

Mining CSI

Local Economic Developments by Mines

Volume 16 • 2017



TUMELO GOPANE

Managing Director of ERWAT
looking to collaborate with mining
companies, in dealing with both
excess and waste water

ALSO IN THIS ISSUE:

VEDANTA – Introduce Employee Share Ownership Plan

SIBANYE – Recognized in skills development

WESIZWE – Delivers on its SLP's

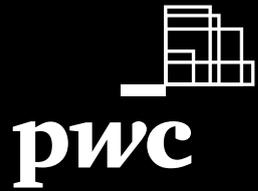
PAN AFRICAN RESOURCES – New Tailings Re-Treatment Project

UNIVERSAL COAL – Build community infrastructures

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2017 JUNIOR INDABA

7 - 8 June 2017

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- Are we seeing a sustained improvement in commodity prices?
- Where are the new investment opportunities to be found?

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The 2017 Junior Indaba, for explorers, developers and investors in junior mining, is brought to you by Resources 4 Africa, the organisers of the Joburg Indaba.

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Junior Indaba is the event where mining companies are able to share their operational challenges, successes and lessons learnt in their spaces. Roger Baxter, CEO of Chamber of Mines has put forward the challenges facing the sector while being optimistic that good days may lay ahead for the mining industry, but only by working together to sustain the sector. Read Roger's article on page 20 for his interesting analysis.

Our cover page is adorned by Tumelo Gopane, Managing Director of ERWAT. Mr Gopane is in the waste water treatment space and because of his experience at ERWAT, he has witnessed how the current acid water drainage in Gauteng, dating back to decades of mining, did not take into account the challenges mining communities face today. For this reason, ERWAT is looking to collaborate with the mining houses in order to assist them in treating water. While some mining companies do water treatment, this is not their core business hence ERWAT is entering the space to assist mines, see the article on page 6.

It is great to see Black Mountain Mining introduce Employee Share Ownership Plan (ESOP) for the empowerment of their employees and growth of the company. This reminds one of the 2013 pay-out of R2.7 billion by Kumba Iron Ore which benefited over 6000 employees resulting in their lives changing for the better. NUM spokesperson, Livhuwani Mamburu at the time said, "The union is pleased with the way the ESOP benefited the workers and their members and hoped it to be an example for other mining companies to follow". The economic benefit of the pay-out changed the town of Kathu which grew and prospered immensely. The current NUM branch chairman, Darryl Crew has also echoed the same sentiment that the beneficiaries and their families will get an opportunity to benefit in 2024 when the pay-out is due. Read Vedanta article on page 8 for more.

Universal Coal has embarked on an important engagement mission with its surrounding communities which has resulted in an improved working relationship. This very important endeavour has been praised by the Mayor of Victor Khanye

Local Municipality, and includes the construction of a TVET (FET) College in partnership with Exxaro and the municipality. The College was handed over to Department of Education on 5th May at Delmas at the fun fare event also attended by the local communities of Delmas.

There are many great stories on mining companies which are doing great things for their communities, but still facing challenges because they are not communicating enough to their various communities. Mining CSI is here to assist in that regard, and has already assisted many mines to build reputable relationships with communities, the local municipal authorities and DMR officials. As a mining publication we are proud to have the full support of Deputy Minister, Godfrey Oliphant, who always encourages the mines to do more for their communities as this improves the relationships.

We hope everyone enjoys the upcoming Junior Indaba on 7 and 8 June, and the Joburg Indaba on 5 and 6 October which will both be held in the Gauteng Province.

We hope you enjoy the news, insights and wonderful stories in this issue!

Enjoy the magazine

Moses Sibuya

Managing Editor



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Cover picture: Sphiwe Ndala

Published by: Sagis Data CSI Projects
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Distribution: Junior, Joburg & Mining Indabas

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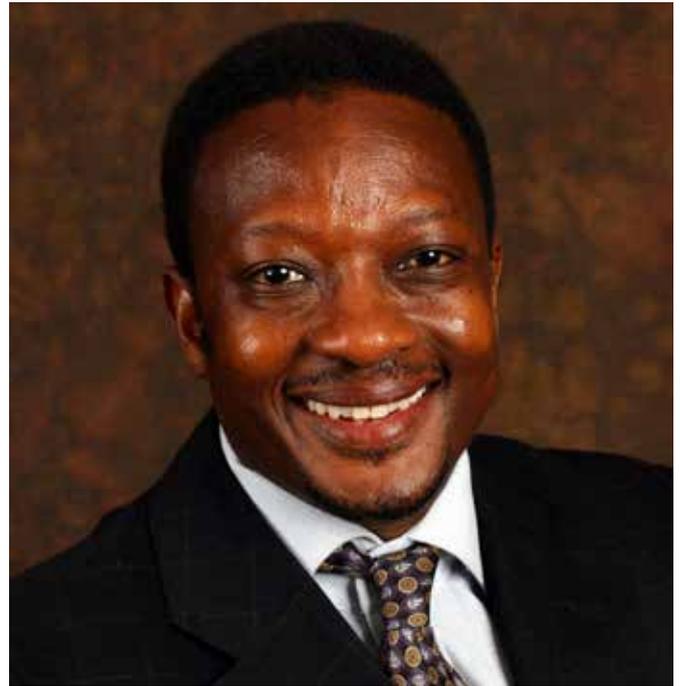
Foreword

By **GODFREY OLIPHANT, DEPUTY MINISTER OF MINERAL RESOURCES**

Our country's economy is operating under severe strains and it is our duty to pay careful attention to all sectors of the economy to ensure economic recovery, to boost job creation and to create an environment conducive to sustainable development and poverty alleviation. In this regard, the mining sector has always played a major role and will remain a critical sector. In recognition of this reality, the government has been resolute in the need for transformation in this industry. In addition to equity participation, our focus on the industry's transformation has extended to the operational involvement and acquisition of skills across all opportunities in the industry. The new Mining Charter is in the process of finalization.

As importantly, the role played by the industry, in particular by the Junior Miners, in the broader society is critical in changing the societal and historic perception of this sector. To this end, CSI remains the operational means of engagement with the various stakeholders within the society, and more immediately with the surrounding communities. The provision of study bursaries, support for the SMMEs, and women empowerment in particular, as well as the development and promotion of local enterprises development remain key and effective means of CSI interventions.

Underdevelopment remains a serious risk to all businesses in the country. Our collective responsibility is to fast track inclusive societal gains from business activities, investments, and growth within our country.



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To this end, we can hardly over emphasize the role that the business sector can and should play in spreading the gains from business activities, as widely as possible, within the communities across the nation. Given the geographic locations of mining activities, the mining industry is in a unique position to help extend the reach of economic gains to our rural and marginalized communities across the land. The time for junior miners to be seen in action is now. ♦

Tracking a decade of trends in

SOUTH AFRICAN Corporate Social Investment (CSI)



Cathy Duff, Triologue Director

Despite uncertainty and tougher trading conditions in almost every sector of the economy, corporate South Africa continues to demonstrate its commitment to corporate social investment (CSI).

CSI expenditure in South Africa was estimated to be worth R8.6 billion in 2016, significantly up from R2.9 billion in 2006.

This is according to Triologue Director Cathy Duff, who was addressing delegates at the tenth annual Business in Society Conference, which took place in Johannesburg 16-17 May 2017. Discussing trends over the past 10 years, Ms Duff shared research in which 82 companies and 219 non-profit organisations participated in 2016.

Increase in non-cash giving

Non-cash giving as a portion of total CSI spend increased over the 10 year period from 6% in 2006 to 13% in 2016. Product and service donations accounted for the vast majority of this. In 2016, 29 companies reported figures for these donations, equal to 19% of their total giving.

Geographic focus on economic hubs

CSI expenditure continues to be concentrated nationally (32% in 2009; 37% in 2016), in Gauteng (29% in 2009; 20% in 2016), and in the Western Cape

(6% in 2009; 11% in 2016). In 2016, companies gave to an average of three provinces compared to four in 2015.

Education key focus

Education continues to receive the most support, with over 90% of companies supporting the sector in 2016, and its share of CSI spend increasing from 33% in 2006 to 48% in 2016. It is followed by support for community development (17% of CSI spend in 2006; 15% in 2016) and health (which has received a declining share of spend from 16% in 2006 to 9% in 2016). Support for early childhood development has increased from 11% of education spend in 2007 to 17% in 2016.

Less funding to NPOs

Although NPOs remained the favorite channel through which corporates directed their CSI expenditure, the proportion of respondents giving to NPOs declined from a high of 100% in 2014 to 82% in 2016.

More strategic CSI

Over the 10 year period companies have become more strategic in their social investment, which has become more closely aligned to the business and more focused. An increasing number of companies are aiming to achieve both social and business impact from their CSI expenditure. ♦



TUMELO GOPANE (MD), ERWAT

to collaborate with

Mining Houses

Editor: What is ERWAT all about?

MD: ERWAT is a wastewater treatment company that successfully manages and operates 19 wastewater treatment plants that treat about 800 megalitres of influent per day. The influent categories range from domestic, through to commercial and industrial wastewater. ERWAT provides bulk wastewater treatment and conveyance for some 2 000 industries and more than 3.5 million people, servicing the needs of three Local Municipalities.

ERWAT has established a Commercial Department known as ERWAT Commercial Business. With years of experience and expertise, ERWAT Commercial Business has developed an in-depth range of products and services to assist industries such as automotive, mining and minerals, food and beverage as well as paper, textiles and dyes. ERWAT does already have existing customers in some of the industries.

ERWAT furthermore offers one-stop, ISO 17025 accredited and specialised testing services through its state of the art laboratory.

Editor: Why is ERWAT interested in the mining space?

MD: ERWAT would like to venture into the mining sector because we are aware that mines continuously treat water, especially underground mining where there is a lot of water. Mines do continuous de-watering in order to keep these underground areas workable. Mines mainly pump water into slime dams and we believe we can assist them to clean the water which can be sold back to the mines and ultimately to the municipalities. Mines generally use potable water, and this can be reduced by treating the wastewater and or underground water that is pumped out of the mine, for use in the mining process.

Editor: Why should mining companies collaborate with ERWAT?

MD: ERWAT is saying to mining companies, whilst water is an integral part of the mining process, mining companies are not in the water treatment business. ERWAT can therefore collaborate with mining companies in managing the water aspect on their behalf. Utilising water from the mine and processing it for reuse, will come at a lesser cost to the mining companies.

Editor: Is ERWAT a municipal or national entity?

MD: ERWAT is a municipal owned entity, but we serve clients on a national level throughout the country and we are also considering going into the rest of the African continent to offer our services.

Editor: Does ERWAT have enough capacity and skills for your work?

MD: ERWAT has a specialised water treatment capacity as well as the technical know-how to treat wastewater. We offer internship and bursary programmes which allow us to train people for the required skills needed for this specialised work. The company has a professionally capable team that runs our 19 plants and maintains the contracts we have with the private companies as mentioned earlier.

In the last three years ERWAT has spent over R1,5 million providing bursaries to 20 students and more than R9 million for 130 learnerships.

ERWAT specialises in the provision of affordable, quality wastewater services through scientific, innovative and effective practices. Continuous research and development into new technologies and energy saving methods enable us to offer clients excellent return on operating costs. ♦

Consistent water plant management requires consistent excellence...

ERWAT
EXCELLENCE IN WASTEWATER



... in delivering specialised water-related services.

ERWAT Commercial Business follows a partnered approach offering their customers complete water plant management, whilst continuously striving towards the enhancement of the market and delivering excellence in specialised and innovative water-related services. Professional support and services are provided through an in-depth range of products geared towards managing plants, plant operations, maintenance, process optimisation and technical support. Services include plant audits, plant optimisation, water quality monitoring and compliance monitoring analysis, sludge analysis and classification, Blue Drop and Green Drop support services as well as in-house and off-site implementation of municipal by-laws and tariffs.

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Employees participate

in growth of BLACK MOUNTAIN MINING

Black Mountain Mining (BMM), a Vedanta Zinc International operation in the Northern Cape, has introduced an employee share ownership plan (ESOP), Voorspoed.

Voorspoed, which means “prosperity” in English, enables qualifying employees of BMM to become beneficiaries of the Voorspoed Trust, which is a BMM shareholder.

Deshnee Naidoo, Chief Executive Officer of Vedanta Zinc International, says Voorspoed is a practical tool that enables employees to live Vedanta’s values – trust, respect, integrity, care, innovation, excellence and entrepreneurship – and be rewarded financially for doing so successfully.

Voorspoed will exist for a seven-year period from April 2017 to March 2024.

Employees are given participation units in BMM, which are held by Voorspoed for the benefit of

beneficiaries. Depending on BMM’s performance and subject to the trustees’ decision, in year 5 of the scheme, Voorspoed may sell some of its shares to BMM for cash. Should this take place, some of the participation units held by the beneficiaries will be exchanged for cash and others will be used to reduce the loan provided by BMM to enable Voorspoed to acquire some of the shares in BMM.

In year 7, BMM will buy back all the remaining shares Voorspoed has at the time and the money from that sale will be paid to beneficiaries who hold participation units. At the time of vesting (when cash is paid to beneficiaries in year 5 and/or year 7), the cash payable to each beneficiary will be based on the value of the BMM shares held by Voorspoed at the time (less any applicable Trust expenses).

Darryl Crew, Branch Chairman of the National Union of Mineworkers, says the scheme is an opportunity for beneficiaries to better understand how their contributions help the company, and how they, and their families, can benefit. ♦



Vedanta Zinc International's Gamsberg Project represents a significant opportunity to grow the local economy and create jobs while remaining committed to a long-term plan to preserve a region rich in biodiversity.

Black Mountain Mining has a clearly defined biodiversity action plan to balance the socio-economic benefits of developing the Gamsberg Project in the environmentally sensitive Northern Cape:

- protect and preserve the unique biodiversity
- avoid, minimise and remedy the impact of mining activity on the environment
- engage with all stakeholders
- partner with local and international environmental organisations: zero offset agreement with International Union for Conservation of Nature (IUCN)

We are committed to leaving a positive legacy – all processes must reflect best practice with respect to sustainability and environmental rehabilitation.

TO PROTECT AND PRESERVE



Sibanye recognised as champion in Skills Development

Sibanye is proud that its commitment to skills development in South Africa has been recognised at the National Skills Authority (NSA) awards which were attended by Deputy President Cyril Ramaphosa and Minister for Higher Education and Training, Blade Nzimande. This recognition by a key government body, enhances its reputation as a South African mining champion.

Sibanye won **4 awards; 3 Gold Awards** for Best Adult Education and Training programme, Best Skills Programme, Best University Placement programme, and a **Bronze Award** for Best Artisan Development programme.

Sibanye CEO Neal Froneman said the awards were an important recognition of the contribution Sibanye continues to make towards socio-economic development in South Africa. In 2016, the Company spent more than R650 million on socio-economic development.

The NSA invited training providers involved in post-school education and training to submit applications for the awards.

The awards aim to celebrate excellence by recognising best skills development practices across all skills development implementers and NSF Funded Projects in various categories

- recognise work placement opportunities created through the various learning programmes
- encourage maximum use of workplace-based skills development initiatives
- mobilise business, government, community and providers to ensure the realisation of the NSDS III goals.

“Sibanye recognises that developing people is key to its sustainability and ongoing success as a leading South African mining company. We are tangibly delivering on our vision of creating superior value for all stakeholders, by leveraging skills and developing the people who will support Sibanye and benefit from its continued success, well into the future.” ♦



Community members display their certificates after successfully completing various courses including, basic plumbing installations, domestic electrical installer, basic building techniques, basic carpentry amongst others.



**SUPERIOR VALUE
CREATION FOR ALL
STAKEHOLDERS
THROUGH MINING OUR
MULTI-COMMODITY
RESOURCES IN A
SAFE AND HEALTHY
ENVIRONMENT**

SIBANYE'S MINING IMPROVES LIVES

Sibanye
we are one



Protech CEO, Tsakani Pila

Protech's core business is the artisanal development in the Construction and Electrical fields and thus accredited by the Energy and Water Sector Education and Training Authority (EWSETA), Quality Council for Trades and Occupations (QCTO) and Construction Education and Training Authority (CETA). Accreditation by these institutions guarantees that all training and development that will be conducted is going to be quality assured as per the requirements of SAQA.

The current economic climate has resulted in many Economic Sectors shedding jobs – more specifically the Mining Sector. This situation dictates that all economic role players should come together in finding a solution to reduce the unemployment rate which is already standing at 26.6 % of the total population.

Protech Training signed a partnership agreement with Harmony Gold Mining Company Limited to train their employees on Portable Skills (current employees, retired and their proxies).

Skills provided by Protech Training are:

- Brick layering and Plastering,
- Painting and Tiling
- Plumbing
- Electrical Skills Programmes.

After the completion of the above programmes, beneficiaries would have acquired skills that will enable them find employment, participate in economic activities and most importantly be self-sustaining by embarking on entrepreneurial initiatives.

This then dictates for economic role players should forge partnerships in addressing the scourge of unemployment. Protech, therefore, believes that together with the right skills and support - we shall not only develop a successful skilled nation, but individuals united in enhancing value within our country. ♦



Protech Training

FOR A CONSTRUCTIVE FUTURE

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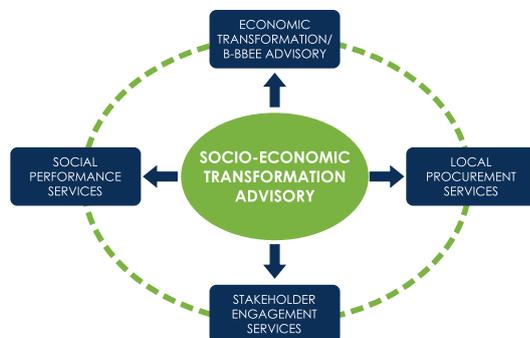
Who we are:

SSC Advisory is a Socio-Economic Trusted Transformation Advisory company providing practical implementable solutions to complex socio-economic transformation challenges confronting our clients and their stakeholders. SSC Advisory is a level 2, 96% black owned and 56% black women owned controlled company and it is a member of the SSC Group which is a dynamic, innovative company.

Business Objectives:

To facilitate businesses through an all-embracing transformation process and to optimise their B-BBEE competitive edge.

Our services are segmented in the following areas of expertise:



Below are key services that SSC Advisory provides as a whole:

SERVICE AREAS:

Economic Transformation Advisory

AREAS OF EXPERTISE:

- B-BBEE Scorecard Optimisation and production services.
- B-BBEE Equity Ownership solutions.
- B-BBEE corporate workshops.
- Mining Charter advisory services.
- Social Labour Plans (SLP) Advisory and project management.
- B-BBEE verification preparation in accordance with B-BBEE SANAS approved Verification Agency requirements.
- Strategy Compilation with the Revised B-BBEE Codes and other sector codes, as well as execution of strategy.

- Assistance in implementing all approved B-BBEE solutions based on the short, medium, and long-term strategic targets.
- B-BBEE readiness training, seminars and courses
- Budget and Gap Analyses
- Ownership and ESOP consulting and structuring
- B-BBEE Monthly reporting to stakeholders
- Skills development training plans that are aligned with the WSP submitted to the relevant SETA.
- Supplier assessment
- Supplier Development Plans
- Measuring and tracking tools for initiatives
- Templates created for the client for ease of verification and proof tracking

Social Performance Services

AREAS OF EXPERTISE:

- Social Impact and Baseline Assessments
- Asset Based Community Engagement Services
- Socio Economic project feasibility studies

Local Procurement Services

AREAS OF EXPERTISE:

- Local procurement reviews and strategies
- Advisory services for economic opportunities
- Identification for local participation

Stakeholder Engagement Services

AREAS OF EXPERTISE:

- Labour relations & wage negotiations services
- Community relations services
- Community Trustees Empowerment services

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HARMONY™ WORKING TOGETHER TO:

- Create value for the benefit of all stakeholders
- Empower people

Our principal focus is on:



The overall aim of our local economic development and corporate social investment projects is:

SOCIO-ECONOMIC UPLIFTMENT BY PROMOTING SELF-SUSTAINING ECONOMIC ACTIVITIES TO CREATE JOBS AND ALLEVIATE POVERTY

For more information on our projects, including housing projects, see our corporate website, www.harmony.co.za



ENTERPRISE DEVELOPMENT

Promoting SMMEs, innovation and entrepreneurship



Developing business management, IT and other skills is vital in operating a sustainable business



Facilitated establishment of a variety of SMMEs – sewing, bee-keeping, arts and crafts, essential oils, catering, cleaning



Successful SMMEs included in our supplier data base



EDUCATION

Promoting skills development and education



Enhancing academic performance by means of bridging programmes



In all, 42 bursaries awarded for the 2017 academic year



Educational projects include bridging programmes and the provision of infrastructure

- **Ensure the socio-economic sustainability of communities**



ENVIRONMENT

Restoring the land for alternative economic uses



Olive trees are cultivated to establish plantations as an alternative land use



Rehabilitated land used for cultivation of crops to generate bio-energy



Water conservation is conducted in tandem with agricultural projects



COMMUNITIES

Planning and developing projects in consultation with communities



Community projects focus on women and young people



Multi-purpose sports facilities provided for use by schools and the community at large



Virginia Jewellery School provides training and employment and generates income through the sale of products



MOST PROJECTS ARE MULTI-FACETED SO AS TO MAXIMISE THE NUMBER OF BENEFICIARIES AND THEIR IMPACT



Minah Moabi, Universal Coal Corporate Affairs Director signed the handover documents, Executive Mayor Eva Makhabane, Nomusa Keninda, College Council Secretary and Mangaliso Sethethi on behalf of Exxaro.

Handover of TVET (FET) COLLEGE IN DELMAS

On the 5th of May 2017, Universal Coal in partnership with Exxaro and Victor Khanye Local municipality (VKLM) handed over the long awaited TVET (FET) College in Delmas to Department of Higher Education and Training. The idea of TVET College in the municipality was conceptualised as part of the Social and Labour Plan (SLP) projects. When construction started in 2013, four local SMMEs were contracted to construct the TVET College and 30 temporary jobs were created during the construction phase. The construction was completed in 2017 due to delayed process with the Department of Higher Education and Training which took longer than expected to approve.

The event was attended by The Mayor, Department of Higher Education and Training Officials, mining companies Executives, VIP's, community members and the media. Minah Moabi, signed the handover documents on behalf of Universal Coal, while Mangaliso Sethethi, Leeuwpan Mine

Minah Moabi, Universal Coal Corporate Affairs Director signed the handover documents on behalf of Universal Coal.

Manager signed the handover documents on behalf of Exxaro.

The college is expected to start enrolling the first learners by 2018. The chief whip of the Municipality, Councillor Vusi Buda said that it has always been the wish of the municipality to have the college, the municipality is very pleased with this milestone for the construction of the college. The chief whip said that Delmas is growing very fast because of the booming mining sector making it necessary to instil skills in the local community to eradicate unemployment in the community.

Executive Mayor, Eva Makhabane said that she is very excited and thankful for the contribution that Universal Coal has made through its partnership with Exxaro and hopes that many companies will follow suit to assist the communities benefit. On the side interview, The Mayor also made it clear that she is aware of the challenges facing communities and mining companies and pledged to support those companies, like Universal Coal which are making efforts to work with these communities and to communicate better their projects. ♦

Representatives from Kangala Colliery, VKLM, Swartklip Combined School and community members during sod turning event to construct Grade R Class sponsored by Universal Coal



Acting School Principal, Ms Mashego, Mr Philani Mahaye and Diphetogo Dikaparo from Universal Coal

UNIVERSAL COAL

Launch Swartklip GRADE R CLASS

Mining CSI was invited to the launch of Grade R Class at Swartklip Combined School in Delmas where Universal Coal in partnership with Victor Khanye Local Municipal (VKLM) were hosted by the school for the Sod Turning event to mark the start of the construction of Grade R Class. The editor took the opportunity to interview the three representatives from Universal Coal, VKLM and the school.

Editor: What is the celebration all about at the school?

Universal Coal Rep (Philani Mahaye): Today we are celebrating the start to construct Grade R classroom here at Swartklip Combined School, hence the Sod Turning event. We are very proud of our company's contribution to the school and our community. The Mine is building a Grade R class with ablution facilities an office and kitchen to cater for the 35 children who will benefit immensely from this infrastructure. The company has also insisted the local company is awarded the job and must hire local labour for the construction of this class.

Editor: How do you feel about what Universal Coal is doing for your school?

Acting School Principal (Ms Mashego): Universal Coal has come to the party not once but on several occasions in the past as well. We are grateful that the company has pledged to build the Grade R class at our school. The partnership between our school, Universal Coal and the VKLM is very important as they are

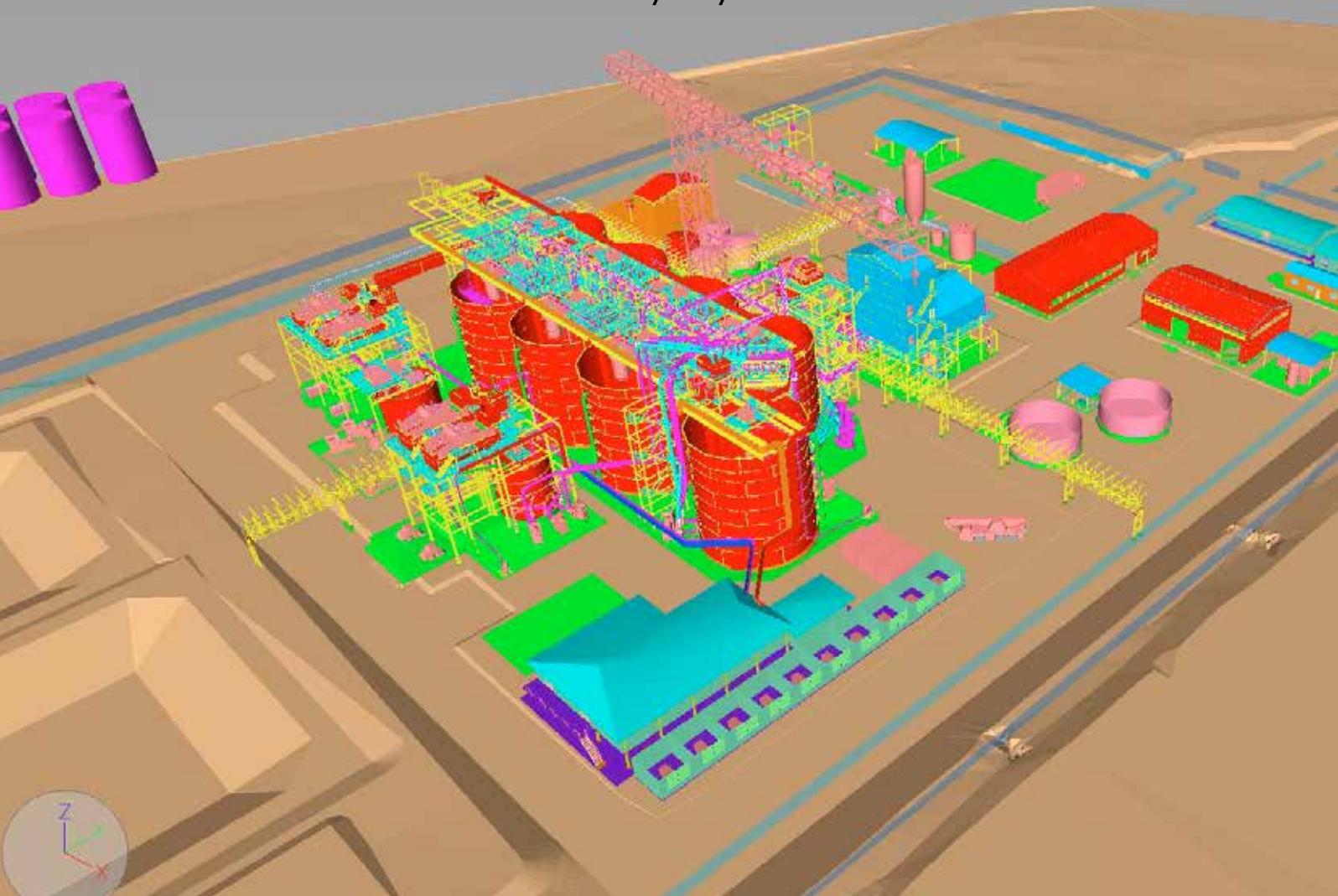
making sure that our learners benefit in a long-term educationally. Other than building the class which will feed into our school, the company also assisted last year when they provided us with study materials for Grade 12 study camps which we hosted at the school. 46 learners took part in the camps during holidays, 30 passed and 3 got bachelor's degree entrance to Universities, and 3 got diploma entries. We thank Universal Coal for their strong support, and none of these would have been possible without this support.

Editor: Do you think mines are doing enough for the communities in Delmas?

VKLM LED Manager (Sabelo Masina): It is important to note that this project Swartklip of Universal Coal is not part of an SLP which is a social licence to mine, this is beyond their obligation which the mine did not have to do, but is doing for the sake of assisting the Swartklip community. As the Municipality we appreciate what Universal Coal is doing. We believe strongly that we all should strengthen the communication between mines and the municipality. Because when we attend community meetings we are told that mines are not doing anything or enough to empower the locals both economically and socially. And this is infact a great example of what Universal Coal is doing for its surrounding communities, and we are grateful to them for bringing in Mining CSI to capture this event so we can be able to distribute the magazines to the communities for them to see what is being done to benefit VKLM communities. ♦

Elikhulu Project

to benefit local economy by Evander Mine



3D Model of the Elikhulu Tailings Re-Treatment Process Plant

The project entails establishing facilities and infrastructure at Evander Gold Mining to retreat gold plant tailings at a rate of one-million tonnes a month. This is in addition to the existing production from the Evander Tailings Retreatment Plant (ETRP), which will continue to operate independently of the project for the next 13 years.

Three existing tailings storage facilities will be reclaimed, in the following order: Kinross, Leslie and Winkelhaak. After processing, these will be consolidated into a single enlarged

Kinross tailings facility, contributing to reducing Evander's environmental footprint and associated environmental impact. The design and construction of the new tailings storage facility will incorporate recent technology developments and therefore further contribute to the conservation of the environment.

Project Duration

Phase 1 of the hydraulic mining at the Kinross tailings storage facility is scheduled to start in the fourth calendar quarter of 2018, with full



Scope and location of the Elikhulu Tailings Re-Treatment Project



commercial production scheduled for December of that year.

Phase 2 at the Leslie tailings storage facility is scheduled for the end of the third quarter of 2021 and Phase 3 at Winkelhaak in the third quarter of 2026.

Socio-economic impact

The consolidation of the three existing TSFs into a single TSF will have a net positive socio-economic impact as rehabilitated land, currently occupied by two

of the three TSFs, will be made available for community development initiatives, including: housing developments; advancement of Small, Medium and Micro-sized Enterprises; and the development of recreational facilities.

Employment opportunities

The Elikhulu Project will generate an estimated 245 permanent employment opportunities during operation and 700 temporary employment opportunities during the construction phase, with suitably qualified persons being sourced from local communities in the vicinity of Evander, of which the majority (approximately 60%) will be sourced through the existing collaboration between Evander Gold Mines, municipalities and department of labour. Former Evander Gold Mines employees who were affected by the recent right sizing exercise will be given priority when employing for the project.

Benefits to surrounding community and local businesses

The Elikhulu Project has a life more than 13 years; directly benefiting the surrounding community and local business through the supply of services such as: rental accommodation; cleaning services; consumables; equipment and material; labour hire; and contracting for particular assignments. This will positively contribute to Mpumalanga and South African GDP in normal company taxation during life of Elikhulu Project, together with other economic benefits to the people of Mpumalanga.

Conclusion

The Elikhulu Project, therefore, complies with South Africa’s economic, social and transformation objectives. Pan African Resources is very excited about the development of the project and will use this project to showcase the benefits of collaborating with local communities. ♦





Roger Baxter,
CEO – Chamber of Mines

'Green shoots' need nurturing

The latest quarterly employment survey data released by Stats SA for the final quarter of 2016 shows that job losses in the mining sector have slowed down substantially compared to two years ago. This is good news in a sector that has been dogged by poor commodity prices, rising costs and declining production, which has inevitably placed jobs at risk. It is especially good news for the industry's 450,000 employees and their estimated 4.5 million dependents.

That said, the industry remains under pressure, and we will be watching key economic indicators that will

signal whether this improvement can be maintained. While the mining industry does not have control over the macro-external factors, that does not mean that we

One of the ways in which the industry is seeking to determine its own destiny is through the process of modernisation.

are 'silent passengers' on a self-steering vehicle. One of the ways in which the industry is seeking to determine its own destiny is through the process of modernisation.



Modernisation in itself is something that is frequently misunderstood. Modernisation does not equal mechanisation. Mechanisation may be a part of it, but it can never define our approach.

The industry's approach to modernisation encompasses an overhaul of the fundamental structures and relationships between industry and its stakeholders. The Chamber has embarked on a couple of exciting projects that will lead and guide us as we build the mining industry of tomorrow. These include the development of a 2030 mining innovation roadmap; what we call the 'rebooting' of the mining innovation ecosystem; and – importantly – a focus on a 'just transition'.

Let me explain:

Mining companies are the end-users of innovations aimed at addressing all the challenges that face them from - technical, safety, health, skills development, environment and societal expectations. The aim of the 2030 Mining Innovation Roadmap is to provide direction to all those involved in mining innovation, including mining companies, suppliers of goods and services, research and development entities, government and funding agencies. Research and stakeholder engagement will be undertaken on trends, scenarios and decision points around technology, society, regulations and innovation. The roadmap should provide a holistic view of the multiple futures of South African mining, together with the decision

points that could enable the country's mining to choose 'better' futures.

On our second initiative, its worth remembering that South Africa used to be considered among the global leaders in mining innovation, but this is no longer the case. The question is whether the mining innovation ecosystem is 'broken' or lacks visibility to mining companies. Assuming it is the latter, the aim of this initiative is to illustrate to mining companies what South African entities can do through innovation to help them deal with the difficulties they encounter.

It is especially good news for the industry's 450,000 employees and their estimated 4.5 million dependents.

Almost daily we come across new companies whose challenges could be solved through mining. By mapping existing ecosystem efforts, designing to enhance what exists and then generating interest through events, the intent is to develop a comprehensive understanding of the mining innovation ecosystem across South Africa, together with a means to activate that ecosystem to be fully effective.

Finally, as part of a people-centric approach to introducing technology and other forms of innovation, the transition to modernised mining needs to be just and socially acceptable. The impacts of innovation need to be communicated by parties that enjoy credibility among all stakeholders and then be addressed in a holistic manner.

So, in conclusion, notwithstanding the general uncertainty about the world economy and the direction and sustainability of commodity prices as well as the domestic cost and policy pressures, it does seem as if 'green shoots' of improvements during 2017 are there to see if one cares to look carefully.

Roger Baxter, CEO - Chamber of Mines ♦

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MINING INDABA GOLF DAY RAISED **R105 000** FOR *Els Autism South Africa*



Nathan Hirsch Director of Mining Indaba Golf Day, Chanel Baumgarten from Els for Autism South African and Tony Carroll, Mining Indaba Ministerial Relations Director



Executive Mayor of Cape Town, Patricia de Lille

The Mining Indaba social initiatives has raised R105 000 for Ernie Els for Autism South Africa with the 2017 Mining Indaba Golf Day. This is more than was raised in 2016 Mining Indaba Golf Day. Since Mining Indaba relationship with Els for Autism South Africa and Els Wines began in mid-2013, the event has raised almost R400 000 beginning with the 2014 Mining Indaba Golf Day.

Caddies were used for the first time at the 2017 Mining Indaba Golf Day. There were 14 local caddies at the Rondebosch Golf Club in 2017 which translate into helping the local community.

The event was attended by the Executive Mayor of the Western Cape, Patricia de Lille who also play at this annual event to support the initiative. ♦



INTERVIEW WITH

Patricia de Lille

From left: Brian, Patricia de Lille, Bukelwa and Unathi

Mining CSI team had an opportunity to interview City of Cape Town Executive Mayor, Patricia de Lille on the benefits of hosting Mining Indaba in Cape Town annually

Editor: What is the relationship between Mining Indaba and the City of Cape Town, and what economic and social benefits does the WC get out of this annual event?

Mayor de Lille: We have been hosting the Mining Indaba for about 23 years now. We see the hosting of this event in Cape Town as an endorsement of our vision to become the events capital of Africa. When these massive events take place there are far reaching benefits. It brings global media exposure for our City. The hospitality industry thrives. The retail and tourist hotspots also see an increase in their business.

Events have become a massive catalyst for job creation and that's why we are so eager to host major events. A total of 4 500 direct and indirect jobs have been created over the last eight years.

We have also been working hard to change the image of Cape Town only seen as a holiday location.

When people think 'Cape Town', they can now think of us not only as a tourist destination, but also as a unique investment destination with many competitive advantages in our region.

The Mining Indaba helps bring investors here so that they can also see how the face of Cape Town is changing.

Editor: How much on monetary value does Cape Town generate during the week of Mining Indaba annually?

Mayor de Lille: The local economy has experienced an injection of R552 million in revenue over the last eight years of hosting the Mining Indaba.

Editor: And any message the mayor would like to send out to Capetonians and all South Africans in this 22 years of Democracy in our country.

Mayor de Lille: I would like everyone to stay hopeful and positive about the future of our country. We must not give up. Instead, we all have to realize the valuable role that everyone can play in order to ensure that South Africa is a success story. ♦

*Eddie Mohlabi, General Manager
of Bakubung Platinum Mine
addressing community members*



Bakubung Platinum Mine

Commits to Delivering on SLP's

Today companies are dealing with complex social, environmental, market and technological aspects, which require sophisticated and resilient management strategies. At Bakubung Platinum Mine (BPM), we employ an integrated sustainability approach to ensure positive business performance.

One of the key sustainability objectives is to deliver on 2016 SLP commitments. This KPI supports compliance and retention of the mining license.

The company is currently in the third year of its 2nd generation SLP. In 2016 key SLP projects being implemented were:

Infrastructure

Under this portfolio, two projects were identified which were in response to the direct needs of the community. These projects were done in consultation with the IDP Forum of the Moses Kotane Local Municipality as defined in line with the overall community assessment by the municipality.

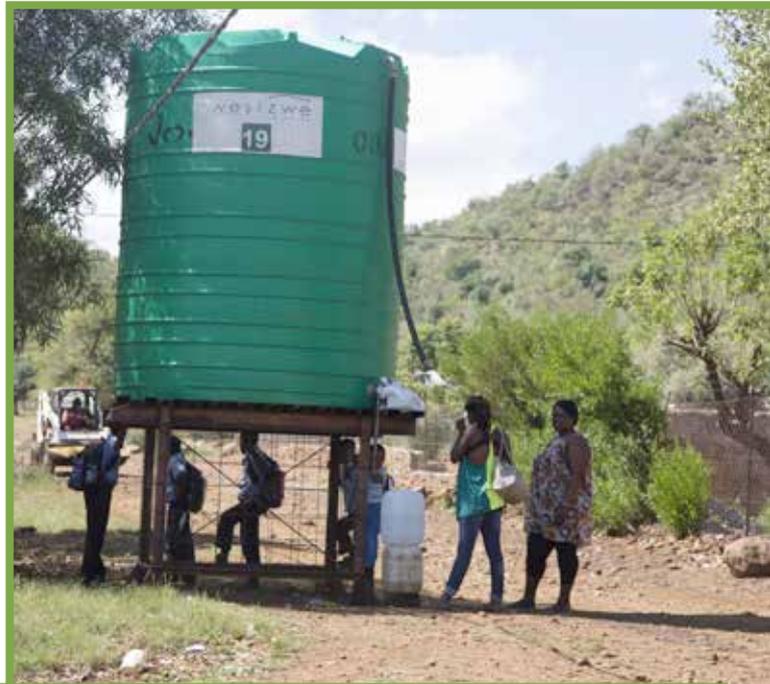
Ledig Bulk Water Project.

The Ledig Bulk Water Project is a tripartite partnership project with Maseve – an adjacent platinum mine and Moses Kotane Municipality. The parties have entered into an MOU that governs the relationship, with Bakubung Platinum Mine (BPM) being the implementing party. The community is an area where there is poor infrastructure and water scarcity. For the past eight years, BPM has been providing daily delivery of water to communities of Ledig, Matooster and Mahobieskraal through the procurement of services by a local service provider. The project entails a 3.5km construction of a pipeline and pump-station (Phase 1), and construction of a 10ML reservoir to be undertaken in Phase 2.

The total estimate cost of the project is R31 million. All the SLP projects align with the mining charter deliverables and in this case, the procurement targets are part of the company scorecard. To this end there is concerted effort to include participation of local SMMEs in the projects by way of a tender requirement for the main contractors to sub-contract with local small businesses where possible during project construction. This will ensure that local labour is maximized. Project partners continue to participate in the project through the monthly meetings of the Project Steering Committee

Enterprise Development

This strategy aims to develop and capacitate SMMEs, providing a platform for them to access business opportunities. Bakubung Platinum Mine has defined strategy that aligns to the expectations of the mining charter in support of localization. This initiative has a positive impact on the company scorecard and improves its BBBEE in the long term. The company approach hinges on ring fencing opportunities for



Moses Kotane municipality and Ledig communities. Provision of opportunities and three-year contracts for selected SMMEs, and on an annual basis new suppliers will be added on a three-year cycle. A strong focus is **At Bakubung Platinum Mine (BPM), we employ an integrated sustainability approach to ensure positive business performance.**

on EMES and QSEs with preference to women-owned businesses. A commodity list has been defined and is being executed. ♦



De Beers Executives, Limpopo Provincial and Municipal Officials, Local Chiefs and VIPs

De Beers Finds Innovative Ways To Engage COMMUNITIES



Phillip Barton, De Beers (DBCM CEO) dressing a learner

During February Venetia Mine's Community Fairs drew hundreds of community members, youth, entrepreneurs, learners and business owners.

The De Beers Community Fair is an initiative to improve engagement with communities at grassroots level by promoting access to information. The model allows for rural communities which might miss information shared in social media, radio or print to learn more about Venetia Mine and how they can participate in the development opportunities on offer.

The Fair, supported by key De Beers contracting partners, was held in Musina on 14 February 2017, in Eldorado on 15 February and in Alldays on 16 February. The event featured exhibitions, a model of the Venetia Underground Project, children's corner, entertainment and onsite broadcasts from Capricorn FM and Energy FM.

The company's aim was to inform communities on such areas as local procurement, employment and skills development – and the prospects for working at De Beers or its contractors. Also on the agenda

was engaging communities around how to access learnerships, bursaries, financial study assistance and the Youth Development Programme in 2017.

Major contractors including Murray and Roberts Cementation, Basil Read and Barloworld, who hosted the fairs jointly with De Beers, had exhibition stalls alongside De Beers' stands featuring supplier and enterprise development, skills training and the company's social investment activities.

De Beers also hosted a gala dinner at its guest house which was attended by Philip Barton, De Beers CEO of Consolidated Mines, local community chiefs, VIP's and Seaparo Sekoati, MEC for Limpopo Economic Development, Environment & Tourism (LEDET), who also addressed the delegates. The MEC, on behalf of the Limpopo Premier, thanked De Beers for their support to local communities in Musina.

De Beers Consolidated Mines CEO, Phillip Barton, also handed over donations in the form of school shoes and sanitary pads to school learns in the local communities. ♦

One of the major challenges of LED and CSI is coordination between mines, local governments and the communities.

Com Consulting can assist

Com Consulting

Com Consulting can assist with the development of Mega LED projects in the local municipal areas, funded by mining companies. The projects are in most instances incorporated in the existing project plans in the Integrated Development Plans for the various municipalities, as well as plans from the DMR. These areas are based on mining company Social & Labour Plans.

OUR AREAS OF EXPERTISE:

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- Social and Labour Plan Consultants
- Conflict Resolution between mines and communities
- Fuel Wholesale
- Water Use License Consultants

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