

SAMREC Committee Meeting Minutes

Date of Meeting	27 May 2021	Time	09:45			
Chaired by:	Ken Lomborg	Location	Zoom			
Minutes prepared by:	Gugu Charlie					
<p>Present:</p> <table> <tr> <td>Ken Lomborg Chair</td> <td>Maria Antionades Tarryn Flitton David Grant Rob Ingram Tania Marshall Godknows Njowa</td> <td>Adri Opperman Tim Rowland Nicole Wansbury Jeremy Witley Santhoshnie Mathuray</td> </tr> </table> <p>SAIMM Secretariat: Gugu Charlie Camielah Jardine</p> <p>Apologies:</p>				Ken Lomborg Chair	Maria Antionades Tarryn Flitton David Grant Rob Ingram Tania Marshall Godknows Njowa	Adri Opperman Tim Rowland Nicole Wansbury Jeremy Witley Santhoshnie Mathuray
Ken Lomborg Chair	Maria Antionades Tarryn Flitton David Grant Rob Ingram Tania Marshall Godknows Njowa	Adri Opperman Tim Rowland Nicole Wansbury Jeremy Witley Santhoshnie Mathuray				
Topic	Discussion					
1. Welcome	Mr Lomborg welcomed everybody to the meeting.					
2. Minutes of previous meeting	The minutes of 25 February 2021 as previously circulated were accepted as a correct record.					
3. Action items from previous meeting	<p>25 February 2021</p> <p>Page 2, Agenda Item 3 – MATTERS ARISING: Mr Lomborg advised that he had not yet put together a white paper for further discussion.</p> <p>Page 3, Agenda Item 4 – SAMCODES APP: With regard to Ms Letlhaku checking on sponsorships, Ms Charlie advised that this information was still being verified and it was hoped to have feedback soon.</p> <p>Page 4, Agenda Item 6 – SAMCODES 2021 CONFERENCE: Mr Rowland had offered to put together a paper for the conference and this had been accepted.</p>					
4. SAMCODES App	Ms Flitton updated the meeting on the situation with the SAMCODES App. A presentation had been put together and this was shared with the meeting. Ms Flitton highlighted some of the changes that had recently been made. The text in the search bar had been fixed and the Progressive Web Application (PWA) had been added. This now allowed administrators to communicate with PWA users through In App messages.					

	<p>Ms Flitton updated the meeting on the progress of all the changes that had been requested by users. Much of the content had been updated, as well as adding events, together with the relevant starting times and pertinent e-mail addresses. She was unsure of how accurate the analytics were (Android only) and would check whether these would be available on PWA. The focus going forward was to try and make the App and exciting site for users to visit.</p> <p>The App Users' Guide update had been released in January and should be updated again in June/July. It was currently distributed on the SAMCODES website and within the App. She asked whether the PDF Guide could be distributed via other channels or groups, e.g. GSSA, SAIMM. A link had been added to the SAMCODES website, i.e. SAMCODES App Users' Guide.</p> <p>Ms Flitton asked people to review and provide comments so that the changes could be added to Version 2. Action: All members</p> <p>The list of sponsors would be updated by Ms Letlhaku. The monthly fee was ±R1 400, which included the PWA functionality. This could easily be covered by less than five sponsors. Action: Tshepi Letlhaku</p> <p>Administrator training would be arranged for July for Tarryn Orford (SAMOG), James Lake (SAMESG) and Thato Letebele (SAIMM). Mr Lomborg was asked to request a SAMVAL representative at the SSC meeting.</p> <p>Mr Rowland offered support as a sponsor and asked how this could be facilitated. Ms Flitton would distribute the presentation via the SAIMM Secretariat to the Committee and people were asked to register on the App and provide any comments. Action: Tarryn Flitton</p> <p>Ms Wansbury cautioned about compliance with the Copy Act.</p> <p>Dr Marshall advised that the updated PDF would stay in the GSSA newsletter for every edition. It would also be shared via SAIMM. There was a linked page for SAMCODES.</p>
<p>5. CRIRSCO</p>	<p>Mr Lomborg advised that currently PERC was trying to finalise an update to their Code and also Kazakhstan. A number of countries were very close to becoming members, including the Philippines. It had been decided to have another virtual conference in October this year. PERC had added Governance to a list of modifying factors in Figure 1. CRIRSCO had decided that if there were small changes of definitions, that there would be some discussion around these before they were introduced. One of the things that was on the list for CRIRSCO was a discussion about the Standard Definitions and Mr Lomborg would have another look at those in September.</p>
<p>6. SAMCODES Conference</p>	<p>This conference was planned for October 2021. This would be a hybrid version of the conference, so there would be online and physical presentations. Members were asked to register and become part of that, whether it was virtual or in person. Action: All members</p>

**7. Technical Discussion:
Application of Geological Loss**

Mr Mullins advised that he had come across several instances where geological discount factors were applied as modifying factors on the Reserve side of things, instead of the Resource side. His initial thoughts were that it did not really fit with the Standard Definitions and he thought that maybe there were other ideas about this and where it was applied.

Mr Witley advised that he had seen this applied before. Mr Rowland added that it was widespread practice to apply to Resource models and he asked for an example and if this could be a concern in terms of 'double accounting', as it was already incorporated in the Resource model.

Mr Mullins responded that one particular instance was the geological discount was correctly applied on the Resource side, but then an additional discount was applied on the Reserve side to account for additional geological losses that had not been accounted for already on the Resource side. He thought that the two could be amalgamated under the Resource side itself. He found a number of other instances, where a similar approach had been adopted and it did not make sense to him. His contention would be that if it was not there in the first place, then it could not satisfy RPEE, so it should be on the Resource side.

Mr Rowland did not feel it was a modifier for the reserving at all and they applied mining recovery and dilution. He did not endorse it.

Mr Lomborg agreed that it could be a categorisation issue and should be categorised as mining and not as geology. Mr Njowa agreed with the sentiment that it could just be a miscalculation.

Mr Grant advised that he had a coal producing client where the geological losses were significant ($\pm 25\%$), largely due to dolerite intrusion. When estimating the resources, one took the whole resource and looked at the dolerite intrusions throughout that resource and interpreted it as best as possible through the drawings. When it came to reserves, one took a portion of that resource and turned it into a reserve based on the mine plan. The proportion of dolerite in that reserve may well be different to the overall proportion inside the resource, therefore the geological losses would need to be changed between the two estimations. The dolerite would not be evenly spread throughout the deposit.

Mr Rowland asked whether any of the dolerite intrusions were mined or whether they had geotechnical pillars around them. Mr Grant responded that they were mined through the dykes and the dyke material was thrown away. Some of the dolerite was mined with the coal, which changed the yield. Several committee members believed that this sounded like dilution.

Mr Witley advised that sometimes losses were put in as a modifying factor on Reserve statements. The mining engineer was sometimes given a block model which might not have losses in the model itself, and it was often listed in a spreadsheet later. When it came to the actual reporting, this was done in the correct fashion.

Mr Mullins agreed that this might be the case with one of the cases he had looked at. Ms Wansbury advised that often it was incorrectly stated in the report and it was more the practical application of how the geological losses were reported. This seemed part of the modifying

	factors that they applied in the business process when building the reserve model.
<p>8. SK-1300 – Issues to consider</p>	<p>Mr Lomborg asked if there were any further comments to raise after Prof Rupprecht’s presentation on SK-1300 at the last meeting. Mr Rowland advised that his company had a Joint Venture in West Africa which was a TSX-listed company and they reported through NI43.101. It had been confirmed that the SEC gave leniency to TSX- or Canadian-listed companies and they did not have to actually submit a SK-1300 report, even though they were NYSE-listed; they could just submit their NI43.101 due to allowances from the SEC. This did not apply to JSE-listed companies. Mr Njowa believed the reason for this was because of the similarities between SK-1300 and 43.101.</p>
<p>9. How SAMREC might promote more concise CPRs</p>	<p>It was noted that the SAMREC CPRs were sometimes very lengthy. The question was raised whether there should be a case for appendices. Mr Ingram advised that recently CPRs had become inflated. The recent batch of CPRs numbered 3 000 pages and he asked whether they volume was strictly necessary. A recent CPR contained 700 pages in the main report and the executive summary ran to over 100 pages. He wondered whether more was not necessarily better and the executive summary should not be a CPR in its own right. This put an enormous burden on the readers to review these large reports. In addition, it was often difficult to download and open such lengthy documents in Word. The coal reports had taken the Panel over 300 hours to read.</p> <p>Mr Rowland had been a proponent of short form reporting for many years and had drawn up drafts of what CPRs should look like. Table 1 could be reported on in ±150 pages. He did not believe the target audience were people who wanted to read hundreds of pages. A CPR of around 150 pages should be ample. Mr Njowa agreed and the purpose of the CPR should be carefully considered in order to reach some middle ground.</p> <p>Some discussion followed and Mr Mullins believed it should not only be about the number of pages, but also the relevance in certain sections. Ms Wansbury suggested that the issue now was that the documents were bulked up where companies had to comply with SK1300 and SAMREC requirements. Many companies were facing this as they did not want to have two separate CPRs and were using one document to cover both aspects. Mr Mullins added that some CPRs did not change too much, so it was not necessarily new work going in and this could perhaps be cut down and refer to previous versions. Mr Lomborg asked whether the annual reports of companies to the JSE were also too much. Mr Ingram responded that some annual reports had bulked up, particularly for companies that covered many mining operations. Some of their CPRs were prepared more for the Squirrel Awards than for strict compliance. High quality reporting was to be encouraged. Ms de Bruyn suggested identifying the purpose of the reports and then ask the people for whom the reports were written what they would like to see in such reports. She suggested that perhaps the investment analysts could put forward some volunteers. Another idea was to have a summary document with references to a more detailed document. Mr Grant suggested changing the format of the report to refer to a number of appendices. Ms de Bruyn also suggested looking at Table 1.</p>

<p>10. Training</p>	<p>No training had been scheduled this year due to the Conference in October. Dr Marshall advised that GSSA had been planning to have an ESG Day similar to what was held last year. The previous ESG Day had not been a success. It was important to get rid of the confusion as to what was happening with ESG and what SAMESG was supposed to be doing. It was important to get buy-in from industry and to know what was happening in the field and what people thought SAMESG should be doing. The idea of an ESG Day had morphed into an ESG Inquisition, much the same as the SAMREC Inquisition held some years ago, where people put forward their ideas, comments and suggestions. No decisions were taken at that Inquisition, but the information was made available to the SAMREC Committee and used when compiling the next version of the SAMREC Code. This was what had been considered for ESG. Dr Marshall shared the proposed draft of the programme and explained some of the detail. Many of the speakers had been confirmed. The second day of the Inquisition would involve three panel discussions and case studies, annual reporting and CPRs. A questionnaire would be sent out to all Competent Persons and Lead Competent Persons, consulting companies and anyone involved in writing or reviewing these documents. The panel discussions would address the questionnaire. It was planned for 10 and 11 August (mornings). Members were asked to complete the questionnaire and return to Dr Marshall. Some members would be asked to sit on the panel.</p> <p>Action: All members</p>
<p>11. General</p>	<p>Ms Flitton asked whether SAMVAL had put out anything on their site on remote site visits that could be piggy-backed on. Dr Marshall suggested that SAMREC and SAMVAL work together in concert rather than having two different requirements.</p> <p>Ms Charlie advised that with regard to sponsorships for the App, these were as had been presented at the beginning of the meeting. Renewal was in November. SAMREC and SAMCODES were on Facebook and LinkedIn, but these had not been updated. Any content should be sent through to Ms Moola.</p> <p>Mr Rowland supported the focus on ESG components and advised that his organisation had incorporated this in all reporting.</p>
<p>Next meeting</p>	<p>The next meeting was scheduled for 26 August 2021.</p>
<p>Meeting closure</p>	<p>Mr Lomberg thanked everyone for their attendance and contribution. The meeting ended at 11:05.</p>

Matters arising/Action Items

Meeting Date	Action	Responsible	Due	Status	Comments
27/05/21	Review and provide comments on App Users; Guide	All members	June 2021		
27/05/21	Update list of App sponsors	Tshepi Letlhaku	June 2021		
27/05/21	Distribute App presentation to members	Tarryn Flitton	June 2021		
27/05/21	Register for SAMCODES Conference	All members	June 2021		
27/05/21	Complete questionnaire for ESG Inquisition	All members	July 2021		