies, policies and systems are typically developed by the company for implementation by the project with due cognisance of context-specific circumstances'.* Teresa provided some background on where the Governance definition had come from. There had been a desire to ensure that the differentiation between there the board should be responsible and where the CP may be able to give comment. One such an example would be decarbonisation. Ken was concerned that the Governance was beyond the ambit of the CP in most cases and there had to be a line drawn somewhere between planning and operational. Some discussion followed. It was suggested that it would be useful to get all the comments back to the working group. Matt agreed with Ken and did not see a clear distinction between what a Board of Directors was responsible for and what a CP could sign off on. Nicole suggested that the biggest challenge was that may there was no context specifically for this item. When it came to Governance, she did not think anyone had been able to do this yet and it was a work-in-progress. She believed this Ken definition needed to be fluid at this stage and that there needed to be a better understanding of the quantification of what Governance was and what it means for mineral reporting before this definition could be bedded down. Ken did not believe that this type of Governance had any relevance within the reporting codes. He did not believe that CPs should be

	stepping into the area of Board of Directors issues. He was very comfortable with this definition. Tim believed that this had to be about Governance in action that fell within the cope of the Competent Person. He and Matt cited some examples of Governance as they pertained to the resource and reserve estimation process. Ken believed that a line had to be drawn somewhere between that the investor required; what the Board of Directors required; and what the CP required. He believed this definition went well beyond that line. This was agreed. Ken advised that a comment would be drafted and sent back to the ESG working group on this in order to provide them with some formal feedback. This would be discussed at the meeting to be held in a few weeks' time, just to cement it, because these things were also in the SAMESG proposal.
7. SAMESG – Discussions on proposals for inclusion in the SAMREC Code	Ken shared the proposal put forward by the ESG working group. Teresa advised that Andy McDonald had circulated the drafts to the chairs of the various SAMCodes committees for information and they were not necessarily ready for distribution for broader comment just yet. It was Andy's intention that further work and refinement of these documents was required before broader consultation should be initiated. She suggested not wasting time and effort into this yet, but that it was up to the committee to decide. There were a lot of conversations still ongoing and refinement required before the draft would be ready to be circulated for comment. Ken suggested putting this on hold. What he did think should be highlighted was that the way in which the ESG aspects were being done and how they were going to be integrated into the SAMREC Code. The challenge was to bring it into Code in such a way that it matches, or is integrated, into all the other aspect that the Code deals with. That was very important. The process of reviewing of the Code was that the Code was reviewed; all the aspects were considered and proposed changes made once it was agreed by the SAMREC Code committee. Then that would be published going forward. Once it was published, it would be passed for comment within SAMREC and finally approved by SAMREC and the SSC. Then it would go to a whole lot of bodies for approval, i.e. JSE, FSB. Then it would be published in the Government Gazette. It would also go to CRISCO for comment from all other CRIRSCO members. One of the important aspects there was that the definitions were set and any changes to the definitions would have to be seriously considered. PERC, for example, had added an additional underlying principle but it had not adapted the definitions themselves. There was a working group in CRIRSCO that was looking at the Standard Definitions and a white paper should be brought out shortly. So, integrating ESG into the Code would be quite a big task going forward and would probably be something that could be included in the next review or update of the Code. Tim believed that one could get over-invested in ESG and build too much of that into the SAMREC Code. He believed that it would

	probably be 2-3 pages maximum as an insertion into the SAMREC Code. There would obviously be some additions to the preamble in the beginning to give the context. It was critically important that the supplementary guidance that would be supplied by the ESG guideline and a very carefully expanded Table 1 would be critical catalysts in making sure that ESG was properly embedded and 'future-proofed' into the SAMREC Code going forward. He did not believe ESG factors should be over-emphasized, as important as they were. It should be a balanced approach to assessing all the spectrum of modifying factors. Rob Ingram supported that. Santoshnie Mathuray agreed and added that it should be clear what information should be in a public report vs what information should be in a supporting document (CPR). Ken believed there were some aspects that would be in an environmental/social report or sustainability report that would be referenced from a CPR and not duplicated. He advised that a session would be confirmed to discuss the ESG aspects. In the meantime, he asked members to read the review in order to have a meaningful discussion. Teresa added that various meetings for September and October had been set up and work still needed to be done. She suggested that it not be before November. A meeting would be put together for the CRIRSCO Definitions. **Action**: Ken Lomberg
8. Training	Ken advised that there were no training programmes for the remainder of the year, but that training would be put together for 2024. He asked if there still a need for Basic and Advanced training; or whether one should be done more than the other. Tania believed there was a great need for training at the early-stage level. So few people knew much about it, especially students coming out of university. Her opinion was that more focus needed to be put on the basics of the course. Ken believed that should be considered.
9. Succession Planning	Ken advised that it was time for him to step aside and he was looking for someone to take over the reins. He asked that if anyone was interested, they should let him know. **Action**: All members
10. General	Rob Ingram advised that a few months ago he had attended a TEAMS meeting with a listed mineral company as part of the JSE team and they were discussing reporting requirements, reserves, and resources in relatively general terms. At one point in the discussion, the CEO of the company made the remark that they were finding the burden of compliance and regulatory oversight as being very onerous. He said plainly that his Board would seriously consider de-listing the company if the regulatory burden became any greater. There was crosstalk, particularly amongst junior companies, about the increasing burden of compliance. Not only that, the time that it takes to produce a CPR and the increasing costs of that CPR. With

	the addition of ESG, these costs and time taken are likely to increase somewhat. He was passing on this comment for consideration that possible 'Peak SAMCodes' had been arrived at in terms of the ability of the mineral industry to comply with the codes. The other two points he wanted to make arose from a special case within the Code. He sat on a committee that adjudicates research grant applications for Simera and noticed that there was an increasing interest in looking at waste dumps of various kinds for rare strategic metals, including rare earth. While he was sometimes sceptical about reprocessing dumps, it was likely to become a bigger feature of the industry going forward. He came across a recent case where a company was reprocessing dumped material on quite a large scale. Paging through the Code, he noticed that there was a gap in the definitions relating to the glossary, where there was a definition of what constitutes a low-grade dump, residues, low-grade stockpiles, and tailings; and that you had to read Clause 5 of the Code which defined which things were covered. It was generally accepted that the rock dumps, low grade dumps and TSS were naturally occurring minerals and were covered within the Code. However, there was a gap when it came to products of metallurgical processing and this could be ashes, fly ash, flue dust, bleach, etc. He asked whether these were materials to be covered in the Code. Currently the Code did not specifically describe these things as being part of the Codes. Consideration should be given to whether an additional sentence should be included in Clause 5 and in the Glossary to make explicit what is included in the Code and what is not. The second part of this comment related to the description of exploration targets. Again, in the context of waste dumps of the materials he had described. Modern survey techniques allow a very detailed DTM model of what is to be created; it gives the volume of the dump with very good precision. The definition of the exploration target includes the requirement that tonnages and volumes be describes as 'ranges'. If one had an accurate DTM model and you knew the volume and tonnage with correct precision, it seemed a little unnecessary to insist that the tonnage should be described as 'ranges'. This issue had popped up recently in a CPR and he wanted to hear from the committee what should be done in these cases. Ken commented on the second question about a range for an exploration target, even though it was a dump, to determine the density. The bulk density of the dump was one of the trickiest things around. Although the DTM might be a high resolution, he believed the density would already make it a case for a range. Nicole advised that, regarding incorporating the SAMESG updates in the Code, Seef Vermaak had brought this up previously; that this should be looked at as an opportunity to make additional changes to the Code and do an update. She asked whether Ken had envisaged any timeline for an update, or when he saw that happening. Ken responded that it was certainly time to consider an update. It would take a while to do, but he believed that the process should be started. Currently, there was no timeline, but it was something to be looked at. Matt commented that, leaning on what Rob had been saying about pushback on the cost of a CPR, he had had comments from a different

Commented [AD1]: Pls check if spelling is correct

	direction on increasing conservatism by CPs in terms of declaring of measured resources, in particular their resource clarification. They see it as an industry trend and were not very happy with it, especially the trend towards not pointing to clear, measured resources. His second comment was regarding oil reserves, where he had received a comment that you could downgrade 'proven' to 'probable', or 'measured' to 'probable' with a diagonal line if you had lack of confidence in the modifying factors. He asked if price and exchange rate constituted a valid reason for downgrading to probable. If one had sufficient uncertainty in the future price, could you downgrade to probable reserves? Rob did not believe one could ever predict future exchange rates of commodity prices. He believed the CP always had that option, but he seemed to recall that, somewhere in the Code, it stated that if the CP believed the chances of circumstance - being commodity prices, exchange rates of whatever was of a temporary nature – you did not need to change the classification. Some discussion followed on this. Regarding the increasing onus on people to meet all the regulator requirements, particularly junior companies, Tim suggested that maybe there was an opportunity to look at some time of short form report in the future. The reality was that very few CPRs were read cover-to-cover. He believed this was something to apply collective minds to in the future as, in reality, some kind of short form reporting was going to be much more palatable to most people who receive information on resources and reserves. Rob responded that there was already the executive summary in the CPRs and the thing that did was commonplace to both the executive summary and the short form reports was that they both had to be backed up by a CPR. One could not escape the problem of creating a CPR in the first place. It had recently been noticed on the JSE that some mineral companies – instead of complying with section 1213, simply inserted the executive summary form and most recent CPR in its place. People were trying to move towards shorter form reporting, if only surreptitiously. Ken supported that view. The other thing was for the person who had done the work to have a comprehensive record of what was done, because if they were challenged later, they would then have all the details to hand.
11. Closure	Ken believed there had been a good hour of looking at various aspects of the Code and he was very enthusiastic that the meeting had been dealing with technical issues, not just administration. He appreciated everyone's input. A brief document would be put together around the ESG requirements for CRIRSCO shortly.
Next meeting	The next meeting was scheduled for the 30 November 2023 and a notice would be sent out in due course. If there was anything attached for pre-reading, he asked that members do that so that progress could be made on these things in the future. **Action**: Nazli Mamdoo

Commented [AD2]:

	He thanked everyone for attending and the meeting closed.

Matters arising/Action Items

Meeting Date	Action	Responsible	Due	Status	Comments
25/11/21	Put forward questions for discussion under 'Technical Discussions'	All members	Ongoing		
23/02/22	Tie in with Camielah/Sam re upcoming courses & training for App	Tarryn Flitton	Ongoing		
25/05/23	Keep Tarryn informed of any event, news, update to be included on website	All	Ongoing		
25/05/23	Bring up representation from other SAMCode committees on App at SSC Meeting	Ken Lomberg	30/11//23		
25/05/23	Circulate paper on how to calculate exclusive mineral resource. Also possible presentation at future meeting.	Tim Rowland	30/11/23		
25/05/23	Revert offline to Ken Lomberg with any succession planning suggestions	All members	30/11/23		
31/08/23	Confirm session to discuss ESG aspects (not before November)	Ken Lomberg	30/11/23		
31/08/23	Send out notice for November meeting	Nazli Mamdoo	31/10/23		