

1 December 2021

President Cyril Ramaphosa

president@presidency.gov.za

presramaphosa@presidency.gov.za

Dear President Ramaphosa,

We represent the vast majority of the community of Mpukunyoni in KwaZulu-Natal, where the Tendele Mine is located, and also represent almost the entire workforce of 1174 employees at the mine. We would like to draw your attention to the extremely serious situation we are facing here with the possible imminent and unnecessary closure of the mine.

A number of environmental groups and other organisations brought a Review Application in the High Court, Pretoria to set aside Tendele's Mining Right obtained in 2016 in respect of areas into which the mine would like to expand in order to extend its life. Those future mining areas are Emalahleni, Ophondweni and Mahujini.

Tendele has been mining since 2006 and the current mining reserves are being depleted. The expansion project, currently being opposed by a tiny minority, is required to enable the extension of the mine's life for at least another 10 years.

If successful, the Review Application will lead to the closure of the Tendele Mine that operates in the poverty-stricken Mpukunyoni Community, in the Mtubatuba Municipal area. This will have the following consequences:

- Retrenchment of all of the 1174 employees by 30 June 2022. 87% of these employees are from the local Mpukunyoni Community;
- The majority of the employees are already working "short time" (thus earning half their salaries), in an effort to support the mine, and to avoid retrenchments as the mine is hoping to find an amicable way to save the mine;
- The termination of procurement contracts for some 50 Mpukunyoni-based entrepreneurs earning more than R100 million annually from their services; and
- The termination of all Social and Labour Plan contributions in the area (that have included material investment in infrastructure including schools, crèches, clinic, community halls, roads and bridges and the training of some 20 000 people since 2006).

After waiting for several months, the Review Application was set down for hearing and heard on 10, 11 and 12 November 2021 and judgment is expected within the next three months.

The authors of this letter participated as Amicus groups, as the 11th to 14th Respondents, in the Review Application and supported Tendele Mine. We include:

- Mpukunyoni Traditional Council (MTC) (including the Nkosi and the Indunas from the 30 Izigodi around the mine);
- NUM, AMCU and Solidarity representing the employees at the mine. (A fourth union (Falwusa) gained some membership in the last few months, and its president indicated full support for the survival of the mine); and
- The Mpukunyoni Community Mining Forum (MCMF), established in 2017. The MCMF is a platform to discuss all historic and future mine/community related matters, and the members include the Inkosi, the Traditional Council, the Mtubatuba Municipality, the Ward Councilors from the Mtubatuba Municipality (the mine is operating in 3 wards), the Mpukunyoni Business Association (representing more than 150 locally-based business in the area), full time shop stewards from the unions, leaders representing families that historically have been relocated to enable mining (225 families) and leaders of the families that still have to be relocated (143 families, of which 133 have already signed relocation agreements with the mine, and the remaining 10 are in a mediation process), other stakeholders in the area and other leaders representing most of the 220 000 community members.

The mine's records and Social and Labour Plan submitted to the DMR indicate amongst others that since 2006 some R2.4 billion was invested in the Community via salaries, procurement, SLP and other payments.

According to the Mtubatuba IDP 2021/22, the population in Mtubatuba in 2016 was 202 176 and is projected to be 212 837 in 2021 and 229 390 by 2025.

The 2019/2020 Mtubatuba Municipality Annual Report indicates that some 72% of the families in the Mtubatuba Area earn less than R2 000 per month.

This is a poverty-stricken community, and the mine is by far the largest employer of local people in the area, and there is no other major employer in the area

We believe that in this poverty-stricken community, one salary may very well support more than 10 people and this means that some 12 000 people will lose their main source of income if the mine closes because it cannot access the new mining areas by June 2022.

The Mpukunyoni Area and the Mtubatuba Municipality will lose the major contributor of economic development in the area.

In the local government elections of 2021, the ANC and IFP collectively obtained 79.23 % of the vote. Both the ANC and the IFP support the survival of the mine.

The Applicants indicated in their papers that they have some 4 000 members. The majority emanate from the Fuleni area, some 70 km away from the mine on the other side of the Umfolozi River, with its own Traditional Council which is totally independent from the Mpukunyoni Traditional Council, and they have nothing to do with the Mpukunyoni Community. The Applicants have indicated that they have some 550 members in the Mpukunyoni Area. With the community consisting of 220 000, the MTC, MCMF, AMCU and NUM represent about 98% of the community whilst the applicants represent less than 1% of the community.

The reality is that:

- If the new mining areas are not accessed by June 2022 (and it takes 5 months to prepare the mining areas, so preparation has to start in January 2022), the mine will close down by June 2022. Save for a few employees to maintain the mine as part of “care and maintenance” all employees will be retrenched as the mine won’t have access to new mining areas to mine. And banks / funders will not agree to fund the mine unless the new mining areas are accessed.
- Tension in the area is mounting as the community are fearful of an uncertain future if the mine closes.
- Should the mine be enabled to continue to operate in the 3 future mining areas for an estimated 10 additional years, some 1 200 jobs will be saved and it is estimated that some 300 more jobs will be created. Substantial benefits will flow to the community surrounding the mine, not to mention the substantial benefits the Tendele SLPs and CSI projects will bring to the community.
- It will ensure the continued supply of reductants, a necessity to the South African Ferro-alloy industry for the next 10 years at a substantially reduced cost to alternatives. The South African Ferro-alloy industry needs all the assistance it can get to contain its costs and remain competitive in the international markets. The mine will furthermore materially contribute to SA Inc., via PAYE, normal tax, and royalties to be paid over the next 10 years and in the court papers indicated that this will be in excess of R2.477 billion and it is forecast that some \$637 million in export revenue will be earned for South Africa.

- The Court Papers indicated that if the mine is saved that the economic activity over the next 10 years amounts to R15, 98bn, and at an exchange rate of R14.30 to the dollar, it amounts to an investment of \$1,12bn in the area. Thus, this poverty-stricken area, can contribute more than 1% of the \$100 billion required as part of the President's initiative.

We plead for calm and sanity to prevail to save the Mine for the benefit of the Mpukunyoni Community.

Yours sincerely

MC Zungu, Chairman, Mpukunyoni Community Mining Forum – 078 422 1928

Bishop GS Mkhwanazi, Traditional Council – 083 575 8882

MQ Mkhwanazi, TC, Mpukunyoni Community Mining Forum, Municipal Councillor – 072 111 9991

Mbongiseni Osca Ndlela, AMCU Regional Shop Steward – 083 774 7820

Ivan Bhengu, Tendele NUM Shop Steward – 067 409 0533

Sicelo Shandu, , Mpukunyoni Business Association – 084 554 5593