

SISHEN MINE RAMP UP OVERVIEW

Analyst site visit 15 August 2013



Real Mining. Real People. Real Difference.

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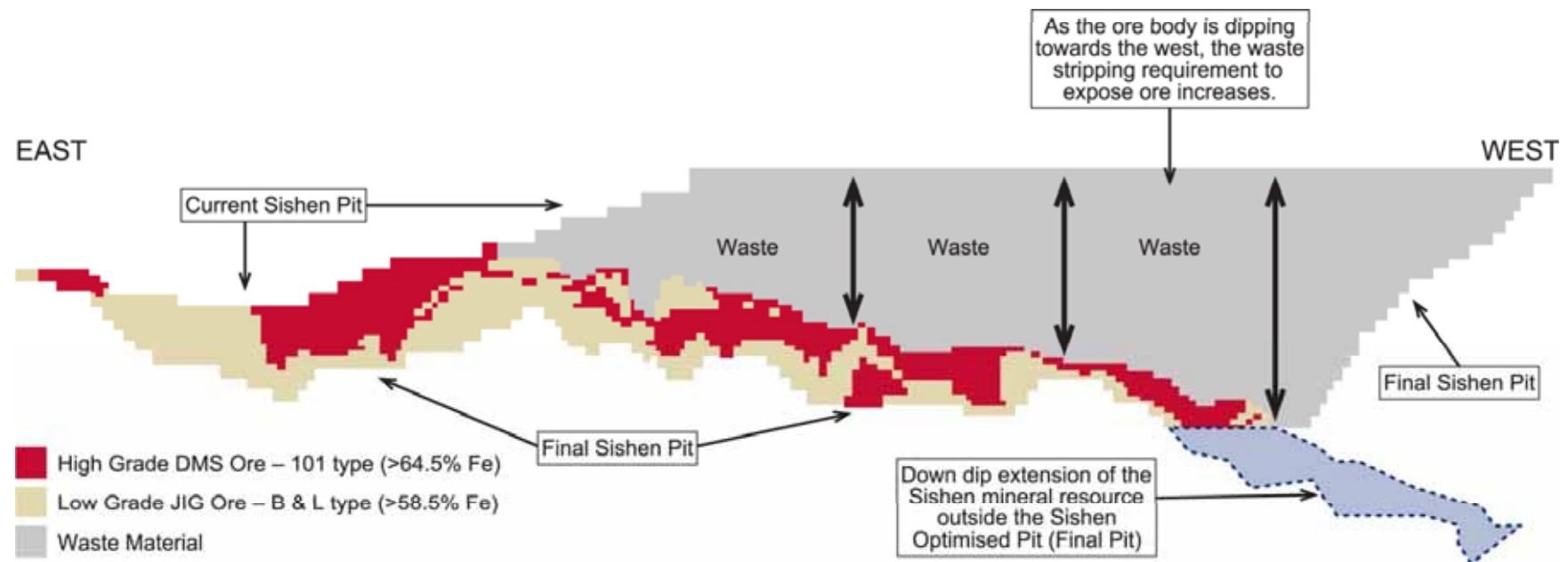


SISHEN OVERVIEW

Female haul truck operators BOITUMELO MOSALA (assistant foreman), TSHEGOFATSO LOETO and KEIIMMETSE TSELE in front of a giant Caterpillar 795F haul truck at a parking area on Sishen mine

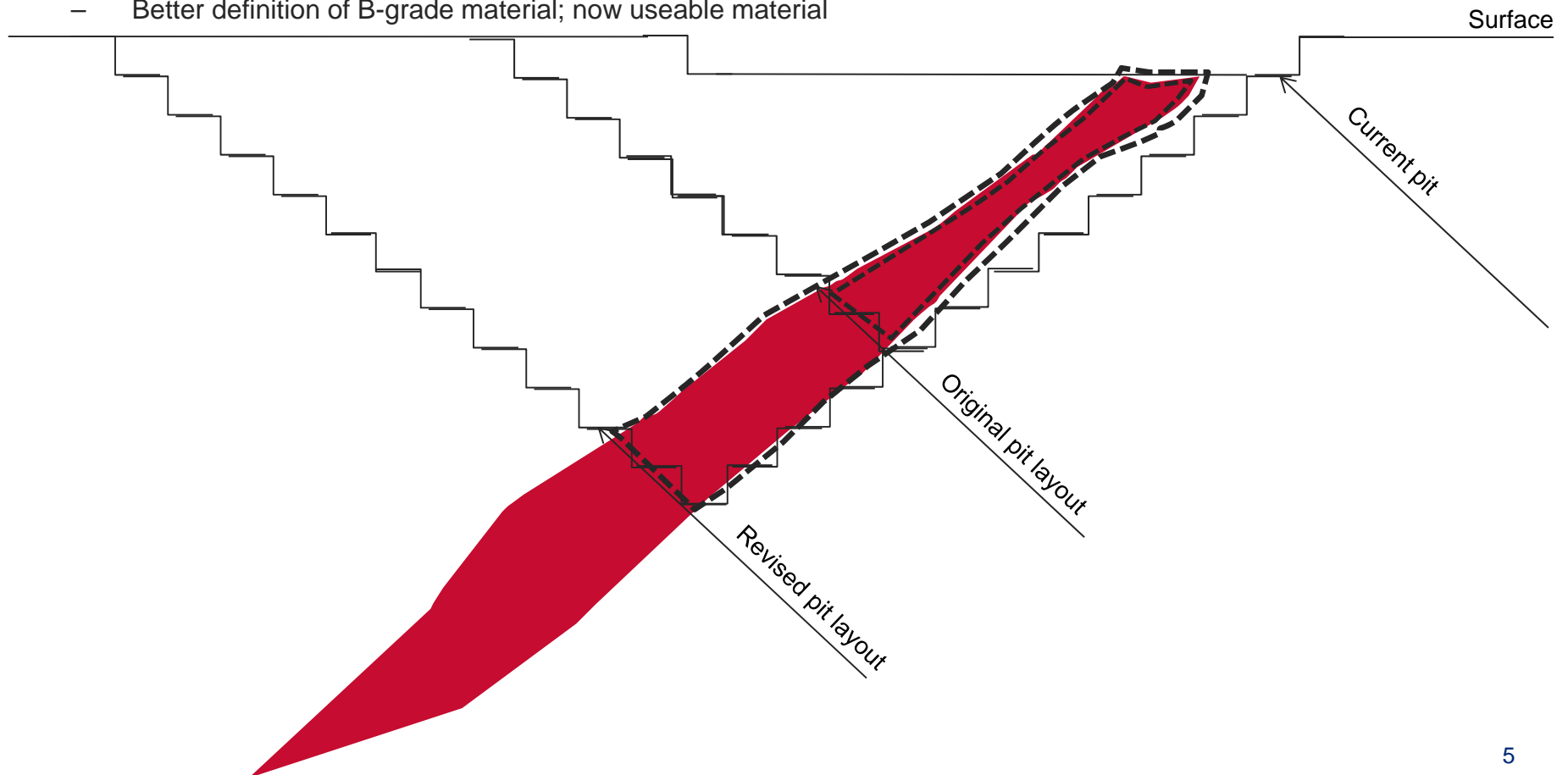
GEOLOGY AND RESERVE MOVEMENT

- The remainder of the Sishen ore body lies to the west of the current pit; ore body dips at 11° to the west
- Current pit constraints
- Planned waste ramp up to improve flexibility in the longer term; waste levels planned to peak at ~240 to 270Mtpa
- B Grade resource reclassification in recent years; investigating new technologies
- Review of Sishen's geology and mining is continuing



GEOLOGY AND RESERVE MOVEMENT

- Pit shell was revised in 2010
- Increase in production on revised, larger pit required the following:
 - Ramp-up in mining activities
 - Better definition of reserves and resources, which is now factored in LOM plan
 - Better definition of B-grade material; now useable material

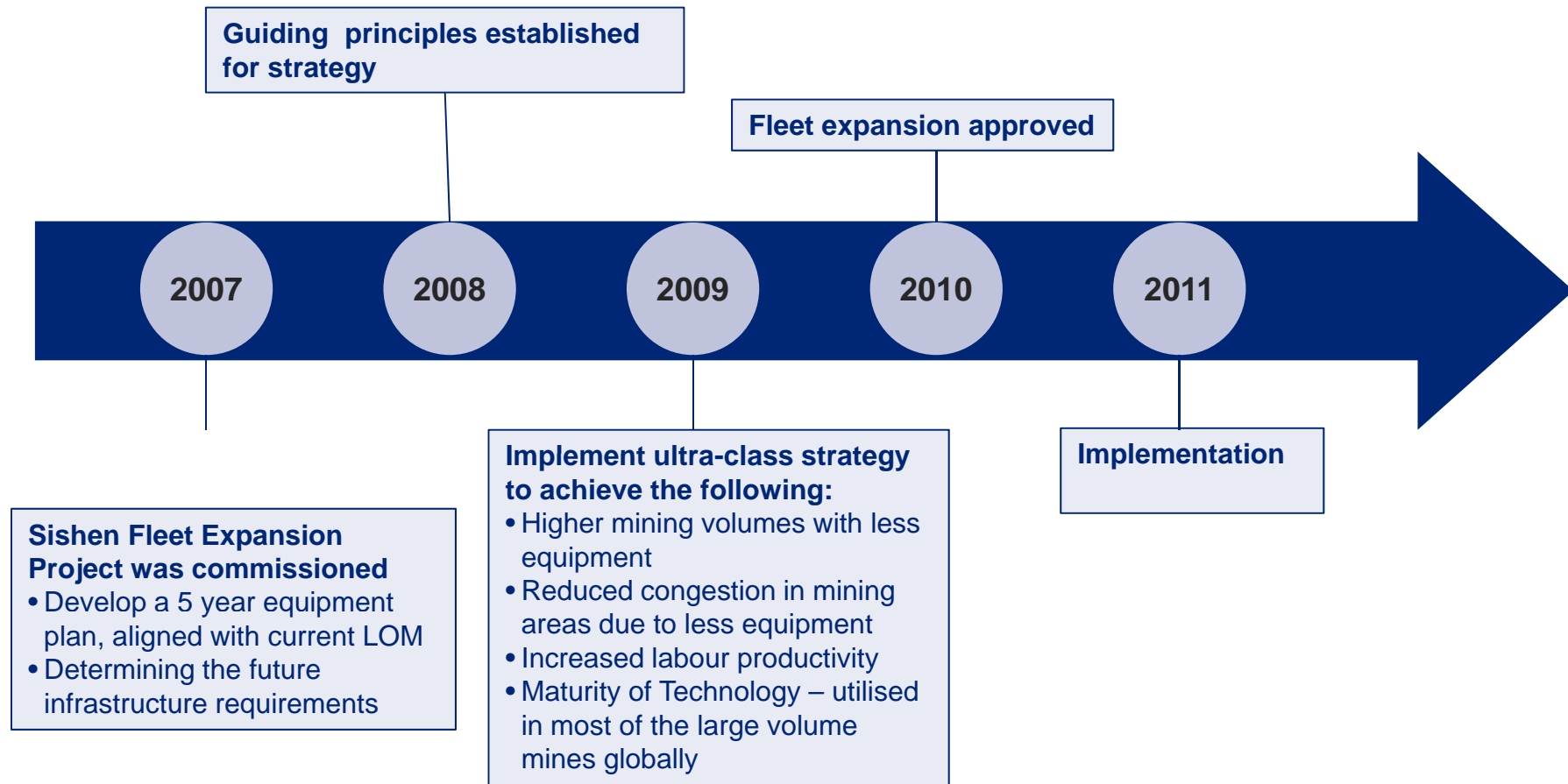




5 YEAR EQUIPMENT RAMP UP OVERVIEW

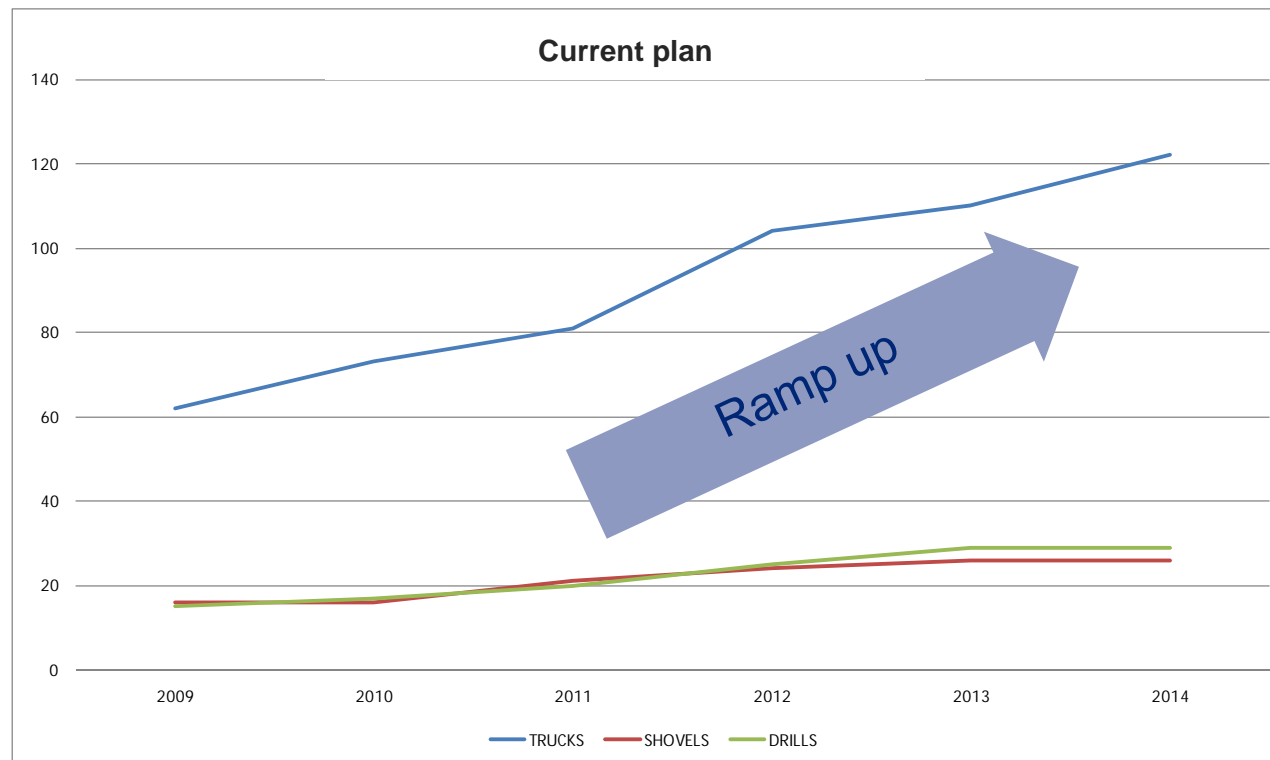
Haul truck operators at shift change at Sishen mine

SISHEN FLEET EXPANSION PROJECT TIME LINE

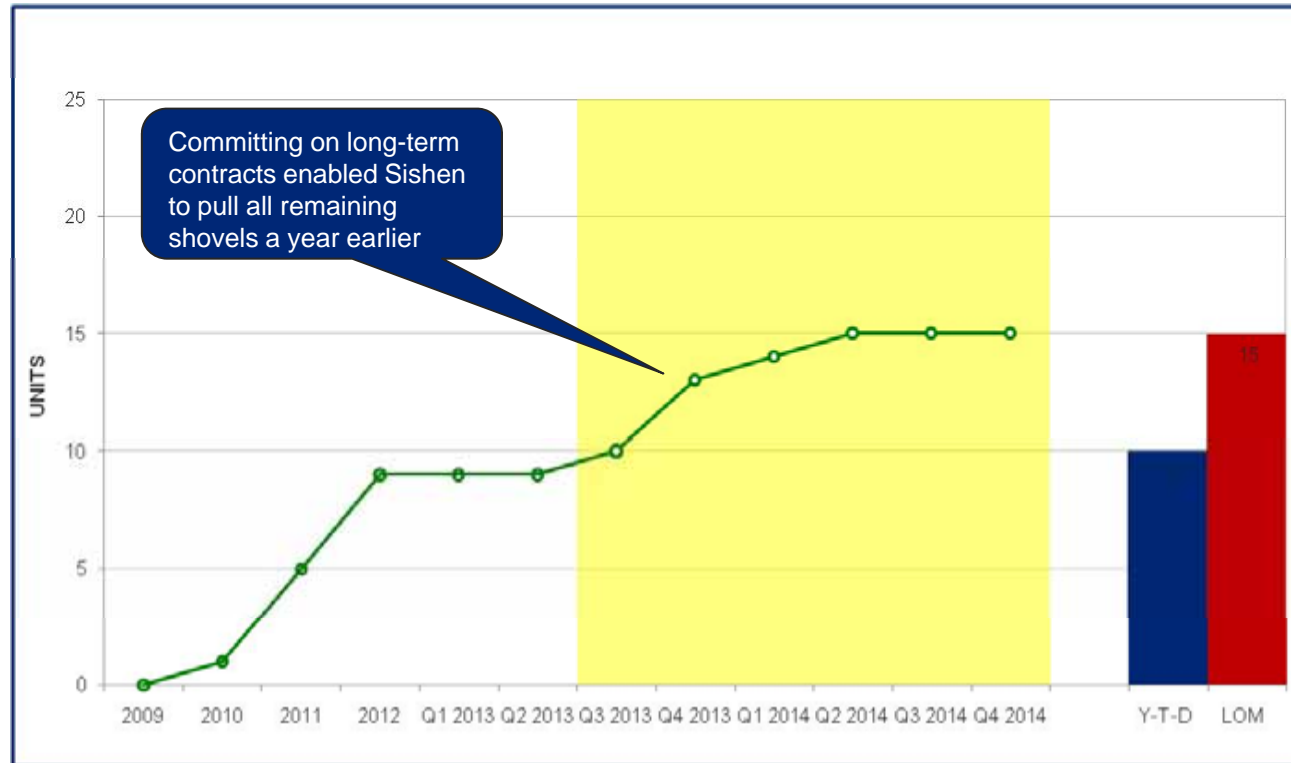


EQUIPMENT RAMP UP

- Sishen recruits and trains operators for primary equipment (equipment which is directly production related) 6 months prior to the arrival of additional equipment
- Since 2009, the number of haul truck and production drill operators recruited and trained have more than doubled
- The number of production shovel operators have increased by ~73% from 2009 to 2013



ANTICIPATED DELIVERIES OF SHOVELS



ROPE SHOVELS
 3 x P&H 2800XPC
 Payload:
 59mt = 19 x



3 x P&H 4100 XPC
 Payload:
 109mt = 36 X

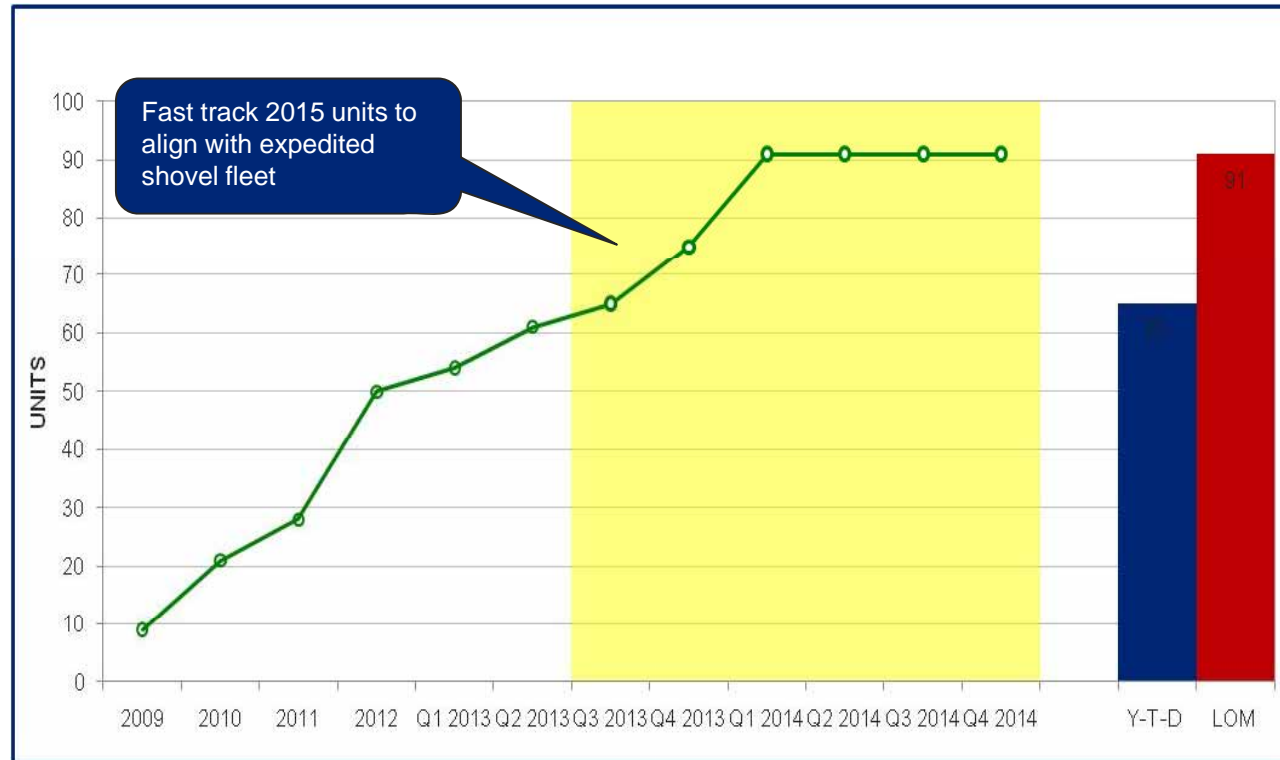


FEL's
 1 x LT2350
 1 x CAT 994F



HYDRAULIC SHOVELS
 6 x Liebherr R996
 1 x Liebherr R9800

ANTICIPATED DELIVERIES OF TRUCKS



59 x Komatsu 860E



Engine: 2700 Hp
Payload: 254 mt
V/Weight: 448 mt

32 x Komatsu 960E

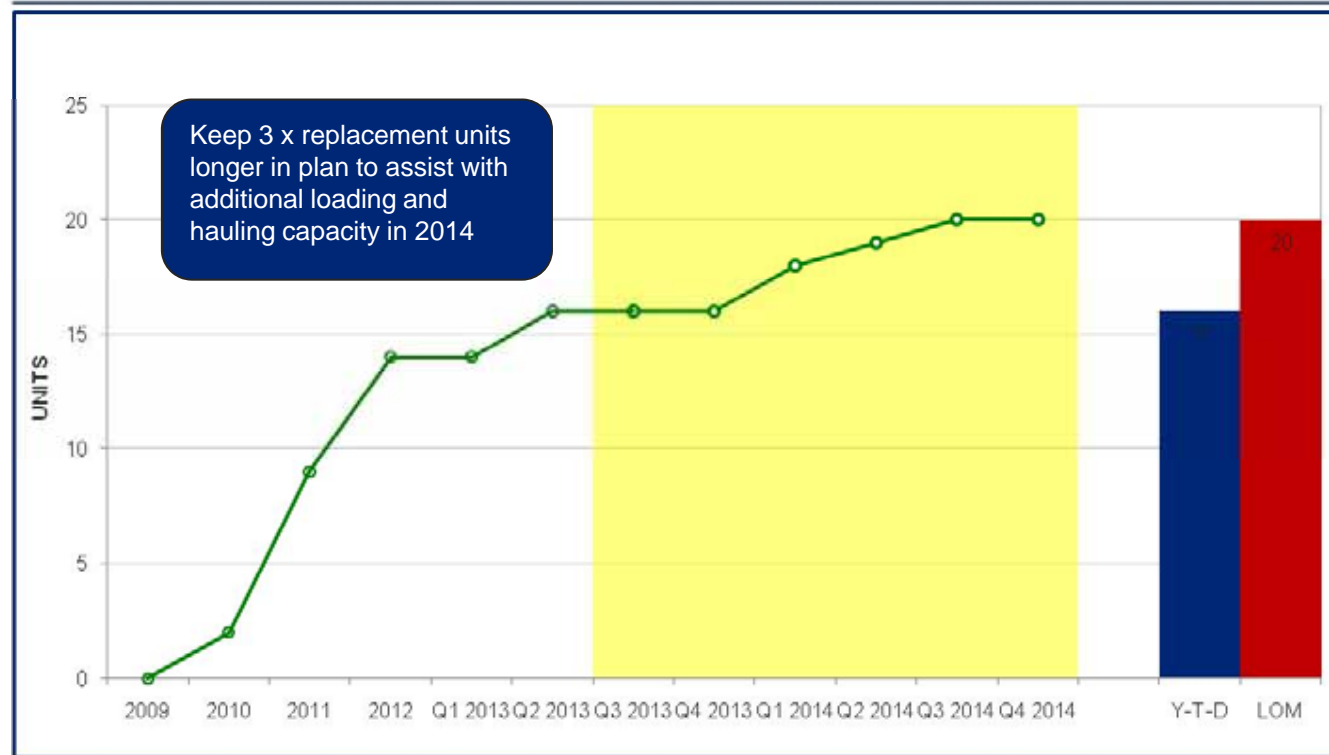


Engine: 3500 Hp
Payload: 320 mt
V/Weight: 576 mt



6 x CAT 795F AC trucks on test
Payload: 313 mt
V/Weight: 570 mt

ANTICIPATED DELIVERIES OF DRILLS



3 x Bucyrus Drills



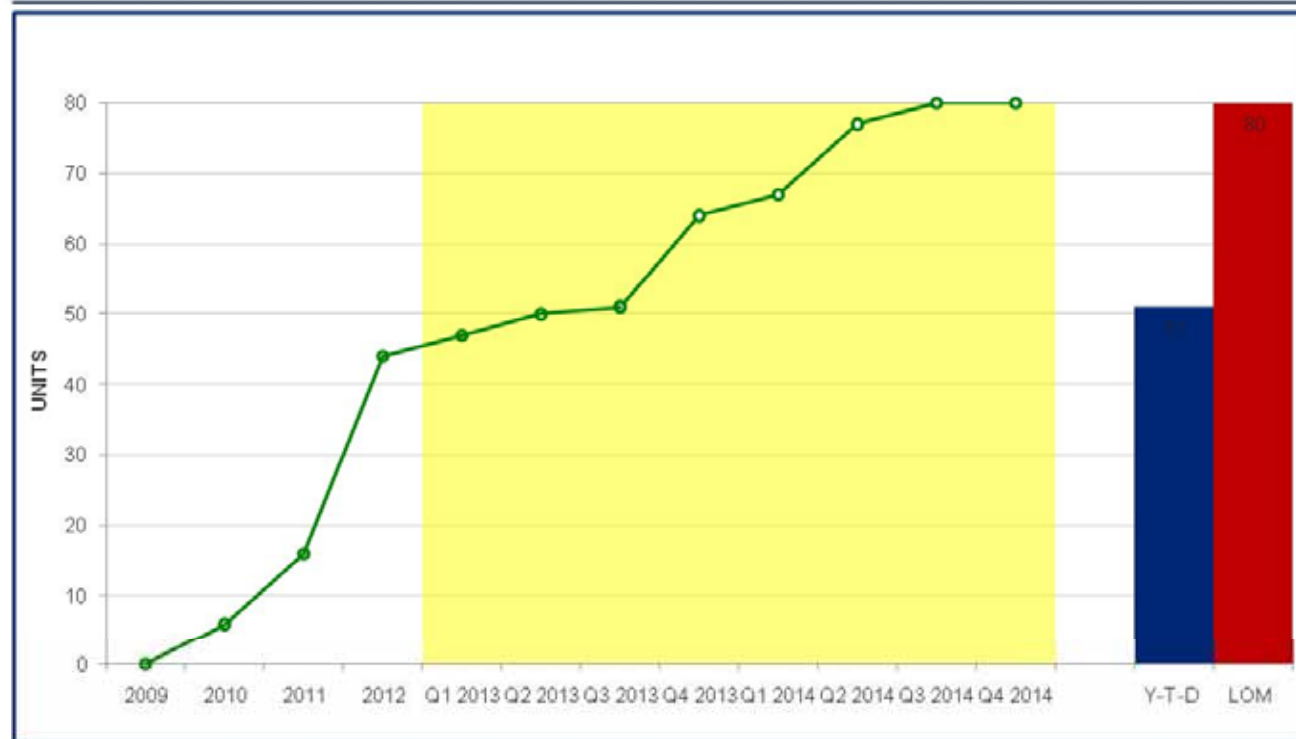
1 x Electric Driven
2 x Diesel Driven
Hole Dia: 229-381 mm
Pull down force: 50 mt



17 x Pit Viper Drills

Diesel Driven
Hole Dia: 296 – 406mm
Pull down force: 56,7mt

ANTICIPATED DELIVERIES OF SUPPORT EQUIPMENT



Significant changes

A) Upgrades:

Dozers WD600 to WD900

Picture below indicate a WD600 wheel dozer on site helping with the general clean up around the loading area of the P&H4100. Dozer to small and struggles in the operation.



B) Additional Equipment:

Dozers and Front-end loaders for berm wall maintenance

5 x WA800 (FEL's)

6 x 475 Dozers

5 x 375 Dozers

(Safety critical)



Graders (16M to 24M)

(Safety critical)

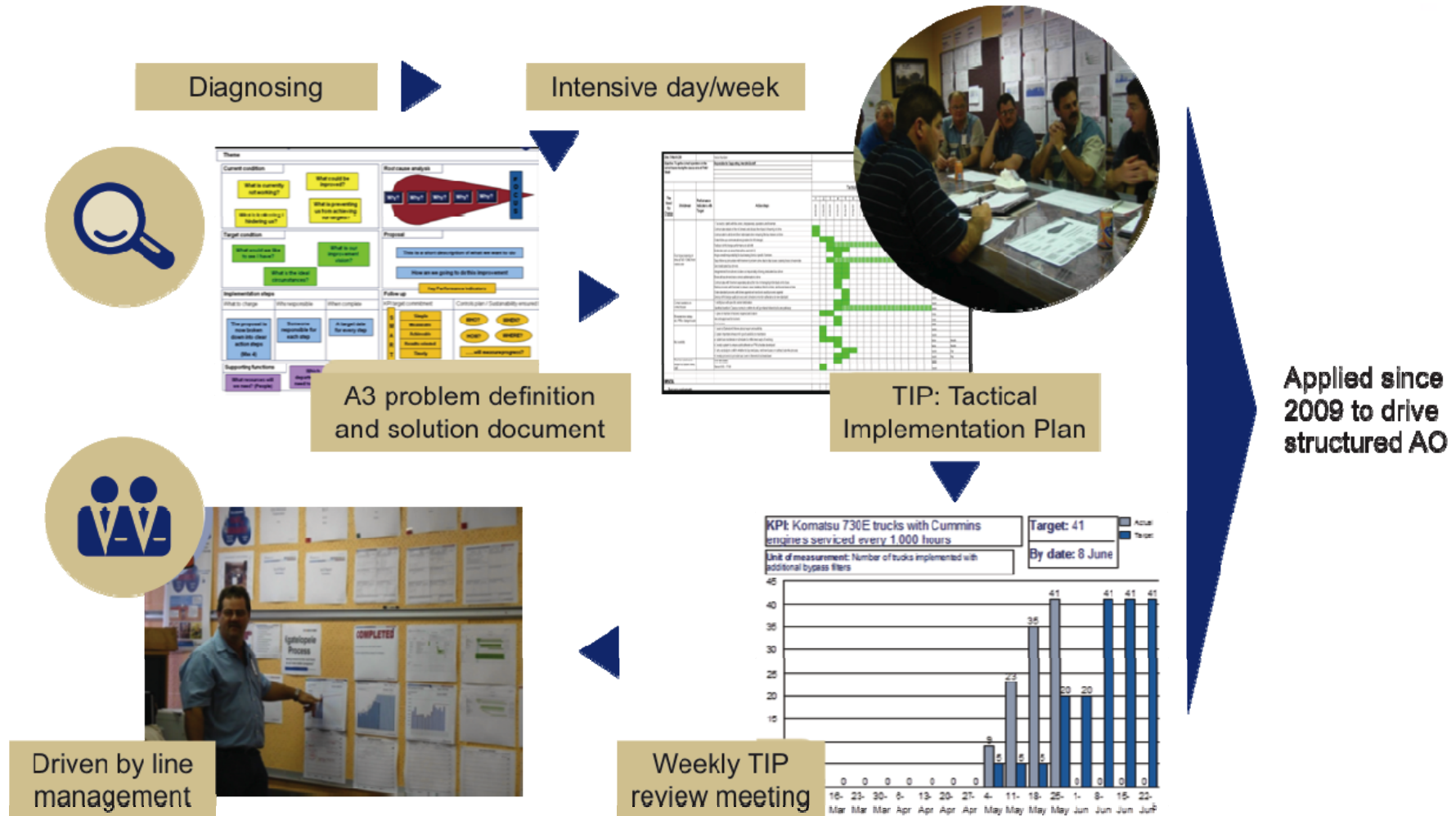




BUSINESS IMPROVEMENT IN A GROWING MINING OPERATION

Receiving operator training on a drill rig are trainee operators NATTIE GROENEWALD, FLORENCIA BEKEND, GABRIEL BOSMAN and HEIN ROETS, with senior instructor ENOS DLADLA (far left)

THE START OF BOKAMOSO (SOB), MEANING “START OF THE FUTURE”



BOKAMOSO IS AN INTEGRATED AND HOLISTIC APPROACH TO BUSINESS IMPROVEMENT

Definition

Focus on improved capital efficiency and increasing production using different functional departments in organisation.

Tools to measure success

Measuring OEE.

**Technical
Systems**

**Management
Infrastructure**

**Mindsets,
Capabilities
and Behaviour**

Definition

Focus area ensures that employees are mature and ready for changes.

Tools to measure success

- Personal Insight Workshop.
- Foundations of feedback.
- High performance teams.
- Diversity programme.
- IDP management system.

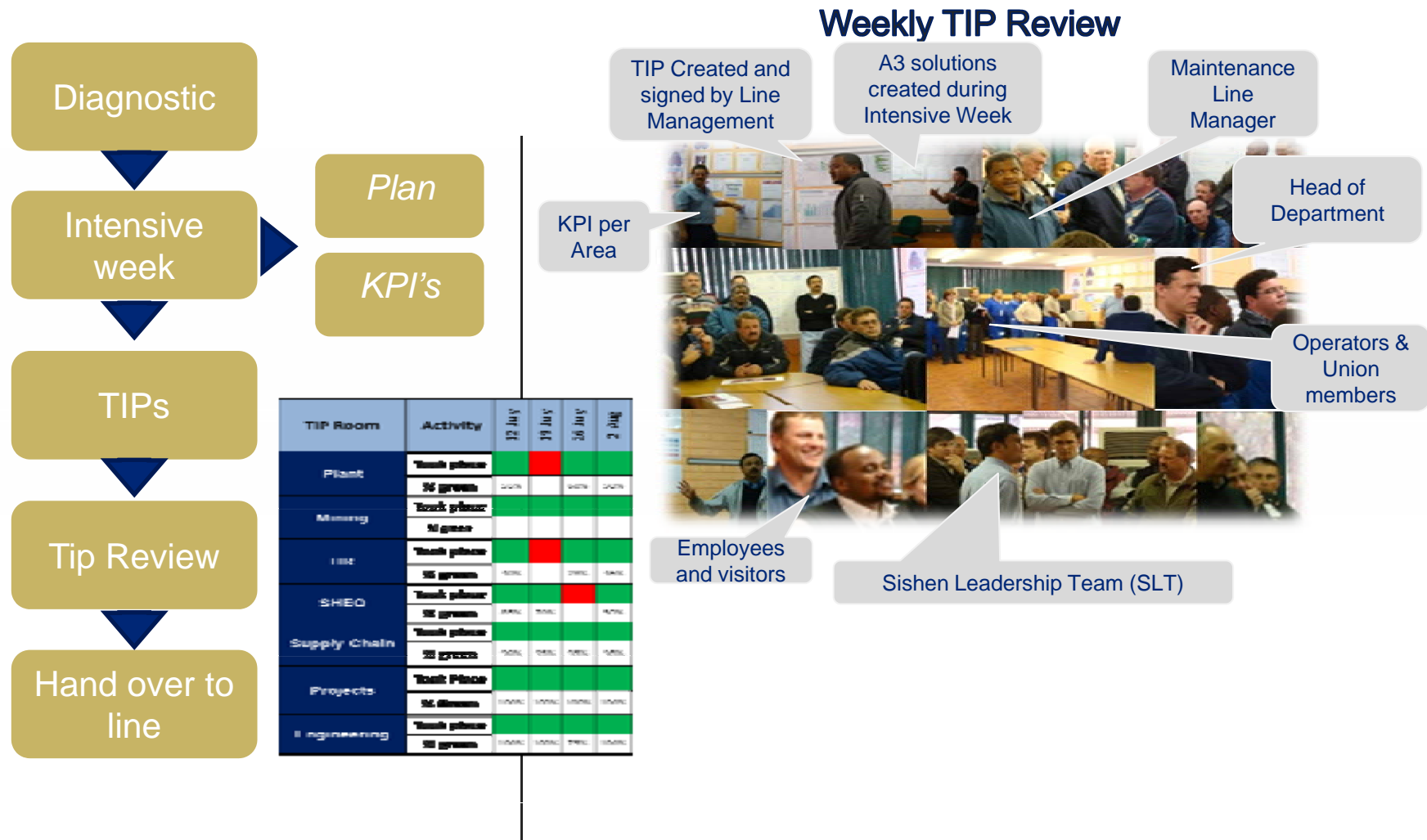
Definition

Assist team members in defining and tracking improvement initiatives identified in Technical System.

Tools to measure success

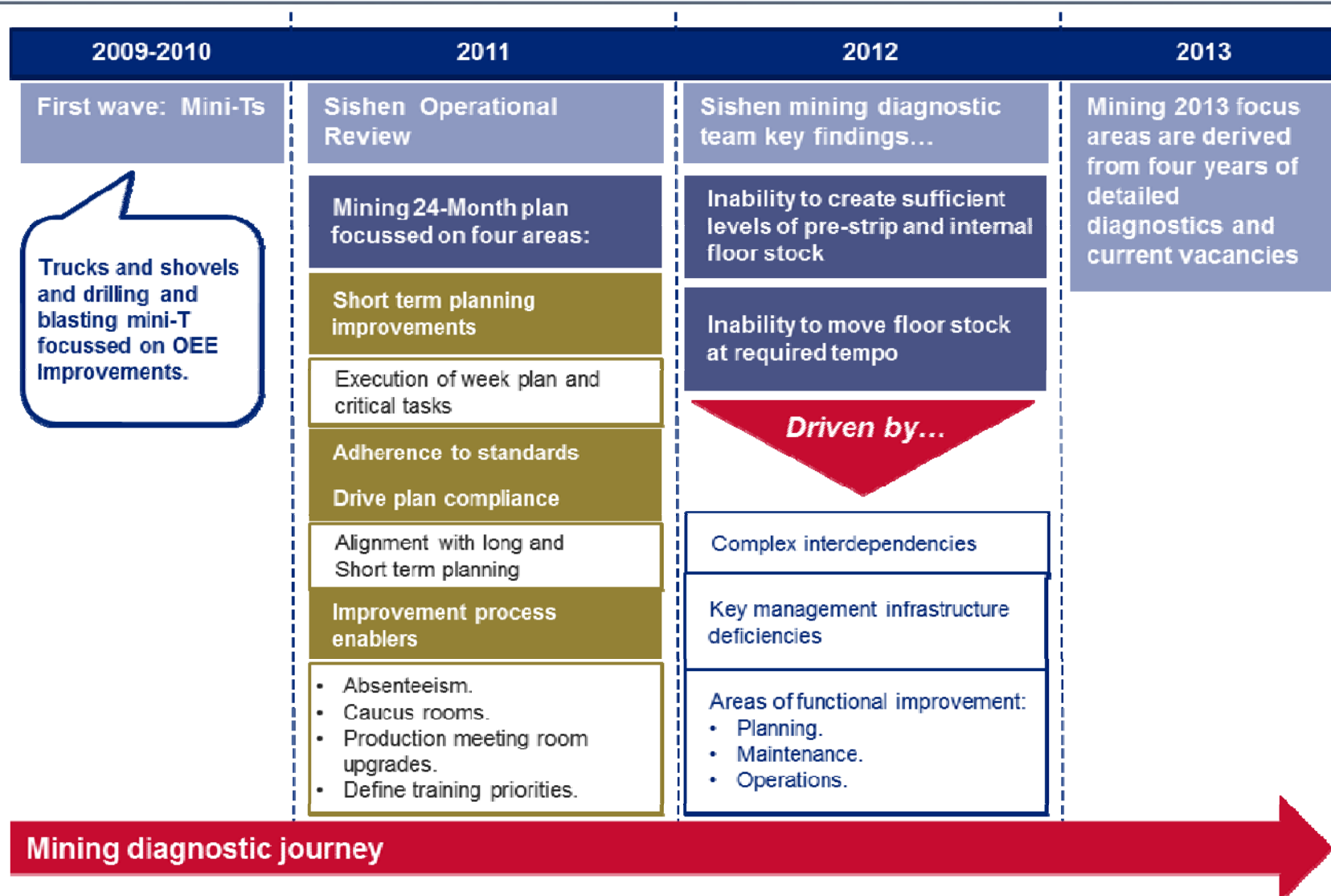
- TIP reviews (Mining, Plant, Supply Chain, Engineering, HR and SHEQ).
- War rooms.
- KPIs.
- Management support.

THE BOKAMOSO PROCESS IS ENTRENCHED THROUGHOUT THE MINE TO DRIVE IMPROVEMENTS AND EFFICIENCIES



The rigorous tracking and management of the Tactical Implementation Plans (TIP) drives quick action and commitment. Total organizational commitment is required to maintain the energy

MINING PROCESS IMPROVING TO ADDRESS BOTTLENECK

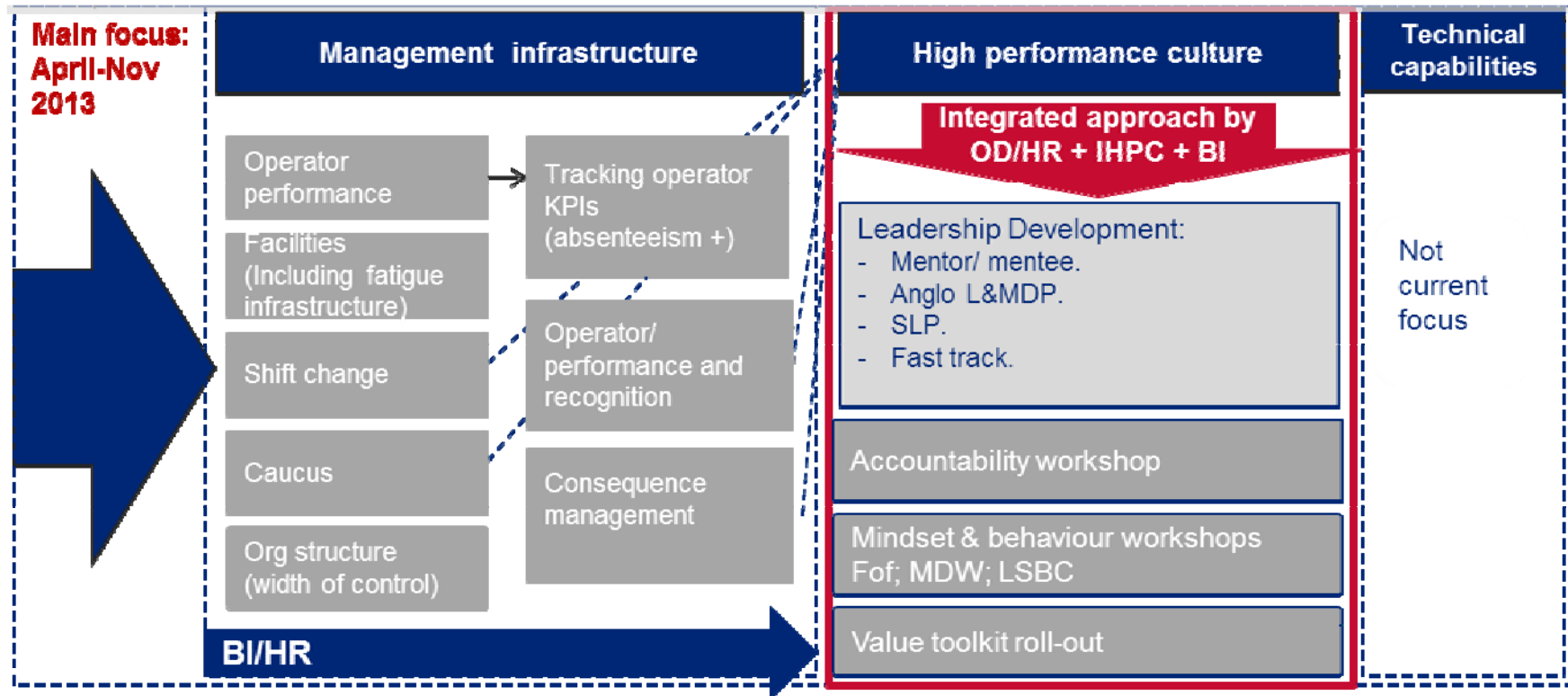


1Q13 AND 2Q13 FOCUS: OPERATORS-ON-SEATS AND BUILDING HIGH PERFORMING TEAMS POST 4Q12 UNPROTECTED STRIKE

FOCUS

People focus		OEE and OEE enablers		
Q1		Q2	Q3	Q4
Utilization (people focus)		Utilization (people focus)	“Operator-on seat” consist of: 1. Vacancy management; 2. High performance culture	
Operator-on-seat focus: <ul style="list-style-type: none">• Unmanned equipment/ absenteeism.• Training of operator.• Filling of vacancies.		Operator-on-seat focus: <ul style="list-style-type: none">• Unmanned equipment• Training of operators• Filling of vacancies		
Other OEE focus areas and enablers		Internal waste & ore OEE improvements areas		
Overview of 2012 improvement plan <ul style="list-style-type: none">• Drilling & blasting quality.• Planning improvements.• Pit – dewatering.• Pit wall control.• Dust management.		Tempo	Utilization	Availability
		<ul style="list-style-type: none">• Increase drilling tempo.• Improve cycle time.	<ul style="list-style-type: none">• Increase blasting capacity.• Improve load-point set-up.	<ul style="list-style-type: none">• Decrease start-up failures on PV drills.• Implement defect elimination process.
Detailed diagnostic on pre-strip waste fleet & mining maintenance		Pre-strip waste OEE improvements areas		
		To be determined during diagnostic in Q1.		
		OEE enablers		
		<ul style="list-style-type: none">• Drilling & blasting quality.• Improve blasting coordination.	<ul style="list-style-type: none">• Planning improvements.• Implement RCS simulator.	<ul style="list-style-type: none">• Pit – dewatering.• Pit wall control.• Dust management.

2013 INTERVENTION IN PLACE; FOCUS ON HIGH PERFORMANCE CULTURE



PERFORMANCE OF OPERATORS AND SHIFTS RESPECTIVELY RECOGNISED MONTHLY & QUARTERLY

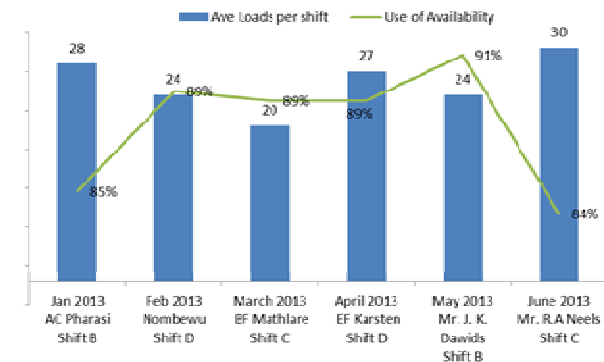
Criteria for Best Operator/month

- Loads;
- Tones;
- Time;
- Distance;
- No disciplinary;
- No AWOP;
- No safety incidents



Hauling: June 2013
Rail Aswell Neels

Operator of the Month - 2013



Best Performing Shift: Quarter 2

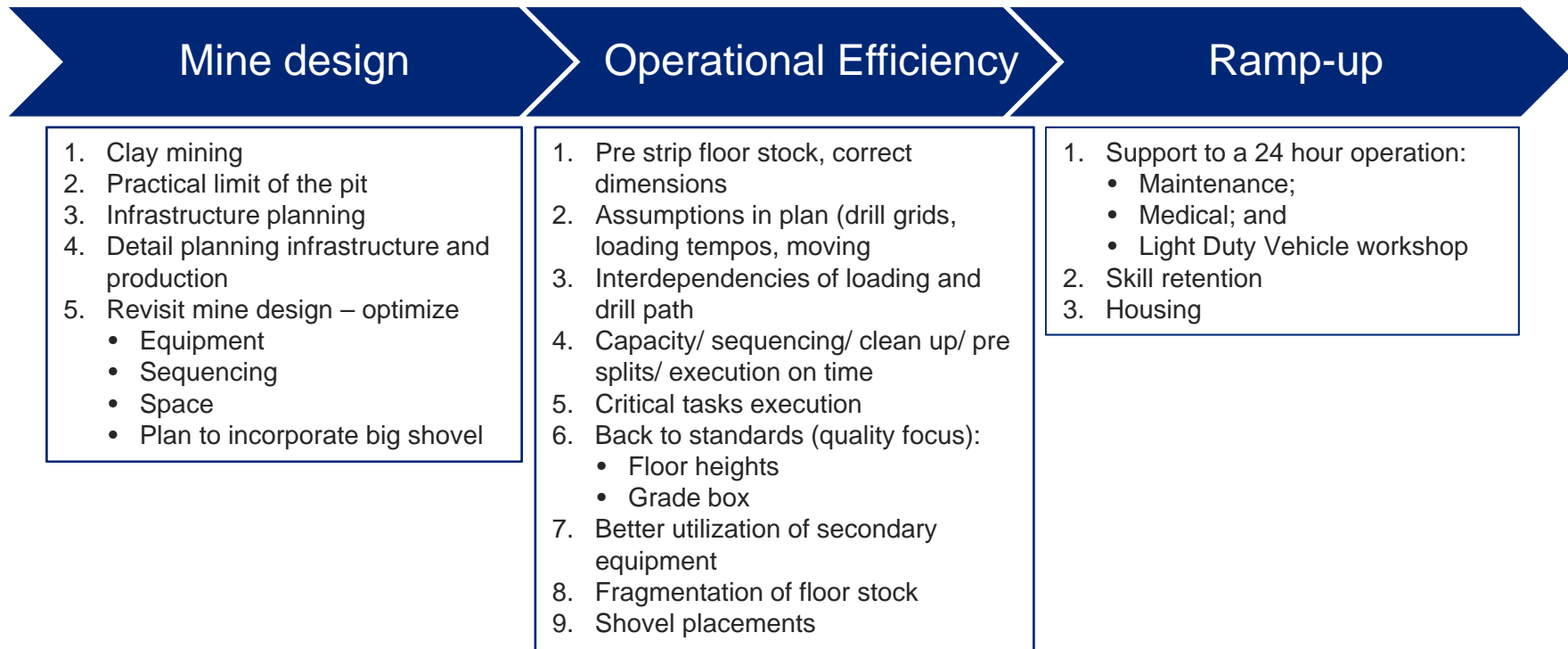
- Shift B – Best Attendance
- Shift D – Best Safety
- Shift B – Best Dust Observation
- Shift D – Best Drilling
- Shift C – Best Ore Loading
- Shift C – Best Waste Loading

Overall Best Performing Shift: Shift D



Shift D – Best Safety & Drilling: Lucas Bezuidenhout, Isaac Mosala and Pretorius Bezuidenhout

MINING IMPROVEMENT PROGRAMME REVIEW UNDERWAY



Enablers

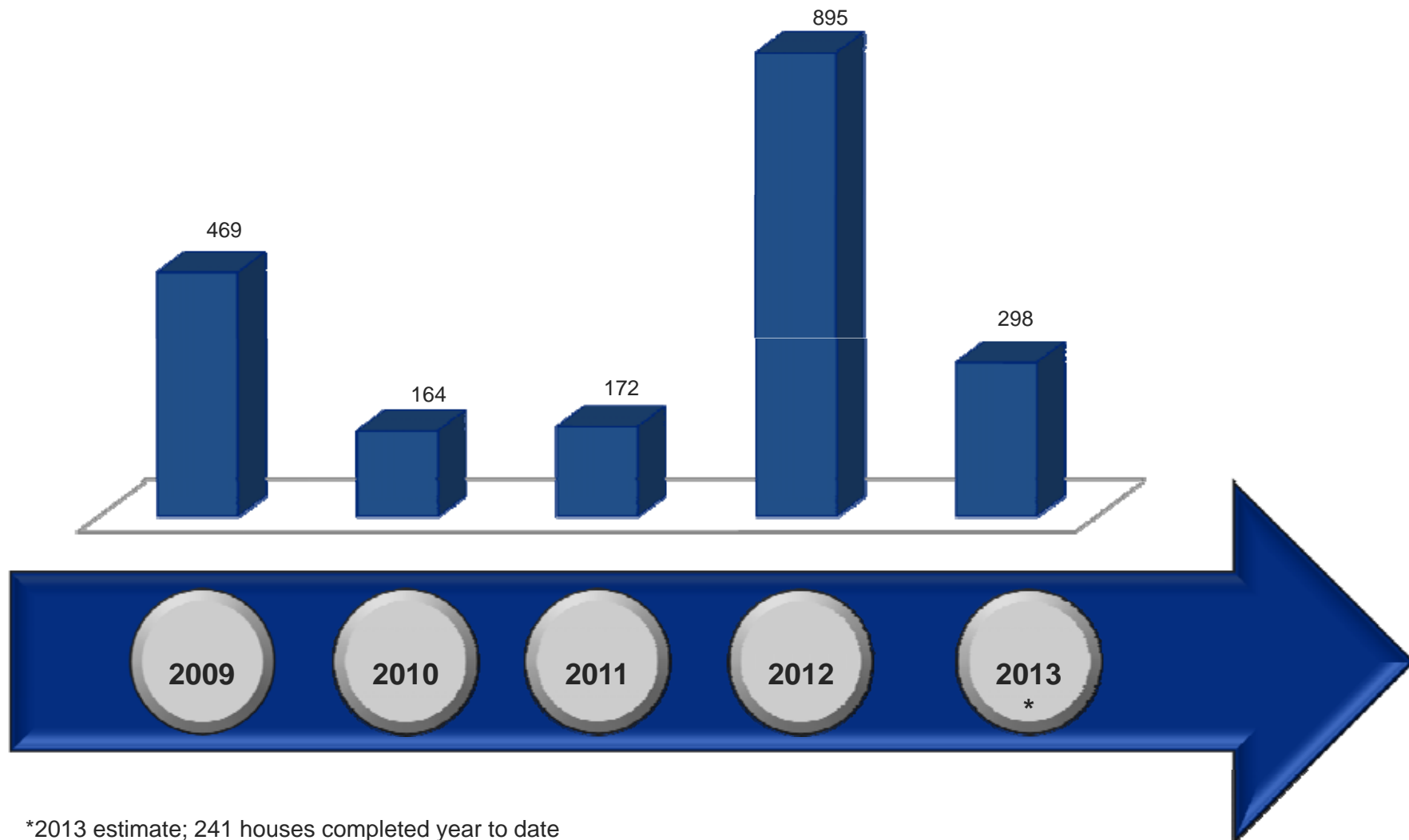
- Pit dewatering
- Motivator
- Modular dispatch optimization



OUR PEOPLE AND HOUSING

ITUMELENG TSHEKEDI (Millwright) in one of the newly constructed houses.

DELIVERING ON HOUSING PLAN

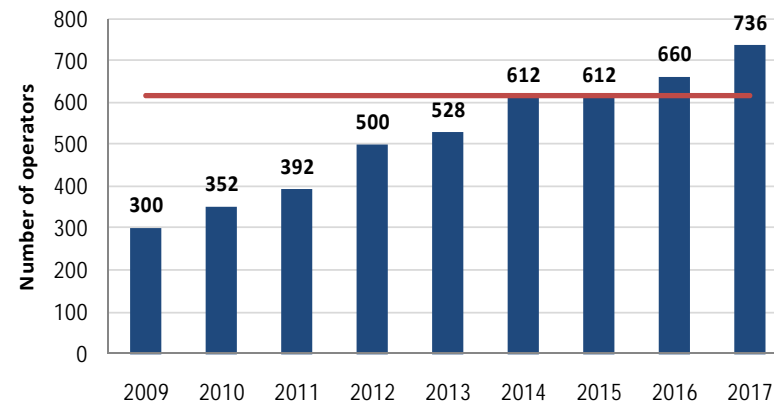


*2013 estimate; 241 houses completed year to date

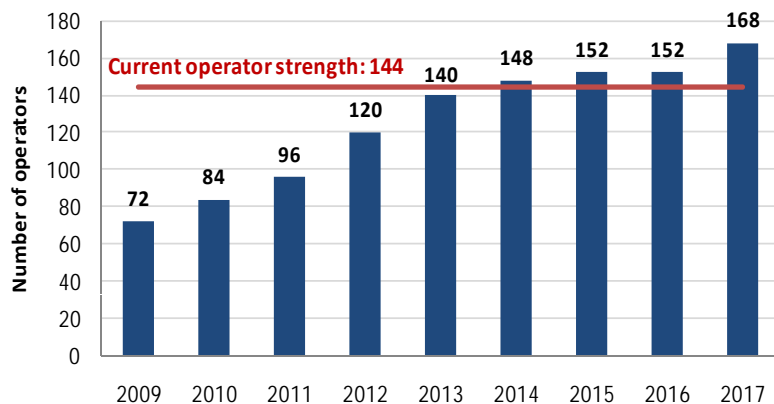
HEAVY MINING EQUIPMENT OPERATOR DELIVERY PLAN

- Over the next 3 years Sishen will require:
 - 122 new truck operators
 - 24 new drill operators
- Current 896 equipment operators are licensed to operate on average 3 different types of equipment
 - Aim to increase the average licenses per operator from 3 to 4
- Ramp-up efficiency through simulators
 - Production time gained ~80%
 - Performs safety training tasks that cannot be performed with trucks

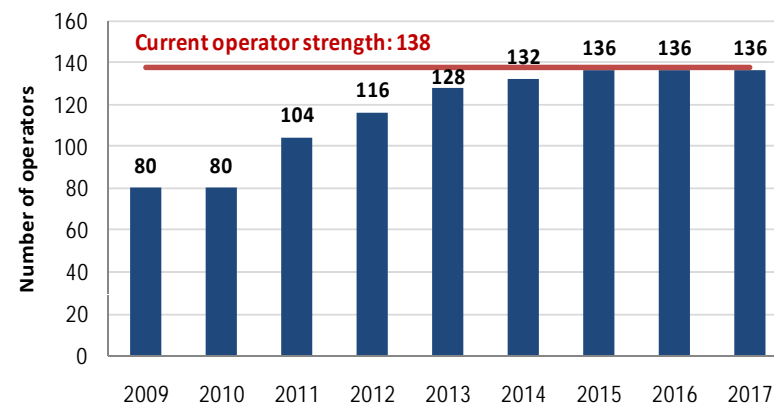
Haul truck operator need



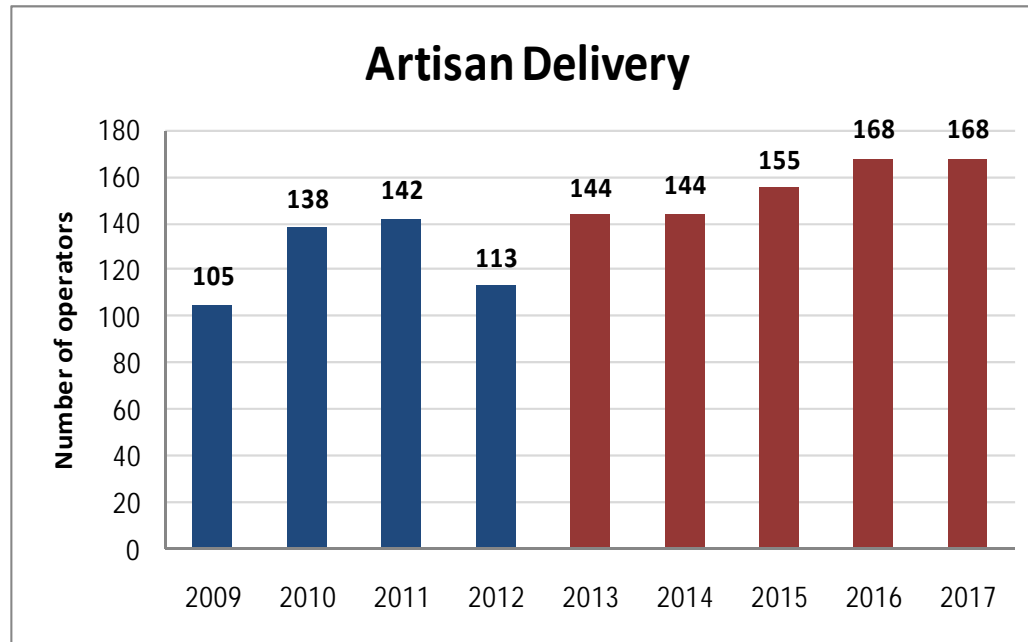
Production drill operator need



Production shovel operator need



ARTISAN DELIVERY PLAN



Actual
Planned



THANK YOU



ANNEXURES

KITO MOYO and AMO HLUNGWANI Electricians working on the construction of the Ultra High Dense Media Separation pilot plant at Sishen mine

ON TRACK WITH IMPLEMENTING VACANCY MANAGEMENT PLAN POST UNPROTECTED STRIKE AND RAMP UP REQUIREMENTS 2014

Mining Operations Capacity Tracking																
		Previous Reported Capacity (June 2013)	Current Capacity	Jan 2013	Feb 2013	Mar 2013	Apr 2013	May 2013	Jun 2013	Jul 2013	Aug 2013	Sep 2013	Oct 2013	Nov 2013	Dec 2013	
Haul Trucks	Candidates Planned to Complete Training	94.28%	100.33%	58	11	0	48	13	48	0						
	Candidates Actual Completed Training			58	11	0	0	11	48	37						
	Projected Capacity %			82.84%	84.64%	84.64%	84.64%	86.44%	94.28%	100.33%						
	Projected Complement			507	518	518	518	529	577	614						
	Deficit			105	94	94	94	83	35	-2						
Production Shovels	Candidates Planned to Complete Training	101.47%	101.47%	0	0	18	11	0	11							
	Candidates Actual Completed Training			0	0	18	0	0	10							
	Projected Capacity %			80.88%	80.88%	94.12%	94.12%	94.12%	101.47%							
	Projected Complement			110	110	128	128	128	138							
	Deficit			26	26	8	8	8	-2							
Drills	Candidates Planned to Complete Training	97.30%	97.30%	7	9	0	0	6	6	0	6					
	Candidates Actual Completed Training			7	0	9	0	0	6	0						
	Projected Capacity %			87.16%	87.16%	93.24%	93.24%	93.24%	97.30%	97.30%	101.35%					
	Projected Complement			129	129	138	138	138	144	144	150					
	Deficit			19	19	10	10	10	4	4	-2					
Secondary Equipment	Candidates Planned to Complete Training	85.94%	93.16%	17	0	13	36	30	39	29	20	25				
	Candidates Actual Completed Training			17	0	8	37	1	24	37						
	Projected Capacity %			72.27%	72.27%	73.83%	81.05%	81.25%	85.94%	93.16%	97.07%	101.95%				
	Projected Complement			370	370	378	415	416	440	469	489	514				
	Deficit			142	142	134	97	96	72	43	23	-2				

2013 and 2014 approved operator manpower compliment to be filled by end June 2013