

Radebe drills R30-million into shaftsinking group

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Staff Writer

In yet another empowerment deal Mmakau Mining, a 100% black-owned mining company, has acquired a 25%-plus stake in Shaft Sinkers, one of Africa's most experienced mining contractors.

Speaking at a media briefing held in Brits last week, Shaft Sinkers MD Peet Nel said the deal should not be viewed as a 'window dressing' exercise, but that it should be seen as an imperative in terms of the Mining Charter, which will allow the company to pursue new business opportunities not only in South Africa and Africa, but worldwide as well.

"We are extremely pleased to have linked up with a black economic empowerment (BEE) company, such as Mmakau, and we believe that it will bring the necessary technical know-how, employment equity and community relations to the table to benefit both companies," Nel said.



Peet Nel leans on Bridgette Radebe for black-empowerment support

Mmakau chairperson **Bridgette Radebe** reiterated Nel's sentiments, saying that this acquisition was the next logical step in the growth and diversification of Mmakau Mining, which also has other interests in contract mining, coal and platinum.

"This deal signals the first successful penetration of a black-owned company into

the shaftsinking field and is further evidence of the efficacy of both the spirit and intent of the Mining Charter," noted Radebe, adding that Mmakau hoped to assist Shaft Sinkers in its efforts in meeting the Mining Scorecard's key requirements relating to ownership, procurement, human resource development, employment equity and community development.

As far as community development is concerned, local communities will benefit from the deal in terms of royalty and equity stakes, as well as through procurement initiatives.

Nel told journalists that Shaft Sinkers, which is 51% owned by Amco Investments, was able to convince its principals in the UK to go with the full 25%-plus stake in order for the company to achieve immediate mining charter compliance.

It is believed that Shaft Sinkers is the first company in this particular mining sector to complete a BEE transaction.

Mmakau acquired its share in Shaft Sinkers through vendor-assisted finance from Amco

Investments, at a market-related price of about R30-million.

Radebe is to join Shaft Sinkers' five-member board.

Involved in all stages of shaft development – from feasibility to execution, Shaft Sinkers acts as a one-stop shop for mining companies.

It is capable of sinking and equipping shafts, mining contracting, underground construction, large underground excavations, tunnelling and development, design, consulting and draughting, as well as engineering, procurement and contract management.

The company, which has, to date, completed 158 000 m of shafts, is currently working on a number of contracts – valued at over R750-million – for various local mining companies.

Key among these are two contracts, worth about R240-million, with Lonmin for the sinking and and

equipping of its Saffy and Hossy shafts at Brits.

The Saffy project, which is currently under way, involves sinking, lining and equipping an 8-m-diameter, 650-m-deep vertical shaft, equipping 12 stations, excavating and equipping of the shaft-loading arrangement and more than 3 000 m of production development.

Work on the project started in May 2000, with shaft commissioning scheduled for August 2005.

According to Nel, the project is currently running 60 days ahead of schedule, with no reportable injuries having been logged for the past 16 months and no lost-time injuries for 135 days.

"With 300 000 fatality-free shifts, we are very proud of the project's safety record and we will continue to drive safety until the project is completed," Nel said.

Nearly R4-million is spent a month on the Saffy project, of which 30% is procured from local suppliers.

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