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2021

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**RAIN
MAKERS
& POT
STIRRERS**

14th edition

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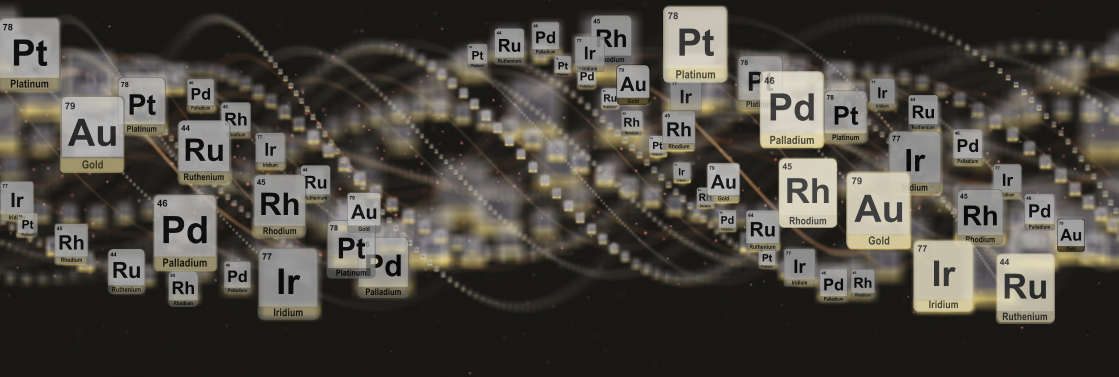
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FOREWORD BY VUSLAT BAYOGLU

MD MENAR

Vuslat Bayoglu is the Co-Founder and Managing Director of mining investment company Menar, which has controlling stakes in Canyon Coal, Zululand Anthracite Colliery, Kangra Coal and East Manganese.

AT the start of 2021, devastation and optimism were both at play. Even as deaths spiked, the Covid-19 scenario was moving from hopelessness to hope due to massive vaccination programmes that commenced worldwide.

The likely effect is the stabilisation of the most affected economies, which is expected to be followed by an upswing in economic recovery in the latter part of 2021. This explains why stock markets greeted 2021 with more green arrows than red.

For resource-based economies like South Africa, a global recovery will mean heightened demand for our products. This, coupled with government backed stimulus-packages in many economies, is likely to sustain high prices. The evidence of an upswing, albeit fragile, began to take root in the early stages of the vaccination programmes in the last quarter of 2020.

Since then, even the most depressed of commodity prices like those of coal, which was at its worst at the end of the first quarter of 2020, has received some respite. It can be argued that this was a consequence of slow aggregate production more than it was about higher demand.

Nevertheless, going forward, demand will set the pace as recovering economies will require

reliable and cheap energy supplies and demand for irreplaceable coal-based chemical products will also increase. We have factored this in our plans for 2021, although we believe keeping costs for operations, development of new projects and acquisition of new mining operations as low as possible is best for any eventuality.

The expected increase in demand for coal will happen alongside the push for an increase in the share of renewable energy supplies. The result will be that the demand for minerals required to manufacture batteries, solar panels and wind turbines will also remain high. South Africa is endowed with Platinum Group Metals which are required inputs in the manufacture of some of these products. Prices for these minerals are likely to remain favourable for new investment and expansion of existing capacity.

The focus on infrastructure-led economic recovery strategies in a number of economies means demand for minerals such as Iron Ore, Manganese and Chrome is likely to keep many mines profitable. It is with this background in mind that our internal forecast points to the need to explore carefully chosen targets for asset acquisitions in a range of minerals, where we can add value using our disciplined approach to the development of operations.

Mining reimagined



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ANIL AGARWAL

EXECUTIVE CHAIRMAN

Vedanta Resources

www.vedantaresources.com



HOT SEAT



Bottom singeing pressure

'KCM has been a problem for Vedanta since 2019 when the Zambian government attempted to force its liquidation citing Vedanta's renegeing of dividend and investment promises.'

RAIN-laden cumuli have gathered around Anil Agarwal since Rainmakers & Potstirrers last plotted the fate of the former scrap dealer-turned-mining billionaire. Back in 2019, Agarwal was a 19% shareholder in Anglo American - since 'sold' - and was talking volubly about cooperation with Anglo in southern Africa. Since then, Agarwal barely has time for lofty strategies because things have gone into reverse at head office. Agarwal's abiding problem has been debt. Failure of a \$2bn delisting of Vedanta Limited in 2020 sent parent company, Vedanta Resources, to restructure dollar bonds of which \$1.17bn is due in 2021. Had the delisting taken place, Vedanta Resources would have had access to Vedanta Limited cash. An offer to buy 10% of Vedanta Limited has since been launched. Prior to this, in March 2020, Vedanta Resources CEO, Srinivasan Venkatakrishnan, surprisingly quit the company, followed two months later by Deshnee Naidoo, CEO of Vedanta Zinc International (VZI) who also had oversight of the firm's Zambian operations, its 80% Konkola Copper Mines (KCM). KCM has been a problem for Vedanta since 2019 when the Zambian government attempted to force its liquidation citing Vedanta's renegeing of dividend and investment promises. In November, Zambia's Court of Appeal forced the sides into arbitration - a positive development for Agarwal, yet the provisional liquidator, who has not been removed from proceedings, says he will sell the assets anyway. At least VZI's Gamsberg was reopened in January following a geotechnical event that saw the mine shut for over a month. Agarwal installed himself on the board of Black Mountain Mining, the VZI subsidiary that looks after Gamsberg, possibly sensing its proposed expansion to 600,000 tons a year of zinc needs his political clout, especially if certain infrastructural developments are to take place.

LIFE OF ANIL

Born in 1956, Agarwal left school at 15 to work in the scrap metal trade until founding Vedanta forerunner, Sterlite in 1976. It diversified into cable manufacturing ten years later until listing it on the London Stock Exchange in 2003 where it resided until delisting in October. Agarwal once told the Guardian: "I have to project myself. I have to have a Bentley, the best of chauffeurs, and butlers."

DAVID ARCHER

CEO

Savannah Resources

www.savannahresources.com



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‘The prize of eventual mineral sands production certainly remains worth chasing.’

SAVANNAH Resources sits on one of the world’s largest undeveloped mineral sands prospects in Mozambique’s 4.4 billion ton Mutamba resource. But the firm’s attention, and cash, has largely been focused on its Mino do Barroso project in Portugal which contains lithium, one of the star metals in the constellation of the ‘electric mobility’ market. This raises the quo vadis poser about Mutamba, especially as the firm in November sold its copper projects in Oman. According to Archer, there’s still a future for its Mozambique mineral sands project. After “a discussion” with Rio Tinto, its joint venture partner in Mutamba, hot shot sector consultant Fairview Solutions was hired to work on a technical and economic development plan which may result in corporate action. The strategic details are hazy for now, but they could involve a ‘carve out’ of the asset. This hasn’t actually been stated by Savannah, but the firm’s chairman, Matthew King, said in October the aim was to “... create a commercial and corporate structure around the project which allows its market value to be properly recognised”. In the meantime, progress on Mutamba has been slow. After the last of three mining licences were formally awarded by the Mozambique government, the company set about “re-activating” its prefeasibility study including hiring specialists in permitting studies such as the environmental impact assessment. Then came Covid-19. That process of permitting has re-commenced but until a strategy is formulated which must ultimately find a way to finance Mutamba (especially as the shortest route to cash is through lithium), the project will probably remain in limbo. It’s a pity: pricing for mineral sands, such as ilmenite, is buoyant presently.

LIFE OF DAVID

Archer not only has wide experience of the mining industry, but he has an interesting diversity of qualifications, especially for a mining executive. He is a non-practising Barrister of the Supreme Court of New South Wales - he holds a BEc degree - and is a fellow of the Australasian Institute of Mining and Metallurgy. He has been involved in mining for the past 30 years with particular expertise in the development and operation of copper/gold projects holding executive and non-executive positions in a number of listed companies. Currently, he is the senior independent director of Anglo Pacific Group. He is the former MD and deputy chairman of Savage Resources.

PAUL ATHERLEY

CHAIRMAN

Pensana Rare Earths

www.pensana.com.uk



FLAG



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‘China has invested \$20bn in Angola since 2008 and now it is saying it needs something back for its investment. It hasn’t seen a kwanza in return.’

NEW to Rainmakers & Potstirrers, Paul Atherley’s Pensana Rare Earths represents a different take on the battery metals discussion as well as the potential role an outward-looking and growing Angolan economy can play in the market. According to Adamas Intelligence, a research advisory, the rare earths industry is set to be worth \$15.65bn by 2030, a five-fold increase. Pensana’s plan is to produce neodymium and praeosodymium, collectively known as NdPr, from the Longonjo deposit situated 300km from Lobito. Atherley reckons that apart from trade demand - Volkswagen’s new range of electric vehicles will consume the equivalent of Pensana’s entire 4,600 tons a year of NdPr production for the next decade - there are compelling political reasons for wanting Longonjo to happen. That’s because the Chinese have invested billions in Angola and are anxious to have some return for their trouble. Consequently, Pensana has signed a memorandum in which China’s CGWIC will invest in up to 84% of the \$140m or so required to build Longonjo in return for the EPC contract and, most probably, the mine’s offtake. After all, China accounts for more than three-quarters of rare earths consumption. Construction of Longonjo mine and a concentrator will take 12 to 18 months post the investment decision, expected in the first quarter. Downstream processing of the rare earths is set to take place in the United Kingdom. Pensana was the first resources company to list in London in the pandemic-era, a minor moment in corporate history perhaps. But there’s no denying the enormous role resources such as Longonjo can play in the electrification of energy and the drive-train.

LIFE OF PAUL

A mining engineer with a degree from Imperial College, London, Atherley was an executive director at HSBC before establishing grassroots knowledge of Chinese business as chairman of the British Chamber of Commerce in Beijing, a role he held for a year between 2014 and 2015. He thereafter worked at Berkerley Energie, an Australian-listed firm working on clean energy resources at a prospect in Spain. He joined Pensana as chairman in May, 2018. Tim George, a former Anglo American executive and former CEO of Xceldiam, was appointed Pensana CEO in 2019.

ROGER BAXTER

CEO

Minerals Council South Africa
www.mineralscouncil.org.za



POTSTIRRER



Maverick, opinion-forming thinker

'Incidents of unethical behaviour have damaged the ability of our economy to generate the investment, inclusive growth and jobs that are required for many more of our citizens to live decent lives.'

ROGER Baxter's go-to quip that 'frank' and 'earnest' discussions with Government make him 'Frank Baxter' to mines minister Gwede Mantashe's 'Ernest' is perhaps a tad tiresome on its seventh re-telling, but it marks the vast improvement in private-public relationship that has taken place in the last two years between Government and its critical mining sector. Remember the days of former mines minister Mosebenzi Zwane? Discussion between the Minerals Council and Government had been all but abandoned. So there's been major, potentially transformative, progress in the council's relationship with Government that has coalesced lately around Covid-19 exigencies. The council's coordination of mining industry response should remind Government it is a force for good. Let's see: vaccine distribution will be an interesting test case in this regard. Elsewhere, the picture is mixed. Baxter has played a prominent role in the mining sector's contribution to B4SA, Business Unity SA's initiative aimed at turning the economic crisis posed by Covid-19 lockdowns into new policy commitments that favour market liberalisation. The council has also made a strong fist of reinforcing its relevance: its Khumbul'ekhaya safety initiative is reflected in improved numbers on fatalities for 2020 whilst its Women in Mining commitment for 50% representation by 2035 seems appropriately ambitious. It's all front-foot, thought-leading work from the council that Baxter delivers well. Baxter has signed an agreement with the council to extend his stay another four years. That's a critical step to ensuring continuity in the council's strategy and positions on a wide range of issues. He's a data-nerd (he's an economist), but Baxter is consistent, fact-based and thoroughly decent. In a world of sharkery, that's rare, and needed.

LIFE OF ROGER

Born in 1966, Roger Baxter has an honours degree in commerce from the University of Natal. He joined the then-Chamber of Mines in 1992, rising to chief economist in 2000. He's been CEO of the rebranded council since 2015. He's been, and still is, very active in organisations driving policy and regulatory formation. For example, he chairs Busa's economic policy committee.



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VUSLAT BAYOĞLU

MD

Menar

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RAINMAKER



Making, not stirring pots

'The derided mining sector contributes handsomely to the economy.'

MENAR'S enterprising MD, Vuslat Bayoğlu, ploughed ahead with expansive plans for South Africa's mining sector last year. For instance, the company secured the water use licence in September for the East Manganese Mine in the Northern Cape, and has now started mining operations. All in all, Bayoğlu says Menar has committed R7bn in capital spend in various ventures over the next couple of years. Two of those are housed in Canyon Coal, the subsidiary in which Menar has Swiss trader, Mercuria, as a joint venture partner. The projects are the R1.6bn opencast De Wittekrans coal mine, which is permitted and is due to start production in 2021, and the R1.5bn Palmietkuilen mine. On top of that, Bayoğlu says, he constantly looks at thermal coal assets that other companies might be thinking of putting on the market. Menar put underground coal mines, ZAC and Kangra Coal, on care and maintenance in March when the South African government announced the state of emergency, but the reopening of ZAC was announced in late January amid signs of reviving demand. Canyon Coal has continued to operate throughout. ZAC was facing other issues, even before Covid-19 hit: lower demand from domestic customers and export markets, and continuing hostility from local NGOs. Naturally, Bayoğlu waxes eloquent in public forums on the inability of NGOs and communities to appreciate the benefits of mining.

LIFE OF VUSLAT

The founder of Canyon Coal is a 46-year-old father of two who was born in Erzurum, Turkey. He holds a B.Sc. (Honours) in mechanical engineering from the Middle East Technical University. Soon after moving to South Africa in 2002 he became involved in the local coal industry. Unlike the CEOs of many unlisted junior coal miners, Bayoğlu understands the value of communication and, apart from ensuring employees get regular newsletters, he also funds training courses for mining journalists. His hobbies are collecting model cars and aeroplanes.

GEORGE BENNETT

CEO

Rainbow Rare Earths

www.rainbowrareearths.com



POTSTIRRER



Maverick, opinion-forming thinker

'I have always been an entrepreneur since dropping out of university.'

GEORGE Bennett is one of two well-known South African mining personalities who have re-invented themselves. The other is Adonis Pouroulis - son of mining dynasty patriarch Loucas - who stepped down in March last year as chairman of Petra Diamonds which he founded and led for 23 years. So now he has re-appeared as the founder and chairman of Rainbow Rare Earths and has pulled in Bennett to run the company which is listed in London. It has two projects - Gakari in Burundi and Phalaborwa Rare Earths in South Africa. Both executives have skin in the game with Pouroulis holding 16.5% of the company and Bennett 7.5%. Rare earths are critical to many emerging technologies including electric vehicles, renewable energy - in particular wind turbines - and high-tech military applications. Global rare earth production is heavily dominated by China which has triggered worries in the West over reliance on Chinese supply. Consequently, there has been a rush to find new sources of supply. Gakara is the only African rare earths mine in production and its output in concentrate form is currently sold to China for further processing. Plans are to invest around \$20m to build a plant to upgrade and beneficiate the concentrates at the mine so that they can be sold directly to customers - in particular magnet manufacturers - at higher prices than currently being achieved. At Phalaborwa, the proposal is to treat 35 million tons of gypsum stacks which have been built up over 50 years of processing phosphate ore there. Rainbow Rare Earths has signed an earn-in agreement on the project in terms of which it will earn an initial 70% in the joint venture through funding a prefeasibility study.

LIFE OF GEORGE

He's from Durban and has had a phenomenally diverse career since he dropped out of Natal University in the second year of a B.Com. degree choosing a not-so-obvious move to the rag trade. From there he shifted to the Johannesburg Stock Exchange in the mid-Eighties becoming a partner in Simpson Mckie which was taken over by HSBC in 1998. Bennett stayed with HSBC until 2003 when he quit and went into the mining field, listing junior Shanta Gold in London in 2005. He then founded the hugely successful MDM Engineering which was listed in London in 2008. Bennett sold MDM to global engineering company Amec Foster Wheeler in 2017 for \$120m.

DANIEL BETTS

CEO

Hummingbird Resources

www.hummingbirdresources.co.uk



FLAG



News is about to happen here

‘Over the last few years we have looked at a vast number of projects and Kouroussa ticks every box.’

THE pitfalls of running a single asset gold company were not exactly unknown to Dan Betts before the third quarter of 2020, but they were certainly reinforced at that point. An “extreme rain” event, as it was described, tipped down on the firm’s Mali mine Yanfolila in the three months ended September, delaying production and threatening to send its cost target into the hazard. That’s why Betts has been trying to diversify the company, a plan under consideration for the best part of two years. So it was good news that the company announced two, quick-fire transactions that achieve some diversification. The first was to farm out a 49% stake in its Liberia project, Dugbe, to ARX Resources, subsequently taken over by Pasofino Gold, a company listed on the Toronto Stock Exchange’s venture capital market. The second was the acquisition of Kouroussa, a gold deposit in Guinea which it swapped with Cassidy Gold for shares - issuing about 9.1% of the firm’s enlarged share capital. Kouroussa will cost \$90m to \$100m to develop, a goodly portion of Hummingbird’s current market capitalisation. But if the first gold pour, expected to be in about two years, comes to pass it will double annual production to about 220,000 ounces a year and take the firm some way towards its 2025 goal of 350,000 to 500,000 oz/year gold production under \$1,000/oz in all-in sustaining costs. In the meantime, Hummingbird needs to extract more consistent performance from Yanfolila and make further in-roads on its balance sheet which is on the cusp of moving into net cash, thanks to the gold price.

LIFE OF DANIEL

Betts is from a family that has been trading gold for more than 250 years. After graduating from Nottingham University, he worked for Accenture Management Consultants until he joined the family business. As the oldest privately-owned gold bullion smelters and refiners in the UK, the family was able to finance him for three years whilst he established Hummingbird Resources which listed in London in 2010. Betts is a member of the Pygmy Hippo Foundation which acts as a bridge between private sector investment and conservation in Africa.

MARK BRISTOW

CEO

Barrick Gold Corporation
www.barrick.com



RAINMAKER



Making, not stirring pots

'Being Africa, sometimes paperwork takes a little longer than normal.'

IT'S been another interesting year for Mark Bristow, although the fireworks that marked his first year at the helm of Barrick were largely absent as he continued to impose his vision and standards on the group, and deal with the legacies of the past. Barrick increased its quarterly dividend three times in a row during 2020 (with more improvements to come). Bristow declared the group had "the strongest balance sheet in the industry". That solid performance resulted in the unexpected development of Warren Buffet's Berkshire Hathaway group investing \$630m to buy 1.2% of Barrick's stock in August, although the group subsequently cut its stake by half in November. The two key "legacy" issues which stand out are the situation in Tanzania - which Bristow inherited from Barrick - and the question of the \$250m held up in the Democratic Republic of Congo (DRC). So far, Bristow has had more success in Tanzania than the DRC where Barrick has resumed normal operations after establishing the Twiga Minerals Corporation (Twiga) as a 50/50 with Tanzanian government which shares the proceeds from Barrick's mines in the country. The \$250m is Barrick's share of \$500m in profits from the Kibali mine which is still being retained inside the DRC. Bristow said in August payment of the money had been approved and all that was left was "just the paperwork", but by year-end the funds had still not been repatriated. Investors will be watching keenly what Bristow gets up to in 2021 given his strongly-held views on the need for further consolidation in the gold mining industry along with his publicly-stated interest in Freeport McMoran, and the feeling in the market that he has unfinished business with Newmont.

LIFE OF MARK

He's been an action man in both his personal and business lives where he has not hesitated to put his head on the block and is notoriously outspoken. Time and again he "put the boot" into Barrick and the other senior gold miners over their shortcomings while running "upstart" Randgold Resources. That attitude can be traced right back to the mid-Nineties when he publicly criticised Peter Flack - the hatchet man brought in to take over the then Randgold & Exploration - for which Bristow worked as an exploration geologist. Flack, by his own admission, was looking forward to firing Bristow who instead persuaded him to back his gold exploration plan in West Africa. The rest is history. Bristow loves big-game hunting and off-road scrambling and he broke his back on a motorcycle trip in West Africa. In 2017, he underwent major open heart surgery. Neither development seems to have slowed him down.



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DAVID BROWN

CHAIRMAN

Great Dyke Investments

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'There remains a lot of hard work to be done before we can commence development on the ground, but I am confident that the Darwendale project has the potential to become a significant low-cost platinum group metal producer.'

HAVING tired of the flak that must come your way running a thermal coal business - especially one looking for money - David Brown returned to 'greener' and more familiar pastures in January 2020. That's when he resigned from MC Mining to focus full time on Zimbabwe's platinum group metals (PGM) sector via Great Dyke Investments (GDI), a company he has chaired since 2019. GDI is hoping to raise \$550m in finance to build the Darwendale PGM project, a venture slated to produce 300,000 ounces a year in PGMs and gold in its first phase. This is no mean feat considering Zimbabwe's parlous economics. Brown is also heading Kuvimba Mining House, which has a stake in GDI, but which is primarily focused on resuscitating gold mines formerly owned by Metallon Gold. These include some familiar mine names such as Freda Rebecca and Shamva. The plan is to take production from about 90,000 oz/year today to 150,000 oz/year - but that will require \$150m in new investment. Kuvimba, which also owns Bindura Nickel Corporation, is backed and controlled via Zimbabwean government pension funds and its sovereign wealth fund whilst Brown's company, Qorus Management Services, holds about a one-third stake. A listing for Kuvimba on the Victoria Falls Stock Exchange might be a possibility in a couple of years, or three. The emergence of Brown in Zimbabwe's affairs is not a surprise: he was heavily involved in negotiations with the government years ago whilst CEO of Impala Platinum. It's another demonstration of how the Zimbabwean government has turned again to its mining sector to help breathe new life into its struggling economy. President Emmerson Mnangagwa doesn't have many last resorts left, but mining is one lever he can pull.

LIFE OF DAVID

He joined Impala Platinum in 1999 after graduating from the University of Cape Town and obtaining a CA, completing articles with Ernst & Young. He became CFO before being appointed CEO in 2006. After leaving Impala, he signed up for the unenviable task of turning around Coal of Africa which was in a disastrous situation when just about everything that could go wrong with a junior miner had done so. Once renamed MC Mining, Brown systematically put the company back on its feet and brought in colleague Brenda Berlin from Impala as CFO who briefly served as its interim CEO following Brown's departure.

TIM CARSTENS

MD

Base Resources

www.baseresources.com.au



FLAG



News is about to happen here

'Despite a few encountered speed bumps, Base Resources remains 100% committed to (Toliara) this project.'

IT will be an enduring comfort to all those at Base Resources, its CEO included, if China continues to support prices for mineral sands as well as it has, especially post-Covid-19. Strong ilmenite demand helped shares in Base Resources to a three-year high by end-2020. Whilst share prices rise and fall, it's some indication that 2020 worked out pretty well for the company. It well might not have. Key in this regard was the successful ramp up of South Dune, the newest section of Base's Kwale mine in Kenya. A pre-feasibility study on a North Dune extension is due in the first quarter. Securing new production at Kwale is very necessary considering that the firm's transformative \$596m Toliara Sands project in Madagascar is trapped in a kind of political amber. The project was suspended in late 2019 after the Malagasy government asked for new fiscal terms. The onset of Covid-19 travel-related bans did little to speed up the process of negotiation. The outcome for Carstens has been a frustrating delay that won't see the project get an investment decision until the second half of this year. Base Resources unveiled a maiden dividend at its year-end results in mid-2020 on the back of a \$39.6m taxed profit. It didn't need to sit on the cash; especially as some \$50m of the \$75 fully drawn down revolving credit facility accessed in the teeth of the Covid-19 would be repaid. So no small comfort for shareholders whilst the firm waits on development and fiscal permits at Toliara. There's a bit of tension with the Kenyan treasury: VAT refunds totalling \$17.2m as of end-September are waiting payment - not an unheard of phenomena among developing economies.

LIFE OF TIM

A chartered accountant by trade, Carstens has been the MD of Base Resources since its formation in 2008. Previously, he circulated through a number of executive positions at Australian and offshore junior and mid-cap mining companies such as Perilya, North Ltd and Robe River Iron. Carstens is the chairman of the Australia-Africa Minerals & Energy Group.

MICHAEL CARVILL

MD

Kenmare Resources

www.kenmareresources.com



RAINMAKER



Making, not stirring pots

'Higher production and lower unit costs coupled with a robust commodity market will help support higher capital returns for shareholders from 2021.'

KENMARE Resources is surely a contender for the gee-whizz African mining accolade of 2020 after relocating an enormous processing plant - Wet Concentrate Plant B (WCP B as it's called) - which MD Carvill described as wider than a football pitch (Association Football not Gaelic in case you're wondering) and heavier than 550 double decker buses. It took just under two weeks to traverse the 28 kilometres between the firm's Namalope section of its Moma titanium minerals mine in northern Mozambique to Pilibili, and so bringing to an end \$1.3bn worth of investment by the company. The net result will be to lower mining costs and take ilmenite production - Kenmare's primary product - to 1.2 million tons a year, equal to 10% of total market share from 7% currently. The capital project is serendipitously timed with an expected deficit in ilmenite supply from this year, the Covid-19 lockdowns notwithstanding. In fact, China demand has been remarkably resilient which Carvill thinks will underpin sustained shareholder returns this year. That makes for good momentum as Kenmare followed up its 2019 maiden interim dividend with a year-end payment in 2020 that took the final number to \$8,18 cents/share. But 2020 wasn't without its hiccoughs, quite obviously. The WCP B relocation was delayed by Covid-19 which forced the Mozambique government to declare a State of National Public Calamity. Borders closed resulting in delays to people and equipment necessary for the WCP B relocation. The capital cost subsequently increased 17% over budget. There's also the question of security. Jihadist activity is worryingly on the rise in the most northern reaches of Mozambique. Carvill insists the issue is under control, but the threat has been enough to see the potential mobilisation of Southern African Development Community security forces in the event the foment widens.

LIFE OF MICHAEL

Carvill has had a few scrapes since graduating with a B.Sc. in mechanical engineering from Queen's University, Belfast. He was evicted from Sudan during the Islamic Revolution and trawled around Philippines post the Ferdinand Marcos regime looking for gold. Then came Mozambique which may actually have posed his career's sternest challenge when Kenmare almost went into liquidation in 2016. Having survived that test, Carvill may be on the cusp of a more sedate period in his career, but time will tell. Relaxation involves sailing in his preferred retreat – Mullaghmore in County Sligo.

BRUCE CLEAVER

CEO

De Beers

www.debeersgroup.com



HOT SEAT



Bottom singeing pressure

‘This is an absolutely extraordinary time. No way anyone could have predicted this. It’s just incredible.’

FEW mining companies suffered the ravages of Covid-19 as much as De Beers. It forced Cleaver to oversee a fundamental shakeup of the decades-old model of 80 or so handpicked clients known as ‘sightholders’. The dramatic slowing of the rough diamond market in the first half of 2020 and the one-third drop in revenue has demanded De Beers revisit its business strategy in an effort to shield itself from such reversals again. Key to this is a smaller client base. Cleaver has long-standing relationships with buyers and he’s the right person to herald the changes that underpin De Beers’ role. His reputation as a marketing supremo will be tested to the full in 2021, however. He has to bring the remaining clients in line with the new strategy and manage the disappointment of those isolated. Another relationship to manage is that with the Botswana government, a 15% owner of De Beers along with Anglo American’s 85%. Botswana dominates the company’s diamond production, and the fortunes of both parties are entwined. It almost goes without saying that outside the core business of De Beers, which is matching buyers to its diamond supply and ensuring sensible stewardship of the market, Cleaver will have the threat of synthetic diamonds firmly on the risk radar. De Beers has started ‘Lightbox’ in the US to make cheap, colourful diamonds for the synthetics market. The reality for all diamond miners is that the growing negative economic consequences of the pandemic, which has entered its second year with a vengeance, has reduced buying power for luxury items. This makes cheaper, environmentally friendly synthetics a more attractive proposition.

LIFE OF BRUCE

Coming close to having more degrees than a thermometer, this Chelsea Football Club supporter has a B.Sc. in applied mathematics and an LLB (UCT) and LLM (Cambridge). Ahead of joining De Beers in 2005, he was a partner at Webber Wentzel, which makes him ideal for understanding long-term contracts with the Botswana government and its clients. He was appointed commercial director at De Beers and then joint CEO in 2010 with Stuart Brown. He became sole CEO in 2016. He is a trustee for Help2Read, a literacy charity operating in South Africa. He was born in Pretoria in 1965.

LOUIS COETZEE

CEO

Kibo Energy

www.kibo.energy



HOT SEAT



Bottom singeing pressure

'We see our coal-fired projects as a transition to more environmentally-friendly sources.'

THE first quarter of this year is when Kibo Energy's subsidiary, Mast Energy Developments, is scheduled to commission its Bordersley gas-fired power plant in the UK. It's 'a moment' for Kibo because it would represent the first time the company has generated revenue. Bordersley is a year behind schedule, although - to be fair - Covid-19 has thrown all plans into disarray. Viral pandemics aside, the past few years have been a slog for Kibo shareholders who declined to support a share reorganisation (following years of dilution) at an extraordinary general meeting mid-year. After several years of work by Coetzee attempting to have the Mbeya Coal-to-Power Project (MCTPP) in Tanzania bid-ready, the Tanzanian government crowned its slow decision-making by rejecting the project as a supplier of energy to the national grid. Coetzee launched an urgent repositioning of the project in which it aimed to become a regional power exporter. By way of portfolio diversification, Coetzee assembled other energy projects, largely based on coal or gas. These will be combined with sustainable technologies or positioned as backup power for renewable energy projects. Besides Mast Energy, which has been growing its portfolio of reserve generation plants over the past year and will be listed separately, Kibo is developing the Benga Power Plant Project in Mozambique. Benga has signed agreements with the Mozambican electricity authorities and with Baobab Resources which could make it the sole supplier of electricity to Baobab's Tete steel and vanadium project. In fact, Coetzee believes there will be sufficient demand to justify scaling up the planned project from 100 to 150 Megawatts (MW) to possibly 400MW. At this point shareholders don't want plans, they want a return on their investment.

LIFE OF LOUIS

Coetzee's previous job, as vice-president of development at Canadian-listed Great Basin Gold, was good training for the challenges he has experienced in trying to get funding for MCTPP. He has worked in both the public and private sectors, including as one of the founding members of South African telecoms company Cell C. He holds various qualifications, ranging from project management to law and languages and an MBA from Bond University.

LEON COETZER

CEO

Jubilee Metals

www.jubileemetalsgroup.com



FLAG



News is about to happen here

‘Jubilee is perfectly poised to play a commanding role in the processing of copper as we also look to further implement our strategy more widely.’

JUBILEE Metals has adopted a low cost, low risk approach to extracting copper, cobalt and other minerals in Zambia, a country that has been a source of grief for the likes of Glencore and Vedanta Resources. In the case of Jubilee, it is keeping things simple by aiming to retreat old dumps, especially those with troublesome legacy issues: in fact, the more problematic the legacy, the better for Jubilee it would appear. Coetzer, as far as CEOs goes, is pretty under-stated in style. But he has helped transform Jubilee’s once-boring business case into something a bit more dynamic. Credit to Jubilee chairman, Colin Bird, however, who burst on to the South African platinum group metals (PGM) scene more than 15 years ago with a proposal to develop the Tjate mine in South Africa. Several years ago, Bird acknowledged a new energy and direction was required for Jubilee. As for Tjate, it doesn’t get mentioned. There’s not much appetite for deep, high cost PGM producers. It’s possible the asset may get sold. Jubilee’s plan now is for production of 25,000 tons of copper annually within four years from dumps that also includes properties in South Africa. Coetzer’s two decades of experience in metallurgy in Anglo American gives him the ability to spot opportunities, although he will have to stay on the right side of the Zambian authorities. The government is notorious for picking fights and in its current cash-strapped state, it looks more interested in ‘nationalising’ and re-selling assets for a minor capital windfall than the longer (but more profitable) approach of growing the industry’s mining sector and enjoying the fiscal benefits.

LIFE OF LEON

Coetzer has a B.Sc. (Chemical Engineering) from the University of Stellenbosch. He spent most of his working life in the Anglo American stable before joining Jubilee. Sixteen of those years were in the platinum division where he was immersed in processes, controls and research in the metallurgical side of the business.



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Mining For A Future

STEVE CURTIS

CEO

Caledonia Mining Corporation
www.caledoniamining.com



RAINMAKER



Making, not stirring pots

'We recognise that being a single asset company won't move the needle. We see our way with two or three projects of about 350,000 to 500,000 oz a year.'

CALEDONIA Mining put meat on a somewhat lean and long-standing statement of intent that it would, at some point, consider operating a second asset. The first signs of real moves into expansion came when Curtis signed a memorandum with the Zimbabwean government in October to relieve its dysfunctional Mining Development Corporation of certain assets. This was followed by more purposeful action: acquiring a \$2.5m option over Glen Hulme, a prospect in Zimbabwe's Gweru mining district in the Midlands. If exploration proves a success, a further \$2.5m in cash will be paid to the landowner. Caledonia said the region had historically produced "significant quantities of gold." The confidence for embarking on growth in Zimbabwe at all is to do with Caledonia's remarkable focus on its single asset, Blanket mine - which is being expanded to 80,000 oz by 2022 - as well as the gold price. Conditions have just worked out very favourably for Caledonia in the past 12 months, Covid-19 notwithstanding. Gold production for 2020 came in at a record 57,899 oz whilst perennial, systemic country risk, such as interrupted electricity supply, has been tackled with an agreement to import power. Generators also stand at the ready at Blanket mine whilst a solar capital programme is in the works. Sure, Caledonia is a fly on the bum of Mark Bristow's Barrick Gold, but the company is making money for shareholders which is the point of being in business: in fact, it has increased the dividend four times in 15 months and is pushing for production of up to 67,000 oz from Blanket in 2021. Speaking at the Joburg Indaba, Curtis said he could see Caledonia one day becoming a 350,000 to 500,000 oz/year gold producer.

LIFE OF STEVE

Curtis is a chartered accountant and has been counting beans for over 30 years. He joined Caledonia in 2006 becoming its CEO in 2014 after serving as CFO. Prior to that, Curtis was financial director for Avery Dennison SA. He graduated from the University of Cape Town.



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safe and sustainable manner,
creating value for all
our stakeholders
and improving the lives
of our communities
and employees.**



MARK CUTIFANI

CEO

Anglo American

www.angloamerican.com



RAINMAKER



Making, not stirring pots

'There's a new paradigm of community engagement that is unfolding in front of our eyes. Our host communities frequently tell us that they want to be heard; that they want to determine their destinies.'

MARK Cutifani has mining in his veins. An engineer by training, he financed his studies working in a coal mine. Since assuming the CEO role at Anglo American in 2013, the affable Australian has overseen a remarkable turnaround in the company's fortunes. Its platinum unit Anglo American Platinum, once waylaid by falling prices, surging costs and flare-ups of labour unrest, has made a profitable pivot to mechanisation and surging palladium and rhodium prices flowed to its bottom line in 2020, a year marked by costly issues at its processing plants and the challenges posed by the pandemic. Cutifani is also an articulate advocate of ESGs - environmental, social and governance - issues, which are increasingly important to key investors. In October, he told the Joburg Mining Indaba that industry executives had reached out to religious leaders to help the sector respond to the needs of mining communities: "... we are acutely aware of the deep and lasting effects of our history as an industry," he said. Anglo has a target to make its operations carbon neutral by 2040 and has plans to exit from its South African coal assets. Its sustainability blueprint coincides with significant growth plans. The company is aiming to deliver what it says is "sector leading volume growth" of 20-25% over the next three to five years, including first copper production from its Quellaveco project in Peru 2022. Anglo sees a recovery in the diamond market, but De Beers is not going to push excess sales.

LIFE OF MARK

Cutifani has accumulated four decades of mining experience. Before landing the big job at Anglo, he had been CEO of AngloGold Ashanti from 2007 to 2013. Previously he held various roles at Rio Tinto, Normandy Mining, Sons of Gwalia and Inco. Cutifani has been approached by BHP and RIO Tinto to lead them, but he has stuck by Anglo which is likely to be his last major executive posting.

HEYE DAUN

CEO

Osino Resources

www.osinoresources.com



FLAG



News is about to happen here

'We are cashed up and we're confident. We have created for shareholders before and we know what we're doing.'

GOLD exploration is increasingly showing up on the radar of specialist investors. That's because gold's safe haven characteristics are spurred by global social and political foment which are likely to remain a feature of modern society. There's also not enough new gold being discovered. One company worth picking out amid the crowd of hopefuls exploring African gold prospects is Heye Daun's Osino Resources. That's a view partly based on Daun's track-record. It was his company, Auryx Gold Corporation, that resuscitated the Otjikoto mine in Namibia which compatriot firm, B2Gold, subsequently bought and now operates profitably. Daun, a Namibian, is hoping to produce a mineral resource statement, followed by a preliminary economic assessment (PEA) for another potential mine in Namibia - Two Hills - which is in the vicinity of Otjikoto. Two Hills is part of the Karibib gold district, in Namibia's Erongo district north west of Windhoek - an area that Osino says it is systematically unlocking. Another mine, Navachab, previously operated by AngloGold Ashanti, is also in the area suggesting the region could support more mines. Osino doubled drilling plans to 45,000 metres last year, recognising that the next few years will be a good time to bring metal to market. For his part, Daun says his company is financed with some \$20m in the bank, and therefore won't be tapping shareholders just yet. Two Hills will be an open-cast, high volume, medium grade mine of about one gram to 1.1g per ton. In addition to Two Hills, Osino also has exploration rights over the Otjikoto East and Otjiwarongo regional prospects. The resource statement is due in the first quarter, followed by the PEA by mid-year. It's definitely watchable.

LIFE OF HEYE

Daun is a mining engineer who established himself in investment banking and asset management with South Africa's Nedbank and Old Mutual. He leapt from analysis to digging with Auryx Gold which he founded and ran for two years. He founded Osino six years ago. He's also hands-on and 'outdoorsy', once traversing central Africa on motorcycle. Daun owns and flies a Cessna, and built a beach cabin in Mozambique to boot.

MICK DAVIS

FOUNDER

Niron Metals

www.nironmetals.com



POTSTIRRER



Maverick, opinion-forming thinker

'Management teams have not focused on this very simple proposition: every day they take something out of the ground and unless you do something that replaces that, you end up withering and dying.'

SPEAKING at the Joburg Indaba, a mining conference, in October Mick Davis appealed for investment in new production by the mining sector management. Dividends were, of course, good news for investors and represented the welcome rehabilitation of the global mining sector after years of often wasteful, growth-fuelled spend, but eventually deposits would run dry, Davis said. This line of argument suits Davis' ambitions as his new company, Niron Metals, has an agreement to develop Zogota, an iron ore mine situated next to the giant \$16bn Simandou iron ore project in West Africa's Guinea. Restitution for people in the village of Zogota affected by a 2012 massacre, perpetrated by Guinean troops according to a tribunal operated by ECOWAS (Economic Community of West African States), has helped clear the way for development in the area. Previously, villagers said they were opposed to any new mining there. But other complexities persist. One is how attempts by Beny Steinmetz to revive a legal saga against his former partners in Simandou - Vale and Rio Tinto - might have a knock-on effect at Zogota. The successful development of Simandou, which is by all accounts slowly edging forward, would assist Zogota given the significant infrastructural development Simandou would require. But further delays visited on the project by legacy rows could be damaging.

LIFE OF MICK

One of South Africa's best known mining executives, he was CFO of Billiton when it listed in London, leaving after its merger with BHP, in order to run Xstrata. After a period building Xstrata into a globally diverse mining house, he famously fell out with Glencore CEO, Ivan Glasenberg when the two clashed over the merger of their respective companies. Davis stood back from business a while for a becoming treasurer and CEO of the Conservative Party. He returned briefly with a private equity company, X2 Resources, but couldn't find projects in which to invest. Davis was knighted in 2015 for services to Holocaust commemoration and education.

SÉBASTIEN DE MONTESUS

CEO

Endeavour Mining Corporation

www.endeavourmining.com



RAINMAKER



Making, not stirring pots

‘When we do M&A, we try not to do crazy things.’

SÉBASTIEN de Montessus opened 2020 talking of courtship and family, fresh from having the firm’s £1.2bn all-share tilt at Centamin rejected. “Just because all mines are on Tinder,” he said referring to the dating app, “... doesn’t mean we have to go there”. Endeavour was focusing on “growing its babies”, he said. The babies were the flagship Houndé mine in Burkina Faso and Côte d’Ivoire’s Ity CIL asset, which by November, had become established, 10-year life, 250,000 ounce/year gold mines. Allusions to domestic bliss aside, De Montessus was, in fact, busily matching up with new potential partners. By March, he unveiled a merger with Canadian compatriot, SEMAFO - a transaction that took Endeavour’s production to 800,000 oz/year, but had the questionable effect of concentrating the firm’s production in Burkina Faso where SEMAFO ran the mothballed Boungou mine. Boungou was reopened in October. But the show-stopper to Endeavour’s year came a month later with the unveiling of a \$2bn all-share merger with Teranga Mining, a Toronto firm that, once absorbed, takes Endeavour’s gold production to 1.5 million oz/year - enough to propel it into the top 10 of producers globally. De Montessus simultaneously announced a London listing, due to be finalised in the second quarter of this year, in a move that fills the space left by Randgold Resources following its 2019 merger with Barrick Gold. Hard on the heels of the M&A, Endeavour announced a \$60m interim dividend - the beginning of a payout regime equal to 1.6% yield which De Montessus insists will continue despite taking on Teranga’s debt. The plan is to quickly become net cash and build cash to \$250m. Thereafter, the dividend policy will be revisited. Quite a breathless end to a 12-month period for Endeavour Mining which De Montessus says completes the firm’s acquisition spree. In late January, Endeavour sold its non-core Agbaou mine in Côte d’Ivoire for \$80m to Allied Gold.

LIFE OF SÉBASTIEN

De Montessus took over from Endeavour founding CEO, Neil Woodyer, in 2016 as a precondition of Egyptian entrepreneur Naguib Sawiris’ then takeover. De Montessus was previously head of mining for AREVA, France’s nuclear reactor manufacturer where he won headlines for ordering the investigation into its botched \$2.5bn takeover of UraMin. De Montessus resigned from AREVA, ending a 10-year stint in an effort to draw a line under the imbroglgio. He has a background in investment banking and is a graduate of Paris’ ESCP-Europe Business School.

ANDRÉ DE RUYTER

CEO

Eskom

www.eskom.co.za



HOT SEAT



Bottom singeing pressure

'Rebuilding Eskom's values is a critical part of our turnaround and we are making good progress on it.'

ESKOM'S group CEO remains in employ a year after appointment, and that's an achievement! De Ruyter's predecessors were either carried out on their shields or ejected in short order as a result of stress, politicking, or dishonesty. Tasked with turning this vast, cumbersome utility around, De Ruyter's effectiveness (or otherwise) will take years to show results. South Africa has continued to experience bouts of loadshedding in 2020 and 2021, in some cases escalating the misery of Covid-19 lockdowns and/or freezing weather. But the downtime has been considerably less than feared, the dire state of South Africa's aged power stations notwithstanding. The latest Eskom results show operational performance is gradually improving, although progress has been hampered by low demand through the months of Covid-19. The process of restructuring the utility into generation, transmission, and distribution divisions has begun, though transparency has been lacking. More obvious has been the headline-grabbing punitive action taken against employees and contractors found to have defrauded the company. In September, De Ruyter suspended two power station managers for "apathetic behaviour" which had contributed to an escalation in loadshedding. Tackling Eskom's environmental transgressions, while continuing to deliver power, presents another serious challenge. Notably, the first steps to prosecute the utility for violating emission limits at Kendal Power Station were taken in December. Beyond De Ruyter's arc of influence, government progress remains glacially slow. It has not addressed Eskom's unsustainable debt; nor has it been able to get municipalities to pay their arrears. Above all, there's been a lack of momentum in the critical process of commissioning new green energy.

LIFE OF ANDRÉ

De Ruyter vacated the role of CEO of Nampak, and took a salary cut, to lead Eskom after it was rumoured that 27 candidates turned down the job. Although some critics pointed out that he is not an engineer (he holds an LLB and an MBA), he has extensive experience at the senior management level, including 20 years at petrochemicals giant Sasol, which he joined directly from university. He joined Nampak in 2014 and is credited with reducing its massive debt, although the share price never recovered.

REGINALD DEMANA

CEO

Wescoal

www.wescoal.com



HOT SEAT



Bottom singing pressure

'The main issue we are watching closely is offtake levels from our customers, including Eskom.'

THE pressure on Demana is growing despite a recovery in the first half of Wescoal's financial year, achieved in the teeth of Covid-19. The group produced interim profits, and was able to pay down debt which had soared to R1.2bn - enough to require lenders to waive debt covenants. As part of the recovery narrative, Demana has installed a new mining contractor; employed more senior management staff; and taken steps to improve productivity. Yet the balance sheet has to absorb the cost of expansion and resource replacement; namely, Arnot mine and Moabsvelden, a brownfields project. Group-wide retrenchments in November demonstrated Wescoal remains stressed. Moabsvelden is not a project Demana can delay. It will supply three million tons of coal annually to Eskom, the government-owned utility on which Wescoal relies for most of its revenue. The force majeure Eskom declared on contracted coal during the Covid-19 lockdown, amid rising stockpiles, was particularly damaging to Wescoal. Demana thinks national coal burn will improve as the economy recovers at which point he intends to grow the business through acquisitions. That may require a supportive share price in order to finance deals as cash is scarce. At year-end, however, Wescoal shares had fallen back to their lowest level in five years. That tells Demana Wescoal needs operational performance in order to secure its future.

LIFE OF REGINALD

He studied mining engineering at Wits University and holds an M.Sc. (with distinction) from Exeter University in the UK. He began his mining career as a trainee at Anglo American Platinum, then served his time at the Department of Mineral Resources and Energy as a mine health and safety inspector, before turning to the world of corporate finance. He was an analyst at BJM Securities and a mining advisor at Nedbank, where he spent 14 years specialising in M&A, BEE structuring, capital raising and IPOs.

PORTIA DERBY

CEO

Transnet

www.transnet.net



HOT SEAT



Bottom singeing pressure

'The real job now is how we plough ourselves out of the reduction in growth that we all face.'

ONE of Portia Derby's first decisions on taking the reins at Transnet was to reorganise – or, some say, purge – top management, including senior executives in its legal department. The department was partly responsible for approving dubious contracts, such as the notorious purchase of 1,064 locomotives from China - a imbroglio of greed and self-interest that recklessly blew Transnet's budget. A complete overhaul and separation of Transnet's procurement and finance functions has taken place, and there has also been a lifestyle audit of 408 senior managers as Derby drives "an ethical culture". Apart from cleaning up corruption in the state-owned entity, Derby's biggest challenge is to make Transnet a realistic competitor to road transport, especially for the mining industry, as well as address port congestion. The truth is, exporters contend with huge unnecessary costs and delays when using rail and port infrastructure. The antidote will be imposing a competitive tariff and establishing a culture of reliability. But Derby will need time and investment, whilst managing crumbling infrastructure and improving security, to achieve these goals. So far, progress has been slow, partly owing to the Covid-19 lockdown. Potentially, however, there are huge opportunities for Transnet, especially as the African Continental Free Trade Agreement materialises in 2021. Derby, whose recent experience includes advising other African countries on transport, has said one of her top priorities for Transnet will be to optimise regional links.

LIFE OF PORTIA

She is a former director-general of the Department of Public Enterprises, which oversees Transnet. She also worked for the Department of Trade and Industry under former minister, Alec Erwin. While in government, Derby was involved in drafting the Mining Charter. With Erwin, she co-founded and led an investment company, Ubu Investment Holdings, which - among other work - advised on the Togo Transport Corridor and establishment of an automotive programme in Ghana. She holds a degree in economics from the University of KwaZulu-Natal and an MBA from Wits University.

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MORNÉ DU PLESSIS

CEO

Minergy

www.minergycoal.com



FLAG



News is about to happen here

‘Botswana has a significant role to play going forward by utilising the South African handling facilities.’

MINERGY endured a torrid time in 2020 thanks to the Covid-19 pandemic, yet it has survived, leaving the ebullient Du Plessis as optimistic as ever. Having successfully carved out a niche business supplying South African cement producers in North West Province in close proximity to its Masama mine, Minergy was kiboshed by South Africa’s lockdown. Although Minergy was defined an essential provider, 90% of its South African customer base was not. Consequently, cement producers were forced to close whilst another major customer declared force majeure. Despite the subsequent phased relaxation of lockdown restrictions, border access remained restricted making the delivery of coal both difficult and inconsistent. However, the company has prevailed with the construction of a loadout siding at Masama enabling coal to be railed to South Africa instead of trucking. Minergy is growing its business with South Africa’s cement and lime producers where it has a competitive supply advantage, being located much closer to them than the coal miners in Mpumalanga province. Minergy now has to raise more funds to complete its plant expansion and meet working capital shortages, but Du Plessis is confident this will be accomplished. He is talking up longer-term prospects of supplying coal to Eskom and the export market once a rail link connecting the Botswana and South Africa networks at Lephalale is built. Expansion of capacity on the Lephalale to Ermelo link is already in place. Du Plessis reckons construction to the link on the Botswana side will start this year, effectively transforming the country’s coal sector.

LIFE OF MORNÉ

He’s a CA with an MBA from Heriot Watt University in Edinburgh and has extensive experience in Southern Africa’s coal mining sector. He came up through the financial route being the CFO of several mining groups such as coal trader MacPhail, contract mining and beneficiation service provider Genet SA, junior coal miner Umcebo Mining, and JSE-listed junior miner Wescoal. He was appointed to the board of Minergy in January 2017 as its CFO and took over as CEO in August 2019. He is a South African citizen resident in Botswana.

RICHARD DUFFY

CEO

Petra Diamonds

www.petradiamonds.com



FLAG



News is about to happen here

'Decisive action was required to shore up liquidity during this difficult and uncertain time.'

THE job description was to restore the fortunes of Petra Diamonds, but the reality of Richard Duffy's two years at the firm has been more existential than that. Petra lurched into a major, full-blown crisis in 2020. Starting with a missed bond repayment in May, the company was several months later looking for a buyer. Its predicament was compounded by a collapse in the rough diamond market, and the cash starvation that came with operational constraints when the firm's mines were shut by the South African government in order to curb the rate of Covid-19 infection in the country. As it turned out, no suitable bid was received for the company's mines so the last resort was an equity for debt agreement in which 91% of the firm's shares were issued to cancel \$650m in bondholder debt. One of other challenges for Duffy this year is to either bring the shuttered Williamson open pit mine in Tanzania back into production, or dispose of it. A pathway back to production seems the preferred option. Petra is meanwhile facing allegations of human rights abuses at the mine. Its report on the matter is imminent. The other major challenge at Petra is optimising its three underground mines in South Africa and streamlining the firm's business processes in terms of its \$101m cash-saving Project 2020 programme. Savings this year might not be as first guided, but the worst may now be over for Duffy and his team of worthies. Petra has the world's third-largest resources so the building blocks are in place for recovery, especially as the signs of a slow recovery in the diamond market are beginning to show.

LIFE OF RICHARD

Duffy has a B.Com. degree from the University of Witwatersrand and an MBA from Henley Management College, UK. He has three decades of mining experience in underground and open pit mining, mostly within the Anglo group and then AngloGold Ashanti, where he headed business development, exploration and corporate finance, serving as the CFO from 2013. He joined Petra in April 2019 and could be an outsider to take the job at AngloGold Ashanti.

PAUL DUNNE

CEO

Northam Platinum

www.northam.co.za



RAINMAKER



Making, not stirring pots

'All options for returning value to shareholders are now open to us.'

PAUL Dunne has barely put a foot wrong during his six-year makeover of Northam Platinum, a strategy that has largely turned on good timing and smart merger and acquisition activity. Dunne said he'd make Northam a one million ounce a year platinum group metal (PGM) producer. Well, it looks like he'll get there. For emblems of success, look no further than the R195m purchase by Northam of the Eland Platinum asset from Glencore, comprising of the underground mine the once mighty Xstrata spent R14bn developing. Dunne's other coup was the purchase of the relatively shallow ground next to the Zondereinde mine from Anglo American Platinum (Amplats). The Anglo company is notoriously tight-fisted when it comes to releasing assets, so - for Dunne - that was a stroke of genius, largely predicated on timing. The operational sweet spot for Northam is the Booyendal property. It has easy access to the orebody as well as the Aquarius Platinum concentrator next door, by dint of some deal-making. The sense is that Dunne's growth-by-acquisition strategy is all but done. Now it's time to return value to shareholders which has started with the quick-fire, R14.5bn repurchase of preference shares in Zambezi Platinum. This is the company Northam helped create after deciding to re-do its empowerment plan. In fact, it was one of the first things Dunne did which helped establish the cash pile for the some of the deals we've described. But it also created a future liability in that Northam was required to guarantee the preference shares. It's a complicated story, too involved to describe here, suffice to say that that liability is largely rubbed out. Whilst the preference share buy-back is a return to shareholders in kind, they would also prefer cash in hand. We think 2021 could see that happen.

LIFE OF PAUL

As a thwarted wannabe contender for the Impala Platinum job, Paul Dunne, left the company and joined Northam in March 2014. Born in England, 1963, Dunne has a B.Sc. (Honours) in electrical engineering and an MBA. At Implats, which he joined in 1987, he worked his way up through the ranks to executive in charge of operations where he bumped heads with newly appointed CEO and mining engineer, Terence Goodlace. He's an enthusiastic chess-player.

CLIFFORD ELPHICK

CEO

GEM Diamonds

www.gemdiamonds.com



HOT SEAT



Bottom singing pressure

'Nothing has been so overwhelming that we have come forward for acquisitions.'

CLIFFORD Elphick makes no secret of his interest in diamond industry consolidation despite having, in Lesotho's Letseng mine, the world's highest dollar per carat kimberlite operation. Investment tastes, however, shift like sands. Thus in today's world the market tends to be sniffy about single asset companies, such as GEM Diamonds. Elphick's dip at Ghaghoo, a mine in Botswana, ended in tears after disappointing under-performance. To be honest, Elphick's track-record in growth through acquisition has been questionable. Potential deals may crop up as the diamond market struggles with Covid-19 restrictions, a recent uptick in consumer sentiment, and innovative mine to market sales agreements with manufacturers, notwithstanding. Elphick acknowledges the future trajectory of diamond pricing is hard to predict and assets that have become available for purchase, such as those owned by Petra Diamonds, come with problems. Nonetheless, Elphick has indicated his management team could handle a portfolio of four mines in total. Elphick has tended to make short work of Covid-19 lockdowns, suspending and opening Letseng in fairly short order. But what option does he have? Without a functioning Letseng, GEM Diamonds would head the way of its compatriot miner, Firestone Diamonds. It delisted last year after putting the Liqhobong operation on care and maintenance. Another Lesotho miner, Lucaapa Diamond Corporation has had to tap shareholders for funds in order to keep itself liquid.

LIFE OF CLIFFORD

Elphick founded GEM Diamonds in 2005 and it almost immediately raised \$1bn through a London listing. For the previous 16 years, he learnt about the diamond industry from one of the world's masters, working for E. Oppenheimer and Son, initially as Harry Oppenheimer's personal assistant and ultimately as MD. Elphick, who holds degrees from the University of Cape Town and the University of South Africa, is well-known in South Africa as the owner of the prestigious Kurland polo estate in Plettenberg Bay.

NOLITHA FAKUDE

CHAIRPERSON

Anglo American SA

southafrica.angloamerican.com



POTSTIRRER



Maverick, opinion-forming thinker

'There is a stubborn myth that women are less ambitious than men. This is far from true.'

EARNINGS from platinum group metal (PGM) companies such as Anglo American Platinum (Amplats) could jump by more than 40% this year. That means Amplats could make a significantly greater contribution to Anglo's earnings. Set against these pleasing economics are the hazards of Amplats' geography - the hurly burly of South Africa. Not exceptional among developing economies for the flux in political temperature and society, South Africa is nonetheless a handful. So its apposite that former Anglo non-executive director, Nolitha Fakude, has oversight of the group's South African affairs which are various and complex. And we haven't even brought Kumba Iron Ore into the picture yet. The fact is that South Africa has become as important to Anglo's fortunes as it ever was (or nearly, let's say). Fakude has oversight on a number of Anglo's interests in the country such as helping to improve the public-private partnership with President Cyril Ramaphosa's government in areas such as renewable energy. There's also Anglo's promise to spend R100bn in investment in South Africa - R15bn more than promised initially - including R30bn alone on the expansion of the Venetia Diamond mine in Limpopo province. In the era of the pandemic, which is visiting economic hardship upon most South Africans, the role Anglo can play in the economy has absolute top of the totem importance, and will help drive home the positives of mining sector investment. Talk about industry rebranding: it's right here in South Africa. As newly elected chairwoman of the Women in Mining Leadership Forum, Fakude holds the torch for women across the sector. They comprise only 12% of total employees in mining despite comprising 51% of South African society. The goal is to see women occupy 40% of total jobs in the sector, and half of leadership positions by 2035 - far extending the target set down in the country's Mining Charter.

LIFE OF NOLITHA

Fakude has a B.A. Hons. in Psychology from the University of Fort Hare. In 25 years of career development, described by herself as 'charmed', Fakude moved from Woolworths to Afrox, to Sasol and - perhaps one pinnacle - Anglo American where she was non-executive director from 2017 to 2019. Whilst head of community affairs at Woolworths, Fakude was asked to host at her home in Cape Town the newly appointed cabinet member, Winnie Mandela, for a couple of days (becoming 135 days) following the ANC's landslide inaugural election victory. Her autobiography 'Boardroom Dancing' was a top selling title in South Africa during 2020.

ENRICHING LIVES

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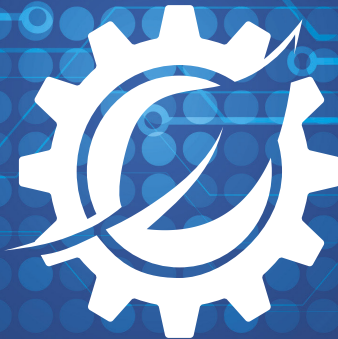
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JOHAN FERREIRA

CEO

Khoemacau Copper

www.khoemacau.com



FLAG



News is about to happen here

'We are on track to commission and deliver first concentrate towards the middle of 2021 and will ramp up to steady state within six months.'

2021 is a make-or-break year for Johan Ferreira and the Khoemacau Copper mine which he is developing on behalf of its 100% owner, the US-based private equity firm, Cupric Canyon Capital. Thankfully, construction activities on the mining project, funded from finance raised in 2019 of \$650m, have not been significantly disrupted by Covid-19. The Botswana government derives a fifth of GDP from mining which it deemed an essential service throughout the country's national lockdown last year. The Botswana government is also hoping for a 14% plus rebound post-pandemic in 2021 from the sector. Hence the importance of Khoemacau which is the country's most advanced major copper project in the emerging Kalahari Copperbelt, a geological area that runs north east to south west in a band across northern Botswana. There's a lot riding on the successful commissioning process. Name plate capacity of Khoemacau is about 60,000 tons of metal a year, but there's potential to nearly double that output if Cupric Canyon sees its way to financing new refining facilities required for the expansion. There's no reason why it shouldn't eventually happen: the red metal has been tipped to sustain its recent price boost for the next decade given the abundance of its application in the electrification of the automotive industry as well as an increase in demand for renewable energy.

LIFE OF JOHAN

Ferreira is a mining engineer who started working life as a Learner Official at Anglo American. He stayed with the group until its spin-off of AngloGold where he was production manager and GM until spending the last 2.8 years of his 17 there as senior VP of the South African operations. From AngloGold, Ferreira left for Newmont Mining's Ghana base before becoming MD of Khoemacau Copper in 2017. For relaxation, he takes to his Harley Davison as the late, great Mike Salomon, the BHP executive, was want to do.

MELISSA FOURIE

EXECUTIVE DIRECTOR

Centre for Environmental Rights

www.cer.org.za



POTSTIRRER



Maverick, opinion-forming thinker

'There is no such thing as sustainable mining. It is only destructive.'

IN a world where environmental consultants face scrutiny for being more concerned with who pays their bills than protecting the environment, Melissa Fourie stands out as an unimpeachable force. The CER, which partners with other civil society organisations, is active in various areas. For instance, the organisation holds mining companies to account for environmental transgressions, it addresses weak governance in water and land, and it demands more transparency from emitters. The intensity of the CER's campaigns has attracted a long list of funders, including Oxfam, the Open Society Foundation, and European Climate Foundation. The CER has achieved several victories. In 2020, one of its most notable achievements was a court dismissal of the environmental approval granted for the Thabametsi coal-fired power station. The CER has also pushed for criminal charges against Eskom for violating air emission limits at Kendal power station. While the rest of the population – and the economy – bemoans South Africa's lack of power, Fourie has targeted the longer-term goal of eliminating all coal-fired power stations in the country. In May 2021, the CER will represent NGOs in a long-running case that hopes to declare the air quality in the Highveld Priority Area (owing to plant emissions run by Eskom, Sasol, and NatRef) a violation of the Constitution. The CER wants the government to fix the problem. On her personal Twitter page, Fourie has been arguing for making access to Covid-19 vaccines more equitable.

LIFE OF MELISSA

She's been executive director of the CER since its launch in 2010. She holds an impressive suite of qualifications, including a law degree, a masters in environment and development from the London School of Economics, and a leadership programme. She's worked for law firms in South Africa and Australia in commercial and insolvency litigation and for South Africa's Department of Environmental Affairs and Tourism. On her Twitter page, she describes herself as "environmental lawyer, climate activist, feminist, lover of street art, piano, wild places."

ARNE FRANDSEN

CHAIRMAN

Sedibelo Platinum Mines

www.sedibeloplatinum.com



FLAG



News is about to happen here

'We've always said we are going to list but until now valuations of PGM companies have been crazily low. Now we are in a much better environment.'

THE dismantling of investment fund Pallinghurst Resources in 2018 as it sought a pure gems strategy through Gemfields, effectively planning for the unbundling of its steel feed and platinum businesses, saw Frandsen take a back seat in Pallinghurst Capital Partners. One of his remaining jobs, however, was to sell Pallinghurst's stake in Sedibelo Platinum Mines (SPM). Some kind of finality to that strategy may be in sight, possibly this year with a listing, maybe in Johannesburg. Frandsen said in December SPM's board had approved the expansion of its South African platinum group metals (PGM) mine, Pilansberg Platinum, to between 400,000 and 600,000 ounces a year from current production of around 120,000 to 150,000 oz. The 'Triple Crown' expansion would be self-funded, according to reports, although it's hard to see SPM not raising a bit of equity from the listing at least, especially as there's some long-suffering shareholders in the structure, including the Industrial Development Corporation, the government-owned financier, which has a 15.75% stake, and the Bakgatla-Ba-Kgafela (25.74%). The question of free-float might also need to be answered. A few items need to fall into place before the listing though. One is the sale of Gemfields' 6.6% stake in SPM, held through the complicated Pallinghurst structure. Another is to get SPM's 2020 financials published which should hopefully clarify a whole bunch of unanswered questions about Pilansberg Platinum such as whether it makes SPM any money, not to mention the structure. Gemfields last year wrote down its stake in SPM by \$12m. Frandsen is meanwhile hoping to add to Pallinghurst's battery metals portfolio of lithium and graphite in Africa.

LIFE OF ARNE

Frandsen holds a BA LLB degree as well as a Master's in law from the University of Copenhagen, and has completed postgraduate research and studies at Tokai University in Japan and Stellenbosch University. He worked at Goldman Sachs and JP Morgan and came to Johannesburg in 2004 where he quit investing banking to become CEO of empowerment firm, Incwala Resources. He teamed up with Brian Gilbertson, the former BHP Billiton CEO, to create Pallinghurst Resources in 2006 until it was effectively wound up in 2018.

ROBERT FRIEDLAND

EXECUTIVE CHAIRMAN

Ivanhoe Mines

www.ivanhoemines.com



POTSTIRRER



Maverick, opinion-forming thinker

'There will be zero fatalities on this mine. Zero.'

HUMILITY is not an attribute normally associated with Robert Friedland, but even his self-confidence must have dipped in September when three mineworkers were killed in an accident at the developing Ivanplats' Platreef mine in South Africa. That was not supposed to happen. Friedland had decreed the Platreef would be a state-of-the art, mechanised operation where "no worker underground on this mine will lift anything heavier than a pencil because it will be fully automated." Friedland made that claim years ago as part of his campaign to differentiate the Platreef project from the existing South African platinum producers which he said were "deep and have safety issues." It was all part and parcel of his marketing and PR campaign to curry favour with the ANC government, telling the politicians what they wanted to hear. But to guarantee an absence in fatalities was perhaps going too far despite the 92% decline in industry fatal mining events between 1993 and 2019. Friedland had better luck with a second prediction in which he forecast the Ivanhoe share price would double during 2020. That he got right. The company is riding the twin booms in the platinum group metals and copper markets through Ivanplats, as well as the huge, high grade Kamoakakula copper project in the Democratic Republic of Congo which just keeps expanding in size and potential profitability, according to the latest technical reports.

LIFE OF ROBERT

Arguably the world's most famous mining entrepreneur, it is difficult for outsiders to get a handle on Friedland because he never gives interviews. He has had public feuds with media organisations like Bloomberg and Canada's Mail and Globe newspaper. As a journo you have to take what you can glean from his investor presentations which are invariably highly entertaining and thought-provoking on the future demand for his chosen metals, such as platinum and copper. He obtained a BA in political science from Reed College after which he studied Sanskrit and Buddhism in India. He has had three major discoveries so far in the run-up to his latest projects in South Africa and the DRC and two of those were huge. Those were the Voisey's Bay nickel deposit in Canada and the Oyo Tolgoi copper deposit in Mongolia.

NEAL FRONEMAN

CEO

Sibanye-Stillwater

www.sibanyestillwater.com



RAINMAKER



Making, not stirring pots

“I’m deeply disillusioned with South Africa. Investing more in South Africa is very difficult. I’ve been quoted as saying, you can’t speculate with shareholders’ money. It is very sad for me as a South African to say that.”

SIBANYE-Stillwater CEO, Neal Froneman, spent much of 2020 ‘marooned’ in Florida, where he had been attending a conference in March when pandemic-triggered lockdowns swept the globe. He hardly spent the time on the beach.

Sibanye’s headline earnings for the six months to the end of June soared from a loss last year of R1.26bn to a record R9.4bn, lifted by surging gold and palladium prices. This allowed the company to resume dividend payments. One surprise performer has been the Marikana platinum operation Sibanye-Stillwater took over when it acquired Lonmin.

Marikana will always be linked to the killing by police of 34 striking miners there in 2012, and Lonmin had battled to make it profitable.

Other 2020 milestones included the unveiling of a tri-metal catalyst that allows for partial substitution of high-priced palladium with lower-priced platinum in light-duty gasoline vehicles. Sibanye-Stillwater and rival Impala Platinum funded the research which was carried out by chemicals giant BASF, and it could “rebalance” the PGM market by boosting demand for platinum while reducing the need for palladium.

Meanwhile, Froneman’s pointed criticism of South African mining policy, which he says remains a deterrent to foreign investment, angered mines minister Gwede Mantashe. Mantashe in turn attacked Sibanye-Stillwater in November, saying it had “stolen” empowerment points from a BEE deal it inherited from Gold Fields, the company from which it is a spin-off. Froneman is likely to stand his ground on this issue, but he continues to seek partnership as well. In January, he offered to assist with Government’s Covid-19 vaccination programme. Sibanye-Stillwater wants to vaccinate its workforce but it can also extend a hand to communities, potentially reaching up to 400,000 people. Looking ahead, Sibanye may enter the battery metals sector as it continues its diversification journey.

LIFE OF NEAL

Froneman has carved a reputation as an ace dealmaker. He has run or held senior positions in several companies including Gold One and Harmony Gold. A mechanical engineer by training, he loves to tinker with the engines of fast cars and knows what he is talking about when it comes to catalysts and internal combustion engines. Other pastimes include long-range target shooting, a passion he pursues on his private game farm.

RUSSELL FRYER

CEO

Critical Metals

www.criticalmetals.co.uk



FLAG



News is about to happen here

'It is important to ensure a stable supply of metals that will allow economies to operate and grow and avoid being at the mercy of foreign competitors'

THE listing of Critical Metals in London in September is but one signal of the growing interest in metals required for global decarbonisation, and the electrification of the drive-train. Two months after Critical Metals' debut, Tirupati Graphite - a firm operating in Madagascar - conducted its own IPO, also in London. More are likely to follow as interest grows in previously arcane-sounding metals such as graphite and rare earths. In the case of Fryer and Critical Metals, however, the aim is to find brownfields prospects in antimony, vanadium, beryllium and other minerals that have specialist application to things like wind farms, or electric car batteries. Critical Metals is also looking for more standard, yet in deficit, metals such as copper and cobalt. The focus falls on Africa and the prospect of near-term cash generation. Fryer's argument that investors support tiny start-ups such as his own has an interesting political angle as demonstrated in the recent trade war between the US and China. The last thing the western world needs, he says, is for China to leverage its dominance in minerals such as rare earths to the disadvantage of, say, European automakers. For Fryer, a long-list of 16 potential mineral targets has been narrowed down to a handful of potential deals which may materialise in 2021. Critical Metals is entirely predicated on M&A so there's a distinct prospect of interesting newsflow.

LIFE OF RUSSELL

With a background in investment theory and rules from the University of Witwatersrand in Johannesburg, Fryer established himself in the financial markets at HSBC, where he was director of emerging market equities, and Deutsche Bank. He left South Africa for his Canadian homeland joining investment advisory North Sound where he became MD, later becoming directly involved in mining as first non-executive of EcoMetals, a Canadian firm operating in South America. He then joined Western Uranium Corporation, a company he founded and chaired. Western Uranium became the largest landowner of in-situ vanadium and uranium in the US. He has even dabbled in journalism having produced articles for South African publications.

STUART GALE

INTERIM CEO

Resolute Mining
www.rml.com.au



HOT SEAT



Bottom singeing pressure

‘There’s no-one here under any misconception that that (cash flow generation) is what we are here to do.’

STUART Gale’s immediate task is to make sure Resolute’s engine, the Syama gold mine in Mali, continues to operate incident-free. A couple of worrisome strikes at the operation, coming less than two years after a failure of the mine’s processing facilities, means Resolute hasn’t extracted the best performance from the mine. Troublingly, a strike was called in December. Resolute ticked a lot of boxes under the leadership of former CEO, John Welborn; it listed in London, largely refinanced its balance sheet, and made important strides in the extension of Syama’s life of mine following a prefeasibility study into the underground potential of the Tabakoroni project. The firm’s Senegal operation, Mako Gold Mine, was also extended two years in mid-2020 suggesting that the 400,000 to 500,000 ounce a year gold production target might one day be realised. But the interruptions, and an aggressive hedging strategy which sees Resolute collect far below the spot price of a resurgent gold, has resulted in below par cash conversion for the company, and largely behind Welborn’s exit, which was a surprise nonetheless. Under Gale’s watch, Resolute has sold the 80,000 to 100,000 oz/year Bibiani gold mine, currently mothballed, in Ghana to Chinese firm, Chifeng for cash of \$105m. Once conditions are met, the asset sale will help further clarify Resolute’s portfolio - Welborn sold Ravenswood in early 2020 - and tidy up Resolute’s balance sheet yet further. Resolute is a firm in need of some operational stability with the likelihood that the next hire to the CEO’s office will be a bred-in-the-bone mining technician. Production guidance for 2021 was put at 350,000 to 375,000 oz.

LIFE OF STUART

Stuart Gale is a chartered accountant with a Bachelor’s degree in economics from the University of Western Australia. He may be a long-time Perth inhabitant but mining was not to the manor born as he worked at the Australian Railroad Group and Wesfarmers in various financial management roles until joining Fortescue Metals. After nearly ten years at the iron ore miner he joined Resolute Mining as CFO in January, 2020.

SEAN GILBERTSON

CEO

Gemfields Group

www.gemfieldsgroup.com



HOT SEAT



Bottom singeing pressure

'None of the serious setbacks we faced over the past 13 years have knee-capped us in the way Covid-19 has.'

C OVID-19 has driven Gemfields to a limited form of online bidding because physical sales meetings, and gemstone deliveries have been strangled by restrictions on international travel. Revenue from gemstone auctions fell 89% compared with 2019, and operational activity at the Kagem emerald mine in Zambia and Mozambique's Montepuez ruby mine was suspended for most of the year. Mining operations are only planned to resume in March. Gemfields also owns the iconic luxury jewellery brand Fabergé, but that entity is dependent on funding from its parent. The daunting fact is that luxury goods are not counter-cyclical through Covid-19. Bain, an advisory company, estimated in November the global luxury goods market had fallen by a quarter, and was back to its 2014 level. Survival through cost-cutting has become the new normal for Gilbertson. By year-end, Gemfields had net debt of \$14.6m and a monthly cash burn of \$5m – which was less than half previous levels. The sale of Gemfields' 6.54% stake in Sedibelo Platinum Mines could raise some cash, but that will take more time than Gemfields has at its disposal. When times are tight, executive remuneration becomes an issue. Shareholders considered Gilbertson's 2019 earnings of \$776,000 excessive for a company of Gemfields' size. At the firm's 2020 annual general meeting, more than a quarter of votes opposed the remuneration policy, which has since brought about some changes. Gemfields cut salaries for part of the year and announced that its two executive directors will not receive bonuses for the 2020 financial year.

LIFE OF SEAN

Sean's career is inseparable from that of his father, the legendary Brian Gilbertson of Gencor and later BHP Billiton, who was required by the UK listing authority to step down as Gemfields' chairman in November, 2019.

Gilbertson junior, unlike his father (who studied physics), graduated in mining engineering at Johannesburg's Wits University. He worked in the mines before joining Deutsche Bank in Frankfurt as a project financier. He then co-founded globalCOAL, the online coal trading hub, and the Spectron eMetals trading platform.

PRAVIN GORDHAN

MINISTER

Public Enterprises, South Africa

www.dpe.gov.za



HOT SEAT



Bottom singing pressure

‘There are some narratives around privatisation and so on, which is part of the fake news industry as far as we are concerned.’

PRAVIN Gordhan has kept uncharacteristically mum on Eskom after initially backing unbundling plans for the utility. Behind the scenes, however, he is the avenging force that has seen criminal actions brought against maladrofit employers and service providers. Appropriately, though, he has allowed Eskom CEO, André de Ruyter, space to fix the stricken utility. Government interference over the past decade has been cited as one of the problems that has contributed to Eskom’s financial crisis. With a background in the Communist Party, Gordhan has strong views on privatisation. Consequently, Eskom’s proposed unbundling is unlikely to result in a full or partial sale of either its generation, transmission or distribution units. In Eskom’s 2019 turnaround plan, Gordhan said competition was important in order to limit monopolies. But he sees that as competition among Eskom’s power stations, not between the utility and the private sector. What the mining industry most needs from him is a steady and affordable supply of power. However, it won’t get that if government lends a sympathetic ear to De Ruyter’s insistence that electricity tariffs should rise by another 28% to a “cost-reflective” level. There’s also inherent conflict between Gordhan’s mandate to make Eskom financially sustainable and providing the mining sector with affordable power, which is the competing mandate of Minerals and Energy Minister, Gwede Mantashe. Elsewhere, Gordhan’s time has been taken up with the Zondo Commission which raked over the vestiges of the trumped up ‘rogue unit’ claim in tax collection agency, SARS, that Gordhan once ran. He has also attracted criticism for tapping the national budget in an effort to return dysfunctional airline SAA to the skies.

LIFE OF PRAVIN

He holds a Bachelor of Pharmacy Degree from the University of Durban-Westville, and has been politically active since he was a student in the Sixties. He was involved in underground activities in the Seventies for the South African Communist Party and the ANC and was detained three times. He participated in the Codesa talks that preceded South Africa’s first democratic election in 1994 and became an MP in the first ANC government. He served as Commissioner for SARS in 1999, and two stints as South African Finance Minister: 2009 to 2014 and 2015 to 2017.

CHRIS GRIFFITH

CEO-ELECT

Gold Fields

www.goldfields.com



FLAG



News is about to happen here

'There are always opportunities but then there are also ways of throwing good money after bad. Getting bigger for just volume is often a bad reason to do it.'

CHRIS Griffith will offer a fascinating change in style for Gold Fields compared to the somewhat gentlemanly demeanour of outgoing CEO, Nick Holland to which it has become accustomed these last 13 years. But the company's challenges present as the same regardless. High on Griffith's list when he starts work in April will be the successful execution of Salares Norte, the \$860m project in Chile where, among the technical difficulties, is the delicate matter of a local population of chinchillas, the nocturnal rodents conservationists are keen to have preserved considering their endangered status. Questions will also be sought as to Griffith's take on South Deep. The feeling among analysts is that Griffith has that brutal edge that may enable him to cut the mine free whereas Holland's commitment to South Deep runs deep, considering he was CFO when it was bought from Barrick in 2006 for R22bn - still a lot in today's money. Griffith has been non-committal on what he may do, promising to keep an open mind on any option that may present itself to Gold Fields whilst he's in charge. This has led to some speculation he may diversify Gold Fields into platinum group metals (PGM), an industry Griffith knows well from his seven years as CEO of Anglo American Platinum (Amplats). What's especially interesting about Griffith's appointment is that he comes into an industry and a company riding the crest of a wave. Previously, on taking the jobs at Kumba Iron Ore and Amplats, the market was suffering cyclical lows. So the task for Griffith may not be for corporate surgery, but optimisation. That may require restraint and delicacy. What's certain is that Griffith finally gets to run a truly 'international' company in the sense that he has far more independence as CEO than at Amplats which was very much the vassal of its 80% owner, Anglo American.

LIFE OF CHRIS

Griffith has a B.Eng. degree in mining from the University of Pretoria and has held a number of high-ranking positions within Anglo American, the last as CEO of Amplats (2012- 2020), and CEO of Kumba Iron Ore (2008-2012). In 2017, he was savagely attacked by a buffalo whilst on holiday in Tanzania - an incident that left him reliant on a wheel-chair or crutches for several months.

MARTIN HORGAN

CEO

Centamin

www.centamin.com



FLAG



News is about to happen here

'I think we are all up to the challenge. If there's some value there, we will find it.'

THE quantum shift in the gold price in 2020 was good news for all producers of the metal, but particularly so for Centamin, the UK-listed miner, and its CEO, Martin Horgan, who joined in April. That's because the firm had in January 2019 successfully defended against a hostile merger proposal from Endeavour Mining, promising better times ahead for shareholders if it remained independent. The effect of the gold price gain was to put millions of pounds on to the market capitalisation of Centamin far in excess the level Endeavour was prepared to pay in shares in December. With the wind at his back, the task now for Horgan is to capitalise on this revenue momentum by finally getting the best out of its Sukari gold mine, a veinous treasure-chest of an operation in south-east Egypt. A new mine plan is imminent which will drive at improving flexibility. Horgan has played open cards on his targets: he has promised production of between 450,000 to 500,000 oz from now until 2025 and a minimum dividend payout of \$100m for this year and the next. He has also acknowledged there's a need for clarity on the potential of the firm's West African exploration portfolio. Currently, Centamin is a single asset wonder, that's failed lately to be wonderful. The collapse of a mining wall in Sukari's open pit in the third quarter hints at the risks of a single asset company. Nonetheless, Centamin made guidance with 2020 production of 452,320 oz, although it has come in with a slightly conservative outlook for 2021 of 400,000 to 430,000 oz. Horgan thinks that potential M&A growth is a possibility for the company, but first it has to re-establish Sukari as the platform.

LIFE OF MARTIN

Horgan's claim to fame thus far was the sale of Toro Gold which he co-founded to Resolute Mining in 2019 for a princely \$274m. He took up the reins at Centamin from interim CEO, Ross Jerrard, ten months later. Horgan, a University of Leeds graduate in mining engineering, was previously executive director of BDI Mining, an AIM-listed diamond producer and from 2000 to 2006, a mining finance banker at Barclays Capital.

RICHARD HYDE

CEO

West African Resources

www.westafricanresources.com



FLAG



News is about to happen here

'It was a surreal and emotional feeling taking the project from discovery phase all the way through to producing that first gold bar in March.'

ON paper it appears Richard Hyde got his timing absolutely perfect, bringing West African Resources' Sanbrado gold project in Burkina Faso into commercial production in 2020 just as the gold price clicked into top gear. Of course, the reality is quite different. Hyde listed West African Resources ten years ago at a time when investors were heading for the doors, the so-called super-cycle truly over. So it's been a long, hard road, but production changes everything: West African paid down \$25m of \$200m in gross debt nearly half a year early and has targeted deleveraging throughout 2021. The expectation for Sanbrado is five years of some 215,000 ounces a year of production with the firm's Toega deposit - a satellite of Sanbrado bought from B2Gold in April 2020 for \$45m - due for incorporation after about three years. Before that, West African plans to provide a life of mine production plan for Sanbrado. The last estimate was of 3.1 million oz in mineral resources. New data will provide further clues as the firm's exploration success on which so much upside potential rests. This is especially relevant given the 'toppy' nature of gold mining equities currently which makes growth through deal-making an expensive exercise. Shareholders, including the Burkina Faso government which has a 10% free-carried stake, have seen major capital appreciation lately: West African Resources is worth about A\$900m, more than a doubling in about 12 months.

LIFE OF RICHARD

A geologist with a B.Sc. from University of New England in Australia's New South Wales, Hyde is a veteran of some 20 years' experience in the West African mining sector. He founded West African Gold in 2006, taking it through its initial public offering in 2010, until ten years later making the firm one of West Africa's latest gold producers.

CLIVE JOHNSON

PRESIDENT & CEO

B2Gold

www.b2gold.com



RAINMAKER



Making, not stirring pots

‘We are clearly in elephant country here when it comes to new gold mines, and we are looking aggressively.’

IT'S hard to pick a single highlight for Clive Johnson and the team in 2020. There are so many, starting with perhaps the most important metric of all for shareholders: a doubling of the dividend to 2 US cents a year. That was built on increasing gold production following the expansion of its jewel, Fekola - a mine in Mali -, as well as the higher gold price. Assuming an average gold price of \$1,900/oz, B2Gold is calculated to generate \$900m in operating cash flow, \$200m more than forecast mid-year. This has also enabled B2Gold to remove debt. Entirely. Bear in mind, the company incurred \$700m worth of debt in 2017 following the then much-criticised acquisition of Fekola. At the time, Fekola was forecast to produce about 276,000 oz/year of gold for 12.5 years. The reality is that the mine's production is now some 60% of B2Gold's 2020 total guidance of just over one million oz. And Fekola's life of mine annual average is set around 400,000 oz, a doubling. Not even a coup on Mali could change the mood at B2Gold; in fact, Mali is - as quoted more fully above - "elephant country" for Johnson. There have been solid contributions from B2Gold's other operations - Otjikoto in Namibia (which donated 1,000 oz in gold bars in order to protect the black rhino, the numbers of which roam nowhere greater than in the southern African country), and Masbate in the Philippines. Inevitably, the challenge now will be what to do with the cash. The investment tide is a-changing with some shareholder focus falling on re-investment. Does Johnson plump for more aggressive organic growth, or potential M&A of the truly transformative nature, especially given the value of its paper, up about 40% year-to-date?

LIFE OF CLIVE

Johnson established his reputation with Bema Gold which was bought by Kinross in 2007 for C\$3.5bn. He then re-grouped with former Bema colleagues to establish B2Gold which embarked on an aggressive acquisition strategy culminating in the \$570m purchase of Papillon Resources in 2014. He played rugby union, has South African roots, and occasionally takes a physical approach to critical analysts.

MICHAEL JONES

CEO

Platinum Group Metals

www.platinumgroupmetals.net



HOT SEAT



Bottom singeing pressure

“This is a global market. We are very confident of getting the partners together.”

IT was back to square one for Mike Jones after Impala Platinum (Implats) decided in June not to plump for a lead role in PTM’s Waterberg Project, an enormous palladium-rich deposit in South Africa’s Limpopo province, with a matching enormous capital development cost of about \$617m. To be honest, the writing was on the wall regarding Implats’ participation in the Waterberg project. First Implats CEO, Nico Muller, hemmed and hawed over the project’s lengthy lead times and his firm’s need to start producing sustainable dividends. And then Implats bid C\$1bn for North American Platinum in October 2019. Undeterred, Jones says the global market place is wide enough for new suitors. Discussions are continuing apace, he says - adding that under President Cyril Ramaphosa, South Africa has become a lot more desirable a destination for investors. As for the palladium price, that speaks for itself. In the meantime, PTM is keeping afloat through regular share issues. Jones is also picking through potential offtake agreements for Waterberg production - scoped at 420,000 ounces of platinum group metals by 2027 after producing first concentrate in 2023. This will be crucial to financing the project. For the record, Implats has a matching right on any proposed offtake deal. Implats will also protect its existing 15% stake in the project which is a good sign for Jones & Team. It is “a strong asset that may come into play,” says Muller.

LIFE OF MICHAEL

Jones holds a B.Sc. in Geological Engineering from the University of Toronto and co-founded PTM in 2000. He was a founder of Glimmer Resources Inc and was responsible for the discovery of the Glimmer Gold Mine - now Blackfox - in Ontario. During a six-year tenure as president of Cathedral Gold, Jones ran a producing gold mining company and was involved in the review of a feasibility study and financing for the \$1bn Diavik mine project during two years as vice-president with Aber Resources. These operational victories, he reminds us, proves PTM’s Waterberg will become more than concept. Although he concedes to having “the lash marks” following the failure of PTM’s Maseve project, sold to Royal Bafokeng Platinum in 2019.

GRAHAM KERR

CEO

South32

www.south32.net



RAINMAKER



Making, not stirring pots

‘When we started, the cupboard was bare in terms of development options.’

IN the six years since it was spun out of BHP Billiton, South32 has made slower progress in reshaping its portfolio than Kerr may have expected, even though the investment decision to exit certain low-margin businesses was taken quite quickly. One of those prolonged disposals is South Africa Energy Coal (SAEC). Preparations for the sale began in 2018 when SAEC was made a separate business within South32. This was followed by invitations for bids - over 50 expressions of interest were lodged - before a short list of six was compiled. The SAEC divestment will improve the group’s average margin and streamline South32’s investment offering. It will also relieve the group of complex security and community issues associated with the Mpumalanga province mines and - perhaps most importantly - shift the mines’ substantial rehabilitation liability to new owner, Seriti Resources. The deal is inching along. A key hurdle in disposing of SAEC is re-negotiating a long-term coal sales agreement with Eskom before transferring it to Seriti. By contrast, finalising the sale of South32’s TEMCO manganese alloy smelter in Tasmania took nine months. Elsewhere in the portfolio, South32 placed its Metalloys smelter in South Africa on care and maintenance with a view to selling it as a going concern. Regarding manganese ore mining, Kerr thinks it’s a tasty market owing to South32’s dominant position in the Kalahari Basin, a geological system that contains the world’s biggest deposits. Crucially, China satisfies most of its consumption from imports. In terms of South32’s prospects, huge emphasis is being placed on base metals production. To this end, Kerr has secured two North American base metals projects for development, Ambler Metals and - the firm’s near-term option - the Hermosa deposit. Much of Kerr’s legacy will turn on executing this project we suspect.

LIFE OF GRAHAM

Formerly the CFO of BHP Billiton, he led South32 through its demerger in 2014 and has remained as CEO of the smaller entity ever since. He worked in a variety of roles at BHP Billiton where he has spent his entire career except for two years at Iluka Resources. Among his former responsibilities were Richards Bay Minerals and the Corridor Sands project in Mozambique. He holds a business degree from Edith Cowan University in Australia. Kerr turns 50 this year.

KEITH LIDDLE

EXECUTIVE CHAIRMAN

Kabanga Nickel

www.kabanganickel.com



FLAG



News is about to happen here

'As the world forges ahead with plans to decarbonise, it is increasingly looking towards more sustainable means to satisfy today's growing demand for greener inputs to manufacture electric vehicles.'

KEITH Liddle is from the school of international mining derring-do that brooks no challenge to the question of: should this mine be built? Over the years he has established companies that have financed and engineered (and sometimes sold) nickel and platinum mines, as well as invent his own patented metallurgy - known as Kell technology - that the Zimbabwean government once promised to adopt for its platinum group metal sector (but didn't, it seems). He's back on our screens today as executive director of Kabanga Nickel - a privately-held company that this month inked an agreement with the Tanzanian government for the construction of Kabanga Nickel. The prospect, located in the north-west of Tanzania, has been around for a while: Barrick and Glencore poured \$290m drilling the orebody for a decade before deciding to sell it. Nickel, however, is one of those metals recently deemed critical to electric car battery manufacture, therefore the question of future supply is one that Liddle hopes to go some way to answering with Kabanga Nickel. The basic plan is to update Kabanga's 58 million ton at 2.62% nickel in-situ reserve - equal to 1.52 million tons of the metal - and set about financing the mine ahead of its digging. Licensing should be a cinch as President John Magufuli's government has a 16% stake. A listing is a nailed-on certainty with Liddle and his board - which includes some names familiar to mining aficionados - almost certain to start talking up the supply deficit that an electric future will present the modern world. Kabanga also contains significant amounts of cobalt which, if economically mineable, presents an interesting, potentially non-conflict, alternative to the mineral fields of the often stricken Democratic Republic of Congo.

LIFE OF KEITH

Liddle developed the Kroondal platinum mine whilst he was MD of Aquarius Platinum in 1997 but thereafter trod his own path, establishing Mineral Securities in 2003 which subsequently invested in Sedibelo Platinum Mines (SPM) which was part of the Pallinghurst Resources group. It was through SPM that he piloted Kell technology. Liddle ran a number of other ventures, some of them in nickel, most notably Sally Malay (now Panoramic Resources) which developed the Savannah Nickel mine. He is also a director of Cornish Lithium which recently listed in London.

ZHIMIN LI

CEO

Wesizwe Platinum

www.wesizwe.co.za



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‘There has been a lot of Chinese investment in South African mining over the years, but little to show in terms of outright production success. Wesizwe Platinum is positioned to change this track-record.’

LI dropped off the radar over the last few years, but the company is now close to bringing new platinum group metals (PGM) from the Bakubung project into production. This is a rare, new underground mine outside the major producers in the PGM sector. Work on Bakubung, which is immediately south of the Sun City holiday resort, started in 2011. Wesizwe has had a number of CEOs since it was formed, but Li will be the head of the company as its long-held plans finally ripen, coinciding nicely with a surge in PGM prices. Li, however, has to find a final tranche of funding to complete the project which has already eaten through a \$650m facility provided by China Development Bank. Based on data in its 2019 annual report, it may need another \$200m. Wesizwe says its largest shareholder, China Africa Jinchuan Investments, will support the shortfall in funding and has even guaranteed a repayment of the \$650m loan. Securing this money and completing the project are Li’s key focus for 2021. Among the critical items to finalise will be the construction of the processing plant, which has been delayed by six months to October 2021. The mine will ultimately have capacity to produce 420,000 ounces of PGMs and gold. There has been a lot of Chinese investment in South African mining over the years but little to show in terms of outright production success. Wesizwe Platinum is positioned to change this track-record.

LIFE OF ZHIMIN

Zhimin holds a Bachelor degree in Mining Engineering from KunMing University of Science and Technology in China. He has more than three decades of mining large project development in China and Africa working for Jinchuan Group.

COBUS LOOTS

CEO

Pan African Resources

www.panafricanresources.com



RAINMAKER



Making, not stirring pots

'There's not many mining companies left that can do this kind of thing and who have the experience Pan African and DRDGold have in tackling these large tailings retreatment projects.'

COBUS Loots brooks no criticism of his plan to return to underground mining at Mpumalanga's Evander Gold Mines. A previous foray at the mine ended in tears when a weakening gold price and complex mine logistics forced Pan African to stop full scale mining. But now it has a far simpler approach, not to mention some hard-won experience. The mine, which will add welcome tons of ore to the Evander plant, provides risk mitigation for its large tailings production. Loots, no stranger to criticism for doing something out of the ordinary – witness Pan African's brief but profitable foray into coal – has also flagged the defunct Mintails assets near Krugersdorp and Soweto as of interest to the company. Never mind they come with a truckload of social and environmental issues, he's adamant that one or both of these tailings retreatment prospects can make money. There's one last major gold tailings opportunity in South Africa, says Loots who is reticent to say more. But after two successful gold tailings retreatment projects under its belt, Pan African is positioned to play a larger role in this type of mining. The anchor asset in Pan African is the Barberton mining complex which Loots wants to expand beyond 100,000 ounces of gold a year. The geology is favourable and if anyone can drive Barberton into a more substantial mining operation, it's Loots. The untapped underground potential at Evander, where there are unmined resources awaiting a brave investment decision and deep, patient pools of capital, also provides more than enough future growth in Pan African. Still, expect the unexpected from Loots and team.

LIFE OF COBUS

After training and working as a chartered accountant with Deloitte & Touche in South Africa, Loots moved into mining-specific acquisitions and finance. He joined Pan African Resources as a director in 2009. He was MD of Shanduka Resources, the empowerment investment group founded, and originally headed, by President Cyril Ramaphosa. He was responsible for the transaction in which Shanduka became Pan African's empowerment partner. Loots then moved through the Pan African ranks to become CFO in 2013, and then CEO in March 2015. He has also worked for Macquarie Africa in investment banking and for coal miner, Sentula Mining.

WILLIAM MABAPA

DEPUTY GENERAL SECRETARY

National Union of Mineworkers:

www.num.org.za



FLAG



News is about to happen here

'If there is job security and no retrenchments, and Eskom can consult with us (about restructuring), we would give it a chance. At the end of the day there cannot be a situation where there will be job losses.'

WILLIAM Mabapa, deputy general secretary of the National Union of Mineworkers (NUM), finds himself at the helm after the sudden death of general secretary, David Sipunzi on Christmas Day after a brief illness. In February 2021, NUM will select an acting general secretary - Mabapa appears to be the obvious successor - and its main leadership elections will be held next year. NUM has a number of priorities for 2021, including wage talks in the gold sector against the backdrop of elevated prices and rising profits for the companies - a point that will not be lost on the union. State-run power utility Eskom is also high on the union's agenda. NUM is not opposed to the company's plans to split into three units, but Mabapa has made it clear that the union will not accept job cuts or privatisation as part of the process. The pandemic's challenges are also at the forefront. As the mining sector rebooted from lockdown in 2020, NUM voiced public concerns about the industry's ability to protect workers from Covid-19. Mabapa has said the union expects larger companies at the very least to purchase vaccines when they are available for their workforce. Some of the union's members - and other union leaders - have bought into conspiracy theories regarding the vaccine and so convincing them to take the jab will be among NUM's challenges in 2021. NUM remains a key base of support for the ruling ANC, which gives it some political clout.

LIFE OF WILLIAM

Makgabo William Mabapa worked his way up through the ranks in the platinum sector. He was first elected a NUM branch chairperson at Anglo American Platinum's Mogalakwena section in 1994 and became secretary for the union's North East region in 2002. He has been deputy general secretary since 2015.

DANIEL MAJOR

CEO

Goviex

www.goviex.com



FLAG



News is about to happen here

'We're going to drive forward on Madaouela and hopefully the market does what we think it's going to do which allows us to really start pushing into the financing of it.'

DANIEL Major continues to harbour a belief the uranium market is heading for a significant improvement. Its progress during 2020, however, was a bit more pedestrian than he might have hoped for: easing through \$30 per pound (\$/lb) rather than reaching the \$50/lb level required to incentivise new mine production. That's probably one reason Goviex is re-working the prefeasibility of its \$359m Madaouela project in central Africa's Niger. The study results are unavailable at the time of writing, but Major has spoken about "delivering a new pathway" for Madaouela involving metallurgical test work that will "compare alternate trade-off options". It's quite likely a new capital cost profile will be delivered. Goviex is also exploring the gold mining potential of its Falea deposit in Mali. Primarily owned for its overlying uranium resources, Falea could provide Goviex shareholders with access to the gold market which is staging the kind of renaissance uranium believers crave. Falea is positioned on the Birimian gold belt that is host to B2Gold's fantastically rich Fekola mine. In the meantime, Major, a financier, has kept the balance sheet ticking over with a number of capital raisings, the last important one consisting of C\$5m share issue on the basis that "... we are at a turning point in the uranium market". Let's not labour the point on uranium; suffice to say, a supply deficit of some 31 million pounds is forecast by 2022. In other news, Goviex is appealing against the confiscation of the mining licence for its Chirundu deposit by the Zambian government. Chirundu is part of the prefeasibility study for its \$121m Mutanga project in Zambia. If it gets approval, Mutanga will produce its first uranium in 2026; first, however, is Madaouela. Currently, production is planned for 2024 following development between 2022 and 2023.

LIFE OF DANIEL

Major graduated from the Cambourne School of Mines. His experience of uranium mining is extensive having worked at Rio Tinto's Rossing Uranium in Namibia. He went into sell-side analysis at HSBC and JP Morgan Cazenove before returning to the industry to lead a number of Canadian junior mining firms. He also was CEO and chairman of Basic Element Mining & Resource Division in Russia.

JULIUS MALEMA

COMMANDER-IN-CHIEF

Economic Freedom Fighters

www.EFFonline.org.za



POTSTIRRER



Maverick, opinion-forming thinker

'If we are going to die of hunger, let us rather die with our boots on than dying protecting the white monopoly economy. It is not our economy.'

THE 'Commander-in Chief' of the Economic Freedom Fighters (EFF) party, Julius Malema, is a political firebrand who espouses policies that would turn the blood of any mining executive cold. The EFF wants to nationalise almost every nook and cranny of the economy, notably the mining and banking sectors. Luckily for such industries, few analysts see the opposition EFF ever winning a national election. The party was largely sidelined during the initial hard lockdown of South Africa's economy in the face of the Covid-19 pandemic. It publicly opposed the gradual rebooting of the economy, suggesting it would be no bad thing if the "white economy" collapsed. Few saw it that way and the reopening of economic activity was welcomed by almost everyone else because of the toll lockdown had taken on livelihoods. This underscored the uneven quality of Malema's and the EFF's political instincts. Still, the party regained some political or at least public relevance with a campaign against the Clicks chain of pharmacy stores over the airing of a hair advertisement widely regarded as racist because of its negative portrayal of black women's hair. Malema continued to court controversy in 2020, at one point making typically inflammatory remarks that appeared to condone fighting the police with violence. The EFF will be looking to make inroads in 2021 in local government elections. Its best friend on this front is the governing ANC, which has a shocking record of service delivery in the municipalities it runs.

LIFE OF JULIUS

Also known as "Juju," Malema hails from the platinum-rich South African province of Limpopo. A former ANC Youth League leader, Malema was a key ally of former South African President Jacob Zuma until the pair had a spectacular parting of ways. Expelled from the ANC in 2012, Malema revived his political career by founding the EFF in 2013. The party is known as the "Red Brigade" because in parliament its MPs wear overalls - the uniform of the domestic working classes - which are coloured a bright red.

GWEDA MANTASHE

MINISTER

Mineral Resources & Energy

www.dmr.gov.za



POTSTIRRER



Maverick, opinion-forming thinker

'We think Sibanye has been reckless in handling a serious issue.'

SOUTH Africa's minerals and energy minister, Gwede Mantashe, is a grizzled and gruff former trade unionist and political heavyweight in the ruling ANC. A close ally of President Cyril Ramaphosa, he led the drive in cabinet to reopen the mining sector faster than other industries after the initial, hard Covid-19 lockdown. The mining sector was grateful to him for such efforts, which faced opposition from some unions such as the militant AMCU. On other fronts, his record from a mining industry perspective has been more mixed. Regulatory approval for renewable energy projects to bring badly-needed capacity to the ailing national grid remains painfully slow. He has also displayed tone deafness when it comes to investors, publicly attacking Sibanye-Stillwater in November over what he alleged were "stolen" empowerment credits related to an empowerment deal at its Beatrix mine when the operation was run by Gold Fields. Speculation in mining circles was that Mantashe was rankled by comments by Sibanye-Stillwater CEO, Neal Froneman, regarding what the latter said was the South African mining industry's poor investment environment. Sibanye-Stillwater is also in the process of renewing its mining right for Beatrix, and the costs of a new empowerment deal would probably make the operation unviable with the few years it has left. Still, Mantashe has also been credited by the mining industry for his openness to engagement, which remains a breath of fresh air after the disaster that was his politically-tainted predecessor Mosebenzi Zwane, who tried to ram investment-unfriendly regulations down the industry's throat.

LIFE OF GWEDA

Samson Gwede Mantashe cut his teeth in the trade union movement with the National Union of Mineworkers, which he formerly headed. A former general secretary of the ANC, he currently serves as the party's chairman, making him part of the party's powerful but divided 'Top Six'. Mantashe was briefly hospitalised in July 2020 after contracting Covid-19, but he recovered.

DAPHNE MASHILE- NKOSI

CHAIRWOMAN

Kalagadi Manganese

www.kalahariresources.co.za



HOT SEAT



Bottom singeing pressure

'It makes me angry that my personality is in question. They brought me in because I'm strong. I did it because I had the balls to do it. I'm over 60, for God's sakes!'

It got ugly for Daphne Mashile-Nkosi in 2020; very ugly, very quickly. Court documents came to public light in May in which Mashile-Nkosi's Kalagadi Manganese sought to fend off attempts by its 20% shareholder, the Industrial Development Corporation (IDC), to put the manganese producer into business rescue. Purportedly, Kalagadi can't pay interest or capital off R3bn in debt, as well as R2.9bn to the African Development Bank. Kalagadi's court effort was successful, but seeing as this was only on a technical matter, there's an inevitable discussion due with the IDC which wants to refresh management, although the understanding is that Mashile-Nkosi will stay as chairperson. This is something of a crushing blow for Kalagadi, a rags-to-riches story that turned on the R9bn mine and sintering plant construction in impoverished Northern Cape province. Last year, Kalagadi signed a 650,000 tons/month offtake deal with Transnet in a sign that the firm's route to market had been sealed, but the manganese market is fickle and last year duly fell in a heap. Covid-19 lockdowns appear to have hit supply more than demand so manganese prices have improved, but Kalagadi needs a complete recapitalisation that could see the introduction of a new shareholder. In chastening full year results in which a R3.2bn loss was recorded, the IDC said it was "optimistic" about resolving the Kalagadi crisis, but it has no interest in further its exposure to the firm as it brings a stricter discipline to investment criteria.

LIFE OF DAPHNE

Mashile-Nkosi was raised in Pilgrims Rest in eastern South Africa and after completing school became an activist. She started Kalagadi Manganese as its executive chairperson in January 2001. Mashile-Nkosi's biography is a remarkable tale of grit and determination. In one early business lunch meeting ahead of forming Kalagadi she kept to a diet of water as she couldn't contribute to the restaurant cost.

JOSEPH MATHUNJWA

PRESIDENT

Association of Mineworkers &
Construction Union

www.amcu.co.za



POTSTIRRER



Maverick, opinion-forming thinker

'I have always maintained that the continued onslaught on jobs will culminate in a nation in revolt as unemployment threatens the livelihoods of our people.'

JOSEPH Mathunjwa, founder and president of the militant Association of Mineworkers and Construction Union (AMCU), has been a force to be reckoned with since his upstart union dislodged the National Union of Mineworkers as the dominant labour force on South Africa's platinum belt in 2012. In 2020, on 1 May - Workers Day - the union scored a legal victory when the Labour Court ordered that minimum guidelines for mining companies' Covid-19 compliance be set in regulatory stone in the government gazette. This was in the early days of the pandemic in South Africa when fear and uncertainty reigned. It must be said that the industry was already setting high standards for itself, but the legal proceedings helped to gain AMCU's buy-in for the rebooting of the mining sector spearheaded by Mathunjwa's arch-nemesis, Department of Mineral Resources and Energy Minister, Gwede Mantashe. In October, AMCU filed a court case against unlisted manganese and chrome producer Samancor Chrome for alleged fraud and profit-shifting. That may be a space worth watching in 2021 as the company has a chequered ownership past and AMCU's case is being lead by Richard Spoor, who is widely regarded as one of South Africa's top human rights lawyers. Mathunjwa has long accused mining companies of shifting profits and hiding them in tax havens, which is a hot topic globally among activists and development economists. It is unclear though how much of a hold he retains on his rank and file after a disastrous five-month strike against Sibanye-Stillwater's gold operations that ended in 2019.

LIFE OF JOSEPH

Mathunjwa founded AMCU in 1999 as a NUM breakaway in the Mpumalanga province coal fields after a falling out with Gwede Mantashe. Shaven-headed and intense, he can be a charismatic speaker as he fires up his rank and file with Biblical references and calls for class warfare. He can be by turns prickly and approachable.

ZANELE MATLALA

CEO

Merafe Resources

www.meraferesources.co.za



HOT SEAT



Bottom singing pressure

'We are seeing lower than anticipated market conditions and so on a monthly basis we evaluate all our operations.'

IT isn't getting any easier for Zanele Matlala's Merafe Resources which is in joint venture with Glencore for production of the stainless steel ingredient, ferrochrome. China has rebounded well after Covid-19 suggesting steel production has revived, but Merafe's problems are closer to home. Eskom tariffs have averaged way above inflation - prices escalated 500% in 10 years - whilst a court decision mid-2020 allowing the power utility to recover a budget undershoot spells big trouble for high intensity electricity users of all stripes. Consequently, the Glencore-Merafe JV axed 1,000 jobs in October, and whilst it reopened its Boshoeck, Rustenburg, Wonderkop smelters that it idled following the March/April lockdown, the outlook remains dim. Japie Fullard, head of Glencore's ferroalloys division, had this to say: "I can't see how we can operate our smelters in that price environment". The impact on Merafe was steep interim earnings losses, a R1.34bn impairment, and R90.8m in cash depletion. Glencore said in August it was hoping to negotiate a bespoke deal with Eskom that could ensure the long-term survival of its ferroalloys production. Yet, aid may come from another, unlikely quarter. The South African government said it was considering an export levy on chrome ore that would force Chinese importers, among others, to buy ferrochrome instead. That's mind-numbingly naïve, said ChromeSA - a chrome ore producer association. Alloy producers may benefit short term, but the levy won't address Eskom tariff inflation, and won't necessarily drive the Chinese to chrome output. To our eyes, the levy proposal looks like thinly articulated state tinkering, so it remains to be seen if it'll stick.

LIFE OF ZANELE

She's an accountant holding a B.Com. and B.Compt. (Hons.) and a CA. Matlala joined the Merafe board as an independent non-executive director in 2005 becoming the CFO in 2010 and then appointed CEO in 2012 when Steve Phiri left to run Royal Bafokeng Platinum.

TITO Mboweni

MINISTER

Finance, South Africa

www.treasury.gov.za



POTSTIRRER



Maverick, opinion-forming thinker

'We cannot allow our recent fiscal weakness and the pandemic to turn into a sovereign debt crisis.'

SOUTH African Finance Minister, Tito Mboweni, has an unenviable job: bringing South Africa's swelling debt levels under control. In 2020, he was hardly the only finance minister to face a nightmare under the 'Great Lockdown', but he could only dream of being in a better fiscal position to begin with. South Africa's economy in the second quarter contracted over 50% on an annualised basis, and even after a 66% rebound in the third quarter, it is not expected to reach pre-Covid levels of output before 2023. In October, Mboweni presented a grim medium-term budget outlook. The budget deficit is 15.7% of gross domestic product (GDP) and gross debt is 81.8% of GDP and seen rising to 95.3% in 2025. More than one economist reckons it may exceed that by a long shot. In 2020, Moody's was the last major ratings agency to downgrade South Africa's credit rating to junk, and it has since descended further into the garbage heap. One elephant in the room is the public sector wage bill, which soared under the patronage network erected by former President Jacob Zuma. A labour court ruling in December said the government did not have to honour above-inflation wage hikes agreed in 2018 to public servants, but they vowed to fight that. For the mining industry, Mboweni at least has shown no temptation to impose windfall taxes in the wake of soaring gold and PGM prices. He will have a tough 2021 ahead.

LIFE OF TITO

A former leftist, Mboweni drank the Kool-aid of monetary and fiscal prudence when he served as South Africa's first black Reserve Bank governor. A keen chef on Twitter, he was brought back to government by President Cyril Ramaphosa in a bid to woo investors. In the private sector he has been a chairman of AngloGold Ashanti and so he is no stranger to the mining sector. He likes to fly fish and farm on the side.

GREG MCCUNN

CEO

Galiano Gold

www.galianogold.com



FLAG



News is about to happen here

'We are actively looking for opportunities. We don't have to do anything but we need to be positioned.'

THE change of name of Asanko Gold to Galiano Gold, approved by shareholders last April, may seem on some level a cosmetic adjustment, but it speaks volumes for what's been happening at the firm since McCunn joined in 2019. At the time, the company's balance sheet was in disrepair and, according to McCunn, the company had no sustainable business plan. Assisted by the dollar gold price, however, Galiano - the name of which drives a clear line between the Toronto-listed corporate entity from its 50%-owned Asanko Gold Mines (AGM) in Ghana - is now in considerably better shape. At the time of writing, the firm had nearly \$70m in cash and equivalents, no debt, and was set to outperform its gold production target by reaching around 240,000 ounces for 2020. This is a far cry from former management's long-term goal of 450,000 oz/year, but for now the focus at Galiano is on removing \$100 per ounce in all-in sustaining costs at AGM, and locking in ore replacement whilst building the balance sheet for possible M&A activity. To this end, the company doubled its initial \$10m exploration budget approved for 2020 in order to accelerate work on one million oz plus exploration targets that will, McCunn hopes, replace AGM's Esaase deposit by 2027. A shorter-term exploration focus is on replacing 2020/21 mining depletion and improving the 2023 to 2026 business plan. The firm also bolstered its balance sheet, adding \$100m in facilities. This may come in handy should Galiano get the chance to add a second asset to its portfolio - something investors prefer single-asset companies to do. The company has a 21,000 hectare land package in a part of Ghana it considers prime gold mining real estate.

LIFE OF GREG

McCunn is new in the role at Galiano Gold, but not new to the company having been its CFO for six years until 2017, spending a brief period as CEO of Mexico/US gold junior, Alio Gold in between. A professional engineer with applied science from the University of British Columbia, McCunn cut his teeth at juniors in Canada and Australia, as well as at Teck Resources and Placer Dome. He also has a Masters' Degree in Business Administration.

MXOLISI MGOJO

CEO

Exxaro Resources

www.exxaro.com



POTSTIRRER



Maverick, opinion-forming thinker

'I have learnt not to talk before I have all my planning done so I remain cagey.'

MXOLISI Mgojo is walking an investor relations tightrope as he re-positions Exxaro for a green, alternative energy future. The reason is that - despite growing pressure from analysts and investors - he is not yet prepared to spell out in detail where the group is headed. At the same time, Exxaro is raking money in hand-over-fist from its coal business despite Covid-19 and the problems of its domestic customer, Eskom. There's an obvious question: why would you want to walk away from that situation especially as South Africa can put up a good socio-economic case for sticking with carbon intensive industries for another 20 years? Mgojo introduced the new strategy soon after succeeding business partner, Siphon Nkosi, but it has not gone down well in some circles where his approach is viewed as heresy. Be that as it may, Mgojo has so far been his own man. He made it abundantly clear he would not be pushed around by Eskom when it declared force majeure amid last year's Covid-19 lockdown. In fact, he was the only coal executive to publicly challenge Eskom on the issue. At the same time, Exxaro was at the head of the queue in securing government permission to continue coal exports during the lockdown enabling Exxaro to increase exports in 2020. Exxaro is ideally positioned to maintain that trend as Transnet Freight Rail has now completed the expansion of capacity on the Lephalale to Ermelo coal line. So investors will have to give Mgojo the benefit of the doubt until he is ready to talk more openly about what alternative energy subsidiary Cennergi is going to do for the group.

LIFE OF MXOLISI

He has a combination of heavyweight academic business qualifications along with practical experience of doing the "hard yards" as a result of having founded Eyesizwe Coal with Siphon Nkosi, the BEE start-up the two parlayed into the current coal giant Exxaro. Mgojo holds a B.Sc. in Computer Science from North Eastern University in the US and has diplomas in management and finance. He remained very much in the background in public while Nkosi was running Exxaro except when Nkosi - who disliked being cross-questioned by analysts and media - would fling one of his famous "hospital passes" at Mgojo to get him to answer a difficult question. Mgojo has been president of the Minerals Council of South Africa for the past two years.

THEMBA MKHWANAZI

CEO

Kumba Iron Ore

www.angloamericankumba.com



RAINMAKER



Making, not stirring pots

'We remain alert to the possibility of further risks developing, including a second wave of infection.'

IT can be tricky work rising through the ranks of a major organisation like Anglo American. Talent and skills are a base case requirement, but you also need good fortune. As Mkhwanazi can attest, there's no more serendipitous circumstance than having a market tailwind. The iron ore price has been enormously supportive for Kumba, owing to supply interruptions in South America, and strong China demand. It once seemed a tad bleak for Mkhwanazi following his redeployment from Anglo Coal to Kumba in 2016. Initially, the move seemed a change of firing squad given that newly-appointed Anglo American CEO, Mark Cutifani, earmarked both Kumba and the group's thermal coal business for disposal, partly to raise funds to pay down debt. Then, suddenly, iron ore prices and sales volumes started rising again. Kumba subsequently churned profits becoming a hugely important source of income for Anglo. The end-result was Cutifani decided to hang on to Kumba. One of Mkhwanazi's contributions has been the Tswelopele campaign, partly aimed at extending the life of the firm's mines to 2040, and unlocking an additional \$10/t in profit margin improvement by 2022. By 2019 - two years after inception of the campaign - Kumba had improved its return on capital employed from 49% to 83%. The key test for Mkhwanazi this year will be advancing Kumba's growth options. In June, he unveiled the R7bn expansion of the firm's Kolomela mine - its Kapstevl South project - whilst reining-in the payout. Overly cautious? Mkhwanazi fears further Covid-19 interruptions. The next step is an aggressive exploration strategy which aims to capitalise on the extensive blue sky potential in the Northern Cape's iron ore fields.

LIFE OF THEMBA

He holds a B.Eng. (Chemical) Hons. degree from the University of Teesside in the UK and, before joining Anglo in 2014, he held various key positions with Rio Tinto. He was MD for Huntsman Tioxide in South Africa until 2007 when he was appointed COO of Richards Bay Minerals - the huge heavy mineral sands and titanium operation which is a joint venture between Rio Tinto and BHP. In 2011, he was seconded to Rio Tinto's Australian coal business before taking up the role of regional general manager for the Americas in 2011. He came to Anglo as CEO of the group's thermal coal business and was appointed CEO at Kumba in 2016.

FORTUNE MOJAPELO

CEO

Bushveld Minerals

www.bushveldminerals.com



FLAG



News is about to happen here

“The opportunity for vanadium batteries is not in the future. It is here today. I could not be more excited.”

SHARES in vanadium producer Bushveld Minerals soared five-fold during 2018, but the company lost those gains in 2019 and early 2020 before staging a partial recovery as Chinese vanadium demand improved. China, which has traditionally been a net exporter, became a net vanadium pentoxide importer in 2020. The expectation is that total vanadium demand could rise between 3% and 5% in 2021, pushing up vanadium prices as the Covid-19 pandemic fades and the global economy recovers. Bushveld Minerals is building production capacity to meet this demand growth, partly as a result of new vanadium battery technology - an area in which it has committed downstream investment. But the metal's main price driver remains \$500bn in China's infrastructural spending plans which would result in more steel and rebar production and increase domestic vanadium consumption. Bushveld sold more product into China, yet it could not escape last year's retraction. The company became loss-making which led to the announcement in September of a \$30m "long-term production financing agreement" with Orion Mine Finance to fund the Phase 3 expansion of its Vametco plant and repay debt. Orion also agreed to subscribe for between \$10m and \$20m of convertible loan notes with those proceeds earmarked for debt repayment and the first phase of the Vanchem refurbishment programme. Overall, Mojapelo reckons the financing will allow Bushveld to restart growth initiatives that had previously been put on review as the pandemic pressured the balance sheet. All going to plan, Bushveld should get back on track in 2021 barring any further setbacks to the global economy.

LIFE OF FORTUNE

He holds a B.Sc. in Actuarial Science from the University of Cape Town and worked as a strategy consultant on corporate strategy and organisational development in South Africa and Nigeria before branching out on his own as a mining entrepreneur. He was the co-founder of VM Investment which was an investments and advisory company focusing on developing mining projects in Africa, including Greenhills Resources and Bushveld Resources. He then became co-founder of Bushveld Minerals of which he has been the CEO since inception.

LEAPEETSWE (PAPI) MOLOTSANE

INTERIM CEO

Resource Generation

www.resgen.com.au



HOT SEAT



Bottom singeing pressure

‘The company is appreciative of the continued financial support from Noble.’

CALL us cynics if you must, but it looks like it’s finally game over for Resource Generation (Resgen) in its attempt to develop the Boikarabelo coal mine on the Waterberg coal field near Lephalale. Management has not yet thrown in the towel and has managed to persuade long-suffering backer Noble Resources to extend yet another financial lifeline to keep the company going through to end-February 2021. During this time, Resgen management will carry out “a strategic review of alternatives aimed at ensuring the continued financial health of the group along with development of the Boikarabelo project.” ‘Ja, well, no fine’ would be the appropriate disbelieving South African response to that. For the record, that was the ninth deed of amendment to the Financial Facility agreement originally dated March 2014. Resgen has been struggling for more than five years to get the R4.2bn finance it needs to build the mine. There has been delay after delay in getting lenders to commit to the complex funding package during which time Resgen has been propped up by Noble which - as a commodity trading group - clearly sees strategic benefits in having priority access to production from that mine. Resgen has been hamstrung by rising negative sentiment against new coal mines which has caused many banks and institutional lenders to rule out making ‘old energy’ investments. Also, potential funders have been put off by the ongoing uncertainty over changes to South Africa’s mining charter whilst the company has struggled with a negative perception over the fundamental feasibility of a junior coal mine being started up in the Waterberg. Analysts have long held that only 600 pound gorillas like Exxaro Resources have the technical expertise and deep pockets required to operate there. What looks like the final blow to the project was delivered in October when the Industrial Development Corporation (IDC) pulled its support for the mine on the grounds that “... the market conditions under which the Boikarabelo coal project would operate have deteriorated markedly.” The IDC was a key member of the lending syndicate that was going to provide the R4.2bn debt and equity funding needed.

LIFE OF PAPI

He’s had a long business career including stints as CEO of Telkom and a group executive at Transnet. He was CEO of food business Fedics for four years and previously spent two years as a sales manager at Eskom in the 1990’s. He was an independent non-executive director of Resgen who was appointed interim CEO in March 2018 after predecessor Rob Lowe stepped down. Lowe, in turn, had been appointed to replace former CEO Paul Jury who was removed through a corporate revolt in November 2015. At the time Lowe’s priority was stated to be to “assist with the delivery of a debt-funding solution for consideration by the board.”

PATRICE MOTSEPE

EXECUTIVE CHAIRMAN

African Rainbow Minerals

www.arm.co.za



POTSTIRRER



Maverick, opinion-forming thinker

'I wanted personally to follow the Harmony rights issue as a good thing for ARM.'

THE most interesting development regarding Patrice Motsepe last year was that - according to him - he was overruled by his board in his desire for African Rainbow Minerals (ARM) to follow its rights in Harmony Gold's R3.47bn share issue, designed to pay for the purchase of the Mponeng and Mine Waste Solutions assets from AngloGold Ashanti. ARM owns a 13.8% stake in Harmony which it has held since 2003. Motsepe, the non-executive chairman of Harmony, has loyally clung to that shareholding through some tough times. In fact, he has repeatedly shot down suggestions by analysts that ARM ought to dispose of the Harmony investment which has seriously under-performed for long periods. So the decision by ARM not to follow its rights is all the stranger given that the Harmony share price took off last year along with the gold price. The purchase of the Mponeng mine was one smart move. Surely that was the time for ARM to step up the plate, assist its long-term ally, and actually make some money for a change? Quizzed on this decision at the ARM annual general meeting in August, Motsepe said his board ruled there was a greater need to preserve cash. Cash in ARM is being held back for possible acquisitions - in particular in the copper sector - but Motsepe has been hinting at such acquisitions ever since the group exited its disastrous involvement in the Lubembe mine in Zambia. So far, nothing material has emerged on that front. It all sounds a bit odd. Did the board really find its collective spine and tell the boss where he gets off? Or should we read something else into these developments?

LIFE OF PATRICE

Arguably the most successful of South Africa's black economic entrepreneurs, Motsepe holds a B.A. Law degree from the University of Swaziland. He got his start in mining after setting up a contract mining company in 1994 which won a number of contracts to operate on gold mines owned by AngloGold Ashanti. He built this company into ARMGold and broke into the heavyweight mining league in 2003 when he merged ARMGold with Avmin and Harmony to create African Rainbow Minerals. He has won a string of business and leadership awards and holds honorary doctorates from three universities, but might be best known to South Africa's general public as president of Mamelodi Sundowns Football Club.

NICO MULLER

CEO

Impala Platinum

www.implats.co.za



RAINMAKER



Making, not stirring pots

‘Our highest growth opportunities are in Zimbabwe and Canada.’

ONE of the most visible characteristics of Muller’s leadership is his ability to let colleagues speak for themselves. Softly - and carefully - spoken, he’s aware of the company’s image, and is often at pains to avoid courting controversy. At the same time, Muller is a savvy operator with decades of mining experience. He’s able to spot good people and give credit where it’s due. One of his best appointments was Mark Munroe who heads the Rustenburg assets. Together, Muller and Munroe have changed the narrative at ‘Lease Area’, as Rustenburg is historically known. Platinum group metal (PGM) prices have been a godsend, but that’s not to undermine the massive work done at the mines. Implats is cash flush and will build a sizeable cash buffer of R20bn to ride out the next downcycle in prices. What’s certain is that the money will not be squandered on rash investments. Implats walked away from a control option in the Waterberg prospect owned by Canada’s Platinum Group Metals. Instead, Implats has allocated capital to two new deep-level shafts which will replace production and reserves. One of Muller’s best deals was buying North American Palladium, the last sizeable PGM producer outside South Africa, Zimbabwe and Russia. The timing was impeccable, as it came prior to a fresh surge in metal prices. The addition of Canadian PGMs gives welcome geographical, revenue and risk diversity. Implats is the most exposed PGM company to Zimbabwe and keeping cordial relationship with the government there is critical for both parties. There is a strategy for the firm to build its processing capacity in the country to cater for new production from other new entrants that may be unable to fund refinery development. While investors in Implats shouldn’t expect mergers and acquisitions, they can expect dividend improvements and deleveraging.

LIFE OF NICO

A serious runner, Muller has a B.Sc. in mining engineering from the University of Pretoria and held several key operating positions with South African mining groups before joining Implats. These included seven years as a GM with African Rainbow Minerals followed by nearly six years as COO at Royal Bafokeng Platinum before running Gold Fields’ South Deep.

GARY NAGLE

CEO-ELECT

Glencore

www.glencore.com



FLAG



News is about to happen here

'I am ... honoured to be appointed CEO at such an exciting time for Glencore. We will continue to deliver value to our shareholders, while operating safely and responsibly.'

SOUTH Africa's mining industry has its issues, but it still produces top-tier mining executives. The latest is Gary Nagle, who will take over from fellow South African, Ivan Glasenberg, as CEO of Glencore this year. Glencore has a trading arm that sets it apart from its rivals - a diversification model that keeps the cash flowing. But its trading activities are also the subject of regulatory probes, principally from the US Department of Justice and the UK's Serious Fraud Office, which relate to alleged past trading malfeasance. Analysts see a fine as the likely outcome. Whilst certainly not crippling to Glencore, it's background noise from a past era Nagle could do without as the firm continues to reinvent itself in the world of ESG. Mention of which raises one of Nagle's other big tasks: quo vadis the coal division? Glencore's net carbon emissions target of 2050, extending to Scope 3, has been praised as industry-leading, but the mere presence of coal seems like an itch that must be scratched. Will Nagle be content with having coal at all in the long-run? Glasenberg has said Glencore may spin off its coal assets, which account for 10% of group EBITDA. The new CEO will also oversee the bedding down and possible expansion of the group's production of nickel, copper and cobalt, all metals which are seen playing pivotal roles in the transition to cleaner energy. Glencore could be in for a further re-rating this year, helped by its diverse portfolio, which UBS has described "as the most attractive of the UK diversified miners." That would give Nagle welcome momentum once he officially takes the reins from Glasenberg, most likely some six months into 2021, Covid-19 travel restrictions permitting.

LIFE OF GARY

At 45, Nagle completes the youthful makeover of Glencore's top management rung. He has commerce and accounting degrees from the University of the Witwatersrand and has held various roles at Glencore. Nagle previously headed Glencore's Colombia coal operations and its alloys assets. Prior to his appointment as CEO, Nagle was head of Glencore's coal division.

TSHOKOLO NCHOCHO

CEO

Industrial Development Corporation

www.idc.co.za



FLAG



News is about to happen here

'We have to strike a delicate balance between achieving developmental impact and managing the financial risk of our balance sheet.'

2020 may go down as a watershed year for the government-owned finance development institution, the Industrial Development Corporation (IDC). That's owing to a major deterioration in its finances resulting in a R3.8bn loss for the year to March 2020 - a performance Nchocho said turned largely on losses at its 20% held phosphate producer, Foskor, and the suspension of dividends from petrochemical company, Sasol, which was forced into a restructure of its balance sheet following billions of rands in overspend on its US chemicals project, Lake Charles. Nchocho has responded with a rescoping of its investment criteria. He will turn down the dial on risk, significantly diversify the portfolio, and become a more active manager of its investments. This represents a tricky strategic tightrope for Nchocho. The IDC is supposed to take on more risk than a traditional lender, especially as South Africa's government has targeted infrastructure spend as a means of dragging the economy out of recession. But non-performing loans spiralled out of control in 2020. For instance, Kalagadi Manganese, in which the IDC has a one fifth stake, failed to pay interest on R2.9bn in loans. Nchocho has said the IDC can't sustain further losses from this company and may most likely seek a partner. Similarly, an equity partner is being sought for Foskor. The focus now is on lower risk projects and a plan to "stretch the rand" by sharing project finance with other lenders more equably. The IDC is also tightening its approach to thermal coal investment. In the past, it has been something of a lender of last resort to coal, but in October it pulled finance for Resource Generation's R4.2bn Boikarabelo mine. Apart from increased capital allocation in renewable energy, Resgen's project just doesn't stack up, says Nchocho - although he's keen to stress that the IDC retains its development mandate when financially appropriate.

LIFE OF TSHOKOLO

Nchocho has spent three decades in development finance, at the Development Bank of SA and the Land Bank. He has a B.Com. from the University of the North, MBL from Unisa, and Masters' in development finance from the University of London. He also serves on the board of various community-based organisations, using his business skills to support emerging entrepreneurs.

JAN NELSON

EXECUTIVE CHAIRMAN & CEO

Handa Mining

www.handamining.com



POTSTIRRER



Maverick, opinion-forming thinker

'I got very excited about Handa after Anton Esterhuizen approached me. He convinced me to give it a go again.'

JAN Nelson reckons he's working harder than ever as he develops Handa's Northern Cape Nabapeep copper project which started producing copper cathode last year. Given his track record, however, some may not believe him. This is the man who took a year's break to go surfing after leaving Pan African Resources during which time he bought and ran a surf shop in Cape Town's Strand. He returned to mining temporarily as head of Xtract Resources but, when he left them, went and built a boutique brewery and restaurant at Paternoster which has just taken third place in the annual Brewmistress South African Beer Awards. By all accounts he is cracking it with his latest venture which is to produce copper from surface dumps of copper oxide ore not treated during the operations of the defunct O'Okiep Copper Mine. Handa's holding is through a private company called Cape Copper Oxide (CCOC). Handa has 34% of CCOC and Nelson holds 20% through his Rethink outfit while Northern Cape mining entrepreneur Shirley Hayes holds 20% and her partner Basie Fourie has another 15%. Nelson says the first phase SX-EW treatment plant was built in 18 months for just \$1.3m and produced its first copper cathode plate in October. An expansion is now underway at a cost of \$2.5m to be completed by April 2021 which will push production to 130 tons of copper cathode per month. He attributes the speed of development and the low cost to South Africa's excellent existing infrastructure and the availability of local technical expertise. He says the success of the project has made Handa's Canadian backers - the company is listed on the TSX Venture exchange - revisit their negative perceptions on doing business in South Africa as opposed to the rest of Africa.

LIFE OF JAN

He's a geologist by training who worked for Harmony Gold before joining entrepreneur Rob Still's Pangea outfit. There, he rubbed shoulders with top-rated geologist Anton Esterhuizen who now sits on the Handa board and "keeps our CEO on his toes technically", according to the Handa website. Nelson made his name running Pan African Resources taking it from an exploration company to a successful junior gold producer with mines in Barberton and Evander. He then - apparently - fell out with Pan African's BEE partner which was Shanduka Resources. Then came the surfing sabbatical until he linked up with mining entrepreneur Colin Bird in Xtract.

TOM PALMER

PRESIDENT & CEO

Newmont

www.newmont.com



RAINMAKER



Making, not stirring pots

'Ahafo North is the best unmined gold deposit in West Africa'.

TOM Palmer is likely to make gold production expansion the stand out feature of his second year as CEO of US firm, Newmont Corporation. This was after issuing a December forecast of as much as seven million ounces in gold production annually by about 2025. A significant portion of the new gold will come from the firm's Ahafo mine in Ghana. At projected production of 915,000 oz in 2021, Ahafo and another Ghana mine, Akyem, will comprise 14% of Newmont's total gold output this year, and have the second lowest all-in sustaining costs (AISC) of the firm's five regions, including the Nevada Gold Mines joint venture with Barrick Gold. By mid-2021, however, Palmer expects a positive investment decision on Ahafo North which will add 300,000 oz of additional production for an estimated capital cost of between \$700m to \$800m by 2025. The projected AISC of Ahafo North - which comprises four open pits and a standalone mill located about 30 kilometres from Newmont's operating Ahafo South mine - will be an impressive \$600 to \$700/oz. Consequently, Palmer describes Ahafo North as "the best unmined gold deposit in West Africa". There's also potential to expand its 13-year life of mine currently based on 3.5 million oz in reserves and more than a million more in indicated and inferred gold. Ahafo and Akyem are also part of a group-wide study into the potential \$500m installation of wind and solar power facilities as Newmont chases down a 30% reduction in carbon emissions by 2030 and for net zero emissions twenty years later. 2020 production from Newmont's two African mines has been put at 850,000 oz. The year-on-year increase in 2021 will be owing to increased tons from Ahafo's Subika underground and higher grade at Akyem.

LIFE OF TOM

He's an engineer by profession holding a Bachelor of Engineering degree and a Master of Engineering Science degree from Monash University in Melbourne, Australia. Before joining Newmont, he spent 20 years with Rio Tinto where he became COO at the group's Pilbara iron ore mines in Western Australia. Prior to that Palmer held a number of positions with Rio Tinto including GM technology for the bauxite and alumina business; GM operations at the Hail Creek coal mine and GM asset management Palabora Copper in South Africa. He served in various senior vice president positions after joining Newmont before being appointed COO in May 2016.

PHILIP PASCALL

CHAIRMAN & CEO

First Quantum Minerals

www.first-quantum.com



RAINMAKER



Making, not stirring pots

‘Reading the future is a hazardous business, especially when it comes to Zambia.’

CHANGE is in the air at First Quantum Minerals following the December resignation from executive duties of the firm’s co-founder and president, Clive Newell. Tristan Pascall, son of co-founder, Philip, is also to become COO - a move suggesting the next generation of managers is being readied. Reading the future, however, is a hazardous business, especially when it comes to Zambia, the country that is host to First Quantum’s Kansanshi and Sentinel mines which comprise more than half of First Quantum’s 780,000 ton a year copper output. A technical report in September laid out plans for a \$650m expansion of Kansanshi which would extend operations for a further 24 years, but much turns on Zambia’s investment environment. A revenue-based royalty imposed last year is threatening to unravel all new investment in copper, Kansanshi included, which seems madness considering the powerful economics of copper in the electrification of the automotive market. There’s still a hope Zambia - which is economically strapped having defaulted on sovereign debt last year - will relent by allowing the royalty to be deducted from existing corporate taxes. Pascall has had his ups and downs with Zambia over the years and the push/pull relationship shows no sign of changing. First Quantum agreed to sell gold by-product from Kansanshi to Zambia’s central bank as the bank sought to build up reserves. A power supply dispute with Zambia’s utility also appears to have eased. Outside of these issues, 2020 was a good year for Pascall & Co: the company de-stressed its balance sheet assisted by a strong performance from Sentinel which “hit the straps”. Progress was also made with new South American development assets, suggesting Pascall sees the value of reducing the firm’s reliance on the helter-skelter that is Zambia.

LIFE OF PHILIP

He holds an honours degree in control engineering from Sussex University and an MBA from the University of Cape Town. He worked in general management positions in South Africa from 1973 and moved into the mining industry from 1977 working for Rio Tinto and E. L. Bateman. Relocating to Australia in 1981, he was project manager for Rio Tinto’s Argyle diamond project and then executive chairman and part-owner of Nedpac Engineering between 1982 and 1990.

BENEDICT PETERS

CHAIRMAN

Bravura Holdings

www.aiteogroup.com



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‘From where we are now, we will go to resource definition, after that we will go to resource modelling, after mine development and then mine construction’.

THE claim from the camp of Benedict Peters, a Nigerian oil entrepreneur, is that his newly founded mining firm, Bravura Holdings, is interested in mining lithium and rare earth minerals. There’s also an interest in cobalt in the Congo, copper in Zambia, gold in Ghana, as well as iron ore in Guinea. That doesn’t sound like a strategy, that sounds like buying the sweet shop when perhaps a bag of sherbet lemons might suffice. Oh, and platinum. The reason for including Peters in this year’s Rainmakers and Potstirrers is to highlight the interest high platinum group metals (PGMs) is generating for Zimbabwe. South Africa, where enormous reserves exist, has impossibly high barriers to entry, whereas Zimbabwe, with its tin-pot economics, is a crapshoot of note. Bravura - aptly aspirational as it alludes to virtuoso levels of skills - has set \$1bn aside for a platinum mine and smelter on a 3,000 hectare property in the Selous region, some 70km from Harare, according to a Bloomberg report. We are sceptical, but feel it’s a noteworthy gloss on PGM market enthusiasm. Lionel Mhlanga, Bravura’s country manager, makes it seem like a doddle, actually: “From where we are now, we will go to resource definition, after that we will go to resource modelling, after mine development and then mine construction”. We are prepared to be proven wrong, but surely the best avenue to PGM production growth in Zimbabwe would be organically driven from the likes of Impala Platinum and Anglo American Platinum?

LIFE OF BENEDICT

Father of four and committed Christian, Benedict Peters started out working for an oil company in the Nineties that eventually morphed into Oando Nigeria Plc. After that he joined MRS Oil Nigeria, becoming its MD. By 2008, Peters founded Aiteo, the basis for his success, buying in 2014 a controlling stake in an oil mining lease from Royal Dutch Shell. He has been diversifying into power generation companies and has actively supported the country’s national soccer team, the Super Eagles. At one time, he paid for their salaries and that of the team’s coach during a World Cup campaign.

STEVE PHIRI

CEO

Royal Bafokeng Platinum

www.bafokengplatinum.co.za



RAINMAKER



Making, not stirring pots

'Cash allocation is more critical at this time, but we have a 10% of cash dividend policy. I must emphasise ... we can also pay a special dividend.'

STEVE Phiri will almost certainly fall under some pressure to adjust Royal Bafokeng Platinum's (RBPlat's) dividend policy this year, especially as its near-R11bn Styldrift project eventually moved into cash in 2020, assisted greatly by surging rhodium and palladium prices. If there is pressure though, we don't expect Phiri to be anything but his taciturn self. Phiri tended to leave questions regarding the firm's unpopular 10% cash dividend policy to his CFO, Hanré Roussouw who did most of the talking. Quite where RBPlat would be without strong platinum group metal (PGM) pricing is, quite frankly, anyone's guess. The company lost about 45 days' worth of production owing to South Africa's Covid-19 national lockdown forcing it to defer R400m in capital expenditure as a result. It then suffered the double whammy moment when Anglo American Platinum announced a force majeure following incidents at both units of its Rustenburg based Anglo Converter Plant (ACP). The ACP treats all of RBPlat's concentrate under contract. According to Phiri new payment terms were negotiated with RBPlat receiving a significant majority of the related proceeds during 2020 with the outstanding payments being settled in full before 30 April 2021. Despite these setbacks, RBPlat still returned superb interim results for the six months to end-June. Phiri kept a poker-face on the payout though. The much-expected recovery in platinum could be "slow and uneven" he said, although we suspect the draining effect of building Styldrift has had a major bearing on Phiri's risk outlook.

LIFE OF STEVE

He's a lawyer by trade holding a B.Juris degree and an LLB and practised as an attorney and partner in a legal firm until 2004 before he moved into the mining industry as CEO of ferrochrome producer, Merafe Resources. He spent six years running Merafe and then shifted to become CEO of RBPlat in 2010. A soft-spoken, often defensive executive, Phiri has shown himself to be capable of incisive and hard-hitting comments when necessary. Examples are the feud he fought with the Department of Mineral Resources over the spate of politically-motivated Section 54 work stoppages it was imposing on the mining industry and his scathing assessments of Mosebenzi Zwane - South Africa's worst-ever mines minister.

MASHALE PHUMAPHI

MD

Shumba Energy

www.shumbaenergy.com



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News is about to happen here

'Proposals to develop new coal mines in Botswana get massive domestic political support because the country is keen to diversify its economy away from diamonds.'

YOU get a strange feeling of déjà vu reviewing the Shumba Energy annual report with its hugely ambitious plans to develop a range of coal projects in Botswana. These include export collieries, independent power producers, an underground coal gasification project, and even a \$1bn coal-to-liquids plant in partnership with two Chinese companies. That's because we have seen this movie before. Between 2008 to 2015, plans by Canadian and Australian junior mining companies to capitalise on Botswana's coal ended in a heap owing to Eskom incompetence, and a crunch in world markets. This time around the underlying premise remains the same which is that Botswana has huge, unexploited coal reserves that could be mined to provide power to the Southern African sub-region where a number of neighbouring countries face looming power deficits, in particular South Africa. Proposals to develop new coal mines in Botswana get massive domestic political support because the country is keen to diversify its economy away from diamonds. There are only two operating coal mines in Botswana - Minergy's Masama mine and the state-owned Morupule colliery, but there have been some changes for the better. Transnet Freight Rail has expanded capacity on the line between Lephalele and Ermelo which could handle Botswana coal destined for Eskom and the export markets via Richards Bay. But the Botswana government still has to build the link from their rail network to Lephalele. The mess that is Eskom is being tackled, but whether a workable framework will emerge that will allow power sourced in Botswana to be sold to the South African grid remains to be seen.

LIFE OF MASHALE

He holds a Master of Engineering degree from the University of Sheffield and started out his career at the huge Debswana (De Beers Botswana) Jwaneng diamond mine. After that he moved swiftly into the corporate world joining a London-based natural resources corporate finance and issuing house. He also became a member of the UK Society of Investment Professionals as well as a member of the London-based Association of Mining Analysts. He is Botswana-born and established Shumba Energy in 2011. The company is headquartered in Mauritius and listed on both the Mauritius and Botswana stock exchanges.

PHOEVOUS POUROULIS

CEO

Tharisa Minerals
www.tharisa.com



RAINMAKER



Making, not stirring pots

'The chrome producers are being used as a potential cure to a problem that requires cheap electricity and not attacks on chrome.'

THARISA breezed through the helter-skelter of 2020, firmly assisted by platinum group metal (PGM) prices - rhodium and palladium especially. It also pushed up chrome ore export volumes. As a result, operating profit trebled to \$87.6m. If you believe the pundits, there's more to come with the only fly in Pouroulis' ointment being the South African government's proposed tax on chrome exports, intended to help support the country's struggling ferrochrome producers. Tharisa and other chrome ore exporters, grouped under industry lobby group ChromeSA, have kicked back hard against the proposals, the details of which are hazy at best. ChromeSA maintains it's the high cost of power in South Africa that is hammering ferrochrome production and undermining the country's beneficiation programme rather than rising chrome ore exports. Tharisa is the sixth largest PGM producer in South Africa and the fourth largest chrome producer providing China with 10% of all its chrome concentrate. It produced 142,000 ounces of PGM last year and 1.34 million tons of chrome concentrate from its open pit mine near Rustenburg. The open pit has a 14-year life and there is a projected 40-year underground life-of-mine extension. However, Tharisa's long-term future turns on what happens next in Zimbabwe. Tharisa has a 26.8% stake in Karo Mining Holdings which has a special grant of more 23,903 hectares on the Great Dyke geological formation. The latest situation is that there is a 12-month delay on the drilling programme, but Pouroulis maintains "... we are still of the view that the Great Dyke of Zimbabwe presents a fantastic opportunity." Yet, this could take time: Zimplats spent 20 years establishing itself in Zimbabwe which is in a constant state of economic and political foment.

LIFE OF PHOEVOUS

He's the youngest son of South African mining legend Loucas Pouroulis who is also the chairman of Tharisa. Tharisa Plc is headquartered in Cyprus, as is its trading arm, Arxo Resources. Phoevous holds a B.Sc. from Boston University in the US and has been involved in the South Africa's mining industry since 2003. He has extensive experience in project management, mining design, commissioning and mining operations. He was a founding member of coal junior Keaton Energy and also served as commercial director for Chromex Mining. He sits on the Council of the International Chrome Development Association which promotes the use of - and develops new uses for - chromium.

DANIE PRETORIUS

CEO

Master Drilling

www.masterdrilling.com



FLAG



News is about to happen here

'The Chilean business been the darling of the group for the past 20 years. Last year, the wheels just came off.'

DANIE Pretorius can often be found at mining conferences, hoovering up information on the industry. A common opening gambit of his conversation is: "So, what can you tell me about the industry?" He lives and breathes his business. As a drilling company, it was inevitable the Fochville-based outfit would have a dreadful 2020, with their mining clients scaling back operations and shelving projects. For Pretorius, the halt of work on Master Drilling's mobile tunnel boring machine at Northam Platinum's Eland mine was a big setback. This technology has the potential to elevate Master Drilling into a different league of mining services because, as Pretorius often says, the bulk of underground mining is lateral development work. The time value of money is a critical aspect to consider when unlocking an ore body and the faster it can be accessed and developed the better the economics for the project, something Pretorius advocates for developing marginal deposits. During 2020, Master Drilling notched up another first, sinking the world's deepest and most accurate pilot hole for a raise-bore shaft at Northam's Zondereinde mine. The accuracy of the 1.38km-deep pilot is critical to successfully reaming the shaft, and if it all works Northam could add two or three more such developments. It's this kind of world-leading technology and work that will keep Master Drilling at the front of mining companies' minds. Pretorius's other pet subject is the reduction of drill operators per rig, keeping costs to a minimum, safety at a maximum, and efficiency foremost. In this scenario, coupled with a relentless pursuit of projects in new jurisdictions and the purchase of Scandinavian Bergteamet to give it access to European markets, it's unlikely Pretorius will be subdued for any period of time.

LIFE OF DANIE

He listed his business on the JSE in 2012 and has retained 52.5% of the company, giving him more skin in the game than nearly any other CEO in resources. He's been MD since its formation since 1986 in the Northern Cape. As a certified government engineer, Danie worked for six years at Western Deep Levels gold mine and Murray & Roberts.

NIËL PRETORIUS

CEO

DRDGOLD

www.drdgold.co.za



RAINMAKER



Making, not stirring pots

‘Everybody is flocking to the arms of gold. And because our company provides exceptional gearing to the gold price, it is always a favourite pick.’

DRDGOLD reprised some of its classic past in 2020 demonstrating why it was dubbed “the Roodepoort Rocket” by former chairman, the late Mark Wellesley-Wood. The share price jumped nearly five-fold before plunging as the gold price fell in the second half of 2020. That is its best performance in a decade, enriching those who got in early and most likely infuriating those who bought near the top. What investors who have lost money on DRDGOLD cannot do is point a finger at Pretorius. Most unusually for a CEO, he has spelt out the volatile nature of the DRDGOLD share, telling investors on several occasions to ‘caveat emptor.’ Pretorius has also been unequivocal on what’s to come in the next three years at DRDGOLD as the group invests heavily in treatment plants aimed at handling new dump assets acquired from Sibanye-Stillwater. Gold revenue windfalls are not going to be paid out to shareholders as per past generosity. That may well remove volatility from the share as the group transforms into a larger, more stable producer. DRDGOLD will also become more diverse as it expands into the retreatment of platinum group metal dumps provided by Sibanye-Stillwater - a 50.1% shareholder in DRDGOLD after vending in assets for shares, acquired at a bargain. That caused protests from some fund managers at the time the deal was announced in 2018, but Pretorius has defended the transaction owing to the benefits of expansion and diversification.

LIFE OF NIËL

He’s a lawyer with degrees from Rand Afrikaans University and the University of the Free State. Pretorius joined DRDGOLD as its legal advisor in May 2003 and worked his way up the management ranks until his appointment as CEO in January 2009. While successfully managing what is a technology-driven company operating on razor thin gold recovery margins, he has also put a lot of effort into improving life for the communities around DRDGOLD’s operations which stretch across much of the Witwatersrand. Amongst other measures DRDGOLD has pioneered a revolutionary gardening system allowing enough vegetables to be grown on tiny plots of ground to feed families.

JACO PRINSLOO

MD & CEO

Sylvania Platinum

www.sylvaniaplatinum.com



RAINMAKER



Making, not stirring pots

‘Currently it’s difficult to get new resources. They are being valued at today’s prices, not long-term.’

THANKS no doubt to the prescience of chairman, Stuart Murray, Sylvania Resources extracts platinum group metals (PGMs) from chrome dumps, but returns the chrome to the ‘host mine’. In the current market, that’s a genius trade given the chrome industry has been “in chaos”, as Murray recently described it in the firm’s 2020 annual report, and always tends to be volatile. PGMs, meanwhile ... Well, we all know about PGMs. Into this sunny environment steps the company’s new appointee Jaco Prinsloo, formerly head of operations at Sylvania for eight years and thus a solid hand on the tiller. He succeeded Terry McConnachie, now retired. As with other PGM companies currently, Sylvania derives half its revenue from rhodium which looks like remaining the metal of 2021, but Prinsloo makes the point that with half of its total 70,000-odd ounces PGM production annually in platinum, a mere \$500/oz advance in that metal’s price would compensate for a \$1,000/oz decline in the palladium price. Sylvania’s secret weapon, however, is its +/- \$600 per oz cash cost, supplemented by the R175m ECHO optimisation project. Being a PGM ‘tiddler’, it is also nimble which is critical: as a dumps retreatment business, Sylvania needs a smart, entrepreneurially-driven resource pipeline which it must achieve by buying into new dump treatment agreements. By dint of the elevated rand PGM basket price, this is hard to do: asset holders are using current pricing in their multiples, says Prinsloo. Plans to embark on its new mining project at a prospect called Volspruit is under consideration but another potential mine, Grasvally, is to be sold for R115m; the Covid-19 pandemic permitting. In September, the company approved the payment of a 160 pence/share dividend comprising payouts from the first halves of its 2019 and 2020 financial years.

LIFE OF JACO

Prinsloo joined Sylvania Platinum in 2012, initially as MD of operations. Prior to that, he served time at Anglo American, starting at Anglo American Platinum where he worked for eight years. He was then appointed principal metallurgist at Anglo American operations. Graduation to the top spot at Sylvania was in March last year. In addition to a Bachelors of Engineering in Metallurgy from Pretoria University, he is in possession of a post-graduate diploma in Business Administration and an MBA from the Gordon Institute of Business Science.

IAN PURDY

CEO

Paladin Energy

www.paladinenergy.com.au



FLAG



News is about to happen here

‘The completion of the Langer Heinrich Mine Restart Plan is a significant step forward for the company and completes the vast amount of study work undertaken over the past 18 months.’

IAN PURDY was appointed to run Paladin Energy at the beginning of February 2020, replacing Scott Sullivan who had briefly occupied the position since mid-2018. Purdy - who has a financial background - now finds himself in the same situation as Sullivan which is trying to generate as much optimism about Paladin’s future, a company that has long been troubled by a disappointing uranium price. There are signs, however, the market is beginning to believe in the much-touted structural deficit in uranium. Shares in Paladin rose to a five-year high in January. Or is perhaps Paladin being swept along by a market that’s enthusiastic about commodities of all stripes? Perhaps. The acid test will be ‘The Restart Plan’ - the recommissioning of Heinrich-Langer, a mine Paladin mothballed in 2018. Absorbing some \$81m in pre-production costs and working capital, Purdy hopes the Restart Plan will eventually see Heinrich-Langer produce a proposed 5.9 million pounds in annual uranium oxide output. If achieved, this will be more than the five million pounds the mine produced in the past. First, though, there’s a host of pre-commissioning jobs to complete including publishing an updated ore reserve plan and establishing a better understanding of the mine’s processing facilities. Getting Heinrich-Langer back on its feet would be a significant boon for the Namibian economy which once accounted for 12% of the world’s uranium production. Mining currently comprises about a quarter of the southern African country’s GDP.

LIFE OF IAN

Purdy is a chartered accountant with a bachelor’s degree in business and commerce from the University of Western Australia. He was recruited to Paladin from Quadrant Energy where he was CFO. Quadrant is one of Australia’s largest oil and gas companies producing more than 20% of Western Australia’s domestic gas production and a significant proportion of Australia’s oil. Before Quadrant, Purdy was MD of Mirabela Nickel Limited, an ASX-listed nickel producer operating in Brazil. During his time at Mirabela, the company raised more than \$350m in equity and refinanced about \$450m of complex legacy debt positions.

BERNARD PRYOR

CHAIRMAN

MC Mining

www.mcmining.co.za



HOT SEAT



Bottom singeing pressure

'Whoever takes the baton from Berlin will have to resolve the issue of funding the first phase of MC Mining's Makhado coking and thermal coal project.'

THERE seemed no better person to solve MC Mining's problems - which are about project financing - than Brenda Berlin, the former CFO of Impala Platinum. Unfortunately, Berlin - who is the firm's interim CEO - decided to step down from mid-February. That makes the question of succession the responsibility of MC Mining's chairman, Bernard Pryor. His plan was for a new permanent CEO appointment in sufficient time for the handover of executive duties. However, it's the last week of January and we haven't heard a peep from MC Mining. In any event, whoever takes the baton from Berlin will have to resolve the issue of funding the first phase of MC Mining's Makhado coking and thermal coal project, a 1.1 million ton a year endeavour situated in South Africa's Limpopo province. In a nutshell, MC Mining is hoping to match repayment of a portion of initial debt raised from the Industrial Development Corporation (IDC), the state-owned finance development institution, against future cash flow and as a precursor to raising a larger debt package in which the IDC will also participate. It's project finance at its rarified best, but the takeaway is that the IDC remains supportive of Makhado despite recently drawing back the reins on its own spending mandate after reporting a R3.2bn year-end loss in October. In the meantime, Pryor is hoping that the conversion to owner mining at Uitkomst, the firm's only operating asset, will ease some balance sheet pressure. It's tough, though: the coal market is volatile and although prices have improved, Uitkomst - a mine in KwaZulu Natal province - has proven difficult to tame. It was cuts all round at MC Mining in the first half of 2020 with no-one but essential staff getting paid.

LIFE OF BERNARD

Pryor, a metallurgical engineer, actually has a full time job as CEO of Alufer, a bauxite exploration firm, on a board populated with some well known South African mining personalities such as Tharisa CEO, Adonis Pouroulis, and David Brown, a former CEO of MC Mining who is now moon-walking around Zimbabwe with a suitcase full of Roubles. Previously, Pryor was head of business development at Anglo American. Before taking on his duties at Alufer and MC Mining, Pryor was the CEO of African Minerals, and Q Resources.

JEFF QUARTERMAINE

CEO & MD

Perseus Mining

www.perseusmining.com



RAINMAKER



Making, not stirring pots

‘People in the West tend to fear the worst of Africa because they don’t have all the facts.’

JEFF Quartermaine and his Perseus Mining have their ticket to ride in Yaouré, a \$265m project in Côte d’Ivoire that will take annual gold production to 500,000 ounces - one of those psychologically important milestones in the gold sector. Beyond this, though, Perseus is a company that delivers up very few negative surprises: Yaouré’s first gold pour, on December 17, was five weeks ahead of budget having suffered little to no disturbance from the Covid-19 pandemic. In addition to adding new gold ounces, resource and reserve renewal at the firm’s Edikan and Sissingué mines in Ghana and Côte d’Ivoire has also been a feature of the past 12 months. In June, Quartermaine & Co agreed to pay A\$60m in shares - equal to 4% of issued share capital - for junior Exore which owns 2,000 square kilometre Bagoé and Liberty properties 70km from Sissingué. Similarly, the company locked in 212,000 oz/year in production from Edikan over the 6.2 years with the development of the \$31m Esuajah South underground mine which also lowers by 5% the mine’s all-in sustaining costs. Further resource renewal is much preferred to M&A which Quartermaine says is unlikely for Perseus this year. Dividends, though, can be described as being ‘in view’ at some point. The firm is very cash generative at current gold prices and only just moved back into net debt at the half year as it committed the last of Yaouré’s capital. Côte d’Ivoire and Ghana were protected against the risk of jihadist creep subsuming other parts of West Africa, said Quartermaine in an interview in which he gave a firm defence of views when he said a lack of facts prevented the West from understanding Africa.

LIFE OF JEFF

Quartermaine has an unusual mix of skills possessing qualifications in both engineering and accounting which he has been performing for some 25 years at various Toronto- and Australian-listed resource companies. Prior to the merger with Amara, he was CFO of Perseus from 2010 to 2013 where after he was appointed MD.

CHRISTINE RAMON

INTERIM CEO

AngloGold Ashanti

www.anglogoldashanti.com



HOT SEAT



Bottom singing pressure

'We have been very focused on investing in our own resources, but we think the revised policy is now sustainable through the cycle.'

CHRISTINE Ramon has made a good fist of proving her credentials in the six months she has been running the company since the departure of CEO, Kelvin Dushnisky, in August. Unfortunately, AngloGold is barely out of the blocks in terms of its executive search. Why has it taken six months to begin looking for a replacement for Dushnisky whilst Gold Fields has already nailed down former Amplats boss, Chris Griffith as successor to its outgoing CEO, Nick Holland? The stasis at AngloGold seems partly to do with the sudden departure of its chairman, Sipho Pityana in December, replaced by the respected Maria Ramos. In any event, Ramon has controlled the things under her immediate charge. Following the sale of AngloGold's last South African assets, Mponeng and Mine Waste Solutions to Harmony Gold for \$200m, Ramon has overseen the issue of a \$700m bond, used to partly pay a \$1bn bridging facility raised in the teeth of the Covid-19 lockdown in March 2020. And most importantly, she has improved the dividend which is now 20% of cash flow before capex, effectively doubling the interim payout, and also guaranteeing a semi-annual payment in future. Guidance is also reinstated. These are all good, value-adding moments for AngloGold in a year when it should be cresting the wave, not facing questions of existential import. There are the rumours it is vulnerable to a takeover, possibly involving Barrick which would love to get its hands on the other half of the Congo mine, Kibali, which it shares with AngloGold. If AngloGold remains independent, however, and Ramon gets the job, the first thing for her will be to clearly communicate the group's future strategy. Where's it going? What will it become? That would be a starting point in establishing stability.

LIFE OF CHRISTINE

Born and raised in South Africa's Eastern Cape province, Ramon is one of five children, - four chartered accounts (and another who took the easy route as a medical doctor!). She worked for Coopers & Lybrand in Verona, Italy, but returned to South Africa just as its democratic era dawned where she helped design the systems whilst employed at the then IEC ahead of the 1994 elections. Then followed stints at Pepsi and Johnnic, the latter for 11 years as CFO and then CEO. Ramon was Sasol's CFO for nine years before joining AngloGold just as management was recovering from its failed demerger proposal.

J PAUL ROLLINSON

CEO

Kinross Gold Corporation

www.kinross.com



RAINMAKER



Making, not stirring pots

'We don't feel pressure to do any deals.'

THERE was a touch of the existential about Kinross' 10-year gold production guidance issued in 2020 - a statement the company had a long-term plan in a gold market saturated with merger and acquisition tittle-tattle.

As it came just after speculation linking the firm to a demerger, the guidance was all the more important. According to a report, Rollinson was mulling the sale of the Toronto firm's American assets and moving the firm's primary listing to London. Rollinson's view is there was no pressure to do anything. Instead, Kinross would increase production a fifth to 2.9 million ounces annually by 2023. Average production from now until 2030 will be about 2.5 million oz which compares to forecast production of 2.4 million oz for 2020. Of this, about a quarter will come from Kinross' West African mines: Tasiast and Chirano. A life extension project has been approved for Chirano, but success is all about expanding Tasiast to 563,000 oz/year from 2022. It's worth remembering shareholders have suffered \$5.5bn in write-downs on Tasiast since Kinross bought the mine as part of its Redback Mining acquisition in 2010. One other key development last year was agreement between Kinross and the Mauritanian government for an overhaul of the royalty agreement where future payments would be linked to gold price improvements. For Kinross, the old 3% payout, first drafted in 2006, was out of whack with Mauritania's 2018 mining code. As part of these negotiations, Rollinson also secured a 30-year exploitation licence for Tasiast Sud, an expansion opportunity 10km from current Tasiast operations. In return, Mauritania has a 15% free-carried stake and an option to extend ownership a further 10%. It's handy having government on board: a helpful word by the government to unions helped end a 17-day strike at Tasiast in the June quarter.

LIFE OF J PAUL

Rollinson is a qualified mining engineer and geologist who ran Deutsche Bank's America's mining division. Rollinson was also deputy head of investment banking at Scotia Capital. He took over Kinross in 2012. He comes from mining stock: his father was a metallurgist and consequently lived in Canada's wide open spaces. Fishing, skiing and boating are among his interests.

BRAD SAMPSON

CEO

Kore Potash

www.korepotash.com



FLAG



News is about to happen here

‘We’ve been positively surprised by lenders. We are quietly confident arranging debt won’t be a problem.’

THE painstaking business of readying a capital intensive mining venture continues for Kore this year as the firm takes its \$286m Dougou Extension (DX) Project from prefeasibility to definitive feasibility (DFS) - the platform for the delicate debt-raising process. So far, so good for Brad Sampson. Covid-19 delays notwithstanding, DX is now permitted by the Republic of Congo (RoC) government and, one senses, Kore has a better grip of project ambit following the incorporation of indicated reserves and resources into the mine plan. Consequently, DX Project’s life of mine has been shortened two-thirds with total production of 7.4 million tons (Mt) of muriate of potash (MOP) from 12Mt previously. Less MOP but a more valuable project: its net present value was in November increased to 23.4% from 22.9% previously. The DFS will give potential investors a better understanding of DX. Sampson and team hope some \$150m of the \$286m project can be debt-funded. What’s helpful to DX Project is that it potentially attracts social investors, an asset class that is growing exponentially. An annual poll of 1,700 investors conducted by Global Impact Investing Network found impact funds increased 50% to \$715bn in 2020. Assuming population growth of 2% to 3%, some nine billion people will need feeding by 2050 whilst arable land is on the decrease. Kore’s proposed 400,000 tons/year DX Project is only a drop in the 67Mt a year MOP market, but it aims to be low cost; in fact, the lowest cost to the African and South American markets. Phase one of the DFS is due for completion in May. If approved, Sampson estimates it will take 21 months to build DX Project.

LIFE OF BRAD

He is a mining engineer with more than 25 years’ experience in the resources industry building and operating large scale mining projects and a lot of that has been in West and Southern Africa. He was the CEO during the turnaround of Tiger Resources, a copper producer in the Democratic Republic of Congo, and held senior positions with Newcrest including general manager for West Africa. He has previously been the CEO of Discovery Metals and held GM positions at Gold Fields operations in South Africa and Australia.

NAGUIB SAWIRIS

CHAIRMAN

La Mancha Resources

www.lamancha.com



RAINMAKER



Making, not stirring pots

'We will continue this path with Endeavour being our vehicle because our aspiration for Endeavour is to be the largest mining company in Africa.'

NAGUIB Sawiris continues to live the dream for gold bulls everywhere. In 2020, Endeavour Mining - the firm he helped create in its current form through his La Mancha Investments - became the tenth largest gold producer globally after merging with Canadian gold producers SEMAFO and Teranga Gold in two, quick-fire transactions. La Mancha ploughed in \$300m across the two deals to preserve a meaningful stake of 19% in the enlarged Endeavour. It will be mighty interesting how the story evolves from here. Endeavour has said it considers itself optimally positioned to pay dividends and grow organically, whilst Sawiris said recently he considers Endeavour a vehicle to becoming the largest mining company in Africa. That aside, La Mancha continues to scour the continent for gold investment opportunities. In November, it signed an 'Expression of Interest Agreement' with the Government of Nigeria, a place Sawiris considers to have enough gold to be seriously prospective. He also thinks Sudan and South Sudan offers huge potential, at the right time. But a big question hangs over La Mancha's 35%-owned Golden Star Resources, the Ghanaian gold play. The company recently sold its Prestea-Bogoso mine for \$55m in a transaction that tidies and enables the balance sheet, principally to develop its Wassa mine further. But by Sawiris' standards Golden Star is still sleep-walking through life. Meanwhile, time will tell in respect of La Mancha's gold ambitions in Egypt. Talks to buy a 51% stake in the government-owned Shalateen Mining Company were put on hold towards the end of 2020 after roughly nine months of negotiations. Sawiris is an archetypal gold bull: optimistic enough to ride the metal's dangerously steep cycles and wealthy enough not to care about them. Typically, he thinks the future for the metal remains rosy, partly based on his political views.

LIFE OF NAGUIB

He received a Masters' degree in Technical Administration from the École Polytechnique Fédérale de Lausanne and a Diploma in Mechanical Engineering from German Evangelical School in Cairo. Never far from controversy, he remains staunchly encouraging of liberal democratic uprising in Kashmir and Hong Kong. He also thinks Egypt needs to separate religion from the state, but has ruled out a return to political life where he's dabbled. He helped found The Free Egyptians party during Egypt's uprising in 2011.

HULME SCHOLES

DIRECTOR

Malan Scholes Attorneys
www.malanscholes.co.za



POTSTIRRER



Maverick, opinion-forming thinker

‘My objective is not to take on the State. My objective is to do what’s good for the mining industry.’

THE Covid-19 pandemic had an unexpected impact on hard-nosed Hulme Scholes who has been gunning for Department of Mineral Resources and Energy (DMRE) over the Mining Charter for the past four years: he has become optimistic. Not that he has become “Mr Nice Guy” - he still holds the ANC in contempt because he believes it has done “an incredible amount of damage to this country”. But Scholes notes that mines minister, Gwede Mantashe, has realised the mining industry can help pull South Africa through the Covid-19 mess. “I think the trust deficit between the industry and government was the largest it has ever been when former mines minister, Mosebenzi Zwane, was in control. But it has decreased a lot since Mantashe took control,” he said. As a result, Scholes has eased back on his legal action to scrap the second and third versions of the Mining Charter commenting: “All the papers have been filed and my heads of argument have also been filed. It’s now ready to apply for a date for hearing. I am still determined to bring it but - while the action is in my name - it is being paid for by the mining companies”. The litigation was necessary when Zwane was in control but now Scholes may end up withdrawing the application “... if some sanity comes out of the review of the Mining Charter”. Despite the Covid-19 pandemic, 2020 was still a hectic year for Scholes during which he was involved in some key actions such as representing five Sibanye-Stillwater executives and managers arrested for allegedly contravening the initial lockdown regulations. He also represented Petmin in its dispute related to the expansion of its Somkhele anthracite mine.

LIFE OF HULME

He started out doing the “hard yards” as a learner official on Rand Mines’ Harmony gold mine before getting a BA LLB from Wits University and being admitted as an attorney since 1995. In his private life, he is an “action man” being a devotee of extreme sports like skydiving and white-water kayaking, although lately he has focused on boxing. He was supposed to fight in last year’s International Masters Boxing Tournament in New York, but that got cancelled by the pandemic. The contest has been rescheduled for June this year. If it does not go ahead then that will be the end of Scholes boxing career because you have to be under 55 to fight.

KARL SIMICH

MD & CEO

Sandfire Resources

www.sandfire.com.au



FLAG



News is about to happen here

'This is, in effect, the dawn of a new global copper province.'

SHAREHOLDERS in Simich's Sandfire Resources were kept waiting but eventually, in December, the company gave approval to its T3 copper project in Botswana. According to Simich, the \$259m project, now referred to as 'Motheo', confirms the existence of the so-called Kalahari Copperbelt - an area which runs north-east to south-west in a band across northern Botswana - as the world's newest growth province for copper. The definitive feasibility study, delayed about six months owing to Covid-19, sets out a proposed 30,000 ton a year copper mine over 12.5 years in its initial phase with the option to expand the A4/T1 resource which is situated about eight kilometres away. Motheo will also see some 1.2 million ounces of silver production annually. The expansion potential makes Sandfire Resources' A\$167m bid for T3's first backer, MOD Resources, in 2019 all the more worth the trouble. The feasibility forecasts life of mine revenue of \$2.45bn and EBITDA of \$987m, providing payback in about 3.8 years. Many a project has failed to live up to its feasibility promises, but apart from Sandfire's track record having developed the Degussa mine in Western Australia, it's worth noting that its copper price assumption of \$3.16 per pound is well below the \$4.50/lb by 2027 estimated by Jefferies analysts in November. There's a lot of excitement about the copper price currently. Goldman Sachs was the latest bank to upgrade its view on the red metal given its application to renewable energy. With over 26,000 square kilometres of real estate in Botswana, as well as Namibia, and a supportive market, Simich has got a lot of potential with which to work.

LIFE OF KARL

Simich has a long-standing affair with African mining having been MD of Namakwa Diamond Company and the first executive director at Kimberley Diamond Company. He's been with Sandfire for over a decade, however, famously battling with former Sandfire colleague, the ex-South African Miles Kennedy. Simich is a fellow of the Institute of Chartered Accountants with post-graduate studies in business and finance. He has been more than 30 years in the mining business.

ERROL SMART

CEO

Orion Minerals

www.orionminerals.com.au



FLAG



News is about to happen here

“If it wasn’t such a superhuman effort to get all this done, there could have been 10 Orions in the last five years because the prospectivity is here in the Northern Cape.”

THE junior mining industry has a champion in Errol Smart who is overseeing the R5.4bn return to production of the Prieska copper and zinc mine in the Northern Cape province. Orion has tied-up major exploration tenements near Prieska which could become a hub of a large base metals complex. A statement in January said the company had found resources that could host another new copper mine, perhaps larger than the Prieska prospect it is currently developing. As Smart says, in any other established mining country like Canada or Australia, exploration and junior mining companies, as well as major miners, would be all over mineralisation like that seen in the Northern Cape. That said, Smart has openly stated there’s M&A interest in Orion and its projects from major miners. The alternative for Orion shareholders is that Smart secures funding for Orion. Certainly, the banks are forming a line. Smart is also the head of the junior desk at the Minerals Council of SA and pushes hard for the sector, which has suffered from decades of neglect under regulations designed to cater for large mining companies. Key to this is Smart’s relationship with Mosa Mabuza, the head of the state-owned Council for Geoscience, and who is spearheading the Department of Mineral Resources and Energy’s drive to encourage exploration and development. It’s clear from recent public outings, when the two men have shared a stage, that their working relationship is not an easy one. Smart is muscular in his observations of the short comings of prevailing regulations and attitude of the department to exploration and junior mining which he thinks is hamstrung by bureaucracy.

LIFE OF ERROL

With more than a quarter of a century of mining behind him, he’s worked at AngloGold Ashanti, Cluff Mining, and Metallon Resources. He has a B.Sc. Honours in economic geology from the University of Witwatersrand. He’s on the board of the Minerals Council South Africa and represents junior miners in the country.

MARITZ SMITH

CEO

Alphamin Resources

www.alphaminresources.com



HOT SEAT



Bottom singeing pressure

‘During this challenging time, it is important the company continues producing and selling tin concentrates for the benefit of all stakeholders.’

A SURPRISE slump in the price of tin last year didn’t do Maritz Smith and his Alphamin Resources any favours. Having built the Bisie mine in the remote, hostile environment of North Kivu in the Democratic Republic of Congo, what was needed was smooth ramp-up to the nameplate 9,600 tons of tin concentrate annually and absolutely no hiccoughs. We’ve already mentioned the decline in the tin price - down to \$13,000/t last year, some \$4,000/t lower than the Bisie assumption in its technical report - but a bridge collapse in 2019, uneven recoveries and lower production saw Maritz & Co conducting some deep vein surgery on Alphamin’s balance sheet. There was some feverish rescheduling of bank payments, but ultimately Alphamin was forced to issue \$35m in shares, cutting debt a third and taking its stake in the underlying Bisie asset to 84% from 80%. The tide may well have turned. At the time of writing, the tin price was on \$21,000/t and there’s optimism a plan to drill out its Mpama South deposit, about a kilometre from the main Bisie recovery plan, and spend about \$4.6m on a fine tin recovery plant, will this year get the firm to the all-important annualised production of 13,000 tons. If that happens and the tin price recovery is sustained, Alphamin could boast better EBITDA to cash conversion rates than in 2020 where it started with \$5.9m and ended the third quarter at \$9.7m. Heavy rains towards year-end held up fourth quarter deliveries, but rays of optimism appear to be bearing down on the tin market.

LIFE OF MARITZ

Smith is a chartered accountant holding a B.Com Hons. degree. After gaining his professional qualifications, he entered the mining sector as a financial controller for Metorex. Smith then became a member of the Metorex executive committee and was appointed CFO before resigning to become COO at Pangea - mining entrepreneur Rob Still’s operating company. He was appointed CEO at Pangea before taking up his latest position with Alphamin.

RICHARD SPOOR

FOUNDER

Richard Spoor Inc Attorneys
www.goldminersilicosis.co.za



POTSTIRRER



Maverick, opinion-forming thinker

‘Receiving, processing and settling tens of thousands of (silicosis) claims from across the subcontinent is a huge and complex undertaking and expectations are high.’

RICHARD Spoor has a well-earned reputation as one of South Africa’s leading human rights lawyers. In February 2020, the Minerals Council South Africa announced that the first payments would soon be made to honour the R5bn settlement with the gold mining industry that Spoor had secured for miners who contracted silicosis, a dreadful and incurable lung disease caused by inhaling silica from gold-bearing rocks. The Covid-19 pandemic delayed that roll out, but it is in the pipeline. Spoor in 2020 represented the AMCU union when it won a legal victory in South Africa’s Labour Court, which ordered that minimum guidelines for mining companies’ Covid-19 compliance be published in the government gazette. He is also representing AMCU in a court case filed in October against unlisted manganese and chrome producer Samancor Chrome for alleged fraud and profit-shifting. So he remains very much at the forefront of efforts to hold the industry to account for not only past negligence but also to bring transparency to the sector’s finances, which is critical to both workers and minority shareholders. If a mining community or union has what appears to be a legitimate grievance with a mining company or the wider sector, Spoor can often be counted on to accept the case, and he will do so with gusto. It would be a mistake though to see him as a utopian leftist. His quest for social justice is tempered by his frequent social media critiques of the ANC’s statist policies.

LIFE OF RICHARD

Spoor is a qualified pilot known for his wit and biting comments on social media about various ANC ministers and policies. He is also a staunch defender of the rights of workers and mining communities, notably in the former homelands where property rights are problematic.

JAKOB STAUSHOLM

CEO

Rio Tinto

www.riotinto.com



HOT SEAT



Bottom singeing pressure

'I do not under-estimate the time and effort it will take, genuinely working together with our partners, in order for Rio Tinto to drive the changes necessary to help restore trust and rebuild our reputation.'

ONE of Jakob Stausholm's management mantras is that "all facts are friendly" - an outlook that commentators say marks him out as a details man. But the challenge of running Rio Tinto, a position to which he was appointed in December, will turn on his ability to step back and adopt a broad, strategic vision for the Anglo-Australian firm. Given that Stausholm's mining industry experience spans but the two years as Rio Tinto's CFO, this challenge will make for some interesting viewing. Specific priorities for Stausholm will be the recovery of Rio Tinto's reputation following the bruising style of predecessor Jean-Sébastien Jacques, forced to step down last year following the calamitous destruction of the 46,000 year old Juuken Gorge caves in Western Australia. From an African perspective, Stausholm will have to judge whether Rio Tinto participates in the development of the Simandou iron ore mine in Guinea, a long-standing source of speculation and intrigue. Declining the Simandou opportunity may see the resource fall under the influence of China which is keen to reduce its reliance on Australian imports. In a nutshell, Stausholm's task at Rio represents that of the mining industry at large: establish a new compact of environmental and cultural sustainability with a broader, more diverse range of stakeholders. For Rio Tinto this may possibly need to begin with investors who voiced reservations about Stausholm's suitability. Simon Thompson, Rio's chairman who was called out for failing to vet the appointment with shareholders, lauded Stausholm's collaborative approach, but critics say the appointment points towards the lack of internal candidates, some of whom left the group under Jacques. Everyone deserves a chance. Yet, as Stausholm will know, there will be little tolerance in society for another blundering misstep by a mining conglomerate.

LIFE OF JAKOB

Stausholm worked for some 20 years at Royal Dutch Shell where, as chief auditor, he was tasked with getting to the bottom of the group's reserves reporting scandal in 2004. He was then hired by shipping group AP Moller-Maersk in 2012 where he rose through the ranks, eventually becoming its CFO amid a break-up in the century-old conglomerate. The 52-year old Dane stands a towering 6ft 7in high and is a keen athlete with an interest in cross-country skiing and running.

PETER STEENKAMP

CEO

Harmony Gold

www.harmony.co.za



RAINMAKER



Making, not stirring pots

'We need to consolidate first. But if you want to be a pure gold company, you will have to look at other frontiers outside of South Africa.'

THE good times have kept rolling for Peter Steenkamp thanks to the gold price. It has enabled him to deliver improvements to Harmony's South African mines which proved well-oiled during the initial crisis posed by the country's Covid-19 lockdown. In truth, a rising gold price amounts to a blood transfusion for Harmony given that it has long operated ageing, technically challenging mines. But Steenkamp has also grasped the nettle by acquiring new assets. He first bought Moab Khutsong mine from AngloGold Ashanti in 2018 and then, last year, added the Mponeng and Mine Waste Solutions assets, also from AngloGold. The deal was funded via a R3.5bn rights issue which proved fairly cheap money. Shares in Harmony count among the JSE's best performers in 2020. The Mponeng and Moab Khutsong deals also helped realise Steenkamp's prediction he would restore annual gold production to 1.5 million ounces from one million oz at the time of his appointment in 2016. Production of some 1.6 million oz has been forecast for 2021. If achieved, this could see Harmony Gold draw a line under net debt, at least for now. It generated R1.8bn in free cash flow in the September quarter, so higher 2021 production, at elevated gold prices, may even see the firm reinstate the dividend. Possible? Steenkamp thinks so. The \$64,000 question, though, is how Steenkamp grows Harmony from here? Wafi-Golpu in Papua New Guinea is a project that remains hamstrung by local politics. There's organic growth potential at Mponeng, but Steenkamp reckons Harmony's future may lie in Africa where a search for new acquisition opportunities has restarted.

LIFE OF PETER

Steenkamp is a hugely experienced mining engineer with some 38 years of service on South African gold and coal mines for which he holds mine manager's certificates for both metal and fiery mines in addition to his B.Eng. degree. He worked at Harmony previously from 2003 and 2007 as well as stints with African Rainbow Minerals and Pamodzi Mining before joining Sasol as senior vice president: mining. He returned to Harmony as CEO in 2016. He's a member and past president of the Association of Mine Managers of South Africa and a member of the SA Institute of Mining and Metallurgy as well as of the SA Colliery Managers' Association.

BENY STEINMETZ

FOUNDER

Beny Steinmetz Group Resources
www.beny-steinmetz.org



HOT SEAT



Bottom singeing pressure

'It's really a tragedy. If [Simandou] had been carried out, it would have quadrupled the GDP of Guinea. Now 10 years later, there is nothing.'

IT'S been five years since we last included Beny Steinmetz in our top 100 and this may be the last; at least for a while. That's because a court in Geneva convicted the Israeli businessman to five years in jail after finding him guilty of offering \$8.5m in bribes to the wife of deceased former Guinea president, Lansana Conté. Steinmetz denied the charges during the two-week trial, saying that though he owned the businesses implicated in the corruption, he was not the main actor, as it were. An appeal is being readied, but Steinmetz's conviction signals two important moments for the African mining sector: one, that governance is as important in the ESG acronym as environment and sustainability, and secondly that the Simandou iron ore prospect in Guinea is easing clear of the legacies that have impeded its development. It was the ownership of Simandou mineral rights that Steinmetz - via Beny Steinmetz Resources Group (BSGR) - was found guilty of illegally influencing. The court finding raises some important questions, however. Apart from the appeal, will Steinmetz proceed with the re-opening of an arbitration case that ordered his company to pay \$1.25bn to Vale regarding the Simandou joint venture imbroglio? And then, where does this conviction leave an agreement between him and Sir Mick Davis of Niron Metals who were supposed to cooperate over another nearby iron ore deposit? Steinmetz' prosecution will continue to reverberate through African mining since his businesses have a significant footprint in Africa, including ownership of the Octea diamond mine in Sierra Leone. One assumes BSGR will continue to exert influence with Steinmetz running things until he actually steps foot in jail. Given he has returned to his native Israel, that may not happen at all.

LIFE OF BENY

Arguably one of the world's most controversial and secretive mining businessmen, Steinmetz is described on his website as "a veteran businessman and an active philanthropist". His philanthropic work is carried out through the Agnes (his wife) and Beny Steinmetz Foundation which aims to "provide the children and youth of Israel with opportunities for a brighter future." After completing his army service in the Seventies, Steinmetz moved to Antwerp to start an independent career in the diamond industry, thus following in the footsteps of his father who had set up the Rubin Steinmetz and Sons Diamond Company. Steinmetz then diversified his business into BSGR which is involved in "capital markets, natural resource development and real estate".

MARK SUMMERS

CEO

Kropz

www.kropz.com



HOT SEAT



Bottom singeing pressure

'The Covid pandemic and associated uncertainties are forcing us to adapt to survive. Fortunately for us, the world still needs to eat.'

MARK Summers was appointed CEO of Kropz in August after six months in an acting position. He replaced Ian Harebottle who departed a disappointed man. The plan Harebottle hatched in January 2018 was to make Kropz the “Glencore of plant nutrients” by adding a network of trading to its proposed mining activities. However, at this point Kropz, in which African Rainbow Capital (ARC) has a 73.4% stake after the latest drawdown on the equity facility, does not yet have an operational mine. It has two phosphate projects: Elandsfontein situated in a picturesque part of South Africa’s Western Cape province, and Hinda in Republic of Congo, having earlier decided to exit its investment in the Aflao project in Ghana. Harebottle’s ambitions ran into a couple of snags: a major weakening in phosphate prices, and the long-standing opposition from local residents who argue the Elandsfontein mine will damage the nearby Langebaan lagoon. There is an appeal against the granting of a water use licence at Elandsfontein, but until the Water Tribunal makes a ruling, the licence remains in force, and the initial mine development is under way – an indication of management’s confidence. ARC’s funding is expected to be sufficient to bring Elandsfontein into production by the fourth quarter – about three years later than Harebottle hoped – but Summers has warned Kropz will need to raise more funds for working capital in the second half of this year and to progress Hinda, where a feasibility study is under way. Elandsfontein may be a robust project, but depressed phosphate rock prices, apparently defying global demand for fertiliser, are making even low-cost producers unsustainable.

LIFE OF MARK

He has 20 years’ experience in the mining and resources sector. He completed his articles at Coopers & Lybrand and then joined Anglo American’s Corporate and International Finance Department in Johannesburg. After a stint at HSBC, he joined Afgem, where he led the restructuring of Afgem’s interests into Tanzanite One, which was listed on AIM in 2004. He moved to Amari, a mining investment company, where he was responsible for a number of AIM listings ahead of the GFC, and then spent two years at Gemfields. He joined Kropz as financial director in 2015.

BERNARD SWANEPOEL

FOUNDER

Last Mile Fund

www.2tp.co.za



POTSTIRRER



Maverick, opinion-forming thinker

‘When I first met you at Genmin I thought you were an asshole.’

EVEN by his standards, Bernard Swanepoel went over the top last year by calling Sir Mick Davis, the former CEO of Xstrata, an asshole at the Joburg Mining Indaba (although he subsequently modified it to “clever asshole”). The roots to Swanepoel’s comment lie in an old South African mining industry quip which went as follows: “When the people at the top of Genmin look down all they see are bald heads, and when the people at the bottom of Genmin look up all they see are assholes.” Score another marketing success for Swanepoel who managed to keep his conference brand intact despite having to switch to a virtual platform because of the restrictions imposed on live events by Covid-19. Not that Swanepoel is perfect at this job by any means. He wasted too much time allowing new Anglo American Platinum CEO, Natascha Viljoen, to focus on soft issues while not addressing some hard-core aspects of Anglo American Platinum’s less-than-spectacular operating performance last year, and left minimal time for viewer questions. But his conference is still way better than the usual dull-as-ditchwater “don’t rock the boat” approach that is the normal fare at mining conferences. Swanepoel’s other day job - running the Last Mile Fund which backs promising looking players in the mining and resources field - garners almost minimal coverage by comparison which is probably the way he likes it. So the burning question for 2021 is this: Who is Swanepoel going to insult next after Davis in 2020 and calling AMCU president Joseph Mathunjwa “a shit-stirrer of note” in 2019?

LIFE OF BERNARD

He’s one of the best known personalities in the South African mining sphere even though his track record is marred by his failure to take over Gold Fields when he was running Harmony Gold. Swanepoel was singled out by Peter Flack and the late Roger Kebble to run Harmony following the hostile takeover and break-up of the former Randgold & Exploration in the mid-Nineties. Everything went right for nearly a decade as Swanepoel - supported by a rising gold price - took over a string of ageing gold mines from various groups until the all-out, hostile bid for Gold Fields. Had it succeeded, Swanepoel would have survived the subsequent downturn in the gold sector. After resigning from Harmony in 2007, Swanepoel returned to mining temporarily through Village Main Reef before teaming up with Joburg Indaba founder Paula Munsie and re-inventing himself as a mining industry impresario.

JOHN TEELING

EXECUTIVE CHAIRMAN

Botswana Diamonds

www.botswanadiamonds.co.uk



POTSTIRRER



Maverick, opinion-forming thinker

*‘Our second base of operations is South Africa.
This choice is not obvious to everyone.’*

IRISH mining entrepreneur John Teeling – whose lengthy list of qualifications should also include “kissed the Blarney Stone” and so acquired a highly convincing gift of the gab – has diversified his diamond exploration operations in South Africa and Zimbabwe. This comes just as his company’s efforts in Botswana shed impetus. Three years ago, after Russian state-owned diamond group Alrosa had withdrawn from the Sunland joint venture in Botswana, Teeling said he had attracted the investment interest of “a significant diamond producer” adding, however, “no guarantees can be given.” Just as well he gave the qualification because that partner never materialised. Conditions became tough in diamond exploration with Teeling noting in 2018 that Botswana Diamonds had “struggled to attract investors.” He added: “The focus of our activities since we set up has been and remains Botswana. But exploration there is not easy. The country is covered in sand ... The very best exploration techniques struggle with this.” That should not be news to anyone in diamond exploration, and it sounds like a whinge from the master entrepreneur who – for once – was not getting his way with investors. At any rate, Botswana Diamonds is now focused on the Thorny River/Marsfontein project in South Africa where it is hoping to develop a producing mine which will provide the revenues needed to continue exploration in Botswana. Marsfontein was a small – but high grade and hugely profitable – diamond mine previously mined out by De Beers in just 15 months. Teeling says Botswana Diamonds has found a similar sized anomaly near Marsfontein where the grade is not known as yet, but core drilling is under way.

LIFE OF JOHN

He is hugely qualified both academically and in the practical world of mining exploration. He holds degrees in economics and business from University College Dublin; an MBA from Wharton, and a doctorate in business administration from Harvard. He has more than 40 years experience in the resources industry during which he has founded a number of junior explorers including Pan Andean Resources; Minco; Africa Gold; Persian Gold and West African Diamonds. He – and sidekick James Campbell who is the MD of Botswana Diamonds – previously hit paydirt big time in Botswana with African Diamonds which was sold to Canadian major Lucara Diamond Corporation.

MIKE TEKE

CEO

Seriti Resources
www.seritiza.com



FLAG



News is about to happen here

'I still see coal as an attractive business for anyone who is cost competitive, reliable and who understands that the best mining practices will win the game.'

THERE is no longer any doubt about it: as of September 7, 2020, Mike Teke is the most important executive in the South African domestic coal business. That was the date on which the country's Competition Commission recommended the acquisition of South 32's South African Energy Coal (SAEC) business by Teke's unlisted Seriti Resources. Seriti owns the domestic coal mines formerly owned by Anglo American, acquired in 2017. When you add the 25 million tons a year (Mt/y) of coal that Anglo's New Vaal, New Denmark and Kriel collieries sell to Eskom to the 12Mt/y supplied by the four South32 collieries it is now acquiring then that makes Seriti the largest coal supplier to Eskom, accounting for nearly 40% of annual coal burn. Still to come is the development of the New Largo colliery - also bought from Anglo American by Seriti - which is slated to provide upwards of 12Mt/year to Eskom's newest power station - Kusile. Teke has requested a delay in the negotiations over the coal supply contract between New Largo and Eskom while his group assesses the situation. Teke maintains he's not an "environmental denialist", but he is bullish on coal which he maintains still has a role to play. There could be more to come as Anglo finalises the disposal of its remaining South African export coal collieries. The group's preferred method is to unbundle and list them separately. Teke has said he is not keen on acquiring the mines because of likely regulatory opposition on competition grounds, but the coal space is eminently watchable in 2021.

LIFE OF MIKE

Teke started out in human resources where he worked his way up the executive ranks at BHP and Impala Platinum. He went into the mining business for himself from 2010 with the separate listing of Optimum Coal by BHP as a major black economic empowerment deal. Optimum was subsequently acquired by Glencore and delisted. He then set up another BEE company - Masimong Holdings of which he is the controlling shareholder - which in turn became part of the consortium that created Seriti with the other members being Thebe Investments, Zungu Investments, and Community Investment Holdings. Teke has held various heavyweight positions in the South African mining industry including presidencies of the Minerals Council and Richards Bay Coal Terminal.

EIRA THOMAS

CEO

Lucara Diamond Corporation

www.lucaradiamond.com



RAINMAKER



Making, not stirring pots

'At times it will make sense to tender goods; at other times, to sell through Clara or an HB Group deal. But there is a need to harmonise [diamond] supply.'

THE move two years ago into the speculative realm of diamond sales via blockchain technology 'Clara' looks today like a prescient piece of out-of-the-box thinking for Lucara Diamonds and its CEO, Eira Thomas. Thomas has long said the mine-to-finger diamond pipeline needs reinvention, but few could have imagined its potential value in the context of Covid-19 disease which brought diamond sales by tender to an abrupt halt last year, and may again in 2021. Clara had 71 customers at the time of writing - a doubling in the third quarter alone - whilst third party supply is starting to stir. Clara, though, is generally for smaller stones produced from Lucara's stellar Botswana mine, Karowe. The largest proportion of Lucara production - which was not offered to tender during the Covid-19 lockdowns - is much larger pieces of 10 carats or more. For these, Thomas signed an exclusive agreement with HB Group, a cutter and polisher, in which miner and manufacturer share polished sales from Karowe. This is the reinvention of diamond sales the industry needs, Thomas declared at the deal's announcement in June. Five months later, Thomas was waiting on "more data points" before renewing the contract. Watch this space. Financially, however, Lucara has had to watch its cents. It more than halved spending on its proposed \$514m underground expansion of Karowe in 2020 and delayed financing. But in January, the renewal of a 25-year mining licence for Karowe, and the recovery of a 341 carat white diamond comparable in quality to the mine's other historic recoveries, is why the expansion should proceed, Thomas argued. She expects to conclude financing of the expansion this year.

LIFE OF EIRA

A B.Sc. in geology from the University of Toronto and a part in the discovery of the Diavik diamond pipes were just the beginning. Thomas is a serial entrepreneur having founded Lucara with Lukas Lundin, Stornaway Diamond Corporation and Kaminak Gold which was recently sold to Goldcorp for \$520m. She is back with some of the Kaminak team looking at prospects in Canada's Yukon.

ANDRIES VAN HEERDEN

CEO

Afrimat

www.afrimat.co.za



RAINMAKER



Making, not stirring pots

'Government and the private sector need to work together more closely than ever before.'

ALTHOUGH Van Heerden did not pursue the substantial acquisition of Universal Coal in 2019, he clearly has an appetite for expansion. Afrimat ventured out of industrial minerals and construction materials into iron ore mining three years ago with the purchase of the Demaneng Iron Ore Mine in the Northern Cape. During the Covid-19 pandemic and lockdown, when the other Afrimat businesses could not function at full speed, that diversification paid off handsomely. As iron ore prices soared, Demaneng grew operating profits 136% in the six months to August, largely offsetting the effects of the lockdown on the group's industrial minerals and construction materials segments. But those segments recovered rapidly once full-scale operations resumed. Their contribution, combined with an iron ore price that powered to \$174/t by late December, suggest bumper full-year results will be reported by the group in the year to February. Longer-term, the prospects are good. The company is in a prime position to benefit from the South African government's plans for infrastructure development aimed at stimulating the economy. Van Heerden said in November there were clear signs that small projects were taking off, such as roads and low cost housing. The group also supplies construction materials for the offshore gas infrastructure which is under construction in Mozambique. During 2020, Van Heerden continued to make bolt-on acquisitions. Afrimat completed its offer to buy all the shares it did not already own in Unicorn Capital Partners, which owns businesses serving the mining industry, and bought Coza Mining. Coza is prospecting for iron ore and manganese in the Northern Cape, near Demaneng's operations, which should help to increase Demaneng's resources.

LIFE OF ANDRIES

During the mid-Noughties, Van Heerden was CEO of Lancaster Group and MD of Prima Quarries, which merged and listed on the JSE in 2006 as Afrimat. He's been CEO of the combined group ever since. He holds a BEng (Mech), an MBA and a government Certificate of Competence. His first job was with Iscor. In 2017, Van Heerden was named the winner in the master's category of the EY World Entrepreneur of the Year for Southern Africa. He is married with three children.

ANTHONY VILJOEN

CEO

AfriTin

www.afritinmining.com



FLAG



News is about to happen here

'From now on it's all about profitability and that's what we'll be pushing.'

ANTHONY Viljoen's AfriTin is at the stage now where peace and quiet, and a complete lack of incident, is all it needs. The first 'pilot plant' stage of its Uis tin mine hit capacity in December after slower-than-planned build-up. The delay resulted in Viljoen having to tap shareholders for £3.05m in funds via a share issue - taking to three the number of times in about 18 months the equity market had been approached. Hence, the need for consistent production, especially as cash generation will help reduce the requirement for shareholder funds ahead of the \$11m second phase expansion. So unfussy performance is the order of the year in 2021. Uis mine is fairly modest in scope but provided there's enough volume, AfriTin doesn't require massive scale. Tin is an interesting commodity: it was one of the London Metal Exchange's best performing metals last year, albeit off a low base, whilst the forecast is for a widening deficit. Tin is used in the manufacture of semi-conductors supplied to the smart device market which is expected to see demand grow three-fold out to 2050, according to the World Tin Association. Viljoen is also waiting on metallurgical test work on potential tantalum and lithium oxide by-products. Uis was always a tin-first mine, but the additional revenue will be a significant sweetener for shareholders who will be hoping to be rewarded for their patience this year. Beyond the phase two expansion of Uis, there's also subsequent development requiring \$17.5m in capital, but for now it's a question for first things first for Viljoen and AfriTin.

LIFE OF ANTHONY

He was a founding member of VM Investment Company, established in 2006 to target opportunities in primary industries. VM's investments include MRT Group, which bought the NiMag assets from Coal of Africa, as well as gold exploration assets in East Africa. He was also founding director and CEO of Lemur Resources and sits on the board of Bushveld Minerals. Viljoen comes from a well-known family of geologists, who have provided technical assistance: his father is professor Richard Viljoen, and his uncle is professor Morris Viljoen. Viljoen holds a Bachelor of Business and Agricultural Economics from the University of KwaZulu-Natal and a postgraduate diploma in finance banking and investment management. He has worked for Deutsche Bank, Barclays Capital in London and Loita Capital Partners, a pan-African investment bank.

NATASCHA VILJOEN

CEO

Anglo American Platinum

www.amplats.co.za



RAINMAKER



Making, not stirring pots

'I think the economic recovery in our communities is going to be tough, and we are certainly preparing ourselves for a high level of unhappiness.'

NATASCHA Viljoen got the dream job in February when anointed successor to CEO Chris Griffith, but then stepped into the nightmare that was 2020. Rarely has a CEO had a more difficult introduction. First, the company suffered the disabling of both units - Anglo Converter Plant A and B - of its processing facilities in Rustenburg. One blew up in a cloud of coal dust (ACP A), the other (ACP B) was shut after water ingress was detected. Then Covid-19 made landfall and Viljoen's background in processing technology and ESG was in full use as the panoply of social cares the pandemic brought settled on the group in a great, rain-laden mug of cumuli. Put another way, life got flippin' hectic. This cloud has silver linings though: at least the male cohort forgot to bellyache about Viljoen's suitability as a woman, whilst the stop-start progress that typified the recommissioning of ACP B throughout the year resulted in keeping PGM prices elevated. Production and financial numbers are imminent, but the last known information is of a R6bn hit to EBITDA. It will also take two years to work through the metal inventory - and capital build - whilst ACP A and B were suspended. The good news is that ACP A will be commissioned this quarter, several weeks ahead of schedule. And let's not forget, though, that through all this Amplats remains a major driver for Anglo American earnings in a massively encouraging market. PGM prices are flying, platinum is making a comeback, and thanks to Amplats dipping into the market to source metal for customer deliveries, the rhodium price has surged to all-time price levels. Questions will persist on the integrity of the processing units whilst investors will want to know if Amplats intends expanding its flagship Mogalakwena mine or, as is possible, it decides to bide its time whilst optimising the technical and marketing complexities of bringing more metal into a market evolving at breakneck pace.

LIFE OF NATASCHA

Joining Amplats from Anglo American, where Viljoen was head of processing, required a return to South Africa. Before Anglo, Viljoen was previously head of processing at Lonmin, a roll that was combined with head of sustainability during the time of the Marikana atrocity in 2012. A metallurgist, Viljoen developed award-winning technology that's energy and resource efficient. Mining runs deep: her father was a shift manager in Klerksdrop where Viljoen grew up, matriculating from Hoërskool Klerksdrop in 1987 before studying engineering at North-west University in Potchestroom. She later earned an executive MBA (cum laude) from the University of Cape Town.

NIELS WAGE

CEO

Danakali

www.danakali.com.au



HOT SEAT



Bottom singeing pressure

‘The beauty of this project is that we’re producing from solid salts and that means ... we can get into a finished product in a couple of weeks.’

HOPES that Danakali will meet its 2022 target of first production from its Colluli sulphate of potash (SOP) project in Eritrea have seriously diminished. That’s partly owing to the firm’s failure to secure the \$28.5m balance of a \$50m equity investment from the Africa Finance Corporation (AFC), its major shareholder (and still staunch supporter). That’s a pity as some \$200m in finance for the \$250m to \$320m for Colluli has already been secured. The financing difficulty has been exacerbated by a collapse in the firm’s share price just as Covid-19 kicked off as a global phenomenon in March 2020 which makes shares for cash an improbability. Wage says “all options are on the table”. Colluli may be far-flung - situated in the infamously hot and dry Danakali Depression known for its dramatic salt plains that only the local Afar people access - but the project is hugely rich in SOP, a type of the mineral fertiliser that’s low on chloride and is water efficient, making it an ideal crop solution in the sustainability stakes. When Danakali’s plans do, eventually, mature, Colluli will produce in two phases of some 472,000 tons a year of SOP, before scaling up to 944,000 tons. The resource is vast: even at these rates, production is guaranteed for many decades. The Eritrean government, which is a shareholder through its Eritrean National Mining Corporation, has provided its support to mine Colluli, environmental permitting included, and a EPCM two-phase study has been completed. As they say in the films, however: “Show me the money.”

LIFE OF NIELS

Schooled in central Netherlands, Wage has a Masters’ degree in business economics from the University of Amsterdam. The majority of his career has been at BHP, predominantly in its logistics and shipping responsible for its global freight activities. He joined Danakali in 2018 as its chief commercial officer and was appointed CEO in March 2019. In addition to English and Dutch, Wage is a true European with working proficiencies in French and German. In 2010, Lloyds ranked him one of the most influential voices in global shipping.

JOHN WELBORN

MD & CEO

Equatorial Resources

www.equatorialresources.com.au



FLAG



News is about to happen here

Despite this untimely corporate terminus, Welborn's strategic nous and enthusiasm for promotion will be put to good use at Equatorial.

SURPRISINGLY ejected from Resolute Mining, a gold company he headed for five years until October, Welborn switched his attention back to Equatorial Resources, an Australian-listed firm exploring two iron ore deposits in the Republic of Congo (RoC). Welborn had remained a director of Equatorial after resigning as its MD & CEO in 2015 to join Resolute. His return opens the question of where he may take the company. Whilst at Resolute, Welborn established a new prominence for the gold firm, especially with its 2019 acquisition of Toro Gold's Mako mine in Senegal for \$275m. The shares and cash deal was part of a strategy to make Resolute a 500,000 ounces a year gold producer. He also helped restructure the balance sheet and oversaw an increase in market capitalisation to \$1bn from \$200m. But technical missteps, including the burn out of the Syama roaster in late 2019, prompted shareholders or the board (or both) to consider whether Welborn was suited to the job long-term. Despite this untimely corporate terminus, Welborn's strategic nous and enthusiasm for promotion will be put to good use at Equatorial, especially as demand for iron ore remains robust. Since last we dwelled on Equatorial, the company has sold its proposed 2.5 million tons a year Mayoko-Moussondji iron ore project in RoC, but it has retained a 2% royalty on future production. It is waiting on the RoC to approve a mining licence for another prospect, the 80% Badando project. Meetings with the RoC government, described in the firm's 2020 annual report as "numerous", had been taking place regarding the award of the mining licence until Covid-19 stopped all face-to-face contact. Equatorial Resources is cashed up - A\$40m at 2020 financial year-end - and even ploughed some \$16m in convertible notes into an Australian-listed potash company, Salt Lake Potash, arguing that using the cash in this way was better than it sitting in the bank. Let's hope Welborn finds a more operational use for Equatorial's cash in the coming year.

LIFE OF JOHN

Before mining, Welborn was a professional rugby union player representing the Wallabies, Western Force and even South Africa's Sharks. He led Resolute Mining as MD and CEO from 2015, helping to establish the company as a 400,000 ounce a year producer, until the board bid him a surprise farewell. In 2018, he suffered a broken neck following a skiing accident. He is big on keeping management simple, recently likening his approach to the 'pass and catch' training fundamental to running rugby at its best.

STEPHEN WETHERALL

CEO

Lucapa Diamond Company

www.lucapa.com.au



HOT SEAT



Bottom singeing pressure

'During such unprecedented times, we were both delighted and appreciative to see such a strong show of support for our plans and strategies in the diamond sector.'

IT got pretty hairy for Stephen Wetherall and Lucapa Diamond Co. in 2020. Lucapa had to carefully manage its balance sheet even before Covid-19, but the onset of the pandemic forced it to shut its Lulo mine in Angola for two months and Mothae in Lesotho for six, starving the company of cash flow. It was consequently forced to the market for funds; twice. It raised a total of \$15m from shareholders in 2020 and whilst the support must have been heartening for Wetherall, it precipitated some deep thinking about how relative minnows like Lucapa Diamond survive in a diamond market facing existential change. The response was for Lucapa to replicate a sales agreement it has on its Lulo mine at Mothae such that diamonds are sold to an exclusive diamantaire in return for upfront cash at mine-gate followed by a 'true-up' of the polished price at a later date. This first required the approval of the Lesotho government, granted in July 2020. The new marketing channel is not unique in the diamond market, but it demonstrates how alternatives to the traditional sales by tender model are developing. New channels are matching production more closely to the end-market, and could see the development of a leaner 'midstream' of cutters and polishers. Wetherall is to use \$6m of some \$10m raised in November to undertake the 45% expansion of Mothae, increasing production to 1.6 million tons of diamond-bearing ore annually. Highlight? Lucapa appears to have survived 2020. Lowlight? We were going to say the 60% haircut on salary he and fellow executives agreed to take mid-year until the ominous closure again of Mothae in January amid a resurgence of the disease in Lesotho.

LIFE OF STEPHEN

He's a chartered accountant with 20 years of experience in the mining business and has held senior financial and executive roles with De Beers and GEM Diamonds. After his time at GEM he teamed up with Australian serial diamond entrepreneur Miles Kennedy whose Ellendale mine in Western Australia had been bought by GEM. Education was at Parktown Boys in Johannesburg and thereafter, the University of the Witwatersrand where past times in rugby and squash featured.

ANDREW WRAY

CEO

Golden Star Resources

www.gsr.com



HOT SEAT



Bottom singeing pressure

'Following the sale of Prestea-Bogosu, we have now become an attractive counter-party.'

ANDREW Wray and team finally lost patience trying to turn the sow's ear that was Prestea mine in Ghana into a golden purse. Having written down the operation for \$56.8m, the only remaining act was to close or sell. In October, the company announced the \$30m sale of Prestea-Bogosu (renamed in recognition of its sulphide potential) to privately-backed Future Global Resources. The transaction is handy for Golden Star: it removes \$25m in negative working capital and \$53m in environmental liabilities from its balance sheet. Gold price depending, Golden Star may also receive a royalty stream, assuming the Bogosu Sulfide Project is developed. Now with production scaled back to no more than 192,000 ounces, Golden Star is a somewhat smaller proposition but potentially profitable company with a restructured balance sheet capable of funding the Southern Extension project at Wassa, its remaining asset, also in Ghana. A prefeasibility into the Wassa expansion kicked off in the third quarter and there's always potential for Golden Star to participate some way in the consolidation that is enveloping the sector. As mentioned in previous editions, Golden Star is controlled by La Mancha Investments which is led by deal-hungry telecoms-turned-gold-bull, Naguib Sawiris. Wray's most instructive comment on the firm's situation is that the sale of Prestea makes it "a more attractive counter-party". Make of that what you will. There's no denying, however, that Golden Star has spent much of the buoyant gold market as a back-peddling minnow.

LIFE OF ANDREW

Wray's appointment as CEO of Golden Star in 2019 was logical given that La Mancha, the investment firm of which he was CEO, became a major shareholder in late 2017. Wray was previously CFO of Acacia Resources, leaving the company just as its difficulties with the Tanzanian government steepened. Prior to joining the mining company executive set, Wray was an investment banker with JP Morgan Cazenove. He spent a time at the bank's Kuwait office looking after its investment portfolio in Spain, Wray's fluency in Spanish no doubt helping. He studied Iberian languages at University College London before taking finance postgraduate studies, also in the City

ERIC ZURRIN

CEO

Shanta Gold

www.shantagold.com



RAINMAKER



Making, not stirring pots

'Shanta enters a new chapter with a net cash position, completing a period of enormous deleveraging.'

SENSIBLY, Eric Zurrin and Shanta Gold are capitalising on the strength of the gold price by reinvesting. During the year, the company set about the development of Singida in Tanzania, a project that will take overall production to 110,000 ounces a year. Last we heard, the first gold pour was supposed to be a year-end event. At a pre-production cost of \$26m, however, the project is small fry compared to the proposed \$161m development of its West Kenya gold project, a prospect Zurrin bought from Barrick Gold in August for \$14.5m in shares and cash. The project is only at scoping level, with an investment decision up to three years away following feasibility studies, but it has transformative potential. West Kenya gold project will nearly double Shanta's production as per this year's guidance of 80,000 to 85,000 oz, and provide geographical diversity which investors prefer over the risk of a single asset firm. All this is made possible after Shanta moved into net cash mid-year, having paid down debt of \$38m since 2018. The asset making the money is New Luika in Tanzania. Reserve and resource replacement at the mine is essential in order to make Shanta a growth story. A mill expansion for \$1.2m was sanctioned in September. On the cash front, it's also worth remarking that the Tanzanian government owes Shanta \$23.2m in VAT refunds, although there's no visibility on when that will be paid. As for dividends ... Zurrin spoke about the possibility last year saying they were "on the agenda", but given the capital commitments on the horizon, his board may well have to choose between priorities.

LIFE OF ERIC

He's a Canadian holding a B.Com. (Accounting) degree, but who has spent most of his time in investment banking, mainly with the UBS Investment Bank in London. This is his second stint at Shanta as he has worked there previously an interim chief financial officer in 2015/2016 in the lead up to the financial restructuring while, before that, he was a commercial analyst advising the then CEO, back in 2013.



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MENAR