

## Keeping abreast of the SAMREC Code 2015 update

### At a glance

*“The revised and updated SAMREC Code is expected to create a higher standard of reporting on Exploration Results, Mineral Resources and Mineral Reserves.”*

### Why is the revision and update necessary?

Mining is an international business that relies on the trust and confidence of investors and other stakeholders. The SAMREC Code is the minimum standard of reporting for Exploration Results, Mineral Resources and Mineral Reserves in South Africa, and as such must ensure that it's keeping up with developments in the mining industry worldwide. The Code needs to be relevant to a changing industry and encompass the discovery of new deposits.

As the industry matures, a number of issues and practical realities have been identified that require proactive revision. The guidelines of the SAMREC Code include materiality, transparency and competency. The Code allows the investor to understand the technical details and risks associated with developing projects and mines. Revisions to the reporting standards aim to ensure that the information investors and stakeholders can reasonably expect to be available are provided.

### What's likely to change

The new SAMREC Code is planned to be released in Mid-2015. We believe this revision will increase confidence in market investment, allowing finance, mining and exploration companies looking to improve their investor base to be able differentiate the mines or projects that have merit.

Some of the likely changes include an increase in disclosure and assessment requirements to align with the JORC Code 2012, and more definition around types of scoping, pre-feasibility and feasibility studies. Figure 1 will better demonstrate the relationship between Exploration Results, Mineral Resources and Mineral Reserves. And Table 1 has been extensively revised so that each aspect includes an action required by the Competent Person.

### Process of ratification

The Code is currently undergoing an internal review by the SAMREC Working Group. There will then be a period of consolidation and discussion with the Johannesburg Stock Exchange (JSE) and Financial Services Board (FSB), then public consultation and publication in the government gazette and final ratification by the SAMREC/SAMVAL Committee – likely during Q2 of 2015.

### How Coffey can help

When the revised and updated SAMREC Code is released, the new reporting environment will require companies to provide more information to investors and interested parties on the underlying details and assumptions that relate to the declaration of their Exploration Results, Mineral Resources and Mineral Reserves. A more informed assessment of the investment potential of these projects will be possible, and the risks associated will be clearer.



Ken Lomborg is a Senior Principal with Coffey in Johannesburg and chairs the SAMREC Working Group, which is tasked with the responsibility of compiling the revision. This places us in a unique and informed position to help our clients understand the requirements and their responsibility under this new regime.

If you have any questions about how this may impact your project, please feel free to contact me on +27 11 679331 or via email at [ken.lomborg@coffey.com](mailto:ken.lomborg@coffey.com).

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