

**MINISTRY**

**MINERAL RESOURCES AND ENERGY**

**REPUBLIC OF SOUTH AFRICA**

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**Memorandum from the Parliamentary Office**

**National Assembly: 816**

Please find attached a response to Parliamentary Questionfor **written reply** asked by **Prof C T Msimang (IFP) to the Minister of Mineral Resources and Energy:**

**Ms Hilda Mhlongo**

**Deputy Director-General: Corporate Services**

**………………/………………/2023**

Recommended / Not Recommended

**Mr. Jacob Mbele**

**Director-General: Mineral Resources and Energy**

**………………/………………/2023**

Approved / Not Approved

**Mr. S.G Mantashe**

**Minister of Mineral Resources and Energy**

**………………/………………/2023**

**816. Prof C T Msimang (IFP) to ask the Minister of Mineral Resources and Energy:**

What are the details of the (a) origin and (b) breakdown of the R500 million exploration fund that his department created in partnership with the Industrial Development Corporation, which he announced during the 2023 Investing in African Mining Indaba on 6 March 2023? **NW916E**

**Reply:**

1. The South African exploration landscape had reached its lowest ebb, notwithstanding its exceptional geology suggesting that the country remains host to the most prospective discovery of the world class mineral and hydrocarbons discoveries. Accentuated by these contradictions, the Government worked with the mining industry to develop a comprehensive “*Exploration Implementation Plan”* , which identifies, *inter alia*, the lack of appetite by the South African financial sector to invest in exploration, deemed to be the lifeblood of the future of the extractive industry, which remains the base of the country’s economy. The Plan was presented to Cabinet, with a proposed intervention to create a relatively small fund for the purposes of exploration, in order to demonstrate the capacity of a major discovery and affirm the importance of geology in de-risking exploration with maximum returns.
2. On this basis, the Department of Mineral Resources and Energy secured a Cabinet approval for R200 million towards this initiative. A further R300 million was committed by the IDC towards the fund, in order to give it sufficient impetus to start implementation thereof.