



South African mining facing implied \$100bn silicosis damage –



RBC

Picture by: Duane Daws
RBC analyst Leon Esterhuizen

By: [Martin Creamer](#)
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JOHANNESBURG (miningweekly.com) – The South African mining industry is facing “a very serious” threat from silicosis claims that could result in implied damage of \$100-billion, says RBC Capital Markets equity research unit.

RBC analyst **Leon Esterhuizen** and associate analysts **Arnold van Graan** and **Ben McEwen** say that the ruling of the Constitutional Court of South Africa in favour of **Thembekele Mankayi** opens the door to him and thousands of other silicosis sufferers to sue the South African mining companies.

“The implied damage to the gold Industry could be \$100-billion,” the analysts calculate.

Since AngloGold Ashanti lost the first case, a new case has been lodged with a claim of almost R2,5-million for damages.

While industry studies in 1998 put the number of silicosis sufferers at some 300 000, South Africa’s National Union of Mineworkers is pursuing a class action lawsuit against the company and is drawing up a register of not only those suffering from respiratory disease, but also those who have died from it.

The analysts see the new case as a test case that could further damage an “already hammered” South African mining sector.

The potential silicosis claim, the analysts point out, is 100 times larger than the claims in an asbestos-related case in 2003, which saw British company Cape paying £7,5-million to 7 500 workers, and former South African mining company Gencor establishing a R448-million (£37,5-million) trust fund



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“The risk of this becoming something very serious should not be ignored,” the analysts say, adding that the risk applies mainly to South Africa’s hard-rock gold and platinum mines.