mineral resources
& energy
Department:
Mineral Resources and Energy
REPUBLIC OF SOUTH AFRICA

MINE MANAGER'S CERTIFICATE OF COMPETENCY EXAMINATION

MINING 111
(MINE MANAGEMENT AND INDUSTRIAL LAW)

METALLIFEROUS AND COAL MINING

DATE: **09 MAY 2024**

TOTAL MARKS: 100
TO PASS: 50

TIME ALLOWED: **3 HOURS**
(09h00 to 12h00)

INSTRUCTIONS:

- This question paper consists of FOUR (4) pages including the cover page.
- All questions must be answered and are to be presented in a neat and readable manner. Answer books will not be marked if not readable.
- Read the instructions on the front page of your answer book carefully.
- The use of a non-programmable calculator is allowed.
- Use a pen that writes in ink and should not be erasable.
- Do not use a red pen.
- Restrict the use of highlighters.
- No cellular phones, computers, laptops and any other related electronic devices shall be allowed in the examination venue.

Question 1:

a) The Mineral and Petroleum Resources Development Act (MPRDA) makes provision for equitable access to and sustainable development of the nation's mineral and petroleum resources. What is the prescribed process for the application for mining rights? (9)

b) A Mine Social and Labour plan plays an integral part in granting of mining rights. What are the objectives of a Mine's Social and Labour plan? (3)

c) Under the MPRDA, who holds the custodianship of the nation's mineral and petroleum resources? (5)

d) What are the definitions of the following – as described in the MPRDA?

   (d.1) Historically disadvantaged person (3)

   (d.2) Owner (2)

   (d.3) Prospecting (3)

Total marks **[25]**

Question 2:

a) Working hours are regulated by the Basic Conditions of Employment Act (BCEA). Describe the maximum work time allowed by the BCEA - refer to ordinary- and overtime hours, collective agreements and averaging of hours. (9)

b) To whom does the section of the BCEA that regulates working hours not apply to? (5)

c) When is a person regarded as an employee – according to the BCEA? (5)

d) What happens during the "Concilliation" process that is followed by the Commission for Concilliation, Mediation and Arbitration (CCMA)? (6)

Total marks **[25]**

Question 3:

a) What is 'Inflation' (2)

b) Discuss 'Interest Rates' (3)

c) What do you understand about 'Currency' (4)

d) Discuss 'Investment Climate' (3)

e) Discuss the term 'Profit Margin'? What is the term 'Profit Margin' used for? Can profit increases while the profit margin reduces – explain (5)

f) What is a 'Balance Sheet' and what is it used for? (4)

g) Describe the term "Revenue". How is it calculated? (2)

h) What is a mine's 'Profit'? (2)

Total marks **[25]**

Question 4:

a) You are the manager at a mine. You received an offer from a contractor to remove topsoil at a dry rate of R20/m^3.

   Diesel cost will be capped at 0.3L/m^3.

   Diesel cost = R23.10/L. You also received the following own-cost from your financial department:

   - Mine's direct material cost for removal of topsoil = R11/m^3
   - Mine's direct labour cost for removal of topsoil = R9/m^3
   - Mine Overseer's salary = R5/m^3. The supervisor indicated that he was offered an alternative job – his salary can thus be avoided if it was decided to outsource the removal of topsoil
   - Variable overhead = R8/m^3
   - Topsoil equipment's depreciation cost = R7/m^3
   - Topsoil's portion of the company's overhead cost = R10/m^3
   - You need to remove 80 000m^3 of topsoil per month

Calculate the monthly cost and unit cost for each of the alternatives available for your consideration.

Will you give the work to the contractor or not – give reasons? (21)

b) Describe "sunk cost" , the role it plays in decision making and give an example of "sunk cost" (4)

Total marks **[25]**

Grand Total **[100]**