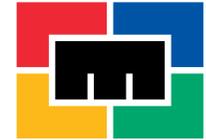


#MakingMiningMatter

A PUBLICATION PRODUCED BY THE MINERALS COUNCIL SOUTH AFRICA FOR MEMBERS



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SOUTH AFRICA

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FROM THE CEO



Anglo American Platinum - Mogalakwena

Roger Baxter
Chief Executive Officer

This past quarter has seen an intensive focus on two of the most critical issues facing the industry: first, safety and health and, second, the third iteration of the Mining Charter.

The industry's poor safety performance, where 2018 fatality rates have been higher than 2017's, which themselves were above

2016's, compelled the Minerals Council's board to launch a Safety and Health Day campaign. The official launch was held on 17 August at the entrance of the Minerals Council's offices.

All members are required to ensure that safety and health days are held at all their operations. Congratulations to the member companies that have already carried out that obligation. And we look forward to reports from all others about the events on their campaign days, extracts of which will be carried on our website at <http://www.safetyandhealthinmining.co.za/>

We hope that the deteriorating record will have turned around by the end of 2018, so we can continue our journey towards the achievement of Zero Harm.

Engagement with Mineral Resources Minister Gwede Mantashe and his DMR colleagues on the new Mining Charter has been tough and rigorous. While there were times when we were very anxious, we hope that all stakeholders, from investors to employees and community members, will be willing to acknowledge that the process



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ultimately highlighted a return of the great democratic South African negotiation and consultation traditions.

Inevitably, at the conclusion of any such process, the final product will not fully meet the wishes of all parties. An element of compromise is required. What is important is that, as it has turned out, the new Charter is a document we can all largely live with, work with and one that is ultimately an instrument that will take our industry forward, for the benefit of all stakeholders.

The new Mining Charter was gazetted on 27 September, and you can read more about the Charter's content and the Minerals Council's assessment of it elsewhere in this newsletter.

Parallel to the finalisation of the Charter, Minister Mantashe has won cabinet approval for the withdrawal of the Mineral and Petroleum Resources Development Amendment Bill. The Minerals Council has welcomed this move.

Intensive and useful engagements involving the Minerals Council and others took place over a number of years with successive ministers towards achieving consensus on a range of issues covered in the Bill. However, there remain a number of constitutional concerns, both substantive and procedural, which remain unresolved. Constitutional challenges, which were threatened by a range of interested parties, would have meant continuing uncertainty for the

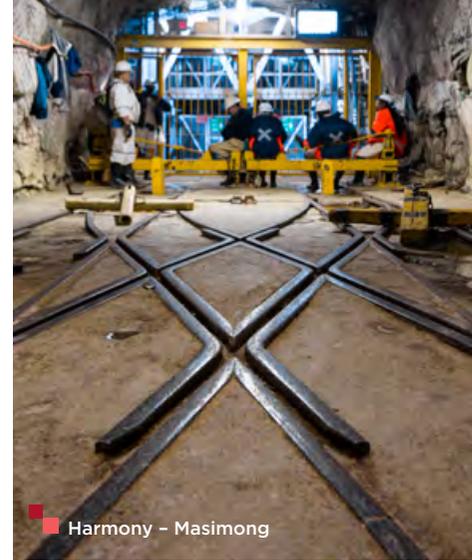
industry as these wound their way through the courts. In the absence of resolving those concerns, withdrawal of the Bill seems to be a more appropriate option.

This year's gold wage negotiations held under the auspices of the Minerals Council were, at the time of writing, still in progress and hopefully the parties will reach an amicable conclusion.

A central theme that Minerals Council leaders have been communicating relates to what needs to be done to turn around South Africa's mining industry, making it competitive and reversing the declining trend we have witnessed over the last several years. Most recently, I delivered a presentation at the Africa Down Under conference in late August in Perth focusing on what is needed to enable our industry to reach its potential, and assessing what the chances are of these developments coming about.

At another level, but aimed, too, at enhancing South Africa's and the world's understanding of the state of South African mining, we published recently the sixth annual edition of the Minerals Council's *Facts and Figures* booklet.

The *Facts and Figures* booklet is the most comprehensive collection in a single place of mining data, and is designed to provide fingertip answers to many of the most frequently asked factual questions about our industry.



Harmony – Masimong

We hope it is useful to all.

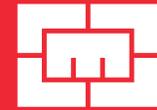
As we wind down toward the end of 2018, we trust that the still new political environment which gave new hope to South Africans of a future of growth and integrity will continue making itself felt, and that the shareholders, employees and all others who depend on the industry for their wellbeing will soon begin to feel the effects of those changes.



Useful links

[Minerals Council South Africa Facts and Figures 2017](#)

[Video](#)



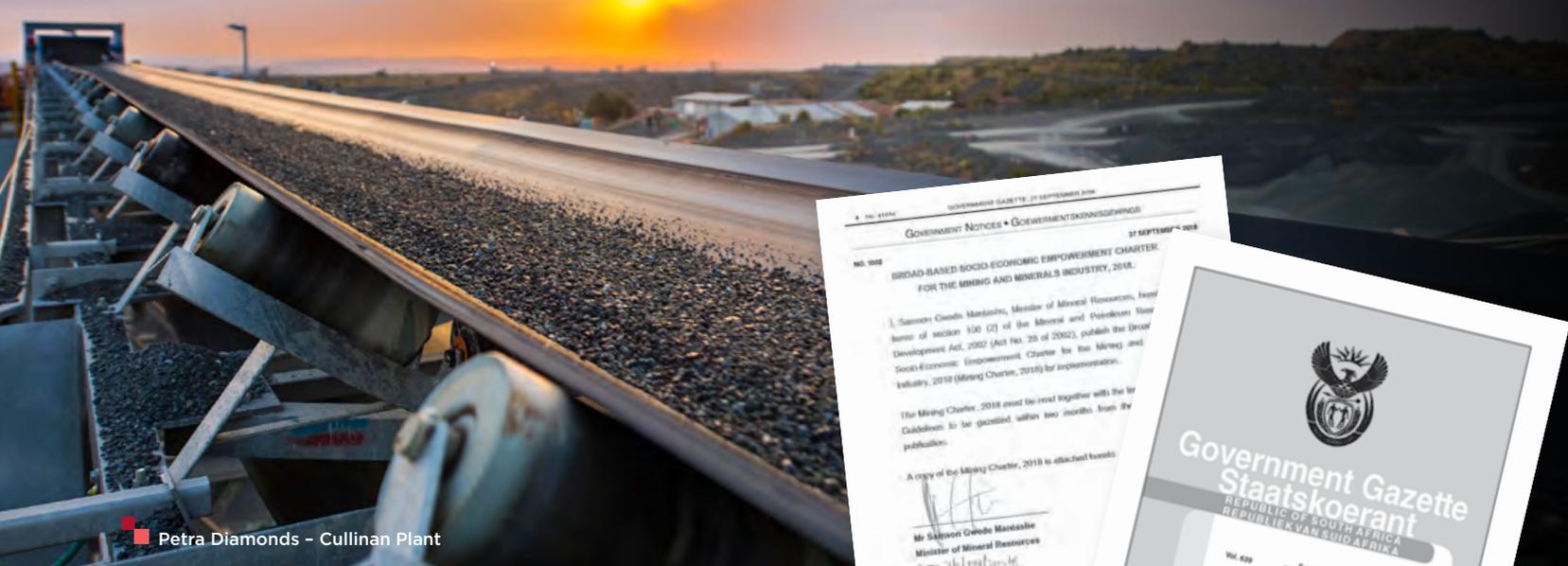
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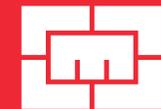
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Petra Diamonds - Cullinan Plant



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MINERALS COUNCIL WELCOMES THE PUBLICATION OF THE MINING CHARTER



Ivanhoe Mines - Mokopane

It has been a long wait, and has been dealt with over the last few years by no fewer than three minerals resources ministers. However, on 27 September 2018, Minister Gwede Mantashe published the new Mining Charter in the Government Gazette.

On the whole, the Minerals Council has welcomed the new Charter and broadly supports its intentions and content, even as it contains a few provisions that remain of concern.

That it is possible to take this stance, after our relationship with Minister Mantashe's predecessor collapsed completely during

2017, is a tribute to the current Minister's willingness to engage thoroughly with the industry and all stakeholders.

It has always been understood that no negotiation process can end with all parties being satisfied with all aspects of the final product. The Minerals Council was seeking a Charter that provides an appropriate balance between the mutually reinforcing concepts of promoting competitiveness and transformation. For the most part, the Minerals Council believes this Charter is a framework that will secure a transformed industry with meaningful broad-based

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MINERALS COUNCIL WELCOMES THE PUBLICATION OF THE MINING CHARTER **continued**

economic empowerment within which the critical goals of growth and competitiveness can realistically be achieved.

There are, however, as indicated, some remaining concerns:

- While the new Charter recognises the continuing consequences of previous BEE transactions in respect of existing mining rights, this recognition is limited upon disposal of BEE shareholdings.
- When existing rights are renewed or transferred they are treated as new rights, and hence the ownership provisions for new rights would apply in those situations.
- The Minerals Council also questions the practicality of the inclusive procurement provisions relating to local content targets for mining goods, the targets for services, and the turnover threshold for junior miners.

A further critical issue will be the development of implementation guidelines over the next

few weeks. The Minerals Council hopes to be able to contribute to the development of their content.

That said, the industry is particularly pleased at a number of amendments to the draft charter published in June. These include the following:

- Holders of existing rights will not have to top up BEE holdings from 26% to 30%.
- The introduction of “carried interest” instead of “free carried interest” for employees and communities in respect of new rights now allows the development of mechanisms towards cost recovery. And the option of equity equivalents in place of community shareholdings provides more flexibility.
- The 1% of EBITDA stream to be paid as special dividends to the community and employee shareholders has been removed.
- The ownership requirements on

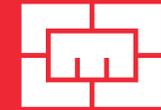
prospecting rights have been removed. The industry had feared this would have been a serious obstacle to greenfields exploration.

- Also removed is the proposal that 1.5 percentage points of the 5% skills development contribution would need to be designated for R&D.

The Minerals Council will seek to engage the Minister on the unresolved issues to find workable solutions though, as stated, on balance the Charter is welcomed as a workable document and the industry commits to the work needed to further transform and grow the industry.

Useful link

The gazetted Mining Charter 2018



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MINERALS COUNCIL AT THE 2018 JOBURG INDABA



The 2018 Joburg Indaba returned on 3 and 4 October to the Inanda Club in Johannesburg. With a reputation as a platform for industry leaders to promote and engage in robust debate, this year’s speakers included Minerals Council CEO, Roger Baxter, and president, Mxolisi Mgojo, who both addressed delegates on the first day. Extracts of their addresses appear below.

A ‘HARSH’ ENVIRONMENT IN SOUTH AFRICA OR A NEW DAWN?

Roger Baxter

In response to this thorny question, Roger acknowledged that the South African mining industry is experiencing a harsh environment, but that we are also seeing a new dawn. Roger reminded delegates that it was at the previous year’s Joburg Indaba, that the

Minerals Council had taken a stand and boycotted the address by the then Minister of Mineral Resources, Mosebenzi Zwane. “We were of the view that Mr Zwane and his office were corrupt, and that we could not, as an industry, engage with him as he pushed towards the blatant destruction of an industry on which so many depend.

“In that same month last year, at the Africa Down Under (ADU) conference in Perth, after the then Minister had made false statements on the 2017 Charter, the Minerals Council was compelled to state that the mining industry had lost confidence in Minister Zwane to lead the DMR.

“What a difference a year makes. It was only in February, with President Ramaphosa’s election, that storm clouds started to dissipate, and that South Africans could again start to look forward to the future that they had been promised. As part of that process, we were fortunate, as an industry, to welcome the appointment of Minister Mantashe. He is the first Minister in the democratic era to have worked in the mining industry. And, in the few short months since his appointment he has brought about rapid change in the department and the industry, and at the same time moved to instil a degree of certainty, greater engagement and openness.”

And then as further indication of a new dawn, at the ADU conference in Perth this year, the industry and government provided a balanced picture, including highlighting concerns and solutions. The Minister and his full team attended the Minerals Council CEO’s presentation.

With regard to the new Charter, Roger said, “We believe this Mining Charter is a substantial improvement on the version



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developed under Minister Zwane and has improved on the draft that was published by the DMR in June this year. As the Minerals Council we broadly support this new Charter which is the product of substantive engagement. However, we do have some specific concerns that we believe require further discussion and engagement with the Minister.

He continued, “The coming 60 days are going to be critical in developing the implementation guidelines, both in defining and clarifying what is meant in certain areas of the Charter, but also in the practical implementation. We need to be practical and realistic in the guidelines and to continually promote competitiveness, smart tape and transformation.”

Roger acknowledged that Minister Mantashe has “recognised that competitiveness must be at the heart of all that we do, if we are to achieve growth and transformation.”

The CEO also spoke positively of how the Minister asked Parliament to scrap the Bill drafted to amend the MPRDA, with the qualifier that, “We would certainly hope that new amendments planned will take proper account of the areas of consensus reached during the exhaustive discussions previously held.”

The Minister has also taken decisive action

to investigate and eliminate corruption; has taken steps to tackle licence backlogs; is investigating and improving systems of performance; and has started discussions with the industry on growth and competitiveness constraints leading up to the investment summit in November.

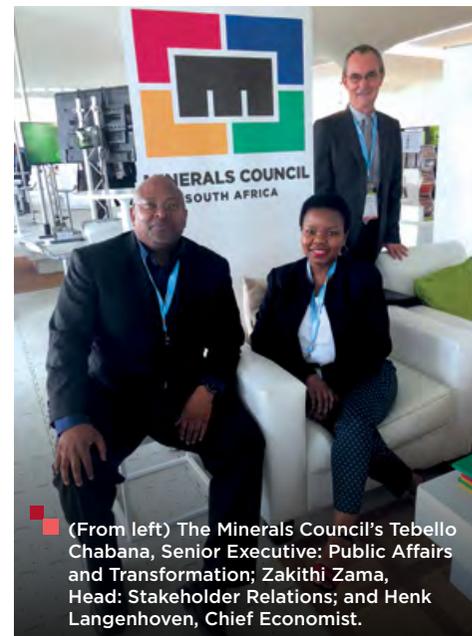
“Through strong leadership partnerships and proper strategic plans, we can enable the South African mining sector to realise its true economic and transformational potential,” said Roger.

The CEO then went on to identify the critical factors for the competitiveness of South Africa’s mining sector, namely regulatory certainty; policy certainty; infrastructure; sound local government in mining communities; exploration incentives; weeding out corruption; state fiscal discipline and SOE cost control; and stakeholder trust.

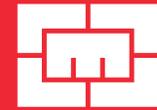
Discussing South Africa’s mineral potential, Roger said that the country is ranked by the Fraser Institute 20th out of 91 jurisdictions, when assuming best practice. “Even in the absence of a greenfields exploration boom in South Africa, a study undertaken by the Minerals Council shows that mining investment could almost double in four years if South Africa were to return to the top quartile of the most attractive mining investment destinations.”



Minister Mantashe’s address focused on government’s plan to attract investment into the mining industry



(From left) The Minerals Council’s Tello Chabana, Senior Executive: Public Affairs and Transformation; Zakithi Zama, Head: Stakeholder Relations; and Henk Langenhoven, Chief Economist.



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“If mining succeeds, the country succeeds”

The consequences of a doubling of investment could be game-changing for the industry and the country including:

- creating 200,000 new jobs of which around 50,000 would be direct mining jobs
- increasing output, exports and procurement
- increasing direct and indirect taxes and royalties to the fiscus
- funding infrastructure development and social projects in mining-affected communities
- advancing the country's transformation agenda

Roger wound up his address by outlining an approach to enable South Africa to realise its mining potential:

- all stakeholders to have a shared vision for the future of the South African mining industry
- policy and regulatory certainty, in an environment that encourages competitiveness
- ethical leadership and good governance
- available, efficient, cost competitive and reliable infrastructure
- improved productivity and competitiveness
- incentives for a greenfields exploration boom

In conclusion, Roger said, “I hope that over the next while we can regain our optimism, find innovative solutions and commit to an industry that is safer, more productive and sustainable, for the betterment of the lives of all South Africans.”



WHAT HAVE WE ACHIEVED IN THE LAST 10 YEARS?

Mxolisi Mgojo

In his address to delegates, Mxolisi said 2018 would be seen as a second watershed in the mining industry - the first being the promulgation of the MPRDA and the first Mining Charter in 2002 to 2004.

A central feature of the 2018 watershed has been the development and now the publication of the third iteration of the Mining Charter. Mxolisi said that the Minerals Council broadly supports the recent gazetted Charter, which is the product of substantial engagement. However, the Minerals Council remains concerned about two key issues on which it will be engaging the Minister.

Mxolisi said, “The Mineral's Council understands that no negotiation process can end with all parties being satisfied with

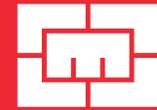
all aspects of the final product. The critical issue, however, is whether the Charter strikes a balance in the national interest that will not discourage much-needed capital investment while effectively promoting transformation.”

In respect of certain provisions, he continued, the implementation guidelines still to be developed will be crucial in determining the ultimate impact of the new Charter on transformation, development and growth of the industry. “The Minerals Council hopes to be consulted on their content in the period ahead,” he said.

“The critical issue is whether the Charter strikes a balance in the national interest that will not discourage much-needed capital investment while effectively promoting transformation.”

Mxolisi spoke of the impact the Charter has had on the mining industry in the 14 years since it was first introduced. “While the industry was still a long way from achieving the vision articulated in the first charter, it has been an effective tool for addressing at least some of the industry's legacies.”

Mxolisi went on to elaborate on some of the sector's transformation successes. “In 1994, the industry had minimal senior black and



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women technicians and managers. Today, the majority are black and/or female.

“There were no black mining entrepreneurs at all. Today we see African Rainbow Minerals, Royal Bafokeng Platinum, Seriti, Kalagadi Minerals and my own Exxaro, among many others. These are among the foremost models of transformation, where ownership extends beyond a passive financial stake to active management involvement, control and entrepreneurship.”

“Other mining companies are owned by millions of South Africans through pension funds and investments, across all racial groups, including through the Public Investment Corporation and the Industrial Development Corporation,” Mxolosi continued.

“Until the late 1980s, skilled jobs were denied to black miners. Since the advent of the Charter in 2004, those numbers have risen to between more than 40% and 75%, depending on category. Yes, those proportions are still some way from reflecting the country’s demographics. But, steady progress has been happening, and it will continue.

“There are other areas of progress too. Even by the end of the 1990s, there were almost no black-owned companies supplying goods and services to the industry. That situation today is substantially transformed.”

Mxolosi also spoke of the progress in housing and accommodation in the mining industry,

perhaps most notably the provision of hostel residents with private rooms. The president’s speech also highlighted the complex and often tense nature of mining community issues, some of which the new Charter seeks to address. One example is the provision that the regulator interpreted in a way that did not recognise co-operative projects between different companies. The new Charter explicitly recognises this.

The president made the comment that it “will not be easy for mining companies to balance conflicting community interests in developing BEE transactions or developmental community projects. There is a great deal of new learning that we will need to undergo.”

Mxolosi admitted that, “It may be that in some cases the causes of conflict between mining operations and communities is due to a lack of care on the part of the mine operators. We need always to be aware of, for example, the impacts on communities of blasting, dust, access to social infrastructure when it is affected by mine logistical measures, changes in water quality and the like. There is no better way of monitoring any actual or potential impacts than through mutually respectful engagement with community representatives.”

Mxolosi concluded his address by talking about mine safety. “Our industry has made very significant progress in reducing safety rates over the past two decades. We saw an 88% improvement in fatality rates in the

20 years up until the end of 2016. Despite the improvements taking us closer to the ultimate goal of Zero Harm, we knew even then that the 73 deaths in mining accidents that year were 73 too many.

“That this improving trend has seen reversals since last year is a matter of deep concern to the industry, and to the Minerals Council in particular. The Council and its members are committed to addressing safety issues, and we trust you will see the product of these efforts in the period ahead. We recently launched a National Day of Safety & Health in Mining, with the support of the DMR and unions, and every one of our members is currently involving each and every manager, union member and employee in a renewed commitment to safety and health.”

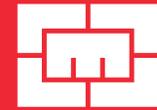
Mxolosi also said that note had been taken of President Ramaphosa’s call to the private sector to be a part of the country’s economic recovery plan. “We are supportive of his call, and intend to play a constructive role in reviving South Africa’s economy.”

Useful links

Mxolisi’s speech

Roger’s speech

Joburg Indaba website



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NATIONAL DAY OF SAFETY AND HEALTH IN MINING

On 25 July, the Minerals Council announced plans for a National Day of Safety and Health in Mining to be held at every member company and mine, beginning mid-August.

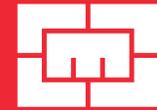
The decision was driven by the Minerals Council Board's deep concern about the increase in fatalities in the mining industry in 2017 and 2018. The Board and Minerals Council members are taking determined steps to address this increase and get the industry's journey to Zero Harm back on track. The national campaign of safety and health days is part of this endeavour.

Minerals Council President, Mxolisi Mgojo, explained that the days would serve as acts of remembrance for those whose lives have been lost in mining, and as a renewed commitment by all member companies to employee safety and health.

In recognition that safety and health is a collaborative effort and responsibility, the Minerals Council is working closely with the Department of Mineral Resources (DMR) and unions.

The Minerals Council launched the National Day of Safety & Health in Mining 2018 campaign on 17 August. Some 66 members of the Minerals Council are hosting safety and health days at their operations to recommit to the shared goal of Zero Harm and ensuring that all employees can go to work in the knowledge that they will return home, every day, unharmed.

Minerals Council CEO, Roger Baxter said: "For us, this recommitment and reaffirmation is much more than the dedication of a single day to health and safety. Inherently, it is about care and respect for people. The ultimate goal of



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NATIONAL DAY OF SAFETY AND HEALTH IN MINING

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this initiative is to remind each and every company, manager and employee that the safety and health of employees is the uppermost priority for this industry.”

In attendance at the launch were Sahlulele Luzipo, Chairman of the Parliamentary Portfolio Committee on Mineral Resources, David Msiza, Chief Inspector at the DMR, representatives from organised labour, and the CEOs of Minerals Council member companies.

To bolster the safety and health day campaign, the Minerals Council launched a National Day of Safety and Health in Mining website. The website includes safety and health messages from leaders within the Minerals Council and unions, coverage of the launch, and details of safety and health day activities undertaken by Council members. These details are being continually updated.

The run of accidents since 2017 has resulted in a rising fatality trend after more than 20 years of almost uninterrupted fatality rate improvements. Between 1993 and 2016 the fatality rate fell by 88%, largely as a result of the concerted efforts by companies, the regulator and labour.

When the downward trend in fatalities showed signs of reversing last year, the Minerals Council mobilised its resources and members, in an effort to address the accidents and incidents that were occurring. Initial indications showed an increase in falls of ground, specifically related to seismic events.

A Mining Industry Occupational Safety and Health Fall of Ground task team was established, and leading practices on rockbursts, in particular, are being reviewed. The findings will be shared across the industry.

An area that is of great concern to all stakeholders is the need to empower employees to withdraw from work should they feel unsafe, and for supervisors to be trained to encourage and deal with such situations. Many companies have undertaken training in this regard. The Minerals Council will be embarking on an initiative to learn from areas of leading practice and to ensure these lessons are shared across the sector.

ADDRESSING FALLS OF GROUND THROUGH THE MINE HEALTH AND SAFETY COUNCIL



Addressing fall of ground incidents, particularly at deep-level mines, is an area that joint industry efforts have focused on most intensively over the past several years. This focus is reflected in the more than R150 million that the Mine Health and Safety Council (MHSC) has invested in gravity falls of ground research. Through the MHSC, more than R250 million has been spent on research into the seismicity associated with deep-level mines. Research outcomes have led to new mine designs and methods and, until 2017, continuous improvements in outcomes.



The DMR's Chief Inspector, David Msiza, at the Safety and Health Day launch

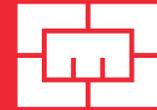
GUIDING INDUSTRY SAFETY AND HEALTH EFFORTS VIA THE CEO ZERO HARM FORUM

The CEO Zero Harm Forum, established in 2012, comprises mining company CEOs and meets on a quarterly basis to direct industry's efforts in respect of safety and health. One of the first focus areas was falls of ground, the greatest contributor to fatalities at the time.

This work led to some of the vast improvements that have been seen in this area. Initiatives are ongoing.

Useful link

National Day of Safety and Health in Mining 2018 website



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Gold Fields – South Deep

CEO MODERNISE-ATHON - PLACING PEOPLE AT THE HEART OF MINING MODERNISATION

WHAT IS MODERNISATION?

Modernisation is not simply mechanisation or the implementation of new technology. Nor is it the replacement of people with machines. It is a process of transition and transformation which involves:

- turning to account South Africa's mineral resources in a safe, healthy, efficient, cost-effective and sustainable manner
- recognising that people are at the heart of our industry with emphasis on employee skills, health, quality of life and fulfilment
- conserving natural resources, and preserving and restoring the environment
- contributing to the development of local and labour-sending communities
- transforming and growing the mining industry and the nation

On 11 and 12 September, the Minerals Council held a CEO 'modernise-athon' in the Magaliesberg. The series of discussions was intended to help develop consensus on an industry-wide approach towards modernisation of the South African mining industry.

The Minerals Council supports the strategy of ensuring that the transition to mining 4.0 by this country's mining cluster – companies, government, suppliers, researchers and unions – is people-centred.

Says Sietse van der Woude, Senior Executive: Modernisation, "The 'modernise-athon' was the first of many planned initiatives to build leadership consensus on our approach to modernisation within our mining cluster. There is a lot of work to be done but it was a good, solid beginning. What is very encouraging is that there is an evolving consensus that modernisation is about the survival of the mining cluster and that is about people. Technology could, however, help to reduce tensions between health, safety, cost and productivity."

Sietse explains that much of today's South African mining, with its associated increased costs and reduced productivity, is unsustainable. If the mining industry continues using current mining methods this could lead to 200 000 job losses in the next 10 years. On the other hand, modernising the South African mining environment could unlock the equivalent potential of eleven large gold mines and eight platinum mines.



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CEO MODERNISE-ATHON - PLACING PEOPLE AT THE HEART OF MINING MODERNISATION *continued*

WHAT IS MINING 4.0?

Mining 4.0 is the term given to the modernisation of the mining cluster using digital and other innovations as part of the so called fourth industrial revolution.

Digital and automated technologies are helping to change the traditional process of extracting minerals from underground. Mining companies are investing in innovation and are introducing automated drilling into high-risk underground areas, putting microbes to work to extract metal from ore and using blockchain technology to trace diamonds through the supply chain.



Petra Diamonds – Finsch

However, Sietse emphasises that modernisation in the South African context needs to be people-centric because of the country's high rate of unemployment. People-centric modernisation must be developed with and for the people, taking into consideration that people need to be upskilled while technology is 'de-skilled' – or in other words, the equipment made user friendly. Unions want to be involved in the process of the modernisation.

“Modernisation should be people-centred - no person should be worse off through modernisation.”

Modernise-athon participant

Gold and platinum mining have been picked as priority sectors as these face the most difficult challenges combined with the greatest opportunities. Through modernisation, mine longevity could be increased, people could be removed from dangerous zones and continuous operation could replace drilling and blasting. Sietse says there is no 'off the shelf' solution for South African conditions and tailored solutions are required. Since a systems approach is applied, programmes like Real-

Time Information Management Systems (RTIMS) and Successful Application of Technology Centred Around People (SATCAP) are relevant to all commodities.

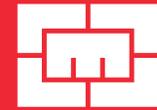
Aiding the journey to mining 4.0 is the Mandela Mining Precinct, a public private cooperation that supports local, people-centred innovation to modernise the South African mining cluster. (See [here](#) for more about the Mining Precinct.)



Useful links

[MCSA website](#)

[Modernisation fact sheet](#)



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Mandela Mining Precinct

LAUNCH OF MANDELA MINING PRECINCT AND MEMSA

On 14 September, the Minerals Council welcomed the launch of the Mandela Mining Precinct and the Mining Equipment Manufacturers Association (MEMSA).

The precinct, in Melville, Johannesburg, was officially opened by Science and Technology Minister Mmamoloko Kubayi-Ngubane and Mineral Resources Minister Gwede Mantashe.

The Mandela Mining Precinct is a public private cooperation that supports local, people-centred innovation to modernise the South African mining cluster. Its partnership with MEMSA empowers the mining cluster to save and create jobs in mining and the mining industry’s supplier industries.

Speaking at the launch, Minerals Council Vice President, Neal Froneman said: “It is very encouraging to see that, through a

learning-by-doing approach, a partnership of stakeholders is evolving to collaborate on the many challenges we face in the journey to mining 4.0.”

“Action without vision is only passing time, vision without action is merely day dreaming, but vision with action can change the world.”

Nelson Mandela

Neal emphasised the role that research and development can play in accelerating the competitiveness, growth and transformation of the mining cluster.

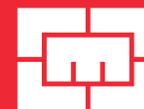
“As an industry body, we will do everything possible to help MEMSA achieve its objectives of enhancing a local supplier cluster that will create and save jobs by reducing the cost of ownership of their products and enhancing the export capabilities to Africa and the rest of the world,” added Neal.

The Mining Precinct has received grants towards R&D of R150 million from the Department of Science and Technology, R35 million from the Minerals Council (in addition to what individual companies spend on R&D), and R8 million from the Department of Trade and Industry.

Useful links

Neal Froneman’s speech

Mining Weekly article



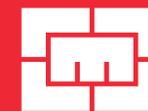
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Vedanta Zinz International - Gamsberg

MINERALS COUNCIL RELEASES FACTS AND FIGURES 2017

The Minerals Council recently published its latest *Facts and Figures* booklet for 2017, a comprehensive statistical reference guide to the South African mining sector.

Chief economist, Henk Langenhoven, and his team, compiled the publication to showcase the mining industry, and provide some insight into what the numbers mean for our country and the industry's future. A new addition to the document this year is a safety and health section.

Says Henk, "Mining plays a significant role in the South African economy. It is important that industry

data is freely available so our stakeholders can assess how our industry is performing."

As the foreword of the booklet states, "The availability of credible statistics, which paint an accurate picture of the South African mining sector, is crucial for the Minerals Council. Statistics allow us to fulfil our mandate as the voice of mining in South Africa. "

The Minerals Council's economics department plays a key role in gathering the data necessary for the organisation and its members to properly understand the state of the sector and to work to improve its growth.

1. Bongani Motsa
2. Henk Langenhoven
3. Tafadzwa Chibanguza



Useful links

[Minerals Council South Africa Facts and Figures 2017](#)

[Video](#)

Significant **IMPACT** of mining



Mining industry employs around **500,000** people directly



Approx **900,000** indirect jobs created



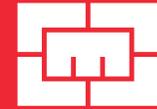
Around **14 million** people across southern Africa dependent on South Africa's mining sector



Useful links

[Presentation](#)

[Video](#)



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WHY COMPETITIVENESS MATTERS

On 6 July, the Minerals Council produced its latest video entitled *Why competitiveness matters*. The video and accompanying presentation were launched ahead of the weekend summit hosted by Minister of Mineral Resources, Mr Gwede Mantashe, at which the government engaged further with stakeholders on the draft Charter.

In the video, Minerals Council board members provide insight into why competitiveness matters for the South African mining industry. Commentators include the Minerals Council's President, Mxolisi Mgojo; CEO, Roger Baxter; and Senior Executive Public Affairs and Transformation, Tebello Chabana. Joining them are Mark Cutifani, CEO of Anglo American; Norman Mbazima, Deputy Chairman of Anglo American South Africa; Niel Pretorius, CEO of DRDGOLD; Errol Smart, CEO of Orion Minerals (and Chairperson of the Junior and Emerging Miners' Leadership Forum); and Mike Teke, CEO of Seriti.

In a series of interviews, illustrated with key data graphics, contributors describe the pressing need for the industry to be competitive, the why and the how. In a nutshell, a competitive industry produces minerals that are able to be sold on the world market, while delivering returns to the owners of the mines concerned. If the industry is competitive – producing minerals that are attractively priced – the industry can grow, will draw investment, will be able to build more mines, produce more minerals, employ more people, engage more suppliers, obtain more foreign exchange and the end result is that all stakeholders benefit.

The contributors stress the investor's requirement for certainty and a good return on capital and the maxim that "investment follows returns".

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NEWS

IN BRIEF

MINERALS COUNCIL WELCOMES DECISIVE MOVE ON MPRDA



On 23 August, the Minerals Council welcomed the announcement in Parliament by Mineral Resources Minister Gwede Mantashe that he would propose to Cabinet the scrapping of the Bill drafted to amend the Mineral and Petroleum Resources Development Act (MPRDA). On 19 September, Minister Mantashe won Cabinet approval for the withdrawal of the MPRDA Amendment Bill.

Despite engagements with successive ministers by the Minerals Council and others over a number of years, aimed at achieving consensus on the Bill, there remain a number of unresolved constitutional concerns. Constitutional challenges, which were threatened by a range of interested parties, would have meant continuing uncertainty for the industry as these wound their way through the courts. In the absence of resolving those concerns, withdrawal of the Bill seems a more appropriate option.

The Minerals Council is hopeful that, should Minister Mantashe choose at some stage to introduce a new Amendment Bill, he will take proper account of the areas of consensus reached during the previously-held discussions.

MINERALS COUNCIL TO RESPOND TO SAHRC MINING REPORT



The Minerals Council South Africa is studying the findings and recommendations of the report of the South African Human Rights Commission on the National Hearing on the Underlying Socio-economic Challenges of Mining-affected Communities in South Africa published on 22 August. The Minerals Council and many of its members participated

in the hearings which took place in September and November 2016.

Once the Council has carefully considered the report, it will consult its policy and decision-making structures, and a comprehensive response will be lodged with the SAHRC and the public.



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DWS AND MINERALS COUNCIL CONCLUDE WATER CONSERVATION AND WATER DEMAND MANAGEMENT PROJECT

On 15 June, the Department of Water and Sanitation and the Minerals Council South Africa concluded a collaborative exercise in water conservation and demand management aimed at driving water saving and usage improvements in the mining industry.

The project developed commodity-based national water use efficiency benchmarks to guide acceptable levels of water usage and thereby drive improvements in water use efficiency. Research to guide the benchmarks was carried out at 39 different mining operations.

Mines will develop water saving plans based on the project guidelines and will report annually according to specified templates.

Said Minerals Council CEO Roger Baxter: "... a great deal of public good can flow from co-operative work between business and government. We hope to hear more in the years ahead about the water savings that will be achieved thanks to these efforts".

Useful links

Guideline for the development and implementation of water conservation and water demand management plans for the mining sector

Benchmarks for water conservation and water demand management in the mining sector

GOLD WAGE NEGOTIATIONS

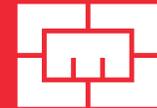
Negotiations in respect of wages and other conditions of employment in the gold industry between gold producers, AngloGold Ashanti, Harmony, Sibanye-Stillwater and Village Main Reef, and representative unions, the Association of Mineworkers and Construction Union (AMCU), the National Union of Mineworkers (NUM), Solidarity and UASA, got underway in July.

Good progress has been made in the negotiations. Agreements have been signed between representative unions and AngloGold Ashanti, Harmony and Village Main Reef. Discussions between unions and Sibanye-Stillwater are continuing.

For the latest news, visit the wage negotiations website.

Useful link

www.goldwagene negotiations.co.za



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ADDITIONAL INFORMATION

latest media releases

To find out more about the Minerals Council's recent activities, take a look at the media releases listed below:

| | |
|--------------------------|---|
| 13 June 2018 | Minerals Council deeply saddened by Kloof mine accident |
| 15 June 2018 | Water Affairs Department and Minerals Council conclude major water conservation and water demand management project |
| 15 June 2018 | Minerals Council notes publication of draft Mining Charter |
| 17 June 2018 | Minerals Council notes DMR charter 2018 |
| 18 June 2018 | Minerals Council South Africa launches second module of the Mining for Schools initiative |
| 17 July 2018 | Minerals Council extends condolences on the loss of six miners at Palabora |
| 25 July 2018 | Minerals Council declares National Day of Safety and Health in Mining, to be held at every member company and mine |
| 8 August 2018 | The Minerals Council celebrates women's courage and strength |
| 17 August 2018 | Minerals Council launches National Day of Safety and Health in Mining |
| 22 August 2018 | Minerals Council notes launch of SAHRC mining report |
| 23 August 2018 | Minerals Council welcomes decisive move on amendments to MPRDA |
| 30 August 2018 | Roger Baxter at Africa Down Under: Realising the potential of the South African mining industry |
| 14 September 2018 | Minerals Council welcomes the launch of Mandela Mining Precinct and MEMSA |
| 27 September 2018 | Minerals Council acknowledges publication of the Mining Charter |
| 3 October 2018 | Minerals Council's response to the publication of the Mining Charter |
| 3 October 2018 | Roger Baxter delivers keynote address at Joburg Indaba - a 'harsh' environment in South Africa or a new dawn? |
| 3 October 2018 | Minerals Council president reflects on industry's transformation - 2018 a second watershed of mining industry |

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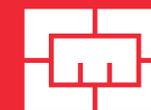
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