

SAMCODES NEWS

Education and Promotion

SAMCODES for Young Professionals webinar

Professor Steven Rupprecht held the 'SAMCODES for Young Professionals' webinar on 7 July 2022. A total of 35 delegates attended the webinar.

Implications of S-K 1300 regulations and disclosures for dual-listed companies on the JSE and NYSE webinar

A successful two half-days webinar on 'Implications of S-K 1300 regulations and disclosures for dual-listed companies on the JSE and NYSE' was held on 5-6 September 2022. This was attended by some 50 delegates with presentations from 11 delegates representing dual-listed mining companies in South Africa, the JSE Readers Panel, and various consulting companies on the application of S-K 1300 in comparison to SAMREC. Experiences with reporting obligations per S-K 1300, implications for reporting to the JSE, legal aspects of disclosure risk and liability, and ESG implications were among the aspects discussed during the two-morning sessions. The webinar was well received, and it was agreed by delegates that a follow-up conference at a similar time in 2023 should be planned.

Two key take-away points from the webinar were to establish:

- ♦ A generic Q&A reference sheet on the SAMCODES website, which would capture typical and common questions with answers relating to dual listing topics and S-K 1300 reporting [this would be for guidance only and would not represent formal technical, regulatory, or legal advice]; and
- ♦ An appropriate forum to facilitate engagement between the SEC and listed mining companies, along the lines of the current annual conference between SEC and PCAOB arranged by the Association of International Certified Professional Accountants (AICPA).

For those who were not able to attend the webinar, the presentations and discussion will be made available at a nominal cost of R200.00. Details will be posted on the SAMCODES website <https://www.samcode.co.za/>

DMRE Mineral Economics Group Workshop

Dr Tania Marshall and Messrs Sifiso Siwela and Andy McDonald attended a Mineral Economics Group Workshop hosted by the Department of Mineral Resources and Energy (DMRE) on 24 August 2022.

The DMRE had queried at what stage bulk sampling moves from exploration to mining, as this has many implications from a regulatory perspective. Dr Marshall provided an overview of bulk sampling implications for alluvial diamond prospects, in the process highlighting the issues, processes and requirements to be able to declare a Mineral Resource for an alluvial diamond prospect in terms of the SAMREC Code. Although no answers to the DMRE's problem were forthcoming, the Mineral Economics Group acknowledged that further debate on this topic was necessary.

Mr Siwela gave an overview of the SAMREC Code. In the process, many of the aspects raised by Dr Marshall were re-emphasized.

Mr McDonald gave an overview of the SAMVAL Code followed by a worked example of how to value an early-stage alluvial diamond prospect. This reiterated some of the issues raised earlier by Dr Marshall as well as highlighting some pitfalls in valuation methodology.

Advanced and Basic SAMREC and SAMVAL Workshop

The Advanced SAMREC and SAMVAL Workshop, which was scheduled to be held in 2022, has been postponed.

Recent experience suggests that the general awareness of SAMREC and SAMVAL is quite limited. The option for a more basic course as a webinar stretched over several weeks is being pursued for 2023.

ESG follow-up session

The ESG follow-up session planned for 8 November 2022 has been shelved, as the SAMCODES ESG Working Group agreed it was too soon to have anything worthwhile to discuss. This follow-up session has been re-scheduled for 11 July 2023.

SAMCODES NEWS *(continued)*

SAMCODES Committee Key Activities

The SAMREC, SAMVAL, and SAMESG committees met in May and August 2022, as part of normal quarterly meetings.

The **SAMREC Committee** (*Ken Lomborg, Chair*) has been involved in the following activities:

- ◆ Work continued on the SAMCODES App, adding survey quizzes and ESG questionnaire.
- ◆ Coordinated a response to the Canadian Securities Commission (CSA) with consolidated comments on the consultation paper related to National Instrument NI43-101 and ESG matters.
- ◆ Since no training was planned for this year, it was suggested that interaction (training) be taken to the SAIMM and GSSA branches.
- ◆ Discussion around the application of S-K 1300 and its relation to the CRIRSCO codes.
- ◆ Provided an update on CRIRSCO for the website.
- ◆ Provided input to the ESG Working Group activities.
- ◆ Continued involvement with CRIRSCO via Ken Lomborg and Roger Dixon.

The **SAMVAL Committee** (*Andrew van Zyl, Chair*) has been involved in the following activities:

- ◆ Discussion around Real Option Analysis, its relevance and pitfalls associated with this valuation method.
- ◆ Discussion on the valuation of brines and non-solid minerals.
- ◆ Discussion on the G (Governance) in ESG matters and how to include governance issues in mineral asset valuation.
- ◆ Issues around how to integrate ESG requirements into SAMVAL.
- ◆ Submitted comments to the SAMREC Committee on the CSA's consultation paper for NI43-101.

The **SAMOG Committee** (*Peter Dekker, Chair*) held a meeting on 10 May during the Mining Indaba, which was attended by new members from the USA and UK. Among the discussion points were:

- ◆ How to report on helium gas.
- ◆ Ongoing reporting obligations for annual reports per the Code and JSE requirements.
- ◆ Alignment to the new PRMS guidelines.
- ◆ Expect an increase in activity once the South African Upstream Petroleum Resources Development Bill (UPRDB) has passed through Parliament.

The **SAMESG Guideline Committee** (*Teresa Steele-Schober, Chair*) has been involved in the following activities:

- ◆ Formulation of conceptual definitions as part of the CRIRSCO ESG sub-committee.
- ◆ Discussions regarding the ESG Division within GSSA.
- ◆ Analysis of the results from the Survey Monkey questionnaire distributed by the SAMCODES ESG Working Group.
- ◆ Liaison with the JORC committee examining ESG matters.

The **SAMCODES ESG Working Group** (*Andy McDonald, Chair*), comprising representatives from the other code committees and from various industry groups, has met on a monthly basis. Completed activities include:

- ◆ Key findings from the stakeholder mapping exercise and the ESG Inquisition were consolidated into a presentation which is available on the SAMCODES website.
- ◆ Conducted the Survey Monkey questionnaire on ESG matters relative to SAMREC/SAMVAL.
- ◆ Identified specific work streams to move the process forward, assigned champions to each work stream, and compile an integrated implementation project plan and timetable.

SAMCODES Website

We have attended to the following aspects on the website:

- ◆ Updated pages for the Council for Geoscience, DMRE, and CRIRSCO.
- ◆ Details of the SAMCODES App added.
- ◆ Added a link to the PERC Reporting Standard of 2021.
- ◆ Added the quiz that can be found on the SAMCODES App.

International Developments

CRIRSCO: The 2022 annual meeting will be held in Johannesburg from 17 to 20 October 2022. The meetings of Wednesday 19 October will include feedback from the National Reporting Organizations (NROs) and will be open to interested persons as observers.

Please contact Ken Lomborg at ken@pivotmining.co.za for details.

Andrew McDonald
Chair, SAMCODES Standards Committee