

**MINISTRY**

**MINERAL RESOURCES AND ENERGY**

**REPUBLIC OF SOUTH AFRICA**

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**Memorandum from the Parliamentary Office**

**National Assembly : 1586**

Please find attached a response to Parliamentary Questionfor **written reply** asked by **Mrs N I Tarabella Marchesi (DA)** **to the Minister of Mineral Resources and Energy:**

**Ms H Mhlongo**

**Acting DDG: Corporate Services**

**………………/………………/2022**

Recommended/ Not Recommended

**Ms P Gamede**

**Acting Director General: Department of Mineral Resources and Energy**

**………………/………………/2022**

Approved / Not Approved

**Mr. S.G Mantashe**

**Minister of Mineral Resources and Energy**

**………………/………………/2022**

**1586.** **Mrs N I Tarabella Marchesi (DA) to ask the Minister of Mineral Resources and Energy:**Whether (a) his department and/or (b) entities reporting to him concluded any commercial contracts with (i) the government of the Russian Federation and/or (ii) any other entity based in the Russian Federation since 1 April 2017; if not, what is the position in this regard; if so, for each commercial contract, what are the (aa) relevant details, (bb) values, (cc) time frames, (dd) goods contracted and (ee) reasons that the goods could not be contracted in the Republic? **NW1911E**

**Reply**

1. **NRWDI**
2. N/A
3. No commercial contract was concluded between the entity and Russian Federation
4. No contract concluded
5. No contract concluded since 01 April 2017

(aa) N/A

(bb) N/A

(cc) N/A

(dd) N/A

(ee) N/A

1. **SDT**
2. N/A
3. No commercial contract was concluded between the entity and Russian Federation
4. No contract concluded
5. No contract concluded since 01 April 2017

(aa) N/A

(bb) N/A

(cc) N/A

(dd) N/A

(ee) N/A

1. **MHSC**

1. N/A
2. No commercial contract was concluded between the entity and Russian Federation
3. No contract concluded
4. No contract concluded since 01 April 2017

(aa) N/A

(bb) N/A

(cc) N/A

(dd) N/A

(ee) N/A

1. **CEF**

We can confirm that as CEF Group we have not concluded any commercial agreements with any Russian entities since 2017 to date. Following a tender by our subsidiary, PetroSA to sell non-core assets (i.e. Christmas Trees) through an open tender process, the Russian entity called Gazprom has shown interest to acquire these assets. We can also confirm that no agreement has been concluded in this regard.

1. N/A
2. No commercial contract was concluded between the entity and Russian Federation
3. No contract concluded
4. No contract concluded since 01 April 2017

(aa) N/A

(bb) N/A

(cc) N/A

(dd) N/A

(ee) N/A

**5. CGS**

(a) N/A

(b) No commercial contract was concluded between the entity and Russian Federation

(i) No contract concluded

(ii) No contract concluded since 01 April 2017

(aa) N/A

(bb) N/A

(cc) N/A

(dd) N/A

(ee) N/A

1. **MINTEK**

Russian Federation entities involved: EVRAZ Holdings, PAO Severstal, Kutchatov Institute, Ural Mining and Metallurgical Company (UMMC) (Uchalin and Gai Mines), A9 Systems, and Polyus Verinskoe.

Total value of projects: R7 751 547

* 1. **RAZ Holdings – Moscow Russia (East Metals AG Switzerland)**

(aa) Relevant details

MINTEK has contracted with EVRAZ, based in Russian, for MINTEK to perform quality control (QA) evaluation work on grinding balls.

Date: 22 November 2021

(bb) Values

EVRAZ Holdings: R403 065

(cc) Time Frames

Complete by 31 May 2022

(dd) Goods Contracted

MINTEK will perform metallurgical characterisation test work on the grinding balls, including:

* Chemical composition analysis
* Metallurgical characterisation
* Impact/drop tests
* Ball mill abrasion wear testing
* Pin abrasion testing
* Dry rubber wheel abrasion testing

(ee) Reasons that the goods could not be contracted in the Republic?

EVRAZ Holdings sought the best available services and approached Mintek to execute the work on their behalf.

* 1. **PAO Severstal – Russia**

(aa) Relevant details

MINTEK has contracted with PAO Severstal, based in Russian, for MINTEK to perform metallurgical characterisation test (i.e. Quality Control (QC) work on grinding balls).

Date: 22 October 2021

(bb) Values

PAO Severstal: R425 766

(cc) Time Frames

PAO Severstal: Work conducted over 30 October 2021 to 03 December 2021

(dd) Goods Contracted

MINTEK will perform metallurgical characterisation test work on the grinding balls, including:

* Visual inspection and mass of the balls.
* Chemical Analysis.
* Microstructural Analysis.
* Hardness Measurements.
* Impact/Drop Testing (2000 drops) of three balls from each set.
* Charpy Impact Strength Analysis
* Ball mill abrasion wear test in the laboratory ball mill using the silica sand ore

(ee) Reasons that the goods could not be contracted in the Republic?

PAO Severstal sought the best available services and approached Mintek to do the work.

* 1. **Kutchatov Institute (KI), of the Russian Federation**

(aa) Relevant details

SA-Russia Bilateral Agreement on Research & Development (R&D):

MINTEK, under the Joint Russia-South Africa Commission on Science & Technology (JCST) that was established in 2011 collaborated with the Kutchatov Institute (KI), of the Russian Federation, on Nanotechnology. The work centred on developing Smart Human and Animal Health Sensing using Nanotechnology.

(bb) Values

AMD (Nanoscience & Nanotechnology Group): South Africa Department of Science & Innovation (DSI)-funded programme at Mintek: R1 500 000

(cc) Time Frames

AMD (Nanoscience & Nanotechnology Group): South Africa Department of Science & Innovation (DSI)-funded programme at Mintek: Programme planned over 2014/15, 2015/16 and 2016/17. Programme concluded in 2017/18.

(dd) Goods Contracted

MINTEK was tasked with the design, development and characterization of new nanotechnology biolabels (gold-based) and Surface Enhanced Raman Spectroscopy (SERS) systems for the detection of diseases which are prevalent in South Africa. The Kutchatov Institute (KI) was responsible for advanced materials testing and validation of these technologies. The work developed gold (Au) and silver (Ag)-based SERS sensors for the detection of human (Malaria) and animal diseases (Rift Valley Fever (RVF), Rabies and Foot and Mouth).

(ee) Reasons that the goods could not be contracted in the Republic?

AMD – A collaboration between institutes in South Africa (MINTEK) and Russia (Kutchatov Institute (KI)) carried out under a bilateral agreement between SA and Russia.

* 1. **A9 Systems and Polyus Verinskoe**

(aa) Relevant details

Mintek signed a contract with A9 Systems on behalf Polyus Verinskoe. A9 Systems is a third-party distributor in Russia.

(bb) Values

Measurement and Control Division (MCD): R4 611 036

(cc) Time Frames

17 April 2019 – 26 August 2022

(dd) Goods Contracted

Mining Efficiency Automated Measurement and Controls Systems/Products:

Carbon Activity Analyzer, Cynoprobes, Carbon Concentration Meters, LeachStar Control Systems and CyLas Instruments

(N.B. These are all trademarked products manufactured at Mintek).

(ee) Reasons that the goods could not be contracted in the Republic?

No other suppliers in the Russian Federation.

* 1. **Ural Mining and Metallurgical Company (UMMC) – Uchalin Mine**

(aa) Relevant details

The Division submitted a proposal for consultation work.  This are for consulting for Ural Mining and Metallurgical Company (UMMC) – Uchalin Mine. The work involves reviewing their data on processing of tailings from Au/Sb deposits and advising on a test work program and interpretation of results. The proposal for Uchalin mine has been accepted.

(bb) Values

R202 920

(cc) Time Frames

Complete by 31 August 2022

(dd) Goods Contracted

The work involves reviewing their data on the processing of tailings from Au/Sb (Gold/Antimony) deposits and advising on a test work program and interpretation of results.

(ee) Reasons that the goods could not be contracted in the Republic?

Ural Mining and Metallurgical Company (UMMC) – Uchalin Mine: No reason given.

* 1. **Ural Mining and Metallurgical Company (UMMC) – Uchalin Mine**

(aa) Relevant details

The Division submitted a proposal for consultation work.  This are for consulting for Ural Mining and Metallurgical Company (UMMC) – Gai Mine. The work involves reviewing their data on processing of tailings from Au/Sb deposits and advising on a test work program and interpretation of results. The proposal for Gai Mine has yet to be accepted.

(bb) Values

R202 920

(cc) Time Frames

Complete by 31 December 2022 should the project be awarded.

(dd) Goods Contracted

The work involves reviewing their data on the processing of tailings from Au/Sb (Gold/Antimony) deposits and advising on a test work program and interpretation of results.

(ee) Reasons that the goods could not be contracted in the Republic?

Ural Mining and Metallurgical Company (UMMC) – Gai Mine: No reason given

1. **NECSA**

(a) N/A.

(b) Yes,

1. N/A
2. Necsa concluded two once-off commercial contracts with companies based in the Russian Federation within the period in question (since 01 April 2017).
   1. **Contract One**

(aa) Necsa concluded a once-off contract with Novosibirsk Chemical Concentrates Plant

(NCCP) in November 2018.

(bb) USD 1 058 015, 00

(cc) Once-off transaction that will conclude upon delivery of the order, possibly in the financial year 2022/23. At the moment the delivery of the order is delayed by the current conflict between Russia and Ukraine.

(dd) The goods procured are LTA fuel Elements and control rods for SAFARI-1.

(ee) The rods and the fuel elements are not available in the country.

* 1. **Contract Two**

(aa) Necsa’s subsidiary NTP Radioisotopes concluded a once-off contract with the Center for Molecular Research (CMR) in January 2018.

(bb) USD 7000

(cc) Once-off transaction that was concluded upon delivery of goods.

(dd) The product that was procured was Ytterbium - 176 (Raw Material used in the

production of Lutetium)

(ee) This isotope is only produced in Russia and is sometimes available through

distributors based in the USA but no such distributors are available in Africa.

1. **SANEDI**
2. N/A
3. No commercial contract was concluded between the entity and Russian Federation.
4. No contract concluded
5. No contract concluded since 01 April 2017

(aa) N/A

(bb) N/A

(cc) N/A

(dd) N/A

(ee) N/A

1. **SADPMR**

(a) N/A

(b) No

(i) No

(ii) No, the Entity is guided by the decision of the DMRE and Government

(aa) N/A

(bb) N/A

(cc) N/A

(dd) N/A

(ee) N/A

1. **NERSA**
2. N/A
3. No commercial contract was concluded between the entity and Russian Federation
4. No contract concluded
5. No contract concluded since 01 April 2017

(aa) N/A

(bb) N/A

(cc) N/A

(dd) N/A

(ee) N/A

**11. NNR**

(a) N/A

(b) No

(i) N/A

(ii) No position

(aa) N/A

(bb) N/A

(cc) N/A

(dd) N/A

(ee) N/A