

COMPANIES **PREMIUM**

Policy uncertainty looms over mining sector, warns Minerals Council

Revised MPRDA expected in the first half of this year

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Jacob Webster

Mining Writer



Minerals Council South Africa presents its state of the mining nation at the 2026 Mining Indaba. Picture: BUSINESS DAY (Business Day)

A cloud of uncertainty surrounding the rollout of South Africa's mining regulation overhaul is forcing companies to delay investment even as commodity prices soar to record highs, the Minerals Council South Africa says.

Addressing reporters in its opening address at the Mining Indaba, council president Paul Dunne said uncertainty surrounding the Mineral & Petroleum Resource Development [Amendment Bill](#) was a "weight on the shoulders" of the local mining sector this year.

"The [bill] brings a high degree of uncertainty as to what the rules are, and it's hard to make long-term investments with big upfront money if you have a great deal of uncertainty — for security of tenure, for example," said Dunne.

"That level of uncertainty translates to the cost of capital, and if the cost of capital rises, there is less chance of executing a project which should otherwise go. That's how important that amendment bill is."

The council expects a revised version of the bill to be published before July, with the period for public comment having closed in August last year.

The bill, which was first published last May, represents the local mining sector's biggest regulatory overhaul in nearly a quarter of a century.

It proposes key changes to the Mineral & Petroleum Resource Development Act of 2002, South Africa's flagship mining regulation.

Council CEO Mzila Mthenjane said the group, which represents the interests of South African mining companies, was "cautiously optimistic" that the new bill would answer to the significant industry backlash that characterised its release.

Critics, including legal experts at Cliffe Dekker Hofmeyr and Herbert Smith Freehills, warned that the draft bill could hurt investor confidence in the country's already vulnerable mining sector by imposing significantly more onerous requirements on the application for prospecting rights and failing to address regulatory uncertainty.

Mthenjane said the first iteration of the bill had been "disappointing", with the council's overarching concern being its failure to clear up ambiguity, particularly regarding exploration rights.

South Africa's exploration expenditure has plunged from a peak of R6.2bn in 2006 to just R781m last year.

"Those uncertainties must be removed," said Dunne.

"We must try very hard as the Minerals Council, together with government, to bring resolution as swiftly as possible to the MPRDA bill, which hopefully can then put that uncertainty to rest."

The urgent need for regulatory certainty comes as precious [metal prices](#) are at record highs, opening the door for investment in exploration and expansion for local mining houses.

The council's latest industry data showed that total sales in the local gold sector have more than doubled between 2024 and 2025 to R167.4bn, while sales of platinum group metals (PGMs) rose 47.2% year on year to R200.3bn.

Dunne said he expects the price of PGMs, which have skyrocketed thanks to tight global supply, tariff uncertainty and a slower-than-expected shift to electric vehicles, to incentivise expansion, but only once miners have repaired their balance sheets.

"Companies and boards are still a bit battered and bruised from the previous downcycle, and I think there will be an element of caution in the initial phases of strong prices," he said.