



**MINERAL RESOURCES AND ENERGY
REPUBLIC OF SOUTH AFRICA**

**CLOSING REMARKS BY THE HONOURABLE
DEPUTY MINISTER OF MINERAL RESOURCES AND
ENERGY**

DR NOBUHLE NKABANE

**ON THE OCCASION OF THE NORTH WEST PROVINCIAL
MINING AND ENERGY INVESTMENT CONFERENCE**

26 JANUARY 2022

RUSTENBURG

Programme Director,

Minister of Mineral Resources and Energy, Mr Gwede Mantashe

Premier of the North West Province, Mr Kaobitsa Bushy Maape

Members of the North West Executive Council

Director General of the DMRE and officials of various Departments

Captains of the Industry

Investors and distinguished guests

Members of the media

Ladies and gentlemen.

We have come full circle in our endeavours to convene the North West Provincial Mining Conference. As indicated by the Minister when he opened this event yesterday and as echoed by various officials, this is one of three provincial conferences planned by the Department of Mineral Resources and Energy. We have already convened the first in Limpopo last year and we will soon be convening the last one in the Northern Cape.

We convene this mining investment conference amidst a global economic environment that has been hugely impacted by the COVID 19 pandemic. It has been apparent from the presentations and discussions in this conference that the South African mining sector has been resilient against the adversity of both the global economic decline in productivity as well as the impacts of the COVID 19 on South Africa's productivity. We also took

note of the geopolitical events that may further distress the global economy. We already know how the geopolitical factors on the sanctions imposed on Iran impacted on global oil prices but also directly impacted us as we imported oil from that country. The importance of noting this is that we must not be caught off guard, but we must anticipate such with mitigating pre-emptive action.

The Minister pointed out that we must distinguish between higher income earnings contributing to GDP as flowing from higher productivity as distinguished from that flowing from increased sales. I must re-emphasise this point as articulated by the Minister because it points out directly to one of the tasks that should occupy centre stage – being that we must seek to progressively grow production in the mining sector through decisive interventions.

Of course, all the interventions we make in the mining sector must address the historic development challenges of poverty, inequality, inclusivity, gender participation, community development as well as concerns of matters directly affecting labour. In other words, the new investment model must comprehensively address societal development needs.

Key to investment alongside finance, is finding the minerals that must be mined, hence the utmost importance of exploration. We have noted in this Mining Investment Conference the obligations to ensure sustainable development. Our exploration strategy which has been submitted to Cabinet in December attends to the comprehensive challenges of sustainable development, particularly as it pertains to preservation of the environment. However, we have also noted the concerted efforts at halting exploration with the excuse that such degrade the environment. We must stress the point that it cannot be one or the other – it is not either the environment or development – we must focus on both and find a balance.

If we don't defend our right to responsibly explore and exploit our national resources, the consequence is that such investments on exploration are then shifted to other countries. We as a country may ironically end up purchasing those minerals from these countries who were more receptive to mining exploration than ourselves. And the Minister cannot be the lone defender of this.

Part of the emphasis made by the Minister which also found expression in the various presentations and panel discussions is the importance of hard work and steadfast dedication to building robust business ventures. It is a message that we must carry from this Mining Investment Conference that there are no short cuts, but hard work to acquire capital, be it black or white. Perhaps it is a message that we must take along as we engage those who only hope to benefit instantly from such conferences without methodically and steadfastly applying their minds and energy to achieving their own development goals. As a Department and as mining companies, we must not be found wanting, we must not impede entry into the mining industry by women, young people and all those historically disadvantaged from mining industry participation.

It was also revealed here that black empowerment must not be through peripheral activities such as cutting grass around the mining area but must be on those activities related to the extraction, transportation and processing of mineral resources.

Apart from capital, energy and water remain some of the most important factor input into mining operations. On energy, the government has made the offering for 100 MW without need for licensing. During some presentations we came to know that there are underground water

reserves in some areas that could be used for various socioeconomic needs including mining operations.

Still on energy, the broad challenges facing energy as it relates firstly as a factor input into mining operations and secondly as a mining resource that is utilised to generate energy was extensively discussed. We remain preoccupied with the complex challenges of energy transition. The conference was in unison that we must move from higher carbon to lower or zero carbon emission, as opposed to moving from fossil fuel to non-fossil fuels. Our stance is that through technology all sources can be transitioned into cleaner sources of energy, such as clean coal. In addition, net zero carbon emission means we can offset carbon emitting sources by deploying technologies that in other extracts carbon emissions from the environment which effectively means balancing out. The issue of clean and green energy is not cast in stone, as recently attested to by the EU's reclassification of nuclear and gas as green energy. We hope that this debate will become more balanced and inclusive and will take into account the development realities and needs of the global south.

Our people naturally look with keen interest on these provincial investment mining conferences. They rightfully hope that as we meet as government, the mining sector, labour and other community representatives, that we do not miss their own development interests. We have emphasised here that such development interventions must not be handout of money but of legacy projects that will ensure sustainable development even when the minerals being extracted have been depleted and the mines have closed down. This came sharply as part of suggestions that whilst SLP projects remain crucial and beneficial to the community as a collective, we must prioritise economic participation. This means we must take the opportunity of both these mining investment conferences and mining in general as

opportunity to transit our economy into a higher manufacturing trajectory on economic activities beyond mining.

South Africa is heavily endowed with the Platinum Group Metals and various minerals in this regard are part of what will enable a transition into cleaner energy. We have already started work in earnest towards reaping the benefits of our PGMs on hydrogen which promises to be the energy of the future. Such initiatives must however have massive economic benefits to our country.

We remain committed to ensuring promotion of local investors whilst still open to international investors as well. Junior mining remains an avenue with which to empower black capitalist and therefore bridge the inequality gap. Those who mine illegally are not miners but thieves that must be arrested. The State must develop capacity to enforce the law in derelict mines and use mining dumps as business opportunities for adjacent communities.

I do hope as we proceed with these investment drives, we will be able to quantify the various development goals on legacy projects, the number of black capitalists created, contribution to higher employment levels, number of women and young people entering the mining sector and so forth. The Department will pen a report on what we would have achieved.

Ladies and gentlemen, my job here was not to rehash the entire conference discussions, but to pick on some of the highlights as a way to commend your profound contribution to this North West Mining Investment Summit. Working together, lets strive to make North West, Limpopo and the Northern Cape the Headquarters of mining! Let us attend to the challenges of ageing infrastructure both in mining and energy to ensure the health and security of workers! Let us debunk the myth that its

either environmental conservation or mining, as both can be done concurrently and successfully!

I take this opportunity once more to thank you all and to wish you well as you take trips to your respective home.

I thank you!