

OUR OPERATING CONTEXT

Key features: the South African mining industry in 2024

In 2024, global economic growth remained steady at 3.2%, with a more favourable international environment for South African mining. Inflation pressures eased, with consumer prices stabilising in key economies after the spikes of 2022. Lower inflation, coupled with growth concerns, led major central banks to cut interest rates, including the United States Federal Reserve (Fed), the European Central Bank (ECB) and the People's Bank of China. These policy shifts influenced global capital flows and investment patterns, impacting the mining sector.

Currency volatility remained a key theme, driven by shifting interest rate expectations and political developments. The United States (US) dollar strengthened after Donald Trump's election victory in November, as markets anticipated higher inflation and fiscal deficits, limiting further aggressive Fed rate cuts. While the stronger dollar pressured emerging market currencies, the rand held up well, supported by improved investor sentiment following the formation of South Africa's GNU.

Regional economic trends also played a crucial role. While the US remained resilient, parts of Europe, particularly Germany,

struggled. Supported by stimulus measures, China achieved its target of 5% real GDP growth. Domestically, the absence of electricity load curtailment for most of 2024 provided some support to the local mining sector.

Our numbers show and tell the story

Total primary sales (current prices)

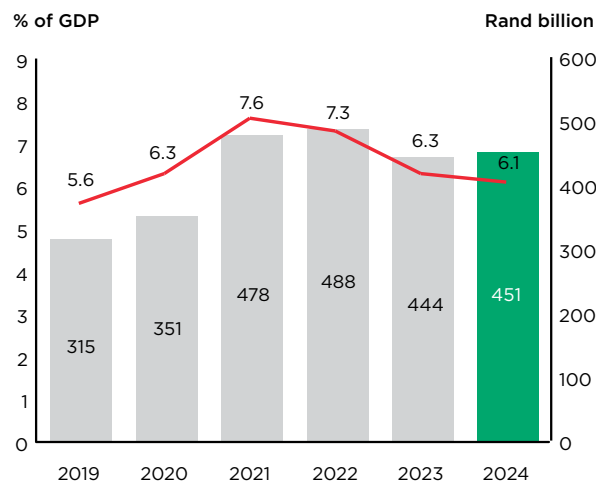
R800.9 
billion

(2023: R794.2 billion)

% contribution to nominal GDP

6.1% 

(2023: 6.3%)



■ Direct GDP contribution (rand billions, right-hand scale)

Source: Stats SA

Employee earnings

R191.0 
billion

(2023: R182.1 billion)

PAYE by mining employees*

R36.1 
billion

(2023: R34.4 billion)

Mineral exports

R776.1 
billion

(2023: R779.8 billion)

VAT payments*

R21.5 
billion

(2023: R28.3 billion)

Direct GDP contribution (current prices)

R450.5[↑] billion

(2023: R444.2 billion)

Employment

474,876[↓]

(2023: 479,228)

Company tax paid*

R43.6[↓] billion

(2023: R85.5 billion)

Royalties paid**

R16.0[↓] billion

(2023: R25.3 billion)

Overview of the mining sector

Despite some easing in binding constraints, mining continued to underperform

The South African mining industry remained under pressure in 2024 as lower non-gold commodity prices, above-inflation electricity tariff increases and remaining logistical bottlenecks diluted the positive impact stemming from the absence of mining load curtailment for most of the year (since end-March 2024).

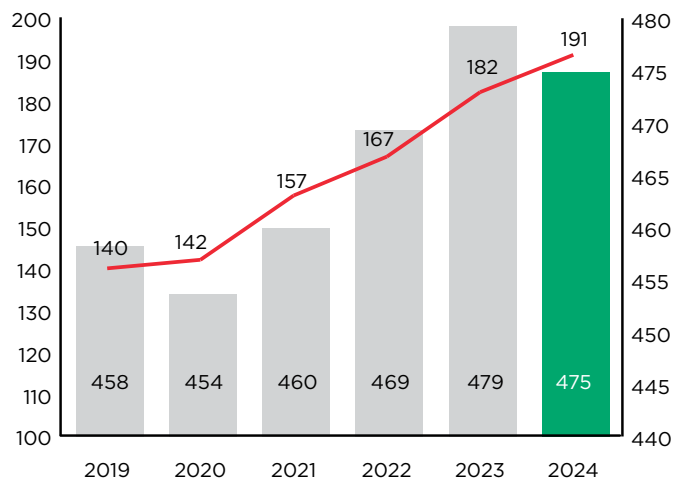
Revised data from Stats SA indicated that total real mining production declined by a stark 7.8% in 2022. This depressed level of output continued in 2023, minimally increasing by just, 0.1%. Production improved in 2024, but remained anaemic with an increase of 0.4%. The level of real mining output in December 2024 was still somewhat below the pre-COVID level at the end of 2019. Given the absence of mining load curtailment since March 2024, this is a disappointing outcome that highlights the myriad of other factors still constraining the performance of the mining sector in South Africa.

One of these is rail and port bottlenecks. While coal shipments to the Richards Bay Coal Terminal (RBCT) improved from 48 million tonnes in 2023 to 52 million tonnes in 2024, it remained well below the peak of around 76 million tonnes achieved in 2017.

Extensive use of trucking ensured that manganese and chrome export volumes reached new all-time peaks in 2024. Iron ore export volumes showed some improvement to 61.3 million tonnes in 2024, but also remained well below the peak of almost 67 million tonnes in 2017.

* 2024 refers to the 2023/24 financial year ending in March 2024; 2023 refers to the 2022/23 financial year.
 ** Based on National Treasury's estimates as in the Statement of National Revenue, Expenditure and Borrowing from April 2024 to October 2024.
 *** The figures for 2023 are not strictly comparable to what was used in the 2023 Integrated Annual Review due to data revisions since the publication of the report and/or because the final data for 2023 was not yet available at the time.

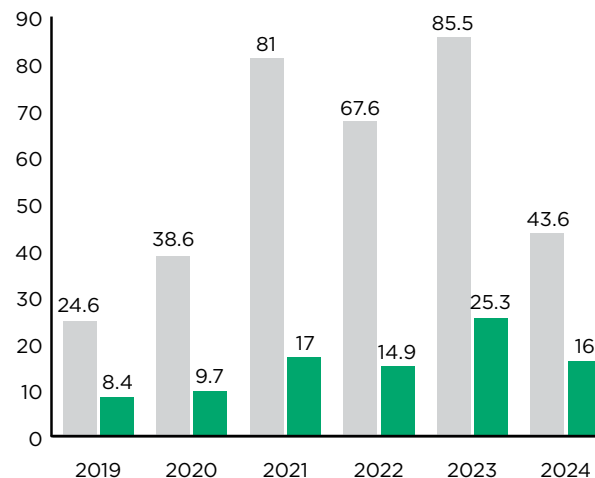
Rand billion



■ Mining employment (right-hand scale)
 — Mining employee earnings (left-hand scale)

Source: Stats SA

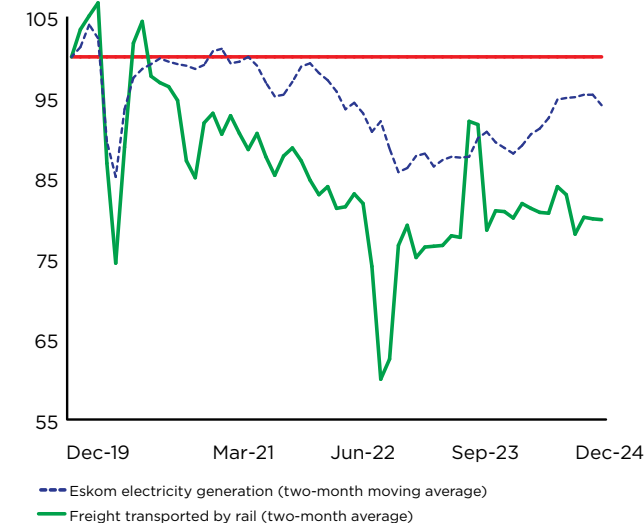
Rand billion



■ Mining company tax
 ■ Mining royalties

Source: Stats SA's Quarterly Financial Statistics

Eskom generation and freight rail performance December 2019 = 100



Sources: Stats SA, Minerals Council



Key features: the South African mining industry in 2024 *continued*

Mining employment took a knock

Employment in the mining sector remained resilient in 2023 adding 13,255 jobs. However, the situation deteriorated notably in the first three quarters of 2024. According to official statistics compiled by Stats SA and the DMPR, the level of mining employment was 11,860 fewer jobs in Q3 2024 when compared to Q4 2023. Therefore, a large proportion of the mining sector employment gains in 2023 were reversed in the first three quarters of 2024. It is important to be cognisant of the dynamics in the major sub-sectors of the mining sector. The job losses were concentrated in the precious metals, diamonds and iron ore sectors, while coal, chrome and manganese added jobs.

The platinum group metals (PGMs) sector was particularly hard hit, with employment down by 14,248 in the first three quarters of 2024 (compared to Q4 2023). This was in response to a prolonged slump in the PGMs basket price and the associated stark decline in profitability within the sector. As a mitigating factor, PGMs producers are increasing the output of chrome, often mined as a by-product of PGMs. However, a higher PGMs basket price is ultimately required to restore the sector to health.

For more detail on the performance of the mining sector in 2024, please download our annual Facts and Figures Pocketbook [here](#) 

Cautiously optimistic: looking beyond 2024

In 2025, it will be important to build on the early successes of improved electricity supply and logistics improvement achieved in 2024. If sustained and accelerated, the early wins will enable the mining sector to reach its full potential over time. It is a big year for reform in the rail sector, with private sector participation on the major rail corridors now possible. In addition, we await the launch of the new online mining cadastre system, most likely in the second half of 2025. This will be an important catalyst to unlock the appetite for mining exploration in South Africa.



Images by
Photography
Tumela mine

Other expected milestones in 2025 include the publication of a critical minerals list for South Africa, as well as the next iteration of the MPRDA. The MPRDA will set the tone of mining sector regulation for the next several years.

As always, through the impact on commodity prices and currency markets, global events will also shape the performance of the South African mining sector. Under the new administration in the US, investor sentiment is unpredictable. The gold price is set to benefit from this, but the prices of bulk commodities that are sensitive to the strength of the global economy could suffer.

Key features: Mineral Council's contribution to South African mining

Collaboration to achieve inclusive growth, transformation and responsible business practices

The Minerals Council South Africa, formerly the South African Chamber of Mines, has represented the country's mining industry since 1889. Evolving into a modern business advocacy organisation, the Minerals Council has played a leading role since 1994 in promoting investment, transformation, and sustainable development in the mining sector. The rebranding in 2018 reinforced its commitment to inclusive growth, responsible business practices and long-term industry sustainability.

The Minerals Council represents 72 mining companies and three associations covering more than 250 junior, emerging and exploration companies, which collectively contribute 90% of South Africa's mineral production by value. Its core mandate is to advocate a policy, legislative and operating environment that fosters growth and investment, while working closely with government, SOEs, business organisations, trade unions and non-governmental organisations (NGOs) to address key industry challenges.

The Minerals Council's leadership forums are driven by CEOs from member companies, with policy committees and subject matter experts providing strategic guidance. Over the years, the Minerals Council has worked to address the industry's legacy issues, while advancing inclusive economic growth and sectoral development. A revised strategic plan, approved by the Board in November 2024, prioritises existential challenges such as crime and security, infrastructure constraints and electricity supply, reflecting the urgent needs of the industry.

Beyond advocacy, the Minerals Council plays a key coordinating role, engaging with government, SOEs, NGOs and community representatives to support local economic development projects and industry-wide initiatives. It also provides guidance and expertise to members, helping them navigate complex regulatory, environmental and operational issues. Through these efforts, the Minerals Council remains committed to ensuring a globally competitive, responsible and sustainable South African mining industry.

Our external environment in 2024

South Africa's mining industry and, in some respects the mining industry internationally, deals with a range of complex issues. The Minerals Council, as the employer representative of the industry in South Africa, addresses these issues proactively and constructively with due consideration for growth of the industry and the increasing expectations of stakeholders.

The four primary elements of our external environment that we identified and reported on in our 2023 report remain valid, but with a further intensification of their impact during 2024.

1. The rise of ESG investors

As investor and stakeholder pressure on the mining sector to address the climate crisis grows, ESG regulations and expectations have risen sharply. Not only has there been greater focus on water and nature/biodiversity, but also on human capital and human rights. To this end our members have made significant strides in practising responsible mining through embracing nature positive mining, water stewardship, decreasing environmental liability through remediation and rehabilitation, adopting environmental best practices, etc. This heightened scrutiny extends beyond traditional environmental concerns such as water

stewardship and biodiversity preservation to encompass broader human capital and human rights considerations. The South African mining industry has long been at the forefront of ESG reporting, supported in part by the Mining Charter requirements of the Johannesburg Stock Exchange (JSE) listings requirements, MPRDA and voluntary bodies and associations, such as the International Council on Mining and Metals (ICMM), the World Gold Council (WGC), the Extractable Industries Transparency Initiative (EITI), the UN Global Compact and the Voluntary Principles on Security and Human Rights (VPSHR). These responsible reporting practices have reinforced transparency and accountability. As a member of the ICMM, the Minerals Council encourages clear and transparent reporting on ESG matters.

Our industry, particularly deep level mining operations and minerals processing plants – most notably smelters and refineries – are energy intensive, consuming an estimated 30% of the power generated in South Africa. Until recently, Eskom was the country's sole power producer and much of the power it generates is coal-fired, the exception being the Koeberg nuclear power plant which accounts for about 4% of Eskom's power generation.

Our coal mining operations produce 250 million tonnes of coal annually, which contribute substantially to power generation and the country's extensive petrochemical industry. The coal mining sector employs more than 100,000 people and is a prominent export industry, generating foreign exchange for the economy.

Acknowledging the profound socio-economic implications of the global energy transition, the industry remains committed to achieving a just transition – one that mitigates adverse impacts on mining operations, the broader economy and the livelihoods of communities reliant on coal and energy-related industries.

The Minerals Council takes a lead in championing climate response measures in line with the actions set out under various international agreements under the UN Framework Convention on Climate Change, notably the Paris Agreement and the subsequent agreements. As responsible producers, member companies are rising to the challenge of decarbonising their operations and adapting to the impacts of climate change. Industry leaders remain acutely aware of investor and customer expectations regarding the adoption of lower-carbon operational pathways, as well as the imperative to support local communities in navigating climate-related challenges.

The global climate crisis has brought this issue into sharp focus and highlighted the important role that the mining sector plays in the transition to renewable energy. South Africa mines many of the minerals that are crucial to the transition, such as PGMs, vanadium, copper and manganese, among others. South African

mining companies are deeply invested in renewable energy generation, producing a combined 6,500 MW of renewable power in their pursuit of energy from solar and wind power production.

The Minerals Council and several member companies are at the forefront of developing the building blocks for the South African green hydrogen economy.

2. South Africa's political and economic environment

In 2024, approximately 80 countries, including South Africa, held national elections. Representing around half of the global population, election results led to significant political shifts worldwide, with many incumbent parties losing support. South Africa's outcome was relatively positive despite the ruling party losing its majority after 30 years.

The ruling party formed a coalition government, the GNU, with the Democratic Alliance and eight other smaller parties that comprise over 75% of the votes. The formation of the GNU raised the hopes of South Africans, especially the middle class, and has largely been met with positive sentiment.

The positivity came from the continuation of existing policies, reforms and pro-business initiatives such as the government-business partnership to address electricity, logistics, crime and corruption crises. The GNU has been positive for the main parties as they have trended upwards in opinion polls. However, the GNU has yet to deliver tangible benefits to retain its goodwill and endear itself to the South African populace. As with most coalitions, tensions and conflicts between the main GNU partners are becoming evident in the provinces and relating to key legislation.

These tensions were inevitable with conflicting ideologies and views on key policy such as national health insurance, land reform, expropriation and other matters; however, the GNU provides an opportunity for political and social collaboration to produce greater economic growth for all South Africans.

Public infrastructure and SOEs

The Minerals Council engaged extensively with the interim Transnet Infrastructure Manager (TRIM) on the draft Network Statement (NS) published in March 2024. The NS sets the rules of engagement for private sector participation on the major commodity rail corridors. The final NS, published in December 2024, incorporated many of our suggestions on the draft statement. Our impact was reflected in a final statement with a more favourable stance toward the mining sector and providing a competitive rail service.



Key features: Mineral Council's contribution to South African mining *continued*

Our interactions with the NLCC contributed to the establishment of a task team to investigate severe problems at the Transnet-run Richards Bay port that are hampering mining industry export performance.

With mining load curtailment absent for most of 2024, a key focus in the energy space was the cost of electricity. The Minerals Council secured an extension for comments on Eskom's sixth multi-year price determination (MYPD6) electricity tariff application. This allowed for a thorough response to the National Energy Regulator of South Africa (NERSA) that highlighted the severe impact that excessive tariff increases have on the mining industry.

We also successfully worked with NERSA to prevent an increase in the affordability charge, potentially saving the mining industry billions and further erosion of the industry's competitiveness. Furthermore, we provided input on the wheeling framework and Eskom's congestion curtailment, ensuring that these measures support mining sector growth and sustainability.

Crime, corruption and security

The mining industry remains under threat from criminal syndicates engaged in various illegal activities. These include the unlawful extraction of precious metals and other commodities from operational, D&O mines, as well as old dumps. Moreover, organised crime groups target copper and other non-ferrous metals, while extortion mafias exploit procurement, construction and transport operations. The deployment of high-density task teams under Operation Vula Umgodi, a national initiative to disrupt the full value chain of illegal mining, is ongoing and yielding positive results. However, further efforts are needed to dismantle the full value chain of illegal mining, crime and corruption. The Minerals Council continues to engage with government and law enforcement agencies to address these challenges.

3. Geopolitical crises

Global geopolitical uncertainty remained a key concern in 2024. The ongoing war in Ukraine, escalating regional tensions in the Middle East and shifts in global financial markets following the US presidential election in November 2024 contributed to a complex operating environment.

Geopolitical shifts in Africa in 2024 presented challenges and opportunities for the mining sector. In Mozambique, post-election unrest disrupted trade flows, including mineral exports, through the port of Maputo. In the Democratic Republic of Congo, ongoing conflict in key mining regions disrupted operations and supply chains. In Mali, regulatory uncertainties impacted investor confidence in the resource sector. Meanwhile, changes in political leadership in Botswana signalled potential shifts in diamond mining policies and agreements. These developments underscored the need for adaptability in navigating an evolving operating landscape.

4. Digitalisation and the modernisation of work

Digital transformation serves as the seamless thread throughout the mining value chain processes. It enhances safety and health, security, production, and workforce and leadership capability, and is, therefore, imperative for the industry. The Minerals Council, in collaboration with PwC and the Mandela Mining Precinct (MMP), is in the process of completing a third study on the Fourth Industrial Revolution (4IR) in mining focusing on artificial intelligence (AI).

Our policy agenda

Due to our influential role across the mining sector, both in South Africa and abroad, we have defined the Minerals Council's policy position on several macro topics to encourage engagement and dialogue with members and broader stakeholder groups.



01

Growth and competitiveness

Positioning South Africa in the global critical minerals landscape

In 2024, the Minerals Council made significant progress in advancing the country's role in the critical minerals sector. Global demand for key minerals, driven by the energy transition, digitalisation and decarbonisation, presents a major opportunity for South Africa to secure its position as a strategic supplier.

Key developments in beneficiation and value addition

The Minerals Council revisited the 2011 Beneficiation Strategy and the 2021 Implementation Plan, emphasising selective beneficiation of minerals with high market demand, including PGMs, manganese and rare earth elements. A phased approach was advocated, balancing domestic processing capabilities with global trade opportunities. Challenges such as energy constraints, regulatory inefficiencies and infrastructure gaps continue to hinder beneficiation efforts, necessitating focused interventions in power supply, streamlined licensing and logistics improvements.

Global partnerships and market access

Engagements with key international stakeholders, including the UN, European Union (EU) and US, provided avenues for South Africa to identify opportunities to integrate into global supply chains. Strategic partnerships, such as those aligned with the EU's Critical Raw Materials Act and the US's Minerals Security Partnership, offer opportunities for technology transfer, market expansion and increased investment.

Exploration and policy advocacy

A major initiative in 2024 was strengthening South Africa's exploration framework. The Minerals Council worked with the DMPR and other stakeholders to refine the country's critical minerals list, focusing on economic impact and global competitiveness. However, concerns arose over policy proposals, such as export restrictions, which could impact investment. The Minerals Council remains committed to advocating policies that support sustainable growth, investment certainty and transparent regulatory processes. A major study was undertaken into challenges in the application and awarding of exploration rights by the DMPR. A sample of junior mining companies was used for the purposes of this study. In addition, a webinar was hosted into exploration activity in South Africa. Participants included the Council for Geoscience (CGS), S&P Global, the DMPR, the Industrial Development Corporation (IDC), the Geological Society of South Africa and junior mining companies.



Images by
Phillip Mostert Photography
Anglo American Kumba Iron Ore –
Kolomela Iron Ore Mine

Outlook and strategic focus

Looking ahead, South Africa has the potential to capitalise on global critical mineral demand through policy certainty, infrastructure development and enhanced beneficiation capacity. The Minerals Council will continue to drive initiatives that ensure South Africa remains a competitive and responsible supplier, promoting industrial growth, job creation and economic diversification.

Key features: Mineral Council's contribution to South African mining *continued*

02

Transformation and inclusive procurement

There is a common misconception, often expressed in the media, that the mining industry is untransformed. Studies commissioned by the Minerals Council, that collect, consolidate and analyse data from member companies provide several conclusive facts and references that demonstrate how the industry is both meeting, and in many instances exceeding, compliance requirements and transformation targets.

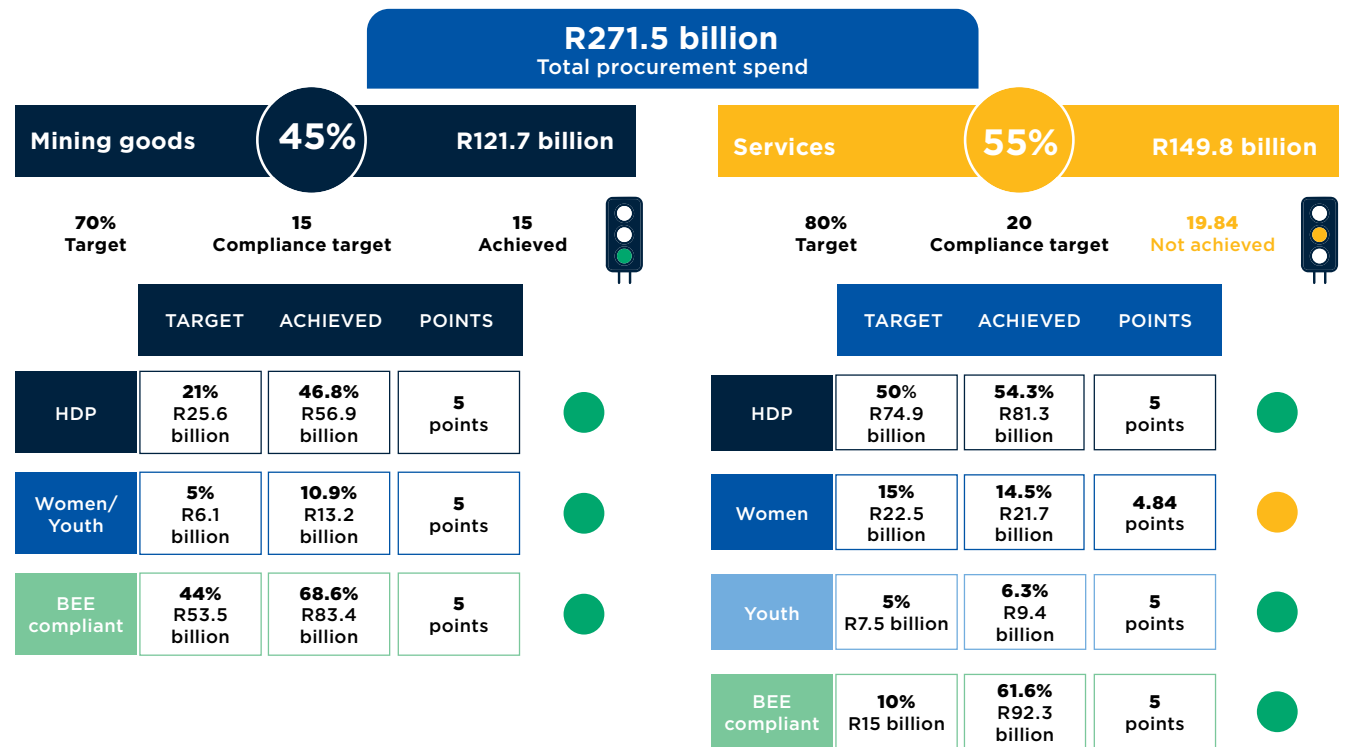
The DMPR receives annual reports from mining right holders. The DMPR does not, however, consolidate this data or analyse and report on the true state of transformation of this sector. Over the last three years, the Minerals Council has commissioned studies and requested data from its members on various elements of Mining Charter 2018 (MC2018). In 2022/23 we commissioned a study on employment equity and skills development. During 2023/24 the study focused on inclusive procurement and enterprise and supplier development (ESD). This report will highlight the results achieved from the study. In 2025 the Minerals Council will commission another study to assess community development, with a specific focus on our members' investments in SLPs.

Inclusive procurement

The inclusive procurement and ESD element was the most complex element of MC2018. High-level summary data was collected from 29 member companies that participated in the study, and collectively hold 85 mining rights. Data from the 2023 calendar year (CY2023) was gathered, consolidated and analysed.

High-level research findings

The surveyed member's total procurement spend amounted to R271.5 billion, with R121.7 billion (45%) spent on mining goods and R149.8 billion (55%) spent on services.



Target on mining goods: spend a minimum of 70% on South African manufactured goods, 21% on historically disadvantaged persons (HDP) suppliers, 5% on women or youth-owned suppliers and 44% on BEE compliant suppliers.

Performance: exceeded the 70% target, securing full points (15 points).

Target on services: spend at least 80% on South African manufactured goods; 50% on HDP suppliers, 15% on women-owned suppliers, 5% on youth-owned suppliers and 10% on BEE-compliant suppliers.

Performance: the 80% target on services was missed slightly as the 15% target for women-owned suppliers was not achieved. A total of 19.84/20 points was achieved.

The findings of this research demonstrates that the surveyed companies complied with, and in most instances exceeded, the MC2018 targets and showed commitment to diversifying the supply chains of their various operations.

Enterprise and supplier development

ESD under MC2018 does not have a target; however, a total of R1.8 billion was invested in ESD initiatives during CY2023 by the 29 surveyed companies. R1.6 billion, was invested in supplier development and represents 84.5% of the combined total, and R279.4 million in enterprise development. 867 supplier development beneficiaries and 1,372 enterprise development beneficiaries benefitted from various ESD initiatives and programmes.

The bulk of the investment (R1.49 billion) went towards financial support, as seen in the table alongside. Financial support towards supplier development beneficiaries amounted to R1.3 billion and R155 million supported enterprise development beneficiaries.

ESD spend by development activity

Enterprise development	R' amount	%	Supplier development	R' amount	%
Asset purchase	7,609,618	2.7	Asset purchase	56,313,577	2.7
Education and training	77,238,782	27.6	Education and training	40,915,091	2.6
Financial support	155,288,288	55.6	Financial support	1,329,982,846	86.7
Infrastructure development	1,178,776	0.4	Infrastructure development	659,464	0.0
Operational support	6,263,059	2.2	Operational support	88,010,666	5.7
Professional support	1,094,222	0.4	Professional support	1,077,357	0.1
Not specified	30,722,954	11.0	Not specified	34,408,802	2.2
Total	279,393,708	100	Total	1,551,367,803	100

A further analysis of financial support shows that almost R1 billion was for early payments to supplier development beneficiaries. This is significant as it indicates that member companies are acutely aware and are assisting in addressing cash flow problems experienced by small and medium-sized companies they do business with. A further R143 million was provided as interest free loans and R52 million was grant funding.

The research findings confirm that members of the Minerals Council have complied with MC2018 targets, excelling in many categories.

Transformation Beyond Compliance

This is an opportune time for the sector and its stakeholders to redesign what transformation and growth of the sector ought to look going forward. Through ongoing initiatives, the Minerals Council will advocate a re-definition of the requirements to accelerate transformation in the mining sector and support sustainable entrepreneurs and communities. Going forward this will be led by our Transformation Beyond Compliance initiative.

Key features: Mineral Council's contribution to South African mining *continued*

03

Environment and sustainability

The Minerals Council intensified its advocacy efforts in 2024, engaging with government and stakeholders to shape clear and effective environmental policies that balance regulatory compliance with industry sustainability goals.

Mine residue and stockpile deposits (MRDS)

The Minerals Council successfully advocated regulatory amendments under the National Environmental Laws Amendment Bill (NEMLA 4), ensuring that MRDS is recognised as a resource rather than waste. The Department of Forestry, Fisheries and the Environment (DFFE) introduced amendments that streamline governance, remove waste disposal restrictions and improve transitional arrangements, aligning policy with industry needs.

National Water Amendment Bill

The Department of Water and Sanitation (DWS) introduced the National Water Amendment Bill, which incorporates stringent regulatory provisions with substantial implications for the mining sector. While recognising the imperative of water conservation given South Africa's water scarcity, the Minerals Council has actively engaged with the DWS to mitigate the punitive aspects of the Bill. Among the key proposed amendments is the prohibition of mining operations within designated critical water source areas and the reassessment of water use licences. Through sustained consultations, the Minerals Council has advocated for alternative regulatory measures, underscoring the sector's commitment to water stewardship, infrastructure investment and conservation initiatives. These engagements have informed the Bill's refinement, which is currently under review by the Chief State Law Advisor before proceeding through the legislative process.

Water Services Amendment Bill

The Minerals Council has raised concerns over proposed amendments that redefine water service institutions, potentially affecting mining companies supplying water

where local authorities lack capacity. The Bill seeks to amend the definition of "water services institutions" to encompass "water service intermediaries", a provision with potential implications for mining companies supplying water in areas where local authorities are unable to do so. The Minerals Council has undertaken extensive consultations with DWS to articulate the unintended regulatory and financial burdens these amendments could impose on businesses not primarily engaged in water supply. As a result of these engagements, the Minerals Council has influenced the ongoing legislative review process, with further developments expected following the Bill's submission to Parliament. Ongoing consultations with the DWS aim to ensure practical regulatory frameworks that do not impose unnecessary financial and administrative burdens.

National Environmental Management Act (NEMA) financial provision regulations

Regulatory uncertainty has been a key concern for the industry. The Minerals Council secured a 12-month extension for compliance with the NEMA financial provision regulations and continues to engage with the DFFE to finalise the amended regulatory framework.

Simplified financial provision for low-risk commodities

The Minerals Council has engaged with the DFFE to ensure that financial provision requirements for small-scale miners remain practical and cost-effective. Advocacy efforts have led to a more flexible site-specific approach, ensuring compliance measures support industry growth while maintaining environmental integrity.

Mercury Regulations

Following extensive lobbying, the DFFE confirmed that naturally occurring mercury found in gold ores and coal will be excluded from the proposed Mercury Regulations, limiting the scope of the regulation to mercury-added products.

National Dust Control Regulations

The Minerals Council has raised concerns over overlapping regulations and governance gaps in the proposed National Dust Control Regulations. Ongoing engagement with the DFFE seeks to ensure regulatory clarity, alignment with Environmental Management Programmes (EMPs) and practical enforcement mechanisms.

Draft Sectoral Emission Targets (SETs)

The Minerals Council has actively engaged with the DFFE to ensure that SETs under the Climate Change Act align with existing greenhouse gas (GHG) emissions reduction and regulatory frameworks. Concerns about duplication, feasibility and alignment between the mining SET with the energy SETs such as the Integrated Resource Plan (IRP) remain central to discussions.

Carbon budgets

The Minerals Council has played a key role in advocating the carbon budget allocation methodology that ensures that industry-specific factors, such as mining depth and geological variations, are considered. It has also highlighted potential risks to mining rights, production limits and environmental approvals, advocating a fair and balanced regulatory approach.

Highveld Priority Area Air Quality Management Plan (PAAQMP)

The Minerals Council has emphasised the need for policy alignment between the Draft PAAQMP and other environmental regulations, ensuring that emission reduction obligations are fairly distributed between the industry and government.

Carbon Tax Phase 2

The Minerals Council remains a leading voice in shaping South Africa's Carbon Tax policy, ensuring that the framework is both environmentally effective and economically viable for the

sector. The carbon tax, a key government initiative to meet the country's climate commitments under the Paris Agreement, was introduced in phases, with Phase 1 starting on 1 June 2019, and initially scheduled to end in 2022. However, as result of the proactive engagement of the Minerals Council, the Minister of Finance extended Phase 1 until 31 December 2025, and increased the tax rate from R144 per tonne of CO₂ equivalent (CO₂e) to R159 per tonne in 2023.

Looking ahead to Phase 2, which is set to commence in 2026, National Treasury released a discussion paper proposing adjustments to the carbon tax framework. These adjustments include a significant increase in tax rates, a reduction in tax-free allowances and an expansion of offset allowances. The Minerals Council has been at the forefront of consultations, offering constructive feedback on the proposals to ensure the policy supports both environmental goals and the financial sustainability of the mining industry.

Key concerns raised by the Minerals Council include the proposed higher tax rates for emissions exceeding the carbon budget, without finalised mitigation regulations, and the flawed assumptions made regarding Phase 1's effectiveness. The Minerals Council also emphasised that most companies still rely heavily on the basic tax-free allowance, and that significant progress with incentive-based allowances has yet to be made. In response, the Minerals Council has advocated for the retention of the basic tax-free allowance in Phase 2 until the industry can effectively transition to more flexible measures. This ongoing engagement demonstrates the Minerals Council's commitment to influencing policy in a way that ensures a balance between achieving climate goals and maintaining the competitiveness of the mining sector

National Mine Closure Strategy

A significant achievement by the Minerals Council was securing recognition that mine closure planning should begin before operations start, ensuring early integration into mining projects. On the regulatory front, the Council advocated for the removal of the mandatory IRBA auditor requirement, promoting a more practical and flexible auditing approach. It also championed the alignment of SLPs, EMPs and Corporate Social Investments (CSIs) to streamline regulatory compliance.

Additionally, the Minerals Council pushed for legislative amendments to resolve contradictions between the MPRDA and NEMA, ensuring a more consistent regulatory framework. Enhancing governance and stakeholder collaboration was another key area of impact.

The Council elevated the inclusion of a Responsibility Matrix (RACI) to clearly define roles and responsibilities in mine closure processes, particularly that of private sector vs government. It also emphasised the importance of multi-stakeholder engagement, ensuring active participation from communities, government and industry.

Furthermore, the Minerals Council influenced the decision to incorporate a strategy review period, allowing for flexibility in response to new technological advancements and evolving socio-economic conditions. In addressing mine closure certification and liability management, the organisation highlighted the delays in issuing closure certificates and successfully advocated for reforms to simplify the process and reduce bureaucratic inefficiencies. It also pushed for clear guidelines on liability apportionment among interconnected mines, preventing unfair financial burdens on individual companies.

Additionally, the Minerals Council urged the DMPR to ensure that the financial provision for post-closure monitoring is properly structured, guaranteeing long-term environmental and socio-economic sustainability.

On environmental and economic sustainability, the Council advocated for the inclusion of climate change risks in closure planning, ensuring resilience against extreme weather events and water contamination. It also pushed for the recognition of tailings repurposing as an opportunity within the circular economy framework.

Furthermore, it emphasised the importance of realistic, government-supported post-mining economic transition plans, ensuring long-term economic sustainability for affected communities. Through these strategic interventions, the Minerals Council has significantly shaped a more coherent, enforceable and sustainable mine closure framework in South Africa.

Commitment to responsible mining

The Minerals Council remains committed to environmental sustainability, ensuring that policy developments support responsible mining, investment certainty and economic stability while meeting climate and environmental goals.



Key features: Mineral Council's contribution to South African mining *continued*

04

Social Performance

The mining industry has made considerable contributions to the SED of host communities as well as labour sending areas (LSAs). Over the past two decades, and as previously reported, it has become clear that collaboration within the sector can bring about improved outcomes in areas such as the Far Eastern Limb in Limpopo, the Bojanala District in North West and the lower Kalahari Basin in the Northern Cape.

Design for impact approach

One of the key lessons in the SLP era is that SED outcomes can be enhanced by the adoption of the “design for impact” approach. In 2024, we focused on unpacking the concept of “design for impact” including through a series of dialogues with member companies and their community trusts and some of the conclusions reached are that the industry’s SLPs need to:

- Be human-centred and focused on understanding the needs and aspirations of host communities.
- Be collaborative and promote co-creation of solutions with communities, stakeholders and experts.
- Be informed by systems thinking, considering the broader social, economic, environmental and governance systems within host communities.
- Prioritise principles of diversity, equity and inclusion to ensure that solutions are accessible and beneficial to marginalised or underserved populations.
- Be guided by principles of sustainability to bring about initiatives and solutions that are environmentally, socially and economically sustainable post mine closure.
- Be iterative and adaptive to effectively respond to changing demographics and socio-economic conditions.

In the Far Eastern Limb, one of the major collaborative infrastructure projects (the steel bridge replacement project in the Steelpoort Valley) is nearing completion and required an investment of more than R120 million.

CASE STUDY



Steel bridge in the Steelpoort Valley

By Conroy van der Westhuizen: Chief Community and Social Responsibility Officer – Glencore Alloys

The old single lane “steel bridge” in the Steelpoort Valley, Limpopo, has been part of the local landscape since the 1920s and has reached the end of its useful life. Eight mining companies around the valley pooled their resources and, through a public-private partnership (PPP) with the Roads Agency Limpopo, collaborated on replacing the old steel bridge with a new double-lane bridge. Due to its age, the old steel bridge is a local heritage site and is protected by the National Heritage Act. As a result, the new bridge was built alongside the old steel bridge.

The new bridge will reduce traffic congestion in the area, improve driving conditions and provide safe passage for all road users. It will benefit both host communities and local businesses by reducing travel time. The old steel bridge will be refurbished and used as a pedestrian crossing.

In the Northern Cape, the single largest – and perhaps most important collaborative project – remains the Vaal Gamagara Water Supply Scheme. The purpose of the scheme is to supply water from the Vaal River to the arid areas of the Gamagara valley, starting with the diamond mines at Lime Acres through Postmasburg and northwards to the rest of the iron ore and manganese mines around Kathu to Hotazel, and to the communities in those areas. The industry’s commitment to fund 56% of the cost of refurbishing that pipeline remains intact, and the remaining 44% will be provided by the DWS. In 2024, drawing on lessons from the Lebalelo Water Scheme in Limpopo, stakeholders established the Vaal Gamagara Water User Association.

In Mpumalanga, engagements on social impact have shifted from delivery on SLPs and procurement opportunities to discourse on climate change and the just economic and energy transition. In the aftermath of the closure of the Komati power station and the less-than-ideal alternatives that emerged out of that closure transition process, greater focus has been on community resilience.

Looking to 2025, we will focus on dialogues that will continue to position the industry as a catalyst for development in mine host communities, and how the concept of design for impact can be better socialised with our development partners in both the public and non-governmental sectors.

05

Climate and energy

The Minerals Council recognises the risks and opportunities associated with climate change and is committed to assisting South Africa in reducing GHG emissions while ensuring energy security. With 86% of South Africa's electricity generated from coal, the mining sector plays a significant role in the country's emissions profile. While decarbonisation is a priority, coal mining remains essential to the economy, employing nearly 100,000 people and supporting extensive upstream and downstream value chains. Any transition must be pragmatic and realistic, considering the social and economic impact on affected industries and communities.

Supporting a just energy transition (JET)

The mining industry supports a JET that ensures a reliable, cost-competitive electricity supply while addressing socio-economic impacts. As a signatory to the UNFCCC, South Africa is committed to reducing emissions and implementing policy measures that enable this transition. The Climate Change Act 22 of 2024 marked a significant milestone, establishing a framework for a low-carbon, climate-resilient future with sectoral emissions targets, carbon budgets and adaptation plans. The Minerals Council continues to engage policymakers to ensure that climate policies support both environmental goals and industry sustainability.

Industry commitment to decarbonisation

Mining companies are advancing GHG mitigation measures, including energy efficiency programmes, self-generation renewable energy projects and fuel switching. The industry has already installed 5.7 GW of renewable energy capacity, contributing 6.6% of South Africa's total energy mix. The Minerals Council's climate change position statement reinforces members' commitment to achieving net-zero emissions by 2050 through:

- Reducing emissions to meet net-zero targets.
- Integrating mitigation and adaptation strategies into operations.
- Collaborating with partners to reduce Scope 3 emissions.
- Enhancing transparency in public emissions reporting.
- Actively contributing to the JET.

The Minerals Council remains committed to balancing decarbonisation with economic sustainability, ensuring a transition that supports industry growth, job retention and long-term energy stability.



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Key features: Mineral Council's contribution to South African mining *continued*

06



Modernisation and innovation

Mandela Mining Precinct

The MMP is a PPP established to drive modernisation in South African mining. It operates under a hub-and-spoke model, aligning with the South African Mining Extraction Research, Development & Innovation (SAMERDI) strategy. The MMP continues to drive modernisation in South African mining through RD&I. The precinct is co-hosted by the CSIR (on behalf of the Department of Science and Innovation (DSI)) and the Minerals Council (on behalf of the industry).

A key milestone in 2024 was the approval of the Five-Year Strategy (2025–2030), shifting the focus from reactive problem-solving to a future-focused, systemic approach. Its primary goals are:

- Enhancing mining efficiency through innovation and research.
- Promoting responsible mining practices such as circular economy initiatives.
- Developing infrastructure, such as underground test facilities, for mining innovation.
- Building human capacity through partnerships with universities and internship programmes.
- Strengthening collaborations between industry, government and academia.

The MMP Showcase event, attended by over 300 delegates, highlighted significant innovations, including Real-Time Information Management Systems (RTIMS), Advanced Orebody Knowledge (AOK) techniques, and Mechanised Mining Systems (MMS). MMS also progressed with new rock cutting solutions, and the Successful Applications of Technology Centered Around People (SATCAP) focused on change management and socio-economic transformation in mining. Additionally, the Maseve Shaft Test Mine, in partnership with Impala Bafokeng, is set to close in February 2025. A multi-stakeholder working group is being formed to identify a new test site for future underground mining innovation.

The MMP has also undertaken several strategic initiatives such as:

- The South African Circular Minerals and Metals Initiative (SACMMI) which aims to improve sustainability in mining through circular economy principles.
- Critical Minerals Global Competitiveness Assessment which assesses South Africa's standing in the global critical minerals market. Challenges remain due to limited access to mine-level data.
- The Minerals Council also strengthened international partnerships through engagements with the Brazilian Mining Hub, Canada, the US, China and Finland. The UN Industrial Development Organization (UNIDO) has committed €1.4 million in funding for mining-related research, set to be allocated in 2025.

Developing skills and expertise in the mining sector remained a priority in 2024. The internship programme supported eight transformation candidates, with six currently enrolled and others transitioning into industry roles. Research partnerships continued through SAMERDI Research Centres at Wits, the University of Pretoria, and the University of the Free State. However, the University of Johannesburg's Longevity of Current Mines (LoCM) Research Centre contract was terminated due to underperformance. The Minerals Council remains committed to building a skilled workforce to support mining modernisation and technological advancements.

By December 2024, 90% of the budget had been spent, reflecting effective financial management throughout the year. Efforts were also made on securing additional funding from international partners, including UNIDO and UNEP, to support ongoing and future initiatives.

Key activities and achievements:

1. Innovation Team Facilitation (iTeam): Three iTeam meetings held to discuss the application of AI to lower costs, increase productivity and improve ESG performance.
2. Mpumalanga Climate Change Observatory: Developed a climate performance dashboard to monitor members' progress on climate change commitments.
3. Energy Day of Learning: Focused on energy efficiency solutions for mining, featuring real-world case studies and expert discussions which resulted in stronger industry awareness and collaboration on energy solutions.
4. Community solar pilot: Developed a Community Ownership Playbook to guide mining companies in solar energy investments. It included a needs assessments and engagement with potential partners.
5. Human Science Research Council (HSRC) partnership on RD&I investment: A survey on mining RD&I investment launched which is aimed at informing decision-making and encouraging innovation investments in the sector while exploring mining security challenges and emerging technologies.

Strategic initiatives

The Minerals Council advanced several strategic initiatives to enhance sustainability, global competitiveness and international collaboration. The South African Circular Minerals and Metals Initiative (SACMMI) integrated circular economy principles into mining, while a Critical Minerals Global Competitiveness Assessment evaluated South Africa's standing in the global market. The Minerals Council also strengthened international partnerships through engagements with the Brazilian Mining Hub, Canada, the US, China and Finland. UN Industrial Development Organisation (UNIDO) has committed €1.4 million in funding for mining-related research, set to be allocated in 2025.

Human capacity development

Developing skills and expertise in the mining sector remained a priority in 2024. The internship programme supported eight transformation candidates, with six currently enrolled and others transitioning into industry roles. Research partnerships continued through SAMERDI Research Centres at Wits, the University of Pretoria and the University of the Free State. However, the University of Johannesburg's Longevity of Current Mines (LoCM) Research Centre contract was terminated due to underperformance. The Minerals Council remains committed to building a skilled workforce to support mining modernisation and technological advancements.

Key activities and achievements

In 2024, the Modernisation and Innovation Programme achieved significant milestones across key focus areas:

- The Innovation Team Facilitation (iTeam) held three meetings to explore AI applications in reducing costs, increasing productivity and improving ESG performance.
- The Mpumalanga Climate Change Observatory developed a climate performance dashboard to track industry progress on climate commitments.
- The Energy Day of Learning brought together industry experts to discuss energy efficiency solutions in mining, resulting in a post-event report with key insights and recommendations.
- The Community Solar Pilot introduced a Community Ownership Playbook to guide mining companies in solar investments, supported by needs assessments and stakeholder engagement.
- Importantly, a partnership with the Human Science Research Council (HSRC) launched a survey on mining RD&I investment, aiming to inform decision-making, encourage innovation and explore security challenges and emerging technologies in the sector.

CASE STUDY



Modernisation Partnership Programme with Research Institute for Innovation and Sustainability (RIIS)

The 2024 Modernisation Programme was designed to align industry goals with investment risks, sustainability commitments and innovation priorities. Structured around four key focus areas, the programme was designed to promote collaboration between stakeholders to accelerate the mining sector's transformation.

A critical objective of the programme was Leadership Consensus, which translated leadership engagements into actionable initiatives. By facilitating alignment at the highest levels, industry leaders played an active role in shaping modernisation strategies.

The Mining Cluster Acceleration is aimed at driving innovation through collaborative efforts. This approach ensured that technological advancements and sustainable practices were effectively integrated across the sector.

Through Supporting Partners, the programme facilitated the transfer of leading practices across the industry, helping mining companies adopt best-in-class approaches to modernisation.

Finally, Modernisation Processes and Tools were demonstrated through pilot projects, showcasing the tangible benefits of innovation in improving safety, efficiency and sustainability in mining operations.

Together, these initiatives reinforced the industry's commitment to modernisation, positioning South Africa's mining sector for long-term resilience and competitiveness.

Key features: Mineral Council's contribution to South African mining *continued*

07

Health and safety

Mine Health and Safety Amendment Bill 2024

The Mine Health and Safety Amendment Bill was presented to Parliament in November 2024, with public comments expected in 2025. The Bill aims to streamline administrative processes, strengthen managerial accountability, increase penalties and amend definitions. A key concern for employers is the proposed criminal liability for CEOs and fines of up to 10% of company turnover. The Minerals Council will submit its formal response once Parliament invites submissions.

Industry safety and health performance

The mining industry recorded its lowest number of fatalities to date, with 42 deaths in 2024, reflecting a 24% reduction from 2023. Serious injuries also declined by 17%. While the gold and platinum sectors saw significant safety improvements, the coal sector experienced a 20% increase in fatalities, highlighting the need for targeted interventions. Fall of ground incidents, general accidents and trackless mobile machinery remain the leading causes of fatalities.

Occupational health outcomes showed positive progress, with a 16.5% decrease in reported diseases from 2,233 in 2022 to 1,864 in 2023.* However, work-related disease fatalities increased, with 14 deaths from pulmonary tuberculosis (PTB) in 2023 compared to two in 2022, reinforcing the need for enhanced workplace health interventions.

Selected occupational diseases reported 2022 versus 2023

Disease	2023	2022	Percentage change
PTB	754	839	10.1
Silicosis	212	248	14.5
Coal worker's pneumoconiosis (CWP)	12	73	83.6
Chronic obstructive airway disease (COAD)	68	77	11.7
Noise-induced hearing loss (NIHL)	702	891	21.2
Total Diseases	1,864	2,233	16.5

Source: Department of Mineral and Petroleum Resources

Collaborative efforts and way forward

The Minerals Council, in collaboration with the DMPR, Mine Health and Safety Council (MHSC) and organised labour, remains committed to the Zero Harm objective – ensuring that every worker returns home safely. A comprehensive industry analysis (2014–2023) informed the enhancement of the Khumbul'ekhaya Strategy, focusing on leadership engagement, safety culture transformation and leveraging technology.

In 2024, the Minerals Council successfully implemented the Trackless Mobile Machinery (TMM) Regulations through broad industry collaboration. The Masoyise Health Programme contributed to reducing tuberculosis rates, though increased fatalities in 2023 highlight the urgency of strengthening medical surveillance and workplace health initiatives.

The CEO Heartfelt Conversation in November 2024 gathered insights from mining leaders to inform the next iteration of the Khumbul'ekhaya Strategy, ensuring continued progress toward industry-wide safety and health improvements.

Enhancing safety through leading practices

The MOSH Learning Hub continues to drive industry-wide adoption of leading safety practices, ensuring sustainable risk reduction across dust, noise, fall of ground and transport and machinery hazards.

- The industry intensified efforts to eliminate occupational lung diseases (OLDs) through real-time dust monitoring and dust suppression technologies, while the Industry Buy-Quiet and Maintain Initiative (IBMQI) strengthened noise risk management by ensuring mining equipment meets noise reduction standards throughout its lifecycle.
- The Fall of Ground Action Plan (FOGAP) advanced underground safety by promoting enhanced support systems and improved illumination, increasing workplace security, particularly for women in mining.
- Compliance with TMM Regulations remains a complex process requiring collaboration between multiple stakeholders, and the Minerals Council continues to facilitate a risk-phased approach to compliance while balancing safety and operational viability.
- Efforts to improve scraper winch safety, railbound equipment monitoring and collision prevention systems are ongoing, with AI and proximity detection technologies under evaluation.

While MOSH initiatives have led to notable improvements, challenges such as production pressures, inadequate supervision and policy gaps continue to hinder full adoption. The Minerals Council remains committed to strengthening multi-disciplinary collaboration, organisational accountability and sustainable change management to ensure lasting improvements in mine safety and health.



* Occupational health statistics for 2024 have not been included in this report as Q4 data was not yet available by 31 December 2024. These statistics will be fully reported in the 2025 integrated annual review.

