

Mineral and Petroleum Resources Development Act, No 28 of 2002

In South Africa, the Mineral and Petroleum Resources Development Act, No 28 of 2002 (MPRDA), was implemented on 1 May 2004, and effectively transferred custodianship of privately held mineral rights to the state. Mining companies were given up to two years to apply for prospecting permit conversions and five years to apply for mining licence conversions for existing operations. A prospecting right is a new-order right that is valid for up to five years, with the possibility of a further extension of three years, which can be obtained either by the conversion of an existing old-order prospecting permit or through a new application. A mining right is a new-order right valid for up to 30 years and is obtained either by the conversion of an old-order mining licence, as a new-order right following the exercising of the exclusive right of the holder of a new-order prospecting right or through a new mining right application.

Sishen Iron Ore Company, the holding company of old-order and new or converted prospecting rights, submitted applications to convert its old-order mining licences to new-order mining rights for both Sishen Mine and Thabazimbi Mine in 2005. The applications were audited by independent external consultants prior to submission and declared compliant with the requirements of the act and other relevant regulations. The applications were accepted by the Department Minerals and Energy (DME), and the applications will now follow due process.

Sishen Iron Ore Company submitted a new mining right application for the Sishen South project in 2005. A new-order prospecting right application for two farms within the Sishen South group, submitted before the new-order mining right application, was refused by the DME. However, the DME accepted the new mining right application for the whole area, including the two farms for which the new-order prospecting right application was refused. The DME recommended certain changes to the social and labour plan of Sishen South at a workshop in August 2007 and Sishen Iron Ore Company submitted the revised plan in late 2007. The new mining right is expected to be granted in the first half of 2008.

A new-order prospecting right has been granted for the Zandriverspoort project in Limpopo. The project is 100% owned by the Pietersburg Iron Ore Company, of which 50% is owned by Sishen Iron Ore Company (37% is attributable to Kumba Iron Ore).



Kumba actively trains female employees for all careers in mining.