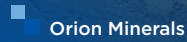


JUNIOR AND EMERGING MINERS' DESK



**MINERALS COUNCIL
SOUTH AFRICA**

#MakingMiningMatter



“The Junior and Emerging Miners’ Desk has become the voice for the developing mining sector of South Africa.”

WHO ARE JUNIOR MINERS?

Internationally the term “junior mining” generally refers only to prospecting companies involved in the early stages of mining development. This is particularly true for Canada where junior exploration companies are supported through the Prospectors & Developers Association of Canada (PDAC).

In South Africa, however, the term junior mining has taken on a wider meaning and includes, in addition to exploration companies, small to mid-tier producers. Examples of junior producers operating in South Africa are Wesizwe in the PGM sector and HCI Coal in the coal sector. Orion Minerals, an exploration junior, is developing copper/zinc projects in the Northern Cape.

In 2022 junior miners generated R88 billion in revenue, up from R54 billion in 2018. While some of this increase can be attributed to inflation, proportionally the junior sector output increased more than that of the overall mining industry during this period.

WHO ARE EMERGING MINERS?

“Emerging miners”, a term indigenous to South Africa, typically refers to smaller mining companies or micro-enterprises. Most are new entrants to the industry, and many have full black economic empowerment (BEE) credentials. Since the advent of the Mineral and Petroleum Resources Development Act (MPRDA) in 2002, there has been a significant increase in the number of smaller mining companies operating in South Africa. Research conducted by the Minerals Council indicates that the majority of mining and prospecting rights are currently held by junior companies.

WHAT IS THE JUNIOR AND EMERGING MINERS’ DESK?

The purpose of the Junior and Emerging Miners’ Desk (JEMD) is to provide advice and support, and to act as a resource centre for smaller Minerals Council member companies.

While the Minerals Council, at policy level, presents a consolidated position on key policy areas, it is sensitive to the needs of its smaller members which often lack the capacity and resources to implement policy and legislation. In this regard, the needs of the junior sector are always represented in policy positions that are adopted by the Minerals Council.

There are several areas where junior companies require assistance: for example, in managing regulatory issues and legal compliance, in raising finance and in managing community relations. While the JEMD does not directly assist individual companies, it is, however, able to lobby for and on behalf of its junior members at a policy level.

Currently the Minerals Council has 35 junior members including three mining associations.



WHAT DOES THE JUNIOR AND EMERGING MINERS’ DESK DO?

The JEMD was inaugurated in 2013 and has become the voice for the developing mining sector of South Africa. Its key role is to support its junior members through policy lobbying, providing advice, linking junior and emerging miners to networks, providing mentorship and disseminating relevant policy information.

The JEMD also works closely with three mining associations who collectively represent more than 200 small and micro companies.

“ The JEMD has been a key driver in re-energising exploration in South Africa with the support of the Minerals Council.”

WHAT THE MINERALS COUNCIL OFFERS JUNIOR MEMBERS THROUGH THE JEMD



COMMITTEE WORK



LOBBYING AND RECRUITMENT



MEDIA ENGAGEMENT



MENTORSHIP PROGRAMME



POLICY LOBBYING



RESEARCH



WEBINARS ON TOPICAL ISSUES



WEBINARS: Webinars are open to all junior and emerging mining companies and are not exclusive to Minerals Council members. To date, webinars have been held on topics such as Mine Community Development, Finance for Junior Miners, the Mining Charter and Junior Mining and Exploration.



MENTORSHIP: The JEMD lobbied the Board to nominate mentors from large producers to support the Minerals Council's junior and emerging miners. Currently, seven mentors are providing guidance, on a one-on-one basis, to some of the junior members.

In addition, the JEMD has entered an agreement with the Johannesburg Stock Exchange (JSE) to support selected emerging mining companies to join the Junior Mining Accelerator Programme. This programme exposes junior miners to capital markets, assists in re-focusing their business and provides support in areas such as strategic planning and marketing. The intention is for more junior mining companies to eventually list on the JSE.

The JEMD also financially supports selected junior members in attending mining courses, as well as supporting members to attend both the Junior Mining Indaba as well as the Investing in African Mining Indaba held in Cape Town.



THE JUNIOR, EXPLORATION AND MINING LEADERSHIP FORUM (JEMLF): The Chair and the Vice Chair of the JEMLF represents this committee on the Board of the Minerals Council. Open to the CEOs of junior members, this committee debates policy positions, shares strategic, non-competitive information from departments within the Minerals Council and sets the policy position for the junior sector. In 2023 the committee was reconfigured to include the exploration sector as well. The JEMLF has been a key driver in re-energising exploration in South Africa with the support of the Minerals Council. The Chair of this committee, with Minerals Council officials, the Council for Geoscience and the Department of Mineral Resources and Energy (DMRE), was part of the team that contributed to the drafting of the Exploration Revival Plan for South Africa.



POLICY COMMITTEES: Junior miners sit on various policy committees within the Minerals Council such as the Mining Charter Reference Group, the Occupational Health and Safety Committee and the Legal Advisory Committee. Junior miners are represented on the Board of the Mine Health and Safety Council



RESEARCH: Various research exercises are undertaken into policy related issues. In 2019 a major research report was released which examined the economic impact of the junior mining sector in South Africa, as well as an opinion survey on challenges facing the sector. Snap surveys are also conducted with our members, an example being the impact that COVID-19 had on junior mining companies. In 2022 the JEMD commissioned a legal consultant to provide a strategic overview of the Artisanal and Small-Scale Mining Policy Framework, released by the DMRE in 2022.



RECRUITMENT: Junior membership has been increasing over the past few years at the rate of around 10% per annum.



MEDIA: The JEMD reaches wide audiences through various media platforms, including the Minerals Council's website. In this way, it also provides an interactive forum for junior and emerging miners seeking information and advice. Multiple interviews are given to both specialist mining publications and to the broader media.



POLICY LOBBYING: In many cases, junior and emerging miners have particular needs in terms of mining policy and regulations, which the JEMD and JEMLF aim to address. In representing broader and collective policy positions the Minerals Council is sensitive to these requirements of its junior membership without compromising compliance and leading practice. The JEMLF successfully lobbied for concessions in the Mining Charter pertaining to smaller companies, as well as holding regular engagements with the DMRE. Currently the JEMD works closely with the JSE in lobbying for tax incentives for exploration and regular meetings are held with National Treasury in this regard.

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