

**SAMVAL
MINUTES OF THE SAMVAL RE-WRITE MEETING
HELD ON 31 JANUARY 2013 2012 AT 8:00am
AT THE MILITARY MUSEUM, DELLVILLE WOOD MEETING ROOM**

Present:	A Macfarlane (Chairman)	
	H Bornman	J E McGill
	S Mathuray	D J van Niekerk
	A Kinghorn	NJ Odendaal
	B Scott	J Luckmann
	A Clay	A Dougall
	M J Martinson	R Davel
	S Laubscher	N Steenkamp
	A McDonald	I Wermuth
Apologies:	A de Bruyn	M Mattera
	R Croll	V Duke
	M Mokitimi	M Ingham
	J Upshall	L Zindi
	G Chunnnett	G Njowa
	K Redman	R Becker
In Attendance:	J Dixon (Manager, SAIMM)	

1. Welcome

The chair welcomed all to the meeting.

2. Minutes of the previous meeting

The minutes from the previous meeting (25 October 2012) were tabled without correction.

3. Matters arising from the previous minutes

- The joint session on independence was held and comments raised will be included in the re-write. Briefly the decision was that in respect to independence, there will be a statement in addition to what is currently in SAMVAL to the effect that under certain circumstances as required by the commissioning entity that independence may need to be exhibited. A definition of independence will be included.
- The mandate for the CV group needs to be formally documented. The SAMVAL working group decided to consider and discuss the CV criteria and competency in light of the JSE paper on accreditation and registration of CPs and CVs. The TOR and any updated draft discussion papers on the subject will be re-tabled at the next SSC to form the foundation of the SAMVAL WG's position on this matter.
- A discussion on discount rates resulted in the conclusion that it is a principle-based area and should not be prescriptive. In terms of valuation of inferred and PEAs, and its link to the definitions, Andy Clay was asked to draft a one paragraph summary of the SAMVAL position on this subject. Julie Dixon will recirculate the Valuation of Inferred resources paper that dealt with this matter. A sub-group will form to address this matter (Andy Clay, Andy Kinghorn, Andy MacDonald and John. Luckmann.)

4. Definitions: Update of discussion paper

The DWG have found that there are several definitions for particular items. The DWG decided that instead of creating a new definition, it would select, in its opinion the most effective definition and use

it. In addition the numerous less significant definitions should be included in a list and posted on the website for information purposes.

Items that are of concern:

- Comparable transactions and market comparable for a current listed price
- Highest and best use practice concept

The DWG will work with the Principles group from now on. The DWG was asked to consider the IMVAL document released recently. The IMVAL group considered using the CRIRSCO template to form its own valuation template that would like similar to that of CRIRSCO. GN 14 was also considered. The South African members of IMVAL used this information to draft a valuation template in the same format and order as the CRIRSCO template but which relies heavily on GN 14 which makes it in itself a guidance note. This document includes a section of standards including definitions. The underlying intention was to harmonise the various codes.

5. Principles: Position paper update

Updates have been made from the last meeting. The next step is to align the work with that of the definitions WG which will happen shortly.

6. Competent Valuator

The CVWG has identified a process to work through to complete the work. Starting off at a high level linking across to the tasks of the CV, that which needs to be performed in his or her duties. Then defining the profile of the CV by drawing up a list of what work a CV does and what they must be able to do.

Dirk van Niekerk, the ECSA representative, drafted a paper on the regulatory framework around the CP and CV and a paper addressing the competency profiles.

The next step will be to draw up the competency requirements and understanding the meaning of competence/competent.

Once the abovementioned has been settled, the group will return to the question of legal standing and start to talk about the registration requirements and then engage with ECSA, PLATO, SACNASP, SAICE and the Council of Valuers to determine if they are able to deal with the issues around disciplinary matters if the CV was registered with them. They will then deal with ethics and if it needs a specific code of ethics and then cross reference with definitions. They should be finished within 2-3 sessions.

With regards to the SAIMM and the GSSA By-Law amendments to deal with registration of CPs and CVs, it was agreed that they should proceed with their proposed review system but once the WGs have finished their deliberations, they will advise the SAIMM and the GSSA further on the matter.

7. General.

Oil and Gas – the question coming from the SAIMM council is should there be a separate oil and gas code, making it three codes. There is an already existing a set of definitions from SPE but concern was raised as to whether Southern Africa should rely on the exiting definitions or modify them. There are oil and gas experts in South Africa that the O&G WG needs to engage with.

For valuation, should SAMVAL rely on the definitions devised by the oil and gas code in the same way it relies on definitions in the SAMREC code? Because then the valuation process can handle both.

The committee agreed that the Oil and Gas code should for a third code in the suite of codes.

IMVAL – international event – it will be similar to the VALMIN seminars, it will be an international event. It will be kept as an agenda item as the WG in general will contribute to the event. The motivation for the event was tabled at the mining TPC.

Moving forward on the revision of the code: the structure of the re-written SAMVAL needs to be considered.

Jeanette McGill will submit the GSSA's calendar of events for interest and to ensure there are no clashes with international event.

SUMMARY OF KEY ACTION ITEMS
J Dixon Julie Dixon will recirculate the Valuation of Inferred resources paper
A Clay Andy Clay was asked to draft a one paragraph summary of the SAMVAL position on discount rates