

NEF urges co-funding to support black entrepreneurs across mining value chain

Cape Town: Speaking at the Mining Indaba 2020 in Cape Town, leading development financier the National Empowerment Fund (NEF) said mining was critical for economic transformation and growth and urged the sector to “open up opportunities for black entrepreneurs across the industry’s value chains”.



This was in line with the call by the Hon. Minister of Mineral Resources and Energy, Mr Gwede Mantashe, when opening the Mining Indaba on Monday, 3 February 2020: “South African mining has great benefits for investors and South Africans across the value chain. In 2019, in response to the President’s R1 trillion Investment Drive, the Department granted 28 new mining rights in coal; iron ore; manganese. Estimates are that; a potential of 4 800 jobs will be created from these and there will be a billion Rands capital expenditure. We must work together to convert these rights into active projects that can deliver the much-needed revenue and jobs”.

Commenting on the eve of the conference, the CEO of the NEF, Ms Philisiwe Mthethwa, said “at 7% the contribution of the mining industry to South Africa’s GDP remains critical in the country’s resolve to bring about employment-creating inclusive growth.

It is for this reason that the NEF, the agency of Government mandated to grow black economic participation in South Africa, has identified the value chains of the mining sector as critical for economic transformation and growth,”

Among its many milestones since operational inception in 2005 the NEF has approved over R10 billion for the benefit of well over 1000 black entrepreneurs countrywide, across all sectors of the economy. Together, these investments have supported in excess of 100 000 jobs since operational inception in 2005. In partnership with local and international co-investors, the NEF has developed 25 strategic and industrial projects worth R13.2 billion, with the potential to support a further 22 000 jobs. These are in sectors as diverse as mineral beneficiation, renewable energy, agro-processing, information & communications technology, infrastructure and tourism.

Speaking at the *Matchmaking and Technical Networking Session* of the Mining Indaba, the NEF’s Senior Investment Associate, Ms Palesa Mzolo, said “with close to R200 million invested to date to support black entrepreneurs in mining, the NEF believes more enterprise and supplier development partnerships with medium-sized and established players in the sector, can do more to benefit black women entrepreneurs, township and rural communities as well as black SMEs and potential industrialists”.



NEF Senior Investment Associate, Ms Palesa Mzolo, holding the microphone

NEF urges co-funding to support black entrepreneurs across mining value chain ...continued.

She said having established smart partnerships with many measured entities across the economic spectrum, the NEF had gained distinction as a partner trusted by many in delivering unique enterprise and supplier development alliances to build value for SMEs, communities and corporates.

“Over time the NEF has unlocked 3rd-party funding in excess of R8.8 billion. This track record can support corporates committed to providing enterprise and supplier development solutions for transformation, jobs and growth. It is through such partnerships that financial and non-financial support can be provided for start-ups, expansion and equity transformation,” added Ms Mzolo.

A sample of NEF funding in the mining sector

Among the black-owned businesses funded by the NEF in the sector to date are:

- **Mohlalefi Engineering** - black-youth-owned and managed, the company manufactures and supplies mines with Anchorflex and shotcrete products used in the mining industry. Also known as roof support products, these are bolts that clamp together different layers of rock in underground mines to provide tensile support and prevent failure within the stratigraphy. The products are a safety critical component of underground mining operations and help to protect miners' lives.




Mohlalefi
Passion. Growth. Excellence

Contact Details: No 5 Union Street, Alberton, 1401
Email: info@mohlalefi.com | Tel: +27 (83) 405 9166

- **Sehwal Exploration Drilling** - Owns 14 drill rigs through which it services its growing clientele in the mining

exploration industry. Services include standard diamond drilling/coring, wire-line drilling/coring, directional drilling/coring; non-directional drilling/coring, angle drilling/coring and percussion drilling.



SEHWAI
EXPLORATION DRILLING

Contact Details: 31 Blombos Crescent, Noordwyk, Midrand, Johannesburg, South Africa | Tel: + 27 11 318 5196 | Website: www.sehwal.co.za

- **Pamodzi Unique Engineering** - suppliers the mining, rail, chemical, agriculture and construction sectors with locally designed, engineered and manufactured products. The brands include Eco and Wilflo Pumps, Unique Blast Barricades and BES Pantographs, which are distributed through an extensive network of local and international distributors.



PAMODZI UNIQUE
ENGINEERING

Contact Details: Field Rd &, Bird Rd, Lillianton, Boksburg, 1459
Tel: +27 11 826 6111 | Website: www.uniqueeng.co.za

- **Colliery Dust Control** - the black-woman-owned company manufactures dust control systems such as wet fan scrubber units, air movers and spray fan systems, which are used to improve working conditions and safety in underground collieries. CDC provides clients with around-the-clock, on-site technical support.



CDC
COLLIERY DUST CONTROL

Contact Details: 39 Lear Rd, Nuffield, Springs, 1559
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- **Stenda Trading** - a 100% black-woman-owned and managed company with expertise in building underground ventilation structures, conveyor belt installation, project engineering, coal and

MINING Bulletin

February 2020

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Growing Black Economic Participation

A sample of NEF funding in the mining sector *...continued.*

mineral processing, underground and surface scrap reclamation, building refuge bays, under-ground civils, conveyor belt services, and erecting scaffolds.



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Tel: +27 (13) 110 0765 | Website: www.Stendatrading.com

- **LA Crushers** - provides products and services, such as mining load and haul, land rehabilitation, civil and earthworks, crushing, screening, ready-mix and material handling.



Contact Details: 3 Leyd Street, Phalaborwa, 1390
Tel: +27 15 781 6000 / 0879 / 6530 | E-mail: info@lacrushers.co.za
www.lacrushers.co.za

- **Global Wheel** - South Africa's leading designer and manufacturer of steel wheels/rims for trucks and trailers working in mining, construction, commercial, agricultural and military sectors. All product quality and performance criteria comply with both local and international rim and tyre standards.



Contact Details: 03 Bessemer St, Heidelberg, Johannesburg, 1441
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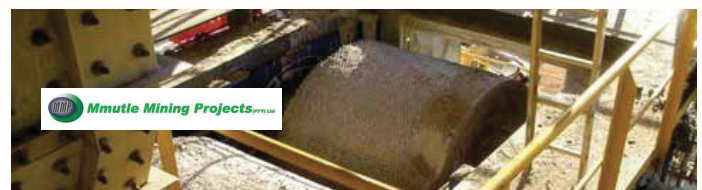
- **Liciatron** - involved in quarrying and beneficiation of dimension stone and black granite, used for building monuments, bridges, as building stone (granite can be used as substitute for cement), paving, street curbing,

as crushed stone used in the construction of roads and highways.



Contact Details: Castelton Farm, Komga, East London
Tel: +27 (11) 036 6150 | Email: king@liciatrongranite.co.za
Website: www.liciatrongranite.co.za

- **Mmutle Mining** - specializes in bulk material handling, crushing and screening, mining rehabilitation, drill and blast plant hire.



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Highlights from the world's largest mining investment event

The **Mining Indaba** is recognised as the world's biggest mining investment event, attracting Presidents, Ministers, high-profile c-suite executives and decision makers from across the industry, global businesses of all sizes and expertise across the sector, financiers, thought leaders as well as local and international media.



Highlights from the world's largest mining investment event ...continued.

Below are some of the highlights of this year's Indaba:

- President of **Sierra Leone**, Mr Julius Maada Bio, outlined fiscal and legislative changes in a bid to attract more investment to the country located on the southwest coast of West Africa. He said Sierra Leone is pulling out all the stops to attract investment, having improved its macroeconomic management, diversified the economy, changed and simplified mining laws. The country has also improved power supply and telecommunications infrastructure and wants a fair and appropriate return on its natural resources.
- The Prime Minister of the **Democratic Republic of the Congo**, Mr Sylvestre Ilunga, called on all stakeholders to respect the central African country's mining code, which calls among others for exploitation licences to be reduced from 30 to 25 years and to be renewable once only. The code also requires 10% share capital stake to be held by Congolese private citizens, social responsibility undertakings to be given to local communities, royalties increased from 2% to 3.5%, special 10% royalty on minerals deemed by the State to be "strategic substances", a special 50% tax on excess profits, and 40% of the funds required to develop the project to be contributed by way of capital injection, rather than to be financed through debt.
- **South Africa's** Minister of Mineral Resources and Energy, Mr Gwede Mantashe, said as a result of South Africa's energy challenges Government would allow mining companies to generate power for self-use without a license. He said Government was concerned about plans by the sector to retrench thousands of workers and called on measures to minimise this, stating: "retrenchments in the mining sector (are) the second largest contributor of job losses after the construction sector. Stakeholders and social partners and the Department must dialogue to find ways against job losses". Minister Mantashe urged mining companies to take seriously the communities on whose land they mine, adding that this is what mining right-holders "should do as part of their license conditions and as part of their social license to operate".

- 38 Ministers attended including **Tanzania** after a three-year break and Canada for the first time ever
- 36 junior mining companies called the Junior Mining Showcase 'base camp' held hundreds of meetings with investors.

Turning South Africa into an exploration site

"We want to see more exploration taking place. The intention is to grow the national target from below 5% to respectable levels within the next few years. Government has, therefore, invested in the integrated and multi-disciplinary geoscience mapping programme. Early results are uncovering previously undefined geological features that may host significant mineral wealth. For example, recently defined extensions of greenstone belts that may host hydrothermal mineral deposits and alkaline complexes. These may yet prove to host rare earth elements and other critical mineral resources".

*Hon. Minister of Mineral Resources and Energy,
Mr Gwede Mantashe, Mining Indaba 2020*

Industrial development and beneficiation

"We can create significant value, grow the economy and create employment opportunities through local processing and beneficiation. As part of our efforts in this regard, we are in the process of developing a mining and beneficiation masterplan for the sector, as part of implementation of the Mining Leadership Compact, and to grow the contribution of the mineral-energy complex to the economy. Furthermore, Government, through its mining research entity Mintek, is involved in programmes aimed at identifying and supporting local beneficiation; such as:

- Developing a global hydrogen and platinum-based fuel-cell economy.
- Establishing a local Rare Earth Element mining and manufacturing industry
- Manufacturing of high value products
- Reviving the declining South African ferroalloys industry".

*Hon. Minister of Mineral Resources and Energy,
Mr Gwede Mantashe, Mining Indaba 2020*