

Mining threat 'out of order' says Cutifani

Government's threats to revoke mining licences are out of order, AngloGold Ashanti's chief executive Mark Cutifani said on Thursday (7 February).



"The threats to licences are out of order," Cutifani said during a speech at the *Mining Indaba* in Cape Town.

"I hope we've all learnt the lesson that we shouldn't be threatening licences when a company is looking at preserving its life and making sure it's got an operation that will last. Certainly consultation is part of that process, and we've all got to do better."

He said mining companies were open to dialogue, but government should craft its words on the subject carefully so as not to alarm investors.

His comments follow a warning last month from Mineral Resources Minister Susan Shabangu, that Anglo American Platinum risked losing its licence, after it announced plans to scale back operations that would result in up to 14,000 miners losing their jobs.

The minister's threat saw Amplats's share price drop sharply. The company has since reached an agreement with Shabangu to follow a 90-day consultation process about the plan to close four of its loss-making shafts.

Mining commentators suggested Shabangu's remarks were particularly ill-advised since a new Anglo American coal mine would prove crucial to providing supply for Eskom's new Kusile power station.

Said Cutifani: "At the moment the industry and the government are shouting at each other from our respective corners. I think we have to acknowledge our differences, and start talking and engaging in a way that will change the industry and the country together for good.

"In that context I think the issue about security of tenure and licences means we need to make sure that people understand the conversation about strategic minerals. It is not the conversation that other countries have had.

"This is about making sure our resources are available for the development of infrastructure within the country and that is a reasonable conversation to have. So let's put some shape around that conversation as quickly," he said.

Cutifani urged government and mining houses to sustain consultations on how to resolve problems in the sector, notably how to help people living around mines.

He said the industry had to shoulder greater responsibility in this regard, and was willing to listen to advice how it could best contribute.

Source: *Sapa* via I-Net Bridge

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