



Vedanta – The Black Mountain Mining Blowout

Budgets blow out, labor frustration grows, timelines collapse. Vedanta keeps investors in the dark at Black Mountain Mining.

PLEASE READ IMPORTANT DISCLAIMER – PAGE 4

August 18, 2025 –Vedanta Resources Limited (VRL) carries its Black Mountain Mining (BMM) operations on its books at over \$1b, a valuation built on the fiction of project completion and operational viability.

Our on-the-ground investigation and financial analysis reveal the asset is financially distressed, operationally mismanaged, and embroiled in a severe labor crisis.



Execution Incompetence or Capex Fraud? BMM has spent \$566m in capex over 4 years on projects originally budgeted for ~\$500m, yet they remain years from completion.

We believe VEDL is opportunistically capitalizing routine operating expenses to aggressively inflate BMM's asset value and VEDL's financial results.

Capex Analysis USD \$'000s	Black Mountain Mining				
	Cumulative	2025	2024	2023	2022
Total Capex	768,095	225,217	254,627	145,981	142,270
Depreciation	(200,913)	(45,385)	(46,287)	(49,157)	(60,083)
Disposal	(671)	(293)	(357)	(22)	-

Figures 1 – Viceroy Analysis

Endless Project Delays: BMM's expansion projects are systematically delayed, along with substantially every other project in VEDL's pipe-dream pipeline.

- **The Gamsberg Phase 2 project has been delayed for more than two years.** It was originally scheduled for completion in December 2023.

March 2022
Mining Weekly Interview

Phase 2 will require 18 months of construction and three months of commissioning and ramp-up.

"So, 21 months from now, we'll have first production," says Singla.

July 2025
VEDL FY25 Annual Report

- Gamsberg Phase 2 is 68.5% completed as on 31 March 2025, with all engineering and FIM material delivered; construction is in progress to complete the project by FY 2025-26

- The Magnetite Project, initially announced in 2014 as a twelve-month initiative, **remains incomplete more than a decade later.**

May 2021
VEDL FY21 Annual Report

was decided, based on treating current fresh tailings. **This project will be put up for approval to start the execution in H1 FY2022 with target of completion by end of FY2022.**

July 2025
VEDL FY25 Annual Report

- Black Mountain Iron Ore project aims to recover iron ore (magnetite) from the BMM tailings, targeting >68% Fe grade, **with-first production is expected in H2 FY 2025-26x**



- Vedanta Zinc International (VZI), the Company's international zinc division, is reportedly pursuing two parallel initiatives: **constructing a new smelter in Gamsberg and converting the Skorpion smelter in Namibia to process Gamsberg's low-grade ore**. Local sources in BMM told our investigation team they were led to believe a smelter was being transported from Namibia.

Commercial Insolvency: BMM is facing a formal winding-up petition filed by a major contractor who claims the Company is commercially insolvent and unable to pay its debts.

- This legal action is consistent with BMM's precarious working capital management. BMM currently holds \$159m in current liabilities against \$90m in current assets.

Working Capital Analysis USD \$'000s	Black Mountain Mining			
	2025	2024	2023	2022
Net working capital	(69,417)	(186,122)	64,589	62,833
WC ratio	0.56	0.30	1.92	1.66

Figures 2 – Viceroy Analysis

- This legal action aligns with accounts shared by local residents near BMM, who informed our investigation team that employees were forced out of VZI and transferred to third-party contractors that were either not paying them or failing to pay on time.
- BMM bleeds cash, incurring a ~\$320m FCF loss over the last 2 years. This operational downturn is also consistent with various other VEDL ventures.

Free Cash Flow Analysis USD \$'000s	Black Mountain Mining			
	2025	2024	2023	2022
NPBT	1,640,655	508,957	3,095,830	2,087,211
Adjustments	661,695	731,719	753,442	971,214
WC changes	(943,917)	2,657,251	118,133	(85,134)
Taxes paid	(612,432)	(240,127)	(243,375)	-
Cash from operating activities	746,001	3,657,800	3,724,030	2,973,291
Less:				
Purchase of PPE & intangibles	(4,035,755)	(4,680,718)	(2,355,696)	(2,044,619)
Interest paid	(324,142)	(22,056)	(63,608)	(39,276)
Viceroy Estimated FCF	(3,613,896)	(1,044,974)	1,304,726	889,396
Reverse changes in working capital	943,917	(2,657,251)	(118,133)	85,134
Normalized FCF	(2,669,979)	(3,702,225)	1,186,593	974,530

Figures 3 – Viceroy Analysis

Promotion of Failed Leadership: VRL CEO Deshnee Naidoo, now the face of VRL and VEDL to investors, is the same executive who previously oversaw the operational disasters at VZI, including a fatality at BMM and the slope collapse that shuttered the Skorpion mine.

- Naidoo resigned from VZI in 2020, citing the expansion risk as “simply too great.” She is now promoting the same failed strategy to investors, this time solely for the benefit of VRL.

“VZI welcomes the support that Gamsberg has received from government so far. However, we need speedy decisions on issues like power, infrastructure and fiscal stability.

“Without certainty on these issues, investors will be reluctant to commit to projects that might take a long time to show a return on investment – the risk is simply too great.

“VZI is interested in reaching an agreement with government on power supply options, including a hybrid model for the proposed Gamsberg smelter, and on working together to ensure a market for the co-products of the zinc smelting process”.

Figure 4 - Vedanta loses second senior executive after Zinc International CEO, Deshnee Naidoo, resigns¹

¹ <https://www.miningmx.com/news/markets/41755-vedanta-loses-second-senior-executive-after-zinc-international-ceo-deshnee-naidoo-resigns/>



- Naidoo resigned from BMM during a period marked by serious incidents, including a fatality at BMM, and the slope collapse at Skorpion, which was under administration of BMM at the time. As detailed in our previous reports, the Skorpion collapse ultimately led Vedanta Limited (VEDL) to effectively abandon the operation².

Corporate Colonialism and Labor Crisis: South Africa's National Union of Mineworkers (NUM) has accused VRL of "modern-day corporate colonialism" and "economic sabotage" over a "draconian" plan to outsource its workforce. VRL's plan triggered mass protests and threatens to strip workers of their housing, pensions, and benefits.

- Viceroy's investigations team arrived at the nearby town of Aggeneys to find the BMM employees on strike, organized by the NUM.
- The NUM stated that VRL was systematically forcing employees to shift their employment to 3rd party contractors, who were in turn systematically being underpaid, paid late, and/or not paid at all.
- The mine workers collectively owned significant portions of the mine via retirement benefits, which are stripped away upon employee conversion to 3rd party contractors. They have been robbed by Vedanta.
- VRL Executive Chairman Anil Agarwal has refused to engage with the NUM or workers, and did not appear at the rally. Instead, he sent a spokesperson and HR executive.



Figures 5 – Viceroy Analysis

ESG: While VRL presents itself as an ESG champion, on-the-ground investigations and independent verification of its claims reveal a starkly different reality.

- Workers report **inadequate access to decontamination facilities**, potentially transferring toxic lead dust into surrounding communities. This has been corroborated with allegations from other employees that BMM has reduced testing parameters for lead poisoning and is underreporting true conditions. This is consistent with our findings in Skorpion Mine.
- Outsourcing plans threaten to **eliminate provident fund benefits, reduce wages, and displace workers from their housing, undermining the community's economic stability**.
- Local management refuses direct engagement with labor representatives, and strategic decisions affecting thousands of workers are reportedly made without consultation in London.
- In FY25, VZI's PR department proudly stated that it has "raised a purchase order" for Green Zinc Mark Certification, framing accreditation as a procurement item rather than a target of compliance.

² <https://viceroyresearch.org/2025/08/11/vedanta-the-skorpion-mine-smelter/>



Viceroy believes that any value that could be derived from BMM/Gamsberg will not be via Vedanta. BMM appears to be one of the most significant failures in VEDL's portfolio. VEDL has failed its shareholders, bondholders, employees, the South African government and its mining authority, the local community, and the environment.

Viceroy would like to thank the BMM workers and NUM representatives who took the time to speak with our team.

Attention: Whistleblowers

Viceroy encourage any parties with information pertaining to misconduct within Vedanta Resources, its affiliates, or any other entity to file a report with the appropriate regulatory body.

We also understand first-hand the retaliation whistleblowers sometimes face for championing these issues. Where possible, Viceroy is happy act as intermediaries in providing information to regulators and reporting information in the public interest in order to protect the identities of whistleblowers.

You can contact the Viceroy team via email on viceroy@viceroyresearch.com.

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1. Capex – Over-Promised, Over-Budget, Under-Delivered

Vedanta Limited carries BMM on its books at ₹8,824 crore (\$1.03b) as at FY25. This value has been substantially accrued through ZAR13,116m (\$768m, ₹6,258 crore) of capex spent by BMM over the last 4 years. Whether BMM's capex ever delivers real returns is uncertain. We believe Vedanta has borrowed hundreds of millions against the mines, largely to capitalize expenses through its capex line.

Carrying amount of non-current assets	As at 31 March 2025	As at 31 March 2024
India	1,27,973	1,20,302
South Africa	8,824	6,802
Namibia	653	661
Taiwan	610	1,161
Other	1,227	1,194
Total	1,39,287	1,30,120

Capex Analysis USD \$'000s	Black Mountain Mining				
	Cumulative	2025	2024	2023	2022
Land & buildings		26,885	28,574	27,824	28,095
Additions	8,436	2,428	3,950	848	1,210
Transfers	2,509	-	61	2,448	-
Disposals	(118)	-	(118)	-	-
Depreciation	(14,536)	(4,118)	(3,143)	(3,567)	(3,708)
Plant & machinery		195,553	200,580	213,634	199,976
Additions	66,833	17,315	16,170	5,349	27,999
Transfers	35,103	-	380	34,734	(11)
Disposals	(553)	(293)	(239)	(22)	-
Depreciation	(116,385)	(23,310)	(27,968)	(27,894)	(37,212)
Change in estimate	(4,146)	1,262	(1,396)	1,491	(5,503)
Mine development assets		402,490	305,440	274,565	236,564
Additions	281,303	115,007	45,945	55,580	64,771
Transfers	17,475	-	106	118	17,251
Depreciation	(69,992)	(17,957)	(15,176)	(17,697)	(19,163)
Capital WIP		402,770	299,873	109,727	55,986
Additions	411,524	90,466	188,563	84,205	48,291
Transfers	(51,135)	-	(441)	(33,454)	(17,240)
Borrowings cost	17,445	12,430	2,024	2,991	-
Totals					
Total Capex	768,095	225,217	254,627	145,981	142,270
Depreciation	(200,913)	(45,385)	(46,287)	(49,157)	(60,083)
Disposal	(671)	(293)	(357)	(22)	-
Net additions (growth capex)	566,511	179,538	207,983	96,802	82,187

Figures 6 & 7 – VEDL FY25 Annual Report & Capex Analysis

The projects that this ZAR 13,116m (\$768m, ₹6,258 crore) capex relates to were all meant to have been completed by the end of FY25, on dates they were announced and when investments commenced. These projects are now extremely delayed.

Whether or not BMM and Gamsberg ever generates real returns is unlikely. The Company has borrowed hundreds of millions of dollars against these assets. Funds which we believe have been used to **capitalize expenses through its capex line**.



Gamsberg Phase 2

Gamsberg's survival depends on turning low-grade ore into profit. The Gamsberg Phase 2 Project was meant to expand Black Mountain Mining's capacity and improve the viability of its low-grade zinc reserves to make them extractable. In development since 2018, the project is a case study in mismanagement, plagued by broken timelines, shifting targets and zero delivery.

- **March 2022** – VZI CEO Pushpender Singla announced that Phase 2 would be completed and at full ramp-up by December 2023, at a cost of ZAR 7b (US\$466m). He also noted that Vedanta was working closely with RMB and Nedbank for potential financing, suggesting that funding was not the cause of subsequent delays.

Phase 2 will require 18 months of construction and three months of commissioning and ramp-up.

"So, 21 months from now, we'll have first production," says Singla.

Figure 8 – "Vedanta investing R7bn in Gamsberg 'green' zinc expansion" & VEDL FY22 Annual Report³

- **FY22 Annual Report** – When VEDL's FY22 annual report was released in August 2022, VEDL had removed all estimates for the completion date or commencement or cost of the Phase II Gamsberg project.
- **FY23 Annual Report** – In May 2023, Vedanta announces that it plans to commence production from Phase 2 in H2 FY24. The full ramp-up of Gamsberg Phase 2 was expected "in 21 months", being December 2023. This is the same time frame that Vedanta gave investors in March 2022 per Figure 2 above.

Zinc International

- Full ramp-up of Gamsberg Phase 2 project in FY 2025

MIC production will be 200 KTPA, taking the total South Africa production to >500 KTPA. Target date of completion of project is 21 months

Figures 9 & 10 –VEDL FY23 Annual Report

- **FY24 Annual Report** – Project completion was pushed to FY25 (variously stated as H1 or H2), with full ramp-up in FY26. This represents a delay of a *further* 12 months. Even basic metrics were inconsistent, with reported completion percentages ranging from 50% to 60% in the same report.

to 8 MTPA and construction of new concentrator plant of 4 MTPA, taking the total capacity to 8 MTPA. MIC production will be 200 KTPA, taking the total South Africa production to >500 KTPA. Target date of completion of project is H2 FY 2024-25

Sag Mill (CITIC), Crusher, Flotation, Filter Presses and Thickeners Package (MO)) Orders placed. Major FIM supplies such as Thickeners, Mills, Transformers have been delivered to Project Site. Project is targeted to be completed by H1 FY 2024-25

The status on the project is as follows:

> Overall progress is at 52.6%

Gamsberg Phase 2 project, aimed to expand the MIC capacity to 500 KTPA, has achieved nearly 60% completion.

Figures 11, 12 & 13 –VEDL FY24 Annual Report

- **FY25 Annual Report** – Completion has been pushed back another 12 months, with first production now expected in H2 FY26 and full ramp-up in FY27. This is more than four years behind schedule. Reported progress rose to 68.5%, up from 52.6% or 60% in FY24, but at this pace the project would not be finished until after 2029.

³ <https://www.miningweekly.com/article/vedanta-investing-r7bn-in-gamsberg-zinc-expansion-2022-03-30>



- Gamsberg Phase 2 is 68.5% completed as on 31 March 2025, with all engineering and FIM material delivered; construction is in progress to complete the project by FY 2025-26

Figures 14 & 15 –VEDL FY25 Annual Report

Magnetite Project

The BMM Magnetite Project is an initiative designed to recover magnetite iron ore from the tailings. Originally announced in 2014 as an ESG initiative with a budget of just \$37m and a projected timeline of less than 12 months, the project remains incomplete more than a decade later

- **April 2021** - The Company completed a *pilot* plant sometime in FY21, and sold only 10,000t of magnetite concentrate.

The project was originally proposed back in 2013/2014 and the company initiated a successful pilot plant and tested the viability of producing marketable magnetite concentrate, with over 10,000 t of concentrate produced and sold. At the time, transporting the magnetite concentrate from the remote mining complex in Aggeneys to the customer (domestic or export) was the biggest challenge and this remains the case.

Figure 16 – “Vedanta Zinc revives Black Mountain magnetite from tailings project in South Africa”⁴

- **FY21 Annual Report** – VEDL stated that the Magnetite Project would be submitted for board approval in H1 FY22, describing the project as a “quick start” modular plant with a target completion by the end of FY22.

Black Mountain Magnetite project –
This is a project to recover iron ore/ magnetite from the BMM tailings. The feasibility was completed and pilot plant of 60 ktpa capacity was started in Q4FY21. To fast track the project and take advantage of the current favourable market conditions a quick start modular 0.7 mtpa plant was decided, based on treating current fresh tailings. **This project will be put up for approval to start the execution in H1 FY2022 with target of completion by end of FY2022.**

Figure 17 – VEDL FY21 Annual Report

- **FY22 Annual Report & Press Statements** – VEDL’s board approved the Magnetite Project at a cost of ~ZAR 600m (~\$37m). This approval came after the Company had already projected the project would be completed by the end of FY22 in the prior year. This raises serious concerns about the credibility of its project planning.

Apart from the Gamsberg Phase 2 investment, which starts immediately, VZI last year also approved a magnetite project investment of around R600-million.

⁴ <https://im-mining.com/2021/04/06/vedanta-zinc-revives-black-mountain-magnetite-tailings-project-south-africa/>



The first part of the project will utilise feed from existing BMM operations and produce high-grade iron ore (68%+), which can be utilised as feedstock for steel and coal industries. The project is progressing well with major earthworks completed and construction in progress. The first production of high-quality iron ore at Fe grade >68%, is expected around September 2023.

Figures 18 & 19 – “Vedanta investing R7bn in Gamsberg ‘green’ zinc expansion” &⁵ & VEDL FY22 Annual Report

- **FY23 Annual Report** – Vedanta claimed the project was “76.4% complete” and expected first production in August 2023. In the same report, it disclosed the project was being “relooked for repurposing,” suggesting it was effectively abandoned.

• Black Mountain Iron Ore project intends to recover iron ore (magnetite) from the BMM tailings on track. Best quality iron ore will be produced from the new plant with Fe grade >68%. First production is expected in August 2023

Black Mountain Iron Ore project – This is a project to recover iron ore (magnetite) from the BMM fresh tailings. EPC’s detailed engineering, procurement, earthworks, and major fabrication are completed. Construction is currently at 76.4% completion. Project being relooked for repurposing under guidance of CEO, Zinc Business.

Figures 20 & 21 –VEDL FY23 Annual Report

- **FY24 Annual Report** – Although never officially cancelled, the project was “revived” with a new completion target of Q3 FY25. More than a decade behind schedule, the board also claimed to be investigating a 2MTPA expansion of a project that still does not exist.

VZI Iron Ore – In line with our vision on Value from Waste creation, the iron ore project was realised for BMM. The 700 KTPA Iron Ore Plant is currently under construction on an EPC basis & expected to be completed in H2 FY 2024-25. This project will create a new product line (magnetite) over & above the base metals produced by BMM.

BMM is further investigating the expansion of project to 2 MTPA via feed from the existing tailing dam and/ or the Swartberg ore body. This is currently in the concept phase & parallel work is currently underway for environmental approvals.

Figures 22 & 23 –VEDL FY24 Annual Report

- **FY25 Annual Report** – Project completion has been delayed again to H2 FY26.

▪ Black Mountain Iron Ore project aims to recover iron ore (magnetite) from the BMM tailings, targeting >68% Fe grade, with-first production is expected in H2 FY 2025-26x

Figure 24 – VEDL FY25 Annual Report

*It’s now been over 12 years since Vedanta first promoted this venture.
For 12 years, analysts have continued to model inflows from a project that remains unrealized.*

⁵ <https://www.miningweekly.com/article/vedanta-investing-r7bn-in-gamsberg-zinc-expansion-2022-03-30>



The Skorpion Smelter

The viability of Gamsberg depends on BMM's ability to process its low-grade ore profitably, a challenge Vedanta claims it will solve by refining Gamsberg concentrate at the Skorpion smelter in Namibia. This plan is entirely unrealistic, as detailed in our Skorpion Mine report.

<https://viceroyresearch.org/2025/08/11/vedanta-the-skorpion-mine-smelter/>

Vedanta continues to pitch multiple conflicting solutions: building a new smelter at BMM, converting Skorpion's aging facility, or even relocating the decaying Namibian smelter to South Africa. Each scenario is as implausible as the next, yet investors are expected to take them at face value.

Conversion is not a possibility

This claim relies on the audience's lack of familiarity with refining processes. A SX-EW plant cannot be "upgraded" or "converted" to process sulphide ores instead of zinc oxide ores; they are fundamentally different processes which require fundamentally different plant and equipment.

Zinc Oxide Ore Processing	Zinc Sulphide Ore Processing
<ol style="list-style-type: none">1. Leaching: crushing zinc oxide ores and soak it in sulphuric acid, dissolving it into zinc sulphate.2. Solvent extraction: the liquid is mixed with a chemical that grabs only zinc ions and then separated into a concentrated zinc solution and waste.3. Electrowinning: the copper solution is electrified using steel plates. Zinc sticks to these plates and results in pure zinc sheets after a few days.	<ol style="list-style-type: none">1. Crushing and Grinding: rock is blasted, crushed and then ground into a fine powder.2. Floatation: mix powder with water and reagents, then aerate; zinc-rich minerals attach to bubbles and float, waste sinks.3. Processing: concentrates are heated in a furnace to oxidize sulphides and produce zinc metal.

SX-EW equipment is mechanically inert and likely beyond retrofitting:

- Clarifiers and thickeners are crusted, sedimented and dry.
- Multiple pieces of plant and equipment are corroded or filled with sediment.
- Electrowinning cells are lifeless, with no sign of circuit preservation or maintenance.
- Stacks at the plant show no emissions.

Neither the mine nor the refinery site show any indication of construction preparation

Neither the Skorpion complex nor the nearby town showed any signs of preparation for a large-scale construction project. Our inspection found:

- No contractor mobilization visible.
- No site clearance, trenching, pad prep, or survey markers. No deliveries of steel, tanks, mills, or flotation units visible.
- No main power or backup generation or substations.

THL Zinc's FY25 Annual Report stated that the mine is planned to reopen in FY27. This 21-month timeline assumes that permits are secured, contractors signed, and long lead-time items are ordered. There is no sign of the Company hiring additional workers for the Skorpion Complex's reopening or operation.



No viable transport route

Vedanta claims it will transport ore from Black Mountain Mine to the Skorpion complex using standard linked haulage trucks via the Oranjemund border crossing. This assertion does not withstand scrutiny.

the on the 31 August 2020 to 31 August 2023. The conversion and modification to the Skorpion Zinc (Namzinc) Refinery will enable the treatment of zinc sulphide (ZnS) concentrate that will be transported from their sister company Black Mountain Mining (Pty) Ltd, Gamsberg Mine, Northern Cape, South Africa.

Skorpion Zinc (Namzinc) (Pty) Ltd herein referred to as 'Namzinc' propose to transport 314 000 tonnes of Zinc Sulphide concentrate from their sister company Black Mountain Mining (Pty) Ltd for processing at their Namzinc Refinery located in Rosh Pinah, Namibia. A distance of 120 kilometres, from the Namibian-South Africa border, using interlink trucks.

Figures 25 - Skorpion Zinc Environmental Scoping Report⁶

Phase 3: 2022	Actual commencement date unknown: April 2022.	314 000 tonnes of concentrate will be trucked per annum for this project. Based on average - 1000 tonnes per day (32 tonnes per truck) on 31.25 trucks
		<ul style="list-style-type: none"> - Operating 12 hours (2-3 trucks per hour) - Trucks to only travel during 6am – 6pm - Lifespan is estimated at 15 years – starting in 2022 (April)

Figures 26, 27 & 28 – Skorpion Zinc Environmental Scoping Report⁷

This haul plan requires a minimum of 32 heavy trucks dedicated to a single 405 km route, operating 12 hours a day, 6–7 days a week without interruption. Even minor downtime makes the Company's stated target logistically unachievable.

This comes to ~63 heavy-vehicle crossings/day on the one-lane Oranjemund bridge that passes only one vehicle at a time. Assuming a 5-minute headway at the Oranjemund crossing, Vedanta's fleet would occupy the bridge for ~5 hours per day.

⁶ <https://minedocs.com/22/Scorpion-Environmental-Study-April2021.pdf>

⁷ <https://minedocs.com/22/Scorpion-Environmental-Study-April2021.pdf>



Figure 29 – The Border Crossing Bridge at Oranjemund

This arrangement comes to ~9,813 trips annually, burning ~4.64m liters of diesel at a cost of ZAR92.7m (\$5.26m) per year.⁸

There are only two viable road routes between the sites:

1. The coastal route via Oranjemund, Port Nolloth, and Springbok.
2. The inland route crossing the South Africa and Namibia border at Vioolsdrif.

Neither route can support Vedanta's proposed transport model. Linked trucks are both too tall and too heavy for the available crossings.

- The Oranjemund crossing relies on an extremely narrow single lane bridge with a maximum load limit of 56 tonnes.
- The Vioolsdrif crossing is restricted to vehicles no taller than 4.3 metres.



Figures 30 & 31 – The Border Crossings at Oranjemund and Vioolsdrif, respectively

No alternate logistics plan has been disclosed. There is no evidence of permitting, infrastructure upgrades, or route modifications underway.

⁸ Conservative assumption of 1.5km/L loaded and 2.0km/L unloaded and a Diesel (50ppm) price of ZAR20/L

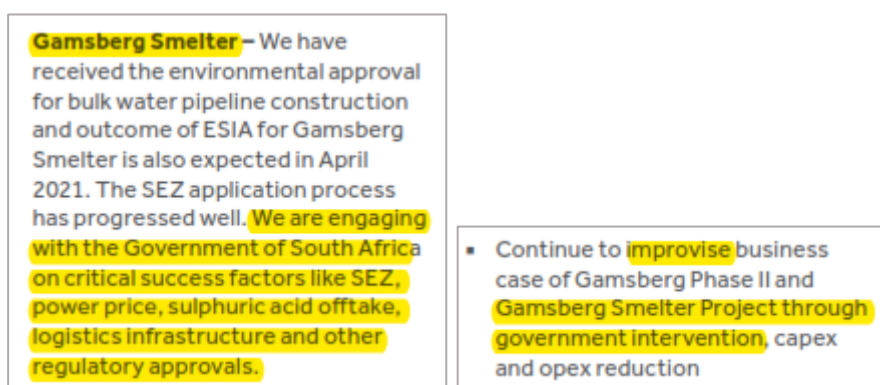


The Gamsberg Smelter

VZI has consistently told investors that it intends to build a smelter in BMM, while simultaneously procuring a conversion of its Skorpion smelter in Namibia to process low-grade Gamsberg output.

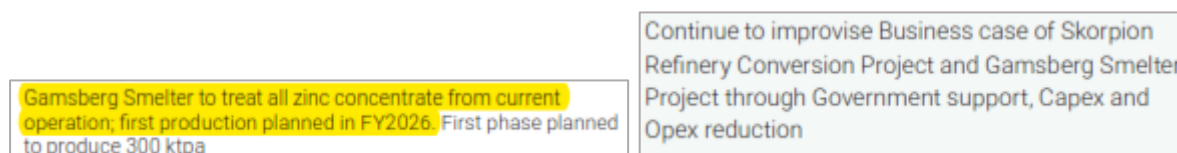
In fact, a site visit to BMM clarified that **Vedanta informed BMM staff that it would bring its decaying smelter from Namibia to South Africa**. Frankly, we don't know which proposition is more preposterous, but investors are the suckers nonetheless.

- **FY21** – The Gamsberg Smelter is pushed through approval stages. VEDL discloses that it is “improvising” business cases of the Phase 2 Gamsberg project and the Gamsberg Smelter through “government intervention”, which sounds suspiciously illegal.



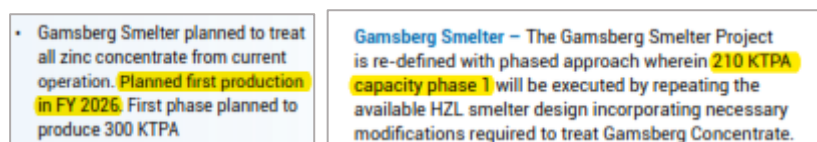
Figures 32 & 33 – FY21 Annual Report

- **FY22 Annual Report** – The Gamsberg Smelter is slated for first production in FY26. “Improvisation” for project business case is now via “Government support”, not “Government intervention. Phase 1 is expected to product 300ktpa.



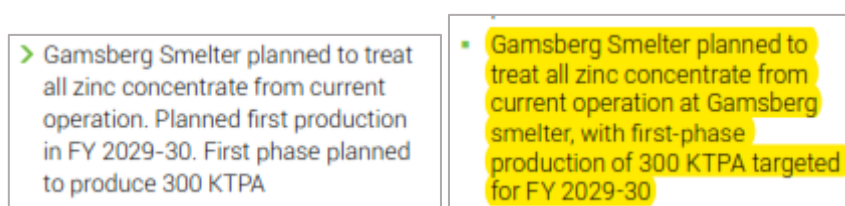
Figures 34 & 35 – FY22 Annual Report

- **FY23 Annual Report** – Gamsberg Smelter is still planned for first production in FY26. VEDL inconsistently discloses phase 1 output capacity of the smelter as 300ktpa, which was the originally announced figure, or 210ktpa, a reduction of 30%.



Figures 36 & 37 – FY23 Annual Report

- **FY24 & FY25 Annual Report** – The Gamsberg Smelter project has been delayed by four years, with completion now expected in FY30. No explanation has been provided for the postponement.



Figures 38 & 39 – FY24 & FY25 Annual Reports



The Gaslight

Despite systematic project delays and cost overruns, Vedanta continues to assure investors that “all ongoing capital projects are progressing per schedule.” This claim is at odds with the Company’s own disclosures, which show repeated timeline extensions, shifting cost estimates, and projects abandoned or “repurposed” mid-construction.

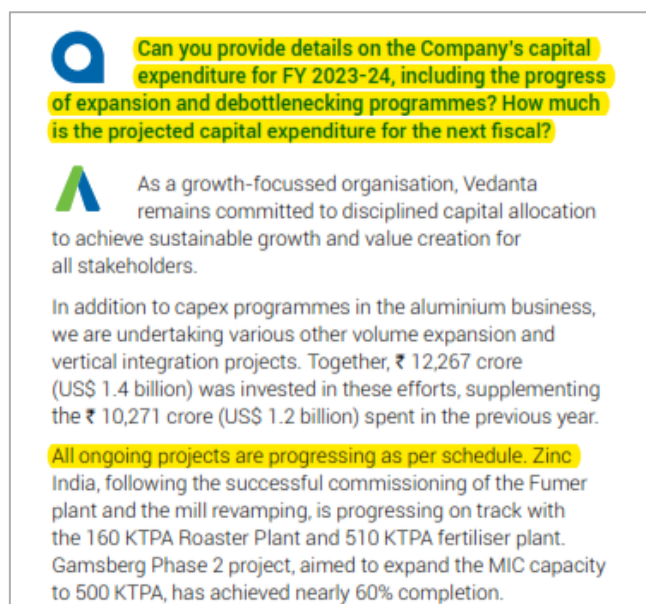


Figure 40 – VEDL FY24 Annual Report

- **Lanjigarh Expansion** – Announced May 2021 with an intended completion in Q1 FY23, but only commissioned in Q4 FY25, roughly three years late despite being one of Vedanta’s flagship aluminum projects.
- **BALCO Smelter Expansion** – Announced July 2021 and initially slated for completion “after FY22.” The project is still incomplete, with commissioning now pushed out to H1 FY26.
- **Jharsuguda VAP Expansions** – Announced in April 2022 and initially slated for completion in Q2 FY24. Capex is still ongoing.
- **Sijimali Bauxite Mine** – Announced January 2021 and initially slated for operation in Q3 FY25. The project is still incomplete and with operations due to commence in Q2 FY26

From flagship aluminum smelters and coal mines to iron ore and refinery expansions, the same playbook repeats: promote aggressive delivery targets, fail to meet them, and recycle the promises with new dates.

2. “Financing” these “Projects”

BMM has only committed ~\$500m to complete the uncompleted Magnetite (\$37m) and Phase 2 (\$466) BMM Projects. Since 2021, it has already blown past that, spending \$768m on capex, and the projects are hovering in 60-70% completions. Even adjusting for asset replacement (depreciation), these projects are already way above budget.

Capex Analysis USD \$'000s	Black Mountain Mining				
	Cumulative	2025	2024	2023	2022
Capex					
Additions	768,095	225,217	254,627	145,981	142,270
Depreciation	(200,913)	(45,385)	(46,287)	(49,157)	(60,083)
Disposal	(671)	(293)	(357)	(22)	-
Net additions (growth capex)	566,511	179,538	207,983	96,802	82,187

Figure 41 – VZL Capex Analysis

Either VEDL is grossly mismanaging the execution of these projects, or BMM is opportunistically capitalizing operating expenses to inflate VEDL's P&L results under the guise of the Gamsberg expansion. We've caught the Company doing both before, but in this case, the evidence points squarely to aggressive expense capitalization.

In any case: BMM's performance has declined significantly, resulting in rapid declines in operating cash flows and enormous FCF losses.

Free Cash Flow Analysis USD \$'000s	Black Mountain Mining			
	2025	2024	2023	2022
NPBT	89,984	27,181	182,060	140,580
Adjustments	36,291	39,078	44,309	65,414
WC changes	(51,770)	141,914	6,947	(5,734)
Taxes paid	(33,590)	(12,824)	(14,312)	-
Cash from operating activities	40,915	195,349	219,003	200,261
Less:				
Purchase of PPE & intangibles	(221,346)	(249,979)	(138,534)	(137,712)
Viceroy Estimated FCF	(180,431)	(54,630)	80,469	62,549
Reverse changes in working capital	51,770	(141,914)	(6,947)	5,734
Normalized FCF	(128,660)	(196,544)	73,522	68,283

Figures 42 – Viceroy Analysis

- BMM nevertheless pays millions in brand fees up to VEDL, which it cannot afford.

Brand fee				
Vedanta Limited	-	120,383	-	120,383
Vedanta Limited Resources Investments	126,657	-	126,657	-

Figure 43 – Black Mountain Mining FY25 Annual Report

- BMM's working capital is extremely stressed. It is highly likely that the BMM will face periods of insolvency in the coming year due to the mismatched timing of short term dues/receivables.
 - We note that substantially all “trade receivables & prepayments” are, in fact, prepayments which will not contribute cash inflows.



Working Capital Analysis USD \$'000s	Black Mountain Mining			
	2025	2024	2023	2022
Inventory	25,904	21,942	32,994	45,905
Trade receivables & Prepayments	16,767	15,571	24,269	36,552
Current tax receivable	300	-	6,761	716
Cash & equivalents	46,990	42,628	70,740	74,295
Current assets	89,960	80,142	134,764	157,469
Interest-bearing loans & borrowings	-	52,431	-	5,900
Cash flow hedge liability	5,489	-	-	-
Lease liabilities	3,481	2,291	2,923	3,775
Retirement benefit obligation	209	181	-	-
Current tax payable	-	31,876	-	-
Provisions	1,115	2,022	1,705	-
Share-based payments	19	3,964	627	7,032
Trade & other payables	149,065	173,499	64,920	77,919
Bank overdraft	-	-	-	9
Current liabilities	159,378	266,263	70,175	94,635
Net working capital	(69,417)	(186,122)	64,589	62,833
WC ratio	0.56	0.30	1.92	1.66

Figure 44 – Black Mountain Mining FY25 Annual Report

- In FY25 BMM secured a \$250m loan from RMB to finance its ongoing Capex requirements. Incredibly, it appears to have misstated a loan covenant as requiring a Debt/EBITDA ratio **above** 2.5x a condition no lender would realistically demand. Perhaps this is why VEDL is destroying the business.

Secured bank loan

Project Finance Facility of \$250 million was secured in August 2024 with the first drawdown in September 2024. The RMB bridge financing and ICICI revolving loans were settled with the first drawdown, and net proceeds from first drawdown of \$103 million was received from RMB. This settlement is included as part of repayments in the reconciliation of interest-bearing loans and borrowings. As at 31 March 2025 \$250 million was drawn down. This loan is a secured and USD denominated loan.

The project finance loan facility of \$250 million was provided by ABSA and RMB on a 7-year term. The loan is repayable quarterly starting from June 2026, and has therefore been classified as a long-term loan as at 31 March 2025. Interest is charged at 3-M SOFR +390bps.

The secured bank loan is subject to the following financial conditions on each measurement date:

- The Senior Debt Service Cover Ratio shall be equal to or greater than 1.4:1. The Senior Debt Service Cover Ratio was 3.43:1 as at 31 March 2025 (31 March 2024: N/A).
- The Total Debt Service Cover Ratio shall be equal to or greater than 1.2:1. The Total Debt Service Cover Ratio was 1.80:1 as at 31 March 2025 (31 March 2024: N/A).
- The Loan Life Cover Ratio shall be equal to or greater than 1.5:1. The Senior Debt Service Cover Ratio was 2.14:1 as at 31 March 2025 (31 March 2024: N/A).
- The Net Debt to EBITDA Ratio shall be equal to or greater than 2.5:1. The Net Debt to EBITDA Ratio was 1.57:1 as

Figure 45 – Black Mountain Mining FY25 Annual Report



3. Deshnee Naidoo – Promotion of Failure as Leadership

VRL has now elevated Deshnee Naidoo to lead the entire VRL group, making her the face of the VEDL at earnings calls, AGMs, and in investor communications. This is more than just a governance misstep: it is the promotion of an executive whose previous track record at VRL is defined by operational disaster.

- Naidoo resigned from BMM amid serious incidents at BMM, including a fatality, and the slope collapse at Skorpion, which was under administration of BMM at the time. The slope collapse of Skorpion has led VEDL to effectively abandon the operation, as we have uncovered in our previous reports⁹.

OCCUPATIONAL HEALTH & SAFETY
Regrettably, Vedanta Zinc International reported a fatality at Black Mountain Mine where Mrs. Venessa Plagg a Mining Operator was fatally injured on 10 January 2020. The mine conducted

Related party transactions		
Administration fees paid to (received from) related parties		
Skorpion Zinc (Proprietary) Limited	(50,828)	(35,735)
Share based expenses		
Vedanta Limited	835	2,878

Figure 46 – VEDL Annual Report FY20 & Black Mountain FY20 extract.

- Naidoo then resigned in May 2020, two months after the departure of VEDL CEO Srinivasan Venkatakrishnan.
- In a parting shot at the government, Naidoo all but said that the expansions at BMM were unfeasible with current power supply agreements. This is the same problem that prevents the restart of the Skorpion Refinery.

"VZI welcomes the support that Gamsberg has received from government so far. However, we need speedy decisions on issues like power, infrastructure and fiscal stability.

"Without certainty on these issues, investors will be reluctant to commit to projects that might take a long time to show a return on investment – the risk is simply too great.

"VZI is interested in reaching an agreement with government on power supply options, including a hybrid model for the proposed Gamsberg smelter, and on working together to ensure a market for the co-products of the zinc smelting process".

Figure 47 - Vedanta loses second senior executive after Zinc International CEO, Deshnee Naidoo, resigns¹⁰

- Naidoo summed up her view on the Black Mountain expansions under current conditions: "the risk is too great".

"The risk is simply too great".

Figure 48 - South Africa urged to create an enabling business environment¹¹

Naidoo's main concern, a lack of a dedicated power supply for VEDL, was never addressed. South Africa has continued to face load shedding up to February 2025, when state utility Eskom applied Stage 6 load shedding unannounced¹².

Naidoo's tenure at VZI ended with the withdrawal from projects deemed unviable. Now, as CEO of VRL, she is repackaging those same failed strategies for investors. Naidoo's track record points to lasting tensions with the workforce at Black Mountain, the same site of VRL's African labor unrest.

⁹ <https://viceroyresearch.org/2025/08/11/vedanta-the-skorpion-mine-smelter/>

¹⁰ <https://www.miningmx.com/news/markets/41755-vedanta-loses-second-senior-executive-after-zinc-international-ceo-deshnee-naidoo-resigns/>

¹¹ <https://www.miningreview.com/base-metals/south-africa-urged-to-create-an-enabling-business-environment/>

¹² Stage 6 load shedding leaves 37% of users without power.



4. Black Mountain Mine –Labor & Contractor Disputes

While the Skorpion complex disintegrates physically, Vedanta's Black Mountain Mine (BMM) in South Africa is unraveling from within.

Insolvency Risk and Contractor Winding Up Petition

In the space of one week, Black Mountain Mining was hit with two legal actions by its former labor contractor, Tau Mining. On 1 November 2024, the Northern Cape High Court ruled that BMM had unlawfully dispossessed Tau of its mining area at Gamsberg¹³. Days later, on 7 November 2024, Tau filed a **winding-up petition** (Case No. 3001/24), claiming the Company was commercially insolvent and unable to settle its debts¹⁴.

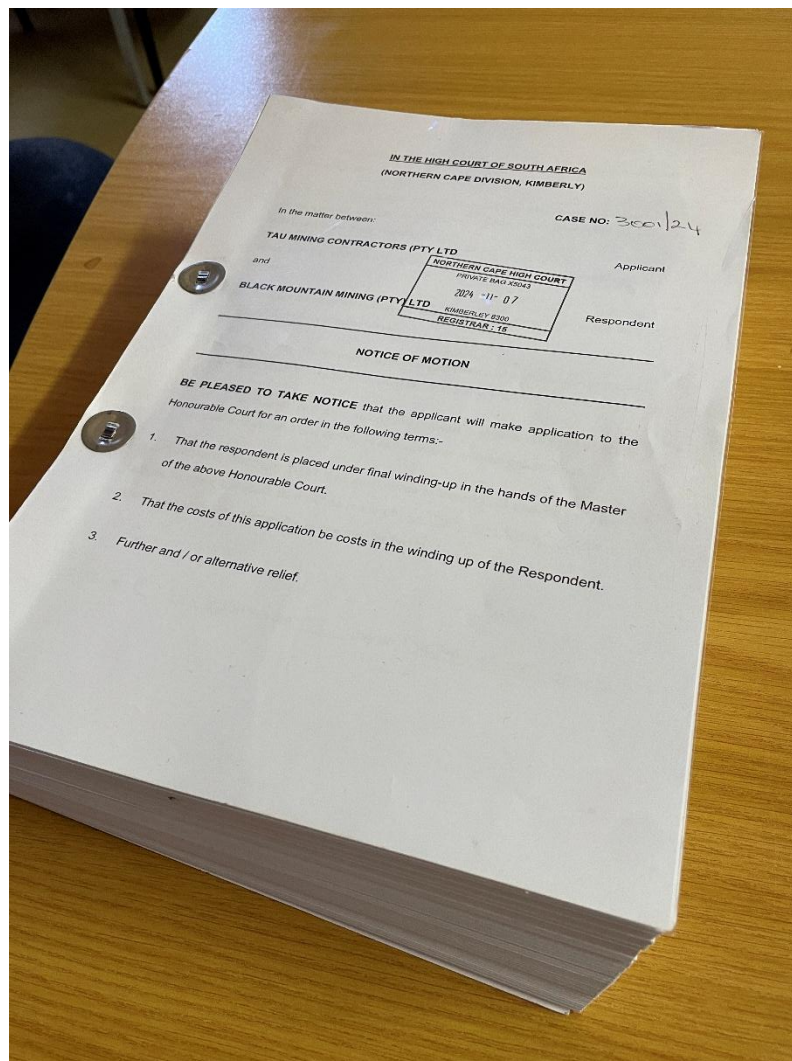


Figure 49 – Tau Mining Contractors Winding Up Petition

Tau's filing is not incidental. Per Figure 44, BMM's working capital is extremely stressed, and the business is likely to experience prolonged periods of insolvency.

- It is understood that Tau was removed from BMM as part of a contractor replacement. BMM's financials do not support more operating expenses like 2 contractors.
- Tau had likely stopped receiving payments before it was removed from the mine, aligning with the winding up petition a week later.

¹³ Case No 2671/202, Northern Cape High Court <https://www.saflii.org/za/cases/ZANCHC/2024/103.html>

¹⁴ Case No. 3001/2024, Northern Cape High Court



- BMM were forced to reverse Tau’s eviction, confirming that BMM unlawfully evicted them. This suggests that BMM was trying to avoid contract termination liabilities.

Workers at BMM were told that the Company needed ZAR7b (\$400m) to complete the Swartberg expansion. BMM’s balance sheet is already fully levered, this figure is unrealistic.

Tau’s petition signals that at least one creditor has concluded that BMM is commercially insolvent unable to meet its obligations as they fall due. If upheld, this would force liquidation proceedings, directly threatening operations at Black Mountain and the broader Gamsberg complex.

Labor Arbitrage and Social Contagion

This is not the only labor related dispute facing BMM.

More recently, the National Union of Mine Workers (NUM) engaged in a strike against BMM for what appears to be the effective furlough of the mine, and retrenchment of employee expenditure.

NUM Western Cape Region to March Against Black Mountain's Exploitative Outsourcing and Looming Retrenchments

The National Union of Mineworkers (NUM) Western Cape Region will hold a protest march on **Thursday, July 17, 2025**, at Black Mountain in the Northern Cape. The NUM is taking a resolute stand against the egregious and exploitative outsourcing model being aggressively pursued by Vedanta Zinc International (VZI) and its subsidiary, Black Mountain Mine, which threatens mass retrenchments.

The NUM views this policy as nothing less than **economic sabotage, social vandalism, and modern-day corporate colonialism**. It reflects an arrogant disregard for workers and communities by VZI Chairman Anil Agarwal.

VZI formally informed the NUM of this draconian outsourcing agenda on December 20, 2017. Despite our firm and principled objections, VZI reaffirmed its disastrous decision on January 30, 2025. The NUM's position remains unchanged: we outright reject this anti-worker, anti-community, and anti-development agenda. This outsourcing model is not about efficiency; it's about **retrenchment, exploitation, and profit maximization at the expense of workers and the dignity of their labor**.

The Devastating Impact of VZI's "International Best Practice"

We wish to remind the public what this so-called "international best practice" truly entails for our members and the surrounding communities:

- **Erosion of Workers' Benefits:** Workers currently hold a 5% stake in the company through the Employee Profit Sharing Scheme. Outsourcing will strip them of this hard-won equity and prevent them from accruing vital retirement savings due to the unstable nature of contract work.
- **Loss of Family Homes:** Employees housed in company-owned homes – many for over 30 years – face eviction. The NUM was in advanced negotiations to secure ownership of these homes, a historic process that outsourcing will abruptly cancel.
- **Destruction of Pension Security:** The instability of contract work makes long-term retirement planning impossible. Our members will be cast into old-age poverty.
- **Social and Economic Instability:** This model has already failed in the region, leading to an influx of vulnerable migrant labor, homelessness, and the uncontrolled expansion of informal settlements, which have become breeding grounds for poverty and crime.
- **Wage Regression and Exploitation:** Workers employed by contractors are forced to start from entry-level wages, even with years of experience. This is economic violence.
- **Deepening Social Ills:** The outsourcing system has demonstrably deepened poverty, homelessness, domestic instability, and crime. VZI's "cost reduction" narrative is directly leading to the uncontrollable establishment of informal areas, which become **black spots of poverty and suffering**.

Get In Touch

Address: 7

Contact Person

Email:

Fax:

Telephone:

Figure 50 - NUM Western Cape Region to March Against Black Mountain's Exploitative Outsourcing and Looming Retrenchments

The NUM Western Cape Region has accused Vedanta Zinc International (VZI) of “modern-day corporate colonialism” for its aggressive push to outsource the mine’s workforce. This move threatens to destabilize not only operations, but the surrounding communities.

A Company HR representative claimed the Company is “still open to engage” despite having terminated local employees and advertising for outsourced replacements. Additional footage confirms management has refused to enter wage negotiations with the NUM.



On August 1, 2025, NUM staged a mass protest against VZL's "draconian outsourcing agenda," accusing the Company of social vandalism and "economic sabotage". Workers marched holding placards admonishing VRL Chairman Anil Agarwal and VRL CEO Deshnee Naidoo







Key Findings

- **Formal Accusation of Exploitation:** In a formal statement, the union condemned Vedanta's move to replace unionized employees with contract labor as a betrayal of its social license to operate.
- **Accusations of Corporate Colonialism:** The NUM explicitly compared Vedanta's actions at BMM to apartheid-era governance, stating the outsourcing model seeks to preserve "the standards set by the colonial and apartheid regime."
- **Erosion of Worker Benefits:** The outsourcing plan would strip employees of retirement security, housing rights, and a 5% stake held via the Employee Profit Sharing Scheme. NUM claims this will directly trigger old-age poverty and the eviction of workers from homes they have occupied for decades.
- **Undisclosed Off-Balance Sheet Risk:** The dismantling of permanent employment at BMM also masks a material off-balance sheet liability including pension obligations and employee housing rights. These are being quietly erased through outsourcing, without proper disclosure to stakeholders.
- **Social Contagion and Informality:** The NUM warns that Vedanta's labor model is directly fueling the growth of informal settlements, unemployment, and crime in the region. Contract laborers face wage regression and instability, while long-standing community members are retrenched and displaced.
- **Reputational Crisis and Governance Breakdown:** NUM has requested direct engagement with VRL Chairman Anil Agarwal and the board. That request was denied. According to the union, decisions affecting thousands of workers were imposed "from London" with no accountability or consultation. This has deepened perceptions of colonial-style governance and could trigger regulatory scrutiny.
- **Contradictory Justifications:** VZL claims outsourcing is necessary for faster project ramp-up and cost control. However, NUM points out the mine has a projected lifespan of 30–40 years, making short-term cost-cutting indefensible against long-term economic destruction.

This is not the NUM's first confrontation with Vedanta at Black Mountain. In 2017, the union launched an anti-racism campaign after a senior white employee used an apartheid-era slur and was controversially reinstated by Vedanta management. The NUM accused the Company of condoning racism, reigniting painful historical divisions in the Aggeneys community.

Conclusion

The NUM's statement is not just protest language, it is a **formal notice of escalating risk**. It signals that Vedanta's social license at BMM is under threat. With unrest already spreading and operational trust collapsing, BMM no longer represents a going-concern asset. It is a reputational liability in active decline.



5. ESG: Branding Over Substance

Vedanta's operations at Black Mountain Mining illustrate a breakdown across all three pillars of ESG, violating every principle the Company claims to uphold.

Environmental

- The mine processes ores containing lead and other heavy metals, creating airborne and surface contamination risks.
- Rehabilitation funding has been reversed to free up capital at BMM and Skorpion, with restricted funds dismantled before mine closure obligations are met.
- Vedanta plans to haul ore to the Skorpion refinery consuming an estimated 4.64 million liters of diesel and generating ~12,435 tons of CO₂ emissions, equivalent to the yearly emissions of 2,700 passenger cars.

Social

- Workers report inadequate access to decontamination facilities, potentially transferring toxic lead dust into surrounding communities.
- Long-serving employees have been stripped of equity participation through the winding down of the Voorspoed Trust in FY24, just before a 720% surge in BMM profits.
- Outsourcing plans threaten to eliminate provident fund benefits, reduce wages, and displace workers from their housing, undermining the community's economic stability.
- Protests by the NUM allege "modern-day corporate colonialism" and "economic sabotage," citing increased poverty and the erosion of worker rights.
- BMM has been plagued by industrial accidents, including several deaths. It is disproportionately well-represented in mining fatalities in South Africa.

Occupational Health and Safety
VZI recorded zero fatalities in the last three quarters and achieved two years LTI-free on its projects. There were zero classified occupational diseases, zero blood lead withdrawals, and no Category 3 environmental incidents in Q4. However, injury frequency increased in Q4 with 4 LTIs reported, and frequency rates were: LTIFR 1.78 (vs BP 1.00), TRIFR 4.91 (vs BP 3.10), and AIFR 2.14 (vs BP 1.55). VZI secured ISO 45001 certification and completed the EY Sustainability Assurance Audit with improved efficiency and fewer data integrity findings on Enablon. The VZI Clinic was awarded Best Performing Team in South Africa by Life Health Services, and employees at BMM and Gamsberg donated 529 units of blood over the year.

Figure 51 – VEDL FY25 Annual Report

Governance

- VEDL and VRL's investor communications present a consistent pattern of misrepresentation, from claiming that long-delayed projects are "on schedule" to inflating capitalized expenses.
- Local management refuses direct engagement with labor representatives, and strategic decisions affecting thousands of workers are reportedly made without consultation in London.
- In FY25, VZI "raised a purchase order" for Green Zinc Mark Certification, framing accreditation as a procurement item rather than a target of compliance.



6. Interviews with Black Mountain Employees and Labour Representatives

To understand the reality behind Vedanta's public claims, we conducted interviews with long-serving BMM employees. These conversations reveal the deep disconnect between management's investor messaging and the conditions faced by its workforce.

Interview 1 – Brian Moody

The following excerpts come from an interview with Brian Moody, the regional organizer for the NUM.

Brian Moody: Well, we are here, we are going to gather here today once more. Um, we are opposing outsourcing of labor to smaller companies or labor in the form of labor broking. Our people are being taken for atypical employment and that results to bad working conditions, it lowers working standards, and it impacts negatively on their living standards. Now, it's ironic that it happens in the post-apartheid South Africa because you would recall that the colonial governments also mined... were mining in South Africa.

...

Even the apartheid government would regulate that in this area at least there's housing. Now we are post-apartheid, about 31 years down the line post-apartheid, and we find ourselves with employers who want to take us 30 years, even 100 years back.

Because it wants to deprive South Africans of their rights and the development that they have gained access and inroads to those rights, and reverse the gains that we have made over the last 31 years. So we are up in arms. We are up in arms, we are saying whoever wants to come and mine here, who claims that is an investor, cannot only come and mine and forget about socioeconomic redress of the people.

...

We don't want merchandisers here. We don't want that. We want a government as promised, a government of the people that acts in the interest of the people.

Interviewer: And if you think about what Mr. Agarwal, the owner of Vedanta, what would you say to him?

Moody: Well, we have been asking to meet with him. We have been requesting to have an engagement with Mr. Agarwal. However, we have not been successful to have that kind of engagement because we want to engage him. We want to make sure that he understands that we are not saying he must not come and mine in South Africa. However, we are saying there are terms and conditions from the people. We have to safeguard our resources. We have to safeguard our economy. We have to safeguard the interests and livelihoods of our people. The model that he's bringing to South Africa, particularly in this region, we have a problem with, as it's bringing poverty. And if we are not careful, it will bring extreme poverty.

...

So, so we are not naive in terms of how business is run globally. We have an understanding of how business internationally and best practices of business that have been undertaken globally. So, one-on-one with him, and that's why we have been praying to the Company to say, "Give us an opportunity. Let's meet him, let's meet his board, so that we can have these discussions." Otherwise, you see there's another problem. Vedanta is known for human rights violations in areas like India and other parts of the world. They have subsequently strived to rectify that, but they seem to want to duplicate the very wrongs that they've done in other parts of the world here at South Africa, Namaqua.

...

Interviewer: What if, what would you say if he just says, "I don't care, all I care about is money"?

Moody: Well, look, there are two things. He has already said so. By the mere fact that he does not want to engage with us, he has given us that message. By the mere fact that he's persistent that the outsource model is



the best model for his company, despite evidence placed before his disposal, that's what he's telling us. Now, we as South Africans know very well that even the hardest racists, segregationists, who had believed that their policies was the best thing for the world, we have conquered them. We will fight with him. We will fight his company, and victory will be certain. If he does not want to listen to our sound and resonated voices, then we will have to find another way for him to listen.

Interview 2 – Drill Rig Fitter

The following account comes from a drill rig fitter who has worked at Black Mountain for 12 years. His perspective offers a rare, ground-level view of the mine's operations, management practices, and the impact of Vedanta's outsourcing strategy on workers and their community.

Interviewee: So, uh, Vedanta bought this company from Anglo in 2011. So at that time when they arrived here, they did have a lot of good things to say to us as a community, telling us that how much our community is going to grow and how much they're going to invest in our community and at our mines... But unfortunately, something changed along the way from the Company's side. And, uh, that's where we are standing now. They want to get rid of the permanent employees of the Company.

So, they are talking about moving us as permanent employees to go and work for a company that they are going to get to work here.

Editor's note: *The interviewee was formerly a beneficiary of the Voorspoed Trust, which held 6% of BMM until it was wound down in FY24 as part of a 7-year ESOP established in 2017. All shares were bought back by BMM, and the following year the mine's profits surged 720%, gains from which workers were excluded. He also stated that most employees rely on their provident fund for retirement security, a benefit they would lose if transferred to a contract service provider, whose commitments they neither trust nor expect to be honored.*

Interviewee: ...because we are living from the hand to the mouth. So, the only time when we do have money is the time when we retire.

A simple example: we did have EMS here. It was a company that was basically busy with the decline at Swartberg. So, the workers came to NUM, to the NUM office, for the second month and complained about the Company is not paying them. So we as NUM went to the CEO of the Company and told them that you must make a plan because it can't be like that, because those people have families and people they have to provide some food and some things for them. So they did work the whole month but now they can't get paid.

The CEO, uh, VJ. What he did there, while we as the NUM leaders were standing in the office, he picked up the phone. He did talk to somebody and he told that person that EMS contract must be terminated at the end of the day, as soon as possible. He wanted that contract to be terminated at the end of the day. Today, that same workers who did work for EMS is sitting now at their houses without any income.

Interviewer: So the companies want to use the contract labor model?

Interviewee: Yes. So that they can have more profit. The Company want that model because that model is actually a cheap labor model. Because they give less and they take all the profit. And on the responsibility side, if for instance something happens at the mine, an incident or an accident, they're going to keep that company responsible and not the main company, like Vedanta or Black Mountain.

Interviewee: Uh, to be bluntly honest, uh, when I first came and worked for Vedanta, it was, it was nice because we did have a good understanding with each other. But along the way, the relationship broke. And at the moment, it feels like Vedanta only want to get rid of us.

Interviewee: Yeah, I just wanted to add, uh, when Vedanta came here in 2011, they promised us a lot. And they never... the promises they made, they never fulfilled those promises.



Interview 3 – Instrument Mechanic

The following account comes from an instrument mechanic working at Black Mountain.

Interviewee: Look, it's... it's a confusing situation, really. Honestly, it's a very confusing dynamic where you are working for one employer, but you are working for another employer. So, you are always in a grey area when it comes to principles, when it comes to adherence to the laws and regulations of labors... labor law in this country, when it comes... like, in... in terms of how you are being managed, it's always a grey area.

Vedanta has outsourced the services to another company, maximizing all the profit and risking nothing. What happens is, you come to a situation where you know the law says that, maybe the Company's policy says this, but Vedanta comes and I would use the word "bully," and bully the Company that we are now working for into taking a different direction.

We are working in a place that should... that's operating continuously. And in this country we've got these things called "continuous operation allowances." We are not getting it. Because when we query with our employer, he says his commercial client with Vedanta does not have that. And we are at a point where we can't prove him right or wrong.

Editor's note: *In mining operations where lead exposure is a risk, decontamination facilities are essential. Regulatory guidelines require employers to provide wash facilities, and showers where feasible, so workers can remove lead dust from skin, hair, and clothing before leaving the site. Lead dust is invisible, odorless, and highly toxic, especially to children and pregnant household members¹⁵.*

But the setup doesn't allow the people. How do you say to a person, "I want you at your workstation at 7:00 in the morning," for 12-hour working people, "and you are not going to leave your workstation before 7:00," and you say the person works 12 hours? Because being at work starts when you clock into the premises until you clock out. So you are saying the person must come in way before on their own, and leave way later on their own because you are only paying the time they spent at their workstation. Who's going to wash then?

Of course, I know I should be safe for my family. But don't abuse me and make me feel guilty by saying if I don't wash, I'm taking the lead to my family, I'm putting my family at risk. Actually, you are the one who's putting the family at risk by not providing the necessary means for me to wash off.

¹⁵ <https://www.osha.gov/sites/default/files/publications/OSHA3680.pdf?>