SAMVAL Committee Meeting Minutes
29 February 2024

Date of Meeting	29 February 2024	**Time**	08:00
Chaired by:	Vaughn Duke, Chair	**Location**	Zoom
Minutes prepared by:	Ann Donnelly		

Present:

Vaughn Duke (Chair)
Hannes Bornman
Bernard J
Tania Marshall
Andy McDonald
Matt Mullins
Zachar Rashid
Kelly Redman
Rocky
Teresa Steele-Schober
Andrew Van Zyl

SAIMM Secretariat:

Moipone Mkhize

Apologies:

Commented [AD1]:

Commented [AD2]: Kindly check

Topic	Discussion
1. Welcome and apologies	Mr Duke welcomed everyone to the meeting and advised that there had been a mishap with the agenda and minutes. Ms Mkhize apologised for the error and noted that the new agenda had now been sent. No apologies had been received. Mr Mullins advised that he would need to leave the meeting earlier.
2. Industry attendance	To date, there had been industry attendance at the meetings and Mr Duke wondered whether this should continue. He asked the meeting whether there were any pertinent items to bring up; or aspects of the Code that might need to be investigated. He asked whether people from industry should be brought into the meetings. Ms Redman believed it should carry on with industry attendance, as it was quite useful to have outside perspectives. She added that they should probably try to have some discussion on certain issues once or twice a year. All of those had been quite interesting and useful. Mr Duke asked that everyone send through some of the suggestions or areas that they would like the meeting to address. In addition, a list of company who they would like to invite. **Action**: All members
3. Pertinent issues/changes to the Code	This was not discussed.

4. Guidance Notes	On the work done previously, it had been agreed to put out two guidance notes. Mr Duke had agreed to put something together on discount rates, as well as on Real Options Evaluation. He had not made any progress on this yet, but would work on that. **Action**: Vaughn Duke Mr McDonald added that, on the Discount Rates, there was a draft that was done about two or three years ago. At one stage, there was a suggestion about recommended Discount Rates and the reporting of the MPVs, like what was set out in the mining guidance; but then there was some pushback against that. He offered to send this draft to Mr Duke again, to use as a basis and panel-beat it from there. Mr Duke believed that would be a big help. **Action**: Andy McDonald
5. ESG Update	Mr McDonald advised that the status was that the recommended changes/additions to the SAMREC Table 1 had been completed. The recommended changes had been completed for the 'front end' of the SAMREC Code, up to and including the Industrial Minerals Guideline. They planned to insert an additional section after that on ESG Reporting, probably 2-3 pages, which would be a very high-level of some additional guidance in the Code, but all referencing back to the SAMESG Guideline 2.0. The recommended changes in SAMVAL were largely complete and he and Ms Redman just needed to touch base to get alignment. There was maybe a bit in the appendices that needed to be added. That was the progress to date and his plan was that, by Q2 this year, they would be able to submit a complete set of recommended editions to SAMREC/SAMVAL to the Code Committees for deliberation and how they progressed from there in terms of the updates to the Code. He emphasized that what was being put forward were recommendations for the incorporation of ESG terminology or discussions that there were throughout the Code. This was not to say that this was the final product; because it was subject to Mr Duke and other Committees going through them and modifying or adding whatever changes needed to be included, to bring them in line with the international reporting standard. Only then could that be circulated for comment and go through the normal approval process. It was important to know that what was being put forward were only recommendations at this stage for the Code committees to consider. Mr Duke believed it was worth noting that, once they received the draft as a committee, they needed to put some time into it, to ensure that it was read probably and thoroughly. It required due diligence. Mr McDonald added that, in terms of valuation of ESG parameters, the environmental aspect, the closure, the social liability (certainly in terms of South Africa, with BEE, etc. and the Mining Charter reporting requirements), those could largely have a value attached to them. What he did not get his head around was how to attach a value/liability to poor governance. It would be necessary to have some guidance incorporated into the SAMESG Guidelines in terms of how ESG parameters should be valued.

	Mrs Steele-Schober advised that the reality was that one could not value everything in ESG and governance was a case in point where there would have to be a qualitative description and risk analysis, but it was very difficult to put a value to governance. It just needed to be understood and transparency disclosed. Mr Duke believed that if the Competent Person believed there was a risk of poor governance/performance, they could distil that into a different discount rate. Mrs Steele-Schober took the point. Mr McDonald advised that at the time of finalising the SAMESG Guideline, consideration should be given to some sort of guidance in terms of the value of ESG parameters in there. Mr Duke responded that the Committee would take that on board.
5. General	Mr McDonald had asked Mr Duke to follow up on IMVAL. He had sent two messages through to the Secretary and had had no response on trying to get some sort of energy going forward. He agreed to phone the Chairman. Mr McDonald suggested organising a Valuation conference in South Africa and the representatives from the valuation codes sitting on IMVAL could be invited to present papers in South Africa, At the same time, a meeting could be arranged with all the IMVAL people in South Africa. Mr Bornman believed it was a good idea, but asked who would fund this. Dr Marshall commented that, with CRIRSCO, that was how it worked – the organisations funded them but that was not the responsibility of the SAIMM/GSSA to fund other people coming here. Mr Bornman suggested it be made very clear that SAIMM/GSSA would not be funding them. He asked for volunteers to help set this up. Dr Marshall suggested that this be done in conjunction with the SAIMM Valuation Symposium that was held every couple of years. She suggested that the best organisation to do the 'nuts and bolts' would be the SAIMM Secretariat. She was sure there were people on the committee who would be willing to assist with that. Mr Duke would take this up with the organising committee and participants could be approached. Mr McDonald, Mr Bornman and Ms Redman offered their assistance. Mr Duke undertook to contact them via e-mail and thanked Mr McDonald for his ideas. Mr Bornman believed it usually took about a year to organise. Dr Marshall advised that the Valuation Symposium was in 2025 and would also be on the next year's budget figure for the SAIMM and GSSA to put money in to assist with the event. The various other professional organisations around the world would benefit from next year. It was agreed that this would be held in 2025. **Action**: Vaughn Duke Dr Marshall mentioned that some of the participants had attended the UNFC Day that was held a week or so ago, through the GSSA. She had received the recording of that and it would probably be available from the next day on the GSSA YouTube channel for free, for anybody who missed the event and would like to catch up on that.

6. Action items from previous minutes	Mr Duke undertook to speak to Ms Moolla about contacts with mining houses regarding future meeting invitations. Ms Moolla would be asked to get in touch some of the companies which have a relationship with SAIMM and give them preference in joining the meetings. **Action**: Vaughn Duke Regarding comments on Discount Rates (N Strydom), Mr Duke was not sure what that was about and would contact Mr Strydom. Mr McDonald was going to act on this point. **Action**: Andy McDonald The action item on circulating the ESG draft document to SAMVAL Committee once approved was ongoing. On the question of guidance on the pitfalls of Real Option Values, this was ongoing. Ms Mkhize was asked to send the minutes through to all members for any changes and corrections. Both sets of minutes would be approved at the next meeting. **Action**: Moipone Mkhize
7. Next meeting	The next meeting was scheduled to take place at 08:30 on 30 May 2024.
8. Meeting closure	Mr Duke thanked everyone for their attendance and input. The meeting ended at 09:45.

Matters arising/Action Items

Meeting Date	Action	Responsible	Due	Status	Comments
30/11/23	Mr Duke to discuss contacts with mining houses with regards to future meeting invitations, with Ms Moolla.	Vaughn Duke	May 2024		
30/11/23	Comments on discount rates	Andy McDonald	May 2024		
30/11/23	ESG Draft document to be circulated to SAMVAL Committee once approved.	Teresa Steele-Schober	Ongoing		
30/11/23	Regarding guidance on pitfalls on Real Option Values, this was ongoing	??	Ongoing		
29/02/24	Send minutes through to committee members to correct and make changes	Moipone Mkhize	May 2024		

	where necessary. Both sets of minutes to be approved at the next meeting.				