

Strategic partner in the Free State

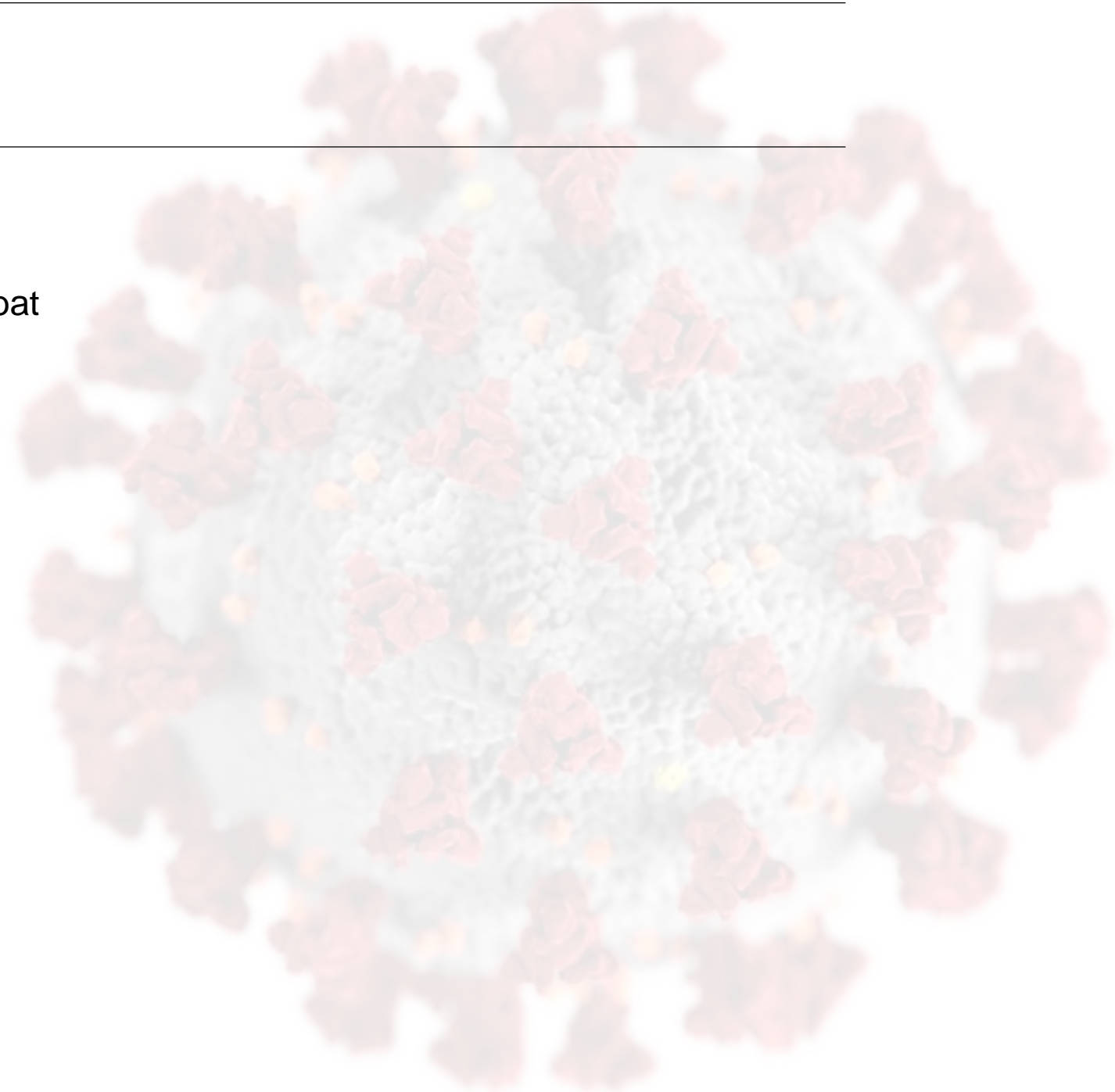


PARLIAMENTARY PORTFOLIO COMMITTEE PRESENTATION ON COMBATING ILLEGAL MINING

28 October 2020

ROAD MAP

1. Overview of illegal mining
2. Proactive measures taken to combat
3. Other initiatives taken
4. Operation “Knock Out”
5. Vaal River area (new focus area)
6. Illicit access
7. Aiding and abetting illicit mining
8. Statistics supporting the activities
9. Challenges
10. Annexures



OVERVIEW

- Influx of illegal immigrants settling in local communities which also result in human trafficking, child labour and/or forced labour.
- The establishment of criminal syndicates result in other crimes relating to employment such as job selling depriving local community members from employment.
- The lucrative cash benefits results in the collusion of SAPS members, security members, employees and community members which promotes a lawless and fearful environment.
- Criminal gang activities threaten the lives of employees and community members due to territorial fighting. Over 400 violent incident have been reported from 2013 to date.
- Illegal mining attracts other criminal activities such as prostitution, money laundering, theft, rape, murder and robberies etc.
- Illegal mining cost the state and mining house approximately R 11 Billion in taxes and R7 Billion revenue losses which could have benefited local communities.

OVERVIEW cont.

Illegal mining result in the exposure of community member and children to open shafts, hole and tunnels.

Illegal mining threaten sustainable investors in the mining sector which will result in mine closure and job losses in the community.

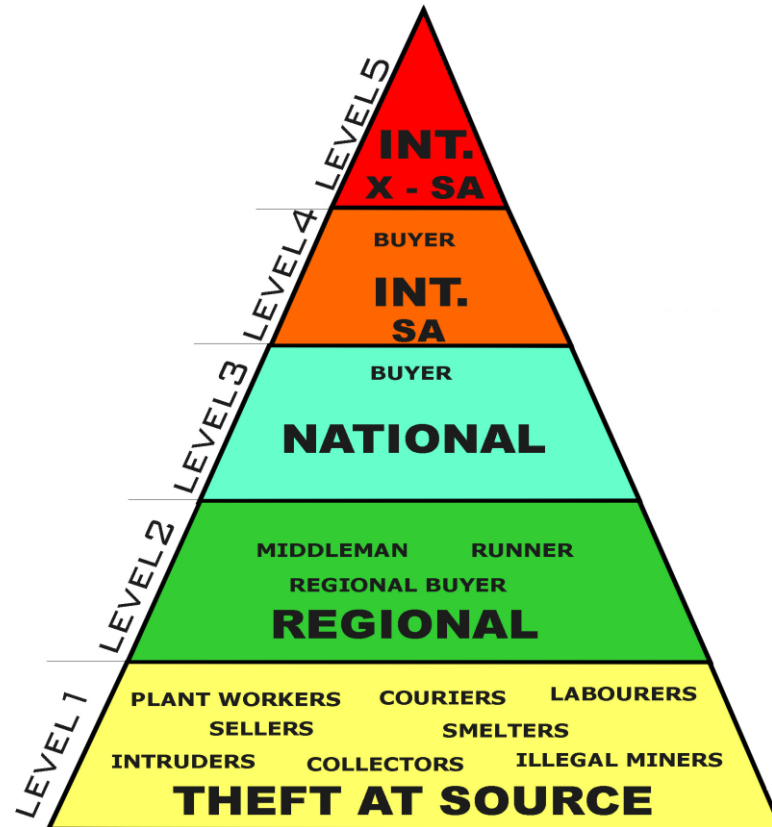
Illegal mining does not only threaten current jobs but also future employment opportunities for local community children.

No dedicated SAPS unit to curb illegal mining.

Corruption within the criminal justice system:

- bribing of the prosecuting authority;
- the court sentences relating to illegal miners do not act as a deterrent to illegal miners;
- participation of legitimate licensed dealers who purchase illegal gold and therefore encourage illegal mining.

SYNDICATE HIERARCHY



Level 1 : Theft at source is normally the illegal miner who works underground, intruders, collectors and the smelters

Level 2 : The regional buyers who also organise for the illegal miners to go underground, they pay security, banksmen and onsetters to allow the illegal miners to go underground. They move around in the Matjhabeng area.

Level 3 : National buyers are usually in Gauteng area and they provide the money beforehand to the regional buyers for their workings in specifically the gold mine areas.

Level 4 : International buyers still active in South Africa – they legalize the illegal gold through processes and sell it on the International market.

Level 5 : International buyers outside South Africa who creates the demand in the overseas markets.

INTERNAL CHALLENGES

Huge amounts of cash paid to employees and security guards to assist with access and food supply
The unsafe mining practices of illegal mines result in section 54 stoppages by the DMR, unsafe working conditions for employees and ultimately death and job losses.

Jeopardise the integrity of work places and the integrity of the ground conditions.

Set booby traps to prevent capture.

Territorial fighting which escalate to the point whereby firearms and explosive are used threaten the lives of employees and contractors.

No regard for safety result in underground explosions of methane gasses.

The opening of ventilation barricades by illegal miners reduces airflow to working areas.

Theft and damages significantly increase the costs of security, equipment and maintenance which threaten operational sustainability and job security.

Mine Management's reliance on employees to curb illegal mining.



**PRO-ACTIVE
ACTIONS
IMPLEMENTED BY
HARMONY**

PRO-ACTIVE MEASURES IMPLEMENTED BY HARMONY

SECURITY MEASURES IMPLEMENTED

- Issue of clocking cards and Bio-Metric access done by security;
- Shaft bank closed with Clearview fencing;
- Additional mantrap turnstiles with cameras and Bio-Metric system installed;
- Additional cameras installed within the shaft and lamp room area.

REVIEW SECURITY POLICIES AND PROCEDURES

- Material Handling;
- Security Clearances;
- Access and Egress;
- Stop and Search.

REVIEW ELECTRONIC SURVEILLANCE

- Crush Area;
- Bank Area;
- Other Identified High Risk Areas.

WHISTLEBLOWER (HOT LINE) NO: 0800 212 339

PRO-ACTIVE MEASURES IMPLEMENTED BY HARMONY

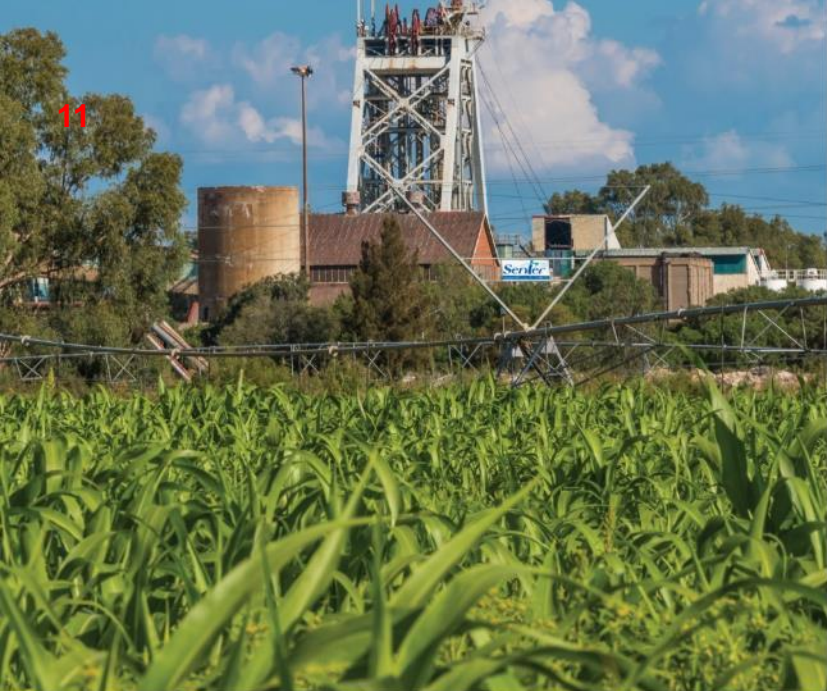
Mantrap turnstiles with Bio-Metrics and cameras installed to underground walkway and lamp rooms. Additional Fencing around shaft bank areas.



PRO-ACTIVE MEASURES IMPLEMENTED BY HARMONY

RV Shaft closed with Clearview fencing and Lamps and rescue packs secured with padlocks, turnstile.





OTHER INITIATIVES

OPERATING SHAFTS IN THE FREE STATE:

1. The pump shafts :

- Eland
- Masimong 4
- Target 2
- Target 3

2. The operational shafts :

- Target 1
- Tshepong
- Phakisa
- Nyala
- Masimong 5
- Bambanani East & West
- Unisel
- Joel

**Only 8
Operational shafts
left**

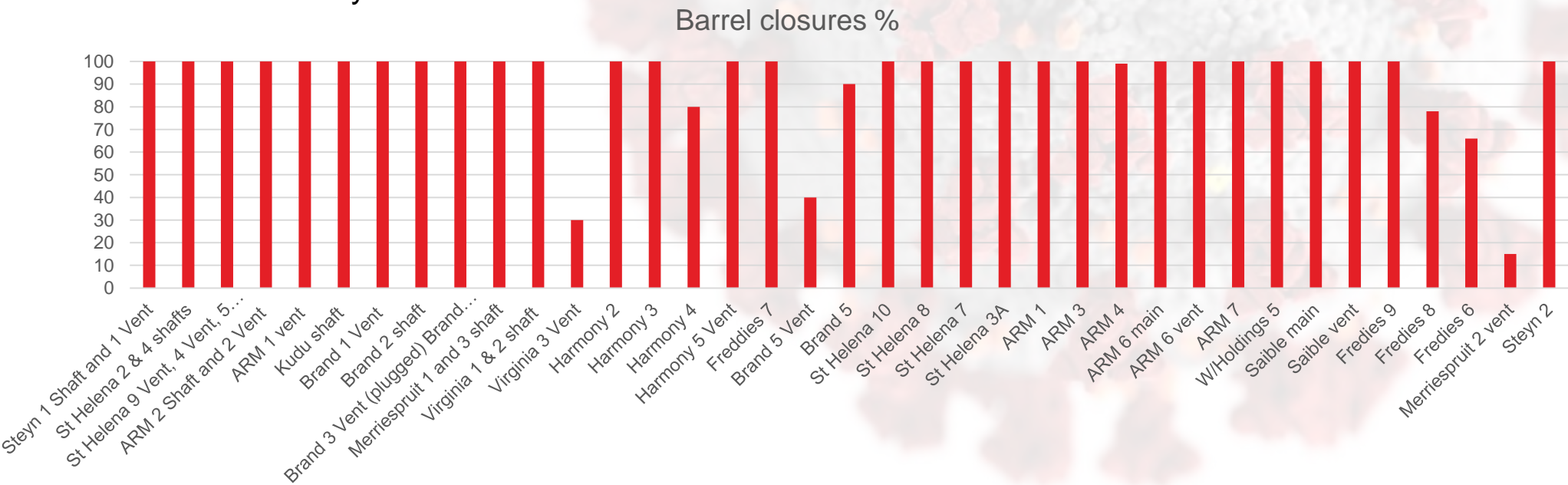
SHAFTS CLOSED IN THE FREE STATE

All Harmony Gold Mine shafts and plants mentioned below were fully operational before the impact of Illegal Mining was identified.

According to law a mining company like Harmony Gold Mine for example, stays responsible for closed shafts & plants until they are rehabilitated (those in operation, including pump shafts).

Filling of these shafts only influences the vent flow, not travelling routes. Any access from these shafts to the underground workings is permanently stopped

Closed shafts currently are :

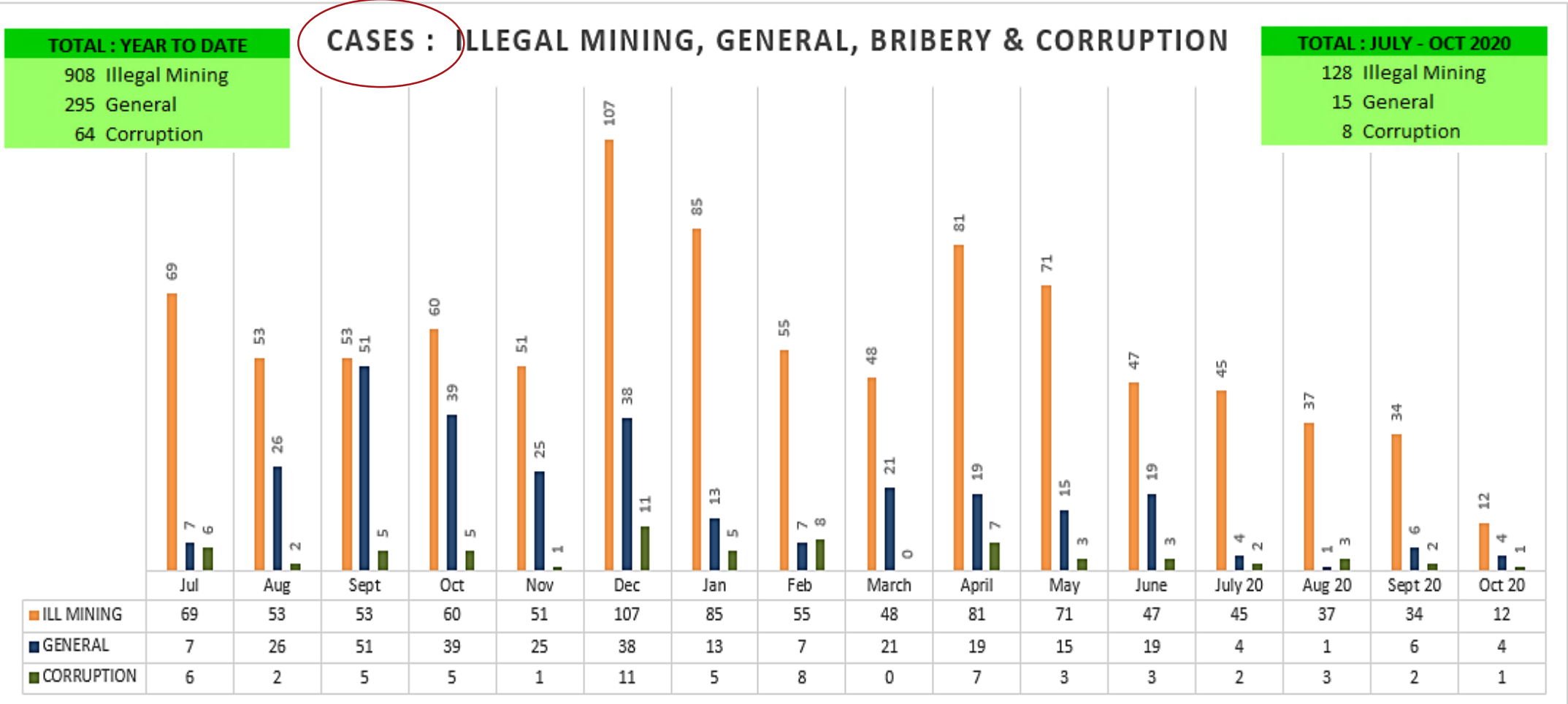




OPERATION “KNOCK-OUT”

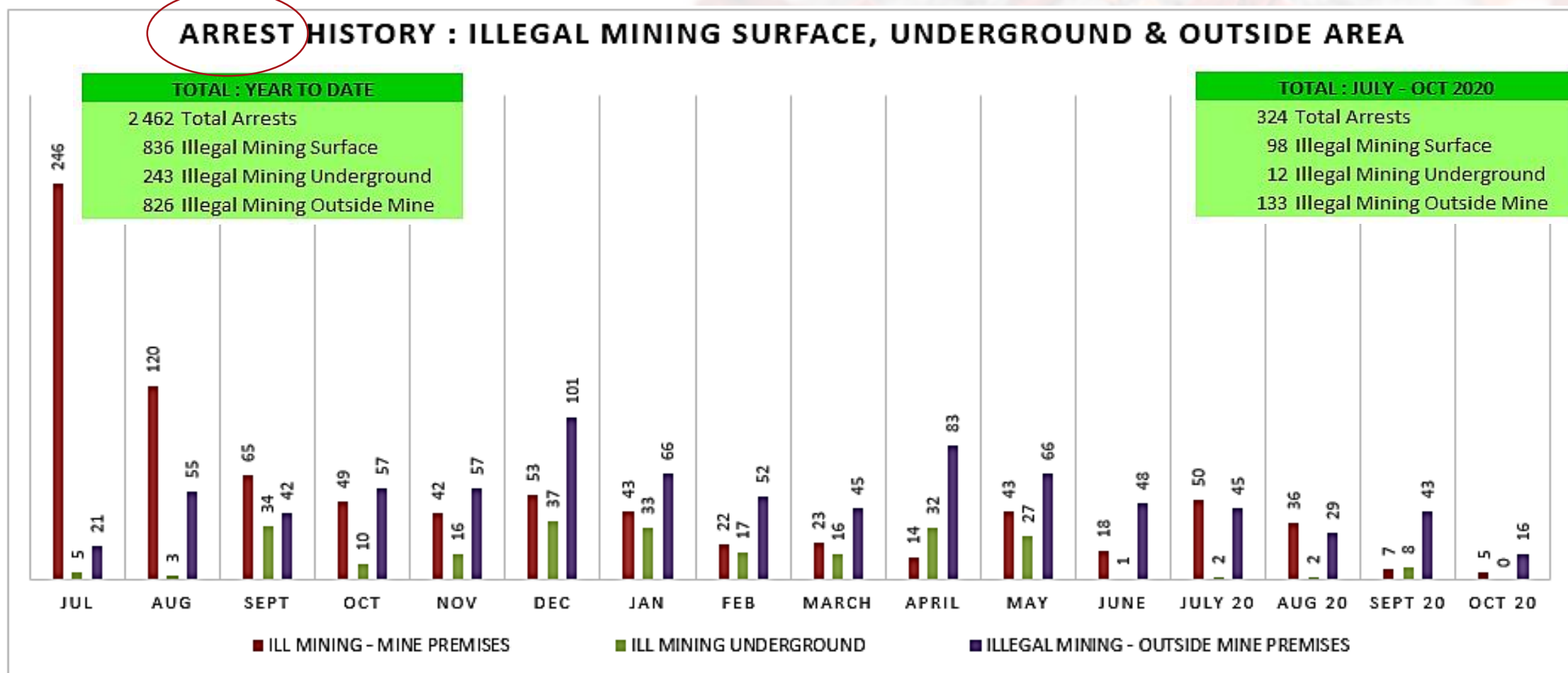
OPERATION “KNOCK-OUT”

Operation “knock-out” is a Project which consist of several law enforcement agencies such as the DCPI, Provincial SAPS, Local SAPS, and Anti Corruption and Harmony Security to curb crime in the Matjhabeng District with several successes.



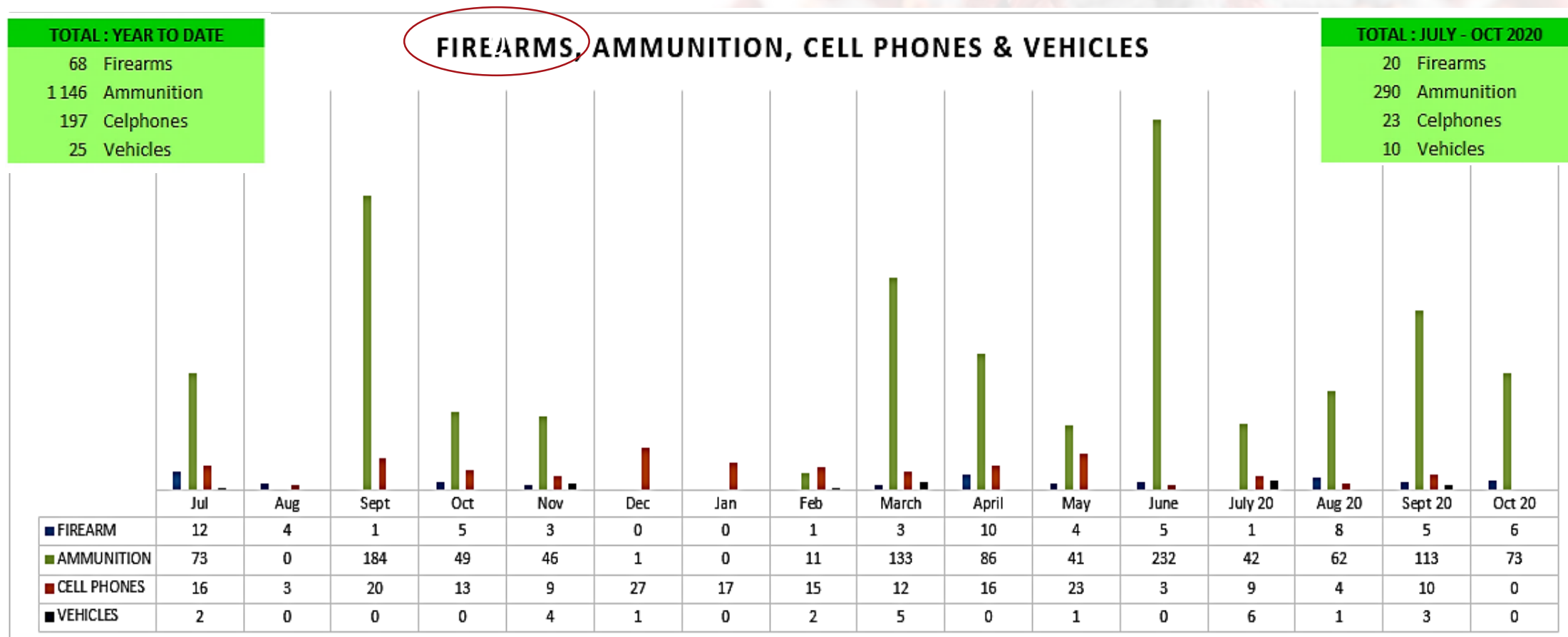
OPERATION “KNOCK-OUT”

Operation “knock-out” made significant progress in the arrest of illegal miners n both surface and underground operations. With the involvement of the SAPS the scope of the area of operations were also extended to off-mine areas.



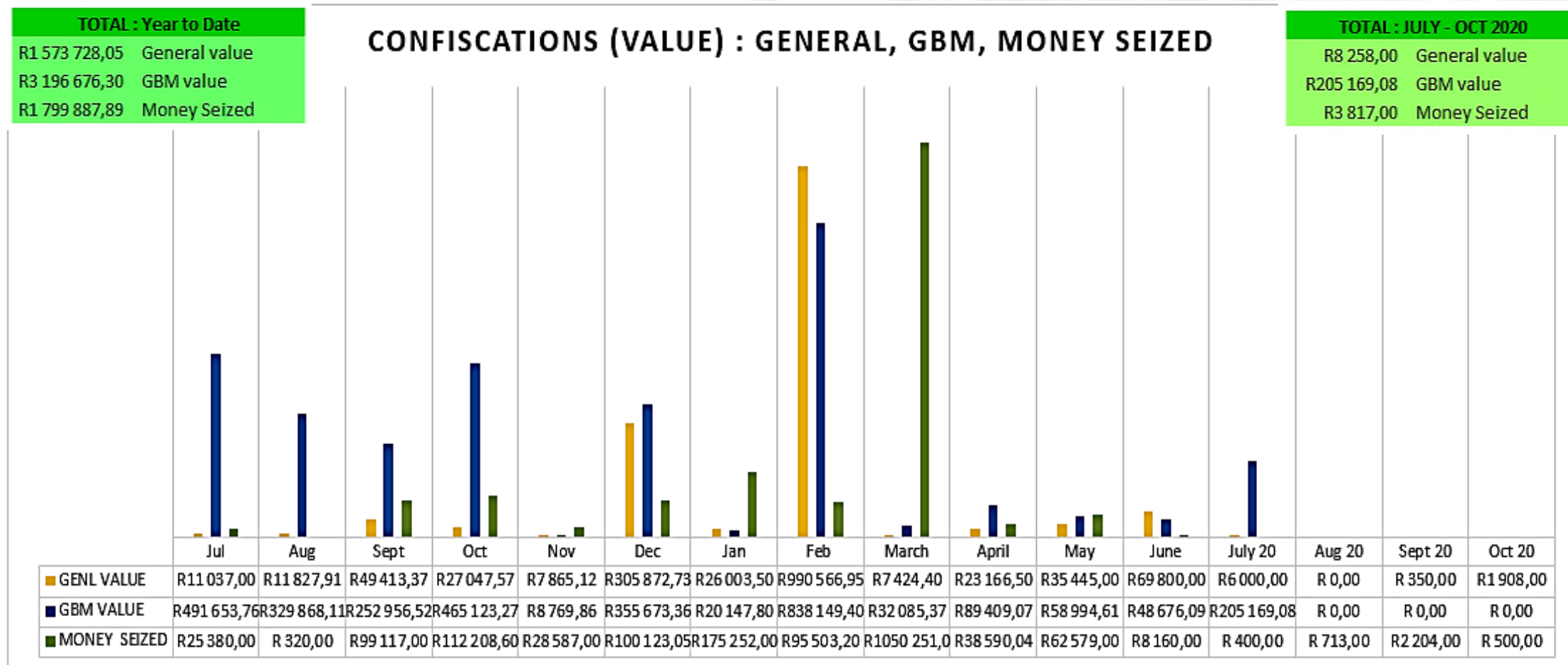
OPERATION “KNOCK-OUT”

Operation “knock-out” do not only concentrated on illegal mining but also other related crimes.



OPERATION “KNOCK-OUT”

GBM, Money and other items were seized during Operation “knock-out”.



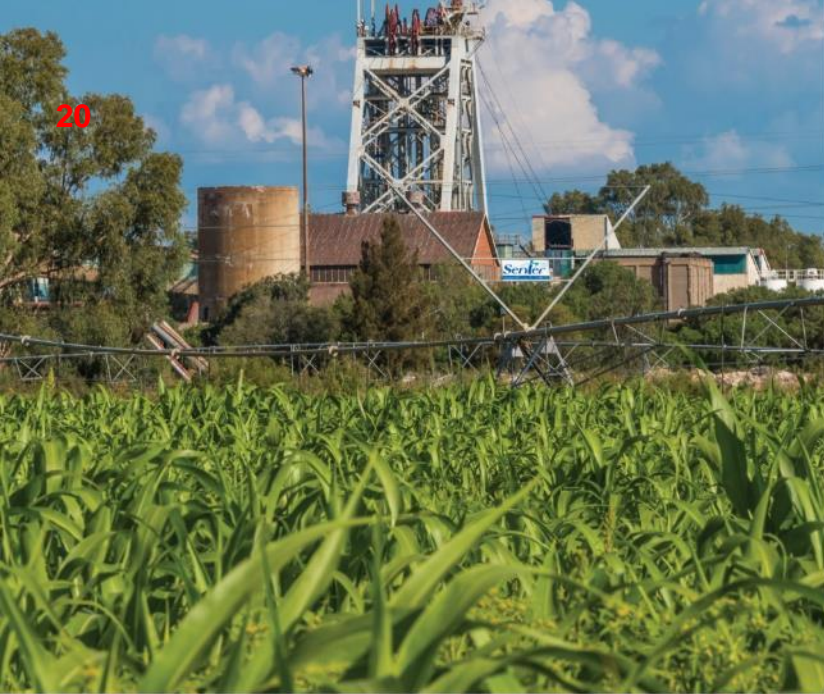
SUCCESS STORY

Wednesday 21 October 2020

OFFICE OF THE PROVINCIAL COMMISSIONER: FREE STATE MOST FEARED ZAMA ZAMA KINGPIN AND FRIENDS SENTENCED TO LIFE

Virginia: The notorious Zama Zama kingpin, Eric David Dumisani Ndlovu (48) aka "David One Eye", Lefoso Makena Mosia (27), and Molefi Michael Mahloane (56) were all sentenced to life imprisonment today 21 October 2020 by the Bloemfontein High Court sitting in Virginia for the gruesome murder of Mahlomola Pin Mokoena (34). It was discovered during trial that in the evening of the 12 July 2017, the deceased went to a local tavern with a friend from Gauteng and they were later joined by Makena Mosia who was also a friend to the deceased. The three were planning to go and do some Zama Zama (illegal mining) work. Makena then told them that they have to wait for a call before departing and after receiving the call, all three of them went to Phakisa cemetery in Odendaalsrus. At the cemetery, the three met with the Molefi Mahloane and the other unknown suspect. All five of them i.e the deceased (Mahlomola), Makena, Molefi, the Gauteng friend, and the unknown suspect went deep inside the cemetery. They were then joined by 'David one eye' who demanded his money for gold balls owed to him by Mahlomola and when he said he didn't have money, David instructed Makena and Mahloane to kill Mahlomola. They shot him execution style in the head and body. Mahlomola's Gauteng friend managed to run away and reported the matter to his police friend who referred him to the then Investigating Officer, former Warrant Officer Marumo. It was later discovered that Marumo was working for 'David one eye' after he falsified information in the court of law. Marumo was charged with defeating the ends of justice and sentenced to three years imprisonment then dismissed from the SAPS. "My appreciation for the thorough investigation by the Provincial Anti-Gang Unit in ensuring that of one the most feared, powerful, notorious criminal in the Goldfields, aka 'David one eye' is permanently removed from society", said the Provincial Commissioner of the Free State, Lieutenant General Baile Motswenyane





ILLICIT MINING – VAAL RIVER – NEW ACQUISITION

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Vaal River – EGAF Redundant Gold Plant

EGAF/Pipe Yard is an old redundant plant that has been demolished and excavated, the next process will be to rehabilitate the area.

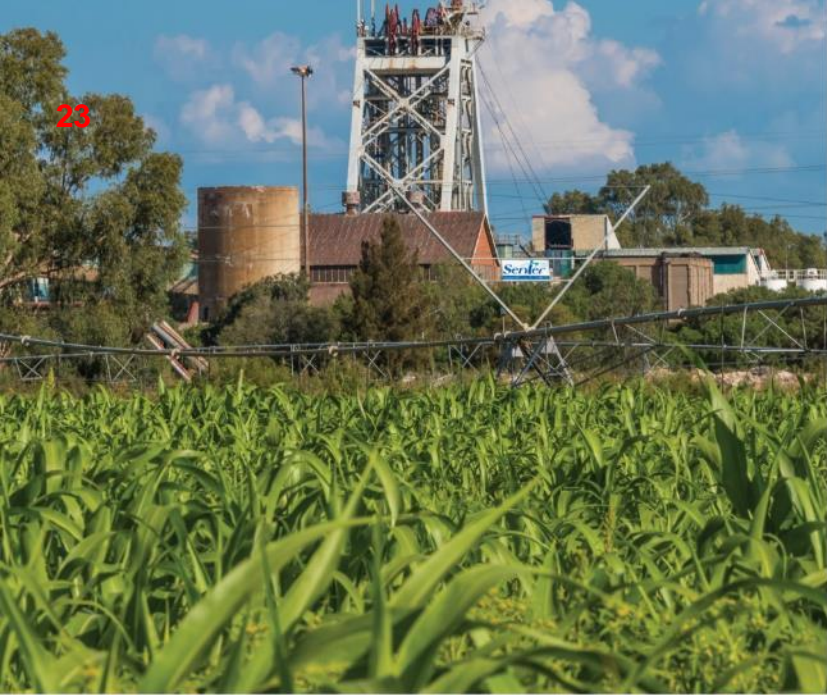
Perimeter fence and cctv surveillance still active on site.

Criminal elements has discovered some “rich” deposits in trenches that could not be excavated previously. Latest assay samples were tested to be between 2 and 69 gm/ton



ILLICIT MINING – VAAL RIVER – NEW ACQUISITION





ILLEGAL ACCESS

ILLEGAL ACCESS

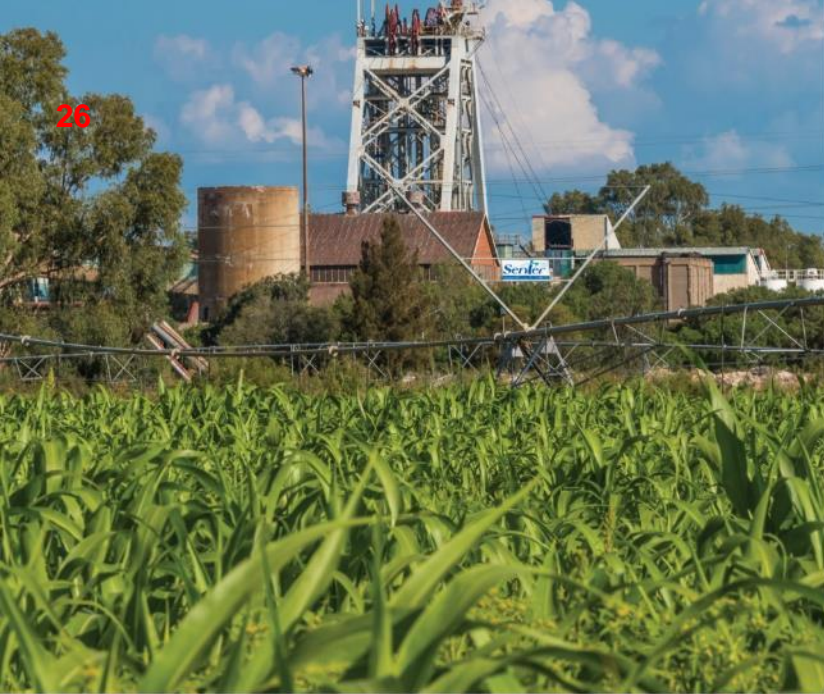
- Access through old ventilation shafts, (not guarded or monitored) mostly in the Gold mining sector.
- Access via interlinked shafts of neighbouring mines.
- Redundant shafts where they break the seal.
- In the Free State syndicates uses Marashea's to protect the area with fire arms in order to enter and climb down the buntings and or to throw food down.



ILLEGAL ACCESS

- After the shaft hole is sealed.
- The illicit miners break the seal and go to the sub bank area where they cannot be seen.
- Foodstuff is then being put underground or illegal miners will climb down the shaft buntings or being lowered with a “pulley” to the next available level.
- To eliminate the risk and to counter the problem, the seal is opened and the hole is filled with rubble and building material and resealed again.
- The Security continuously conduct daily inspections, to ensure that no tampering occurs between inspections.



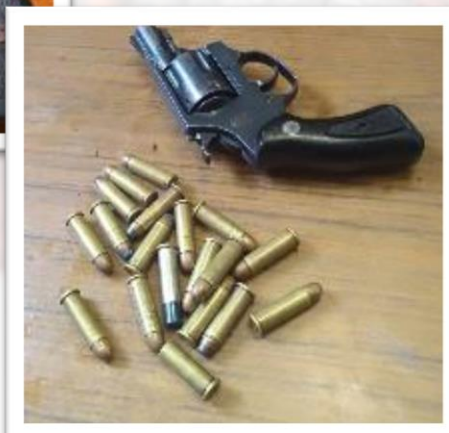


GENERAL PRO- ACTIVE OPERATIONS

GENERAL PRO-ACTIVE OPERATIONS



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GENERAL PRO-ACTIVE OPERATIONS



Hole through which food are taken down (St Helena 3 A Vent)

Food found which would have been taken down the hole.



Biltong found at lower bank - closed shaft.



St Helena 10#
Recovery Of Foodstuff



GENERAL PRO-ACTIVE OPERATIONS

Adamsonvlei – Bloudrift



GENERAL PRO-ACTIVE OPERATIONS

19 Elands Street St Helena, Welkom



AIDING AND ABETTING ILLICIT MINING

FOOD RECOVERED VALUES (23 October 2020)		
ITEM	PURCHASE PRICE UNDERGROUND (in Rand value)	PURCHASE PRICE RETAIL (in Rand value)
1KG Instant Porridge	200.00	16.95
340g Magic Mageu	200.00	8.50
1 pack Biltong ± 100g	100.00	20.00
1kg biltong	1 500.00	250.00
450 gr Simba Peanuts & Raisins	200.00	33.99
500 gr Peanuts	100.00	
1kg Peanuts	200.00	
1 kg Cremora	100.00	35.99
Tin of Fish	100.00	
300 G Bully Beef	100.00	19.95
410 g (1 tin) Chakalaka	100.00	12.95
White Bread	100.00	11.00
Brown Bread	100.00	9.00
500 g Nepray Instant Milk	100.00	18.00
1 kg Morvite	100.00	15.99
500 g Sugar Beans	100.00	7.99
1 kg Sugar Beans	200.00	42.99
150 g Apollo Polony	200.00	16.00
1 x Barrel KFC	1 000.00	260.00
Eat Sumore biscuits	100-200	
Salami Sticks	3 000.00	250.00
Bacon strips	1 500.00	109.00
Lunch box with bread (from miners)	50.00	
Lunch box containing meat	500.00	
CIGARETTES		
10 x 20 Rothmans	100.00	35.00
10 x 20 Dunhill	100.00	39.00
Packet of 20 Cigarettes	100.00	
Packet of 30 Cigarettes	200.00	
Marijuana (Small plastic)	100.00	



AIDING AND ABETTING ILLICIT MINING

EXAMPLE OF WAYS FOOD TAKEN UNDERGROUND



AIDING AND ABETTING ILLICIT MINING





STATISTICS

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Statistics show the following arrests of illegal miners underground in the Matjhabeng area on Harmony Gold mine increased since 2007

January – December 2007	-	475 arrested underground
January – December 2008	-	757 arrested underground
January – December 2009	-	1172 arrested underground
January – December 2010	-	696 arrested underground
January – December 2011	-	516 arrested underground
January – December 2012	-	576 arrested underground
January – December 2013	-	870 arrested underground
January – December 2014	-	1046 arrested underground
January – December 2015	-	1909 arrested underground
January – December 2016	-	2641 arrested underground
January – December 2017	-	2659 arrested underground
January – December 2018	-	2788 arrested underground
January – December 2019	-	358 arrested underground
January – October 2020	-	243 arrested underground

16,590 Illegal miners
1163 Injured
641 Deceased

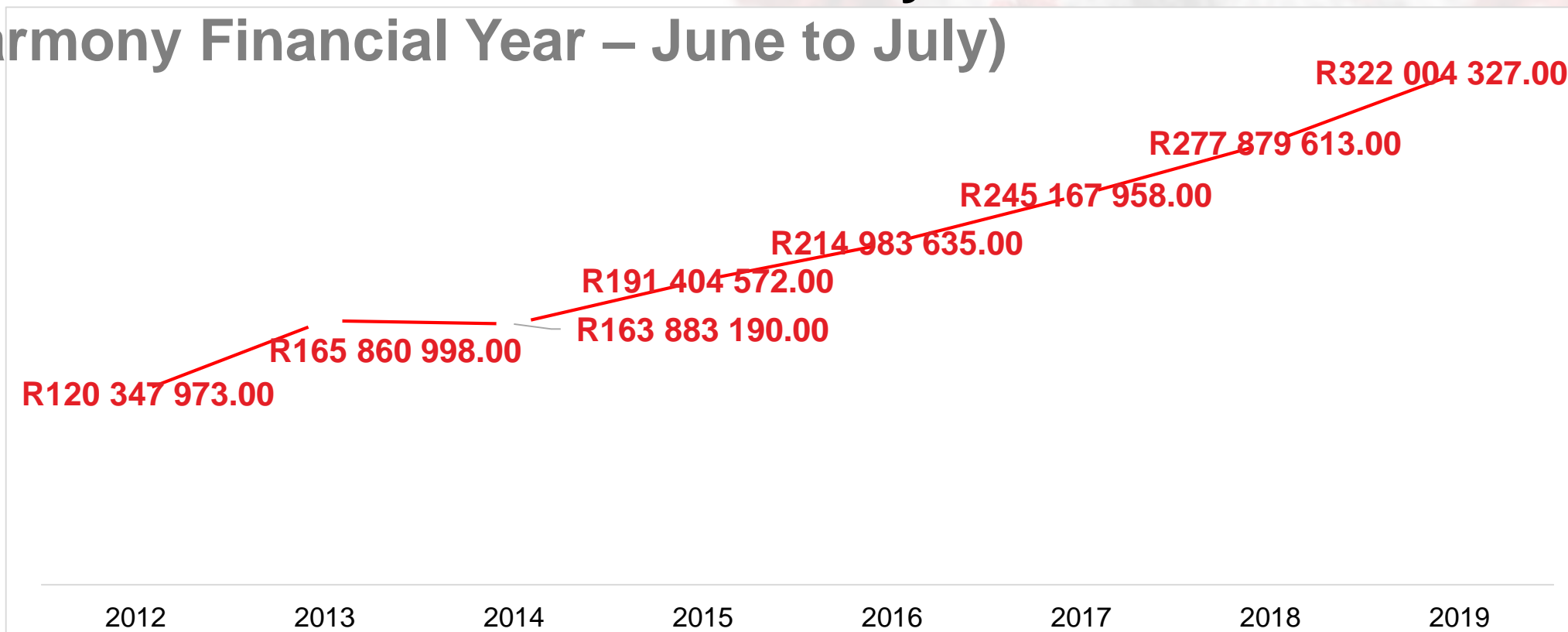
These statistics shows a decrease in illegal mining in the past 2 years after implementation of underground Tactical Task Teams, Operation Knock-out, Food Bans and other Physical Security Measures.

STATISTICS

Year	Total employees	Total contractors
2007	64	54
2008	80	56
2009	317	108
2010	142	46
2011	184	60
2012	87	50
2013	58	27
2014	7	35
2015	40	18
2016	42	22
2017	85	53
2018	133	22
2019	125	47
2020	42	13
TOTAL	1406	650

TOTAL SECURITY COST - Harmony Gold

(Harmony Financial Year – June to July)

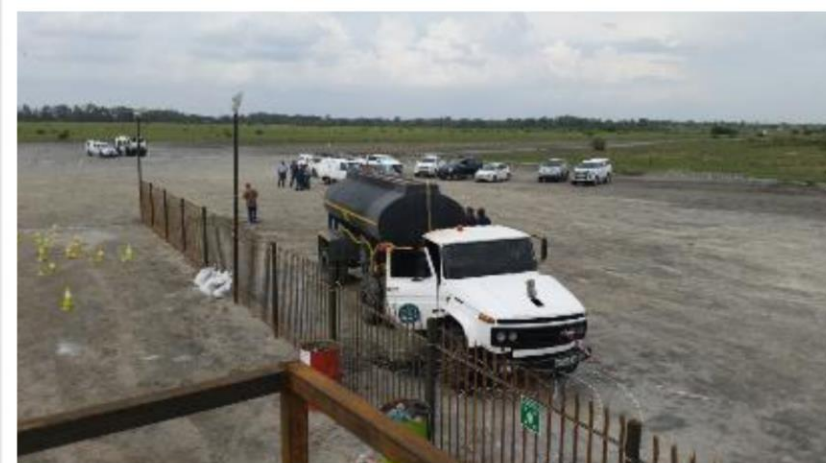


R1 701 533 265 (Billion)



VIOLENT ATTACKS AND ROBBERY

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KUSASALETHU PLANT



ELAND SHAFT

Manager was escorting a mine employee and
now on the different levels at Eland Shaft. On
Zaaiman found a letter addressed to HGM at
was handed in to the Investigations Department.
ended for intimidation.

KA KOPO KWALA MONYAKO!
HAEBA LESA KWALE
MENYAKO, HONA HOTLA
BAKA HORE GASE/MBAOLA
EKENE DITEISHENENG TSA DI
POMPI EBE RE HLOLEHA HO
POMPA KAPA HOLOKISA DI
POMPI. HONA HOTLA BAKA
HORE MOKOTI O TLALE ME
KAOFELA DI SHAFTENG TSA
HARMONY.
REYA KOPA KA KOPO!

[illegible]



KIDNAPPING AND MURDER

KIDNAPPING AND MURDER

CASES :

ATTEMPTED MURDER OF SAPS AND SECURITY MEMBERS

On **16th January 2017** at about 21:00 at **St Helena 1 C Vent Shaft** – Security members Timo de Swart and van der Merwe posed as fisherman to observe movement with the night sight. They approached the area by foot with Captain Engelbrecht of the Welkom SAPS. The suspects started to shoot at them and critically wounded Captain Engelbrecht. Security members returned fire. Backup was called from the SAPS and other Security members. The area was swept but no suspects could be found. Heavy caliber firearms were used by the suspects. The crime scene will be investigated during day light. Captain Engelbrecht was taken to hospital for medical attention. SAPS opened a case. **Welkom CAS: 247/01/2017.**



KIDNAPPING AND MURDER

TSHEPONG MINE

On 28/09/2017 at 17:36 the Regional General Manager Mr Simphiwe Kubheka, Comp no: P9120615 was travelling inside his private vehicle, when he was fatally shot by unknown suspects opposite the main entrance at Tshepong mine. Two suspects were observed who fled the scene. Odendaalsrus SAPS were informed and took over the scene. Four men have been found guilty of the assassination of the mentioned Regional General Manager. Thabeso Elliot Khoase, mine employee at the time was the link between the illegal miners and the assassins. They all were sentenced to life imprisonment. The four others were sentenced to two and four years respectively.



EXTERNAL CHALLENGES

The first challenge is that to some of the community sees the illegal miners are hero's.

Violence is escalating at an alarming rate and makes it difficult for security and the police to investigate.

The amount of money available for syndicate members and leaders to bribe police officials, security personnel, etc. runs into millions of Rand's.

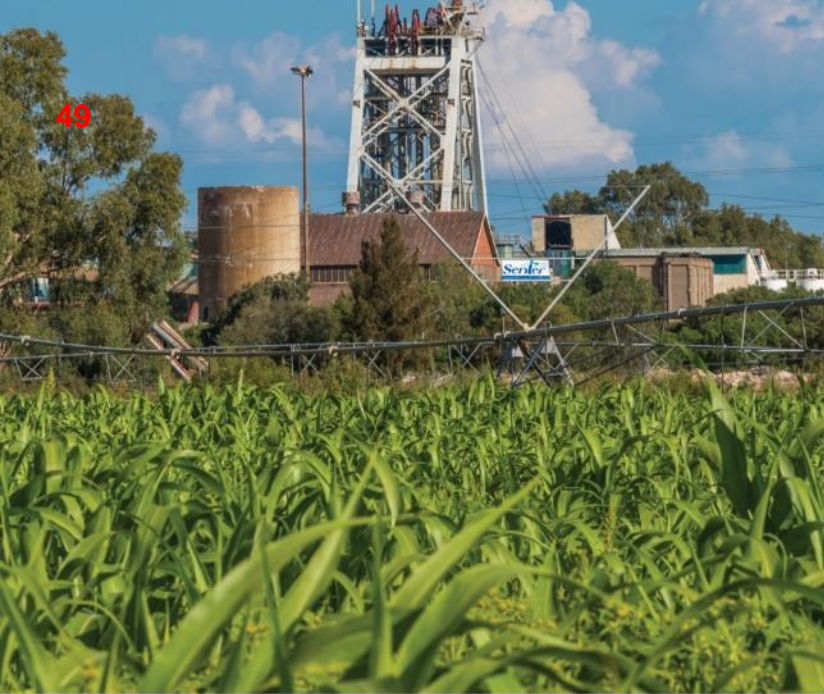
The lack of a multidiscipline Task Team as per operation "Knock-out" in the Free State.

Operation "Knock-out" should be duplicated in other provinces.

Members of such operation should not originate or be stationed in the same province of operation.

Involvement of employees, security and contract personnel in illicit mining.

Involvement of law enforcement agencies in the illicit mining trade from SAPS to Public Prosecution.



DISCUSSIONS