

## **Challenging times for transformation in the mining sector.**

*Johannesburg, July 9th 2018: The announcement of the third revision to the Mining Charter in June 2017 sparked a downward spiral for the South African mining industry. With the newest draft Mining Charter released in mid-June 2018, one would be optimistic that confidence could be restored with the progress in transformation and tackling legacies of the past, although there is still a long way to go and investors might likely still take time to warm to South African mining prospects. Therein lies the conundrum.*

While transformation is essential, without investment in the industry SA's mining industry faces dire times as do the livelihoods it provides for employees, local communities and the South African economy.

One company, soldiering on and working consistently towards a brighter transformed mining future for South Africa is Springs-based Ncamiso Mining. As industry leaders in sustainable, alternative mining solutions Ncamiso sees investment potential in unlocking the mineral wealth lodged in disused land. "There is immense value held in the ground of old mining sites and the surrounding communities that just need the right mining approach and vision to equitably contribute to the economic growth of our country," says Ncamiso's Mining Managing Director, Fikile Mashinini.

Ncamiso Mining is holding the flag high for 100% black-owned mining companies while making a significant contribution to the welfare and economic growth of our country. The company is celebrating its 10th birthday in 2018 and pride themselves in their efforts towards a more balanced industry that encourages foreign investment. Through their land rehabilitation projects over the past two years alone, Ncamiso has recovered over 600kg of gold valued at over R300 million that would otherwise have been lost or sterilised in roads and developments on old mined land.

Over the past decade, Ncamiso has created over 500 jobs in local communities and has supported over 50 SMMEs, of which 80% are 100% black-owned and locally based in their areas of operation. In expressing his vision for transformation in the mining industry, Mashinini commented, "We believe the transformation in the mining industry is very slow and access to mineral wealth is very difficult. The government must do something about the exorbitant rehabilitation guarantees. The process of application is too slow and very discouraging for new entrants in the mining industry. Thus, there is a need for radical transformation, uplifting the mine workers and the communities surrounding the old mines. Education and skills development must be key towards transformation."

As a business, Ncamiso focuses on educating and developing its staff with the aim to differentiate itself as proactively contributing to transformation and upholding its integrity by keeping promises made to both clients and the communities it operates in. "Transparency is vital to the success of our business. In every aspect of our business, we are constantly in touch with all the stakeholders and work hand in hand with our employees and the communities," says Mashinini.

Guided by the needs of each community, Ncamiso strives to leave a positive footprint and legacy in every area it operates in. Ultimately, Ncamiso's operations focus on land rehabilitation to reduce state liability, community upliftment, the eradication of all illegal mining activities and gold recovery for the economic wealth of South Africa.

Focusing on the betterment of South Africa as a whole is at the core of the Ncamiso business. The company exudes Ubuntu and encourages that everyone shares in the wealth that South Africa has to offer. "It is vital to acknowledge those who are actively and positively

contributing to the upliftment and betterment of black industry in South Africa. Not only does the recognition set an example to others, it also serves as a means to incentivise people. Tax rebates and leniency in terms of mining regulations and policies would be a means to fast-track development,” Mashinini explains.

He believes that the new Mining Charter should, in principle, be striving towards these ideals, which, ultimately, benefits the whole country. The new Mineral Resources Minister, Gwede Mantashe, has highlighted the ownership level “as a key area for review and has expressed a drive to restore trust between the department and a wide range of stakeholders, including the industry, labour and communities, while at the same time, expediting regulatory and policy certainty to give the sector a base from which to grow”.

Mashinini believes that the shareholding allocation would be best if that percentage was directed to the employees and the community around the mining area. That clause should be guided by the terms and conditions of how the proceeds should be divided. Such proceeds should focus on infrastructure development, education, health facilities and the establishment of small businesses (cooperatives) to ensure future sustainability.

Ncamiso believes that all mining companies should focus on diversification of their profits in terms of sustainable development of the country. Mashinini implores that aspects of diversification should include agricultural and industrial development and that the beneficiation of mined products should be done within the country, from raw product to end product, through industrialisation funds and other means. “I am because we are! Let us all remember that we have a responsibility to our fellow South Africans to find extra value, to create jobs, to share in the wealth, to contribute to industry and to do all we can for the betterment of black industry and South Africa as a whole,” concludes Mashinini.