

The update of the South African Mineral Asset Valuation Code (SAMVAL)

The Institute has reconvened the SAMVAL Working Group in order to conduct a review and update of the SAMVAL Code.

This work has been initiated owing to certain inconsistencies in the current Code, but also as a result of a number of external activities and events that have created the need for the update.

Mineral asset valuation codes also exist in Canada (CIMVAL Code) and Australia (VALMIN Code), as well as the International Valuation Standards (IVS), promulgated by the International Valuations Standards Board in London. Both the VALMIN Code and the IVS Extractive Industries section are currently under review, and it is intended that CIMVAL will also be reviewed. A number of developments and discussions have also been undertaken by the Society of Mining Engineers (SME) in the United States, in consultation with the Securities Exchange Commission (SEC) and the Financial Accounting Standards Board (FASB). Furthermore, assistance has been given by the CIMVAL Committee to develop a similar Code for the Chinese authorities, for possible use by the Hong Kong Stock Exchange.

The SAMVAL Committee has taken cognisance of all of these developments, and is actively participating in some of them, through engagement with the VALMIN Committee and its conferences, and through representation on the IVSB Committee in particular.

The SAMVAL Committee has convened a working group that is liaising with all international bodies that have an interest in mineral asset valuation, to establish a common forum where harmonization of definitions and principles of mineral asset valuation can be established, similar to the CRIRSCO process for mineral resource and mineral reserve definitions. Such harmonization is particularly relevant at this time, given the review processes that are under way.

Considerable discussion is taking place in Australia with regard not only to VALMIN, but also with regard to JORC and the ASX, both of whom have released Issues Papers for comments on matters that are under discussion there with regard to mineral resource and mineral reserve reporting.

In particular, discussion around the recognition, disclosure, use, and valuation of inferred resources, and the disclosure of production forecasts, have relevance to valuation. Both the SSC (SAMREC/SAMVAL Committee) and the SAMVAL Working Group are making submission on these various issues, as well as interrogating them from a southern African perspective, for inclusion in the SAMVAL review.

The SAMVAL Working Group also recently held a mineral asset valuation event, where wide participation was invited, in order to raise and prioritize issues relevant to mineral asset valuation both locally and internationally, for inclusion in the SAMVAL review process. This event was an outstanding success, especially in terms of the level of participation and the materiality of the issues raised.

The SAMVAL Committee will continue to develop and participate in these processes, and to keep the members of the Institute informed, through the membership of the Working Group, the Council, and the Journal.

Any comments and suggestions are always welcomed, and should be addressed through the Working Group or the Secretariat.

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Chairman
SAMVAL Working Group

Mine Planning and Design qualifications

For several years now, the Institute has supported the development of qualifications in the mine planning and design area, through the establishment of a Mine Planning and Design Industry Forum.

This Forum was convened with membership invited from the major mining companies and technical software suppliers, as well as the providers of learning.

The need to develop these qualifications arose from the realization that, apart from undergraduate mining engineering qualifications, no such qualifications exist. Furthermore, mine planning was seen as an area of 'scarce skills', particularly in the tabular mining environment, and that the creation of a legitimate and attractive career path was essential to attract and retain competent planners.

External developments, such as the need within SAMREC (2008) to have a Life of Mine Plan for an operational mine, in order to declare mineral reserves (and at least a prefeasibility study for a project), as well as a number of developments in the mineral asset valuation field, emphasized the need to develop competency, leading to possible professional registration in the higher levels of mine planning and design.

A great deal of work has been done to date on the development of a learning pathway for mine planning and design, aligned to the National Qualifications Framework (NQF) from level 2 through to level 8 and beyond. This work has been done through extensive engagement with the Mining Qualifications Authority (MQA) and the Engineering Council of South Africa (ECSA), through the SAIMM.

Recently, the MQA as the quality development partner established a community of expert practitioners (CEP) for mine planning and design, facilitated by an appointed occupational development facilitator to develop an occupational qualification at level 4 (the Mine Planner). This process has been very successful thus far, and the occupational qualification will be ready for submission to the Quality Council for Trades and Occupations (QCTO) in the second quarter of 2012. This occupational qualification will include the foundational requirements as well. Thus, in addition to allowing a matriculant to enter a career in mine planning and design, it also continues to allow lateral entry for suitably qualified persons from within industry who wish to make a career change based on recognition of prior learning and experience.