



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

**REMARKS BY THE DEPUTY - DIRECTOR GENERAL
MINERAL RESOURCES AND ENERGY
ADVOCATE MMADIKELEDI MOLOTO
LIMPOPO INVESTMENT CONFERENCE
19 OCTOBER 2023**

Programme Director,

Premier Limpopo (in absentia), Mr Stanley Mathabatha

Executive Mayor of Polokwane City (in absentia), Cllr Makoro
Mpe

Members of the Limpopo Executive Council

Ambassadors and Members of the Diplomatic Corps

Captains of Industries

Investors

Distinguished guests

Members of the media

Let me start by conveying Minister Gwede Mantashe's apology for not being able to attend this year's instalment of the Limpopo Investment Conference. As you all know, the Minister and indeed the Department of Mineral Resources and Energy has, for the past two years been involved in efforts to promote Limpopo as the investment destination.

As you already know very well, mining has not only been central to South Africa's economy historically but also continues to play a pivotal role.

It is precisely for this reason that we have unequivocally declared with confidence that, contrary to doomsayers, mining is in fact a sunrise industry sector going into the future.

Ladies and Gentlemen, the much vaunted Fourth Industrial Revolution, and combating climate change through renewable energy is dependent on mining. For instance, the battery powered vehicles need mining and so is the factor input to nuclear energy and gas to power utilities, are all depended on mining.

The mining industry has once again proved its resilience by posting a second straight quarter of growth of rate of 1.3 per cent according to the latest Stats SA report. Platinum group metals, gold, and coal helped lift the industry.

Notwithstanding the relative positive growth reported in the second quarter, the industry's ability to increase output and increase export revenue are constrained by severe power cuts and freight rail capacity problems.

The **power and infrastructure problems**, coupled with lower commodity prices, have reduced mining tax revenue, putting at risk South Africa's budget deficit target and putting jobs at risk.

We pin our hopes on the **recently formed government-private sector logistics crisis committee** to address the rail bottlenecks, as well as a similar joint committee has been established to tackle the electricity crisis.

A great critical minerals scramble needed for energy transition is emerging globally. This has been witnessed through several agreements between countries endowed with these minerals, and industrialised countries looking to secure future supplies.

It is no secret that our country is well endowed with these critical minerals and can use them not only for beneficiation but also to position our country to be a strategic partner.

Several of these critical minerals occur and have been discovered in this province. These include for example, copper phosphate, titanium, iron, vermiculite and zirconium found in the Phalaborwa Igneous Complex.

There can be no ambiguity in saying, the full potential of the mineral wealth in Limpopo remains largely untapped. We therefore call on investors to look to this province for investments into more exploration projects.

To enable this, the DMRE has developed the exploration strategy coupled by the exploration fund which is currently undergoing protracted operational protocols, but which, we hope will ultimately be implemented through the Industrial Development Corporation (IDC).

This initiative will ensure that we de-risk the mineral acreage of the country and encourage the emergence of new mines.

Priority will also be given to critical minerals projects as these will support our green economy trajectory and support our just energy transition.

To ensure that South Africa reaps maximum benefit from these critical commodities, we are currently developing the critical minerals strategy for the country which will enable us to support the development of domestic and global value chains for the green economy.

We further call on investors to consider prioritising investments into both mining and processing of these commodities in the country, in particular Limpopo, as this will ensure the diversification of the economy and industrialisation.

The Department of Mineral Resources and Energy is continuing to ensure a conducive investment environment through a plethora of policy and legislative instruments. On mining, we base our work on the MPRDA, the Mining Charter, the Exploration Strategy as well as the Beneficiation Strategy, amongst others.

On electricity we continue to premise our trajectory on the Integrated Resource Plan (IRP) 2019, which sets out all energy sources as part of our energy mix. The rigorous review of IRP - 19 is nearly at the end, with the process awaiting tabling in Cabinet soon, after which it will be gazetted as the official government blue print for ensuring security of energy supply beyond 2030.

The process of liberalising the electricity sector has gained momentum with the Department's tabling of the Electricity Regulation Amendment Bill in Parliament last month. We believe, along with the unbundling of Eskom to form the transmission operator, this creates a legislative framework that will facilitate a lot more investments into the electricity industry.

The Bill is currently undergoing the parliamentary process of public participation and the detail analysis of the proposals. We are confident it will be passed before the upcoming elections in mid-2024.

Whilst we experience challenges in our economy, we believe that we have the bedrock legislative framework to advance mining and we have continuously assessed the sector to craft appropriate legislations to offset any development bottlenecks. Amongst these have been removal of the cap altogether on embedded power generation as we continue to face the

challenges of loadshedding. Not only does this offer optional energy security route for the mining sector but it would also help ease energy demand from the Eskom grid when large consumers generate their own power.

I mention all these as a way to emphasize that we as government are doing our part to ensure policy certainty to enable mining and energy investment in South Africa.

The department is currently developing the Jewellery Fabrication Masterplan, Mineral Beneficiation Master Plan, and the Battery Minerals Masterplan. All these masterplans are primarily aimed at promoting industrialisation in these sectors through value chains, thereby creating job opportunities and accelerate economic transformation.

Noting that a successful mining revitalisation project depends on a transparent and reliable cadastral system which the Department has had challenges with in the past, we have since begun a process of procuring a system with integrity. The adjudication process has been finalised and we are a step closer to announcing the winning bid. This should result in having a new mining licensing by the first quarter of 2024.

Notwithstanding this challenge, the Department continues to eradicate the backlog in applications for prospecting and mining rights which this province has also been affected with. In this

regard, the Department is redeploying resources from other regions to accelerate the eradication of the backlog in provinces, including this one.

We are noting with appreciation an improved development and meaningful implementation of the Social and Labour Plans (SLPs). We appreciate that mining companies are beginning to develop and implement impactful projects. In 2022, we saw mining companies building and handing over schools, medical centres and water project in mining communities, with some contributing to building and renovating police stations. Some mining companies are beginning to go to rural or labour sending areas to fund food production projects through the SLP.

We firmly believe that this is going to change the reputation of the mining industry and enable mining companies to have visible social licenses to coexist with communities.

Ladies and Gentlemen, **health and safety of mineworkers remain a key priority for the government**, therefore we were deeply saddened by the tragic passing of mineworkers who were involved in a bus crash while on their way to Venetia Mine in Limpopo recently. Although the deaths and injuries are as a result of a road accident, the Department calls on all stakeholders to work together to ensure that each employee in South Africa's mining sector returns home unharmed every day.

After all, it is workers who make the country's mining sector thrive as a sunrise industry.

In conclusion, allow me to reiterate our call to investors to continue investing in the mining in this province. I can assure you that this is a no-regret option given the potential of this province.

I thank you.