



**SOUTH AFRICAN DIAMOND AND  
PRECIOUS METALS REGULATOR**

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Form PMR

Application No: \_\_\_\_\_

### **APPLICATION FOR REFINING LICENCE**

[In terms of section 7(1) of the Precious Metals Act, 2005 (Act 37 of 2005)]

#### Instructions:

1. For any enquiries, contact the office of the Regulator during office hours.
2. Complete the form in block letters and in black pen.
3. Where options are given mark the appropriate block.
4. Complete the form in English and do not use abbreviations.
5. Although the application forms are made available in electronic format, only a signed original hard copy shall be acceptable.
6. Ensure that all the required documentation accompanies the application.
7. The application must be submitted to the operational business premises of the Regulator.

#### Part A : Particulars of applicant

1. (a) In the case of a natural person, please provide the following:

- (i) Surname: \_\_\_\_\_
- (ii) First name(s): \_\_\_\_\_  
\_\_\_\_\_
- (iii) Identity number: \_\_\_\_\_

\*(A certified copy of the identity document must be attached.)

(iv) Has the applicant ever been convicted of any criminal offence in terms of the Act or any other law? (Yes/No) If yes, furnish particulars on a separate sheet of paper.

(b) In the case of a person other than a natural person, please indicate:

CC. \_\_\_\_\_ Partnership/Joint venture \_\_\_\_\_  
Co. \_\_\_\_\_ Other (specify) \_\_\_\_\_

(i) Name of company, close corporation, partnership or joint venture:

\_\_\_\_\_

(ii) Registration number of Co. or CC:

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(iii) Full names and identity number of managing director or member:

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(iv) Particulars of interest held (%) in the juristic person and name of the holder of the controlling interest:

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(v) An indication of the metals to be refined:

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(vi) Source from which precious metals will be obtained:

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(vii) Period for which a refining licence is required:

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(viii) Description of applicant's technical ability:

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(ix) Details of applicant's financial status:

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(x) Details of the target market and market requirements:

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\*(In the case of a company or close corporation, a certified copy of a certificate of incorporation must be attached.)

**PART B: CORRESPONDENCE ADDRESS FOR THIS APPLICATION**

2. Business address:

- (i) Building name: \_\_\_\_\_
- (ii) Building number: \_\_\_\_\_
- (iii) Street number: \_\_\_\_\_
- (iv) Street name: \_\_\_\_\_
- (v) Suburb: \_\_\_\_\_
- (vi) Town/City: \_\_\_\_\_
- (vii) Postal code: \_\_\_\_\_
- (viii) Province: \_\_\_\_\_
- (ix) Country: \_\_\_\_\_
- (x) Telephone number: \_\_\_\_\_
- (xi) Fax No: \_\_\_\_\_
- (xii) Cellphone No: \_\_\_\_\_
- (xiii) Email address: \_\_\_\_\_

(b) Relevant postal address:

- (i) Postal address: \_\_\_\_\_
- (ii) Town/City: \_\_\_\_\_
- (iii) Postal code: \_\_\_\_\_

(Attach documentary proof of the registered business premises.)

**THE APPLICATION MUST BE ACCOMPANIED BY THE FOLLOWING:**

1. A certified copy of the applicant's identity document, if applicable.
2. A certified copy of the certificate of incorporation and the articles of association or founding statement, if applicable.
3. A copy of the relevant resolution, if acting in a representative capacity.
4. Documentary proof of the applicant's technical ability.
5. Documentary proof of the applicant's financial status or access to appropriate financial assistance.
6. The applicant's business plan, inclusive of measures to comply with the broad-based socio-economic empowerment charter developed in terms of section 100 of the Mineral and Petroleum Resources Development Act, 2002 (Act 28 of 2002).
7. Documentary proof of the applicant's registered business premises.

8. Documentary proof that the applicant has complied with the requirements of the National Environmental Management Act, 1998 (Act 107 of 1998).
9. A tax clearance certificate
10. A police clearance certificate.
11. A non-refundable prescribed application fee.

**PART C: DECLARATION**

I, the applicant, \_\_\_\_\_, hereby declare that the contents of this application are true and correct.

Capacity: \_\_\_\_\_

Signed at \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
SIGNATURE OF APPLICANT/REPRESENTATIVE (IF APPLICABLE)

## ***GUIDELINES ON BROAD-BASED SOCIO-ECONOMIC EMPOWERMENT CHARTER***

The Mining charter was developed in terms of section 100 of the Mineral and Petroleum Resources Development Act, Act No. 28 of 2002 with the aim of transforming the mining industry. The Mining Charter requires applicants for mining rights to comply with certain empowerment principles. An application which does not address these principles will not be considered.

The Mining Charter is referred to in the Diamond Amendment Act No. 29 of 2005 and the Diamonds Amendment Regulations issued under the Diamonds Act of 1986. The Mining Charter is also referred to in the Precious Metals Act of 2005 and the Precious Metals Regulations issued under the Precious Metals Act. The regulations issued under the Diamonds Act and the Precious Metals Act requires the applicant for licence or permit to submit a business plan inclusive of the Mining Charter principles. Furthermore Section 6 of the Precious Metals Act provides that in considering an application for any licence, permit or certificate the Regulator:

- (a) must have regard to the promotion of equitable access to and local beneficiation precious metals;
- (b) must have regard to the requirements of the broad-based socio-economic empowerment Charter (i.e the Mining Charter) developed in term of section 100 of the Mineral and Petroleum Resources Development Act of 2002

Similar provision is made in the Diamonds Amendment Act No. 29 of 2005. Section 5 (1) of Part 1, Chapter II state that the Regulator shall have regard to the promotion of equitable access to and local beneficiation of the Republic's diamonds when considering an application for any licence or permit, read with section 5(2) (a) of the Act which provides that when considering an application, all element of the Mining Charter will be a decisive factor in granting such licences.

Hereunder is a simplified summary of the Mining Charter that will assist the applicants for licences and permits in terms of the Precious Metals Act and the Diamonds Act as amended. The applicant is however still required to fully comply with the Mining Charter where applicable.

### **1. HUMAN RESOURCES DEVELOPMENT**

Human Resources Development Plan is broken down into three, namely skills development plan, mentorship plan, internship and bursary plan.

## 1.1 Skills Development Plan

The applicant should provide a detailed skills development plan that outlines how the applicant intends to empower the employees, in particular empowerment groups, through training and provision of relevant skills. The applicant should provide employees with skills training during their employment in order to improve their earning capacity and marketability after the closure of the business.

## 1.2 Mentorship Plan

The applicant should provide a detailed mentorship plan for the employees and empowerment groups which is in line with the skills development plan detailing how the plan would be implemented. The mentoring should be done with a purpose, for instance to prepare HDSA's for higher positions. Mentoring should be read together with employment equity. Employment equity requires the licence holder to have 10% women participation in the diamond or precious metals industries and 40% HDSA participation in management within 5 years from the date the licence was issued. Mentoring should be done not only with the purpose of providing skills but also with the purpose of achieving participation in management.

## 1.3 Internship and Bursary Plan

The aim is to provide bursaries and scholarships to HDSA especially in the fields related to the diamond and precious metals industries (for instance science and engineering). Furthermore the applicant should have an internship plan through which the bursary holders can be exposed to practical training.

## 2. EMPLOYMENT EQUITY PLAN

The applicant should provide employment equity statistics, accompanied by a plan on how the applicant would achieve 10% women participation in the relevant industry and 40% HDSA participation in management within 5 years from the date on which the licence or permit was issued. The applicant should have an employment equity plan. In the plan, the applicant must establish employment equity targets and time frames, particularly in the senior and junior management categories.

## 3. PROCUREMENT PLAN

The applicant should provide a procurement plan and its implementation for the progression of procurement from HDSA companies or individuals. Procurement can be broken down into three levels, namely capital goods, services and consumables. Under procurement plan the applicant should give HDSA a preferred supplier status as part of empowerment. The applicant should identify the type of procurement needed. Where no HDSA tenders to supply goods, services or consumables because of lack of capital or resources, established

companies should partner with the HDSA for the supply of the above. Examples of procurement provided above are not exhaustive. Any type of procurement which aims to empower HDSA will suffice.

#### 4. OWNERSHIP AND JOINT VENTURE

The diamond and precious metals industries are required to achieve 26% (within 10 years) and 15% (within 5 years) ownership of the diamond and precious metals industries assets by each applicant. This can be achieved through fairly structured transactions for the selling of shares or equity to the HDSA, partnerships and joint ventures with the HDSA. For instance:

- ❖ HDSA controlled entity, i.e. 50% + 1 vote which includes management control
- ❖ joint ventures or partnerships, i.e. 25% + 1 vote

**NB:** An entity's turnover is not a consideration in terms of the Mining Charter. All forms of business undertakings must comply with the Mining Charter as stated in the Act.

#### 5. MONITORING AND REPORTING

The applicant should undertake to report on an annual basis their progress towards achieving their commitments in the BEE plan. The reports should be verified by the applicant's external auditors. On the other hand the Regulator will monitor the progress on implementation.

#### 6. UNDERTAKING

There should be an undertaking by the applicant for the implementation of the BEE plan. The undertaking should be signed by the applicant to adhere to the BEE plan, and a clear stated time frame which will constitute terms and conditions for granting such licenses so that in the event of breach, the license can be revoked.

**NB: PLEASE TAKE NOTE THAT THIS DOCUMENT DOES NOT IN ANY WAY WHATSOEVER SUBSTITUTE NOR AMEND THE MINING CHARTER AS PROVIDED FOR IN THE MINERAL AND PETROLEUM RESOURCES DEVELOPMENT ACT NO. 28 OF 2002.**