

**MINUTES OF THE
SAMREC/SAMVAL WORKING GROUP**
MEETING HELD ON 26 May 2011 AT 10h00
THE CHAMBER OF MINES BUILDING, 6^H FLOOR, Room 600

PRESENT: R Croll (Chair in the absence of A Moyes)

| | |
|-------------|-------------|
| A Macdonald | A Mcfarlane |
| D Dingemans | A de Bruyn |
| S Rupprecht | |
| A Marshall | T van Zyl |

APOLOGIES/ABSENT:

| | |
|-------------|-----------------|
| K Rayner | A Moyes (Chair) |
| K Redman | C Dohm |
| R Minnit | F Camisani |
| G Norton | F Harper |
| G Smith | H Ingram |
| J Odendaal | K Coster |
| M Harley | M O'Brien |
| P Grabe | P Robinson |
| R Dixon | T Rowland |
| R Davies | G Njowa |
| R Davel | K Lomborg |
| A Clay | K Redman |
| K Johnstone | J Visser |
| J Witley | V Deonarian |
| X Prevost | |
| M McWha | |

IN ATTENDANCE:

Julie Dixon
J Carpenter

Comments arising from an email received from Andy Clay re the lack of parking at the CoM Building.

- a. Consensus of agreement was reached in the past to the effect that meetings will be held at the SAIMM, which is a neutral venue.
- b. Parking is arranged, albeit not at the CoM Building.
- c. Inconvenience is experienced by several members attending the meetings but there is nothing that can be done about this.

The issue is now closed and will not be reopened for discussion. RC will reply to the mail from AC.

General discussion and debate:

Debate 1 – SAMREC SAMVAL *inferred resources working group view: inferred resources have value as part of LoM planning and are a necessary part of valuing a company during transaction:*

There is agreement with statement: Inferred resources have value as part of LoM planning..... but the following adaptations must be made:

There are companies, privately owned, not public, who seem to think and thus claim that the reporting of inferred resources does not apply to them as the Code only applies to listed companies.

The clause must take cognisance of valuing inferred resources using current technologies etc.

Therefore, it was agreed that the following must be included into clause of debate 1: *....not only in mergers and acquisition but for all companies to current known technology etc. etc.”*

Debate 2a – SAMREC SAMVAL Inferred Resources Working Group view: *Preliminary economic studies are necessary for the evaluation of a mineral resource –*

The suggested wording for inclusion into the above statement revolves around:

“Adequate disclosure of materially important underlying assumptions that lead to the determination of the prospects for reasonable, eventual economic extraction of a mineral resource.

RC had to leave the meeting at 11h30. AMcF assumed the chair.

Debate 2b – SAMREC SAMVAL Inferred Resources Working Group view: *Positive geological results are a necessary, but not sufficient, criterion for describing a deposit as inferred. Other parameters that assist in determining whether a deposit should be described as inferred should be disclosed.*

Include the words: *that modifying factors should be considered, at the resource level, such factors being social, environmental etc.....(those modifying factors which will impact on economic extraction and list the factors)..*