



In addition, it had also been sent to CRIRSCO (Harry Parker) and JORC for comment. CRISCO had commented on nearly every line item on the Code and he believed it would be counter-productive to discuss every item. He had identified those items that he believed should be discussed. The people from De Beers had pointed out that the Code spoke about "reasonable and realistic prospects", which should only be "reasonable" – as per CRIRSCO definition. Mr Lomborg had made that change throughout the document. Ms de Bruyn suggested that a record be kept of the comments being considered and the changes made. This was agreed.

**Action: K Lomborg**

It had also been pointed out that the Code was not consistent with the wording with regard to who it was written for, i.e. the wording varied between "investor", "informed investor" and "reader". Mr Lomborg suggested changing it to "**reader**" in all cases. It was agreed that stakeholders would not be identified.

The following comments were reviewed:

The Code spoke about "*projects and mines*" and it was suggested that it should be "*extensions to mines*" and "*extensions to projects*". A recommendation was made that this should be stated upfront in the definitions. Mr Lomborg believed that this should not be changed and all agreed.

It was agreed to leave the definition of "*Historical estimate*" as it was, as this predated the Code.

#### **Glossary of Terms:**

- Under "Life of Mine Plan", it was agreed to change the last sentence of the definition to read: "*The level of study should at least be equivalent to a Pre-Feasibility Study – see Table 2 for guidance*".

**Action: K Lomborg**

- Under "Licence, Permit, Lease or similar entitlement", a suggestion had been made to change this to include water rights, surface rights, environmental permits, blasting operations and HSE. Mr Lomborg was wary of including too much detail and it was agreed that this definition be left as it was.
- Under "Material", the Code stated the following: "*As a rule of thumb, this would normally be equal to or exceed 10%*", which had been taken from the JSE rules and would be left as it was.
- Under "Material information", it was suggested that the word "*listed*" be removed from the final paragraph, i.e. "*Material information consists of both material facts and material changes related to the business and affairs of a company*". This was agreed.

**Action: K Lomborg**

- Regarding "Mine planning", a comment had been received that this was underground-centric and did not deal with open mining. It was agreed to leave this as it was.
- Some discussion followed on the difference between "*Mineralisation*" and "*mineralisation*" and it was agreed that these would be defined and changed where necessary.

**Action: K Lomberg**

- Under "Mineral Occurrence", it was agreed to change this definition to read: "*Any **solid** mineral of **potential** economic interest in any concentration found in bedrock or as float; especially a valuable (or potentially valuable) mineral in sufficient concentration to suggest further exploration*".

**Action: K Lomberg**

- RPO (Recognised Professional Organisation) had been accepted by the SSC and the acronym should remain in the definition.

### **SAMREC Code - Foreword:**

It was agreed that the acronym for the Investment Analysts Society (IAS) be included.

**Action: K Lomberg**

In the final paragraph, it should be stipulated that "*...those existing standard definitions published in the CRIRSCO Report Template – 2013*".

**Action: K Lomberg**

Clause 5 - a suggestion had been made to change the wording to: "*Minerals are defined as any substance occurring naturally in or on the earth, **in or under water**, or in tailings, residue or low grade stockpiles....*" The question was raised as to whether, if underground, it was a solid mineral. This could mean diamonds and manganese and it was agreed to exclude the proposed additional wording.

Clause 6 - a query was raised as to whether this wording was sufficient, or whether there should be more detail on modifying factors. It was agreed to substitute the words "economic assumptions" with "modifying factors".

**Action: K Lomberg**

Clause 9 - regarding the definition of a Competent Person, a query had been raised as to whether, under the final sentence: "*The Competent Person must comply with the provision of the relevant promulgated Acts*", the Code should be more specific. It was agreed to leave this as it was.

Clause 10 - "*Estimation of Mineral Reserves was commonly a team effort involving a number of technical disciplines*". It was agreed to leave this as it was.

Figure 1 showed metallurgical and processing and it was debated whether to include diamonds and coal. It was agreed to look at the CRIRSCO definitions in terms of gemstones and diamonds.

**Action: K Lomberg**

Clause 18 - it was agreed to change the wording as follows: "*When reporting of Exploration Results, Mineral Resources or Mineral Reserves for polymetallic deposits in terms of metal equivalents, use must be made **of** Clause 73, which contains amendments and additions, which take precedence over all common clauses*".

**Action: K Lomberg**

### **SAMREC Code – Reporting of Exploration Results:**

Clause 20 - in the first paragraph: "*Exploration Results may not be part of a formal declaration of Mineral Resources or Mineral Reserves, and must not be presented in a way that unreasonably implies the discovery of potentially economic mineralisation*", a

question was raised on whether to remove the word "unreasonably". It was agreed to leave it as it was.

It was agreed to leave the rest of the clause as is.

Clause 22 – "A cautionary statement may be by way of a footnote while a general disclaimer elsewhere in the disclosure document will not satisfy this requirement". It was agreed to change the word "while" to "**and**".

**Action: K Lomborg**

Clause 22 – with regard to the paragraph "Appropriate rounding should be used to express the level of uncertainty of the estimates. By way of example, "approximately one to two million tonnes at a grade of more than 3-5% Cu ....", a suggestion had been made to remove the words "more than". This was agreed.

**Action: K Lomborg**

### **SAMREC Code – Reporting of Mineral Resources**

Clause 23 – on the question of "reasonable and realistic prospects", Mr Lomborg advised that CRIRSCO used the wording "**reasonable prospects**". He had made this change throughout the document in order to align with CRIRSCO. He also mentioned that CRIRSCO wanted to put the Code into ISO. He was against this, as it could mean a loss of control for SAMREC.

Clause 23 – the word "grade" would be added in the final paragraph, i.e. "Where considered appropriate by the Competent Person, Mineral Resources estimates may include Mineralisation below the selected cut-off grade to ensure that the Mineral Resource consists of bodies of Mineralisation of adequate **grade**, size and continuity ....".

**Action: K Lomborg**

Clause 24 – it was agreed to change the wording of the fifth paragraph to read: "An Inferred Mineral Resource can be based on interpolation between widely spaced data where there is reason to expect geological continuity of Mineralisation. The extent of extrapolation outside of the nominal drilling **or sampling** grid spacing should be justified".

**Action: K Lomborg**

Clause 25 – it was agreed to change the first paragraph to read: "If this category is considered in mine design, **mine** planning or economic studies, the results of which are publicly reported, full disclosure must be made and the effect on the results of the studies must be stated."

**Action: K Lomborg**

Clause 25 – the words "as included in the life of mine" should be added to the end of the second paragraph.

**Action: K Lomborg**

Clause 25 – it was agreed that the final paragraph, i.e. "Inferred Mineral Resources cannot be converted to Minerals Reserves and must not be stated as part of the Mineral Reserve" should remain as it was.

Clause 30 – a question had been raised around the wording: "Mineral Resources must not be aggregated with Mineral Reserves" and whether this was inclusive or exclusive reporting. It was agreed to use the following wording: "not to be confused with inclusive reporting of Mineral Reserves".

**Action: K Lomborg**

Clause 31 – it was agreed to reword the clause as follows: “A Mineral Resource must not be reported in terms of contained mineral content (or metal equivalents) unless corresponding tonnages and grades of individual elements (and recoveries) are also reported”.

**Action: K Lomborg**

### **SAMREC Code – Reporting of Mineral Reserves**

Clause 34 – it was agreed to change the wording of the third paragraph as follows: “The reference point at which **Mineral** Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated.”

**Action: K Lomborg**

Clause 34 – there was some debate around “waste” and “low grade”. It was agreed that as “uneconomic” was “low grade”, the fourth paragraph should be reworded as follows: “Mineral Reserves are reported as inclusive of diluting and contaminating low grade material delivered for treatment or dispatched from the mine without treatment”.

**Action: K Lomborg**

Clause 34 – in the sixth paragraph: “For commodities traded on metal exchanges, reasonable forward-looking prices should be used. Such prices should be based on historic full-cycle price averages and should be disclosed”, Mr Lomborg queried what this meant. The suggestion was to remove “full cycle”.

**Action: K Lomborg**

Clause 37 – it was agreed to leave the wording: “Inferred Mineral Resource is always additional to Minerals Reserves and should be quoted as such” as is.

Clause 37 – in the final paragraph, the word “Public” should be added before “Report”.

**Action: K Lomborg**

Clause 39 – the following words should be added to the end of the first paragraph: “Reporting using metal equivalents must be in accordance with Clause 73”.

**Action: K Lomborg**

Clause 39 – the words “uneconomic” and “waste” should be removed.

**Action: K Lomborg**

Clause 39 – in the final paragraph, the word “calculations” had been replaced by “evaluations”.

### **SAMREC Code – Technical Studies**

Clause 43 – a comment had been received that the last paragraph was confusing. After some discussion, it was agreed to leave the wording as is.

Clause 44 – there was no definition of what “high level assumptions” were and it was agreed to take out the words: “high level”. In addition, it was agreed to replace “low level assumptions” with “preliminary”.

**Action: K Lomborg**

Clause 45 – it was queried whether the Code should use the CRIRSCO wording of “Preliminary Feasibility Study” and it was agreed to use the words: “Pre-Feasibility Study” and provide a full description in the definitions.

**Action: K Lomborg**

### **SAMREC Code – Reporting of Coal Exploration Results, Coal Resources and Reserves**

Clause 58 – it was agreed to remove “*and realistic*”.

**Action: K Lomberg**

### **SAMREC Code – Reporting of Diamond Exploration Results, Diamond Resources and Diamond Reserves**

Clause 59 – a final paragraph had been added, i.e. “*This, and other industry guidelines on the estimation and reporting of Diamond Resources and Reserves, may be useful but will not, under any circumstances, override the provisions and intentions of the SAMREC Code and the Companion Volume Guidelines*”. It was agreed that this document should be titled: “*SAMREC Diamond Guidelines*”. Ms Marshall would circulate the document.

**ACTION: T Marshall**

### **SAMREC Code – Reporting of Exploration Results, Mineral Resources and Mineral Reserves for Industrial Minerals**

Clause 73 – the word “*Report*” should be preceded by “*Public*”.

**Action: K Lomberg**

### **SAMREC Code – Appendix 1 – Recommended Table of Contents for CPR**

The following wording would be added to the first paragraph: “*It is recommended that a Public Report include a CPR or reference to where the supporting documentation can be found, e.g. a website*”.

Under “*General*” – fifth paragraph, the words “*informed reader*” to be replaced by “*reader*”.

The sixth paragraph would be changed to read as follows: “*In some cases it will be appropriate for a Public Report to exclude some commercially sensitive information. A decision to exclude commercially sensitive information would be a decision for the entity issuing the Public Report. The decision must be disclosed and justification provided ...*”.

“*Reasonable investor*” to be replaced by “*reader*”.

In the seventh paragraph, it was agreed to put a full stop after “*conclusions*”.

In the eighth paragraph, it was agreed to take out the section after the first sentence.

It was suggested that the following paragraph be removed: “*The Competent Person must state that the declaration has been made in terms of the guidelines of the SAMREC Code*”.

Under “*Table of Contents*”, the following was discussed:

- It was agreed to leave “*Source of Information*” in under Introduction
- The word “*topography*” should be replaced with “***fauna and flora***”
- It was agreed to retain the words “*climate and weather*”
- Wording to be changed to read: “*Proximity to population centres*”
- “***Project/mine***” to replace “*project*”
- It was agreed to include nature of deposit
- “*Satellite/aerial photo*” to be replaced by “***Remote sensing data and survey data***”
- It was agreed to add “*Metallurgical sampling and test work*”

- Under "technical studies", a comment was made that this was quite rambling. It was agreed to condense this to read: "*Refer to Table 2*".
- It was agreed not to add: "*and sources of information*"
- Under "Appendices", it was agreed that the first bullet point should read: "*Supporting information*". "*Compliance statement and certificate of competence*" should be removed and "*Consent form*" should remain.

**Action: K Lomborg**

## **TABLE 1**

Mr Lomborg updated the meeting on comments and changes that had been made to Table 1, as follows:

- "*Investor*" had been replaced with "**reader**"
- Under Economics, it was suggested the "*discuss and justify*" be replaced by "**disclose and discuss**". This change was agreed.
- "*JERC*" to be changed to "**JORC**"
- Point 5.6 (ii) "*Describe product to be sold, customer specifications, testing, and acceptance requirements. Discuss whether there exists a ready market for the product and whether contracts for the sale of the product are in place or expected to be readily obtained. Present price and volume forecasts and the basis for the forecast*" would be changed to reflect the current situation.
- Point 5.6 (iii) The wording had been changed to: "*State and describe all economic criteria that have been used for the study such as capital and operating costs, exchange rates, revenue / price curves, royalties, cut-off grades, reserve pay limits*".
- Point 11.4 (xxi) The wording should read: "**Where carats per unit of mass is used, include a discussion of volume to tonnage**"
- IAP should be expanded to "**Interested and Affected Parties**"

## **5. ACCEPTANCE OF FINAL VERSION OF SAMREC CODE FOR FSB AND PUBLIC CONSULTATION**

Mr Lomborg advised that the changes would be made and the document printed out and sent to Ms de Bruyn for FSB consultation during the next week. This would not be a comparison document and would include all the changes that had been discussed and agreed.

## **6. GENERAL**

Ms Flitton enquired whether there was any additional information on the Companion Volume. Mr Lomborg replied that papers would be reviewed over the next few months. Mr van der Berg advised that 58 abstracts and 24 papers had been received, mostly SAMREC.

Ms de Bruyn requested the Chairman to prepare a covering letter for the FSB process, advising what the major changes had been.

**Action: Mr Lomborg**

Ms de Bruyn agreed to send Table 1 to Mr van der Berg for distribution and comment.

**Action: Ms de Bruyn / R van der Berg / All members**

Ms Dohm queried when the new SAMREC Code would be enforced. Mr Lomborg advised that it would become binding from January 2017.

## **8. CLOSING**

The Chairman closed the meeting at 12:30 and advised that Mr van der Berg would send out meeting invitations within the next few days.

**SUMMARY OF KEY ACTION ITEMS**

**Ken Lomborg:**

Amend Code with suggested and agreed recommendations  
Recirculate amended Code to all members, without comparison

**T Marshall**

Distribute copy of SAMREC Diamond Guideline document to all members

**A de Bruyn / R van der Berg / All members:**

A de Bruyn to send Table 1 to R van der Berg  
R van der Berg to circulate Table 1 to all members  
All members to return comments to Mr van der Berg