

THE SOUTHERN AFRICAN INSTITUTE OF MINING AND METALLURGY

SAMREC/SAMVAL WORKING GROUP MEETING

Minutes of the meeting held in Room 607, Chamber of Mines Building, 5  
Hollard Street, Johannesburg on 03 March 2009 at 11h00

**PRESENT:** Mike O'Brien – Chairman (MOB)

Andy Clay (AC)	Godknows Njowa (GN)
Annalie de Bruyn (AdB)	Mike McWha (MMW)
Alistair Moyes (AM)	Vanessa Lickfold (VL)
Viren Deonarain (VD)	Nick Tyler (NT)
Gordon Smith (GS)	

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**APOLOGIES:** Gordon Chunnett (GC) Dave Dingemans (DD)  
Keith Rayner (KR)

**IN ATTENDANCE:** Julie Dixon (JD) Manager SAIMM

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**1. Welcome and apologies**

Mr O'Brien welcomed all to the meeting.

Gordon Chunnett  
Dave Dingemans

**2. Minutes of the previous meeting**

The minutes of the meeting held on the 8<sup>th</sup> of May 2008 were accepted as a true reflection of the meeting.

**3. Matters arising from these minutes**

Nothing noted.

**4. Committee**

Mr O'Brien asked if there were any potential members who could be invited to join the working group, particularly in the light of the departure of some of the more senior members such as Mr Matt Mullins and Dr Angus Christie.

Mr McWha suggested a Mr Steve Rupprecht but also queried whether the working group was open to new members and if so, what criteria had to be met to join.

After discussion, it was decided that the main criteria would be for the person to have an interest in the Codes and experience as a practitioner. Interested parties will be canvassed to participate to achieve our objectives. There is a need to encourage participation from consultancies, banks and the financial sector to strengthen the development of SAMVAL.

## 5. 2009 Strategy

It was suggested that the SAMCODES website should be developed as a forum and repository of guidance in the application of the codes. The SSC will also be able to post new guidelines and guidance notes on the website. Use of the website in this manner will provide:

- the nucleus for future updates of the Codes and
- the basis for Best Practice.

These suggestions apply to both SAMREC and SAMVAL Codes. Some time has passed since the updated Codes were launched and it was acknowledged that the time is right to organize for an educational workshop to communicate knowledge gained through practical application. The following issues have been highlighted since the release of the Codes:

- Comparative versus exclusionary basis for valuations and anomalous value assigned to Mineral Resources and Reserves.
- Valuation of Inferred Mineral Resources and even 'Inventory' (a term not conforming to the codes but sometimes used in company reports).
- Competence.
- Additional Registration of Competent Persons and Competent Valuators.
- Disciplinary Procedures.
- Structure of Competent Persons Reports to conform to the Codes and to Securities Regulators' requirements.
- Best Practice Guidelines need to be developed (previously placed on the list of 'Parking Lot' items).

Industry can assist implementation by providing case histories of practical application of the Codes to Mineral Properties. Such case histories can be discussed at symposia or workshops and placed on the guidance section of the codes website (with suitable amendments to avoid disclosure of proprietary or sensitive information). Mentoring can assist with problems of interpretation of the Codes.

Some sectors of industry have previously reacted negatively and vociferously to proposals for specific Competent Persons registration in addition to the existing statutory and professional memberships. It was suggested that the registration initiative be initially focused on the registration of Competent Valuators rather than Competent Persons, as the former currently have neither a parent professional association nor a statutory body. If the registration of Competent Valuators is a demonstrable success, with benefit to the industry and individuals, then acceptance of registration of Competent Persons may be more easily achievable.

The mechanisms of the Disciplinary Procedures (particularly with linkages to the Professional Societies and Statutory Bodies) deserve more publicity to encourage compliance and participation. It was suggested that for educational purposes, a flow chart or map be used to display the disciplinary procedures initiated after a complaint is received. It was suggested that the relevant people within the GSSA and SAIMM be approached to give a short presentation on their disciplinary procedures. (ACTION MOB)

It was suggested that Roger Dixon and/or Ferdi Camisani be approached to present on the Readers Panel (for the vetting of JSE documentation) and registration as well as an update on CRIRSCO at the next Working Group meeting (ACTION MOB)

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In terms of a strategy for 2009, 'Parking Lot' issues will be assigned to a person or team.

Issues

Issue	ACTION
Valuation on an exclusionary or inclusionary basis and valuation of Inferred Mineral Resources	AC
Registration of Competent Persons and Competent Valuers	AdeB
'Independence'	NT
Best Practice Guide	MOB & MMW
Valuation of Inferred Resources & 'Inventory'	GN & VL
SAMCodes Website as a vehicle to disseminate best practice and screen complaints	MOB
Complaints & Disiplinary Procedure	MOB

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The issues (at this stage without proposed solutions) will be tabled in the form of a short summary (preferably in MS PowerPoint) at the next Working Group meeting. The Working Group can then determine the priorities and tactics to resolve the issues. (ACTION ALL)

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**8. General**

Our strategy and issues raised in this meeting will be communicated to the Chairman of the SSC and the tabled presentations will form the nucleus of the mandate and goals of the Working Group for 2009. (ACTION MOB)

There being no further business the meeting closed at 13h15.

The next committee meeting will be held on Friday the 27<sup>th</sup> of March at 11h00 at in Room 607, Chamber of Mines Building, 5 Hollard Street, Johannesburg.

Signed:.....

Date:.....