

2025 MAGOJANENG

CASE STUDY

“The disconnect between what is promised and what is delivered points to a deeper governance crisis. The audit findings confirm a pattern of Crumb Capture, where mining companies implement symbolic, often dysfunctional projects that lack sustainability, visibility, or community ownership — publicly branded, yet functionally inaccessible and out of sync with community priorities.”



Since its inception in 2012, Mining Affected Communities United in Action (MACUA) has presented a formidable point of opposition against the toxic alliance between mining companies and the government in South Africa.



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BACKGROUND



Magojaneng is a rural village located within the Joe Morolong Local Municipality in the John Taolo Gaetsewe District of South Africa's Northern Cape Province. It lies adjacent to the Kalahari Basin, a region globally renowned for its vast mineral wealth, especially in manganese and iron ore. Despite its proximity to this resource-rich terrain, Magojaneng remains profoundly underdeveloped. The area is marked by high unemployment, low levels of literacy, widespread reliance on social grants, and limited access to piped water, electricity, and sanitation services¹.

HISTORICAL AND POLITICAL CONTEXT



The underdevelopment of Magojaneng cannot be understood outside the broader legacy of apartheid spatial planning. Located in the Northern Cape Province it was subject to the systematic underdevelopment characteristic of former “native reserves” and border regions. Like many rural areas in South Africa, Magojaneng was marginalised by decades of state neglect, deliberately excluded from economic investment, infrastructure development, and service provision under apartheid policies that relegated Black communities to peripheral geographies. These territories were systematically underfunded and used primarily as labour reservoirs for white-owned industries and mines². The result was a deliberate disinvestment in education, infrastructure, and economic development—a pattern that continues to shape life in Magojaneng today.

After 1994, post-apartheid South Africa committed itself to the principles of redress and redistribution. However, while formal political rights were extended, socio-economic justice has remained uneven. Government efforts to deliver basic services and development in former homeland areas have often been slow, fragmented, or entirely absent³. In many cases, development promises have been replaced by extractive partnerships between government and private capital—especially in the mining sector—reproducing patterns of exclusion and economic dispossession.

1 [StatsSA. Community Survey 2016 – Joe Morolong LM](#)

2 SAHRC. *Poverty and Inequality in South Africa: An Assessment of the Public and Private Sector Response* (2017)

3 Centre for Applied Legal Studies (CALS). *The Failing SLP System: A Legal Analysis* (2021)

THE MANGANESE PARADOX

The Northern Cape is home to more than 80% of the world's known manganese reserves⁴. This makes it one of the most strategically important mining regions globally, especially as demand for manganese grows due to its use in steel production and battery technology. South32 and United Manganese of Kalahari (UMK) are two major mining companies operating in the vicinity of Magojaneng—South32 operates around 30 km away, while UMK is based just 15 km from the village.

South32's South Africa Manganese operation produced 2.2 million wet metric tonnes of manganese ore in Financial Year (FY) 2024. Though detailed revenue per site is not published, the company reported an underlying EBITDA of US\$65 million (approx. R1.2 billion) for its South African manganese segment in FY2024, reflecting a healthy margin of approximately 19%⁵.

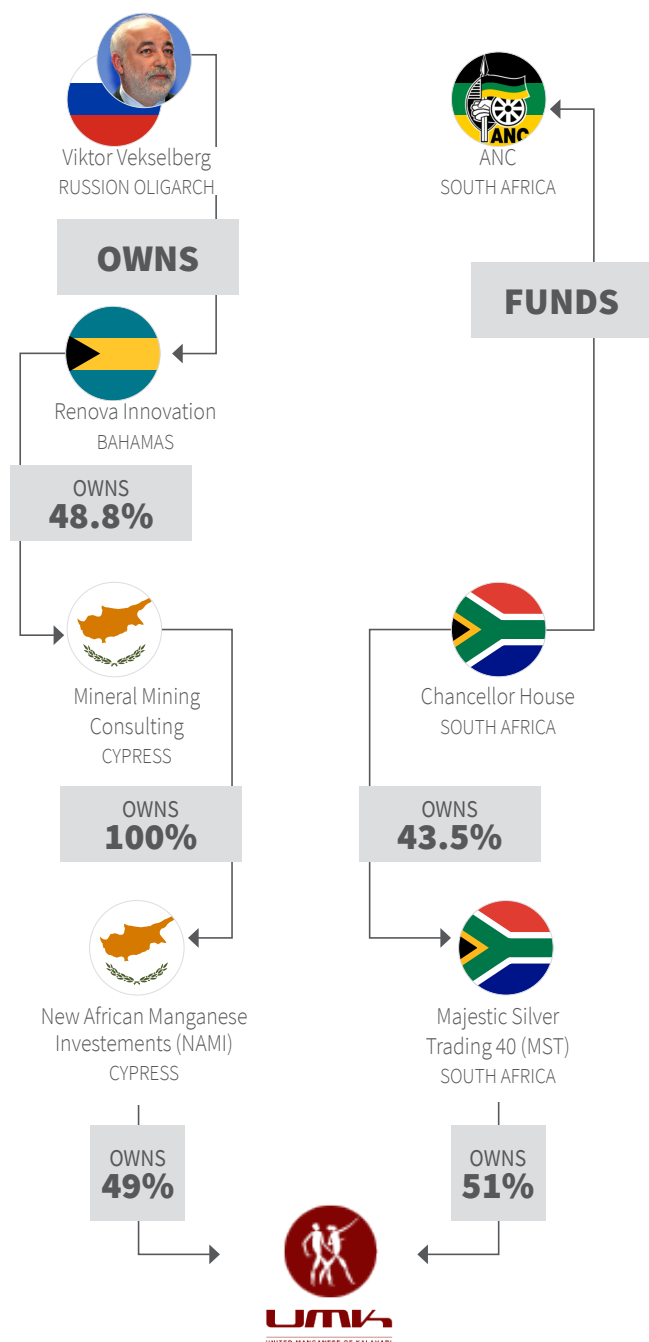
UMK, in contrast, is a private company that does not publish annual financial statements in the same format. However, investigative reporting reveals that **UMK declared after-tax profits of R1.4 billion in 2022, on revenues of approximately R7.5 billion**⁶. This underscores the enormous value being extracted from the region, even as surrounding communities like Magojaneng remain impoverished.

United Manganese of Kalahari (UMK), established in 2005, operating in the Northern Cape Province, ownership is split between two entities:

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- 4 Mining Review Africa. *South Africa's Manganese Sector to Surge as Demand for Batteries Increases* (2023)
 - 5 [South32. FY2024 Full Year Financial Results, JSE SENS Announcement, 22 Aug 2024.](#)
 - 6 [Daily Maverick. Russia, United Manganese of Kalahari and the ANC's Testicles, 2 March 2023.](#)



United Manganese of Kalahari (UMK)



Majestic Silver Trading 40 (Pty) Ltd (51%):

This is a majority black-owned Broad-Based Black Economic Empowerment (BBBEE) consortium. It includes politically connected entities such as Chancellor House Holdings (the investment arm of the African National Congress, holding an indirect 22% stake) and Pitsa Ya Setshaba Holdings, along with a Kalahari Community Trust⁷. (The trustees of the Trust are not publicly declared)

Renova Manganese Investments Ltd (49%):

A subsidiary of the Russian-based Renova Group, with Russian oligarch Viktor Vekselberg as a key beneficiary. Vekselberg's effective stake is reported to be around 25% due to trust arrangements and partial sell-downs following U.S. sanctions related to Russia's actions in Crimea⁸.

7 <https://amabhungane.org/220510-the-ancs-manganese-gold-mine/>

8 <https://www.dailymaverick.co.za/article/2023-05-17-after-the-bell-is-united-manganese-of-kalahari-a-foreign-person/>

This ownership profile raises serious concerns about **accountability, transparency, and the capture of public developmental mandates** for private and political enrichment.



The lack of visible progress or community benefit from a R96 million water project—while the mine’s stakeholders include ruling party affiliates and foreign oligarchs—underscores the dynamics of what MACUA has termed “**Crumb Capture**”: where symbolic or partial development projects are used to legitimise extraction, while communities remain structurally impoverished. The disconnect between UMK’s profits, its politically connected ownership, and the lived experience of water scarcity in Magojaneng highlights a deeper systemic problem: **elite enrichment continues under the banner of empowerment**, while communities are left behind—unconsulted, uninformed, and underserved.

PERSISTENT UNDERDEVELOPMENT AND THE FAILURE OF REDISTRIBUTION

Despite the billions generated by the manganese sector, there has been little to no meaningful redistribution to the communities whose land and labour sustain this industry. The Social and Labour Plan (SLP) system, intended to channel development funds from mining companies into affected communities, has largely failed in practice due to weak enforcement, minimal consultation, and lack of transparency⁹.

Residents of Magojaneng face daily struggles accessing basic water supply, adequate roads, schools, and clinics. Meanwhile, mining trucks wear down local infrastructure, and dust and water contamination from mining operations threaten both health and the environment¹⁰. **Manganese pollution is particularly concerning**: exposure to high levels of manganese dust or water has been **linked to neurotoxic effects and degenerative illnesses** like manganism, which resembles Parkinson’s disease¹¹.

9 MACUA. *National Social Audit Report*, 2022.

10 Bench Marks Foundation. *Policy Gap 9: Breaking the Curse of Mining in South Africa* (2021)

11 ATSDR (US Agency for Toxic Substances and Disease Registry). *Toxicological Profile for Manganese*, 2012.

SOCIAL FABRIC AND RESISTANCE

Yet, Magojaneng is not passive in the face of systemic neglect. The community forms part of a growing movement of mining-affected communities in South Africa that are demanding justice, transparency, and the right to self-determination. Organisations such as MACUA (Mining Affected Communities United in Action), WAMUA (Women Affected by Mining United in Action), and YAMUA (Youth Affected by Mining United in Action) have provided critical platforms for community organising and resistance.

In this context, the social audit becomes a powerful tool. It allows communities to gather and validate evidence of mining company non-compliance, challenge government inaction, and mobilise for alternative forms of development rooted in accountability and inclusion.



MANGANESE AND THE JUST TRANSITION

Manganese is classified as a critical mineral in the global shift toward renewable energy. It is used extensively in battery manufacturing, particularly for electric vehicles and grid storage, and in the construction of renewable energy infrastructure such as wind and solar farms.

However, for communities like Magojaneng, this “Just Transition” currently represents a continuation of extractivism under a new banner.

Instead of sharing in the benefits of the green economy, communities are being asked to absorb its costs—land degradation, water shortages, and broken promises of development. Unless mining companies, the state, and international climate finance mechanisms adopt frameworks of Free, Prior and Informed Consent (FPIC), revenue redistribution, and environmental accountability, the Just Transition will not be just—it will be another chapter in development fraud and false benevolence.

“Section 2(d) of the act further states that the objectives of SLPs are to ‘substantially and meaningfully expand opportunities for historically disadvantaged persons, including women, to enter the mining and petroleum industries and to benefit from the exploration of the nation’s mineral and petroleum resources.

WHAT IS A SOCIAL AND LABOUR PLAN?

► A FORMAL COMMITMENT

A Social and Labour Plan is a formal commitment by mining companies to implementing projects for the development of the community and the employees. Mining companies are required to submit social and labour plans when applying for a mining right to the Department of Mineral and Petroleum Resources, who then assesses the viability of the potential mine based on its commitments to develop the local community and labour sending areas.

► TO PROVIDE FOR SUSTAINABLE DEVELOPMENT

The purpose of an SLP is to provide for the sustainable development of historically disadvantaged persons; to promote employment, improve social and economic welfare, and essentially ensure that mining companies contribute to the areas where they operate. This obligation includes ensuring that mining companies implement local economic development projects, human resource development projects, account for the budget allocations of these projects and execute the projects in line with the stipulated time limits as per the SLP.

► SUBSTANTIALLY AND MEANINGFULLY EXPAND OPPORTUNITIES

Section 2(d) of the act further states that the objectives of SLPs are to ‘substantially and meaningfully expand opportunities for historically disadvantaged persons, including women, to enter the mining and petroleum industries and to benefit from the exploration of the nation’s mineral and petroleum resources’. This emphasises the role of mineral resource extraction and operations as a pivotal means towards community development and women empowerment.

UPON APPROVAL BY THE DMPR...

LEGALLY BINDING

SLPs serve as legally binding documents used to ensure benefits flow from mining companies to communities.

VALID FOR 5 YEARS

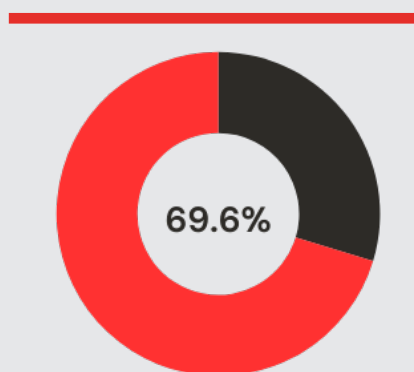
The SLPs are valid for a period of five (5) years and must be renewed every five (5) year period to ensure continuous benefit for communities such as Magojaneng.

PUBLICALLY AVAILABLE

The mining rights holder is obligated to publish the approved SLP on their website, place copies in public areas and make announcements in newspapers and other mediums as to where copies of the approved SLP can be found in English and a language that is predominant in the area.

3 MEETINGS PER ANNUM

The mining rights holder must convene a minimum of three meetings per annum with mining affected communities & 'interested and affected persons', to update stakeholders on progress and developments made with regards to the implementation of the approved SLP



69.6% of Audited Local Development Projects Not Completed by Mining Companies (MACUA Social Audit Report, 2022)

SLPs being predominantly governed by regulations and not by empowering legislation means that the enforcement of SLPs is often neglected by the DMPR. Although regulations provide detailed instructions to enforce laws, they themselves are not laws and therefore non-compliance with a regulation only sometimes results in legal consequences.¹²

The reality is that although the SLP system has been in place for over 12 years, most communities affected by mining still experience abject poverty and underdevelopment. The **MACUA Social Audit Report of 2022**, based on a rigorous investigation across multiple mining-affected communities, found that: **69.6% of all local economic development projects audited were not completed** by mining companies.

The DMPR historically displaying a preference to offer companies an opportunity to comply with their commitments up to 10 years after non-compliance with SLP commitments through section 93 orders, rather than shut down operations because of the socio-economic impacts that would have on communities as well as the economy at large.

¹² One Education 'Difference between laws, regulations, acts, guidance and policies', accessed on 11 April 2025.

The abovementioned is partly caused by the fact that SLPs are often designed without adequate consultation with communities that stand to benefit from the mining operations on their land. In principle, SLPs should be drafted in consultation with interested and affected parties from the communities in which mining companies operate, however, that is not always the case. As a result when mining companies neglect to deliver on all the SLP commitments, and the DMPR often fail to follow up on these commitments or enforce them, to the detriment of mining-affected communities, mining communities often tend to be unaware and cannot hold the responsible company accountable for the promises made.

As a result, a social audit on the social and labour plans of UMK and South 32 were conducted in Magojaneng to assess the extent of compliance with implementation of the local economic development projects, as well as assess the inclusion of the community in the consultative processes of the mining companies amongst other things.



WHAT IS A SOCIAL AUDIT

A social audit is a community-led process whereby the cogency of the commitments made by the mining company in relation to the affected communities are audited and verified. This process empowers communities to gather and legitimise evidence of their experiences of local development, and through this process enables them to claim and realise their constitutional rights to transparent and accountable mining operations.

During a social audit, the expenditure and service delivery outcomes promised in the Social and Labour Plan of a mine are evaluated to determine whether community experiences regarding those outcomes reflect the vision of implementation as stated in the SLP. Members of the community collectively participate in the process of verifying an

“Mining companies in South Africa leverage PR campaigns to mask gaps in their social commitments. Community-led social audits cut through the gloss, exposing unfulfilled promises and holding them accountable to the communities they impact.”

SLP of a particular mine by comparing the stated outcomes with the lived experiences of people on the ground. Evidence collected during a social audit is reported to the responsible stakeholders at a public meeting and used as a vehicle for advocacy by the host community.

Community testimony, knowledge, and experiences are a central part of this

evidence. A social audit provides a way to build effective and meaningful participation in marginalised working-class communities by providing a means for a community to engage with mining processes that affects their lives. Social audits further empower communities, deepening the culture of participatory democracy and public deliberations. It provides an opportunity for poor mining communities who have been excluded, deceived, and deprived of benefits, to be heard.

Mining companies in South Africa are considered significant social players who account for a substantial portion of the South African economy. This power and financial muscle frequently allow them to avoid social responsibility by hiring PR consultants and running campaigns to publish glossy reports about their social obligations to the communities in which they operate. As such, the best way to test their claims of compliance with SLP commitment and challenge those glossy reports, is to undertake community-led social audits which plays a vital role in terms of collecting evidence to verify the realities on the ground.

Community led social audits also present an opportunity for community members to be capacitated on SLP processes and procedures, so that they can assess the extent of SLP compliance, ensure reliable information is available for all stakeholders involved, monitor and challenge mining companies whenever they are failing to comply with the law.

THE MAGOJANENG SOCIAL AUDIT

The aim of the social audit was to establish whether there has been any tangible and sustainable development of the community in Magojaneng through the implementation of the SLP projects of UMK between the years of 2018 and 2022, and South 32 between the years of 2013 and 2018 as well as 2019 and 2023. By conducting social audit, the community is better able to:

1

Assess the extent of compliance with the SLP.

2

Assess whether UMK and South32's Mining's SLP obligations are effective, efficient and provide sustainable goals to the community of Magojaneng.

3

Determine if appropriate measures exist that:

- establish, monitor, and communicate the SLP process and procedures with the community,
- ensure reliable information is available for all stakeholders involved including the Magojaneng community,
- establish and communicate roles and responsibilities for all parties involved.



METHODOLOGY

MACUA (Mining Affected Communities United in Action), WAMUA (Women Affected by Mining United in Action) and YAMUA (Youth Affected by Mining United in Action) undertook a process whereby the SLPs of the mining companies were scrutinised, summarised, explained and presented to a core group by representatives of the MACUA WAMUA Advice Office (MWAO). This cohort is referred to herein as the social audit team. During October 2022 a social audit was conducted by the social audit team to test the veracity of the claims made by UMK and South 32 in their SLPs.

The social audit was designed to assess UMK and South 32's compliance with their legally binding obligations as per the SLP, but also aimed at placing these obligations within the broader context of South Africa's Just Energy Transition ('JET'). This was critical as manganese is viewed by many as a key element in the just transition towards a low-carbon economy.¹³

In preparation for the social audit, the MACUA branch in Magojaneng, supported by MWAO, convened a series of workshops aimed at capacitating the social audit team on the content and legal framework governing SLPs. During these workshops, the structure of UMK and South 32's specific plans were canvassed, and the monitoring and evaluation tools needed for effective oversight were discussed at length.

The social audit team were trained in SLP analysis, survey design, and participatory audit techniques, including door-to-door community engagement. For each social audit three primary sources of information were relied upon; interviews with

members of the communities identified as beneficiaries of projects in the SLPs, interviews with stakeholders involved in the project (mining companies, the Joe Morolong Local Municipality, direct beneficiaries at the project site etc.), as well as physical inspection. However, at the time that the social audit were conducted, the annual compliance reports for the SLPs audited were not made available to the social audit team, therefore reliance was limited to the door-to-door interviews and findings of the physical inspection visits. The social audit team split into groups in order to conduct the questionnaires. There were 3 groups, who conducted surveys in Maipeng, Tsineng and Magojaneng for completeness.

The local economic development projects were selected from the various SLPs as projects to be audited because these projects, unlike others, implementation is measurable and quantifiable.

13 The Presidency of the Republic of South Africa 'Just transition to a low-carbon economy' available at: <https://www.stateofthenation.gov.za/priorities/growing-the-economy-and-jobs/just-transition-to-a-low-carbon-economy#:~:text=Just%20Energy%20Transition%20Partnership,-The%20JET%20IP&text=The%20Political%20Declaration%20provides%20that,intersectoral%20and%20people%2Dfocused%20approach.>, accessed on 14 April 2025.

► PROJECTS SELECTED FOR AUDIT

COMPANY	SLP DATES	PROJECT	PARTICIPANTS
South32	2013-2018	Community Water Supply Project	175
South32	2013-2018	Rearata Primary School Project	175
South32	2019-2023	Paediatric Unit at Tshwaragano Hospital Project (should have been completed by 2022)	175
UMK		Sedibeng Bulk Water Supply Project	105
UMK		Joe Morolong Training Centre Project in Mothibistad	105
UMK		Rehabilitation of Kathu to Hotazel Road (R31) project	105



Data systematically collected and analysed



Preliminary findings shared with community



Physical verification of the projects

The resulting evidence paints a concerning picture: minimal community awareness, sporadic impact from the SLP projects and non-committment by mining companies to principles of just distribution of resources to communities.

It is important to note that SLP implementation requires strict adherence to the timelines provided for in the SLP documents, because that allows for substantive and recurring benefit for communities impacted by mining operations. Failure to adhere to these timelines not only undermines the intended purpose of SLPs, but also undermines the legal obligations placed on mining companies and the conditions of their mining right. As a result it is imperative that SLPs are strengthened through stricter enforcement mechanisms, clear implementation benchmarks and consistent community monitoring.

Moreover, mining companies must embrace their role in supporting a truly just transition by aligning their development obligations with long-term economic resilience for the communities they operate in.

While it is important to assess the commitments and performance of UMK and South32 individually—each company must be evaluated on its own merits and its level of compliance with its respective Social and Labour Plan—the overall outcomes cannot be divorced from the broader systemic context in which they occur. The combined impact of these companies' activities in the region must be understood as part

“the collective picture they reveal is one of systemic underdevelopment, fragmented consultation, and uneven delivery across the board.

of a larger pattern of extractive practices, regulatory weaknesses, and exclusionary development frameworks that shape the lived experiences of mining-affected communities.

This social audit therefore presents both a disaggregated and an integrated analysis.

A total of 280 community members participated in the audit process, with 175 participants responding specifically to questions about South32, and 105 focusing on UMK. These separate data sets allow for company-specific accountability, but the collective picture they reveal is one of systemic underdevelopment, fragmented consultation, and uneven delivery across the board.

CONSULTATION

Meaningful consultation is a cornerstone of any development process that claims to be just, inclusive, and rights-based. For mining-affected communities, consultation is not a procedural formality—it is a fundamental mechanism for shaping their developmental path, exercising self-determination, and ensuring accountability from powerful mining interests operating on or near their land.

However, the findings of this social audit expose a glaring failure of consultation in Magojaneng. A staggering 81.1% of respondents indicated that **South32** had never included them in any decision-making processes. Only 4.6% recalled ever being consulted, with a few pointing specifically to one meeting related to the proposed water project.

In the case of **UMK**, which operates even closer to the village, the situation is worse—**100% of respondents reported never being consulted.**

This profound exclusion has material consequences. An overwhelming 93.9% of community members surveyed had never heard of a **Social and Labour Plan (SLP)**—the primary legal tool designed to channel mining benefits to affected communities. While the audit team helped to inform participants about the significance of the SLP, only 2.5% could say they had any prior knowledge of the document, and none had ever seen or understood its contents.

SOUTH32	81%	81% had never been included in decision making process	UMK	100%	100% of respondents reported never being consulted .
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Crucially, **94.6% of community members did not know that they had the right to access these public documents**, reinforcing a dangerous knowledge gap that renders rights unenforceable and companies unaccountable.

This absence of consultation is not an isolated failure. It is part of a broader pattern that reflects what MACUA has termed “**Crumb Capture**”—a model where mining companies engage in highly selective, opaque forms of engagement, often with elites or gatekeepers, while structurally excluding the broader community.

94%	93.9% of community members surveyed had never heard of a Social and Labour Plan (SLP)	2.5%	2.5% could say they had any prior knowledge of the document , and none had ever seen or understood its contents.	95%	94.6% of community members did not know that they had the right to access these public documents
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These crumbs—small-scale projects, token meetings, and symbolic gestures—are captured by a few, while the majority remain in the dark and underdeveloped.

The data reveals that neither South32 nor UMK are complying with **Regulation 46 of the MPRDA**, which requires companies to hold at least **three public participation meetings per year** with affected communities. Community testimony consistently affirms that these meetings are either not held or not held in an open and inclusive manner.

The few consultations that do occur are often restricted to municipal officials, politically aligned figures, or traditional authorities, bypassing ordinary residents. This **substitution of elite consensus for democratic participation** undermines the constitutional promise of participatory governance.

In this context, the **Just Transition** narrative promoted by government and mining companies risks becoming a hollow slogan. The transition cannot be considered “just” if the very communities bearing the burdens of extraction are excluded from the decision-making processes that determine their futures.

Without **Free, Prior and Informed Consent (FPIC)**, transparent SLP processes, and community-led oversight mechanisms, the transition risks replicating the injustices of the past under a green veneer.

TO REPAIR THIS BROKEN SOCIAL CONTRACT, mining companies and local government must institutionalise **meaningful consultation** as an ongoing practice—not a one-time event. This includes:

- 1 Disseminating simplified and translated versions of SLPs;
- 2 Providing advance notice and agendas for public meetings;
- 3 Creating mechanisms for inclusive feedback and grievance resolution;
- 4 Ensuring women, youth, and informal residents have direct participation;
- 5 Building community capacity to monitor and enforce SLP obligations.

Only when community voices are central to the design, implementation, and oversight of development projects can mining begin to play a meaningful role in a truly just transition



FINDINGS FOR UMK'S LOCAL ECONOMIC DEVELOPMENT (LED) PROJECTS

PROJECT 1: REHABILITATION OF KHATU TO HOTAZEL D3340 ROAD - RESURFACING

MINING PROJECT PARTNERS	TIMEFRAME	BUDGET	COMMUNITY AWARENESS
Assmang, South32, UMK, Vela VKE, Basil Read	2018-2019	R24 Million	⊗ 1.9%

This project, listed in UMK's 2018–2022 Social and Labour Plan (SLP), was framed as a critical infrastructure intervention to benefit both industry and local communities. At face value, a resurfaced road between Khatu and Hotazel would seem to offer improved mobility and access for surrounding villages, and therefore align with the objectives of Local Economic Development (LED). However, the findings of the social audit point to a fundamentally flawed design, a lack of community benefit, and ongoing implementation failure—symptomatic of the **Crumb Capture** model that defines many SLP commitments.

During the audit process, the majority of Magojaneng community members expressed no knowledge of the road project. Only 1.9% of respondents could recall any detail about the repairs. This lack of awareness is not merely an oversight; it reveals a **complete breakdown of participatory planning and information sharing**, both of which are legal and ethical requirements under the SLP framework.

When the audit team conducted a physical site inspection in 2022—**three years after the project's supposed completion date**—they found that the road remained largely unpaved, covered in gravel, and still marked by ongoing construction activities. There were no road markings, minimal fencing, and no signage indicating public benefit or project milestones. In effect, the project was **unfinished and invisible** to the very communities it was meant to serve.

Even more troubling is the observed **misalignment of benefit**. The road, as currently constructed, appears to primarily serve the logistical interests of mining operations. Multiple access gates to mining properties—UMK, Sebilo Resources, and Mamathwane among them—line the road. It is used predominantly for the transportation of manganese and mining equipment to Khatu, where logistical and industrial infrastructure (including a small airport) is located. **The benefits of the road flow upstream to industry, not horizontally to the communities affected by mining.**

3 YRS AFTER PROJECT SUPPOSED
COMPLETION DATE.





This is a textbook case of **developmental misdirection**. Instead of investing in projects identified by communities—such as clean water access, public lighting, schools, or a local skills centre—this SLP initiative diverted public-private resources toward infrastructure that facilitates **the continued extraction of community wealth**.

Had the project been preceded by **meaningful consultation**, it is likely that community priorities would have been different. Residents are clear in their demands: basic services, functional roads within the village, economic opportunities, and educational

infrastructure. Instead, this project appears to have been decided through alignment with municipal Integrated Development Plans (IDPs) and corporate logistics needs, without any robust process for Free, Prior and Informed Consent (FPIC) or democratic input from the community.

By failing to communicate with affected residents or provide regular project updates, UMK has violated both the **spirit and the letter** of its SLP commitments. This lack of transparency undermines trust, erodes community oversight, and reinforces the notion that SLPs are more performative than transformative.

► IN SUMMARY, THE KHATU-HOTAZEL ROAD PROJECT DEMONSTRATES:

- 1** A failure to implement in line with timeframes
 - 2** A failure to deliver community-visible benefits
 - 3** A failure to consult or inform the public
 - 4** A structural prioritisation of mining logistics over community development
-

This is not a case of poor execution alone—it is a **reflection of a systemic problem** in how mining companies, municipalities, and regulators conceive of “development.” Until mining-affected communities are given **real power to shape their developmental agenda**, projects like these will continue to function as **infrastructure for extraction**, not pathways to justice.





PROJECT 2: SEDIBENG BULK WATER SUPPLY INFRASTRUCTURE

MINING PROJECT PARTNERS	TIMEFRAME	BUDGET	COMMUNITY AWARENESS
Sedibeng Water, with long-term operational responsibility	Jan 2018 - November 2022	R96 Million R19M pa	⊗ 23%

SLP COMMITMENT:

- Provide bulk water infrastructure from **Roscoe to Black Rock**, including **1.6 km of reticulation**
- Beneficiaries: **22 rural villages**, including **Tsineng**
- Total Budget: **R96 million** (R19.2 million annually over five years)¹⁴

UMK's Social and Labour Plan explicitly commits to a flagship water infrastructure project designed to address severe service delivery gaps across the Joe Morolong Local Municipality.

The project's stated goal is to improve access to water in line with **Reconstruction and Development Programme (RDP)** standards and ensure reliable supply for **22 rural villages**. This is a high-cost, high-impact intervention that—on paper—should radically transform the lived experience of communities in one of South Africa's most underdeveloped mining corridors.

However, the findings of the social audit reveal a gaping contradiction between this promise and what has materialised on the ground. **87.6% of surveyed residents were unaware** of any partnership between UMK and Sedibeng Water, and only **5.7% confirmed the project's implementation** in their villages.

“In this context, the water project shifts from being a “missed opportunity” to a potential case of **development fraud**—where financial allocations and public claims mask the **absence of delivery**.**”**

No project signage, construction evidence, or functional bulk infrastructure was found during **physical inspections** in any of the three audit villages.

Sedibeng Water's official website (www.sedibengwater.co.za) and annual reports (e.g., 2020–2021, 2021–2022) highlight their role in bulk water supply projects across the Northern Cape, including JMLM. However, specific mention of a UMK-partnered project for 2018–2022 is absent in publicly available documents.

¹⁴ Source: UMK 2018–2022 Social and Labour Plan (Table 13, p. 121–122)



General references to water projects in JMLM by Sedibeng Water, DWS, and local media suggest such initiatives exist, but none explicitly confirm UMK's project or its impact on 22 villages.

This level of disconnect points not only to poor communication, but to what MACUA has called a systemic pattern of **Crumb Capture**—where large-scale projects are **announced, budgeted, and claimed, but fail to produce tangible outcomes for the communities they are supposed to serve**. The lack of visibility, transparency, and monitoring renders such projects symbolic gestures rather than developmental realities.

Community responses on water access paint a complex and troubling picture:

47.6% reported daily access to water
19% only have access once a week
Just 11.4% said their water comes from Sedibeng Water
29.5% rely on boreholes or private taps
62.9% described the quality of water as bad, murky, or undrinkable
Women and children disproportionately shoulder the burden of water collection

Even where taps exist in household yards, reliability is poor, and service is irregular. By **RDP standards**, water infrastructure should deliver piped access **within 200 metres of each household, for at least 350 days per year, and not be interrupted for more than 48 consecutive hours**. These standards are **clearly not being met**, indicating either **non-implementation** or gross underperformance of UMK's SLP obligations.

In this context, the water project shifts from being a “missed opportunity” to a potential case of **development fraud**—where financial allocations and public claims mask the **absence of delivery**.

Community members were neither consulted on the design of this project nor updated on its progress, violating both the **participation obligations under the MPRDA** and basic principles of **democratic accountability**.

If the Just Transition is to mean anything for mining-affected communities, it must begin with **access to clean, reliable water**—a constitutional right and the foundation for dignity and health. The Sedibeng Bulk Water Project, as it stands, exemplifies how **elite-managed development**, devoid of community control or oversight, becomes another layer in the architecture of exclusion.



PROJECT 3: JOE MOROLONG TRAINING CENTRE

MINING PROJECT PARTNERS	TIMEFRAME	BUDGET	COMMUNITY AWARENESS
ADCORP, a workforce solutions provider	2018 - 2022	R35 M Tech skills R6.7M Computer Based	⊗ 23%
Simtrain - Driving School		R11M	

SLP COMMITMENT:

UMK committed in its 2018–2022 Social and Labour Plan (SLP) to continue funding the **Joe Morolong Training Centre** in Mothibistad, with the following deliverables:

- Expand **Skillsoft computer-based training**, focusing on basic computer literacy, entrepreneurship, and financial management;
- Establish a **Simtrain driving school** offering simulator and light motor vehicle training;
- Sponsor students and cover operational costs for the centre;

At face value, the Joe Morolong Training Centre represented a major educational and economic opportunity for communities in the region. Located in Mothibistad, the project's scale, partnerships, and allocated funding signalled an ambitious skills development initiative aligned with national imperatives of youth training, employment access, and enterprise support.



However, the social audit revealed a disconnect between the project's ambition and its **actual accessibility**, relevance, and impact for surrounding mining-affected communities like those in Hotazel and Magojaneng.

Located nearly **62 km away** from these villages, the centre is functionally inaccessible for most local youth and unemployed residents. As a result, a project meant to advance socio-economic inclusion in mining zones has become **spatially and economically exclusionary**.

Despite 57.1% of respondents being aware of the centre's existence, **only 33.3% could name services** offered there—such as ABET (Adult Basic Education and Training) or basic computer skills—and **just 7.6% associated it with entrepreneurship development**. Crucially, **70.5% of participants did not know a driving school existed**, and those who did were unclear about its ownership, pricing, or relation to the mine.



This confusion is not incidental—it reflects the project’s **lack of transparency**, weak communication with local communities, and poor integration with broader development plans. Although the SLP promised driving simulators, subsidised training, and operational support from UMK, physical inspections yielded no confirmation that these offerings were present or functional.

Local residents near the centre indicated that:

- The driving school is **privately owned**, not mine-operated;
- They are charged **±R5,000** for lessons—far beyond what many residents can afford;
- The centre is **not consistently open**—sometimes operating only on occasional Mondays;
- ABET classes have reportedly **moved to a nearby school**, suggesting abandonment of original commitments.

Multiple visits by the audit team to the training centre failed to reach management or secure interviews. The phone number associated with the driving school went unanswered, further limiting the community’s ability to access, evaluate, or benefit from the initiative.

CRUMB CAPTURE AND DEVELOPMENTAL MISALIGNMENT

This project is emblematic of the “**False Benevolence Economy**” in mining areas: initiatives framed as empowering but structurally designed in ways that **exclude** those most in need. With over R50 million

budgeted between 2018 and 2022, the training centre should be a flagship example of development through SLPs. Instead, it stands as a **non-functional or minimally functional** facility that **fails to meet the accessibility, affordability, and responsiveness criteria** needed for true developmental impact.

The Joe Morolong Training Centre reveals the **misalignment between mine-driven SLPs and real community needs**:

- It was not co-designed with youth from surrounding villages;
- It offers services in a location disconnected from high-unemployment zones;
- Its existence and details were **poorly communicated**, limiting uptake;
- Key components—such as the driving school—appear **privatised and commodified**, further entrenching exclusion.

In effect, a project that should have built bridges toward opportunity has instead become another example of **Crumb Capture**: a developmental promise that legitimises extraction while leaving communities with little more than paper commitments and unmet expectations.





OVERALL FINDINGS ON UMK'S COMPLIANCE WITH ITS SLP COMMITMENTS

While UMK's 2018–2022 Social and Labour Plan (SLP) outlines clear commitments to local development through three major projects—the **Khatu–Hotazel Road Rehabilitation**, the **Sedibeng Bulk Water Supply Infrastructure**, and the **Joe Morolong Training Centre**—the findings of this social audit expose a serious and systemic failure to deliver on those obligations.

None of the projects audited were found to be fully completed or operational by the end of 2022, despite the expiry of the designated SLP period.

This failure is not incidental—it is emblematic of a deeper structural pattern in which **legal compliance on paper does not translate into development on the ground**. The result is a repeated deferral of promised socio-economic benefits to communities who continue to carry the burdens of extraction without receiving meaningful compensation or infrastructure.

Moreover, the **opacity** surrounding these projects further compounds the problem. In each instance, there was a **lack of signage, contactable project leadership, or accessible public documentation**, making it nearly impossible for community members to track progress, ask questions, or verify implementation. This erodes accountability, and it reinforces a model of **elite-centric, technocratic development** that excludes those most directly affected.

But what makes UMK's failure particularly egregious is that **this is not simply a private company acting in isolation**. UMK is **partially owned by Chancellor House Holdings**, the investment arm of the **African National Congress (ANC)**—the very party that governs South Africa and is responsible for enforcing the laws UMK is meant to comply with.

Through Chancellor House and other politically connected entities like Pitsa Ya Setshaba Holdings, the ANC benefits financially from UMK's operations.



This dual role—as **both regulator and beneficiary**—represents a profound **conflict of interest** and raises troubling questions about the political will to enforce compliance. When the ruling party stands to **profit from the same company it is meant to regulate**, oversight becomes compromised, transparency is undermined, and the potential for **state-enabled corporate impunity** grows.

This confluence of political and corporate power is at the heart of what MACUA has termed the “**False Benevolence Economy**”—a system where symbolic projects are announced and budgeted, but implementation is weak or non-existent, and accountability mechanisms are neutralised by **elite capture and political complicity**.



What we are left with is a development model that prioritises **optics over outcomes**, and compliance in appearance rather than substance. Communities are offered crumbs—delayed, diluted, or diverted—while politically connected entities consolidate control over both mineral wealth and the means of redistribution.

To address this, urgent structural reforms are required:

- 1** Independent oversight mechanisms free from political interference;
- 2** Mandatory **public reporting on SLP delivery and budgets**, accessible to affected communities;
- 3** **Criminal and financial penalties** for non-compliance with project timelines and consultation obligations;
- 4** Strong protections for community monitoring structures and the institutionalisation of **Free, Prior and Informed Consent (FPIC)**.

In conclusion, the failure of UMK to meet its SLP commitments by 2022—despite clear timelines, allocated budgets, and high-level partnerships—reflects not only a **corporate failure**, but a **governance failure** rooted in political entanglement and regulatory evasion.

If the Just Transition is to be truly just, it must begin with confronting these uncomfortable truths and restructuring mining governance to put **people before profits, and rights before political dividends**.

PROJECT 1: REARATA PRIMARY SCHOOL – PHASE 1 AND PHASE 2

PROJECT	DESCRIPTION & LOCATION	TIMEFRAME	BUDGET	COMMUNITY AWARENESS
Phase 1	Rearata Primary School in Vergenoeg	2013–2014	R7.5 Million	⊗ 23.1%
Phase 2	Ga-Segonyana Local Municipality	2019	R6 Million	

Rearata Primary School is one of the few LED projects audited in this report that shows visible progress and partial success in implementation, albeit with important caveats regarding timelines, sustainability, and consultation. While the project was originally scheduled for completion in 2014 (Phase 1), and 2019 (Phase 2), community feedback and site inspections suggest that substantial works were only completed by 2022, three years after the SLP's stated deadline.

When surveyed, 76.6% of community respondents indicated they were unaware of South32's formal commitment to the project. This lack of awareness raises persistent concerns about the quality of consultation and transparency, even where physical infrastructure eventually materialised.

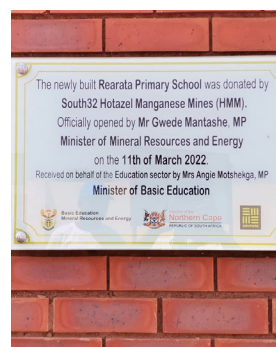
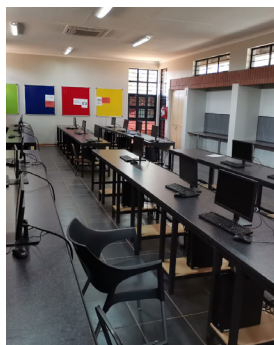
Furthermore, over 90% of respondents had no knowledge of the project's budget—a critical omission that limits the community's ability to track value for money or evaluate delivery against commitments.

Despite this, 28% of respondents correctly associated the project with its Phase 1 launch in 2013, and most were aware that the school was currently operational. The social audit team conducted door-to-door verification in Vergenoeg and interviewed school staff to assess project impact.

As of 2022, the school had 447 learners enrolled, and physical inspections confirmed the presence of:

- A Grade R block with classrooms and a play area,
- A fully equipped kitchen providing daily meals,
- A library and computer lab,
- Three ablution facilities, including one specifically for Grade R learners,
- A reliable water supply.

However, gaps remain. **The library was not yet stocked, the school hall had not been constructed, and there was no permanent cleaning or maintenance staff.** These outstanding elements—reportedly under the jurisdiction of the Department of Basic Education—underscore the disconnect between mining company delivery and state follow-through, a common issue in SLP implementation.



ANALYSIS: PARTIAL COMPLIANCE AND THE PROBLEM OF INSTITUTIONAL FRAGMENTATION

South32's implementation of the Rearata Primary School project marks a departure from the more systemic non-compliance seen in other mining SLPs audited in this report. The company appears to have honoured the core infrastructure components of its commitment, albeit late and without consistent community engagement.

It must be acknowledged that the project is functional, valued by residents, and continues to benefit learners in Vergenoeg.

Yet, even this “successful” case is not without problems. The lack of public knowledge about the SLP commitment, the absence of project signage, and the failure to ensure interdepartmental coordination for ongoing operations (e.g., library stocking, maintenance) all point to the fragile, siloed nature of LED delivery.

This illustrates a broader structural flaw: even when companies deliver partial infrastructure, the failure to integrate community priorities, coordinate with state institutions, or ensure operational sustainability undermines the promise of inclusive development.

Moreover, delays in delivery shift the timeline of community benefit, reducing the project's cumulative value and further delaying social redress.

In this case, South32 complied with its legal SLP obligations in part, but the manner, timeline, and communication of that compliance fell short of the principles underpinning a Just Transition—namely, that communities be full participants in shaping their futures and that benefits be tangible, timely, and transformative.

PROJECT 2: WATER PROVISION TO VILLAGES IN JOW JOE MOROLENG INCL. MAGOJANENG AND KANANA

DESCRIPTION & LOCATION	TIMEFRAME	BUDGET	COMMUNITY AWARENESS
Bulk water infrastructure to support water access in rural villages within Joe Morolong Local Municipality	2014 -2017	R17 Million	⊗ 8%

In its 2014–2017 Social and Labour Plan (SLP), South32 committed to providing bulk water infrastructure to support water access in rural villages within Joe Morolong Local Municipality, **explicitly including Magojaneng and Kanana**.

However, the scale of this commitment—intended to benefit approximately 350 households—was grossly inadequate given the actual needs of the community. According to residents and census data, Magojaneng alone had over 740 households in 2011, a number that would have realistically exceeded 1,000 households by the time the project was due for completion¹⁵.

This mismatch between planning and real-world population figures already signals a design flaw in the project—one that points to the absence of proper consultation, baseline needs assessments, or inclusive planning. The project was framed as an essential service delivery intervention. Yet, in reality, it amounted to a token gesture incapable of addressing the water crisis facing these mining-affected communities.

Only 5.7% of Magojaneng respondents reported being aware of South32’s commitment to the water project. Even among this small group, most only

learned about it informally—through employment at the mine or second-hand information from a friend. This points to a systemic failure in consultation and communication, violating both the spirit and regulatory requirements of participatory development under the Mineral and Petroleum Resources Development Act (MPRDA).

When asked about water access over the period of 2013–2018 and beyond, 37.7% said they experienced no improvement, and many indicated that they still rely on the same communal taps that existed prior to the SLP commitment.

Even worse, those taps reportedly provide water only 2–3 days a week, and even then only intermittently. This results in ongoing rationing, early-morning queues, and the daily burden falling disproportionately on women and children, who must manage household water needs under unreliable conditions.

Despite the R17 million budget and clear SLP objectives, the social audit team found no visible signs of a completed water infrastructure project in Magojaneng. Physical inspections did not reveal any South32-branded infrastructure, signage, or evidence of sustained delivery.

¹⁵ **Statistics South Africa (StatsSA) – Census 2011 – Subplace: Magojaneng (Northern Cape)**



Community members confirmed that no boreholes, storage tanks, or piped networks linked to South32 had been installed in the area. This raises serious concerns about either non-implementation or the redirection of project delivery elsewhere—both of which constitute serious breaches of public trust and legal obligations.

Residents also reported that the water quality remains poor: murky, salty, full of lime, and unfit for consumption, with many describing the taste as “unhealthy” and foul. This is a fundamental violation of the constitutional right to clean water, and it renders the promise of this SLP project hollow.

ANALYSIS: A CASE STUDY IN FALSE BENEVOLENCE AND REGULATORY FAILURE

The failure of South32 to deliver on its community water supply project by 2017—despite a budget exceeding R17 million and a defined scope—cannot be dismissed as bureaucratic delay. It reflects a deeper institutional pattern of underperformance, under-enforcement, and underdevelopment in the governance of mining SLPs.

That an audit conducted in 2022 could find no trace of a project that was due for completion in 2017 is not unusual within MACUA’s experience. It illustrates the regulatory inertia and superficial compliance culture enabled by the Department of Mineral and Petroleum Resources (DMPR), which has consistently failed to monitor, verify, or enforce meaningful SLP delivery.

This project also underscores the logic of Crumb Capture—where mining companies overstate the value of limited or incomplete social investments, while continuing to extract vast mineral wealth. Water, in this context, becomes a symbolic currency used to shield corporate actors from scrutiny, even as affected communities continue to suffer thirst, indignity, and exclusion.

Finally, the inclusion of this project in an expired SLP, without evidence of completion, raises serious questions about the DMPR’s SLP close-out procedures, the absence of consequence for non-delivery, and the ease with which companies can recycle, reframe, or obscure undelivered commitments in successive SLP cycles.

CONCLUSION

South32’s failure to implement its Community Water Supply Project in Magojaneng reflects not only a breach of SLP obligations, but a deeper crisis of developmental ethics and governance accountability. In a region where water insecurity is a daily burden, and where the company benefits from substantial manganese wealth, this project had the potential to deliver transformative change. Instead, it became a case study in broken promises and the systemic marginalisation of mining-affected communities.

PROJECT 3: PAEDIATRIC UNIT AT TSHWARAGANO HOSPITAL

DESCRIPTION & LOCATION	TIMEFRAME	BUDGET	COMMUNITY AWARENESS
Development of a paediatric unit at Tshwaragano Hospital Joe Morolong Local Municipality	2019 - 2023	R5 Million	⊗ 18%

South32's commitment to the development of a paediatric unit at Tshwaragano Hospital¹⁶ was one of the more health-focused projects in its 2019–2023 Social and Labour Plan.

However, **the commitment was described in vague terms** within the SLP. It is unclear whether the company intended to:

- Build the unit in its entirety,
- Contribute R5 million directly to the Department of Health,
- Or include equipment, operational support, or staffing within that budget allocation.

This lack of specificity in the SLP text **undermines transparency and obfuscates accountability**, making it difficult for communities to evaluate whether South32 has fulfilled its obligations or simply made a financial contribution without delivering actual infrastructure or service access.

During the social audit, only 18.3% of community members were aware of South32's commitment to build the paediatric unit. This low level of public knowledge, combined with the lack of detail in the SLP, once again signals a broader pattern of poor consultation and communication in SLP implementation across South32's project portfolio.

Despite these challenges, physical inspections revealed that construction was underway as of 2022, although not completed within the designated 2021 timeframe. A representative from the hospital confirmed that completion was anticipated by 30 November 2022, though they declined to provide further details regarding scope, delays, or South32's specific role.

Based on this, the project can be classified as partially implemented, with significant delivery delays and insufficient transparency.

¹⁶ Source: South32 2019–2023 SLP Summary, p. 49

► ANALYSIS: GENDER, HEALTH EQUITY, AND THE JUST TRANSITION

The development of paediatric infrastructure represents a critical investment not just in children's health, but in the invisible, unpaid labour that women in mining-affected communities disproportionately carry. In rural areas such as Joe Morolong, women are often the primary caregivers—tasked with managing family health needs, securing water and food, and navigating unreliable public services. They do this while also absorbing the environmental and economic externalities of nearby mining operations.

Despite long-standing commitments to transformation and gender equity in the mining sector, women remain structurally marginalised:

- 1 They are underrepresented in consultation processes, especially where male-dominated traditional leadership structures serve as primary interlocutors.
- 2 Their needs are rarely centred in SLP project design or monitoring mechanisms.
- 3 The benefits they are entitled to—be it health care, economic inclusion, or decision-making power—are often delivered through indirect, symbolic means.

In this context, the paediatric unit project—though delayed and poorly communicated—stands out as a potentially valuable intervention with gendered developmental significance.

However, the fact that it proceeded without clear community engagement or feedback mechanisms risks replicating the very exclusions it seeks to address. Women, as both stakeholders and rights-holders, should have been involved in shaping the priorities, design, and monitoring of a health project so intimately connected to their daily lives.



OVERALL FINDINGS ON SOUTH 32'S COMPLIANCE WITH ITS SLP COMMITMENTS

The findings from the social audit reveal a **mixed picture** of South32's compliance with its Social and Labour Plan (SLP) obligations across two reporting periods.

While the company demonstrates **partial and delayed implementation** of several infrastructure projects in its 2019–2023 SLP, it exhibits **serious shortcomings** in fulfilling its earlier 2013–2018 commitments—particularly the **Community Water Supply Project**, which remains unimplemented in Magojaneng as of 2022.

1. NON-COMPLIANCE WITH THE 2013–2018 SLP: THE WATER PROJECT

The water supply project, committed under South32's 2013–2018 SLP with a budget of over **R17 million**, was meant to provide water infrastructure to **Magojaneng and Kanana**.

However, the project **grossly underestimated the actual needs** of the communities, with planning based on just **350 households**, despite Magojaneng alone exceeding 740 households as per the 2011 Census—and likely over 1,000 by the time implementation was due.

The social audit revealed that:

- 1** Only 5.7% of respondents were even aware of the commitment;
- 2** No visible infrastructure could be located through inspections;
- 3** No water access improvements were reported by the majority of respondents;
- 4** No explanation for delays or non-implementation had been communicated to the community.

This amounts to a **critical failure of both implementation and consultation**, exacerbated by the fact that **pre-2020 SLP regulations under the MPRDA** did not require companies to report implementation progress to communities through public meetings. Nevertheless, due to the **legally binding nature of SLPs**, this project remains **due to the community**, and the failure to implement it cannot be excused by regulatory ambiguity alone.

The paediatric unit project—though delayed and poorly communicated—stands out as a potentially valuable intervention with gendered developmental significance.

2. PARTIAL COMPLIANCE WITH THE 2019–2023 SLP:

In contrast, South32 shows **greater commitment to physical delivery** of infrastructure under its 2019–2023 SLP.

Two audited projects—the **Rearata Primary School upgrades** and the **Tshwaragano Paediatric Unit**—demonstrated tangible progress and, in both cases, **visible infrastructure was delivered** that benefits the public:

- The Rearata Primary School project was **completed with several key facilities**, including classrooms, ablution blocks, a library, and a kitchen, despite delays.
- The Paediatric Unit at Tshwaragano Hospital was **still under construction as of 2022**, but implementation was underway, and a projected completion date was provided.

Although neither project adhered strictly to its original implementation timeframe, the **delivery of high-impact, community-serving infrastructure** represents a **notable improvement** in compliance compared to the earlier SLP cycle.

However, the pattern of **limited consultation persists**. Only **2.8% of respondents recalled attending a meeting** related to SLP implementation, with most reporting that **no formal updates** were provided during the course of project development.

While South32 reportedly held a public meeting in **October 2022**, near the end of its SLP cycle, such late-stage engagement is **insufficient for fostering meaningful participation** and violates the principle of **ongoing Free, Prior and Informed Consent (FPIC)**.

► CONCLUSION: A MIXED RECORD MARKED BY DELAYED JUSTICE AND LIMITED TRANSPARENCY

South32's compliance history reflects a trajectory from **outright non-implementation in its earlier SLP**, toward **partial delivery and improved outcomes in its later SLP**. However, even the more recent successes are marred by:

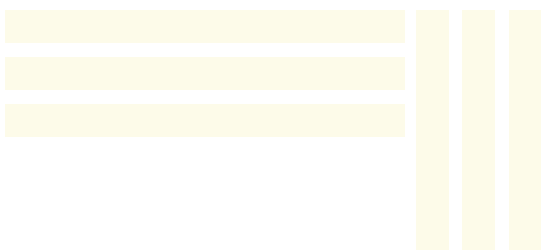
- Delays in implementation;
- Poor communication and low community awareness;
- A lack of structured consultation frameworks.

These issues reinforce a pattern observed across the sector, where **project visibility is treated as a substitute for genuine accountability**, and where companies often rely on the **absence of regulatory enforcement** to excuse or delay delivery.

If South32 is to align its operations with the principles of a **Just Transition**, it must go beyond infrastructure delivery and address the **systemic failures in process, communication, and democratic participation** that have undermined trust in the SLP system. That includes:

- Regular community meetings and feedback mechanisms;
- Transparent reporting on budget use and timelines;
- Independent verification of project status and quality;
- Active inclusion of women, youth, and informal residents in decision-making processes.

Until these mechanisms are formalised, the successes of South32—while notable—will remain **partial and uneven**, and their commitments **conditionally fulfilled** rather than genuinely transformative.



CONCLUSION

This social audit exposes a sobering reality: **despite the billions generated from manganese mining in the Northern Cape, the communities living closest to extraction sites remain trapped in cycles of underdevelopment, exclusion, and neglect.**

While Social and Labour Plans (SLPs) were intended as vehicles to redress historical injustices and ensure mining-affected communities benefit from nearby operations, they have largely failed to achieve these goals. Instead, this audit reveals a system that produces **the appearance of development without the substance.**

Across all audited projects, **community members expressed a pervasive lack of awareness** about the commitments made in their name—let alone the budgets, timelines, or outcomes of those commitments.



That UMK is partly owned by Chancellor House Holdings—the ANC’s investment arm—only deepens the accountability crisis, raising serious ethical concerns about the political shielding of non-compliant entities.

In some cases, like UMK’s bulk water infrastructure and road rehabilitation projects, there was **no visible implementation**, despite large sums being budgeted. In other cases, such as South32’s paediatric unit and school upgrade projects, partial infrastructure was delivered—but with **significant delays, limited consultation, and weak integration with government services.**

The disconnect between what is promised and what is delivered points to a deeper governance crisis. The audit findings confirm a pattern of **Crumb Capture**, where mining companies implement symbolic, often dysfunctional projects that lack sustainability, visibility, or community ownership. UMK’s Joe Morolong Training Centre stands as a prime

example—publicly branded, yet functionally inaccessible and out of sync with community priorities.

What emerges is not a model of transformative development, but a **False Benevolence Economy**, in which politically connected corporations' benefit from state-sanctioned resource extraction, while communities are left with unfulfilled promises and degraded environments.

That **UMK is partly owned by Chancellor House Holdings—the ANC's investment arm—only deepens the accountability crisis**, raising serious ethical concerns about the political shielding of non-compliant entities.

Meanwhile, the Department of Mineral and Petroleum Resources (DMPR) continues to **fail in its oversight role**, enabling mining companies to delay, dilute, or entirely evade their legally binding SLP responsibilities. The fact that audits conducted in 2022 still uncover **undelivered projects from SLPs signed in 2014** is an indictment of the state's enforcement capacity and political will.

Even where progress has been made—such as with South32's delivery of the Rearata Primary School and the partially completed Tshwaragano Paediatric Unit—these wins are undermined by **poor consultation, lack of transparency, and delays that shift the timeline of benefit**.

Infrastructure, without community agency and timely delivery, risks becoming yet another form of extractive optics.

Critically, while **manganese is celebrated as a Just Transition mineral**, the reality for communities in Joe Morolong and surrounding areas is anything but just. They remain on the margins of decision-making, deprived of clean water, reliable services, and meaningful economic alternatives—even as the minerals beneath their feet are exported to power global green economies.

This social audit makes clear that **extractive justice cannot be achieved through compliance on paper alone**. It requires:

- 1 Binding enforcement of SLP timelines;
- 2 Mandatory transparency of budgets and progress reports;
- 3 Institutionalisation of **Free, Prior and Informed Consent (FPIC)**;
- 4 Community-led monitoring and grievance mechanisms;

A radical shift from symbolic delivery to **redistributive justice**.

Until then, manganese may power the green transition globally, but for the people of the Northern Cape, it will continue to symbolise an all-too-familiar model of **extraction without transformation**.

MAGOJANENG SOCIAL AUDIT MATRIX – UMK PROJECTS (UPDATED)

PROJECT	CLAIMED SLP COMMITMENT	DEVELOPMENT POTENTIAL	STATUS	CLAIMED VALUE (R)	ACTUAL VALUE ACCRUED	COMPLETION SCORE (%)	COMMUNITY VALUE SCORE (%)
Rehabilitation of Khatu–Hotazel Road (D3340)	Resurface 55km of tar road, improve safety and access	MODERATE (Transport, Logistics)	Not completed – road largely unfinished as of 2022	24 Million	LOW - mostly benefits mining companies, not communities	30	15.0
Sedibeng Bulk Water Supply Infrastructure	Provide bulk water infrastructure to 22 villages including Tsineng	HIGH (Basic Services, Water Access)	Not implemented – no evidence of infrastructure or delivery	96 Million	LOW – community still faces water scarcity and poor quality	10	10.0
Joe Morolong Training Centre	Upgrade training centre to include ICT, entrepreneurship, driving simulators	HIGH (Skills Development, Youth Empowerment)	Partially functional – limited access, irregular operation, cost barriers	52.75 Million	MODERATE - limited educational access, community exclusion	50	35.0
TOTAL/AVERAGE				172.75 Million		30.0	20.0

MAGOJANENG SOCIAL AUDIT MATRIX – SOUTH32 PROJECTS (UPDATED)

PROJECT	CLAIMED SLP COMMITMENT	DEVELOPMENT POTENTIAL	STATUS	CLAIMED VALUE (R)	ACTUAL VALUE ACCRUED	COMPLETION SCORE (%)	COMMUNITY VALUE SCORE (%)
Rearata Primary School Project	Improve and construct facilities at Rearata Primary School	High (Education, Youth Empowerment)	Completed (though delayed, substantial benefit delivered)	13.5 Million	High – operational school with modern facilities	90	75.0
Community Water Supply Project	Provide water to villages in Joe Morolong incl. Magojaneng and Kanana	High (Basic Services, Health)	Not completed – no visible implementation in Magojaneng	17.1 Million	Low – no visible infrastructure or improvement in service	20	15.0
Paediatric Unit at Tshwaragano Hospital	Develop paediatric unit to improve child health facilities	High (Healthcare, Child Welfare)	Partially completed – construction underway as of 2022	5 Million	Moderate – facility may provide future benefit if completed	60	40.0
TOTAL/AVERAGE				35.6 Million		56.7	43.3



PROJECT 1: REHABILITATION OF KHATU TO HOTAZEL D3340 ROAD - RESURFACING

Commitment:

Repair and seal 55 km of tar road, provide new road markings and repair fence lines to prevent animals from entering the road reserve.

MINING PROJECT PARTNERS	TIMEFRAME	BUDGET	COMMUNITY AWARENESS
Assmang, South32, UMK, Vela VKE, Basil Read	2018-2019	R24 Million	⊗ 1.9%

This project, listed in UMK's 2018–2022 Social and Labour Plan (SLP), framed as a critical infrastructure intervention to benefit both industry and local communities.

1.9% COMMUNITY AWARENESS

Reveals a breakdown of participatory planning and information sharing, both of which are legal and ethical requirements under the SLP framework.

Instead of investing in projects identified by communities—such as clean water access, public lighting, schools, or a local skills centre—this SLP initiative diverted public-private resources toward infrastructure that facilitates the continued extraction of community wealth.

OBSERVED MISALIGNMENT OF BENEFIT.

The road, as currently constructed, appears to primarily serve the logistical interests of mining operations. Multiple access gates to mining properties—UMK, Sebilo Resources, and Mamathwane among them—line the road. Used predominantly for the transportation of manganese and mining equipment to Khatu, where logistical and industrial infrastructure (including a small airport) is located. **The benefits of the road flow upstream to industry, not horizontally to the communities affected by mining.**

3 YRS AFTER PROJECT SUPPOSED COMPLETION DATE.



IN SUMMARY, THE KHATU-HOTAZEL ROAD PROJECT DEMONSTRATES:

- ▶ A failure to implement in line with timeframes
- ▶ A failure to deliver community-visible benefits
- ▶ A failure to consult or inform the public
- ▶ A structural prioritisation of mining logistics over community development



continued

PROJECT 1: REHABILITATION OF KHATU TO HOTAZEL D3340 ROAD - RESURFACING

Commitment:

Repair and seal 55 km of tar road, provide new road markings and repair fence lines to prevent animals from entering the road.

MINING PROJECT PARTNERS	TIMEFRAME	BUDGET	COMMUNITY AWARENESS
Assmang, South32, UMK, Vela VKE, Basil Read	2018-2019	R24 Million	⊗ 1.9%



DEVELOPMENTAL MISDIRECTION.

Instead of investing in projects identified by communities—such as clean water access, public lighting, schools, or a local skills centre—this SLP initiative diverted public-private resources toward infrastructure that facilitates the **continued extraction of community wealth**.

Residents are clear in their demands: basic services, functional roads within the village, economic opportunities, and educational infrastructure.

Instead, this project appears to have been decided through alignment with municipal Integrated Development Plans (IDPs) and corporate logistics needs, without any robust process for Free, Prior and Informed Consent (FPIC) or democratic input from the community.

By failing to communicate with affected residents or provide regular project updates, UMK has violated both the **spirit and the letter** of its SLP commitments.

This lack of transparency undermines trust, erodes community oversight, and reinforces the notion that SLPs are more performative than transformative.

Reflection of a systemic problem in how mining companies, municipalities, and regulators conceive of “development.”

Until mining-affected communities are given **real power to shape their developmental agenda**, projects like these will continue to function as **infrastructure for extraction**, not pathways to justice.

IN SUMMARY, THE KHATU-HOTAZEL ROAD PROJECT DEMONSTRATES:

- ▶ A failure to implement in line with timeframes
- ▶ A failure to deliver community-visible benefits
- ▶ A failure to consult or inform the public
- ▶ A structural prioritisation of mining logistics over community development



PROJECT 2: UKM SEDIBENG BULK WATER SUPPLY INFRASTRUCTURE FROM ROSCOE TO BLACK ROCK

The project's stated goal is to improve access to water in line with **Reconstruction and Development Programme (RDP)** standards and ensure reliable supply for 22 rural villages.

IMPLEMENTATION PARTNERS	TIMEFRAME	BUDGET	COMMUNITY AWARENESS
Sedibeng Water, with long-term operational responsibility	January 2018 – November 2022	R96 Million (R19.2 million annually over five years)	⊗ 12.4%

The stated goal is to improve access to water in line with Reconstruction and Development Programme (RDP) standards and ensure reliable supply for 22 rural villages.



COMMUNITY AWARENESS

12.4% Reveals a gaping contradiction between this promise and what has materialised on the ground.

87.6% of surveyed residents unaware of any partnership between UMK and Sedibeng Water, and only 5.7% confirmed project's implementation in their villages.

ABSENT PUBLICITY

Sedibeng Water's official website and annual reports (2020–2021, 2021–2022) highlight their role in bulk water supply projects in the Northern Cape, including JMLM.

No project signage, construction evidence, or functional bulk infrastructure was found during physical inspections in any of the three audit villages.

COMMUNITY RESPONSES ON WATER ACCESS

47.6% DAILY ACCESS TO WATER	19% ACCESS ONCE A WEEK	11.4% SAID THEIR WATER COMES FROM SEDIBENG WATER
29.5% RELY ON BOREHOLES OR PRIVATE TAPS	62.9% DESCRIBED QUALITY AS BAD, MURKY, OR UNDRINKABLE	WOMEN AND CHILDREN DISPROPORTIONATELY SHOULDER THE BURDEN OF WATER COLLECTION



continued

PROJECT 2: SEDIBENG

BULK WATER SUPPLY

INFRASTRUCTURE

FROM ROSCOE TO BLACK ROCK

Provide bulk water infrastructure from Roscoe to Black Rock, including 1.6 km of reticulation. BENEFICIARIES: 22 rural villages, including Tsineng

IMPLEMENTATION PARTNERS	TIMEFRAME	BUDGET	COMMUNITY AWARENESS
Sedibeng Water, with long-term operational responsibility	January 2018 – November 2022	R96 Million (R19.2 million annually over five years)	⊗ 12.4%

BY RDP STANDARDS, water infrastructure should deliver piped access within 200 metres of each household, for at least 350 days per year, and not be interrupted for more than 48 consecutive hours.

These standards are not being met, indicating non-implementation or gross underperformance of UMK's SLP obligations.

This points not only to poor communication, but to what MACUA has called a systemic pattern of **CRUMB CAPTURE**—where large-scale projects are announced, budgeted, and claimed, but fail to produce tangible outcomes for the communities they are supposed to serve.

The water project shifts from being a “missed opportunity” to a potential case of **development fraud**—where financial allocations and public claims mask the **absence of delivery**.

If the Just Transition is to mean anything for mining-affected communities, it must begin with **ACCESS TO CLEAN, RELIABLE WATER**—

a constitutional right and the foundation for dignity and health. The Sedibeng Bulk Water Project, as it stands, exemplifies how **elite-managed development**, devoid of community control or oversight, becomes another layer in the architecture of exclusion.





PROJECT 3 JOE MOROLONG TRAINING CENTRE

Commitment:

UMK committed in its 2018–2022 Social and Labour Plan (SLP) to continue funding the Joe Morolong Training Centre in Mothibistad

MINING PROJECT PARTNERS	TIMEFRAME	BUDGET	COMMUNITY AWARENESS
ADCORP: Workforce Solutions Provider	2018-2022	R35 Million	✓ 57.1%

SLP DELIVERABLES

Expand **Skillsoft** computer-based training, focusing on basic computer literacy, entrepreneurship, and financial management;

Establish a **Simtrain** driving school offering simulator and light motor vehicle training;

Sponsor students and cover operational costs for the centre.

OBSERVED MISALIGNMENT & LACK OF TRANSPARENCY.

Located 62 km away from these villages, the centre is functionally inaccessible for most local youth and unemployed residents.

33.3% of respondents could name services offered there—such as ABET (Adult Basic Education and Training) or basic computer skills—and just 7.6% associated it with entrepreneurship development.

Multiple visits by the audit team to the training centre failed to reach management or secure interviews. The phone number associated with the driving school went unanswered, further limiting the community's ability to access, evaluate, or benefit from the initiative.

IN SUMMARY

A project that should have built bridges toward opportunity has instead become another example of **Crumb Capture**: a developmental promise that legitimises extraction while leaving communities with little more than paper commitments and unmet expectations.





continued

PROJECT 3
JOE MOROLONG
TRAINING CENTRE

Commitment:

UMK committed in its 2018–2022 Social and Labour Plan (SLP) to continue funding the Joe Morolong Training Centre in Mothibistad

MINING PROJECT PARTNERS	TIMEFRAME	BUDGET	COMMUNITY AWARENESS
ADCORP: Workforce Solutions Provider	2018-2022	R35 Million	✓ 57.1%



The social audit revealed a disconnect between the project's ambition and its actual accessibility, relevance, and impact for surrounding mining-affected communities like those in Hotazel and Magojaneng.

THE JOE MOROLONG TRAINING CENTRE REVEALS THE MISALIGNMENT BETWEEN MINE-DRIVEN SLPS AND REAL COMMUNITY NEEDS:

- ▶ it was not co-designed with youth from surrounding villages;
- ▶ It offers services in a location disconnected from high-unemployment zones;
- ▶ Its existence and details were poorly communicated, limiting uptake;
- ▶ Key components—such as the driving school—appear privatised and commodified, further entrenching exclusion.

Instead, it stands as a **non-functional or minimally functional** facility that fails to meet the **accessibility, affordability, and responsiveness** criteria needed for true developmental impact.

Instead, it stands as a **non-functional or minimally functional** facility that fails to meet the **accessibility, affordability, and responsiveness** criteria needed for true developmental impact.

LOCAL RESIDENTS indicated that:

- The driving school is **privately owned**, not mine-operated;
- They are charged **±R5,000** for lessons—far beyond what many residents can afford;
- The centre is **not consistently open**—sometimes operating only on occasional Mondays;
- ABET classes have reportedly **moved to a nearby school**, suggesting abandonment of original commitments.