

## **SAMVAL**

### **MINUTES OF THE SAMVAL RE-WRITE MEETING**

**HELD ON 29 MARCH 2012 AT 10H00**

**AT THE MILITARY MUSEUM, DELLVILLE WOOD MEETING ROOM**

**Present:**

**A Macfarlane (Chairman)**

<b>A de Bruyn</b>	<b>A Clay</b>
<b>K Redman</b>	<b>E Swindell</b>
<b>V Duke</b>	<b>J Luckmann</b>
<b>D J van Niekerk</b>	<b>J Odendaal</b>
<b>B Scott</b>	<b>A McDonald</b>
<b>A van Zyl</b>	<b>M Nicholson</b>
<b>G O'Connell-Jones</b>	<b>L Zindi</b>
<b>J McGill</b>	

**Apologies:**

<b>D Dingemans</b>	<b>G Butler</b>
<b>H Hannon</b>	<b>J Taylor</b>
<b>J Upstall</b>	<b>R Becker</b>
<b>G Smith</b>	<b>S Naicker</b>
<b>I Wermuth</b>	<b>S Kadzviti</b>
<b>M Mattera</b>	<b>K Rayner</b>
<b>R Croll</b>	<b>S Hathaway</b>
<b>T van Zyl</b>	<b>J Visser</b>
<b>J Porter</b>	<b>G Njowa</b>
<b>S Mathuray</b>	<b>H Bornman</b>

**In Attendance:**

**J Dixon (Manager, SAIMM)**  
**J Carpenter (Recordist and minute-taker)**

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### **1. Welcome**

The chair welcomed all to the meeting.

### **2. Minutes of the previous meeting**

Point 4 second para – JSC should read SSC.

### **3. Matters arising from the previous minutes**

Nothing specific noted.

**Purpose of the meeting:**

To follow-up on the activities of the sub-committees.

1. It is noted that the Australians and Canadians are looking to revise their respective codes. The Canadians have collaborated with China in this regard. It is therefore opportune that SAMVAL gets the various valuation organisations to come together to determine the principles around which a global valuation code will be formulated.
2. Following contact with various valuation organisations, most are in favour of establishing an overarching code.
3. A meeting is due to be held in Brisbane in the near future at which the principle of establishing an umbrella code will be discussed between VALMIN, CIMVAL, SAMVAL and other interested parties.
4. The outcome of the above meeting will be then be taken to the IVSC to see where and how suggested principles can be integrated into the IVSC process.
5. SAMVAL has made submissions to the latest draft discussion paper circulated by the IVSC.

**Feedback:**

**Scope:**

Summary of recommendations:

- a. Include oil and gas as it appears in MRPDA
- b. Limitations of use to be stated in valuation document, the purpose of the valuation must be clearly stated
- c. SAMVAL restricts itself to mineral asset valuations (company valuations etc. are out of scope)
- d. Legal jurisdiction of valuation is defined by the contract between the valuator and his client.

Unresolved issues:

- a. Although the sub-committee recommended that the scope of the code should not extend beyond the valuation of mineral and directly related mining assets, there are persons who believe it should be extended to include the valuation of companies
- b. With respect to the inclusion of oil and gas, the request was that we provide support for this.
- c. If the competent valuator is comfortable addressing oil and gas, often derived through international exposure, then this should be allowed. This principle extends to SAMVAL – commodity exclusions for SAMREC are beyond the scope of this team.

Discussion and debate centred on:

SAMVAL restricts itself to the valuation of mineral assets, not the overall value of a company itself. One view was that the SAMVAL code must include a statement saying that the overall valuation of the mineral assets may be influenced by other valuation codes.

The sub-committee must there consider:

- How much flexibility is required within the SAMVAL code to allow the use of other valuation codes to cover assets other than minerals.

It was agreed that if a CV is confident enough to value oil and gas, then that CV should be allowed to do so. This issue will be tabled before the SSC at the meeting to be held later in the day.

**Definitions:**

A book entitled IFRS was tabled. Such book has extensive definitions, along with other information, in it. Further work is to be done by this sub-committee.

**Principles:**

Various submissions have been received by the sub-committee. Once these have been perused, the committee will edit the wording it has and finalise the principles for submission to the main committee.

Consider:

- The IVSC document as tabled by AMcF

**Conclusion**

By 26 April 2012 final submissions from the sub-committees must be made to AMcF for compilation into one discussion document.

**SUMMARY OF KEY ACTION ITEMS**

**The manager:**

**Contact Riaan Davel re accounting-related definitions (see minutes of February, point 2.3, para 3).**

**Circulate the IVSC document as tabled by AMcF.**