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Natural Resources Forum
Investing in African Mining: Risk, Reward & Reality

30 June 2015

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The risks

Political risk – the right to mine

- Political risk in producer countries
- Mining rights
- BEE

Corporate Social and environment risks

- Community issues

Labour risk

- Labour unrest
- Skills shortage
- Localisation programmes with Ministry buy-in

Power supply risk

- Power supply in Southern Africa

Currency volatility risk

- Cost volatility in fixed capex projects vs sales revenue volatility

Market risk

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Mitigating the risks

Political risk
- Partnership approach with Government
- Investor assurance and interaction

Corporate Social risk
- Corporate Social Investment into project affected communities
- Community Trust set up in Botswana

Labour risk
- Employer of choice approach
- Strong heath and safety record
- Integrated with the community

Power supply risk
- Standby diesel power generation for entire operation at Letšeng
- Investigating solar/hybrid power options for Letseng/Ghaghoo

Currency volatility risk
- Hedging currency on fixed capex projects to reduce risk

Price risk
- multi-jurisdiction sales
- Managing own sales channels