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## Not a Walk in the Park

Junior coal mining faces many challenges – Samda

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SOUTH African Mining Development Association vice-chairperson **Willy Leeuw** last week said that there were many hurdles that needed to be considered and overcome in establishing junior coal-mining operations.

He was speaking at the Fossil Fuel Foundation of Africa's Junior Coal Mining Ventures V conference, in Johannesburg.

The first was the accessibility of coal reserves, as most of the reserves lay on big mining companies' properties.

"Although the State owns mining rights, there is, unfortunately, no information on available reserves.

"Junior mining companies need to negotiate with larger coal-mining companies to access reserves, which brings another challenge, as only companies seen as potentially successful are considered."

The reluctance of local funding institutions to invest in junior coal-mining ventures was also a challenge.

"The institutions will fund companies when a bankable feasible document is available,

but this requires effort, money and a South African Mineral Resources Committee reserve report," he said.

Further, Leeuw emphasised that the notion that coal was an easily mined commodity was incorrect.

He said that, particularly in the KwaZulu-Natal region, companies were facing geological challenges, such as displacements, faults and dykes, at regular intervals, requiring the services of consultants in coal geology, mining, processing and marketing, which also needed funding.

Leeuw said that the marketing of junior coal miners could make or break a company.

"The miner needs to find a market first and then start looking for the reserves," he added.

Meanwhile, junior coal miners

with potentially viable reserves needed to acquire the services of consultants boasting certain types of coal expertise. For the company to flourish, it needed to look at the background of the experts assisting it in its inception phase.

From the junior coal-mining perspective, said Leeuw, it was key to overcome these challenges by making the correct decisions and seeking the services of knowledgeable people.

"The recipe for success lies in the company's ability to know the coal it is mining, its export-versus-inland market potential, associated mining costs, whether there is viable infrastructure in its immediate proximity and current legislation – such as the black economic-empowerment legislation," Leeuw concluded.