



Address by
Minister of Mineral Resources and Energy,
Mr Samson Gwede Mantashe (MP)
at the
2020 Junior Indaba
for explorers, developers, and investors in junior mining
3rd November 2020

Programme Director

Chairperson of the Junior Indaba, Mr Bernard Swanepoel

CEOs and Executives of the industry

Leadership and representatives of Organised Labour

Ladies and gentlemen

Thanks to the organisers of this Junior Mining Indaba for the invitation. Indeed, we have a lot to talk about on how to turn our country around.

Our meeting occurs under circumstances of a global pandemic, Covid-19, that has disrupted peoples' lives and businesses alike.

There is a decline in the global economy except in China, which has been picking up in recent months. Many businesses have been forced to close, thus shedding the much-needed employment. We believe that mining can resist the shedding of jobs. The future is brighter, we can create more employment opportunities in the industry.

In the second quarter of 2020 South African mining contracted. It is time for the industry to work together to pull South Africa out of the crisis. This added to the overall decrease in the country's Gross Domestic Product (GDP).

We must rethink how we do things to rebuild our sector. This is important given that our economy remains dependent on the mining sector for foreign earnings.

In this disrupted space, our Government opted for a two-pronged approach under the theme of Saving Live, Saving Livelihoods.

In the first instance, saving lives necessitated a Level Five nationwide lockdown aimed at slowing the rate of infections, also aimed at assisting our healthcare system to cope with the immense challenges. On the mining side, collieries continued to supply Eskom with coal to ensure its full operation so it could support other efforts underway.

Proceeding to the second phase, that of saving livelihoods, the Department enabled a gradual resumption of mining operations. Open cast mines began to operate fully under Alert Level 4 and all mining activities ramped up operations under Level Three.

Since the merger of the Department of Mineral Resources and Energy, we have made significant progress in providing the necessary policy alignment. We did this to ensure a more enabling environment for the mining and energy sectors to thrive.

We are moving with the necessary speed to address the high costs of electricity and the challenges caused by the unreliable supply of energy that has adverse effects on all industries including the mining sector. The expansion of the country's energy generation capacity is a priority intervention to support a rapid economic rebound as outlined in the Economic Reconstruction and Recovery Plan.

In this regard, we continue to implement the Integrated Resource Plan (IRP 2019) with our target being to deliver a total of sixteen thousand three hundred and thirteen megawatts (16 313 MW), from a mix of all energy sources.

South Africa should be an exploration site that contributes to GDP growth and employment creation. Exploration is the way to go and a priority for the Department. We invite the industry to work with us. Sterile mines should be revived, and new minerals discovered. We are committed to promote greater exploration in minerals and upstream petroleum activities. To support this, the quality of geoscience information available for investors is being improved and a comprehensive exploration implementation plan is being developed. In this regard, two hundred and sixty-eight thousand, three hundred million (R268.3m) for the geoscience research library and geological mapping for exploration of mining has been allocated. We would like to encourage junior minors to work with the Council for Geoscience (CGS).

Reconnaissance assessment of the Molteno-Indwe coalfield in the Eastern Cape has been concluded. Preliminary results show an estimated economically exploitable coal tonnage of 320 million tons, with a value beneath the ground of R122 billion, using a conservative estimate of R350 per ton.

We recognise the critical attributes that support junior mining exploration activities, namely, regulatory certainty, transparency in licensing system, investment significantly in precompetitive geology and tackle the barrier of access to funding.

We have resolved the longstanding regulatory uncertainty in respect of the mining charter, with BEE ownership omitted at the exploration phase. Secondly, we recognized that requisite details of geological information at a scale of 1:50k has been

grossly insufficient and directed the Council for Geoscience to focus on this activity, identify anomalies and drill the latter to a stage of inferred resource.

Artisanal mining is being formalised to create an avenue to mine sterilised deposits. We will also, as part of the economic recovery plan focus on the implementation of the Small-Scale Mining Framework.

Partnerships with aligned departments and entities will be formed to leverage on their resources and experiences for maximum impact; widen reach by providing technical, social regulatory support for community-based projects, and develop an artisanal and SSM policy.

As we develop a comprehensive programme to support junior miners, we will finalise work underway with development finance institutions and the private sector. As of the 1st of April 2020, the Department has approved R38 million towards rehabilitation costs, exploration, and capitalization of small-scale projects.

I encourage junior miners to look beyond the exploitation of minerals to other present opportunities throughout the mining value chain.

Mineral beneficiation is still a strategic objective for the country following the adoption of the mineral beneficiation policy as articulated in the White Paper: Mining and Minerals Policy for South Africa. We also aim to maximise the value derived from extractive industries.

We continue to work with all stakeholders to find solutions to our electricity challenges.

We call on all stakeholders in the mining industry to prioritise the health and safety of all persons at mines. Historic data on mine accidents reveals that that more fatalities reported occur during the last quarter of each calendar year. In this regard, the Department has intensified its monitoring and evaluation of the mine health and safety management systems through ongoing inspections and audits.

In conclusion, let me assure you about our commitment to strengthen our administrative capacity to ensure transparency and short turnaround times for the processing of mining and prospecting licenses.

As I have previously indicated, the future development of our mining and minerals industry rests with the junior mining sector. We need to invest more on skills

development and attract the requisite skills for the industry to grow. I look forward to our continued engagements.

Thank you.