

MINUTES OF THE SAMVAL WORKING GROUP MEETING
HELD ON 29 JANUARY 2015 AT 08:00
IN THE DELVILLE WOOD ROOM, MILITARY MUSEUM

Present

K Redman (Chairman)

H Bornman	A McDonald
J Botha	A Macfarlane
A Clay	G Njowa
R Croll	J Odendaal
A M de Bruyn	M Stewardson
A Kinghorn	JG Taylor
S Laubscher	A van Zyl
J Luckmann	I Wermuth
T Marshall	L Zindi
M J Martinson	K Redman
J Ruddy	D van Niekerk

Apologies:

R Becker	J McGill
A Dougall	

In Attendance:

R van der Berg	SAIMM
C Jardine	SAIMM
A Donnelly	Scribe

1. Welcome

The Chairman welcomed everyone to the first meeting of 2015. A smaller working group had met earlier in the year and the output of that meeting was Version 8 of the draft SAMVAL Code. The Chairman also thanked Mr Macfarlane for his effort.

2. Acceptance of previous minutes

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

3. Matters Arising

Mr Macfarlane stated that many months had passed since the last meeting and that the action items on the minutes had been attended to.

4. Finalisation of the draft SAMVAL Code

Members accepted the Chairman's suggestion to work through the draft Code on a point-by-point basis.

The Code was currently labelled as being the "2014 Edition". As the planned launch date for this Code was 2016, it was agreed that it should be renamed as the "2016 Edition", in line with the SAMREC Code.

Once the draft Code had been finalised by the working group, it would go through the SSC process, which could take some time. The Chairman advised that the important thing was to get it through the working group, even if it was not 100% perfect, in order to start the process.

The following changes were suggested to the draft Code (version 8):

Section 1: Introduction

- 1.1 Foreword – should read “of mineral assets and **securities**”.
- 1.2 History – the correct title of the Valmin Code to be checked
- 1.3 There was some discussion on the difference between “valuation” and “evaluation”. This wording had been taken from IMVAL and it was agreed to wait until after the public consultation process before making any changes.
- 1.4 Scope and limitations – the full title should be included after “SAMOG”. **For consistency, this should be done throughout the document: with the first use of each acronym, the full description should be included in brackets.** It was also suggested that this be applied to the other SAM Codes.
- 1.9 Uses and Users of valuations – the first letter of “valuations” should be capitalized, i.e. “**V**aluations”. The title should be changed to read: “**Purposes** and Uses of Valuations”.
- 1.10 Requirements in other jurisdictions – this should read: “**Alignment** with other jurisdictions”.

Concern was raised regarding the impact of alignment with an incomplete IMVAL Code. It was agreed that this be reworded as follows: “**Cognisance has been taken of international developments within the terms of the IMVAL Code**”.

The Chairman advised that the plan was to align the launch of the various Codes and work to the same schedule. An updated timing schedule would be sent out in this regard.

Action: K Redman and R van der Berg

- 1.11 Asset types and ownership issues – it was agreed to remove the third paragraph.
- 1.12 Relationship with SAMREC and other codes – the words “any other CRIRSCO compliant” should be inserted before “Mineral Resource and Mineral Reserve Reporting Code....”

“**Required**” should be used instead of “defined”.

The word “conducted” should be replaced by: “**based on resources and reserves**”

Section 2: Fundamental Principles

- 2.1 In the second paragraph, the wording “the Competent Mineral Asset Valuator” to be changed to “CV”, in line with the first paragraph.
- 2.1.3 There were inconsistencies between the main Code document and Appendix C in terms of definitions. The Chairman undertook to check this.

Action: K Redman

Section 3: Standards

- 3.4 Competency – “Recognised Professional Organisation” should be replaced by “**RPO**”.

In the second paragraph, it should read: “...a CV must be clearly satisfied **in**...”

Non-gender specific language should be used throughout the document.

- 3.6 Responsibility – the bracketed comments to be removed.

There was debate on whether “CV” and “author” were necessarily the same. Relevant points included:

- The Code was principles-based
- The term “Public Report” was misleading and it was suggested that it should be reworded to say that the CV should ensure their work is not unduly influenced
- Consistency was required between the Code and the appendices
- Definitions should be limited to one sentence and principles more detailed
- Wording was very important
- Where words had been lifted from other Codes, these should be in inverted commas, italicized and referenced properly

The Chairman undertook to scrutinise the document in this regard.

Action: K Redman

- 3.7 Dealing with Rights and Contracts – the word “must” to be replaced with “**should**” throughout the document.

- 3.8 Site visit – “must” to be changed to “should”. The question was raised as to whether site visits from people other than CV were included in SAMREC Code. It was agreed that the “if not/why not” principle should cover this and no changes were necessary.

- 3.9 Complaints and discipline – it was agreed that the procedure was not the issue; the Code of Conduct was the issue. The words “subject to the disciplinary procedures” should be changed to: “subject to the Code of Conduct and disciplinary code”. The need for consistency between the document and the appendices was reiterated. The Chairman undertook to check the terminology regarding Code of Conduct/Code of Ethics.

Action: K Redman

There should be consistency between the first paragraph and clause 3.11, i.e. “statutory body, professional body or RPO”.

Similarly, in the second paragraph; and also remove the words: “...or the self-regulating professional body...”

Section 4: Guidance

- 4.1 Ms de Bruyn expressed concern with people having to purchase guidelines, e.g. GAVP, and believed that the relevant principles should be included in the Code. Mr Macfarlane suggested checking whether the principles are embodied in the SAMVAL Code itself and then removing that reference if necessary. The Chairman agreed to check what was appropriate.

Action: K Redman

Due to time pressure, the meeting had to be adjourned and it was agreed to arrange an extended meeting before the end of February in order to finalise the draft Code. The Chairman offered to address any important issues individually. Mr van Niekerk believed that the team approach offered greater experience and resulted in better solutions.

5. Next meeting

The next meeting would be held on Thursday, 26 February 2015 at 07:30.

The meeting concluded at 09:45.

SUMMARY OF KEY ACTION ITEMS

Kelly Redman:

Update all suggested changes to the Code

Check for inconsistencies re definitions

Check that lifted terminology is put in quotation marks, italicised and referenced

Kelly Redman & Raymond van der Berg:

Send out updated timing schedule re Code