

SAMREC
MINUTES OF THE SAMREC RE-WRITE MEETING
HELD 29 August 2013 2012 AT 09:00
AT THE MILITARY MUSEUM, DELVLE ROOM

Present: **Dr S M Rupprecht (Chairman)**
M Austin **Dr T R Marshall**
J Botha **B Mills**
Dr C E Dohm **P G Obermeyer**
T Flitton **M R Tlala**
P-J Gräbe **D Young**
M Lynne

Apologies: **A McFarlane**
A De Bruyn **D Roussouw**
D Dingemans **M Davidson**
J Sullivan **S Muthuray**
R Croll **G Chunnnett**
C Musingwini **J Odendaal**
G Njowa **R Davel**
M McWha
S Joubert

In attendance **S Moolla (Manager, SAIMM)**
G Carpenter (Recordist)

These minutes are written based on the recording made of proceedings.

1. Welcome

The chairman welcomed all to the meeting.

2. Minutes of the previous meeting

The minutes of the meeting held on 27 July were accepted subject to the following alterations:

Page 1, Minute 3, Matters Arising from the minutes: "Not matters arising..." should read "**No** matters arising:

Page 1, Minute 3. Item 4, first paragraph: The sentence "She asked that any issues that any of those present had be included and discussed now" should read " She requested committee members to raise questions for discussion".

Page 1, Minute 3, Item 4, second paragraph: Snowden consultants – Mr Austin pointed out that this issue was raised for discussion only and not for distribution.

Page 2, Minute 3, Item 4, second paragraph: The sentence "Dr Marshall volunteered to give a presentation on the comparison with SAMREC, Listing rules of the various stock exchanges was also discussed" should read "**Dr Marshall volunteered to give a presentation on Table 1, whether it is best done in the SAMREC Table format or the 43101 form format.**"

3. Matters arising from the previous minutes

There were no matters arising.

4. Feasibility Presentation

Note: some edits were done directly into the document at the meeting and thus are not available to be minuted as these minutes are based on a recording of proceedings. Please refer to the WG for a copy of all in-document changes made.

It is proposed that definitions under glossary be removed and replace this with two feasibility sections.

In respect of feasibility the following was considered:

- a. Definition
- b. What is the purpose of the feasibility study?
- c. What is the accuracy level required or recommended to be in the study?
- d. What data is to be included and what data is not be included?

It is proposed that the following be considered:

Section 41 of the SAMREC Code entitled "Technical Studies".

Preamble – a mining project typically goes through exploration, resource definition and design phases each of which involved rapidly escalating levels of investment. Each phase requires an increasing level of economic assessment with increasing levels of confidence for project design, scheduling, costs and risks to justify the progression of the project to the next investment level. The Code does not require a full feasibility study has to be undertaken to convert mineral resources to mineral reserves but it does require that at a least a preliminary feasibility study would have been carried out to determine the mine plan is technically achievable and economically viable and that material modifying factors have been considered.

After discussion it was agreed that:

- The minimum requirement is an approved pre-feasibility study. The word "approved" shows managerial intent; the company has gone through the process of reviewing all options and has finalised one option. A pre-feasibility is enough for a CP to justify bringing a measured resource to an approved reserved. (Relevant wording to be inserted into the above Preamble). This issue will have to be addressed with respect to the mining of coal as this mineral has its own peculiarities iro its mining competencies.

After extensive discussion and debate on what constitutes a pre-feasibility/feasibility study it was agreed that included into the Code must be wording governing "...have to consider the confidence level in the modifying factors" (to be included in the section which states that a measured reserves can be taken down to a probable reserve".

Include into the preamble a comment on the confidence level.

Include into clauses 34/35 – confidence levels of modifying factors.

Glossary to include definition on preliminary feasibility study/or pre-feasibility study (for clarification).

Historical estimates to change to "historical results".

Historical results to be defined? No conclusion was reached in this regard although some members of the Group felt that there should be a definition.

PEA (pre-economic assessment): change para to start reading with historical results.

5. General

There was nothing to discuss.

6. Date of Next meeting

The next meeting would be held on Thursday, 26th September 2013 at 09:30.

There being no further matters for discussions the meeting ended at 12:00.

SUMMARY OF KEY ACTION ITEMS

None noted.