

**SAMVAL  
MINUTES OF THE SAMVAL RE-WRITE MEETING  
HELD 25 July 2013 2012 AT 08:00  
AT THE MILITARY MUSEUM, DELVLLE ROOM**

<b>Present:</b>	<b>A S Macfarlane (Chairman)</b>	
	<b>M Austin</b>	<b>Dr J E McGill</b>
	<b>R Becker</b>	<b>E Moodley</b>
	<b>J Botha</b>	<b>Prof C Musingwini</b>
	<b>A N Clay</b>	<b>G Njowa</b>
	<b>G Chunnett</b>	<b>P Obermeyer</b>
	<b>A Kinghorn</b>	<b>K Redman</b>
	<b>J Luckmann</b>	<b>B N Scott</b>
	<b>A MacDonald</b>	<b>J Upshall</b>
	<b>S Mathuray</b>	<b>A van As</b>
	<b>Dr T R Marshall</b>	<b>D J van Niekerk</b>
<b>Apologies:</b>	<b>H Bornman</b>	<b>S Laubscher</b>
	<b>A M de Bruyn</b>	<b>KG Lomborg</b>
	<b>R Davel</b>	<b>M Mokitimi</b>
	<b>Dr C Dohm</b>	<b>N Steenkamp</b>
	<b>V G Duke</b>	<b>I Wermuth</b>
	<b>C Hudson</b>	<b>L Zindi</b>
<b>In Attendance:</b>	<b>G Carpenter (Minute Taker)</b>	

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**1. Welcome**

Mr Macfarlane welcomed everyone to the meeting and requested them to introduce themselves..

**2. Minutes of the previous meeting**

The minutes of the meeting held on 25 June 2013 were tabled and accepted subject to the following corrections:

Page 2, Minute 3, line 3: should read 'It was also agreed...'

Page 3, Minute 7, point c : should read:' Who is **the** referring authority'

Page 3, Minute 8: '...should read "Report **back**...'

**3. Matters arising from the previous minutes**

PLATO: Mr Macfarlane had raised the issues reported with Mr Ed Swindell, the Chairman of the SSC. Feedback was being awaited.

Finalisation of papers: It is taken that Mr Croll has referred the position papers to the editorial committee.

Mr Croll to set up the first meeting of the Editorial Committee: As far as is known no meeting has yet been held. This issue is urgent and must be attended to. The secretariat of the SAIMM must go ahead and convene the committee as well as compile a schedule of meetings.

**4. Report back: Competency Sub-group**

The chairman informed the meeting that the position paper has been compiled but the work of the competency group is still to be done. The main issue outstanding is the registration of competent valuers. Engagement and discussion needs to be held with various professional institutes iro their positions as against the position of the paper. Comments have been received from various entities i.e. SAMREC, the SSC, with new comments continually coming in. A competency work group will have to be established fairly soon at which the comments received will be considered and summarised. The SAIMM secretariat has contacted all identified professional groups with the view to having bilateral discussions on the various issues. Once this process is finalised then a round-table meeting of all interested parties will be held at which a broad-based discussion will take place. No response has yet been received from SAICA and this will be followed-up on. Further discussion will have to take place iro the position of ROPOS in terms of competency registration. The positions which must be considered by the competency group are:

- The position iro ROPOS
- International alignment/misalignment and consequences thereof
- Common set of processes that do not compromise a CV by way of residence or jurisdiction
- Application of the disciplinary processes
- Code of ethics
- Legal standing of the registration process and qualifications
- Desired future position

## 5. International report back

### IMVAL

The IMVAL guidance document has been circulated and comments have been received from Australia and Canada. Messrs Clay, Njowa and the chairman have been working on the comments (most concern structural issues) and the final document is now in four portions.

- Part A is to do with the background and history.
- Part B is definitions and principles
- Part C is minimum standards that can be drawn upon by the various national codes and jurisdictions
- Part D – guidelines.

Mr Clay stated that the work done on the IMVAL code should act as a template for the SAMVAL code. However, missing from IMVAL is the issue of competency and registration. Basically individual countries should be able to adopt the code with the still-to-be-added Part E which deals specifically with registration and competency.

## 6. Valuation of inferred resources

The Chairman read out the following compilation of the definition he had applied:

*“The valuation of inferred exploration properties and exploration targets is concerned: there are instances and applications where it is required to conduct valuation on inferred resources, exploration properties and/or exploration targets. These may be in circumstances such as, but not limited to, the valuation of exploration assets in terms of IFRS6; the valuation of exploration properties for sale or acquisition or other valuation purposes; the valuation of inferred in the case of a merger or acquisition; the valuation of prospecting or mining rights that include resources that have low levels of confidence; justification for future warranty and expenditure on exploration properties and targets; valuation for a state consideration, taxation etc. These may or may not be published in public reports depending on the nature of the valuation and its purpose. Furthermore, they may not be reliant on a mineral resource statement particularly*

*where market or cost approach is applied as decided by the CV. Clearly in such cases there are material risks associated with the valuation in terms of the level of accuracy and confidence of the estimates and the approach or method. The CV must therefore qualify any such valuation with the following:*

*A clear statement of the level of confidence and the risks associated with the valuation.  
The reason for the application of approach and method  
The reasons why the valuation may or may not be based on a SAMREC-compliant report.  
The application of more than one approach and associated method.”*

Response to the above definition:

Mr Clay – when the value is calculated the moment the Code says “it must be published within a range...” then there is no limit on what the “range” is.

Mr Clay – what discount applies – 0, 5 or 10 percent?

Mr Njowa – modifying factors – the same modifying factors must be applied that have been applied to measured resources.

Mr Njowa – at what point does classification of cost fall as an expenses or capital?

It was agreed that the definition will be circulated for comment.

## **7. Matrix of outstanding questions/issues**

The Chairman tabled a matrix document which evolved from public meetings held where comments made were captured and listed and from which responding comments arose. Changes were made directly into the tabled document.

Way forward / Priorities:

Competency Group to be formed asap  
Editorial committee to be convened  
Table 2 – the appointed group will start work on Table 2.

## **8. General**

There was nothing to discuss.

There being no further matters to discuss, the meeting ended at 10:02.

### **SUMMARY OF KEY ACTION ITEMS**

#### **Secretariat**

Convene a meeting of the editorial committee, using conference call facilities if need be

Set up a schedule of Editorial Committee

Follow up with SAICA re its comments on the position paper i.r.o. competent person registration

Re-circulate Alastair Macfarlane’s definition of “valuation on inferred resources” (above)