



mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA

**Address by Deputy Minister of Mineral
Resources at 2018 Junior Indaba for explorers,
developers and investors in junior mining: 5 – 6
June 2018, Johannesburg Country Club,
Auckland Park**

Programme Director: Bernard Swanepoel

CEOs, entrepreneurs, investors and mining professionals

Organisers of this fourth edition of the Junior Indaba

Members of the media

Esteemed guest

Ladies and gentlemen

Good Morning

South Africa is a country alive with possibilities to better the lives of all. Our country has potential to further grow the economy, stimulate industrial activities, attract socio economic investments and create jobs President Cyril Ramaphosa has on numerous occasions affirmed that we, as a country, are expanding our economic capacity and managing the cost of doing business. The President also continues to assure current and potential investors that the country is making progress in satisfying the need for policy certainty and consistency. In his inaugural State of the Nation Address, he said “Mining is another area that has massive unrealized potential for growth and job creation.”

We, in this regard, have concluded consultations on the revised Mining Charter. We have paid attention to engagements with affected communities across the country because their inputs are crucial for the growth, development and sustainability of this industry. The President has given us

a task of ensuring that the sector is transformed not only to promote equity but also to ensure that it develops in a sustainable and inclusive manner.

A summit will be convened soon by the Department to present the draft charter before gazetting for implementation. We ultimately would want to implement a charter that, amongst others has specific provisions to ensure job creation, beneficiation, local procurement and employment equity. It should promote skills development, technological innovation and exploration.

As indicated earlier, South Africa still has potential to economically develop for the benefit of all. This is emphasized by the invitation we have received to attend the upcoming G7 summit in Canada, after a seven-year absence in the economic forum of some of the most powerful nations in the world. The President has said South Africa would use the opportunity to invite investors to inject capital into the mining sector. Investment in the sector is particularly crucial for junior miners as most struggle to grow and be sustainable due to challenges that include; limited or no funding as well as a lack of mentorships.

The Department of Mineral Resources has launched the "junior miners' programme" in 2018 to provide opportunities for new entrants identified throughout the mining value chain, as well as assist with issues of access to funding, geological information, compliance and access to markets, in order to diversify ownership, participation and increase investment and job creation in the sector.

Currently there are over 90 companies on our database, most of them requiring funding opportunities. This has prompted us to partner with the Industrial Development Corporation (IDC) and are in the process of establishing a “junior miners fund” to particularly focus on providing exploration investment capital to black owned emerging miners, considering that funding institutions are not willing to invest in that space. We have also started engaging the private sector to assist government by contributing a small portion of their turnover to this fund to keep it sustainable, we urge companies to heed our call and assist us.

We in partnership with the Department of Trade and Industry (theDti) have sponsored junior miners to travel abroad in order for them to attain Foreign Direct Investment (FDI) into their projects. We thus far have travelled to, amongst others, China, Canada, Turkey and Russia.

We will continue to intensify our support to these miners, because the emergence of vibrant small and medium scale enterprises is vital for the future of the mining industry. We believe they are the future drivers of growth and sustainability of the sector. We also embrace the participation of women, youth and rural communities.

We have seen a decline in employment in the mining industry, we currently employ just above 450 thousand people. This can change as we support junior miner initiatives that we will be able to create jobs in the country to alleviate poverty and inequality. For mining to be sustainable, it requires ongoing and extensive exploration, given the time it takes to bring new mines into production. Junior miners are the principal drivers of exploration,

resulting in them having the largest potential to creating new employment opportunities in the sector.

We in this regard have invested 20 billion Rands for the Council for Geoscience to carry out a 10-year intensive mapping programme. The aim is to map the country's mineral resources on a scale of 1 to 50 000, in the past year coverage has been doubled from 5 to 10 percent. We are on track to have a multidisciplinary integrated mapping platform that constitutes all aspects of the geosciences field by 2026.

Ladies and gentlemen

Lastly, this coming Thursday, we will be celebrating yet another milestone in Kimberley where the former zama-zamas now called the Kimberley Artisanal Miners have mining permits that we issued on 30 April 2018, successfully negotiated a tailings mining resource TMR (dump) from Ekapa Mining; and also have access to 500 hectares of diamondiferous ground called floors to mine for themselves. Some of them are already properly licenced to trade and deal in rough diamonds. 2017 has been difficult year for zama zamas. Department is able to legalised illegal mine where is safe to do so. We able to work together to reduce illegal mining.

As a regulator responsible for ensuring the sustainable mining of our resources, we remain committed to support junior miners, our doors have always and will remain open to junior miners about the programme. We urge you all to come on board and work with us as we move the mining sector forward.

I thank you.