

**SAMVAL
MINUTES OF THE SAMVAL RE-WRITE MEETING
HELD ON 25 APRIL 2013 2012 AT 08:00
AT THE MILITARY MUSEUM, DELLVILLE WOOD MEETING ROOM**

Present:	A S Macfarlane (Chairman)	
	R Becker	T R Marshall
	R C Croll	M Martinson
	V G Duke	K Redman
	A Kinghorn	N Steenkamp
	S Laubscher	D J van Niekerk
Apologies:	V Bansi	A McDonald
	H Bornman	Prof C Musingwini
	R Davel	N J Odendaal
	J Luckmann	B Scott
	J E McGill	
In Attendance:	J Dixon (Manager, SAIMM)	
	S Moolla (Manager, SAIMM)	

1. Welcome

The chair welcomed all to the meeting.

2. Minutes of the previous meeting

The minutes of the meeting held on 28 February 2013 were tabled and accepted subject to the following corrections:

Page 2, Minute 7, line 4, Approvals by SSC: An Associate membership should read An associate **natural scientist**.

Page 3, Minute 9, line 5, Report back of Competency Sub-group: class should read **category**.

Page 3, Minute 11, line 6, Valuation event: Sub-Committee membership: Andrew Macfarlane should read **Alastair Macfarlane**.

3. Matters arising from the previous minutes

Oil and Gas: Mr Macfarlane reported that this Committee supported an Oil and Gas Code in respect of resources and reserves. In terms of valuation there was no need for a separate Code. Mr Clay had previously confirmed that there was sufficient expertise available to be able to assess competency. Mr Croll questioned whether the same criteria would be applied in Oil and Gas for a competent person to have five years' experience. It was felt that the first stumbling block was identifying a peer group within this sector. Oil and Gas was very distinct when compared to minerals and required a different set of skills. Mr Macfarlane requested that guidance should be taken from the Valmin discussions as this was also part of the IVSC work. It was agreed that the Code must tie in with the SAMREC/SAMVAL Codes.

Valuation of Inferred Resources: At a previous meeting there was a discussion on the valuation of inferred resources. A paper was tabled on the format of reporting of inferred resources. It was agreed that there is a second paper on the valuation of inferred resources that is needed for discussion. The current paper is not applicable to the questions raised at the last meeting. As Messrs Clay, Njowa, Musingwini and Upshall were not present this matter would be carried over to the next meeting.

4. Finalisation of scope

There was no further work required for this matter.

5. Finalisation of definitions

Mr Duke agreed to follow up on the finalised paper which should have been ready for review at this meeting. Mr Macfarlane requested that this be resolved as soon as possible as it should not be carried over for another month.

6. Finalisation of principles

There was no discussion.

7. Approvals by SSC

It had previously been suggested that once the Competent Valuator Group completed their work, a second meeting should be reconvened with ECSA, PLATO, GSSA and SACNASP, as well as the Council of Valuers to discuss the matter again.

8. Process to move forward with editing /review of SAMVAL Code

It was agreed that an editorial committee collate the information from the three papers and bring it into the review process. The mandate from this working group was that it did not restructure or start a new Code in terms of the work already done.

The document tabled would be circulated electronically. Mr Macfarlane advised that the points raised at the SAMVAL event had been taken into account. He explained the format of the document and it was agreed that when working group members were looking at it they consider items that needed to be dealt with; those not done; issues to deal with later; others that were rejected outright.

The process would be as follows:

- Working group members to work through the document
- Circulate it to all parties
- Review process

The working group debated the headings to be considered and Mr Macfarlane would circulate the document which would be printed in A3 size for the next meeting. Debates ensued on whether the Code was a guideline or prescriptive, whether there should be a second tier to the document and whether methods/methodologies needed to be dealt with.

The review process required that an editorial committee be set up to look at the position papers and how they fitted into the Code without making changes to the Code as it was. The committee would also consider the engagement of a professional editor to do the final makeup and then it would be passed through a legal test to check its standing. Mr Croll agreed to chair the first meeting and members would be nominated from the Scope, Definitions, Principles and Competency sub-working groups. Mr Macfarlane as well as Mr Duke or an alternative from his office would be nominees from the sub-working groups. Mr Clay, (or he could co-opt someone else) would also be requested to join the committee. Members of this committee needed to have attended a majority of the working group meetings in order to know what was happening. Mr Davel and a representative from the JSE also needed to be included.

It was agreed that whoever edited the completed document needed to know the context thereof. Also the editorial committee would create the chopping block and would then engage a person to prepare the document as a deliverable. In order to get the message across the current structure may have to be changed. The logic of the document would be:

- Principles
- Scope

- Definitions
- Competencies and registration
- Methods and approaches (or however the committee wanted to capture this).

Additional chapters may need to be added, but the major chapters would remain. The new Code would be referred to as the 2013 edition in order to avoid confusion. Mr van Niekerk added that the two Codes would remain separate but interrelated and the Oil and Gas would be brought in.

The Editorial Committee would define the terms of reference, define the terms of work and identify a chairman at their first meeting. Mr Macfarlane would consider the structures for harmonization. The Oil and Gas scope needed to be included in the terms of reference and would need to have reference to a competent person in the scope. Mr van Niekerk added that the same philosophy as the CP/CV in SAMVAL should be used.

9. Report back: Competency Sub-group

Mr Duke reported that the sub-group had held a very constructive meeting. Mr van Niekerk had done good work on a draft paper which had been worked through in detail, and a more succinct version would be used for the position paper.

One of the issues raised was in which regulatory body the competent valuator would be housed. An offer had been received from SACNASP and this had been considered and accepted. The recommendation would therefore be that a competent valuator would need to be registered with an approved statutory body. A competent person would still need to register with ECSA in order to do engineering work and with PLATO for survey work.

Mr Becker reported that the SACNASP had created a specific category of registration for people who did work closely related to the natural sciences but did not have the academic qualifications, e.g. agriculture, explosives. There were different fields of practice in this category and a Registration Committee would vet the registration of people in this category.

Mr van Niekerk advised that ECSA also had a specific category but it applied to engineering work. Mr Macfarlane stated that the Council of Valuers had an associate at a different level of registration. Ms Redman advised that there would have a problem registering with SAICA and SACNASP.

Mr Kinghorn stated that the SAIMM role would fall away but not in terms of ROPO requirements which had to be considered as their principles were clear on membership. There may be confusion with the concepts and this had to be clarified.

Mr Becker advised that the issue had been to get a group of people together to decide who was competent. The JSE were comfortable to have a peer group to do valuations and to have a statutory body that provided a home for them. He added that this was a service that SACNASP was willing to provide.

Mr Macfarlane explained the roadmap which was followed and had agreed to engage with statutory bodies to see where competent valuers could be housed. Within this roadmap it had been agreed that it would be ideal to have one dedicated home. He added that as the criteria for a competent valuer had been defined all the statutory bodies should be engaged.

Mr Croll stated that the JSE could not be ignored as they were quite persistent in having them incorporated is JSE rules. The question was raised whether we were meeting the deadline date set by JSE. Ms Redman advised that at the previous meeting an in principle decision had been made for the JSE to go ahead and do what they felt necessary.

SACNASP has mentioned that by creating a register it went against legislation as it would be seen as keeping other people out of work.

Ms Redman reiterated that SAICA would have a problem with the requirement of registration with another body. Mr Croll added that there was also a problem as mining houses only paid for one professional registration and people would have to make a choice. He also stated that there may be a problem as the JSE had been advised that we would have resolved this by June. It was felt that they be advised that we were involved in the process of defining a competent valuer as requested.

Mr van Niekerk would finalise the document for discussion at the next meeting. He added that the JSE's buy-in was needed for this process. Mr Macfarlane would engage with the JSE and other committees to get their buy-in. He advised that as the mandate had come from the SSC it would go through SAMVAL and SAMREC and then to SSC who would decide if it was included in the Codes.

10. Report back: Valuation of inferred resources

There was nothing available yet. Mr Clay would be requested to give a position on the valuation of inferred resources, e.g. a qualifying statement was required.

11. Valuation event: Sub-committee membership

There was no discussion.

12. Reliance on technical experts for Oil and Gas valuations

This had already been discussed.

13. International report back

IMVAL

Mr Macfarlane reported that a draft guidance paper had been put together through a sub-group of IMVAL which had been passed through the Australians and Canadians. Lots of comments had been received. The USA had felt that the structure, etc. was wrong and recommended a rewrite thru the SME. After scheduling a conference call it was agreed that they should not as it was too materially different to the Australia/Canada/London. The SME had agreed to articulate their concerns with the Australians. They felt that they wanted to simplify the Principles and the Guidelines component. They had given direction on this in a guidance document. It had fallen on South Africa (through Messrs Macfarlane, Clay and Njowa) to pull it together. The IVSC was completely quiet and nothing further had been heard from them. There seemed to be financial and administration issues in London. He added that he had the comments available if anyone wanted it.

There being no further matters to discuss, the meeting ended at 10:23.

SUMMARY OF KEY ACTION ITEMS
Vaugh Duke to follow up with the Scope, Principles and Definitions WG Follow up on finalised paper
Andy Clay, Godknows Njowa, Cuthbert Musingwini and Julian Upshall Consider and draft a paragraph on the valuation of inferred resources.
SAMVAL Re-write working group Move forward with editing /review of SAMVAL Code
Rob Croll To convene Editorial Committee
Competency Sub-group Finalise paper for definition of competent valuer Engage statutory bodies to find categories where competent valuer could be housed