

MINUTES OF THE SAMREC WORKING GROUP MEETING
HELD ON 25 SEPTEMBER 2014 AT 09:45
IN THE DELVILLE WOOD ROOM, MILITARY MUSEUM

Present:

| | | |
|---------------------|-----------------------------|-----------------------|
| | K Lomborg (Chairman) | |
| M Austin | | T Flitton |
| J Botha | | S Mathuray |
| A Clay | | K Redman |
| A M de Bruyn | | Dr S Rupprecht |
| E du Toit | | J Sullivan |

Apologies:

| | |
|--------------------|-------------------|
| R Croll | M McWha |
| R Davel | S Nupen |
| J Delpport | J Odendaal |
| C Dohm | Dr C Smith |
| P J Grabe | E Takolia |
| M Harley | M R Tlala |
| K Johnstone | J V Visser |
| T Marshall | |

In Attendance: A Donnelly (Scribe)

1. Welcome

The Chairman welcomed those present at the meeting.

2. Acceptance of previous minutes with reference to actions noted

The minutes of the meeting held on 28 August 2014 were taken as read and were accepted as a true reflection of the meeting.

3. Matters Arising

The Chairman advised that he would be leaving the meeting early and requested that various topics that came out of the feedback be dealt with before that time.

4. Updated SAMREC Code Document Review

The Chairman advised that around eighteen replies had been received to date. Referring to the replies received, he informed the meeting that there had been many varying considerations put forward, all of which needed consideration. This had made the updating of the draft difficult. There had been some good edits, and duplications had been highlighted and are being dealt with.

- Clauses 18, 19 and 20 on Exploration Results are lengthy and there is a lot of duplication of similar principals. This needs to be re-looked at and condensed. Often paragraphs refereeing to "Same Prominence" and reference to font size etc. are not considered appropriate inclusions for the code – consider excluding font size requests etc. and use same paragraph thereby needing no new definition.

4.1 Content: CRISCO Compliance

On the "shall/must" issue, the Chairman advised that in accordance with CRISCO practice, "shall" would be removed from the document for the moment and the word "must" would remain. Table 1 is now complete.

4.2 Excessive Reporting

Input from the meeting:

Statement from JL and AngloGold Ashanti

- Ms De Bruin and Mrs Flitton pointed out that, in their opinion, the reporting may well be excessive.
- Can a Table 1 not be used as the base for a CPR? Are Table 1 and a CPR not the same thing thereby requiring the CP to produce documents that are detailing similar information and essentially extra work?
-

Discussion threads

- Ms De Bruin is of the view that when Mineral Resources and Mineral Reserves are first declared, they should be published
- No objection to doing the work – but excessive publishing was unacceptable
- No definition for material projects? Sometimes use significant project?
- Remove "Inferred Mineral Resources may not be added to any other category." – clause 28
- Do we still keep Feasibility Study and Scoping Study as definitions in the glossary if they are defined in clauses 44 and 42 respectively?
- Delete clauses 28a and 32 a as it is considered duplication of clause 6 and unnecessary additional verbiage.
- The Chairman pointed out that there was no intention to make the process difficult
- Under the heading "density" in Table 1, it was noted that it was unclear as to how much information was necessary – what would be the balance between the judgement of the Competent Person and this working group?
- Mr Austin asked of the current document, what was there that might not need to be there?
- Mr Botha suggested that a reconciliation between the checklist (as defined in Section x) be undertaken and compared to the working document
- The Chairman affirmed that the intention was for the document to be broader than the requirements of the readers' panel. It is only the readers' panel that has detailed interaction. He continued that Table 1, in most cases, would be a one-liner that would ensure sufficient information was given to the Competent Person

Philosophy

The philosophy is to provide the minimum standard.

Competent Person's Report

- Mr Clay while supporting "if not, why not" is of the opinion that it is too prescriptive and, as a result, was no longer a guideline but rather a maximum standard. He went on to question whether it was the route to go or whether it should rather become an attachment. It should be completed but not published.

4.3 Chairman's Summation of Discussion

The Chairman confirmed that the relevant points of discussion had been noted but that there was still confusion as to just how much information should be made available. Given that these were legal documents, greater surveillance could have been expected. We had been fortunate thus far, but we could be making a rod for our own backs, something we did not intend at the outset. We have had inconsistencies in the past – this exercise should be a productive one. If we were to adopt the “if not/why not” approach and do not publish, would this solve the problem? Does it have to be an appendix, or is it covered in Table 1? How do you check it? The only time it comes in is in the new declarations, significant changes and significant project.

The meeting agreed that the “if not/why not” approach was good in principle but was onerously structured.

The Chairman advised that discussion would be required with CRIRSCO to decide whether to adopt them “as is” or to adopt JORC or SME, etc. Further, he had done word comparisons between them and had noted additions needed and duplications made. It was difficult to establish whose opinion would prevail.

The Chairman undertook to further scrutinise and amend the document and to redistribute it via round robin circulation within the next week or two.

ACTION: KEN LOMBERG

5. Chairman’s Meeting Summary

- The “if not/why not” – reflect the item reference number in a column on the document. The JSE want Table 2 annotated and within the document
- The auditors need to provide more transparency and detail in the document
- The implementation date for the document was set for April – June 2016
- The checklist still needs to be done but not published in the public domain and this should be stipulated within the document
- Ms Flitton provided a schedule of items worked on
- It was reiterated that the intention was not to make the exercise onerous, but rather to ensure all aspects are attended to

The Chairman went on to discuss one of the items raised by Mr Clay in his feedback regarding economic extraction. Mr Clay had suggested there should be a better alignment with SAMVAL and had asked if that was the correct approach and, if so, would we address it so that it could be done without it becoming a bigger issue regarding assessment/resources? Should we include more about the assessment required? Mr Clay advised that there was a need to define and make a distinction between “evaluation” and “valuation” through SAMVAL. The Chairman queried whether there should be some defined assessment in order to determine whether the resource should be mined. Mr Clay advised that the term “valuation” is used by SAMREC and “evaluation” by SAMVAL. The two needed to be more specific.

The Chairman advised that he will send out the document again within the next couple of weeks and there would probably be some final touches needed. Comments would be collected and discussions held with FSB, JSE, etc. The aim would be to try and finalise within the next two months.

ACTION: KEN LOMBERG

5. General

General comments received for Table 1:

- Work from left to right and consider the last column as well.

SAMREC WG minutes
25 SEPTEMBER 2014

- Some rewording was necessary

6. Closing

The meeting ended at 11:15.

7. Date of Next Meeting

The next SAMREC meeting will be held on Thursday, 30 October 2014 at 09:45.

SUMMARY OF KEY ACTION ITEMS

Ken Lomborg

Circulate the revised document in round robin and request feedback.

Committee Members

Provide feedback/comment on the revised document.