

27 May 2026

Minerals Council South Africa - 136th Annual General Meeting

CEO's keynote address

Mzila Mthenjane

Esteemed members, colleagues, partners and the media, ladies and gentlemen, good morning. It is my pleasure and a privilege to welcome you to this 136th Annual General Meeting of the Minerals Council South Africa.

Reflecting on the financial year ended 31 December 2025, I am proud to say that our sector has once again demonstrated resilience, discipline and the ability to deliver value in the face of a complex, volatile and evolving domestic and international environment. Members of the Minerals Council maintained their representation of more than 90% of annual mineral sales for the South African mining industry, supporting our economy through foreign exchange earnings as well as the livelihoods of the 470 000 employees and their families.

During 2025, the Minerals Council continued to serve its members and the mining sector as a trusted partner. We have been a stabilising platform in these uncertain times, ensuring that, despite continued infrastructure constraints, high energy prices, evolving legislation and heightened global competitiveness, we remained focused on strengthening investment conditions, strengthening competitiveness and reinforcing our social and environmental legitimacy.

1. Strengthened our Zero Harm Journey

Safety and health remain non-negotiable. The implementation of Khumbul'ekhaya 2.0 marked a significant evolution in our CEO-led safety and health architecture, integrating predictive risk management, leadership accountability and data-enabled oversight. The increase in fall-of-ground fatalities is of deep concern to us; hence we have strengthened frameworks to address risks structurally.

The continued downward trend in the number of fatalities, serious injuries and diseases gives us encouragement that our safety and health initiatives are delivering the step changes on our journey to Zero Harm.

Encouraging progress continues in occupational health, with reductions in dust-related diseases and TB incidence. The Masoyise Health Programme's new strategy expands

our focus to mental health and women's health, recognising that workforce well-being underpins productivity and sustainability.

2. Engaged in stabilising key enablers of competitiveness

The diversity of the mining industry remains central to South Africa's economy, contributing significantly through export earnings, direct and indirect employment, employee earnings and fiscal revenue during volatile market periods. Our contribution to the economy and society is significant and **incontestable**; Yet this industry remains with unrealised and untapped potential to make a far greater contribution if provided with a favourable regulatory and operating environment. A critical realization, for me at least, is that despite our mineral endowment, **growth is not an entitlement, and capital investment is not charitable giving.**

Attracting investment and realising production growth and new entrants require policy certainty, lower cost of doing business and competitive sector performance through reliable sources of electricity, water and logistics.

Paul Dunne, our President, will speak more about the regulatory environment. Suffice it for me to say that, compared to where we were a year ago when the Bill was gazetted, the Minerals Council is encouraged by the nature of engagements we have had with our counterparts in the Department of Mineral and Petroleum Resources over the past 12 months. We feel that we are being heard, and we trust that our inputs will be reflected in the revised MRD Bill expected later this year. Engagements will continue through the various public engagement processes to the Act.

A constructive and positive outcome to these engagements will see a shift in sentiment towards the South African mining industry, as well as the greater economy given its multiplier effects. The outcome will be greater exploration and mine development investment, dovetailing with the encouraging structural changes we are witnessing in energy, rail and ports - changes that will support production and exports of our minerals.

The mining industry cannot fully leverage domestic or international financial resources while poor policy development and operational difficulties persist. We do not underestimate the damage caused by years of corruption and mismanagement at key state institutions, nor the time it will take to restore the devastation, and we are committed to being part of the solution and reconstruction.

- We note that there has been no loadshedding for more than a year, giving the mining sector (and the economy) a reliable source of energy to ensure uninterrupted mining and processing operations. However, years of above-inflation electricity tariff increases have made parts of the mining value chain and beneficiation of minerals globally uncompetitive. In combination with industry partners, FAPA and EIUG, we have engaged with the Department of Electricity and Energy and Eskom on behalf of our respective members to secure lower tariffs, *at this stage*, for ferrochrome

producers. We welcome the lower proposed tariffs for the two major producers and anticipate further engagements over time that will deliver the same outcome for the rest of energy intensive industries. It is imperative that we achieve this outcome to arrest “de-industrialization” and ensure a full value chain low cost of production to deliver competitive industrial products for domestics and international markets.

- Energy transition continues to be both a challenge and an opportunity. Member companies are expanding embedded renewable capacity, reducing their carbon footprints while securing long-term, cost-competitive supply. The mining sector is one of the leading industries in the rollout of renewable energy sources. The Minerals Council’s advocacy ensures that South Africa’s just transition to a low-carbon future remains realistic, people-centred, competitive and aligned with industrial resilience. Coal will remain a leading source of electricity generation as we adopt a pragmatic approach to achieving net zero carbon.
- Rail freight tonnages are bottoming out, and the trajectory is in the right direction, but performance remains below targeted levels. The structural reforms in both energy and logistics to include the private sector will unlock funding and expertise to expand these services for the benefit of our economy and employment.
- Collaborative interventions, such as regional water infrastructure partnership programmes in Limpopo and the Northern Cape, are strengthening resilience. To expedite these projects, constructive partnerships are required with water boards and the Department of Water and Sanitation.

3. Reinforcing relationship between transformation and inclusion growth

Transformation is key to competitive and inclusive growth, not a substitute; but growth cannot be legislated through transformation. In 2025, we intensified engagement on the amended Employment Equity Act and launched the Women in Mining Strategy 2025–2027. Our research amongst our members, shows strong investment in skills development, reflecting commitment to workforce empowerment and long-term sustainability; for our members, transformation is deliberate, achievable and supported by strengthened skills pipelines. Sustainable transformation requires policy coherence, collaboration and practical implementation mechanisms that recognise operational realities and past achievements. A growing mining sector is both inclusive and transformational for South Africa across several dimensions, viz., -

- Breaking through racial and gender barriers to employment;
- Creating economic opportunities through enterprise and supplier develop and procurement opportunities that increase localization;
- Creating ownership models for employees and communities
- Enabling investment in critical infrastructure within communities and surrounding regions

- Driving industrialization through producing critical materials and minerals, thus diversifying the economy, stimulating broader skills development and harnessing the full potential of our nations' capabilities.

4. Modernisation and innovation for a resilient industry

If policy certainty and infrastructure stabilisation are the immediate priority, modernisation is the long-term lever for safe, healthy, productive mines that are globally competitive. Through partnerships like the Mandela Mining Precinct and Research Institute for Innovation and Sustainability (RIIS), we are integrating mechanisation, digitalisation, and safety and health-enhancing technologies into operations. Modernisation in South Africa is people-centred and integral to competitiveness, resilience and sustainability - it must enhance safety, health, and productivity, deepen skills and improve efficiency simultaneously.

5. Institutional strength

Internally, we strengthened governance, succession planning, and risk oversight. Quarterly risk reviews and structured Board sessions improved alignment between advocacy priorities and emerging risks. Financial discipline remains robust, reinforcing our credibility.

Our work is delivered through structured engagement with government, labour, communities, other economic sectors as well as domestic and global institutions. The maturity of these platforms reflects a shift from crisis response to future facing and structured collaboration, and forging partnerships for investment and growth.

6. Looking ahead

While challenges remain, the Minerals Council entered 2026 on stronger footing and with clear intent. Our priorities include:

- Partnering with members to embed predictive safety and health systems to eliminate critical risks and continue our journey towards Zero Harm.
- Strengthening inclusive transformation through skills pipelines that will meet evolving innovation and technology developments.
- Securing pragmatic policy certainty under the MRD Bill, fiscal regime and other related legislation to limit the burden of compliance and enhance the ease and ability to do the business of exploration and mining.
- Restoring infrastructure reliability to unlock production growth, which will generate the revenue required for reinvestment by, *firstly*, mining companies for their sustainability and growth, and *secondly*, for government to invest in basic services and critical infrastructure to drive economic growth to levels upwards of 5% per annum.

Restoring competitiveness will require continued infrastructure reform, regulatory certainty, and accelerated exploration investment.

Since January this year the Minerals Council has started work on the fundamental elements that underpin the Investment and Growth of the South African Mining Industry. We are identifying what is constraining investment in exploration, mine development and mining operations. Some of these factors are well known, however, we are engaging a broad range of stakeholders locally and internationally to develop a comprehensive understanding of the blockages and options to address those constraints. The Strategy will deliver a focused intervention model, and identify mechanisms to convert capital availability into projects, make bottlenecks visible and be resolved.

For this strategy to succeed, we need trusting partnerships with key government stakeholders, state-owned entities and investors. By forging partnerships for investment and growth, we are confident we can unlock and translate South Africa's world-class mineral endowment and deliver economic wealth and social prosperity for employees, communities and greater society.

7. Acknowledgements of service to the industry and the Minerals Council

I extend my sincere thanks to our members and their leadership, our stakeholders and colleagues for their steadfast support.

A heartfelt thanks, on behalf of our members and the Minerals Council, to Japie Fullard, who tirelessly chaired and championed the CEO Zero Harm Forum with passion, dedication and wisdom. He stepped down from the role this year. We welcome Moses Madondo as the new Chair of the CEO Zero Harm Forum, which serves as an invaluable health and safety intervention at the highest level of our members.

8. In closing

With disciplined policy reform, modernisation and partnerships, mining can anchor and elevate South Africa's economic development, industrial capability, and social progress. We can unlock growth, skills and job creation, restore competitiveness, and secure a sustainable future for our industry and our country and demonstrate why **#MiningMatters**.

Thank you.

I invite our President, Paul Dunne, to address you.

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