

FOR IMMEDIATE RELEASE

Independence underpins SRK's lead in reports ranking

6 December 2018 – Johannesburg: As the world's leading author of mineral resource and reserve estimation reports, SRK Consulting will again join project champions and dealmakers at the 2019 Investing in African Mining Indaba in Cape Town to promote sustainable growth in mining.

With a global network of over 40 offices staffed by experienced engineers and scientists, SRK heads the RSC Mineral Intelligence ranking of the 25 top practices generating these reports; the documents are arguably the bedrock of geological and related data on which the international mining industry is founded. According to the ranking, SRK has produced over 150 resource estimation reports since 2014, and over 50 reserve estimation reports.¹

Formed in South Africa in 1974, the company today provides high-quality technical studies and services for clients active in Africa and worldwide, including major players based in Canada, the United Kingdom, the United States and Australia.

“Our leading position has been built as much on our independence and integrity as it has on our highly-regarded expertise and professionalism,” said Andrew van Zyl, partner and principal consultant at SRK Consulting. “We have no equity investments, take no equity as payment and are not involved in construction of plant or sale of equipment – all as part of our focus on being as independent as possible.”

He went on to highlight the ongoing importance of addressing technical risk in every aspect of the mining project life-cycle.

“While political and regulatory risk is always a concern in the mining sector, I would argue that the technical risk remains generally more important in the life of most mining projects,” said Van Zyl. “It is no simple matter to find suitably experienced people to study, plan and implement a mineral project in a remote region of Africa, for instance.”

If the right technical skills and sources of good advice were in place, however, many of the broader internal and external risks could be effectively managed. According to Mining Journal's recent World Risk Report, the average risk rating for the mining sector in Africa showed a slight improvement in 2018; on average, the continent is still considered less risky for mining investment than Asia.

It is also vital that these skills and knowledge are shared and fostered within the African mining environment, according to SRK Consulting partner and principal mining engineer Marcin Wertz.

¹ <https://www.rscmme.com/mineral-intelligence/rsc-mineral-intelligence-wk47-2018-slides-7-8>.

“Mining companies face increasing pressure to build local capacity among the professions and management on their mines in Africa, and this can create a growing risk if not managed closely,” said Wertz. “Expectations at host country level must therefore be addressed in the mine planning process.”

He noted that some African countries have considerable mine management expertise available locally, while others require mining companies to invest further in training and mentoring as they move from an initial reliance on expatriate skills to indigenous management. This commitment usually affected the budgets and scheduling of projects.

SRK’s own business model leverages local expertise and ownership to ensure that its technical excellence is rooted in home-grown experience which is fostered to world-class standards.

About SRK www.srk.co.za

SRK is an independent, global network of consulting practices in over 45 countries on six continents. Its experienced engineers and scientists work with clients in multi-disciplinary teams to deliver integrated, sustainable solutions across a range of sectors – mining, water, environment, infrastructure and energy.

About Andrew van Zyl

Andrew holds a B Eng (Chemical) and M Com (Financial Economics) and worked in production and project roles up to 2006, when his focus shifted to strategy, business development and valuation. He has spent several years as technical advisor to government committees overseeing the negotiation of mining conventions and rail and mineral terminal concessions. He has experience in valuing metals and minerals assets, including iron ore, manganese, chrome, copper, coal, gold and the platinum group metals. He has lectured in exchange rate theory and corporate valuation at the University of Johannesburg and has presented research and papers at conferences focusing on economics, mining valuation and health economics. He is on the council of the SAIMM and a member of the Institute of Directors and was a member of the working committee that updated the South African Mineral Valuation Code.

About Marcin Wertz

Marcin is a partner and principal mining engineer with over 31 years of experience in the field of mining engineering. His expertise includes reviewing mining methods, underground layouts and production scheduling for various underground hard rock mines and mining studies; conducting reserve audits with emphasis on resource-to-reserve conversions. Marcin has also been involved in evaluating underground operations including productivities being achieved to determine bottlenecking and/or overstaffing; carrying out mine design and production scheduling activities for various underground projects involving a range of geometries from conventional tabular deposits through vertical fissure/vein type deposits to massive deposits; co-ordinating and managing mining scoping studies through to full feasibility studies to bankable standard involving multi-disciplinary teams including other consulting firms.