

**SAMREC
MINUTES OF THE
SAMREC WORKING GROUP MEETING
Held on 28 February 2013 at 10:30 am at the Military Museum, Delville Wood Room**

PRESENT:

S Rupprecht

CE Dohm	S Mathuray
A de Bruyn	C Musingwini
E Swindell	B Cerff
A Macfarlane	M McWha
B Mills	S Joubert
T Flitton	

APOLOGIES:

A Clay	P-J Grabe
K Redman	K Lomberg
E Takolia	K van der Merwe
D Young	JV Visser
F Harper	R Croll
T Marshall	M Harley
J Odendaal	D Minnitt
R Davel	

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

Note to these minutes: These minutes are compiled from the recording made of proceedings.

1. WELCOME

Dr Steven Rupprecht welcomed all to the meeting and explained that Mr Ken Lomberg is out of the country and will therefore not be chairing the meeting.

2. MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting of 31 January 2013 were accepted as tabled subject to two typographical errors in the last paragraph on page 3 NI43-101 not 51-101. Dr Christina Dohm is with an 'm' not a 'n'.

3. MATTERS ARISING FROM THE MINUTES

Nothing was raised.

4. COMPARISON OF THE INTERNATIONAL CODES

A document was presented by the Code Comparison Work Group comparing the SAMREC, JORC and PERC Codes. In this meeting the focus was on the SAMREC and JORC code.

- The Foreword of each code says they are not materially different from CRIRSCO.
- Introduction: SAMREC is applicable to all styles of mineralization and economic deposits/JORC has bold text with regards to definitions and guidelines
- Scope: definitions for public reports is similar for both codes.
- Guidelines for JORC say it is the minimum requirement for public reporting – defines what is JORC compliant. It does not give guidelines on how to categorize resources and reserves but

rather the manner in which it is reported. JORC does not want reports to stipulate that they are JORC compliant as it would imply that the JORC committee have reviewed the report. The SAMREC Code does use this wording, there may be a need to amend this after debating the wording.

- Principles covered in JORC are materiality, transparency and competence. Minor differences in definitions compared to SAMREC. JORC includes a 'if not why not' basis in terms of what is included or applicable in a report.
- JORC goes into more detail for technical studies within the code.
- JORC does not define deposit as the SAMREC code does. They have exploration target and exploration results.
- It was agreed that the clause pertaining to the CP and undue influence is very important and should remain in the code.
- It was suggested that infrastructure surrounding electricity, railways and water be factored in to reports.

5. REVISION OF THE SAMREC CODE

Ed Swindell, chairman of the SSC and GSSA representative attended the meeting and reported that at the last SSC meeting held on 21 February 2013, Ken Lomborg tabled a proposition that given the body of work that this working group had completed over the last year plus additional questions that have been dealt with, that the time has come to revise the SAMREC code. The SSC agreed with the proposition and approved a mandate for the SAMREC WG to revise the SAMREC Code..

It was agreed that a plan and process is needed to move the code forward. Annalie de Bruyn volunteered to devise a draft process. The SSC are also asking for suggestions on how to resource the revision and what deadlines should be set. One requirement from SSC is that there is a need for broader involvement outside of the working group and the SSC itself. There would need to be notifications to all members of the SSC societies/associations ie all interested and affected parties.

The working group was asked to consider this in time for the next SSC meeting in May. It was suggested that it would take about a year to complete the revision.

It was agreed that at the next meeting there will be an overall view of the comparison of the codes. Julie will print the code comparison on A3 paper. Action: Julie Dixon

When the code is circulated for comment, there must be guidelines and suggestions on how, and on what, comment is needed.

6. QUERY ON PERMIT APPROVALS

Mr Billy Mills gave a presentation on a debate taking place in the IMRM discipline at present. Clause 32 of the SAMREC code refers to the pre-Feasibility of a study. The code itself is very clear but when referring to Table 1, it starts getting confusing. Table 1 is a checklist, and is not prescriptive but it does highlight relevance and materiality as overriding principles. It is felt that the way the Table 1 is written at the moment, there is potential for some legal implications.

In the governmental section, ie Section 5.1 of Table 1, under exploration it requires a statement should be provided to the effect that such governmental requirements as may be required have been approved (this would go through to reserves).

Under the environmental section ie T 5.2 Environmental it states under the Mineral Resources section that (i) The necessary permits have been obtained, or there is reasonable basis to believe that all permits required for the project can be obtained.

Under the Mineral Reserves it says see 5.2 B (i) and (ii) which implies a reasonable basis but number (iii) says- A statement should be provided to the effect that all necessary permits have been approved – it was consequently interpreted to be overriding anything prior to that.

Under Social Mineral Reserves, T 5.3 Social, Mineral Reserves (C) - (i) A statement should be provided to the effect that mandatory social management programmes, if any, have been approved.

International Codes were considered. JORC 2012; National Instrument 43-101 and SEC Industry Guide 7 codes are not prescriptive.

Requests for the necessary permits have been obtained or there is reasonable assumption to believe that all permits required for the project can be obtained.

JORC 2012 – “The term ‘Ore Reserves’ need not necessarily signify that extraction facilities are in place or operatives, or that all necessary approvals or sales contracts have been received. It does signify that there are reasonable grounds to expect that such approvals or contracts will eventuate within the anticipated time frame required by the mine plans. There must be reasonable grounds to expect that all necessary Government approvals will be received. The Competent Person should highlight and discuss any material unresolved matter that is dependent on a third party on which extraction is contingent.

Under current mines or projects, it is generally accepted that the primary permits are in place and may only require updates or amendments etc. and thus have reasonable expectations of approval. However, there is a distinction with new projects.

It is more critical when reporting maiden Mineral Reserves on new projects.

It is agreed that there should be restrictions for new projects and the permits should have been approved. At least there should still be a stipulation that the application for the relevant permit has been submitted for approval.

There have been a number of recent examples where approvals have not been obtained or there have been significant delays which has had a significant effect on the Mineral Reserves of the companies concerned.

Should permits be necessary? Should the ‘have been approved’ be watered down to what JORC has? Or should we distinguish between current operations and new projects?

It was agreed a company cannot start drilling in an area where it does not have approval. For that, a permit would be a ‘must have’. If a company has prepared all the documentation, complied with all the requirements and submitted it all to the government, there is no reason to believe they will not get the permission, but there is a risk, and they should include this in the statement with wording such as ‘there is a reasonable assumption to believe that all permits required for the project can be obtained’. This would apply for resources. For reserves, it would be essential that the permits be already in hand.

It was suggested that the Table 1 needs to be sufficiently expanded. The table refers to prospecting rights and drilling boreholes where there should be a section on mining rights. The table needs to be expanded.

If a company has reserves under a Pre-Feasibility Study, the most a person can report is Probable Reserves because in the Pre-Feasibility Study the options are discussed and the writer of the report may not know exactly what will be required in all the options. Therefore, reserves under a P-FS may not be the best idea, only after PSF approval, meaning all the options have been considered and the best one will be taken to the Feasibility Study level.

7. COMPETENT PERSON’S CONSENT FORM.

This requirement appears in the new JORC code in the appendix. It means that the CP gives consent to the publication of the report in a summary format. The summary author always needs to refer back to the original report with the reference data.

It was agreed that it was an idea to consider for the SAMREC Code.

8. Query on Saleable product.

The query is not strictly about saleable product but more on whether metallurgists should be included in the category of Competent Persons as they provide an increasing amount of information and the reliance on their input in the determining of saleable product or bulk materials.

Jean Britz will be contacted about forming a WG on this question.

SUMMARY OF KEY ACTION ITEMS	
A de Bruyn	To devise a process for the revision of the Code and all comments/feedback
J Dixon	Print the code comparison document on A3 for the next meeting