

**SAMREC
MINUTES OF THE
SAMREC WORKING GROUP MEETING
Held on 27 September 2012 at 11am at the Military Museum, Delville Wood Room**

PRESENT:

	K Lomberg	
F Harper		T Marshall
M McWha		E Swindell
A de Bruyn		

APOLOGIES:

V Deonarain	J Witley
S Joubert	J Visser
G Njowa	K Kenyon
K Redman	S Rupprecht
D Minnitt	R Davel
T van Zyl	B Mills
K van der Merwe	A Macfarlane
A Clay	S Foya
D Dingemans	G Chunnnett
J Odendaal	P-J Grabe
C Dohm	R Croll
D Young	

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. The low attendance was noted – the success of the outcomes of the WG does need participation.

2. MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting (26 July 2012) were accepted as a true reflection of proceedings. M McWha did request clarification on the amendments to the wording for exploration information. The WG debated changing the term but ultimately the original term was retained. This was correct as the minutes did not clearly reflect this fact.

3. MATTERS ARISING FROM THE MINUTES

JORC/ASX Rules – this document will be circulated for comment (due the 22nd of October). In the interests of transparency, the ASX has been asking for more background information on the mineral resource estimation area, not as extensive at the NI43-101 but definitely more detail.

4. DEFINITIONS PAPER

The paper has been signed off and can be tabled at the next SSC meeting.

5. CLARIFICATION OF THE DEFINITION AND USE OF THE TERM TERMS 'EXPLORATION RESULTS AND DEPOSIT IN THE SAMREC CODE. (THIS TASK WAS UNDERTAKEN BY THE EXPLORATION WG – EWG)

Picking up from the last meeting.

20. It is common practice for a company to comment on and discuss its Exploration Results in terms of size and type. Any such information must not be expressed or misrepresented as an estimate of Mineral Resource or Mineral Reserve. The term Resource(s) or Reserves(s) must not be used in this context. Any statement referring to potential quantity, quality and content, as appropriate, must be substantiated and include a detailed explanation of the basis for the statement and a proximate statement, with the same prominence, that the potential quantity, quality and content, as appropriate, are conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

'Same prominence' is defined as the same font type and size and 'proximate location' is defined as the cautionary statement being included in the same paragraph as or immediately following the reported Exploration Results. A cautionary statement by way of a footnote or a general disclaimer elsewhere in the disclosure document will not satisfy this requirement.

Any statement referring to quantity and quality must reflect the lack of reliable data. The conceptual nature of the statements must be expressed either through the use of "order of magnitude", including appropriate descriptive terms (such as approximately, in the order of, etc) or as "ranges", which is defined as the variation between the lowest and highest relevant exploration results – the use of ranges in this context has no statistical relevance.

Appropriate rounding should be used to express the level of uncertainty of the estimates. By way of example, "approximately one to two million tonnes at a grade of more than 3-5% Cu" or "an exploration target of more than 100 million tonnes of coal in excess of 16MJ/kg for power generation markets" would be acceptable, but not "2±0.2 million tonnes". When estimates are quoted, statements of both quantity and quality must be provided. It is not permissible to quote one without the other.

Estimates of potential quantity and quality should, preferably, be made in terms of volume (or area) and not tonnage. If, however, target tonnages are reported then the preliminary estimates, or basis of assumptions, made for bulk-density or specific gravity must be stated.

The EWG did not modify the definition of Mineral Resources in any way, the EWG were asked to look at the statement of reasonable and realistic prospects for eventual economic extraction, and see if they could improve the description of that statement as put in the current definition. Hence nothing has changed in the original definition.

In the second paragraph where deposit is defined, the EWG replaced the whole definition and put it under mineralisation.

Any Mineralisation that does not have demonstrated reasonable and realistic prospects for eventual economic extraction may not be included in a Mineral Resource.

Several other sections of the paper was debated and amended.

6. Implementation of new SAIMM and GSSA clause

Both the SAIMM and the GSSA have amended their constitutions and their membership has voted in favour.

The clause basically requires the two societies to have a peer review process if a member of the GSSA and SAIMM wants to sign a competent report and is not a member of

SACNASP/ECSA/PLATO. Both membership systems of the SAIMM and GSSA do not scrutinise the qualifications of the applicants.

A peer review process will provide the check needed to ensure a CP is in fact competent to sign off a report. The JSE would have to ask if the CP has been reviewed before accepting the report.

7. GENERAL

CRIRSCO is considering reviewing the attached diagram. The reason it is there is that on the left hand side you have your degree of confidence. On our diagram you have a diagonal line that goes from measured to probable. This suggests you have a less degree of confidence. This is one suggestion that has been put forward to address the problem.

The SAMREC WG did not approve of the suggested change. The red arrows should continue to go both ways. Also with the changes, you can't go from measured straight to proved. The original diagram was clearer.

Suggestion is that

The next meeting is on the 25th of October 2012 at 09:00 – joint meeting with SAMVAL.