

# State and miners close in on 'game-changing' minerals plan

**Strategy will boost spending on exploration, department of mineral resources & energy says**

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Mineral resources & energy minister Gwede Mantashe. Picture: REUTERS/MIKE HUTCHINGS

SA is weeks away from a mineral exploration plan formulated by the state and mining companies to lure fresh investment in the mining industry, delegates said at a Canadian conference.

SA accounts for less than 1% of international expenditure on mineral exploration and the plan will grow that by five times in coming years, guided by milestones and definite measurements, department of mineral resources & energy director-general Thabo Mokoena said.

The plan will be presented to mineral resources & energy minister Gwede Mantashe and then taken to cabinet as well as discussed with communities and other stakeholders, Mokoena said at an event hosted by law firm Fasken and aligned to the annual Prospectors & Developers Association of Canada mining conference in Toronto.

Mantashe said the plan was not developed by his department but between the Council for Geoscience, a state-funded exploration company in the department, and the Minerals Council SA.

Few details were given about the plan, but council CEO Roger Baxter and the head of the industry group's junior miners, Errol Smart, spoke positively of it and urged its implementation as quickly as possible rather than indulging in more talks.

"The plan has a lot of good ideas. It will be a game-changing plan when it's published in the next month or so," Baxter said.

The council and department discussed the backlog in the granting of prospecting and mining rights as well as mineral right transfers, with a commitment from the regulator to expedite the granting of these rights, Baxter said.

Officials from the department told parliament last week there were 5,326 unprocessed prospecting and mining rights and transfers but that fundamental problems within the department were preventing their conclusion.

### **Start implementing**

One of the streams of work feeding into the plan was to improve regulations and policies, which on the whole were good and conducive to the domestic mining industry, Smart said.

"There are some that could be improved. We have listed them and we know what will happen to them. It's worrying that we are still talking about talking. It's time to start implementing but we understand it must be done in an orderly way," he said.

The council and department have been at their closest and most collaborative in drawing up the plan, Mokoena said.

"It's the first time we've had this thorough consultation in developing a document," he said. "The department is certain this plan will help to move the country to 3%-5% of global investment in exploration."

This would be close to a return to the 5% of global exploration spend SA last experienced in 2003.

"For this exploration plan to succeed, we need a social compact. We need to have a clear plan on engagement with communities, host communities. It is fundamental to our plan," Mokoena said.

The mining industry is pushing hard for tax incentives called flow-through shares for exploration projects and this has formed part of the work between the council and department, Smart said.

Mantashe pointed out that large mining companies have announced large, multibillion-rand investments in expansion projects in SA, incorporating platinum

group metals, iron ore and gold. This proves SA is a safe investment destination for mining companies, he said.

SA is moving quickly to deal with its electricity shortage, with an announcement due in March on the successful bidder for the tender to provide the country with 2,000MW of emergency electricity, Mantashe said.

Meanwhile, Gold Fields had secured a licence to build a 40MW solar plant at its South Deep mine, the largest renewable project approved for the mining industry so far, Baxter said.

Gold miner Pan African Resources is building a 10MW solar project at its Evander mine and has plans for two more 10MW projects at its Barberton mine and another at Evander.