

**MINUTES OF THE
SAMREC/SAMVAL WORKING GROUP**

**MEETING HELD ON 31 MARCH AT 10h00
THE CHAMBER OF MINES BUILDING, 5TH FLOOR, MAIN BOARD ROOM**

PRESENT: **A Moyes (Chair)**

A Clay	A Macfarlane
A de Bruyn	T van Zyl
G Njowa	B Mills
R Davel	T Marshall
K Lomborg	V Deonarain
S Rupprecht	

APOLOGIES/ABSENT:	K Rayner	K Redman
	C Dohm	H Ingram
	R Minnit	G Smith
	G Norton	A Macdonald
	F Harper	J Witley
	J Odendaal	J Visser
	K Coster	K Johnstone
	M Harley	R Davies
	M McWha	M O'Brien
	P Grabe	X Prevost
	P Robinson	T Rowland

IN ATTENDANCE: **Julie Dixon**
J Carpenter

Welcome

The Chairman welcomed all to the meeting.

Minutes of the previous meeting

The minutes were approved with no omissions, corrections or amendments noted.

Matters arising from the minutes

The Chairman stated that international organisations are planning to shortly publish their revised codes. The SSC is therefore aiming to resolve outstanding issues by end 2011 with the view to publishing the revised/reviewed SAMREC Code in early 2012.

Correspondence tabled to the meeting ex R Croll

The tabled correspondence re valuers Readers Panel must be discussed outside of this forum.

A copy of the correspondence from RC will be sent to AdB who will respond through the SSC.

Action: The Secretariat/AdB

Feedback from the SSC meeting held on 30 March 2011

Mr Clay reported that:

The proposed constitution and rules of the Readers Panel were tabled at the meeting. One point raised regarding the Panel is the clause the JSE wants included in the constitution whereby Readers should not question the CPs and CVs decisions and judgments but rather concentrate on compliance with the Codes, particularly Tables 1 and 2. The SSC felt that if Readers cannot question decisions and judgments then the Panel is reduced to a rubber stamp. Further detailed discussion in this regard will be held with the JSE and the SSC.

Continuation of discussion paper deliberation – Report Standard and format of Mineral Resources and Mineral Reserves

Discussion around Clause 39:

AC stated that in his opinion the ideal Table 3 would be:

- Report the total resource (inclusive)
- Report the proportion to be converted to reserve (exclusive)
- Report the reserve (total)

The above will result in the effective reporting of a net recovery factor.

RD stated that the above step approach is good but must be supported by principles.

After debate and discussion it was agreed that Clause 39 should clarify the requirement to report total resources, resources considered for conversion to reserves, and reserves.. **Action: AC**

Modifying Factors:

A copy of the CIM National Instrument 43101 document, containing a list of all CIM-stated modifying factors, is to be circulated to all members of the WG for consideration for inclusion into the Code. **Action: Secretariat**

Table 3 (MH version Total Resource Reconciliation):

Consensus reached – Table 3 (MH Version) accepted as **the** final version.

No other issues on the Discussion Paper were raised.

The accepted, agreed, final version will be circulated as a *fait accompli*. **Action: The Secretariat**

SAMVAL WG note to the SSC

AMcF tabled “Note to SAMREC/SAMVAL Committee (SSC) re SAMVAL Working Group” of which the following is highlighted:

- Finalising the terms of reference of the SAMVAL WG
- The SSC has been asked to officially clarify with CRIRSCO under which umbrella body valuation codes will be housed. Valuation codes around the world are somewhat different in terminologies, application etc. Essentially there are more differences between the

various codes, than commonalities. The ideal would be for an international framework to be drawn up alongside which SAMVAL can devise its code.

The Chairman, who attended the SSC meeting, responded that:

- The assumption of the SAMVAL WG that the SSC is the reporting body in SA for mineral asset valuation is correct.
- The SSC is happy for the SAMVAL WG to approach other global bodies to ensure alignment and convergence of valuation codes but the SSC wants a list of these institutes, organizations or bodies. AMcF agreed to submit to the SSC the required list.
Action: AMcF

Noted in reference to the document “SAMVAL Working Group Terms of Reference – Scope of Reference”:

In essence the SSC approved the Terms of Reference with the following changes:

Scope of work – point 9 – change the word “engagement” to “communicate”.

Point 10 – the SSC stated that it has already responded to the IASB on behalf of SAMREC and SAMVAL. AMcF stated that essentially SAMVAL wants to further review certain positions on issues raised. AMcF will forward to the SSC a reworded point 10. **Action: AMcF**

General

Items for discussion at the next meeting:

- **Next discussion paper – 14 Inferred Mineral Resources**
- **The context of the JSE letter as tabled at the SSC meeting of 30 March 2011.**
- **Check with the SSC whether it wants the WG to discuss the definition of inferred mineral resources.**

Mine Planning qualifications – AmcF informed the WG that work is being done on formalizing a mine planning qualification. The Chair stated that such a qualification will be welcomed within the industry. AmcF will forward the abridged version of the presentation on the proposed qualifications to the Chairman. **Action: AMcF**

The Secretariat will check previous minutes to determine whether mine planning was part of proposed continuous professional development initiatives. **Action: The Secretariat**

RD to forward a short synopsis of developments at the IASB and forward to all members of the WG. **Action: RD**

Date of next meeting: To be confirmed – suggested beginning of May 2011.