

MEDIA STATEMENT

For immediate release

CHAMBER CALLS FOR COMPETITIVE, STABLE AND PREDICTABLE ENVIRONMENT TO ENSURE CONTINUED INVESTMENT IN MINING

Pretoria, 8 September 2015: Chamber of Mines office bearers and executives, and mining industry CEOs met today with other industry stakeholders in a quarterly Mining Sector National Consultative Forum meeting convened by President Jacob Zuma. The Forum, which was established in 2013 to implement the Framework Agreement for a Sustainable Mining Industry following the violence that erupted in the platinum belt in 2012, is chaired by the President and brings together government, labour and business to discuss developments in the mining sector.

In keeping with the Framework Agreement for a Sustainable Mining Industry, which is a joint commitment by all stakeholders to enable stability, growth and transformation in South Africa's mining industry, the business delegation addressed the consequences of across-the-board commodity price declines, unsustainable cost inflation and reduced productivity.

Chamber of Mines President Mike Teke notes that, "While the Chamber fully supports the efforts in the recent MIGDETT process aimed at preserving jobs where possible, it is crucial that all stakeholders play a constructive role in moderating cost pressures to ensure the viability of the industry. Companies see retrenchments as a last resort and first seek to reduce cost pressures by cutting back on capital costs and restructuring. But, reductions in sustaining capital and long term capital will have an impact in the medium and long-term, to the detriment of growth and sustaining employment in mining."

The companies also indicated that the issues of employee indebtedness and housing and accommodation are of significant importance as they played an important role in the lead up to the events of 2012, and have been receiving significant attention by mining companies. The companies have further committed to share detailed information with the Forum relating to the various interventions the companies have implemented to address these issues.

The Chamber appealed to all parties to create a competitive, stable and predictable environment for the mining sector to ensure continued investment in mining.

Issued by the Chamber of Mines of South Africa:

For further information please contact:

Charmane Russell

Russell and Associates

Tel: +27 (0)11 880 3924

Mobile: +27 (0)82 372 5816

Email: charmane@rair.co.za