

# Anglo American eyes SA base metals exploration

SA needs regulatory changes to prompt Anglo American to launch exploration in the country, says CEO Mark Cutifani

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07 OCTOBER 2020 - 13:24 ALLAN SECCOMBE

Mark Cutifani. Picture: SUNDAY TIMES/SHIRAAZ MOHAMED

Anglo American wants regulatory changes to kickstart a base metals programme in SA, CEO Mark Cutifani says.

Anglo, which produces base metals from its platinum group metals (PGMs) mining business Anglo American Platinum, has not mentioned a desire to conduct exploration in SA for base metals before, which include copper, zinc, nickel and others.

“We’ll explore for base metals across SA. That’s something we’re interested in. We’re already in Zambia and other places. We want to do more in SA, so we are looking for some adjustments in the legislation, which we’ve made pretty clear to the SA minister,” Cutifani said at the 2020 Joburg Indaba mining conference.

Speakers at the conference bemoaned the lack of a regulatory environment and tax regime to encourage exploration and Minerals Council SA CEO Roger Baxter pointed out SA attracted just 1% of global exploration expenditure of \$10bn a year.

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Talks with department of mineral resources and energy minister Gwede Mantashe and his team about the mining sector indicated that both sides wanted exploration expenditure in SA to grow to 3% of the global total, and for mining to contribute 10% or more to GDP, Baxter said.

While Cutifani said Anglo wanted to extract more nickel and value from this steel ingredient from Anglo American Platinum, he did not go into any detail; nor did he expand on which base metals Anglo was targeting in SA.

Amplats CEO Natascha Viljoen said at a recent conference that SA’s electricity shortages and high cost meant the company could not do more with its base metal output than it was already doing and that the country was losing out on additional revenue streams.

Anglo has an indirect stake in Orion Minerals, which is bringing the Prieska copper and zinc mine in the Northern Cape back into production.

Orion CEO Errol Smart has spoken of major mining companies’ interest in taking a stake in Orion and its vast exploration tenement in the Northern Cape.

Anglo will remove its remaining export-market thermal coal mines from its portfolio in the next two to three years, most likely by listing them on the JSE, Cutifani said, reiterating a point he's made many times in the past year.

He did say Anglo would be open to an offer for the mines, but would prefer the simpler and more transparent option of listing them, at which time a buyer could step in.

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