MINUTES OF THE

SAMREC WORKING GROUP (WG) MEETING

HELD ON 31 OCTOBER 2013 AT THE MILITARY MUSEUM, HOUGHTON, JHBG

AT 12H30

Present:	**S Rupprecht (Chairperson as Mr Lomberg was delayed)**	
	M Austin	**A Macfarlane**
	A de Bruyn	**M McWha**
	T Flitton	**J Nel**
	P-J Grabe	**L Scheepers**
	K Lomberg (Arrived at 13:05)	**A van As**
	T Marshall	**J Visser**
	S Mathuray	
Apologies:	**J Botha**	**R Davel**
	R Croll	**K Johnstone**
	M Davidson	**Prof C Musingwini**
	M Lynne	**E Takolia**
	J Odendaal	
In Attendance	**S Moolla**	**Manager, SAIMM**
	J Carpenter	**Recordist and minutes**

1. Welcome

Mr Rupprecht chaired the meeting as Mr Lomberg had indicated he would be late.

2. Acceptance of previous minutes

The minutes of the previous meeting were accepted as a true reflection of proceedings.

3. Matters Arising

There were no items under this heading.

4. Feasibility Study definitions

After two sessions of discussion on the definitions the following was agreed to:

a. The definition of "Feasibility Study" as "marked up" on the tabled document was accepted as suitable and will be added into the Code as such.
b. Consider using the SAMVAL definition format as one to be used for SAMREC in the interests of keeping the Codes as uniform as possible and to accommodate easy usage of the two sets of definitions in tandem when required. (Mr Macfarlane would forward the format to Mr Austin for consideration and debate among members of the SAMREC Working Group)

5. "If not, why not" – should these be included into the Code

JORC uses the "if not, why not" rule and the suggestion is that it should be used for SAMREC as well. AngloGold Ashanti has made submission as to why the rule should not be used.

JORC is vague on what constitutes a significant project, material change and first-time reports. In AngloGold Ashanti's case, any change in the gold price would necessitate a complete change in Table 1 as movement in the gold price is considered a material change. The reason why they raised this issue at the meeting is to point out that "just because JORC does it, it doesn't mean to say that SAMREC has to do it as well."

AngloGold Ashanti's main concern is the fact that every time Table 1 is redone because the gold price moves, the amount of paperwork generated is onerous.

Dr Marshall stated that instead of having an "if not, why not" rule on every section, perhaps it would be better to apply this to specific sections where it is deemed necessary. She further informed the meeting that there are more and more junior mining companies which are either reluctant or forget to put information in their reports (reports to be tabled to IDC etc.) Although these reports are not reviewed by the JSE's Readers' Panel, they are still SAMREC-based reports.

The following was debated:

Mr Lomberg informed the meeting that the Australians require the Tables at the back to be completed when making public announcements on the ASX. He further stated that any report which could be considered as a Competent Person's Report (CPR) had to have Table 1 completed.

Mr McWha stated that the challenge facing companies is to give investors comprehensive reports within 20/30 pages.

Conclusion:

The Working Group will apply itself to the following issues

a. Attempt to mitigate against excessive paperwork in changes in Table 1 in the CPR (as detailed above) by considering what information constitutes "material change".
b. The Working Group will apply its mind as to which parts of the Code the "if not, why not" rule applies.
c. Steer away from the wording "if not, why not" as this makes the SAMREC too close to JORC.
d. Determine to which specific guidelines/Tables the aspect of "material change" applies in order to mitigate away from having to redo Tables every time the gold price moves; the amount of work this entails is onerous and stems probably from a clash between "in principle" (what it wants to achieve) and "application" (how to achieve it). Perhaps a statement which explains the reasons as to why it is not redone every time the gold price moves is sufficient.

Mr Lomberg stated that for first-time, significant, major and public reporting – Table 1 is mandatory. He suggested a review of Table 1 which was agreed to.

Reviewers of Table 1:

K Lomberg	**S Rupprecht**
T Marshall	**M Austin**
T Flitton	

6. Table of contents – applicability

This was not discussed due to time constraints.

7. Progression in the SAMREC Code rewrite

This was also not discussed due to time constraints.

8. General

There was no discussion.

The meeting ended at 14:10.

SUMMARY OF KEY ACTION ITEMS

Mark Austin
To “clean up” the definition of Feasibility Study and send the final edit to Sam Moolla.

Alastair Macfarlane
Forward to Mark Austin the format being used for the layout of the definitions on the SAMVAL Code for the purposes of using the same/similar format for SAMREC.

Tarryn Flitton
Forward to the Working Group the concerns of AngloGold Ashanti in respect of the amount of paperwork attached to Table 1 every time the gold price moves.