

MEDIA STATEMENT

MINERALS COUNCIL WELCOMES REGULATORY CERTAINTY IN HIGH COURT JUDGMENT ON THE 2018 MINING CHARTER

Johannesburg, 22 September. The Minerals Council South Africa welcomes the High Court judgement released on Tuesday that the Mining Charter 2018 is a policy document, that the continuing consequences of previous black economic empowerment deals should be recognised and that the specific challenged provisions in the document should be removed.

The Minerals Council and its members remain fully committed to the transformational objects of the Mineral and Petroleum Resources Development Act (MPRDA), but the objectives must create policy and regulatory certainty for long term investment and inclusive growth in the sector.

The judgment removes the clauses dealing with the renewals of existing mining rights and the transfers of mining rights, compelling companies to top up their BEE shareholdings to the 2018 Charter levels, which would have the effect of diluting shareholders and stifling investment in the sector.

The judgment also sets aside the provisions around procurement of goods and services (especially the capital goods target), and supplier and enterprise development which the Minerals Council argued contained unachievable targets for mining companies to meet, making compliance with the 2018 Charter problematic.

The judgment also sets aside provisions in the 2018 Charter related to the Diamonds Act and Precious Metals Act to impose targets set out in the Charter on licence holders under those Acts.

The provisions in the 2018 Charter related to mining companies not complying with ownership and mine community development requirement and thus being in breach of the MPRDA, potentially having their mining rights suspended or cancelled was also removed in the judgment.

The Minerals Council will continue to engage the DMRE on a constructive basis to create the necessary policy and regulatory certainty and to attract much greater investment into the exploration and mining sectors.

For further queries: Allan Seccombe

Minerals Council

Mobile: +27 (0) 64 650 4636

Email: aseccombe@mineralscouncil.org.za