



WERKSMANS

INCORPORATING
JAN S. DE VILLIERS

Keep us close

Mining, Energy and Natural Resources

Delivering Innovative Legal Services to the Mining, Energy and Natural Resources Sectors

Few industries have changed as dramatically as South Africa's mining and energy sector. Once dominated by a handful of private mining companies, the sector has seen private ownership of mineral rights converted to state custodianship, a new-order licensing regime and black economic empowerment obligations imposed on local and foreign players.

These developments are provided for in the Mineral and Petroleum Resources Development Act 28 of 2002 (MPRD Act) that came into effect on 1 May 2004, necessitating fundamental changes in the way mining companies operate in relation to ownership structures and the acquisition of rights to prospect and mine.

The evolving regulatory landscape has not been without controversy and has resulted in a growing number of administrative disputes over the granting of prospecting and mining rights. In addition, mining and energy companies are subject to increasingly stringent environmental regulation, particularly around waste management and rehabilitation of the surface of the earth disturbed during prospecting and mining.

Our Mining, Energy & Natural Resources team has a well-established international network and extensive experience in structuring mining transactions to meet the requirements of the MPRD Act. Mining clients include North American and Australian companies, as well as some of the major South African empowerment mining houses.

In addition, our Banking and Finance team has an enviable track record in advising both lenders and borrowers in this vibrant sector and in facilitating finance structures which comply with the new regime.

Services include advice on:

- ▶ **The Minerals and Petroleum Resources Development Act (MPRDA)**
- ▶ **Black Economic Empowerment (BEE) legislation and regulation**
- ▶ **Mergers and acquisitions**
- ▶ **Environmental law legislation and regulation**
- ▶ **Joint Venture and Pooling & Sharing agreements**
- ▶ **Conversion of Prospecting and Mining Rights**
- ▶ **Transfer of Prospecting and Mining Rights**
- ▶ **Surface and Mining Rights**
- ▶ **Waste management**
- ▶ **Mining and prospecting statutory and regulatory compliance**
- ▶ **Processing and off-take agreements**
- ▶ **Banking and finance**
- ▶ **Litigation, arbitration and dispute resolution**

Some of our key mining transactions in 2007 and 2008

DESCRIPTION OF TRANSACTION AND OUR ROLE	APPROXIMATE VALUE
Advised Western Areas Limited on its acquisition by Gold Fields Limited	R8,5 billion
Advised Xstrata South Africa (Proprietary) Limited on its acquisition of Eland Platinum Holdings Limited	R7,5 billion
Advised the Aquarius Group in relation to its acquisition of Impala Platinum's interest in the Aquarius group by way of a share buy-back mechanism	R6,6 billion
Advised Xstrata South Africa (Proprietary) Limited on the sale of the coal mining business conducted by the Douglas Tavistock Joint Venture to the participants in the Joint Venture, ultimately being Xstrata South Africa (Proprietary) Limited and BHP Billiton Energy Coal South Africa Limited	R6 billion
Advised Xstrata South Africa (Proprietary) Limited on its BEE joint venture with African Rainbow Minerals	R2,4 billion
Advised Tati Nickel Mining Company (Proprietary) Limited , a subsidiary of Lionore International Mining Limited, in respect of project funding for Botswana Metal Refinery (Proprietary) Limited	US\$400 million
Advised Optimum Coal Investments (Proprietary) Limited on its acquisition of Optimum Colliery from BHP Billiton Energy Coal South Africa Limited	US\$400 million
Advised the Evrax Group South Africa on its investment in Highveld Steel and Vanadium Corporation SA Limited	US\$238 million
Advised Sentula Mining Limited on a syndicated bank loan and a capital raising	R1,5 billion
Advised Xstrata Alloys on its empowerment transaction with Kagiso Trust Investments in relation to the Mototolo joint venture	R1,4 billion
Advised Diamond Core Resources Limited on its merger with BRC Diamond Corporation	R1 billion
Advised Shanduka Coal on its acquisitions of Graspan Colliery (Proprietary) Limited , Wakefield Investments (Proprietary) Limited and Spring Lake Holdings (Proprietary) Limited	R815 million
Advised Xstrata Alloys on its empowerment transaction with the Bakwena ba Magopa Community in relation to its Rhovan vanadium operation	R575 million

Some members of our team



Gareth Driver

Key practice areas:

- ▶ Corporate
- ▶ Mergers & Acquisitions
- ▶ Mining, Energy & Natural Resources

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