

Environmental Provisions to be Aligned with the CPI

By Deborah Spicer

The Department of Mineral Resources (DMR) is understood to be assessing financial provisions for environmental liabilities caused by mining. This was disclosed by DMR representative Aubrey Tshivhandekoana at the ITC Mineral Rights Compliance and Reporting conference in August.

He noted that financial provisions are currently not adjusted to the prevailing consumer price index (CPI) in the financial quantum available from the DMR's website and, hence, the figures calculated do not reflect the amount that would be required to remediate environmental damage caused by mining. "We will engage with Mineral Policy to update the document with prevailing CPIs," Tshivhandekoana said.

The DMR's assessment of its financial provision document has also revealed that the document:-

- does not cater adequately for prospecting activities; and
- that design and engineering interventions, such as the construction of tailings dams with high-density polyethylene linings, which would limit environmental harm, are not insisted upon.

The DMR is entering a period of introspection, and Tshivhandekoana reveals that the department intends to reduce practical and legislative inconsistencies that it finds in its environment-related documentation.

Venmyn intends to keep informed of these developments and incorporate them into its environmental reporting.

Venmyn strongly encourages companies to consider an environmental due diligence when carrying out a due diligence or compiling a Competent Person's Report for a transaction. For further information, please contact Mpai Motloutung on 011 783 9903.