

**MINUTES OF THE**  
**SAMREC/SAMVAL WORKING GROUP**  
**MEETING HELD ON 03 MAY 2010 AT 10:00**  
**THE CHAMBER OF MINES BUILDING, 6<sup>TH</sup> FLOOR, ROOM 606**

<b>PRESENT:</b>	Mike O'Brien (Chairman) Alastair McFarlane Annalie de Bruyn Kerron Johnstone Kelly Redman Godknows Njowa Rob Davies Steven Rupprecht	Eure Saaiman Jeremy Witley Alastair Moyes Jurgens van Zyl Visser Paul White Siobhan Joubert Viren Deonarain
<b>APOLOGIES:</b>	Johan Odendaal Billy Mills Daan van Heerden Gordon Smith Keith Kenyon Mike McWha Rob Croll Tim Rowlands	Andy Clay Charles Muller Dave Dingemans Karin van der Merwe Kenneth Coster Riaan Davel Stewart Foya Vanessa Lickfold
<b>IN ATTENDANCE:</b>	Julie Dixon Jacky van Loggerenberg	

***Note to these minutes: This document is compiled by Judy Carpenter, based on the recording and notes made/done by J van Loggerenberg***

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**1. Welcome**

A warm welcome was extended to all.

**2. Minutes of the previous meeting**

The minutes were accepted as a true reflection of proceedings with the following amendments:

1. The apology of Vanessa Lickfold should have been noted under Apologies of the previous meeting
2. Annelie should read Annalie
3. SAICE should read SAICA

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

***Training and education:*** The Chairman is still to speak to the main SSC in this regard and will do so at the next SSC meeting scheduled for late May, early June.

**SAMVAL Readers' Panel:** Also to be discussed at the next SSC meeting.

#### **4. IASB Discussion Paper on Extractive Activities - seminar**

The Chairman noted that:

- There appears to have been confusion over the size of the venue and number of people who may attend. There is space for only 220 delegates. Members of the Working Group who wish to attend must inform Julie Dixon asap. Depending on the level of interest that the seminar generates there is the possibility of holding a SAMREC/SAMVAL event which could be targeted at a more general audience rather than concentrating purely on the accounting aspect of the Codes.

Mr McFarlane asked, with reference to the IASB discussion paper and following on from a meeting held by KPMG at which a few issues were raised, does the Working Group agree with the principle that mineral assets qualify as financial assets? This is a fundamental question which initially concerned the SSC. The Chairman stated that if members are concerned about this issue then it must be addressed to Godknows Njowa. Mr Njowa stated that the above question has been deliberated on extensively within the sub-working group. No definitive agreement has been reached on whether or not a mineral asset is put onto the balance sheet with a value or a zero.

Mr Njowa pointed out that there must be more interaction between the accountancy profession and industry with regards to IASB requirements. At a recently held meeting of the SSC IASB sub-working group, Mr Dixon agreed to put together a presentation covering what has been agreed on to date by the SSC.

The Chairman also stated he would like the SSC to consider some of the position papers which have been submitted to it by the Working Group and to give feedback. If there are issues of clarity then these must be referred back to Group.

#### **5. SAMREC/SAMVAL Outstanding Issues (the "parking lot")**

- 5.1. CP and CV Accreditation** – a document has been submitted by Ms de Bruyn to the Chairman who has commented. He will consult with Ms de Bruyn outside of the meeting on his notations.
- 5.2. CPD (by Professional bodies) as a vehicle for ensuring technical standards and professional credentials** - there is general agreement within the Group that this aspect is a "nice to have."
- 5.3 Independence as a principle** – the Group has a document in this regard.
- 5.4 Reporting styles** – no document has yet been finalised.
- 5.5 Mineral Resource reporting on an exclusionary or inclusionary basis** – documented.
- 5.6 Valuation of inferred mineral resources** – documented, although further work in this regard is required prior to the document being submitted to the SSC.

The Chairman will re-circulate all of the above documents to members of the Group prior to submission to the SSC. **Action: The Chairman**

03 May 2010

## 6. Best Practice

**Mine Planning qualifications** - Mr McFarlane gave the Group a background on the envisaged mine planning qualifications which are being defined in conjunction with the MQA and ECSA. The work which has been done thus far will be circulated to the Group's members for comment.

**Action: Mr McFarlane**

## 7. Training and Education – suggested short courses

The position papers which are being presented under each topic could form the basis of a series of short course on the Codes. The Chair suggested that the various Working Groups start to "think along these lines" for submission of proposals to the SSC.

There is still a need to decide on what vehicle will be use to deliver the short courses. There are a number of vehicles available i.e. the Schools Programme (via the SAIMM) and programmes through the SAIMM. The Schools Programme allows for the garnering of CPD points.

Mr Njowa pointed out that Mr Dixon and Mr Clay will put together a draft proposal on what courses are to be held. The Working Group must determine what topics could constitute short/long courses.

Suggested courses:

- **Report writing**
- **SAMVAL application to projects** – care must be taken that there is no duplication between this course and others already on offer.
- **Resources and Reserves (SAMREC)** – the preferred format here is that of a seminar at which best practices can be agreed on.
- **SANS and Reporting of coal resources and reserves**
- **Valuation** – overall valuation will have to be a long-term course. Valuation in terms of what is required for SAMREC/SAMVAL could be a shorter course, such as a half-day seminar. Care must also be taken when compiling the course as valuation is a very complex topic requiring presenters with detailed and in-depth knowledge.
- **Commodity-specific application of the Codes**
  - Reporting of diamond R&R*
  - Reporting of coal R&R*
  - Reporting of platinum R&R* – it is noted that there is little alignment between those companies involved in platinum mining. It was suggested that a workshop format be used in this regard as it could ultimately lead to best practices emerging for implementation between all role players.

## 8. General

Nothing specific noted.

## 9. Date of next meeting

27 May 2010.

Signed:..... Date:.....