MINERALS COUNCIL
SOUTH AFRICA

MEDIA STATEMENT

Revitalising the junior and emerging miners sector in South Africa is essential for the country

Johannesburg, 13 April 2026. A research report into South Africa's junior and emerging mining sector demonstrates the growing importance of smaller companies but that the sector is severely hamstrung and unable to deliver to its full potential.

The external study commissioned by the Minerals Council South Africa and entitled **The Extent, Nature And Economic Impact Of The Junior And Emerging Mining Sector In South Africa In 2025 - An Update From The 2019 Report** highlights the importance of the sector in terms of jobs, taxes and the future sustainability of the local mining industry, but it notes that there are constraints on exploration activities, mine development and operating mines.

"This research demonstrates that a robust and well-supported junior mining sector is essential for creating an additional 50,000 direct mining jobs and 350,000 secondary jobs supporting the mining industry in South Africa over the next decade and beyond," the report notes.

"Furthermore, it will significantly increase tax revenues for the Government, providing funds for the maintenance and expansion of national infrastructure. Junior mining can, and should, play a vital role in aiding government efforts to accelerate economic growth beyond population growth and inflation rates," it states.

The report, which clearly defines what constitutes small-scale, medium- and large-scale miners, says that about 77% of mining licences and permits are granted to junior mining companies and the balance to majors, but that the junior sector generates just 11% of total mining revenue.

Junior and emerging mining companies contributed R122.8 billion or 11 in revenue out of the total mining industry revenue of R1.083 trillion for the period January to December 2024. The sub-sector provided jobs to 58,496 people directly in 2024 and potentially generated 409,472 more jobs in the South African economy when applying a job multiplier of seven.

"Herein lies the strategic opportunity for the country, and government must focus its efforts on supporting and growing junior and emerging miners to become the majors of the future."

The difficulties faced by the junior sector is clearly demonstrated by South Africa attracting less than 1% of global exploration expenditure in recent years compared to 8% in 2001. Among the constraints are the difficulties in attracting investment because of a perceived uncertain and unattractive regulatory environment.

Among the report's recommendations are that South Africa introduce a flow-through share incentive modelled on the Canadian model which has made that country a leading junior mining hub. At present, South Africa offers limited compelling incentives to attract foreign investors to fund mining projects.

According to the Minerals Council, using the PwC Social Accounting Matrix Model, an effective flow through share tax incentive could generate R15.8 billion in tax revenue per successful mine - including royalties, income tax and withholding tax of R9.6 billion, and induced taxes of R6.2 billion.

"By fostering a supportive environment, junior miners can drive exploration, a function previously driven in-house by majors. This exploration is vital for discovering the next generation of large-scale mines. A flourishing junior sector could create thousands of jobs, contribute significantly to the tax base and help create a new generation of mining capitalists," the report states.

While highlighting the complex environment and difficulties junior and emerging miners must traverse, the report notes positive developments initiated by the Department of Mineral and Petroleum Resources to revitalise the sub-sector.

The regulator published its strategy on exploration in 2022, it has published a strategy document on critical minerals and metals in 2025 and has jointly launched an exploration fund which is attracting investments from large mining companies.

One of the key obstacles is growing criminality and sophisticated cartels that are negatively impacting junior and emerging mining companies, requiring a far more focused and proactive response from the justice cluster as well as the DMPR, which has criminalised illegal mining activities in its draft Mineral Resources Development Bill.

The report suggested established mining houses can play a significant role in supporting junior miners. Junior miners can perform critical exploration processes, which can support majors in growing their project portfolios. Majors hold critical skills and capacity that can be shared with juniors, which will lead to fewer mistakes and avoidance of the loss of scarce capital.

The full report, which includes case studies based on interviews with companies operating in the sub-sector and their challenges, can be found here.

A webinar where the report's findings were presented can be viewed here.

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