



**STUDENT GAINS WORK EXPERIENCE**

Mechanical Engineering student gains 'precious' work experience at Khanye over holidays *Page 03*



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# THE MAROON POST



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*Chairperson's Address*

# 2020 TO SEE CANYON COAL ACHIEVING MAJOR STATUS

This is going to be an exciting year for Canyon Coal as we are on track to reach 15 million tons of run of mine coal production, which will elevate the group into the category of a major coal mining house. This is a significant milestone in our company history as an inclusive, growth-orientated entity. We are proud to have built this company to this level of growth.

And we are not done yet by any means; our next target is to achieve over 20 million tons of run of mine coal production by the end of 2021.

However, before we delve into the plans for the next couple of years, let me briefly reflect on 2019. We overcame significant market challenges largely in relation to the low export coal price – which still remains a challenge – with financial prudence and efficiency enhancement strategies. We will maintain these to ensure the financial sustainability of all our operations.

In 2019, we successfully ramped up production at our Khanye colliery, in Bronkhorstspuit, Gauteng to 2.4 million tons of coal a year. The operation employs 400 people. We also started mining at the Phalannwa Colliery Extension Project located near Delmas, in Mpumalanga, which will produce an average of 1 440 000 tons a year of coal at steady state and employs about 200 people.

It is notable that we invested approximately R1 billion between Khanye and the Phalannwa Extension into the development of these new

projects, which comes at a time when new investment in coal project developments is highly challenging.

Returning to our goals for 2020, once we have received all the necessary authorisations, we aim to develop the De Wittekrans project located south of Hendrina, Mpumalanga and the Palmietkuilen project which is located near Springs in Gauteng.

Around R600-million will be invested in De Wittekrans which will be both an opencast and underground mine with an estimated life of mine of approximately 24 years based on a run-of-mine production of approximately 300 000 ton a month. We aim to start production of run of mine coal at De Wittekrans during the second quarter of this year and will employ around 400 people.

Palmietkuilen will cost around R1.5 billion to develop and create about 800 jobs. It will be an opencast mine producing 600 000 tons a month of coal at steady state production with a life of mine of about 22 years. We aim to have the mine in production by the fourth quarter of this year.

Once these mines are up and running, we will begin the R500 million development of the Witfontein underground mine which is located north west of Bethal, in Mpumalanga and R1.5 billion Springfield project which is situated in Vereeniging, Gauteng to be ready to commence in 2021. We have already done all preliminary work on these projects. This will allow us time to receive all outstanding licences, authorisations and develop the required mine infrastructure. Additionally, in 2021 we will

begin developing the Birmingham project near Hendrina, in Mpumalanga. Moreover, Hakhano Colliery's – the group's first opencast mine – processing plant will be restarted in mid-2021 once a new nearby mining project receives the required licenses.

We continue to invest in new and existing projects to create jobs and procurement opportunities for local communities. Other associated benefits include the internships, community development projects, business development initiatives, bursaries and learnerships that are offered as part of our social and labour plan (SLP) and local economic development (LED) requirements. These all tie in to support the government's efforts to grow the economy and improve the quality of living and education standards of local community members.

Our projects are being developed with the intent to provide Eskom with the right quality coal at a competitive price depending on its needs. We believe that if we supply Eskom coal at the right price, this will support economic growth of the country because Eskom is the economic engine and if Eskom fails it is the South African people that suffer the most.

We look forward to working with our colleagues, community members, union representatives and all other stakeholders as we continue to grow and develop the group in the interests of local communities and the South African economy.

*Vuslat Bayoglu  
Executive Chairperson*





# TRAINEES THANKFUL FOR TRAINING

To address the mining skills shortage in the Bronkhorstspruit area where Canyon Coal's Khanye Colliery is located, the company embarked on an upskilling programme for locals. Twenty community members attended a 30-day mobile machinery for surface mining training programme between November and December 2019 at Khanye Colliery.

Khanye Colliery General Manager Guy Thompson explains, "When we started the mine and began employing operators, we prioritised employing people who lived in the local communities near the mine. It was early on that we identified the need for this type of training. This is because historically, Bronkhorstspruit is not a mining area therefore there was a lack of people who had the skills required by the mine."

**"CANYON COAL AIMS TO UPSKILL THE LOCAL COMMUNITY AND INCREASE THEIR OPPORTUNITIES OF SECURING A JOB WITHIN THE MINING SECTOR AND THIS TRAINING COURSE REITERATES OUR COMMITMENT TO THIS GOAL."**

XOLILE MANKAYI

Menar Group Social Licensing Manager Xolile Mankayi says: "The main aim of the training programme is to reskill community members as they do not have mining related skills. Some people were trying to submit fraudulent certificates in an attempt to gain employment on the mine. Therefore, we came up with this initiative to bridge the skills gap by upskilling community members. We cannot employ all of those that we train, but this will give them the tools and abilities to find work at other mines. Khanye will now have a database of people that we have trained who we can call upon when new opportunities arise."

The trainees were given theoretical and practical training on how to safely and correctly operate machinery, such as articulated dump

trucks (ADTs) which are crucial to the transportation of coal in the mining pit and at the siding. Additionally, the trainees also received Hazchem firefighting and first aid training which adds to their overall skills sets and employability.

Canyon appointed a skills development company Progressive Training Development and Projects to run the training. Facilitator and Assessor Nierenda Machete points out that after every module the trainees wrote a test to ensure that they understood what they had been taught and once they had successfully completed all modules, they receive a certificate of completion of the training course.

"Canyon Coal aims to upskill the local community and increase their opportunities of securing a job within the mining sector and this training course reiterates our commitment to this goal," Xolile states.

Going forward, he says, the plan, is to offer operator training courses to community members ranging from basic to advanced levels, in order to build up a comprehensive mining skills database of accredited and trusted people who have received proper training. "I stress proper training because there are these fly-by-night schools that run one or two days of training and issue people with certificates – these are not accredited institutions and offer candidates no real value," he explains.

Xolile says that with regards to the criteria for trainees both young and more mature members of the community were eligible to participate in the training. "We did not want to restrict the training to young people as the need for skills development cuts across ages. If we start implementing age restrictions then older people

who may have been unemployed for some time would be, unfairly denied the opportunity to improve their lives. That being said, the majority of places on the course were awarded to young people."

**"I have learnt a lot, beyond my expectations in fact"**

Max Mkheshwa (29) trainee: "My interest in participating in this training was to acquire more skills in the mining sector. The mining industry in Bronkhorstspruit is still new, which is why it is important for me, as a local to gain skills and knowledge to be able to contribute to this sector. I hope to use my new skills to uplift myself and the community I live in. An important part of the training has been the high focus on mine health and safety including an in depth understanding of legislation."



Thembisile Nkosi (32) trainee: "I have always been interested in getting involved in the mining industry and I thought by going on this training programme it would be a great way to increase my chances of getting into the sector. I have learnt a lot, beyond my expectations in fact. I have learnt a great deal regarding safety, first aid and basic firefighting. I am really appreciative to Canyon Coal for providing me with the opportunity to learn and I intend to use it wisely. Jobs are very scarce and having skills will increase my employability prospects and I just want to take this opportunity with both hands!"

"The training programme at Khanye Colliery was a pilot project and once the financial and logistical sustainability and feasibility of the programme has been established it is the intention to roll the programme out throughout all of Menar Group mines," Xolile concludes.





# SIDING LOADING CONTRACT AWARDED TO LOCAL ENTREPRENEUR

William Ngoma Masuku



In April 2019 Canyon Coal awarded W Masuku Transport & Projects, which is headed by William Ngoma Masuku (40), the contract to carry out the loading of the coal haulage trains at the Bronkhorstspuit siding.

William, a Bronkhorstspuit local, has a business background in farming which he says started at a young age when he worked for his father on the family farm. He then moved into the transport industry and over time bought several trucks including tippers and side-tippers becoming a municipal contractor for waste collection and disposal.

With his five 856H LiuGong front-end loaders, which have bucket capacities of 5 m<sup>3</sup>, making them ideal for loading large tonnages of coal quickly and efficiently onto Transnet's coal wagons, William and his team diligently load the wagons that are bound for the Richards Bay Coal Terminal, in Kwazulu-Natal.

This is William's first foray into the mining industry and he is excited to earn his stripes in the sector. He aims to achieve this with the support of his team of 11 employees working at the siding, many of whom have many years of experience working in coal train loading at other large sidings belonging to major mining companies. A notable experienced member of the team is Siding Supervisor Jabulani Mtshweni, who has over two decades worth of coal wagon loading experience.

Operators need to ensure that the trains are loaded safely, efficiently and accurately while maximising the use of the capacity in each wagon to avoid weight imbalances that could lead to derailments and other types of accidents occurring. The loading team works closely with Bronkhorstspuit Siding Manager Etienne Schoeman to ensure the safe, timeous and efficient loading of the coal trains.

There is never less than 10 000 ton of coal at the siding awaiting loading onto

the trains with as many as seven trains arriving at the siding each week. William is very proud of the fact that his team has maintained high safety standards, while also simultaneously achieving exceptional loading times of between 1.5 and 3 hours per coal train.

"The experience I have gained from working with Canyon Coal has exceeded all my expectations. I never dreamt that I would have my own machines and be responsible for loading coal at an important siding," states William.

He also makes special mention of Khanye General Manager Guy Thompson, who he says has taught him "a great deal" about mining and coal specifically.

"This knowledge has enabled me to fully appreciate the importance of the job I do and I look forward to continue learning about mining and ensure that I am in a position to take the numerous opportunities that the sector has to offer," William concludes.



Melissa Pillay  
SLP Manager

## PUTTING COMMUNITIES FRONT AND CENTRE

The Mineral and Petroleum Resources Development Act (MPRDA) requires mining companies to submit a Social and Labour Plan (SLP) when applying for mining rights, and the Local Economic Development (LED) projects of the SLP should be aligned with the Integrated Development Plan (IDP) of the local municipality.

This means it is imperative for mines to work closely with local authorities when implementing their SLPs, explains Menar Group Social Licensing Manager Xolile Mankayi. He outlines the Social Licensing Unit mandate is to make a meaningful contribution in our mining communities.

Xolile has extensive experience in dealing with the development and implementation of SLPs having previously served as the Assistant Director: Social and Labour Plan for the Department of Mineral Resources and Energy in Mpumalanga region.

"Since the establishment of Menar's Social Licensing Unit in 2018, we have sought to strengthen the company's drive to accelerate skills development, enterprise development, local procurement and employment in the

communities where we operate, while ensuring Canyon complies with the requirements of the new Mining Charter," he explains.

Xolile works closely with Melissa Pillay, who is the Social Labour Plan Manager at Canyon Coal. Melissa joined Canyon in 2012 as an environmentalist. She was later appointed project manager before she took over her new role as SLP manager since February 2019.

**"MY INVOLVEMENT IN MAKING A DIFFERENCE IN THE LIVES OF OTHERS IS UNDOUBTEDLY THE MOST REWARDING PART OF MY JOB."**

MELISSA PILLAY

Melissa works closely with Xolile to ensure that Canyon not only complies with its SLP obligations but, where possible, exceeds them. "Xolile is very knowledgeable and I have learnt a lot from him in the time we have worked together, which has been key to ensuring our successes to date," she states.

Melissa highlights that it is always the aim of Canyon to get involved in projects that have a long-term positive impact on host communities.

"Our involvement in the Beestepan Agricultural High School project in 2019 for example, focused on the educational needs of learners that are located near to our mines in Middelburg, Mpumalanga. Learners who witnessed our contribution will hopefully do the same for others, thereby creating a better, brighter future for South Africa," she states.

Furthermore, Melissa says that there have been many highlights during her time at Canyon, such as obtaining enviro-legal authorisations for different projects and successfully implementing LED projects.

"My involvement in making a difference in the lives of others is undoubtedly the most rewarding part of my job".

### Family Focused

And while her passion and compassion for those that she works with is a driving force for Melissa, so much so that she describes her role as "more of a calling than a job really", it is her family that is her anchor.

"I am very thankful for my family, especially my son, and the many opportunities I have been exposed to at Canyon, which have all played a big role in enabling me to find some sort of balance with my work and family commitments," she remarks.

## STUDENT GAINS WORK EXPERIENCE

Zithobeni local Precious Majeni (19), a second year Mechanical Engineering student at University of Cape Town (UCT), spent her December-January vacation period gaining practical work experience by doing an internship at Canyon Coal's Khanye Colliery, in Bronkhorstspuit.

Precious started her internship on 21 November 2019 and completed it on 24 January 2020, where after she returned to UCT to commence her third year of study.

"I believe this vacation apprenticeship is going to help me a lot because it is different from sitting in a classroom and being told about bearings, for example, as opposed seeing for myself how they work. Seeing how things really work is the best way to learn and understand how machines operate. This opportunity has aided me in building upon what I have learnt at university," she says.



In Zithobeni, where Precious lives, there is a forum that works with the companies in the area to provide work and educational opportunities for young people. "I had been looking for vacation work since I was in first year. However, I discovered that I had been going to the wrong people. I was then advised to apply to the Zithobeni Community Forum to assist me in getting vacation work at one of the local mines. The forum put me in touch with Menar Group Social Licensing Manager Xolile Mankayi about doing vacation work at Khanye and upon applying, I was given an opportunity to do the internship during my vacation period."

"I am very appreciative to Canyon Coal for affording me with the opportunity to gain work experience and develop a better understanding of the mining sector," concludes Precious.





## FARMING AND MINING SUSTAINABLY

Vusi's Farm forms part of Canyon Coal's holding company Menar's agricultural portfolio and is located around 2 km from Khanye Colliery, in Bronkhorstspuit. The farm which overlooks the mine, spans over 1 100 hectares of land, of which around 300 hectares is currently being used by Khanye Colliery for mining activities.

Andre Groenewald, with over 40 years of experience in the agricultural industry, has been the manager at Vusi's Farm since March 2018. He is supported in the running of the farm by his wife Anelise along with two other staff members. Anelise is currently training the staff to become supervisors of the farm which is particularly important once the next set of greenhouses are established.

On the farm there are old stables that have been renovated and refurbished and will soon be used as training rooms for new members of staff. Andre is currently developing the course material. The practical training will be facilitated by Anelise.

Canyon Coal Chairperson Vuslat Bayoglu explains that Vusi's Farm lies on land that forms part of the Khanye Colliery licence area, however a decision was taken when establishing the mine to use part of the land for agricultural purposes. "The aim of this farm is to showcase how mining and farming can and do coexist, and in fact flourish side by side - when done in a responsible fashion. Vusi's Farm will create new economic and business opportunities for the local economy by creating jobs and strengthening the agricultural activities and skills development."

The farm is still in its infancy; comprising a single 40-m-long by 27-m-wide greenhouse tunnel to grow the strawberries and currently occupies 0.1 hectares of

the 700 hectares that have been set aside for Vusi's Farm.

Andre notes that the farm started producing the first fruit in 2019 with the first full crop anticipated to be harvested in August 2021.

Recently 50 strawberry plants were taken to an Agricultural Laboratory in Riversdale, in the Western Cape, where they will produce 45 000 strawberry plants using the tissue culture technique. These new plants will be sent to the farm in May this year for planting and are anticipated to start bearing the first fruit from October. "Once in full production we anticipate a yield in excess of 30 tons per annum," says Andre.

### Expanding Operations

Work has already started to increase the size of the operation by setting up five additional greenhouses. "A major focus of Vusi's Farm is ensuring it operates in an environmentally sustainable manner. This is already evident from the fact that the farm produces zero effluent into local water sources as all water is recirculated," Andre points out.

The new greenhouses will make use of drip irrigation technology, which is one of the most efficient water and nutrient delivery system for crop irrigation. This technology allows each plant to receive exactly what it needs, when it needs it for optimal growth. "Drip irrigation ensures that farmers can produce higher yields while saving water, fertiliser, energy and also reduce the need for crop protection products," Andre highlights.

The strawberries in the new greenhouses will be grown in coir, which is a 50:50 mixture of peat and coconut fibre. Andre explains that this totally inert autoclaved material accommodates the roots of the strawberry plants, which eliminates soil borne diseases. "There are only 15 hectares of this type of strawberry farming in use in South Africa. All these illustrate the leading edge and environment-friendly technologies that the farm is utilising."

Another innovative technology is the use of hydroponic gutters. This technique ensures that the strawberries are grown high above the soil surface and is not in contact with the soil. This has the benefit that strawberries are handled only once during harvest and put directly into punnets - the second handler being the consumer of the strawberries. "This increases the shelf life of the strawberries and limits the exposure to any forms of touch contamination."

### Vision

Vuslat says he would like to potentially duplicate this type of farm near to other mines in the Menar Group and get the community involved in agricultural activities. Local community members would be brought to Vusi's Farm to receive the required training in order to establish and run their own farming operations, he explains.

"The aim is to have each tunnel produce 10 tons of strawberries per annum. This will create additional job opportunities for local community members at the farm and ensure optimal use of the land. Food security and job creation is very important to the country and Menar as a responsible corporate entity continues to do its part to support government in achieving both these goals," Vuslat states. 🍓

## FIRST BLASTING AT PHALANNDWA EXTENSION

Coal exploration and mining company, Canyon Coal, has commenced mining operations at its Phalannwa Colliery Extension Project following the first large-scale blasting of coal ore on 17 Jul 2019. The extension project is anticipated to extend the life of mine to 2027.

Growth-focused Canyon invested in the development of the extension project when the original resource was near depletion. The original mine was established in 2010 and mining operation began in 2013.

Phalannwa is located 20 km outside of Delmas, Mpumalanga. It employs 310 people including contractors. The number of employees is likely to increase to 360 once production has peaked to required levels.

The project comprises one pit consisting of three coal seams namely: Two upper seam, which is approximately 0.7 m thick; two main seam, which is about 3.5 m to 4 m thick; and the two lower seam, which ranges from 1.5 m to 5.2 m in thickness. At its steady production phase, the mine will produce an average of 120 000 tonnes per month.

All coal produced is planned to be washed according to RB3 specification. The mine will produce run-of-mine coal with an average calorific value of about 22.5 MJ/kg, an ash content of about 19%, volatiles of about 24%, inherent moisture of about 5%, a total moisture of about 9% and a sulphur content of about 1.2%

Phalannwa General Manager Allan Mabbett, who is overseeing the



First coal ore blasting at Phalannwa Extension

development of the extension project, says everything has gone according to plan.

"The mining development team has done very well. Steady state production is expected to occur within the next three months. Once in steady state production, the project will produce on average between 110 000 tonnes and 125 000 tonnes a month," states Mabbett.

The construction phase of the project is well underway with the excavation of the colliery's pollution control dam currently taking place. Additional project infrastructure that will be established on site over the next three months include: the construction of drainage systems, berms and other associated site infrastructure along with the construction of an access road to the mine.

"We are ahead of schedule on the project as first coal was initially only anticipated for the end of July 2019. Canyon Mining Services (CMS) has already pulled back two weeks on the schedule and development activities are running smoothly, which we hope will continue throughout the course of the extension project," Mabbett concludes.

Vuslat Bayoglu, executive chairperson of Canyon Coal, says the company is one of a few investing in development of new coal mines. "Despite the negativity about coal, we will continue to invest in the resource. It's our comparative advantage as a country. We must mine it, use it to generate energy, create jobs and generate much-needed export earnings," he says. 🍓