



THE SOUTH AFRICAN MINERAL CODES

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THE SOUTH AFRICAN MINERAL CODES

SAMREC CODE

THE SOUTH AFRICAN CODE FOR THE REPORTING OF EXPLORATION RESULTS, MINERAL RESOURCES AND MINERAL RESERVES

- **FIRST PUBLISHED MARCH 2000**
- **2ND EDITION JULY 2007**

MINIMUM STANDARDS FOR PUBLIC REPORTING



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SAMVAL CODE

THE SOUTH AFRICAN CODE FOR THE REPORTING OF MINERAL ASSET VALUATION

- **Mineral Asset - Any right to explore or mine (or both) that has been granted or entity holding such property or the securities of such an entity.**
- **Published April 2008**

The Code sets out a required minimum standard for the Public Reporting of Mineral Asset Valuation.



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PRINCIPLES

Materiality: Relevant information for a reasoned decision.

Transparency: The reader of a Public Report must be provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled.

Competency: The Public Report is based on work that is the responsibility of suitably qualified and experienced persons who are subject to an enforceable Professional Code of Ethics.

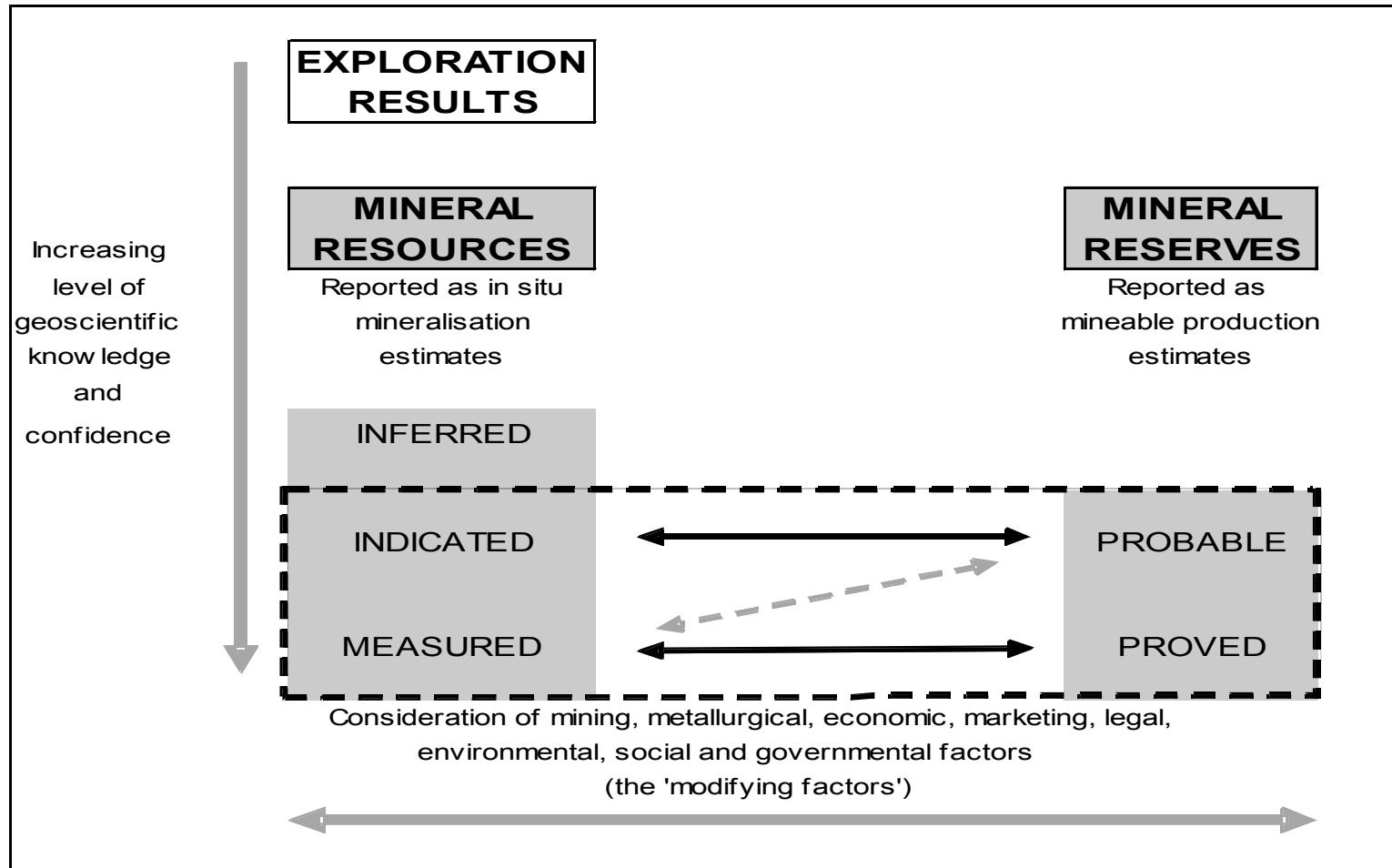


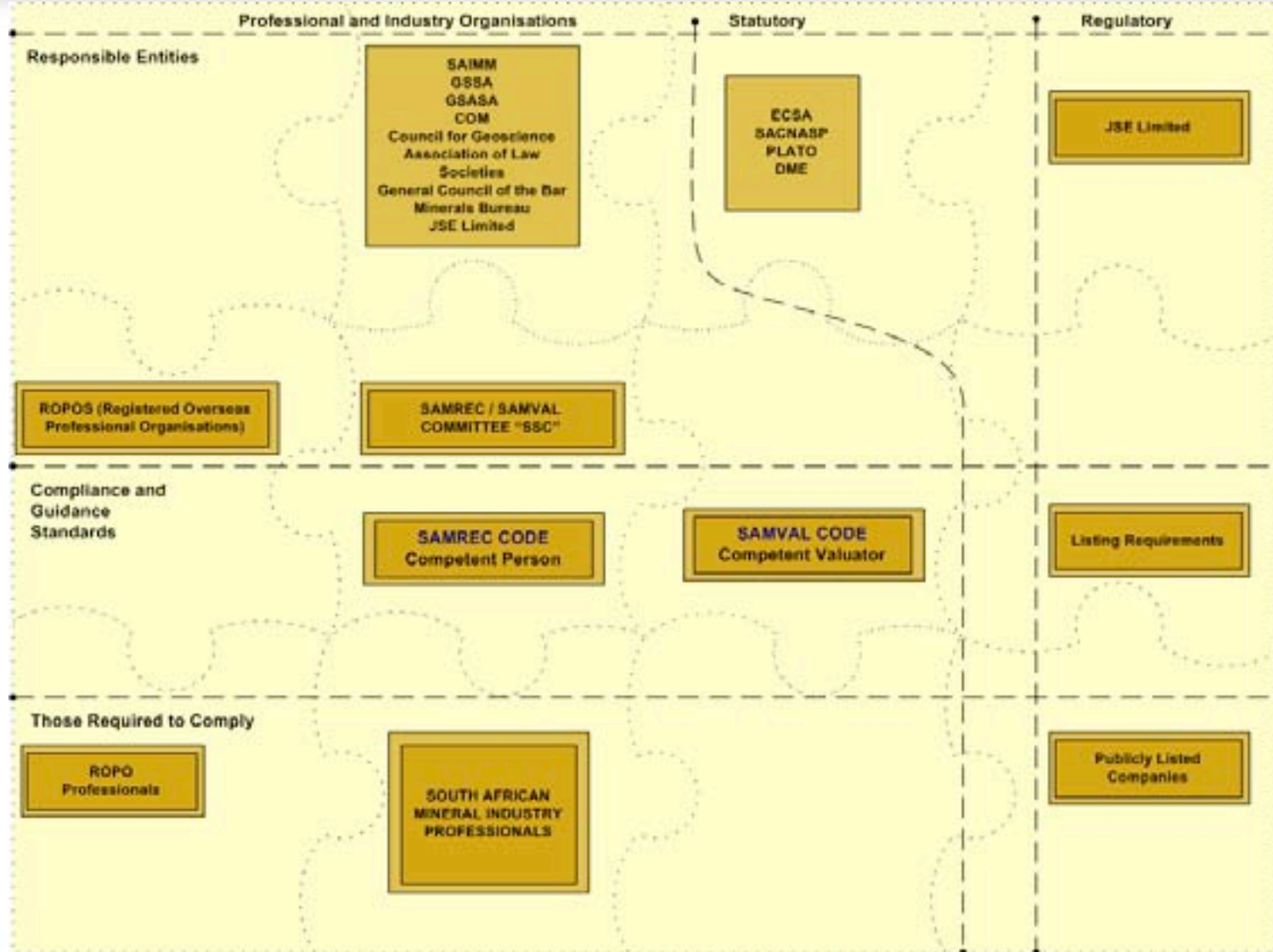
Figure 1 Relationship between Exploration Results, Mineral Resources and Mineral Reserves



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SAMREC AND SAMVAL CODES





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Working Groups

Chairperson

Matt Mullins President GSSA

Vice Chairperson

Competent Persons

International Codes

Section 1-3, and 5

Section 12 - JSE

Appendices/Tables

Gold

Coal

Diamonds

Platinum

Oil & Gas

Bulk Commodities

Chrome



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SAMREC Working Group - Representatives

Minerals Bureau

JSE Limited

Department of Minerals & Energy

Council for Geosciences

SAMVAL

CRIRSCO

Wits University

Dr Ferdi Camisani

**Close to 100 People involved in the Working
Group and Subcommittees!**



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Parking Lot

To be addressed by post-update SAMREC (or International) standing committees

- Best Practice Guidelines
- Inclusive versus exclusive
- Additional categories
 - Possible Reserves?
 - What comes lower than Inferred Resources?
- Oil & Gas – Separate WG
- Prescriptive versus Principles-based



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JSE Limited

Johannesburg Stock Exchange

- ***Codes incorporated into JSE Listing Requirements***
- ***Strong links with JSE***
- ***Readers Panel***



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Readers Panel

- ***Readers Panel – monitors compliance***
- ***Recognized experts***
- ***Administered by JSE***
- ***Prevention rather than cure***
- ***Remunerated by JSE***



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RECIPROcity

AusIMM	Australasian Institute of Mining and Metallurgy
IGI	Institute of Geologists of Ireland
AIG	Australian Institute of Geoscientists
IMMM	Institute Materials, Minerals and Mining
EFG	European Federation of Geologists
CCPG	Canadian Council of Professional Geoscientists
	Geological Society London
SME	Society of Mining, Metallurgy and Exploration
MMSA	Mining and Metallurgical Society of America



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Reciprocity

- ***Enforceable code of ethics***
- ***Disciplinary procedure***
- ***Commitment to invoke disciplinary procedure***



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Disciplinary Process

- ***Used as a last resort***

Training and development

Readers panel

Registration of CPs considered

- ***SSC ethics committee***
- ***Referred to CP's professional body for discipline***



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Feasibility Study

- A comprehensive design and costing study of the selected option for the development of a mineral project.
- Realistically assumed geological, mining, metallurgical, economic, marketing, legal, environmental, social, governmental, engineering, operational and all the other modifying factors,
- Demonstrate at the time of reporting that extraction is **reasonably** justified (economically mineable) and
- the factors **reasonably** serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project.
- The overall confidence of the study should be stated.



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Reasonable?

- ***Commodity price volatility***
- ***Fluctuating exchange rates***
- ***Rampant escalation in selected areas***
- ***Lack of technical capacity***
- ***Cost over-runs***
- ***Lack of infrastructure capacity***
- ***Pressure from clients***
- ***Market meltdown***



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WEBSITE

ALL SLIDES

WWW.SAMCODE.CO.ZA