

MEDIA STATEMENT

THE MINING INDUSTRY IS A CRITICAL PARTNER IN ENSURING THE FLOW OF SUSTAINABLE WATER SUPPLIES TO THE NORTHERN CAPE

Johannesburg, 30 March 2023. The Minerals Council South Africa and its members in the Northern Cape welcome the completion of the first phase of the project to refurbish the Vaal Gamagara Water Supply Scheme (VGWSS) to ensure water is supplied to communities, mines, agriculture and other businesses in the province.

The Minerals Council's Northern Cape Mine Leadership Forum is a critical partner in ensuring water reaches South Africa's driest province via the VGWSS pipeline. The first phase to replace an existing 75km of pipe between Roscoe and Blackrock is complete, benefiting about 6,000 households, mines, municipalities, farmers, and Transnet.

The construction of the Vaal Gamagara Water Supply Scheme was completed in 1968 to provide communities with water and to encourage investment in mining, agriculture and industry in the Northern Cape. The scheme extracts water from the Vaal River near Barkly West and serves the major towns of Postmasburg, Kathu, and Hotazel at its northern-most point. The pipeline has aged and needs urgent upgrading and capacity enhancements.

The Northern Cape Mines Leadership Forum has held extensive engagements with the Department of Water and Sanitation and Bloem Water, which is now the custodian of the VGWSS, to find a sustainable solution for the assets in the scheme as well as the second phase of work to upgrade the pipeline.

The mining industry has played a responsible role as a key social partner in water supply to the Northern Cape.

The mining industry consumes about 48% of the water it is authorised to extract from the system instead of its 59% allocation. This means there is more water available to supplement the balance of water allocated for municipalities catering for communities, agriculture, private businesses, government departments and entities, and water user associations.



More than 20 mining companies pay a premium compared to other users for water in the scheme towards a capital raising fee to pay for the second phase of the VGWSS. So far R268 million has been raised from the premium and it is ringfenced for the second phase of the pipeline upgrades, which includes upgrading the 260km pipeline between the Vaal River extraction point and Roscoe near Kathu.

The industry has taken up the responsibility to ensure water continues to flow in the VGWSS.

The Minerals Council's Northern Cape Mine Leadership Forum has used R50 million provided by Assmang, which is jointly owned by African Rainbow Minerals and Assore, and which mines manganese and iron ore in the Northern Cape, in the last few months, to keep VGWSS functional. The industry has conducted emergency repairs and routine maintenance of the pipeline and pump stations because the now-disestablished Sedibeng Water Board was unable to fulfil its mandate.

The VGWSS is designed to deliver 34-million litres of water a day but supplies about 24-million litres. The dewatering of Kumba Iron Ore's Kolomela and Sishen mines adds about 45-million litres to the system daily. The dewatering projects could deliver a total of 57-million litres in coming years.

The actions by the mining industry to date have met the Northern Cape Mine Leadership Forum's mandate to: "collaborate with key stakeholders to find a suitable solution for a sustainable transition of the asset to ensure a sustainable supply of water."

Providing a stable and sustainable source of cost-effective, clean water to communities in the Northern Cape is an essential part of the mandate as well as ensuring adequate water supplies for mining operations and other businesses.

The mining industry is working towards the best possible outcome for all stakeholders. All role players are reliant on a reliable and adequate source of water in this water-scarce region. It is only through collaboration that we can achieve this strategy so vital for lives and livelihoods in the Northern Cape. We continue to work towards #MakingMiningMatter.

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