

OLDMUTUAL

INDUSTRY INTELLIGENCE THE MINING REPORT Q2 2022

PREPARED BY OLD MUTUAL CORPORATE
FOR THE MINEWORKERS PROVIDENT FUND



CORPORATE

DO GREAT THINGS EVERY DAY

Old Mutual Life Assurance Company (SA) Limited is a licenced FSP and Life Insurer

CONTENTS



02

INDUSTRY OVERVIEW

18

GLOBAL INDUSTRY NEWS

25

SA INDUSTRY NEWS

32

SA COMPANY NEWS

39

SA COMPANY
FINANCIAL RESULTS

46

MERGERS,
ACQUISITIONS &
PARTNERSHIPS

53

INNOVATION &
TECHNOLOGY TRENDS

60

PLATINUM GROUP
METAL TRENDS

67

SUSTAINABILITY TRENDS

74

SOCIOPOLITICAL FACTORS

81

LEGISLATION

INDUSTRY **OVERVIEW**





GLOBAL INDUSTRY NEWS

Glencore Plc Admits Involvement in Bribery and Market Manipulation

Glencore Plc has admitted to being involved in the bribery of government officials in several countries, as well as market manipulation. The company indicated it will pay approximately \$1.5 billion to settle United States, United Kingdom and Brazilian probes. Swiss and Dutch probes are ongoing.

Growing Demand for Copper and Cobalt Increases Investment in African Copperbelt

There is increased interest regarding investments in the Central African Copperbelt, specifically Zambia and the Democratic Republic of Congo. This comes as global demand for copper and cobalt grows due to limited supply and evolving awareness of its importance, as the world shifts towards renewable energy.

Russia-Ukraine War Threatens Global Mining Operations and Supply Chains

The Russia-Ukraine war has resulted in global supply-chain issues and political uncertainty that are affecting the global mining industry. The war has already impacted the sector in a variety of ways including increased commodity prices and supply-chain disruptions, among others.

Environmental Risks Overtake Commodity Price as a Top Concern for Global Miners

KPMG's Global Mining Outlook 2022 survey has indicated that environmental risks have overtaken commodity prices as the top concern for global miners. This means that two of the top three risks are now related to environmental, social and governance (ESG) concerns.

Global Miners Struggle to Meet Targets and Control Costs in Q1 2022

Many major global mining companies have been struggling to meet production goals and keep costs under control in the first quarter of 2022. This is particularly due to COVID-19-related labour disruptions, as well as global inflationary pressures.

Underground Mining Set to Reap Rewards of Electrification

The underground mining industry has the potential to benefit in a variety of ways through the adoption of battery-operated electric vehicles (BEV). Although the industry has seen a relatively slow adoption of BEVs compared to the automotive sector, there is opportunity for industry-wide electrification.





SA INDUSTRY NEWS

SA Mining Production Falls by 9.3% Year-on-Year

As the Investing in African Mining Indaba 2022 drew to a close, it was indicated that mining production in South Africa had decreased by 9.3% year-on-year in March 2022. The largest negative contributors to this decrease were gold, iron ore, manganese ore and platinum group metals (PGM).

SA Mining Industry Breaches R1 Trillion for the First Time

In May 2022, the Minerals Council South Africa published its annual Facts and Figures report, which announced the record result that South African mining production had breached R1 trillion for the first time. This is primarily thanks to improved commodity prices, which were 40% higher year-on-year in dollar terms and 20% higher in rand terms.

Zero FoG Fatalities in Gold and PGM Sectors in Q1 2022

The Minerals Council South Africa has reported that for the first time there were no fatalities related to fall of ground (FoG) in South Africa's gold and platinum group metal (PGM) mines in the first quarter of 2022. This is a significant achievement given that FoG is one of global mining's most difficult challenges. This record is extending into its fifth month in the gold and PGM sectors.

SA Mining Companies Resort to Trucking as Rail Service Deteriorates

In order to meet a surge in European demand since the start of the war in Ukraine, mining companies in South Africa have resorted to trucking coal to ports, bypassing the deteriorating rail infrastructure that is challenging the mining sector.

SA's Investment Attractiveness for Mining Decreases

According to the Fraser Institute's annual survey of mining companies, which measures the investment attractiveness of various mining jurisdictions, South Africa was ranked as the 10th-worst in an Investment Attractiveness Index. This ranks the country at the bottom with the Democratic Republic of Congo, Venezuela and Zimbabwe.

SA Shifts its Mining Focus with a \$900 Million Annual Mineral Exploration Target

South Africa has set an annual target of attracting \$900 million of mining exploration expenditure by 2025. This target is equivalent to 5% of the global annual spend on exploration and is expected to boost the local mining industry, which has stagnated in recent years.

SA COMPANY NEWS

Sibanye-Stillwater Plans to Wait Two to Three Years to Resume Battery-Metal Acquisitions

Sibanye-Stillwater announced that the company does not plan to acquire battery-metal assets at the moment and plans to resume within two to three years, once inflated asset valuations decline. The company stated that since asset prices are high, it will be patient in its pursuit of new deals.

Orion Minerals Secures Funding for Prieska Mine Development

Orion Minerals announced that it had entered into a non-binding term sheet to receive funding of \$87 million for the development of

its Prieska copper/zinc mine. Orion negotiated the potential funding package with Triple Flag Precious Metals and is moving towards a definitive agreement by the third quarter of this year.

Steenkampskraal Holdings Receives Approval to Mine and Produce Monazite Concentrate

Steenkampskraal Holdings (SHL) has announced that it had received regulatory approval to start mining and producing monazite concentrate. The mine already has all the regulatory approvals in place and SHL is in discussions with potential offtake partners.





Ivanhoe Develops Underground Mine at Platreef

In May 2022, Ivanhoe Mines announced that its Shaft 1 production changeover had been completed at its Platreef platinum group metal (PGM) and copper project in South Africa's Bushveld Complex. This forms part of the company's lateral mine development towards the high-grade Flatreef orebody.

Pan African Resources Reports High-Grade Drilling Results at Barberton Mines

Pan African Resources announced that exploratory drilling into the down-dip extension of the orebody, at its Barberton Mines in Mpumalanga, had yielded successful and significant high-grade drilling results. This success is attributed to the company's continued focus on increased resource and reserve delineation through systematic exploration programmes.

Botswana Diamonds Announces Prospective Limpopo Diamond Mine

Botswana Diamonds has carried out an evaluation, which bolsters plans for the development of a prospective diamond mine at the company's Thorny River property in Limpopo. This analysis offers possibilities for opencast mining, and the mine shows potential for kimberlite mining.

SA COMPANY FINANCIAL RESULTS

Afrimat Limited

According to Afrimat Limited's Audited Summary Consolidated Financial Statements for the year ended 28 February 2022, the company experienced a 25.1% increase in operating profit to reach R1.11 billion compared to the previously reported operating profit of R886.3 million.

Harmony Gold Mining Company Limited

According to Harmony Gold Mining Company Limited's operational update for the nine months ended 31 March 2022, gold revenue increased year-on-year by 2% rising from R30.17 billion to R30.67 billion during the period under review.

Sibanye-Stillwater Limited

According to Sibanye-Stillwater Limited's operating update for the quarter ended 31 March 2022, the company reported a solid group financial performance, with group adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) of R13.7 billion in the quarter. In addition, the group reported a consistent operating performance across all platinum group metal (PGM) segments.

Gold Fields Limited

According to Gold Fields Limited's latest operational update for the quarter ended 31 March 2022, the company reported a solid performance in Q1 of 2022, with gold production up by 7% year-on-year to reach 580 000 ounces. Moreover, group

production remains on track to deliver the guidance provided in February 2022.

Anglo American Platinum Limited

According to Anglo American Platinum Limited's PGM Production Report for Q1 ending 31 March 2022, the company experienced a tough operating environment, with total platinum group metal (PGM) production decreasing by 6% to 956 000 ounces in the quarter.

Kumba Iron Ore Limited

According to Kumba Iron Ore Limited's Production and Sales Report for Q1 ending 31 March 2022, the company experienced tough operating conditions, with production and sales volumes decreasing by 21% and 8% respectively. Total production decreased to 8.3 million tonnes, while total sales decreased to 9.5 million tonnes in the quarter.





MERGERS, ACQUISITIONS & PARTNERSHIPS

Northam Platinum Intervenes in Impala Platinum's Acquisition of RBPlat

An application to the Competition Tribunal has been made by Northam Platinum to intervene in the approval process regarding Impala Platinum's acquisition of a stake in Royal Bafokeng Platinum (RBPlat). This has resulted in the deadline for the transaction being moved to 8 August.

Approval for Acquisition of Bokoni Platinum by ARM Bokoni Recommended by Commission

It has been recommended to the Competition Tribunal by the Competition Commission that

the proposed acquisition of the platinum group metals (PGM) mining company Bokoni Platinum, by African Rainbow Minerals (ARM) Bokoni, be approved. This recommendation is subject to public interest conditions.

Tharisa to Acquire Majority Stake in Karo Platinum Project in Zimbabwe

Platinum group metal (PGM) producer Tharisa has executed its option to farm-in and acquired a controlling stake in the holding company of the Karo platinum project, Karo Holdings, for a total consideration of \$27 million. The terms of the deal indicate that the company will increase its stake in Karo Holdings from 26.8% to 66.3%.

Implats Acquires Additional Million Royal Bafokeng Platinum Shares

Platinum group metal (PGM) miner Impala Platinum (Implats) has concluded agreements to acquire a further 1.01 million Royal Bafokeng Platinum (RBPlat) shares. This constitutes approximately 0.35% of RBPlat shares in issue and will increase Implats's shareholding in RBPlat to approximately 37.62%.

Afrimat Meets Conditions of Vermiculite Mining Right Acquisition

All conditions for the Afrimat acquisition of the vermiculite mining right from Glenover have been met. Glenover has elected

for this mining right consideration to be paid in cash of which R10 million is due to the company. However, the full consideration will be settled in a combination of cash and Afrimat shares.

Anglo American Sells Remaining Stake in Thungela Resources

Towards the end of March 2022, Anglo American announced that it had sold its remaining shareholding in Thungela Resources in a R1.67 billion deal. This disposal will see the miner completely divest from the coal-mining business, as it seeks to decarbonise its footprint.



INNOVATION & TECHNOLOGY TRENDS

Trident SA Offers Lithium-Powered Batteries for Global Mining Locomotives

South African original equipment manufacturer Trident SA now provides lithium-powered batteries for locomotives used in the global mining industry. This represents a switch from traditional lead-acid batteries typically used by these mining locomotives.

Bacteria and Other New Chemicals Used to Leach Copper from Waste Rock

Several global miners, such as Rio Tinto and Freeport-McMoRan, are deploying new leaching technologies to extract low concentrations of copper from waste rock. This includes using bacteria, or new chemicals, to extract more copper from waste rock. Leaching involves applying acid to rock piles to extract copper, gold or other metals.

De Beers Group Deploying Tracr Blockchain Platform at Scale for Diamond Production

Diamond-mining company De Beers Group has indicated that it is currently deploying the Tracr blockchain platform at scale for its diamond products. This will enable sightholders to have fixed records of diamond origins and give retailers confidence in them.

Thiess Conducts OreSense Trials at Anthill Project in Central Queensland

Thiess has conducted trials with new OreSense technology at the Anthill Project in Central Queensland in Australia, as part of efforts to enhance safety, productivity and sustainability. OreSense technology is able to scan rocks to differentiate high-grade resources from waste.

Researchers Identify New Method for Seismic Sensing

Researchers at Curtin University in Western Australia have identified a new seismic-sensing method that makes it easier and cheaper to detect mineralised structures beneath the surface. This method detects seismic energy as it passes through rocks and soil beneath the surface.

Digital Lifecycle Excellence Solution Launched by Siemens Digital Industries Software

A new Digital Lifecycle Excellence (DLE) solution for the mining industry has been developed by Siemens Digital Industries Software. This is designed to assist mining companies and value-chain participants to organise and manage complex data to enhance competitiveness.



PLATINUM GROUP METAL (PGM) TRENDS

Platinum Surplus in 2022 Vulnerable to a Variety of Market Challenges

According to the World Platinum Investment Council (WPIC), it's predicted that there will be a reduced, but large surplus of platinum of approximately 627 000 oz in 2022. However, WPIC indicated that this surplus is very vulnerable to several market issues that may occur during the year.

First Tons Hoisted at Sibanye-Stillwater's K4 Platinum Project

It has been announced that the first tons of platinum have been hoisted at Marikana K4, which is Sibanye-Stillwater's high-return resumed platinum group metal (PGM) project. Sibanye-Stillwater is investing R4 billion in the project, which will create more than 4 000 direct jobs over its 50-year life.

SA Platinum Miners Negatively Affected by Ongoing Copper Theft

South African platinum mining companies are struggling to combat underground theft of copper cables by gangs in the world's deepest platinum shafts. The thieves, known as zama zamas, covertly enter the mines, descend deep underground and set up camps in large networks of tunnels to strip copper from power cables.

Greater Adoption of Fuel-Cell Technology Could Boost Local PGM Industry

The introduction of policies encouraging hydrogen fuel-cell mobility by more governments would be a significant boost for the South African platinum group metal (PGM) industry. Greater use of hydrogen fuel cells in trucks and vehicles would increase demand for PGMs crucial to their production.

Global PGM Market Set to Tighten Due to Ban of Russian Metal by the UK

The platinum group metal (PGM) market is set to tighten, following the blocking of two Russian refineries from supplying a United Kingdom metal exchange. This followed a similar ban on particular PGM bands by the CME Group/NYMEX exchange.

Palladium and Rhodium Prices Forecast to Rally for Several Years

It has been predicted that the prices of palladium and rhodium are set to rally for several years to come – these metals increased in price by over 30% in 2022. This is due to supply constrictions, as well as a rising demand as they are used in catalytic converters to reduce vehicle emissions.



SUSTAINABILITY TRENDS

Minerals Council Members Agree to Climate Change Response Strategy

An agreement has been reached by members of the Minerals Council South Africa, in terms of commitment to a climate change response strategy for the reduction of Scope 1 and Scope 2 emissions. This also forms part of efforts for achieving net-zero emissions by 2050.

Pan African Resources Announces Successful Commissioning of 10 MW Solar PV Plant

Gold mining company Pan African Resources has announced that the 10 MW solar photovoltaic (PV) plant at its Evander gold mine has begun to supply electricity to its Elikhulu surface retreatment operations. The supply began on 6 May 2022 and is part of its hot-commissioning process.

Sustainability-Enhancing Technologies Under Development in Scandinavia and SA

According to the Finnish Ambassador to South Africa Anne Lammilla, Denmark, Finland and Sweden are national leaders in terms of environment protecting technologies. Lammilla added that South African mining companies were already moving in this direction. She indicated that the application of automation and robotics to mining in South Africa enables the safe exploitation of deeper orebodies, and skills growth.

New Hydrogen-Powered Zero-Emission Haul Truck Launched by Anglo American

Diversified-mining company Anglo American launched a prototype of its world-first, self-developed zero-emission hydrogen-powered mine haul truck in May 2022. This truck was developed as part of the company's FutureSmart Mining strategy.

Anglo American Set to Develop Regional Renewable-Energy Ecosystem in SA

Anglo American has signed a memorandum of understanding with EDF Renewables to develop a regional renewable-energy ecosystem (RREE) in South Africa. The ecosystem is designed to meet the company's local operational electricity requirements via 100% renewable electricity by 2030.

Tharisa Receives Three Energy Efficient Mining Machines

Tharisa, a JSE- and LSE-listed platinum group metal (PGM) mining company, has received three Liebherr mining machines with more efficient engines and fuel systems. This partnership forms part of Tharisa's environmental, social and governance (ESG) initiative to reduce its carbon footprint.



SOCIOPOLITICAL FACTORS

De Beers Set to Implement Interventions to Resolve Water Issues Faced by Musina Community

Diamond-mining company De Beers intends to implement several interventions to address water shortage issues being experienced by the Musina community at its Venetia mine. This follows recent protests by the community.

Minerals Council SA Gives Assurances on its Commitment to Improve Mine Safety

Minerals Council South Africa has given strong assurances that it continues to take action in terms of

halting and reversing the ongoing regression in local mine safety over the past three years. This includes the fact that almost half of council staff and its budget are dedicated to safety.

President Ramaphosa Outlines Government Support for SA Mining Industry

President Cyril Ramaphosa addressed the Investing in Africa Mining Indaba and highlighted government's ongoing support for growth in the industry, as well as the challenges it faces. The president also committed to remove obstacles blocking the growth of the local mining industry.

Concerns Raised Regarding SLP Enforcement Issues

The Sekhukhune Combined Mining-Affected Communities (SCMAC), the Centre for Applied Legal Studies (CALs) and Amnesty International South Africa (AISA) have raised concerns regarding the failure of the Department of Mineral Resources and Energy (DMRE) to hold three mining companies accountable for noncompliance with social and labour plan (SLP) obligations.

Sibanye Accuses Unions of using the Gold Strike to Leverage Platinum Deal

Sibanye-Stillwater has recently accused labour unions of using the ongoing strike at its South African gold mines as leverage for upcoming wage negotiations at its platinum operations. This follows the rejection of a recent deal, presented to the unions, offering wage increases higher than recent inflation rates.

Women Continue to Face Harassment and Abuse at Major Mining Companies

According to Anglo Platinum CEO Natascha Viljoen, the ongoing abuse of female miners is facing investor scrutiny at the world's biggest mining companies. This follows a report by the Rio Tinto Group which highlighted the severity and scale of the problem.



LEGISLATION

Artisanal and Small-Scale Mining Policy 2022 Published for Implementation

On 30 March 2022, Mineral Resources and Energy Minister Gwede Mantashe published the Artisanal and Small-Scale Mining Policy 2022 for implementation. This aims to address illegal mining in South Africa, which is a critical challenge in the mining and minerals industry.

Tendele Promises Remedial Action on Mining Right Irregularities

Following the Pretoria High Court ruling in favour of Tendele Coal Mining (TCM), the company has vowed to take remedial action on mining right irregularities by conducting a comprehensive public participation process. The company has already compiled 27 additional specialist studies addressing intended additional mining operations at its Somkhele mine in KwaZulu-Natal.


Geoscience Act Regulations 2022 Published for Mining and Exploration Companies

On 30 March 2022, the Geoscience Act Regulations 2022 were published in order to manage and promote mineral exploration, knowledge and investment in South Africa. These regulations outline new obligations for South African mining and exploration companies to submit their geoscience data.

Webber Wentzel Calls for Concrete Steps to Bolster the Mining Sector

In May 2022, Webber Wentzel's team of mining experts recommended that both President Cyril Ramaphosa and Mineral Resources and Energy Minister Gwede Mantashe announce concrete steps to bolster mining industry attractiveness with various top priorities. This includes creating an efficient regulatory system, and eliminating cumbersome administrative processes, among others.

Solidarity to Challenge Sibanye-Stillwater's Lockout Order in Court

At the beginning of March 2022, the union Solidarity stated that it would go to court to challenge Sibanye-Stillwater's move to lock out its members. This lockout order follows the start of a strike over a wage dispute at the company's gold operations. 





GLOBAL INDUSTRY **NEWS**



25 May 2022

Glencore Plc Admits Involvement in Bribery and Market Manipulation

Global mining and commodities trading company Glencore Plc has admitted to being involved in the bribery of government officials in several countries, as well as market manipulation. The company indicated it will pay approximately \$1.5 billion to settle United States, United Kingdom and Brazilian probes regarding this activity. Swiss and Dutch probes are ongoing.

Glencore has admitted to paying more than \$100 million in bribes to government officials in Brazil, Nigeria, the Democratic Republic of the Congo and Venezuela. In addition, several units agreed to plead guilty to price manipulation in United States fuel-oil markets.

Glencore first indicated it was under investigation in the United States in 2018. Details also emerged in 2021 regarding

corruption in Africa when a former Glencore trader pleaded guilty to participating in an international scheme to bribe Nigerian officials to secure favourable conditions from the state-owned oil company.

According to the Commodity Futures Trading Commission, Glencore traders use code names, such as 'newspapers' or 'chocolates' to refer to corrupt payments, and that the company's corruption and manipulation took place from 2007 to at least 2018.

Glencore is the largest among a few companies that dominate global oil, fuel, metals, minerals and food trading. These companies typically operate outside regulatory scrutiny and are willing to operate and do deals in countries that are avoided by other players.

READ MORE



13 May 2022**Growing Demand for Copper and Cobalt Increases Investment in African Copperbelt**

The mining industry is experiencing increased interest regarding investments in the Central African Copperbelt, specifically Zambia and the Democratic Republic of Congo. This comes as global demand for copper and cobalt grows due to its limited supply and an evolving awareness of its importance, as the world shifts towards renewable energy.

Over the past few years, western mining companies have been actively reducing their investments in the Central African Copperbelt, due to policy changes and cash grabs in the region. However, Zambia and the Democratic Republic of Congo are now seeing significantly increased activity from both existing and new investors in the industry, with the latter having been identified as a dominant country with regards to the demand for cobalt.

Companies increasing their investments in mining operations in the region and seeking new investments include BHP Group's new investment interest, as well as First Quantum Minerals' billion-dollar Zambian expansion. Barrick Gold Corporation is also seeking new projects, while Anglo American has also announced a new regional venture.

Furthermore, other factors driving investment in these regions include efforts to repair relations with investors, while

other copper-rich countries, such as Peru and Chile become less investor-friendly. Recent significant increases in copper prices are also driving renewed investment interest in the region.

READ MORE



12 May 2022

Russia-Ukraine War Threatens Global Mining Operations and Supply Chains

The Russia-Ukraine war has resulted in global supply-chain issues and political uncertainty that are affecting the global mining industry. A variety of impacts are being felt including increased commodity prices and supply-chain disruptions, among others.

There has been a significant increase in commodity prices of critical mining exports from Russia and Ukraine due to disruptions in supply. As an example, prior to the war, Russia was supplying 20% of the global titanium market. Mining input costs are also increasing significantly due to the war, as a direct result of escalating energy prices. This is particularly related to the costs involved in transporting ore from mining sites.

Furthermore, aluminium mined for commercial production is being

affected – an example is in Guinea where Russia's Rusal is having its bauxite operations severely hampered. Prior to the war, half of the bauxite mined by the company was sent to the Mykolaiv alumina refinery in Southern Ukraine.

However, the most significant impact of the war is the review of future supply chains – the substitution for commodities such as nickel are now being discussed by many stakeholders. Manufacturers are also contemplating upstream movement into mining operations.

Miners will have to deal with the effects of rising political instability and Russian sanctions by adjusting supply chains and financial transactions to cater for changing social dynamics, governance challenges and stakeholder considerations resulting from the war.

READ MORE



26 April 2022

Environmental Risks Overtake Commodity Prices as a Top Concern for Global Miners

KPMG's Global Mining Outlook 2022 survey has indicated that environmental risks have overtaken commodity prices as the top concern for global miners. This is the first time in 12 years that KPMG's top 10 risks for miners has changed, meaning that two of the top three risks are now related to environmental, social and governance (ESG) concerns.

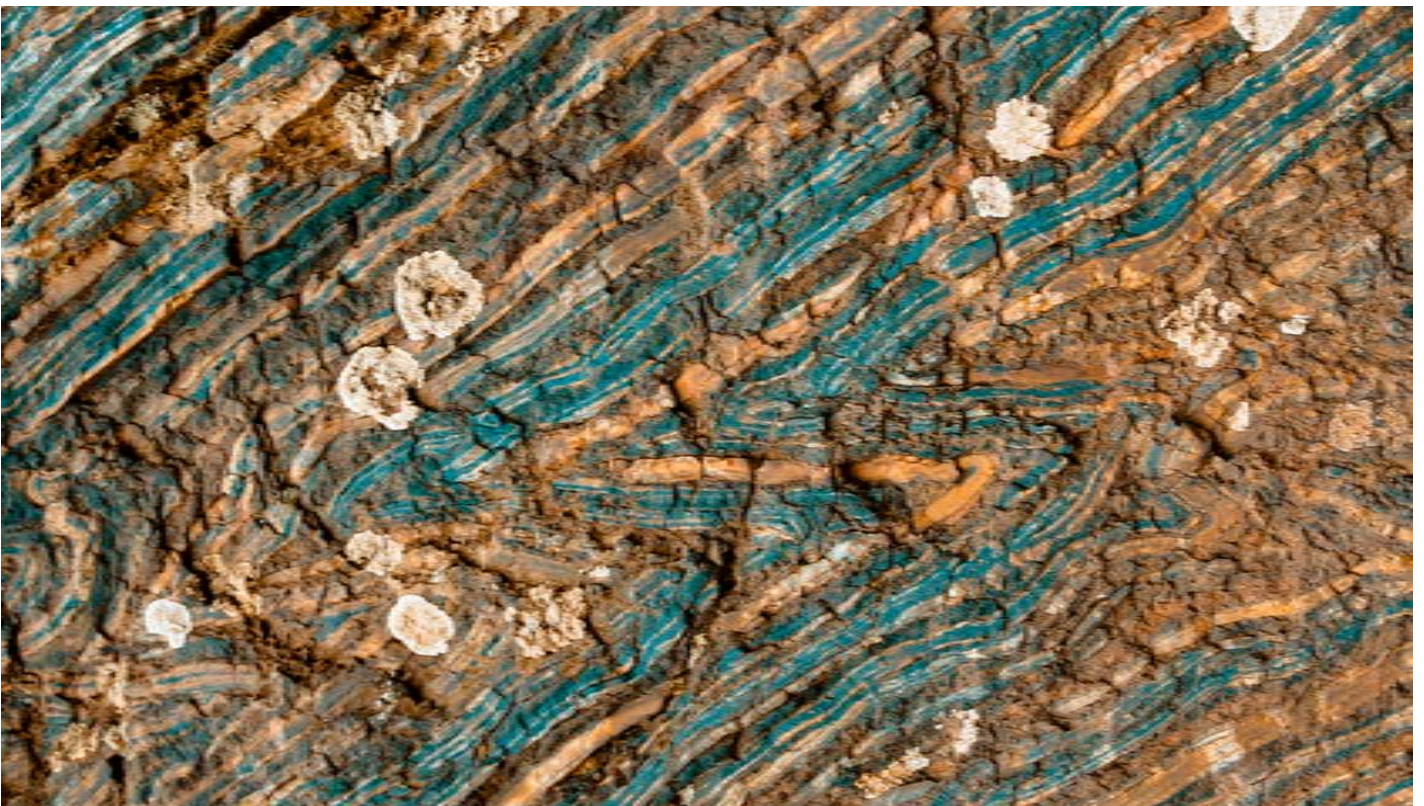
The survey indicated the top three global mining risks are: environmental risks and regulations; commodity price risk; and community relations and social license to operate. According to KPMG's Global Mining Leader Trevor Hart, this change is a significant milestone for the mining sector that highlights the importance of the ESG agenda to the global mining industry.

The report highlighted the ESG agenda as a risk for global miners because of its potential to cause major disruptions in the industry in the coming years. It also emphasised the increasing need for executives to focus less on financial outputs and more on stakeholder returns.

However, Nick Harridge, National Mining Leader of KPMG Australia, has indicated that in addition to risks, ESG would also offer significant opportunities to the mining sector. These include increased innovation and investment as social and investor expectations regarding ESG encourage industry players to invest in innovation and to adapt at a faster pace.

Interestingly, the mining talent crisis was identified as a new risk, and featured ninth. This includes the challenge of attracting and retaining talent in the industry.

READ MORE





21 April 2022

Global Miners Struggle to Meet Targets and Control Costs in Q1 2022

Many major global mining companies have been struggling to meet production goals and keep costs under control in the first quarter of 2022. This is particularly due to COVID-19-related labour disruptions, as well as global inflationary pressures.

The mining industry has experienced a successful recovery from the COVID-19 pandemic, with record profits and many commodities still trading at record highs. Despite this, major industry players are beginning to experience a variety of issues that are negatively affecting production and its costs in the first quarter of the year.

These emerging problems include ongoing COVID-19-related labour shortages, operational challenges, rising inflationary pressures and increasing energy prices, all of which are raising costs for major mining companies. In terms of inflationary pressures, the rising price of key consumables, including diesel and steel, have been identified as a major challenge for industry players.

This is likely to continue beyond the first quarter, with Anglo American Plc having indicated that its costs would be nearly 10% higher than previously expected in 2020, despite the company's record-high trading. The company attributed these increased costs to reduced production of iron ore, platinum and coal.

Additionally, BHP Group also reported a drop in iron-ore output, a key driver of its profits. This is due to labour shortages and cuts to its full-year copper guidance, while Rio Tinto and Vale also recorded lowered production.

READ MORE




7 April 2022**Underground Mining Set to Reap Rewards of Electrification**

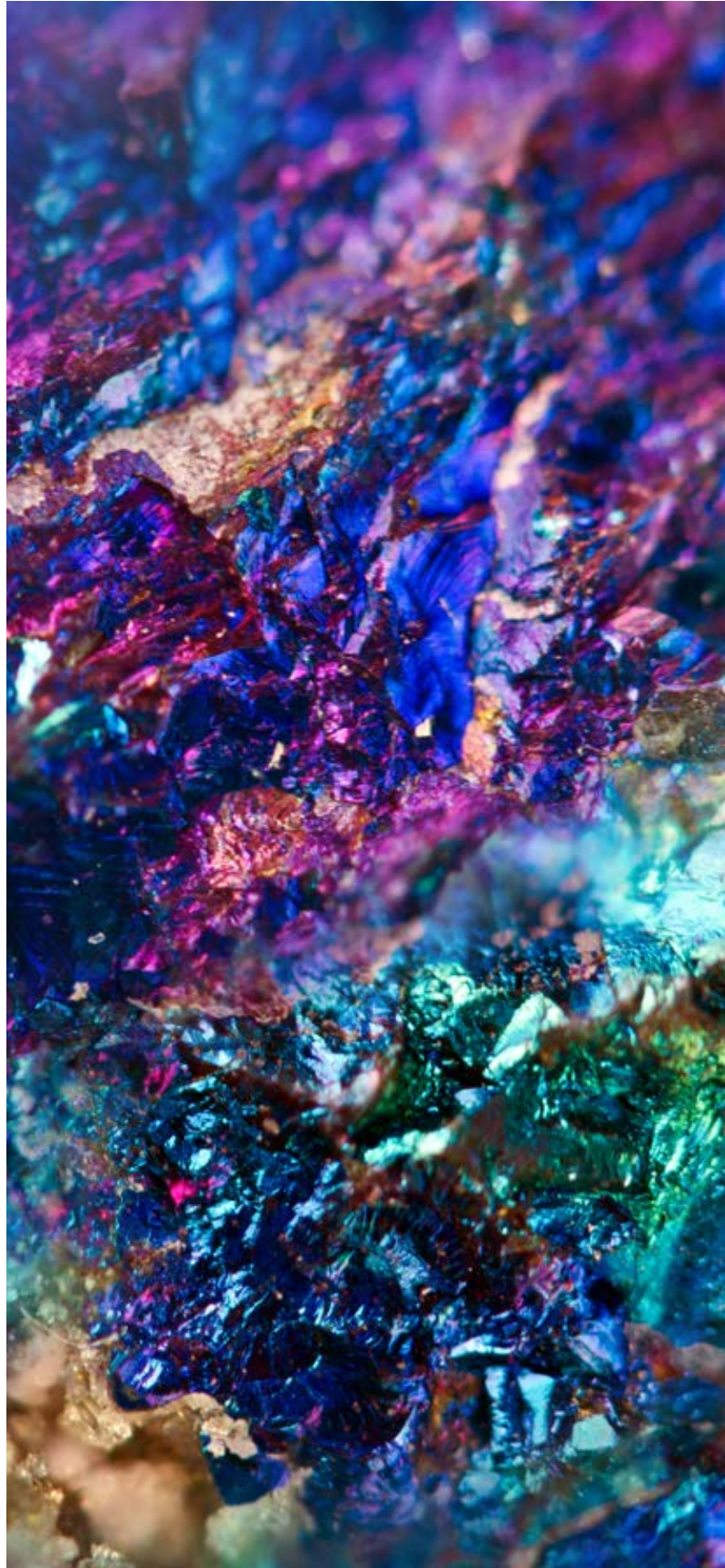
The underground mining industry has the potential to benefit in a variety of ways through the adoption of battery-operated electric vehicles (BEV). Although the industry has seen a relatively slow adoption of BEVs, compared to the automotive sector, there is a significant opportunity for industry-wide electrification.

Electrified mining equipment typically consists of models which are either battery-powered, cable-tethered or utilise overhead trolley-lines. Despite inherent challenges, adopting these electrified models in underground mining has the potential to improve health and safety, efficiency and reduce operating costs within the industry.

Research conducted by GlobalData has suggested that the implementation of electric trolley-trucks can deliver savings of up to 50% to miners, in terms of fuel consumption and costs. However, the battery technology required for these vehicles is still in its early stages, making it currently difficult to implement.

At present, Panama leads the world in terms of electrified mining equipment, followed by Zambia, Sweden and Namibia. However, many countries with the largest overall equipment portfolios have the smallest proportion of electrified vehicles, indicating a significant opportunity for the mining industry to invest in electrification.

However, the industry still faces various challenges in the shift towards utilising BEVs, particularly in the surface-mining industry because battery technology remains in the prototype stage in this sector. 

**READ MORE** 



SA INDUSTRY NEWS



12 May 2022

SA Mining Production Falls by 9.3% Year-on-Year

As the Investing in African Mining Indaba 2022 drew to a close, it was indicated that mining production in South Africa had decreased by 9.3% year-on-year in March 2022. The largest negative contributors to the decrease were gold, iron ore, manganese ore and platinum group metals (PGM).

According to analysts, this fall represents the steepest decline in activity in almost two years in the South African mining sector. As a result, industry players have been discussing the challenges facing the sector, as well as how to position it for growth to mitigate the decline.

According to Mining Analyst at Mergence Corporate Solutions Peter Major, the industry is experiencing a shortage of new, small, non-listed mining companies, as well as a backlog

of licences, which are hindering progress for South African mining companies. The industry also faces a shortage of investors, largely due to the shortage of new mining companies and projects, which is further negatively impacting growth of the overall South African mining sector.

However, not all mining sectors made negative contributions to South Africa's production. Diamond production in the country made a significant positive contribution to the overall figure, with an increase of 44.3% year-on-year. Additionally, mineral sales increased by 6.6% year-on-year, with positive contributions being made by the coal, chromium and nickel sectors.

READ MORE



READ MORE





9 May 2022

SA Mining Industry Breaches R1 Trillion for the First Time

In May 2022, the Minerals Council South Africa published its annual Facts and Figures report, which announced the record result that South African mining production breached R1 trillion for the first time. This is primarily due to improved commodity prices, which were 40% higher year-on-year in dollar terms and 20% higher in rand terms.

The report detailed that the value of mining production was just under R1.2 trillion in 2021 – well above the R910 billion achieved in 2020.

According to Minerals Council South Africa CEO Roger Baxter, this production value provided the domestic economy with a vital injection of higher taxes, wages and increased employment.

Baxter further emphasised the importance of mining for the South African economy, highlighting that the industry increased employment during 2021, more than offsetting the jobs lost during 2020 due to the COVID-19 pandemic, while providing additional jobs in the economy.

However, Baxter pointed out that there is still concern surrounding key state-owned enterprises, such as Eskom and Transnet, since rail and port constraints resulted in an opportunity cost of approximately R35 billion for 2021.

If the capacity of the rail network for bulk commodities like iron ore, coal and chrome is considered, the opportunity loss is R50 billion – a third of which would have flowed into the fiscus. This indicates that although mining companies did well financially, there are deeper challenges that need to be addressed for the further success of the industry.

READ MORE



6 May 2022

FoG Fatalities in Gold and PGM Sectors in the First Quarter of 2022

The Minerals Council South Africa has reported that for the first time there were no fatalities related to fall of ground (FoG) in South Africa's gold and platinum group metal (PGM) mines in the first quarter of 2022.

This is a significant achievement given that FoG is one of global mining's most difficult challenges – preventing these fatalities requires a lot of effort in terms of safety initiatives by companies and organised labour.

According to Minerals Council Safety Head Dr Sizwe Phakathi, the record is extending into its fifth month in the gold and PGM sectors.

The number of FoG fatalities in the sector declined from a yearly average of 111 between 2001 and 2005 to a yearly average of 24 in the 2016 to 2020 period. This represents a 78% improvement in FoG fatality rates in the country.

This record result follows after two consecutive years of regressions in fatal events, with FoGs being one of the leading causes of fatalities in South Africa's deep-level, hard-rock mines. As such, mine safety has come under renewed scrutiny by the Minerals Council, with a special



focus on eliminating these incidents and achieving its goal of zero harm. This included the council holding a FoG day of learning in March 2022, as well as the board convening a special meeting during which eight interventions were agreed upon for members to immediately implement to prevent fatalities and reverse the trend.

READ MORE





3 May 2022

SA Mining Companies Resort to Trucking as Rail Service Deteriorates

In order to meet a surge in European demand since the start of the war in Ukraine, mining companies in South Africa have resorted to trucking coal to ports, bypassing the deteriorating rail infrastructure that is challenging the South African industry.

Demand for coal has skyrocketed since the Russia-Ukraine war began, given that the European Union announced a ban on Russian coal. As such, South African mining companies are fielding calls from European countries, which are increasingly looking for coal imports.

However, poor maintenance, a lack of spare parts for trains, copper-cable theft and vandalism have disrupted state logistics firm Transnet's freight-rail services. This has resulted in a decrease in coal and iron ore exports in recent years.

Consequently, mining firms have turned to trucks for transportation, with miners putting approximately 400 trucks on the road a day. However, according to Menar, trucking coal costs about four times more than rail, making the situation less than ideal for the South African mining industry.

Despite this, the current high coal price has made it easier for miners to absorb the costs for now, but this is not a sustainable solution. For example, Canyon Coal's Khanye Colliery, about 90 kilometres from Johannesburg, requires about 80 trucks carrying 34 tonnes to replace one average Transnet train. Not only is this financially unsustainable, the use of trucks increases emissions and clogs South African roads.

READ MORE





13 April 2022

SA's Investment Attractiveness for Mining Decreases

According to the Fraser Institute's annual survey of mining companies, which measures the investment attractiveness of various mining jurisdictions, South Africa was ranked as the 10th-worst in an Investment Attractiveness Index.

This index considers both policy and mineral potential, as well as other metrics based on responses from companies operating and exploring in each jurisdiction. Since 2019 South Africa's ranking on the index has consistently declined, dropping from 40 in 2019 to 60 in 2020 and then to 75 in 2021. This puts South Africa in the bottom ranks, with the Democratic Republic of Congo, Venezuela and Zimbabwe.

According to Minerals Council CEO Roger Baxter, it is working closely with the Department of Mineral Resources and Energy and other departments to address

the underlying challenges that are contributing to this downward trend.

A particular challenge is the backlog of over 4 000 mining and prospecting rights, as well as mineral-right transfer applications in the department. In addition, slow progress to replace the failed South African Mineral Resources Administration cadastral system with a modern, transparent, corruption-free online system has contributed to this downward trend.

However, according to the council, these challenges have been recognised and efforts are being made to address them.

READ MORE



12 April 2022

SA Shifts its Mining Focus with a \$900 Million Annual Mineral Exploration Target

South Africa has set an annual target of attracting \$900 million of mining exploration expenditure by 2025. This is equivalent to 5% of the global annual spend on exploration and is expected to boost the local mining industry, which has stagnated in recent years.

Currently, mining exploration in the country accounts for less than 1% of the annual mining exploration expenditure for minerals.


However, to take advantage of the country's comparatively advanced infrastructure and mining expertise, the Department of Minerals and Energy announced its strategy to increase its target.

Although South Africa used to be the world's largest producer

of gold, production has recently fallen as gold deposits get deeper and more expensive to access.

As such, this strategy also aims to minimise the country's historical dependence on gold and rather focus on metals used in electric vehicles, battery storage and the production of hydrogen.

This is due to the fact that South Africa has the world's biggest deposits of platinum group metals (PGM), battery metal vanadium, chrome and manganese.

Furthermore, as part of the strategy to boost exploration, the country will improve data on its mineral deposits and give more technical support to small mining companies. 

READ MORE





SA COMPANY **NEWS**



SA COMPANY NEWS

10 May 2022

Sibanye-Stillwater Plans to Wait Two to Three Years to Resume Battery-Metal Acquisitions

According to Sibanye-Stillwater CEO Neal Froneman, the company does not plan to acquire battery-metal assets at the moment and plans to resume acquisitions within two to three years once inflated asset valuations decline. The company stated that since asset prices are high, it will be patient in its pursuit of new deals.

Sibanye-Stillwater aims to make the metals that are key to powering the electric-vehicle revolution a third pillar of its operations, alongside gold and platinum group metals.

However, while Sibanye-Stillwater purchased lithium and nickel assets in the United States and Europe in 2021, both metals have surged over the past 12 months, making deals less appealing to the company.

As such, according to Froneman, these surging asset prices affect valuation and the company will only resume its pursuit to acquire battery-metal assets once these prices return to more realistic levels.

In the meantime, Sibanye-Stillwater will focus on opportunities in North America and Europe. Froneman indicated that increasing its presence in these regions will help persuade investors to rerate the company, which is being held back by challenges in South Africa, including inequality, poverty, electricity shortages, community unrest and crime.

READ MORE



9 May 2022

Orion Minerals Secures Funding for Prieska Mine Development

Orion Minerals announced that it had entered into a non-binding term sheet to receive funding of \$87 million for the development of its Prieska copper/zinc mine. Orion negotiated the potential funding package with Triple Flag Precious Metals and is moving towards a definitive agreement by the third quarter of this year.

In terms of the development, \$80 million is expected in stream funding, advanced against the delivery of 84% of future gold and silver by-product, with Orion set to receive payments of 10% of the delivered precious metal value at spot gold and silver.

According to Orion Minerals MD and CEO Errol Smart, the company has a strong working relationship with Triple Flag and appreciates the team's technical mining expertise.

Orion Minerals is pleased to have achieved this funding milestone and recognises Triple Flag's assessment of its environmental, social and governance (ESG) commitment, as well as its alignment with Orion's ESG goals.

The company has also taken steps to realise its strategy of creating a fully integrated base-metal mining and processing business, by entering into a term sheet to acquire a cornerstone interest in a future base-metal

refining facility in the Northern Cape. Stratega Metals and Orion Minerals may enter into a comprehensive earn-in agreement, under which Orion may earn a 75% ownership in Stratega.

READ MORE



9 May 2022

Steenkampskraal Holdings Receives Approval to Mine and Produce Monazite Concentrate

Steenkampskraal Holdings (SHL) has announced that it had received regulatory approval to start mining and producing monazite concentrate. The mine already has all the regulatory approvals in place and SHL is in discussions with potential offtake partners.

As part of this approval, the company has decided to hold a pre-initial public offering and public offering on the AIM market of the LSE as well as a secondary listing on the JSE in order to raise equity funding for this development.

The Steenkampskraal Monazite Mine has a mineral resource estimate of 605 000 tonnes of ore, grading 14.4% total rare earth oxides (TREO) with approximately 86 900 tonnes of TREO. This includes approximately 15 630 tonnes of neodymium, 4 459 tonnes of praseodymium, 867 tonnes of dysprosium and 182 tonnes of terbium.

With this mineral resource estimate, SHL foresees a production rate of 2 700 tonnes per year of TREO over a lifespan of more than 20 years.

In terms of production, the company will initially produce and sell monazite concentrate and will then progress to produce and sell mixed rare-earth concentrates.

Thereafter, Steenkampskraal will start producing and selling separated rare earth oxides, and the project also has potential for brownfield exploration.



READ MORE



9 May 2022

Ivanhoe Develops Underground Mine at Platreef

In May 2022, Ivanhoe Mines announced that its Shaft 1 production changeover had been completed at its Platreef platinum group metal (PGM) and copper project in South Africa's Bushveld Complex. This forms part of the company's lateral mine development towards the high-grade Flatreef orebody.

Shaft 1 will serve at Platreef's initial production shaft. It's located approximately 450 metres from the first high-grade area of the Phase 1 Flatreef orebody. The company expects the entire underground mine development to be ready for first production in the third quarter of 2024.

The development will use battery-electric M2C drill rigs and 14-tonne-load haul dumpers in an effort to reduce the mine's carbon footprint.

According to Ivanhoe President Marna Cloete, the completion of this changeover is an important milestone in the growth of Ivanhoe becoming a major and diversified miner, with top environmental, social and governance credentials as well as an industry-leading portfolio of tier-one assets.

Cloete further added that Platreef is easily scalable – the Phase 1 mine is only the beginning of a multi-stage, multi-generational mining complex. Future expansions are set to position Platreef among the world's largest and most economical nickel and PGM mines, producing more than 24 000 tonnes of nickel and 1.1 million ounces of platinum, palladium, rhodium and gold per year.

READ MORE



6 May 2022**Pan African Resources Reports High-Grade Drilling Results at Barberton Mines**

Pan African Resources announced that exploratory drilling into the down-dip extension of the orebodies at its Barberton Mines in Mpumalanga had yielded successful and significant high-grade drilling results. This success is attributed to the company's continued focus on increased resource and reserve delineation, through systematic exploration programmes.

According to the company, its exploration programmes have once again yielded excellent results, with visible gold being seen in several drill intersections and development ends, thereby improving its geological understanding of its Barberton operations.

During the company's 2020 financial year, Barberton Mines conducted diamond core drilling of more than 8 700 metres, increasing to more than 9 000 metres in the 2021 financial year. During this time specific focus was placed on near-mine infill drilling and down-dip reserve delineation drilling of the available underground mineral resources.

So far, high-grade intersections have been made at down-dip extensions to orebodies, while the reefs remain open at depth. Grades of up to 184 grams per tonne over 0.85 metres were noted

at the Sheba mine intersection, with free gold visible in core samples and development ends.

These exploration results will inform and enhance the company's mineral resource and reserve estimates, which will be presented in full in September 2022 when Pan African Resources releases its full-year financial results.

READ MORE

25 April 2022

Botswana Diamonds Announces Prospective Limpopo Diamond Mine


Botswana Diamonds has carried out an evaluation which bolsters plans for the development of a prospective diamond mine at the company's Thorny River property in Limpopo. This analysis offers possibilities for opencast mining and the potential for kimberlite mining.

To conduct this evaluation, conceptual open-pit mine plan models were developed under several scenarios, and the models used the results of several drilling programmes. The objective of this evaluation is to identify what can be considered for more detailed work and to identify the best open-pit mining options in low, medium, and high-cost scenarios.

According to Botswana Diamonds Chairperson John Teeling, the evaluation has shown potential for

operational positive cash flow, even if diamond recovery rates are low. This is due to the fact that drilling will extend mineable kimberlite volumes, which have been found to be potentially commercial when applying current industry standard mining and process costs.

In terms of the evaluation itself, in March 2022 Botswana Diamonds conducted drill samples which recovered 11 diamonds and plentiful kimberlitic indicators. According to Teeling, this bodes well for the potential discovery to be commercialised.

The results of the evaluation, which was completed by Practara, exclude the possibility of additional resources from adjacent targets, which will be drilled in coming months. 

READ MORE





SA COMPANY **FINANCIAL RESULTS**



20 May 2022

Afrimat Limited

According to Afrimat Limited's Audited Summary Consolidated Financial Statements for the year ended 28 February 2022, the company experienced a 25.1% increase in operating profit to reach R1.11 billion from the previously reported operating profit of R886.3 million.

The company indicated that this growth in operating profit was primarily as a result of increases in both volumes, as well as attractive iron-ore pricing. It was also reported that the results show that bulk commodities now account for three quarters of the company's operating profit.

Though listed on the JSE as a construction company, Afrimat's largest profit contributor, by a long way, is bulk commodities – mainly iron ore. The company made its first

foray into mining in 2015 when it acquired the Demaneng mine in the Northern Cape.

Furthermore, headline earnings per share (HEPS) increased by 22.9% to reach 542.9 cents from the previous 441.7 cents.

The company's net cash from operating activities has remained strong, while its net debt to equity ratio stayed very low, increasing from 3.8% to 12.1%. This was due to the company's acquisition of Coza Mining Pty Limited, as well as the company's Glenover transaction and the capital funding required for the Nkomati and Jenkins mining assets.

According to Collin Ramukhubathi, Executive Director at Afrimat, all the company's business units contributed to the positive results, with a return to pre COVID-19 levels of production.

READ MORE



12 May 2022

Harmony Gold Mining Company Limited

According to Harmony Gold Mining Company Limited's operational update for the nine months ended 31 March 2022, gold revenue increased year-on-year by 2%, rising from R30.17 billion to R30.67 billion during the period under review.

In terms of operational performance, the South African operations delivered a 2% increase in production for the nine-month period from 31 470 kilograms to 32 051 kilograms. Much of this was attributed to the additional three months' production from Mponeng and related assets in the nine-month period, compared to only six months in the comparable period.

Gold production has been particularly challenging during the period with electricity and water supply issues persisting at South African operations. As such, overall production quarter-on-quarter was down 11% from 11 358 kilograms in Q2 of 2022 to 10 131 kilograms in Q3.

Group cash operating unit cost increased by 14% from R672 745 per



kilogram to R767 292 per kilogram in the quarter. This was primarily due to Hidden Valley, however, the company expects Hidden Valley to return to normalised production levels in the fourth quarter of the 2022 financial year.

In terms of outlook, Harmony has made significant progress in resolving and adapting to the various disruptions that have impacted its production processes, and the company remains focused on its long-term goals and objectives.

READ MORE 



5 May 2022

Sibanye-Stillwater Limited

According to Sibanye-Stillwater Limited's Operating Update for the quarter ended 31 March 2022, the company reported a solid group financial performance with group adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) of R13.7 billion in the quarter.

The group also reported consistent operating performance across all platinum group metal (PGM) segments.

The South African PGM operations continued to perform strongly, producing 421 540 4Eoz in Q1 2022, which is 5% lower than for Q1 2021. Underground production of 370 272 4Eoz was 5% lower year-on-year but was partly offset by 15% higher surface production of 40 576 4Eoz in the period under review.

Moreover, the managed South African gold operations were severely impacted by various operational disruptions during the quarter.

This included the fact that the production from Beatrix underground operations only commenced in February 2022, following the suspension of all operating activities from 3 December 2021 to address concerns around safety.

Additionally, following the notification of strike action and the lockout of members of various unions, operating activities across the South African gold operations ceased from 9 March 2022.

READ MORE





5 May 2022

Gold Fields Limited

According to Gold Fields Limited's latest operational update for the quarter ended 31 March 2022, the company had a solid performance in Q1 of 2022 with gold production up by 7% year-on-year, reaching 580 000 ounces. According to the company, group production remains on track to deliver the guidance provided in February 2022.

Group all-in sustaining costs (AISC) for the quarter were up 7% year-on-year, reaching \$1 150 per ounce.

In addition, all-in costs (AIC) were up 6% year-on-year at \$1 320 per ounce, mainly due to ongoing project capital expenditure at Salares Norte, which continued into 2022.

In terms of operational performance, South Africa continued its strong momentum from mid 2021, with its Q1 2022 production witnessing a 31% increase year-on-year, reaching 78 000 ounces.

Furthermore, AIC in South African operations was up 2% year-on-year with R705 316 per kilogram, while AISC increased by 1% to R671 829 per kilogram in the period under review.

As such, given the solid performance achieved in the first quarter of 2022, the company has indicated that it is on track to achieve the group production guidance provided in February 2022.

[READ MORE](#)





21 April 2022

Anglo American Platinum Limited

According to Anglo American Platinum Limited's PGM Production Report for the first quarter ending 31 March 2022, the company experienced a tough operating environment, with total platinum group metal (PGM) production decreasing by 6% to 956 000 ounces for the quarter.

Platinum production was 5% lower in the period with 444 300 ounces, while palladium production was 10% lower with 296 600 ounces.

Moreover, refined PGM production decreased by 26% to 718 500 ounces, with the quarter experiencing more normalised throughput compared to Q1 of 2021, which benefitted from higher-than-normal work-in-progress inventory following the ACP Phase A rebuild and commissioning in Q4 of 2020.

Due to the headwinds experienced in the first quarter, the outlook for PGM production in 2022 has been impacted. As such, the company has

revised its refined production guidance to between 4.0 to 4.4 million PGM ounces, from the previous guidance of 4.2 to 4.6 million ounces. The company also revised its unit cost guidance to between R14 000 to R15 000 per PGM ounce, from R13 800 to R14 500 per PGM ounce.

Despite this challenging environment and performance, the company's strong commitment to and focus on safety resulted in no work-related fatalities at all operations in the quarter, including its Joint Operations.

READ MORE



21 April 2022**Kumba Iron Ore Limited**

According to Kumba Iron Ore Limited's Production and Sales Report for the first quarter ended 31 March 2022, the company experienced tough operating conditions, with production and sales volumes decreasing by 21% and 8% respectively.


Total production decreased to 8.3 million tonnes due to higher rainfall and equipment reliability caused by continued spares-supply issues. Additionally, total sales decreased to 9.5 million tonnes because of rail constraints and low levels of available stock at the Saldanha port.

As such, the company has indicated that it will adjust its production and sales guidance for the full year 2022 to be between 38 and 40 million tonnes. These

guidelines were previously between 39 and 41 million tonnes.

Concurrently, the company has revised its C1 unit cost guidance to \$44 per tonne from the previously \$41 per tonne. This was revised to reflect the revised production guidance, as well as the inflationary pressure, such as higher diesel and explosives costs.

Despite the tough operating environment during the quarter, the company maintained a strong safety performance, with its fatality-free track record now increasing to five years and 10 months.

Furthermore, the company continued to see strong demand for its high-quality products, resulting in an average realised price of 38.5% above benchmark prices. 

READ MORE





MERGERS, ACQUISITIONS & **PARTNERSHIPS**



27 May 2022

Northam Platinum Intervenes in Impala Platinum's Acquisition of RBPlat

An application has been made by Northam Platinum to the Competition Tribunal to intervene in the approval process regarding Impala Platinum's (Implats) acquisition of a stake in Royal Bafokeng Platinum (RBPlat). This has resulted in the deadline for the transaction being moved to 8 August.

Currently, the deal requires approval from South Africa's competition authorities. The Competition Commission has already recommended to the Competition Tribunal that the transaction between Impala Platinum and RBPlat be approved.

However, according to Implats, despite the positive recommendation from the commission, the parties were informed on 18 May 2022 that Northam would be making an application for an intervention in the approval process being followed by the Competition Tribunal.

According to RBPlat, the company and Implats are currently processing proceedings before the tribunal and are also engaging with the Minister of Trade, Industry and Competition in terms of the public interest considerations applicable to the offer.

This move by Northam has altered key deal times and dates that are related to its offer to acquire RBPlat, due to the closing date of Implats' offer to all shareholders changing from 17 June to 18 July.

Impala Platinum's imminent deal with RBPlats was scuppered in 2021, when Northam Platinum acquired a 32% shareholding in the company, which has since grown to 34.95%. Impala Platinum has acquired 37.83% of RBPlats.

READ MORE



27 May 2022

Approval for Acquisition of Bokoni Platinum by ARM Bokoni Recommended by Commission

It has been recommended to the Competition Tribunal by the Competition Commission that the proposed acquisition of the platinum group metals (PGM) mining company Bokoni Platinum by African Rainbow Minerals (ARM) Bokoni be approved. This recommendation is subject to public-interest conditions.

The Competition Commission indicated that it had found that the proposed deal between the two entities is unlikely to result in the significant lessening of competition in relevant markets.

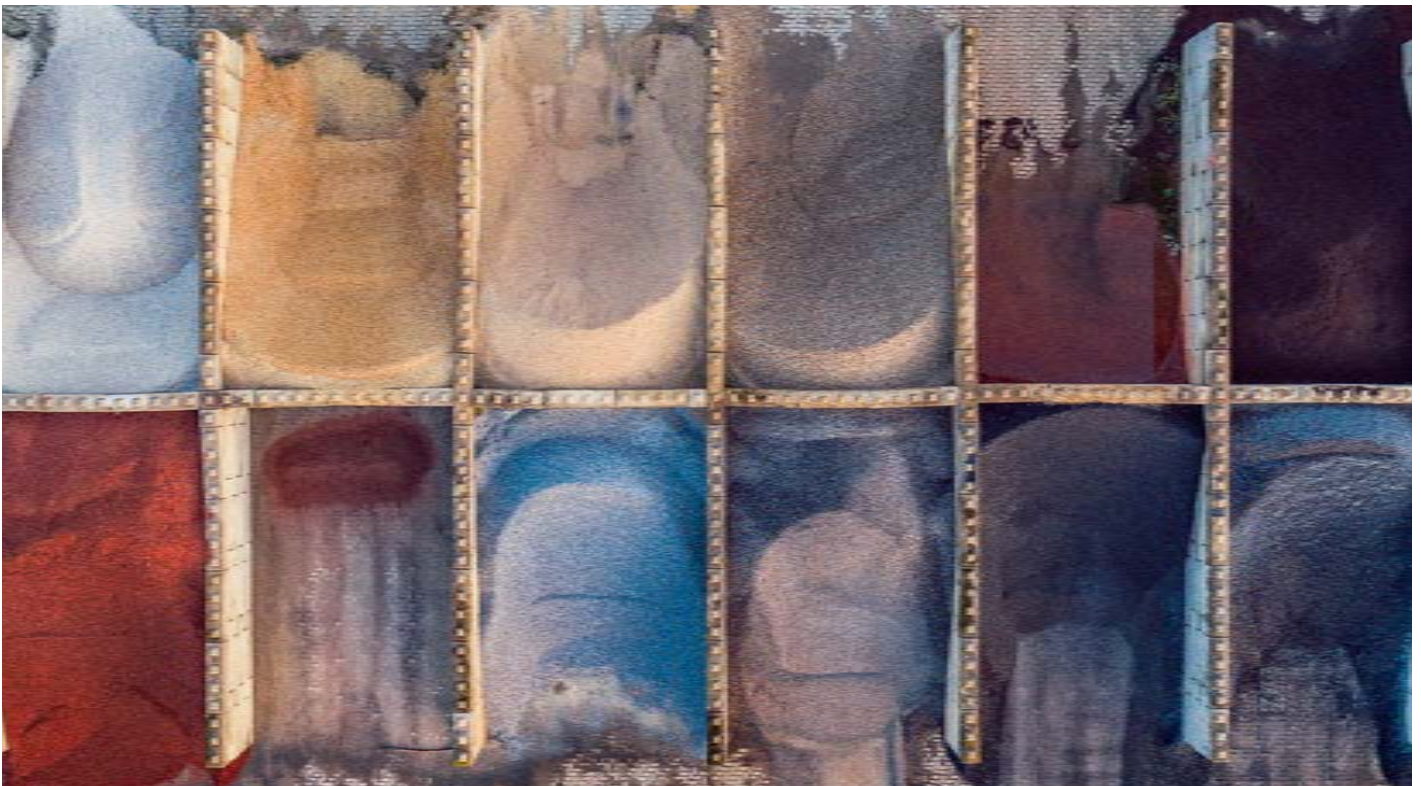
ARM Bokoni was established by diversified miner ARM for the purposes of this transaction and does not currently conduct any

business activities. Furthermore, ARM Bokoni is controlled by ARM Platinum, which is in turn controlled by ARM.

Currently, Bokoni Platinum is wholly owned by Bokoni Platinum Holdings. This company is the operator of and holds the mining rights to Bokoni Mining, which is an underground PGM mining operation in Limpopo province that also makes up part of the northeastern area of the Bushveld Complex.

The commission did indicate that the merger is subject to several public interest conditions. These include a commitment to a greater spread of ownership by previously disadvantaged persons and other employment-related conditions.

READ MORE



1 April 2022**Tharisa to Acquire Majority Stake in Karo Platinum Project in Zimbabwe**

Platinum group metal (PGM) producer Tharisa has executed its option to farm-in and acquired a controlling stake in the holding company of the Karo platinum project, Karo Holdings, for a total consideration of \$27 million.

The terms of the deal indicate that the company will increase its stake in Karo Holdings from 26.8% to 66.3%, with the company issuing 13.69 million new Tharisa shares to the Leto Settlement, which will retain the remaining 33.7%.

The Karo platinum project is located within the Great Dyke in the Mashonaland West District of Zimbabwe. The mine's lease area covers 23903 hectares and has an initial mine lifespan of 20 years.

According to Tharisa CEO Phoevos Pouroulis, the development of a strategically significant tier-one, high-grade, high-return and low-cost PGM resource is a natural evolution for the company, as it tries to fulfil its strategy of becoming an integrated diversified developer of new metal assets.

Pouroulis further added that the investment and development of the Karo platinum project will create noteworthy employment opportunities, uplift the community in the project area and create an economic hub with significant multiplier effects.

**READ MORE**

31 March 2022

Implats Acquires Additional One Million Royal Bafokeng Platinum Shares

At the end of March 2022, the platinum group metal (PGM) miner, Impala Platinum (Implats) concluded agreements to acquire a further 1.01 million Royal Bafokeng Platinum (RBPlat) shares. This acquisition was effective from 1 April 2022.

Implats, which is seeking a controlling stake in RBPlat, has paid approximately R159 million

for a further 0.35% of RBPlat's shares in issue. This acquisition increases its shareholding in RBPlats to approximately 37.62% of the company.

According to Implats, the company is hoping to secure at least 51% of RBPlat after its bid to gain complete control of the miner was shut down by rival Northam Platinum, which has since acquired approximately 35% of RBPlat shares.

This announcement comes as the company continues to pursue RBPlat, which it has been doing for the past decade. This is due to RBPlat's secure, low-cost, mechanised shafts, as well as Implats' plan to extend the life of its own deep-level operations in the Rustenburg area.

Prior to this announcement, RBPlat shares were flat at R158.40 on the JSE having then risen by nearly 31% since the offer was announced.



[READ MORE](#)

[READ MORE](#)



30 March 2022

Conditions for Afrimat's Acquisition of Vermiculite Mining Right Met

Towards the end of March 2022, Galileo Resources received confirmation that all conditions for the Afrimat acquisition of the vermiculite mining right from Glenover have been met. Glenover has elected for the vermiculite mining right consideration to be paid in cash, of which R10 million is due to the company. However, the full consideration will be settled in a combination of cash and Afrimat shares.

Galileo Resources has a 29% direct and 4.99% indirect investment in Glenover, via Galagen, and is potentially owed a further R102 million of its proportion of the share sale proceeds owed under the Glenover share sale agreement. This is conditional on Afrimat exercising its option to acquire the Glenover shares.

According to Galileo Resources Chairperson and CEO Colin Bird, the company is pleased to have received confirmation that all conditions to acquire the vermiculate mining right have been met.

Bird stated that this confirmation is another favourable step in the progressive sale of the Glenover asset. He also stated that the funds received will be used to release value from its lithium project in Zimbabwe, as well as its copper/ gold projects in Southern Africa.

READ MORE

28 March 2022

Anglo American Sells Remaining Stake in Thungela Resources

Towards the end of March 2022, Anglo American announced that it had sold its remaining shareholding in Thungela Resources in a R1.67 billion deal. This disposal will see the miner completely divest from the coal-mining business, as it seeks to decarbonise its footprint.


Anglo American announced that it sold its remaining 8% stake in Thungela Resources through an accelerated bookbuild. These shares were sold at R154 per share, representing a 12% discount to the closing share price on 24 March 2022, which stood at R175.

This disposal forms part of the company's ongoing efforts to exit the South African mining operation,

with the company slowly disposing of its remaining interest in Thungela Resources since demerging the company in June 2021.


At the time of the demerger, Anglo American stated its intention to dispose of its remaining interest in the company over time in a responsible manner.

The company further stated that this would only be completed subject to market conditions and not within the first six months following the demerger.

This choice comes after mounting pressure from investors, climate change activists and regulators for mining houses to limit their exposure to fossil fuels. 

[READ MORE](#)





INNOVATION & TECHNOLOGY **TRENDS**





13 May 2022

Trident SA Offers Lithium-Powered Batteries for Global Mining Locomotives

The South African original-equipment manufacturer, Trident SA, now provides lithium-powered batteries for locomotives used in the global mining industry. This represents a switch from the traditional lead-acid batteries typically used in these mining locomotives.

According to Trident's Global Marketing Manager Simon Lewis, customers would typically buy two lead-acid battery packs, one for use on the current shift and another on charge for eight hours for the next shift. In comparison, lithium batteries only require one battery pack.

Furthermore, traditional lead-acid batteries require large charging units, taking up underground space. In contrast, lithium batteries do not require a charging bay and can be plugged into the closest power source.

Lewis pointed out that although lithium battery packs are offered by competitors, Trident's combines the charger with the pack itself. This means that locomotive recharging can be done during shift changes in two hours, as opposed to eight for lead-acid batteries.

Moreover, the predicted lifespan of a lithium battery is approximately 10 years, while a lead-acid battery's expected lifespan is about four to five years.

In terms of overall benefits, lithium packs reduce mining setup costs and space usage by removing the need for charging units; reduce charging time which improves efficiency; reduce handling resulting in less injuries; do not release toxic gases and fumes so are more environmentally friendly; and include a smart-battery-management system.

READ MORE



11 May 2022**Bacteria and Other New Chemicals Being Used to Leach Copper from Waste Rock**

Several global miners, such as Rio Tinto and Freeport-McMoRan, are deploying new leaching technologies to extract low concentrations of copper from waste rock. This includes using bacteria or new chemicals to extract more copper.

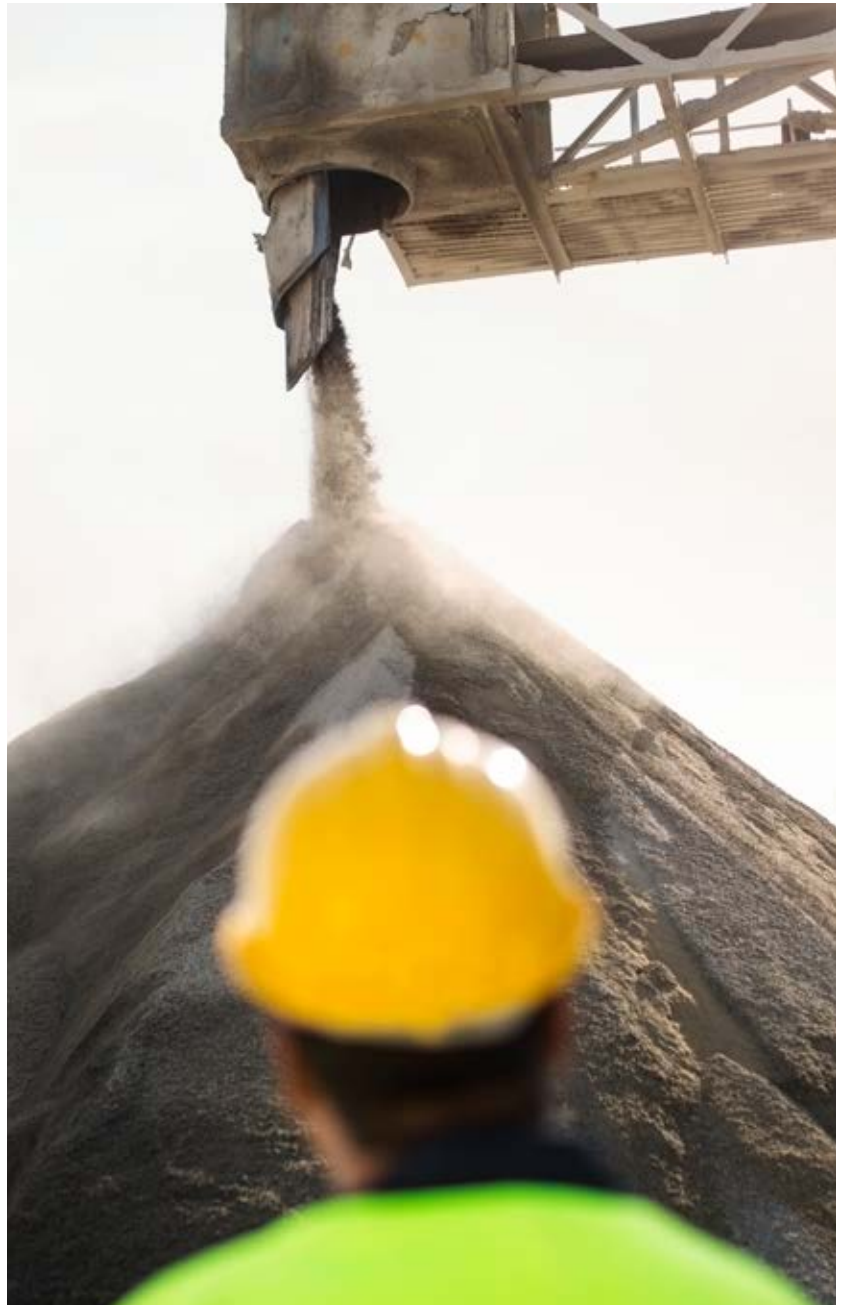
Leaching involves applying acid to rock piles to extract copper, gold or other metals, with the remaining rock stored in waste piles. Through the use of bacteria or newly developed chemicals in a secondary leaching process, copper can also be produced at concentrations of 0.5% or lower from the waste rock.

According to Freeport President Kathleen Quirk, this process is the equivalent of bringing on a new mine without incurring all the associated capital costs. These secondary leaching processes also do not require new regulatory approvals.

Freeport estimates that its new leaching technologies, developed with its partners at Morenci mine in Arizona, could raise its annual copper production by a minimum of £100 million in the next few years.

Furthermore, Rio Tinto indicated that it has developed a bacteria that naturally produces heat when exposed to certain types of rock, which helps to extract the copper. The company is set to test the technology as part of deals with Lion Copper and Gold Corp, as well as Sonoran Copper Co.

Interestingly, technology firms are also looking to increase the use of leaching for other minerals, such as rare earths which consist of 17 metals found in electronics.

READ MORE



5 May 2022

De Beers Group Deploys Tracr Blockchain Platform at Scale for Diamond Production

Diamond-mining company De Beers Group has indicated that it is currently deploying the Tracr blockchain platform at scale for its diamond products. This will enable stakeholders to have fixed records of diamond origins and retailers to have confidence in them.

This platform was originally launched as part of a research and development phase in 2018. The company has since registered a quarter of its production by value on Tracr in the first three sights of 2022, in preparation for first scale release.

De Beers Group indicated that Tracr is the world's only distributed diamond blockchain that begins at the source, while also providing tamper-proof assurance at scale.

The use of this platform comes as greater numbers of end clients demand to know the origin of the diamonds they purchase, which requires a technological step-change to meet these expectations.

Tracr uses a combination of distributed ledger technology, with advanced data security and privacy. This ensures that all participants control use of and access to their data.

Furthermore, advanced privacy technologies incorporated into the platform reinforce data security – the fixed nature of each transaction ensures that no data can be altered throughout the value chain. The fact that the platform is decentralised also ensures speed and scalability, and the capability to register a million diamonds weekly onto the platform.

READ MORE 

27 April 2022

Thiess Conducts OreSense Trials at Anthill Project in Central Queensland

Thiess has conducted trials with new OreSense technology at the Anthill Project in Central Queensland, Australia, as part of efforts to enhance safety, productivity and sustainability. OreSense technology is able to scan rocks to differentiate high-grade resources from waste.

The technology was created by deep-tech mining startup Plotlogic and provides real-time information, thereby removing the week-long wait times for testing results. This technology will also offer environmental benefits through lower fuel usage and machinery consumables, as well as a more optimized heap leaching process.

According to Donna Sheehy, Thiess Group Manager, Geology and Geotechnical, this technology offers far-reaching applications.

This is because the machine takes approximately three minutes to scan a wall or mine face area of 15 x 50 metres and, if the trial is successful, would allow for the scanning of dig faces and stockpiles to assess grade.

Through machine learning, OreSense can also be used to obtain real-time assay, which saves significant laboratory-processing wait times. This will increase the average grade of material fed to the heap-leaching process, which will reduce waste haulage and fuel and machinery consumable usage.

The OreSense trial is set to begin at the Anthill Project on 27 April 2022 and is planned to run for approximately four weeks.

READ MORE ● ● ●





20 April 2022

Researchers Identify New Method for Seismic Sensing

Researchers at Curtin University in Western Australia have identified a new seismic-sensing method that makes it easier and cheaper to detect mineralised structures beneath the surface. The method detects seismic energy as it passes through rocks and soil beneath the surface.

This new technology was first developed to identify gold-drilling locations. However, it has now been identified as being suitable for any commodity using salt-tolerant, fibre-optic cable.

According to Australian Mines and Petroleum Minister Bill Johnston, through the use of laser light to measure

distortions of buried glass fibre, the new technology is capable of recording seismic waves more cheaply and effectively than traditional methods. It therefore offers significant cost savings in terms of mineral exploration.

This new technology has shown to be robust and resistant to the harsh environments in Western Australia, relative to existing technology. As a result, this could assist exploration companies to discover deposits previously difficult or challenging to locate.

Johnston added that this technology is set to create new exploration opportunities in Western Australia where it had been too expensive or difficult for minerals companies to conduct seismic surveying. Therefore, it could result in the opening of new mines and creation of jobs in the area.

READ MORE




20 April 2022**Digital Lifecycle Excellence Solution Launched by Siemens Digital Industries Software**

A new Digital Lifecycle Excellence (DLE) solution for the mining industry has been developed by Siemens Digital Industries Software. It is designed to assist mining companies and value-chain participants to organise and manage complex data to enhance competitiveness.

DLE is a digital thread that connects the digital world with physical objects or processes with tools that organise and consolidate data to identify opportunities and increase competitiveness. This enables mining companies to add solutions throughout product lifecycles without the need to check for compatibility.

DLE also provides simulation tools allowing mining companies to establish comprehensive, closed-loop digital twins of plants, facilities or products. These can be used to help reach sustainability targets, reduce non-compliance risks and improve quality and safety.

The twins also assist in the planning of major projects by mines by preemptively enabling the verification of plant processes. The system is capable of mapping construction areas to predict equipment and systems operations and optimise processes as required, while also reducing the risk of change orders – thereby reducing production costs and energy consumption.

This solution is designed to assist the mining industry in dealing with the COVID-19 pandemic, strict regulatory requirements and renewable energy demands by leveraging physical asset value and enterprise data to improve efficiency, reduce costs and ensure compliance. 

**READ MORE** 

PLATINUM GROUP METAL **TRENDS**



16 May 2022

Platinum Surplus in 2022 Vulnerable to a Variety of Market Challenges

According to the World Platinum Investment Council (WPIC), it is predicted that there will be a reduced but large surplus of platinum of approximately 627 000 oz in 2022. However, WPIC indicated that this surplus is very vulnerable to several market issues that may occur during the year.

WPIC pointed out that the platinum surplus may be threatened by issues including slightly higher vehicle loading, greater substitution of platinum for palladium and the Russian supply. Russian supply and risk concerns could result in an increase of buffer platinum stock levels among players along the supply chain.

Therefore, stock increases among players and greater levels of substitution could rapidly result in changing the platinum surplus into a balance, or even a deficit.

Additionally, the importing of larger amounts of platinum by China and greater awareness of platinum as a crucial material for the hydrogen economy, specifically in fuel-cell electric vehicles, could result in lower stock levels in 2022.

Interestingly, in the first quarter of 2022 both demand and supply of platinum fell by 26% and 13% respectively. This resulted in a 500 000 oz decline in the 2022 surplus forecast relative to the 1 128 000 oz surplus of 2021.

The surplus decline is a result of the unwinding of Anglo American's platinum inventory, as well as production levels being lower than 2019. Operational COVID-19 safety, labour and power challenges, as well as furnace rebuilds and reduced supply from Russia are also contributing to a lower surplus.

READ MORE



16 May 2022

First Tons Hoisted at Sibanye-Stillwater's K4 Platinum Project

It has been announced that the first tons of platinum have been hoisted at Marikana K4, which is Sibanye-Stillwater's high-return resumed platinum group metal (PGM) project. Sibanye-Stillwater is investing R4 billion in the project, which will create more than 4 000 direct jobs over its 50-year life.

K4 is the sixth shaft in the vast Marikana PGM mining complex, located at the western limb of the Bushveld Complex. It is set to access the Merensky and upper group two (UG2) reefs to reach an average 250 000 oz/y at steady state, with a main shaft extending 1 332 metres deep and a vertical shaft of 1 078 metres.

Furthermore, K4 is now joining existing operations, including K3, Rowland, Saffy, 4Belt and E3. The

two dominant forms of mining used across these operations are conventional up-dip down-dip mining in combination with limited breast mining.

Associated surface infrastructure for K4 is mostly in place, with only minor refurbishments required for its concentrator plant to become fully operational. Once fully operational, it will reach a nameplate capacity of 130 000 t of Merensky and UG2 reef on a monthly basis.

According to Sibanye-Stillwater CEO Neal Froneman, the K4 project represents an unrivalled top-tier project in the PGM industry. Froneman also indicated that K4 will deliver significant benefits for all stakeholders involved in the project going forward.

READ MORE





9 May 2022

SA Platinum Miners Negatively Affected by Ongoing Copper Theft

South African platinum-mining companies are struggling to combat theft of copper cables by underground gangs in the world's deepest platinum shafts. The theft is resulting in significant ongoing disruptions to the operations of these mines and threatens production.

The gangs are enticed to steal copper because of high copper prices. Known as zama zamas, they covertly enter the mines, descend deep underground and set up camps in large networks of tunnels to strip copper from power cables.

Although illegal mining has been a local problem for a long time, equipment theft, like copper in platinum mines, is becoming much worse. These incidents can result in work disruptions lasting about a week due to the crippling of systems such as locomotives, which carry ore to the surface.

The problem poses significant challenges for platinum-mining companies, such as Impala Platinum Holdings,

Sibanye-Stillwater and Anglo American Platinum. Sibanye-Stillwater reported that it had already experienced 45 incidents of theft in 2022, with operations being disrupted twice as a result.

Ongoing theft is difficult to stop due to the impossibility of patrolling all the tunnels over a vast distance. The resultant disruptions also threaten to reduce platinum metal output. However, the government is trying to reduce the illegal cable trade by requiring metal traders to obtain licences, as well as prohibiting the use of cash by these traders.

READ MORE



13 April 2022

Greater Adoption of Fuel-Cell Technology Could Boost Local PGM industry

The introduction of policies encouraging hydrogen-fuel-cell mobility by more governments would be a significant boost for the South African platinum group metal (PGM) industry. Greater use of hydrogen fuel cells in trucks and vehicles would increase demand for PGM crucial to their production.

Green hydrogen-fuel-cell technology makes use of platinum and ruthenium, together with proton-exchange membrane (PEM) electrolyzers. The electrolyzers then produce green hydrogen from renewable energy, assisted by platinum and iridium.

Currently, PGMs are mostly used in the production of internal-combustion engine (ICE) vehicles, as pollution-reducing catalysts. However, the industry is threatened by future bans on ICEs and reduced ICE production by

manufacturers. Battery-electric vehicles are seen as the green alternative, despite using fossil-fuel electricity.

Therefore, South Africa needs to promote the use and adoption of fuel-cell electric vehicles (FCEV) as the best provider of clean and heavy-haul long-distance transport. It is suggested that fuel-cell technology will save the PGM industry because of the use of these metals in producing fuel cells themselves and PEM electrolyzers.

However, currently, vehicle manufacturers are reluctant to produce FCEV due to a lack of refuelling stations, while energy companies are hesitant to invest in stations because of a lack of vehicles. Therefore, governments need to introduce policies encouraging FCEV adoption, which will provide a significant boost to the PGM industry.

READ MORE





12 April 2022

Global PGM Market Set to Tighten Due to Ban of Russian Metal by the UK

The platinum group metal (PGM) market is set to tighten, following the blocking of two Russian refineries from supplying a United Kingdom metal exchange. This followed a similar ban on specific PGM bands by the CME Group/NYMEX exchange.

On 8 April, the London Platinum and Palladium (LPPM) Market suspended two state-owned Russian platinum refineries from its goods delivery and accreditation list. This includes the Krastsvetmet and Prioksky refineries. The Japan Exchange Group are also considering revoking Russia's good delivery designation for these refineries.

Furthermore, UBS reported that these sanctions on Russian refineries are likely to support increased short-term prices for PGMs, while futures trade in palladium had moved into backwardation.

Since late March 2022, the price for palladium has increased by approximately 20%. This is largely due to concerns regarding supply disruptions, with Russia contributing to over 40% of global PGM mine output.

According to Tharisa CEO Phoevos Pouroulis, there will be a tightening of the market in spite of ongoing demand from countries still trading with Russia, which have continued to take its PGM production. Pouroulis added that operational shortfalls by the major PGM producing country, South Africa, would further contribute to the tight demand and supply balance.

READ MORE





11 April 2022


Palladium and Rhodium Prices Forecast to Rally for Several Years Ahead

It has been predicted that the prices for both palladium and rhodium are set to rally for several years to come, with these metals having increased by over 30% in 2022. This is due to supply constrictions, as well as rising demand for the metals, which are used in catalytic converters to reduce vehicle emissions.

According to Impala Platinum CEO Nico Muller, there has been a significant lack of investment in new supply of the metals, which is supporting this price rally. Muller also indicated that the current structural environment and market dynamics will support prices of palladium and rhodium for the next four or five years.

Prices of palladium were boosted by the suspension of the only two accredited Russian refineries from minting platinum and palladium by the London market. Russia produces about 40% of the world's palladium production. Concerns are now mounting regarding supply disruptions due to the Ukraine war, despite palladium not being targeted by sanctions.

Furthermore, a lack of investment in new palladium and rhodium-mining operations is likely to result in an enduring supply deficit. It is also predicted that tighter pollution regulations aimed at reducing emissions from gasoline and diesel vehicles are likely to boost demand, as these metals are increasingly used in catalytic converters.

However, PGM miners still face near-term risks, including declining auto production and supply-chain constraints. 

READ MORE



SUSTAINABILITY **TRENDS**



11 May 2022

Minerals Council Members Agree to Climate-Change Response Strategy

An agreement has been reached among members of the Minerals Council South Africa, in terms of commitment to a climate-change response strategy for the reduction of Scope 1 and Scope 2 emissions. This strategy also forms part of efforts to achieve net-zero emissions by 2050.

Minerals Council South Africa Senior Health and Environment Executive Nikisi Lesufi indicated that council members have committed to implement mitigation into their businesses and mining operations and support the integration of climate solutions in internal management practices. Furthermore, members have agreed to a collaboration with businesses and supply-chain partners to reduce Scope 3 emissions and adopt climate-resilient management approaches.

The Minerals Council believes there are five key areas in which the mining

industry can make a difference in terms of sustainability. These include: the development and adoption of technologies that will lower greenhouse gas emissions; belief in policy development, which involves support for policy regulatory research; and an investment environment that enables climate-change mitigation and adaptation.

The council believes that the industry is key in developing growth of vital commodity pools for a low-carbon future, as well as encouraging competitive exploration, extraction and processing of future minerals. Measures enhancing accountability in terms of reporting and disclosure, as well as collaborations to ensure that communities and stakeholders are not left behind, were also mentioned as key contributions.

READ MORE



10 May 2022**Pan African Resources Announces Successful Commissioning of 10 MW Solar PV Plant**

Gold-mining company Pan African Resources has announced that the 10 MW solar photovoltaic (PV) plant, located at its Evander gold mine, has begun the supply of electricity to its Elikhulu surface retreatment operations. The supply began on 6 May 2022 and is part of its hot-commissioning process.

The new solar PV plant has been designed to provide approximately 30% of Elikhulu's power requirements, while also substantially reducing electricity costs at the operation. The plant will also result in a reduction of carbon dioxide emissions and be capable of providing a secure and stable power supply to the operations.

The plant is made up of 26 640 solar modules, stretches over

20.1 hectares of land and was built at a cost of R150 million. However, it is expected to provide cost savings of R100 000 daily, with the investment expected to be returned in less than five years at current electricity prices.

Use of the solar PV plant will reduce fossil-fuel-generated power consumption by the operation. This includes an anticipated reduction in carbon-dioxide emissions of approximately 26 000 t/y, thereby contributing to an estimated reduction of 5% in the group's emissions.

It was further indicated that jobs and skills developed during the construction of the plant will be retained and used for a 12 MW expansion phase. This is set to supply power to the underground operations of the mine.

READ MORE



10 May 2022

Sustainability-Enhancing Technologies Under Development in Scandinavia and SA

According to the Finnish Ambassador to South Africa, Anne Lammilla, Denmark, Finland and Sweden are national leaders in terms of environmental-protection technologies. She added that South African mining companies were already moving in this direction.

Lammilla pointed out that the application of automation and robotics to mining in South Africa enables the safe exploitation of deeper orebodies and skills growth. She added that the three Scandinavian countries had developed Fourth Industrial Revolution technologies, increasing mine safety and sustainability

According to Elizabeth Marawa, the South African Mineral Resources and Energy Department Chief Director Programmes and Project Management, inclusiveness and sustainability remain important industry agendas. These agendas incorporate the inclusion of youth, women and rural communities, as well as energy efficiency and low-carbon energy.

Marawa added that reducing mining's carbon emissions requires cooperation between government and the industry, including an energy-mining nexus and a strategy for retraining workers in new technologies.

Furthermore, Mintek Group Executive Marieke Gericke said that several technologies are being developed to increase mining efficiency, cut waste and emissions, and grow sustainability. This includes minerals processing, recycling and metals recovery, acid mine drainage and rehabilitation, as well as decarbonising manganese processing by altering the energy mix.

READ MORE



6 May 2022**New Hydrogen-Powered Zero-Emission Haul Truck Launched by Anglo American**

Diversified mining company Anglo American launched a prototype of its world-first, self-developed zero-emission hydrogen-powered mine haul truck in May 2022. The truck was developed as part of the company's FutureSmart Mining strategy.

The 2 MW truck is stationed at the Mogalakwena platinum mine in Limpopo, South Africa, and is the world's biggest hydrogen-powered mine haul truck. It is capable of carrying a 290 t payload and generates a greater amount of power than its diesel-powered predecessor.

The previous truck's 2700 hp diesel engine was replaced with eight parallel fuel cells, with a total of 837 kW, as well as a 1.2 MWh lithium-ion battery. As part of the overhaul of the previous truck, a new drive train was

installed and integrated into the truck's controls.

The truck also carries 68 kg hydrogen, which allows it to operate for one or two shifts, depending on loads, before refuelling. Refuelling is then done at a hydrogen 'pump' for approximately nine minutes. There are plans to extend refuelling facilities once more of these hydrogen-powered trucks enter commercial operations.

In terms of rollout, the company plans to convert between 10 and 20 trucks per year throughout its global operations – a singular transition is unfeasible.

The introduction of the truck forms part of the company's efforts to make its operations carbon-neutral by 2040. Currently, diesel emissions from its haul truck fleet account for between 10% and 15% of Anglo American's Scope 1 emissions, necessitating a fleet overhaul.

[READ MORE](#)



18 March 2022

Anglo American Set to Develop Regional Renewable-Energy Ecosystem in SA

Anglo American has signed a memorandum of understanding with EDF Renewables for the development of a regional renewable-energy ecosystem (RREE) in South Africa. This ecosystem is designed to meet the company's local operational electricity requirements, via 100% renewable electricity by 2030.

The company has already successfully secured 100% renewable electricity supply for its South American operations, which means that 56% of its power will be renewable sourced by 2023. In the South African

context, although renewable-energy sources are common, there is a lack of infrastructure for harnessing them.

Therefore, RREE is aimed at harnessing local renewable-energy potential by developing a network of both on-site and off-site solar and wind farms. This network is being designed to be capable of providing 24/7 renewable energy to Anglo American's local operations.

The partnership with EDF Renewables to develop RREE is aimed at reducing the largest source of Anglo American's Scope 2 emissions globally, which is its current South African power-grid supply.

According to Anglo American CEO Mark Cutifani, the company is targeting carbon neutrality across its operations by the year 2040, with RREE being a significant step in addressing on-site energy needs – the largest source of its emissions. Cutifani added that this partnership complements its FutureSmart Mining programme, which is aimed at reducing Scope 1 emissions by implementing low and zero-emission technologies.

READ MORE



1 March 2022


Tharisa Receives Delivery of Three Energy Efficient Mining Machines

Tharisa, a JSE- and LSE-listed platinum group metal (PGM) mining company, has received three Liebherr mining machines with more efficient engines and fuel systems. This partnership forms part of Tharisa's environmental, social and governance (ESG) initiative to reduce its carbon footprint.

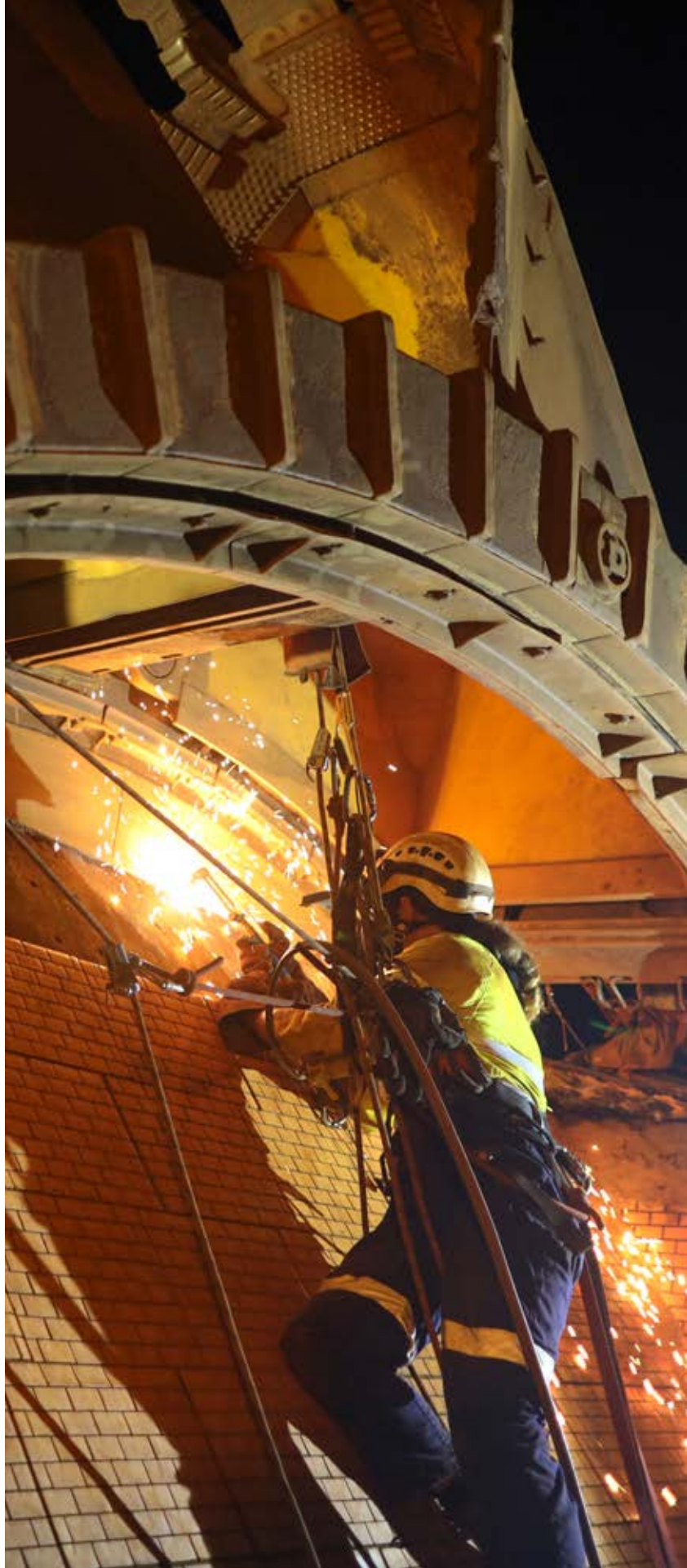
This includes two T 236 mining trucks, as well as one PR 776 dozer, both of which have new-generation diesel-engine technologies that offer low-level fuel consumption. The machines are set to be stress-tested under operational conditions for 18 months.

The drive-train technology of these state-of-the-art diesel-electric trucks benefits from better fuel economy, as a result of their advanced airflow system, low-end torque performance and emission capabilities.

Real-life stress tests will be conducted to ensure that the trucks do in fact reduce diesel consumption and costs. In addition, the tests will evaluate the ability of the machines to offer a significantly reduced environmental footprint, while still being able to deliver on production metrics.

The integration of these reduced emission trucks forms part of Tharisa's drive for a mining environment that is more sustainable. According to Tebogo Matsimela Head of ESG at Tharisa, the use of efficient technology forms part of the company's goal of reducing its carbon footprint by 30% by 2030 and achieving net carbon neutral status by 2050. 

READ MORE 



SOCIOPOLITICAL **FACTORS**



13 May 2022

De Beers Set to Implement Interventions to Resolve Water Issues Faced by Musina Community

Diamond-mining company De Beers intends on implementing several interventions to address water-shortage issues being experienced by the Musina community at its Venetia mine. This follows recent protests by the community, and discussions with the Musina local municipality and the Vhembe district municipality to resolve these issues.

De Beers has worked in partnership with the municipalities to develop three interventions aimed at solving ongoing water-shortage issues in the region. Although the company has stated that these issues are the responsibility of the municipality, it has highlighted that the safety of its employees, contractors and the community of Musina is a priority.

The proposed interventions include collaboration between Venetia mine and the municipalities to submit short-term proposals for the supply of additional water tanks. The mine will also assist the municipalities in conducting a detailed study of water supply, storage and distribution capacity.

The third intervention will include the exploration of borehole drilling to augment current water supplies, which represents a medium-term solution to the water-shortage issues being experienced.

According to the company, it will continue to monitor the community protests and work closely with authorities and community structures to ensure the safety of its people. It added that it understood community frustrations and asked for calm while the issues are addressed.

READ MORE





representing a significant increase from previous years. Most of the fatalities were associated with the transport of people and materials, and the operation of equipment.

In response, the council indicated that it had developed a multipronged approach to reduce future fatalities. This includes ensuring visible leadership, halting uncontrolled access to mine areas not in use and implementing incentives and bonuses for workers who do not undermine safety, among other interventions.

In terms of the health of employees, the council has identified the industry's main challenges as being occupational lung diseases, occupational hearing loss, tuberculosis (TB), HIV and hypertension. However, it was indicated that the industry had been making progress in terms of TB with cases on a steady decline to below the national rate. Further mental health and stress support is being provided to employees.

11 May 2022

Minerals Council of SA Gives Assurances on its Commitment to Improving Mine Safety

The Minerals Council of South Africa has given strong assurances that it is continuing to take action in terms of both halting and reversing the ongoing regression in local mine safety over the past three years. This includes the fact that almost half of council staff and its budget are dedicated to resolving these safety issues.

These assurances were announced at the Investing in African Mining Indaba 2022 in Cape Town in May 2022. The announcement comes as 74 fatalities were recorded in the South African mining industry in 2021,

READ MORE



10 May 2022**President Ramaphosa Outlines Government Support for SA Mining Industry**

President Cyril Ramaphosa made a speech at the 2022 Investing in Africa Mining Indaba highlighting government's ongoing support for growth in the industry, as well as the challenges it faces. The president also committed to removing obstacles blocking the growth of the local mining industry.

His speech was viewed as an acknowledgement by government of the role that the local mining industry has played in terms of contributing positively to the country's economy, as well as ensuring the safety of its workforce during the COVID-19 pandemic. As an illustration

of this, it was highlighted that the industry has managed to vaccinate three quarters of its 485000 employees.

However, the president also spoke of various challenges facing the industry, which need to be addressed in order to attract investment, grow mines and explore new mineral deposits. These challenges include tough operating environments, high levels of crime, expensive and irregular electricity supply and logistical issues related to rail networks and the country's ports.

President Ramaphosa also acknowledged concerns raised by the latest Fraser Institute survey, which ranked South Africa 75th in terms of mining jurisdictions globally. In response, Minerals and Energy Minister Gwede Mantashe has indicated that the department will meet with the Minerals Council to discuss these concerns and to work collaboratively to improve the perception of the country as an exploration and mining destination in the future.

READ MORE

9 May 2022**Concerns Raised Regarding SLP Enforcement Issues**

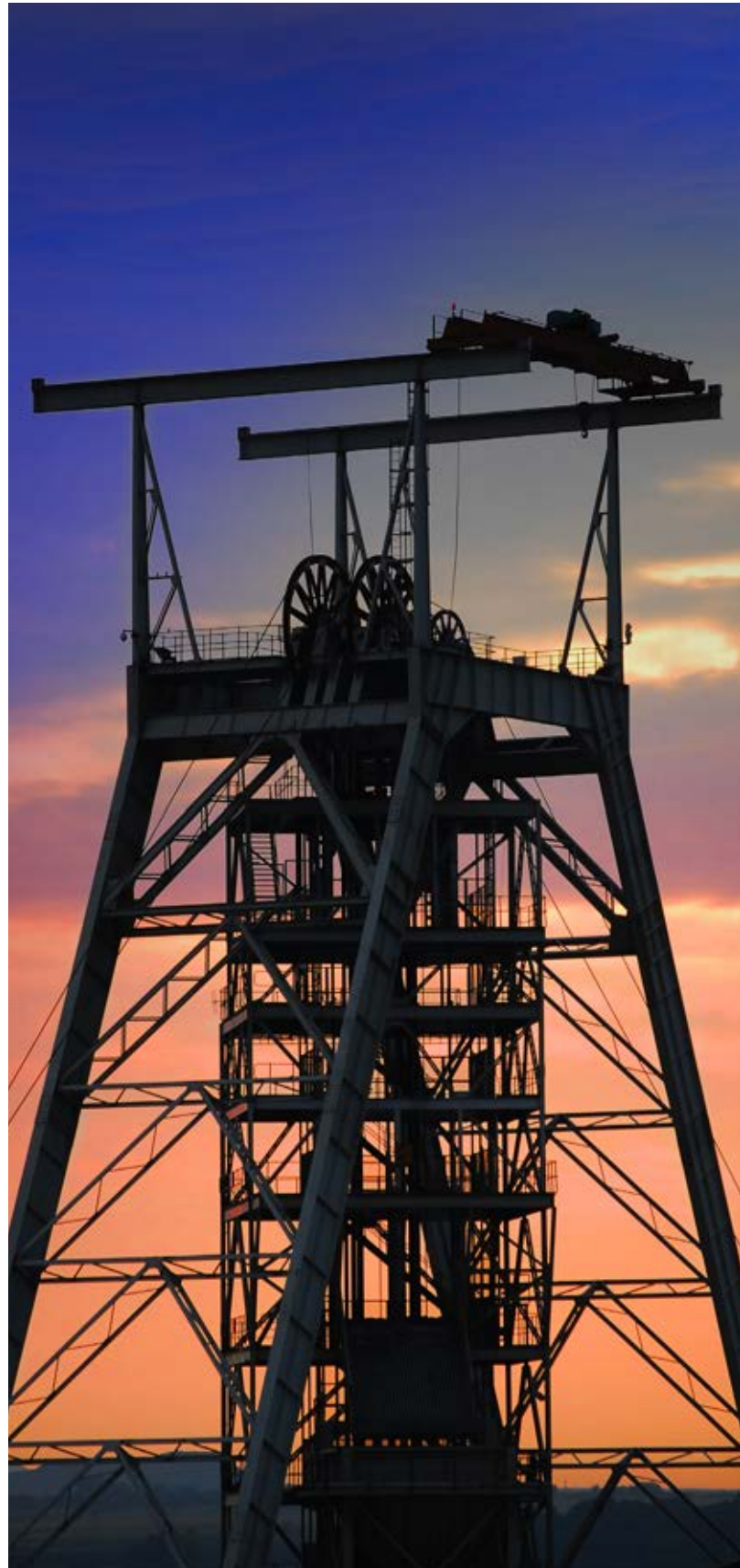
The Sekhukhune Combined Mining-Affected Communities (SCMAC), the Centre for Applied Legal Studies (CALs) and Amnesty International South Africa (AISA) have raised concerns regarding the failure of the Department of Mineral Resources and Energy (DMRE) to hold three mining companies accountable for non-compliance with social and labour plan (SLP) obligations.

These concerns were raised in an open letter to Mineral Resources and Energy Minister Gwede Mantashe alleging that the failure to comply was resulting in human rights violations. This includes violating the right to healthcare, water, education and livelihoods.

This comes after the publication of a report by these organisations in February 2022, which showed that the DMRE had failed in terms of holding two platinum mines and a chrome mine accountable for SLP non-compliance. The report also alleged that the department had failed to act in terms of giving effect to the South African Human Rights Commission's directives in a 2016 report, which dealt with the socio-economic challenges experienced by mining communities.

Specific instances of non-compliance were also detailed by the organisations, including an incident where children were injured after a mining company failed to remove explosive material from a particular area.

The organisations also called on Minister Mantashe to develop and implement an action plan in order to increase the department's capacity to monitor SLP compliance, as well as to ensure a more effective enforcement of SLP provisions.

**READ MORE** ● ● ●

5 May 2022

Sibanye Accuses Unions of Using the Gold Strike to Leverage a Platinum Deal

Sibanye-Stillwater has recently accused labour unions of using the ongoing strike at its South African gold mines as leverage for upcoming wage negotiations at its platinum operations. This follows the rejection of a recent deal presented to the unions offering wage increases higher than inflation rates.

According to Sibanye-Stillwater CEO Neil Froneman, the rejection of the company's latest offer to increase the wages of its gold-mine workers by R850 per month made no commercial sense and was part of union efforts to show their strength. The unions are asking for an additional R1 000 – an increase of 7.8%, which is more than the March inflation rate of 5.9%.

The Association of Mineworkers and Construction Union (AMCU) and National Union of Mineworkers (NUM) indicated they were consulting members in terms of whether the current gold-mine strike would be expanded to the company's platinum mines.

Imminent talks over a multiyear pay deal at the company's platinum mines come following a rally in palladium and rhodium prices and unions wanting to share

in the resultant profits. However, producers have been warned that any deals reached should not risk the viability of this key export industry.

The ongoing strike started in March 2022 at Sibanye's three gold mines negatively affecting the company's gold output, as well as its shares. Sibanye's first-quarter gold output dropped by 45% and its shares by approximately 9.3% – the most in two years.

READ MORE





7 April 2022

Women Continue to Face Harassment and Abuse at Major Mining Companies


According to Anglo Platinum CEO Natascha Viljoen, the ongoing abuse of female miners is now facing investor scrutiny in some of the world's biggest mining companies. This follows the release of a report by the Rio Tinto Group in February, which highlighted the severity and scale of the problem.

The Rio Tinto investigation reported that more than a quarter of female workers in major mines from Australia to South Africa had experienced sexual harassment. It further noted that almost half of all mine workers had been victims of bullying.

Viljoen also added that women do not feel safe underground, as a result of the harassment and abuse being experienced, and that sexual harassment in

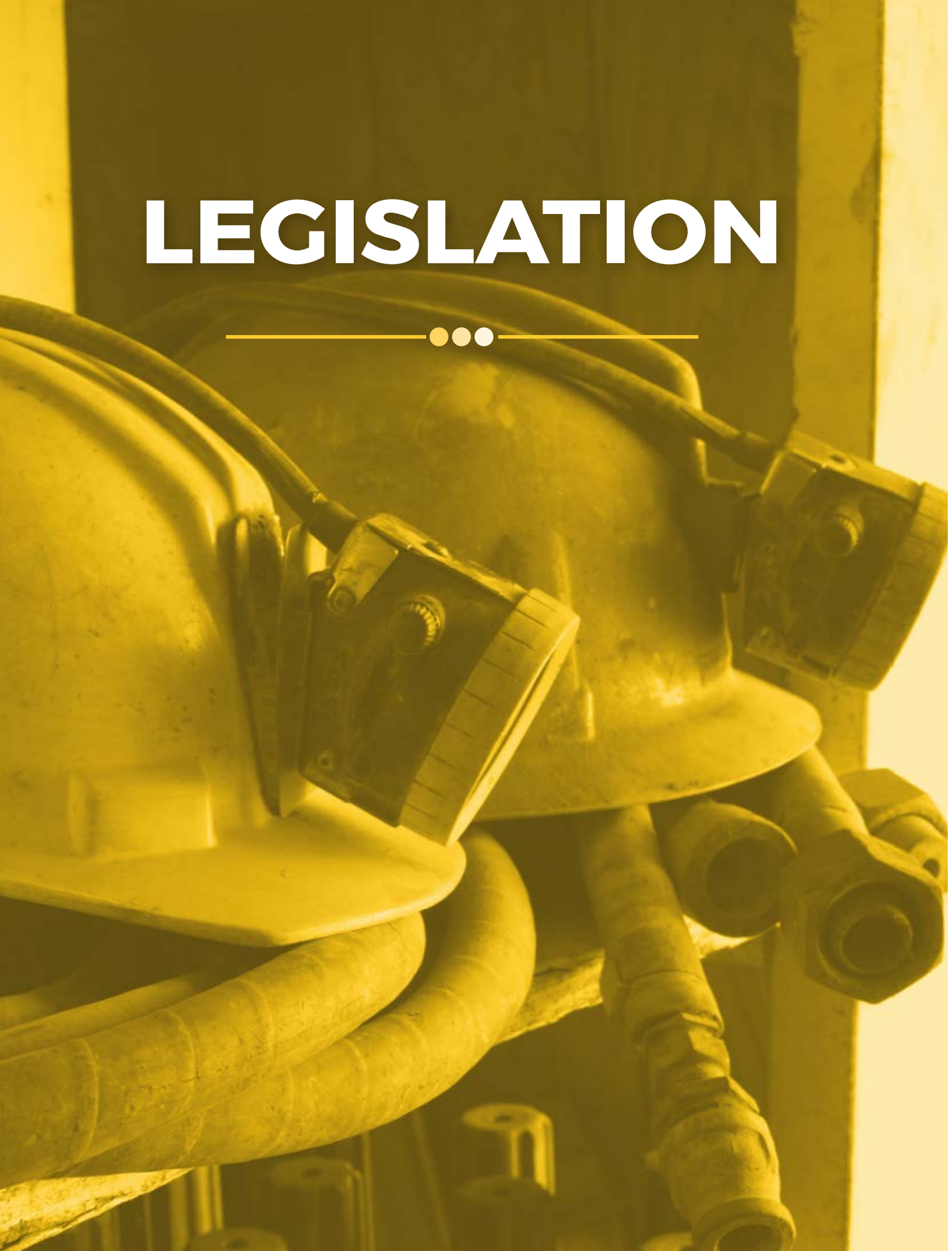
cages and elevators is not a new phenomenon.

The extent of the problem is indicated by the fact that female employees continue to express preference for wearing the existing one-piece overalls. This is despite the fact that they are less comfortable than a two-piece alternative. This preference is a result of their fear of being sexually harassed by male colleagues

Viljoen further pointed out that the mining workplace has been designed by men for men and has not been developed to be fully inclusive. Therefore, it is imperative that as part of modernisation the mining industry takes responsibility for these challenges and thinks differently about the design of the workplace and its impact on female employees. 

READ MORE 

LEGISLATION



10 May 2022

Artisanal and Small-Scale Mining Policy 2022 Published for Implementation

On 30 March 2022, Mineral Resources and Energy Minister Gwede Mantashe published the Artisanal and Small-Scale Mining Policy 2022 for implementation. This aims to address illegal mining in South Africa, which is a critical challenge in the mining and minerals industry.

The policy recognises the challenges posed by illegal mining activities, which have resulted in a loss of over R70 billion per annum of national revenue due to illegal mining in the gold-mining sector alone.

In response, the new policy has been published to formalise the largely informal artisanal and small-scale mining industry. The policy recognises that the current regulatory framework, specifically the provisions in Section 27 of the Mineral and Petroleum Resources Development Act (MPRDA), is inadequate.

Therefore, the policy proposes various amendments and the insertion of new definitions in the MPRDA for the terms 'artisanal mining' and 'small-scale mining'. The policy also suggests a maximum investment of R1 million for artisanal miners and R10 million for small-scale miners.

In addition, the policy proposes introducing two types of permits, namely an artisanal-mining permit and a small-scale one, which should both be reserved for South Africans. Lastly, the policy calls for licensing criteria to ensure the entry and meaningful participation of historically disadvantaged South Africans, as well as the prioritisation of women and vulnerable groups.

READ MORE 

9 May 2022**Tendele Promises Remedial Action on Mining Right Irregularities**

Following the Pretoria High Court ruling in favour of Tendele Coal Mining (TCM), the company has vowed to take remedial action on mining right irregularities by conducting a comprehensive public participation process. The company has also already compiled 27 additional specialist studies, addressing intended additional mining operations at its Somkhele mine in KwaZulu-Natal.

A court application brought forward by Mfolozi Community Environmental Justice Organisation and others has aimed to set aside the mining right and environmental management programme (EMPr) of TCM. This would deny a 10-year extension of the life of the mine and ultimately result in its closure.

However, it has been shown that the Somkhele mine has been in operation for more than 15 years with zero fatalities, and employs more than 1 200 people from the impoverished Mpukunyoni community at full operation. Should the life of the mine be extended, more than R4.7 billion worth of benefits to the community would ensue and the mine would contribute R2.5 billion in tax contributions and royalties over the extended period.

As such, the court ruled in favour of TCM keeping its mining right and EMPr in place. The court ordered the two works be sent

back to Mineral Resources and Energy Minister Gwede Mantashe for reconsideration.

Moreover, TCM conceded that there were irregularities in the process of obtaining the mining right and EMPr and that it would rectify these during the appeal process before the minister.

READ MORE

9 May 2022

Geoscience Act Regulations 2022 Published for Mining and Exploration Companies

On 30 March 2022, the Geoscience Act Regulations 2022 were published in order to manage and promote mineral exploration, knowledge and investment in South Africa. These regulations outline new obligations for South African mining and exploration companies to submit their geoscience data.

The geoscience regulations establish the Council for Geoscience (CGS) to which it is mandatory for all mining, exploration and upstream energy companies to submit specific geoscience data related to their prospecting and reconnaissance activities.

Owners of geoscience data obtained after 2004, the year of commencement of the Mineral and Petroleum Resource Development Act (MPRDA), are required to lodge prospecting data with the regional manager of the Department of Mineral Resources and Energy, and lodge upstream oil and gas reconnaissance activities with the Petroleum Agency of South Africa.

Geoscience data and information must also be submitted in accordance with the applicable legislative framework, specifically the MPRDA as the primary statute.

Off- and onshore prospecting and reconnaissance geoscience data and information that was obtained before 2004 are deemed to be historical geoscience data. According to the regulations, holders of historical geoscience data must notify (rather than lodge) the CGS of this data, after which the CGS will, at its own expense, arrange for transportation and collection of the data.



READ MORE 



6 May 2022

Webber Wentzel Calls for Concrete Steps to Bolster the Mining Sector

In May 2022, Webber Wentzel's team of mining experts recommended that both President Cyril Ramaphosa and Mineral Resources and Energy Minister Gwede Mantashe announce concrete steps to bolster mining industry attractiveness with various top priorities.

According to Webber Wentzel, there has been no visible progress made in terms of the priorities that the company has been outlining for years. One of them is to create an efficient regulatory system that encourages and incentivises investment in prospecting activities.

The company called for cumbersome administrative processes that dissuade investors from investing in South Africa to be eliminated and for the government to ensure consistent policy.

The company indicated a need to review the Mineral and

Petroleum Resources Development Act and Mining Charter to bring local ownership requirements in line with international best practices and to ensure that ownership becomes truly broad-based, as opposed to only benefitting a select few.

Webber Wentzel also called for steps to be taken on several other top priorities including: the establishment of a forum for business, government, communities and labour to address environmental, social and governance (ESG) issues; the reduction of onerous regulatory and reporting burdens on mining companies; signing the National Environmental Management Amendment Bill into law; and regulatory consistency in the investigation of mine accidents, among others.

READ MORE 

9 March 2022

Solidarity to Challenge Sibanye-Stillwater's Lockout Order in Court

At the beginning of March 2022, trade union Solidarity stated that it would go to court to challenge Sibanye-Stillwater's move to lock out its members. This lockout order follows the start of a strike over a wage dispute at the company's gold-mining operations.

The National Union of Mineworkers (NUM) and the Association of Mineworkers and Construction Union (AMCU) called a strike over an unresolved pay dispute at Sibanye-Stillwater's gold-mining operations at the beginning of March 2022.

Following this, Solidarity broke ranks and accepted Sibanye-Stillwater's final offer of a 5% annual pay increase. However, a week later, Solidarity was informed that its members would be locked out of the workplace, despite the union having accepted Sibanye-Stillwater's wage offer.

As such, the union indicated that it would approach the Labour Court on an urgent basis to obtain an interdict against the lockout.

According to Solidarity Deputy General Secretary Riaan Visser, this interdict was highly necessary as the lockout order would mean its members could go without pay. 

READ MORE 



CONTACT DETAILS



OLD MUTUAL CORPORATE

WWW.OLDMUTUAL.CO.ZA/CORPORATE

CAPE TOWN

MUTUALPARK
PO BOX 66
JAN SMUTS DRIVE
PINELANDS
8000

JOHANNESBURG

NO 1 MUTUAL PLACE
107 RIVONIA ROAD
SANDTON
2196

Research by **Insight Survey**
Designed by **DENTSU CREATIVE**

Copyright © 2022 Old Mutual. All rights reserved.

No part of this publication may be reproduced or distributed in any form or by any means, or stored in a database or retrieval system, without the prior written permission of Old Mutual. Opinions expressed in this publication are not necessarily those of Old Mutual, DENTSU CREATIVE or Insight Survey.