

NOTES OF THE SAMVAL COMMITTEE MEETING

HELD ON 25 FEBRUARY 2021 AT 08:00

VIA ZOOM

Present: **Mr A van Zyl (Chairman)**
Ms A de Bruyn
Mr V Duke
Mr A Kinghorn
Mr A MacDonald
Dr T Marshall
Mr M Mullins
Ms K Redman
Mr M Turnbull

Apologies:

In Attendance: **Ms C Jardine (SAIMM)**

1. WELCOME

Mr van Zyl welcomed everyone to the first SAMVAL meeting of 2021.

2. APOLOGIES

No apologies were noted.

3. ACCEPTANCE OF PREVIOUS MINUTES AND MATTERS ARISING

The minutes of the meeting held on 26 November 2020 were taken as a true recording of the discussions. Some typographic errors were noted and Ms Jardine and Mr van Zyl would follow up on the edits. The minutes were proposed by Mr MacDonald and seconded by Mr Duke.

Action: Camielah Jardine and Andrew van Zyl

4. KEY ACTION ITEMS

4.1 It was not confirmed that the IMVAL minutes from the previous two meetings had been circulated to all members, as well as the CIMVAL draft.

4.2 It was not discussed whether Mr Njowa had prepared a note for Mr Bornman about nominal and real models in assumptions.

Action: Godknows Njowa

4.3 Regarding comments on the Guidance Notes, Dr Marshall advised that these had been posted on the website and she hoped that there were no more alternations. Mr Mullins believed that the website was the correct place to have the notes. Thanks were extended to Messrs Borman and MacDonald and Dr Marshall.

4.4 Mr van Zyl reported that not much progress had been made on identifying key contacts in mining houses to let them know that SAMVAL would be inviting them to join SAMVAL meetings in future. Mr Mullins believed that what might mobilise interest in SAMVAL would be having a big issue to deal with, but he did not know what such a big issue might be.

Action: All Members

4.5 It was confirmed that a discussion had been held on proposals for papers. Ms Redman advised that she had submitted four papers to Clinton Birch and two potential papers were being considered. Mr van Zyl had followed up with Mr Steve Gemmell on the keynotes and it was agreed that Mr Gemmell would look at more current international issues for the conference. That had been passed on to Clinton and Mr van Zyl would follow up on the progress of abstracts. For informal feedback, some space may be made available for people who may wish to attend in person.

4.6 The subject of Independence had been put on the agenda under 'Parked Issues'.

4.7 Mr Mullins advised that he had put a one-page discussion paper together on non-solid minerals, but had not been able to circulate this. The discussion paper would be circulated later in the week and the matter would be discussed under the agenda item.

4.8 Mr Duke advised that he did try and pull out some of the previous discussions around Competent Valuers. He was unable to find anything, but he knew that Mr Dirk van Niekerk had done quite a lot of work in this regard. This issue had not been resolved. Ms Redman had also done a lot of work in this regard. She advised that she might have some information in this regard that she could share. She outlined some of the problems that had been encountered in trying to find a home for valuers.

Action: Kelly Redman

Mr Duke added that the reason this had been raised was that it had not been resolved previously. He believed there should be a Guidance Note around where Competent Valuers were housed and where their responsibilities resided. Mr Mullins would support self-assessment criteria. Mr Duke was of the opinion that this should be resolved.

5. IMVAL

Mr van Zyl reported that there were plans for a virtual IMVAL conference. Comments had been sent back on the various templates. The sample website had been constructed and comments were being sent in. Some SAMVAL-related information had been submitted for the website.

6. PARKED ISSUES

6.1 Guidance Notes

It was confirmed that these were on the website.

6.2 Discussion of Independence

Ms Redman advised that she had been revising this topic as well. Ms de Bruyn reminded the meeting that she had reported at the last SAMVAL meeting that this was not a priority issue for the JSE at this time; and that it was currently on the back burner. Ms Redman asked what the issue was. Ms de Bruyn advised that independence was the issue and it might make things more onerous for companies, which was why it had been put on hold for the moment. Dr Marshall suggested that this could be taken off the agenda until sometime in the future.

Action: Camielah Jardine

7. BRINES AND NON-SOLID MINERALS

Mr Mullins advised that the Codes referred to solid minerals; and brines did not fall into this category. There had been some debate as to whether these should fall under industrial minerals but this raised the issues that one had solid state lithium and potassium in many deposits in the world and the fact that they were in an ionic state should not mean that, because they were in water, they should be industrial minerals; and because others were in solid rock, they should be normal minerals. He believed the Code should be modified to be inclusive of those deposits, as they were becoming more and more important. There were brine guidelines in AusIMM now and some very good ones in Canada. One of the nuances was recharge and, with recharge from outside your basin, you could have a situation where the ore reserve would be bigger than the mineral reserve. That seemed to have caused some debate in certain circles as to whether to allow that or not. His view was that this should be inclusive in the existing SAMREC, with slight modifications to the wording. The valuation was done exactly as if it was a solid mineral.

Mr van Zyl asked whether there were any supporting views. Mr Mullins advised that there had been strong support for brines in the JORC codes. He had seen a lot of comments submitted to JORC in this regard. Mr van Zyl asked whether this could be covered in a Guidance Note until a formal update had been put together for the Code. Mr Mullins' personal view was that there was no reason why South Africa should not have a healthy potassium brine industry in the Northern Cape. He believed the Code should be ahead of this. Dr Marshall advised that this would have to be taken through the correct procedural process, i.e. it would need to be taken up with Mr Lomborg and would have to be formally discussed via the whole SAMREC Committee; but there was no reason why a Guidance Note could not be produced (combined SAMREC/SAMVAL) in advance of this becoming formally included in the SAMREC Code.

Mr Mullins advised that this had been brought up with SAMREC, but would be raised again. Dr Marshall agreed to raise this at the SAMREC meeting should Mr Mullins not be present.

Action: Tania Marshall

Mr MacDonald noted that, in the minutes, there was mention of reprocessing of slimes without a mining licence, but it came to mind that if there was a slurry or an unconsolidated slimes or tailings dam, whether this would not fall into a similar category as non-solid minerals. Mr Mullins believed the difference would be whether it had been pre-mined or not. Some discussion followed.

Mr MacDonald added that there was also reference to the technology to purify water and make a profit, but some of the water came from underground and was full of heavy metals. If those were extracted and sold in some way, he asked whether this did not constitute a non-solid mining approach. Mr van Zyl believed this was a good point and should be a parked issue for the next meeting, to discuss this further. Ms Jardine was asked to add this to the agenda.

Action: Camielah Jardine

8. GENERAL

8.1 Competent Valuator

Mr Duke raised the issue of the Guidance Note around the Competent Valuator. He believed SAMVAL should have a position on this, i.e. a note of what the CV should look at in terms of checks and balances. There was a question at the oversight meeting about the fact that when claiming to be competent, what were the things that needed to be reflected on. He believed this required some clarification.

Mr van Zyl believed it should be read that between the various people in the team, they should be competent to sign off either as a Competent Person or a Competent Valuator. If this was not clear, it should be restated. Dr Marshall called the meeting's attention to the definition of competency in the SAMVAL Code under Point 2.1.3: *'A CV is a person who possesses the necessary qualifications, ability, and sufficient relevant experience in valuing minerals assets. A person being called upon to sign as a CV shall be clearly satisfied in their own mind that they are able to pass the scrutiny of their peers and demonstrate competence in the valuation undertaken. The CV shall be registered with ECSA, SACNASP, or SAGC, or be a Member or Fellow of the SAIMM, GSSA, or SAICA or a Recognized Professional Organization (RPO), or other organizations recognised for this purpose by the SSC on behalf of the JSE, be subject to an enforceable Code of Conduct (Ethics) and a Disciplinary Code and be able to demonstrate the competencies listed in Appendix B.'* In Appendix B of the SAMVAL Code there was a whole page of specific competencies for the Competent Minerals Asset Valuator, as well as a list of occupational tasks. Ms Redman suggested that before trying to do another Guidance Note, maybe Appendix B should be considered, to see if that needed updating.

Mr Duke was not sure whether a Guidance Note was even necessary; it was about the CVs being clear in their own minds about being competent. If there was sufficient guidance in the definition for that, it would be fine. Mr Mullins added that this debate had been held in Australia on the VALMIN definition, which he encouraged everyone to look at. VALMIN's definition was not nearly as clear as what SAMVAL had. He believed care should be taken not to introduce something that had unintended consequences. Mr Duke agreed.

8.2 Site Visits

Regarding site visits, Mr Mullins advised that he had conducted two more of these. One was good and the other was not. He believed there should be a clear agenda; technology should be set up professionally; clear outcomes should be defined prior to the site visit; and a permanent record should be kept of the site visits. The comment that might be contentious would be to have a separate report on the site visit. One should also still plan for a physical site visit, although this might not always be possible. There should be something in the guidelines on this. He agreed to circulate the report that he had put together.

Ms de Bruyn commented that it was also important that a Competent Person should give details of what they had done in place of the site visit. Mr van Zyl believed that physical site visits were important, but virtual visits allowed more people to attend, which could also have benefits. Ms de Bruyn asked whether these would be available on the companies' websites to view. Mr Mullins advised that this was already being done.

Mr Kinghorn commented that the Johannesburg Branch recently did a presentation on satellites and this could also be included. The interesting take-away point is that satellite volumetric valuation was not currently universally accepted. This might be considered in the future. He believed new technology should be included.

Mr Mullins agreed to send the note he had prepared to Ms Jardine for circulation.

Action: Matt Mullins

Mr Mullins advised that following the successful JORC training courses, AusIMM had launched a similar course on VALMIN. He found the course very well organised. It was a six-week course, made up of two hours per week. The interesting part was that they charged Aus\$2k and 120 people were on the course. It was the third time that the course had been given. He believed online training was superb and suggested that this might be an opportunity for SAIMM.

Mr Duke had restructured how SAIMM would work in order to get more attendance at webinars and he would ask Ms Moolla and her team to get in touch with Mr Mullins to work out a programme.

Action: Vaughn Duke

9. CLOSING

There being no further business to discuss, Mr van Zyl thanked all participants for their input and closed the meeting at 09:14.

The next meeting was scheduled to take place at 08:00 on 27 May 2021.

KEY ACTION ITEMS

1. CAMIELAH JARDIN AND ANDREW VAN ZYL

Edit typographic errors on previous minutes (26 November 2020) and recirculate.

2. GODKNOWS NJOWA

Prepare a note for Mr Borman with regard to nominal and real models in assumptions.

3. ALL MEMBERS

Members to identify key contacts in mining houses and let them know that SAMVAL would be inviting them to join in SAMVAL meetings in the future. Contact details to be sent to Mr Borman, who would issue the necessary invitations. Dr Marshall to examine ways to broaden the audience for SAMVAL.

4. KELLY REDMAN

Share information on work done around Competent Valuers and share with committee.

5. ANDREW VAN ZYL

Send notes from previous two IMVAL meetings, as well as the CIMVAL draft, to all members.

6. CAMIELAH JARDINE

Remove the subject of Independence from the agenda.

7. TANIA MARSHALL

Raise the subject of brines and non-solid minerals at SAMREC meeting.

8. CAMIELAH JARDINE

Add the subject of profit from purified water to parked issues for next meeting.

9. MATT MULLINS

Send out note on site visits to Ms Jardine for circulation to committee members.

10. VAUGHN DUKE

Ask Ms Moolla and team to get in touch with Mr Mullins regarding online training programme.