

MOMS supports local with 21 Bell B50Es and seven 85t Excavators

Mzimkhulu Mining is like a large family living happily in a big house which begs to tell one of the mining industry's good news stories. And having an original equipment supplier that ticks all the boxes in terms of understanding this potentially difficult industry is considered a bonus.

Mzimkhulu literally means "the big house" in isiZulu and according to Mack Maleka, the mining group's Chief Financial Officer, the more than 2 100 fulltime staff and contractors are a happy bunch of people knowing they're being looked after of by a caring employer.

But let us take you back to where it all started. Themba Langa, a dynamic mining engineer, had started the Mwelase Mining Group back in 2010. This 100% Black-owned and controlled mining group set out to mine its own coal mining concessions and in 2016 was able to buy a smaller portion of the then greenfields New Largo resource from a major mining group.

"Our portion amounted to 54 million tons of coal, which would grant us a mining life of 12 years with the entire production allocated to the new Eskom Kusile power station close to Bronkhorstspuit," Mack explains. "Visionary that he is, Themba wanted us to own the entire value chain in this process, namely mining the coal, processing, transporting and marketing it."

Mzimkhulu Mining is made up of three partners, each a specialist in their own right. Themba Langa, a mining engineer, is the Managing Director and is partnered by Mack Maleka, the CFO, and Sibusiso Sibisi, the Legal Counsel. Michael Mabongoane is the company's General Manager. The company also appreciated the need for some mentoring and brought in a veteran of the local mining industry, Dutch Botes, as Chief Operating Officer and Ettienne Strydom as Business Development Manager.

"We made use of mining contractors to get our cash flow going and subsequently own three coal processing plants all in close proximity to our operations between Delmas and Ogies in Mpumalanga," Mack says. "Most of our coal goes to Eskom but one plant supplies the domestic market with coal for industrial boilers and the like."

According to Mack, the company also established a logistics arm called Mzimkhulu Logistics and, with an impressive fleet of 39 interlinked side-tipping truck rigs, has entered into a strategic partnership with SG Coal, a division of the Super Group to transport its coal to customers such as Eskom.

"By industry standards we started small on the opencast mining side producing some 80 000 tons of coal a month while using contractors," Mack adds. "As mentioned, we wanted to control the entire value chain and we knew we would at some stage need to outlay big capital to acquire

our own yellow machine fleet under the name of Mwelase Opencast Mining Services (MOMS) which we established in 2018. During 2019, with Themba's wisdom, MOMS then approached Bheki Khumalo, a mining engineer by trade to head up this entity as its Chief Executive Officer.

"However, while still being considered a junior miner and a new one at that, most major banks wouldn't grant us any audience regarding mine development capital funding until we approached the Industrial Development Corporation (IDC) for funding and we are forever grateful for the IDC having taken a chance with us as 100% Black-owned junior miners."

Armed with a substantial loan that was to be paid back over a challenging 36 months, MOMS approached Bell Equipment for the mining equipment they felt they needed. Bell was approached because they produce their equipment locally and, as a proudly South African entity, it was a no-brainer.

"You can't get much more local than Bell Equipment and besides, talking to other mining companies and contractors as well as our lenders, everyone was of the opinion that Bell Equipment Articulated Dump Trucks (ADTs) are in a league of their own," Mack says smiling. "It was great meeting Duncan Mashika, MD of Bell Equipment Sales South Africa (BESSA) as well as John Fleetwood, Tyron Ravenscroft, and Ebrahim Astree from Bell Equipment's Central Region, who all gave us sound advice."

Considering the stripping ratios in the mining pit and the haul distances to both waste dumps and run-of-mine coal stockpiles, the Bell Equipment sales team recommended a fleet of 12 Bell B50E ADTs to be loaded by four Kobelco SK850LC-8 Excavators to start with. With a breakout force of 432kN filling a 5,1 cubic metre bucket, the Kobelco SK850LC-8 Excavators make short work of overburden softs and blasted rock before easily loading coal with its lower specific gravity into the cavernous bins of the Bell B50E ADTs.

All the equipment was delivered in batches between December 2019 and March 2020.

"We've been impressed by the frugal fuel burn of the Bell B50E ADTs considering that we get on average almost nine hours of production from them in a 12-hour shift, which equates to between 480 and 500 hours a month," says Matthys Oosthuizen, the MOMS Site Agent at the Valley View mining pit.

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Mack Maleka



“When you consider that we load these trucks to the brim and their haul distances vary between one and three kilometres, a fuel burn of between 19 and 21 litres an hour is great.”

“We’re proud to say that before the national lockdown this equipment helped us to produce 350 000 tons of coal a month that was all delivered to Eskom,” Mack says. “Due to our motivated mining and production teams backed by our yellow Bell fleet we have paid back our initial IDC loan in 24 months, 12 months ahead of schedule, and now, besides a revolving credit scheme that we have with one of the major banks, we operate as a debt-free mining company, which we believe is a rarity.”

Mzimkhulu Mining has several new coal mining concessions in the offing and in anticipation of their mining commencing soon the company has acquired more mining equipment from Bell Equipment. “Duncan Mashika and his team have instilled a confidence in us by letting us know that they understand both their own and our businesses and buying more of their equipment seemed a no-brainer to us,” Mack continues. “We have ordered and paid for nine more Bell B50E ADTs and

three Kobelco SK850LC-8 Excavators which will be delivered to us as soon as we are ready for the equipment to start production.”

Mzimkhulu Mining takes the maintenance of its mining equipment as seriously as taking care of its personnel. Bell Equipment has placed a dedicated maintenance team on their site to monitor, service and do any repairs that are needed and so minimise downtime.

“While we’re excited about our company’s future, we’ve remained grounded and strive to fulfil our company values of looking after our people and building long-term and lasting relationships like the one we have with Bell Equipment as our OEM of choice,” Mack says. “If you consider that in 2016 we had no operations and now run three profitably with no debt, we believe we’re here for the long haul. We’re also proud to tell you that we plan to start another new project during 2021 that will produce 100 000 tons of coal per month for the domestic market. This will see us create more jobs for our loyal personnel who are drawn from the areas where our operations are situated. Like our support of Bell Equipment, employing locals works for us.”



Sibusiso Sibisi (Chief Legal Counsel: Mzimkhulu Mining), Dutch Botes (CEO: Mzimkhulu Mining), Mack Maleka (CFO: Mzimkhulu Mining), Tyron Ravenscroft (Bell Equipment Sales Manager: Central), Themba Langa (Executive Chairman: Mzimkhulu Mining), Duncan Mashika (MD: Bell Equipment Sales South Africa), Bheki Khumalo (CEO: Mwelase Opencast Mining Services), Michael Mabogoane (General Manager: Mzimkhulu Mining) and John Fleetwood (Bell Equipment Regional Manager: Central).