

SAMREC
MINUTES OF THE
SAMREC WORKING GROUP MEETING
Held on 27 June 2013 at 10:30 at the Military Museum, Delville Wood Room

PRESENT:

K G Lomborg (Chairman)

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| M Austin | Dr T R Marshall |
| M Bezuidenhout | M McWha |
| A N Clay | B Mills |
| R C Croll | C Morgan |
| P S Gräbe | G Njowa |
| B Lavery | J H Sullivan |
| M Lynn | D Young |
| A S Macfarlane | |

APOLOGIES:

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| J Botha | F Harper |
| A de Bruyn | K Johnstone |
| V Chamberlain | S Mathuray |
| V Deonarain | Prof D Rossouw |
| R Davel | Dr S Rupprecht |
| M Davidson | Dr G L Smith |
| Dr C E Dohm | E Takolia |
| V Deonarain | M R Tlala |
| T Flitton | J V Visser |
| M Harley | |

In Attendance: **S Moola (Manager, SAIMM)**
J Carpenter (Minute-taker)

1. WELCOME

Mr Croll welcomed all to the meeting as the Chairman had not arrived yet.

2. MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 30 May 2013 were accepted as tabled.

3. MATTERS ARISING FROM THE MINUTES

There were not matters arising from the previous minutes.

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

Mr Lomborg arrived at this stage.

He stated that a decision needed to be made on the exact process to be followed in respect of the rewriting of the Code. He noted that much work had already been done but asked for input from committee members as to how this work could be incorporated into the final document.

Mr Clay suggested that the changes made in other codes, i.e. JORC, be isolated and arranged into the SAMREC Code in their applicable paragraphs in a Word document, with track changes for easy reference. After discussion and agreement such changes could be edited and incorporated.

Mr Lomborg stated that there were approximately sixty paragraphs in the Code. Mr Clay stated that each paragraph needed to be scrutinized, line by line, and agreed upon. This was the manner in which the original Code had been formulated and changes incorporated later. Although the process was time-consuming, it was thorough. There were already approximately thirty changes which have been made to the JORC code, all of which could be inserted in the SAMREC Code, analysed, deliberated upon and then edited as necessary. Mr Clay pointed out that the challenge was getting CRIRSCO to ratify changes. Parked issues from the original Code had been resolved but CRIRSCO had not accepted or rejected these changes.

It was agreed that:

- Changes made to the JORC Code would be inserted into the SAMREC Code. These changes would then be debated within SAMREC and the agreed edits duly made.
- Each paragraph would be checked, debated and agreed upon.
- The resolved parked issues (from previous deliberations) would be inserted into the existing Code.
- JORC, PERC, the Canadian Code and NI43-101 would all be considered when debating changes to the SAMREC Code.
- Sub-committees will deal with comments received from industry and other parties.
- Issues around coal will be diverted to a parallel working group which specialises in that mineral.
- The checklist, as done by the Australians, could be incorporated into the Code with possibly a few minor changes made.

The final version which emerged would be submitted to the SSC and thereafter to CRIRSCO and all other interested professional bodies (PLATO, GSSA etc.) which would then be able to give their respective comments.

One concern raised was that irregular attendance by committee members at SAMREC meetings had a tendency to rehash old issues and continued reference back to paragraphs which were already agreed upon at previous meetings (which they had not attended). The Working Group would have to be firm in this regard and not accept the discussion of issues that had already been discussed and agreed upon.

Committee members agreed to the steps to be used to rewrite the Code.

5 INTEGRATION OF THE PREVIOUS WORK – EXPLORATION RESULTS

Extensive and vigorous debate took place around two main terms:

1. Scoping Study – its definition and role in the Code
2. Preliminary Economic Assessment (PEA) – its definition and role in the Code

NI43-101 uses PEA which it has defined whilst both JORC and PERC speak of a Scoping Study.

Debate centred on the differences in the meaning of the two terms; some members felt they were one and the same thing, both having the similar aims in their definitions, whilst other

members of the committee preferred to use one or the other but not both. It was noted that NI43-101 and PERC have similar definitions whilst SAMREC and JORC are similar in their definitions.

After much debate and discussion it was agreed that:

- Scoping study will not be defined in SAMREC but will be considered as equivalent to a PEA.
- PEA will be defined but its definition will exclude exploration targets.
- SAMREC will exclude from its terminology the wording "scoping study".

Definitions of pre-feasibility and feasibility: these two issues will be considered by a sub-committee led by Mark Austin and Mike McWha and would be presented to the working group by the end July 2013.

6. GENERAL

SAMVAL – TWO ISSUES RAISED BY MR MACFARLANE

In the SAMVAL working group meetings a lot of time was spent on discussing "competent valuator" with the emphasis on the word "competent". After extensive discussions at SAMVAL, a position paper had been prepared which would be for comment at various levels and to the SSC and this committee. Fundamentally the Code will state that "competent valuers" must be members of statutory bodies.

There was a strong feeling about the implications of the IMSSA issue and that the correspondence sent to the Parliamentary Portfolio Committee was not necessarily correct. This issue needed to go back to the SSC for discussion.

There being no further matters for discussion the meeting ended at 12:10.

| SUMMARY OF KEY ACTION ITEMS | |
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| Tania Marshall | Incorporate changes in the exploration Results section of the Code. |
| Mark Austin/Mike McWha | Prepare the definitions for Pre-feasibility and Feasibility for tabling at the meeting scheduled for end of July |