

SAMREC
MINUTES OF THE
SAMREC WORKING GROUP MEETING
Held on 31 January 2013 at 10:30 am at the Military Museum, Delville Wood Room

PRESENT:

K Lomborg

F Harper	T Marshall
CE Dohm	A Clay
K Johnstone	P Obermeyer
J Odendaal	S Mathuray
D Minnitt	R Davel
P-J Grabe	

APOLOGIES:

V Deonarain	S Joubert
K Redman	S Rupprecht
B Mills	K van der Merwe
D Young	A de Bruyn
M McWha	E Takolia
R Croll	J Britz
G Njowa	

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

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

1. WELCOME

The chairman welcomed all to the meeting.

2. MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting (25 October 2012) were accepted as a true reflection of proceedings. The accreditation/registration issue with the JSE will be further investigated with a meeting between ECSA, PLATO, SACNASP, the SAIMM and the GSSA on the 12th of February 2013.

3. MATTERS ARISING FROM THE MINUTES

Nothing was raised.

4. OIL AND GAS – HOME FOR A THIRD CODE?

SAMREC deals with solid minerals, precious metals and base metals, coal diamonds and industrial minerals, however there is a need for a reporting mechanism for oil and gas, for shale gas in the Karoo.

A sub-committee WG was formed to put together a code for oil and gas so that there is a reporting standard. It is also what the JSE is looking for.

The Oil and Gas working group has recommend adopting internationally recognised standards to form the code. Consideration needs to be given as to whether the oil and gas recommendation should be included in as part of the SAMREC, or as a third code or with the JSE. The SAMREC WG has been asked by the SSC for an opinion on the matter.

The SAMREC WG concluded that it should be a separate code next to the SAMREC code. An alternative was to have it dealt with as a different definition within the SAMREC Code. Internationally, JORC has it incorporated in its code. National Instrument has a separate code. In Canada they have the COGE, the Canadian oil and gas evaluations handbook, to show a person how to do the work and write a report, following from this was the PRMS which is a code. The O&G working group have in fact used the existing structure of PRMS and NI52-101, which is a separate but companion code of the Canadian Stock Exchange. This will also facilitate harmonisation with the Canadians.

It was suggested that there needs to be industry representation on the Oil and Gas working group.

Conclusion: A sister code within the suite of codes.

5. KUMBA IRON-ORE QUERY – JEAN BRITZ

A suggestion for an addition into the SAMREC Code has been submitted by Jean Brits from Kumba Iron Ore. (Letter attached as Annexure A)

This query also came up at CRIRSCO – when do we report? Most of the base metals and precious metals are reported at the shaft head and delivered to the plant, not at the end of the metallurgical process. The query from Kumba refers to one step further – ie reporting at the end of the metallurgical process for certain commodities.

It was submitted that the code does take cognizance of geometallurgy and the primary definition of reasonable prospects must consider extraction and its two components ie its mine- ability and beneficiation. It is already there implicitly.

Secondly, the base metals and precious metals are normally delivered into a market. For the bulk of material like coal and iron-ore it is produced to a spec for a market. Reasonable prospects are often considered if there is a market available.

It is not just about geometallurgy, it is about marketing as well.

There is a need for the elevation of the competency of the geometallurgist, the person who is currently considered a technical expert and who could be considered a competent person in their own right.

An alternative question raised is, is this something that the WG needs to consider? If there is a need to consider it, how does the WG approach it? There is a lack of clarity on this issue and it should be addressed. Discussion on this point resulted in the conclusion that it needs to be considered and that Jean Britz be nominated to form a sub-WG to discuss this, form a position on it and if needs be, include the deliberations in the revised code. The mandate being to review Section 32 of the Code. It will be important to have metallurgists on the committee.

Ken Lomberg to contact Jean Britz in this regard. Santhoshnie Mathuray will be included in this initiative. **Action: Ken Lomberg**

6. Strategy for SAMREC WG going forward

Other international codes have been revised and it is important that the SAMREC code remains current. It would also be prudent to include some of the outcomes of the discussion papers finalised by the WG into a revised code.

The first question posed was whether the current approach by the working group ie monthly meetings with discussion papers being presented, is in fact the right approach. It was agreed that it is and the venue lends itself to the process too. It was agreed to continue the monthly meetings and to deal with questions that arise in respect to the code.

7. REVISION OF CODE

Another matter to consider is what amendments are or will be made to the JORC code and how it impacts on the SAMREC code and if the SAMREC code should be amended accordingly or not.

It was agreed that the WG should make a comparison between SAMREC and the three major codes ie PERC, JORC and NI53-101. Christina Dohn, Fiona Harper, Paul Obermeyer and Tania Marshall volunteered to form a sub group working to consider sections of the global codes, what is affected and then return to the WG and delegate the actual amendments to various members of the main WG ie a high level framework highlighting the most problematic areas.

SUMMARY OF KEY ACTION ITEMS
K Lomborg To contact J Britz to form a sub-working group to deal with the query raised by Kumba