



SAMCODES

SNIPPETS

Readers Panel

The Panel began in March 2000 when the JSE adopted by the first edition of the SAMREC Code was published. At the time of its establishment, there were five Readers. The number of Readers has changed over time, and today there are sixteen Readers, including the Chair. This number encompasses a wide range of competencies in commodities estimation of Mineral Resources, Mineral Reserves, and Valuation.

Over time, there have been three iterations of the SAMREC Code and two of the SAMVAL Code. A fourth iteration is currently in development. The SAMREC Code was issued in 2000, 2007 and 2016, and the SAMVAL Code in 2008 and 2016. In every case, introducing a new edition of the Codes resulted in a steep learning curve as CPs became accustomed to the new rules. Over time, significant changes were made to Section 12 Requirements. The combination of changes to Section 12 and the introduction of a new edition of the Codes would lead to up to 18 to 24 months before the CPs became accustomed to applying them in practice.

Historical Record in Numbers

Spread of commodities (*percentages rounded*)

Commodity	Number	Per cent
PGM	65	23%
Gold	49	17%
Industrial	42	15%
Coal	38	14%
Diamonds and Gems	28	10%
Base Metals	20	7%
Chrome	17	6%
Ferrous	10	4%
Uranium	4	1%
Lithium	4	1%
Antimony/Gold	2	1%

Tin	2	1%
Total	281	100%

Over time, the commodity profile has come to resemble the mineral endowment of South Africa more closely. The lithium, however, lay outside of S Africa,

Authors Main Contributors (*percentages rounded*)

Author	Number	Per cent
SRK	60	21%
NR	47	17%
Venmyn	43	15%
Minxcon	27	10%
TMC	16	6%
Snowden	11	4%
IRES	8	3%
Individual Consultants	69	25%
Total	281	100%

It is worth noting the disappearance of the independent CP over time as the SAMCODES became more complex. Submissions by independents were frequent up to 2008; after that, submissions became less frequent and were last seen in 2014. Now, the production of CPRs is almost entirely in the hands of the larger consulting companies.

CPR performance over time

The following tables displays the overall performance of CPRs submitted to the Panel for review since 2000.

Number of submissions before approval. (*percentages rounded. NR = Not Recorded*)

Submissions	Number	Per cent
1	55	20%
2	95	34%
3	61	22%
4	13	5%
5+	6	2%
NR	51	18%
Total	281	100%

Number of submissions recorded (*percentages rounded*)

Submissions	Number	Per cent
1	55	24%

2	95	41%
3	61	26%
4	13	6%
5+	6	3%
Total	230	100%

Note that 65% of CPRs were approved on the second submission and 89% after three submissions.

Starting in 2017, the GSSA and SAIMM supported annual training programmes designed to upgrade CPs reporting skills and knowledge of the Codes. An improvement was noted over time.

CPR performance 2000 to 2016, before GSSA/SAIMM Training programmes. (*percentages rounded*)

Submission	Number	Per cent
First	34	22%
Second	56	35%
Third	53	34%
Forth	11	7%
More than 5	4	3%
Total	158	

Before introducing the training programmes mentioned above, 57% of CPRs were approved by the second submission and 91% by the third.

CPR performance from 2017 to date, following GSSA/SAIMM Training programmes. (*percentages rounded*)

Submissions	Number	Per cent
First	19	28%
Second	38	55%
Third	8	12%
Four or more	4	6%
Total	69	

Following the introduction of the training programmes, 83% were approved on the second submission and 95% following the third. A marked improvement was noted as the proportion of three submissions fell, and those requiring only two submissions increased. It

is hoped that the further training necessary when the next iteration of the SAMCODES is introduced will sustain these improvements.

Mineral Company Annual Reports.

Routine reviews of Mineral Company Integrated Annual Reports began in 2009 and have continued to date. Annual Reports, specifically the Mineral Resource and Reserve statements, are reviewed for compliance with Sections 12.13 of the JSE Requirements. The current practice is to review ten company reports each year, meaning that each listed mineral company will be examined in each alternate year. Over time, compliance with 12.13 showed a remarkable improvement. Recent reviews have revealed no material non-compliance with the Requirements.

A number that may interest the mineral reporting community is that, on average, over a series of similar CPRs, the time taken to review and report on a CPR is about 7 minutes per page. Some pages require little attention, while others, such as complex LoMPs and Technoeconomic models, may require more lengthy study.

In conclusion, I would like to express my gratitude and appreciation for the often Herculean efforts of Readers past and present and for the support and guidance of the Listings Division of the JSE over the past 24 years.

Following the publication of the new Simplified Section 12 Requirements, the rule that all CPRs be reviewed by the Panel will fall away. In the future, the Panel will only review the company's annual reports as and when required by the JSE. The position of the Panel Chair will also fall away.