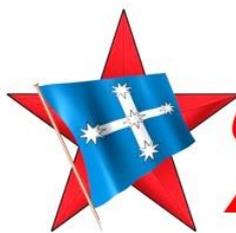


*Oppose the exploitation of  
Africa's people and resources  
by Australian capitalists!*



***Communist Party of  
Australia (Marxist-Leninist)***  
*For an Independent and Socialist Australia*

## **Oppose the exploitation of Africa's people and resources by Australian capitalists!**

Nick G.

**Australian-owned and Australian-based mining companies have been at the forefront of the imperialist exploitation of African resources and labour for decades.**

In 2015, two US non-profit media organisations, the Centre for Public Integrity and the International Consortium of Investigative Journalists, released a stunning report, *Fatal Extraction*<sup>1</sup>, on Australian mining companies working in Africa. The online report features videos of African victims of Australian companies telling their harrowing tales of exploitation and murder.

According to the *Fatal Extraction* report:

Australian companies have led the charge into Africa.

Australian-listed companies are more numerous than those from other mining giants, including Canada, the United Kingdom and China, and often the first foreign player on the ground.

MPs, lawyers and NGOs accuse some Australian-listed companies of taking advantage of regulatory and compliance monitoring weaknesses, and of the huge disparity in power between themselves and affected communities.

We uncovered numerous legal complaints alleging a disregard for cultural and religious traditions, forced displacement, environmental degradation, pollution, and tax avoidance.

The capitalist press in Australia generally under-reports or mis-reports the activities of Australian mining companies and the controversies in which they are embroiled in Africa. The mis-reporting includes glowing assessments by both Labor and Liberal politicians who have never tried to hold these companies to legal account.

As Kevin Rudd's Minister for Trade, former President of the Australian Council of Trade Unions, Simon Crean, told a mining conference in Africa in 2010:

Australia is an example of how resource development used wisely can deliver wealth for the entire nation. Australian companies are committed to Africa for the long term. Australian companies take seriously their corporate responsibility when it comes to doing business in Africa.

It is a pity that Crean didn't take seriously his political responsibility to apologise to the families of the 100 people killed by Democratic Republic of the Congo troops acting for the Australian company Anvil Mining in 2004. They were massacred by troops using Anvil vehicles and equipment and accommodated in Anvil housing.

There has never been any successful action taken against Anvil in Australia. The Australian Federal Police began a prosecution but dropped it. Belatedly, in June 2017, the African Commission on Human and Peoples' Rights on behalf of eight of the victims found the DRC Government responsible for the Kilwa massacre and demanded that victims be awarded \$2.5 million as compensation.

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<sup>1</sup> [FATAL EXTRACTION \(icij.org\)](https://www.icij.org/fatal-extraction)



It also called on the government to "prosecute and punish"<sup>2</sup> Anvil Mining staff who helped the army.

The Kilwa massacre was given an airing on ABC's Four Corners in 2005, and is the first chapter in Matthew Benns' 2011 book *Dirty Money: The true cost of Australia's mineral boom*, yet very few people would recall it. Even fewer know of the full extent of Australian mining company activities in Africa and of other incidents that

have been reported.

## Hundreds of companies involved

In June 2018, a Senate Committee<sup>3</sup> on Australia's trade and investment relationships with the countries of Africa noted that "at least 170 Australian Stock Exchange-listed mining and other resource companies are operating in some 35 African countries, with the scale of exploration, extraction and processing involving current and potential investment estimated to be worth more than \$40 billion."

It is beyond the scope of our article to examine all of these companies, but we will look at some that have been embroiled in controversy and find, among other things, that Australian-owned and Australian-based are not necessarily the same thing. Just because a company is listed on the ASX doesn't make it Australian in anyway at all. A good example is AngloGold Ashanti. It's on about 6 or 7 stock markets around the world but is not an Australian company in the least.

The year after Crean eulogised the corporate responsibility of Australian miners in Africa, an Australian fossil fuel company, Resgen<sup>4</sup>, promised residents of a small South African community, Vangpan, a school, water and industry, in return for a mine, Boikarabelo, that would eventually produce 6.4 billion tonnes of coal. (That is three times the size of Adani's proposed coal mine in Queensland.)

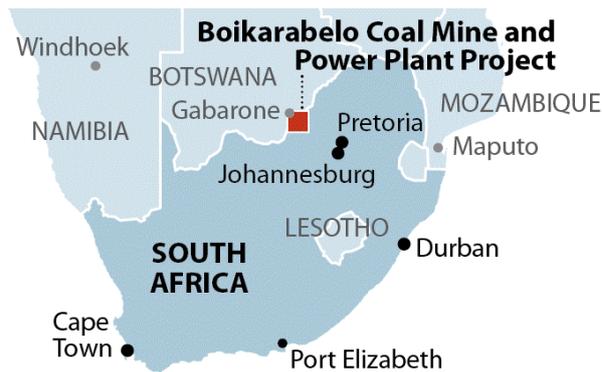


<sup>2</sup> [Anvil Mining lawsuit \(re complicity in Dem. Rep. of Congo, filed with the African Commission on Human and Peoples' Rights\) - Business & Human Rights Resource Centre \(business-humanrights.org\)](#)

<sup>3</sup> [Report – Parliament of Australia \(aph.gov.au\)](#)

<sup>4</sup> [The Australian companies mining \\$40 billion out of Africa \(smh.com.au\)](#)

However, the promises remain to be fulfilled. Residents have complained that the company has cut off access to the cemetery and to water supplies because they want the land for the mine.



When then Foreign Minister Julie Bishop spoke at the *Africa Down Under* conference in Perth in 2017, the largest African mining-focused event outside the African continent, support groups sent Vangpan resident Francina Nkosi to try to meet the minister. Like Crean before her, Bishop ignored the problems and spoke only motherhood platitudes about how great Australian mining was for Africa.

"The Australian Government encourages the people of Africa to see us as an open-cut mine for lessons-learned, for skills, for innovation and, I would like to think, inspiration," she said.

During Malcolm Turnbull's prime ministership, the government's export finance agency, Efic, was directed to provide funding for the Resgen mine. Nkosi wrote to Efic<sup>5</sup> opposing the funding.

Late in 2018, Efic dropped Resgen, much to the delight of the mine's opponents. Contributing to its decision were financial analyses indicating that there was no future in thermal coal. The Institute for Energy Economics and Financial Analysis had been blunt in April 2018, warning that<sup>6</sup> "Rather than investing in this project, potential funders that are in talks with ResGen would do well to walk away and add Boikarabelo to the growing global list of stranded coal assets."

Not to be deterred, Resgen is pushing ahead with its plans to increase global warming. In April 2020, it succeeded in getting shareholder approval for increased funding, despite Francina\_Nkosi addressing them online<sup>7</sup> about the company's broken promises and continuing problems with her community.

And in a further funding update, it announced on April 16, 2021, that it "had reached agreement with Noble Resources International Pte Ltd (Noble) to provide up to an additional US\$0.993m in working capital." (Noble Resources is its second largest shareholder).

So, the fight against Resgen continues.

## Dirty gold

Quite a few of the Australian miners in Africa are searching for gold. It is one of the minerals where new technologies and mining practices make the reworking of abandoned mines profitable. But it comes at a cost to communities living close to the mines.

Modern industrial gold mining destroys landscapes and creates huge amounts of toxic waste. Due to the use of dirty practices such as open pit mining and cyanide heap leaching, mining companies generate about 20 tons of toxic waste for every 0.333-ounce gold ring. The waste, usually a gray liquid sludge, is laden with deadly cyanide and toxic heavy metals.

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<sup>5</sup> [Letter-from-Francina-Nkosi-1.pdf \(actionaid.org.au\)](#)

<sup>6</sup> [IEEFA South Africa: A New Coal Project Meant to Serve Export Markets Is Unlikely to Achieve Lasting Success - Institute for Energy Economics & Financial Analysis](#)

<sup>7</sup> [Support our campaign to hold Resgen to account — ActionAid Australia](#)

Many gold mines dump their toxic waste directly into natural water bodies... Companies mining for gold and other metals in total dump at least 180 million tons of toxic waste into rivers, lakes, and oceans each year—more than 1.5 times the waste that U.S. cities send to landfills on a yearly basis.<sup>8</sup>

Theta Gold Mines Ltd, formerly Stonewall Resources Limited, is an Australia-based gold mining company. It plans to rework one of South Africa's oldest and biggest underground gold mines as an open-cut operation spanning two mining rights that are owned and operated by Theta Gold's South African-based subsidiary, Transvaal Gold Mining Estates.

It is yet to begin operating, but is keenly aware of the objections likely to be raised by environmentalists, saying that it “plans to make Theta Hill something of a flagship regarding its minimal environmental impact. Using a technique called contour haul-back, often used by the coal industry for mining shallow thin seams, Theta Gold Mines will be able to reduce earth works and leave the natural contours of the hill intact.” The company also says that it provides funding for three teachers and admin staff, as well as teaching materials at a local school.<sup>9</sup>

It also says that it will “eventually begin partially back-filling the Theta Hill and Iota pits with waste as a means to reduce its environmental footprint.”<sup>10</sup>

It remains to be seen what environmental problems will arise at the mine.

## **Australian company creates problems in Eritrea**

Danakili, a Perth-based firm, (formerly South Boulder Mines), has partnered with the Eritrean National Mining Company since 2013 to develop a massive potassium-bearing salts deposit in the Danakili Depression, around 350km from the country's capital, Asmara.

In 2014, Asmarino Independent Media reported that a road from the proposed mine site to the coast “is being fortified and rebuilt using the forced labour of underfed and overworked Eritreans in terrible living and working conditions.” It stated that “While the joint ventures are longing to profit from the potash deposit in Eritrea, Eritreans in Eritrea are living in hell, and 4,000 of them are leaving Eritrea per month due to oppression and serious human rights violations by the Eritrean government.”<sup>11</sup>

In 2015, a rebel group based in the Sudan, The Red Sea Afar Democratic Organisation (RSADO), accused the company of colluding with the oppressive Eritrean regime to cause environmental damage to their homeland. The group claimed the project was “forcibly removing the indigenous Afar community in Eritrea from their homeland and caused a devastating impact because their economic, social and cultural survival is deeply linked to their traditional land.”<sup>12</sup>

In 2018, another Afari organisation claimed genocide was the result of the Eritrean's deals with multinational companies including Danakili:

In Dankalia, the traditional Afar homeland, Eritrea has begun the systematic destruction of the indigenous people and deployed a strategy to expropriate the potential wealth of the

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<sup>8</sup> [Environmental Impacts of Gold Mining | Brilliant Earth](#)

<sup>9</sup> [Theta Gold Mines | Company Profiles | Africa Outlook Magazine](#)

<sup>10</sup> [Theta Gold Mines: Reawakening a gold giant in South Africa \(miningreview.com\)](#)

<sup>11</sup> [Eritrean rebels warn Australian mining firm against gold exploration - Sudan Tribune: Plural news and views on Sudan](#)

<sup>12</sup> [Eritrean rebels warn Australian mining firm against gold exploration - Sudan Tribune: Plural news and views on Sudan](#)

region. In any other part of the world, this is called genocide. The UN has recognized the mass graves and the mass exploitation of the Afar people, though these crimes are not limited to the Afar, the indigenous minorities such as the Afar and Kunama have suffered much of the aggression.<sup>13</sup>

Despite these accusations, project development commenced in early 2020 following the receipt of the majority of required financing. Project management activities are underway, and the company expects to begin production in 2022. Nevertheless, *Eritrea Hub* says:

But the mine raises many questions:

- Have the local Afar people been displaced and supplies to their communities cut to allow access to the site?
- The deposit stretches across the border into Ethiopia. Has access to the Ethiopian side of the deposit been guaranteed?
- Are the rights of those working on the site ensured, or will they be “slaves” forced to work on the mine as National Service conscripts? According to the article below the mine will require 1,115 workers during the construction phase and 600 thereafter.<sup>14</sup>

## Mineral Commodities and murder

In 2002, Perth-based company Mineral Commodities (MRC) discovered rare earths in sands along South Africa’s Transkei Wild Coast. The minerals included titanium, ilmenite, rutile, and zircon. The Australian company established a South African subsidiary, Transworld, to operate this mine.<sup>15</sup>

However, the small local community of traditional land owners claimed that the land wanted by Mineral Commodities for the mine was ancestral land, and that the company was refusing to consult or negotiate, particularly over mitigation of environmental impacts. They were worried that the titanium mine would displace the community and destroy their environment, traditions, and livelihoods.

In 2005, the community formed the Amadiba Crisis Committee (ACC) to oppose the mine. For over a decade they successfully obstructed the mine from starting. But there was a cost.

In May 2015, during a dispute over land access, a director of Transworld produced a gun and fired a “warning shot” at community members. Six associates of the mine were placed under court orders following the incident.

On March 22 2016, Sikhosiphi “Bazooka” Rhadebe (below), Chairman of the ACC, was gunned down at home by assassins posing as police.<sup>16</sup>

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<sup>13</sup> [Articles – Eritrean Afar National Congress \(dankalia.org\)](#)

<sup>14</sup> [Eritrea's potash mining takes shape but questions remain - Eritrea Hub](#)

<sup>15</sup> [Pondoland Wild Coast Xolobeni mining threat, South Africa | EJAtlas](#)

<sup>16</sup> [Australian mining company denies role in murder of South African activist | Environmental activism | The Guardian](#)



Less than two hours before his death, Rhadebe called fellow committee member Nonhle Mbuthuma (below) to check on her safety, telling her there was a “hit list” that included both of them and fellow activist Mzamo Dlamini.



He was then arrested at home by two people wearing police uniforms who had arrived in a vehicle with a flashing blue light. The police have denied that they were serving officers. The assassins marched “Bazooka” out of his house and then shot him eight times in the head in front of his wife and son. Nonhle fled her home and went into hiding.

In the wake of the assassination, Mzamo Dlamini vowed to continue organising resistance to a project that campaigners said would force the relocation of an estimated 100 households and up to 1,000 people.

“The assassination affects us all,” he said. “There will be more Bazookas long after we have died.”

Mineral Commodities' executive chairman Mark Caruso said the company was "in no way implicated in any form whatsoever in this incident".

However, it was an obvious beneficiary of the murder which happened in broad daylight by people who had access to police equipment and who appear to have been well-protected since no arrests were made.

Xolobeni was not Mineral Commodities' only South African project. In 2014, it began operations at its Tormin heavy metals mine on the coast at Lutzville on the West Coast. Again, it created a South

African subsidiary, Mineral Sand Resources, to operate the mine. In its first year of operation, it made a \$12.5 million profit.

The Tormin mine was immediately controversial for flouting environmental protections designed to protect the coastal environment. During 2015-16, serious coastal cliff collapses (below) occurred in front of the mine. Environmentalists claimed Tormin was taking more sands than it was entitled to, and allowing run-off from its dam to undermine the cliffs.



In the month following Bazooka's murder, four Tormin employees faced court over assault and intimidation charges at Xolobeni. Tormin and Xolobeni are on opposite coasts of the continent. The company must have facilitated their travel, and again, was an obvious beneficiary of their thuggery.



With the ACC refusing to buckle under, Mineral Commodities announced in July 2016 its withdrawal from Xolobeni. But it was just buying time and trying to defuse the volatile atmosphere at the mine.

In September 2016, the Tormin mine was raided by the South African Department of the Environment to investigate activists' claims that it had ignored its environmental legal requirements. Mineral Commodities responded in October with a counter-suit against the Department, followed in

2017 by court action against three environmental lawyers, two community activists and a social worker. It is not uncommon for mining companies to intimidate activists through the court system by asking for cost penalties, using court interdicts to prevent protests, and filing strategic litigation against public participation (SLAPP) suits against nongovernmental groups. SLAPP suits seek to censor, intimidate, and silence critics by stifling them with the cost and burden of mounting a legal defence until they abandon their criticism or opposition. Nongovernmental organizations often commit scarce resources to defend themselves in court.

In February 2018, Nonhle Mbuthuma reported continuing death threats, saying “I know I am on the hit list.... If I am dying for the truth, then I am dying for a good cause. I am not turning back.”<sup>17</sup>

She had succeeded Bazooka as Chair of the ACC and was preparing a challenge in the High Court of Pretoria against Mineral Commodities’ mining license. The case began in April 2018, with Xolobeni community members asking the Pretoria High Court to rule that the South African Department of Mineral Resources cannot issue a mining license without the community’s consent. They also argued that the government should respect the rights of the people who have lived on the land for generations, even if they do not have a formal land title.

In September 2018, and prior to the court’s decision, the South African Police Services (SAPS) used tear gas and stun grenades against Xolobeni community members who were participating in a meeting with Gwede Mantashe, the Minister of Mineral Resources and a former official of the National Union of Mineworkers.<sup>18</sup>

On 22 November 2018, the court held that the government was obliged to obtain the free and informed consent of the community according to their customs before granting any mining rights.<sup>19</sup> Despite the court decision and continued community opposition, Mineral Commodities Ltd continues its efforts to mine in the area and community activists are still receiving threats and experiencing harassment.

The court’s decision led to another death threat against Nonhle Mbuthuma. In a media interview in December 2018, she said that although she had thought the threats against her and others opposing the mine would decrease after the court ruling, the situation has not improved. “I am continuously getting calls from people saying that hit men are coming to get me, and as a result I am forced to sleep in different houses every night. I also leave my cell phone turned off for long periods so my whereabouts cannot be tracked,” she said.

In January, Minister Mantashe arrived in Xolobeni for a meeting with the ACC<sup>20</sup>. He was backed up by 100 police, some on horses. The meeting again turned violent. Police used stun grenades and beat people up.<sup>21</sup>

In February 2019, Minister Mantashe announced that the government would appeal the Pretoria decision.<sup>22</sup>

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<sup>17</sup> [Environment of Fear in South Africa’s Mining-Affected Communities | HRW](#)

<sup>18</sup> [Mantashe meets with Xolobeni anti-mining activists | News24](#)

<sup>19</sup> [Baleni and Others v Minister of Mineral Resources and Others \(73768/2016\) \[2018\] ZAGPPHC 829; \[2019\] 1 All SA 358 \(GP\); 2019 \(2\) SA 453 \(GP\) \(22 November 2018\) \(saflii.org\)](#)

<sup>20</sup> [Gwede Mantashe Invades Xolobeni - The Daily Vox](#)

<sup>21</sup> [Stun grenades and flying chairs: Chaos breaks out at Mantashe's Xolobeni mining meeting | News24](#)

<sup>22</sup> [Mantashe: Government appealing Xolobeni ruling to prevent 'chaos' in mine licensing | Fin24 \(news24.com\)](#)

“Why we are appealing the ruling on Xolobeni,” he said, “is that if you ask for full community approval, you transfer the authority of licensing from the state to the community. If you do that you create a chaotic situation.” Apparently being a class traitor and working for a multinational corporation against South African communities does not create chaos!



In early February, Mantashe visited Mineral Commodities’ other mine, Tormin, at Lutzville. In the company of CEO Mark Caruso (above, in snake-skin boots), he listened to a long list of grievances, including from Lutzville activist Davine Cloete, one of seven people facing an alleged SLAPP suit (“strategic lawsuit against public participation” designed to stifle and harass critics) brought by the company.<sup>23</sup>

Gary Klaase, who says he is a pastor from Koekenaap, said MSR’s promises of significant employment had not materialised and that workers who had taken part in a peaceful protest in 2015 had been “locked up”.

“Minister, if you want to do something today, chase these people [Mineral Sands] away. We don’t want them here.”

A man wearing Economic Freedom Fighters<sup>24</sup> colours put it more bluntly. “If I was leader of this region, I would tell the leadership and management of Mineral Sands they must fuck off! It sounds like they are coming to South Africa to exploit our people.” (Mineral Sands is the subsidiary company of Mineral Commodities at the Tormin mine).

Responding to complaints about Tormin workers not being allowed to unionise, Mantashe said this was a constitutional right of all South Africans – “You don’t need anyone’s permission to form and join a union.”

This prompted more interjections: “Do you hear, Mr Caruso?” and “Ask Mr Caruso, Minister!”

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<sup>23</sup> [“Wake up and smell the coffee!” Mantashe tells Australian mining company | GroundUp](#)

<sup>24</sup> [Home Main - EFF \(effonline.org\)](#)

Caruso is a real piece of work. Back in Australia for Mineral Commodities's AGM on May 30, 2019, Caruso shouted down a South African proxy shareholder who raised questions about the company. It is worth quoting this exchange in full:

"The assassination of Sikhosiphi 'Bazooka' Radebe (22nd March 2016) has caused further upheaval and concern within the Amadiba community. What assistance has MRC afforded the South African police to promote resolution of the murder and to ensure calming of the social turbulence within the community?" a proxy holder asked at the MRC annual general meeting (AGM) on 30 May 2019.

"We've dealt on corruption in the South African police force, we've dealt on an alleged murder, what else have we dealt on.....so I'm here in Australia and you're telling me I should be responsible for corruption in the South African police force?" replied MRC chairman Mark Caruso.

"I don't intend to debate about matters before criminal investigation other than to say this – the vitriol that has pervaded against my company, this company, and myself personally is shameful," remarked Caruso. "How would you feel... if your children or grandchildren were reading about their father or grandfather being accused of murdering someone without any evidence. So that's all I have to say."

When the shareholder tried to ask another question, Caruso, instead of speaking about company matters, questioned the shareholder's motivations.

"Do you fly over from South Africa to come to this meeting?" he asked.

"No," responded the proxy.

"Are you an Australian citizen?" Caruso asked.

"Not yet," said the proxy.

"Excellent, very good. So you have moved from South Africa to Australia. How long have you been here?" asked Caruso.

"Seven years."

"Why did you leave your country? I'm not going to bore shareholders with this discussion but it would appear to me that you abandoned your country. That you see it fit for you to come and buy 500 shares and potentially agitate..." pushed Caruso.

"When you go in the morning when you brush your teeth and flush the toilet, you create an environmental impact. Environmental impacts need to be managed. That's why you have legislation to deal with that."

"All miners are not perfect. All miners are doing the best they can under difficult political and operating backdrop. Not just in South Africa but around the world," Caruso said.<sup>25</sup>

Back in South Africa, Mineral Sands was defending plans for a major expansion of Tormin from environmentalists and local communities. According to critics, if this expanded mining goes ahead, a huge section of the West Coast consisting of some 120km between the Olifants River estuary in the

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<sup>25</sup> [Mineral Commodities Ltd chairman accuses a South African proxy holder of abandoning his country at AGM - Market Forces](#)

south and Hondeklipbaai in the north will be effectively off limits to the public and many of its beaches will be mined, without full new and updated environmental and social impact assessments.

On 11 September 2019, Mineral Sands announced it would start the expansion, and on the 21<sup>st</sup>, opponents lodged their legal objections. Most of these were rejected by Environment Minister Barbara Creecy on March 26, 2020.

Caruso looked like he was on a winner: the Tormin expansion could proceed and his SLAPP defamation cases, in which he was claiming R14.25 million, was still going ahead.

However, West Australian police began investigating trespass, burglary and assault charges against Caruso following an incident at his home in May 2020. They laid formal charges in October and Caruso, whilst protesting his innocence, announced that he was temporarily stepping down as an executive director and chairman of Mineral Commodities. However, he said he would retain his position as CEO.<sup>26</sup>

While Caruso was having charges against him heard in Mandurah WA in October and November, Xolobeni activist Nonhle Mbuthuma was again being targeted with death threats.

On 15 November, a threat was made via text message which listed Mbuthuma among other anti-mining activists from the area who have either been killed or died, and made a number of open threats of murder against her.

“You are next,” read the message, before placing Mbuthuma on what looked like a hit list: “1. bazooka 2. sbu 3. nonhle.” The “sbu” in between Radebe and Mbuthuma was likely a reference to Sibusiso Mqadi, the ACC chairperson who died in Durban’s Albert Luthuli Hospital on 8 November after experiencing severe inflammation of his abdominal cavity. Activists believe he was poisoned.

“I’m very stressed, I don’t understand why I have been harassed,” said Mbuthuma. “I thought that I will manage the death of S’bu [Mqadi], but this changes my mood completely. It makes me furious and angry. What makes me angry is the cowardice of people. If [the sender of the text message] can show up to show they are not a coward. If the mining is a good thing, why can’t you speak up?”<sup>27</sup>

Comrade Sibusiso Mqadi (below with Nonhle Mbuthuma) had known his life was in danger<sup>28</sup>, but spoke out courageously against the mine. “We were faced with the choice between money and the soil,” he said. “Our people chose the land. The money will come and go but the land is forever. We



say No to being bought by money. That is where the right to say no was started. Not yesterday, but many years ago – in the defense of our land and our way of life.”

On February 9, 2021, in a setback for Caruso, Western Cape Deputy Judge President Patricia Goliath has ruled that the defamation action brought by Australian mining interests against six South Africans constituted a SLAPP suit. She said corporations should not be allowed to

<sup>26</sup> [Mineral Commodities Ltd chairman accuses a South African proxy holder of abandoning his country at AGM - Market Forces](#)

<sup>27</sup> [Xolobeni anti-mining activist Nonhle Mbuthuma receives death threat \(ewn.co.za\)](#)

<sup>28</sup> [Assassinated anti-mining activist knew his life was in danger | GroundUp](#)

“weaponise our legal system” against ordinary citizens and activists in order to intimidate and silence them. She said the aim of a SLAPP suit was “essentially to silence those challenging powerful corporates on issues of public concern”.<sup>29</sup>



It would appear that Caruso did not handle the dismissal of his defamation case very well. He was arrested by WA police in February for drunk driving and was found guilty of the charge on April 1, 2021. The Mineral Commodities board, which had expressed confidence in him when he stepped down as executive director, and possibly anticipating his conviction, had sacked him as CEO on March 25, citing “a breakdown in the relationship between the Board and Mr Caruso, following commencement of enquiries into a potential related party matter”, but it gave no further details.<sup>30</sup>

He is due back in court in June 2021 on the assault charges.

## **Sundance Resources**

Sundance Resources is another Perth-based mining company. It has two main African projects, iron ore leases spanning Cameroon and the neighbouring Republic of Congo.

In July 2006, Sundance entered into corrupt dealings with Congolese President Denis Sassou Nguesso and his son. They would continue through to 2008.<sup>31</sup>

Sundance sought the son’s cooperation in persuading the President to grant them a mining lease. Offers of a substantial stake in the company - a bribe – were made to the son, and through the son to the father, who remains the President of the Congo to this day. It was later revealed that a similar bribe was given to the Congo's Mines and Geology Minister, Pierre Oba.<sup>32</sup>

The allegations were serious enough to involve the Australian Federal Police.

Among those over whom there was a question mark was Ken Talbot, who had been principal shareholder and former CEO of the Macarthur Coal Ltd mining company.

On 19 January 2007, the Queensland Crime and Misconduct Commission charged Talbot with corruptly making payments totalling close to \$360,000 to Queensland Minister Gordon Nuttall.

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<sup>29</sup> [SLAPP in the face for Australian mining company | GroundUp](#)

<sup>30</sup> [Maverick Insider \(dailymaverick.co.za\)](#)

<sup>31</sup> [Not-so risky business in Congo as Australians embroiled in offshore bribe claims \(smh.com.au\)](#)

<sup>32</sup> [Australian miner Sundance Resources faces fresh bribery allegations in Congo \(smh.com.au\)](#)

Talbot resigned, temporarily, from his position with Macarthur Coal and his Talbot Group company became, at the same time, in 2007, the biggest investor in Sundance Resources.

In July 2009, Nuttall was found guilty of corruptly receiving bribes over three years from Talbot and prominent Queensland businessman Harold Shand.

Talbot was due to face court in Brisbane on 30 August 2010 on 35 charges relating to corruption.

The Sundance Board was so enamoured of its prospects in the Congo that it decided that all members would visit the operation. However, they all boarded the same small plane that crashed, on 19 June, six weeks before Talbot's scheduled court appearance, killing all aboard.

Strictly speaking, if there are no surviving board members, then there is no-one to appoint new members to a new board. However, ASIC, the corporate regulator, approved the co-option of a former chairman to co-opt other members to a new board, and on March 21, 2011 it was announced that all of the shares in the company previously owned by Talbot's estate had been transferred to Hanlong Mining. There will be more about Hanlong ("Chinese dragon") later.

On 30 November 2020, the Congolese government surprised Sundance by reneging on the deal struck by bribery, and revoked its mining permit. The Congolese government referred to Sundance's "prolonged insufficiency of exploitation manifestly contrary to the potential of the deposit' and a failure in paying royalties." The company announced on December 22 that it would seek compensation of \$8.76bn, and on March 25, 2021 referred dispute to arbitration in London under the rules of the International Chamber of Commerce<sup>33</sup>. The Sundance lease was subsequently transferred to Chinese company Sangha Mining Development, which is registered in the Congolese capital and therefore referred to in the media as a Congolese company. It is brand new, and has no previous mining experience.

Continuing an established theme, the Congolese Mines Minister Pierre Oba, (a cousin of the President), who was accused in 2016 of having accepted millions of dollars' worth of Sundance shares as a bribe from the company between 2008 and 2012, is a shareholder in Sangha and a beneficiary of the decision to award it Sundance's mining permit.

## **Why have Australian mining companies gone to Africa?**

We have only looked at a small number of Australian mining companies and their track record in Africa. These are companies that have found the extractive resources industries in Australia to have been over-exploited and largely monopolised. As smaller companies ("juniors" or "minors"), with highly skilled exploration, engineering and production staff, they have been attracted to Africa with its undeveloped greenfields potential, its lax regulatory environment, its cheap, expendable labour, its corrupt political and state apparatuses and its lower capital costs.

Before we jump on the bandwagon that seeks to label Australia as an imperialist country, further investigation of the financial circumstances of some of these companies is warranted. Let's go back to Anvil, the company complicit in the Kilwa massacre.

Anvil was founded in 2002 and began operating in the Democratic Republic of the Congo the same year. Its headquarters are in Toronto, Canada. As of February 2011, the company had issued just over 147 million shares. Although companies issuing shares may have hundreds of shareholders, it is

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<sup>33</sup> [Sundance seeks \\$8.76bn in damages from Congo for revoking Nabeba iron ore project \(mining-technology.com\)](https://www.mining-technology.com/news/sundance-seeks-8.76bn-in-damages-from-congo-for-revoking-nabeba-iron-ore-project/)

really only the largest four or five that count in terms of requiring the company directors to prioritise their interests.

The largest shareholder in Anvil in 2011 was Trafigura Beheer, with 38% of the shares. Trafigura is a Singaporean multinational commodity trading company founded in 1993 that trades in base metals and energy. It has been named or involved in several scandals, particularly the 2006 Ivory Coast toxic waste dump, which left up to 100,000 people with skin rashes, headaches and respiratory problems. The company was also involved in the Iraq Oil-for-Food Scandal.<sup>34</sup>

Anvil's second largest shareholder that year was CDS and Co., the Canadian Depository for Securities, with 31.5% of shares. After the fifth largest shareholder, Colonial First State Investments Limited with 6.44% of shares, none of the remaining top twenty shareholders has more than 1% of Anvil's shares. It is a typical shareholding structure with a couple of large fish in a sea of plankton.

In September 2011, another large fish moved in. This was Minmetals Resources, a unit of the state-owned China Minmetals Group. The Chinese company offered \$1.28 billion for what was described as a "friendly" takeover. By March 2012, Minmetals completed its takeover, and Anvil became an indirect wholly-owned subsidiary of the Chinese.<sup>35</sup>

## Back to Resgen

Resgen is still pursuing its Biokarabelo mine in South Africa. Its major shareholder, with 14% of the shares, is the Government Employees Investment Fund, a wholly-owned South African government company. The second largest shareholder, with just under 14% of the shares, is Noble Resources International Pte Ltd, a commodity trader based in Hong Kong. In 2009, China's sovereign wealth fund, China Investment Corp (CIC), took a 14.9% stake (573 million shares) in the company, although it reduced that to less than 10% in 2014, perhaps anticipating an accounting fraud controversy which started in 2015 and eventually necessitated a debt restructuring.

Summarising the investment profile and controlling interests in Resgen, Rod Campbell, writing in 2018 for the Michael West Media website, accurately described it as "nominally 'Australian'. It's listed on the Australian stock exchange but is controlled and largely owned by South African and Hong Kong interests, its CEO is South African, its headquarters are in South Africa, its board is mainly South African and its Australian office has a South African phone number."<sup>36</sup>

## Theta: Australian-based, but....

By the time Stonewall Resource Ltd changed its name to mirror the mine it proposed to operate in the Transvaal, Theta, it had already attracted a significant amount of Chinese investment. Its existing major shareholder Fineway Creation Ltd, was a company incorporated in 2010 in Hong Kong as a private company limited by shares entity.<sup>37</sup>

As Theta, its largest shareholder remains Fineway with 14.62% of shares. Coinciding with the name change, Fineway announced a new investor, HK-based Chinese billionaire Zhu Minliang, through his investment company Zenith (HK) Holding Ltd. "The company welcomes Mr Zhu (Zenith)," it said, "a self-made billionaire with global interests (China, Hong Kong, North America, Asia-Pacific) onto our

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<sup>34</sup> [Trafigura - Wikipedia](#)

<sup>35</sup> [MMG Limited | Minmetals Resources Limited completes compulsory acquisition of remaining common shares of Anvil Mining Limited](#)

<sup>36</sup> [Believe it or not, there's a limit to the Government's love of coal - Michael West](#)

<sup>37</sup> [FINEWAY CREATION LIMITED \(1447328\) - Hong Kong Business Directory \(hkgbusiness.com\)](#)

share register. His entities have significant interests in two of the twelve non-state owned commercial banks in China, and with operations in property development, construction, renewable energy and in the last five years, in base metal and gold/silver mines.” Zhu’s Zenith is the second-largest shareholder with 10.16% of shares.<sup>38</sup>

In third place is another Chinese capitalist, Li Xinzhou, with a 9.63% stake. Li Xinzhou is the chairman of China Pioneer Pharma Holdings, a pharmaceuticals supplier.

From their website we learn that Li graduated with a diploma in English in 1981, after which he taught at an oilfield high school for three years, then worked as an interpreter for a Chinese offshore oilfields company for four years. He then worked for the Japanese Sumitomo Corporation’s Hainan Island branch and extended his business and political connections as vice-Chairman of the Hainan Chamber of Commerce and vice-President of the Hainan Committee of the Chinese People’s Political Consultative Committee. He is now Executive Chairman of the Board of China Pioneer Pharma Holdings Ltd. and an adviser to the board of directors of US company NovaBay, a company in which Pioneer Pharma held approximately 14.7% equity interest. In 2014, he became the chairman of the board of Covex, a Spanish pharmaceuticals company and now a non-wholly-owned subsidiary of his Pioneer Pharma.

Included in the top twenty shareholder listing of Theta are a number of other Chinese investors and companies.

It is all very well to say of Theta that it is “Australian-based”, but that simply obscures the reality of it being a modern-day Trojan Horse for Chinese capital.

## **Danakali**

The company began as South Boulder Mines before renaming itself after the location of its Eritrean potash mine. As South Boulder, a substantial shareholder was Well Efficient, a Hong Kong-based investment company. In 2015, Well Efficient increased its interest in the company from 6.69% to 12.44%, making it the largest shareholder, and then to 13.3% in 2018. In 2019, Danakali raised capital from two leading African Development Finance Institutions, Afreximbank and Africa Finance Corporation (AFC) in a share offering, and the African institutions became the major shareholder.

Other major shareholders were nominee companies of major international banks such as Citicorp (US), J P Morgan (US), HSBC (Hong Kong based but with significant British capital), and the French BNP Paribas. These giants of international banking feature in the lists of top twenty shareholders of a huge number of Australian companies, but it is almost impossible to determine on whose behalf they are acting. Indeed, for international investors this anonymity is one of the advantages of working through a nominee company. The other is that the nominee company does all of the paperwork in whatever country it is operating, freeing the investor of red tape.

Danakali continues to look to Hong Kong and China for capital, appointing Ms Zhang Jing as a non-executive director of the company.

Ms Zhang held investment and project managerial roles in public listed companies in China.

Seamus Cornelius, chairman, commented: “We welcome Zhang Jing to the Danakali board and believe Danakali will greatly benefit from her international experiences and relationships in Hong

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<sup>38</sup> [Microsoft Word - 181112 - \\$6m Placement Final \(asx.com.au\)](#)

Kong and China as Danakali progress to secure funding and off-take agreements for the Colluli project.”

## Mineral Commodities

In its 3 April 2020 list of top twenty shareholders, Mineral Commodities has in top place AU (Australia United) Mining Ltd, with just over 27% of shares. In second and third place are HSBC Custody Nominees and Citicorp Nominees with just over 18% and nearly 15% respectively. Fourth and fifth place are both occupied by Zurich Bay Holdings Pty Ltd with a combined total of 18%.

Mark Caruso may well have stood down as an executive director and then been sacked as CEO, but he still has a finger in the company pie as a key principal of Zurich Bay Holdings. A key principal acts as a guarantor against the possible indebtedness of a company. The confidentiality of holding companies, like nominee companies, means that we don't know the exact extent of Caruso's shares in Zurich Bay, but they must be assumed to be substantial.

Again, we don't know the profile of the investors behind the HSBC and Citicorp nominee companies.

This leaves number one shareholder AU Mining. The top five shareholders in AU Mining (the largest shareholder in Mineral Commodities) are:

- WY International (Australia) Pty Ltd with 30.57%
- Zhang Jianbing with 15.06%
- WY Australia Investment Pty Ltd with 13.57%
- Wang Xiaojing with 13.38%
- Chao Ma with 3.62%

WY Australia Investment Pty. Ltd. is controlled by Mr Wang Xiaojing, the director of the company.

So, who is Wang Xiaojing?

The Chairman of Australia United Mining, is the founder of Guangxi Orient Foundation Industrial Park Development (the company is principally engaged in industrial park planning, production and marketing of nonferrous metals, marble and calcium carbonate) and the CEO of Gansu Zhongyuan Huaxia Energy Investment (the company is principally engaged in the mining and operation of gold and copper).

Wang Xiaojing holds a Diploma of Business Management and has extensive commercial and corporate experience, including the management of the Oriental Foundation International Automobile City, one of the projects approved by the Beijing Chaoyang District government. Its total investment exceeds 2 billion RMB (353 million AUD), and includes 18 automobile stores.

Wang also has extensive energy and resources experience, and holds interests in Zhouqu Chinese Electric Power Corporation, a hydroelectric power station producing 51,000 kilowatts of power and Gansu Zhongyuan Chinese Energy Source Investment Corporation, as well as interests in the Beisha Hongshan Mining Area and the Hougou Mining District.<sup>39</sup>

Wang's spouse, Yu Jia, an Executive Officer with the Oriental Foundation Investment Group, was appointed a non-executive director of AU Mining on 2 May 2012.

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<sup>39</sup> [点击查看执行主席最近活动](#)

Also appointed to a non-executive directorship 8 July 2020 was Mr Wang Tao whose connections with Wang Xiaojing are through his position as General Manager of Gansu Zhongyun Huaxia Energy Investment Limited Company.

In addition to its controlling interests in Mineral Commodities, AU Mining has tenure over four projects in New South Wales and Queensland, including gold and copper.

## Sundance Resources

We have previously referred to the transfer in 2011, following his death in the plane crash, of all of Ken Talbot's shares in Sundance resources to China's Hanlong Mining. In February 2013, Hanlong obtained 5,000,000 convertible notes issued by Sundance. (A convertible note is issued in return for funding and is a debt instrument; however, it can be converted into shares, and hence equity, usually when a pre-arranged trigger occurs.)

In April 2013 an attempt by Hanlong to acquire 100 per cent of Sundance fell through when Hanlong was unable to meet its funding obligations. This failure may have been related to the arrest of Hanlong founder Liu Han in China on March 2013 on multiple charges.

Who was Liu Han?<sup>40</sup>

Liu Han was a Chinese billionaire businessman, and chairman of the Hanlong Group, with interests in power generation and mining. His assets were officially valued at 40 billion yuan (US\$6.4 billion).

Like many of the capitalists who emerged in China following Deng Xiaoping's abandonment of socialism, Liu Han was of relatively obscure origins. His father, Liu Zhangke, was a veteran of the Korean War, who worked as a secondary school physics teacher after leaving the army. He died in 1990. His mother, Li Wanzhen, worked as a street vendor.

In the mid-1980s, Liu Han began buying and reselling timber, construction material, and petroleum. In the early 1990s, he started to operate gambling dens in Guanghan with his brother Liu Wei. He entered the commodity market in the mid-1990s, trading soy beans and steel between 1994 and 1997, which earned him hundreds of millions of yuan.

He was convicted of murder, running a mafia-style gang, and many other charges, and executed in February 2015. He burst into tears on hearing the verdict (below).<sup>41</sup>



In December 2015, Hanlong acquired 192,307,692 fully paid ordinary shares in Sundance by converting half of its notes from 2013.

In October 2016, fresh allegations had surfaced of corruption by Sundance with the bribery of the Congolese Mining Minister. And in November, there was the prosecution of its managing director, Xiao Hui, over insider trading charges. Extradited from China to

Australia, Xiao had pleaded guilty to 2 "rolled up" charges of insider trading and admitted a 3rd, involving 102 illegal trades in financial products related to Sundance Resources and another

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<sup>40</sup> [Liu Han - Wikipedia](#)

<sup>41</sup> [Tycoon who became gang leader executed - China News - SINA English](#)

Australian explorer Bannerman Resources in July 2011. Xiao was sentenced to 8-years, 3-months imprisonment on insider trading charges, with a non-parole period of 5-years, 6-months.<sup>42</sup>

## Conclusion

Saying that a company is Australian because its headquarters are in Perth or Sydney does not necessarily stand up to scrutiny. The companies we have looked at may or may not be representative of the 170 or so Australian miners operating in Africa. In any case, most are small – “juniors” – and not household name big monopolies. However, the capital they represent, particularly since the finance capitalists smashed down the barriers to the international transfer of their capital, may well be the controlling capital of a nominally Australian company, whether it be hidden in a nominee company or upfront as a shareholder in its own right. After all, Sangha Mining Development is regarded as a Congolese company because it is administratively registered in Pointe-Noire, the country’s capital, even though it is a Chinese-backed and controlled company.

And while the companies that we have selected because of their headline-making controversies in Africa are shown to have connections with Chinese capital, that is not necessarily the case for all Australian mining companies in Africa. For example, seven of the eight top shareholders in Australian company Sandfire, which has two copper mines in Botswana, are international nominee companies holding 76.06% of the shares. There appear to be no direct Chinese financial involvement. Orion Minerals Ltd, an Australian company mining copper and zinc in South Africa, sought loans from two British private equity companies which then transferred the debt into shares, becoming the largest shareholders with a 22.99% stake. Again, there appears to be no direct or controlling Chinese financial interest.

It is also the case that these “juniors” are not what most people think of when Australian mining companies come to mind. The likes of BHP and Rio Tinto are international giants, well-known household names. But even their “Australianness” is open to question. BHP is 73% US-owned and Rio Tinto is about 65% US-owned, but also has significant Chinese investment these days, and is actually much more British than Australian.<sup>43</sup>

Also, the Australian mining sector is somewhat unique in having so many players concentrating on a particular geographic target, the African continent. It is difficult to find a parallel in other sectors of the Australian economy.

In 2017, we published *Australia and Imperialism in the 21<sup>st</sup> Century* which analysed claims that Australia was an imperialist country, and came to the following conclusion:

It is true that some Australian capitalists engage in imperialist activity in their own right, but they do not constitute the majority of the Australia bourgeoisie and their activities are not so representative of that bourgeoisie or so independent of US imperialism as to be able to characterise the Australian state as an independent imperialist entity.<sup>44</sup>

We said that it was more accurate to define Australia as sub-imperialist, characterised by a continuing subordination to, and dependency on, US imperialism on the one hand, and some capacity for autonomous activity at the regional level, on the other.

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<sup>42</sup> [HANLONG MINING: FORMER M/D GET 8-YEARS+ FOR SUNDANCE/BANNERMAN DEALS](#)

<sup>43</sup> [Worried about agents of foreign influence? Just look at who owns Australia's biggest companies | UNSW Newsroom](#)

<sup>44</sup> [Sub+Imp+modified+1.pdf \(cpaml.org\)](#)

Consistent with that characterisation our Program includes the following:

#### 7. Our Revolutionary Strategy

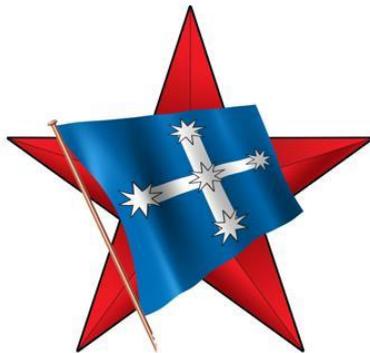
The revolutionary strategy of the Communist Party of Australia (Marxist-Leninist) is the continuing struggle for socialism through anti-imperialist revolution. This strategy in the struggle for socialism is based in the concrete conditions of Australian domination by imperialism. The present struggle to end capitalism and advance to socialism in Australia is the struggle for revolutionary independence from US imperialism, which currently dominates and controls the Australian nation state. This struggle can only be won through the organisation and mobilisation of a powerful anti-imperialist people's movement led by the working class. Through this struggle the foundations for socialism, and the eventual move towards communism, are laid.

Success in this anti-imperialist independence struggle will see the assets of the foreign imperialists and their local collaborators, which constitute the core of Australian capitalism, seized and pressed into service for the benefit of the majority of Australia's working class and the people. The expropriation of these assets imparts a predominately socialist character to this stage, and it can only be achieved under working class leadership exercised through new revolutionary working class organs of state power. This anti-imperialist struggle of Australia's socialist revolution will empower the working people through the establishment and expansion of people's own democratic mass organisations and structures based on participatory democracy.

The deepening of the socialist revolution and its extension to all economic sectors in which private capital operates constitutes the achievement of socialism. Independence and socialism are mutually dependent throughout the continuing revolutionary socialist strategy.

To the extent that this small study identifies Australian capitalists in the exploitation of Africa's peoples and resources, our proletarian internationalist task is to expose and oppose these Australian capitalists, and to publicise and support the just struggles of the African peoples.

We hope this small study contributes to that task.



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