

# Deja vu for SA as mines boss decries DRC's unilateral resources code

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For a CEO who has spurned SA and its uncertain regulatory environment, changes in the mining code of the Democratic Republic of Congo (DRC) have caught the outspoken Mark Bristow up in the maelstrom of resource nationalism after a 3bn investment in the jointly owned Kibali gold mine in that country.



Mark Bristow, CEO Randgold Resources

For London-listed Randgold Resources and its partner, SA's AngloGold Ashanti, which itself is extricating itself from SA, the yet-to-be-promulgated mining codes in the DRC are not debilitating but they have certainly sent the wrong message to foreign investors and have an uncanny resemblance to SA's lurch into a regulatory crisis, with talks with the mining industry apparently disregarded in favour of damaging rules.

Kibali is one of the big gold projects in Africa and it is in arguably one of the riskiest countries, where several mining companies have faltered after hefty investments in projects.

Kibali is a big, modern mine, 45% owned by each company.

Bristow says it is a showcase of what good a mine can bring to a country and nearby communities, pointing to three

hydropower plants the partners have built in the past eight years, the upgraded road linking the mine to Uganda - travelling time cut from three weeks to four hours - and the modern houses, schools and clinics together with jobs for the locals.

"When we set out in 2014 to negotiate the code we had a constructive engagement and " we reached agreement on just about every contentious issue, but the code that was presented to parliament is not that draft," a clearly emotional Bristow said at a breakfast with the country's mines minister, Martin Kabwelulu, during the Mining Indaba in Cape Town last week.

Bristow told Kabwelulu the mining industry "does not want this code".

SA's Mineral Resources Minister Mosebenzi Zwane sprung a similar surprise on the local industry, gazetting a third version of the Mining Charter, which was legally challenged by the Chamber of Mines.

Bristow's clearly frustrated comments last week could have come straight from a local mining executive.

"Start making unreasonable demands and investors will vote with their feet," he said.

"Unfortunately, all that we and other companies have built has been put at risk by recent developments that amount to no less than an abuse of the partnership concept by one side."

**Source:** *Business Day*

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