



Northam Platinum - Nondrained

# STATE OF MINING IN SOUTH AFRICA

Portfolio Committee on Minerals and Petroleum Resource (PCMPR)

1 July 2025

# Snapshot of members

The Minerals Council South Africa represents 70 members or 90% of South African mineral production by value. Its members have interests in a wide range of minerals with many companies mining several minerals.

15	Platinum group metal (PGMs)	5	Iron ore
13	Coal	3	Copper
13	Chrome	3	Associations
10	Other commodities	3	Corporate
9	Manganese	2	Phosphate Rock
8	Gold	2	Mineral Sands
5	Mining contractors	2	Zinc
3	Diamond	1	Clay

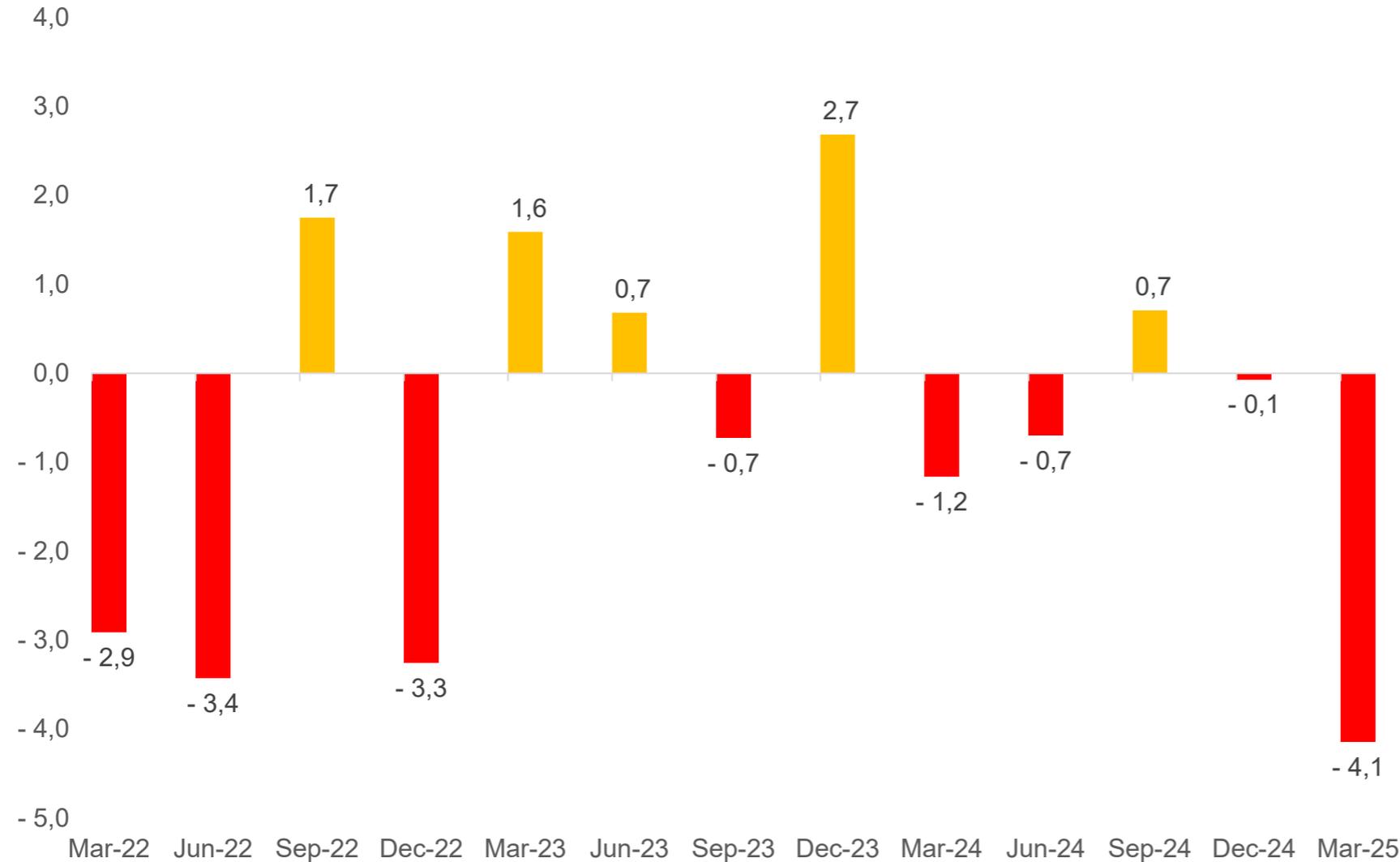


## The mining sector in 2024



# Mining GP in a double-dip recession

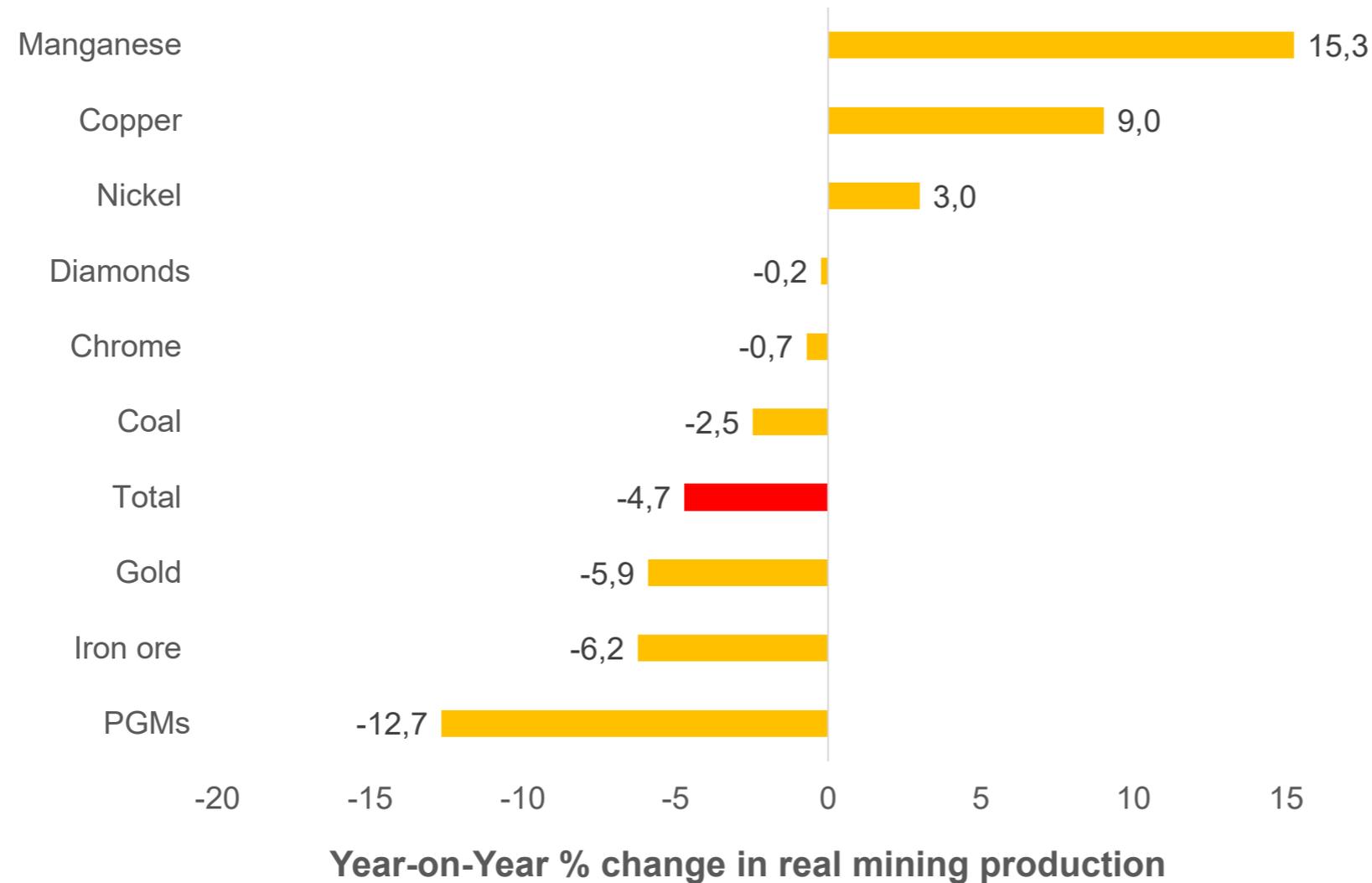
Quarterly change in real mining GDP



- Real mining GDP has declined in eight of the last 13 quarters
- Standard definition of a **technical recession** is two consecutive quarters of GDP decline
- **Double-dip recession** is when a recession (Q1 and Q2 2024) is followed by only a brief recovery (Q3 2024), before slipping back into recession (Q4 2024 and Q1 2025)

Sources: Stats SA

# Mining output down in Q1 2025 amid heavy rains



- Overall mining production declined by almost 5% year-on-year in real terms in Q1 2025
- Output of platinum group metals performed the worst, while manganese did well

# Heavy rains in January and February severely impacted mining production in early 2025

“The heavy rains in January and February 2025 severely impacted production and sales at all our quarries, which in turn negatively affected revenue and profit growth towards the latter part of the financial year.” **Raubex**

## Rain dilutes Tharisa’s interim earnings

Miner hopes to avoid similar disruptions in the drier winter months

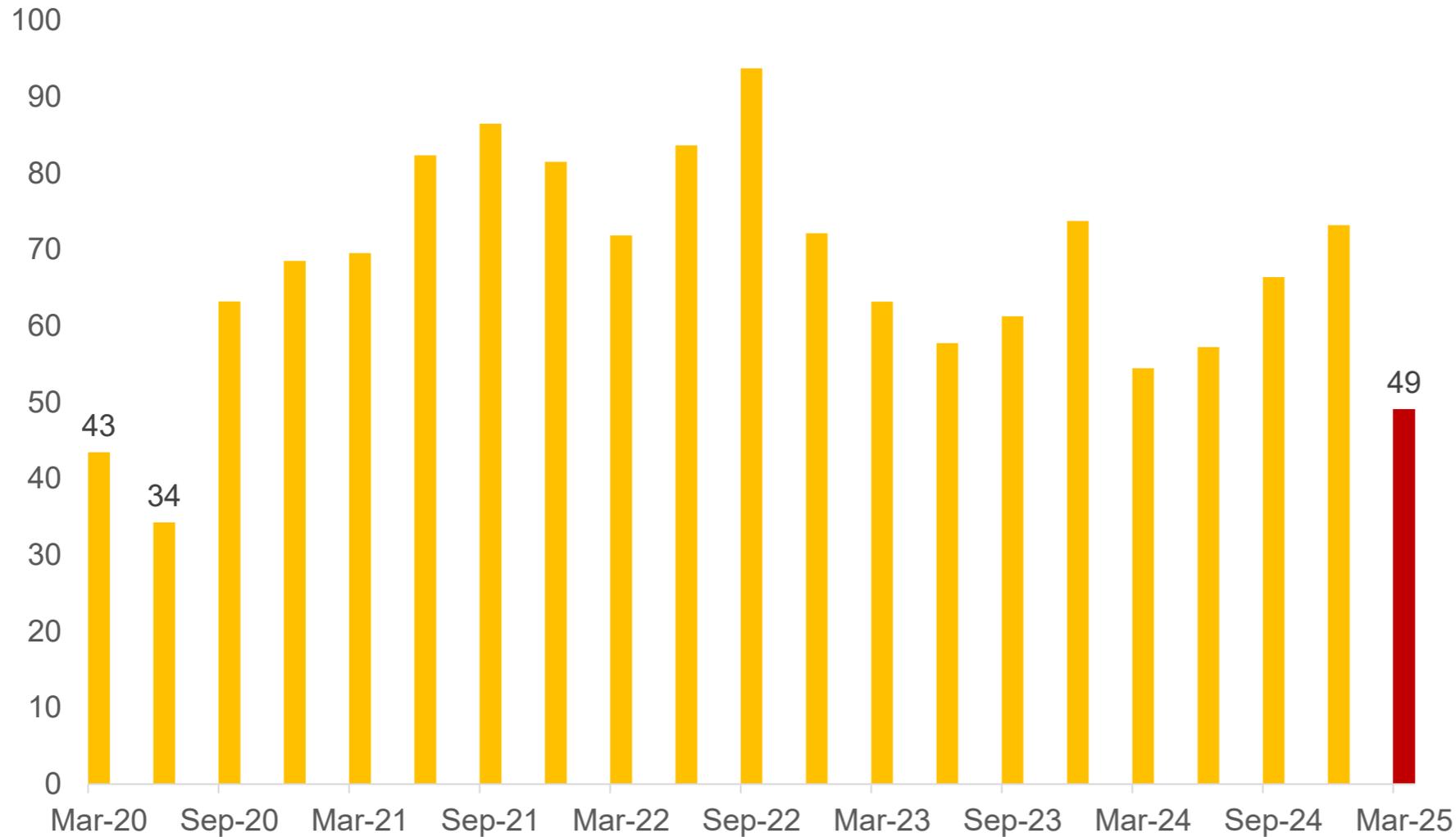
## Weather dampens DRDGold’s output forecast

Heavy rains blocked access to several certain sites, affecting the average yield, company says

Anglo American Platinum said it had halted operations at its Tumela mine near Thabazimbi, Limpopo on Thursday after excessive rains caused flooding, though the company maintained its production forecast for the year.

# Mining sector profitability taking strain

Rand billion

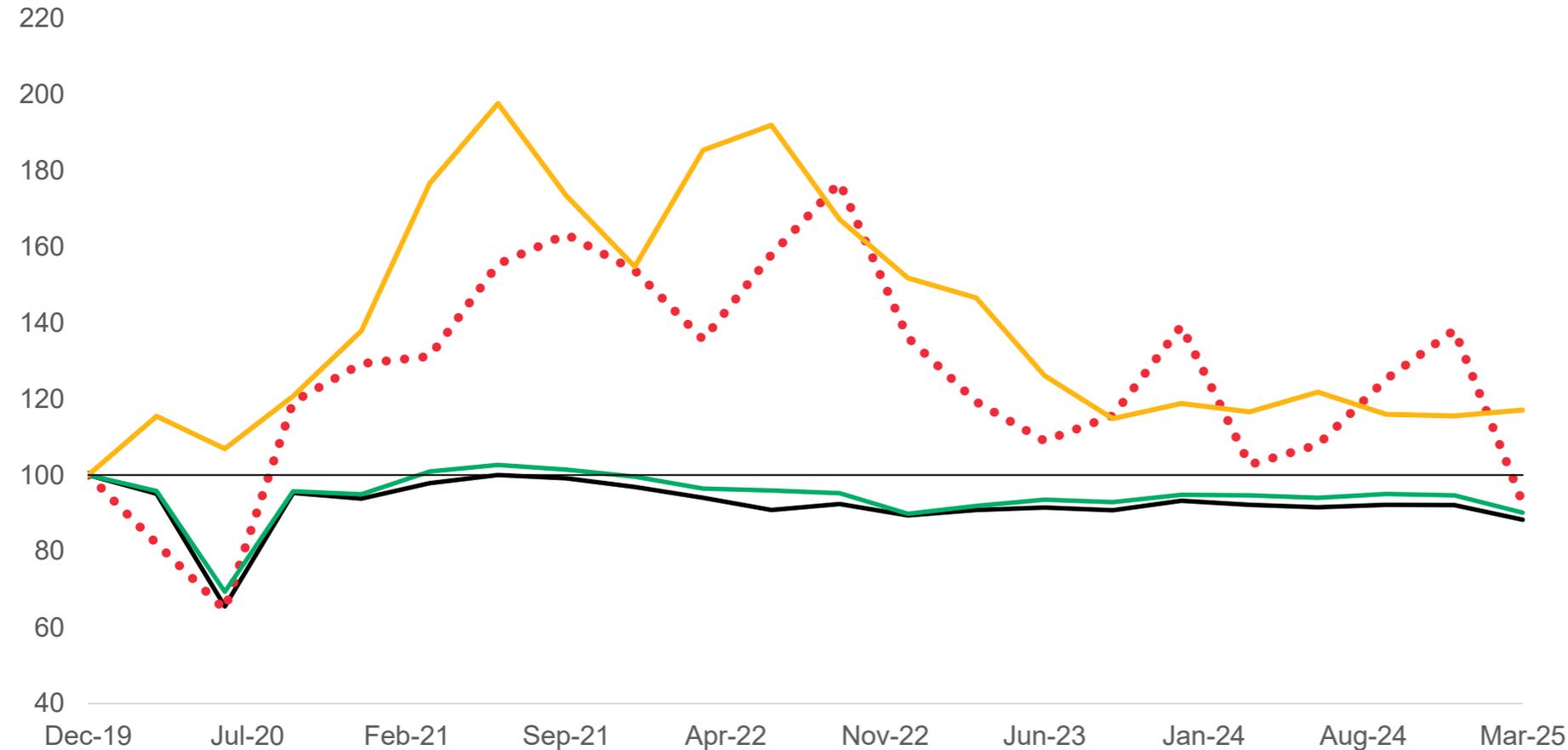


- Mining gross operating surplus, a broad measure of profitability, in Q1 2025 was lowest since first half 2020

Sources: Stats SA, Minerals Council

# Mining production unresponsive to commodity prices

Q4 2019 = 100



— Mining GDP (real)

— Non-gold mining production (real)

..... Mining gross operating surplus

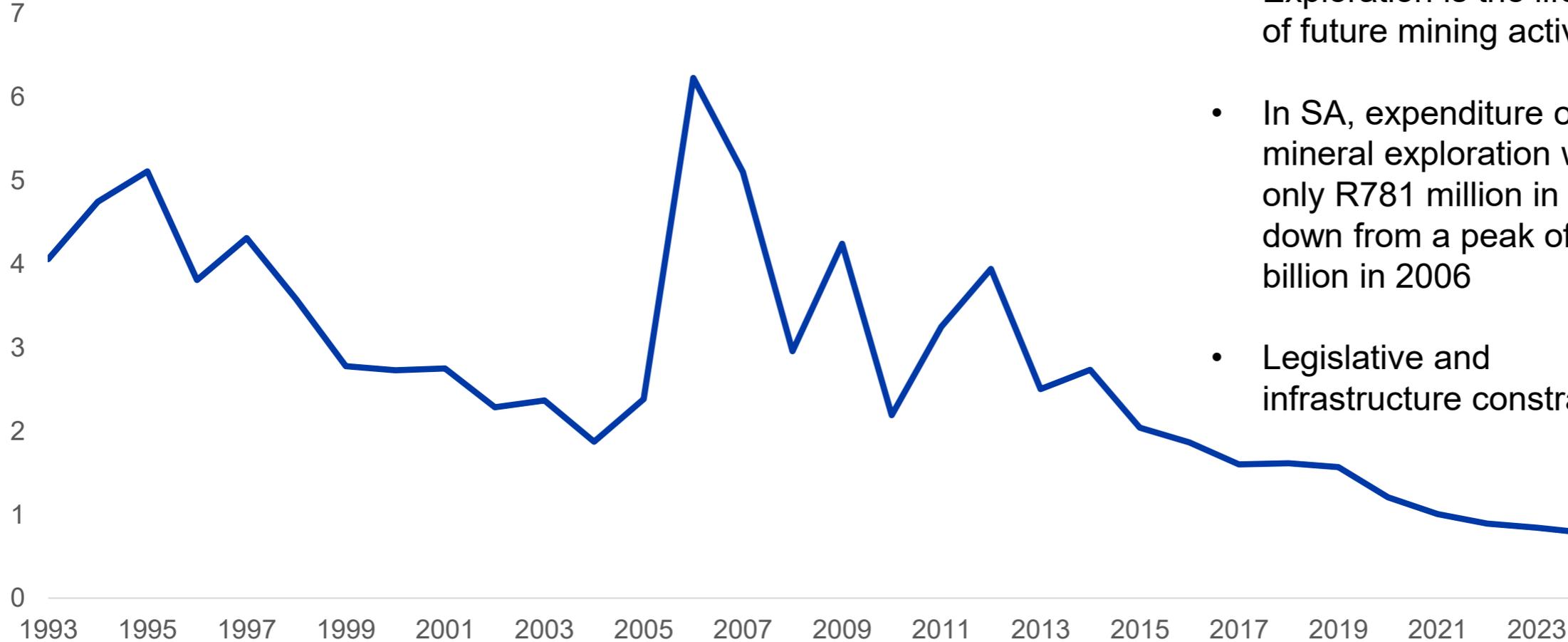
— SARB commodity price index

- Mining profitability in South Africa has generally tracked commodity price developments
- But due to several binding constraints (electricity, poor rail & port performance, etc.), production has been unable to respond to commodity price windfalls

Sources: Stats SA, SARB

# SA exploration expenditure on a steep decline

Rand billion



— Mineral exploration (real)

- Exploration is the lifeblood of future mining activity
- In SA, expenditure on mineral exploration was only R781 million in 2024, down from a peak of R6.2 billion in 2006
- Legislative and infrastructure constraints

# Despite challenges facing sector, #MiningMatters

## Mining's impact on the South African economy

	Period	Value/number	Contribution (%)
Nominal <b>GDP</b>	2024	R442,7bn	6.0
Mineral <b>exports</b>	2024	Around R800bn	45
Corporate <b>taxes</b>	2023/24	R42,6bn	14
Formal <b>employment</b>	Q4 2024	468,898	4.5
Employee <b>earnings</b>	Q4 2024	R50,9bn	5.9

Sources: Stats SA, SARS, National Treasury, Minerals Council

# Despite constraints, mining remains important driver of private sector investment

Mining's contribution to total private fixed investment

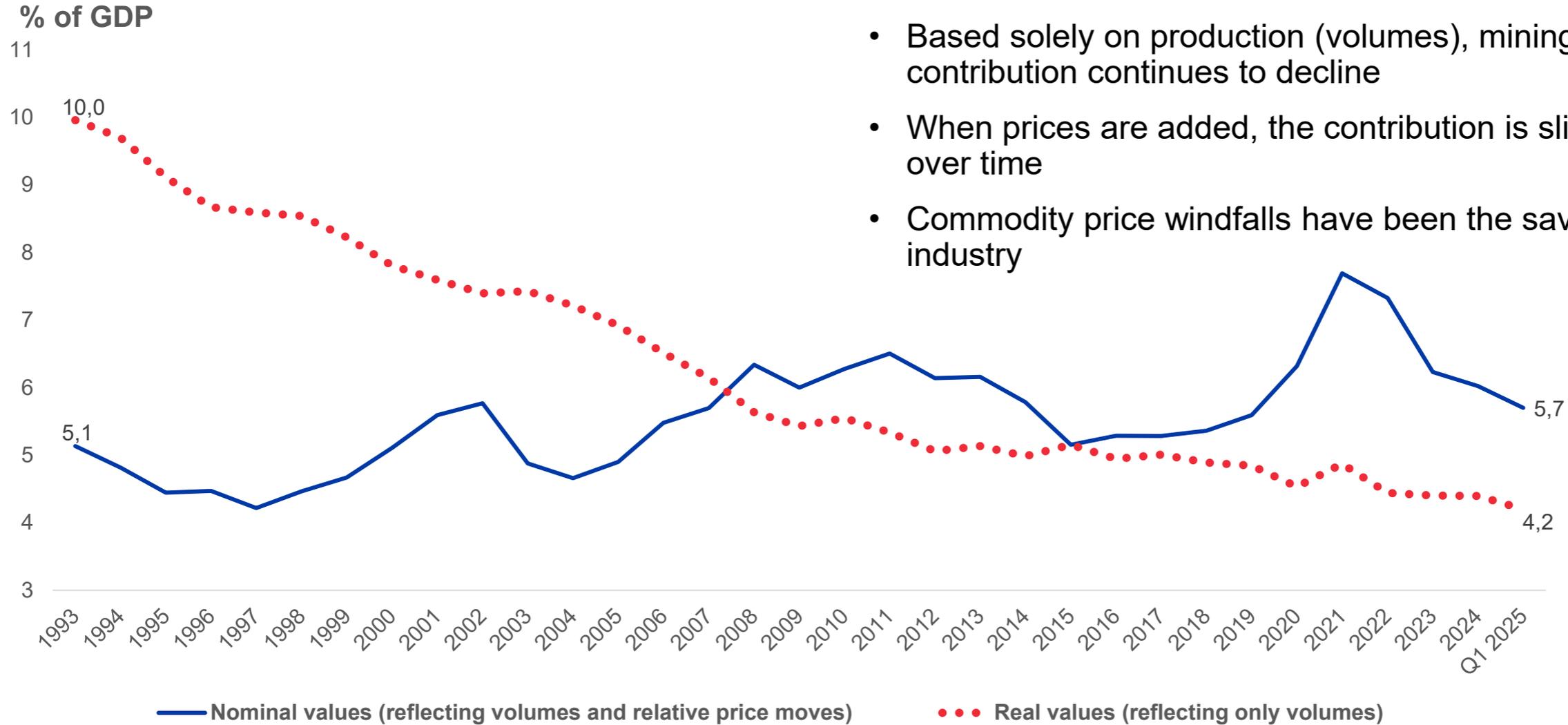


- At almost R160 billion in 2024, fixed investment by mining firms was responsible for about 21% of total capex by the private sector

Sources: Stats SA, Minerals Council

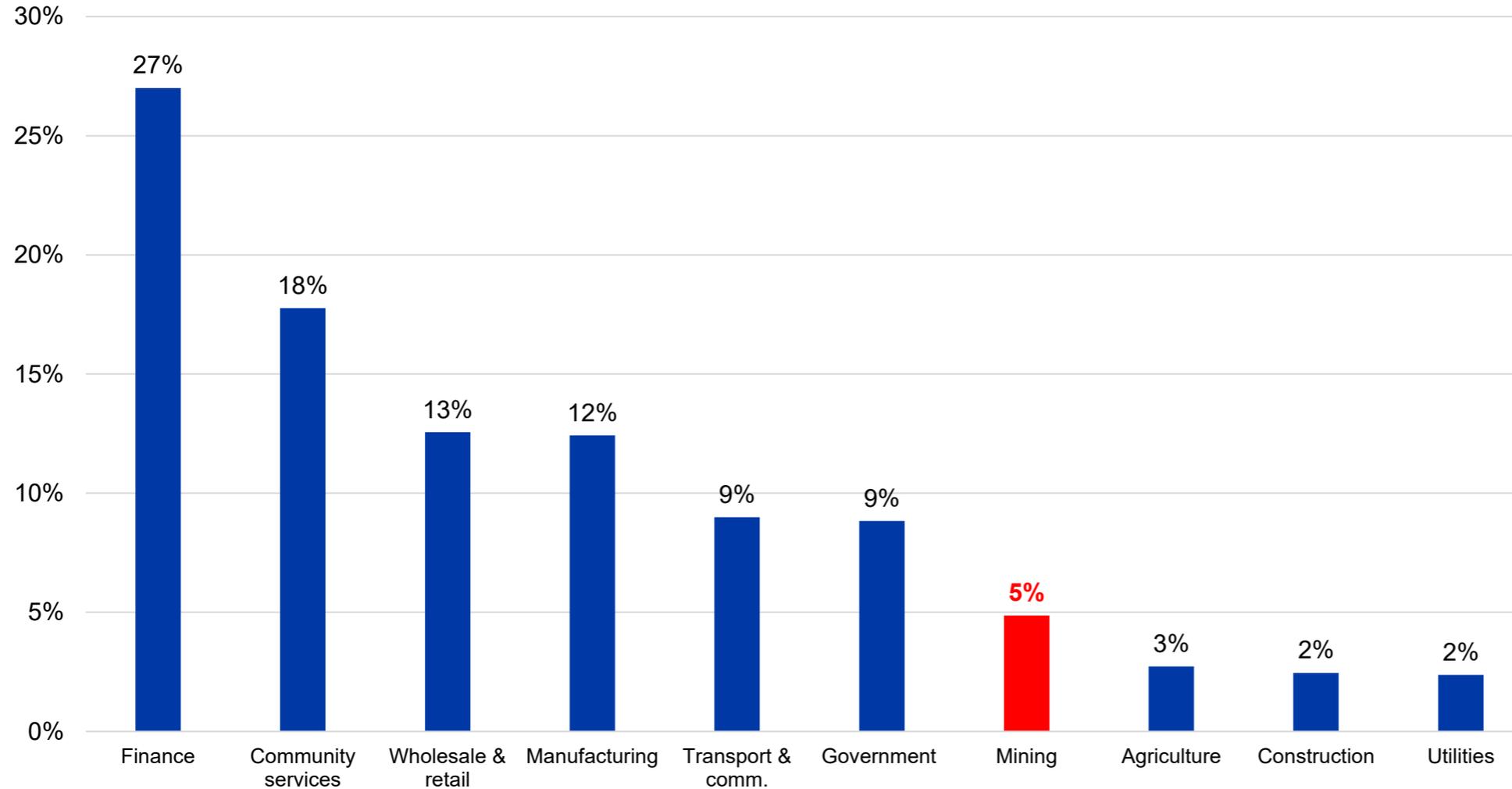


# Two narratives on mining's overall GDP contribution



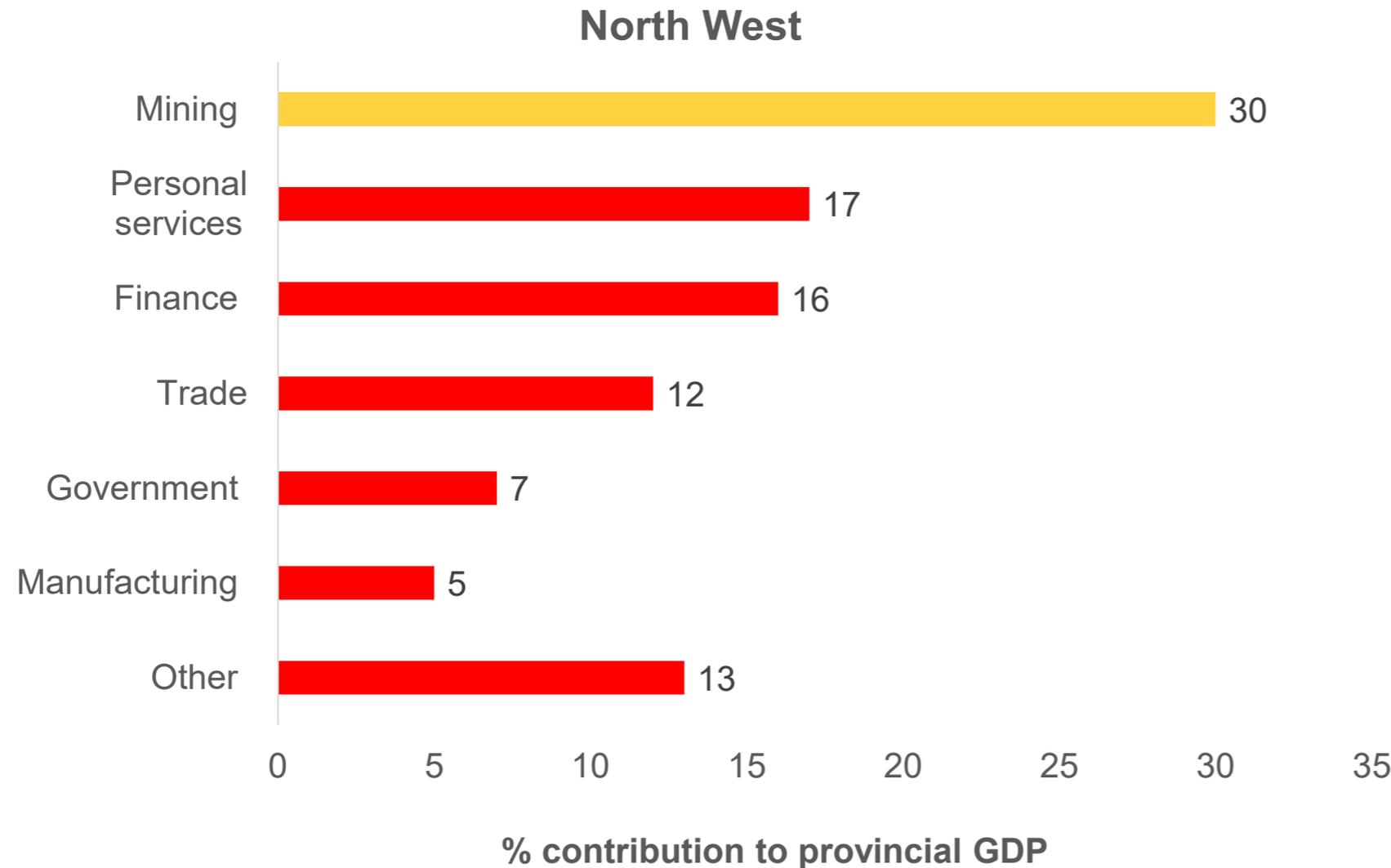
- Based solely on production (volumes), mining's GDP contribution continues to decline
- When prices are added, the contribution is slightly higher over time
- Commodity price windfalls have been the savior of the industry

# In 2024 mining contributed 5% to GDP (in real prices)



Sources: Stats SA

# In terms of GDP, mining is the dominant sector in 4 provinces



**Mining contributes almost a third to GDP of North West**

Key minerals mined:

- Platinum group metals
- Chrome
- Gold
- Uranium

Key challenges:

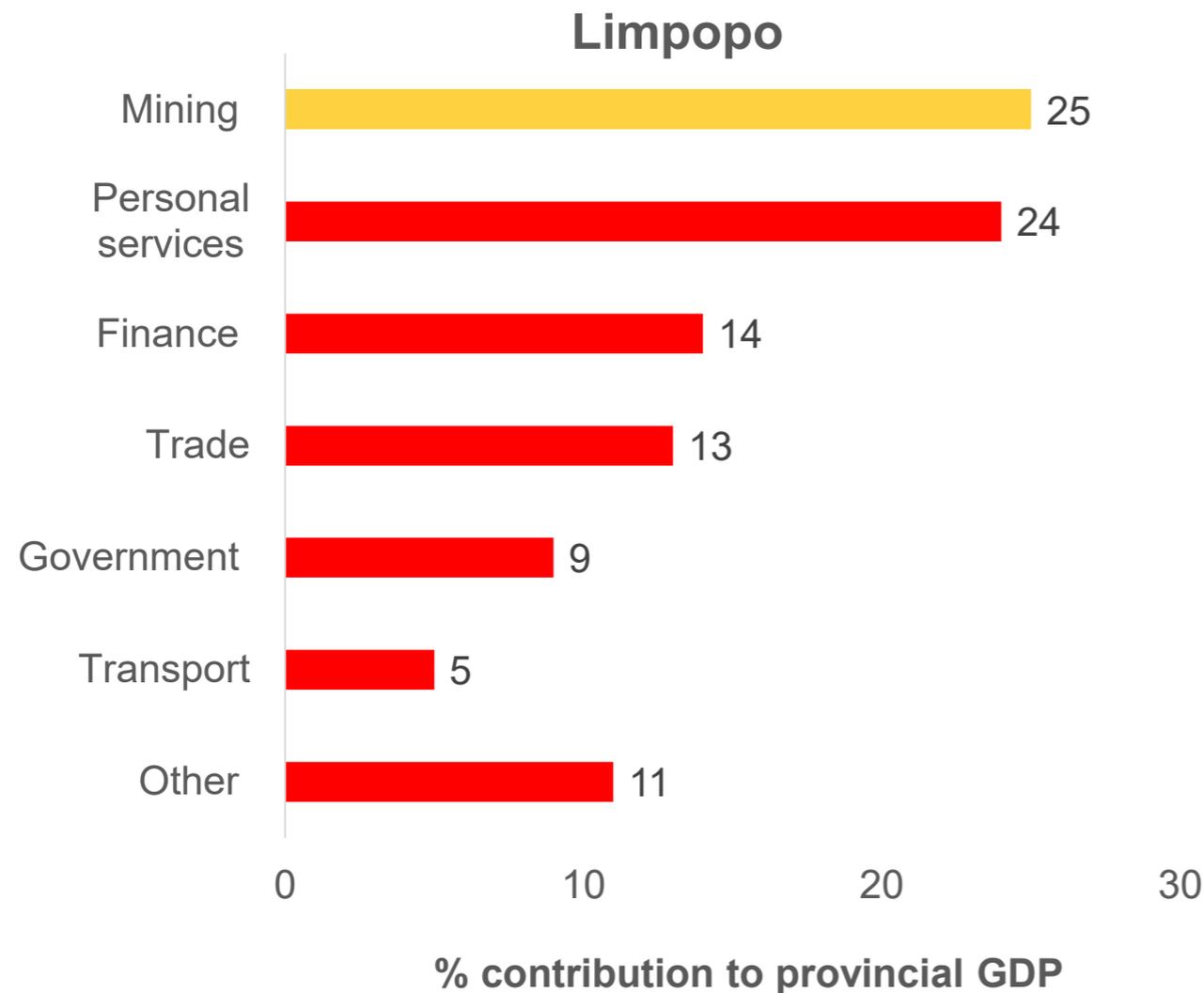
- Community unrest and social tensions
- Declining ore grades and rising costs
- Infrastructure constraints
- Labour unrest
- Illegal mining

# Major Single Enterprise Development Programme in the North West

- Impala established the Impala Peo Enterprise and Supplier Development Fund in November 2024 to grow local small, medium and micro enterprises (SMMEs).
- Seed funding of R50 million will be deployed over five years to qualifying Impala Rustenburg and Impala Bafokeng suppliers.
- The fund seeks to grow small businesses into key players in the local economy and boost job creation.



# In terms of GDP, mining is the dominant sector in 4 provinces



**Mining contributes a quarter to GDP of Limpopo**

Key minerals mined:

- Platinum group metals
- Chrome
- Coal
- Copper
- Iron ore

Key challenges:

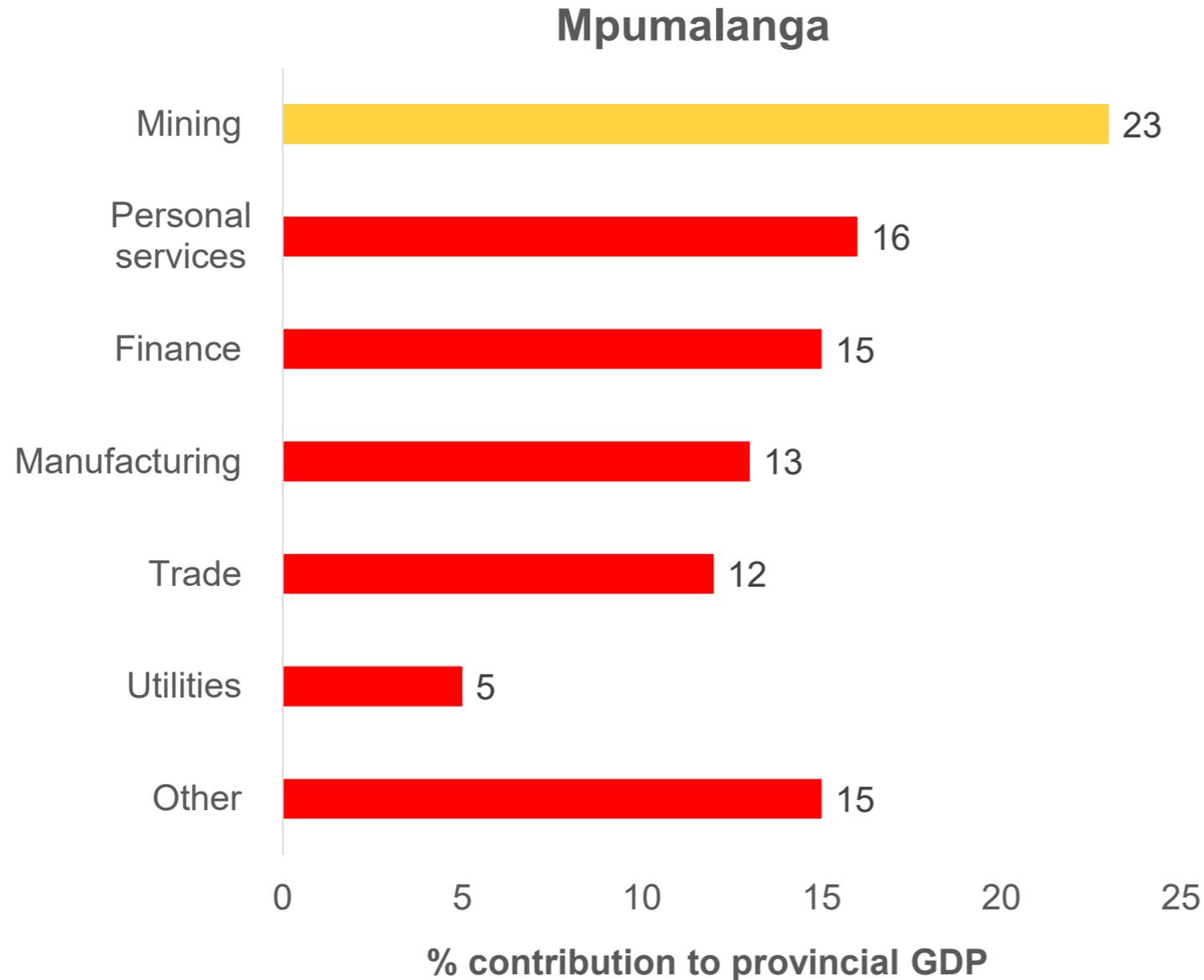
- Water and transport infrastructure
- Infrastructure and logistics bottlenecks
- Illegal mining and security
- Community and social unrest

# Collaborative SLPs in Limpopo

- Steel Bridge replacement project in the Steelpoort Valley, Limpopo where 8 mining companies are working with Roads Agency Limpopo (RAL). The old steel bridge will be refurbished and used as a pedestrian crossing. **Total cost is more than R120 million.**



# In terms of GDP, mining is the dominant sector in 4 provinces



**Mining contributes almost a quarter to GDP of Mpumalanga**

Key minerals mined:

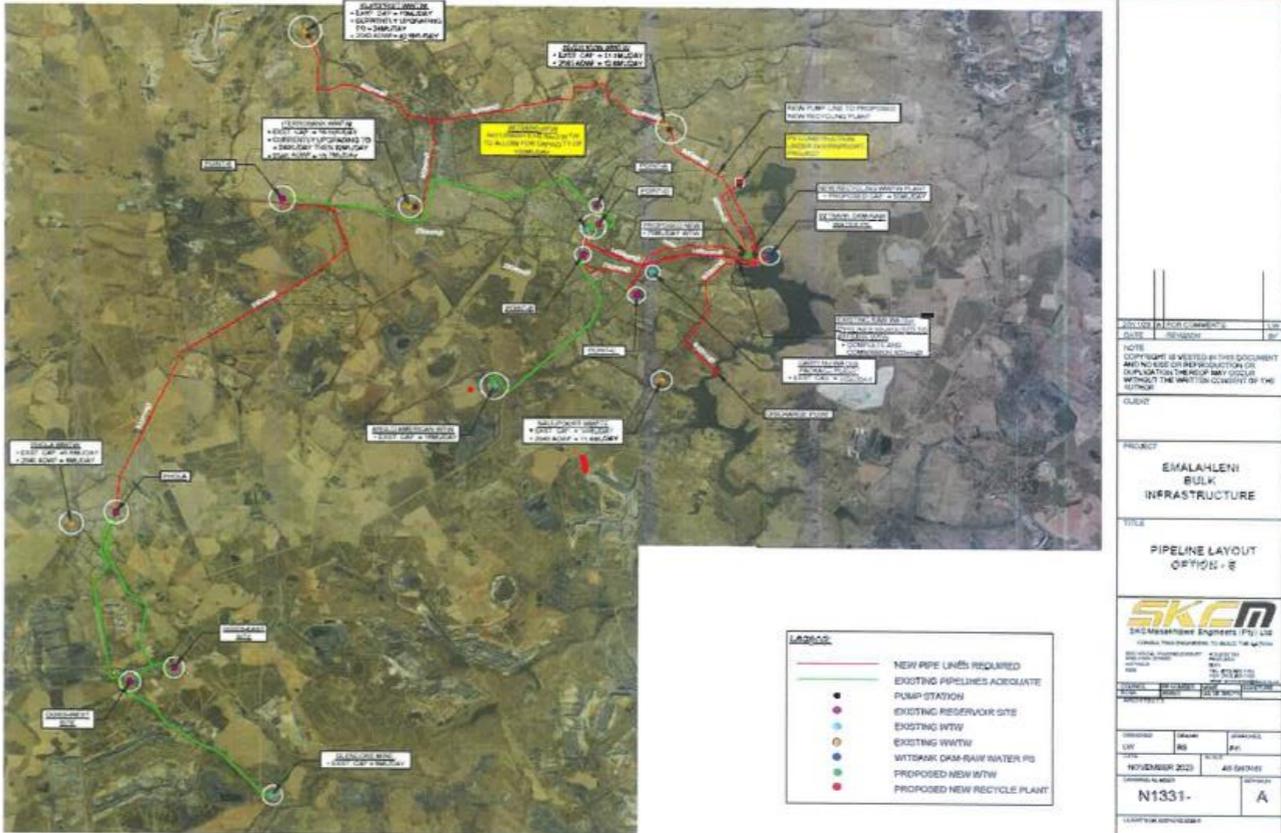
- Coal
- Gold
- Platinum group metals
- Iron ore

Key challenges:

- Climate change and just transition pressure
- Community discontent
- Rail and road Infrastructure
- Illegal mining
- Water scarcity

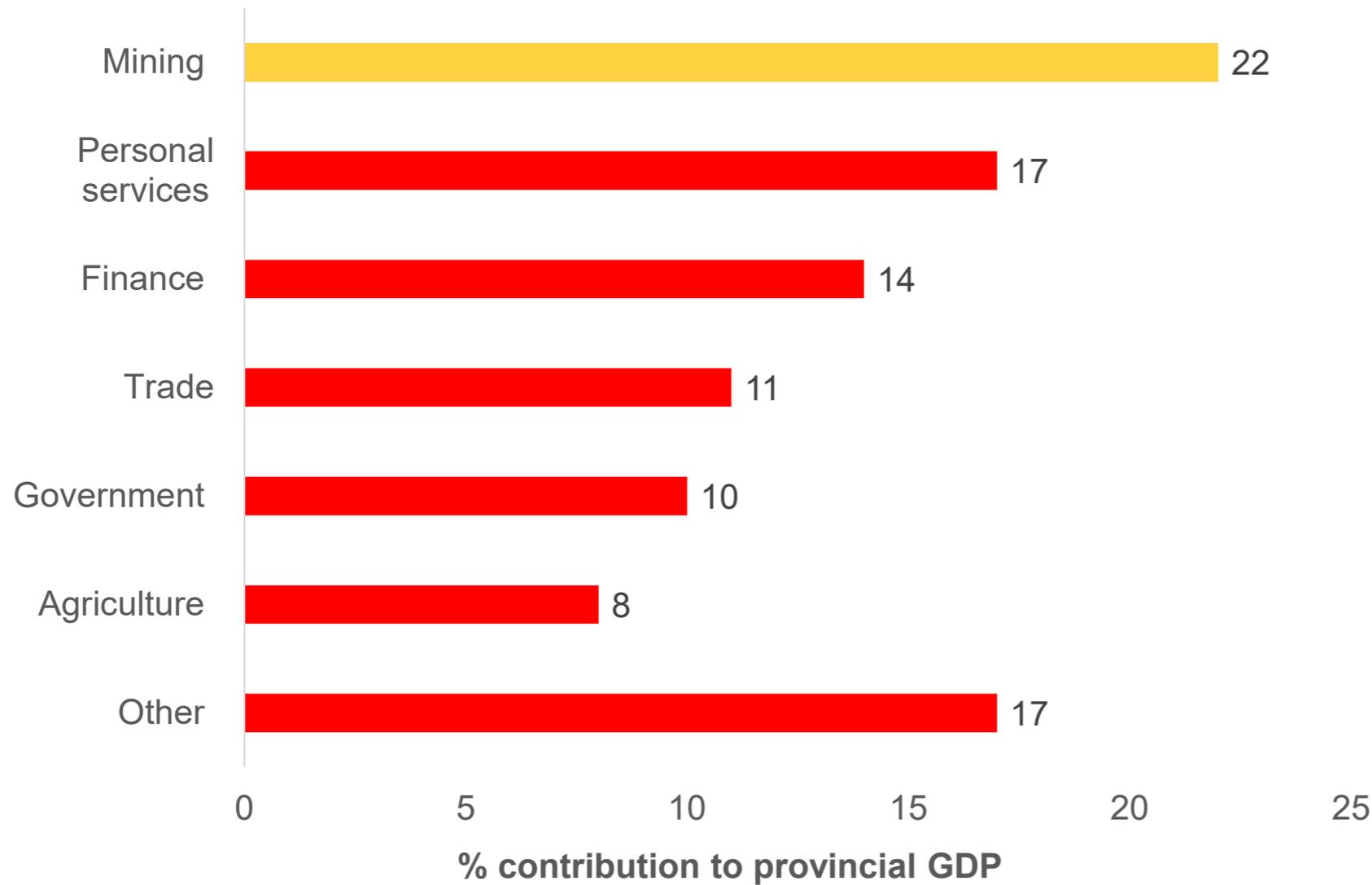
# Collaborative SLPs in Mpumalanga

Several SLPs are being repurposed in Emalahleni and reallocated to the improvement of water treatment and reticulation infrastructure throughout the municipality.



# In terms of GDP, mining is the dominant sector in 4 provinces

## Northern Cape



**Mining contributes more than a fifth to GDP of N. Cape**

Key minerals mined:

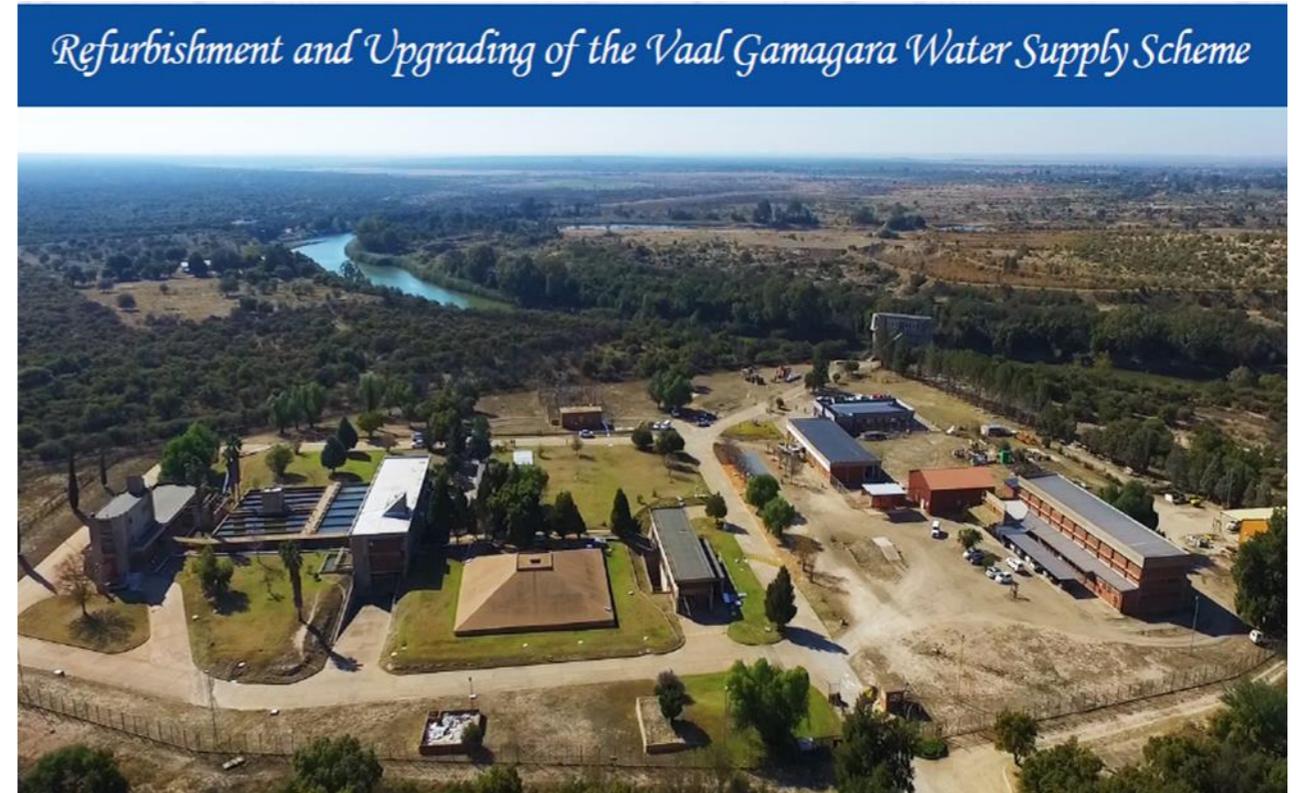
- Iron ore
- Manganese
- Zinc
- Copper (exploration/mine development)

Key challenges:

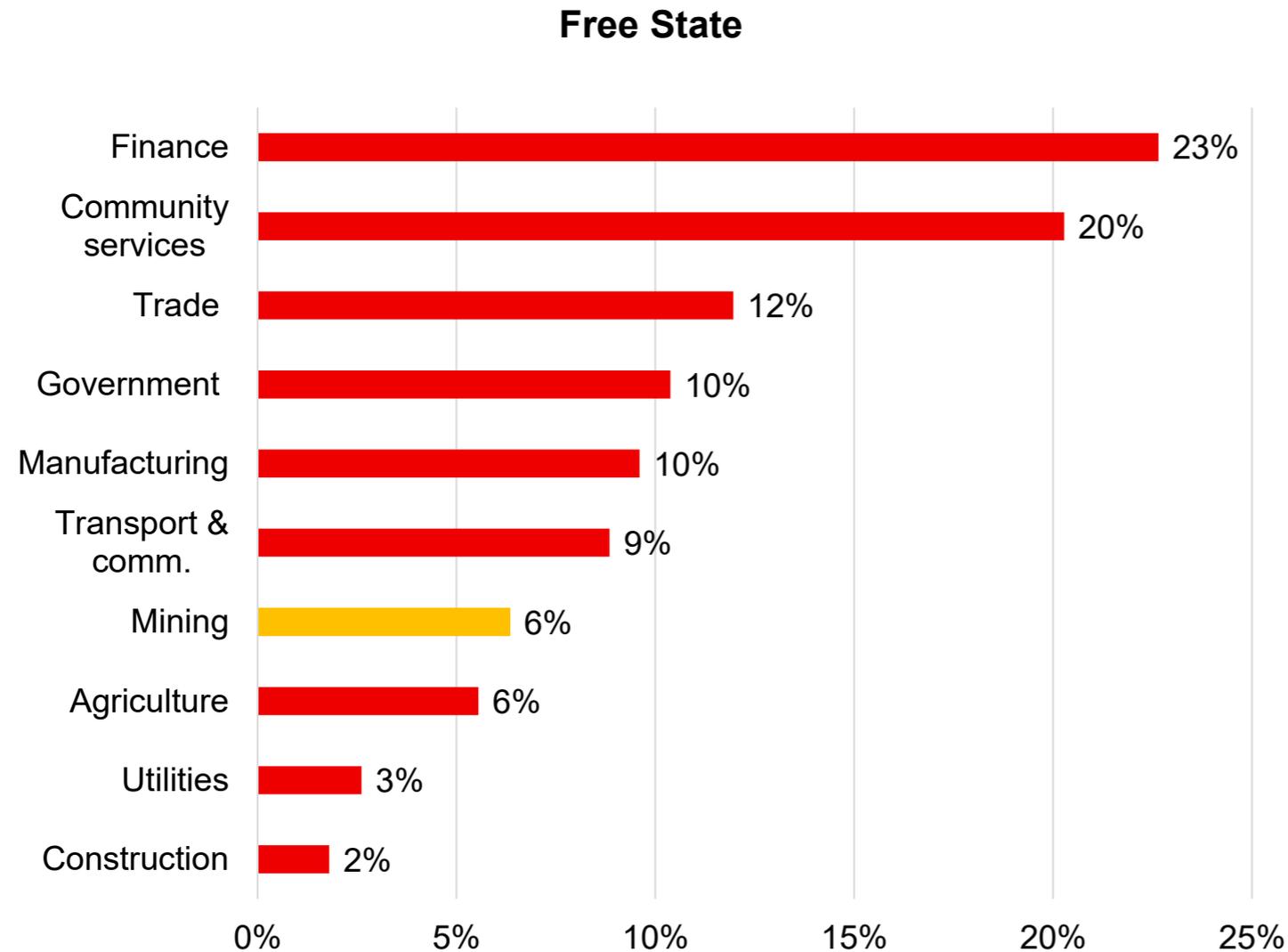
- Water scarcity
- Rail and road Infrastructure bottlenecks
- Remote location and workforce challenges
- Community unrest
- Overlapping rights and land disputes

# Collaborative SLPs in the Northern Cape

- The Vaal Gamagara Water Supply Scheme is the largest – and perhaps most important collaborative project – in the NC.
- The industry will fund 56% of the R12 billion cost of refurbishing the pipeline and related infrastructure and the remaining 44% will be funded by government.
- In 2024, drawing on lessons from the Lebalelo Water Scheme in Limpopo, stakeholders established the Vaal Gamagara Water User Association.



# Mining contributes 6% to the Free State economy

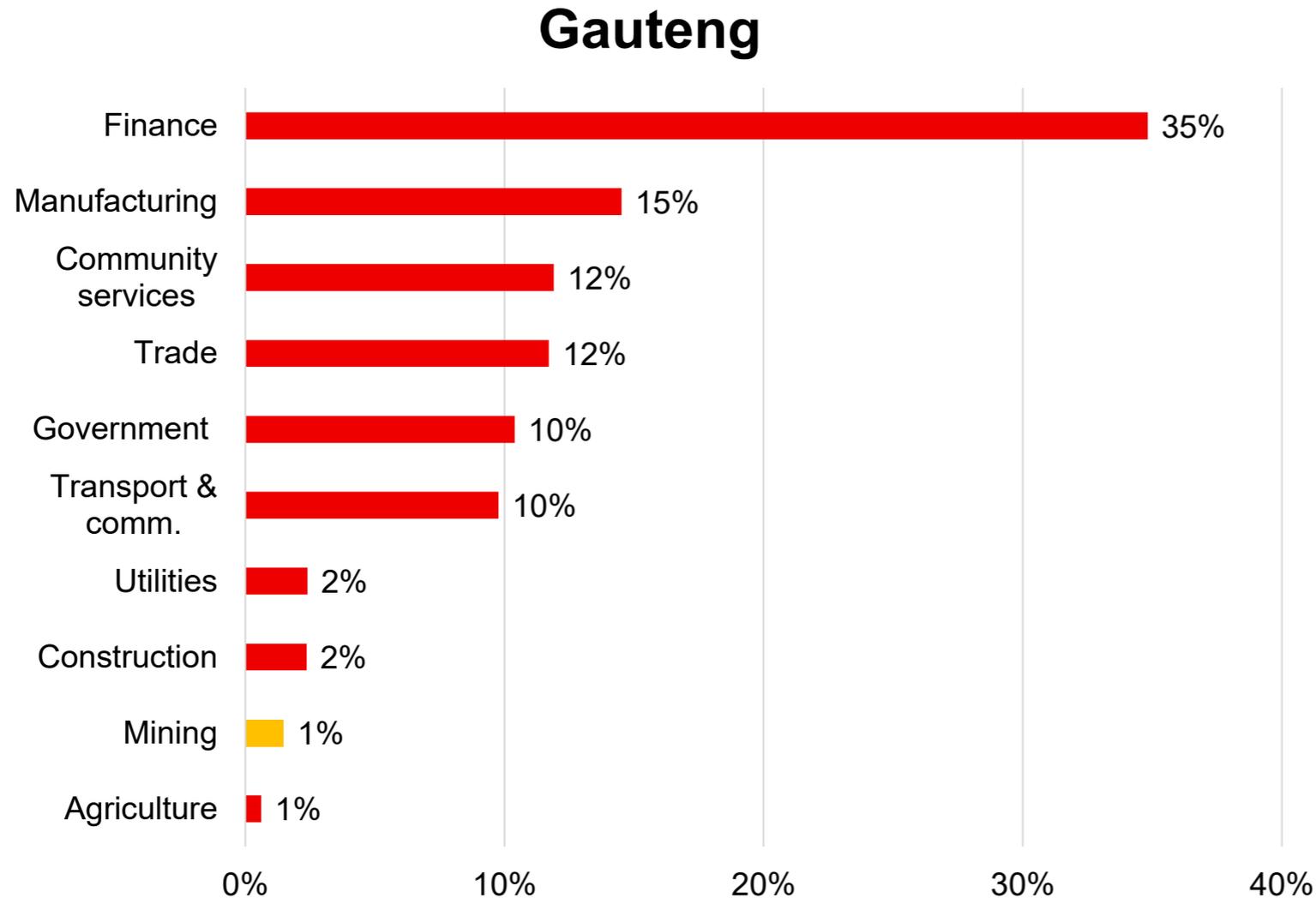


**Mining contributes almost 6% to the GDP of the Free State**

Key minerals mined:

- Gold
- Coal
- Diamonds
- Uranium (a by-product of gold)

# Mining contribution to the Gauteng economy

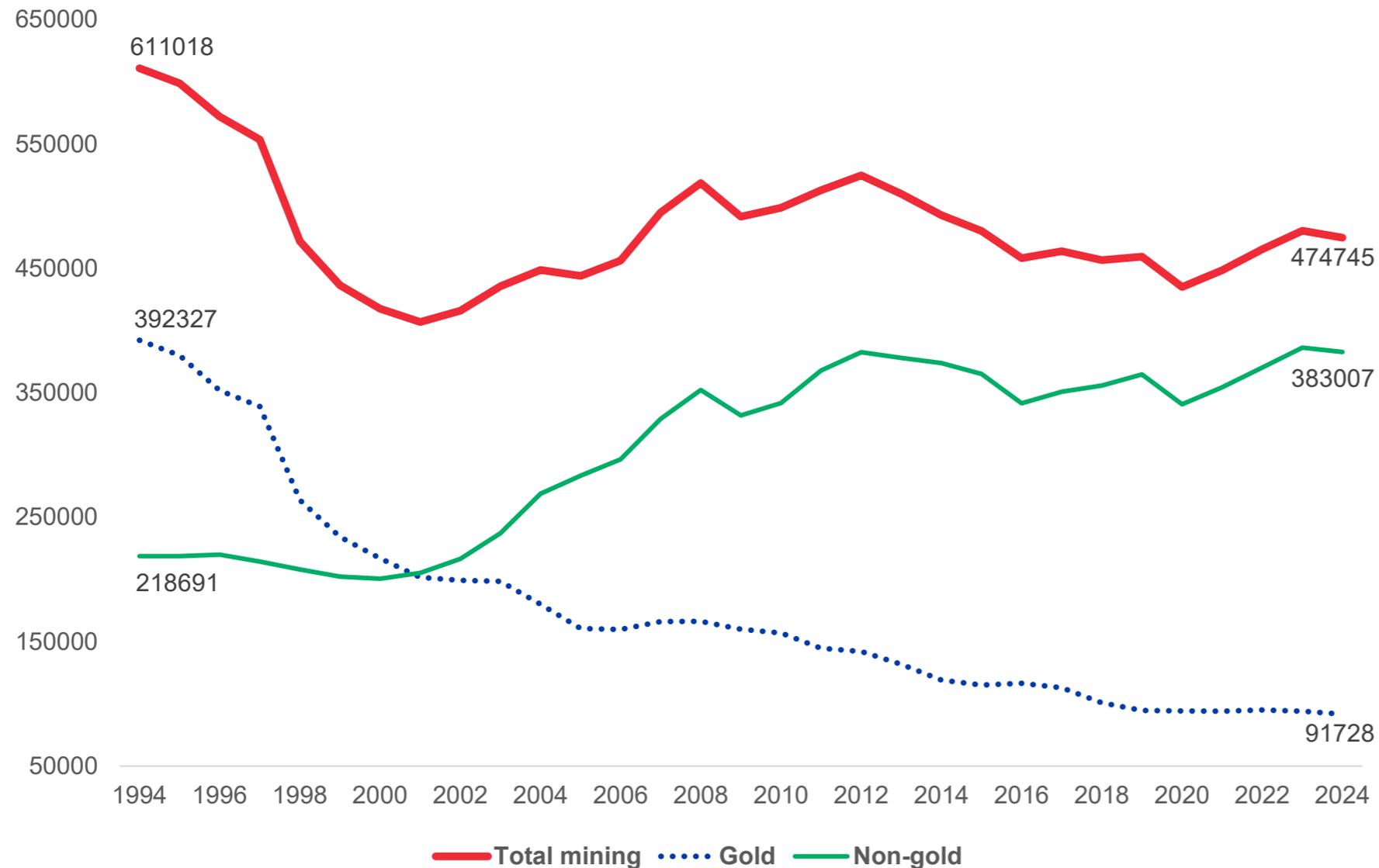


**Mining contributes almost 1.4% to the GDP of Gauteng**

Key minerals mined:

- Gold
- Platinum group metals
- Diamonds
- Chrome
- Silver (extracted from gold)
- Copper

# Longer-term mining employment: Gold versus the rest



- Total mining employment has declined by about 135 000 since 1994
- This has mainly been a gold mining story, with significant job losses
- Employment in non-gold mining increased over the period

Sources: DMPR, Minerals Council

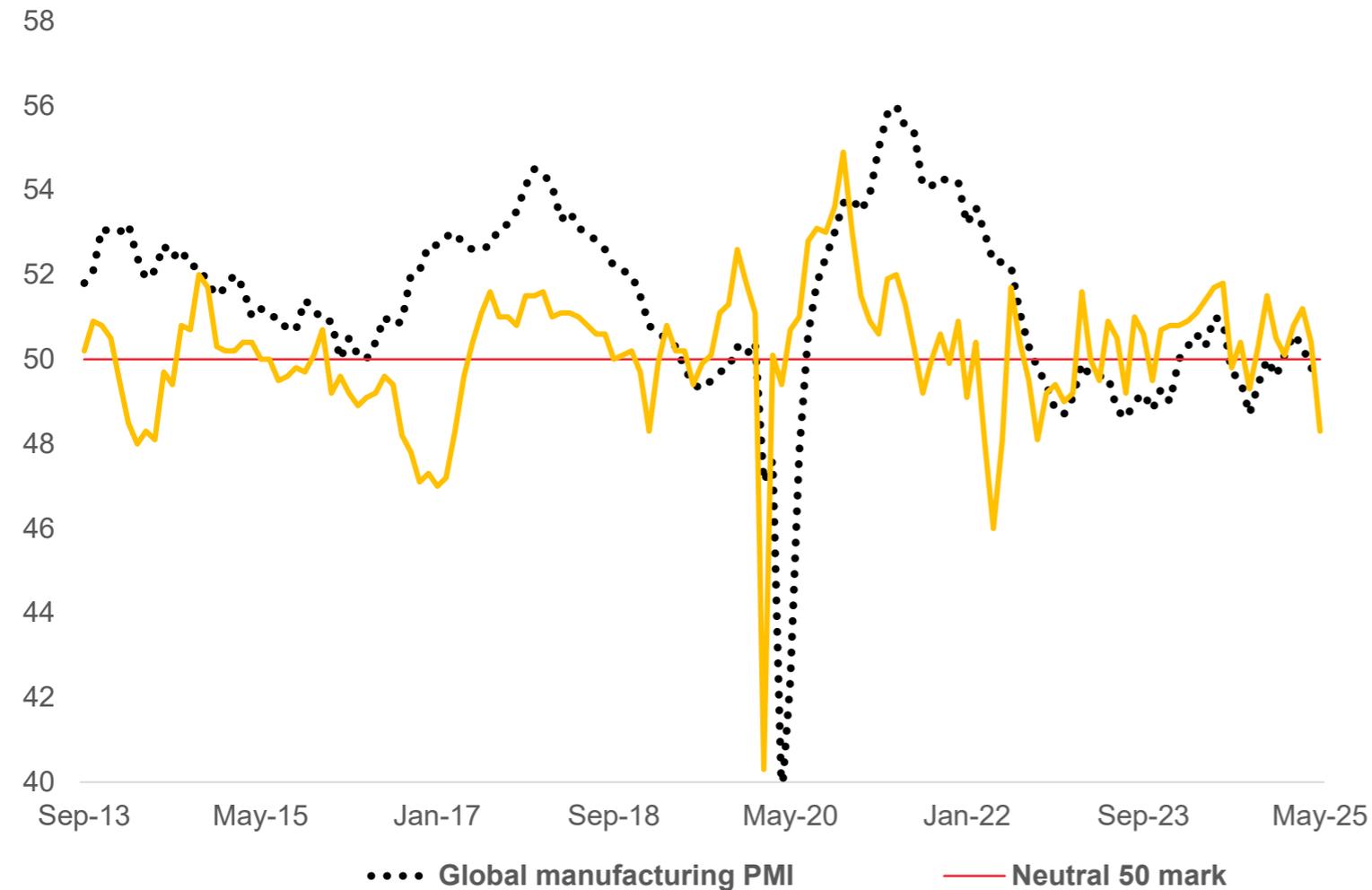
# Global context: Trump tariffs results in lower GDP growth forecasts

Year-on-Year % change in real GDP	2025		Downward revision (% points)	2026
	Jan-25	Apr-25		
US	2,7	1,8	-0,9	1,7
Germany	0,3	0,0	-0,3	0,9
China	4,6	4,0	-0,6	4,0
India	6,5	6,2	-0,3	6,3
Japan	1,1	0,6	-0,5	0,6
UK	1,6	1,1	-0,5	1,4
SA	1,5	1,0	-0,5	1,3
<b>Global</b>	<b>3,3</b>	<b>2,8</b>	<b>-0,5</b>	<b>3,0</b>

Sources: IMF World Economic Outlook, April 2025

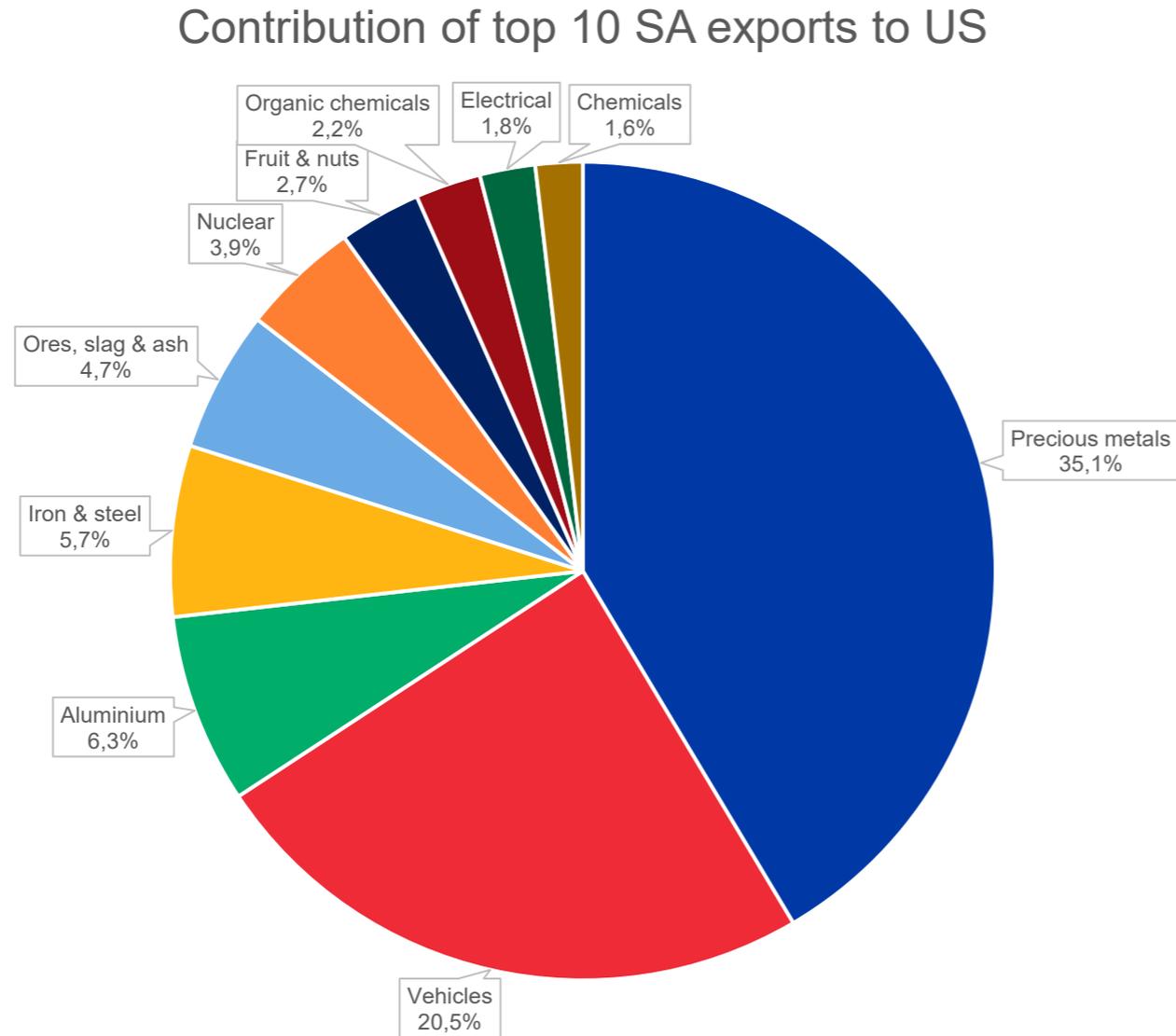
# Global manufacturing activity starting to take strain

Manufacturing PMIs, index



- In early June, US administration raised the tariff on steel and aluminum imports from 25% to 50%
- Global manufacturing PMI, a high-frequency indicator for the health of the manufacturing sector, at a 5-month low of 49.6 in May
- In May 2025, China's manufacturing PMI declined to lowest level since September 2022

# Overview of SA exports to the US



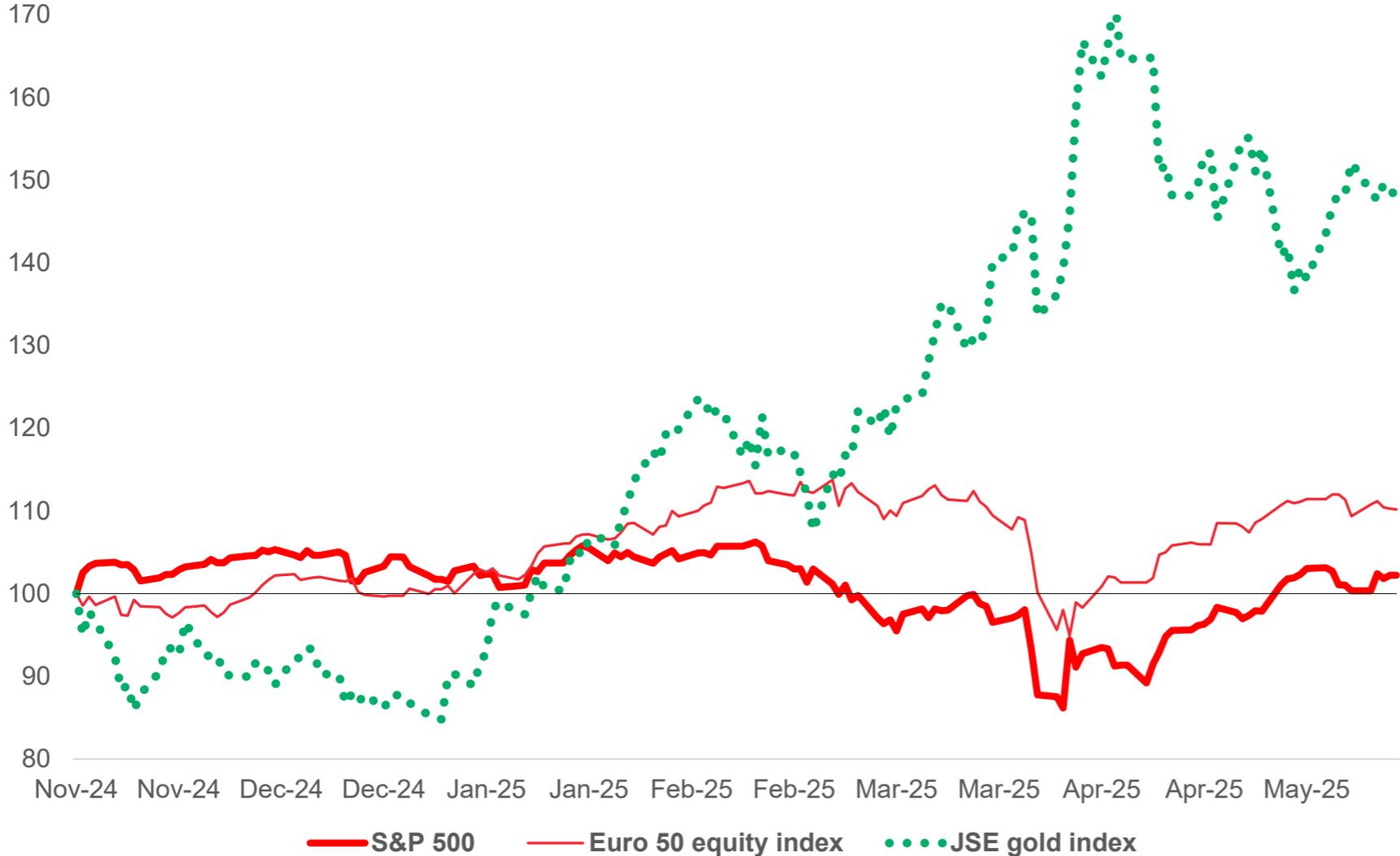
Precious metal exports dominated by platinum group metals (90% of the value of precious metals)

## Value of SA exports to US in 2024:

- Iron & steel = R9bn
- Aluminium = R9.9bn
- Vehicles = R32.1bn

# Much higher gold price (somewhat) shields SA from Trump fallout

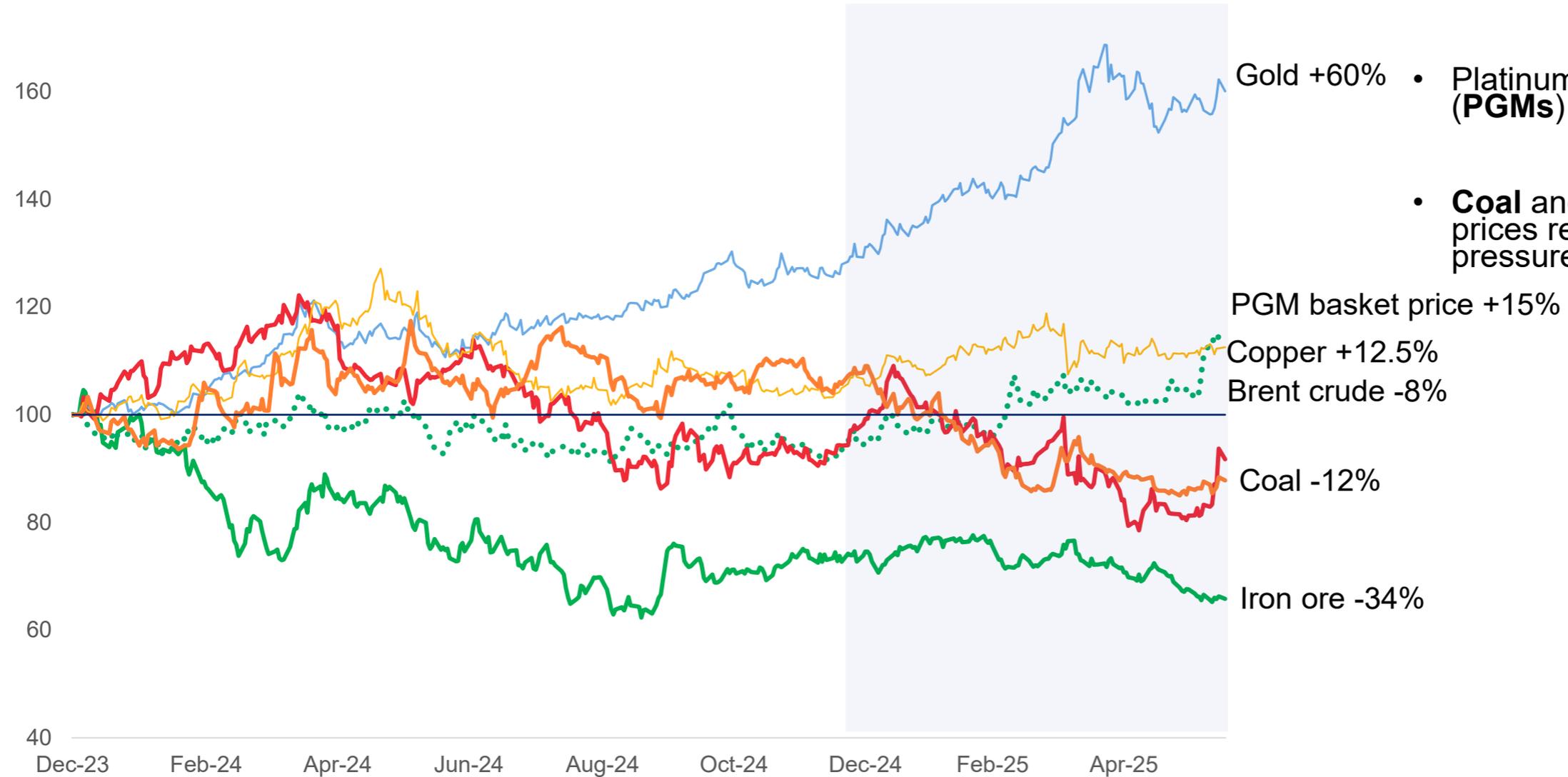
US 2024 election day = 100



- Since the US election in November 2024, the JSE gold mining index has increased by almost 50%
- This increase has far outpaced the gains in US and European stock markets

# A mixed bag for commodity prices in rand terms

Dec 2023 = 100



- The **gold** price has been the star performer
- Platinum group metals (**PGMs**) looking up
- **Coal** and **iron ore** prices remain under pressure

Sources: DataStream, Minerals Council

# Enabling mining sector growth: Operation Vulindlela phase II

## Following through on existing reforms



Transform the electricity sector to achieve energy security



Create a world-class logistics system to support export growth



Ensure a secure and reliable supply of water



Reform the visa system to attract skills and investment



## Expanding to new reform areas



Create dynamic and integrated cities to enable economic activity

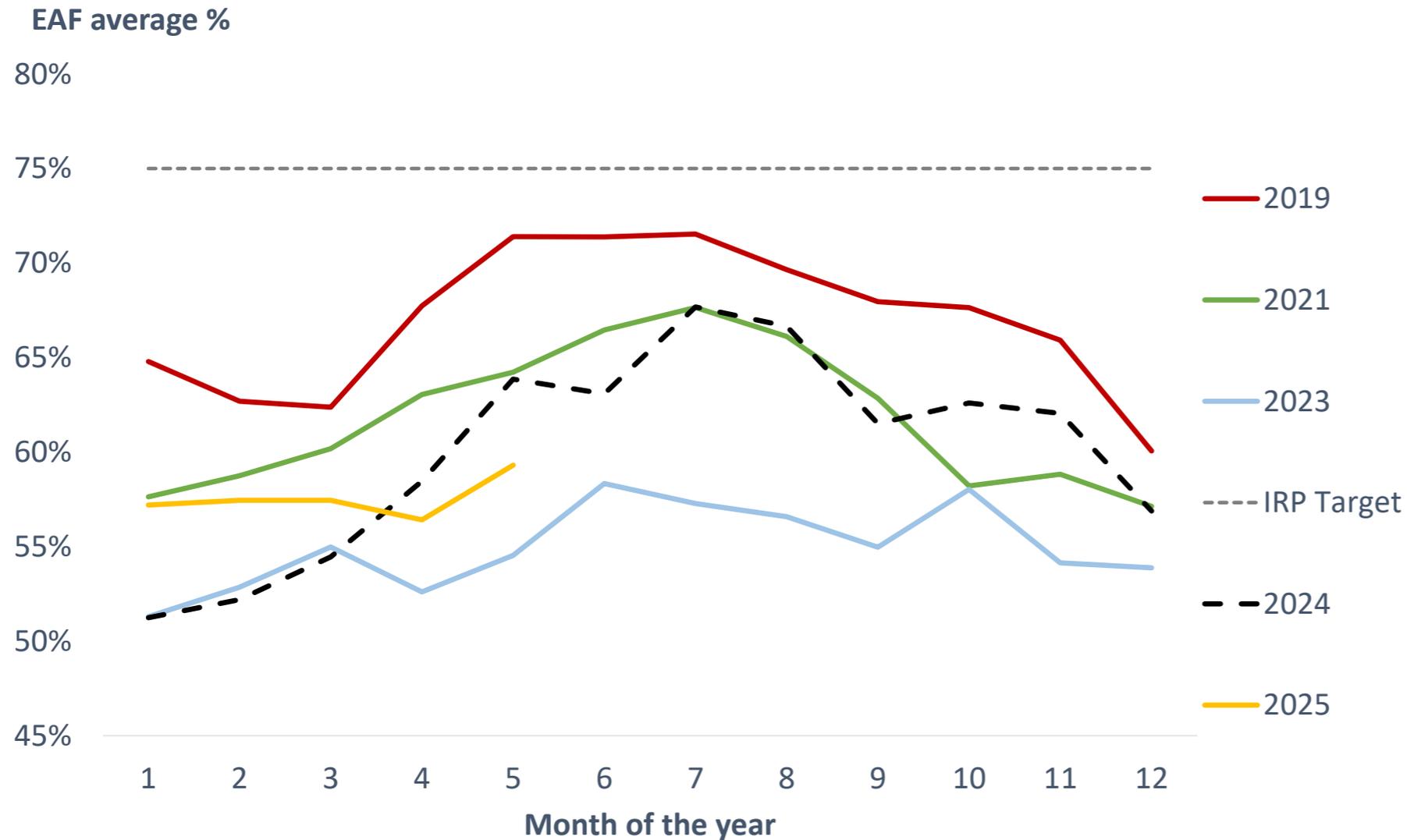


Harness digital public infrastructure as a driver of growth and inclusion



Strengthen local government and improve the delivery of basic services

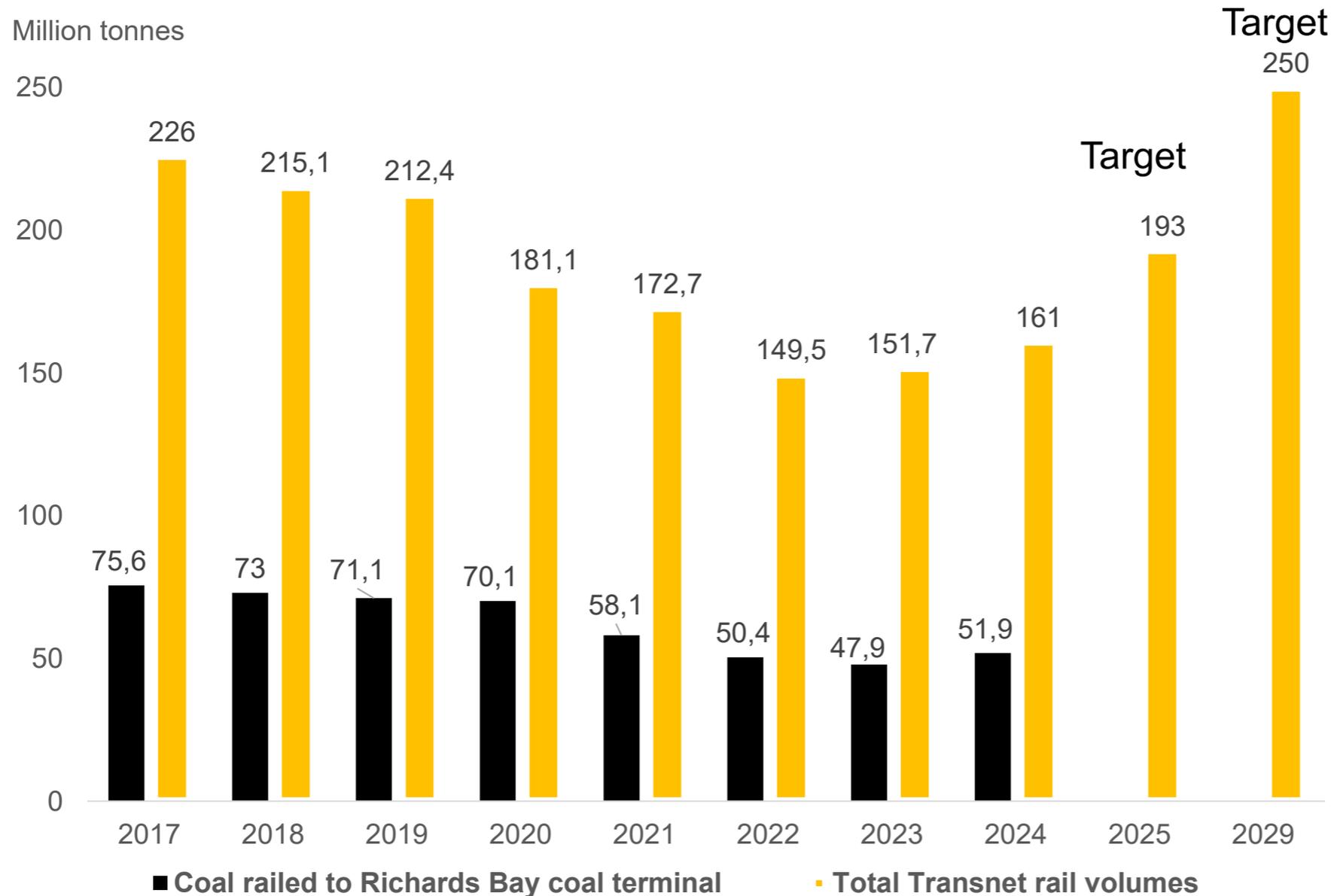
# Electricity supply: Energy availability factor slowly rising



- Increased **maintenance** at Eskom coal-fired power stations has supported fleet reliability
- Mining sector leading the way on **renewable energy** investment

Sources: SARS customs data

# Transnet rail tonnages trending higher, long way to go...



- Significant reforms under way in rail/port logistics, paving way for increased **private sector participation**
- Poor state of **rail network** remains key constraint

Sources: Transnet, Richards Bay Coal Terminal (RBCT), SARS customs data

# Rail and port logistics: Arresting the decline but still a long way to go

Export tonnes (million)			
	Jan-Apr 2024	Jan-Apr 2025	Y-o-Y %
Iron ore	20,2	21,1	4,4
Manganese	7,4	8,4	13,6
Chrome	6,8	6,3	-7,2
Coal	23,8	25,2	5,9
<b>Total bulk</b>	<b>58,2</b>	<b>61,0</b>	<b>4,8</b>

- Apart from chrome, bulk commodity export volumes performed better in the first four months of 2025

# Water – an irreplaceable resource and industry initiatives

CRITICAL ROLE OF WATER IN MINING	WATER SCARCITY – KEY DRIVERS	DIRECT THREAT TO MINING	CASE STUDIES – VAAL GAMAGARA WATER SCHEME	INDUSTRY WIDE INITIATIVES	CONCLUSION
<p><b>Why Water is Indispensable:</b></p> <p><b>Essential for extraction, processing, dust suppression, and cooling</b></p> <p><b>Mines cannot relocate</b> – operations are tied to mineral deposits</p> <p><b>Increasing regulatory &amp; community pressures</b> demand sustainable usage</p>	<p><b>Root Causes of Water Scarcity</b></p> <p><b>Physical Shortages</b> Arid climates (e.g., Northern Cape) Declining rainfall &amp; climate change</p> <p><b>Infrastructure Challenges</b> Aging pipelines/pump stations (60% of SA water lost to leaks*) Limited treatment capacity Vandalism Capacity limitations (capital and skills)</p> <p><b>Competing Demands</b> Agriculture (62% of SA water use) Urbanization &amp; population growth</p>	<p><b>Production Disruptions</b> Example: Limpopo mines halted for 14 days in 2022 due to drought</p> <p><b>Regulatory Risks</b> Stricter water-use licenses (WULAs)</p> <p><b>Reputational Damage</b> Conflict with local communities over resources</p> <p><b>Compounding Factors</b> Energy-water nexus: Load-shedding disrupts pumping</p>	<p><b>Partners:</b> Minerals Council, DWS, Vaal Central Water Board</p> <p><b>Progress:</b> Phase 1 (2023): Pipeline refurbishment complete Phase 2: R12+ billion upgrade planned</p> <p><b>Mining Industry's Role:</b> 20+ mines pay a premium (R268M raised so far) Emergency repairs &amp; maintenance by mining companies Dewatering projects add 45M+ liters/day (potential 57M)</p>	<p><b>Minerals Council &amp; DWS Collaboration:</b> Water Use Efficiency (WUE) Benchmarks Upgraded WC/WDM Self-Assessment Tool (automated reporting)</p> <p><b>Investment Water Treatment Technology</b></p> <p>Reverse Osmosis to treat contaminated water Sludge dewatering tech reducing waste volume Closed-Loop Processing (Up to 80% water recovery in modern mines) Smart Water Management (Real-time leak detection and Predictive analytics for pump failures)</p>	<ul style="list-style-type: none"> <li>• Expand Public Private Partnerships</li> <li>• Invest in Infrastructure Resilience</li> <li>• Advance water Treatment and Resue Tech</li> </ul>

# The case for mine land repurposing: policies and opportunities

The case for Repurposing Mine Land	Post Mining Land Use Options	Policy & Regulatory Framework	Matters of Critical Importance	Integrated Governance Model	Recommendations
<ul style="list-style-type: none"> <li>• Aging mines and 6,000 derelict sites creating a mounting crisis</li> <li>• Unplanned closures accelerate regional economic decline</li> <li>• Repurposing as a tool for equitable renewal and sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>• Agriculture, agroforestry</li> <li>• Renewable energy (solar, wind farms)</li> <li>• Human settlements and mixed-use developments</li> <li>• Conservation and biodiversity corridors</li> <li>• Light industrial and commercial zones</li> <li>• Education/training campuses</li> </ul>	<ul style="list-style-type: none"> <li>• MPRDA: Closure certificates &amp; Environmental management and rehabilitation</li> <li>• NEMA: Duty of care &amp; Financial provisioning for rehabilitation</li> <li>• SPLUMA: Role of municipalities in land rezoning and future use</li> <li>• National Mine Closure Strategy: Life cycle based closure planning</li> </ul>	<ul style="list-style-type: none"> <li>• Ambiguous land rights after mine closure</li> <li>• Conflicting oversight between mining, environment, and planning agencies</li> <li>• No sustainable funding mechanisms for post-mining rehabilitation</li> <li>• Inadequate community engagement in mine closure planning</li> <li>• Closure permits withheld, hindering land reuse opportunities</li> <li>• Abandoned infrastructure not transferred to local governance</li> </ul>	<ul style="list-style-type: none"> <li>• Stronger alignment between DMRE, DWS, DFFE &amp; Municipalities</li> <li>• Community development agreements as platforms</li> <li>• Local government capacitation for land reuse planning</li> <li>• Regulatory clarity on land transfer post-closure</li> </ul>	<ul style="list-style-type: none"> <li>• Amend MPRDA/NEMA provisions to fast-track beneficial repurposing</li> <li>• Incentivize early closure planning and reuse proposals</li> <li>• Embed repurposing in municipal and provincial development plans</li> <li>• Pilot a Post-Mining Land Innovation Fund (green finance)</li> <li>• Promote skills development for post-mining livelihoods</li> </ul>

# Assisting Ex-Mineworkers with Unclaimed Benefits

## Mineworkers Provident Fund (MWPF)

**Minerals Council Role:** The Minerals Council is one of the Sponsors in the Fund. Employer Trustees, nominated by Minerals Council member companies, hold positions on the MWPF Board of Trustees and associated sub-committees alongside Member Trustees.

## Relevant Activities and Track Record

- **Proactive Tracing Initiatives:** The MWPF implements the following strategies to locate and assist eligible ex-mineworkers and beneficiaries:
  - **Regional Outreach Campaigns:** Conducts targeted engagements in key labour-sending areas. Proactively identifies individuals entitled to unclaimed fund benefits.
  - **Comprehensive Follow-Up:** Executing systematic verification exercises ("sweeps") during and after outreach activities.
  - **Centralised Data Repository:** Uploading off attendees' information from all outreach events onto a dedicated platform, enabling cross-referencing by participating pension/provident funds.
  - **Specialised Tracing:** Engages professional tracing agents (including TEBA) to locate former mineworkers and their beneficiaries.
- **Claims Settlement Performance**  
Over the past 18 months, the Fund has disbursed in excess of **R620 million** in benefits, settling approximately **8,300 valid claims**

# Operational Support to the NDoH (MBOD & CCOD) via Voluntary Levy

## Delivery milestones:

**Total commitment to date: R310 mill over 6 years**

R1.98b (59%) paid to claimants over last 9 years as R3.32b paid over 25 years

62 372 claims (60%) finalised over last 9 years out of 104 751 claims paid over 25 years

Unqualified audits from 2019/20 financial statements



Tracking and tracing ex-workers: MCSA provides funding for IT Tools and Outreach Programs



Provides medical assessments for current and ex-workers in controlled mines and works for occupational cardio-respiratory diseases: MCSA members provide data to MBOD



Ensures certifications of medical assessments: MCSA seconded staff to the MBOD



Pays compensation benefits: MCSA provide funding support for the financial management function at the CCOD



Collects levies for the Mines & Works Compensation Fund: MCSA augments the statutory levy with a voluntary levy (~R60 mil per annum since 2019 to date)



Reform of Occupational Diseases in Mines & Works Act, 78 of 1973



Ex-Mineworker Project: R42 million from 2008 -2012

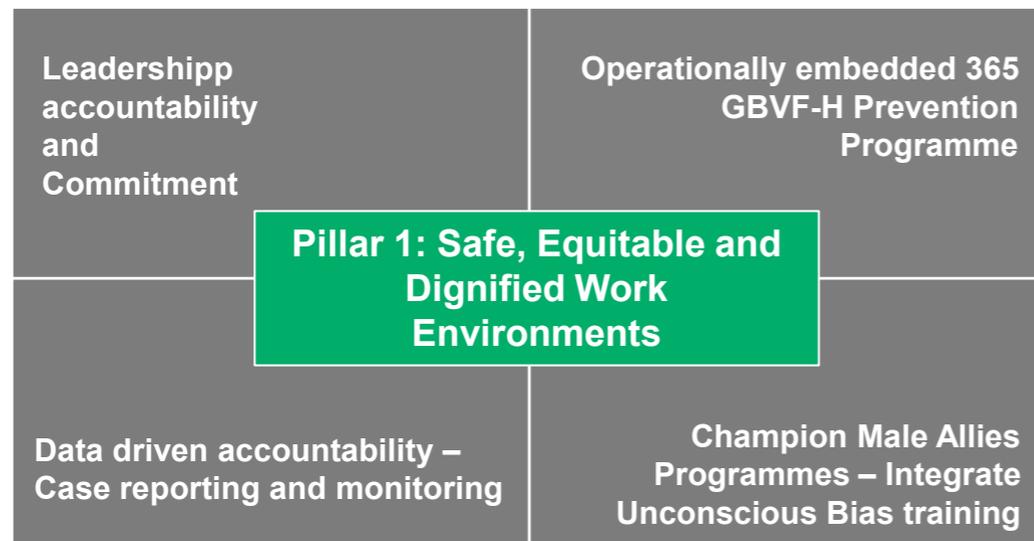
# Minerals Council Women in Mining: GBVF

## WiM Initiative

The 2021 WiM strategy was carried out through an operating framework of 7 Foundational measures. The Strategic objective of FM1 was to drive initiatives that reinforced the industry's zero tolerance to GBVF.

- GBV Data collection on Wim Dashboard – Data driven insights
- 2021 Survey to determine the drivers of GBVF in mining.
- Partnership with Office of the Presidency on 100 Day Challenge to localise NSP
  - Anti GBVF Video Series Produced
  - Establishment of Men's Forum
  - Industry Memo following insights from Survey
- Annual 16 Days of Activism campaign

## 2025 – 2027 Strategic Approach



## National Partnership: Thuthuzela Care Centres

Partnership between Minerals Council, National Prosecuting Authority and GBVF Response Fund aims to: Improve GBVF Prevention and Response efforts in mining host communities by supporting TCC's.

### Initiatives

**12 Minerals Council member companies pledged R29 million** to build new, re-build existing and support operational needs of TCC's across the country as follows:

**Harmony Gold:** Provision of signage to all 66 TCC's, to boost visibility and TCC services uptake.

**Implats:** Provision of public awareness material to all 66 TCC's, to enable TCC's to conduct community outreach programmes to educate about GBVF.

**Seriti and Fraser Alexander:** Construction of Kopanong TCC commerce in July 2025, to launch a fully functional TCC with furniture and operational equipment in collaboration with Fraser Alexander.

**Exxaro and Glencore:** Continuous provision of care packs at various TCC's to ensure that survivors have essentials when attended at a TCC.

**Anglo American:** Support training of NPS staff.

**Northam Platinum:** Provision of operational material at Mokopane TCC

**Total commitment: ~R21 mil of which ~R11 mil from Members**

# Enabling a Just Energy Transition

- **Minerals Council and its Members** are **supportive long-term goals and actions under the Paris Agreement** to significantly reduce the risks and impacts of climate change.
- Decarbonisation is valued with the sector **responding to shifting value pools** and adapting to local climate change impacts – while ensuring a Just Energy Transition anchored on social justice, inclusion and environmental restoration
  - **Social and Labour Plan and Closure Plan** projects are being leveraged toward JT outcomes
  - **Repurposing of mined land** holds opportunities and are being pursued by Members
  - **JT Framework principles and best practices** have adopted for project development, stakeholder consultations and ensuring community needs are from and center in development of action plans
  - **Large-scale energy efficiency programmes, self generation renewable energy projects** (wind, solar PV, wind , fuel switching etc.) have been incorporated
- Opportunities like automation and electrification are also being pursued by some Members to ensure higher productivity
  - Opportunities in **critical minerals** that are needed for the low carbon world

# Technology and Innovation

## Operational Efficiency and Productivity

- Automation & remote operations = safer, healthier, faster, more reliable
- AI-driven analytics = smarter, real-time decision-making

## Environmental Stewardship

- Smart water & tailings systems = better compliance, less risk
- Low-carbon tech & renewables support decarbonisation

## Infrastructure Modernisation

- Integrated digital mine platforms
- Remote connectivity unlocks isolated mining sites

## Investment & Growth Enablers

- Innovation hubs & PPPs (e.g. Mandela Mining Precinct)
- Attractiveness to ESG-aligned capital and green finance

# Partnerships with Government Entities

- **Mandela Mining Precinct**

- Largest sectoral public private partnership on R&D and innovation
- Aimed at revitalising mining research, development and innovation. Focusing on sustainability of mines, technology and a people-centric approach to change

- **CSIR**

- Working relationship that is focused on competitive extraction of minerals

- **MINTEK**

- In process of concluding a MoU
- Research, development and innovation focused towards minerals processing, including critical minerals processing and beneficiation

# Critical Minerals

## Investment Attraction

- National strategy provides clear national direction that signals greater policy certainty
- Opens pathways for public–private partnerships, infrastructure co-investment & global capital

## Geopolitical Leverage & Trade Partnerships

- Positions SA as a reliable partner in critical minerals supply chains
- Enables strategic bilateral agreements and African regional collaboration

## Innovation & R&D Momentum

- Boosts funding for local innovation ecosystems (e.g. Mandela Mining Precinct, Mintek, CSIR)
- Drives adoption of low-impact mining and circular economy practices

# Illegal Mining

- Still encountering significant challenges with illegal mining and crime affecting the mining industry.
- Significant challenges with essential infrastructure damage which is fundamental to the viability and continuity of mining operations.
- Mining companies implementing a risk-based security approach aimed at detecting, deterring, and responding to crime threats at significant costs.
- Collaboration with law enforcement a key driver to enable intelligence sharing, joint operations, and rapid incident response.
- Support urgent sign-off and implementation of the Draft National Illegal Mining and Illicit Precious Metals Trafficking Strategy, subject to review to accommodate developments since drafting.
- Require multi-disciplinary task teams reporting into the JPCS cluster to align departmental strategies to address organised crime in a structured, systematic, and collaborative manner.

# Repositioning of Social Development – Current Reality

01

The main vehicle for the achievement of social impact outcomes in the mining industry is the SLP compliance requirement that is attached to each mining right

02

Mining remains at forefront of community development in South Africa (in 2023, the industry spent R4,9 billion on SLPs, including HRD)

03

Industry's social license to operate, however, remains impacted and points to a divergent stakeholder view in terms of social impacts that SLP and CSI expenditure delivers

04

It is incumbent upon the industry to advocate for a different approach to social development with a view to crafting strategies that deliver improved social outcomes

# Repositioning of Social Development - Proposals

- Encouraging members to embed more comprehensively social performance into each member's corporate strategy
- Influencing the review of SLP regulations/guidelines by the regulator to enable better collaboration between mining companies within the same region
  - The current review of the MPRDA provides a window of opportunity for the repositioning of host community development as a lever for the achievement of better developmental impacts
- Proper **alignment** of SLPs with municipal integrated development plans (IDPs) and District Development Model (DDM) One Plans to promote the achievement of sustainable developmental outcomes
  - Requires greater focus on municipal capacity to support planning and execution of municipalities' developmental mandates
- Adoption of the Minerals Council Transformation Beyond Compliance framework which entails an enforceable impact measurement framework

# Socio- Economic Transformation of the Mining Sector

- The 5-year transitional period ended December 2023, for implementation of targets under the Employment Equity (EE), Human Resource Development (HRD), Inclusive Procurement and Enterprise and Supplier Development (ESD) elements.
- DMPR did not issue a standardised reporting template for MC2018, so mining right holders have been submitting data to the regulator in various formats. This has created a reporting, monitoring and evaluation challenge for all stakeholders and does not enable transparency.
- The Minerals Council has conducted studies to assess progress made by its members.
  - For **EE** – industry was close to achieving most targets, struggling with African and Coloured Females in some occupational levels. Achieving and exceeding targets for African Males, Indian Males and Females in most occupational levels.
  - For **HRD** – the 5% target on total leviable amount was achieved (at 5.3%). (Skills development targeted employees and community members, males and females).
  - **Inclusive Procurement** - the 70% target for mining goods was exceeded and the 80% target was narrowly missed for services (achieved 14.5% / 15% for services procured from Women Owned Businesses ).
  - **ESD** has no targets, however mining right holders contributed R1,8bn towards development and growth of emerging businesses in 2023.
  - For **BEE Ownership** – our companies have achieved 39% (weighted average) HDSA shareholding against the 26% target

# Consolidated SWOT Analysis

## Strengths

- South Africa is a leading global producer for PGM, Manganese, and Chromium, with significant Gold **reserves**, and endowed with a wide range of commodities.
- South Africa is a dominant supplier of PGM (80% of global reserves), Manganese (significant exporter), and Chromium (major global producer).
- **High-grade** ores contribute to competitive on-mine costs and efficient processing capabilities.
- Advanced **processing facilities** (e.g. Solvent Extraction and Electrowinning (SX/EW) for Copper, smelting for PGM and Manganese) enhance value addition.
- Well-developed **transport networks** (road, rail, and ports) improve export competitiveness, though maintenance is a concern.
- Active patent development and mining innovation signal strategic investment in efficiency and sustainability.
- Vast **mining skills and expertise** in extraction and processing.
- Emerging adoption of advanced extraction and processing technologies across different minerals.

## Weaknesses

- **Lower grades** in existing Copper, and Gold reserves lead to higher extraction costs and declining life of mine (LoM).
- **Limited exploration investment** in recent years which has slowed down new reserve discoveries.
- South Africa has relatively small Copper and Iron Ore reserves compared to competitors.
- Rising electricity costs and dependence on Eskom's coal-fired power increase operational expenses and ESG risks.
- Inefficient transport and **deteriorating infrastructure** raise logistics costs, impacting competitiveness.
- Mining Charter changes, slow licensing processes, and policy inconsistencies deter investment.
- Uncertainty around ESG requirements and carbon tax policies may further burden mining operations.
- Lack of **skills in mining technology and innovation** due to migration of expertise.
- **Low female participation** in the workforce and inadequate skills development in emerging technologies.

## Opportunities

- Leverage off global demand for Copper, Chromium, Manganese, and PGM which is increasing due to renewable energy, EVs, and battery storage.
- Expansion into **clean-energy metals can drive sector growth and attract investment**.
- Develop **downstream beneficiation** and value addition strategies to increase profit margins and export value
- Leverage **by-products** to diversify revenue streams and enhance the economic viability of mining operations.
- **Junior mining companies** (e.g., Orion Minerals for Copper) suggest growth potential in underexplored areas.
- Re-establishing abandoned mines (Okiep, Prieska) and expanding existing operations can increase critical mineral output.
- Improved **resource custodianship** can increase the reserve size and extend life of mine duration.
- Investing in **renewable energy** (solar, wind) can reduce operational costs and improve ESG ratings.
- Improved **ESG performance** can attract responsible investors and enhance security of supply.
- Adoption of **automation, AI, and digitisation** can improve mining efficiencies.
- **Collaborative R&D** with universities and OEMs can position South Africa as a leader in mining innovation.

## Threats

- Countries like Australia (Iron Ore), Chile (Copper), and Russia (PGM) have **larger reserves** and lower production costs, some also control their own logistics infrastructure.
- **Price volatility** in global markets (Gold, PGM, Manganese) can impact investment and revenues.
- Load shedding and **unreliable power supply** pose serious risks to production and so does **escalating electricity costs**.
- Poor **road, rail, and port maintenance** increase export inefficiencies and costs.
- Failure to improve ESG performance can lead to investment loss and supply chain exclusion.
- Carbon Border Adjustment Mechanism (CBAM) tariffs from the EU may increase export costs for high-emission products.
- **Labour strikes** and wage disputes impact production and result in lost time.
- **Escalating crime and** criminal activity manifesting through theft of product, illegal mining, procurement mafias, becoming endemic.
- **Poor service delivery** by Government exacerbating poverty, inequality and social disorganisation.
- **Community dissatisfaction** over mining's social impact could lead to operational disruptions.

# Conclusion

- **Trump tariffs** and **Middle East** conflict key near-term global economic drivers
- **Precious metal** prices on the up, coal and iron ore under pressure
- **SA GNU** survives squabbles, still rated favourably by public - SA **business confidence**, investment and growth remains poor
- Excl electricity, benign domestic **inflation** environment - **Mining** facing recessionary conditions
- Investment in **innovation**, **skills** and optimizing our **critical minerals** endowment bodes well for the future of SA mining
- The industry is **prioritizing partnerships** with government to enable key infrastructure – but Government is ultimately responsible and must **implement key reforms**
- The industry must take this opportunity to **re-imagine social development** and its transformation framework to enable **scalable projects** and **greater impact**
- South African needs to prioritise the growth and sustainability of mining industry - for employment and livelihoods, foreign exchange earnings, infrastructure development and government revenue
- Minerals Council is reviewing the **Mineral Resources Development Bill** and will engage the DMPR, Parliament and other stakeholders in due course



Anglo American Platinum – Databa Mine

# Thank you

# #MakingMiningMatter

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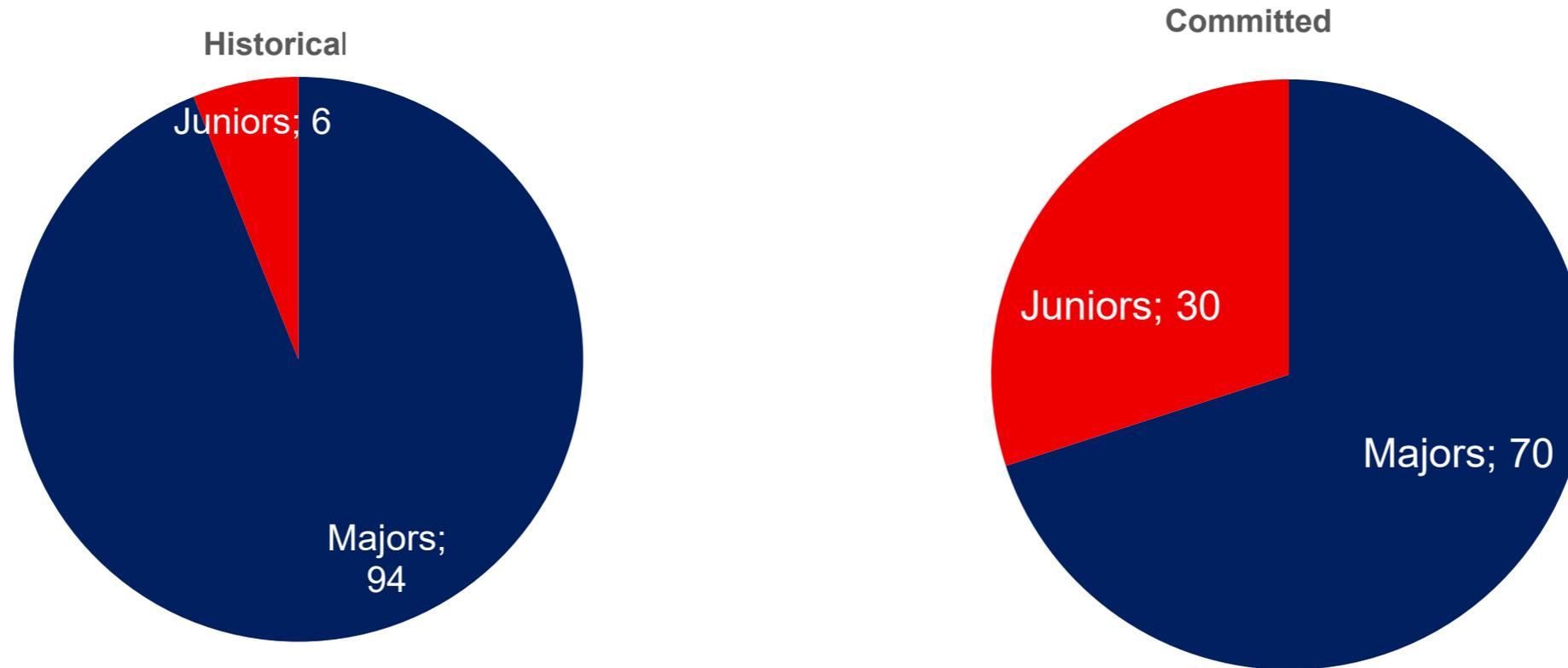
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# Transnet's rail capacity allocation



- Historically: the split in rail allocation was 94%:6% in favour of majors
- Transnet aspire to increase the juniors' allocation to 30% (70% allocation for the majors)
- “Historical” allocation refers to the status as of 2022 when Transnet made public the allocations. “Committed” is aspirational.

# Transnet's rail capacity allocation

## Transnet exports volumes allocation

		Coal	Iron ore	Manganese	Chrome	Magnetite
<b>Junior Miners</b>	Minimum (ktpa)	100	510	240	100	100
	Volume threshold Maximum (mtpa)	2	2	1	1	1
<b>Majors</b>	mtpa	>= 2	>= 2	>= 1	>= 1	>= 1

- Coal minimum based on 4 shipments of 25ktpa
- Iron Ore minimum based on 3 shipments of 170ktpa
- Manganese minimum based on 6 shipments of 40ktpa
- Magnetite for new mines and dump processing operations