

**ADDRESS BY MXOLISI MGOJO,
PRESIDENT OF THE MINERALS COUNCIL SOUTH AFRICA,
TO THE 2021 MINERALS COUNCIL AGM ON 26 MAY 2021**

Reflections on four years as the President of the Minerals Council



Director General Advocate Thabo Mokoena, past Presidents of the Minerals Council South Africa, fellow Minerals Council Office Bearers and Board members, members of the media, honoured guests.

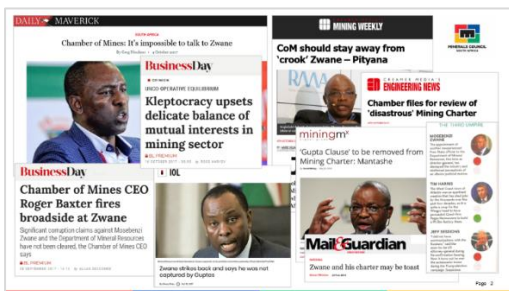
Today marks the end of my four years as President of the Minerals Council.

Instead of limiting my remarks to events of the past year – which of course have been eventful enough – I would like to reflect on the entire four-year period since May 2017. That period has been a roller coaster ride, with the highs and lows sometimes a consequence of our and government's own doings, and sometimes a consequence of external forces over which we had little or no control, but which forced us to manage and adapt as best we could.

Before I begin though, I want to recognise and acknowledge that the achievements during this period have been the work of highly committed and often inventive teams:

- Firstly, as a team of Office Bearers: And here, I pay tribute to Andile Sangqu, Neal Froneman, Steve Phiri, Zanele Matlala and, more recently, Nolitha Fakude. They have given selflessly of their time – often over weekends and late at night, all the while doing their day jobs too.
- To the Board members, who have contributed actively and consistently. I can say with confidence that we, as an industry, have never had a more committed and constructive cohort of CEOs that care deeply and passionately about our industry and our country. It is an extraordinary thing, that – in mining – we can put aside our differences and competitive tendencies when we face things that really matter and require a collaborative effort.

- And then, to the leadership and team of the Minerals council itself. Thanks to Roger Baxter, the Minerals Council CEO, who has played a central leadership role working with the Office Bearers, and who along with his senior team - Niks Lesufi, Tebello Chabana, Sietse van der Woude and Harry Groenewald and his Heads of Departments - have worked tirelessly to rebrand and reposition the Minerals Council and the mining industry over this remarkable four-year period. We are indeed blessed to have their expertise and diligence behind us, and in front of us, every step of the way.



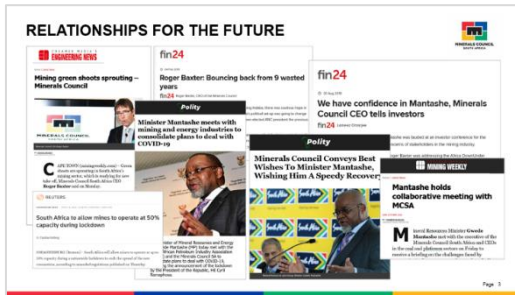
The Office Bearers elected at the 2017 Minerals Council AGM had had only three weeks to settle into our positions when the then Mineral Resources Minister Mosebenzi Zwane published his infamous version of Mining Charter 3.

That version of the charter, if implemented, would have caused very serious damage to the industry, and also would have put various tools of state capture in his hands. He had, of course, already carried out certain measures with this goal in mind, including a mysterious visit to Switzerland of which we later learned a lot more.

His misguided charter proposed:

- The establishment of a Mining Development Agency where a portion of the skills development proceeds and community interests of about R2.5 billion per annum would be housed under the control of the Minister - with no governance processes in place.
- Stiffer BEE ownership requirements with a 30% target in 12 months and 8% shares each to organised labour and communities, including a required top-up by companies where their ownership levels were lower than 30% - so no recognition of continuing consequences).
- A 1% of turnover levy to go directly to BEE shareholders before any other dividends, which is contrary to the Companies Act.

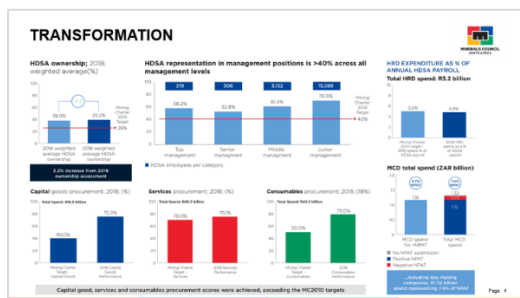
The then Chamber of Mines immediately rejected the unilateral imposition of that Charter, and within 10 days brought a court action to urgently interdict its implementation. Some weeks later, in an unprecedented move, we announced that the leadership of the industry had lost confidence in the Minister. That was, to all intents and purposes, the end of our direct relationship with Minister Zwane.



However, we also began to build other relationships for the future, including through the ruling party's structures with individuals with a proper understanding of our industry and without the hidden agendas at play in 2017.

Fortuitously, the first meeting was with a delegation led by then Secretary General, Gwede Mantase. The constructive discussions held then have continued since his appointment as Minister in early 2018. The Minister immediately set about trying to rebuild the bridges with the mining industry. He removed most parts of the controversial Zwane Charter and, in 2018, he also withdrew the very damaging 2012/13 MPRDA amendment bill, which had hung over the sector like the sword of Damocles.

While we have not always agreed, including in respect of particular aspects of the renewed Charter 3 currently under judicial review, we have over the years rebuilt the relationship with our primary regulator in a way that engagements are always based on mutual respect and understanding. The conversations have been frank and candid, and we have resolved a number of critical issues that will enable the sector to more realistically achieve its true growth and transformational potential.



In this regard, I do need to emphasise that, whatever the few disputes over Charter content, the industry has performed creditably in the pursuit of transformation.

The independent study we commissioned in 2019, the results of which were published towards the end of that year, showed conclusively that the industry has, on average, met or exceeded the vast majority of the targets set. And we remain committed to continuing on that road. We don't see transformation as a nice to have, but as a business imperative.

However, we also firmly believe that in order to build a competitive industry that attracts much greater investment in the future, that all the rules related to the industry need to be stable, predictable and competitive.

We cannot have a situation where the rules are changed every couple of years. We need a much more predictable and stable framework, including the Charter.

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The Minerals Council has also been at the forefront of organised business' engagements with government of the country's economic policy and development at the very highest levels. It was of course a huge relief that the era of the 10 wasted years under the previous President ended

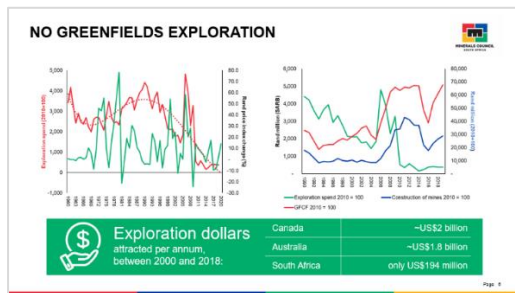
in 2018. However, as we have consistently argued, changes in approach have been implemented too slowly, if at all. The result was the decision in March last year by the last of the big three ratings agencies to reduce South Africa's credit rating to below investor grade. But we haven't stopped our efforts. If anything, they have become more urgent.

We have played a leadership role in the business interactions with government, including in the President's 7-a-side leadership team in Nedlac that contributed to the development of the Economic Reconstruction and Recovery Plan launched in October 2020. As a leading business sector – we continue to call for much more decisive action on structural and institutional reforms that will enable us to drastically improve our country's potential growth rate.

We need to stabilise the fiscus, substantially improve the capacity of the state to support economic growth, reduce red tape and open up key sectors to much greater private participation and private investment. It is our view that a significant opening up of the electricity, rail, port and pipeline sectors could break the shackles that are holding back growth in South Africa.

As much as COVID-19 has been a humanitarian tragedy, it has also catalysed much greater engagement between the Minerals Council and Minister of Minerals Resources and Energy and team on how to revive the mining sector in the new normal. It has been agreed that we can get mining back to above 10% of GDP from the current 8% level by unblocking constraints to growth.

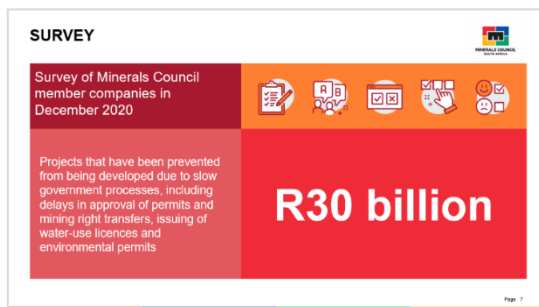
Six task teams were established between the DMRE and Minerals Council to focus on exploration, the policy and regulatory framework, infrastructure constraints, local procurement and beneficiation, improving the operational environment including dealing with crime, a one stop shop to unblock outstanding mining licenses and rights and a communications task team.



We also want to encourage much greater exploration with a target of 5% of global total exploration expenditure.

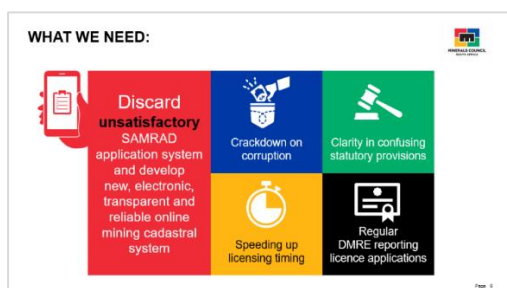
We have often pointed out that between 2000 and 2018 South Africa saw only US\$194 million per

annum, or 1% of total world exploration spending and only 0.1% of greenfield exploration spending. This compared to South Africa's 5% share in the early 2000s. We can and should turn this around. Exploration is the lifeblood of the sector and for future mining.



A survey of Minerals Council member companies conducted in December 2020 indicated that they have about 170 outstanding mining right, prospecting right, Section 11 change of ownership, renewals and environmental authorisations which are holding back projects worth about R30 billion, that could be spent (and

help the economy) if these were to be unblocked. The one stop shop team has been looking at these outstanding rights and authorisations, and progress is being made by the DMRE in resolving the backlogs.



We are in deep engagement with the DMRE Minister and his Director General over ways to resolve these challenges, and to re-energise and revive the mining industry.

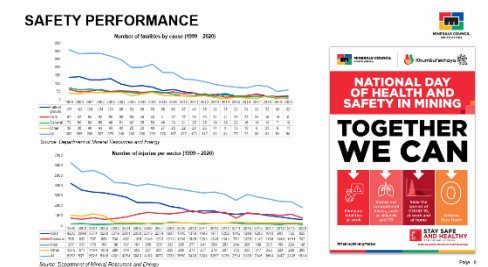
This is what we are seeking:

- Discard the unsatisfactory SAMRAD application system and development of a new, electronic, transparent and reliable online mining cadastral system
- Crackdown on corruption

- Clarity in confusing statutory provisions
- Speeding up of licensing time periods
- Regular DMRE reporting licence applications

We anticipate a new exploration plan will soon be released along with a RFP for a new cadastral system by the DMRE. The license backlog is being tackled and progress is being made. We are seeing progress in resolving infrastructure constraints – and there is a concentration on enabling investment by mining in self-generation. In this regard we need the license cap to be raised to 50MW and the various regulatory time periods to be shortened. Discussions on this are progressing well.

We see progress, but we need more, and soon.

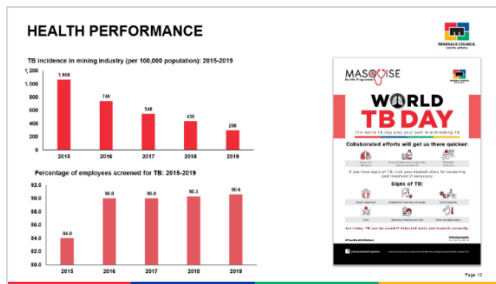


Health and safety remain a central focus of the Minerals Council and our industry.

After two decades of almost uninterrupted improvement in the industry's safety performance which saw an 88% reduction in the number of fatalities in mine accidents, 2017 saw a reversal. This

prompted deep reflection by the CEO Zero Harm Forum. 2018 saw the first National Day of Safety and Health in Mining, which evolved into the Khumbul'ekhaya initiative in 2019, all in close co-operation with the DMRE and organised labour.

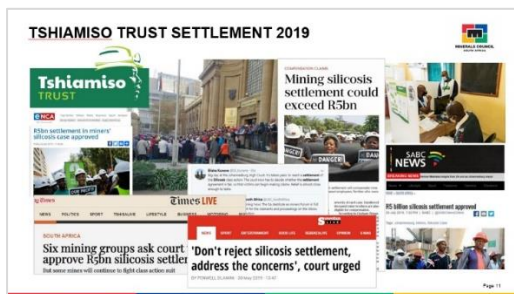
Khumbul'ekhaya's focus has been on the elimination of fatal accidents as far and as rapidly as possible. 2019 saw a significant reduction in the number of fatalities to a level never achieved in South Africa's mining history. However, 2020 saw a deterioration, despite the fact that fewer person hours were worked due to the COVID-19 lockdown. Trends in 2021 suggest that the industry will struggle to better the 2019 achievement and take us closer to our zero harm goal. As leadership, we appeal for additional effort from all CEOs and others to do all they can, now and into the future.



We continue to see improvements in occupational health reports. The continuing work against TB in mining has created a situation where some 90% of employees were tested, and instead of the industry's TB incidence rate being above the country average, it is now below that level. This is a

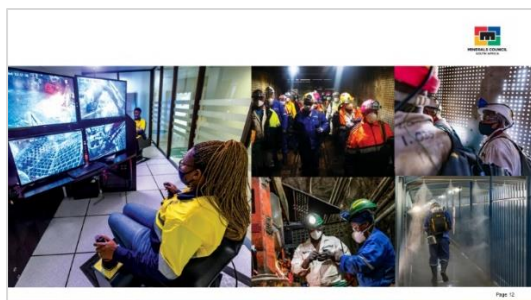
remarkable achievement for which our industry's healthcare professionals deserve high praise.

As you are all aware, the Minerals Council has focused on resolving a number of outstanding legacy issues, including trying to accelerate the payment of unclaimed retirement funds to ex-mineworkers and ensuring that claims for occupation lung diseases to the MBOD were certified, digitised and processed faster. Important progress has been made working in partnership with government, TEBA, trade unions, and mining companies to find workable solutions.



The other notable achievement during this time period was the silicosis and TB class action settlement reached in 2018 by six of our current and former gold companies. Though its implementation has taken time, signals are that the work of the Tshiamiso Trust, established last

year to implement the settlement agreement is now moving ahead at speed, and we can expect to see benefit payments soon beginning to flow. My congratulations to all concerned.



For all of us, however, the COVID-19 pandemic has had to be the primary focus since the beginning of 2020.

The Minerals Council realised during the course of January last year that it was going to have a significant impact on the industry, even if we did not realise at that early stage how all-encompassing the impact would eventually be.

Still, we believe we can say with honesty that, from the earliest stages, the Minerals Council did all that we could to mitigate the impacts of the virus on our employees. This we did while doing all we could to ensure the industry’s sustainability through the stage 5 lockdown and the gradual return to full production.



Following local and international guidelines, we initiated campaigns of sanitising, social distancing and the wearing of masks. We supported government’s initial lockdown measures. But we also threw everything into developing, in close co-operation with national and international experts,

the detailed guidelines (standard operating procedures) that would be the foundation of a return to work. Those guidelines ultimately became the foundation not only for the COVID-19 regulatory system under which our industry now operates, but offered guidance to much of the rest of the economy too.

With the strong cooperation of the DMRE, Mines Inspectorate and trade unions we were able to get the sector back to work by applying a proper risk-based approach with the right preventative and mitigating measures. By implementing the standard operating procedures and everyone playing a constructive role we are able to “save lives and save livelihoods” through a real team mining South Africa effort.



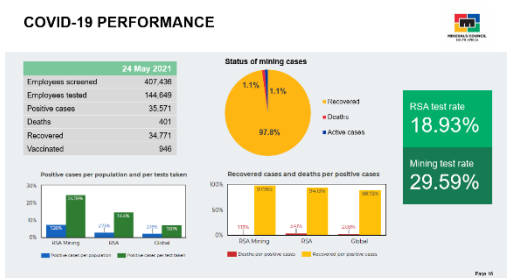
I am particularly moved by the way in which mining companies sought to continue to pay employees even during the most stringent times of lock down, and how they supported employees and communities during this time – by providing medical facilities, testing capacity, PPEs, bulk

sanitizers, food parcels and other relief.



One such gesture stands out for me, where the strength in the Minerals Council really came to the fore, and that is when 13 mining companies contributed R4.7 million to providing oxygen and oxygen-related products to two regions in the Eastern Cape. The Eastern Cape is a mining-affected province, without mines.

Historically, the industry has drawn many thousands of employees from the Eastern Cape, and even today, around 15% of members' current workforce come from this area.



As of this week, in addition to maintaining the hygiene protocols, each and every day more than 400,000 employees are being screened and, where necessary, tested.

No fewer than 144,649 employees had been tested as of Monday. That's a testing rate of 29.6% of the workforce, compared with 18.9% in South Africa as a whole. The industry has made a positive impact on the country's testing capacity, and enhanced capacity in mining communities specifically.

We are also gratified that the high quality of medical care provided to employees has meant that deaths as a proportion of positive cases, at 1.1% by latest measure, is only a third of the national average.

Nonetheless, we mourn the 401 colleagues we have lost to COVID-19 complications, including Board member, Shadwick Bessit. We have to remain vigilant. We cannot ease up in any way. Winter is here, as is a third wave. We need to continue taking precautions as seriously as we did at the very beginning of the pandemic.



South Africa is now at the beginning of phase 2 of the vaccination rollout. As we know, the acquisition of vaccines has been painfully slow.

During the first phase of the vaccination roll-out under Sisonke, 946 of our industry's healthcare workers had received their vaccinations. Next in line are the relatively small number of over-60s – around 6,500 people in mining - and then we will shift to the over 50's and then the over 40's.

We have actively lobbied government to not only accelerate the procurement of effective vaccines but also to quickly roll out the vaccine process to ensure we can get as many of our workforce and communities vaccinated in as short time as possible.

Many of our companies will be actively assisting in the vaccine rollout, certainly among employees and, as far as possible, their families and the mining communities. Yet we know that community immunity will not be achieved before next February, at best. Hence the need for our energetic participation in the rollout, and continuing vigilance.



Achieving diversity and inclusion has been a subject that occupied a great deal of time and effort at the Minerals Council. We have a very clear principle of CEO-ship within the Minerals Council, which has stood us very well in the sphere of safety and health.

Our colleague Themba Mkhwanazi, who chairs our CEO Zero Harm Forum, always reminds us that our first job as CEOs is to 'show up' – to be at the front of the conversation where we most want change to happen. So, it is very pleasing and telling to see who has 'showed up' to drive the issue of diversity and inclusion both at the Women in Mining Leadership Forum of the Board, which is chaired by Nolitha Fakude and supported by Neal Froneman – but in the tens of other CEOs and senior executives in our industry.

Our diversity and inclusion, and women in mining strategies are not for women by women – men do and must play an equally important role.

In respect of women in mining in particular, the Minerals Council and our industry have taken some very important steps towards, first, making our historically male-dominated industry a more comfortable place for women to work and, second, towards addressing the imbalances in workforce gender representation.

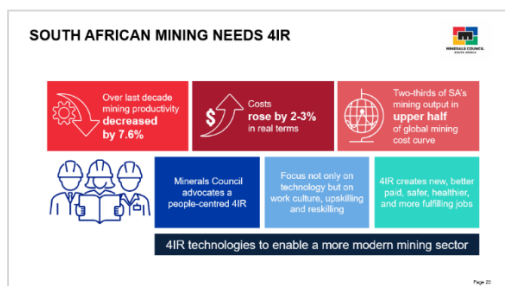
As we know, a generation ago, women were barred by law from participating in our industry other than in a narrow set of occupations. The first Mining Charter gave impetus towards remedying that. But we still have not moved as rapidly as we would have hoped.

The White Paper on Women in Mining offers an action plan for member companies to follow in order to address this issue proactively. It stresses the need for diversity and inclusion programmes that specifically include men, for the inclusion of women in mining to be part of KPIs in senior management performance plans, and for workplaces to be reviewed and adapted to ensure that women's needs are catered for. It also promotes women-focused job shadowing, training, recruitment, retention and succession planning interventions.



An essential part of these efforts is the campaign we also launched in 2019 to address sexual and gender-based violence and harassment on South Africa's mines and in mining and labour-sending communities. And, in this regard the Minerals Council and many member companies have

supported the initiatives led by President Ramaphosa, in what he has dubbed the second pandemic.



Another critical part of the Minerals Council's work are our initiatives and remarkable cooperation with local and international expertise aimed at innovation, modernising and further humanising our industry.

We do a great deal to provide the minerals necessary to modernise our world.

Communications technology and a range of technologies to address carbon emissions are among these. We have worked in strong cooperation on a number of modernisation themes in the jointly sponsored Mandela Mining Precinct.

But everything we do we need to do with increasing regard for people. That includes making our workplaces safer, and more efficient. The Minerals Council team, working with members and others, has done sterling work in this regard. I invite you to study this, and other, features of our annual report and other work available on this topic.

It would be remiss of me not to talk about one of the most visible changes by the Minerals Council itself during this time, although in truth it is a change that was in the making some years before, and something that the previous Minerals Council President, Mike Teke, particularly drove. What I am referring to is the transition from the old Chamber of Mines to the new Minerals Council brand.

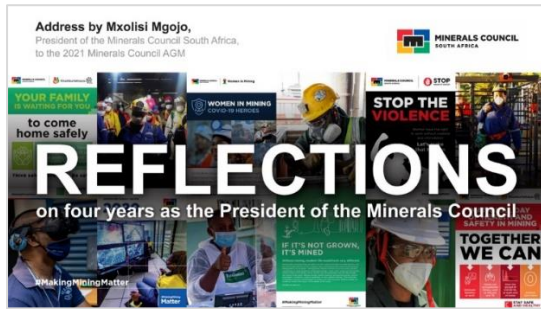


While it was only at the AGM on 23 May 2018, that the Chamber of Mines of South Africa was formally renamed the Minerals Council South Africa, the decision to rename the organisation was taken by the Chamber of Mine's Council in 2017 in line with our changing face, ethos and role.

The decision was not taken lightly and followed extensive research within our industry and beyond. While this research acknowledged that the Chamber of Mines has had a long history of contribution to the South African mining industry, it is also understood that there are negative associations with its past. The Council was of the view that it was time to signal clearly that this industry is moving forward, building a new legacy and creating a future all South Africans can be proud of.

In launching our new name and logo we sought to establish and indeed earn a new legacy, that embodied the organisation's and industry's efforts and aspirations. In all that it does, the Minerals Council endeavours to represent and lead members in a way that reflects our vision and values.

More than that, through our membership compact, we hold members accountable for the commitments that the Minerals Council and our members have made. I hope and trust that our actions speak louder than words, and that – in some small way – I have made a contribution to this industry over the past four years.



In conclusion, I would like to again thank my fellow Office Bearers for their wisdom and support. I thank all our members and Board members, for their guidance and dedication. I thank CEO Roger Baxter and his remarkable team for their commitment through these difficult days.

I think that teamwork, cooperation with government in certain areas and real decisive industry leadership have been some of the hallmarks of the past four years.

I wish those who will take up the leadership reins from here on all the best, and assure them of my support in the months and years ahead.