

Background:

Include into the list of representatives:

SAICA
Banking Council/Association

Editing required to bullet points of tabled draft Terms of Reference:

Bullet 3 - Concerns over the position of CRIRSCO in terms of mineral asset valuation (and to become bullet number 1)

Bullets one and two then become two and three.

Bullet 5 – AIMA's involvement in the evaluation code.

Bullet 7 – Grave concerns within South Africa over comments regarding increased state participation in mining activities and transactions being based on inappropriate valuations.

Add Bullet 13 – Ensure a suitable disciplinary process exists for cases of non-compliance with SAMVAL.

Terms of Reference:

After discussion and debate it was agreed that the Terms of Reference should be stated as:

"The mandate of the SAMVAL WG is to review and revise the existing SAMVAL Code and its associated guidelines and practices, for South Africa. It is the SAMVAL WG which will collaborate with international bodies to ensure the alignment and consistency of mineral asset valuation codes."

Points 1 to 13 of the tabled document are to be referenced as the scope of the mandate.

Include under point 4 a new point 5 that states:

The WG will adopt a collaborative approach with other valuation bodies around the world, including but not restricted to CIMVAL. AIMA etc.

Point 5 – remove "extractive industries" and use "mineral valuation".

Addition to point 7 – a note on disciplinary measures to be used against those that don't comply with SAMVAL. Point 7 is to then be moved as the last point in the scope of work.

Point 10 to move to point 1 as it encapsulates the terms of reference.

The SMAVAL WG works under the SSC (patron)

Representatives: It is recognised that this is a volunteer organisations whose representatives..... All interested and affected parties are invited to attend the meetings.

Decision making:

Decisions will be made on a majority decision after full consultation with all affected parties.

At the end of each deliberation the WG will produce position papers for distribution to industry for consultation. After feedback and modification these will be sent to the SSC for ratification for the final Code.

Quorum:

Minimum of five including the chair.

Meetings:

As and when required but initially on a monthly basis.

Timelines:

A project plan will be developed in this regard.

Note to the SSC – points raised:

Page 2 para 2rewrite to read “.....the SAMVAL Code was developed, as a principles-based Code, in line with VALMIN and CIMVAL. Some of the content and intent of the Code is inconsistent with IBSC principles.”

Critical questions:

1. We assume that the SSC is the reporting body in SA for Mineral Asset Valuation?
2. Please can the SSC formerly request CRIRSCO to clarify its position with respect to valuation codes.
3. Please can the SSC give the SAMVAL WG approval to approach and establish communication with other global institutes to ensure alignment and convergence of valuation codes.

Items for consideration for work-shopping/discussion and debate:

- Registration and disciplinary measures for valuers.
- Correct errors and omissions in the current Code.
- Hold a principles-based meeting.
- Parking lot issues

The next meeting of the SAMVAL WG will concentrate on formulating the issues which need addressing and the constitution of sub-groups.

Suggested discussions topics:

- Drafting
- Glossary of terms and definitions
- Valuation methods
- Valuation of inferred resources
- Applicability of cash flow methods
- Acceptance of valuations for specifically inferred resources and their links into other areas i.e. accounting

There being no further business the meeting concluded at 11h00.

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