



MineAfrica's® Seminar on Black Economic Empowerment in South Africa's Mining Industry: Understanding the Requirements for, and Impacts on, Your Business

Saturday March 3, 2007 | 08h30 – 16h30

Radisson Admiral Toronto – Harbourfront | Tel 416-203-3333
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Black Economic Empowerment (BEE) is the single most important suite of legislation affecting business today in South Africa - with increasing implications for other Southern African countries, particularly Namibia. As such BEE has a dramatic impact on foreign mining and related investors considering investing or operating in these jurisdictions. This comprehensive seminar in Toronto is the first of its kind in Canada, held on Saturday March 3, 2007, the day before the start of the Prospectors and Developers Association of Canada (PDAC) Convention and Trade Show.

08h30 Registration and Continental Breakfast

09h00 Welcome by Bruce Shapiro, MineAfrica

**09h07 Introduction by Seminar Chairperson
*Nchakha Moloi, Chairman, Motjoli Resources***

09h15 SESSION 1 - Black Economic Empowerment (BEE) - What is it?

South African Department of Minerals and Energy

Black Economic Empowerment (BEE) is a uniquely Southern African business imperative with growing impact in other Southern African countries. It is essential for economic growth and accelerating the integration of Historically Disadvantaged Individuals into the economy and society. This session will provide an introduction to BEE, its origins, and its current status.

09h45 SESSION 2 - Understanding the Key Elements of BEE: Charters, Scorecards, and Codes of Good Practice for the Mining Industry

André Visser, Director, Deney's Reitz

Crucial to understanding BEE are the Industry Charters, Scorecards and Codes of Good Practice. The Codes are to be applied in the development, evaluation and monitoring of BEE charters, initiatives, transactions and other implementation mechanisms. You will learn how the charters, codes and other legislative instruments are harmonized, gain a better understanding of the Codes of Good Practice (gazetted in 2007), and how to apply the basic principles and essential criteria and procedures.

10h15 Refreshments and Networking

10h45 SESSION 3 - Empowering Local Stakeholders

Phiwayinkosi Mbuyazi, Managing Director, Mining/Minerals Investment, Umbono Group of Companies

- What led to the need for BEE in South Africa?
- South Africa's BEE experience and failures
- What has worked best in South Africa?
- A framework for mining companies
- Due diligence in selecting a BEE partner

11h10 SESSION 4 - Financing and Structuring Black Economic Empowerment Deals for Foreign Investors

***Darryl Levitt, Strategic Consultant, Global Mining Group, Fasken Martineau DuMoulin LLP
Farouk Abrahams, Chief Executive Officer, Batsalani Investments (Pty) Ltd.***

Structuring and financing deals is perhaps the biggest issue facing foreign companies in dealing with BEE. This session will explain:

- * Understanding effective equity deals with BEE partners
- * Examining the potential financial risks that occur when structuring the BEE equity structures (and risk sharing)
- * Understanding the weightings attributed to ownership and management as set out in the BEE Scorecard
- * Undertaking a legal and commercial due diligence analysis
- * Methods for valuing your BEE deal
- * Direct and indirect finance costs of entering a BEE transaction
- * Analysing the impact of the South African Company's Act on the BEE transaction: Section 38
- * Examine the relevant tax legislation that influences BEE empowerment deals
- * Calculating your return-on-investment
- * Evaluating the growth potential in BEE company's value and cash flow versus the cost of the BEE funding

11h50 Networking Luncheon for Delegates and Speakers - sponsored by TEAL Exploration & Mining Incorporated

12h50 SESSION 5 - PANEL: Mechanisms for Financing BEE Transactions

Noah Greenhill, Senior General Manager: Marketing and Business Development, JSE Limited (Johannesburg Stock Exchange)

Darryl Levitt, Strategic Consultant, Global Mining Group, Fasken Martineau DuMoulin LLP

Peter Sacks, Managing Partner, Toron Capital Markets Inc.

Mark Tyler, Head: Mining and Resources, Nedbank Capital

There are many ways to finance your BEE transaction ranging from the conventional to the innovative. This session will provide a brief overview of some funding mechanisms and structures with real examples of where they were used.

- * Government funding - grants and incentives
- * Vendor finance
- * Project finance
- * Venture capital
- * Share transactions
- * Debt finance
- * Equity finance
- * Mezzanine finance
- * Options and derivatives
- * Special purpose vehicle (SPV)
- * Mergers and Acquisitions
- * Third party funding

13h50 SESSION 6 - South African Exchange Control: The impact of foreign investment into South Africa, with particular reference to BEE transactions

Paul Miller, Investment Banking Officer - Mining, Nedbank Capital

South Africa generally has a liberal approach to foreign investment, and has very few restrictions on “non-residents.” Where foreign mining and exploration companies may experience problems is where, in their efforts to comply with the local equity ownership requirements, they attempt to enter into transactions with “resident” BEE companies that are subject to Exchange Controls. This session discusses some of the pitfalls and opportunities provided by South Africa's changing Exchange Control regulations, as they relate to foreign mining and exploration companies attempting to comply with South Africa's BEE requirements.

14h20 SESSION 7 - Black Economic Empowerment in Namibia

Duane Parnham, Chairman and Chief Executive Officer - Forsys Metals Corp.

Namibia is in the processing of developing its own BEE legislation, expected to pass in early 2007.

14h50 Refreshment and Networking Break

15h10 SESSION 8 - CASE STUDIES PANEL - South African and Canadian Mining Companies and Their Experiences

** Sembie Danana, Vice President, Business Transformation, First Uranium Corp., and Director, Ezulwini Mining Company (Pty) Ltd.*

** Julian Gwillim, Vice President, Investor Relations and Corporate Development, TEAL Exploration & Mining Incorporated*

** Frank Hallam, Chief Financial Officer, Platinum Group Metals Ltd.*

** Mlibo Mgudlwa, Chief Executive Officer, Africa Wide Investment Holdings (Pty) Limited*

** G. Claus Schlegel, Vice President, Exploration and Business Development, TEAL Exploration & Mining Incorporated.*

15h55 SESSION 9 - The Future of Black Economic Empowerment - Where is it Going

Bridgette Radebe, President, South African Mining Development Association

This session will provide you with insight into the challenges and lessons learned of the past and the present, as well as the possible changes in BEE legislation in South Africa in the future, and the implications for you and your business.

16h10 SESSION 10 - Black Economic Empowerment Across Africa

Dr. Willem Smuts, Managing Editor: Mining, Energy & Equipment and Editor: African Mining & Mining Mirror

Brooke Patrick Publications (Pty) Ltd.

BEE is constantly evolving with increasing implications for other Southern African countries such as Namibia. This session will outline the potential impacts of BEE across Africa and what it means for foreign mining investors.

16h20 Closing Remarks by Chairperson