



# QUARTERLY UPDATE

A PUBLICATION PRODUCED BY THE CHAMBER OF  
MINES OF SOUTH AFRICA

## HIGHLIGHTS IN THIS ISSUE

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**P1** From the CEO: "Working towards future sustainability"

*The Chamber of Mines of South Africa is a mining industry employers' organisation that supports and promotes the South African mining industry. The Chamber serves its members and promotes their interests by providing strategic support and advisory input. A key role of the organisation is to facilitate interaction among mining employers to examine policy issues and other matters of mutual concern to crystallise and define desirable industry standpoints. The Chamber also acts as a principal advocate for mining in South Africa to government, communicating major policies endorsed by its members.*



**P3** NEMA regulations – the Chamber's perspective



**P4** Reflection on a 130-year journey – Chamber President, Mike Teke

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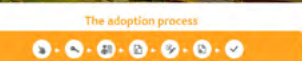


**P6** Masoyise iTB gets off to a good start



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# FROM THE CEO

## WORKING TOWARDS FUTURE SUSTAINABILITY

*The mining industry continues to face challenges. But like our nation, it keeps working towards future sustainability with dedication and enthusiasm.*

### AVOIDING A DOWNGRADE

The nation – ably led by Finance Minister Pravin Gordhan - successfully convinced ratings agencies that our economy is worth more than junk status. We cannot afford to be complacent though – we need to capitalise on this reprieve and deliver a more coherent performance in the months ahead. Certainly, our economy and our sector will be under scrutiny, through the local government elections, wage negotiations in the platinum sector and the mid-term budget. We are working very closely with other role players to achieve greater certainty in our sector. Engagement with the Department of Mineral Resources on the ‘new’ Mining Charter is ongoing. The industry is hopeful that an outcome that is fair, meaningful and sustainable will be achieved.

### SAFETY PERFORMANCE

It is with great disappointment that I must report that the industry has lost some traction in its journey towards zero harm in the first half of this year. I echo the sentiments expressed by Chamber President Mike Teke at a recent safety ‘imbizo’, which was led by the Minister of Mineral Resources, calling for vigilance, commitment and leadership by all role players.

#### SAFETY UPDATE:

Following a remarkable safety performance in 2015, it is very concerning to the Chamber of Mines that the mining industry has reported a regression in safety performance in the first half of 2016. There were 42 fatalities reported for the first six months of the year, compared with 41 fatalities during the same period in 2015. This figure excludes the three employees who remain missing at the Lily Mine. Chamber of Mines President Mike Teke has written to mining company CEOs urging heightened vigilance and focus on safety and health in the coming months.

Despite the disappointing performance in respect of fatal accidents, it has been encouraging to see an improvement in the actual number of serious injuries reported since the beginning of the year. In fact, the sector reported an improvement of 22% which is above the milestone target of 20% reduction in serious injuries per year.



**Roger Baxter**  
CEO – Chamber of Mines  
of South Africa

### TACKLING TB AND HIV/AIDS IN MINING

The mining industry is well aware of the heavy toll that TB and HIV/AIDS exact on our country and our industry. The Chamber has over the past years intensified its response to TB, in particular, and we are proud of the partnerships we have developed in the process. Dr Thuthula Balfour-Kaipa, head of health policy at the Chamber of Mines recently presented some of the early outcomes of the Masoyise iTB initiative.

Masoyise iTB is one of the Chamber’s flagship health projects and was approved by the Chamber Council in September 2015. The objectives of Masoyise iTB dovetail with those of the industry where in November 2014 we set an industry milestone that 100% of employees should be offered HIV counselling and testing each year and be linked to an antiretroviral therapy programme. The aim of Masoyise is to have a meaningful impact on the TB challenge in the country. In line with our industry milestone, we aim to reduce the current high incidence rate of TB and support the WHO Global Strategy to end TB. (see page 6).

## FROM THE CEO continued

### MINING INNOVATION HUB

While the gold sector has enjoyed a reprieve as far as pricing is concerned, the industry as a whole continues to face rising costs. The industry has placed a great deal of focus on cost reduction strategies but, ultimately, for the industry to succeed – especially the deep level mines – we will need a step-change in productivity.

It is with great excitement that the Chamber has been a critical driver of the re-establishment of a mining research organisation in collaboration with other industry stakeholders. The mining innovation hub, which is located in Richmond, Johannesburg, is pivotal on the road to returning South Africa to being one of the global leaders in mining research and development. This hub will play a fundamental role in the sustainability of some of our deeper shafts in South Africa.

The industry – in collaboration with the regulator, academic institutions and equipment manufacturers – is focussing on a number of ‘quick win’ projects.

### ANNUAL GENERAL MEETING (AGM) AND ANNUAL REPORT

On 18 May, the Chamber held its 126th AGM. We were fortunate that the Minister of Mineral Resources, Mosebenzi Zwane, took the time to attend the AGM and address companies and members of the media.

The industry is also privileged to continue to have the services of Mike Teke, who was elected to serve again as President, and Andile Sangqu as Vice President. Sibanye’s Neal Froneman was elected as the second Vice President.

On behalf of the Chamber and its members I would like to thank a stalwart of the South African mining industry, Graham Briggs, for all of the hard work he has put in to improve the South African mining industry in all aspects. Graham has retired from his position as Vice President of the Chamber of Mines. The Chamber is thankful for his dedication and commitment to the Council and wish him well for his plans for the future.

**Roger Baxter**

CEO – Chamber of Mines of South Africa

## USEFUL LINKS

Chamber of Mines Integrated Annual Review 2015

*The Chamber of Mines’ Integrated Annual Review 2015 was also released at the Chamber AGM and is available online on the Chamber website. The review has some insight into the past year and what the industry has managed to achieve in this time frame.*



# NEMA REGULATIONS – THE CHAMBER'S PERSPECTIVE



Stephinah Mudau, Head: Environment

***The National Environmental Management Act (NEMA) Financial Provision regulations published by the Minister of Environmental Affairs in November 2015 present serious challenges for mining operations in respect of the implications of their legal, tax, financial and practical implementation.***

This is the view of the Chamber's environmental team, led by Stephinah Mudau, which has engaged extensively with the Department of Environmental Affairs and the Department of Mineral Resources on the matter.

Says Stephinah, "The Chamber has pointed out the technical and financial implications of the regulations on various drafts, with a view to finding a satisfactory resolution to resolving issues of concern. These engagements continue."

The NEMA Financial Provision regulation is necessary as it forms part of the suite of regulations to be published for the implementation of the One Environmental System (OES) in the mining industry. OES came into being through an agreement between the ministers responsible for environmental affairs and mineral resources, under which all environment-related work undertaken for mining and related activities - and its impact - would no longer be regulated in terms of the Minerals and Petroleum Resources Development Act, but rather be governed by NEMA.

Flowing from this, the Minister of Mineral Resources will be the competent authority to implement the provisions of NEMA, issue environmental authorisations in terms of the NEMA for prospecting, exploration, mining or operations, with the Minister of Environmental Affairs being the appeal authority for the decisions taken by the Minister of Mineral Resources.

Some areas of concern to the industry are:

- The double funding provisions, given that mining companies would continue funding on-going rehabilitation activities through operating costs, and at the same time provide for on-going rehabilitation and environmental management costs in the financial provision fund.
- Amendments or withdrawals from trust funds for rehabilitation (as will be required) will result in tax liabilities and also limitation in the use of the trust funds to latent and residual impacts.
- The extraordinary administrative and cost burden on the industry as a result of over auditing requirements which is likely to be crippling to any operation that is able to mine profitably.
- Unjustifiable inclusion of clauses pertaining to care and maintenance.

## CHAMBER RESPONSE TO CER

The Centre for Environmental Rights (CER) recently published a report on 'poor governance of mining and the violation of environmental rights in Mpumalanga'. The Chamber and its members have studied the report thoroughly and have responded to the CER. This response may be found at: the link provided below:

[Response to the Centre for Environmental Rights \(CER\) report](#)

## USEFUL LINKS

"Mine Rehabilitation: New regulations for clean-up", Charlotte Mathews, Financial Mail

Financial provisions in NEMA – the view of the Chamber of Mines

# REFLECTION ON A 130-YEAR JOURNEY

## AGM ADDRESS BY CHAMBER PRESIDENT, MIKE TEKE

*"The journey of the mining industry has lasted more than 130 years so far. It has been mostly bleak, caught in violent storms. Mostly moving forwards, sometimes backwards, sometimes marching in directions it should never have taken. At the end of this my second term as president of the Chamber of Mines it is time for me to indulge in some reflection."*

And so began the 126th address of the President of the Chamber of Mines of South Africa at the Chamber's AGM on 18 May 2016.

In his address, Mike Teke painted a picture of an industry at a crossroads:

Addressing Minister Zwane, Mr Teke said, "The industry you now regulate has produced the best and the worst. It funded and made possible the worst political system in the history of the world, and it also produced some of the best entrepreneurs of our time, who built global mining houses, like the Oppenheims. It has also produced some of the best leaders of our time such as Cyril Ramaphosa, who not only negotiated our celebrated constitution, but who also helped to resolve international issues, such as when he stepped in to help Ireland with its negotiations in the early 2000s. It has also produced people like former Vice President Kgalema Motlanthe and Gwede Mantashe, Patrice Motsepe of ARM and Siphon Nkosi of Exxaro to mention but a few.

***We are like a family whose children are always fighting, only to produce a boxing champion. We are proud of our achievements, but we can't be proud of our history. It is time to change the course of our journey, so our children can be proud of us, and the history we are making for them.***

He concluded: "The journey to our greatness, cannot be carried out by one person alone or indeed, one group alone. It cannot be carried out by government alone, or the unions alone, or the industry by itself.

"Optimising mining's contribution to this country, the neighbouring countries, our employees and their families, does not lie in litigation, mutual enmity and ongoing conflict. The road to a better future for all mining's stakeholders lies in collaboration and partnership.



**Mike Teke**, Chamber of Mines: President

"We have to walk together, and we have to talk. Disagreement is not disloyalty, after-all as Africans we say asiya nganxanye singemanzi, "Only water flows in the same direction." This is especially important- mining is certainly not a sunset industry. Even our 130-year-old gold mining sector has huge potential for the future with the promising research and development into new mining methods, which itself can spawn a new set of industries – as it did 100 years ago. ... as South Africans, we have earned the right to be optimistic, because we have triumphed over the worst adversity and are committed to working towards a better future for all."

*continued on the next page*

## USEFUL LINKS

Speech: Presidential address at the occasion of the 126th annual general meeting of the Chamber of Mines of South Africa



Photo source: mineweb.com

### COMMENTS FROM MINISTER MOSEBENZI JOSEPH ZWANE

“The DMR has had three or four formal discussions with the chamber and both parties are happy about what has emerged from these meetings to date. We are largely on the same page; we just have to sort out the nitty-gritty issues.”

“I am a team player. I would like to assist the sector. If technology is the way to go, let us engage labour. Let us not shy away from these issues.”

“The issue of transformation and putting new entrants into the industry is important. This country belongs to all of us.”

“We understand the impact of closing mines willy-nilly.”

“We believe we should be able to do better this time because of the lessons learned.”

## APPOINTMENT OF NEW OFFICE BEARERS

### New office bearers were elected to lead the Chamber until the next AGM in 2017

Mike Teke was re-elected as President and will serve his third term as president. He brings significant leadership and wisdom to the table at this trying time for the sector. Andile Sangqu who is the executive head of Anglo American South Africa and has held senior positions for various government departments was re-elected as Deputy President. Neal Froneman was newly elected to the position of Deputy President. Mr Froneman has been at the helm of Sibanye since January 2013 and has some 30 years of operational, corporate development and mining industry experience.

On behalf of the Chamber of Mines and its members, Mr Teke extended the industry’s gratitude to outgoing Vice President Graham Briggs for the valuable contribution he has made to the mining industry.



#### MIKE TEKE

**BA (Ed); BA (Hons); MBA**

Mike Teke has served in various human resources roles at Unilever, Bayer, BHP Billiton and Impala Platinum. In 2008, he became one of the founding members and CEO of Optimum Coal. Mike was appointed Vice President of the Chamber of Mines in 2011 and elected Chamber President in 2013.



#### ANDILE SANGQU

**BCom (Acc); BCompt (Hons); CTA; Higher Diploma Tax Law; MBL;**

Andile Sangqu has provided leadership and guidance in various strategic areas including financial restructuring and development, strategic planning, organisational transformation and change management processes. Andile is currently executive head of Anglo American South Africa. He has also held senior positions in various government departments and currently serves as a non-executive director in a number of companies.



#### NEAL FRONEMAN

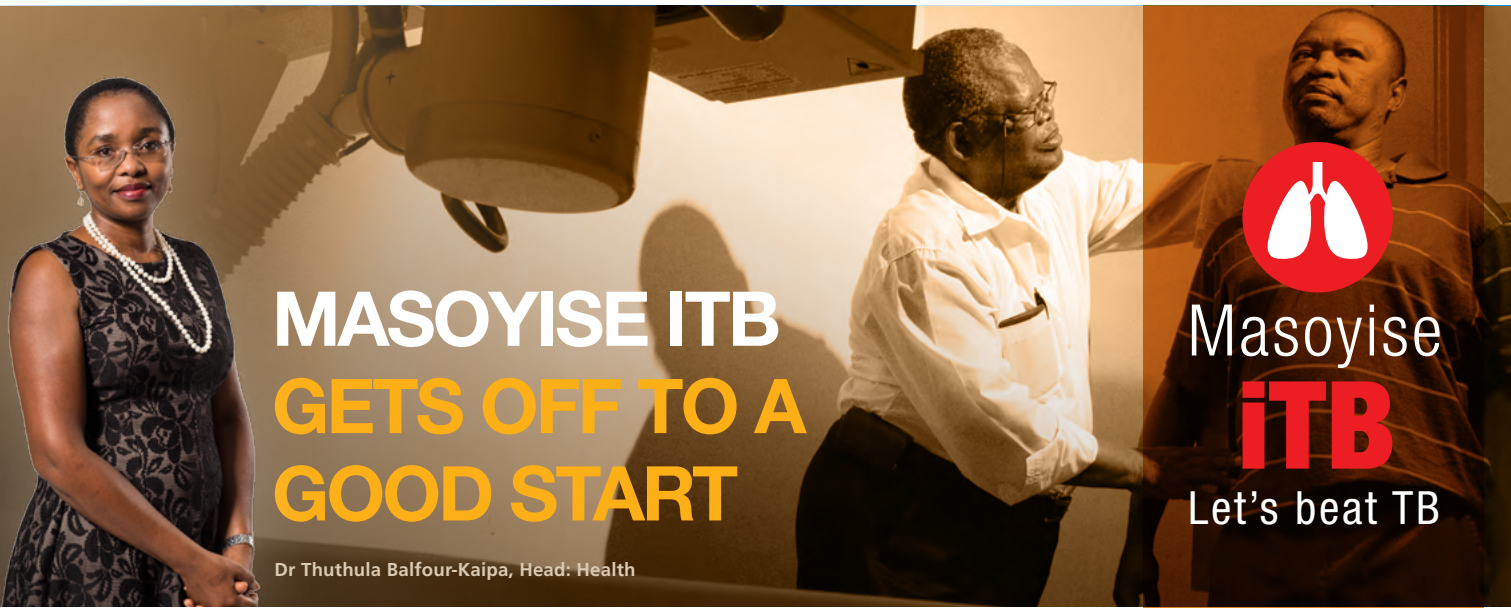
**BSc Mech Eng (Ind Opt), University of the Witwatersrand BCompt, University of South Africa PrEng**

Neal Froneman has been at the helm of Sibanye since January 2013 and has some 30 years of operational, corporate development and mining industry experience. He was appointed CEO of Alease Gold Limited (Alease Gold) in April 2003. Alease Gold, through a series of reverse take-overs, became Gold One in May 2009. Neal was primarily responsible for the creation of Uranium One Incorporated (Uranium One) from the Alease Gold uranium assets. During this period, he was CEO of Alease Gold and Uranium One until his resignation from Uranium One in February 2008. Prior to joining Alease Gold, Neal held executive and senior management positions at Gold Fields of South Africa Limited, Harmony Gold and JCI Limited. He currently serves as non-executive director in a number of companies.

### USEFUL LINKS

Statement: Chamber of Mines office bearers

Chamber of Mines office bearers, representatives and executives



# MASOYISE ITB GETS OFF TO A GOOD START

Dr Thuthula Balfour-Kaipa, Head: Health



Masoyise  
**iTB**  
Let's beat TB

## 94% OF CHAMBER OF MINES MEMBER EMPLOYEES SCREENED FOR TB IN 2015 – TARGET OF 100% FOR 2016

Masoyise iTB – a tripartite initiative with government and trade unions – is one of the Chamber of Mines’ flagship health projects. It has its origins in the announcement on 24 March 2015 by Deputy President Cyril Ramaphosa that South Africa would be increasing screening for TB and HIV in high risk groups. Since the mining industry is considered a high risk group, the Chamber took on the challenge of ensuring maximum screening.

### PROJECT GOALS

The objectives of Masoyise iTB dovetail with those of the industry’s HIV initiatives, where in November 2014 we set the target that 100% of employees should be offered HIV counselling and testing each year and those who tested positive should be linked to an antiretroviral therapy programme. The aim of Masoyise is to have a similarly meaningful impact on South Africa’s TB challenge. In line with our industry milestones, we aim to reduce the current high incidence of TB and support the World Health Organization Global Strategy to end TB.

Through Masoyise iTB, the Chamber has set a target of screening all permanent and contractor employees in the industry for TB and HIV over three years (2016 to 2018). While Masoyise officially only got underway in 2016, the industry’s TB programme has been in place for some time, providing an excellent foundation.

### ACHIEVEMENTS TO DATE

The Masoyise iTB data for 2015 covers a total of around 332 000 employees - both permanent and contractors – and shows that 94.4% of Chamber member employees were screened for TB. From the data collected, the TB incidence rate for the Chamber was 1,066 cases per 100,000, compared to the industry milestone which is the South African rate of just under 1,000 cases/100,000. Across commodities, the rate ranged from 1,637/100 000 in gold, 967/100 000 in platinum to 233/100 000 in coal.

**TACKLING TB IN MINING**

GOVERNMENT, LABOUR AND BUSINESS UNITE IN THEIR EFFORTS TO REDUCE TB IN MINING

**INTRODUCTION**  
When Deputy President Cyril Ramaphosa launched a major anti-tuberculosis campaign in SA on World TB Day in March 2015, the country's mining sector and regions were always going to be an important part of it. The theme of the national campaign is "Ending South Africa's TB epidemic: Accelerating our response in Key Populations". Tuberculosis (TB) prevalence on mines and in surrounding mining towns is higher than the national average.

That is why the departments of Health and of Mineral Resources, the four primary mining unions – Association of Mineworkers and Construction Union (AMCU), the National Union of Metalworkers (NAMU), Solidarity, UGMA – and the Chamber of Mines in December 2015 launched Masoyise iTB, a major TB screening campaign in South Africa's mining sector.

**THE GOALS AND TARGETS OF MASOYISE iTB**  
The Masoyise iTB initiative is planned to run over three years from 2016-2018. The ultimate goal is to reduce TB incidence on mines and in mining regions to below the rate for the general population. Of course, it's hoped that the national campaign will reduce TB incidence in the country as a whole in that period too. To achieve that goal we have the following targets:

TARGET 1	TARGET 2	TARGET 3	TARGET 4	TARGET 5
Every mine employee to be screened for TB each year	Every mine employee to do self-administered counselling and testing (SACT) for HIV each year	Extended contact tracing into mining communities	Support to small mines	Support to mine contractors

**WHERE ARE WE NOW?**

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Latest data shows that the TB incidence rate for Chamber member companies was 1066 cases/100 000 population compared with the overall TB incidence in South Africa of 834 cases/100 000.

The companies affiliated to the Chamber of Mines already run extensive TB screening and SACT programmes and offer comprehensive treatment services for employees. These diagrams show the situation in 2015.

EMPLOYEES SCREENED FOR TB	EMPLOYEES COUNSELLED FOR HIV
94.4% 332 527 Total employees 313 854 Screened for TB	79.1% 332 527 Total employees 262 951 Screened for HIV

**THESE NUMBERS SHOW:**

- 1) Chamber members are close to meeting the targets in their own fields. A final push is required to get there.
- 2) But small mines and contractors require help and participation to embrace the campaign targets.
- 3) The development of a contact tracing programme into communities is another of Masoyise iTB's big challenges.



Masoyise  
**iTB**  
Let's beat TB

# MASOYISE ITB GETS OFF TO A GOOD START

*continued*

The percentage of Chamber employees counselled for HIV was 79.1%, while the industry milestone is 100%. In total, around 70% of permanent employees were counselled versus 69% of contractors. The percentage screened, according to commodities ranged from 91% in platinum, 88% in coal to 61% in gold. TB management in contractors continues to be a challenge and the Chamber has asked companies to again review contractors' TB management practices.

## MAKING TESTING MORE AFFORDABLE

There have been exciting developments regarding access to more affordable TB and HIV diagnostics. We made a breakthrough in June when the National Health Laboratory Services (NHLS) offered to provide TB and HIV diagnostics to Chamber members at discounted prices. Our members will now enjoy 40-50% discounts on private sector prices for tests such as GeneXPert, viral load, CD4 count, HIV PCR and TB microscopy and culture.

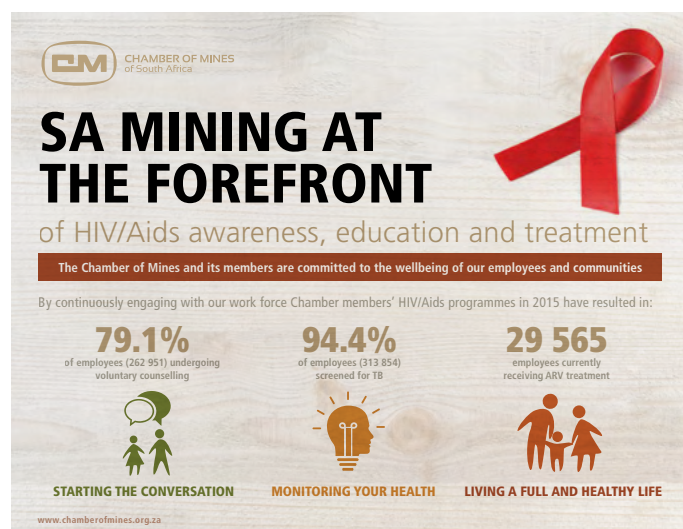
Where previously the GeneXPert test cost R900 in the private sector, Chamber members will have access to it at R549 through the NHLS.

We welcome this generous offer from the NHLS and see it as a positive part of our collaboration with the public sector. We look forward to working together beyond TB and HIV.

## THE IMPORTANCE OF CONTACT TRACING

Contact tracing plays an important role in the fight against TB. The Chamber's TB task team has designated the West Rand as a pilot district for strengthening contact tracing beyond mines. With the district and provincial departments of Health, public sector clinics, NGOs and mining companies, clear contact tracing protocols have been agreed. Significant progress has been made in using NGOs for contact tracing beyond the mines, including in labour sending areas. This project needs further monitoring and strengthening and we aim to develop a model that can be rolled out to other provinces, once it deemed successful in the West Rand.

We are also collaborating with relevant stakeholders such as SABCOHA, University Research South Africa and others in supporting screening for TB and HIV in small mines.



## USEFUL LINKS

Fact Sheet: Tuberculosis in South Africa

Tackling TB and HIV/AIDS in mining

Fact sheet: Tackling TB in mining

Statement: Government labour and business unite in their efforts to eradicate TB

Speech: Mr Andile Sangqu, Chairman of the Masoyise iTB Steering Committee at the MHSC parallel session, Durban, 18 July 2016



**MINING INDUSTRY  
OCCUPATIONAL  
SAFETY & HEALTH**

# MOSH UNVEILS A NEW WEBSITE

Stanford Mamoshito Malatji  
Learning Hub: Head



*The new Mining Industry Occupational Safety and Health (MOSH) website was launched at the end of June 2016.*

The first set of occupational health and safety milestones were agreed upon in June 2003 by the Chamber of Mines and its social partners, government and labour. MOSH was established to focus on the adoption of leading practices to address health and safety concerns, and accelerate the progress towards achieving zero harm.

The practices to be addressed were: falls of ground, transport and machinery, and dust and noise.

### ABOUT MOSH AND THE LEARNING HUB

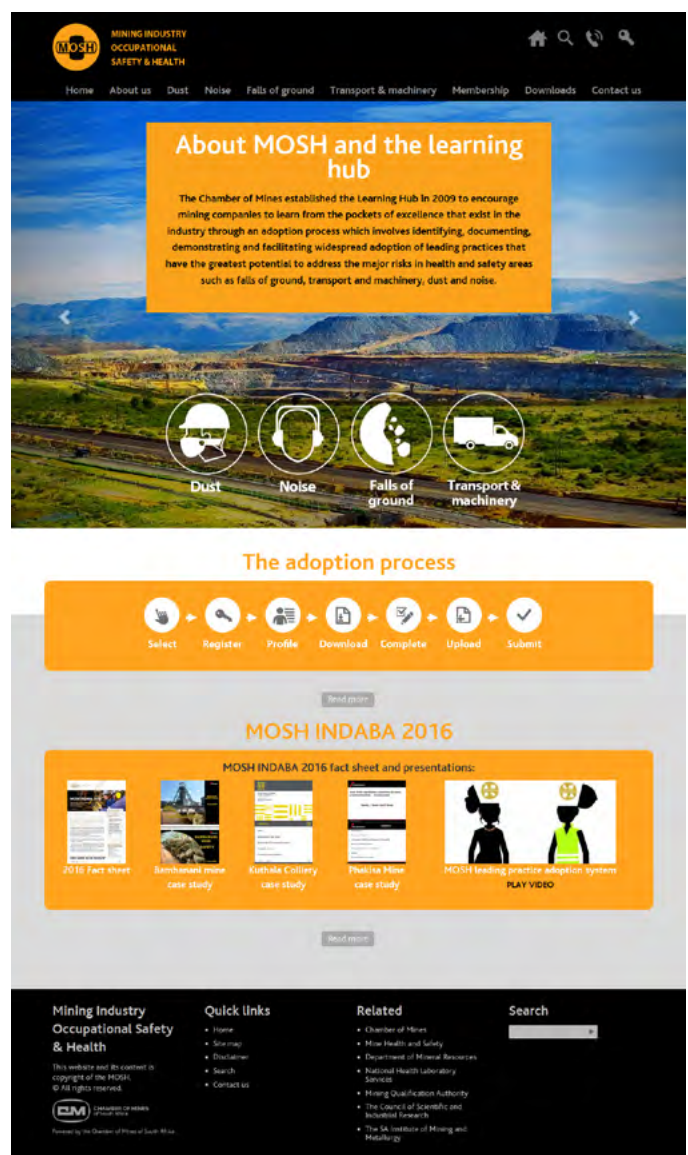
Some of the MOSH leading practices are sourced from the research outcomes of the Mine Health and Safety Council (MHSC) was set up in 1996 to direct safety in the mining industry and to respond to industry safety challenges. This body was built on the achievements of decades of fundamental research funded by the mining industry.

MOSH was reinforced in 2005, by the mining companies' commitment to achieving the 2013 MHSC milestones, and their continuous progress towards achieving the target of zero harm.

In 2006 the MOSH Task Force was established to identify both obstacles and supports to reducing fatalities, occupational injuries and diseases. It was further tasked with identifying and finding sustainable solutions for the attainment of the 2013 milestones.

It soon transpired that there were pockets of industry leading-practices that had directly contributed to superior health and safety performance on some mines, and that, if these practices were applied widely across the industry, they would contribute significantly to the achievement of the milestones. Consequently, in 2007 the Chamber of Mines successfully piloted the MOSH Leading Practice Adoption System to facilitate the identification and widespread adoption of the most-promising of these leading practices.

The Chamber of Mines established the Learning Hub in 2009 to encourage mining companies to learn from the pockets of excellence that exist in the industry through an adoption process which involves identifying, documenting, demonstrating where necessary and facilitating widespread adoption of leading practices that have the greatest potential to address major health and safety risks.



## USEFUL LINKS

MOSH website

## MORE CHAMBER NEWS:

**April 15 2016:** Chamber of Mines notes release of draft mining charter

**April 22 2016:** Changes would have stifled BEE activity of past 12 years

**April 26 2016:** Joint announcement between the Chamber of Mines and the DMR

**May 03 2016:** Application to consolidate actions dismissed

**May 18 2016:** Chamber of Mines published Integrated Annual Review and Financial Statements for the year ended 31 December 2015

**May 18 2016:** Presidential address at the occasion of the 126th Annual General Meeting of the Chamber of Mines of South Africa

**May 18 2016:** Chamber of Mines office bears

**May 20 2016:** Chamber of Mines fully supports the integration of compensation systems

**May 23 2016:** Chamber of Mines extends condolences and support to families, colleagues friends affected by incident at Impala Platinum

**May 30 2016:** Chamber of Mines welcomes Corruption Watch report

**June 03 2016:** Chamber of Mines notes decision to maintain debt rating at BBB- investment grade

**June 07 2016:** Chamber statement on violence at and near Northam

**July 25 2016:** Trade mis-invoicing – Chamber response to Unctad-sponsored report

