

**ADDRESS BY MXOLISI MGOJO,
PRESIDENT OF THE MINERALS COUNCIL
SOUTH AFRICA
AT THE 128TH ANNUAL GENERAL MEETING ON 23 MAY 2018**

Honourable Minister of Mineral Resources, Minister Gwede Mantashe, Past Presidents of the Chamber of Mines, fellow Board members, members of the media and honoured guests.

I am honoured to deliver this address to you today at the 128th annual general meeting of the Chamber of Mines of South Africa. This is indeed an auspicious occasion in more ways than one, as you will discover in a short while.

I would like to start my address today by reflecting on the fact that, in 2017, we experienced the first regression in the industry's safety performance in 23 years when measured by the most important factor, the number of people who died in mining accidents. And, in 2018, 34 people have lost their lives in mining accidents. These were colleagues, friends, fathers and sons, and their deaths are unacceptable.

The overall message from the industry's leadership is that we remain committed to get back on the path of continuing safety improvement, for as long as it takes to reach our goal of zero harm. I call on each one of us here today, to stand up and honour our fallen colleagues in a minute of silence.

Thank you. May their souls rest in peace, and may we learn from the accidents of the past to ensure that we can improve in the future.

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In his address on this platform a year ago, Past President Mike Teke, lamented - with a famous quote – that it was the worst of times and the best of times.

For us – as a mining industry, and indeed as ordinary South Africans – 2017 was indeed the worst of times, for most of the year. But the year ended on a positive note for South Africa's

mining industry with the election of a new ruling party president, who a few weeks later was elected President of the country, and his subsequent appointment of Honourable Minister Mantashe as Minister of Mineral Resources along with several other highly competent appointments elsewhere in cabinet's economics cluster. These moves opened new possibilities, not only for the mining industry but for South Africa as a whole.

The past year has also been an important one for the Chamber of Mines. It was one in which we as the industry found our leadership voice, and stood up to be counted.

It is not this organisation's strategy to run to the courts or seek public battles with government. That the issues around the Mining Charter came to that, was clearly a last resort by the Chamber. As an organisation, we are fully committed to the transformation of our industry and – arguably – this industry has done more than any other to transform. But we could not stay silent when the wheels of the state were actively working against the sustainability of the industry and the interests of companies, employees and communities, and many millions of South Africans who are the ultimate owners of mining companies.

It was also not easy to stand strong in the face of negative comments about the Chamber by the very leaders that were supposed to support and guide the industry, but instead they deliberately undermined the sector. The Chamber, recognising the significant leadership challenges in the DMR made the point clear that we had lost confidence in the previous Minister to lead the DMR. We stood firm on our values and our principles and, in the long run, this stood us in good stead as it became evident that the previous administration had been involved in unscrupulous means of dealing with the industry, and with society at large.

The reality of mining in South Africa in the past few years, and today, is that this remains an industry in crisis. The country was ranked 47th out of 91 mining jurisdictions in the Fraser Institute Survey for its investment attractiveness. In the past three years greenfields investment has largely been placed on hold, and in 2016 real mining GDP was smaller than that recorded in 1994. These are staggering facts that show us very clearly that mining is not living up to its true economic and transformational potential. As much as people talk about the huge minerals potential of South Africa, the reality is without a nurturing environment that encourages long term investment in the mining sector, those mineral deposits will remain sterilised beneath the surface with no value created for the country.

That said, the Chamber and the mining industry is ready and willing to play its part in working with government and other stakeholders to revive South Africa's economy. In fact, it is our quest to reposition the South African mining sector as South Africa's pre-eminent industrial sector. This we seek to do through the creation of a competitive and transforming industry that realises the country's mineral wealth for the benefit of South Africa.

Our overriding objective is to press the "reboot" button with stakeholders. We want to work together to build a positive policy, regulatory, investment, innovative and operating environment. We envisage a growing, vibrant, competitive, innovative, productive and transforming mining sector that can materially contribute to realising the National Development Plan's vision of higher, more inclusive, economic growth. We want South Africa to emerge into an investment destination of choice for mining.

With this in mind, it gives me great pleasure to advise you that from today, 23 May 2018, the Chamber of Mines of South Africa will be formally renamed the Minerals Council South Africa. We are also unveiling a new logo and brand identity, a new purpose and vision and mission statements, and a recommitment to our values.

For 128 years, the Chamber of Mines has played an integral role in South Africa's over 130-year mining history. The Chamber was first formalised in 1889. Throughout its life, like our country, the Chamber has undergone continuous change and has adapted to new situations in different ways, always with continuity in its governance. Like our society and our country, we have also spent some time on reflection and introspection.

Our priorities today, perhaps more so than in the past, are good corporate citizenship, social and environmental responsibility, competitiveness, growth and transformation.

While the Chamber, and the mining industry, has had a long history of contributing to the South African economy, we recognise that this history is not without its flaws, with negative associations. To the extent that the Chamber of Mines was part of a history when our society and our industry may have been wanting, this change signals our desire to moving forward, building a new legacy, and creating a future of which all South Africans can be proud.

We would hope that the efforts made in recent times to accelerate the pay out of retirement fund holdings of ex-miners is one example of what can be done with good co-operation and careful strategic planning. We are particularly proud of the efforts of our gold mining

colleagues in the remarkable work they have done with their stakeholders to resolve the large silicosis challenge. They have settled the class action litigation which is now awaiting High Court approval; they have worked tirelessly, as has the Chamber, to improve the administration of the compensation fund operated through the Department of Health; and they are working in concert with the Chamber to improve for the future compensation for those who contract occupational lung disease. For them, as for the rest of us, continuing improvements in dust management remains critical to mitigate all occupational lung disease.

And while we accept our past, we do not accept that we cannot make things better for the future.

A decision to rename the organisation was taken by the Chamber of Mines Council in 2017, in line with its changing ethos and role. This decision was not taken lightly, and followed extensive research undertaken by a leading South African brand agency.

As the Minerals Council, we understand that a new logo will not create a new legacy. Rather, the logo is a symbol of the organisation and industry's efforts and aspirations. In all that the Minerals Council does, it will endeavour to represent and lead members in a way that reflects its vision and values. More than that, through its Membership Compact, the Minerals Council will hold members accountable to the commitments that it and our members have made.

We have no doubt that we as the Minerals Council and its members will face many challenges. But we also know that we have entered a far more positive political environment than we have experienced in recent years. And we know that our members are committed to mining in an effective and responsible manner that will ensure fair returns to investors while other stakeholders, too, will benefit from our efforts.

Our newly renamed Minerals Council South Africa will surely be there with even greater energy, both for our members and for the people of South Africa as a whole.

In closing, on behalf of the Board and members, I would like to extend our thanks to CEO, Roger Baxter, and his formidable team that have ensured that the Chamber has been on the front foot during this tumultuous time. We know and trust that they will take the Minerals Council to even greater heights.

I thank my fellow office bearers – Andile Sangqu, Neal Froneman and Steve Phiri - who have shared the load with me in the year under review and have ensured that – whenever and wherever it has been needed – the Chamber has represented members well.

I extend my thanks too to my fellow members on the Board, for their insight, support and willingness to achieve through collaboration and collegiality more than we could do in isolation. Finally, I thank Daphne Mashile-Nkosi, who retired from Board duties this year because of other commitments. I also want to thank Srinivasan Venkatakrisnan, the CEO of AngloGold Ashanti for his material contribution to the Chamber over the past five years. I also welcome to the Board three new members: Errol Smart, has been elected by the newly-formed Emerging Miners Leadership Forum to represent emerging miners on the Board; Deshnee Naidoo, CEO of Vedanta Zinc International; and Chris Sheppard, COO of AngloGold Ashanti who will also be joining the Board with immediate effect. We look forward to their contribution.

Finally let me conclude by quoting Nelson Mandela, our democracy's founding Father who would have celebrated 100 years if he had been alive today. He said: "A vision without action is merely day dreaming. Action without a vision is merely passing time. But action with a vision – can change the world"

As the Mineral Council South Africa we have a vision and we are implementing our strategy. In the years ahead, we will work to help our great country realise its true economic and transformational potential for all her citizens.

Thank you for your attention.