

Juniors struggling to survive amid several stumbling blocks

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Bernard Swanepoel
Photo by: Duane Daws

JOHANNESBURG (miningweekly.com) - Various challenges are threatening the existence of junior miners in South Africa, mining and resources growth specialist company To-The-Point Growth Specialists partner **Bernard Swanepoel** told guests at the thirty-fifth edition of mining networking platform, Africa Mining Network (AMN), on Wednesday evening.

Speaking on the topic 'Why are there no dung beetles in elephant country? Some challenges facing the junior mining sector in South Africa', he told key mining industry roleplayers that South Africa's mineral-rich orebodies continue to present great opportunities in terms of available resources and should, therefore, be attracting more "dung beetles" – junior and prospecting miners – than it currently is.

An influx of a greater number of junior miners will lead to some of them developing into larger and more established mining companies that are able to exploit South Africa's extensive array of resources and improve its economy, while also attracting new investment into the mining sector and encouraging others to prospect and find new orebodies.

However, Swanepoel said it is "not easy to be small [junior] miner" pointing out that mining legislation needs to be refined to

accommodate the fine parameters in which junior miners must survive.

“I am not sure how we [the mining industry] should tackle this issue [of promoting and developing junior miners],” he stated. However, he suggested that junior miners desperately required certainty from government, especially in terms of regulations. Competitiveness with larger, more established mining companies also needs to be addressed, as only established major mining companies are currently able to thrive to any extent.

Timing and capital are key factors to the success and survival of junior miners, as lengthy hindrances can lead to the demise of capital-sensitive junior projects. “There needs to be a trade off between time and money in the junior space,” he said, adding that the tension leads to currently operating junior miners finding it increasingly difficult to be compliant with mining laws, further discouraging other potential investors. ❖

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