

**SAMREC**  
**MINUTES OF THE**  
**SAMREC WORKING GROUP MEETING**  
**Held on 25 April 2013 at 10:30 am at the Military Museum, Delville Wood Room**

**PRESENT:**

	<b>K G Lomborg (Chairman)</b>	
<b>Dr C E Dohm</b>		<b>F Harper</b>
<b>A de Bruyn</b>		<b>A S Macfarlane</b>
<b>W Botha</b>		<b>T R Marshall</b>
<b>R C Croll</b>		<b>S Mathuray</b>
<b>T Flitton</b>		<b>M R Tlala</b>

**APOLOGIES:**

<b>A N Clay</b>		<b>G Njowa</b>
<b>R Davel</b>		<b>J Odendaal</b>
<b>V Deonarain</b>		<b>K Redman</b>
<b>P-J Grabe</b>		<b>B Siebrits</b>
<b>K Johnstone</b>		<b>E Takolia</b>
<b>M McWha</b>		<b>J V Visser</b>
<b>B Mills</b>		<b>D Young</b>
<b>C Musingwini</b>		

**In Attendance:**      **J Dixon (Manager, SAIMM)**  
                              **S Moolla (Manager, SAIMM)**

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**1. WELCOME**

Mr Ken Lomborg welcomed everyone present to the meeting.

**2. MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 23 February 2013 were accepted as tabled.

**3. MATTERS ARISING FROM THE MINUTES**

There were no matters from the previous meeting to discuss.

**4. DISCUSSION ON THE PROCESS INVOLVED FOR THE REVISION OF THE SAMREC CODE**

The closing date for submissions for the rewrite of the SAMREC Code was the end of May. Anything that did not need to be changed would be left as it was. All workgroup members were requested to forward their comments to Ms Moolla. The rewrite would probably take eighteen months as proper consultation needed to happen.

Dr Dohm stated that this was a good time to go through the differences between JORC and SAMREC. Mr Lomborg advised that JORC had provided additional items and a lot more detail and we should do so too otherwise people would end up using other Codes.

CRIRSCO had also requested that we look at their definitions. Where we thought there were contentious issues we should consider them. The workgroup needed to look at and debate scoping and prefeasibility and reach consensus. Guidelines were also needed on the interpretation as there were many issues with regard to this.

Mr Lomberg stated that it was difficult to keep the Code prescriptive, and stated that the workgroup needed to be careful to keep it as a guideline. NI43-101 was very prescriptive and the lawyers were giving them a hard time.

Mr Croll advised that the intent of the Codes was to provide sufficient information for investors to make a decision and to give them a sense of trust that the competent person had done the necessary work.

The possibilities of either breaking up the workgroup into sub-workgroups to look at each section or else to deal with each section and debate it at these meetings were considered. Ms Harper stated that the process should only start once comments were received from people. Mr Lomberg suggested that the workgroup could start on issues that they thought could be dealt with here. PERC had industrial and legal aspects that could be looked at, and JORC also had a good table. A checklist and comments from industry would be prepared. There were approximately 100 replies received which could be categorised into about ten different categories. Mrs Marshall would look at the JORC exploration results and templates of consent forms as well as the appointment letter.

The influence of the SAMREC rewrite on SAMVAL had to be considered and we had to ensure that both were the same and cross-referenced. Mr Macfarlane stated that there wouldn't be anything materially different. There would probably need to be one set of classifications. It was also felt that once all the issues were resolved, no further comment would be allowed otherwise it would take forever to finalise.

The Codes that would be used for comparison were SAMREC, JORC, PERC and NI43-101. CRIRSCO was the over-arching Code. The workgroup would address all comments and once this was done it would be sent for general comment. The idea was to get reasonable responses if the work was done beforehand. Mr Croll questioned whether discussions with the DMR would be considered and was informed that they had been invited to participate. Dr Dohm stated that with the 2005 and 2007 rewrite the DMR were still finding their feet so it was worth getting them involved now. Mr Lomberg suggested that a presentation be made at their conference and then inviting them to the meetings. Mr Croll recommended that contact be made with the Gauteng Manager of the DMR and that a formal meeting be arranged with them.

Mr Lomberg advised that the workgroup could look at publishing and presenting at conferences. Mr Croll reported that with the SAMVAL Code everyone had an opportunity to give a two-minute feedback. Mr Lomberg stated that the JSE could have a forum for mining companies and analysts. This could be done at the end of the process and should also include a public awareness campaign covering Johannesburg, Durban, Cape Town and the coal industry. The conclusion of the six issue papers would be included in the Code.

Dr Dohm would circulate the spreadsheet that she had used. Other issues on the table were:

- The inclusion of social media into the definition
- Cannot say tonnes without grade – there must be reference to the source CP report, or Annual Report
- To look at including “private” reports – what is a non-public report – the loop needed to be closed
- The definition, not principle of competence.
- “If not, why not?” should be added in the principle.

Mr Tlala questioned what the ultimate goal of revising the SAMREC Code was. He felt that the workgroup should be opened as he felt that it was not reaching everyone. Mr Lomberg responded that approximately 400 companies were included in the process so it was not a closed committee.

The debate regarding the inclusion of the DMR and involving them in the process, the inclusion of all stakeholders as well as ethical issues concluded with Mr Tlala advising that Prof Dion Rossouw, the CEO of Ethics South Africa should be invited to meetings. The

workgroup agreed to this, and advised that he had to advise Prof Rossouw that attendance at meetings and all contributions were voluntary.

It was agreed that geographical representation was important and that a process was needed to get the message out to as many stakeholders as possible. A "road show" could be organised through the Branches of the SAIMM and the GSSA. Dr Dohm advised that the DMR also had different regional offices which could be used to get their participation and request their assistance in getting the message out. The areas included Johannesburg, Polokwane, Durban, Cape Town, and Rustenburg. The "road shows" may need to be done twice: i) to get participation; ii) launch the Code.

Dr Dohm advised that the JSE clause 863 had to be referred to in the Code. Mrs Marshall added that just because we were requesting feedback, it did not mean that all feedback needed to be included in the rewrite.

## 5. COMPARISON OF THE INTERNATIONAL CODES

This had already been discussed.

## 6. GENERAL

### Communication with the DMR

Mr Tlala stated that the Director-General of the DMR could be contacted to get their buy-in and understanding.

### Comments on the Code

Mr Lomberg requested all members to go through the Code and make a list of points for discussion and forward it to Ms Moolla in order to start the process.

### Vote of thanks

Miss Dixon was thanked for all her hard work and support of the workgroup. Everyone wished her well for the future.

There being no further matters for discussion the meeting ended at 12:04.

<b>SUMMARY OF KEY ACTION ITEMS</b>	
<b>Ken Lomberg</b>	Contact Gauteng Manager of DMR
<b>Christina Dohm</b>	To circulate the spreadsheet that she had used
<b>M Tlala</b>	To invite Prof Deon Rossouw to attend meetings
<b>All workgroup members</b>	To forward their list of points for discussion to Ms Moolla