

**MINUTES OF THE SAMREC WORKING GROUP MEETING**

**HELD ON 14 JULY 2015 AT 10:45**

**IN THE DELVILLE WOOD ROOM, MILITARY MUSEUM**

**Present:** **K Lomberg (Chairman)**  
**M Austin** **T Marshall**  
**J Botha** **S Mathuray**  
**F Cawood** **J Nel**  
**A Clay** **R Peattie**  
**C Dohm** **S Rupprecht**  
**T Flitton** **M Tlala**  
**N Lock**

**Apologies:** **R Croll** **T Roland**  
**A de Bruyn** **H Schnetler**  
**S Joubert** **J Sullivan**  
**J Odendaal** **J Visser**

**In Attendance:** **R van der Berg, SAIMM**  
**A Donnelly (Scribe)**

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**1. WELCOME**

The Chairman welcomed those present. He advised that the SSC Chairman had expressed thanks for the efforts of the Working Group. Mr Lomberg added his own thanks and advised that the draft Code was almost finalised for submission to the JSE/FSB.

**2. ACCEPTANCE OF PREVIOUS MINUTES**

The minutes of the meeting held on 07 May 2015 were accepted as a true reflection of the meeting.

**3. MATTERS ARISING**

“Because no one had read the minutes, there were no comments”

**4. DISCUSSION OF FINAL VERSION OF SAMREC CODE**

Mr Lomberg advised that about ten comments had been received and that only those requests that warranted responses would be discussed. Requests for cosmetic changes would not be covered in the meeting.

A query had been raised by Mr Luckmann under Table 1, Part 2.1 (v): “Discuss the significant minerals present in the deposit, their frequency, size and other characteristics. Includes minor and gangue minerals where these will have an effect on the processing steps. Indicate the variability of each important mineral within the deposit.” Mr Lomberg queried whether this should be put into the Code. The Code was not about project management or highlighting the risks and risks would be reported in the risk assessment. After some discussion, it was proposed to take this off the Table.

Under Section 5: Technical Studies, Mr Austin believed that many of the items included under Minerals Reserves which should be under Mineral Resources. Mr Lomborg advised that the reader was declaring a reserve, it was necessary to answer these questions; if the reader was declaring a resource, it was not necessary to answer the questions. This was around the declaration of reserves and resources. Mr Lomborg stated that this was not a guideline on how to do it; it was about what to do when making a declaration. This point was debated at length and it was agreed that the statement was confusing. Ms Dohm suggested that the wording should be changed to read: *“State the confidence levels in the mineral resource that it could be taken to conversion”* (or similar), stating the categories. Ms Dohm agreed to draft the correct wording.

**Action: C Dohm**

One of the questions in Table 1 was on the issue of “must” and “shall”, i.e. if this was a guideline, it was not mandatory. The idea of Table 1 was to ask the questions that had to be answered. Mr Lomborg agreed to go through all the instances of “must” and “shall” and rephrase these as questions.

Ms Flitton commented that the *General Section* should be reformatted for clarity in terms of “If not/why not”.

**Action: K Lomborg**

Part of the Prelude read: *“Material items that are not applied should be accompanied by clear explanation in the documentation as to why they have been excluded or that the work is incomplete.”* Ms Flitton stated that the reader was commenting on every item, not just material items, so this sentence could probably be taken out, as the whole Table was “if not/why not”. All agreed.

**Action: K Lomborg**

Ms Mutharay suggested adding a new definition for residues and low density stockpiles. Mr Lomborg confirmed that this had been done. Ms Dohm queried whether “residues” should be replaced by “tailings” or if the word “tailings” could be included. Discussion followed and it was agreed that the wording should include: *“Can also be referred to as tailings”*.

**Action: K Lomborg**

The next question was whether to take out “outside the current product range”. All agreed.

**Action: K Lomborg**

Glossary of Terms, Clause 27: *“A major mineral resource estimate must be of sufficient quality to support detailed technical and economic studies....”* The question was raised whether to remove the sentence: *“When no additional sampling or other geological definition required”*. It was agreed to remove the last sentence.

Glossary of Terms, Clause 23: Mr Lomborg suggested there might be some duplication on two paragraphs. It was suggested that the relevant paragraphs be combined.

**Action: K Lomborg**

The SAMESG Working Group had indicated that the SAMREC Code should include “reference must be made to the ESG”. As the SAMESG guideline was still not finalised, this issue was parked. A query was also raised as to whether it was necessary to be prescribed to by the SAMESG, as it was in any event necessary to abide by the Government environmental requirements. It was agreed that this would not be put into the SAMREC Code.

Mr McWha had raised a question on how long records should be kept. Mr Lomborg queried whether this should be included in the Code. Ms Dohm suggested it would be better placed in the Companion Volume and this was agreed.

Ms Flitton had queried Clause 44/45: *“Historical Estimates, Exploration Results, Exploration Targets and Mineralisation may not be included in a Scoping Study”*. She did not understand where these clauses had come from and called for consistency. It was suggested that historical estimates should be reported, but using that information should not be done unless the data could be verified or validated. After detailed discussion around the various aspects of scoping studies, it was agreed that the wording would be changed to read: *“A Scoping Study may not include historical elements, exploration results, exploration targets and mineralisation”*; and that the historical aspects would be clearly defined.

**Action: K Lomborg**

The Chairman queried whether “internal reporting” should be removed. It was agreed to keep this in the Code.

Ms Flitton raised some comments on Table 1. Her concern was around the certificate of the Competent Person (Section 9, Clause 9.1, Point (iii)). One of her readers had found this unclear and she recommended that a reference to the appendix be put in brackets. Mr Lomborg stated that this was a guideline for the certificate, it was not mandatory to use it. In addition, it reads that consent has to be given by the CP in the context that it is used: that was consent, not a certificate (Appendix 3). Mr Lomborg reiterated that Table 1 would be reworded to read as questions.

**Action: K Lomborg**

Ms Flitton queried whether the comment under General, Point (xii): *“Where announcements by companies reference the SAMREC Code, the announcement should be approved in writing in advance of publication by the relevant Competent Person”* was the consent. She suggested that this be clarified. Ms Flitton recommended that if reference was made to things such as the consent of the CP, this should refer back to the Appendix to make it clearer.

**Action: K Lomborg**

Ms Flitton further commented that there was multiple use of “effective date” and this was not defined. Ms Dohm believed that this should be defined and all agreed.

**Action: K Lomborg**

In addition, Ms Flitton noticed that her caveat (Clause 24 of the Code): *“While it would be reasonable to expect that the majority of Inferred Mineral Resources would upgrade to Indicated Mineral Resources with continued exploration, due to the uncertainty of Inferred Mineral Resources, it should not be assumed that such upgrading will always occur”* had been removed and requested that this be reinstated. This was agreed.

**Action: K Lomborg**

Ms Flitton also commented that some clauses had been removed and asked whether it would be recirculated. The Chairman proposed that he send the document out to the Working Group members for sign-off by the end of the week.

Ms Marshall reported that one of the comments that had come back from the SAMVAL Committee was the issue around “should/shall” and “must/may”. SAMVAL would be changing their Code in this regard and she believed there should be consistency. Whatever the decision of SAMREC was in this regard, she believed it would be useful to have a paragraph in the introduction to define what each term meant. Those were the legal definition and would help readers to know the difference between “shall” being mandatory; “should” being preferred, etc. Mr Lomborg cautioned that it would not be possible to review this in a month’s time. The draft had to be completed this week and executive decisions had to be made.

**Action: K Lomborg**

Ms Flitton suggested that spelling of “materialisation” be standardised. Mr Lomborg pointed out that there were two different definitions for “Mineralisation” and “mineralisation”. When the word was used with an initial capital letter (Mineralisation), it referred to a process and when used with a lower-case initial letter (mineralisation), the meaning was generic.

Ms Dohm referred to Clause 5 and suggested that the definition of “Minerals” should be added to the Glossary and should be consistent with the MPRDA definition.

**Action: K Lomberg**

Ms Dohm further recommended that the section on the Competent Person be moved up to “Impartiality” as these belonged together.

## **5. ACCEPTANCE OF FINAL VERSION OF SAMREC CODE**

The Chairman undertook to make the necessary changes and distribute the updated document to those SAMREC Working Group members present. Members were requested to review this by the end of the week in order for it to go to JSE the following week for final approval. All agreed.

**Action: All members present**

## **6. TRAINING / COACHING**

Mr Lomberg invited members to attend the roadshow planned for Thursday, 16 July 2015, at Worley-Parsons. He and Ms Redman would be publicising the Code and presenting the changes made.

## **7. COMPANION VOLUME CONFERENCE**

The Chairman advised that four abstracts had been received and that more submissions were required by the end of July (abstracts). These abstracts should consist of 500 words. The Working Group was also asked to broadcast this request for abstracts. All papers would be reviewed between October and December. The target was 50 papers and would include SAMVAL submissions. The Chairman stated that a champion for the whole coal aspect was also being sought.

Mr Lomberg presented the provisional programme. It was hoped to have this Conference at Emperor’s Palace. Attendance was estimated at between 150 – 300 people.

The IGC would be held in August 2016 and they were also calling for papers. Abstracts were due in January (125 characters). Mr Clay was running the Geo-Ethics Section.

**Action: All members**

## **8. GENERAL**

Prof Cawood requested and was given the proposed timeline for submission of the SAMREC Code to JSE/SSC. He suggested that in order to avoid delay, this should be done in tandem.

## **9. CLOSING**

The Chairman closed the meeting at 13:15 and advised that the next meeting would provisionally be held on 27 August 2015.

**SUMMARY OF KEY ACTION ITEMS**

**Ken Lomborg:**

Amend Code with suggested and agreed recommendations  
Recirculate amended Code to all members

**C Dohm:**

Draft correct wording under Section 5: Technical Studies

**All working group members:**

Scrutinise amended Code and submit comments/solutions to Ken Lomborg prior to 17 July 2015  
Submit papers for Companion Volume Conference to Ken Lomborg or Raymond van der Berg  
Submit papers for International Geological Congress to A Clay