

**NOTES OF THE SAMVAL COMMITTEE MEETING**  
**HELD ON 29 NOVEMBER 2018 AT 08:00**  
**MIDSHAFT BOARDROOM, MINING PRECINCT, CARLOW ROAD**

**Present:**

**K Redman (Chairperson)**

**A van Zyl  
T Steele-Schober  
T Marshall  
J Luckmann  
J Ruddy  
V Duke  
A Kinghorn**

**Apologies:**

**A MacDonald  
J Odendaal  
J Garth  
S Mathuray  
R Croll**

**In Attendance:**

**C Jardine (SAIMM)**

**Y Ndimande (SAIMM)**

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**1. WELCOME**

The chairperson welcomed everyone to the meeting.

**2. APOLOGIES**

The chairperson has noted the apologies.

**3. ACCEPTANCE OF PREVIOUS MINUTES**

The minutes of the meeting held on 30 August 2018 were accepted as being a true reflection of proceedings.

The chairperson has requested that the voting of a new chairperson be added to the list of agenda items. K Redman noted that she had served her two year term and would like to hand it over to a new chair. A co-chairperson was suggested and will be discussed as soon as a new chair has been elected. The new chairperson will be selected through a voting system. C Jardine to send the voting ballot and provide feedback to K Redman regarding the process.

**Action: Camielah Jardine**

#### **4. IMVAL**

The chairperson confirmed that they did have a meeting, but there wasn't really a whole lot discussed, therefore there is not much to report.

#### **5. PARKED ISSUES**

Nothing to report.

#### **6. REGISTRATION ISSUES**

Ms Redman noted that nothing much has happened around the registration issue.

#### **7. GENERAL**

##### **7.1 Integrity Committee**

Mr Duke made reference through a PowerPoint presentation to a case study with focus around integrity and discipline and those values that they bring to their members and why it is important they would want to be part of this institute so they can be held in high regard. Mr Duke further said if the committee is talking about SAMVAL and SAMREC then they must talk about effectiveness.

The background of the case study: Mine A was designed to produce about two hundred thousand tons per month. It failed to deliver. The plant was built, the mine was developed, but it never ever got anywhere near that and it was put up for sale. A new BSF was done to support funding to facilitate this sale, it was in particular the IEC and what they use to do it, and the funding was around 700 million. With reference to the BSF that was done at the time, the price for the value was in the order of 70 Dollars a pound and the best value that could be put on the table was about 2 billion. The new owners bought the property with the funding and they spent a further billion Rand. The new owners spent the money wisely by putting it into the mine and into developments. Then the price dropped dramatically as there was less interest in uranium and the debt was 09/10. People were not paying interest on that 700 million so something had to be done and they eventually decided to go for a listing so CPR was done for the listing. Now that CPR put a valuation of 6 billion at the time or rather included someone that said there's a gold component that's about 500 million in that 6 billion and there was a price of about half of what it was. It was clear that something was going awry. The CPR was looked at at the time and a couple of issues came out that were mentioned, but put aside. Mr Duke was one of the leaders at the time, so the question now on the resource side was about the fact that there was new work done that hadn't gone into the public domain so it had not gone and been placed on anyone's website, but it was towards the DFS the geology had been restructured and reconfigured. There was a huge geological model done by an independent set of geological consultants for the purpose. That work was ignored, it wasn't considered. Mr Duke felt that it was not dealt with in a transparent manner.

In the meantime the parent company moved on to acquire other uranium assets which were much more attractive and it became more material and more potential on this one way. It was then put up for sale. So then someone showed interest in the sale and they needed a new study because now it was years later. So a new study was done and that study produced, it was a re-look at the whole body, and that's the best you could do and the reason you could only do it at 110 000 was to supply a steady grow through the processing facility. You had to get your blending right, you had to mine from the right

mix underground so you couldn't mine wherever you wanted and get the mix right to get an acceptable grey otherwise your recovery drops significantly and that made it, so you know you had to loot this operation which mean you couldn't mine under 200 000. But this study was ignored and it was available, it was made available, it was ignored and the 200 000, the old study which was a failure, correct for what it was meaning to do, was used. The valuation then that was done for the CPR was based on market comparisons and forecasts, so actually there was a little gold mining operation going but despite all the previous work that was done, we did the valuation on market comparison. Based on that we managed to get a value of 6 billion which technically you could argue and they did.

The chairperson wanted to know if this information was in the public domain, Mr Duke confirmed that it wasn't, but it was available information.

Mr Duke confirmed that the presentation was to motivate action from the SAMVAL Council together with the SAMREC group that the Council look at influencing its members and the professionals to do the right thing.

Mr Duke further requested that they create a working group or a sub-committee to deal with similar matters in future. The chairperson agreed to this request and requested that Mr Duke chair this committee over the next year.

Ms Tanya Marshall recommended that Mr Duke present these principles at the SAMREC, SAMVAL and Companion Volume Conference on the 01<sup>st</sup> to the 03<sup>rd</sup> of October 2019. Ms Marshall also agreed to join the new committee.

**Action: Vaughn Duke**

## **7.2 SAMESG**

Ms Steele-Schober introduced herself as the new the Chairperson of the SAMESG Committee who has taken over from Sarah, the previous Chairperson.

## **7.3 RESIGNATION FROM THE COMMITTEE**

Mr Ruddy confirmed that this meeting was his last attendance at the group meeting as he is in the process of moving back to the UK. Mr Ruddy thanked everybody for the interesting discussions in the past.

## **8. ELECTION OF NEW CHAIRPERSON**

The chairperson recommended that the election of a new chairperson as well as vice chairperson for the SAMVAL Committee be added as an agenda item for the next meeting.

## **9. DATE OF NEXT MEETING**

Ms Redman thanked all members for their participation and advised that the next meeting would be held on 28 February 2018.

### **SUMMARY OF KEY ACTION ITEMS**

#### **1. Camielah Jardine/Kelly Redman/Tania Marshall**

Voting ballot for the new SAMVAL chairperson to be sent out and confirmed before the next meeting.

**2. Hannes Bornman**

Hannes Bornman has been requested to draft an appropriate quarterly statement. Run over to next meeting as Hannes was absent.

**3. Kelly Redman/Vaughn Duke/All Committee Members**

Kelly Redman requested committee members to send additional questions to Vaughn Duke for review and for Vaughn Duke to send to committee members for comment.

**4. Christina Dohm/Matt Mullins**

Christina Dohm will try and find the book on the Australian guideline notes and circulate it. Matt Mullins will circulate the Hong Kong guidance notes.

**5. Robert Croll**

Robert Croll to write about the value of rights. Still open

**6. Andy MacDonald**

Andy MacDonald to put all the guidance notes on the website and also publish a list of all outstanding issues. Still open – not done yet.