

Mining

Driven by global demand for commodities, mining is one of the most important sectors in Africa. It is crucial to the development of African economies, accounting for about one third of Africa's foreign direct investment.

For many years, the mining sector has been a cornerstone of the South African economy and a major contributor to the country's GDP. And there is opportunity for further growth. South Africa has great potential to raise the level of exploration and beneficiation.

The predominant piece of mining legislation in South Africa is the Mineral and Petroleum Resources Development Act 28 of 2002 ("MPRDA"). The Act regulates acquisitions of rights and the regulation of such rights including in relation to reconnaissance, prospecting, and mining. It also has a chapter dealing with oil and gas.

The accompanying Mining Charter regulates ownership structures from an HDSA and HDP point of view and provides for employment equity, procurement targets and mine community development.

Our mining lawyers have been involved in numerous complex, high-profile transactions, from the due diligence to advising clients on structures, to the drafting of definitive agreements and implementation of same. We have assisted numerous mining clients both from a buy and sell point of view in managing their way through such complex mining transactions.

Compliance with health and safety and environmental laws is an integral part of current mining operations. The Werksmans mining lawyers are able to advise on health and safety and environmental aspects of transactions and provide general advice to clients in this regard. We assist clients in attending to all of the regulatory requirements to obtain authorisations, licences and permits. The Werksmans mining team also advises on administrative aspects such as internal appeals and reviews against administrative decisions.

Mining clients include North American, European and Australian companies, major South African mining houses, junior mining companies and HDP mining companies, as well as investors, financial institutions and state-owned enterprises within the mining sector.



Some of our significant matters include acting for Anglo Platinum Limited in the acquisition of Glencore's 50% interest in the Mototolo Joint Venture, representing Samancor Chrome in the acquisition of the Herculite Ferrochrome Chrome Mine and International Ferro Metals, advising Kropz Elandsfontein in regard to its listing on AIM, acting for Sibanye Stillwater in regard to the disposal of a tailings at its Kloof and Driefontein operations to DRD in return for equity in DRD. We further advise South32 Manganese, Gold Fields, Assmang and ArcelorMittal in regard to their mining regulatory work in South Africa.

Werksmans is also able to provide advice in regard to ancillary aspects relating to any mining transaction in South Africa including labour law, tax and competition law.

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