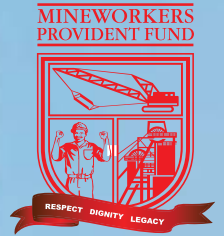


OLDMUTUAL



# INDUSTRY INTELLIGENCE THE MINING REPORT Q1 2022

PREPARED BY OLD MUTUAL CORPORATE  
FOR THE MINEWORKERS PROVIDENT FUND



**CORPORATE**

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# CONTENTS



**02**

INDUSTRY OVERVIEW

**22**

GLOBAL INDUSTRY NEWS

**32**

SA INDUSTRY NEWS

**40**

SA COMPANY NEWS

**48**

SA COMPANY  
FINANCIAL RESULTS

**56**

MERGERS,  
ACQUISITIONS &  
PARTNERSHIPS

**64**

INNOVATION &  
TECHNOLOGY TRENDS

**72**

PLATINUM GROUP  
METALS TRENDS

**80**

SUSTAINABILITY TRENDS

**88**

SOCIOPOLITICAL FACTORS

**96**

LEGISLATION

# OUR INVESTMENT IN THE FUTURE

**The conversation around climate risk is really a conversation about the future. And for investors, nothing is more important than the future.**

Across capital markets, climate risk is an urgent systemic risk that requires thoughtful action by all actors – including asset owners, asset consultants and asset managers. That is why Old Mutual Investment Group (OMIG) recently signed up to the Net Zero Asset Managers initiative, joining about 220 global asset managers with an estimated \$57 trillion of assets under management. The initiative's goal is to align businesses with worldwide efforts to limit global warming to 1.5°C.

The South African context also demands a just transition. Our high carbon outputs and high level of unemployment, poverty and inequality necessitate that our pathway to Net Zero *must* be socially just and inclusive. Given these socioeconomic realities, we have to walk a careful path that balances the country's needs with the hard lines drawn by science.

For Old Mutual as asset managers, it's important to emphasise that this is not about disinvestment or no-buy lists – it's about responsible investments and ensuring we as Old Mutual continue to get the best returns for our investors. That requires active, ongoing engagement with the management of all businesses we invest in – both in formal forums like AGMs and informally throughout the

year – to hold them to account for how their plans sit within their organisational KPIs.

It's encouraging that organisations with large carbon footprints have become a lot more receptive to this conversation. It's at the top of their agenda as businesses, and ours as investors and asset managers.

Transformation is another important talking point. In late April, Old Mutual confirmed that we intend to proceed with a R2.8 billion B-BBEE transaction, which will result in an estimated 4% increase in the Black shareholding in Old Mutual. This will bring the total shareholding to over 30%. The deal, which is called 'Bula Tsela' (seSotho for 'Open the Way'), follows the news that Old Mutual has maintained its Level 1 B-BBEE rating.

We are also pleased to announce a share sale agreement that sees the wholly Black-women-owned investment company African Women Chartered Accountants Investment Holdings acquire 21.2% of Futuregrowth shares. This moves Futuregrowth closer to a 50% Black-owned investment outfit.

We look forward to continuing these conversations with you and ensuring a sustainable future for our businesses, families and South Africa as a whole.

*Prabashini & Malusi*



**PRABASHINI MOODLEY**

Managing Director: Old Mutual Corporate



**MALUSI NDLOVU**


Director of Large Enterprises: Old Mutual Corporate



# INDUSTRY **OVERVIEW**



# INDUSTRY OVERVIEW



## GLOBAL INDUSTRY NEWS

### **Nickel, Cobalt, and Lithium Prices Driven By Increase in Electric Vehicles**

The increased sales of electric vehicles, especially in China, has led to a rise in demand for nickel, cobalt and lithium. This has propelled the price of these battery materials to multi-year highs, as more consumers around the world phase out internal combustion engine cars, in favour of electric vehicles.

### **Pinnacle Releases Condensed Version of Reliability Report**

In February 2022, Pinnacle released a condensed version of its latest reliability report for the mining industry. The report analyses the economics of reliability in the metal and fertiliser mining space. It notes that metal and fertiliser miners spend approximately 10% more than petroleum refiners on reliability initiatives, specifically spending \$55 billion.

### **African SEZs Created to Cater to Mining Industry**

Growing numbers of Special Economic Zones (SEZs) are being created in Africa, specifically catering to the mining industry on the continent. Many African governments view SEZs as a means of containing and mitigating the harmful effects of mining, while still being able to reap the economic benefits that mining offers.

### **New Lithium Mines Difficult to Set Up, Despite Rapidly Increasing Demand**

Prices for lithium increased to record highs in 2021, exacerbating concerns that there may be future shortages of the metal, which is crucial in the production of electric-vehicle batteries. This should result in an increase in the number of new lithium mines; however, new mines are facing significant social and sustainability obstacles.

### **IEA Indicates Increased Global Demand for Coal in 2021**

According to the International Energy Agency (IEA), global coal-fired power generation was expected to increase by 9% to reach an all-time high by the end of 2021. Consequently, demand for coal was expected to grow by 6% in 2021 to reach 8.11 billion tonnes.

### **Global Mining Industry Set to Experience Talent Shortage Amid Increased Demand for Metals**

An increasing reluctance from university students to follow career paths in the mining industry globally is set to result in a shortage of talent in the industry. This has become critical, as the global industry is about to see a large number of ageing skilled workers going into retirement.





## SA INDUSTRY NEWS

### **DMRE to Drive Investment in the North West**

The Department of Mineral Resources and Energy (DMRE), in conjunction with the provincial government of the North West, is boosting efforts to garner investment in the transformation of the province's mining sector. The Mineral Resources and Energy Minister, Gwede Mantashe, stated that the government is aiming to create a North West, Limpopo and Northern Cape corridor of mining.

### **SA Mining to be Potentially Damaged by Energy Hikes**

According to the Minerals Council of South Africa, increasing electricity prices will damage the country's mining sector. This warning comes after the public electricity supplier, Eskom, unveiled plans to raise tariffs by 20.5%. The Minerals Council has claimed that uncertainty surrounding electricity supply would be detrimental to investment and economic growth.

### **SA Mining Production Increased by 5.2% Year-on-Year in November 2021**

This increase was driven by a 38.1% rise in the production of platinum group metals (PGMs), as well as a 9.3% increase in the production of iron ore.

### **ZAC Closely Monitors Recent Slurry Spill**

The Zululand Anthracite Colliery (ZAC) has indicated that it is complying with directives from authorities, following a recent slurry spill. This is the result of the failure of the end wall of a newly installed slurry dam after heavy rain.

### **Minerals Council SA Members Agree to Measures to Address Mine Fatalities**

Member companies of the Minerals Council South Africa have committed to the implementation of eight measures to address fatalities at local mines. This was agreed at a special council board meeting, following the MineSafe 2021 conference. These measures come as 72 fatalities were reported at South Africa's mines by 13 December 2021.

### **Minerals Council SA Indicates Over 300 000 Full and Partial COVID-19 Vaccines Given**

The Minerals Council South Africa announced that over 300 000 employees within the South African mining sector have been fully or partially vaccinated against COVID-19. The Council has urged all mining stakeholders to ensure they are vaccinated ahead of the fourth wave.



## SA COMPANY NEWS

### **Implats Receives Accolade for Sustainability**

JSE-listed Impala Platinum (Implats) has been recognised for its sustainability efforts in Standard & Poor's (S&P) 'Global Sustainability Yearbook 2022'. The company was among four JSE-listed metals and mining companies featured in the 2022 yearbook, as well as being the winner of the 'Metals and Mining Industry Mover Award'.

### **SBPM Signs Five-Year Wage Deal**

Siyanda Bakgatla Platinum Mine (SBPM) has entered into a five-year wage agreement with the Association of Mineworkers and Construction Union (AMCU) and the National Union of Mineworkers (NUM). This landmark agreement will benefit the company's employees, while providing SBPM with certainty concerning its wage bill.



### **Solidarity Calls for Closure of Sibanye-Stillwater Mine Due to Safety**

South African Union Solidarity, has rebuked JSE- and NYSE-listed mining company Sibanye-Stillwater for its poor safety record and has called for the closure of its Driefontein mine, after the death of a miner at the facility in January 2022. Additionally, 18 employees died at the company's mines in 2021.

### **Orion Minerals Re-Evaluates Development Schedule for Prieska Copper/Zinc Project**

Orion Minerals is re-evaluating the development schedule for the Prieska copper/zinc project, potentially fast-tracking the project. Early production investigations, as well as positive macroeconomic factors and increasing copper and zinc prices, could result in an acceleration of the project.

### **WGC Reinstates Gold Fields as a Member**

The World Gold Council (WGC), a market development organisation, has indicated that Gold Fields has been readmitted as a member. Gold Fields was a founding member of WGC in 1987 and helped shape its direction, as well as initiatives that have supported the development of the global gold market.

### **African Rainbow Minerals Purchases Bokoni Platinum Mine**

African Rainbow Minerals, backed by South African billionaire Patrice Motsepe, has agreed to purchase Anglo American Bokoni Platinum Mine for R3.5 billion. This deal follows record dividends being declared by Anglo American, which is also the world's biggest platinum miner, as the demand for its metals from automakers bolstered earnings.

## SA COMPANY FINANCIAL RESULTS

### **ArcelorMittal South Africa Limited**

According to ArcelorMittal South Africa Limited's Short-Form Announcement of its group financial results for the year ended 31 December 2021, the company's revenue for the year increased by 61.1% from a total of R24.6 billion in 2020 to R39.7 billion in 2021.

### **Kumba Iron Ore Limited**

According to Kumba Iron Ore Limited's production and sales report for the fourth quarter and trading statement for the year ended 31 December 2021, the company increased production by 9% to 40.9 million tonnes (Mt) and witnessed an increase in export sales of 1% to 40.2 Mt.

### **Harmony Gold Mining Company Limited**

Towards the end of January 2022, Harmony Gold Mining Company Limited shared an update on its production as at the end of December 2021 (H1FY22) ahead of its interim results, which are set to be announced on 28 February 2022. Gold production for H1FY22 from its SA operations remained steady at 22 355 kilograms.

### **South32 Limited**

According to South32 Limited's Quarterly Report December 2021, the group's manganese ore production decreased by 2% from 2 920 kwmt in the first half of 2021 to 2 861 kwmt in the first half of 2022. However, the group saw an increase in South African manganese production by 7% in the December 2021 half year.

### **Jubilee Metals Group PLC**

According to Jubilee Metals Group PLC's audited results for the financial year ended 30 June 2021, its total revenue for the year increased by 143% from a total of R1.1 billion in 2020 to R2.8 billion in 2021. Additionally, Jubilee Metals Group PLC recorded an increase in operating profits of 189% from R313.2 million in 2020 to R949 million in 2021.

### **Tharisa PLC**

According to Tharisa PLC's annual results for the year ended 30 September 2021, the group's revenue increased by 46% from a total of \$406.0 million in 2020 to \$596.3 million in 2021. This rise in revenue is partly due to the strong increase in the rhodium price.



## MERGERS, ACQUISITIONS & PARTNERSHIPS

### **Sibanye-Stillwater to Purchase Interest in Two Amplats Mines**

Sibanye-Stillwater has entered into a deal to acquire Anglo American Platinum's (Amplats) share in the Kroondal platinum operation, allowing the company to take sole ownership of the mine. As part of the deal, Amplats will also dispose of the Marikana pool-and-share agreement making Sibanye-Stillwater its sole owner.

### **Barplats to Terminate ABT Agreement**

Eastern Platinum has announced that it will be terminating its project framework agreement between its subsidiary Barplats Mines and Advanced Beneficiation Technologies of South Africa (ABT) as of 25 January 2022. The agreement had aimed to facilitate the development and construction of a new modular plant.

### **Vox Royalty to Purchase Royalties on Sibanye-Stillwater Projects**

Vox Royalty has recently announced that it will acquire two PGM royalties from South Africa-based private company Sibanye-Stillwater, for \$8.3 million. More specifically, Vox will purchase a 1% gross receipts royalty over the Dwaalkop Project and a 0.704% gross receipts royalty over the Messina Project, which represent the full extent of the Sibanye-Stillwater-operated Limpopo PGM Project.

### **RBPlat Prepares Response to Implats Offer**

In mid-January 2022, Royal Bafokeng Platinum (RBPlat) announced it would revert with its own response after Implata Platinum (Implats) issued an offer circular to shareholders of the mid-tier PGM miner. The offer made by Implats comprises paying RBPlat shareholders R90 in cash and 0.3 of an Implats share for every RBPlat share held.

### **Kumba Iron Ore Awards Contract to Community-Based Joint Venture**

Kumba Iron Ore has announced it will be awarding a R1.6 billion mining contract to a new Black-owned and community-based joint venture. This contract involves the mining of iron ore at its Kolomela Mine in the Northern Cape.

### **Afrimat to Acquire Glenover Phosphate for R550 Million**

In December 2021, Afrimat announced that it will acquire Glenover Phosphate, as well as its vermiculite and phosphate rock deposits at Glenover Mine, for R550 million. This acquisition will expand the group's product offering to include a new mineral segment that supports its diversification strategy.

## INNOVATION & TECHNOLOGY TRENDS

### **Project Launched to Discover New Metals**

Wits University, Gold Fields Ltd, University of Venda and several counterparts in Europe have formed a consortium that aims to aid the discovery of new metal and mineral resources to supply raw materials for emerging technologies.

### **MMAP Project Focuses on Microbes in Mining**

Canada's Digital Technology Supercluster, which is an organisation that focuses on accelerating digital technology innovation, has announced the launch of the Mining Microbiome Analysis Platform (MMAP). According to the company, this project is the largest investment in planned natural-resource genomic sequencing in the history of the sector.

### **Blockchain Technology Potentially the Answer to Mining Supply Chain Questions**

The world's biggest mining company, BHP, has indicated that blockchain technology could be used to address some mining supply-chain questions. Blockchain is already used to trace materials to originating mines, providing transparency to precious metal investments.

### **Epiroc Launches Mobius for Drills Platform with ASI Mining**

Epiroc and ASI Mining have developed and introduced the Mobius for Drills platform. This new platform has embedded artificial intelligence, and is intended to convert data into actionable information, helping mines move towards automation and connectivity.

### **Orica and Epiroc Set to Test New Avatel Semi-Automated Explosives Delivery System in 2022**

The new first-of-its-kind Avatel semi-automated explosives delivery system is set to be tested in Newcrest Mining's Cadia underground operation in New South Wales. This system was developed by Orica and Epiroc and is aimed at improving safety and productivity in underground development operations.

### **Rio Tinto Set to Evaluate Pixxel Earth-Imaging Technology for Use in Mining Operations**

Rio Tinto has entered an early-adoption partnership with Pixxel, a United States- and India-based company, offering earth-imaging technology. Rio Tinto is set to evaluate the technology for future use in its mining operations.







## PLATINUM GROUP METALS (PGM) TRENDS

### **Investors Focus on Platinum While Price is Lower than Gold**

According to Janie Simpson, Managing Director of independent bullion dealer ABC Bullion, investors are keen to buy platinum while it is trading for less than gold on a per ounce basis, with demand being driven by both investors and industrial offtakers.

### **Palladium Prices to be Hit by Automakers Switch to Platinum**

A Reuters survey, released in January 2022, has indicated that platinum prices are expected to steadily rise over the next two years, while palladium prices are expected to gradually fall, as automakers switch to using platinum in autocatalysts to cut costs.

### **Earnings of SA PGM Companies May Turn Out Lower than Expected**

According to JP Morgan Cazenove, earnings from South African platinum group metals (PGM) companies could prove to be disappointing. This is primarily due to a retraction in the average basket price of PGMs that occurred in the second half of 2021.

### **Rhodium Prices Set to Increase Due to Increased Demand from Automotive Sector**

Prices for rhodium have begun to rise again in the early part of 2022 because of an increased demand from original equipment manufacturers (OEMs). This is particularly due to rhodium's use in the manufacture of catalytic converters in vehicles.

### **Merafe Resources Set to Construct PGM Production Plant with Glencore**

JSE-listed group Merafe Resources, has indicated that it is set to produce platinum group metals (PGMs) from the company's Kroondal Mine, which is held in joint venture with Glencore. The group owns 20.5% of the joint venture, which is expected to produce 1.9 million tonnes of ferrochrome in 2021.

### **Global Production of Platinum Expected to Have Recovered in 2021**

According to the data and analytics company GlobalData, global production of platinum was expected to record a 21.9% recovery following a significant decline in 2020. This is largely due to the recovery of the automotive and jewellery sectors, with production expected to reach a total of 6.03 million ounces (moz).

## SUSTAINABILITY TRENDS

### **Mining Industry Players Call for Deregulation of Energy Sector**

Various mining industry players have called for the urgent deregulation of the energy sector to help relieve energy shortages facing South Africa. These calls come after the government lifted the private generation licensing cap from one megawatt (MW) to 100 MW, a reform that has received a great deal of praise from the industry.

### **Decrease Seen in ESG Innovation in the Mining Industry**

Research and innovation in environmental, social and governance (ESG) in the mining operations and technologies sector have witnessed a decline over the past year. According to recent figures, the number of ESG patent applications in the industry stood at 78 in the three months ending November 2021, representing a decrease from the 258 applications made over the same period in the previous year.

### **ABB Ability eMine Set to Accelerate the Transition to All-Electric Mines**

ABB has launched its Ability eMine portfolio of electrification technologies to accelerate the transition towards zero-carbon mining. Ability eMine makes it possible to electrify operations from mine to port, incorporating digital applications and services to monitor and optimise energy usage.

### **Anglo American Emphasises Need for Industry to Decarbonise to Harness Rising Demand**

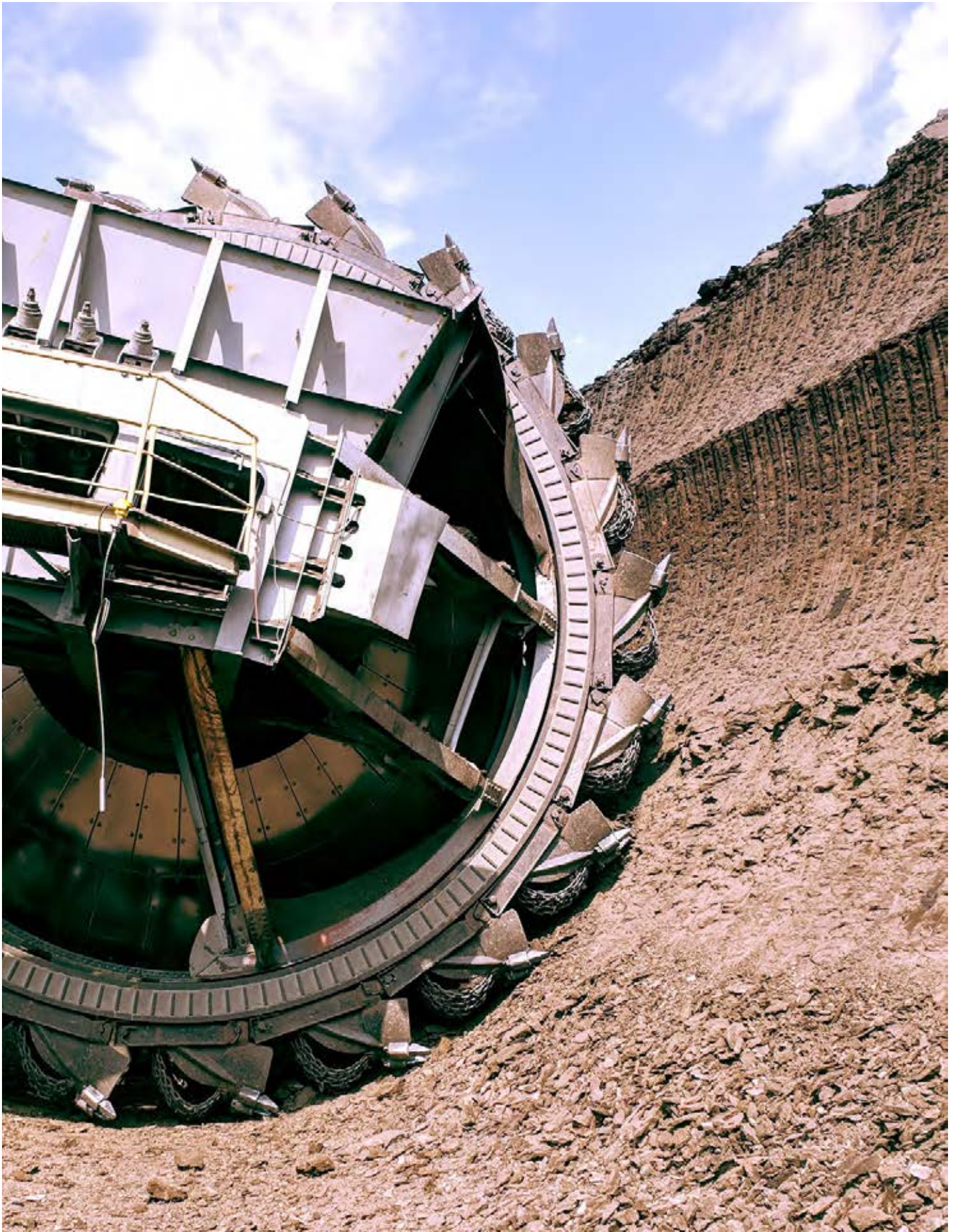
According to the Chief Executive Officer of Anglo American, Mark Cutifani, the mining industry needs to reduce emissions to play a part in a low-carbon future. This is necessary to take advantage of the rising demand for metals and minerals needed for decarbonisation.

### **RMF Indicates Mining Companies are Failing to Holistically Address Climate Change Impact**

According to research published by the Responsible Mining Foundation (RMF), emission reduction is just a single part of a responsible response to climate change. The report indicates that action needed to assess climate-related risk to people and environments by the mining industry is missing from current efforts by mining companies.

### **Gold Fields Commits to 30% Reduction in Emissions by 2030**

South Africa-based mining company, Gold Fields, has committed to cutting its emissions by 30% by the year 2030. To achieve this, the company has budgeted an outlay of \$320 million.





## **SOCIOPOLITICAL FACTORS**

### **Labour Ministry Calls on Rio Tinto Workers to Report Cases of Discrimination**

The SA labour ministry has called on Rio Tinto workers to report instances of discrimination after the company released an internal report detailing sexual assault, racism and bullying across its mines, including in South Africa.

### **NUM Calls To Sustain Coal Mining**

The National Union of Mineworkers (NUM) has released a statement adding its support in the effort to sustain the coal-mining industry, as well as supporting comments made by Mineral Resources and Energy Minister Gwede Mantashe, that South Africa's coal-mining sector cannot diminish and fade away.

### **ASPASA to Start Mentorship Programme**

Surface-mining-industry association ASPASA has announced that it will start a new mentorship programme aimed at encouraging and developing young professionals in the mining industry. This programme, arranged by the group, aims to drive the learning and development of both mentees and mentors through online meetings between professionals and prospective talent.

### **CCMA gives Union Permission to Strike at Sibanye-Stillwater**

The Commission for Conciliation, Mediation and Arbitration (CCMA) has cleared four unions – the Association of Mineworkers and Construction Union (AMCU), National Union of Mineworkers (NUM), Solidarity



and UASA – to provide Sibanye-Stillwater with notice of a strike. This notice comes after these parties failed to resolve a dispute over wages for gold mineworkers.

### **NUM Expresses Concerns Regarding Attitudes towards Safety**

The National Union of Mineworkers (NUM) has expressed concerns regarding the number of fatalities in the mining industry over the last two years. This follows an increase in fatalities at mines between 2019 and 2021.

### **DMRE to Investigate Fatal Mining Incident**

In December 2021, the Department of Mineral Resources and Energy (DMRE) announced it would be investigating two fatal mining incidents at the Impala Platinum Mine in Rustenburg. According to a statement made by the department, its Mine Health and Safety Inspectorate will commence with a full investigation to determine the cause of the incidents.



## LEGISLATION

### **SA ConCourt to Hear Mining 'SLAPP' Case**

In February 2022, the South African Constitutional Court announced it will deliberate on the validity of the High Court's ruling in a defamation case brought against six South African activists and environmentalists. This case was brought by the Australian mining company, Mineral Commodities Ltd (MRC), however, the defendants have argued that the claim against them is a 'SLAPP' case.

### **ASPASA Calls for Closer Adherence to Safety Legislation**

The Aggregate and Sand Producers Association of Southern Africa (ASPASA) has called for stricter adherence to safety legislation, following mining accidents involving trackless mobile machines (TMMs), as well as incorrect lockout procedures of equipment and conveyors.


### **Alexkor to Face Criminal Charges due to Northern Cape Mining Operations**

Criminal charges have been laid against the state-owned diamond mining company, Alexkor, by the Department of Forestry, Fisheries and the Environment. The charges relate to the construction of coffer dams in the diamond-rich beach sections of the Northern Cape coastline.

### **DMRE Will Not Appeal Ruling on Black Empowerment Clauses**

The Department of Mineral Resources and Energy (DMRE) has announced that it will not appeal the High Court's ruling that its 2018 Mining Charter is not legally binding. Furthermore, the DMRE has stated that it will drive Black-empowerment in the industry through amendments to existing legislation.

### **Uthaka Energy Appeal Bid Dismissed by Constitutional Court**

The Constitutional Court has dismissed Uthaka Energy (Pty) Ltd's (formerly known as Atha-Africa Ventures) application for leave to appeal an interdict, which prevents it from mining activities at its proposed underground mine in the wetland water-conservation area of Mabola, Mpumalanga. 



# GLOBAL INDUSTRY **NEWS**



# GLOBAL INDUSTRY NEWS

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## 4 February 2022

### **Nickel, Cobalt, and Lithium Prices Driven By Increase in Electric Vehicles**

The increased sales of electric vehicles, especially in China, has led to increased demand for nickel, cobalt and lithium. This has propelled the prices of these battery materials to multi-year highs, as more consumers around the world phase out internal-combustion-engine cars in favour of electric vehicles.

In terms of nickel, according to estimates by Wood Mackenzie Analyst Andrew Mitchell, the total demand reached 2.8 million tonnes in 2021. Of this, 69% was used to make stainless steel and 11% to make batteries. However, this represents a decrease from 71% for steel and an increase from 7% for batteries in 2020. Mitchell also expects batteries' share of nickel demand to rise to 13% in 2022.

In terms of cobalt, COVID-19 lockdowns imposed in Southern Africa delayed shipments to China from the Democratic Republic of Congo, which accounts for more than 70% of global supplies. As a result, Chinese imports of cobalt hydroxide only increased 2.5% to 82 100 tonnes in 2021 from 2020, meaning domestic stocks were drawn down. However, Benchmark Mineral Intelligence (BMI) expects total cobalt demand to reach

177 500 tonnes in 2022, as well as further gains being expected by traders as Chinese consumers restock.

Lastly, in terms of lithium, BMI has stated that deficits have pushed prices of lithium carbonate to record highs of above \$50 000 per tonne in China, as demand for lithium used in the batteries of electric vehicles increases. Furthermore, BMI estimates that the demand for lithium-carbonate equivalent will reach 610 000 tonnes in 2021.

**READ MORE**



## 4 February 2022

### **Pinnacle Releases Condensed Version of Reliability Report**

In February 2022, Pinnacle released a condensed version of its latest reliability report for the mining industry, which analyses the economics of reliability in the metal and fertiliser mining space.

Pinnacle defines reliability as the measure of how often something runs when you want it to. The report gives an analysis of the resource extraction, transportation and processing activities in which large global miners commonly engage for both base and precious metals, as well as mined fertilisers.

The report found metal and fertiliser miners spend approximately 10% more than petroleum refiners on reliability initiatives, specifically spending \$55 billion. This is partially because, globally, there is more opportunity to make gains in optimising ongoing efforts in mining than in petroleum refining.

According to the report, vulnerabilities in existing reliability programmes have potentially been created because of metal and fertiliser miners' increased focus on balance-sheet management. This has left many holes in existing reliability programmes, impacting negatively on future operational and financial performance.

In line with the need to cut costs, the report found that some miners achieve better results while spending less on reliability, suggesting that the best path is to spend less while targeting that spend surgically. As such, the report found that intentional, multi-dimensional, system-wide analysis was the best tool to ensure reliability investments are framed in a proper returns-based context.

**READ MORE**





## 20 January 2022

### **African SEZs Created to Cater to Mining Industry**

Growing numbers of Special Economic Zones (SEZs) are being created in Africa, specifically catering to the continent's mining industry. Many African governments view SEZs as a means of containing and mitigating the harmful effects of mining, while still being able to reap the economic benefits that mining offers.

SEZs are business parks or cities that have their own rules and regulations, independent of the countries in which they operate. These SEZs are created for the purpose of attracting direct foreign investment, and change underlying assumptions regarding the African mining industry.

As an illustration, several SEZs in South Africa have been created to foster innovation in the sector. In particular, the Platinum Valley SEZ outside Pretoria, which is managed by multinational mining company, Anglo American, aims to revolutionise production of hydrogen fuel cells in Africa.

Furthermore, the Zimbabwean government granted Tharisa, a chrome and platinum mining company, SEZ status for the land on which one of their mines is located. This means that Tharisa is set to receive reduced tax rates, duty-free imports of raw materials and equipment, and less strict currency-exchange rules.

AVZ Minerals is also attempting to achieve an SEZ designation for its mines in the Democratic Republic of Congo. Additionally, other African countries, such as Senegal and Nigeria, are creating new SEZ frameworks targeting the mining sector.

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## 18 December 2021

### **New Lithium Mines Difficult to Set Up, Despite Rapidly Increasing Demand**

Prices for lithium increased to record highs in 2021 exacerbating concerns that there may be future shortages of the metal, which is crucial in the production of electric-vehicle batteries. This should result in an increase in the number of new lithium mines. However, new mines are facing significant social and sustainability obstacles.

Although, historically, mining has offered jobs and economic development to poor areas, often there have been environmental costs. As a result, many communities are deciding that the economic benefits do not outweigh the costs to quality of life, while governments are also becoming unwilling to override these concerns.

According to Ben Davis, a mining analyst at Liberum, it has become more difficult than ever to build a new mine. This is partly due to the fact that it has become much easier to organise opposition to new mine developments in rural and isolated communities.

As an illustration, the development of a new mine in Serbia by Rio Tinto Group, worth \$2.4 billion, was halted by local opponents who brought cities to a standstill with marches in the streets. This resulted in Serbian authorities suspending a land-use plan for the proposed mine.

This opposition to new mines is also being experienced around the world, with many mining industry executives considering this to be the biggest challenge facing the industry. This includes Southern Copper Corp's struggle to obtain government support for a \$1.4 billion project in Peru, as well as Lithium Americas Corp. being taken to federal court in the United States.



## 17 December 2021

### **IEA Indicates Increased Global Demand for Coal in 2021**

According to the International Energy Agency (IEA), global coal-fired power generation was expected to increase by 9% to reach an all-time high by the end of 2021. Consequently, demand for coal was expected to grow by 6% in 2021 to reach 8.11 billion tonnes.

More specifically, the increased demand for coal comes amid increases in global coal-fired power generation and also its use in steelmaking, cement and other industrial activities. As a result, demand for coal is set to reach

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a new record high in early 2022 and remain at that level for the following two years.

Furthermore, the IEA indicated that increased demand for coal has been fuelled by a faster-than-expected economic recovery, as well as temperature and weather fluctuations, which have reduced electricity supply and increased gas prices. However, it also indicated that increased Asian demand for coal is set to be offset by lower demand in the United States and the European Union by 2024.

Although an agreement had been reached at COP26 to accelerate emission cuts and reduce coal use,

intervention from China and India diluted the agreements.

Currently accounting for about half of global production, China's coal production is set to increase to meet domestic demand. The Chinese government has also placed pressure on coal miners to reduce prices during the country's energy crisis.

Furthermore, despite commitments by India to triple its solar power capacity, it is predicted that the country's coal consumption will grow by 4% annually to 2024.

**READ MORE**



**10 December 2021**

**Global Mining Industry Set to Experience Talent Shortage Amid Increased Demand for Metals**


An increasing reluctance from university students to follow a career path in the mining industry worldwide is set to result in a shortage of talent in the industry. This has become critical as a large number of ageing skilled workers are retiring globally.

It is predicted that later in the decade fewer graduates will have the skills required for the building and running of mines that produce lithium, nickel, copper and other metals. These metals are needed for the growing demand in electric vehicles, solar panels and renewable energy technologies.

As an illustration of this phenomenon, the Society for Mining, Metallurgy and Exploration (SMME) reports that enrolment in mining engineering programmes in the United States declined by 46% between 2015 and 2020. This same pattern has also been occurring in major mining countries, such as Canada, South Africa and Australia.

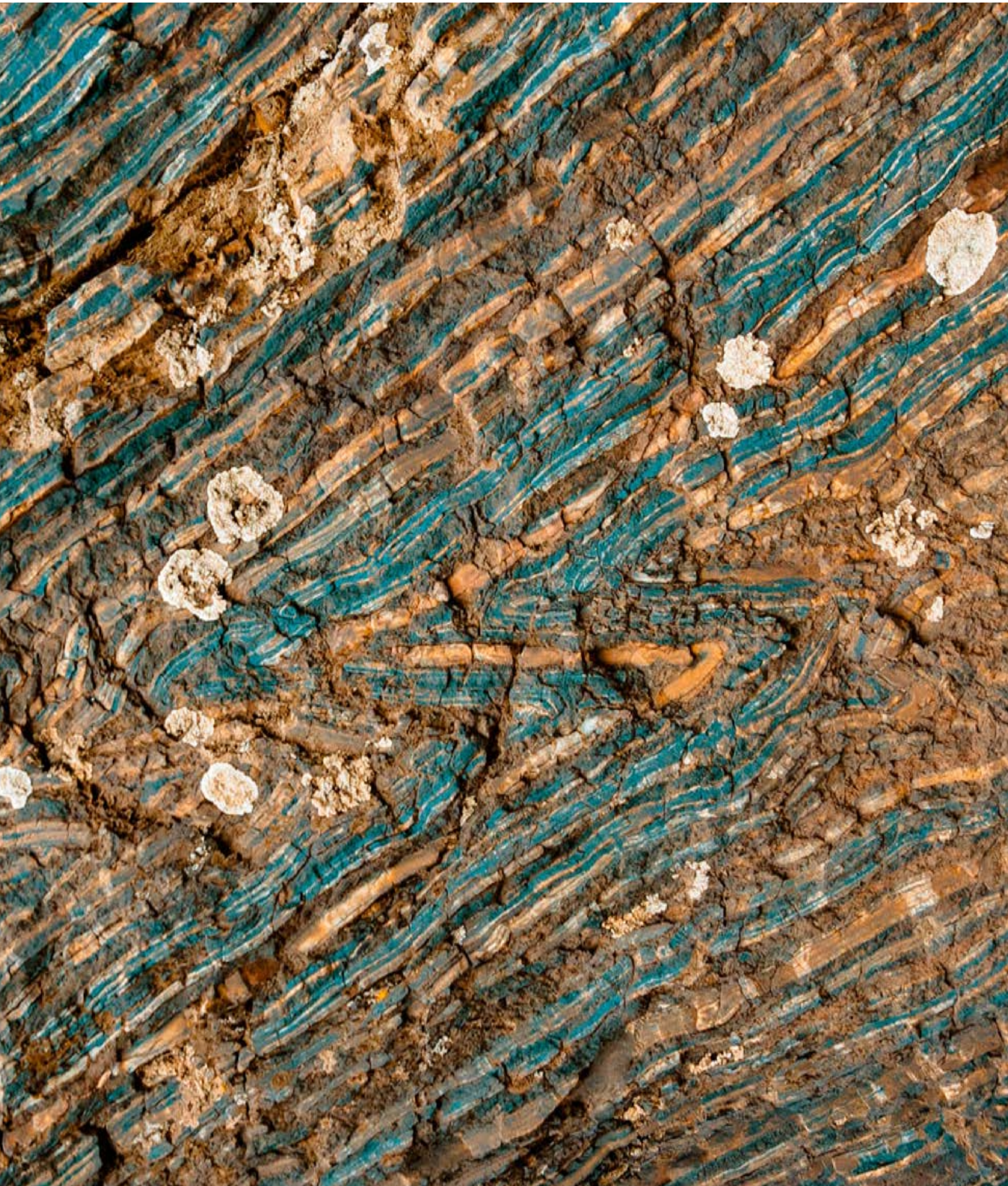
According to professors and industry executives, students are being put off by the mining industry's historical reputation as a significant polluter

of the environment. This image was reinforced by the 270 deaths that occurred after the collapse of a tailings dam in Brazil.

As a result, Western universities, trade groups and companies are aiming to recruit learners from high-school seniors applying for university and first-year college students choosing areas of study. The mining industry is increasingly emphasising its commitment to sustainability in order to attract new talent and students, and avoid a lack of skills in the future. 

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SA  
INDUSTRY  
**NEWS**



# SA INDUSTRY NEWS

**25 January 2022**

## **DMRE to Drive Investment in the North West**

The Department of Mineral Resources and Energy (DMRE), in conjunction with the provincial government of the North West, is boosting efforts to garner investment in the transformation of the province's mining sector.

Mineral Resources and Energy Minister Gwede Mantashe stated that the government is aiming to create a North West, Limpopo and Northern Cape corridor of mining. The statement was made during a North West Mining and Energy Investment conference held in January 2022, with a similar event having been held in Limpopo in September 2021.

During the event, Mantashe further emphasised that the Bushveld Complex, which is located in the North West and Limpopo provinces, is abundant in mineral resources of the future. These include rare earths,

nickel, zinc, chrome, vanadium and platinum group metals, which are growing in demand as the world aims to lower carbon emissions.

Mantashe also reiterated the importance of encouraging investment into smaller companies, specifically those that have acquired mothballed operations and that can extract these otherwise unviable resources. Moreover, Mantashe stated that mining companies in the area must pool resources and implement bigger projects for the economic prosperity of their communities.

In addition, North West Premier Kaobitsa Bushy Maape echoed Mantashe's statements, stating that the province had launched an Accelerated Service Delivery programme to ensure basic services are provided, not just to communities, but also to industry.

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## 25 January 2022

### **SA Mining to be Potentially Damaged by Energy Hikes**

According to the Minerals Council of South Africa, increasing electricity prices will damage the country's mining sector. This warning comes after the public electricity supplier, Eskom, unveiled plans to raise tariffs by 20.5%.

Eskom has proposed these tariffs to cover the cost of backup generators. However, this increase may heavily impact the energy-intensive sectors of the South African economy. These sectors account for 41% of the country's GDP, 44% of employment and 70% of all merchandise exports. In terms of the mining sector specifically, mining contributes R500 billion every year and accounts for 8.4% of gross domestic product.

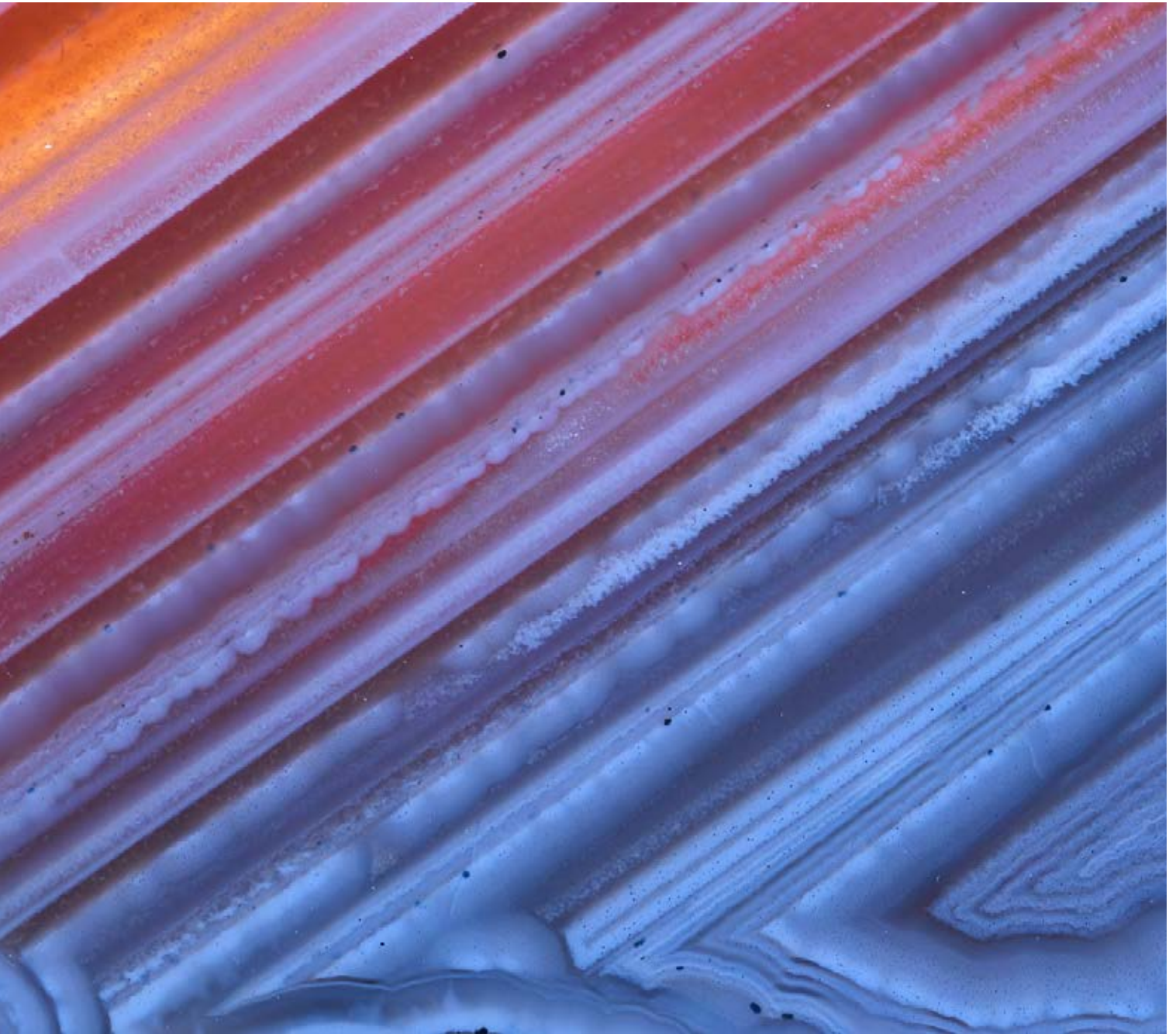
The Minerals Council has claimed that uncertainty surrounding electricity supply would be detrimental to investment and economic growth. The organisation argued that the proposed tariff increases of 26%, 20% and 9% for the financial years of 2022/23 to 2024/25 respectively are not sustainable.

According to the Minerals Council, depending on the phasing of the court judgment instructing the National Energy Regulator of South Africa to liquidate outstanding regulatory clearing accounts, the proposed tariff increase could be as high as 54%.

Chief Economist of the Minerals Council Hendrik Langenhoven, stated that the increases in tariffs would be catastrophic for the economy and energy-intensive sectors, including the mining industry, due to the damage resulting from electricity cost escalation.

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**18 January 2022**  
**SA Mining Production Increased  
by 5.2% Year-on-Year  
in November 2021**

South African mining production rose by 5.2% year-on-year in November 2021. This increase was driven by a 38.1% rise in the production of platinum group metals (PGMs), as well as a 9.3% increase in the production of iron ore.

According to Nedbank, the production rise seen in November boosted yearly production by 5.2%. This is an increase from the 2.2% achieved in October 2021 and exceeded market expectations of 4.3%.

However, coal continued to play a constraining role in overall mining production for the fifth month in a row, declining by 7.9%. Moreover,



## 15 January 2022

### ZAC Closely Monitors Recent Slurry Spill

The Zululand Anthracite Colliery (ZAC) has indicated that it is complying with directives from authorities, following a recent slurry spill. This is the result of the failure of the end wall of a newly installed slurry dam after heavy rain.

ZAC is owned by mining-investment company Menar and located in rural Zululand with its mining rights bordering Umfolozi River as well as Hluhluwe Umfolozi game park.

The slurry incident occurred on 24 December 2021, resulting in a pollution spill of 1500 cubic metres of coal slurry, which flowed into nearby land and rivers. The full impact of the spill is yet to be determined – ZAC's slurry dams contain a large variety of elements including mercury, arsenic, copper, lead and manganese.

According to Msawenkosi Buthelezi, ZAC's Environmental Superintendent, directives given by the authorities have prescribed several actions to be performed. This includes bio-monitoring, which will assist in determining the impact of the spill on the surrounding environment.

The end wall of the slurry pond has been rebuilt and is awaiting an engineering certification before being brought back into service. The integrity of the other slurry containment walls will also be evaluated, and improvements made where necessary.

Furthermore, ZAC indicated it would continue to monitor the groundwater, and engage with surrounding host communities to identify damage and discuss resolutions.

ZAC has also appointed an engineering firm to determine the cause of the spill, while the KwaZulu-Natal Department of Economic Development, Tourism, and Environmental Affairs has also set up a committee to investigate the spill.

building-material production declined for the first time since November 2020 by 11.6%.

However, according to Statistics South Africa, the country's seasonally adjusted mining production decreased by 2.2% in November 2021. More specifically, seasonally adjusted production of all commodities fell, except for diamonds, which increased by 28.6%, as well as gold and iron ore, which grew by 2% and 4.4% respectively.

Additionally, Nedbank reported that mining volumes had remained below pre-COVID-19 pandemic levels. In particular, mining volume was 5.9% lower than that achieved in November between 2017 and 2019, and was 5.1% lower than November 2019, specifically.

According to FNB Senior Economist Thanda Sithole, despite challenges such as shipping delays, supply disruptions and increased input costs, mining is set to benefit from the recovery of South Africa's major trading-partner economies and elevated commodity prices.

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### 13 December 2021

#### **Minerals Council South Africa Members Agree to Measures to Address Mine Fatalities**

Member companies of the Minerals Council South Africa have committed to the implementation of eight measures to address fatalities at local mines. This was agreed at a special council board meeting following the MineSafe 2021 conference.

These measures come as 72 fatalities were reported at South Africa's mines by 13 December 2021. This represented an increase compared to the fatalities recorded in 2020, and is the second year of regression in safety after fatalities in 2020 increased to 60 from 51 in 2019.

The eight measures agreed upon include: greater and a more visible leadership presence at mining operations; stopping unauthorised and uncontrolled access to old mining areas not routinely mined; conducting effective and rigorous risk assessments; and the implementation of controls where work is routinely undertaken in previously mined areas.

Furthermore, there was a commitment to quality and scheduled maintenance programmes, the deployment of skilled employees as supervisors to high-risk work areas and a commitment to provide risk assessments plus undertake quality, scheduled critical-control monitoring.



Ensuring that incentives and bonuses do not compromise miners' rights in terms of stopping or refusing unsafe work, the implementation of fatigue breaks and a phased onboarding of employees following a holiday period, were also agreed.

**READ MORE**

## 24 November 2021 Minerals Council SA Indicates Over 300 000 Full and Partial COVID-19 Vaccines Given

Minerals Council South Africa announced that over 300 000 employees within the South African

mining sector have been fully or partially vaccinated against COVID-19. The Council has urged all mining stakeholders to ensure they are vaccinated ahead of the fourth wave.

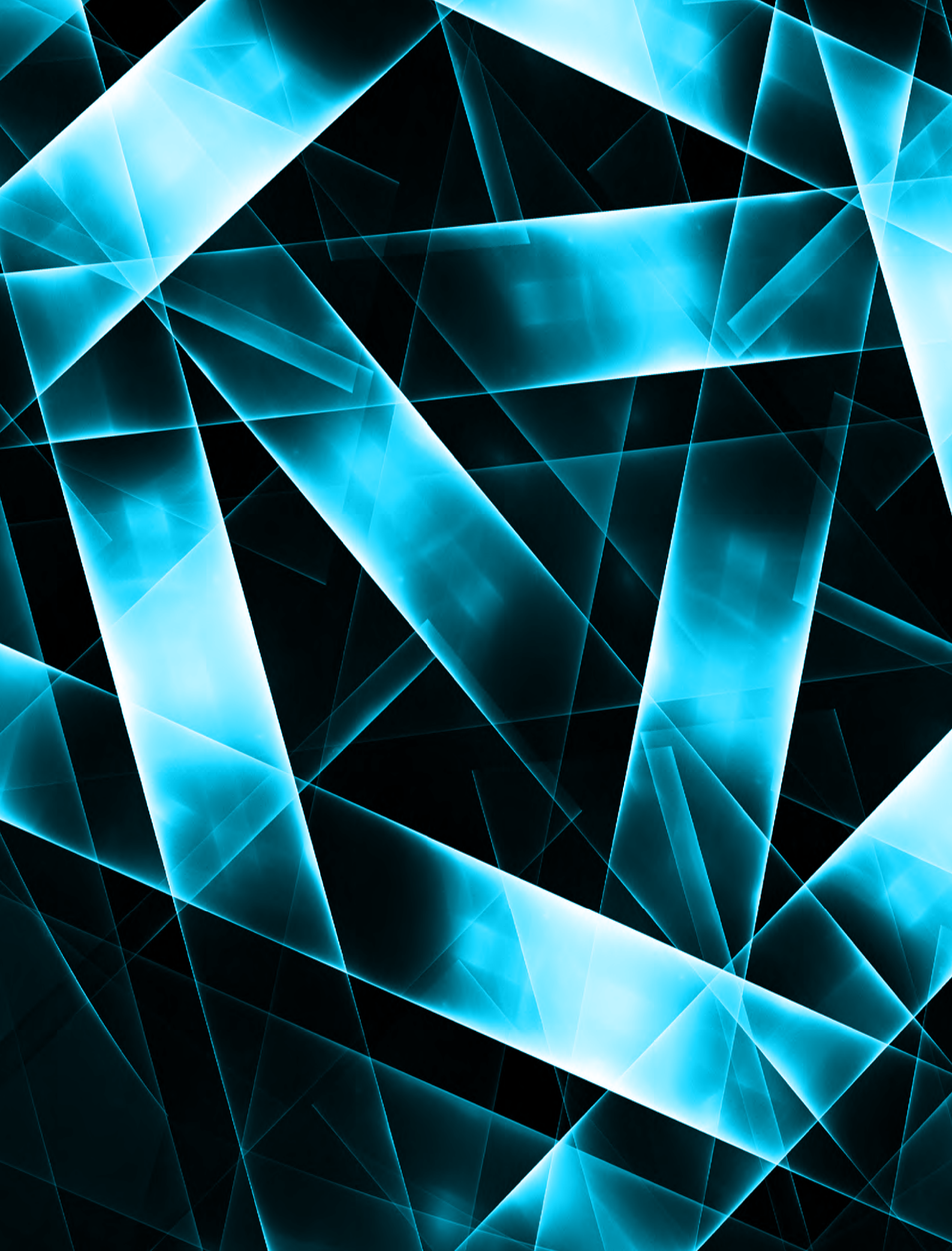
According to the Minerals Council SA Head of Health Dr Thuthula Balfour, a total of 300 779 vaccinations have been given. This means that two thirds of the industry's total of 450 000 employees and contractors are fully (80%) and partially (20%) vaccinated. The target is an 80% vaccination level, and the figure represents an increase of more than 100 000 in two months.

Balfour added that although the industry has done well to achieve this vaccination milestone, there was still much to be done to achieve the target. This was particularly important, due to the impending fourth wave of infections.

Furthermore, some companies have been able to ensure vaccination rates of over 80% among their staff. According to the Council, rates have been improved through initiatives, such as 'Bringing vaccines to the shaft', as well as offering incentives like giving the day off to those being vaccinated.

As part of preparations for vaccine roll-out, the sector drew on its experience of addressing tuberculosis (TB) and HIV/Aids among workers. Currently, there are 75 sites used by mining companies to vaccinate employees, dependents and community members. The Council has praised company leaders and unions for advocating the vaccines in the industry. <sup>MR</sup>

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SA  
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# SA COMPANY NEWS

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**3 February 2022**

## **Implats Receives Accolade for Sustainability**

Impala Platinum (Implats), a JSE-listed company, has been recognised for its sustainability efforts in Standard & Poor's (S&P) 'Global Sustainability Yearbook 2022'. The company was among four JSE-listed metals and mining companies to feature in the 2022 yearbook, as well as being the winner of the 'Metals and Mining Industry Mover Award'.

Approximately 7 500 companies were assessed for potential inclusion in the yearbook. In addition, more than 2100 companies participated in the Corporate Sustainability Assessment of S&P Global, which provides detailed environmental, social and governance (ESG) benchmarking insights on sustainability and business strategy. The scores are based on policies, programmes and in-depth ESG information.

To receive this award, Implats had to achieve a score within the top 15% of its industry and register the strongest year-on-year improvement in its industry. In addition, winners must achieve an S&P Global ESG score within 30% of its industry's top-performing company.

Implats achieved an overall score of 60% for its integrated-management approach to sustainability and its disclosures and performance across ESG pillars. Furthermore, this score represents an increase from its score of 48% received in 2020.

According to Implats' Chief Executive Officer Nico Muller, the achievement is a testament to the company and its employees' commitment to embed sustainability as a way of working.

**READ MORE**





### 3 February 2022

#### **SBPM Signs Five-Year Wage Deal**

Siyanda Bakgatla Platinum Mine (SBPM) has entered into a five-year wage agreement with the Association of Mineworkers and Construction Union (AMCU) and the National Union of Mineworkers (NUM). This landmark agreement is set to benefit all company employees, while providing SBPM with certainty concerning its wage bill.

This agreement, which will remain in place from 1 March 2022 to 28 February 2027, offers specific wage increases for the next five years, as well as several allowances. These include: allowances for homeowners, those living out, rock-drill operators and sewerage plant allowances, as well as medical-aid and provident-fund contributions, long-service awards and family responsibility or parental leave.

Furthermore, this agreement precludes industrial action on matters covered in the contract.

According to SBPM Sustainable Development Executive Hope Tyira, the company is happy that the unions have agreed to support it in its application to the Department of Labour for exemption from the Basic Conditions of Employment Act for the five years – this is due to operational requirements relating to shift schedules.

Tyira further stated that the unions would also support management in its efforts to reduce absenteeism, and the agreement will enable better planning of the company's sustainability.

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## 21 January 2022

### Solidarity Calls for Closure of Sibanye-Stillwater Mine Due to Safety Issues

South African union Solidarity, has rebuked JSE- and NYSE-listed mining company Sibanye-Stillwater for its poor safety record, and has called for the closure of its Driefontein mine after the death of a miner at the facility in January 2022. Eighteen employees also died at the company's mines in 2021.

According to Solidarity, inspectors from the Department of Mineral Resources and Energy (DMRE) should reconsider closing the entire mine until Sibanye-Stillwater can

prove its mines are safe. Gideon du Plessis, Solidarity's General Secretary, indicated that drastic interventions need to be taken given that Sibanye-Stillwater ended 2021 with a poor mining-safety record, and has already reported its first fatal accident within the first month of the year.

In response, Sibanye-Stillwater Head of Public Relations James Wellsted stated that the group would close the mine if necessary, and was investigating and discussing the issue with various stakeholders, including Solidarity. The company had previously closed four shafts after several fatal accidents, including the death of five



mineworkers in two separate incidents at the group's operations in the North West and Free State.

Furthermore, du Plessis said that the union was also concerned about the effect that a slime dam at Sibanye-Stillwater's Beatrix mine in Welkom's No. 1 shaft was having on people's lives and livelihoods. This shaft reportedly showed weak spots, and it has been suggested its embankment could break if it is not repaired.

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## 20 January 2022

### **Orion Minerals Re-Evaluates Development Schedule of the Prieska Copper/Zinc Project**

The executive team of Orion Minerals is re-evaluating the development schedule of the Prieska copper/zinc project, which could potentially fast-track the project. More specifically, early production investigations due to be completed mid-2022, as well as positive macroeconomic factors and the continued long-term positive outlook for both copper and zinc prices, could result in its acceleration.

Should the fast-tracking of the project be approved, opencast mining would run concurrently with the 33-month development phase of the underground Prieska Deeps mine.

Opencast mining had originally been planned to begin at the end of the project life, according to the 2020 project bankable feasibility study (BFS), which also includes the material assumptions for the mine plan on which the early production scenario relies.

In particular, the increased price of copper as well as the existing infrastructure and permits already in place have led the company to look at the possibility of fast-forwarding the project.

The testing of pillars left by predeveloped mining endeavours will be included in a 3 500 m underground drilling programme to allow for their inclusion in the mineral resources and reserve estimation. These pillars were left in a grid pattern as ground support, however, they are no longer necessary to maintain geotechnical stability because of the availability of modern backfilling methods.

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**19 January 2022**

**The WGC Reinstates Gold Fields as a Member**

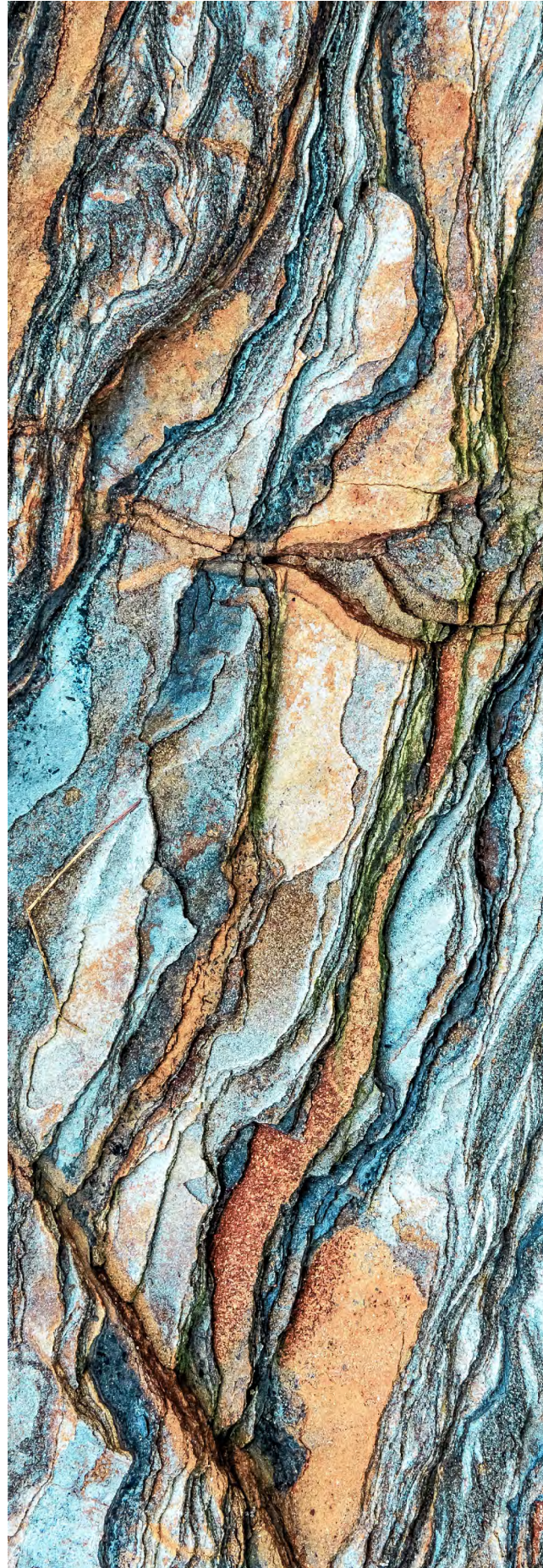
The World Gold Council (WGC), a market development organisation, has indicated that Gold Fields has been readmitted as a member of the organisation. Gold Fields was a founding member of the WGC in 1987 and helped to shape its direction, as well as many of the initiatives that have supported the development of the global gold market.

According to WGC Chairperson Randy Smallwood, leveraging the experience and expertise of member companies, including Gold Fields, provides the organisation with opportunities to further advance its work and mission. More specifically, the WGC aims to continue to stimulate and sustain the demand for gold, while also promoting the social and economic benefits of gold mining.

Gold Fields Chief Executive Officer Chris Griffith, indicated that he was pleased that the company was rejoining the WGC. He stated that the future outlook for gold was exciting, and that the WGC had an important role to play in aiding the development of, access to and confidence in gold.

Additionally, Griffith highlighted the importance of working alongside peers who are also committed to responsible and sustainable gold mining. This would be important in terms of collectively demonstrating the significant role that gold plays in supporting the needs of society.

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## 20 December 2021

### **African Rainbow Minerals Purchases Bokoni Platinum Mine**

African Rainbow Minerals, backed by South African billionaire Patrice Motsepe, has agreed to purchase Anglo American Platinum's Bokoni Platinum Mine for R3.5 billion. This deal follows record dividends being declared by Anglo American, the world's biggest platinum miner, as the demand for its metals by automakers bolstered earnings.

According to Motsepe, the acquisition and development of Bokoni Platinum Mine will enable African Rainbow Minerals to scale its platinum group metals portfolio.

Furthermore, this acquisition will see African Rainbow Minerals spending approximately R5.3 billion over three years, with mining operations restarting at Bokoni in 2023. According to the company, this purchase will also create an estimated 5 000 jobs, of which 2 500 will be permanent.

The Bokoni Platinum Mine, previously owned by Amplats and Atlatsa Resources, was placed under care and maintenance in 2017. This occurred after Anglo American began winding down and decommissioning its less profitable mines, as well as accelerating its shift towards mechanised operations. 

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# SA COMPANY **FINANCIAL RESULTS**





# SA COMPANY FINANCIAL RESULTS

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**10 February 2022**

**ArcelorMittal South Africa Limited**

According to ArcelorMittal South Africa Limited's Short-Form Announcement of its group financial results for the year ended 31 December 2021, the company's revenue increased by 61.1% from a total of R24 643 million in 2020 to R39 708 million in 2021. This increase was due to a 13% rise in total steel sales volumes and a 47% rise in net realised steel sales prices.

The company also recorded an increase in profit with operations – from a loss of R963 million in 2020 to a profit of R7 976 million in 2021. Net profit also increased from a loss of R1 973 million in 2020 to a profit of R6 625 million in 2021.

Furthermore, headline earnings increased to R6 860 in 2021 compared to a loss of R2 033 in 2020, amounting to a 615 cents per share profit against a 185 cents loss for 2020.

In terms of earnings before interest, taxes, depreciation and amortisation (EBITDA), the company witnessed a substantial increase from R37 million in 2020 to R8 569 million in 2021.

These results represent the highest yearly EBITDA and headline earnings since 2008. According to the company, its annual results were supported by a continuing strong price environment, higher sales volumes and the benefit of robust price-cost effects.

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## 27 January 2022

### Kumba Iron Ore Limited

According to Kumba Iron Ore Limited's production and sales report for the fourth quarter and trading statement for the year ended 31 December 2021, the company increased production by 9% to 40.9 million tonnes (Mt) and witnessed an increase in export sales of 1% to 40.2 Mt.

Total sales stayed the same between 2020 and 2021, remaining stable at 40.3 Mt. Despite this, export sales increased by 1% from 40.0 Mt in 2020 to 40.2 Mt in 2021. However, domestic sales decreased by 70%

from 0.4 Mt in 2020 to 0.1 Mt in 2021.

In terms of production, total production remained constant at 9.7 Mt in both 2020 and 2021. However, production at the Sishen Mine decreased by 1% from 6.6 Mt in 2020 to 6.5 Mt in 2021. Inversely, production at the Kolomela Mine increased by 1%, from 3.1 Mt to 3.2 Mt in the same period

In addition to this report, Kumba Iron Ore Limited has announced that its Financial Results for the Year Ended 31 December 2021 will be released on 22 February 2022. Shareholders



## 26 January 2022

### Harmony Gold Mining Company Limited

Towards the end of January 2022, Harmony Gold Mining Company Limited shared an update on its production as at the end of December 2021 (H1FY22) ahead of its interim results, which are set to be announced on 28 February 2022.

More specifically, gold production for H1FY22 from its South African operations remained steady at 22 355 kilograms compared to the 22 031 kilograms produced during the previous six-month period ending 30 June 2021 (H2FY21).

These periods are particularly useful to compare, as both include a full six-months' production from Mponeng and related assets, whereas the six months ending 31 December 2020 (H1FY21) only included three months' production from these assets.

In addition, rand per kilogram costs for the South African operations remained broadly in line with what was originally guided. In particular, rand per kilogram costs remained unchanged at R765 000/kg to R800 000/kg.

Despite South African gold production remaining steady, the group experienced a decrease at its Hidden Valley mine in Papua New Guinea. Production was down 26% to 1 871 kilograms against the comparable period.

have been advised that headline earnings for the period are likely to be between R31 264 million and R34 590 million.

Furthermore, basic earnings for the period are expected to be between R31 270 million and R34 597 million. Lastly, basic earnings per share (EPS) are expected to be between R97.45 and R107.82, which represents an increase of between 37% and 52%.

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## 24 January 2022

### South32 Limited

According to South32 Limited's Quarterly Report December 2021, the group's manganese ore production decreased by 2% from 2 920 kwmt in the first half of 2021 (H1FY21) to 2 861 kwmt in the first half of 2022 (H1FY22). However, the group saw an increase in South African manganese production by 7% in the December 2021 half year.

South African manganese saleable production increased by 7% (71 kwmt) to 1 157 kwmt in H1FY22 and from 1 086 kwmt in H1FY21. This was due to planned maintenance completed in the December 2021 quarter, which was more than offset by higher volumes of premium material from its Mamatwan mine, as the group optimised its product mix.

In addition, ore sales increased by 12% during the December 2021

quarter and 9% across the half year, as the company continued to truck additional volume, drawing down inventory and optimising its sales mix for market conditions.

As a result, its sales achieved a premium of approximately 11% to the medium grade 37% manganese lump ore index on a volume weighted M-1 basis. Moreover, FY2022 production guidance remains unchanged at 2 200 kwmt, as the group continues to monitor market conditions and use higher cost trucking.

Furthermore, South African manganese ore production and sales have been reported at 60% and the group's financial statements will continue to reflect a 54.6% interest in this segment.

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## 2 December 2021

### Jubilee Metals Group PLC

According to Jubilee Metals Group PLC's Audited Results for the Financial Year ended 30 June 2021, the group's total revenue for the year increased by 143% from a total of R1.1 billion in 2020 to R2.8 billion in 2021.

Additionally, Jubilee Metals Group PLC recorded a 189% rise in operating profits from R313.2 million in 2020 to R949 million in 2021. This included an improvement in the company's operating profit margin from 29% in 2020 to 35% in 2021.

Moreover, the group's operational earnings increased by 183% from R494.5 million in 2020 to R1.5 billion in 2021. This included a return on equity of 35.4% compared to 21.2% in the previous year.

At the same time, headline earnings per share from continuing operations increased by 113%, from 17.30 cents in 2020 to 38.62 cents in 2021. Furthermore, earnings per share increased by 93% from 18.47 cents in 2020 to 37.50 cents in 2021.

It was indicated that this growth in revenue and earnings was achieved during a period of substantial infrastructure investment, integration and planned operational downtime, all of which has provided a strong platform for further future growth.

[READ MORE](#) 

## 2 December 2021


### Tharisa PLC

According to Tharisa PLC's Annual Results for the Year Ended 30 September 2021, the group's revenue for the year increased by 46% from a total of \$406.0 million in 2020 to \$596.3 million in 2021. This rise in revenue is due to the strong increase in the rhodium price.

In addition, Tharisa PLC recorded an increase in operating profits of 104.1% from \$87.6 million in 2020 to \$178.8 million in 2021.

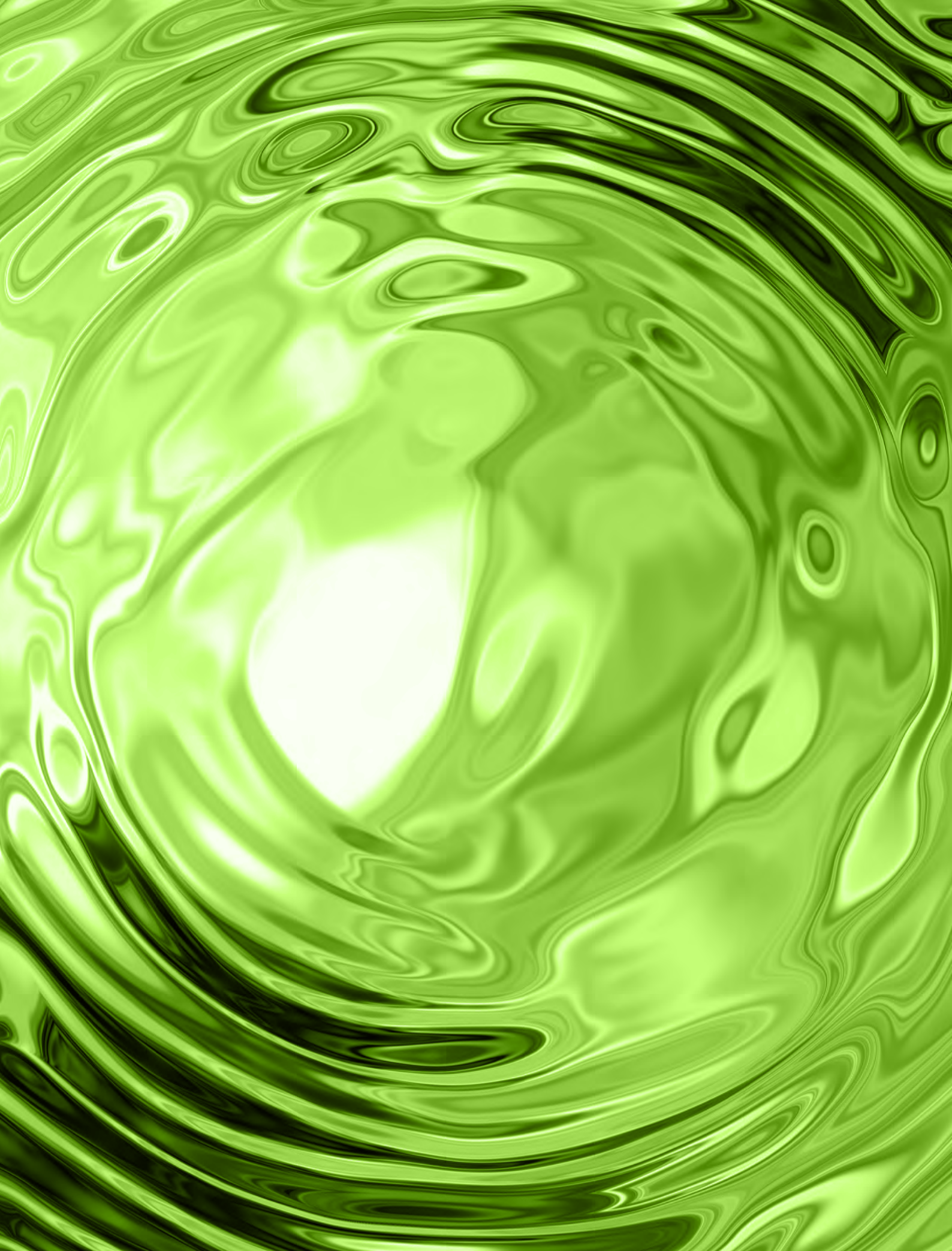
Moreover, the group's profit before tax increased by 144.5% from \$75.8 million in 2020 to \$185.3 million in 2021. Earnings before interest, taxes, depreciation and amortisation (EBITDA) increased 97.8% from \$113.4 million in 2020 to \$224.3 million in 2021.

During this period, headline earnings per share also increased by 126.6%, from 16.9 cents in 2020 to 38.3 cents in 2021. Furthermore, earnings per share increased by 130.9% from 16.2 cents in 2020 to 37.4 cents in 2021.

In terms of dividends, the group's total dividends increased by 157.1% from 3.5 cents in 2020 to 9.0 cents in 2021. 

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# MERGERS, ACQUISITIONS & **PARTNERSHIPS**



An aerial photograph of a mining operation. The ground is a mix of reddish-brown soil and dark, muddy tracks from heavy machinery. In the center, a red truck is driving. To the left, a yellow excavator is partially visible. In the bottom left, a blue and red truck is parked. The overall scene is one of active industrial work.

# MERGERS, ACQUISITIONS & **PARTNERSHIPS**

## 31 January 2022

### **Sibanye-Stillwater to Purchase Interest in Two Amplats Mines**

Sibanye-Stillwater has entered into a deal to acquire Anglo American Platinum's (Amplats) share in the Kroondal platinum operation, allowing the company to take sole ownership of the mine and extend operations to 2029, thus creating more value for stakeholders. As part of this deal, Amplats will also dispose of the Marikana pool-and-share agreement, making Sibanye-Stillwater its sole owner.

The Kroondal platinum operation is located adjacent to Sibanye-Stillwater's Rustenburg operation. In terms of ownership, the operations currently work on a 50/50 pool-and-share agreement between Kroondal Operations Proprietary Limited, a wholly-owned Sibanye-Stillwater subsidiary, and Rustenburg Platinum Mines, an Amplats subsidiary.

Amplats will dispose of its 50% interest in the Kroondal pool-and-share agreement to Sibanye-Stillwater for just R1. However, as part of the deal, Anglo will also dispose of the Marikana pool-and-share agreement, where operations have been under care and maintenance since 2012. As a result, Sibanye-Stillwater will assume an estimated R415 million worth of associated liabilities, including rehabilitation liabilities.

This deal remains conditional to all the regulatory approvals being obtained. Another condition precedent is that Sibanye-Stillwater delivers 1.35 million ounces of 4E PGMs to Amplat's designated smelters.

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## 26 January 2022

### **Barplats to terminate ABT Agreement**

Eastern Platinum has announced that it will be terminating its project framework agreement between its subsidiary, Barplats Mines and Advanced Beneficiation Technologies of South Africa (ABT), as of 25 January 2022. The agreement had been previously announced in July 2020 and aimed to facilitate the development and construction of a new modular plant.

The plant was set to have the capacity to process the platinum group metals (PGMs) at an expected rate of 50 000 tonnes per month. This is from the retreatment project at a designated area of the Zandfontein tailings dam, situated at the Crocodile River Mine.

Moreover, several milestones were outlined by the agreement to complete and establish the Circuit H Project. This included the joint venture agreement between ABT and Barplats, financing agreements, as well as offtake agreements for the project.

However, none of these milestone agreements were concluded before Eastern Platinum terminated the project framework agreement. Despite this, the group will continue to focus on restarting the Zandfontein underground operations at the Crocodile River Mine.

Furthermore, the company also plans to assess its ability to recover PGMs from the tailings redeposited onto the Zandfontein tailings dam in the future.

**READ MORE** 

## 19 January 2022

### **Vox Royalty to Purchase Royalties on Sibanye-Stillwater Projects**

Vox Royalty has recently announced that it will acquire two platinum group metals (PGM) royalties from a South Africa-based private company, Sibanye-Stillwater for \$8.3 million.

More specifically, Vox will purchase a 1% gross receipts royalty over the Dwaalkop Project and a 0.704% gross receipts royalty over the Messina Project, which represent the full extent of the Sibanye-Stillwater-operated Limpopo PGM Project.

The project is located on the Bushveld Igneous Complex (BIC) in South Africa, and between 2002 and 2009 the mine had a maximum extraction rate of 75 000 tonnes per month.

According to Vox Royalty Australia Executive Vice-President Riaan Esterhuizen, the company is excited to be adding exposure to a fully constructed world-class 18-million-ounce PGM resource, with near-term restart potential from a \$10-billion operator. Esterhuizen further stated that as the mine infrastructure is already in place, feasibility studies are underway and having the presence of a financially strong operating partner in Sibanye-Stillwater, the company sees tremendous upside for these assets.

According to the acquisition agreement, which is subject to customary approval by the TSX Venture, Vox will issue C\$1.5 million of its common shares upon closure of the deal, and will also make additional cash payments, or issue extra shares, upon the project meeting specific production milestones.

## 18 January 2022

### **RBPlat Prepares Response to Implats Offer**

In mid-January 2022, Royal Bafokeng Platinum (RBPlat) announced it would revert with its own response after Impala Platinum (Implats) issued an offer circular to shareholders of the mid-tier PGM miner.

The offer made by Implats included payments of R90 in cash to RBPlat shareholders, in addition to 0.3 of an Implats share for every RBPlat share held. This offer applied to all RBPlat shares not currently held by Implats.

Furthermore, it was indicated the RBPlat response circular would include analysis by PSG Capital, an independent expert firm appointed by RBPlat's independent board. The circular will also assess whether the Implats offer's terms and conditions are fair and reasonable to RBPlat shareholders, in addition to outlining the views of RBPlat's independent board on the merits of the offer.

Northam Platinum has also made an offer for RBPlat. In December 2021, RBPlat reported it had received an unsolicited approach from Northam Platinum regarding its interest in acquiring all, or a portion of, the voting securities of RBPlat.

In response, RBPlat sent a response letter asking for clarification on the timing, as well as commercial and financial terms of the offer. However, the company's independent board has received no further communication from Northam and no other engagement has taken place. Furthermore, no more developments have occurred in terms of the Takeover Regulation Panel and the possible triggering of a mandatory offer in terms of Section 123 of the Companies Act.

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## 17 December 2021

### **Kumba Iron Ore Awards Major Contract to Black-Owned, Community-Based Joint Venture**

Kumba Iron Ore has announced that it will be awarding a R1.6 billion mining contract to a new Black-owned, community-based joint venture. This joint venture will mine iron ore at Kumba Iron Ore's Kolomela Mine in the Northern Cape. It is set to start mining operations at Kolomela's Kapstevl South project in the first quarter of 2022.

The joint venture comprises four 100% Black community-owned companies. They include: AND310 Mining Services, which is the majority shareholder with 60% shares; Andisa Holdings, which owns a 15% shareholding; Matshla (Pty) Ltd, which holds a 10% shareholding; and Peontle Investment (Pty) Ltd, which holds a 15% shareholding of the joint venture.

In terms of their experience in the industry, the four companies each contribute a range of skills and expertise. As an illustration, AND310 Mining Services' Managing Director Kabelo Burks Andreas has extensive mining experience with De Beers and BHP Billiton. At the same time, Matshla (Pty) Ltd is headed by Kennedy Botsheleng, who has nearly two decades of experience in the mining industry in underground and opencast mines.

Furthermore, Andisa Holdings brings additional expertise, having supplied loading and hauling services to the

mining industry for more than 10 years.

In terms of the contract, these companies are expected to produce between 5–10 million tonnes of ore in the first year. In addition, Kumba Iron Ore will provide the joint venture with ongoing upskilling and support to ensure quality and safety standards are met.

**READ MORE** 

## 9 December 2021

### **Afrimat to Acquire Glenover Phosphate for R550 Million**

In December 2021, Afrimat announced that it will acquire Glenover Phosphate, as well as its vermiculite and phosphate rock deposits at Glenover Mine for R550 million. This acquisition serves to expand the group's product offering to include a new mineral segment, further supporting its diversification strategy that aims to expand beyond the mining of construction materials and bulk commodities, such as iron ore, anthracite and manganese.

According to the group, this acquisition is set to be funded by the group's robust balance sheet and future cash-flow generation. In addition, the group also indicated that its Coza Mining (Jenkins) and Nkomati Anthracite projects have been successfully implemented, allowing the business development team to focus





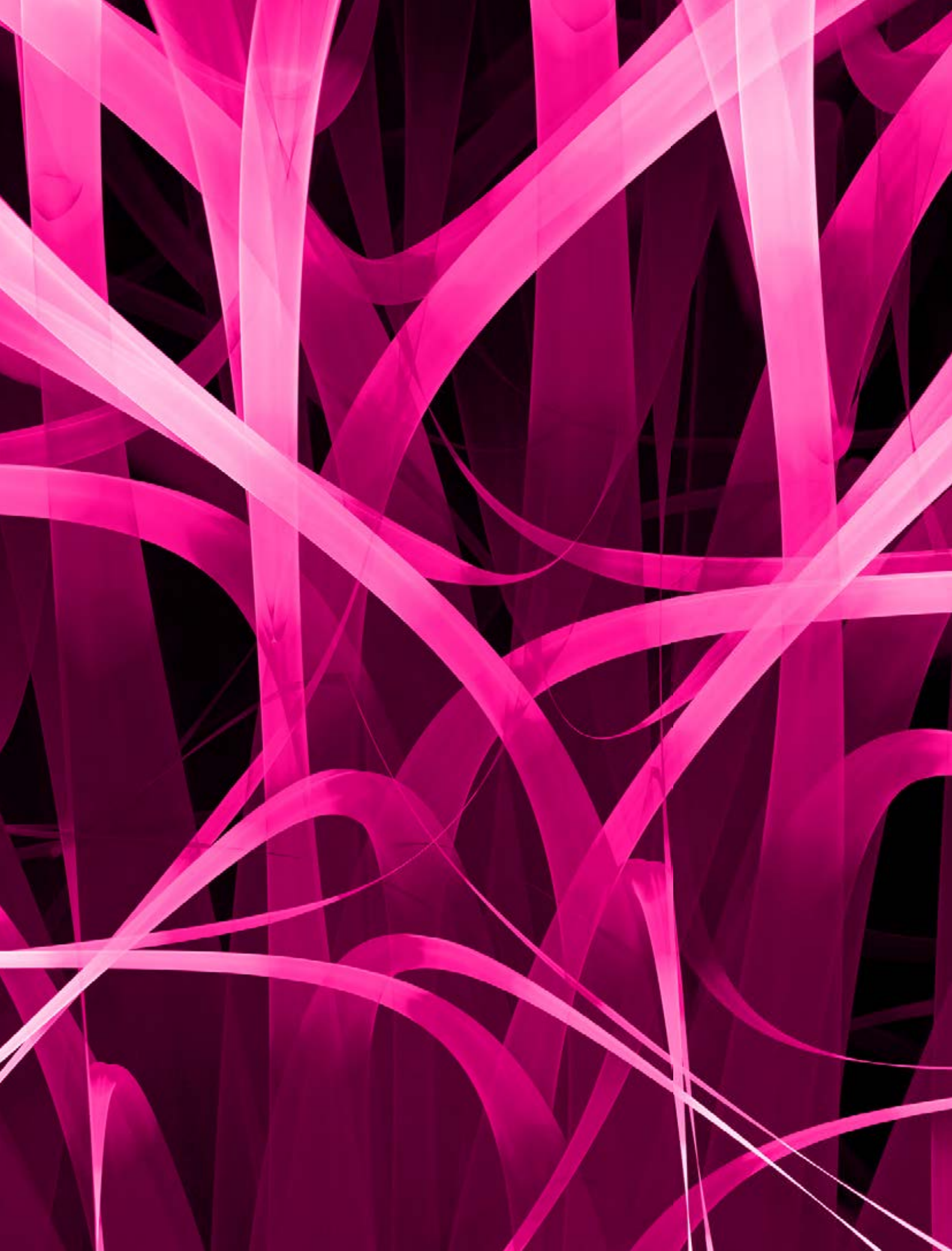
on the new Gravenhage mining right and Glenover projects.

Afrimat also indicated that the acquisition of Glenover would reduce its exposure to the ferrous metals value chain, by providing a multi-commodity product. This will assist the group in addressing fundamental needs and trends, including the agriculture and food industry, as well as new technology applications.

In addition to this acquisition, Afrimat also acquired Agri Lime and Stony Lime for R63 million in November 2021. The acquisition included an opencast mine near Northam in Limpopo, thereby strengthening the group's footprint in the agricultural lime market. 

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# INNOVATION & TECHNOLOGY **TRENDS**



# INNOVATION & TECHNOLOGY **TRENDS**



## 2 February 2022

### Project Launched to Discover New Metals

Wits University, Gold Fields Ltd, the University of Venda and several counterparts in Europe have formed a consortium that aims to aid the discovery of new metal and mineral resources to supply raw materials for emerging technologies.

The consortium has launched a project titled 'FUTURE: Fiber-optic sensing and UAV-platform techniques for innovative mineral exploration commences'. It aims to advance high-resolution imaging and modelling of the host rock and any mineralisation between tunnels and the surface and in the down-dip direction.

This two-year project is set to begin in April 2022 and has a total budget of R21 million. Members of the consortium will leverage their expertise to develop new seismic, electromagnetic and magnetic methods for deep exploration targeting, which will boast unprecedented penetration, sensitivity and resolution.

According to Professor Alireza Malehmir at Uppsala University in Sweden, the project will also employ fibre-optic sensing technologies and UAV-based magnetic and electromagnetic surveys for high-definition target generations and subsurface imaging.

Furthermore, the project team will include researchers from universities, geological surveys, equipment manufacturers and mining companies on two continents.

In terms of location, two target sights have been identified for the project, including Ludvika Mines in Sweden and South Deep Mine in South Africa (owned by Gold Fields).

**READ MORE** 

## 2 February 2022

### MMA Project Focuses on Microbes in Mining

Canada's Digital Technology Supercluster, which is an organisation that focuses on accelerating digital technology innovation, has announced the launch of the Mining Microbiome Analysis Platform (MMA).

According to the company, this project is the largest investment in planned natural resource genomic sequencing in the history of the sector. It will create a database of microbes and geochemical data, which may be used to build new and sustainable technology in the global mining industry.

The project aims to replace energy and chemical-intensive resource extraction methods and improve mining-site clean-up techniques. Moreover, MMA will represent the first integrated online platform to extract DNA from more than 15 000 mining-site samples over the next two years. This platform will allow users to identify microbes that can be used to replace chemical and other legacy extraction methods for minerals and metals, as well as perform safer, more effective remediation of legacy and operational mine sites.

According to University of British Columbia's Bradshaw Research Initiative for Minerals and Mining, the collaboration between technology companies, researchers, and mining companies will provide MMA with both the critical mass to develop viable solutions and a direct pathway to commercial adoption.

And according to Mark Davies Chief Technical Officer at Rio Tinto, this microbiome-based technology may also promote environmental stewardship and help the company achieve net-zero emissions by 2050.

**READ MORE** 

**READ MORE** 

## 14 December 2021

### **Blockchain Technology Potentially the Answer to Mining Supply-Chain Questions**

The world's biggest mining company, BHP, has indicated that blockchain technology could be used to address some mining supply-chain questions. Blockchain is already used to trace materials to originating mines, providing transparency to precious metal investments.

The technology links digital records, also known as blocks, through the use of cryptography to create an open, distributed, digital record that records and verifies transactions between parties.

According to BHP Chief Commercial Officer Vandita Pant, blockchain is enabling the determination of carbon footprint when it comes to tracing emissions from nickel used in the batteries of electric vehicles. This will contribute to increased transparency in alignment with regulations, and support traceability and sustainability across the supply chain.

Additionally, Pant indicated that blockchain could be used to determine whether rubber used in truck tyres is ethically sourced, given that natural rubber is a high-risk supply chain for modern slavery and deforestation. It could also be used to improve supply-chain transparency, to mitigate supply problems, as well as support decarbonisation by tracking greenhouse gas emissions.

Lastly, blockchain could be used to address the problem of tracing iron-ore shipments. Currently, traditional methods of transaction are paper heavy and done manually, while blockchain improves transaction efficiency and transparency, reduces bureaucracy, risk and red tape.

**READ MORE** ● ● ●



**13 January 2022****Epiroc Launches Mobius for Drills Platform in Partnership with ASI Mining**

Epiroc and ASI Mining have developed and introduced the Mobius for Drills platform. This new platform features embedded artificial intelligence and is intended to convert data into actionable information, helping mines move towards automation and connectivity.

The platform is designed to be user-friendly and enable multi-vehicle command, control, and monitoring to maximise both productivity and safety.

According to Tyler Berens Automation Director of Surface Mining at the Epiroc Surface Division, the platform enables quick and effective interrelated decisions. Mines can also improve productivity and economies of scale, as a single operator can control several remote and autonomous vehicles simultaneously.

Mobius for Drills imports drill plans, monitors drilling and generates reports through a secure system, either on-site or remotely. The platform also supports manned operations, teleoperation, semi- and fully-autonomous modes, and can manage applications from drilling and blasting to autonomous haulage systems.

Furthermore, Mobius for Drills is designed to display data in an easy-to-use layout for mapping of drill usages, evaluation of statistics, tracking of consumables and to compare planned outcomes against actual results.

An additional value-add of the system is its ability to work across fleets with vehicles from different manufacturers, condensing all their information. This means the platform can be used as a fleet management system or integrated into an existing system.

**READ MORE**



**13 January 2022**

**Orica and Epiroc Set to Test New Avatel Semi-Automated Explosives Delivery System in 2022**

The new first-of-its-kind Avatel semi-automated explosives delivery system, is set to be tested in Newcrest Mining's Cadia underground operation in New South Wales. This system was developed by Orica and Epiroc and is aimed at improving safety and productivity in underground development operations.

It allows for a single operator to prepare and wirelessly charge a development face within the safety of an enclosed cabin. It is also designed to provide superior blast control and operational reliability through the use of Orica's and Epiroc's flagship technologies.

According to Tony Sprague, the Group Manager for Directional Studies and Innovation at Newcrest Mining, this will be the first commercial deployment of the Avatel system worldwide. Although technical

teething issues are expected as it is new technology, it will be worth it to ensure that tunnel faces are charged while all human work is done from the safety of an Avatel operator cabin.

Currently, the Avatel system is undergoing trials under controlled conditions at Epiroc's Kvantorp underground test mine located in Sweden. The system will then be taken to Agnico Eagle's Kittila mine in Finland for the completion of extended underground trials in the production environment.

Australia is set to receive the first commercial test unit in the second half of 2022. This will be followed by Canada, which will get a commercial test unit in late 2022.

**READ MORE**





**13 January 2022**

**Rio Tinto Set to Evaluate Pixxel Earth-Imaging Technology for Use in Mining Operations**

Rio Tinto, the world's biggest producer of iron ore, has entered an early-adoption partnership with Pixxel, a United States- and India-based company offering earth-imaging technology. Rio Tinto is set to evaluate the technology for future use in its mining operations.

It will evaluate the new technology once imagery is released from Pixxel's first high-resolution satellite set to launch in January 2022.

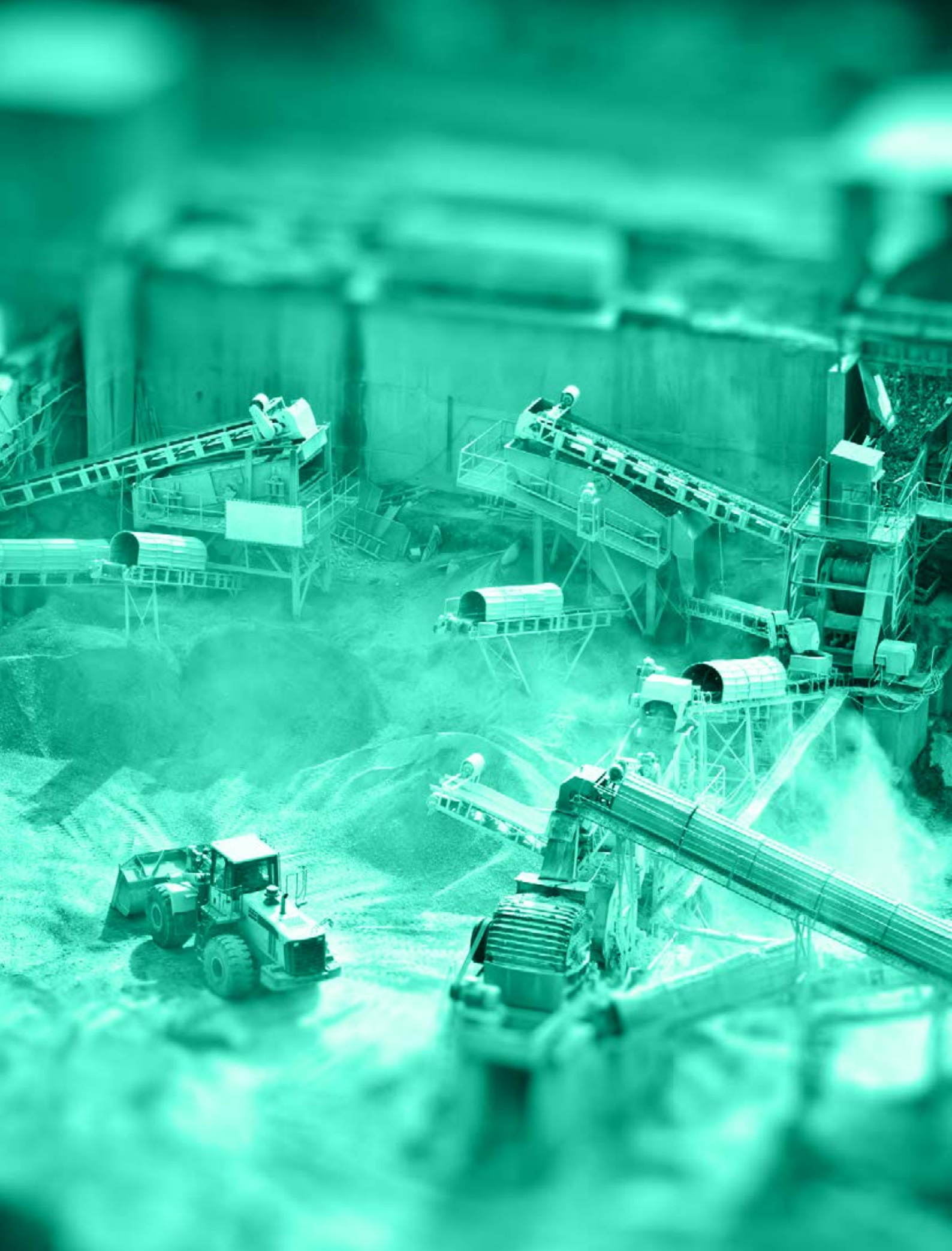
Pixxel's satellites are equipped with five-metre hyperspectral imaging, which is a technique that analyses a wide spectrum of light rather than simply assigning primary colours to each pixel. This is anticipated to assist in the monitoring of active and closed mines, as well as track ESG indicators and advance mineral exploration.

In terms of application, Rio Tinto is set to evaluate the potential of using

Pixxel's hyperspectral imagery to help reduce the disturbance footprint of exploration activities. Additionally, the technology will be evaluated in terms of monitoring operational and mining performance of active mining operations, as well as biodiversity and vegetation health around closed sites.

According to Awais Ahmed Co-Founder and Chief Executive Officer of Pixxel, its satellite offers 50 times more detail than other multispectral satellites. This will allow Rio Tinto to make cost-effective sustainability decisions with existing systems. Rio Tinto Head of Exploration Dave Andrews says the company believes that exploration could benefit from cost-effective and access to hyperspectral satellite data. <sup>MR</sup>

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# PLATINUM GROUP METALS **TRENDS**



# PLATINUM GROUP METALS **TRENDS**



## 28 January 2022

### Investors Focus on Platinum While Price is Lower than Gold

According to Janie Simpson, Managing Director of independent bullion dealer, ABC Bullion, investors are keen to buy platinum while it is trading for less than gold on a per ounce basis, with demand being driven by both investors and industrial offtakers.

Furthermore, Simpson says this expected demand increase, compared to a relatively static supply, points to future demand balances or deficits. The numerous properties of platinum, which is both a precious metal and an industrial metal, have led more investors to invest in it.

Simpson states that due to investors' better understanding of how crucial platinum is to technology, it is seen as a way of investing in the future. Moreover, the technology is becoming crucial to achieving net-zero goals, resulting in more investors discussing platinum's link to decarbonisation. This is through its use in electrolyzers to produce green hydrogen, as well as in fuel cells.

To meet the demand, ABC Bullion launched its range of platinum bullion bars in 2020, which Simpson says has been growing in sales month-on-month. These products include two sizes in the ABC Bullion Platinum CombiBars and five different-sized platinum minted tablets, ranging from one troy ounce to one kilogram. Simpson explains that these products aim to appeal to different investors, with CombiBars being popular with those who prefer their fractional nature and flexibility, while more serious investors prefer the large one-kilogram platinum bullion bar.

[READ MORE](#)



## 28 January 2022

### Palladium Prices to be Hit by Automakers Switch to Platinum

A Reuters survey, released in January 2022, has indicated that platinum prices are expected to steadily rise over the next two years, while palladium prices are expected to gradually fall, as automakers switch to using platinum in autocatalysts to cut costs.

Both platinum and palladium are used in engine exhausts where they neutralise harmful emissions. However, in 2021, a global chip shortage forced automakers to slash production, thereby reducing demand for these metals. In addition, both metals face reduced demand in the long term because of increased production of zero-emission electric vehicles.

However, some analysts are expecting significant amounts of platinum to be used in hydrogen fuel cells, which are an alternative power source for vehicles. While both metals will benefit from the recovery in the auto sector, the substitution of palladium for cheaper platinum by automakers, as well as the gradual shift to electric vehicles, puts palladium on a path of shrinking deficits, according to Nicky Shiels, a strategist at MKS PAMP.

This is likely to have a large impact on the market, as automakers account for around 85% of palladium demand compared to 40% of platinum demand. Furthermore, according to independent analyst, Ross Norman, platinum should benefit from economic growth in the jewellery, automotive and industrial sectors, as well as the investment markets.

[READ MORE](#)



## 21 January 2022

### Earnings of SA PGM Companies May Turn Out Lower than Expected

According to JP Morgan Cazenove, earnings from South African platinum group metal (PGM) companies could prove to be disappointing. This is primarily due to a retraction in the average basket price of PGMs that occurred in the second half of 2021.

JP Morgan Cazenove Analyst Dominic O'Kane, reported that merger and acquisition activity, as well as growth-oriented capex spending is also set to contribute to lower-than-expected capital distributions among local PGM mining companies.

Furthermore, cost inflation has been identified by mining companies across all markets, also acting as a constraint on earnings. This was exacerbated in the local market by ongoing load shedding in Q4 2021 and the first quarter of 2022.

O'Kane further indicated that PGM prices are expected to recover, with global vehicle inventories reaching unprecedented lows. This could result in a significant production recovery in 2022, leading to a strong restocking of PGMs and price increases for rhodium and palladium. However, this would be dependent on the de-risking of Omicron and automotive supply chains.

According to UBS analysts, a further downside risk to the PGM basket price is expected in the medium term. This is due to an above-consensus view on electric vehicle (EV) penetration and the dominance of EVs over hybrids, which sees the palladium market move from structural deficit to structural and growing surplus in the medium term.

[READ MORE](#)



## 19 January 2022

### Rhodium Prices Set to Rise Due to Increased Demand from Automotive Sector

Prices for rhodium have begun to rise again in the early part of 2022 because of increased demand from original equipment manufacturers (OEMs). This is particularly due to rhodium's use in the manufacture of catalytic converters in vehicles.

There has been a surge in the cost of rhodium since the start of 2022, with the price rising from \$14 250/ozt on 4 January to \$17 500/ozt on 11 January. This is the highest it has been since September 2021.

This rapid increase is primarily being driven by the increased demand from OEMs, as rhodium used in automotive catalytic converters assists in reducing nitrous-oxide emissions.

Furthermore, several manufacturers in the automotive sector have indicated that vehicle production will recover, following the cutbacks in 2021. This is likely to continue to increase demand for automotive catalysts and rhodium.

Data has indicated that the vehicle production cuts experienced in 2021 had a significant impact on rhodium prices during the year. In 2021, prices reached a peak of \$29 800/ozt in March of that year, but fell by 54% to just \$13 700/ozt in November.

It has also been indicated that the supply of rhodium is tighter than has been anticipated, with global production expected to be flat in 2022. In particular, platinum group metal production in South Africa is low, with Anglo American's inventories expected to decline in 2022, further constraining supply and increasing prices.

**READ MORE**



## 14 January 2022

### **Merafe Resources Set to Construct PGM Production Plant with Glencore**

Merafe Resources, a JSE-listed group, has indicated that it is set to produce platinum group metals (PGMs) from the company's Kroondal Mine, which is held in joint venture with Glencore. The group owns 20.5% of the joint venture, which is expected to produce 1.9 million tonnes of ferrochrome in 2021.

The new PGM production plant will be supplied with chrome ore from the joint venture's Western Chrome Mines. Materials necessary for PGM production will also be supplied from tailings and ore from other mines in the region, in which the joint venture has interests.

Interestingly, Glencore had previously indicated that it had no interest in the PGM business, due to the fact that it is not a sector the group understands well. It had previously sold a 23.9% stake in Lonmin in 2015, which it had purchased through its takeover of Xstrata.

However, the announcement of the new plant comes as processing chrome ore for PGMs has become a particularly lucrative enterprise because of the growing basket price for PGMs over the last two years.

In addition to the new plant, a number of other mining players have adopted the retreatment of mined chrome ore for PGMs. Two examples are Tharisa and Jubilee Metals, both of which are also listed on the JSE.

**READ MORE**



## 13 December 2021

### **Global Production of Platinum Expected to Have Recovered in 2021**

According to the leading data and analytics company, GlobalData, world production of platinum was expected to record a 21.9% recovery, following a significant decline in 2020. This is largely due to the recovery of the automotive and jewellery sectors, with production expected to reach a total of 6.03 million ounces (moz).

More specifically, platinum demand increased by 27.1% from the automotive sector, which is the largest demand increase and particularly due to the manufacture of autocatalysts. However, this demand growth is expected to subside between 2021 and 2025, with a compound annual growth rate of 2.2%, as internal combustion engine cars are gradually replaced by electric vehicles.

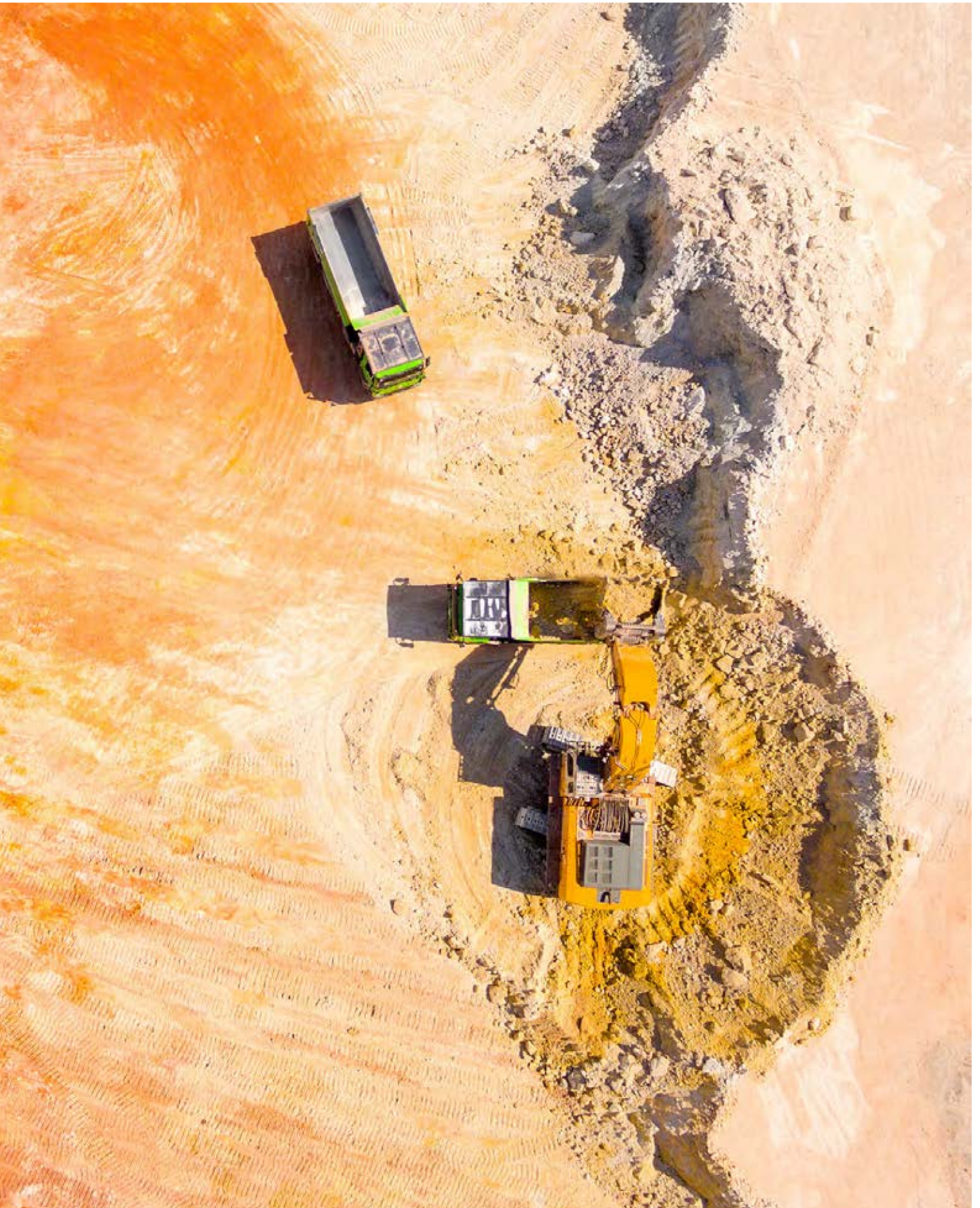
Furthermore, South Africa was identified as a key contributing market to the recovery of platinum production, making up 72% of production in 2021. This was followed by Russia with 10.4%, Zimbabwe with 8.2% and Canada with 3.9% of overall platinum production.

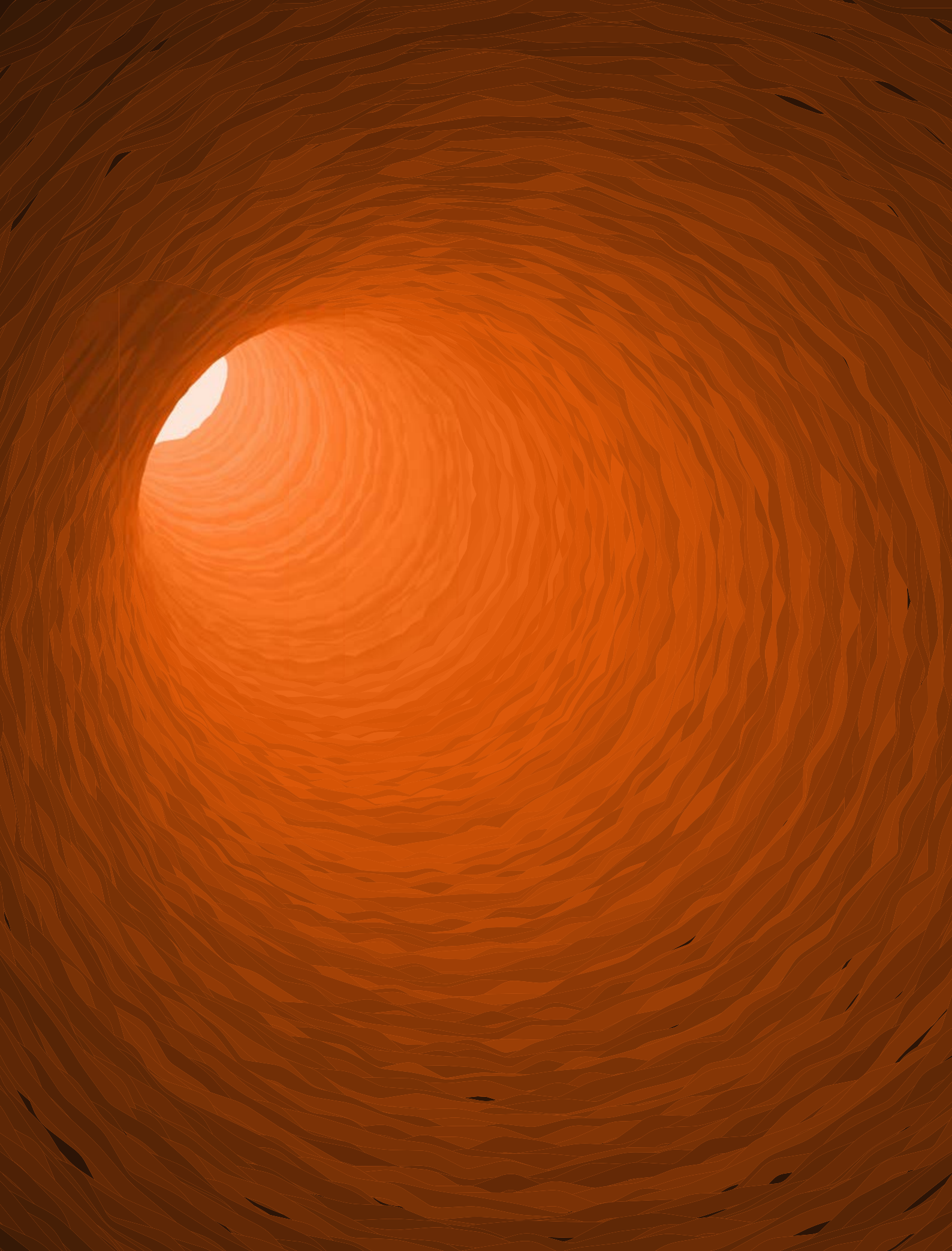
South Africa's platinum production was expected to grow by 34.7% by the end of 2021. This follows a significant decline in 2020 due to COVID-19 restrictions. Additionally, Anglo American, the largest producer, increased its production of platinum and platinum group metals by 17% in 2021.

Forty-three new platinum projects are also under development globally, of which six are under construction. Key developments include the Platreef and Bakubung mines in South Africa, the Darwendale, Mupani and Karo mines in Zimbabwe and the Bamboo Creek mine in Australia. 

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# SUSTAINABILITY **TRENDS**





# SUSTAINABILITY TRENDS

**30 January 2022**

## **Mining Industry Players Call for Deregulation of Energy Sector**

Various mining industry players have called for the urgent deregulation of the energy sector to help relieve energy shortages facing South Africa. These calls come after the government lifted the private generation licensing cap from one megawatt (MW) to 100 MW – a reform that has received a great deal of praise from the industry.

Speaking during a webinar held by Creamer Media and the Minerals Council, several industry players highlighted the pressing need to cut the red tape related to energy in the mining sector.

According to Nikisi Lesufi, Minerals Council Senior Executive for Environment, Health and Legacies, it's this red tape that is preventing

individual mining companies from fast-tracking power and is slowing the uptake of independent power.

Other issues discussed during the webinar included the lack of affordable energy-storage options for renewable power, the urgent need for collaboration in the industry, the risk of stranded energy assets at mines, as well as the need for deeper structural reforms.

However, despite these hurdles, the private mining sector is still seeing several green projects pressing on, albeit at a slower pace. And the Minerals Council estimates the mining industry has 3 900 MW of renewable energy projects, worth an estimated R60 billion, in the pipeline.

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## 25 January 2022

### **Decrease Seen in ESG Innovation in the Mining Industry**

Research and innovation in environmental, social and governance (ESG), in the mining industry operations and technologies sector, have witnessed a decline over the past year. According to recent figures, the number of ESG patent applications in the industry stood at 78 in the three months ending November 2021, which is a decrease from the 258 applications made over the same period in the previous year.

In addition, figures for patent grants related to ESG followed a similar pattern to filings. These saw a decrease from 164 in the three months ending November 2020 to 63 in 2021.

This data was collected and compiled by GlobalData, a group that tracks patent filings

and grants from official offices around the world. GlobalData makes use of textual analysis, as well as official patent classifications, to group patents into key thematic areas. These patents are also linked to vital companies across various industries.

ESG is one of the key areas tracked by GlobalData that has been identified as a disruptive force facing companies in the coming years, as well as an important investment area for companies.

According to the data, POSCO, based in South Korea, was the top ESG innovator in the mining industry operations and technologies sector, despite witnessing a decrease in ESG-related patents filed. Other top ESG innovators included Honeywell International Inc, ThyssenKrupp AG and Caterpillar Inc.

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## 8 December 2021

### **ABB Ability eMine Set to Accelerate the Transition to All-Electric Mines**

ABB has launched its Ability eMine portfolio of electrification technologies to accelerate the transition towards zero-carbon mining. Ability eMine makes it possible to electrify operations from mine to port, incorporating digital applications and services, to monitor and optimise energy usage.

Ability eMine is capable of electrifying any mining equipment

involved in hoisting, grinding, hauling and material handling.

The product also includes the eMine Trolley System that can reduce diesel consumption by up to 90%, thereby lowering energy costs and significantly lowering environmental impact.

This system is based on MineOptimize, which optimises engineering in the design of the mine to facilitate the transition to a digital, carbon-dioxide-free mine. From 2022, it will also include eMine FastCharge, which



is the world's fastest and most powerful charging system.

eMine FastCharge is designed to be compatible with all makes of electric mining haul trucks. The system can be used and installed anywhere and can automatically charge an electric charge up to 600kW, which is the highest power currently available.

According to the Global Head of Mining at ABB, Max Luedtke, the global mining industry is undergoing the significant and important transformation of becoming a zero-carbon industry. eMine is thus an exciting milestone, assisting in changing existing mining operations from fossil fuel to all-electric, and enabling greater energy efficiency while remaining productive.

**READ MORE**



### 3 December 2021

#### **Anglo American Emphasises Need for Industry to Decarbonise to Harness Rising Demand**

According to Chief Executive Officer of Anglo American Mark Cutifani, the mining industry needs to reduce emissions to play a part in a low-carbon future. This is necessary to take advantage of the rising demand for metals and minerals needed for decarbonisation.

More specifically, copper, nickel and steel that are produced from iron are all critical in the manufacture of solar panels and wind turbines. At the same time, lithium, nickel, cobalt, platinum and manganese are all essential for batteries and fuel cells.

To meet increased demand for these metals and minerals, the mining sector has responded by scaling up. Cutifani indicated that this was neither sustainable nor acceptable, especially as end-users of mining products increasingly take the miner's carbon footprint into account when making investment and purchase decisions.

According to McKinsey & Co., miners were estimated to be responsible for between 4% and 7% of global greenhouse-gas emissions, with 1% being carbon dioxide from mining operations and the remaining being fugitive methane from coal mining. However, when Scope 3 indirect emissions were included, this rises to 28% of global emissions.

Cutifani further stated mining players need to minimise environmental impact by precisely targeting products in demand through digitalisation, automation, new separation techniques and artificial intelligence. This will result in less waste rock, less water and energy usage and a smaller physical footprint from mining operations.

**READ MORE**



## 2 December 2021

### **RMF Indicates Mining Companies are Failing to Holistically Address Climate Change Impact**

According to research published by the Responsible Mining Foundation (RMF), emissions reduction is just a single part of a responsible response to climate change. The report indicates that action needed to assess climate-related risk to people and environments by the mining industry is missing from current efforts by mining companies.

The RMF indicated current efforts by mining companies, in terms of emissions reduction, are commendable. However, the sector remains a large contributor of global greenhouse-gas (GHG) emissions, particularly in terms of Scope 3 emissions.

In order to capitalise on additional demand for metals and minerals, a number of mining companies are incorporating concepts such as 'green mining' and 'future-facing industry', although these are obscuring existing socio-environmental challenges currently facing the industry.

The RMF indicated the majority of large mining companies have failed to address and disclose the impact their operations have on communities, workers or the environment. The sole focus on reduction of GHG emissions, therefore, leaves local impacts unaddressed.

Additionally, the approach taken by mining companies to climate-sensitivity issues, such as water management and tailings, has a strong focus on operational considerations rather than on local stakeholders, biodiversity, and the local environment. Therefore, there is a risk of 'carbon-washing' should the rebranding of companies be driven by current limited action on climate impact and net-zero focus.

**READ MORE**





## 1 December 2021

### **Gold Fields Commits to 30% Reduction in Emissions by 2030**

South Africa-based mining company, Gold Fields, has committed to cutting its emissions by 30% by the year 2030. To achieve this, the company has budgeted an outlay of \$320 million.

According to the Chief Executive Officer of Gold Fields, Chris Griffith, the company will have to achieve a 50% gross reduction in emissions from its 2016 baseline in order to reach the 30% reduction target. This means that it will have to decrease emissions from 1.77 million tonnes (Mt) of carbon dioxide annually to 1.19 Mt per year.

These reduction targets are largely based on planned increases in production to approximately 2.7 million ounces of gold annually. As a result, 'stretch opportunities' will be needed to reduce emissions amid this growth. In particular, this includes the conversion of Gold Fields's South

African South Deep mine to 100% renewable power. As part of this, the company indicated it will be building a 40 MW solar plant, costing R660 million, increasing solar power generated at the mine to 50 MW.

Additionally, the company aims to supply 78% of the power requirements of its Gruyere mine in Australia through renewable power. At the same time, the Tarkwa and Damang mines in Ghana will also be supplied with renewable power, aligned with the overall 30% target.

However, Griffith indicated that the decarbonisation goal was partly dependent on unproven technology. This includes bulk power storage technology without which it will not be able to reach its carbon abatement target. <sup>MR</sup>

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# SOCIOPOLITICAL **FACTORS**





# SOCIO- POLITICAL FACTORS

**3 February 2022**

## **Labour Ministry Calls on Rio Tinto Workers to Report Cases of Discrimination**

The South African labour ministry has called on Rio Tinto workers to report instances of discrimination, after the company released an internal report detailing sexual assault, racism and bullying across its mines. The report found that Rio Tinto employees in South Africa experienced the highest rate of racism, and were the most likely to experience bullying compared to Rio Tinto workers in other countries.

In particular, male and female Rio Tinto employees in South Africa experienced the highest rate of racism at 34.5% and 33.8% respectively, while 54.1% of men and 61.6% of women reported being bullied at work.

This report was commissioned by Rio Tinto Chief Executive Officer Jakob Stausholm, who has called the findings 'disturbing'. Stausholm also stated that the company would implement the 26 recommendations in the report, in order to address the issues raised.

The labour ministry has encouraged those affected to use the protection of the constitution and Employment Equity Act and to report cases of discrimination and bullying to the Commission for Conciliation, Mediation and Arbitration. The ministry further stated that it was encouraging that the company has initiated this research.

**READ MORE**



## 2 February 2022

### NUM Calls To Sustain Coal Mining

The National Union of Mineworkers (NUM) has released a statement adding its support to efforts to sustain the coal-mining industry, as well as supporting comments made by Mineral Resources and Energy Minister Gwede Mantashe, that South Africa's coal-mining sector cannot diminish and fade away.

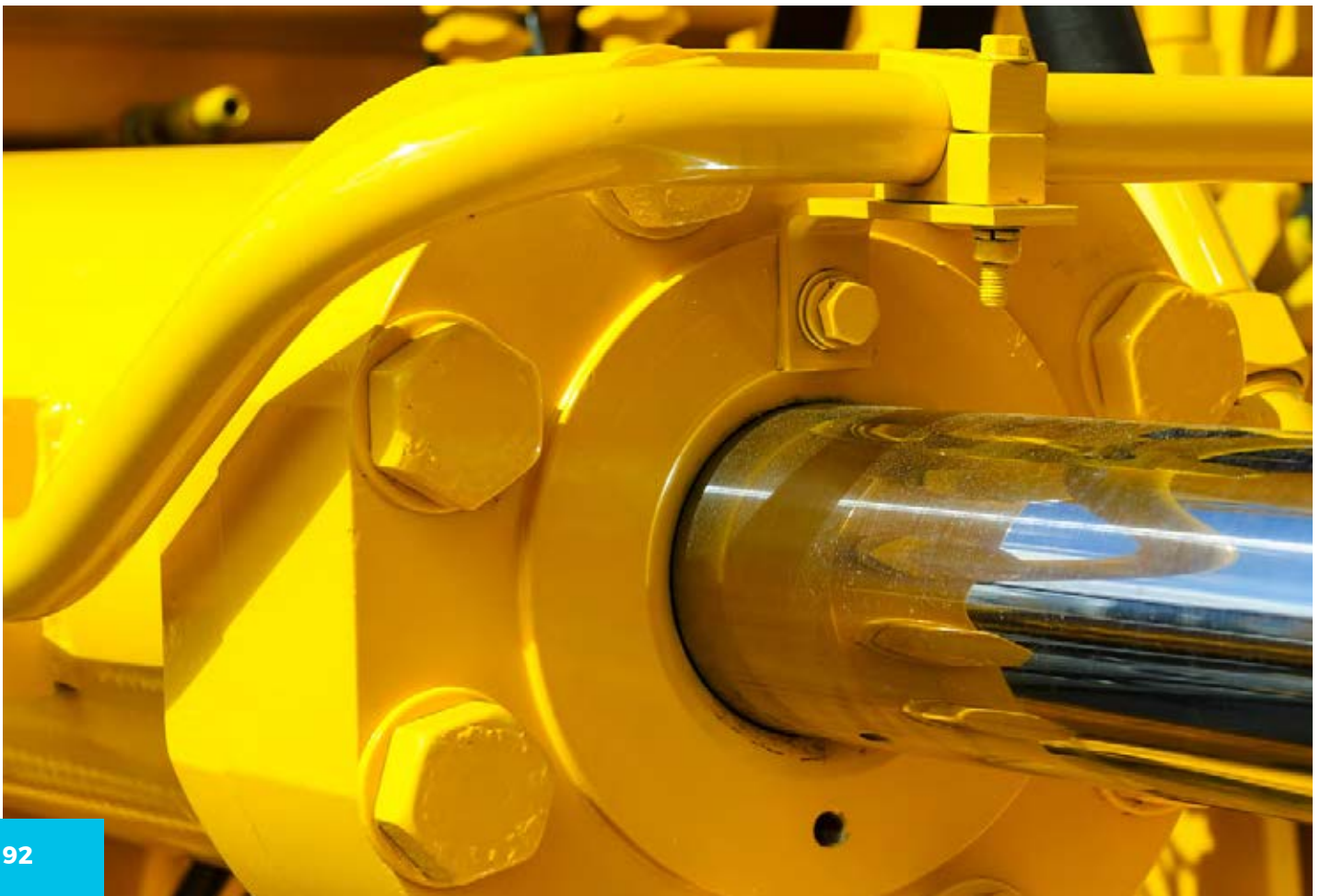
Mantashe stated that while South Africa's coal-mining and coal-burning industries were presented with 'binding constraints', the coal-mining industry needs to take steps to save itself, as many people depend on coal-mining jobs.

These comments come as global policies have been established to reduce, or otherwise limit, greenhouse-gas (GHG) emissions to keep global warming below 2 °C, and preferably below 1.5 °C.

Backing Mantashe's comments, NUM stated that it hoped there will still be a lot of coal generation in South Africa in the future, and blamed climate change on developed countries that used fossil fuels to build their economies. NUM further argued that South Africa should not have to sacrifice its economic development so these countries can continue to pollute.

However, as a solution to environmental concerns, NUM has proposed building environment-friendly power stations and investigating technologies that can reduce GHG emissions, such as carbon capture and storage, rather than shutting coal mines and coal-fired power stations.

[READ MORE](#)



## 21 January 2022

### **ASPASA to Start Mentorship Programme**

Surface-mining-industry association, ASPASA – the Aggregate and Sand Producers Association of Southern Africa – has announced that it is set to start a new mentorship programme aimed at encouraging and developing young professionals in the mining industry. This programme aims to drive the learning and development of both mentees and mentors, through online meetings between professionals and prospective talent arranged by the group.

According to ASPASA Director Nico Pienaar, the programme includes a comprehensive process for matching mentees and mentors. This is designed to support professionals with career guidance and direction by sharing experiences, developing career goals and fostering the mentoring relationships.

In terms of programme participants, mentees are required to formally reside in South Africa, must have a strong interest in developing their careers and must currently be working in the surface mining industry. Additionally, mentors participating in the programme should have a desire to support the career growth of the next generation of mining professionals, must have worked for more than ten years in the surface mining industry, or currently be working in it, or have recently retired.

Requests for a mentorship programme had been received by the association following presentations to the industry by its Engineering and Young Professionals Committee. According to Pienaar, the association has registered with the Engineering Council of South Africa (ECSA), and also plans to assist young professionals to register with ECSA.

## 17 January 2022

### **CCMA gives Union Permission to Strike at Sibanye-Stillwater**

The Commission for Conciliation, Mediation, and Arbitration (CCMA) has cleared four unions to provide Sibanye-Stillwater with notice of a strike. This notice comes after the parties failed to resolve a dispute over wages for gold mineworkers.

The unions include the Association of Mineworkers and Construction Union (AMCU), National Union of Mineworkers (NUM), Solidarity and UASA.

The CCMA declared the dispute unresolved as of 21 December 2021 and has issued a certificate allowing the unions to give strike notice, as well as allowing the company to implement a lockout. Both parties are, however, required to provide 48 hours' notice before any strike or lockout action.

In terms of the wage dispute, Sibanye-Stillwater is currently offering an increase of R520 per month in the first year of the agreement, R610 per month in the second and R640 per month in the third year for certain categories of miners. However, the coalition of unions has demanded a R1 000 per month wage increase for the lowest-paid workers for each of the three years.

According to Sibanye-Stillwater, the company will continue to engage with the unions to reach a fair and reasonable agreement and had already paid workers for the months from July to November 2021, based on the current offer.

**READ MORE** 

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### 3 December 2021

#### **NUM Expresses Concerns Regarding Attitudes towards Safety**

The National Union of Mineworkers (NUM) has recently expressed concerns regarding the number of fatalities in the mining industry in the last two years. This follows an increase in fatalities at mines between 2019 and 2021. Furthermore, NUM has also offered its condolences to all the bereaved families of the workers and promised it will not rest until mines are safe for mineworkers.

As of early December, 60 fatalities were reported in 2021 compared to the 51 and 60 reported in 2019 and 2020 respectively. Fatalities in the gold and coal sectors are especially concerning to NUM, as well as the number of incidents in areas, such as Gauteng, Free State and Mpumalanga.

As such, NUM has called on mining companies to prioritise the health and safety of mineworkers, rather than their profit margins. The union

called for companies and chief executive officers to deploy enough time and resources to support miner safety on sites.

This included calls to invest in the development and implementation of safety technology, as well as supporting safety initiatives such as the Khumbul'ekhaya strategy and the Zero Harm commitments.

In addition, NUM has also expressed concern regarding a range of challenges that have been experienced during the COVID-19 period, including potential vaccine mandates, as well as the deaths at Impala Mine from a mud rush incident that took place on 27 November 2021.

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## 2 December 2021


### DMRE to Investigate Fatal Mining Incident

In December 2021, the Department of Mineral Resources and Energy (DMRE) announced it would be investigating two fatal mining incidents at Impala Platinum Mine in Rustenburg.

A minimum of seven miners were caught in an underground mudslide, which resulted in three fatalities as well as several injuries. In addition to this incident, another employee at the 16 Shaft mining complex was killed underground during drilling operations.

According to a statement made by the department, it had been participating in the search and rescue operations at the mine. Moreover, the department's Mine Health and Safety Inspectorate would commence with a full investigation to determine the cause of the incidents.

The department further stated that the health and safety of mineworkers continue to be a priority for the government, as the department works towards achieving Zero Harm in South African mines, in order to ensure that each employee returns home safely every day.

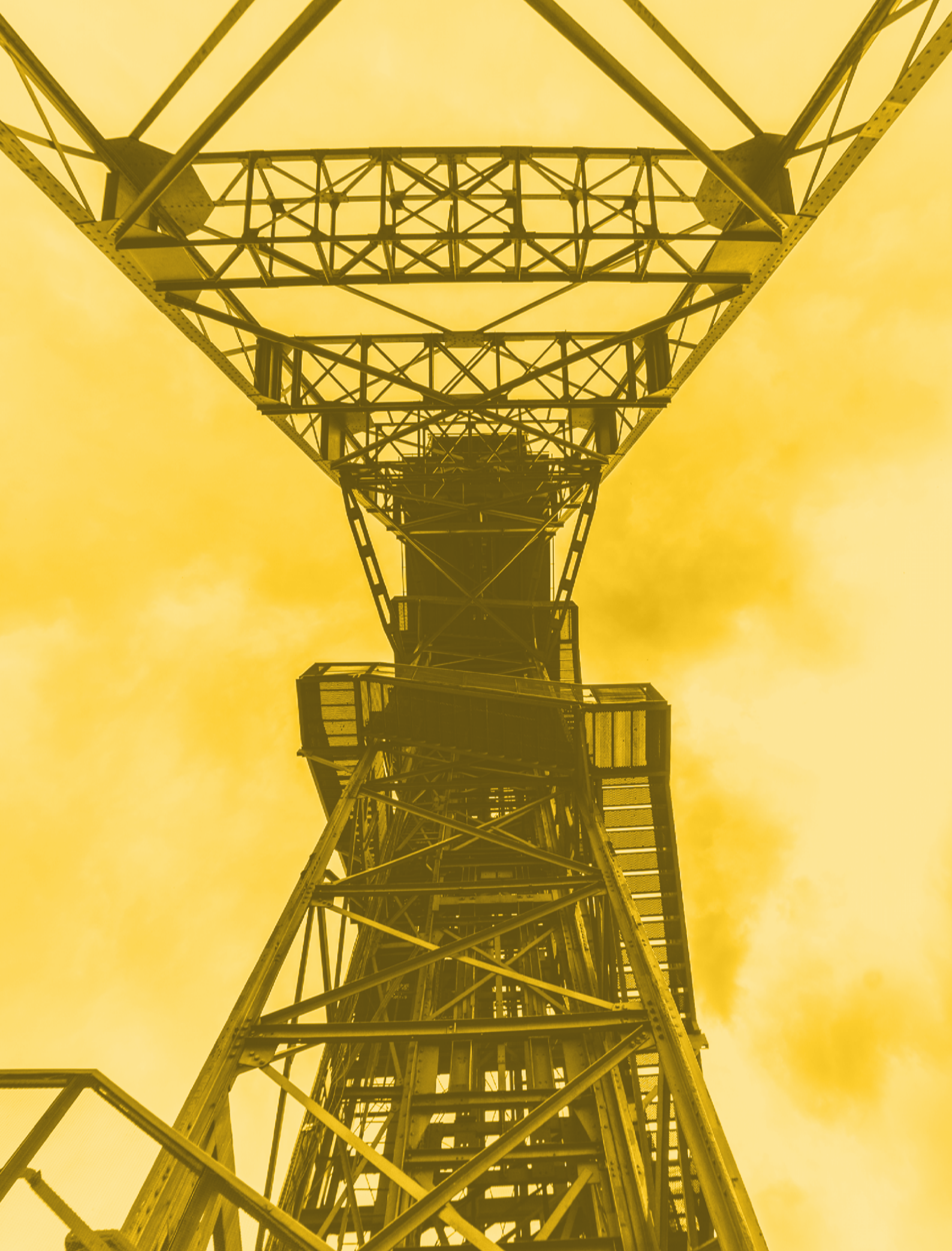
The department also offered its condolences to the families of the workers and wished the injured workers a speedy recovery. The DMRE also emphasised that one life lost is one too many, and that no one deserves to lose their life in the line of duty. 

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# LEGISLATION





# LEGISLATION

## 1 February 2022 SA ConCourt to Hear Mining 'SLAPP' Case

In February 2022, the South African Constitutional Court announced it will deliberate on the validity of the High Court's ruling in a defamation case, brought against six South African activists and environmentalists. The case was brought by the Australian mining company, Mineral Commodities Ltd (MRC), however, the defendants have argued that the claim against them is a 'SLAPP' case.

SLAPP is an acronym for Strategic Litigation Against Public Participation and refers to 'meritless or exaggerated' lawsuits. These cases are usually brought by large corporations and multinationals to bully, intimidate and silence individuals and public interest organisations, through lengthy and expensive lawsuits.

The defamation case, which has been brought by the plaintive MRC, as well as several of its associates, was originally

heard by Western Cape Deputy Judge President, Patricia Goliath. In their defence, the six activists and environmentalists argued that the plaintiffs had an ulterior motive for bringing the defamation case, which in the common law permits the dismissal of a claim. More specifically, the defendants argued that the plaintiff was abusing legal privilege and the court process to ensure the defendants' silence about MRC's controversial mining activities in South Africa.

However, the court ruled in favour of the company, saying that a SLAPP defence did not constitute a proper defence in South African law. However, the defendants are now asking the Constitutional Court for leave to appeal the second order by Judge Goliath, as well as arguing that for-profit corporations cannot sue for defamation.

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## 21 January 2022

### **ASPASA Calls for Closer Adherence to Safety Legislation**

The Aggregate and Sand Producers Association of Southern Africa (ASPASA) has called for stricter adherence to safety legislation, following mining accidents involving trackless mobile machines (TMMs), as well as incorrect lockout procedures of equipment and conveyors.

According to ASPASA Director Nico Pienaar, the majority of these accidents could be avoided by following the requirements of the Mine Health and Safety Act, supported by the Occupational Health and Safety (OHS) Act, as well as by using the mine's own risk assessments. In addition to these measures, ASPASA members are also able to measure compliance through the association's mandatory health and safety audits.

Pienaar further emphasised that stipulations in the acts require that

certain procedures and practices be put in place to avoid accidents in future. According to Pienaar, the majority of these accidents come about as a result of previous accidents or where risk assessments have highlighted the need for legislation.

In line with this, ASPASA has called on its members, as well as others in the mining industry, to be vigilant about the inspections and testing of all safety devices and to be more thorough in scrutinising the compliance to legal and ISHE Audit requirements.

Pienaar further stated that the inspectorates from DMRE and DEL are likely to focus on deviations that led to these unfortunate TMM accidents, and suggested an increase in Sec 54 & 55 notices from the DMRE, as well as Corrective/Non-Compliance notices issued from DEL.

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## 19 January 2022

### Alexkor to Face Criminal Charges due to Northern Cape Mining Operations

Criminal charges have been laid against the state-owned diamond mining company, Alexkor, by the Department of Forestry, Fisheries and the Environment. These charges relate to the construction of coffer dams in the diamond-rich beach sections of the Northern Cape coastline.

Alexkor contractors have allegedly been using rocks to shore up coffer dam walls for several years. However, dumping these foreign shore-based materials in these sea structures is prohibited by national environmental legislation, as the process damages the marine environment. This has resulted in complaints from diamond divers and local fishing communities.

As a result, the Green Scorpions launched an investigation into the use of coffer dams in May 2020. The investigation led to several

compliance notices and warning letters being served to Alexkor. This included a notice ordering it to stop using rocks for the stabilisation of coffer dams; to update and submit its specialists' report within 60 days; and to implement actions set out in the amended report. Alexkor applied for a suspension of the notice, which was refused, requiring the group to comply with the above. However, the company failed to do so.

As a result, in January 2022 Northern Cape DPP Regional Communications Manager Mojalefa Senokoatsane, confirmed that a case docket regarding Alexkor's failure to comply with this notice was received. According to Senokoatsane a decision on prosecution had not yet been taken and he could give no further information on the case.

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## 23 November 2021

### DMRE Will Not Appeal Ruling on Black-Empowerment Clauses

The Department of Mineral Resources and Energy (DMRE) has announced it will not appeal the High Court's ruling that its 2018 Mining Charter is not legally binding. Furthermore, DMRE has stated that it will drive Black empowerment in the industry through amendments to existing legislation.

The charter included clauses saying mining firms had to procure 70% of goods and 80% of services from Black-owned companies and that Black-ownership levels in South African mining companies should increase to 30%.

However, the charter was criticised by the Minerals Council, which asked for a judicial review. This review found the charter was a policy instrument and not binding legislation, meaning mining companies are not legally obliged to comply.

Despite expectations that DMRE would appeal the judgment, it was announced by Head of Legal Services Pieter Alberts that this would not be the case.

Alberts further stated that DMRE will seek to resolve the legal uncertainty by amending existing legislation, specifically the Mineral and Petroleum Resources Development Act, to strengthen provisions for transformation.

Despite several lawmakers' disappointment that transformation targets for the industry are not enforceable, the Minerals Council had welcomed the court's decision saying that it brings regulatory certainty to the sector.

## 17 November 2021


### Uthaka Energy Appeal Bid Dismissed by Constitutional Court

The Constitutional Court has dismissed Uthaka Energy (Pty) Ltd's (formerly known as Atha-Africa Ventures) application for leave to appeal an interdict, which prevents it from mining activities at its proposed underground mine in the Mabola, Mpumalanga wetland water-conservation area.

The application for this interdict was brought by the coalition of eight civil society and environmental organisations that oppose the mine, which falls within a Strategic Water Source Area.

This interdict was granted in the Pretoria High Court in March 2021. The interdict stops the company from starting any mining activities, excluding survey pegging, at its proposed Yzermyn coal mine. It has been put in place until the six ongoing High Court challenges, regarding various approvals granted to the mine by the authorities, are resolved.

The interdict forms part of a protracted legal battle, which first began in 2015. This includes: several court cases currently underway, relating to the protected-area status of the four Mabola properties being revoked; the approval of environmental authorisation for the project; the granting of the mining right; as well as the land-use planning approval given by the local authority.

Furthermore, there is also an ongoing court case regarding granting of the water-use licence for the mine. There is also an appeal against a decision by the Water Tribunal to dismiss appeals against granting of the licence. 

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