SAMVAL Committee Meeting Minutes
29 August 2024

Date of Meeting	03 October 2024	**Time**	08:00
Chaired by:	Vaughn Duke, Chair	**Location**	Zoom
Minutes prepared by:	Moipone Mkhize		

Present:

Vaughn Duke (Chair)	Bernadine Joubert	Kelly Redman
Hannes Bornman	Beverly Mona	Nicholaas Steenkamp
Annalie De Bruyn	Tania Marshall	Mark Turnbull
Nikkie Fischer	Matt Mullins	Veri Yadi
	Andy McDonald	Andrew Van Zyl

SAIMM Secretariat:

Moipone Mkhize — Camielah Jardine

Apologies:

Andrew Kinghorn — Teresa Steele-Schober

Topic	Discussion
1. Welcome and apologies	Mr Duke welcomed everyone to the meeting, and said it was going to be a brief meeting. The minutes of the previous meeting were accepted.
2. Industry attendance	Nothing was reported
3. Feedback on recommendations by the SAMCODES ESG Working Group	Vaughn Duke reported that they needed to deliberate on information they took out of the guideline and make amendments on SAMVAL and then Table 1. He added that they needed to know how much of what is recommended for inclusion in the code should be in the code, bearing in mind that the guideline said that the SSC constituted a multidisciplinary group of people to update the guideline, and they only needed to change the same Codes if required. Kelly Redman provided the background. She said what they did in the SAMVAL Code in 2016, was to look at the SAMESG Guideline and considered it in their valuation. They did not add too many things into the SAMVAL code from the ESG perspective because it was not an ESG Code, it was a SAMREC and a SAMVAL Code. The reason why the ESG guidelines, the SAMESG guidelines were there, was for them to be considered, not to become the code. Annalie De Bruyn said they should not forget what the purpose of the codes was, specifically regarding SAMVAL, but from a SAMREC

	perspective as well, adding that it was the reporting of mineral resources and reserves. In some scenarios, the Environmental, Social and Governance aspect might pose a risk to the resources and the reserves or to the valuation, and that was the angle and the impact that should be considered in valuing and the reporting on that. She said the guide was perfect because they needed guidance to the valuers and the CPs. Then the CP and the CB should assess what was the impact and bring it into account in the report and into the valuation. Concerns were raised about the emphasis on ESG aspects in the codes, with some committee members expressing the view that the proposed amendments were too onerous and deviated from the primary purpose of the codes. Andy McDonald reported that he was comfortable that the level of the ESG requirements in Sandville were not more onerous than they were and had been explained better. He added that it was a reminder all the way through the code that needed to be considered. He added that the PERC code which was issued in 2021 had an ESG section which had been incorporated in the code. Table 1 had 13 items in Section 5.5. The Pan-European Reporting Code (PERC) issued an update in August this year for a discussion document. Their Table 1 has 14 items in Section 5.5, and it had a separate guidance document in which was an ESG matrix, which provided additional guidance to the section, the Table 1. In the case of SAMcodes, in SAMREC, we have added in a new section at the end of the SAMREC code discussing ESG section, which was in line with what PERC had. Their recommendations for Table 1 were to incorporate all ESG matters in one place, in section 1.6, of which there were 19 items. They have the ESG guidance document, and then Table 1 expanded, as with additional discussion relative to the highlights, the high-level points that were in the SAMREC Table 1. Vaughn Duke said it was important to align with international reporting trends and setting best practices in the SAMcodes, particularly in relation to ESG aspects. He expressed his concerns about falling behind in the global space and emphasised the need to consider the expanded requirements in section 5.5 of the Table 1. Annalie De Bruyn reported that the guideline should not be about ESG but about the risk assessment and the impact of those risks on the resources, reserves, or value and their disclosure, and the impact of that on the valuation. She added that risk disclosure was more important than specifically focusing on risk. Hannes Bornman questioned the integrity of applying governance principles to company valuation during a feasibility study, at which Vaughn Duke then emphasized the importance of evaluating the work done to investigate obligations and the capability of the managing team, acknowledging the challenges of assessing management experience and cultural differences. Kelly Redman emphasised that there were many modifying factors and the reason they placed much emphasis on ESG was because it was one of the modifying factors for a company. Issues of carbon neutrality were a company-wide discussion. ESG should have the

	same emphasis as all the other modifying factors, as they were all part of a mineral resource and mineral reserve and evaluation. Andy McDonald reported that the SAMEGS guideline was to try and identify the different aspects that should be considered in developing a valuation, which listed different aspects that would need to be considered in evaluating the impact of ESG on a valuation of a mineral property. They considered the potentially quantifiable costs that could be in that valuation process. He added that the list gave an indication of what should be considered. The valuation approach that they used to apply to that was up to the competent valuator to select as to which was the preferred way of doing it. For purposes of the SAMVAL Code, all aspects which included but may not be limited to premises, assumptions, restrictions, mining, metallurgical, economic, marketing, environmental, social, governmental, and all ESG factors that were applied when converting mineral resources to mineral reserves were referred to collectively as modifying factors. They were not emphasizing ESG over everything else, but it was one of the groups of factors that were to be considered. Annalie De Bruyn said they should consider proportionality, specifically in reporting an exploration target or an exploration result and consider how they implemented the disclosures that were becoming more important. Andy McDonald said it was the responsibility of the SAMVAL Committee to accept all changes going to be incorporated into the Code. Once those changes were incorporated into the Code, they would then be taken to the SSC for approval, and then they became implementable. He added that there may be other aspects within the SAMVAL which needed to be updated in line with industry trends, which needed to be done at the same time. He indicated that it was only the ESG aspects that needed to be considered. Vaughn Duke said he would capture all the comments and circulate amongst SAMVAL members. If he received any comments back early next week, he could release them if everyone was happy and sent an opinion from SAMVAL back to the ESG and then they could make the adjustments they see as appropriate and then send it back to them again. He added that himself and Moipone Mkhize would put in the letter, then sent to all committee members, to adjust. He requested that the comments be emailed within the next 10 minutes, he would use the weekend to draft a note and send it out to all members on Monday morning, then hopefully the end of next week, maximum they could send to SSC.
4. International SAMVAL Conference	Nothing was reported
5. General	Nothing was reported
6. Next meeting	The next meeting was scheduled for 28 November 2024 at 10:00.

7. Meeting closure	Vaughn Duke thanked everyone for their attendance and input. The meeting ended at 09:00.

Matters arising/Action Items

Meeting Date	Action	Responsible	Due	Status	Comments
03/10/24	Draft a letter to the ESG committee summarizing the feedback and concerns from the SAMVAL committee.	Vaughn Duke	28/11/24		
03/10/24	Forward the final letter to the ESG committee	Moipone Mkhize & Vaughn Duke	28/11/24		
03/10/24	Review and provide feedback on the draft letter by the end of next week.	All Sub-Committee Members	28/11/24		
03/10/24	Send out the draft letter to all members on Monday morning for review and feedback	Vaughn Duke	28/11/24		
03/10/24	Provide feedback on the proposed amendments to the SAMREC and SAMVAL codes by email within the next 10 minutes.	All Sub-committee Members	28/11/24		