

MINUTES OF THE SAMVAL WORKING GROUP MEETING
HELD ON 14 JULY 2015 AT 08:00
IN THE DELVILLE WOOD ROOM, MILITARY MUSEUM

Present	K Redman (Chairman)	
	J Botha	T Marshall
	F Cawood	M Martinson
	A Clay	S Mathuray
	A M de Bruyn	J Ruddy
	J Luckmann	M Tlala
	A MacDonald	D van Niekerk
Apologies:	R Becker	S Dyke
	H Bornman	A de Bruyn
	R Croll	H Hartman
	V Duke	J Odendaal
In Attendance:	R van der Berg	SAIMM
	A Donnelly	Scribe

1. WELCOME

The Chairman welcomed everyone to the meeting and a list of apologies was read. Ms Redman advised that the focus of the meeting was to review the submitted comments on the Code.

2. ACCEPTANCE OF PREVIOUS MINUTES

The minutes of the meeting held on 07 May 2015 were accepted as a true reflection of proceedings. Proposed by J Luckmann and seconded by D van Niekerk.

3. MATTERS ARISING

3.1 Finalisation of draft Code

Ms Redman advised that in terms of the finalisation of the Code; the final draft had been sent to the last SSC meeting for ratification.

3.2 Roadshows

The Chairman advised that the Johannesburg roadshow planned for 18 June had been postponed and would take place on 16 July 2015. Interested members were invited to attend this event at Worley-Parsons in Melrose, starting at 17:00.

3.3 IMVAL

The template had been sent out for comment, with a request that these be submitted before the end of this week (17 July). Any further submissions could still be accepted within the next week.

3.4 Finalisation of the Code

- The table of contents had been added.
- All definitions within the Code had been reviewed with a view to aligning them with those of SAMREC. Mr Dixon had commented that he did not see the point of having these definitions in both Codes. The decision taken at a previous meeting was that the SAMVAL Code was a standalone entity and the definitions had been left in on this basis. In some extent the Codes were combined
- All abbreviations had been checked and updated.

3.4 Timelines/Schedule

In terms of timelines, the Chairman reported that these had been defined.

3.5 Key Action Items

The Chairman reported that contact had been made with Mr Rob Croll, who advised that he had no specific comments and therefore a meeting did not take place.

4. FINALISATION OF THE DRAFT CODE

The Chairman advised that comments had been received from Messrs Vaughan, Duke, Dixon and Bender. Mr van Niekerk advised that, as an SAIMM member, he had not received a copy of this document and queried in what form the document had been circulated. Mr van der Berg responded that it had been sent out as an e-mail on 10 June 2015 to all members and that it had gone out in [Evolitic\[A1\]](#) as well. This had been done by both Ms Moolla and Mr van der Berg. Mr van der Berg offered to check whether he had the correct email address for Mr van Niekerk. The Code had been sent out to the GSSA slightly late, so it was possible that some further comments could be received.

The Chairman advised that many of the comments received had been cosmetic and involved making editing changes. The document would go through the SAIMM editors for final round of editorial review.

The following comments were discussed:

Mr Bender had submitted a query regarding reliance on other codes, such as JORC, particularly for those companies who have their head office in South Africa but operate in different countries. The Chairman advised that the SAMVAL Code had been written so that there was not reliance on other codes.

Regarding "commissioning entity", Mr Bender suggested that this required clarification and the Chairman reported that she had responded to Mr Bender to clear the confusion.

There had also been a query from Mr Bender around "past historical operations" and the Chairman believed that this had been dealt with in the Tables 1 and 2 and was also covered in SAMREC. The SAMREC explanation was quite specific. Historical information could be used and presented, but could not be relied on as a resource unless the work had been done. The Chairman queried whether any additional information on this should be included in the SAMVAL Code. Mr van Niekerk believed that if an adequate response had been giving to Mr Bender, he did not believe it necessary to make changes to the Code. The Chairman confirmed that she had responded to Mr Bender. Mr Clay suggested that Ms Redman follow this up with a telephone call, to confirm that Mr Bender was satisfied with this response. He recommended that this be done in the case of all members who had submitted comments.

Action: K Redman

A recommendation was made by Mr van Niekerk that a document be drawn up, listing all comments made; actions taken against such comments and responses to those raising the comments. Mr Clay added that this was an SSC requirement. The Chairman agreed that this would serve as a useful reference record.

Action: K Redman

Mr Dixon commented that the section on history was long-winded and not really necessary within the Code. The Chairman advised that this had been debated by the Working Group and a decision had been to keep this. She confirmed that she had shortened it slightly by taking out part of the history. Mr Clay suggested reverting to Mr Dixon to say that the point had been noted. Mr van Niekerk felt that it would have been useful if Mr Dixon's comment had specified which parts of the history he believed were not necessary.

Action: K Redman

Mr Tlala suggested that a reference be made that the Minerals Bureau was part of the DMR (Department of Mineral Resources). Some discussion followed and this issue. Prof Cawood advised that the Minerals Bureau representative was the DMR representative as one organisation (DMR). He offered to check on this and the decision was left pending.

Mr Dixon commented that SAMVAL Code was directly linked to SAMREC, but not to SAMOG and that references to SAMOG in the Code were therefore not necessary in light of the fact that valuations of gas and oil properties is covered extensively in SAMOG. This would automatically link people to SAMOG. Mr Clay believed that this was just a clarifying statement. A decision was made to leave this as is and this would be conveyed to Mr Dixon.

Action: K Redman

Mr Dixon believed that the repetition of definitions from the SAMREC Code was unnecessary and could be referenced. This decision had been made by the SAMREC Working Group on the basis that the SAMREC Code was a stand-alone Code. It was agreed to leave this as is and this would be communicated to Mr Dixon.

Action: K Redman

It was recommended by Mr Dixon that there should be some consistency with use of the words "shall/should", "must/may". Ms Redman advised that she had gone through the document, where something was mandatory, everything had been changed to "must". For the non-mandatory sections, everything had been changed to "shall". Ms Marshall advised that Mr Dixon had made a similar comment on the SAMREC Code and he referred to a definition that said the word "shall" should be used where a provision is mandatory; "should" where the provision is preferred; and "may" where alternatives are equally acceptable. It had also been recommended that these definitions be put somewhere in the introduction to the Code, so that readers would know what each term meant. This was agreed and Ms Marshall was requested to send the information to Ms Redman.

Action: T Marshall and K Redman

Discussion followed on whether the section on valuation of mineral resources and reserves should be mandatory or as guidance. Mr Clay pointed out that the Code was principles-based. It was agreed that "shall" be used throughout this section.

Action: K Redman

Mr Dixon believed that the section on the valuation of material (exploration target mineralisation) which cannot be defined as a mineral resource is not clear, as it leaves the CV with an extremely wide licence, which could be dangerous. It was agreed to leave this as is in order not to take away discretion and to ensure a level of competency and professional standards.

Action: K Redman

Ms Marshall suggested that Ms Redman check on the use of capitalisation of "Mineralisation" in the definitions, as there were two meanings for this word, depending on capitalisation. In the SAMREC definitions, when the word was used with a lowercase "m", it referred to mineralisation in common terminology (dictionary). When it was used with an uppercase "M", it referred to a defined term as referenced in Section 21 of the SAMREC Code.

Action: K Redman

Mr Runny's comments were around grammar and had been changed.

The Chairman agreed to make the necessary changes and respond formally and individually to those who had raised comments. It was agreed that the document be sent to the SSC for sanction. Thereafter it would go through to Ms de Bruyn for the FSB. Prof Cawood recommended that the draft be sent to the FSB and that the SSC would ratify it at their August meeting. Mr Clay suggested a round-robin process through the SSC in order not to delay the process. Prof Cawood queried whether all the roadshows had been completed and whether all the Codes had been presented at the roadshows. It was confirmed that all Codes had been included and that there was only one roadshow (Johannesburg) pending. Prof Cawood advised that if the SAMVAL Working Group was satisfied with the document, it could be submitted into the FSB process before going to SSC. This could be done simultaneously with a round-robin to the SSC, provided there was a record that the process had been followed. Mr van Niekerk reiterated the importance of having a document showing questions and answers.

Action: K Redman

5. ACTIVITIES

The Chairman had sent through a summary of the activities over the last year to Mr Cawood. This was for the period from June 2014 to June 2015.

The exposure was released to the Working Group on 12 May 2015 for comment and this formed the basis for the final draft.

The final exposure draft was tabled on the agenda for the SSC Meeting on 22 May 2015. Ms Redman was not sure whether this had taken place. Mr van Niekerk advised that this was on the agenda, but due to time constraints, this had not been discussed at the SSC Meeting.

The final draft was sent to members of the SAIMM and GSSA on 10 June 2015 for final comment and consultation.

A number of roadshows had been held to publicise the changes (Witbank, Rustenburg, Kimberley and Cape Town). Presentations had been given by Mr Clay, Mr Kinghorn, Ms Marshall and Mr G Njowa on behalf of the SAMVAL Working Group.

In terms of other activities; written and verbal comment had been given at the Competition Commission on the IDoW. An overview of the SAMCODES had been given at the MIASA meeting and also to talk about IMVAL: that as a Committee the IMVAL template had been received and sent out for comment.

Mr van Niekerk advised that an outstanding issue was the initiative with the Property Valuers and there was still an ongoing debate on the Competent Person for valuations generally and the Mineral Asset Valuator. It was important to find a home for registration of Competent Mineral Asset Valuers. Ongoing discussions were being held with the council for Property Valuers, SACNASP and ECSA. Mr van Niekerk was not sure of the exact name of the council, but Prof Cawood undertook to provide this from the Property Valuers' Profession Act of 2000 and believed this was an important matter, as there was an overlap between their act and the SAMVAL Code. Prof Cawood advised that for valuations for companies listed on the JSE, the SAMVAL Code would apply; for unlisted companies, the above Act would apply. Mr van Niekerk stressed the importance of proper engagement with the relevant parties and queried who the SAMVAL champion was on this initiative. Prof Cawood advised that a meeting should be held with the relevant parties regarding the JSE Act and the SAMVAL Code, to discuss overlaps and look at registration matters. Mr Clay cautioned against treating this matter in isolation. Chairman stressed that the SAMVAL Working Group should understand what was in the Act and how that would affect SAMVAL. Some debate followed and the Chairman advised that regarding Property Valuers, the process in terms of ECSA was in hand and was a work-in-progress. She believed that it had been dealt with either through the JSE or SACNASP. Prof Cawood advised that the first important step was for the Working Group to meet with that Council and minutes of that meeting should be sent to interested parties and to the SSC. The SSC members would then take this further.

Regarding Mr Clay's comments to the Competition Commission, Mr van Niekerk undertook to follow up with ECSA on behalf of this group and the SSC to expedite the resolutions of the minutes. Mr Clay would submit a copy of his letter to Mr van Niekerk prior to this meeting.

Action: A Clay and D van Niekerk

The Chairman advised that now that the Code was almost finalised, all the outstanding issues would be addressed. Mr Clay raised the issue of papers and suggested that these should be orientated around history and organisation, as well as the practical application of the Codes. He anticipated that at the SAMVAL/SAMREC workshop in 2016, if Mr Lomborg wished to give practical guidelines, he would require some guidance from members. The Chairman advised that this was one of the items that had not yet been discussed. The call for papers had gone out and in terms of the valuations, what was needed to get some ideas on the kind of topics that should be covered and whether there should be specific themes. Mr MacDonald advised that the focus was to be on a Companion Volume to the Code and to give guidance and explanations on that. Ms Redman countered that there was guidance and explanation in the Code itself, so this would be an extension to the Code. Mr Tlala advised that there would be specific allocations for SAMVAL and SAMREC and that four abstracts had been submitted to date. A follow up meeting was scheduled for 06 August 2015. Ms Redman suggested that this call for papers should be made more broadly, i.e. to IAS and the accountants, as they fell within the zone of interest. Ms Redman offered to have a look at this with Mr van der Berg, if the Working Group agreed. In terms of the Companion Volume as such, Ms Redman did not believe that there should be a limit on the number of papers. In terms of the Conference this may be necessary, but a compendium volume could be made with the papers submitted, even if these were not presented. At a request from Mr Clay to extend the deadlines, Ms Marshall advised that this had already been done. It was clarified that abstracts were required by the end of July, not the actual papers. This would give an indication of which topics had been covered. Missing topics could then be identified and papers requested on those topics.

Ms Redman suggested that the call for papers be sent out to a broader audience such as IAS and other organisations that form part of the SSC Committee. Although Mr van der Berg advised that it should have gone to all those members on the SSC with a request that this be circulated to the relevant contacts within their organisations, Ms Redman suggested that it be sent to the organisations themselves. Mr van der Berg offered to do this, if Ms Redman provided the necessary contact details.

Action: K Redman and R van der Berg

Mr MacDonald commented that Mr Macfarlane had drawn up a list of outstanding issues and there were still about five items that needed to be followed up on that list. Mr MacDonald would forward the information to Ms Redman for inclusion on the agenda for the next meeting.

Ms Redman suggested that items be prioritised. For the next meeting, she suggested that the Working Group focus on the Property Valuers and decide how best to address that. She further suggested that Mr Clay, on behalf of the people he represented, should revert to the Competitions Commission.

6. General

Mr van der Berg requested that members provisionally diarise 20 August 2015 as the date for the next meeting. Ms Redman advised that she would not be available on that date. Ms Marshall queried whether the Working Group could revert to having its meetings on the last Thursday of each month. Mr van der Berg responded that this had changed due to the time requirements for submission of the Code to the SSC and JSE. The Chairman supported Ms Marshall's call. Mr van der Berg suggested that the meeting be held on 27 August 2015. Mr van Niekerk cautioned that this was on the same day as the SSC Meeting.

Mr Martinson requested a copy of the latest version of the Code (13) and Mr van der Berg agreed to provide this.

Action: R van der Berg.

Mr van Niekerk suggested that the amended version (14) be sent to members of the Working Group.

Mr Tlala raised a concern as to the poor attendance at the ...[A2]. roadshows and queried whether the notice had been circulated to all interested parties. Mr van der Berg agreed to check this.

Action: R van der Berg

7. Date of next meeting

The next meeting would be held on 27 August 2015 at 08:00.

The Chairman thanked all for their participation and the meeting concluded at 10:30.

SUMMARY OF KEY ACTION ITEMS

Kelly Redman:

Update all suggested changes to the Code
Compile list of comments made and responses given
Contact all contributors to ascertain if they were satisfied with feedback
Revert to all contributors regarding decisions made in this meeting on their comments
Send Code to working members for reference
Send Code for round robin circulation via SSC
Send Code to FSB for ratification
Provide R van der Berg with list of organisations in terms of call for papers

Andy Clay and Dirk van Niekerk:

A Clay to send D van Niekerk a copy of his letter to the Competition Commission
D van Niekerk to follow up with ECSA

Raymond van der Berg

Send call for papers to organisations as per list provided by K Redman
Send latest copy of Code (13) to Mr Martinson
Check invitation list for roadshows