

An Old War Cry Sounds Again

A Limpopo-based group is reversing the trend in black economic empowerment in the mining industry. Instead of simply buying shares in an existing operation, it is starting its own mine.

Sebata Kgomo was the old war cry that rallied the people of Sekhukhune against their enemies. Now it is calling them to take on the challenge of black economic empowerment (BEE).

Drawing inspiration from the old war cry, Sebata Kgomo Mining is a leading partner in a BEE joint venture simply to a transfer of existing wealth, mainly to a black elite.

"We want to roll up our sleeves and create real value. Our project has been initiated by a broad-based black consortium which owns the mining licence, which is raising the funding, and which intends to develop the mine as a black-owned venture in partnership with local communities and other groups as active shareholders.

"We will create new wealth, new jobs, and new opportunities for black entrepreneurs as suppliers of services and goods."

Tjate Platinum Corporation is owned by Sebata Kgomo Consortium and New Platinum Corporation which is headed by lawyer Tiego Moseneke. Sebata Kgomo Consortium consists of Phaahla's Sebata Kgomo Mining and Deacon Mathe's Umkontho we Size Veterans' Association, the African National Congress's former military wing. It has also been structured to allow for significant shareholdings by local communities and other groups in Limpopo.

As part of a business delegation that accompanied President Thabo Mbeki on a visit to Canada late last year, Phaahla signed a memorandum of understanding with two Canadian



Sebata Kgomo Mining executive chairman Vincent Phaahla.

rest there.

Tjate Platinum, says Sebata Kgomo executive chairman Vincent Phaahla who hails from Sekhukhune, will be developed in such a way that it will not impinge on the burial ground where the Limpopo Provincial Government plans to erect a monument.

"Whatever we do in our development," says Phaahla, "preservation of the burial ground will be a paramount consideration."

But there is another reason why Phaahla believes the Tjate project is special.

"Most BEE in the mining industry involves the sale to black groups of shares in existing mines and mining houses," he explains. "This amounts

ture that plans to establish South Africa's first major black-initiated and black-owned mine.

The setting for the R2,3 billion Tjate Platinum project could not be more appropriate. Dsjate, one of three farms on which the project will be developed, was the site of the stronghold of the great warrior, King Sekhukhune, who was also laid to

In The Footsteps Of The King

Not only the warrior king Sekhukhune had his stronghold in what is today known as the Eastern Limb of the Bushveld Complex, the world's richest source of platinum group metals. Now, children of struggle heroes of the modern era are finding the area to be fertile ground for black empowerment.

Following the establishment of Tjate Platinum, a black owned company which plans to mine in the area (see accompanying feature), Zwelakhe Sisulu, son of the late ANC leader, Walter Sisulu, is heading a black economic empowerment group which has secured a major stake in a new platinum mine not far from where King Sekhukhune led his battles to emancipate his people.

The young Sisulu is chairperson of Savannah Resources which is buying a 26% stake in London and Australia-listed mining house Aquarius Platinum for R860 million.

Savannah is part of a consortium that includes Chuma Holdings which is led by Zenani Mandela-Dlamini, daughter of former President Nelson Mandela, and Nontsikelelo Biko, widow of black consciousness leader Steve Biko.

Funding raised by the black empowerment consortium to buy its stake in Aquarius will enable the mining house to advance plans to establish the Everest South mine. Aquarius hopes to go into production late in 2005.

The Industrial Development Corporation, as part of its role to support black economic empowerment, is providing R415 million in financial backing to the consortium.

firms which have agreed to help to raise international funding for Tjate Platinum. The firms, which specialise in facilitating and structuring financing for mining ventures, are Langa Capital, which was started by a South African lawyer based in Toronto, and Fasken Martineau DuMoulin.

Sebata Kgomo Mining and New Platinum Corporation have been given a licence on three farms — Dsjate, Fernkloof and Quartzhill — in the heart of the Eastern Limb of the Bushveld Complex where new members of the Tjate joint venture have extensive experience in business, management and finance. For example, Phaahla has a Certificate in Mine Management and Entrepreneurship from the University of the North.

During political exile in the apartheid era, he obtained degrees in economics from American universities and was at one time economic advisor to Sir Michael Manley, the late Jamaican Prime Minister.

He is national deputy president of the black business organisation,

platinum ventures are being undertaken by major mining houses. Dsjate adjoins Impala Platinum's Marula project, and Quartzhill is adjacent to Anglo Platinum's Twickenham project.

Tjate's lifespan based on estimated reserves is 30 years. The venture aims to complete bankable feasibility and environmental management studies within 18 to 24 months as a prelude to establishing the mine.

Tjate has adopted a pragmatic attitude towards development of them mine and shareholdings in the NAFCOC, and its president in Limpopo. He has held executive positions in companies in South Africa, and abroad and is a non-executive director of a number of companies, including Polokwane International Airport in Limpopo.

He has also been a member of President Thabo Mbeki's Economic Advisory Committee and of the Reserve Bank Monetary Policy Forum.

Phaahla's fellow directors in Sebata Kgomo Mining include Edsel Phasha who has experience in financial management, IT, operations

operation. The goal is to establish a black-owned mine, but Tjate will act like any other company when it comes to procuring expertise.

"We will hire staff and contract out work where appropriate, and, if necessary, bring in outside entities as minority shareholders," explains Phaahla. Priority will be given to the involvement of local communities and Limpopo entities as suppliers of goods and services such as transport, catering, construction, and recruitment of workers.

At the same time, says Phaahla, management, organisational development and business finance; Kgoshi Lengwai A Masha, who has a law degree and diploma in accounting and public administration and is vice-chairperson of the Council of Traditional Leaders of South Africa (CONTRALESA) in Limpopo's central region; and John Nkadameng, an anti-apartheid struggle veteran and trade union leader who is a director of several companies.

"We are well equipped to add value in many areas of a mining operation," says Phaahla. ■