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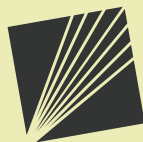


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EDITOR'S FOREWORD

Every year is a critical year for South Africa's mining sector. 2023 is no exception.

One wish is for the industry to get the policy certainty it deserves and a new mining cadastre as demonstration of the government's good intentions. Promised by government three years ago, a transparent, easy-to-use means of awarding mining permits will achieve enormous benefit for the sector at a time when the search for minerals globally intensifies. Commodity cycles haven't stopped, but there's a secular upswing in mining that presents Africa a quite enormous opportunity to enrich lives, as I hope these pages demonstrate. There's business to do done. Let's hope South Africa can begin to participate more fully.

David McKay



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CHARLOTTE MATHEWS

After collecting qualifications ranging from shorthand, typing and bookkeeping to history, economics and journalism, Charlotte started at Business Day as an intern in 1988 and has since covered a wide spectrum of business sectors for different media. She has found the deep and dirty world of mining to be the most interesting.

ED STODDARD

Ed Stoddard is a Johannesburg-based journalist with a focus on mining, resources and economic and environmental issues. Hailing from the Canadian province of Nova Scotia, Ed was a Reuters correspondent for 24 years. A regular contributor to the Daily Maverick news site, his work has also appeared in MiningMX, Business Day, the Financial Mail, Undark Magazine, Mother Jones, Salon, Slate and The Atlantic. When not casting around for stories, he likes to cast around with a fly for fish.

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Liesl Peyper is a business and political reporter from Cape Town, focusing on mining, trade and industry and infrastructure news. Liesl's work experience includes being personal finance editor at Sake24, parliamentary reporting at Die Burger and Fin24, and teaching English in South Korea. Liesl holds an MPhil (Journalism) degree from the University of Stellenbosch.

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Brendan has been covering mining since 1982, when he joined the Rand Daily Mail. Since those days, he has worked for just about every major publication, covering mining, as well as a number of international mining publications. He intends to continue writing on mining, mainly to fund his travel and wildlife photography addictions.

DAVID MCKAY

David joined Business Day in 1996. He was the founding editor of Mineweb in 1999, a director of Moneyweb Holdings, and founding editor of MiningMX in 2004. After selling MiningMX to Media24, he worked as editor of Fin24 and was executive editor of Media24's digital financial publications. He bought MiningMX back in 2013. In addition to MiningMX, David has also written for Finweek and the Financial Mail.

LEGEND



News is about to happen here



Bottom-singeing pressure



Making, not stirring pots



Maverick, opinion-forming thinker

Desktop and app editions of this year's Rainmakers & Potstirrers are available for download on www.miningmx.com.



FOREWORD BY VUSLAT BAYOĞLU

MD MENAR

Vuslat Bayoğlu is the co-founder of Menar, which has controlling stakes in Canyon Coal, Zululand Anthracite Colliery, Kangra and East Manganese.

Four factors could have a major impact on mineral resources in 2023. The first is geopolitics. The ongoing Russia-Ukraine war and the détente between Australia and China will determine trade in commodity prices. While the West's continued support of Ukraine will continue to exert restrictions on Russia's fuel exports, the thawing of Australia-China relations will boost trade between the two. The war may keep the prices of commodities such as thermal coal and anthracite high. Australian coal producers could see more of their products back into China, which is continuously improving its energy security by building more coal-fired power plants.

The International Energy Agency expects coal demand to increase. The shortage of gas and its increasing cost are among the reasons for the ongoing reliance on coal in Europe. The impact of the thawing of relations between Australia and China will likely go beyond coal exports. It could lead to increased exports of iron ore and manganese from Australia to China. This means South African products will be subject to more competition by Australia, whose iron ore and manganese market share in China was under threat during the political tension.

The second factor is China's relaxation of its zero-Covid policy. As China ends lockdowns, economic activity is expected to rise. The world's second-largest economy and largest importer of minerals will most likely increase its orders and

manufacturing output. China's expected rebound will drive demand for resources such as coal, manganese, iron ore, chrome, and PGMs.

The third factor is the state of logistics and their impact on supply chains. In the immediate aftermath of the Covid-19 peak, global logistics bottlenecks proved to be a major contributor to price spikes and constrained economic recovery. However, there have since been improvements globally as trade normalises. However, the situation is different in South Africa as Transnet, the state-owned logistics firm, continues to battle challenges unrelated to Covid. The capacity constraints linked to the legacy of procurement irregularities have slowed exports. But the government's policy to liberalise rail and ports by providing access to third parties might turn the company's fortunes and South Africa's economy. Lastly, the ongoing renewables versus energy security debate will have a major impact on commodities. As the pressure to decarbonise grows, the prices of minerals required for battery storage will continue to rise. There is already a global race by manufacturers to own the value chain of some key minerals — from rare earths to lithium. While this race continues, the negative rhetoric on coal will drive down investment in coal mining despite the reality that it is still a required fuel in many economic jurisdictions. Lack of investment will result in the upward trajectory of the coal prices, especially if Russia remains locked in the war with Ukraine.

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STIRRERS**



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FLAG



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'I spent my life as a miner with dirt on his boots and that's where I have the most fun'

ASANTE Gold Corporation has kept a breakneck pace since early 2021, establishing itself as a mid-tier gold producer, focused on Ghana. In that year it bought Bibiani from Resolute Mining in a deal valued at \$90m. A \$30m final instalment was paid in November. Then in April last year it announced an agreement to buy the Chirano gold mine from Kinross Gold in a \$225m cash and shares deal. Combined, the transactions put Asante Gold on course for roughly 340,000 ounces a year in gold production. Anthony thinks the company will establish a 400,000 oz/year run rate this year. By way of financing, Asante agreed a \$140m financing package involving forward sales with institutions in Ghana. Clearly, there's a close affiliation with the West African country, especially as 44% of its share capital is held by local institutions. Middle East investors Emiral Resources, a Dubai-headquartered investment company, and Fujairah Holdings, named after the city in the United Arab Emirates, hold 13.8% and 11% of Asante Gold respectively. Kinross Gold also has an 8% stake in the firm in part consideration for Chirano. Gold production starts to tail off from about 2025 so it's quite likely Asante will be driving more deals in the near future, or looking for organic growth. Regarding the latter, the company is running a technical study over the proposed \$117m Kubi Gold prospect located south of Anglo-Gold Ashanti's Obuasi. In October, Anthony listed Asante Gold on the Toronto Venture Exchange, adding to the firm's Frankfurt and Ghana listings.

LIFE OF DAVID

A mining veteran of more than 40 years, David Anthony is a miner with a capital 'M'. His most prominent position prior to Asante Gold was as head of operations for African Barrick, subsequently renamed Acacia Mining, which ran the Bulyanhulu and North Mara mines in Tanzania. He was also COO for West African gold exploration firm Cardinal Resources, which developed the Namdini mine. The company eventually attracted a \$500m buyout by China's Shandong. Anthony also has experience in South America working in Ecuador, Brazil, Chile and Argentina. He is a mining engineer with a BSc from Queen's University in Ontario.



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PAUL ATHERLEY

CEO

Pensana

www.pensana.co.uk



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‘We are trying to establish independent and sustainable rare-earth production in the UK. We can’t have everything relying on China’

THE UK’s M&A Investments stumped up an additional \$4m to tide Paul Atherley’s Pensana over until it starts the final, serious round of financing for its rare-earth projects. And what a lot of dosh that round of financing will involve: \$494m all told, of which \$299m is for the Longonjo mine, concentrator and refinery in Angola. Longonjo will produce about 40,000 tons a year of rare-earth sulphate, which will then be exported to the \$195m Saltend processing facilities situated in England’s north-east, itself supplied by power from the world’s largest wind farm in the North Sea. If all goes to plan, the outcome will be 4,500 tons annually of two stripes of rare earth known as neodymium and praseodymium, or NdPr for short. Longonjo, a shallow open-pit mine, is clearly a feather in the cap for Angola’s ongoing economic renaissance, but its construction is also a sign of just how important rare-earth production is for the globe’s pursuit of both green mobility and wind power. Both applications require a type of powerful magnet that only NdPr can help build. What’s more, about 95% of world rare earths are made in China, which poses geopolitical and economic risks for Western governments and original equipment manufacturers (OEMs) such as carmakers. Atherley is hoping these concerns will enable him to sign offtake deals. Yet he has also genuflected to China’s power: an MoU was signed with a Chinese magnet manufacturer for 25% of NdPr output from Saltend. While Atherley sets about the task of raising money for his firm’s ambitions, preliminary works have started at both Longonjo and Saltend. Two more different locations you could not hope to imagine.

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. After that he worked at Berkeley Energiya, 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.

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POTSTIRRER



Maverick, opinion-forming thinker

'I am aware of several multibillion-rand mining projects that will not be given the go-ahead because of issues related to crime'

“THEY should call me Frank,” Roger Baxter has said on quite a few occasions, signalling his no-nonsense approach to problem-solving in South Africa’s problem-laden mining sector. In 2022, with difficulties in the mining industry reaching new levels, Baxter certainly did not mince his words. Called to the podium, he frequently sketched a sombre picture for the country’s sector: an industry besieged by crime, depressingly poor performances at its railways and ports, and daily power outages increasing in their severity. At a dialogue hosted by Anglo American on the sustainable development goals towards year-end, Baxter expressed grave concern over the general lack of the rule of law. He said a procurement mafia masquerading as business forums was dissuading companies from investing in South Africa. “I am aware of several multibillion-rand mining projects that will not be given the go-ahead because of issues related to crime. Because of the criminal mafia and other factors, some companies are not prepared to go ahead with certain projects until some of these issues are resolved,” he said. Institutional knowledge in South Africa’s public and private sector is worth its weight in gold, and therefore Baxter’s announcement that he will step down as CEO at the Minerals Council is a great loss to South African mining — an industry he has served with distinction for 30 years. We once — many years ago now — called Baxter South African mining’s conscience. With his affable and diplomatic manner, he helped navigate the sector through a decade of immense regulatory and operational uncertainty, an often-hostile operating environment and difficult economic conditions. No doubt the Minerals Council will find a suitable replacement for Baxter, but one can’t shake the notion that we are weaker without him.

LIFE OF ROGER

Baxter holds an honours degree in commerce from the then University of Natal. He started working at the Chamber of Mines in 1992 for a period of seven years. In 1999, he took a one-year break to gain experience in the stockbroking industry before returning to the Chamber as chief economist. He joined Rio Tinto in 2011 but returned to the Chamber the following year. In 2014 he was appointed chief operating officer and CEO in 2015. Baxter’s contract is coming to an end in April this year and he has declined to have it renewed. In his own words, he is starting a new chapter, but he hasn’t ruled out a return to South Africa’s mining industry in the years to come.

VUSLAT BAYOĞLU

MD

Menar Holdings

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POTSTIRRER



Maverick, opinion-forming thinker

‘With Russian gas unavailable, the whole concept [of coal] will change as Europe needs baseload power either from coal, gas or nuclear energy’

HAVING spent years making the uncomfortable observation that the world can't yet rely on renewables for baseload power, Menar's Vuslat Bayoğlu was partly vindicated, albeit as an outcome of tragic events. The invasion of Ukraine by Russia sent many of the world's leading economies into an energy security tailspin, and thermal coal prices through the roof. As a coal producer, Menar is in a good position to make hay, although it's debatable how long that may last for. With energy security so high on government agendas globally, it's now estimated it will take only five years for green energy to outstrip coal, according to a recent report by the International Energy Association. Bayoğlu, however, thinks broad-scale adoption of renewable power isn't the best option for South Africa. "How do you shut down a 2,000MW coal-fired power plant and replace it with a 10MW solar panel?" he asked last year about Eskom's 'just transition' strategy. Eskom aims to ease communities dependent on coal production into other economic activities, but Bayoğlu thinks it will put 90,000 jobs at risk. He also expressed concerns regarding Transnet, which is costing the country billions of rand in lost coal export revenue as a consequence of poor delivery levels. For all this, Menar had a strong year. Two flagship mines — Khanye Colliery and Phalanndwa Colliery — were expected to exceed production targets. On the project front, the firm's Kangra mine is aiming to add 20 years of life, while at the R1.5bn Bekezela project there are hopes permitting can be speeded up. Bayoğlu said the appointment of Sipho Nkosi, a coal industry veteran and appointee to the Presidency charged with cutting down on red tape, ought to help speed up the licensing that Bekezela, among others, requires. Here's hoping.

LIFE OF VUSLAT

The founder of Canyon Coal, Bayoğlu was born in Erzurum, Turkey. He holds a BSc 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 has strong marketing skills and has positioned Menar prominently in the local market despite not being listed. His hobbies are collecting model cars and aeroplanes.

GEORGE BENNETT

CEO

Rainbow Rare Earths

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FLAG



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'I believe that Rainbow is well positioned to develop a responsible rare earths supply chain to drive the green revolution'

GEORGE Bennett continues to talk up a storm on the benefits of Rainbow Rare Earths' project to recover high-tech rare earth minerals from the gypsum stacks created as waste from decades of processing phosphate ore at Foskor's Phalaborwa operations. But for some reason investors didn't listen in 2022 as the firm's share price slid from a high of 18 pence in February to around 9.75p at the end of December. That was despite a jump in rare earth prices that increased the Phalaborwa basket price by 82% to \$173.9 per kilogram of magnet rare earth oxides. For Rainbow, the main event of the year was publication of the preliminary economic assessment (PEA) in October. Bennett's company has developed a process to extract rare earth minerals from the host phosphogypsum stacks and, according to the PEA, the project can support total production of 26,208 tons of separated magnet rare earth oxides with a weighted average sales value of \$137.9/kg, potentially generating \$3.6bn in revenue over 14.2 years. Using the higher prices recorded in 2022 up to the end of October, the report said the project would have an operating margin of greater than 80% and a payback period of just 1.7 years. Mouthwatering stuff, but why then was the share under pressure? The investors who coughed up £6.4m at 15p a share in the October 2021 fundraising cannot be too happy. The next stages of development involve a full feasibility study and permitting process, with further optimisation targeting a production date of 2026. Rainbow's secondary operation at Gakara in Burundi, which was "temporarily suspended" because of a dispute with the government last year, is now reported by chairman Adonis Pouroulis as being on care and maintenance since June 2021.

LIFE OF GEORGE

Bennett is a true maverick and a highly successful one so far. He dropped out of his studies at the University of Natal in Durban to get involved in the rag trade, which was booming in the city at that time. Then he shifted to the stock market in the mid-1980s, moving to Johannesburg and becoming a partner in broking firm Simpson McKie, which was subsequently taken over by HSBC in 1998. Bennett quit HSBC in 2003 and went gold mining, listing Shanta Gold in London in 2005. Then he really struck gold, founding the business for which he is best known – MDM Engineering. It was sold to Amec Foster Wheeler in 2017 for \$120m.



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HOT SEAT



Bottom-singeing pressure

‘Hummingbird Resources lost the plot in 2022 and possibly at the most critical time’

HUMMINGBIRD Resources lost the plot in 2022 and possibly at the most critical time. The company is building a mine in Guinea — Kouroussa — and may finance another in Liberia — Dugbe — which could result in a quantum leap in production, especially if Dugbe stays in the Hummingbird fold. But the company's only operating asset, the Yanfolila mine in Mali, stumbled. CEO Daniel Betts says the mine's problems have been resolved but gold production is nonetheless set to be 10,000 ounces lower than guided. For a company only producing around 80,000 to 85,000 oz/year, that's a meaningful loss in revenue. Betts responded by changing Yanfolila mine management and drafting external support. He also finalised \$35m in new finance, part of which will be used to help refinance the struggling, undercapitalised contractor that Hummingbird introduced in early 2022. Betts is confident Yanfolila will regain its former health. The finance package also helped alleviate concerns about Hummingbird's liquidity as reflected in the firm's share price, which fell out of bed last year. Kouroussa, a project that has sapped \$100m in capital, is expected to add between 120,000 and 180,000 oz/year in production but for a company trading at a market capitalisation of only £23m, that's deeply burdensome. No wonder Hummingbird is weighing up its strategic options with Dugbe as announced at its third-quarter results presentation. The project carries a preproduction cost of \$397m, excluding processing facilities, which may be a bridge too far for Betts' Hummingbird. Dugbe is held in joint venture with Pasofino Gold, which holds a 49% stake in the project. In November, Hummingbird swapped its 51% control of Dugbe for control of Pasofino in return for the latter having control of the asset.

LIFE OF DANIEL

Hummingbird MD Dan Betts' family owns the oldest privately held gold bullion-smelting business in the UK. The company has a long history of smelting, refining and trading across the world. Betts himself joined the family firm in 2000, a few years after he graduated from Nottingham University. He went on to found Hummingbird in 2005 with the support of his father, Stephen Betts, who also sits on the board as a non-executive.



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CREATED**



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MARK BRISTOW

CEO

Barrick Gold

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RAINMAKER



Making, not stirring pots

'The Central African copperbelt is very interesting to me and we've got a full exploration base there now. I think we will grow this company'

IN typical style Mark Bristow glossed over the resolution last year of what observers reckoned was the most embarrassing issue of his tenure as Barrick CEO. That was prising \$1bn owed to it and partner AngloGold Ashanti from the Democratic Republic of Congo's (DRC's) Kibali mine out of the sticky hands of the DRC government. According to Bristow, it was "admin" connected to the fact the country had a new prime minister and new cabinet appointees. You could speculate — and this is speculation — that when you have such a large amount of money sitting in a bank account, people may find it hard to let it go. But that admin took years and must have been a serious thorn in the flesh of a man used to getting his own way and who had repeatedly predicted the imminent release of the funds. Bristow's preferred style is unrelenting forward momentum and that is set to continue this year with the regulatory approval of the company's reformed Reko Diq project in Pakistan and comments in December that the company was looking at mineral deposits in Indonesia. The reputedly unstoppable rise in the copper price may also finally catalyse action in sub-Saharan Africa's copperbelt, where Bristow said Barrick is ready to pounce. He's also looking to tackle the last of the legacy issues at the company that have not yet been addressed. One sign his efforts are paying off comes from the relative performance of the Barrick share price against that of rival Newmont Mining. That has long been a sore point with Bristow, who admitted in May last year that Barrick was lagging and "had a way to go" before it could convince investors its improved financial performance was sustainable. That message is getting through, especially as Barrick paid out handsome quarterly dividends last year.

LIFE OF MARK

Bristow is an action man who loves the bush, big-game hunting and off-road motorbike scrambling despite breaking his back in a motorbike crash in West Africa while CEO of Randgold Resources. To the consternation of Randgold's then major institutional shareholders, Bristow was back on a scrambler just as soon as he was able, commenting that, in future, he would wear bigger body armour. He's a geologist with a doctorate from Natal University and came to prominence in the early 1990s while working for the former Randgold & Exploration when it was subject to a hostile takeover. The new boss and hatchet man, Peter Flack, was going to fire Bristow but instead was convinced to back him.

ALBERTO CALDERON

CEO

AngloGold Ashanti

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RAINMAKER



Making, not stirring pots

‘Obuasi is clearly one of our tier-one orebodies, and I have great expectations for Obuasi in the longer term. Its geological potential is just enormous’

THE high point of AngloGold Ashanti’s 2022 must surely be the proposed 30% reduction in Scope 1 and Scope 2 emissions by 2030 — a \$1.1bn initiative that helps put the group in line with its peer group. That’s been the thrust of Alberto Calderon’s root-and-branch regeneration at the group since appointment in 2021 following 18 months of flux and uncertainty. In that time, AngloGold’s share price flagged badly. Better times beckon, however. A “full asset review” aimed at paring back costs is in its second year that may yet see certain assets deemed non-core. Already, Calderon has presided over the decision to sell its Colombian project, Gramalote, while the closure or sale of Córrego do Sítio in Brazil is currently being weighed. Calderon has also added to the group’s portfolio. In September, AngloGold announced it would pay \$150m for Coeur Sterling from Coeur Mining in Nevada, which owns properties adjacent to AngloGold assets. Building a firmer presence in the US helps reduce AngloGold’s jurisdictional risk, of which it’s had its fair share. The company’s gold/copper Quebradona project in Colombia ran into delays with the country’s environmental regulator. It has also struggled to repatriate profits from Cerro Vanguardia, the Argentine mine, amid economic distress in that country. But at least AngloGold was able to see the repatriation of some \$549m in its share of profits from the Kibali Congo joint venture it shares with operator Barrick Gold. Calderon wasted little time having part of these profits passed on to shareholders in the form of a handsome dividend. One point of focus for this year will be Obuasi, the Ghana mine with a checkered past. Calderon sees huge potential in Obuasi, which could produce up to 450,000 ounces of gold per year by 2025 from 250,000oz/year currently, he says.

LIFE OF ALBERTO

Calderon joined AngloGold in 2021, declaring the prospect of remaining a non-executive director too boring. Before that he had held down various senior executive positions at BHP, the Australian mining giant. Calderon has an economics degree from Yale University, which marks him out somewhat in mining as most CEOs are drawn from the fields of mining engineering, geology or accountancy. Nonetheless, that might be helpful as global macro- and geopolitical conditions continue to occlude the future for business. Calderon has classical tastes, with a fine line in South American literature.

DANNY CALLOW

CEO

Toubani Resources

www.toubaniresources.com



FLAG



News is about to happen here

'We have pressure from Australian investors to put drills back on the ground and see what we've got'

THE first task at hand for Danny Callow is to grow the resource base of the Kobada gold prospect in southern Mali. That's the upshot of last year's marketing drive to Australian institutional investors ahead of a listing there. Callow says the strategy is to interest a different pool of investors, having plugged away in the UK market without visible success. Australians will take a punt, that's for sure, but having raised A\$6m in an IPO, the pressure is on Callow and team to show Kobada is worth the effort. Nearly all the cash raised from the IPO will be focused on this goal, primarily by extending the project's scope beyond the current 5km strike length. A definitive feasibility study in 2021 is starting to look like yesterday's news and needs updating. Nonetheless, based on this study, Kobada will produce 100,000 ounces of gold a year for about 10 years. A base case capital cost of \$355m has been estimated. Once there is more confidence on a larger resource, Callow is hoping for a major rerating of Toubani Resources, which trades at a hefty discount to its West African peer group. If that's achieved, the company can set about raising finance for the project. Toubani Resources might not be easily recognisable yet: it is, in fact, the renamed African Gold Group, which bought Kobada from Canadian investment firm Manhattan Forbes. The name 'Toubani' is Malinke for a bird commonly found in the project's area. Whether Toubani is able to spread its wings will be the question Callow has to answer this year.

LIFE OF DANNY

Callow, a mining engineering graduate of the Camborne School of Mines, was at Glencore for 12 years, principally as CEO of Katanga Mining in the Congo and Zambia's Mopani Copper Mines respectively. All in all, he helped develop \$2bn worth of copper mines. He joined African Gold Group in August 2019, relocating from the Fair Cape in South Africa to the cooler climes of the UK. He has an MBA from Henley Management College.

TIM CARSTENS

MD

Base Resources

www.baseresources.com.au



HOT SEAT



Bottom-singeing pressure

'Discussions with the Government of Madagascar on the fiscal terms applicable to the project are now at an advanced stage, with a clear pathway for agreement to be reached, and the suspension of on-ground activities lifted'

SHARES in Base Resources, a mineral sands mining firm, sank to their lowest in two and a half years in December, reflecting, perhaps, some of Tim Carstens' frustration in 2022. Chief among these was Base's failure to agree new fiscal terms with the Government of Madagascar that would finally pave the way for the development of Toliara Sands, a potentially transformational project for Base, and help it lessen its reliance on Kwale in Kenya, its sole means of revenue. Carstens has said all the groundwork is in place, so maybe this year is when Toliara gets lift-off. But we said that last year. There has been frustration too in attempts to build additional resource options in Kenya. A suspension on new mining permit awards has been in place in Kenya for two years, preventing it from exploring Kuranze, a mineral sands project on the border with Tanzania. The hope is that with the election of Kenya's new president, William Ruto, there can be a lift in the bureaucratic freeze. Kwale has foreseeable production until 2024, so organic growth is the name of the game for Base. The Kwale South Dune extension and Bumamani project will go some way to achieving that. Drilling has also started at Kwale East. It's worth mentioning that despite these issues, Base is a pretty good business. The company ended its 2022 financial year (June 30) with net cash of \$55.4m, enabling it to pay a \$24.4m (unfranked) dividend to shareholders. The market for mineral sands, used in the manufacture of paint pigments among other industrial uses, is pretty good although Carstens has warned of some headwinds in the coming year.

LIFE OF TIM

A chartered accountant by trade, Carstens has been the MD of Base Resources since formation in 2008. Previously, he circulated through a number of executive positions at Australian and offshore junior and midcap mining companies such as Perilya, North Ltd and Robe River Iron. Last year, he participated in the annual off-road 4x4 racing competition in Kenya known as the Rhino Charge. The race raises money for Rhino Ark Kenya, a nongovernmental organisation that works to conserve and protect Kenya's mountain-range ecosystems. His car, called 'Aussie Rules', placed 31st of 50 entrants.

MICHAEL CARVILL

MD

Kenmare Resources

www.kenmareresources.com



RAINMAKER



Making, not stirring pots

'We don't see it as imminent that there will be such an increase in supply to tip the market into oversupply. On the other hand, it's a commodity, so eventually there will be a down cycle'

MICHAEL Carvill's Kenmare Resources made hay with the ilmenite market last year. It paid out a handsome \$32.1m total dividend for its 2021 financial year, and at the time of writing, market conditions were still fairly strong, the aftermath of stringent Covid-19 lockdowns in China notwithstanding. In fact, there may be a positive boost to industrial activity as the world's second-largest economy emerges from its lockdown. Carvill is philosophical on the market, however, as his quote above attests. Kenmare nearly lost its corporate shirt owing to a prolonged downturn in the ilmenite market between 2014 and 2016, precisely at a time when the company's balance sheet was heavily leveraged. Carvill's outlook is also tempered by the fact Kenmare's Moma mine in northern Mozambique is a 100-year-old orebody that requires long-term custodianship. To this end, a feasibility study is being run on the mine's next development zone, known as Nataka. The firm said in January the project would absorb "a minimum" \$225m in capex. If it checks out well, operations are due to commence from 2025. A near-constant risk for Carvill though is jurisdictional. Social unrest in parts of northern Mozambique hasn't yet filtered through to Moma but breakdowns of the country's electricity utility led to a decline in full-year ilmenite production to 1.09 million tons. Commenting on prospects this year, Carvill said "we continue to see a robust market for our products".

LIFE OF MICHAEL

Carvill has had a few scrapes since graduating with a BSc in mechanical engineering from Queen's University, Belfast. He was evicted from Sudan during the Islamic Revolution and trawled around the Philippines post the Ferdinand Marcos regime looking for gold. Then came Mozambique, which may have posed his career's sternest challenge, when Kenmare almost went into liquidation in 2016. Having survived that test, Carvill is keeping it predictable at Kenmare. Relaxation involves sailing in his preferred retreat – Mullaghmore in County Sligo, Ireland.



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It's been a tumultuous two years for the world, but Pan African Resources continues to build and grow in keeping with our mantra: Mining for a Future.

SOME OF THE PROJECTS WE ARE FORGING AHEAD WITH INCLUDE:

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- Increased investment in solar renewable energy at all our operations, representing significant cost savings but also assisting with our decarbonisation strategy.
- A host of ESG activities including the first blueberry harvest at the Barberton community project and continued support for the Barberton Mountainlands Conservation Area Biodiversity and Care for Wild Rhino project presently offering safe haven and care to orphaned Rhinos.

LEON COETZER

CEO

Jubilee Metals

www.jubileemetalsgroup.com



RAINMAKER



Making, not stirring pots

'Our positive trajectory is a foretaste of what is to come to rapidly expand our operational footprint in Zambia and seize further growth opportunities in South Africa'

IF there's one conclusion to be drawn from the events of the past year for Jubilee it's that Leon Coetzer – and his mentor, former chairman Colin Bird – are a lot better at fundraising on the stock market than forecasting developments for their group. After a decade of underperformance – Jubilee stock collapsed from 50 pence in June 2009 to below 2p in 2014 and stayed there until about August 2020 – the company's shares surged back to life, spiking to 20p in May 2021. Jubilee promptly took advantage of that to raise £30m at 16p a share in September 2021 to fund its expansion in Zambia. A year ago Coetzer was waxing lyrical about prospects, saying Jubilee was planning a global roll-out strategy to address vast international opportunities, with the group “in a unique space, positioned to make a difference on a global scale”. A year later, he is still speaking volubly on prospects but the investors who kicked in for those shares at 16p a pop cannot be too happy because the stock has been on a steady decline throughout 2022, down to current levels around 10p. At end-June Jubilee shares had a tangible net asset value of just 4.8p a share, which was 40% up on a year previously. As part of the global development plan, Jubilee founder Bird is stepping down and will act in an advisory role to new chairman ‘Ollie’ Oliveira. Coetzer listed a string of achievements for 2022, including completion of construction on the new Roan copper concentrator, with nameplate throughput rates achieved in September while construction and ramp-up of the 45%-expanded Inyoni operation was completed in March. The company also settled long-term debt of £5.3m but earnings were 25% down at £36.8m.

LIFE OF LEON

Coetzer has been running Jubilee since 2010, when he was promoted from MD of smelting and refining to replace Bird, who was then CEO. Coetzer is a metallurgist by training, with a degree in chemical engineering from Stellenbosch University. Before joining Jubilee he worked for Anglo American for 20 years, of which 16 were spent with Anglo Platinum, where he held various technical and operational management roles. His management style has always been low-key, leaving Bird to act as the front man. However, that may be changing judging by the forward-looking hype in his reviews over the past two years, which investors will be hoping he can deliver on.

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AL COOK

CEO

De Beers Group

www.debeersgroup.com



FLAG



News is about to happen here

‘Throughout my career I have been passionate about bringing enduring economic, social and environmental value to host countries and communities’

FOR a company where you had to be an Anglo or De Beers ‘lifer’ to have a chance of making it — it also really helped if your name was Oppenheimer — De Beers has certainly been ringing the changes in recent years. It continues to do so with the appointment of CEO Al Cook. His background is in oil (BP) and mining exploration (Equinor). Cook takes over from Bruce Cleaver, who in turn replaced Philippe Mellier. Mellier was the first outsider to run De Beers, having cut his teeth in the sales department of various vehicle manufacturers. A former car salesman running De Beers? Shock, horror! Anglo CEO Duncan Wanblad described Cook’s appointment in classic corporate speak, commenting: “I believe Al’s multidisciplinary strategic skillset and strong personal conviction and values are ideally suited to the nature of De Beers.” Score one for Anglo’s PR team but a closer look at Cook’s background reveals one area where he could play a huge role in a critical area of De Beers’ future operations: he’s a geologist and De Beers’ greatest challenge right now is to find a major, world-class diamond deposit that will underpin its dominant position in the diamond industry for the next 30 to 40 years. There has not been a major diamond discovery since the early 1980s, when the Venetia mine in South Africa was found and several new mines were opened up in Canada. The Canadian mines are now winding down. The most prospective region for finding a blockbuster diamond mine is Angola and De Beers moved back in there last year to restart prospecting operations it shut in 2012. Geological insight and support from the CEO can only help the new exploration thrust and Cook could also be instrumental in getting controlling shareholder Anglo American to allocate more funds to the exploration budget.

LIFE OF AL

Cook holds an MA in Natural Sciences from Cambridge and has also completed the international executive programme at INSEAD in France. He is a fellow of the Geological Society of London as well as a fellow of the Energy Institute. He spent 20 years with BP running operations in countries like Russia, Vietnam, the US, the UK and Azerbaijan before moving up the management ranks to become chief of staff to the CEO of BP. He then spent nearly seven years with Equinor, becoming executive vice-president for international exploration and production.

HEYE DAUN

CEO

Osino Resources

www.osinoresources.com



FLAG



News is about to happen here

'If we don't have mining, none of us is going to have anything, and that is my guiding light'

AFTER discovering the Namibian gold project Twin Hills in 2019, Heye Daun's Osino Resources is now making plans for its \$375m construction. But there's still a lot of water to flow under the bridge; in fact, first gold is not expected for three years. So the task for Daun is to transform Osino from interesting exploration play to operator. That needs three things: increased project confidence, finance, and skills. Based on a prefeasibility study published in October last year, Twin Hills could produce about 169,000 ounces of gold a year for 16 years, at an all-in sustaining cost of \$930/oz. That sounds mighty promising, but what's critical for finance confidence is a definitive feasibility study, the result of which is due in the second quarter. As for attracting project skills, Daun acknowledges Osino is not there yet. So in addition to casting around for people, Osino is also open to attracting a joint venture partner; in fact, it's a preference. One thinks of B2Gold, the Canadian firm Osino has transacted with in the past, the latest being the purchase of the Ondundu gold prospect, also in Namibia, for which Osino paid in shares. In other deals, Osino agreed that Australian-listed Prospect Resources could earn a 51% stake in its Omaruru Lithium Project provided it spent \$1.56m. But it's really all about Twin Hills. A mining licence has been issued for the project but that turns on finalising an environmental permit, which in turn depends on some delicate relocations of 70-year-old graves recently uncovered at the site.

LIFE OF HEYE

Born and bred in Namibia, Daun has been involved in the mining sector for more than 25 years. After starting out building and operating mines with Rio Tinto, AngloGold Ashanti and Gold Fields, he moved on to roles at the sharp end of corporate finance with Nedbank and Old Mutual. Entrepreneurship is his métier, however. He cofounded Auryx Gold Corp. which was sold to B2Gold. As a former president and CEO of Ecuador Gold & Copper (EGX) he was instrumental in its C\$200m merger with Odin Mining to form Lumina Gold Corp. He founded Osino in 2015.

TRACEY DAVIES

EXECUTIVE DIRECTOR

Just Share

www.justshare.org.za



POTSTIRRER



Maverick, opinion-forming thinker

‘Corporate South Africa faces far too little scrutiny from civil society, and that it is not held accountable for many of the negative impacts it imposes on the most vulnerable members of our society’

TRACEY Davies’ Just Share has become a thorn in the side of corporate South Africa. The non-profit shareholder activist group, since its founding in 2017, has been a vigorous watchdog, exposing lobbying and greenwashing that work against climate action. Speaking at the ESG Africa Conference in October, Davies said South African corporate boards viewed environmental, social and governance (ESG) principles as an external threat from “irritating activists and pesky investors”. The rationale behind Just Share was exactly that: to hold corporate South Africa to account for the negative impacts on the environment and society. In the past year, Just Share attended numerous annual general meetings where it posed questions related to income and gender inequality, diversity and transformation, climate change and related governance issues to boards. It took coal companies Exxaro and Thungela Resources to task for the climate risks their operations pose to the country. Thungela especially came under fire for a toxic spill in Mpumalanga province and, together with Exxaro and Seriti, has been hauled over the coals for not having credible decarbonisation plans for its emissions. Sasol was also criticised for its “vague and distant” commitments to emission reductions, having deferred its decarbonisation efforts to 2026. South Africa’s Standard Bank got flack over its funding of the East Africa Crude Oil Pipeline into Uganda, while Absa came under scrutiny for not explicitly ruling out the financing of new coal projects. There are many well-versed, cogent voices for society keeping miners as honest as possible. We choose Davies as their standard bearer in this edition of Rainmakers & Potstirrers.

LIFE OF TRACEY

Davies has a BA LLB from the University of Cape Town and an LLM from New York University. She is admitted as an attorney in South Africa and a solicitor in Britain and Wales. She serves on the advisory board for the National Business Initiative’s Just Transition Pathways project, and the Global Reporting Initiative’s Human Rights Technical Committee. Davies is internationally recognised as an expert in the field of responsible investment, shareholder activism, and corporate governance. She was the founder of the non-profit shareholder activist group Just Share.

MICK DAVIS

CHAIR

Vision Blue Resources

www.vision-blue.com



FLAG



News is about to happen here

‘One of the biggest challenges, if you’ve had years of success, is arrogance’

VISION Blue Resources (VBR) is the latest of a number of ventures Mick Davis launched since falling out with former Glencore boss Ivan Glasenberg during the merger of that company with Xstrata. Davis first tried his hand with a private equity fund called X2 Resources that looked to capitalise on China’s commodities boom, looking for the chance to buy projects cheaply in a debt-burdened mining sector. He raised \$500m in 2016 for the fund but it closed in 2017 without making a single investment, with Davis citing a lack of decent opportunities. Then he went after iron ore through Niron Metal, which he cofounded in 2019 looking to develop the Zogota iron prospect in Guinea. That did not work either and Davis cut his ties with Niron in 2021. So far he seems to be doing a lot better with VBR, where he has at least found a number of ventures to invest money in. The vision of VBR is to “create a portfolio of strategic and high-returning investments in clean energy-related metal and mineral resources companies essential to the clean energy transition”. The first deal – after raising \$60m – happened in February 2021 with the investment of \$29.5m in Next Source Materials, which is developing the Molo flake graphite project in Madagascar. Graphite is a key mineral for the production of batteries. That was followed in March with the creation of the ESM Acquisition Corporation in partnership with the Energy and Minerals Group, which raised \$300m. The strategy is to focus on businesses positioned to benefit from the global transition to a low-carbon economy. Three other investments have taken place since then, with VBR putting funds into Ferro-Alloy Resources (vanadium), Sinova Global (silicon), and Cornish Metals (tin).

LIFE OF MICK

Sir Mick – he was knighted in 2015 for services to Holocaust commemoration and education – is a CA by profession and holds a BCom Honours from Rhodes University. He remains one of South Africa’s best-known businessmen after teaming up with Brian Gilbertson after leaving Eskom, where he was the CFO. The two created Billiton with Davis as CFO and he was heavily involved in the merger of BHP and Billiton before becoming CEO of Xstrata. Davis has raised more than \$40bn from global capital markets during his career and successfully completed more than \$120bn of corporate transactions. He is chair of Next Resources.

SÉBASTIEN DE MONTESSUS

CEO

Endeavour Mining Corporation

www.endeavourmining.com



RAINMAKER



Making, not stirring pots

'We are well on track to a target of discovering 15 to 20 million oz for a five-year period ending 2025'

AFTER two years of frenzied merger and acquisition activity, the last two years at Endeavour have been more gentle, though only slightly. In the place of deal-making, De Montessus has promised to find up to 20 million ounces in new gold discoveries by 2025. It's ambitious but Endeavour may get there. In November, he described the Tanda Iguela prospect in Côte d'Ivoire as "one of the most significant" new gold discoveries in West Africa. That's a lofty claim, so all eyes are on the "aggressive" exploration marked out for the asset this year. There's no reason to doubt De Montessus just yet: Lafigué, a \$448m gold project that started construction in 2022, was an Endeavour discovery; so is Fetekro, another Côte d'Ivoire prospect. The vibes are less promising out of Burkina Faso, however, where Endeavour has a large footprint. The West Africa nation suffered two coups in 2022, which has prompted the African Union to call on the Burkinabé to return the country to a constitutional democracy. For its part, Endeavour Mining has all but stopped exploration work at Boun-gou mine, the most easterly of its Burkina mines. This is owing to increased instability related to terrorism. Boun-gou was written down for \$246.3m. Despite this, Endeavour is in fine shape. A \$200m dividend for the second half of the 2022 financial year is \$50m more than guided while the firm's buyback programme, initiated in March 2021, is to continue. Strong cash flow has also enabled Endeavour to repay a \$330m convertible loan this year. Elsewhere in the business, Endeavour appointed former AngloGold Ashanti CEO Srinivasan Venkatakrishnan as its new chairperson. Another CEO of a Joburg-listed gold stock, Ian Cockerill, formerly of Gold Fields, also joined the board last year.

LIFE OF SÉBASTIEN

De Montessus took over from Endeavour founding CEO Neil Woodyer in 2016 as a precondition of Egyptian entrepreneur Naguib Sawiris' takeover at that time. 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 and trying to draw a line under the imbroglio. He has a background in investment banking and is a graduate of Paris's ESCP Business School.

ANDRÉ DE RUYTER

OUTGOING CEO

Eskom

www.eskom.co.za



HOT SEAT



Bottom-singeing pressure

'I am unfortunately currently in a position where I do not regard that position as being tenable and I have accordingly decided to step back'

“DE Ruyter sheds Eskom,” trumpeted a South African daily on its front page in December. André de Ruyter has had one of the most thankless jobs in the country, and on 14 December he had enough and resigned. His last day in the office will be March 31, but until then he'll have to continue enduring criticism and schadenfreude from the likes of trade union Numsa and ANC deputy president Paul Mashatile, who reportedly gave a sigh of relief when he gave his notice. When De Ruyter accepted the position in 2019, he sported a successful corporate career, and he reportedly took a significant pay cut to join Eskom. His 36-months' tenure at the parastatal coincided with the worst power cuts in South African history and it was to be expected there would be blame-shifting and scapegoating in abundance, especially from the ANC leadership, who won't accept partial responsibility for the years of neglect and mismanagement at Eskom. De Ruyter had a terrible three years: he had to steer the embattled state-owned utility through regular incidences of sabotage and theft and manage a fragile balance sheet, and he faced frequent calls for his axing. Everyone has a breaking point, and it would be fair to speculate that the character assault launched by Mines and Energy Minister Gwede Mantashe was the final straw when he alleged De Ruyter was “agitating to overthrow the state” because of continued power cuts. The question now is who will take over. And is there someone that would do a better job? The government approached 27 people prior to De Ruyter's appointment. They all declined. Finding a replacement won't be helped by news in January that De Ruyter opened a criminal case alleging an attempt on his life in December by poisoning.

LIFE OF ANDRÉ

The fact that De Ruyter does not have an engineering qualification was a handy tool for his detractors. Eskom needs a qualified engineer, they say. He holds a BA degree from the University of Pretoria, an LLB from Unisa and an MBA from Nyenrode University in the Netherlands. De Ruyter joined Sasol straight from university, where he changed the fortunes of one of the petrochemical giant's loss-making business units. Prior to his appointment at Eskom, he headed up packaging giant Nampak. De Ruyter was Eskom's 10th CEO in as many years. His exit will coincide with the retirement of COO Jan Oberholzer.

PORTIA DERBY

GROUP CEO

Transnet

www.transnet.net



HOT SEAT



Bottom-singeing pressure

'It will get ugly for a while but at the end of the day there is growth in the economy if black people become real participants, especially in mining'

“THE iron lady who means business” is how Portia Derby was described in a news article in August 2020, eight months into her tenure as Group CEO of Transnet. No doubt Derby had been handed a poisoned chalice: it would take a gargantuan effort to reverse the damage caused by years of corruption, maladministration and lack of maintenance that hollowed out the once-mighty rail, port and pipeline company. After her two years at the helm, Transnet’s progress is questionable. The state-owned entity will be quick to make a song and dance of its advances – progress with combating infrastructure theft to its railway lines, movement with establishing an independent ports authority, and the conclusion of the auctioning of 16 slots along the Gauteng-to-Durban line. However, the auction only attracted two bidders and in the end only one was successful. The rest of the private sector was scared off by the restrictive terms of sale, which offered only a two-year lease period. The botched auction process is demonstration of how the South African government lacks the political will or skills needed to manage its state-owned entities. By December, the Minerals Council had had enough. It sent a letter to Transnet chairman Popo Molefe demanding the resignation of Derby and Transnet Freight Rail CE Sizakele Mzimela. The mining sector’s concern is that Transnet fell foul of lender covenants over R1bn in bonds due this year. Lenders will most likely waive the covenants for later dated acid tests but the signs are that Transnet is a company in financial free-fall. It’s questionable whether Derby will survive in the long-term if – that is – President Cyril Ramaphosa is serious about correcting the country’s precipitous economic decline.

LIFE OF PORTIA

Derby hails from Pietermaritzburg in KwaZulu-Natal. She holds an honours degree in economics from the University of KwaZulu-Natal, and an MBA from Wits University. She was a former chief operating officer at the Department of Trade and Industry, and a director general at the Department of Public Enterprises, the government entity responsible for Transnet. Derby was appointed group CEO of Transnet in January 2020.

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www.northam.co.za

MORNÉ DU PLESSIS

CEO

Minergy

www.minergycoal.com



FLAG



News is about to happen here

'For the first time, we've been approached by international investors for an opportunity to invest. It's not a stampede yet ... but these are a bit more serious'

WE described Morné Du Plessis last year as a “world-class optimist” but guess what, his optimism paid off as international steam-coal prices went through the roof because of the energy crisis created by the war in Ukraine. The soaring prices – the spot price FOB (free on board) Richards Bay went above \$400/t at one stage – made it not only viable but very profitable for Minergy to truck coal from its Masama mine in Botswana to international customers via the ports of Walvis Bay and Maputo. As the proverb says, “it’s an ill wind that blows nobody any good”, and Minergy can make profits on these exports for as long as the coal price stays above \$250/t. Du Plessis commented in October that, “Minergy is currently flooded by requests from the industrial and power-generation markets to secure supply.” This happy situation only came through in the fourth quarter of Minergy’s financial year to end-June 2022 but it still allowed the company to push Masama to its full production rate and produce record volumes of coal for the year. For the first three quarters Masama had been holding back production and building stocks because of slowing demand. Du Plessis reckons the strong coal market conditions should last for another year at least and he intends making the most of them. He is going to prioritise refinancing some of Minergy’s “punitive” debt arrangements and is looking at listing on an international exchange during the 2023 calendar year. Minergy is currently only listed on the Botswana stock exchange. He’s also looking to attract further investment in the business, with a view to doubling capacity.

LIFE OF MORNÉ

Du Plessis is an accountant by profession, with a CA and an MBA from Heriot-Watt University in Edinburgh. He has built up considerable experience in the coal trade, working as CFO for a number of coal juniors and trading companies. These included coal trader MacPhail, contract mining and beneficiation service provider Genet South Africa, Umcebo Mining and Wescoal. He was appointed to the Minergy board in January 2017 as CFO and took over as CEO in August 2019.

RICHARD DUFFY

CEO

Petra Diamonds

www.petradiamonds.com



HOT SEAT



Bottom-singeing pressure

'The backdrop of structural changes to the supply and demand fundamentals in the diamond market remains unchanged and we anticipate it to remain supportive going forward'

RICHARD Duffy has spoken fulsomely of a structural turnaround in the diamond market, where a prolonged supply deficit has been forecast. He's stuck to that beat despite the US Federal Reserve's hawkish response to inflation, which may crimp diamond purchases in the US — worth half of total global diamond jewellery sales. Duffy even unveiled the prospect of dividends from Petra of up to 35% of adjusted free cash flow. Assuming the dividend is resumed, it would cap an impressive turnaround for Petra given the company narrowly avoided bankruptcy in 2020. It would also represent a feather in Duffy's cap, as he has walked some hard yards since becoming the firm's CEO in 2019. And more yards to tread, it seems. The partial collapse of a tailings facility at the Williamson mine in Tanzania resulted in the temporary suspension of the operation until about mid-2023. That could put undue pressure on Petra's cash flow, analysts say. Hopefully, Petra can have a parcel of Williamson diamonds worth an estimated \$14.8m, impounded by the Tanzanian government in 2017, released. This would relieve the financial pressure on the mine. Duffy must be wondering when the tide will turn at Williamson: the mine has delivered a consistent stream of bad news for Petra. It was reopened in 2021 after being mothballed in the face of falling prices. Its closure made it a magnet for illegal mining, which was quelled in a violent manner by local security. At least the uncertainty surrounding the future of Petra's Koffiefontein mine in South Africa's Free State has been resolved. Duffy said in January it would be closed, bringing the curtain down on a mine that's been in operation for about 130 years.

LIFE OF RICHARD

Duffy brings three decades of mining experience to his role at Petra, mostly with the Anglo group, which has produced more than its share of executives who have gone on to other companies. A numbers guy, his previous stints have included being CFO at AngloGold Ashanti. He has a BCom degree from the University of the Witwatersrand, another training ground for mining executives, and an MBA from Henley Management College in the UK.

PAUL DUNNE

CEO

Northam Platinum

www.northam.co.za



POTSTIRRER



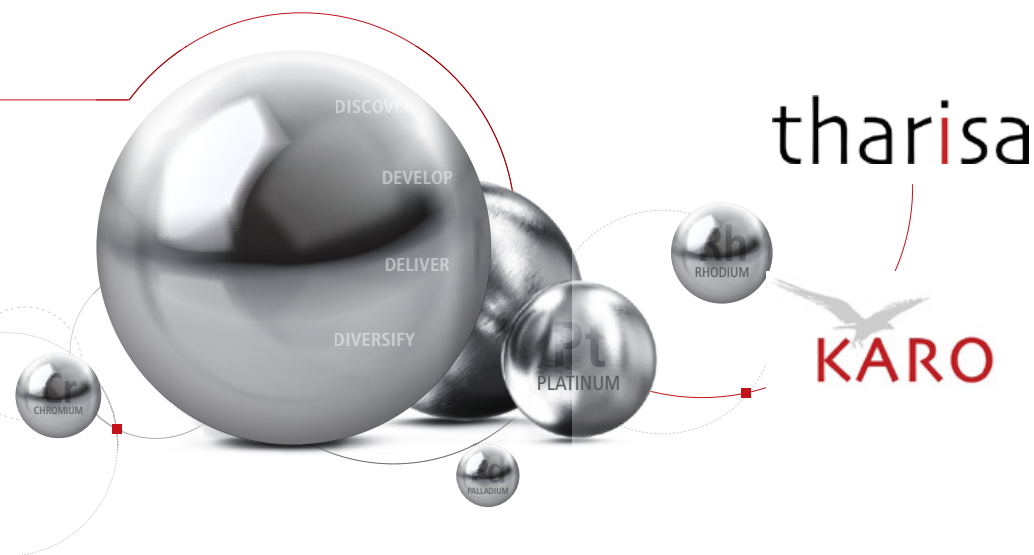
Maverick, opinion-forming thinker

‘Our competition has been saying we cannot afford it [to bid for RBPlat], but there you go: the R10bn is in the bank’

PAUL Dunne’s year-long pursuit of Royal Bafokeng Platinum (RBPlat) culminated in a proposed R172.70/share cash and shares offer in November, requiring Northam to raise R10bn into the bargain. Its offer dwarfed last year’s R150/share offer for RBPlat, tabled by rival Impala Platinum (Implats), but the kingmaker in the asset tussle, the government-owned Public Investment Corporation (PIC), refused to play ball. Citing social considerations, it declined to sell its RBPlat shares into either offer. For now, this forces Northam into a joint venture with Implats in RBPlat, but let’s not forget Dunne is proper wily. There may be another twist or turn in the RBPlat saga this year as Dunne continues his relentless drive to grow Northam’s production, currently centred on Zondereinde and the company’s shallow, mechanised Booyssendal mine. Booyssendal’s geology is outstanding, but Northam and its peers in the region face social unrest on a seismic scale, a daunting challenge that Dunne flagged several times over the course of 2022. Front and centre is the emergence of shadowy ‘procurement mafias’ that are attempting to shake the industry down for a cut of lucrative contracts. These profoundly unhelpful factors are the reason industry analysts believe primary PGM supply from South Africa will shrink. That may support metal prices, which will at least enable Northam to deleverage the balance sheet. The company’s high debt levels have so far prevented cash dividends, although Dunne argues the repurchase of shares in empowerment vehicle Zambezi Platinum approximated a share buy-back. Dunne turns 60 in 2023. Happily, he’s shown no signs of slowing down so we look forward to where next he’ll upset the apple cart.

LIFE OF PAUL

Dunne was previously head of operations at Impala Platinum. He left in 2013 following a bust up with management to join Northam a year later. The rest is history, as they say. Dunne is a keen chess player and is most probably adept at poker as well on the evidence of his corporate endeavours. He has a BSc Honours in electrical engineering and an MBA. He is also vice president at the Minerals Council.



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CLIFFORD ELPHICK

CEO

Gem Diamonds

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RAINMAKER



Making, not stirring pots

'I too am a large shareholder and I am just as disappointed as you are'

GEM Diamonds stands out from its peers in the diamond mining sector by virtue of its frequent discovery of particularly large diamonds from its jewel in the crown, the Letšeng Diamond Mine in Lesotho. That makes it easy to ignore the fact that Gem Diamonds' only other asset, Ghaghoo, is a white elephant – a mine in Botswana on care and maintenance that Gem spent \$85m developing and which is now proving impossible to sell for even \$4m. Taking both of those assets into account, Clifford Elphick's past year has been both good and bad. Good, because Letšeng has delivered 10 exceptional diamonds that have sold for more than \$1m each. But frustrating because Gem's second attempt to sell Ghaghoo to a consortium of Okwa Diamonds and Botswana Diamonds collapsed midyear as the buyers could not raise finance. Elphick says additional buyers have emerged "of greater or lesser credibility". Pursuing the sale of Ghaghoo is one option – the other is to give the licence back to the government "and call it a day", he says. In the coming year, Elphick's focus will be on holding operating costs down, working on feasibility studies on an underground satellite operation at Letšeng, and looking for other assets, to get away from being a one-horse pony. Gem's management has paid several visits to Angola, which has become a more attractive mining destination. "While we have a gleam in our eye, we don't have anything to report yet. We are evaluating three to four opportunities," he says. Gem shareholders can also expect further share buybacks – the first, launched in mid-2022, was prompted by the company's conviction that its shares were undervalued, but it hasn't halted a weakening in the share price.

LIFE OF CLIFFORD

Elphick, a former MD of E Oppenheimer & Sons and an executive director of De Beers, founded his own company, Gem Diamonds, in July 2005, with Letšeng at its core. Gem was listed on the Main Board of the London Stock Exchange in 2007, in a highly successful IPO that raised \$635m. The bonanza was used to make various acquisitions, but the only one left in Gem today is the Gope deposit, which became the Ghaghoo mine. Elphick is popularly known in South Africa as the owner of the Kurland Polo Estate in Plettenberg Bay.

NOLITHA FAKUDE

PRESIDENT

Minerals Council South Africa

www.mineralscouncil.org.za



POTSTIRRER



Maverick, opinion-forming thinker

'For more than 24 months we have given the benefit of the doubt to the Transnet management team, who have aptly demonstrated through several bizarre decisions ... that they cannot resolve the crisis'

NOLITHA Fakude might have had a solid if somewhat quieter first full year as president of the Minerals Council if not for a letter she sent to Transnet chairman Pope Molefe in December demanding the resignation of the state-owned firm's CEO, Portia Derby. The document, which emerged in January after the council and Transnet had already agreed to cooperate, expressed widely-held industry concerns regarding the deterioration in the performance of Transnet Freight Rail (TFR). A combination of corruption, vandalism, mismanagement and infrastructural deterioration resulted in plummeting coal, iron ore and manganese volumes. According to The Economist, the total hit to South African mining of unsold exports and road transportation costs in 2022 is a head-spinning R400bn, equal to 6% of GDP. If this sets the tone for a more combative Minerals Council going forward, then so much the better for the mining industry, which needs to fight its corner all the more forcefully. Elsewhere, Fakude presided over a renewed industry safety drive. She also redoubled efforts to improve the well-being of female miners. To this end, a partnership with the National Prosecuting Authority and the GBVF Response Fund was launched, aimed at supporting gender-based violence response centres in mining communities and labour-sending areas. Fakude and the other office bearers at the Minerals Council also ended 2022 in head-hunting mode to replace Roger Baxter, an economist who is stepping down from his CEO role at the Council in April 2023. Baxter has done much to lift the profile of the Minerals Council but Fakude, the first woman to lead the organisation in its 130-year history, has taken matters to a new, impressive level. Long may the potstirring continue.

LIFE OF NOLITHA

Fakude has had a varied career spanning retail, financial services, oil and gas and mining. She was president of the Black Management Forum from 2003 to 2006 and is a member of the Council of Elders, which focuses on transformation and empowerment in South Africa. A staunch advocate of advancing the role of women in mining - an industry long dominated by men - she is also chairperson of the Minerals Council Women in Mining Leadership Forum. When not attending to Council business, she is group director responsible for South Africa on Anglo American plc's Group Management Committee and is a patron of Guild Cottage home for girls.

JOHAN FERREIRA

CEO

Khoemacau Copper

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RAINMAKER



Making, not stirring pots

'The death of our two colleagues is a terrible shock to me personally, to their employer, and to all the other employees at Khoemacau'

JOHAN Ferreira's Khoemacau Copper in Botswana's emerging copperbelt was doing what it said it would do without serious interruption until May, when two contractors perished in a mine accident which also injured two others. Ferreira was personally stung by the event, describing it as "a terrible shock". Production was temporarily suspended but quickly resumed, with the mine reaching nameplate capacity of 60,000 to 65,000 tons in copper production during the year. The only other incident for Khoemacau last year was a media report suggesting its owner, Global Natural Resource Investments, was considering the mine's sale. A price tag of \$1.5bn was mentioned, although given the trajectory of the copper price, there must be questions as to whether now is really the best time. In any event, nothing came of the sale speculation. As far as projects go, Khoemacau is textbook: a long gestation period followed by a seamless production ramp-up. Next up is a possible expansion of the mine to 130,000 tons of copper annually (and five million ounces of silver), which would boost Ebitda to \$600m a year from \$300m as per its run-rate in October. A feasibility study is scheduled for this year. If approved, first production from the expanded mine is planned for 2025. There's also "significant potential" for further exploration on the 4,040km² Khoemacau property, and there's no reason why Ferreira's Khoemacau can't build out further. Sandfire Resources, the listed Australian firm, is building a copper mine nearby and has made much of Botswana's emerging role as a next major source of world copper.

LIFE OF JOHAN

Ferreira spent more than 17 years with Anglo-Gold Ashanti, ending his time there as senior vice president, Operations. He moved on to become a senior figure in Newmont Mining's Africa operations. He also did a stint at Anglo American. Ferreira attended the Kellogg School of Business in Illinois in 2010. For relaxation, he takes to his Harley-Davidson.

ARNE FRANDSEN

CHAIR

Sedibelo Resources

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HOT SEAT



Bottom-singeing pressure

'We have been in this business for long enough to know that the market window opens with little notice'

Last year was when Sedibelo was supposed to finally list on a stock exchange – something management has been talking about since 2020 – but it did not happen. There was a name change from Sedibelo Platinum Mines to Sedibelo Resources but that was it. According to chairman Arne Frandsen, the reason was that geopolitical uncertainty and a decline in company valuations had “temporarily turned the tide against initial public offerings”. Frandsen said in September that Sedibelo had filed documents with the Securities and Exchange Commission in New York and was also considering a listing on the Johannesburg Stock Exchange. According to him, the peer group in the platinum group metals (PGM) sector had been suffering “real valuation challenges” and the general market was “in a difficult spot”, with the result that the IPO market was closed to mining. A look at the other platinum counters reveals there is some truth in this but they have also coped rather well with prevailing market and operating conditions – unlike Sedibelo. The share prices for Impala Platinum, Anglo American Platinum (Amplats) and Northam Platinum either level-pegged or were slightly down in creditable performances considering some of the economic conditions. All three also made capital returns of one stripe or another. What Frandsen does not talk about as a reason for delaying a listing is Sedibelo’s continuing poor financial performance. Sedibelo’s profit dropped from \$196.2m in 2020 to \$33.2m in 2021 and the trend continued in 2022, with Sedibelo making a loss of \$20m for the six months to end-June. Those are not good metrics to publish in IPO documentation. Global economic prospects do not look good for 2023 at this stage although PGM supply may decline, potentially delivering good fundamentals for the industry.

LIFE OF ARNE

Frandsen's introduction to mining was as CEO of empowerment company Incwala Resources in 2004. He then teamed up with Brian Gilbertson to create the former Pallinghurst Resources in 2006. Pallinghurst was bidding for control of an Australian company called Consolidated Mining in 2007 in competition with Kiernan's Territory Resources. Frandsen's initial career was in banking and he spent 10 years with Goldman Sachs and JP Morgan after obtaining a master's degree in law. Pallinghurst became Gemfields in 2018 and Frandsen was shifted into Sedibelo and tasked with selling off Gemfields' stake in the company.

ROBERT FRIEDLAND

EXECUTIVE CO-CHAIR

Ivanhoe Mines

www.ivanhoemines.com



POTSTIRRER



Maverick, opinion-forming thinker

‘There can be no greening of the world economy without a radical, global increase in responsible copper production’

HAVING been inducted into the American Mining Hall of Fame in December 2021, Robert Friedland last year proceeded to ‘sock it’ to his mining industry peers — who, as we have commented before, are really not that fond of him — by hitting them where it really hurts, in the share price. The Ivanhoe share price was one of the star performers last year, rising on the Toronto Stock Exchange from around C\$10 apiece in early January to nearly C\$13 in March before plunging to below C\$7 in July but then recovering to around C\$12 by early December. That was before a report by US investigative organisation The Sentry in December which detailed a police search of Ivanhoe offices, resulting in the seizure of three accounts. Writing on the search — that was reported publicly by Ivanhoe earlier in the year — the Globe & Mail suggested corporate malfeasance involving Ivanhoe’s operations in the Democratic Republic of Congo (DRC). Friedland hit back, saying the reports selectively dealt in “supposed facts”. Nonetheless, C\$2 was lopped off Ivanhoe’s share price. It remains to be seen where these questions will go given the furore over Glencore’s misdemeanours in the DRC has barely died down. Despite the brouhaha, Friedland is expected to deliver long-trumpeted returns from Ivanhoe’s DRC investment, which is in the Kamoa-Kakula copper mine, 36.6% of which was sold to China’s Zijin Mining. The mine went into commercial production in July 2021. Friedland reckons there’s plenty more to come from the DRC, where his geologists are looking at a similar deposit adjacent to Kamoa-Kakula. Another project, the Platreef platinum group metal venture in South Africa, is expected to start production in 2024.

LIFE OF ROBERT

Friedland is arguably the world’s most famous mining entrepreneur and, unlike many of his peers, he is also a superb public speaker. He talks regularly at all the world’s major mining conferences and his presentations are invariably confrontational and entertaining in equal measure. It’s a pity he does not give press interviews as he dislikes the media, which returns the compliment. Friedland has over the years been involved in a number of mineral discoveries, including Oyu Tolgoi in Mongolia and Voisey’s Bay in Canada. He obtained a BA in political science from Reed College in Oregon, US, after which he went to study Sanskrit and Buddhism in India.

NEAL FRONEMAN

CEO

Sibanye-Stillwater

www.sibanyestillwater.com



RAINMAKER



Making, not stirring pots

'If you have not delivered and you receive remuneration like this, then you should be embarrassed — but to be honest, the Sibanye team has shot the lights out'

NEAL Froneman became the 'R300 million man' in 2022 after making that much, mostly in shares, for a year's work. Unions seethed but Froneman defended the payout, pointing out that his salary was less than a tenth of the amount, with the remainder a cost to shareholders, not the company. And he has certainly delivered for shareholders in the decade since Sibanye-Stillwater launched its journey as a Gold Fields spin off. Last year, Froneman stared down the Association of Mineworkers and Construction Union (Amcu) and the National Union of Mineworkers (NUM) over the course of a three-month strike in the gold sector. Sibanye-Stillwater then sealed a five-year wage agreement at its South African platinum group metals (PGM) operations without a tool being downed. A master of the art of the deal, Froneman — a hunter of both game and bargains — was more circumspect in 2022 in the face of high valuations. Still, Sibanye-Stillwater maintained its diversification drive in the green metals space. In November, its board approved the €588m development of the Keliber lithium deposit in Finland. Keliber will be the first fully integrated lithium hydroxide producer supplying the European market, where regulations are set to begin phasing out the internal combustion engine — though globally Froneman has cautioned that this may not happen at a Formula 1 pace. Of more urgency is breathing fresh life into the company's gold division. Froneman didn't think 2022 was the time for gold M&A but the division's future may become a more seriously asked question in 2023. There are questions, too, about the performance of Sibanye-Stillwater's US mine, Stillwater, where a production of 700,000 PGM oz is now only expected in 2027 following its repositioning.

LIFE OF NEAL

Froneman's career has spanned almost four decades in the mining industry, with the last decade the most eventful. Since Sibanye-Stillwater (initially Sibanye Gold) began life as a Gold Fields spin-off focused on deep-level, conventional South African gold assets, Froneman's deal-making has transformed the group into a major platinum producer, with green metals now added to the portfolio. Froneman still finds time for his side passions, which include long-range target shooting, music, and tinkering with the engines of cars to make them go faster. Known for his blunt manner, Froneman is a straight shooter whose words hit their target.

RUSSELL FRYER

CEO

Critical Metals

www.criticalmetals.co.uk



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'I always said that Molulu is the beginning of Critical Metals' journey, and with this funding in place, we are in position to evaluate other potential acquisitions'

FROM a deal pipeline of nearly 20 transactions, Russell Fryer's Critical Metals has honed in on the Molulu copper/cobalt mine, an asset consisting of four previously operated open pits in the Democratic Republic of Congo. He's about as bullish as it's possible to be regarding Molulu's transformative effect on Critical Metals. According to him, the company will generate more free cash than the firm's market capitalisation — £17.2m at the time of writing — assuming an "exciting" cobalt anomaly delivers on its potential, and also assuming the cobalt price stays at its current \$51,000/ton level. As a relatively thin market, the cobalt price can be jumpy, but the medium- to long-term fundamental prospects for dominant sister metal copper are considered sound. Fryer pencilled in first copper output from Molulu in December, having skilled up the operations with a mine manager and several geologists in recent months. By November, however, "consistent operational failures" by the equipment supplier, as well "missed deadlines" resulted in a change of contractor. Consequently, first production was pushed out to January. The company won readmission to London's main market in September, raising £1.5m in a share placement, followed by another £1.3m capital raising in December. The aim of these financings was to increase Critical Metals' stake in Molulu, which was held indirectly through Madini Occidental, a company owned by Fryer himself. In December, Critical Metals bought out Madini Occidental minorities. One consequence of this is that ex-JP Morgan banker Ian Hannam, now owns 10.1% of Critical Metals. He's no doubt hoping Molulu will, as Fryer predicts, "literally spit money". Beyond Molulu, Fryer intends to continue extending Critical Metals' tentacles, with regional exploration planned and additional merger and acquisition activity also on the horizon.

LIFE OF RUSSELL

Fryer, a former banker with institutions Deutsche and HSBC, is well travelled both in geography and in the industry itself. He has at various points over 28 years been an investment adviser, mining entrepreneur and columnist. Critical Metals sees him return to resource development. He is qualified in tax as well as investment markets, and rule and theory, the latter obtained from South Africa's University of the Witwatersrand.

SEAN GILBERTSON

CEO

Gemfields

www.gemfieldsgroup.com



RAINMAKER



Making, not stirring pots

'We are very much graduating from a junior miner to a mid-level miner both in terms of scale of mining and revenues'

THE tide has turned in Gemfields' favour, after a torrid Covid period, and Gilbertson and his team are happy to reward shareholders handsomely. The 2022 interim dividend and share buyback programme arrived hard on the heels of Gemfields' maiden year-end dividend for 2021, reflecting higher production and better auction prices of rubies and emeralds. This generosity should sit well with Assore, which recently became a major shareholder in Gemfields. While Gemfields is able and willing to pay dividends, Sean Gilbertson still has a long list of challenges and frustrations on the path to expanding operations. Problems go with Gemfields having interests in poor and often politically unstable countries: Mozambique, Zambia, Ethiopia and Madagascar. In October, staff from the Montepuez ruby mine in Mozambique had to be evacuated temporarily because of rebel activity in the area, and although operations have resumed, the rebels are unlikely to go away permanently. Gemfields' gold exploration project, Nairoto in Mozambique, is proceeding, but exploration in Ethiopia and Madagascar has been on hold. At the Eastern Ruby Mining concession in Mozambique, where Gemfields intends to start bulk sampling operations in 2023, a police contingent is on guard. In South Africa, Gilbertson is unable to shake free of Gemfields' 6.54% stake in Sedibelo Platinum, which has been up for disposal ever since Gemfields inherited it from Pallinghurst. Gemfields could exit when Sedibelo lists, but that listing was deferred again in 2022 after a downturn in platinum group metal prices, together with community unrest and Section 54 stoppages.

LIFE OF SEAN

Although his appointment to head Gemfields in 2017 was because his father Brian Gilbertson's investment company, Pallinghurst Resources, bought a stake in the company, Sean Gilbertson has firmly established himself as a mining leader in his own right. He holds all the right qualifications – a degree in mining engineering from Wits University and experience in project finance. He is also an entrepreneur who has started two successful trading businesses. Apart from gemstones, his passions are cycling and the outdoors, and he has given generously to help protect rhinos against poaching.

ENOCH GODONGWANA

MINISTER OF FINANCE

South Africa

www.treasury.gov.za



HOT SEAT



Bottom-singeing pressure

'Without fear of contradiction, I want to say we've dropped the ball because we focused more on fixing Eskom than on fixing power to the grid'

REGARDED as rational and pragmatic, Enoch Godongwana is one of the better-performing members of President Cyril Ramaphosa's cabinet. As South Africa's finance minister for the past 18 months, Godongwana is disciplined and tight-fisted – sometimes too tight, some commentators say. Eskom's diesel shortage is a case in point: when the power utility in November made urgent calls to Treasury to help fund its diesel shortage, Godongwana responded with a terse: "There's no money." Eskom's requests for diesel funding would be difficult to meet, as it requires strict oversight and adherence to budgetary processes, Godongwana later explained. On other matters Godongwana has also stood firmly. In his book the public sector pay rise negotiations for 2022 are a *fait accompli* — it's 3% and that's the end of it. He has steered a middle ground on ANC plans to change the mandate of the Reserve Bank. He has stood by its inflation-targeting role but asked that job creation be added to its mission statement. Market commentators and analysts have been impressed with Godongwana's ability to hold the line on fiscal and debt consolidation and not give in to the monetary demands of other delinquent state-owned companies such as SAA and Denel. However, his tight ship is not enough to placate ratings agencies, which want to see serious and meaningful economic reforms before they'll even consider raising South Africa's sovereign credit rating to investment grade.

LIFE OF ENOCH

Godongwana is a long-standing member of the ANC, with a good number of years of experience at provincial and national government level. His experience as the former head of the ruling party's economic transformation sub-committee in the national executive committee stood him in good stead when he was appointed finance minister in August 2021, and market commentators widely welcomed the move. His political career includes being a trade union shop steward and holding senior positions in Numsa and Cosatu. Godongwana has an MSc in financial economics from the University of London.



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GODFREY GOMWE

CEO

MC Mining

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HOT SEAT



Bottom-singeing pressure

The Makhado project is shovel-ready and the company made significant progress to secure the cornerstone funding for the project during FY 2022

GODFREY Gomwe is the latest in a string of CEOs to be appointed at the troubled coal junior MC Mining since the late David Brown stepped down in 2019. He was appointed – along with former South African finance minister Nhlanhla Nene as chairman – following a shareholders’ revolt last year that resulted in the resignations of then chairman Bernard Pryor and CEO Sam Randazzo. MC Mining has been struggling with two major shortcomings since Brown’s departure, which are to finalise the funding needed to build its proposed Makhado thermal and metallurgical coal mine in Limpopo Province and to install a stable management team. The company has been battling to tie down the funds for more than five years but has been unable to because of the green backlash against the coal sector that has seen banks and other financial institutions refusing to lend it money. That has changed following the outbreak of the war in Ukraine, which has sent seaborne thermal coal prices sky-high, to the huge benefit of those coal exporters already in the business, such as Exxaro Resources and Thungela Resources. But this is a volatile situation that could change overnight should, for example, there be a peace treaty between Ukraine and Russia. Therefore, Gomwe’s pressing challenge is to tie up the necessary funds before something like that happens and the coal price tanks. His other challenge has to be the transition from operating in a large corporate environment with plentiful resources on call like Anglo American to the hand-to-mouth situation in which struggling juniors like MC Mining find themselves. It’s not an easy transition and all credit goes to Brown, who managed the move successfully after resigning as CEO of Impala Platinum.

LIFE OF GODFREY

Gomwe is a chartered accountant by profession with a BAcc degree from the University of Zimbabwe and an MBL from Unisa. He enjoyed a high-flying corporate career after joining Anglo American in 1999, becoming CEO of Anglo American’s global thermal coal business as well as COO of Anglo American South Africa and head of group business development Africa. Other roles he has filled include CEO of Anglo American Zimbabwe, and he sat on various Anglo company boards including Kumba Iron Ore, Anglo American Platinum, Highveld Steel & Vanadium and Mondi South Africa.

PRAVIN GORDHAN

MINISTER PUBLIC ENTERPRISES

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HOT SEAT



Bottom-singeing pressure

'It is absolutely unfair and uncalled for to use that kind of language for somebody who tried their best'

IS Pravin Gordhan's political career all but over? At the ANC's national elective conference in December, Gordhan declined a nomination to be re-elected to the national executive committee (NEC), the ruling party's highest decision-making body. NEC members carry significant political clout and often wield influence behind the scenes regarding cabinet appointments. Now that Gordhan is no longer an NEC member, there just might be calls for his axing, especially since matters went from bad to worse at South Africa's terrible twins, Eskom and Transnet. In fact, steps may well be in place to close his department following an ANC conference resolution in January that Eskom fall under the watch of the department of mineral resources and energy. Gordhan was appointed minister of public enterprises in 2019 when President Cyril Ramaphosa announced his new cabinet – a position that would have set even the most experienced administrator up for failure owing to the dismal state of the country's state-owned entities. 2022 was a particularly bad year: Eskom implemented more than 200 days of power cuts, and together with the logistical paralysis at Transnet, the two state-owned entities cost the South African economy hundreds of billions of rand in lost opportunities. Although these problems were years in the making, the buck ultimately stops with Gordhan. ANC insiders suggest he will be redeployed elsewhere in the cabinet, a step he might even welcome. Judging by his belated defence of outgoing Eskom CEO André de Ruyter against the inflammatory remarks from Mines and Energy Minister Gwede Mantashe (see quote above), as well as his halfhearted calls on the Eskom management to get the country out of Stage 6 load shedding, the signs are that Gordhan is tired and has most likely accepted defeat.

LIFE OF PRAVIN

Gordhan is one of the longest-serving cabinet members since South Africa became a democracy. In 2009, then-president Jacob Zuma appointed him as finance minister – a position he held until 2014. In 2015 he was reappointed to the finance portfolio but summarily dismissed in 2017 to make way for Malusi Gigaba. Gordhan then became an ordinary member of parliament, where he played a crucial role in exposing state capture by Zuma and his cronies. Gordhan holds a Bachelor of Pharmacy Degree from the former University of Durban-Westville, and a DTech in Business Administration from the Free State Central University of Technology.

FRANK HALLAM

CEO

Platinum Group Metals

www.platinumgroupmetals.com



POTSTIRRER



Maverick, opinion-forming thinker

Hallam has been keen to advance the Waterberg Project since his appointment in December 2021

PLATINUM Group Metals (PTM) chalked up two legal victories last year. The first was the South African government's dismissal of an appeal against its granting in 2021 of a mining licence for PTM's Waterberg Project. The second was the dismissal of a claim brought against PTM's sale of the Maseve mine, also in South Africa. PTM sold Maseve to Royal Bafokeng Platinum (RBPlat) for \$70m in 2018 after a disastrous decline in metal prices forced the mine's closure under PTM. Africa Wide, PTM's one-time empowerment partner, claimed the deal was done without its permission but the court found the time for such claims had elapsed and, in any event, Africa Wide had no case. Less cut and dried is PTM's contention it could circumvent Impala Platinum's (Implats') right of first refusal over a concentrate offtake agreement from PTM's proposed \$874m Waterberg Project. PTM can't really finance the project without an offtake in place, but Implats, which owns 15% of the Waterberg Project, is dragging its feet. According to Hallam, a deal with another JV partner, such as Japanese trading firm Hanwa Company, which owns 9.8% in the project, would not constitute a third party and so circumvent Implats' right of first refusal. The aim of this is to pressure Implats into making a decision. Hallam has been keen to advance the Waterberg Project since his appointment in December 2021 after Implats declined to exercise a control option in the project. The question is whether the market can support a palladium-dominant 400,000 ounce-a-year mine as proposed. Hallam is rebuilding PTM's balance sheet. After clearing out all historical debt, he last year signed two agreements enabling PTM to issue up to \$300m in shares.

LIFE OF FRANK

A qualified CA with expertise in business administration, Hallam developed an early taste for risk not normally associated with your common-or-garden accountant. He cofounded MAG Silver Corp and West Timmins Mining along with PTM. He has the scars for his endeavours. He stood beside former PTM CEO Mike Jones as he "went to business hell and back" between 2017 and 2019 following PTM's disastrous Maseve project. Hallam was previously an auditor at PwC.



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BRENDAN HARRIS

MD AND CEO

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In Motheo, Harris has a major source of continual resource replacement and growth, assuming the optimists who hail the Kalahari Copperbelt as a new mineral system are correct

BRENDAN Harris should have the wind at his back when he takes the reins at Sandfire Resources on April 3. Firstly, the long-term outlook for the copper price remains as robust as ever; secondly, Sandfire's next major copper mine — Motheo — starts production of an expected 3.2 million tons (Mt) a year in the June quarter. There's already expansion in Motheo by dint of a proposed \$71.9m expansion to 5.2Mt a year (55,000 tons/year of contained copper in concentrate), taking total investment in the prospect to \$397.4m. That's assuming the group can get approval of its environmental and mining permit applications. The growth will be an important selling point for Harris as Sandfire is due to part ways with its DeGrussa operations after officially hanging the 'for sale' sign over the Western Australian mine. Cash flow will be generated by the MATSA operations in south-western Spain, a producing asset Sandfire acquired for \$1.9bn in 2022 and now intends to optimise. But in Motheo, Harris has a major source of continual resource replacement and growth, assuming the optimists who hail the Kalahari Copperbelt as a new mineral system are correct. Sandfire said last year it had identified "substantial exploration potential" over a 4km strike extension, 20km north-east of the existing orebody. Additional exploration is underway in the broader Kalahari Copperbelt, it said. Funding for the expansion was tied up in October via a \$140m project financing package with lenders Nedbank and Société Générale. Harris follows founding Sandfire Resources CEO Karl Simich, who surprised the market in September by announcing his planned departure after 13 years at the helm.

LIFE OF BRENDAN

Brendan Harris was previously chief human resources and commercial officer at South32. He was the group's inaugural CFO following its creation through the demerger of assets from BHP in 2015. At BHP, Harris was head of investor relations. Prior to joining the Australian firm in 2010, he held various roles in investment banking, including as executive director of Macquarie Securities, where he led the metals and mining research team. He has a BSc in geology and geophysics from Flinders University in Adelaide, Australia.

TONY HARWOOD

PRESIDENT AND CEO

Montero Mining & Exploration

www.monteromining.com



POTSTIRRER



Maverick, opinion-forming thinker

Montero can provide no assurance that Tanzania or ICSID will favour the company's claims for damages

TO say Tony Harwood has been around the block would be an understatement. He has worked for some 11 different mining companies in various executive and non-executive roles since he left the groves of academe after being a lecturer first at the University of Wales College and then the University of Natal, which he left in 1988. For 13 of those years he's been running Canadian junior Montero Mining and it's in this capacity he got into the news last year because Montero is suing the Government of Tanzania for C\$90m. This was after the government expropriated Montero's Wigu Hill rare earth project in 2018 by cancelling its retention licence under new Mining Local Content regulations. In May last year, Montero filed a request for arbitration, claiming C\$90m in damages with ICSID – the International Centre for Settlement of Investment Disputes. The Tanzanian government's action took place on the watch of former president John Magufuli, who took a hard line against the country's mining industry. He died and was replaced by President Samia Suluhu Hassan, who was believed to be more business-friendly. Harwood says Montero has lost its investment in Wigu Hill because of the government's action. He added Montero took legal action because "after many good faith attempts to settle the dispute", there had been no resolution. Montero has a number of other projects but the share price collapsed last year. How much of that can be attributed to Tanzania and how much to poor general stock market conditions for exploration companies is anybody's guess. Montero says its main focus is now on gold exploration in Chile. How the Wigu Hill situation plays out will be an interesting signpost as to security of tenure in the East African country which is seeking to resuscitate its mining fortunes.

LIFE OF TONY

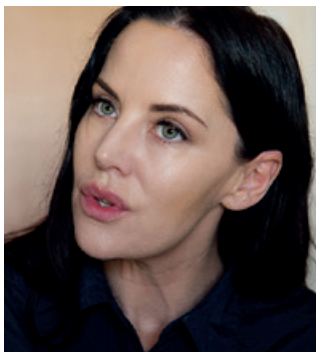
Harwood is a serial mining entrepreneur, involved over the past 35 years with a string of companies – many of them listed in Canada – which include East African Metals, Tesoro Minerals, African Gold Group and Lapland Goldminers. He is probably best known in South Africa for his involvement with Placer Dome, where he was vice-president. Placer Dome was heavily involved in the early development of the South Deep gold mine, which it sold to Gold Fields. Harwood's other main South African gig was as executive chairman of Universal Coal from December 2009 to April 2012. He's a geologist by training, holding a BSc Hons cum laude and PhD in geology from the University of Wales, Cardiff.

SHIRLEY HAYES

CEO

SHiP Copper Company

www.shipcopper.co.za



RAINMAKER



Making, not stirring pots

'My vision is to become one of the biggest copper producers on the African continent'

SHIRLEY Hayes made it happen big time when, after 14 years of effort, her plans to create a viable junior copper mining company in the Northern Cape became reality. In October, SHiP Copper was awarded mining rights over the full 19,200 hectares of ground controlled by operating company Concordia. With that in the bag, Hayes firmed up the corporate and funding side of the business through a reverse merger with Big Tree Copper, run by Jan Nelson. Big Tree Copper, renamed Copper 360, is to list on the JSE Alt-X board in early February. It will own 100% of Nelson's dump retreatment operations and 95% of SHiP Copper. The other 5% in SHiP will be owned by the company's employees. Hayes is chairman and the controlling shareholder, holding a 58% stake in Copper 360. Nelson is the CEO. Copper 360 is already producing copper cathode by retreating oxide surface dump material from the former O'Kiep Company through a plant at Nababeep. Plans are to diversify building a flotation plant in addition to the existing SX-EW plant. The flotation plant will treat sulphide ore to be produced from the 12 mines to be developed on the SHiP Copper ground while the SX-EW plant will continue to treat oxide surface material. Hayes says she is still going to be working "very hard" over the next five years to grow the business. Plans are to increase production from the enlarged plant to 2,500 tons a year of copper by the end of 2023 and push that to around 8,000t/year by the end of 2024. The potential exists to double that output in the following two years. Copper 360 is in the process of raising R250m to pay for the expansion through the issue of equity.

LIFE OF SHIRLEY

Hayes is passionate about her Northern Cape roots and her desire to give back benefits to the communities in the region. She was born in Springbok and matriculated from the nearby town of Pofadder. She got into mining through working for the Kelgran Africa Desert Rose granite quarry near Pofadder in 1997 and acquired a blasting certificate in 2001. Hayes then branched out as a mining contractor and operator and eventually got involved in the corporate side of the business through deals to advance her copper project, first with Bernard Swanepoel's former Village Main Reef in 2015 and then with UK mining entrepreneur Colin Bird.

TERRY HOLOHAN

CEO

Resolute Mining

www.rml.com.au



HOT SEAT



Bottom-singeing pressure

'Resolute was overpromising and under-delivering, but we're starting to regain credibility'

TERRY Holohan is the third CEO in three years at struggling Resolute Mining, a London- and Sydney-listed gold miner that has found the going hard in its West Africa base. The problems began when Resolute paid a fullish price for the Mako mine in Senegal in 2019. The company then ran into balance-sheet problems as its Mali mine Syama faltered. CEO John Welborn left the company in 2020 with the board stating it hoped to attract a CEO with technical skills. Oddly, it appointed numbers man Stuart Gale, Resolute's CFO, to the job. That was in 2021. Gale resigned a year later, having made little impression on the company's debt, and with the share price languishing. But he at least chalked up one success with the sale of mothballed Bibiani mine in Ghana, which put some cash into the group. It's worth recalling that Resolute had ended its 2021 financial year with \$229m in net debt. In Holohan, however, Resolute may finally have the right appointment. As the group's former chief operating officer he has extensive processing experience, which has proved to be critical in addressing Syama's problems. Resolute was profitable last year — a performance that has lifted confidence in the company's direction. On the back of this, Holohan was able to raise A\$164m from institutional investors in November via a capital placement and rights issue. Most of the proceeds were put to debt reduction, but a A\$20m portion has been set aside for completion of a feasibility study into the two million ounce Syama North, an important life extension project.

LIFE OF TERRY

Holohan joined Resolute in 2021 before taking up the leadership last year. He brings to bear an extensive 40-year career that started in the 1980s and 90s in the Zimbabwean and South African processing wheelhouses of Gencor, Impala Platinum and then Anglo American Platinum. From 2003, he was senior vice president at Ivanhoe Nickel and Platinum before leaving in 2006 to head exploration at the ill-fated Platmin. Then came a period in Asia before taking up the challenge at Resolute. He is a graduate of the University of Leeds.

MARTIN HORGAN

CEO

Centamin

www.centamin.com



RAINMAKER



Making, not stirring pots

'We're ready to step on to the pitch. We're match fit and we're ready to go'

SHAREHOLDERS will have to wait until mid-2023 for news of the economic feasibility of Centamin's proposed 151,000 ounce a year Doporo project in Côte d'Ivoire. This was after drilling results in November recognised the possibility of producing higher-grade gold, as well as there being scope for improved processing configurations potentially lowering the project's \$275m capital cost. Doporo represents another feather in the cap of Centamin CEO Martin Horgan, who has helped revive the fortunes of the UK-listed firm. Important in this was the stabilisation of Centamin's operating flywheel, the Sukari mine in Egypt. A \$25m to \$35m project is being rolled out to expand the mine's underground production and help Sukari sustainably produce 500,000 ounces of gold a year — output it has undershot for years. Ramp-up is expected next year and full production is scheduled for 2025. That's critical to maintain the annual \$100m minimum dividend Horgan has promised investors. On matters of strategy, however, he has raised the possibility of Centamin doing deals. Having stabilised Sukari and given Doporo greater economic and technical definition, the company ought now to consider external growth. "There is an opportunity to get ourselves larger, more liquid, and cement our place as a premium-listed company." ESG matters are also pressing, and Centamin recently opened discussions with the Egyptian government for the supply of grid power to Sukari. This would supplement its 36MW renewable solar installation — an initiative that saves it 22 million litres a year in diesel. In a combination of its ESG and expansion imperatives, Centamin signed a \$150m sustainability-linked revolving credit facility to fund an "identified growth pipeline".

LIFE OF MARTIN

Horgan claimed the headlines after selling Toro Gold, a company he cofounded, to Resolute Mining in 2019 for \$274m. Now, however, he's proving his stripes at Centamin, having taken over the company in April 2020. Horgan, a University of Leeds graduate in mining engineering, was previously executive director of BDI Mining, an AIM-listed diamond producer. From 2000 to 2006, he was a mining finance banker at Barclays Capital. A born-and-bred Mancunian, he is a lifelong supporter of Manchester United Football Club, hence his fondness for speaking in footie terms.



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SAM HOSACK

CEO

Prospect Resources

www.prospectresources.com.au



FLAG



News is about to happen here

'Zimbabwe gets a load of bad press and I accept that. But its incentives, what it is putting in front of foreign direct investors, are well thought through'

SAM Hosack's claim to fame is guiding Prospect Resources to the \$378m sale of its Arcadia lithium project in 2022. After running a competitive tender, it was Chinese firm Huayou Cobalt that proved victorious. The deal enabled Prospect to pay out A\$443m in returns to shareholders as well as keep A\$33m in the bank for new activities that include looking afresh for more lithium, both in Zimbabwe at the Step Aside project and further afield in Namibia. In terms of the latter, Prospect signed a farm-in agreement for 51% of the Omaruru lithium deposit in Namibia's Karibib district with Omaruru's current owner, Osino Resources. The first round of drilling is expected to be complete in the first quarter. In order for all this to go smoothly, Hosack has relocated to Harare for an 18-to-24-month period. Actually, it's a return: he's a third-generation Zimbabwean in a company well represented by compatriots. Zimbabwe is a troubled country with enormous potential. Infrastructure is poor and the economy is in trouble but its people are well educated and, according to South Africa's platinum group metal miners that operate there, highly productive. The country is also the world's sixth-largest supplier of lithium, one of the critical minerals required for green mobility. Asked, though, why Prospect sold to the Chinese when Western countries are concerned about the geopolitical risks of not having enough of the mineral themselves, Hosack bluntly responded that the Chinese showed the most appetite and proved to be the most commercial. Fair play, then.

LIFE OF SAM

Born in Zimbabwe, Hosack has an engineering degree from Essex University in the UK and an MBA from Ashcroft Business School (UK). He worked previously in the projects team at First Quantum Minerals (founded by Zimbabweans) before joining Prospect Resources in Australia. A resident of Perth, he has relocated back to Zimbabwe to help kick-start the group's African exploration drive.

RICHARD HYDE

CEO

West African Resources

www.westafricanresources.com



RAINMAKER



Making, not stirring pots

‘Unfortunately, the security situation in Burkina Faso has not improved over the last three years’

IT’S tempting to portray West African Resources as one of those ‘boring-in-a-good-way’ companies, but this would be to ignore the firm’s Burkina Faso domicile. And it’s been far from boring there, as a quick scan of recent headlines will show. The West African country suffered a second coup in October, just as Mali had done in 2021. Worryingly, there has been speculation that Russia’s Wagner Group is now operating in the country, allegedly enlisted to fight Islamic insurgency. Terrorism has been Burkina Faso’s scourge for years, but the political and social fallout of mercenary fighting sounds like pouring oil on a fire. What this means for West African Resources is that mineral exploration over large areas in the north and east of Burkina Faso are strictly off-limits, ultimately raising questions about the firm’s long-term growth options, as well as short-term sovereign discount risk. Yet Hyde’s West African Resources is forging on. Its flagship Sanbrado mine is churning out about 230,000 ounces of gold a year and will be joined by the 233,000oz/year Kiaka, a 4.5 million oz prospect bought from B2Gold in 2022. West African said in December that eight tier-one lenders had bid to debt-finance \$300m of the \$440m required in preproduction capital expenditure for Kiaka, with first production due in 2025. That will take group output to 400,000oz/year at least, which the company expects to maintain until 2029. In this regard, West African has progressed with barely a hiccup, although Hyde will tell a different story, having founded West African Resources as far back as 2006. What became “an idea among mates” is now a valuable new addition to the region’s gold production — similar in feel and scope to Perseus Mining, another successful Aussie miner.

LIFE OF RICHARD

Hyde is a geologist with 25 years’ experience in the mining industry and over 20 years’ experience operating in West Africa. In his time, he’s managed large exploration and development projects for gold and base metals in Australia, Africa and Eastern Europe. He founded West African in 2006 and has led the company from IPO in 2010 through to production in 2020. He was instrumental in putting together the A\$365m debt and equity financing to fund Sanbrado in March 2020. Hyde holds a BSc degree in geology and geophysics from the University of New England and is a member of the Australasian Institute of Mining and Metallurgy.

CLIVE JOHNSON

PRESIDENT AND CEO

B2Gold

www.b2gold.com



RAINMAKER



Making, not stirring pots

'There may be another Fekola so the potential to produce one million ounces of gold annually from two mills, in our mind, is very real'

IN September, Clive Johnson's B2Gold completed the A\$91.3m cash and shares purchase of Australian firm Oklo Resources. The transaction adds "extensive land packages" to Fekola, B2Gold's Mali mine for which Johnson has some major plans. These involve construction of a second \$250m mill on the nearby Anaconda property, taking Fekola's annual production to 800,000oz from 570,000oz — 600,000oz/year currently. This could be achieved as early as 2026. Additional land packages are also being added to Fekola that could take total mine output to one million oz annually. All things being equal, this would propel B2Gold's total output to about 1.5 million oz/year, landing it in the major league. Johnson, ebullient, outspoken and bold, has also set down plans for investment in junior mining companies of around \$10m/year with a view to creating fresh options, although he complains about the stubbornness of rival executives who he thinks put their careers before shareholders by failing to agree to his overtures. One area yet to be filled in by Johnson is plans he may have for Zimbabwe. In the last edition of Rainmakers & Potstirrers, he suggested the southern African country offered potential. If that sounds risky, consider his approach to Mali's coup-within-a-coup in 2021. Johnson says the situation is manageable as such events in West African terms often result in a bloodless change in 'head office' while the rest of the country buzzes along uninterrupted. Asked for his view on possible retirement, Johnson was dismissive: "If the company was going to settle at one million ounce a year producer I might consider stepping down, but that is not the case."

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. Interestingly for a Canadian, he played rugby union and occasionally takes a robust approach to critical analysts. In 2021, he sanctioned the company's initiative to use proceeds from specially minted 'Rhino gold bars' to protect the critically endangered black rhino population in Namibia, where B2Gold runs the Otjikoto mine.

JOSÉ MANUEL AUGUSTO GANGA JÚNIOR

CHAIR

Endiama

www.endiamaimprensa.com



RAINMAKER



Making, not stirring pots

'Angola was – and is – viewed as the most prospective region in the world in which to make a major new diamond discovery'

JOSÉ Manuel Augusto Ganga Júnior, aka Ganga Junior, has been chair of Angola's state-owned diamond mining company Endiama since 2017, when a sea change took place in the country's politics. That's when new president João Lourenço took over from the former president José Eduardo dos Santos and set about radically reforming the Angolan economy, which had been blighted by the widespread corruption of the Dos Santos regime. Angola's diamond sector was particularly hard hit and its development set back decades. Diamond companies opted to get out of the country despite its huge diamond exploration potential. Angola was then – and still is now – viewed as the most prospective region in the world in which to make a major new diamond discovery. That is something diamond miners have been searching for since the last big strikes were made in Canada in the early 1980s. Those Canadian mines are now winding down and – should the long-predicted major recovery in the diamond jewellery market actually happen – there is going to be a serious shortage of supply to meet it. In addition to the widespread corruption, the previous regime imposed punitive conditions on diamond explorers and miners. The turnaround since 2017 has been dramatic, with mining majors De Beers and Rio Tinto returning to the country. Under the new regime, Endiama gets a 25% free carry in any new mine but any increase above that must be paid for at market rates. In this new dispensation, the foreign investor has the right to keep absolute – at least 51% – control of the mine. Endiama's target is to make Angola one of the world's three biggest diamond producers within five to 10 years and to push for a 25% increase in total diamond production within five years above the 2022 level of around 10 million carats.

LIFE OF JOSÉ

Júnior holds a PhD in economics and business management from the Instituto de Minas de St Petersburg in Russia and postgraduate qualifications in business management. He was GM of the Catoca mine – the third-largest open diamond mine in the world – for 18 years. From 1980 to 1995 he was Endiama's resident director in Lunda Norte as well as assistant professor of analytical accounting in the Faculty of Economics at Agostinho Neto University from 1983 to 1989.

GRAHAM KERR

CEO

South32

www.south32.net



RAINMAKER



Making, not stirring pots

'We have been able to make great progress to become a truly global, diversified producer of the metals critical to a low-carbon future'

SOUTH32'S Graham Kerr last year countered questions over retirement by saying his work was not yet done. Far from it, broad-brush portfolio positioning continues to be the name of the game for the group's founding CEO. A major issue at South32 is its exposure to fossil fuels. It sold its South Africa thermal coal mines in 2021 but still produces metallurgical coal from Australia. Meanwhile, South32's Hillside aluminium facilities in South Africa are supplied by Eskom's coal-fired power stations. These are sensitive issues for shareholders as well as metal buyers, who will pay a premium for emission-free aluminium. That's why South32 lifted its stake in Mozal Aluminium to 63.7% and reopened its aluminium operations in Brazil. Mozal is hydropowered while the Brazilian facilities are 100% supplied with renewable power. South32's 'greener' look was also boosted by a decision not to extend production at the Dendrobium Next expansion at Illawarra Metallurgical Coal in New South Wales, Australia, although South32 said the main reason was its below-threshold investment returns. On this front, South32 has continued with its share buy-back strategy, which contributed to \$1.3bn in capital returns for the year ended June 2022. Elsewhere in the group, Kerr opted not to press on with the Eagle Downs metallurgical coal project in Queensland but sealed the \$1.55bn in cash acquisition of Sierra Gorda, which adds revenue to the group's putative base metals division, where project studies are underway in Arizona and Alaska in the US. Closer to home, state-owned rail and ports company Transnet continues to give Kerr heartburn. A possible expansion of manganese production is being examined although Kerr is quite likely perplexed by Transnet's interest in opening up rail capacity to new companies rather than existing players with the advantage of scalability.

LIFE OF GRAHAM

Kerr, who holds a business degree from Edith Cowan University, Australia, and is a Certified Practising Accountant, joined BHP straight from university. He worked for the group in South Africa, South America and North America, as well as Australia before being appointed to head BHP's spin-off, South32. He modestly puts his success down to being in the right place at the right time, working hard, and having a supportive family. He has been recognised for his work on gender equality in the workplace and is a director of CEOs for Gender Equity, an association of business leaders that addresses gender inequity in Western Australia.



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MARK LEARMONTH

CEO

Caledonia Mining Corporation

www.caledoniamining.com



RAINMAKER



Making, not stirring pots

'Bilboes is a transformational asset for Caledonia as we embark on the next step in our journey to become a multi-asset, mid-tier gold producer'

CALEDONIA Mining proves mining can flourish in Zimbabwe provided asset owners run a tight ship. In the case of Mark Learmonth's Caledonia Mining, it was a question of biding its time as the company completed a \$60m shaft extension at its 64%-owned Blanket mine. Now if ever there's a comforting name for a great, dirty hole in the ground, Blanket is it. Followed closely, one hastens to add, by the Tolkienesque 'Bilboes', a mine Caledonia acquired in July last year for \$53.3m in shares. With Blanket producing at an increased 80,000oz/year run-rate, Learmonth believes now is the time for Caledonia to stretch its wings. If a 12- to 14-month feasibility study checks out, Bilboes mine will increase Caledonia's production by about 168,000oz. It's an enormously transformational moment for Caledonia and follows the acquisition for \$4m in 2021 of Maligreen, a near-development project, and in November the purchase of Motapa, an exploration asset. Motapa was previously owned by Anglo American Zimbabwe before it left Zimbabwe in 2002. Bilboes is also a former Anglo mine, having produced 288,000oz since it was opened in 1989. This accelerated growth was all made possible by Caledonia's patience at Blanket. As Blanket's project expenses began to flatten, Caledonia slowly undid the purse strings. In addition to its expansion strategy it has also doubled the dividend in the past two years. So shareholders are getting the best of both worlds: capital growth and payouts. Operating in Zimbabwe remains tough, however: Caledonia recently completed a solar project at Blanket, reducing its reliance on state-owned ZESA and, in the absence of its electricity, expensive diesel supplies.

LIFE OF MARK

Learmonth joined Caledonia in 2008 and became the company's CFO in 2014. Prior to this he was a division director at Macquarie First South, which formed part of 17 years' experience in corporate and investment finance in South Africa, most of it in resources. He graduated from Oxford University and is a chartered accountant. He is a member of the executive committee of Zimbabwe's Chamber of Mines.

COBUS LOOTS

CEO

Pan African Resources

www.panafricanresources.com



RAINMAKER



Making, not stirring pots

*'Mintails presents a number of environmental and social challenges.
We will require the assistance of government'*

COBUS Loots seems to be doing everything right in running Pan African. He certainly must be happy with the progress being made in diversifying the group — bar one issue: the underwhelming share price. It just stubbornly refuses to react to the string of positives announced over the past couple of years. For the year to end-June, Pan African delivered record gold production, kept all-in sustaining costs (AISC) steady, dropped net debt by 67%, and increased net cash from operating activities by 47%. Loots followed up on that by announcing an exploration programme in Sudan and then closed the deal to acquire the Mintails dumps for R50m. Pan African has also commissioned a 9.9MW solar plant at its Evander Mine and is looking to expand that by 12MW while it is about to build an 8MW solar plant at the Barberton Mines. Still pending is a decision on acquiring the Blyvooruitzicht dumps from Peter Skeat for R110m. According to Pan African, the Mintails dumps have “compelling economics” and could increase group gold output by more than 25% from present levels. Yet Pan African shares ended calendar 2022 pretty much where they started. Over a five-year span the share is up 50%, which seems pedestrian given that during this period Pan African has brought into production the Elikhulu and Barberton Tailings Retreatment Plant (BTRP) dump retreatment projects, so proving its technical competence. Underperforming gold company share prices are, of course, fairly widespread, but it's understandable if Loots believes the company is not getting the credit. There are risks. One is that the Mintails properties on the West Rand near Soweto sit slap-bang in a hotbed of illegal mining operations. Loots has asked for South African government support to keep this under control, but he'd better not hold his breathe on that one.

LIFE OF COBUS

Loots is an accountant by training and got into mining via the finance route, working for Shanduka Resources, the black economic empowerment group founded and initially headed by South African president Cyril Ramaphosa. Shanduka became Pan African's BEE partner and Loots was appointed a director of Pan African in 2009. He was appointed CFO in 2013 and became CEO in March 2015, replacing Jan Nelson.

WILLIAM MABAPA

GENERAL SECRETARY

The National Union of Mineworkers

www.num.org.za



POTSTIRRER



Maverick, opinion-forming thinker

'Our differences with Amcu only assist the employer'

WILLIAM Mabapa seems to have secured a lasting peace with mining union NUM's former arch foe, the Association of Mineworkers and Construction Union (Amcu). The two unions have ceased their bitter turf war, and the over three-month strike the pair carried out in 2022 at Sibanye-Stillwater's South African gold operations was notable for its lack of violence. Sometimes acting under the informal banner 'Numco', the unions signed a number of five-year wage agreements in the platinum sector, including with Sibanye and Anglo American Platinum, without any recourse to strike action. This unexpected development has removed one of the key risks linked to investing in South Africa's turbulent mining sector. Mabapa is a down-to-earth former platinum miner and has developed a rapport with Amcu president Joseph Mathunjwa. But NUM has displayed a militant streak in other sectors. NUM members and those linked to the National Union of Metalworkers of South Africa (Numsa) embarked on a wildcat strike and protest action over stalled wage talks at ailing power utility Eskom in 2022, and the consequences included deeper power cuts, known in South Africa as load shedding. NUM leaders like Mabapa, it must be said, did not officially sanction such action. The upshot was that the unions managed to secure a 7% wage hike for their members at Eskom, which the state-run company can ill afford. Eskom will remain a priority for Mabapa as NUM is opposed to plans to unbundle the loss-making and unreliable company into three units. NUM is also determined to hold on to jobs in the coal sector as Eskom attempts to reduce its heavy reliance on the fossil fuel. This is an area to watch as it contains the seeds of future labour flashpoints.

LIFE OF WILLIAM

A former platinum miner, Mabapa worked his way up the NUM ranks. He became deputy general secretary in 2015 and assumed the acting role in the top spot at the end of 2020, when general secretary David Sipunzi died suddenly. Mabapa has an earthy demeanour and speaks his mind. Focused on union issues, he seems to take far less interest in the politics of South Africa's governing alliance than some of his predecessors.

A young boy in a school uniform and face mask is shown in a classroom, with his hand raised. The background is slightly blurred, showing other students and a brick wall. The Thungela logo is in the top right corner.

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SAKI MACOZOMA

CHAIR

Safika Holdings

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RAINMAKER



Making, not stirring pots

'South Africa controls 70% of the world's manganese resources, so the stakes are high'

THE future structure of South Africa's manganese fields in the Northern Cape might be in the hands of Saki Macozoma's Safika Holdings, or at least partially. The group's stake in the 3.5 million ton (Mt) a year Tshipi Borwa manganese mine, held via Ntsimbintle Mining, gives it a useful bargaining chip as the mine's majority shareholder, Australian-listed Jupiter Mines, is considering ways to unlock value from the mine and the region. The country's manganese industry is highly fragmented, which is a consequence of the successful black empowerment that occurred in the sector. Ironically, success for the South African government makes for less optimal business outcomes, especially given the constraints of the government-owned rail and port utility, Transnet. Transnet wants to open up the Saldanha-to-Sishen rail route to new entrants when, in fact, consolidation may result in a more efficient but no less empowering use of available resources. How, though, to consolidate the 10 producing mines that exist today (from two in 2004)? One way might be to repackage Jupiter Mines, in which Ntsimbintle has a 21% stake, and bring it to the JSE in a dual-listed structure. That would enable the industry to independently benchmark the price of its assets against which to conduct transactions. Jupiter Mines drafted in former Durban Roodepoort Deep CEO Ian Murray and Australian business executive Brad Rogers to examine exactly that strategy. Much hangs on a successful outcome. For one, consolidation brings a far more rational approach to supply and may in turn lead to a less volatile manganese price. Tshipi Borwa is an asset for which it's worth taking the time. It has a total life of 100 years while in the shorter term, it can lift output to five million tons annually.

LIFE OF SAKI

Sakumzi 'Saki' Macozoma was born in Port Elizabeth, now Gqeberha, in 1957. An organiser with the South African Students' Movement, he was jailed for his anti-apartheid activities on Robben Island, where he was befriended and mentored by Nelson Mandela. Macozoma was elected as an ANC member of Parliament in 1994 and in 1996 became MD of state-run logistics group Transnet. His corporate life has included being deputy chair of Standard Bank.

DANIEL MAJOR

CEO

GoviEx Uranium

www.goviex.com



FLAG



News is about to happen here

'We're putting the pedal to the metal because this is the time'

G OVIEX will this year know if efforts to develop the Madaouela uranium project in Niger have been worth the painstaking number of years. That's because Daniel Major will be casting about for an estimated \$350m in project funding. A feasibility study published in September put production at 2.67 million pounds a year and further trimmed preproduction capital to \$343m. Promisingly, in the context of \$40 to \$50/lb uranium oxide spot prices, total operating costs net of byproducts (before royalties) are \$29.94/t. Madaouela is also one of the world's largest uranium oxide deposits in the world's fifth largest producer in a market that is clearly starting to incentivise production, so what's not to love? According to Major, the market stacks up relatively simply: 190m lb is consumed annually against production of 122m lb. Inventories exist but utilities aren't parting with them. Given this increasingly illiquid market, the deficit is expected to bite around 2025, which is when Madaouela is scheduled to commission. Sprott Capital, the Canadian fund, is clearly a uranium bull. It has some \$3bn of the material in its Sprott Physical Uranium Trust and in October presided over a doubling in a GoviEx share placement that totalled C\$10.5m. GoviEx has another prospect in Mutanga, an open pittable heap leach asset in Zambia worth over two million pounds a year in production, and the Falea exploration site in Mali also containing 63m lb of copper, albeit at a slim 0.2% grade. But one question nags: GoviEx's shares lost 50% in 2022 — not the ideal backdrop ahead of a funding year. One other quibble is Niger's sporadic Islamic insurgency. Major, who toasts the country's 'get the job done' approach to mining, says this kind of political foment is far from Madaouela.

LIFE OF DANIEL

Major studied at Camborne School of Mines in Cornwall, once the capital of the UK's mining industry. In his 30 years in mining, he's worked at Rio Tinto's Rössing uranium mine in Namibia and for Anglo American Platinum in South Africa. He then dipped out of the operational side of things and took up a role as a mining analyst with HSBC and then subsequently JP Morgan Chase. Since then, he's held several roles in Russia, Canada and South America, and has been with GoviEx since 2012.

JULIUS MALEMA

COMMANDER-IN-CHIEF

Economic Freedom Fighters

www.effonline.org.za



POTSTIRRER



Maverick, opinion-forming thinker

'The mining cartel here [Northern Province] enjoys the fruit of and minerals of Africa's wealth without making any contribution to the lives of our people'

IN 2012, Julius Malema – then leader of the ANC Youth League – alarmed investors with demands that mines in South Africa be nationalised. Fast-forward 10 years and the 41-year-old – now the commander-in-chief of the populist and left-wing Economic Freedom Fighters (EFF) – still has a great deal to say about mines, especially since nationalisation of all sectors of the economy remains EFF policy. During the 10-year commemoration of the Marikana massacre in August, the EFF reopened old wounds, once again accusing President Cyril Ramaphosa of premeditated murder for having ordered the police to act against striking mine workers. Ramaphosa was a shareholder at the Lonmin mine in Marikana at the time. The EFF, however, has lately focused its attention on the electorate in the Northern Cape – a province richly endowed with manganese, iron and zinc. The party has set out to provoke the communities' sentiment against mining companies in the province. In June, the EFF handed over a list of demands to the management of Kumba Iron Ore in the province, claiming to act on behalf of former employees and residents. One of the demands was that employees who had lost their jobs 10 years ago be reinstated. In September, Malema addressed a provincial political gathering in Mothibistad, near Kuruman, telling delegates that the Northern Cape is a strategic province in terms of the EFF's agenda to return the land to the people. "It is a province rich with potential, yet our people live as if they are in a desert," he said.

LIFE OF JULIUS

Malema hails from the Limpopo province in the northern parts of South Africa. He joined the ANC Youth League at the age of 14, where he quickly rose through the provincial leadership ranks until he became national leader in 2008 at a controversial and chaotic elective conference. He was found guilty of hate speech in 2010 and again in 2011. In 2012, the ANC expelled him for sowing discord in the party due to his reckless populist utterances. Malema then founded the EFF, a radical left-wing party proclaiming it would nationalise privately owned land and all sectors of the economy once it got into power.



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POTSTIRRER



Maverick, opinion-forming thinker

‘Eskom must attend to this problem. By not attending to load-shedding Eskom is actively agitating to overthrow the state’

LAST year marked the end of the South African mining sector’s honeymoon with Minerals and Energy Minister Gwede Mantashe, whose replacement of the scandal-tainted Mosebenzi Zwane in 2018 was initially welcomed. The relationship had long been on the rocks as the Department of Mineral Resources and Energy (DMRE) collapsed into dysfunction, with logjams for mining rights and related applications while policymaking remained muddled amid the painfully slow relaxation of regulations to enable self-generation projects. When Mantashe failed to give his scheduled keynote address to the Joburg Indaba, a mining conference, in October, it was viewed in some quarters as the showing of a ministerial middle finger to the industry. Still, Mantashe’s department made headway on some fronts. It announced in November that the applications backlog had been slashed to 2,625 from over 5,000 in early 2021. The DMRE also scuppered its chaotic plans to tender for a built-from-scratch mining cadastre and now seems to have reluctantly yielded to the industry’s preferred option of an off-the-shelf system. Mantashe also courted controversy in his typically combative style, accusing state-run power utility Eskom of trying to overthrow the state through its failure to reliably keep the lights on. That was seen as a key trigger for the departure of Group CEO André de Ruyter. But Mantashe’s political star remains bright: at the ANC’s Elective Conference in December he was re-elected party chairperson. His support of South African president Cyril Ramaphosa also seems to have landed him responsibility for Eskom which will be moved to his energy ministry.

LIFE OF GWEDÉ

Mantashe is a former miner and trade unionist who once led the National Union of Mineworkers. In recent decades, he has been a political heavyweight in South Africa’s ruling ANC as its secretary general and chairperson. By turns jovial and gruff, he is thin-skinned and known for bizarre and controversial statements. Hailing from Lower Cala village in South Africa’s Eastern Cape province, his early anti-apartheid activism drew him to the Student Christian Movement. Minister of Mineral Resources and Energy since 2018, he has had a roller-coaster relationship with a mining sector that initially embraced him but soon tired of the department’s collapse into dysfunction.



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DAPHNE MASHILE- NKOSI

CHAIR

Kalagadi Manganese

www.kalahariresources.co.za



HOT SEAT



Bottom-singeing pressure

The IDC and other partners have faced extreme resistance from Mashile-Nkosi, who charges like a wounded buffalo when faced with criticism or opposition

THE Industrial Development Corporation (IDC) is playing the long game as it seeks to recover R3bn in taxpayers' money it sank into the Kalagadi Manganese mine and sinter more than a decade ago. This has not been easy, as the IDC and other partners have faced resistance from the company's chair, Daphne Mashile-Nkosi, who is sensitive to criticism or opposition. The IDC is calling for an improvement in the technical management of the mine, management changes at head office, and a new funding solution. With its loan not being serviced, it attempted two years ago to put Kalagadi into business rescue, which Mashile-Nkosi opposed. An alternative solution of mediation also failed, as she accused the state-owned entity of bad faith. A settlement is in the works, says IDC CEO Tshokolo Nchocho, but the timing is unclear. He commented last year that his organisation had no objection to Kalagadi's request to sell assets to repay debt. Kalagadi also owes an estimated R2.9bn to the African Development Bank. The fact that the Northern Cape operation has not generated sufficient cash to make significant inroads into its debts over the past two years, when global manganese prices have been favourable, is, according to Mashile-Nkosi, the fault of the mining contractor. Nchocho's belief is that the mine needs a recapitalisation — just not from the IDC. Although it may look as though the IDC is being uncooperative, it is notable that Mashile-Nkosi has had disputes with previous partners. For example, ArcelorMittal, one of the founding shareholders, sold its 50% stake in 2012, also expressing concerns about corporate governance.

LIFE OF DAPHNE

Mashile-Nkosi headed a group of entrepreneurs who founded Kalagadi Manganese in 2001, and the company received a permit to explore for manganese in 2005. The deal was a victory over adversity and helped crown Mashile-Nkosi's reputation as a dogged, trailblazing entrepreneur, a true standard-bearer for women in mining. She has consequently won accolades for her leadership, which she describes as "autocratic, with a feminine touch". She was unable to complete matric as she participated in the 1976 student uprising, but later obtained a Small Business Management Diploma from Wits Business School.

JOSEPH MATHUNJWA

PRESIDENT

Association of Mineworkers and
Construction Union

www.amcu.co.za



POTSTIRRER



Maverick, opinion-forming thinker

*‘Justice for Marikana will only be served if we see
Ramaphosa behind bars’*

JOSEPH Mathunjwa maintained the Association of Mineworkers and Construction Union (Amcu’s) truce with former arch-rival the National Union of Mineworkers (NUM) in 2022, a development bringing much-needed labour stability to South Africa’s mining sector. For almost a decade, Amcu and NUM were at each other’s throats in a violent turf war that claimed scores of lives and sparked waves of labour unrest. In 2022, Mathunjwa began referring to Amcu’s partnership with NUM as “Numco”, pointedly donning shirts bearing that logo. This joining of hands could be seen as a sign of weakness among South Africa’s unions, and wage talks involving NUM and Amcu underlined the point that members have lost their appetite for strikes. The two unions did embark on an over three-month strike at Sibanye-Stillwater’s South African gold operations, but the result delivered little for their members. NUM and Amcu — or Numco — signed a number of five-year wage agreements with platinum producers in 2022, including Sibanye, without any resort to strike action. That may suggest that Mathunjwa’s past militancy has cooled as Amcu has matured as a union. But Mathunjwa can still get fired up: in August 2022, at the 10th anniversary of the Marikana Massacre — a tragic incident that saw police shoot dead 34 workers taking part in a violent wildcat strike at the Marikana platinum mine, then operated by Lonmin — Mathunjwa said justice required the jailing of South African President Cyril Ramaphosa. Ramaphosa had been a director at Lonmin and famously called for “concomitant action” to deal with the strike. Looking ahead, Mathunjwa may struggle to retain Amcu’s membership numbers as employee numbers in the mining sector gradually decline and as the National Union of Metalworkers of South Africa (Numsa) tries to muscle into its turf on the platinum belt.

LIFE OF JOSEPH

Hailing from South Africa’s KwaZulu-Natal province, Mathunjwa formed Amcu in 1999 as a breakaway from NUM. Amcu was little known until 2012, when it literally overthrew the NUM as the dominant union on the platinum belt. Mathunjwa of late has become more accommodating to both union rivals and companies. A Salvationist Christian, he is a charismatic speaker when fired up. However, his tone in recent years seems to have mellowed somewhat from his past calls for strident class warfare. Depending on the setting, he can be disarmingly charming and is known for texting biblical verses to contacts, including mining executives and journalists.

ZANELE MATLALA

CEO

Merafe Resources

www.meraferesources.co.za



RAINMAKER



Making, not stirring pots

'We remain cautious in our approach and will continue to focus on efficient operations, cash preservation, cost control and efficient capital allocation'

IF there's one word that could sum up Zanele Matlala's business approach, it's 'caution'. It has been a guiding principle for the last three sets of financial results, possibly as the ferrochrome business is infamously volatile. In any event, Matlala has built up Merafe's cash reserves as the market has recovered from the impact of the Covid-19 crisis. Not all shareholders are happy with that approach, feeling that more of the company's resurgent revenues could be paid out in dividends. Matlala's riposte to such criticism, often levelled at the interim stage, is to wait for the year-end payout, to which the dividend is weighted. That said, Merafe is treated as a cash cow — possibly at the behest of Glencore, which is the 80% shareholder in the Merafe-Glencore Joint Venture — the entity that presides over Merafe's one-million-tons-a-year ferrochrome production facilities. Matlala is similarly cagey on merger and acquisition activity after once — many years ago — raising the possibility of moving into coal. A share buy-back programme of several years ago is also unlikely to be resuscitated. The bottom line is that Merafe had cash holdings of R1bn in mid-2022 but shareholders should not expect any sudden bursts of generosity despite Matlala's oft-repeated mantra that "we remain committed to maximising return to our shareholders in the near term". Still, Merafe represents a sizeable chunk of South Africa's chrome production and is a prominent and intensive energy consumer, which puts it at loggerheads with the state-owned power utility, Eskom. Citing energy challenges, Merafe has supported government plans for a tariff on cheaper ferrochrome imports.

LIFE OF ZANELE

Matlala is a chartered accountant and was mentored by her previous boss at Merafe, lawyer Steve Phiri. She joined Merafe in 2005 as an independent non-executive director and was appointed CFO in 2010. Matlala was promoted to the top slot in 2012 when Phiri moved to Royal Bafokeng Platinum. Matlala is also a non-executive director of the Dipula Income Fund, Stefanutti Stocks Holdings Limited, RAC Limited and Royal Bafokeng Platinum. She has previously worked as the financial director of Kagiso Trust Investments and was the CFO of the Development Bank of Southern Africa.

PAUL MILLER

DIRECTOR

AmaranthCX

www.amarantcx.co.za



POTSTIRRER



Maverick, opinion-forming thinker

'Let's count the mines that will be operating in 18 years. You will run out of mines before you run out of fingers'

THERE are not many aspects of the junior mining industry that Paul Miller has not become involved in. As an investment banker he specialised in mining projects; he then ran Keaton Energy before helping start-up operators through a CCP 12J Fund. His latest gig with AmaranthCX focuses on the other side of the equation, with the mining company as a customer. AmaranthCX concentrates on company sales teams, arguing that if they are better organised, more consistent and more collaborative, they will have a competitive advantage when selling complex products to sophisticated customers. But most in the South African mining industry know Miller not as a smooth-talking uber salesman but as a no-nonsense industry analyst. In truth, few escape his withering assessments, including the country's asset management industry, the JSE, politicians, regulators and executives. Miller told delegates at the Joburg Indaba mining conference last year that the current crop of South African mining graduates would be unemployed by 2040 because there would be so few operating mines left by then. He also criticised the Minerals Council for quibbling with the Fraser Institute's rock-bottom ranking of South Africa's mining industry, finally accusing executives of hypocrisy by acknowledging this situation in private – but not public – in sending their children to work elsewhere. Miller has long railed against the government for its inefficiencies and ideological approach, which have hamstrung the South African mining sector despite the oft-stated official line from the Minerals Council that things were getting better through behind-the-scenes negotiation. Miller's arch nemesis is Gwede Mantashe, South African mines minister, who he claims has done enormous damage to the sector.

LIFE OF PAUL

Miller holds a BComm Honours from the University of KwaZulu-Natal, which he obtained in 1993, and completed an Advanced Management Programme in 2015 at INSEAD in Singapore. He spent eight years with Nedbank in corporate and investment banking, during which time he was heavily involved in the listing of Eland Platinum and the relaunch of long-time mining entrepreneur Loucas Pouroulis. He then got his hands dirty operating directly in the mining industry itself as the MD of coal junior Keaton Energy. He returned to Nedbank but then in 2018 set up the CCP 12J Fund. He started up AmaranthCX in 2020.

FORTUNE MOJAPELO

CEO

Bushveld Minerals

www.bushveldminerals.com



HOT SEAT



Bottom-singeing pressure

'Our convictions about the future of vanadium are very, very strong'

ENTREPRENEURS are by definition optimistic, but Fortune Mojapelo's upbeat take on Bushveld Minerals was repeatedly undone by unforeseen events last year. The major disappointment was an adjustment in September to its 2022 vanadium production forecast of 4,200-4,400 tons to 3,900 - 4,100 tons. By this point, investors were already voting with their feet. By year-end, shares in Bushveld lost about 48%, a development that poses questions over its ability to raise finance for its growth ambitions. Mojapelo shelved a R2.3bn expansion aimed at taking annual vanadium production to just over 8,000 tons, focusing instead on an annual run-rate of 5,000-5,400 tons. In a signal that fund-raising is proving problematic, especially while production promises are being broken, Mojapelo ring-fenced the firm's promising energy business — Bushveld Energy — which is focused on supplying a specialised vanadium product for downstream battery production known as redox flow batteries (VRFB). A downstream investment in VRFB technology was also sold by Bushveld Energy in November, raising \$19.3m. Bushveld's bread and butter business is the production of pelletised vanadium — or Nitrovan — from its Vametco facilities situated near Brits in South Africa's North West province, and grades of oxide from Vanchem, a plant near Emalahleni in Mpumalanga province. These products service the steelmaking business, where vanadium is used as a hardening agent. It's this that Mojapelo has to get right first, one feels. That's not easy in South Africa's unsteady business environment of employee protests, community unrest and Eskom's unsettling energy curtailment regime. But there will be assistance from the market as China emerges from its Covid lockdowns. Analysts think the steel-chain business, including iron-ore pricing, will revive lustily in 2023.

LIFE OF FORTUNE

Mojapelo has a background as a management consultant at McKinsey, where he worked on corporate strategy and organisational development for companies in South Africa and Nigeria. He joined McKinsey soon after taking a BSc in Actuarial Science from the University of Cape Town. He cofounded Bushveld Minerals with Mikhail Nikomarov, who is also ex-McKinsey, in 2015-2016, and is the cofounder, with Anthony Viljoen, of VM Investments, an investment and advisory company focused on mining projects in Africa.

DAWN MOKHOBO

CHAIR

Wesizwe Platinum

www.wesizwe.co.za



FLAG



News is about to happen here

‘What is clear from the accounts is that Wesizwe survives courtesy of its controlling shareholder, China Africa Jinchuan’

IT'S been all change at the helm of Wesizwe, with the company now being run by its third CEO since the middle of 2022. One thing that has not altered is Wesizwe management's policy regarding shareholder communication. It is sticking rigidly to the 'mushroom approach' — a strategy first invented by the military — through which it keeps investors in the dark and feeds them on horse manure. So, in May, former CEO Zhimin Li quit abruptly because of "operational requirements" and was replaced by Honglie Wang — a mechanical engineer with 34 years' experience working for the Jinchuan Group. Li became deputy CEO. But Wang did not last that long: he resigned as CEO and board director on July 22, citing ill-health. He was replaced by Long Zou in both roles from August 2. This time around the board has not made any soothing comments about Zou's appointment, which by South African standards is an omission considering Wesizwe has an asset in its 420,000 ounce-a-year Bakubung project near Rustenburg that makes it an important player in the country's platinum group metal (PGM) scene. According to its chair, Dawn Mokhobo, in her review for the year to December 2021, published in the first quarter of 2022, the mine "remains on track to launch into production this year". However, there was no announcement last year that this happened. What is clear from the accounts is that Wesizwe survives courtesy of its controlling shareholder, China Africa Jinchuan. As of June 30, Wesizwe's current liabilities, including shareholders' loans of R4.6bn, exceeded the company's current assets by R4.2bn. The directors continue to prepare the accounts on a going-concern basis because they are confident Jinchuan will not pull the plug and will also arrange further loans if necessary.

LIFE OF DAWN

In addition to holding the chair at Wesizwe Platinum, Mokhobo sits on the boards of Engen and the JSE-listed Altron and Sabvest. She also holds a directorship in petrochemical giant Sasol's Inzalo empowerment scheme. She has worked with South Africa's Independent Electoral Commission as well as the UN Special Committee on Women and Economic Development. Mokhobo has a BA degree from the University of the North and completed the Strategic Transformation Programme at Stellenbosch University's Business School.

PATRICE MOTSEPE

EXECUTIVE CHAIR

African Rainbow Minerals

www.arm.co.za



FLAG



News is about to happen here

'If you participate in politics you lose the focus, you lose the broader obligation'

PATRICE Motsepe has a major decision to make that will be crucial not only for the overall future of the group but in particular for African Rainbow Minerals' (ARM's) ambitious plans to become a real player in the platinum group metal (PGM) space. That concerns who he is going to appoint to be ARM's next CEO given that the current incumbent – Mike Schmidt (64) – is due to retire. Motsepe is arguably the most successful of South Africa's black mining entrepreneurs. One reason for that is his considerable skill and insight in choosing an executive team. Schmidt has been running the show since he took over from the previous incumbent, André Wilkens, back in 2012 and he has done as good a job as had Wilkens previously. But what makes the choice of successor particularly important this time round is that Schmidt is 'Mr Platinum' at ARM. His experience could prove crucial in ARM's highly ambitious plans to develop the Bokoni mine it bought from Anglo American Platinum. Added up, the purchase price for Bokoni plus the planned capital expenditure to transform the mine as well as plans to boost output at the group's Two Rivers mine, ARM will be investing a total of R14.5bn in PGMs over the next three years. But Bokoni is a tough customer – both Anglo American Platinum and Atlatsa failed to make a go of it – so there is some scepticism over ARM's proposed new approach to mine the UG2 reef using mechanised operations. This is where Schmidt comes in. He joined ARM in 2007 from Lonmin, which was then under the leadership of Brad Mills, who failed dismally to mechanise the group's mines. So Schmidt knows what can go wrong with taking this operational approach to certain assets.

LIFE OF PATRICE

Motsepe is a lawyer by training with a BA from the University of Swaziland. He got into mining by founding mining contracting firm Future Mining in 1994 to work on various gold mines then owned by AngloGold Ashanti. That's where he met Wilkens. His rise from there was meteoric, with Future Mining becoming ARMGold, which listed in 2002 and then merged with Harmony and Avmin to create ARM in 2003. Motsepe holds honorary doctorates from four universities, but is best known to South Africans as the president of Mamelodi Sundowns Football Club. He was nominated to stand for the presidency of the ANC but swiftly turned it down.

NICO MULLER

CEO

Impala Platinum
www.implats.co.za



RAINMAKER



Making, not stirring pots

‘Implats continues to navigate a complex operating environment. We expect revenue to remain robust’

A YEAR ago, Nico Muller was fighting Northam Platinum for control of Royal Bafokeng Platinum (RBPlat), for which Implats made a takeover bid at the end of 2021, and he’s still embroiled in that struggle. The bid was initially stymied when Northam CEO Paul Dunne gatecrashed the party by buying the strategic stake held in RBPlat by its holding company – Royal Bafokeng Holdings. During calendar 2022 Northam and Implats slugged it out as each built up their stakes. Then in November, Dunne launched Northam’s own bid for control. The future of RBPlat could be decided by what the Public Investment Corporation decides to do with its 9% stake in the company. For now, it’s not selling. The merger seemingly makes far more sense for Implats than it does for Northam because of the synergies inherent for Implats, whose operations sit adjacent to those of RBPlat. Dunne maintains the deal presents a unique opportunity for Northam to benefit from RBPlat’s “inherent value and growth opportunities”. So this contest could well drag on into the first half of 2023. All this aside, Implats is heading into what Muller has described as challenging conditions in 2023. The platinum price has flatlined at or just below \$1,000/oz for the past year. Demand could rise this year, pushing prices up, but the mines are increasingly being hit by Eskom load-shedding and cost inflation, and then there’s the ongoing difficult socio-economic situation around Rustenburg, where the bulk of Implats and Anglo American Platinum’s mines are located. Muller indicated in October that he was sticking to the forecast that Implats would hold refined platinum group metal (PGM) steady during 2023 at between three million and 3.15 million ounces, but costs are forecast to increase by 10.6% to as high as R19,200/oz of PGM produced.

LIFE OF NICO

Muller holds an engineering degree from the University of Pretoria. He made his name so to speak during the three years when he ran Gold Fields’ then highly dysfunctional South Deep mine, which he managed to restore to profitability. But the operation promptly headed back into the red when he left to take the top job at Implats. There were plenty of doubters that he had the experience and skills to run Implats but Muller has proved them all wrong and cracked it on all fronts, so the eventual outcome of the struggle with Northam is going to be really interesting.

ELON MUSK

CEO

Tesla

www.tesla.com



POTSTIRRER



Maverick, opinion-forming thinker

'I'd like to once again urge entrepreneurs to enter the lithium-refining business. You can't lose, it's a licence to print money'

ELON Musk's profile in the mining sector is driven by electric vehicle (EV) maker Tesla. Future demand for green metals, such as lithium and cobalt, will stem from the global energy transition from fossil fuels, and EVs will play a big role even if some of the obituaries of the internal combustion engine seem premature. What puts Musk in this year's Rainmakers & Potstirrers, however, is the 'friend-shoring' he has come to represent between miners and original equipment manufacturers as they begin to cooperate in an effort to improve the efficiency of the supply chain, sometimes by regionalising. Musk being Musk, he looked to take this harmonisation of interests a step further by exploring an investment in Glencore, allegedly. Glencore has declined to comment, but it's interesting that Tesla secured a large cobalt supply contract from the miner's Democratic Republic of Congo operations last year. Securing lithium supply with good provenance is clearly a concern for Tesla, as it is for other OEMs. That's part of the reason why Musk urged entrepreneurs to move into lithium refining. He followed this up by offering "a giant contract" to any supplier that could mine the mineral in an environmentally sustainable way. He has even floated the notion of Tesla "getting into mining" directly, although details of how this might be done are sketchy. "We might get into the mining business, I don't know," he said at Tesla's annual general meeting last year. It has not all been smooth sailing for Tesla: the firm's share price took a big knock in 2022 as competition revved up and Musk's acquisition of Twitter proved a distraction. Musk also lost his 'World's Richest Man' title in 2022 to Louis Vuitton and Dom Perignon magnate Bernard Arnault of France.

LIFE OF ELON

Musk hails from Pretoria, South Africa, but makes little mention of his roots, which include Canadian ancestry via his mother. Until recently the world's richest man, he cofounded PayPal, formed SpaceX, and was an early investor of electric car maker Tesla, which he went on to run. And of course he acquired Twitter in 2022. Musk's interests in space derive from his view that humanity must inhabit more than one planet to survive. A father of 10, he is doing his bit for the perpetuation of Homo sapiens.

GARY NAGLE

CEO

Glencore

www.glencore.com



RAINMAKER



Making, not stirring pots

'The world just doesn't get it. It doesn't understand that there's a massive copper deficit coming'

IN Gary Nagle's first full year at the helm of mining and trading colossus Glencore, he has overseen the airing of the company's dirty laundry, notably large sums of cash that were no doubt laundered. In the end the group pleaded guilty to violations resulting in a \$1.1bn fine. Another fine — a record £281m — was later imposed by a London court for "endemic" corruption fuelled by its African oil-trading desk. Luckily for Nagle, Glencore happens to be in the midst of a strong commodity market and this has helped direct attention to the group's future, which is rosy. Nagle capitalised on this in December when he told investors the company could spend billions of dollars on growth. It might also, for the first time in a long time, embark on a greenfields project in El Pachón, a \$5.6bn copper prospect in Argentina, provided the market was "screaming for the metal". According to Nagle, that's only a matter of time as an estimated 50 million-tons-a-year copper deficit will open up over the next eight years. Other projects in Glencore's pipeline include a new bauxite mine in Australia as well as possible commercial-scale hydrogen and ammonia ventures in Queensland. Globally, the company is on the cutting edge of R&D to unlock the potential of recycling of green commodities such as copper, nickel, cobalt, and precious metals from end-of-life electronics. Nagle will also oversee the company's initial measures to reach its current goal of net zero emissions by 2050. Capital allocation will prioritise green metals while it runs down its coal production. Coal makes Glencore a target for activist investors with the next acid test of its green credentials due in May at its annual general meeting. How will shareholders vote on the group's climate resolutions bearing in mind revenue from coal is making them a mint?

LIFE OF GARY

Nagle is a number cruncher, a chartered accountant with degrees from the University of the Witwatersrand, which has produced many top mining executives. He joined Glencore in Switzerland in 2000 as part of the company's coal business development team. Nagle would subsequently be involved with Xstrata's London listing and worked in Colombia and South Africa, where he ran Glencore's Ferroalloys assets from 2013 to 2018. He has shown an openness to engage with the company's critics - of which there are many - with a manner that is both easy-going and direct. He assumed the helm at Glencore in July 2021, taking over from fellow South African Ivan Glasenberg.

TSHOKOLO NCHOCHO

CEO

Industrial Development Corporation

www.idc.co.za



RAINMAKER



Making, not stirring pots

'We have embraced a cooperative, work-it-out approach with Kalagadi Manganese. I'm much more optimistic about the investment'

THERE was no time for Tshokolo 'TP' Nchocho to enjoy the turnaround in the Industrial Development Corporation's (IDC's) 2022 financial performance. Under his leadership, the IDC has gone from a loss-making entity to a R6.3bn taxed profit. But this performance, an increase in new investments, and the creation of some 20,000 new jobs, didn't quite satisfy its political master, Ebrahim Patel. The Minister of Trade, Industry and Competition publicly criticised the IDC in its 2022 annual report for not doing more to fund government's Black Industrialist Programme or to help solve the country's energy shortages. The IDC wants to play in the green energy field through investing in exploration of battery minerals and funding manufacturing operations. To this end, two memoranda of understanding have been signed with companies in Saudi Arabia and Germany for green hydrogen projects. In the mining sector, the IDC confirmed its anchor investor status with Orion Minerals' strategically important copper projects. It provided a R250m loan to Orion's Prieska Copper Zinc Mine and took a 43.75% stake in Orion's second venture Okiep Copper Project. As yet undetermined is how Nchocho intends to bring the curtain down — if at all — on its Kalagadi Manganese investment. The company has failed to achieve nameplate capacity and is unable to repay R3bn to the IDC, which sought to put Kalagadi in business rescue. One protracted court dispute later and there's still no clarity. But full marks for perseverance: the IDC stuck by MC Mining, the JSE-listed coal miner and development firm which teetered on bankruptcy. The world's energy crisis is the momentum MC Mining needs to raise money for its 1.1 million-ton-a-year Makhado project in Limpopo province.

LIFE OF TSHOKOLO

Nchocho's experience in development finance and banking spans a period of more than three decades. He spent 13 years at the Development Bank of Southern Africa and close to four years at the Land and Agricultural Development Bank of South Africa in senior leadership positions. Nchocho has a BCom from the University of the North, an MBA from Unisa, an MSc in Finance and Economics from the University of London, and an Advanced Management Programme executive qualification from Harvard University. He was appointed CEO of the IDC in December 2018 on a five-year contract, which will end in 2023.

JULY NDLOVU

CEO

Thungela Resources

www.thungela.co.za



RAINMAKER



Making, not stirring pots

'I believe in the fundamentals of coal and Thungela is a true coal company. This surprises a lot of people'

MANY hard-working CEOs of solid, profitable companies can only dream of seeing their share prices soar tenfold in the space of 18 months. Thungela's listing on the JSE at R29 — as Anglo American spun off its unloved South African energy coal assets — in mid-2021 coincided with the beginning of a steep climb in seaborne thermal coal prices after Russia's invasion of Ukraine. Who could have forecast it? After touching a peak of R370, Thungela's shares had retreated to just above R289 by the end of 2022. The revival in the coal price has overwhelmed all the other considerations that should, frankly, make Thungela a share from which to run screaming. Its focus on thermal coal makes it uninvestable for institutions that have pledged to avoid fossil fuels. It operates in South Africa, where inconsistent government policy, angry communities, illegal mining and badly managed infrastructure make it hard to operate. For example, Thungela could have exported 600 000 tons more coal in its 2022 financial year than it actually did, because of Transnet's fumbling. Despite that, the group still expects to report a near-doubling of headline earnings. July Ndlovu expects demand for thermal coal will persist until 2050. Thungela was last year linked with a bid for BTE Renewables, a company owned by Actis LLP, which wants \$800m for the business. Ndlovu hasn't commented on the speculation but he proudly stood behind a deal in November to exchange R1.1bn in Thungela shares for the balance of its Zibulo North and Elders projects ahead of a multibillion-rand expansion. The deal was with Thungela's empowerment partner, Inyosi Coal, which now holds a stake in the parent company.

LIFE OF JULY

Ndlovu, who is 58, was born in a rural village in Zimbabwe, and completed a BSc Honours in Engineering at the University of Zimbabwe. He joined Anglo American Platinum in 2001 as business manager of the Polokwane smelter, and over the next 15 years climbed rapidly through the Anglo American ranks to become the CEO of Anglo American Coal in 2016. He is chair of the World Coal Association. Ndlovu has also studied an MBL through Unisa and completed the Senior Executive Programme at Columbia Business School. In his leisure time, he enjoys photography, gardening and golf.

JAN NELSON

EXECUTIVE CHAIR AND CEO

Handa Mining

www.handamining.com



FLAG



News is about to happen here

'We are busy raising R250m in loans and equity to fund the rapid expansion of Copper 360'

AFTER two name changes and a reverse takeover, Jan Nelson's copper company will list on the JSE Alt-X board in February during the Mining Indaba, about a year after it was supposed to list. But better late than never. Nelson says the listing will take place as a JSE official event at the Indaba because the listing of a South African junior mining company is such a rare event for the bourse. The paucity of junior miners operating in South Africa is the result of the well-publicised regulatory and other problems that have hobbled its junior mining sector despite good geology and infrastructure. The influential Fraser Institute last year placed South Africa in the bottom 10 of the world's mining destinations. Nelson — the charismatic former CEO of gold-miner Pan African Resources — has always stressed the positives of South Africa for a junior miner and in particular the established infrastructure and available skilled manpower and back-up services. He reckoned that a copper deposit grading 2.5% in the Northern Cape was the equivalent of one grading 4% in the Democratic Republic of Congo because of this. The project started when Nelson — working for TSX-listed explorer Handa Mining — got hold of copper tailings dumps created by the former Okiep Copper Company near Nababeep in the Northern Cape. He built an SX-EW treatment plant which came into operation in 2021, making Nelson the only producer of primary copper in South Africa with the company called Big Tree Copper. But the major development took place last year when Big Tree Copper was the subject of a reverse takeover by Shirley Hayes' SHiP Copper Company and renamed Copper 360. Nelson reckons that's just the start, with Copper360 looking to rapidly expand and increase its production into what is expected to be a booming copper market.

LIFE OF JAN

Nelson is one of the more colourful characters on the South African mining scene, having started his career as a geologist at Harmony Gold before shifting to join mining entrepreneur Rob Still's Pangea. He became better known to investors when he was appointed CEO of Pan African Resources, which he transformed. He left Pan African and promptly took a year's sabbatical to go surfing. He got back into junior mining via Colin Bird's Xtract Resources before parting company with Bird and finding his future in the Northern Cape.

SIPHO NKOSI

CHAIR

Sasol

www.sasol.com



HOT SEAT



Bottom-singeing pressure

The big question remains: Is Nkosi willing to soil his impeccable reputation by serving in a task team that moves at a snail's pace, or will he crack the whip to get the wheels moving faster?

CORPORATE South Africa rejoiced when President Cyril Ramaphosa announced, in his 2022 State of the Nation address, the appointment of business leader Siphon Nkosi to the presidency. Nkosi is chair of petrochemical giant Sasol. His brief was to set up a team in Ramaphosa's office to cut red tape across government, identify reforms and establish processes to ensure government departments pay suppliers within the required 30 days. Ramaphosa chose Nkosi because of his proven track record in business management. He comes with a wealth of experience: he was formerly president of the Minerals Council, CEO of coal giant Exxaro Resources, and is currently a board member of Sanlam. There have been high hopes that Nkosi's prowess in the business world will steer much-needed change to unlock billions in potential investment and remove the stumbling blocks to economic growth and job creation. However, it has been a year into Nkosi's appointment and details on the red tape task team's progress have been scant. The president has also not yet publicly announced its terms of reference, scope or authority. At a parliamentary briefing in November this year – the first feedback since the red-tape team's establishment – Nkosi said it would focus on three priority areas in the coming months, including the mining and prospecting rights licensing system. But by his own admission, his team is under-resourced and has limited powers. It has neither the capacity nor the mandate to engage directly with the public and small business. Interestingly, the Department of Mineral Resources and Energy recently said its mining permit backlog had been reduced 43% to 2,625 applications.

LIFE OF SIPHO

Nkosi holds an honours degree in economics from Unisa and an MBA from the University of Massachusetts. He has close to four decades' experience on the operational, financial, logistics and marketing side of the extraction and energy sectors in both South Africa and abroad. Prior to serving as chair at Sasol – a position he has occupied since 2019 – Nkosi was CEO of Exxaro Resources for 10 years. In addition to his business interests, he serves on the board of the KwaZulu-Natal Philharmonic Orchestra.

JOHAN ODENDAAL

MD

Southern Palladium

www.southernpalladium.com



FLAG



News is about to happen here

Longer term, the near-surface geology of the site combined with surrounding infrastructure support our view that Bengwenyama has the potential to develop into a world-class asset

SOUTHERN Palladium is one of a rare breed in South Africa: a fully funded exploration company. Truth is, the country hasn't put its best foot forward attracting venture capital. Despite this, Odendaal raised A\$19m in a simultaneous listing on the ASX and JSE in June on the back of strong price gains for palladium. The metal traded from \$1,250/oz in 2019 to \$1,800/oz, reaching a high of \$3,000/oz in mid-2021. So, brass in pocket, Southern Palladium's plan is to drill 38,000m of the Bengwenyama deposit for two years, yielding, it hopes, a prefeasibility study. The Bengwenyama property is situated on the eastern limb of the Bushveld Complex — an industrialised area with ample water, paved roads and, theoretically at least, access to power. There's big history with this land: a dispute between Genorah Resources and the Bengwenyama community was dragged through the courts until it eventually ended up in the Constitutional Court. It found the Bengwenyama community had not been properly consulted in terms of the country's centrepiece minerals law, the MPRDA. It was during this court confrontation, from 2006 to 2014 all told, that Odendaal's former company, Minxcon, established a client relationship with the Bengwenyama, and the latter are now well represented in this latest economic endeavour. They have a 30% stake in the project as well as a 9.7% direct stake in Southern Palladium. Drilling started last August. If all goes to plan, between 15 million and 34 million in platinum group metal (PGM) ounces will be converted from the iffy 'inferred resource' nomenclature to the less-iffy 'indicated resource'. Then it gets really serious. Until then, Odendaal will be hoping nearly everyone is right about PGM prices, including platinum.

LIFE OF JOHAN

Johan Odendaal was appointed MD of Southern Palladium in May 2022 following a 17-year stint as a director of Minxcon, a mining and minerals consultancy he cofounded, having already worked at Venmyn Rand. Prior to that, he was a rated analyst at Merrill Lynch for six years. Away from mining, Odendaal is happiest in the bush. "I enjoy the road less travelled," he told Miningmx.

TOM PALMER

CEO

Newmont Mining

www.newmont.com



HOT SEAT



Bottom-singeing pressure

*'The gold [at Ahafo North] is not going anywhere.
What we need is patience'*

A CCESS to land has been identified as one of the key factors holding back the battery vehicle minerals and metals production required to contain global warming to 1.5oC as per the 2015 Paris Agreement. And it's a pressure from which no miner is exempt, not even the world's largest gold miner. Tom Palmer's Newmont Mining warned investors in its third-quarter conference that discussions over accessing land could result in a 15% capital cost increase to the group's proposed \$750m — \$850m Ahafo North expansion in Ghana. Aimed at adding between 275,000 to 325,000 ounces a year to the group's six million oz annual production, the project is also still negotiating payments to landowners and farmers. Palmer said demolition work and other items such as fishing pond removals were 75% complete, but first production is now expected from mid-2025. "If you want to go fast, go alone; if you want to go far, go together," said Palmer, citing an well-used pearl of African wisdom. "We intend to go far," he said, adding that completion of land clearance was expected by the first quarter. Less clear at the time of writing is what Ghana's vice president intended by reportedly issuing a demand that gold producers within the country's borders pay 20% of gold production to its central bank to fund oil purchases. The government may be concerned about its shrinking gold output, which slid 30% in 2021. Gold producers in Ghana are yet to receive formal notification, but central bank sales do occur under the current domestic gold-purchasing programme, to which Newmont sold 3,500oz in June last year. An expansion of this agreement could cause major friction. Newmont also operates Ghana's Akyem mine, which produces about 400,000oz/year.

LIFE OF TOM

Palmer is 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 at Palabora Copper in South Africa. He served in various senior vice-president positions after joining Newmont and before being appointed COO in May 2016.

TRISTAN PASCALL

CEO

First Quantum Minerals

www.first-quantum.com



FLAG



News is about to happen here

'I don't think we're very far away [on the Panama dispute]. There has been progress ... but they do need to be resolved fairly for us to close this out'

TRISTAN Pascall takes his place in Rainmakers & Potstirrers for the heft of the copper operations in Zambia, which comprise 51% of the Canadian firm's 785,000 tons in total production. First Quantum also mines in West Africa's Mauritania. Those jurisdictions may become more critical to First Quantum Minerals if the game of chicken currently underway with the Panamanian government continues. The two are involved in a fiscal dispute over the 350,000 tons-a-year Cobre Panamá mine. Panama says First Quantum is operating without a contract. Pascall claims government consented to it operating without one. As matters stand, in a quick-moving situation, First Quantum is preparing to close Cobre Panamá, leaving it reliant on Sentinel and Kansanshi, its Zambia mines. Even if the situation is resolved, one has to conclude that the dispute serves as a reminder that host governments want a larger slice of the metals price run. This is not the first time First Quantum has run into fiscal fights: it threatened Zambia with the closure of operations after former president Edgar Lungu made certain tax changes. That's all a distant memory now following the election of the more business-friendly President Hakainde Hichilema in 2021. In December, First Quantum agreed to pay Zambia's government-owned ZCCM-IH a revenue-based royalty instead of conventional dividends. It's a win-win as one early Hichilema decision was to reinstate royalties as tax-deductible expenses. First Quantum is pressing on with the \$1.25bn Kansanshi expansion known as S3 (Solwezi section) and has pencilled in the first quarter of this year for some production diversification in the form of the Kalumbila nickel project. The happiness in Zambia is a complete 180° turn for First Quantum. It hopes a similarly happy outcome can be achieved in Panama.

LIFE OF TRISTAN

Pascall joined First Quantum in 2007 and held progressively senior roles in Africa and Latin America until he was appointed director of strategy in 2020. He became COO in 2021, and his appointment to the CEO role was announced in November, following what the company termed a "thorough evaluation", which included a "world-wide external search".

STEVE PHIRI

CEO

Royal Bafokeng Platinum

www.bakofengplatinum.co.za



POTSTIRRER



Maverick, opinion-forming thinker

'In our view, a strong financial return should be fairly balanced with a concrete social return'

RIVAL bids for Royal Bafokeng Platinum (RBPlat) from Northam Platinum and Impala Platinum (Implats) forced Steve Phiri to defer his planned retirement last year in order to see his beloved RBPlat through the ensuing uncertainty. Unfortunately that uncertainty could yet drag on as the long-stop date on Northam's bid is June 30. Phiri is more indignant than flattered by interloper Northam. That's because his preference was for the 100% takeover of his company by Implats, which runs adjacent operations. Instead, Northam pulled the rug out from under his feet by acquiring the 34.5% stake in RBPlat held by its largest shareholder, Royal Bafokeng Holdings. It was a coup Phiri decried; he described it as the abandonment of minority shareholders "at harvest time". In 2022, RBPlat was riding the crest of a wave: RBPlat had delivered record earnings, which enabled it to double the dividend. Now, however, company employees are feeling the effects of the corporate distraction. Production rates have fallen at a time of unit cost inflation. Exogenous factors have also weighed heavily, including a cooling (but not a collapse) in platinum group metal prices. Eskom power curtailments have also exerted pressure on the business. In this context, it would be better for RBPlat to have one owner, rather than a joint venture, as "decisions are taken quickly and efficiently", says Phiri. He should know: for six years he led Johannesburg-listed Merafe Resources, a joint venture that has mining giant Glencore as its partner.

LIFE OF STEVE

Phiri, who turns 67 this year, was born in Phokeng, Rustenburg, and holds a legal degree from the University of the North. He practised as an attorney before he became head of corporate and legal affairs for the Royal Bafokeng Nation. His first job as a CEO was at Merafe Resources, at the time that the Royal Bafokeng held a stake of 29%. After six years at Merafe, Phiri moved to RBPlat. He is a progressive leader, who has introduced green energy generation at RBPlat and has proudly announced the company's appointment of its first-ever female CFO, Rotshidzwa Manenzhe.

PHOEVS POUROULIS

CEO

Tharisa Minerals

www.tharisa.com



RAINMAKER



Making, not stirring pots

'We have a tier-one project that is robust, with world-class economics'

AFTER years of talking and – dare one say – stalling, Phoevos Pouroulis last year finally pushed the button on the Karo Platinum Project in Zimbabwe. Tharisa first bought a controlling interest in Karo Mining Holdings, which controls Karo, by exercising a farm-in option for \$27m in Tharisa shares. Tharisa now owns 70% of Karo Mining Holdings, which, in turn, owns 85% of the Karo mine. The other 15% stake in the mine is owned by the Zimbabwe government on a free-funded carry basis. Construction started on July 1 last year and the design and construction schedule is forecast at 24 months, with the first ore in the mill (FOIM) planned for July 2024. The cost of the project has been increased to \$391m FOIM from \$250m previously. In December Tharisa raised \$31.8m (the stretch target was to raise \$50m) through a private bond issue for Karo, with the bonds to be listed on the Victoria Falls Stock Exchange. The mine specifications have also been changed, with production now targeting 194,000 ounces of platinum group metals (PGMs) annually instead of 150,000oz/year previously, while the life of mine (LOM) of the open-pit operation was reduced by three years to 17 years. Pouroulis is gung ho over the project, declaring that Karo will “consolidate Tharisa as one of the world’s most forward-thinking and low-cost producers of PGMs in Africa”. Let’s hope he’s right because the major beneficiary of this project after the Tharisa shareholders would be Zimbabwe, where the government has been looking for a further economic boost from PGMs for more than a decade. The project also takes Tharisa’s total PGM output to a little short of 400,000oz/year, which gives it a meaningful presence in the industry. Elsewhere in the business, Pouroulis is hoping the Vulcan concentrator can bring about a much-needed rand cost reduction for its chrome output.

LIFE OF PHOEVS

He’s the youngest son of Loucas Pouroulis – one of South Africa’s best known mining entrepreneurs – who had tried his own hand at the platinum game back in the late 1980s, developing the ill-fated Lefkochrysos Platinum mine near Brits. Phoevos Pouroulis holds a bachelor’s degree in science and business administration from Boston University and has been involved in the South African mining sector since 2003. He served as commercial director for Chromex Mining and was a founding member of coal producer Keaton Energy. He sits on the council of the International Chrome Development Association. Tharisa is headquartered in Cyprus, which is where the Pouroulis family originally came from.

MARTIN PREECE

INTERIM CEO

Gold Fields

www.goldfields.com



HOT SEAT



Bottom-singeing pressure

‘I’ve yet to decide whether I want to run Gold Fields full time. I’ll tell you after the weekend’

SOME are born great, some achieve greatness and some have greatness thrust upon them — so the saying goes. Executive vice-president (EVP) for Gold Fields South African operations Martin Preece has just had greatness thrust upon him with his appointment to the top slot as interim CEO from January 1. This followed the unexpected decision, announced in December by then Gold Fields CEO Chris Griffith, that he was stepping down. His stated reason was that he was taking responsibility for the failure of the bid to take over Yamana Gold and wanted Gold Fields to “move forward under new leadership unencumbered by the Yamana transaction”. Anyone who believes that dollop of corporate public relations garbage probably also still believes in the tooth fairy. Frankly, it makes no sense. Failed bids happen all the time and a competent CEO — which Griffith certainly is — would implement another strategy while looking for the next takeover candidate. Gold Fields chairperson Yunus Suleman denies point blank that a bust-up between Griffith and the board caused his departure. The reason that we’re harping on this is because whatever the real reason for his departure, it could have a bearing on how long Preece will last in his new role — assuming he wants it in the first place. Suleman says a search is now underway to find a replacement for Griffith. The suggestion is being made that Gold Fields itself may be up for grabs — a suggestion denied by Suleman, who says Gold Fields is performing well and intends to follow through on its growth strategy as identified by Griffith. Meantime, some short-term issues approach: one is commissioning the \$920m Salares Norte project in Chile and keeping the improvement at South Deep on track — an asset Preece ran successfully until his surprise promotion.

LIFE OF MARTIN

Preece is vastly experienced, with 30 years in the mining business, starting as a learner miner and working his way up through the operational ranks to become mine manager on various mines. He holds a BTech in mining from the Witwatersrand Technicon and has completed the executive development programme at the Gordon Institute of Business Science in South Africa, as well as the Accelerated Development Programme at the London Business School. He joined Gold Fields in 2017 from De Beers, where he was COO for South Africa. In his position as EVP at Gold Fields he has overseen the recent dramatic recovery back to profitability at the much-troubled South Deep mine.

DANIE PRETORIUS

CEO

Master Drilling

www.masterdrilling.com



RAINMAKER



Making, not stirring pots

'I may be over-conservative but the only certainty we know is the uncertainty'

MASTER Drilling's survival through the ups and downs of the mining services industry over the past 33 years is largely due to founder Danie Pretorius's financial caution and technical acumen. He held off declaring a dividend for the 2021 financial year (which ended in December) until mid-2022, when he had a better idea of the impact of the Russia-Ukraine war. (This despite Master Drilling reporting a 40% increase in dollar revenues and Pretorius voicing confidence that the mining sector would benefit from strong commodity prices in 2022). Master Drilling keeps its gearing ratio low and its several acquisitions over the past few years have been relatively modest in size. Pretorius said midyear that he would focus on clients that are low-cost operators as they are more likely to weather a pullback in commodities prices, with lower growth in China presenting a risk. Where Pretorius shows his bold side is in his commitment to investments in mining technology. The group currently has the largest rock-boring fleet in the world — 148 machines deployed in 20 countries, which can drill to depths of 1.5km — and it has designed and built some of the machines it uses. Pretorius has targeted innovation and this is borne out in the various records the group has set for drilling. In 2012, it drilled the most accurate pilot hole for raise-boring to a depth of 1.07km at a Lonmin mine. In 2020, it set a new record, with a 1.3km-deep pilot hole at a Northam mine. It uses new technologies like the mobile tunnel borer and blind shaft boring system. Recently it pioneered a remote drilling feature for its rigs at a deep-level South African gold mine.

LIFE OF DANIE

Pretorius acquired a Government Engineers Certificate of Competency in 1983. Before he started Master Drilling he worked as an engineer for Western Deep Levels Gold Mine and Murray & Roberts RUC. He founded Master Drilling in 1986 and it went international in the 1990s, first in Zimbabwe in 1992 and then in Chile in 1993. In 2000 the company launched the first raise-bore machine it had designed itself, and since 2006 it has made several acquisitions in South Africa, South America and Europe. It listed on the JSE in 2012.

NIËL PRETORIUS

CEO

DRDGold

www.drdgold.co.za



POTSTIRRER



Maverick, opinion-forming thinker

'A high gold price is meaningless if one does not have the infrastructure and capacity to produce it'

NIËL Pretorius has been outspoken in his criticisms of South Africa's shortcomings over the past few years. At the end of 2021, he sounded off about the growing levels of crime and increasing anarchy in the country, which he said was "a clear and emerging risk". Anyone following the events of the past year at Transnet and Eskom will recognise these risks. But Pretorius lately has also been emphasising the positives of operating in South Africa – apparently in response to last year's assessment by the Fraser Institute that the country ranked in the world's 10 least attractive mining investment destinations. Pretorius reckons that "South Africa remains too good a jurisdiction in terms of its mineral endowment to simply turn one's back on". He also laid out what companies like DRDGold have been doing to cope through "owning certain risks and becoming increasingly self-reliant". The most recent example of this is the surge in companies setting up their own alternative energy plants to cut reliance on Eskom. Pretorius also cited DRDGold's moves to provide the bulk of its water internally, and the use of the private sector for security on its plants. He summed it up as "a recurring theme in the private sector where the state falls short, private capital steps in and finds solutions for complex problems, in the process becoming increasingly resilient and independent of the state". Being resilient has long been a key strategy for Pretorius and it drove the merger with Sibanye-Stillwater to secure DRDGold's long-term operating future. That link could further help DRDGold through diversification into metals required in the renewable energy sector. That is a priority for Sibanye-Stillwater, which Pretorius says he fully supports because it "could potentially position our company very favourably for what could be an exceptionally long bull cycle in future metals".

LIFE OF NIËL

Pretorius is a lawyer by profession, with BProc LLB and LLM degrees from the Free State and Rand Afrikaans universities. He joined DRDGold in 2003, using his law background to become the company's legal adviser. From that start he worked his way up the management ranks, being appointed CEO in January 2009. He has kept DRDGold's complex technical operations running on track and coping with marginal profit margins, but has spotted deals to transform the company. The first major such deal was when he built up DRDGold's equity stake in the Ergo project as its major Australian partner, Mintails, got deeper and deeper into financial trouble.

JACO PRINSLOO

CEO

Sylvania Platinum

www.sylvaniaplatinum.com



FLAG



News is about to happen here

'The T-zone was indeed a very pleasant and significant discovery on our exploration area. It was quite a material find'

GOOD news may materialise in 2023 for Sylvania Platinum and its shareholders. This year, Prinsloo intends to pursue – in typically careful, measured fashion – the initial potential shown by the Volspruit and Northern Limb exploration areas. Sylvania, which owns cash-generating platinum group metal (PGM) tailings dumps, commissioned studies on these mining prospects two years ago. The latest drilling results contain two happy surprises. The first is that Volspruit could have rhodium mineralisation (a nice sweetener at a current rhodium price of about \$12 000/oz). But the 5%-6% rhodium is merely an estimate at present, and the study only covered the northern pit, which is about 58% of the project area. In the Northern Limb project, the pleasant surprise was the discovery of the T-zone, a very thick reef. Unlike the T-zone in neighbouring properties, it rises close to surface on the Sylvania property, which makes it mineable using open-cast. The Northern Limb area also contains the F-zone, which is deeper and would require underground mining. Next steps will be a feasibility study at Volspruit, hopefully to be completed by June/July 2023, including both the rhodium and the south pit. On the Northern Limb, Sylvania will extend the current study, which covered only 2km of the total 14km strike length, by another 2km. Prinsloo says Sylvania won't necessarily "jump into" these projects themselves but once it has these studies it will be able to decide whether to seek a strategic partner with mining skills to complement Sylvania's own processing expertise, or to dispose of the projects. Prinsloo is not likely to bet the farm on a multiyear mine development. Sylvania's appeal to investors is that it stays cash-rich and pays regular dividends, complemented by occasional windfall dividends when PGM prices surprise on the upside.

LIFE OF JACO

In his 24 years in the mining industry, Prinsloo has made a name for himself. A metallurgical engineer, he has experience in both base and precious metals and several years of experience in marketing to UK investors. He began his career at AngloGold in 1998, and subsequently spent eight years at Anglo American Platinum in various roles. He was principal metallurgist at Anglo American, based in Johannesburg, for another year, before joining Sylvania in 2012 as executive officer: Operations. From 2014 to 2020 he was Sylvania's MD, and took over as CEO when Terry McConachie retired. Apart from his degree in metallurgy, Prinsloo also holds an MBA from GIBS.

IAN PURDY

CEO

Paladin Energy

www.paladinenergy.com.au



FLAG



News is about to happen here

‘We’re walking away from a lot of conversations that aren’t price-right for us right now and we’ll continue to look for opportunities to build the book over the next 18 months’

AFTER several years of hemming and hawing, Paladin Energy finally announced the restart of its 75%-owned Langer Heinrich, the Namibian uranium mine that has been on Paladin’s books for decades. It was mothballed in 2018 amid a declining uranium oxide price but the commodity wheel has turned. According to analyst consensus, uranium oxide contract prices will be at \$60/lb by 2024, the year Langer Heinrich restarts with a nameplate capacity of six million pounds a year — equal to 4% of annual global uranium production. At \$118m, the restart will be a quarter more expensive than first forecast owing to inflation and a reschedule of work packages related to securing water and power to the site. Roughly 5% of production has been sold to “a leading Fortune 150 North American power utility” and a further 25% to China’s CNNC. Both deals are structured with price mechanisms. So far so good for Purdy’s Paladin, which must now box smart with the balance of supply. He told the Diggers & Dealers conference last year the company had walked away from less-than-appetising offtake offers. Meanwhile, the redevelopment of Langer Heinrich is bumper news for Namibia. Its finance minister, Ipumbu Shiimi, said more new sources of production were in the offing. There’s nothing like price optimism in a rising market; the question is, how high can uranium go? Energy security has been given new impetus by the fallout from Russia’s invasion of Ukraine. In this context, it’s important to call to mind nuclear’s efficiency: one fingertip-sized pellet, a mere grain, yields as much energy as a ton of coal. Other forecasts say uranium oxide prices might soar through \$60/lb in the next few years. Let’s see where the world takes us. It’s worth remembering the mineral’s price in 2017 of a mere \$30/lb.

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.

JEFF QUARTERMAINE

CEO AND MD

Perseus Mining

www.perseusmining.com



RAINMAKER



Making, not stirring pots

'We are working to maintain and exceed 500,000oz/year over the next decade and beyond'

JEFF Quartermaine has achieved remarkable things at Perseus Mining in the past five years. From a single asset, 40,000oz-a-year gold producer in 2017, the company now has 500,000oz/year in annual output to its name. All-in sustaining costs have fallen \$100/oz in that time to about \$1,000/oz currently. More gold at a higher margin equals cash flow, which is probably why Quartermaine is eyeing the quantum leap from mid-cap status to full-blown major. But buying in ounces of a scale that meaningfully changes Perseus's profile is now a tougher ask, which might explain Quartermaine's rueful attitude to M&A, saying last year it isn't getting any easier to do deals. This is partly why Perseus turned to greenfields development with last year's A\$230m purchase of Orca Gold, which owns the Block 14 gold prospect in Sudan. Quartermaine bristled recently when asked about Sudan's political risk. "I could genuinely say that we've received excellent support from the government," he told one analyst. Nonetheless, new mine development is a delicate business. Quartermaine said the firm would be cautious before making grassroots commitments in Sudan: "If I've learnt nothing else it is that once you make a commitment and start spending money, you certainly lose any leverage you might have in terms of negotiating with local communities and governments." Wise words. Back at the ranch, Perseus has set about extending the life of its newly developed Yaouré mine in Côte d'Ivoire by delineating 259,000oz of mineable ore underground the current open pit. It also swapped its 39% stake in its Napié prospect in Côte d'Ivoire for a 2.94% equity stake in project partner Mako Gold, which also owns the Koshogo Project, 30km from Barrick Gold's Tongon mine. The remainder of Perseus's production comes from Edikan in Ghana, and Sissingué, its other Côte d'Ivoire mine.

LIFE OF JEFF

One of the mining sector's more eloquent speakers, Quartermaine has an unusual mix of skills, possessing qualifications in both engineering and accounting. He has been using them for some 25 years at various Toronto- and Australian-listed resource companies. Prior to the Perseus merger with Amara, he was CFO of Perseus from 2010 to 2013, after which he was appointed MD.

ROBINSON RAMAITE

CEO

Salungano Group

www.salunganogroup.com



HOT SEAT



Bottom-singeing pressure

'Salungano will aim to be part of transforming the sector from one that has traditionally been an extractive one to one that places the ethos of just transition at the centre'

“A FEW challenging months of financial distress and boardroom deadlocks” is how Salungano summed up the unravelling in 2022 of its relationship with its co-shareholders in the Arnot OpCo (Arnot). In 2010, Salungano combined with former Arnot mine employees to reopen the operation, which had been suspended after its then owner, Exxaro Resources, failed to renew a long-term supply agreement with Eskom. Arnot resumed coal supplies to Eskom in 2022, but there were soon reports of questionable financial management. A few months later, Salungano applied successfully to put Arnot into business rescue. The business had been in financial distress for some time, according to Salungano's Robinson Ramaite. Arnot's other shareholders hit back by taking Salungano to arbitration, accusing it of failing to honour its funding obligations. The entire embroglio is a management-sapping distraction for Ramaite, especially as a previously announced strategy by Salungano to rebrand and reposition itself needs his full attention. Formerly known as Wescoal, a supplier of coal to Eskom, Salungano is now aiming to become a broader energy, minerals, agriculture and logistics investment company. The group's interim accounts demonstrate the urgent need for revenue diversification. Although global thermal coal prices have soared, Eskom pays considerably less. Salungano's Vanggatfontein mine was also compelled to suspend operations while it discussed a new contract with Eskom. It only came back on stream in September. Salungano is now exporting more coal, so profits should improve this year. The hope is that with improved top-line numbers and more management focus, Ramaite can bring about Salungano's repositioning.

LIFE OF ROBINSON

Ramaite, who was chairman of Wescoal, stepped in as interim CEO after Reginald Demana left in 2021. He will now stay on as CEO for two years to embed the new strategy. He is a former director-general of the Department of Public Service and Administration, and has advised various cabinet ministers. He holds a BJuris from the University of the North and a master's degree in management from Wits University. He is also deputy CEO of United Manganese of Kalahari and chairman of the Simeka Group, a private equity firm.

TREVOR RAYMOND

CEO

World Platinum Investment Council

www.platinuminvestment.com



FLAG



News is about to happen here

'As hydrogen availability rises and its production cost falls, fuel-cell vehicles are likely to require over a million more ounces of platinum a year in 10 years'

TREVOR Raymond replaced the World Platinum Investment Council's (WPIC's) founding CEO, Paul Wilson, in September last year after serving as its research boffin since inception. And there's little Raymond doesn't know about platinum, having dealt in the metal's fortunes for more than 20 years. The challenge, however, is convincing the market of platinum's investment case, including its producers, it would seem. Sibanye-Stillwater pulled out of the council in 2019, saying platinum's future lay in industry rather than investment. And, it argued, there's a basket of platinum group metals to consider, not just platinum. In truth, Raymond always speaks of platinum investment in its broadest terms. He sees in the adoption of hydrogen technology a potentially huge source of future demand. But he's also long supported the notion that autocatalyst demand will remain strong as the market continues to use internal combustion engines for longer than some have forecast. In addition, platinum usage in autocatalysis will increase given the growing cost of sister metal palladium. What's missed, however, is that platinum isn't recognised as a store of wealth in China as it is in South Africa. As a result, the WPIC sees enormous growth in the world's second-largest economy after the US. Tie-ups with refiners and marketers to produce bespoke platinum investment products in bar and coin form are part of this strategy. For 2023, the WPIC anticipates a 300,000-ounce supply deficit in platinum, representing a 1.1 million oz year-on-year turnaround in its fortunes. This is largely owing to supply constraints, especially in South Africa, where power cuts, staffing problems and maintenance programmes are forecast to weigh heavily.

LIFE OF TREVOR

Raymond has been at the WPIC since its launch in 2014, originally leading the organisation's global research and investor development team. Prior to that he led commodity research and market development at Anglo American Platinum in London, having run the company's investor relations brief in Johannesburg. He began his working life as a graduate engineer at Randfontein Estates, a gold miner, before moving to JCI, a diversified mining company controlled by Anglo American.

J PAUL ROLLINSON

CEO

Kinross Gold Corporation

www.kinross.com



HOT SEAT



Bottom-singeing pressure

About 30% of production is derived from West Africa's Mauritania in the form of the 600,000oz/year Tasiast mine, currently undergoing expansion

CANADIAN gold miner Kinross Gold Corporation went through some major portfolio surgery last year, and not all of it was part of a strategic blueprint. The \$340m sale of its Russian portfolio to Highland Gold came barely six months after the invasion of Ukraine and not — in the end — at the desired price. The Russian government demanded the sale consideration be reduced from the original \$680m agreement. Still, it was necessary for Kinross to have shot of the assets. Kinross's sale of Chirano was long in the company's plans, however. Emerging gold miner Asante Gold Corporation bought the mine for \$225m in cash and shares, giving Kinross a 9.9% stake in Asante on condition of a one-year lock-in. The deals left Kinross cash-flush, which it has largely distributed in dividends and a \$300m share buyback. It also leaves the company significantly reweighted to the Americas, from where it now derives about 70% of its total two million to 2.1 million ounces in annual gold production. The other 30%, however, is still derived from West Africa's Mauritania in the form of the 600,000oz/year Tasiast mine, currently undergoing expansion. Milling at the mine was increased to 21,000 tons daily (tpd) last year. A further expansion to 24,000 tpd is scheduled for mid-2023. In addition, a \$55m, 34MW solar expansion for Tasiast is expected to be completed midyear. At the time of writing, a new labour agreement with employees is being negotiated. Rollinson acknowledged in a third-quarter call with analysts that inflation was a factor everywhere, including Mauritania.

LIFE OF J PAUL

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

BRAD SAMPSON

CEO

Kore Potash

www.korepotash.com



HOT SEAT



Bottom-singeing pressure

'We can do much better as a global population. Decentralised production of potash closer to end-users has to be good in the long term'

MINING in Africa is a risky business: it has the dubious distinction of being the continent with the greatest political instability, and it requires nimble and strategic footwork to appease government leaders. Fancy footwork is exactly what Kore Potash pulled off in December 2022 when it managed to allay the concerns of the Republic of Congo's (RoC) mines ministry. In a letter issued in October, the ministry expressed dissatisfaction with the lack of progress in Kore's financing of the Kola project, which it is funding in collaboration with the Summit Consortium. Several urgent meetings later and the upset was smoothed over, with the RoC's government praising Kore's speedy response to its concerns, principally about the progress of Kola. Interestingly, Kore's COO of five years announced his resignation less than a week later. Once completed, Kola will produce a form of potash — a fertiliser called muriate of potash that is considered a crucial element in improving crop yields globally. But the mineral's relevance was given immediacy by Russia's invasion of Ukraine last year. Sanctions on aggressors — which comprise 40% of world potash stocks — sent fertiliser prices soaring. Kore has a 97% interest in Kola and in April 2021 signed a memorandum of understanding (MoU) with Summit, a consortium of partners. The MoU included plans to provide capital through project finance debt and royalties that would form the foundation of Kola's construction. Kola will, on completion, be one of the lowest global cost producers of potash, one of the most important ingredients in fertiliser. One senses, however, that the political temperature in the RoC is high. It needs Kola to succeed, so this could be a period of 'stand and deliver' for Sampson. Hence, we've plonked him in the hot seat.

LIFE OF BRAD

Sampson has spent more than 30 years in the mining industry in Southern Africa, Australia and Papua New Guinea. He held various senior leadership positions in the areas of exploration, mining development and closure of mines at Gold Fields, Kloof gold mine in South Africa and St Ives gold mine in Western Australia. Prior to his appointment as CEO at Kore Potash, he headed up ASX-listed Tiger Resources, a copper mining company in the Democratic Republic of Congo.

NAGUIB SAWIRIS

CHAIR

La Mancha Fund

www.lamancha.com



POTSTIRRER



Maverick, opinion-forming thinker

‘Contrary to what Mr Macron is saying, we shouldn’t care about his feelings [Putin’s]. We should be winning this war because it’s another Hitler in the making’

NAGUIB Sawiris, who built his wealth in Egypt’s telecoms sector, continues to defend gold’s place in the world’s financial system. Amid an across-the-board sell-off halfway through the year, he said the metal would preserve wealth. He was, of course, correct. Gold price weakness during the first half of last year was nothing compared to the asset and cryptocurrency liquidations underway at the time. His dealings were relatively muted, especially in Africa, however. After establishing a \$1.4bn mining fund in 2021, the only major investment to date has been a 19.9% stake in SRG Mining, a company developing the Lola Graphite Project in Guinea. SRG is also looking at a downstream processing facility in Europe in an effort to lessen the continent’s reliance on China for battery electric vehicle minerals. His La Mancha Capital Advisory invested \$69m in G Mining, a Brazilian gold firm, and put \$25m in an \$80m fundraiser arranged by another Brazilian firm, the nickel miner Horizonte Minerals. A merger between La Mancha’s investments in Elemental Royalties and Altus Strategies was also completed to form Elemental Altus Royalties. It will seek out industry consolidation in the royalties business through organic growth and merger and acquisition activity. Sawiris will no doubt be gratified to see the success of Endeavour Mining, a gold producer La Mancha was integral in supporting. The London-listed firm is following up its 2021 acquisition strategy by discovering potential new gold mines on its existing properties throughout West Africa. Ever controversial, Sawiris attracted headlines in June after DJ-ing at a Cairo nightclub founded by Goldman Sachs CEO David Solomon.

LIFE OF NAGUIB

Sawiris received a Master’s degree in Technical Administration from the École Polytechnique Fédérale de Lausanne and a Diploma in Mechanical Engineering from the German Evangelical School in Cairo. Never far from controversy, he warned France’s President Emmanuel Macron against indulging Russia’s Vladimir Putin as he was “another Hitler in the making”. Outright victory should be pursued in Ukraine rather than appeasement, he advised.

CHRIS SHOWALTER

CEO

Kabanga Nickel

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FLAG



News is about to happen here

‘We’re not waiting for the feasibility study to be completed before proceeding’

SO far so good for Kabanga Nickel, a privately-held development company operating in Tanzania. In 2021, it clinched a deal with BHP for \$50m in seed investment, with an option of a further \$50m, pending conditions precedent.

Those conditions appear to have been met as Kabanga Nickel announced in December that BHP had agreed to stump up the balance, taking its direct stake to 17%. Assuming further milestones are met, BHP will buy a total 60.7% share of Kabanga Nickel, which owns the Kabanga sulphide resource once picked over by Glencore and Barrick Gold. What’s perhaps different between past exploration and Kabanga’s today is the nickel market. So enthused is Chris Showalter about the metal’s prospects that he declared in an interview with S&P Global Commodity Insights that he wasn’t waiting for the results of a feasibility study before progressing the project. Showalter’s bullishness is typical of what people think about nickel, an important element in electric vehicle battery manufacture. First nickel production from the proposed mine will begin in late 2024 or early 2025 to coincide with an expected “inflection” in nickel demand, says Showalter. All in all, Kabanga mine will produce 65,000 tons of metal over 30 years, consisting of 40,000 tons of nickel and 25,000 tons in by-product metals. Also on trial in this phased investment by BHP is technology developed by Kabanga Nickel’s chair, Keith Liddell. His patented hydrometallurgical (hydromet) process is held in Lifezone, which absorbed \$10m of BHP’s initial \$50m investment. In December, Lifezone Metals announced its intention to list in New York after taking over GoGreen Investments Corporation, a blank cheque company, raising \$70m.

LIFE OF CHRIS

Showalter has a BA from Ivy League institution Dartmouth College in the US’s snowy New Hampshire. But it was to banking Showalter was called, specifically to Goldman Sachs, where he was introduced to Southern Africa. Showalter has worked at Hannam & Partners as well as Renaissance Capital, where he was co-CEO. It was while at these companies that he earned experience working in Zimbabwe, one of Liddell’s stomping grounds. Showalter became CEO of Liddell’s KellTech, a refining technology company, and it was this association that led to the involvement in Kabanga Nickel as its CEO.

ERROL SMART

CEO

Orion Minerals

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POTSTIRRER



Maverick, opinion-forming thinker

'Juniors are viewed as too risky for South African institutions so they get little support'

WHO would be a junior miner in South Africa given all the well-documented problems the country is facing? Errol Smart for one. Last year he managed to put two major financial building blocks in place to go ahead with his proposed Prieska Copper Zinc Mine (PCZM). Those were securing R250m in loans from the Industrial Development Corporation (IDC) and signing definitive agreements with Canadian streaming royalty company Triple Flag to secure \$80m in funding in return for metal supply. The IDC also took a 43.75% stake in Orion's second venture in the Northern Cape, which is the Okiep Copper Project. In October, Smart commented that the IDC funding for PCZM had "derisked the project materially" and "substantially unlocks the project finance, taking us to a definitive feasibility study next year ahead of project funding". He expected Orion shares to rerate but that did not happen. That has to be discouraging for Smart given that he is making real progress with his projects and also given the highly favourable fundamentals for copper. Forecasts are for a massive shortage of the metal, with S&P Global predicting that global copper demand will double from the current level of 25 million tons a year by 2035. The market's reaction to this situation has been underwhelming, although some shares – like Ivanhoe Mines and Freeport-McMoRan – have done well. Glencore CEO Gary Nagle summed up the situation thus: "The world just doesn't get it. It doesn't understand that there's a massive [copper] deficit coming." Presumably, Smart is going to have to get his projects a lot further down the track before the Orion share price starts to show significant benefits.

LIFE OF ERROL

Smart previously held positions at AngloGold Ashanti, Cluff Minerals, Metallon Corporation, Clarity Minerals, LionGold Corp and African Stellar Holdings. He's a geologist by training, with a BSc Hons in economic geology from the University of the Witwatersrand. In addition to his day job at Orion, Smart also sits on the board of the Minerals Council South Africa, where he represents the interests of junior miners. That's the result of a commitment to Orion's backers that he would get involved in making the fundamental regulatory changes required to turn South Africa's mining industry around.

MARITZ SMITH

CEO

Alphamin Resources

www.alphaminresources.com



RAINMAKER



Making, not stirring pots

'Volatility in the tin market, coupled with the recent price collapse, sets the scene for the next bull market'

AFTER deciding in July last year not to cash in on its 84% stake in Bisie tin mine in the Democratic of Congo, Alphamin ran into a major correction of the metal's price, which fell to around \$20,000 per ton from \$80,000/t only months earlier. Murphy's Law, you might conclude, but Maritz Smith chose in retaining the asset to play the long game. The tin market is a tiny 300,000t/year. According to Smith, tin supply from the important Indonesian market is growing increasingly uncertain while another large producer, Peru, is turning to tailings retreatment to sustain its volumes. Set against this, Alphamin is pressing ahead with the \$116m expansion of Bisie via the Mpama South deposit, which will take production to 20,000t/year — about 6% of world supply — from 12,000t/year. About 90% of long-lead items for the project have been ordered with prices locked in, and civils work has started on site. If all progresses smoothly, commissioning of Mpama South will be complete by January. Commenting on market prospects, Maritz said volatility in the tin market would negatively impact exploration and set the scene for "the next bull market". Tin has been described as "the glue of the internet of things" owing to its use as a solder in electronics and packaging. But tin has potentially massive demand in the form of lithium-ion battery manufacture and in solar panel manufacture. Currently, there's 200GW of installed solar capacity requiring 14,000t of tin. Miniaturisation of electronics, which has kept a cap on the supply deficit, is also fading while the reopening of China's market post the strict Covid-19 lockdowns is expected to add a bit of demand appetite. Alphamin meanwhile is padded against further market shocks. As of its half-year results, cash totalled \$111.3m, nearly three times the level of the previous year.

LIFE OF MARITZ

Smith is a chartered accountant holding a BCom Honours 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

DIRECTOR

Richard Spoor Inc Attorneys

www.rsinc.co.za



POTSTIRRER



Maverick, opinion-forming thinker

'I am ashamed that we have strayed so far from the ideals that informed the establishment of our democracy, ideals based on freedom, equality and justice'

RICHARD Spoor's current areas of focus include a looming legal battle for compensation for over 30 families affected by the 11 September 2022 tailings dam collapse at a Free State diamond mine operated by Jagersfontein Developments. The saga highlights the environmental and social hazards linked to mining, and Spoor has publicly estimated the damage to be at least hundreds of millions of rand. Spoor often targets the mining sector's "legacy issues" and in the process, is building a legacy of his own. The Tshiamiso Trust continues to manage the thousands of claims from former miners who contracted the incurable lung disease silicosis from inhaling silica dust from gold-bearing rocks. As of mid-December 2022, it had paid out over R900m to some 10,000 claimants in South Africa and neighbouring countries such as Lesotho. This is a direct consequence of the 2018 R5bn settlement that Spoor spearheaded against several gold mining companies in a class action suit — one that confirmed Spoor as a legal force to be reckoned with in mining boardrooms. His legal activism is not confined to the mining sector; he has assisted trout farmers in the province of Mpumalanga to negotiate cumbersome regulations that threaten the viability of their business and in October 2022, teamed up with RH Lawyers to initiate a class action suit against Johnson & Johnson, Ethicon, Coloplast and NuAngle over pelvic mesh devices that were allegedly defective, resulting in injuries. If there is a legal wrong that seems to need righting, Spoor can be expected to be on the frontlines, spoiling for a fight.

LIFE OF RICHARD

Spoor is one of South Africa's most prominent human rights lawyers, with a focus on righting the mining sector's legacy of wrongs. By turns witty and acerbic, he is a frequent critic of South Africa's ruling ANC on Twitter. A qualified pilot who resides in White River near the Kruger National Park, Spoor is also a keen cyclist.

JAKOB STAUSHOLM

CEO

Rio Tinto

www.riotinto.com



RAINMAKER



Making, not stirring pots

'The reform of empowerment trusts instituted by RBM in 2009 seems to be heading for the High Court'

JAKOB Stausholm has been described as a man for a crisis, which at Rio Tinto has not been in short supply. So far, he's fared well. Stausholm fronted up to Rio Tinto's negligent destruction of the Juukan Gorge caves, considered sacred to Aboriginal Australians, and has presided over publication of an unflinching report into corporate bullying, much of it gender-based, at Rio Tinto. In South Africa, however, there's still work to do. The ongoing fallout in community relations at the group's 84%-owned Richards Bay Minerals (RBM), a titanium slag producer, is unresolved. The mine was shut in 2021 amid violent community protests. Peace was restored after RBM agreed to reserve 40% of new jobs for local communities. However, a battle over the reform of empowerment trusts, which were first formed by RBM in 2009, seems to be heading for the High Court. RBM signed a deal with Voltaia to install 130MW worth of electricity supply in the black-controlled venture, Bolubedu Solar PV. The electricity will be wheeled from its Limpopo province premises and enable RBM to build production to nameplate capacity. Currently, RBM produces 600,000 tons of titanium a year, a little over half its capacity, because Eskom rations power to a 237MW cap. Stausholm's other strategic goal is to restore momentum to stalled projects. At the Simandou iron ore mine in Guinea, Rio Tinto signed a joint venture with other commercial partners that sets the course for \$15bn in infrastructural development that had been previously contested. But there's less certainty about RBM's \$463m Zulti South project. Zulti South, if approved, will add about 25 years to the mine's life. RBM says it's working on "suitable solutions".

LIFE OF JAKOB

Stausholm has a master's degree in economics from the University of Copenhagen. He 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 54-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

‘Four or five years from now we’ll have a totally different suite of assets’

AS we have noted several times previously, Peter Steenkamp has had a good run since he took over Harmony as CEO in 2016, thanks to good decisions and a favourable gold price. But some of the fundamental flaws inside the marginal gold group began to manifest themselves over the past year. Essentially, cost inflation is starting to bite into the group’s narrow profit margins given the already high-cost nature of many of its marginal mines and that’s despite the rand gold price staying at what must be viewed as healthy levels above R800,000/kg. The Bambanani mine was closed last year, with Masimong due to be shut this year, followed by Kusasalethu in 2024. Last year Harmony also announced the suspension of the life extension project at the Tshepong mine, cutting the operation’s life-of-mine back to seven years instead of the 19 years that the extension project would have provided. Yet, at the same time, Harmony announced the first of its diversification projects aimed at ensuring the company’s survival as its core South African gold operations inevitably wind down. That was the acquisition of the Eva Copper project in Australia for R4.1bn. According to Steenkamp, this “marks the beginning of our strategic diversification into copper”. The immediate reaction from analysts was to query whether Harmony could afford the total outlay, which will hit R17bn when project development costs are factored in. Similar comments were raised previously over Harmony’s intention to develop the Wafi-Golpu copper/gold project in Papua New Guinea, which is on hold because of issues with the PNG government. Officially, Harmony and partner Newcrest are progressing the special mining lease-permitting process.

LIFE OF PETER

Steenkamp is a hugely experienced mining engineer, with more than 39 years of experience in the industry on both coal and gold mines. He holds mine manager’s certificates for both metal and fiery mines in addition to his BEng degree. He worked at Harmony from 2003 to 2007 before moving to African Rainbow Minerals. In a move he no doubt would like to forget about, he was briefly CEO of failed junior miner Pamodzi Gold, which collapsed on his watch. After Pamodzi he joined Sasol as vice-president mining and returned to Harmony as CEO in 2016.

MARK SUMMERS

OUTGOING CEO

Kropz

www.kropz.com



HOT SEAT



Bottom-singeing pressure

'There's a global shortage of fertiliser at the moment, demand is increasing, prices are increasing. It's a good space to be in'

WHEN Mark Summers joined Kropz as CFO in 2015, the company's Elandsfontein phosphate project was reported to be fully funded and about to start production. Now the forecast is the project will only ship its first phosphate concentrate this year. This follows a series of hitches for the project — the brainchild of TanzaniteOne founder Mike Nunn — that stretch back to 2010. The latest problem was the discovery in 2022 of harder sections in the orebody that require different mining methods, new equipment, more drilling and more funding from long-suffering shareholder African Rainbow Capital. In the mine's early years, it struggled to get a water-use licence because of opposition from local environmentalists, who raised red flags about its proximity to the sensitive Langebaan lagoon. After that hurdle was cleared, the next serious obstacle was Transnet's refusal to give Kropz export facilities at the nearby port of Saldanha. The alternative was costly trucking of concentrate to the port of Cape Town. Fortunately, Transnet changed its mind and Kropz will be able to use Saldanha. It may be a pity, given the lessons that Summers and COO Michelle Lawrence have learnt, that they will both be leaving Kropz in 2023, just as sales are about to begin. Their problem-solving skills would help in developing Kropz's second project, Hinda in the Republic of Congo, a country with high levels of crime and rebel militia activity. Hinda will cost \$355m in the first phase and probably \$301m in the second, and it is investigating funding options. One crumb of comfort is that even as Kropz addresses its projects' teething problems, there is support from the market. The global price of phosphate rock has soared to a 12-year high of \$300/ton on the back of supply shortages from China and Russia.

LIFE OF MARK

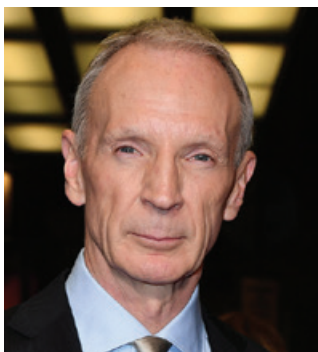
Summers intends to pursue new opportunities this year but he will at least stay on at Kropz to ensure an orderly handover. Previously the CFO of Gemfields, he has also held financial positions at other mining companies, including Anglo American, Amari Resources, MDM Engineering and TanzaniteOne. He holds an honours degree in accounting from the University of Johannesburg.

DAVID TAIT

CEO

World Gold Council

www.gold.org



POTSTIRRER



Maverick, opinion-forming thinker

'We need to build a digital ecosystem for gold that is rock-solid and impregnable'

IN a strategy called Gold247, launched by the World Gold Council in October, former banker David Tait is hoping to install a global governance structure and then build a digitalisation programme that will make the gold market as fungible and accessible as any other financial asset class. Having been drafted into the council in 2018, Tait saw the gold market was too “capital heavy” to operate efficiently or optimally. The aim of Gold247 is to establish a tradeable standard unit of gold in which issues such as metal weight or purity don’t matter, and nor do the logistics and security complications of “physical delivery”. Before that, however, Tait wants to build a database of gold supply that guarantees provenance and improves knowledge. He has his work cut out: a recent council survey found that 50% of respondents did not trust gold, while 60% claimed not to understand the market. “Bizarrely, I can’t currently see if gold is legitimately produced,” Tait told delegates at the FT Mining Summit last year. Success will be when large financial institutions such as Goldman Sachs and JP Morgan give a higher risk weighting to gold in their multibillion-dollar portfolios. Clearly, the target of Gold247 is sophisticated institutional trade, but Tait reckons that there’ll be an overflow into the retail market in time. The soundtrack to Gold247’s launch has been the meltdown of cryptocurrency exchange FTX. While gold kept its value during the asset liquidations — especially in the first half of last year — its rival ‘stable-coin’ suffered a crisis of confidence. Tait is keen to emphasise that tradeable units of gold — though described as the metal’s ‘tokenisation’ — is not a crypto-rival at all, but a means of modernising the way the market capitalises on gold’s age-old store of wealth characteristics.

LIFE OF DAVID

Prior to joining the World Gold Council in 2018, Tait was global head of fixed macro products at Credit Suisse. He started in banking about 35 years ago at Goldman Sachs before joining Credit Suisse. He is an independent member of the Bank of England’s market standards board. Tait is also highly regarded for child protection advocacy work, receiving an MBE for services to the Rebuilding Childhoods board. Tait has raised a total of £1.5m by summiting Mount Everest on five occasions. A motion picture depicting his life story, Sulphur and White, received a royal world premiere in 2020.

JOHN TEELING

EXECUTIVE CHAIR

Botswana Diamonds

www.botswanadiamonds.co.uk



POTSTIRRER



Maverick, opinion-forming thinker

'The best place to find a mine is where there is, or was, a mine'

YOU win some and you lose some. We last reported on John Teeling's gambit to buy the mothballed Ghaghoo diamond mine from Gem Diamonds for \$4m in cash.

The money was to be provided by partner Vast Resources for 90% of the mine. But Vast bailed on the deal. Teeling's retort was that Vast was "ultimately unable to provide the required funds". We will probably never know the real reason but anybody who knows anything about diamonds in Botswana agrees that Ghaghoo is a total dog. Teeling has not given up on Ghaghoo; he says he "continues to keep a watching brief" because it contains a large deposit of good-quality diamonds and a fully built plant and infrastructure. In the meantime, he is touting the attractions of the KX36 discovery "south of Ghaghoo", which he has acquired from Petra Diamonds. Teeling says the deposit is estimated to hold 24 million tons grading up to 76 carats per 100 tons with estimated values between \$65 and \$97 a carat. "Diamond deposits are rare and incredibly difficult to discover," Teeling adds to convince the sceptics. It is perhaps too easy to make light of Teeling's statements and efforts because the reality is he has previously struck it big – in fact huge – with one of his previous companies: African Diamonds. In partnership with De Beers, African Diamonds discovered the AK46 pipe in Botswana which is now the highly successful Karowe mine owned by Toronto's Lucara Diamonds. As Teeling points out, Botswana Diamonds is a rare animal – a listed diamond explorer – because mineral exploration has gone out of fashion. You never know, he just might strike it big again. But keep in mind the master's own advice: "High-risk, high-reward means you're going to lose your money most of time."

LIFE OF JOHN

Teeling holds degrees in economics and business from University College Dublin along with an MBA from Wharton and a doctorate in business administration from Harvard, but his greatest asset is probably his mouth. The man has the gift of the gab in spades. His ability to wheedle funds out of investors for high-risk propositions and then convince them that it was all worthwhile even when it's going south is legendary. His successes in addition to African Diamonds include Kenmare Resources, of which he was the founder and a former director.

MIKE TEKE

CEO

Seriti Resources

www.seritiza.com



RAINMAKER



Making, not stirring pots

‘Seriti is no longer a coal company. We are a diversified energy company’

PERHAPS it's just as well Seriti Resources never went public. When all's said and done, Mike Teke's preference is to get on with business behind closed doors, possibly because at heart, he's a dealmaker. Given the unforeseen increase in seaborne coal prices, it's likely that Seriti might have run unfavourable comparisons to Thungela Resources, which is listed and is predominantly an export business. In contrast, Seriti has a significant fixed-contract business with Eskom, the state-owned power utility. A breakthrough deal at the time, the purchase of Anglo's domestic business in 2018 came with challenges for Seriti, a largely flat revenue line and the question of how to navigate New Largo's mining plan given that Eskom suddenly found its Kusile power station could no longer use its coal. That's why the purchase by Seriti of South32's export coal production in 2021 was so important to the group. It gives Seriti a valuable 12 million tons a year exposure to sky-high seaborne pricing. Coal producers, however, have a limited shelf life given the global pressure to decarbonise. To this end, Teke unveiled another major transaction in December, which was to invest in African-focused renewable energy company Winlab using shares in subsidiary Seriti Green. The deal gives effect to Seriti's ambition for 4GW of renewable energy investments worth R75bn. Eskom and Exxaro Resources are partners in the venture. This is a significant departure for Seriti and a major repainting of the organisation. Despite us saying Teke prefers to operate in the background, he participated in a tasty clash with Crispian Olver, executive director of South Africa's Presidential Climate Commission. The two publicly fell out over who had dropped the ball in talks to stem climate change.

LIFE OF MIKE

Teke, a former schoolteacher and human resources executive, worked for mining companies including Impala Platinum and BHP Billiton SA before becoming one of the founding shareholders and CEO of Optimum Coal, which was subsequently sold to Glencore. In 2022 he and co-author Muzi Kuzwayo published This Generation Leads, a compilation of thoughts about leadership from young entrepreneurs. Teke is a former president of the Chamber of Mines.

EIRA THOMAS

CEO

Lucara Diamond Corporation

www.lucaradiamond.com



RAINMAKER



Making, not stirring pots

'The long-term market fundamentals remain unchanged and positive, pointing to strong price growth'

LUCARA Diamond Corp's cofounder, Eira Thomas, expressed high optimism a year ago about the diamond market. While diamond prices are far from collapse, Thomas might have been hoping for a bit more support, especially as her company kicks on with the capital-intensive underground extension of its Karowe mine in Botswana. A "complete review" of spend is due in the first quarter. Last year, capex was increased to \$547m from \$534m, reflecting "price changes". Karowe is a wonderful asset, yielding some of the world's largest-carat stones. Once complete, the extension will help extend mining to 2040. Ramp-up of the underground is expected in early 2026. On the marketing front, Lucara extended its agreement with Antwerp's HB Trading in a new, refined 10-year agreement in terms of which Lucara sells goods of 10.8 carats or more — about 60% to 70% of Lucara's total output — in return for being paid the estimated price of the polished goods. A reconciliation or 'true-up' is agreed post-sale. It's an important moment for Thomas as embarking on a sole distribution model looked a bit of a gamble when initiated in 2020 just as Covid-19 forbade traditional in-person auctions. Smaller stones are sold by standard auction or through the firm's bespoke Clara blockchain technology, which is gathering momentum but is yet to secure a major third-party supplier. Thomas says talks are ongoing just as, indeed, discussions between De Beers and the Botswana government on the new sales agreement are ongoing. It's a source of frustration to Thomas, who told analysts in November the discussions were "a distraction" for Botswana. In 2023, Lucara expects to produce between 395,000 and 425,000 carats, generating between \$200m and \$230m from Karowe.

LIFE OF EIRA

A BSc in geology from the University of Toronto and a part in the discovery of Canada's Diavik diamond pipes were just the beginning. Thomas is a serial entrepreneur, having founded Lucara with Lukas Lundin, Stornoway 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.

NOMBASA TSENGWA

CEO

Exxaro Resources

www.exxaro.com



HOT SEAT



Bottom-singeing pressure

'The company's hands are tied in respect of the timing of private-sector investment [in Transnet]. We are all frustrated'

WE said last year that Nombasa Tsengwa was set to occupy one of the hottest hot seats in the South African resources industry. Developments have borne that out. First of all, she got there faster than anticipated when former Exxaro CEO Mxolisi Mgojo decided to pull his retirement forward, so that Tsengwa took up the reins from August last year instead of in May 2023. Then came massive disturbance in the coal sector following the war in Ukraine that has driven coal prices to record highs. Thirdly there's been the meltdown at Transnet Freight Rail (TFR), which has robbed coal exporters of much of the benefit of that price surge. Finally, the South African mining industry ran into a brick wall of ANC populist ideology when Transnet CEO Portia Derby made it clear that Transnet's strategic priority was to allocate new capacity on its iron ore, coal and manganese lines to emerging black miners "to address the lingering historical imbalances in the economy". The bottom line is that Derby does not want private sector involvement in her business. TFR's performance has been truly abysmal for a string of reasons, with the Richards Bay Coal Terminal exports collapsing from 70 million tons in 2020 to 58.7Mt in 2021. As a result, more export coal is being trucked to Richards Bay and Maputo in Mozambique because, at elevated coal prices, the added cost of trucking over rail does not matter. That will change when coal prices fall back, as they inevitably must. Meanwhile, Exxaro's strategy of diversifying into production of vanadium, manganese and copper is yet to bear fruit, but the company is said to be in the running for BTE Renewables, a company owned by Actis LLP, which wants \$800m for it.

LIFE OF NOMBASA

Tsengwa is seriously qualified, holding a PhD in agronomy from the University of Maryland and having completed the Executive Development Programme at INSEAD in France. She has also paid her dues at the coal face in Exxaro, which she joined in 2003 as GM for safety, health and environment before moving into operational management in 2010 as GM of Exxaro's tied coal and Mpumalanga operations. Tsengwa was appointed executive head of coal in 2016, which is the most senior job in the group after the CEO because of the importance of coal revenues and profits to Exxaro's livelihood.

ANDRIES VAN HEERDEN

CEO

Afrimat

www.afrimat.co.za



RAINMAKER



Making, not stirring pots

'The quality of opportunities that we see in and around South Africa at present is probably the best we have ever seen'

ANDRIES Van Heerden's careful assessment of potential acquisitions helps to explain the success of Afrimat's diversification over the past decade from construction materials to bulk minerals. Afrimat targets the projects that are too big for small companies and too small to interest the majors, but the bottom line is always the bottom line for Van Heerden. For instance, he decided to walk away from the \$45m Gravenhage manganese acquisition in 2022. It was not the first time Van Heerden decided against a deal shareholders might have thought was in the bag. He also ditched the purchase of Universal Coal in 2021, saying that after taking a closer look, Universal's return on investment was not what was originally anticipated. Gravenhage was discarded because the water-use licence that was granted did not meet the requirements of the sale agreement. Most critically, only 1% of the water needed for the mine would be available in terms of the licence. Offsetting that disappointment for shareholders was the closing of the deal to buy Glenover, which presents Afrimat with 'future materials' such as phosphate, vermiculite and rare-earth minerals. The Glenover acquisition also dilutes Afrimat's exposure to bulk minerals – iron ore and anthracite – as iron-ore prices have come under pressure in the past year. The group obviously has no control over international iron-ore prices, but its focus has been to set a strong base in iron ore and manage those assets as efficiently as possible. Although R300m has to be paid for Glenover, Afrimat will still have quite a lot of change left from the R680m that was raised in mid-2022. Van Heerden plans to use some of those funds for expansion at Nkomati.

LIFE OF ANDRIES

After obtaining his degree in mechanical engineering from North West University, Van Heerden spent six years working for Grootegeluk coal mine. He served as MD of Prima Quarries from 2003-2005 and CEO of Lancaster Group in 2005, and was then instrumental in merging those two businesses to form and list Afrimat on the JSE in 2006. Van Heerden, who holds an MBA from Stellenbosch University, won the Master's category of EY's World Entrepreneur Award for Southern Africa in 2017. He describes himself as "a results-driven, performance-orientated people person".

ANTHONY VILJOEN

CEO

Andrada Mining

www.afritinmining.com



FLAG



News is about to happen here

'The fact we have successfully brought phase one into production allows us to significantly derisk phase two'

DURING the time Andrada Mining built the first phase of its Uis tin mine in Namibia, CEO Anthony Viljoen witnessed the metal's price oscillate alarmingly. After trading around \$17,000 per ton, tin prices ran hard to more than \$40,000/t before returning to about \$25,000/t by the time of Andrada's interim results presentation in mid-2022. If that's not enough to scare the lights out of a developing tin producer, there's little that will. As a result, Viljoen's Andrada (formerly AfriTin Mining) is wisely weighing up the benefits of a second-phase expansion that will see the Uis mine diversify into lithium and tantalum production. If the project can be financed, lithium would comprise 58% of Uis's total revenue, with tantalum contributing 5% to the pie. Andrada would also become the only operating lithium firm on the UK's AIM and give it a more meaningful position in battery minerals supply. But it's a big 'if' at this stage. A preliminary economic assessment of Uis found that a phase-two expansion would cost \$440m in capital development, dwarfing anything Andrada has financed to date. In the shorter term, Andrada aims to complete a \$53.6m funding package through various means — a share placement with investors, a convertible note and royalty stream agreement, as well as development lender debt — which would be used in part to finance a phase-two feasibility study. Andrada currently produces 1,200 tons annually of tin. Phase-two production would result in 61,000t/year of additional lithium concentrate. So a quantum leap is being envisaged. Test work on lithium recoveries is due in the first quarter and roll-out for a pilot plant is also underway.

LIFE OF ANTHONY

Viljoen 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. Viljoen also sits on the board of Bushveld Minerals. He hails from a well-known family of geologists: his father is Prof Richard Viljoen and his uncle was the late Prof Morris Viljoen. Viljoen holds a Bachelor of Business and Agricultural Economics degree from the University of KwaZulu-Natal, and a postgraduate diploma in finance banking and investment management.

NATASCHA VILJOEN

CEO

Anglo American Platinum

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HOT SEAT



Bottom-singeing pressure

'The workplace in the past has been designed by men for men'

NATASCHA Viljoen has brought a different dimension to Anglo American's platinum company since her appointment in 2020. Speaking at a mining conference, she spoke poignantly about the plight of female miners in South Africa, who are vulnerable to sexual violence and abuse underground. On the labour front, she secured five-year wage agreements with unions including the militant Amcu. In May, Amplats unveiled a prototype of the world's largest hydrogen mine haul truck, which emits zero emissions while making use of PGMs. But it's the delivery of Mogalakwena that may define Viljoen's time at Amplats. An enormous mechanised mine, Mogalakwena is the jewel in the Amplats crown, but an extension project is taking an age to approve. Viljoen argues she has to weigh a multiplicity of factors, including the project's impact on community relations and technical considerations such as whether it's best to proceed underground rather than extend the current open pit (the former seems likeliest). Recent events have also complicated the picture: supply-chain logjams and runaway inflation resulted in an 18-to-24-month delay in the approval of Mogalakwena's third concentrator. It's heavy stuff to which you can add Eskom power curtailments, which at recent levels will make a serious dent on Amplats's ability to produce saleable PGM ounces. In December, Viljoen announced adjustments to its production forecasts for 2023 and 2024. The company expects to release an inventory build of some 350,000 ounces over the next two years. While that's an unwanted capital build for Viljoen, it at least underlines market projections that say South African PGM supply is unlikely to grow, providing a boost to metal prices.

LIFE OF NATASCHA

Before Anglo, Viljoen was head of processing at Lonmin, a role that was combined with looking after the firm's sustainability brief. A metallurgist, she developed award-winning technology that is energy and resource efficient. Mining is in her veins: Viljoen's father was a shift manager in Klerksdorp, where she grew up. She matriculated at Hoërskool Klerksdorp in 1987 before going to study engineering at Northwest University in Potches-troom. She later earned an executive MBA (cum laude) from the University of Cape Town. Viljoen relocated back to Africa from Australia to take up the position at Amplats.

DUNCAN WANBLAD

CEO

Anglo American

www.angloamerican.com



RAINMAKER



Making, not stirring pots

'Mark [Cutifani] was sort-of repositioning and I'm an executor of that repositioning'

DUNCAN Wanblad assumed the helm at Anglo American in April 2022, filling the huge mining boots of his predecessor, Mark Cutifani. His mission will be to maintain Anglo's drive to be a profitable mining company with a diverse portfolio that delivers for stakeholders while making a positive impact on the world by enabling the green energy transition and the provision of fertiliser for key food crops. It is a daunting task, especially the Woodsmith fertiliser project, and his reputation may rest on its success or failure. He told journalists at a meet-and-greet event late in 2022 that he effectively lives on planes as he visits Anglo's far-flung operations to get a grip on the company. The company has a plethora of projects and initiatives that will require a steady and nimble hand. Talks are ongoing with Botswana about the renewal of a diamond sales agreement between the government and Anglo unit De Beers, with the current one extended to June 2023. In South Africa, Anglo American Platinum is on the cutting edge of harnessing platinum group metals for the emerging hydrogen economy. In Chile, the company is rolling out a huge water desalination project for its Los Bronces copper mine, which is located in a drought-prone region. Anglo will also face a number of headwinds in 2023 that will test Wanblad's mettle. Global economic growth is widely forecast to slow, a scenario that is bearish for commodity prices. In South Africa, power shortages may well intensify while capacity issues at state-run logistics company Transnet will continue to curb the ability of Kumba Iron Ore, an Anglo unit, to get its product to port. Expect Wanblad to spend a lot more time in the air.

LIFE OF DUNCAN

South African Wanblad, an engineer by training, began his career at Johannesburg Consolidated Investment Company Limited (JCI) in 1990. He has held numerous positions at Anglo American, including a stint as executive director of Projects and Engineering at Anglo American Platinum. He is from mining stock: his father Graham was a JCI director. Wanblad consequently spent much of his childhood living on the mines, including the remote premises of Consolidated Murchison in South Africa's Limpopo province.

STEPHEN WETHERALL

CEO

Lucapa Diamond Company

www.lucapa.com.au



FLAG



News is about to happen here

'Lulo is one of the most prospective diamond exploration projects globally'

LUCAPA Diamond Company has a modest 30,000 to 35,000 in attributable carats a year in diamond production from its 40%-owned Lulo mine in Angola and the 70% stake in Mothae in Lesotho. Of the latter, Stephen Wetherall is weighing the firm's "strategic options" — a euphemism for a sale. With relatively little output to its name, and having only recently rescued the balance sheet, why is Lucapa considering parting with potential cash flow? One reason is that Lucapa's best pulling point now is its exploration potential. This is based on two prospects: Merlin in Australia, and a diamond kimberlite exploration at Lulo. Wetherall makes a convincing case for both, describing Merlin as Australia's largest new diamond mine-in-waiting. Actually, it's an old mine last operated by Rio Tinto in 2003. Having bought Merlin for A\$8.5m, Wetherall thinks Lucapa has what it takes to resuscitate it. A feasibility study is due in the first quarter, which, if it meets expectations, would pave the way for a A\$69m redevelopment. But about Lulo's kimberlite exploration, Wetherall is most excited. Some 120 anomalies have been drilled over the 10 years Lucapa has been investigating the region. Wetherall thinks Lucapa's work could uncover a mine on a par with Lesotho's glittering, high-value Letšeng. Angola has won back the diamond sector's heavy hitters — Rio Tinto and De Beers — to its shores, both of which are rebooting exploration. It's all very bullish, but does the market agree? Not yet. Shares in Lucapa halved last year, no doubt eyeing the ability of Wetherall's team to optimise processing efficiencies at Mothae in particular — a demonstration of investors preferring jam today rather than tomorrow.

LIFE OF STEPHEN

Wetherall is a chartered accountant who has been in the diamond mining business for two decades. Before Lucapa he was with industry giants De Beers and Gem Diamonds. His focus hasn't only been on the production side of things as he has been involved in all points of the diamond value chain. One important initiative has been to take Lucapa closer to the consumer, which may reflect the influence of his Gen-Z daughters — although quite how such an influence might be modelled on a spreadsheet remains an open question.

NOMPUMELELO ZIKALALA

CEO

Kumba Iron Ore

www.angloamericankumba.com



HOT SEAT



Bottom-singeing pressure

'We are working with Transnet for improvements we need to see from a rail perspective'

NOMPUMELELO Zikalala's Kumba Iron Ore, in which Anglo American has a 70% stake, endured frustrating production and sales glitches last year. These included heavy rains, some of them unseasonal, and a safety reset at its Kolomela mine in South Africa's Northern Cape province. Its production may well have recovered from these gremlins had it not been for the year-round underperformance of the state-owned rail and ports operator, Transnet. The legion of problems at Transnet subsidiary Transnet Freight Rail is widely documented. The upshot for Zikalala was a disappointing adjustment in sales guidance up to 2024. She has sought to remain optimistic on Transnet since her appointment in 2021, commenting in early 2022 that there were signs of improvement amid "increased engagements" with industry. As late as October last year she opted to remain upbeat "because we can only win with Transnet". Zikalala is hoping the lifting of speed restrictions on the Sishen-Saldanha rail line and implementation of weather-related mitigations will contribute in this regard. Transnet is also purchasing additional trains after years of wrangling with the Chinese supplier. In the meantime, Zikalala has challenges in Kumba. One major point of focus is the firm's much-vaunted ultra-high dense media separation plant aimed at cutting dilution significantly. The plant should have been implemented last year but the operation requires working in-situ, which has thrown up unforeseen logistical challenges. The company's R3.6bn Kapstevl expansion has also been delayed owing to safety concerns, so Zikalala has a lot on her plate.

LIFE OF NOMPUMELELO

Zikalala, who holds a BSc in Chemical Engineering from Wits University, has spent the last 21 years of her career at Anglo American. She became GM of De Beers' Kimberley Mines in 2007 (the group's first female GM). Ten years later, she became deputy CEO of De Beers Consolidated Mines. She says she is passionate about driving transformation in the South African mining industry and particularly accelerating the involvement of women and youth. She is chair of the Private Sector Forum of the South African National AIDS Council and has previously served as a non-executive director of the Black Management Forum and Mintek.

ERIC ZURRIN

CEO

Shanta Gold

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RAINMAKER



Making, not stirring pots

'We have got scarcity value among our peers and now we are firmly in the bucket of takeover candidates, and will continue to be so'

AFTER a sticky 2021, in which Eric Zurrin's Shanta Gold missed production targets, came a recovery that was then underscored by three takeover bids, although at whose behest remains unclear. Still, it was an interesting development, with possibly more to come as Zurrin claimed the company remained "in the takeover bucket". Unfortunately (or fortunately) the offers were rejected because they failed to match the optionality or value in Shanta, Zurrin said. He is referring to the commissioning of the firm's \$39m Singida project in March which, added to the operating asset New Luika, will take Shanta's production to 100,000 ounces annually. A third asset, West Kenya, acquired from Barrick Gold, is undergoing a feasibility study, while organic growth is also being pursued for New Luika. Despite the capital investments in new projects, Zurrin stuck with Shanta's dividend strategy, launched in 2021 with a 10-pence-per-share payout in November. This was despite returning to net debt with a fully drawn-down \$20m facility raised for Singida principally. One nagging issue is unpaid VAT returns. Shanta is keeping its dispute with Tanzania's inland revenue out of the courts, with small deposits and non-cash offsets being provided quarterly, but as of September, outstanding VAT totalled \$27m, of which \$23m refers to the 2017 to 2020 years.

LIFE OF ERIC

When Zurrin took over as CEO of Shanta, the company was in a credibility crisis. Despite recent setbacks, the shares are still trading at around double the level when he was appointed in August 2017. A Canadian, he holds a BCom in accounting and 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 served as interim CFO in 2015/2016 in the lead-up to the financial restructuring.



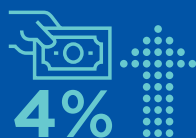
MINERALS COUNCIL
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Mining matters

to our country and our people

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2022 industry contributions:



GDP

R494
billion



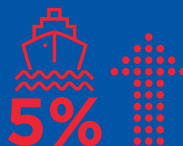
Employment
growth

475 514



Employee
earnings

R175
billion



Export
sales

R720
billion



PAYE
contributions

R27
billion



Company
tax

R43
billion



Royalties

R14.23
billion



www.mineralscouncil.org.za



Together, we thrive.

At Anglo American, we believe that a business should give more to the world than it takes. It is why our Purpose – to re-imagine mining to improve people's lives – is at the heart of everything we do.

Together with our partners, we continue to work closely with communities to find solutions that will sustain local growth by unlocking the value of the metals and minerals needed for a cleaner, greener, more sustainable world. Through innovative thinking, enabling technologies, and collaborative partnerships, we can build a future, and shape an industry that is safer, efficient and harmonised with the needs of society.

Living up to our Purpose, at this year's Mining Indaba we have partnered with the Heart of the Helderberg, which our Vergelegen Wine Estate forms part of, to support a local beneficiary – the Imibala Trust. Our Mining Indaba stand has been designed to specifically be repurposed into an education centre at the Imibala Trust's Graaff-Reinet site. The centre will include a library and a play therapy area for their early childhood development and literacy programmes.

Through this collaborative partnership, we are creating positive impact that will exist beyond the Mining Indaba.

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