

VZI well-positioned despite Covid

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Covid-19 has had a significant impact on the global economy which, in turn, affected all industries. During the hard lockdown, we had to revise the way we do business and our plans for the year ahead. Some of our operations were stopped [as] we had to change the way we interact with our colleagues, customers, and partners.

Our reaction was swift and aligned to government regulations and our first value of Safety. Preventative strategies were put in place to safeguard our employees, business partners and, to a large extent, the communities in which we operate. These included the immediate formation of the Vedanta Zinc International (VZI) Covid-19 Management Crisis Committee, which comprised labour representatives, a return to work medical assessment, and the compilation of a code of practice related to Covid-19 preventative measures. We also ensured that Covid-19 awareness and training was provided for all our employees.

On the ground, we implemented daily temperature screening for all people entering the mine, strict travelling procedures back to the workplace, and [we ensured that] social distancing and hygiene measures are in place in all workplaces, backed up by provision and ensuring compliance on the use of personal protective equipment. A “Work from home” policy was put in place for non-critical staff to limit the number of employees on site.

Amidst the Covid-19 Pandemic, VZI declared an increase in its total Mineral Reserves and Resources from 450-million tons to 525-million tons (a 17% increase) for the financial year ending March 31, 2020. The Mineral Reserves and Resources stated include those of Gamsberg, Swartberg, Deeps, and Skorpion.

VZI will continue to accelerate exploration drilling efforts, which we believe will highlight the longer-term potential of the Gamsberg and

Swartberg Mines, while being committed to continued growth and investment into the Northern Cape Province.

The increased reserve and resource has enabled VZI to be in a position where [its] objective of being a driver of industrialisation, transformation, and employment in the Northern Cape is all the closer to becoming a reality. VZI is focused on expanding our resource base by constantly driving exploration. We have world-class ore bodies, which we aim to expand.

As part of our growth strategy, we are aiming to increase production from our Black Mountain Complex, including both Gamsberg and Black Mountain operations. As part of this vision, we are working on plans for the commissioning of a Zinc smelter. The 200 MW required to run such a plant, has to be sustainably available from our power grid. A reliable energy source is crucial to the success of such a smelter. We are blessed with suitable natural renewable resources in the area in which we operate.

The suitability of the area entices us to use these resources to power our operations. Solar and wind energy can be harnessed, and provide a solution to our current operations, but these solutions may not be suitable for smelter operations. We require a sustainable and reliable energy solution from State-owned power utility Eskom to ensure we can grow our operations, and bring impactful change to the communities in which we serve.