

News

New revelations in mineral rights controversy

Lionel Faull

A businessman involved in a controversial bid to mine tungsten in an environmentally sensitive area of the Cape's west coast has close personal ties with the mineral resources department official who was responsible for processing the mineral prospecting rights at the time, the *Mail & Guardian* has learned.

Phemelo Sehunelo, the founder of controversial empowerment mining vehicle Imperial Crown Trading 289 (ICT), confirmed that Duduzile Kunene, the department official, is his girlfriend, *Business Day* reported on Thursday.

The newspaper speculated that the relationship between the two might explain how ICT managed to obtain the mineral rights applications of rival bidder Kumba for a 21.4% stake in the Sishen Mine.

ICT subsequently blindsided Kumba's application and received the prospecting rights from the department. Kumba is now contesting the allocation of the rights in court.

In a new development that raises further questions about the integrity of the department's mineral prospecting rights process the *M&G* can reveal that Kunene was the department's acting regional manager in the Western Cape from February 2009 to February 2010 — exactly the period during which a company linked to Sehunelo, Bongani Minerals, applied for mineral prospecting rights in the environmentally sensitive Moutonshoek Valley.

Such rights applications are handled by the department's regional office and Kunene's responsibilities would have included receiving and processing the community's objections to the proposed mine.

As early as 2006 Sehunelo represented Bongani Minerals at public meetings held to deal with the outraged objections of Moutonshoek locals to the company's mining plans there, according to a May 2009 report in *Nosweek*.

It is unclear whether Kunene ever declared her relationship to Sehunelo and, indirectly, to Bongani Minerals. This week she declined to comment, but department spokesperson Bheki Khumalo said the department did not award mining rights to Bongani Minerals in 2009 and withdrew the mineral right completely because of environmental concerns.

"As to whether Kunene's handling and processing of Bongani Minerals's prospecting right was ethical or not, you will have to put those questions in writing," Khumalo said on Thursday.

According to *Business Day* Sehunelo and Kunene co-own a house in Eldoraigne, Pretoria.

Sehunelo admitted, through his lawyer Ronnie Mendelow, that he and Kunene enjoy an "ongoing close personal relationship" but denied that either of them had any access to the decision-making process in the department with regard to mineral rights.

But Kunene also has a direct link to an official involved in the mineral rights application process. The same *Business Day* report revealed that she has been in business with a colleague in the department, Thozama Basi, through a close corporation called 10 Miles 8182 Investments, which was registered in 2006.

Basi confirmed in a supporting affidavit appended to ICT's legal documents in the dispute with Kumba that she received ICT's application for mineral rights in 2010.

Mendelow said Kunene and Basi had lost contact when Kunene left the department's Kimberley office, where Basi worked, in 2006, and added that the close corporation had never traded and had been deregistered.



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