

SISHEN IRON ORE COMPANY(PTY) LTD

SISHEN MINE

SOCIAL AND LABOUR PLAN 2017-2021- Delivering on our promises.

MINING RIGHT NO: MPT 1/2015
HOLDER: SISHEN IRON ORE COMPANY
(PTY) LTD
DMR REFERENCE NUMBER: NC 5/3/259
(106) MRC
PERIOD: 2017-2021
DATE: 04 SEPTEMBER 2019

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ASSOCIATED DOCUMENTS

- Sishen Mine Socio-Economic Assessment Toolbox (SEAT) Report
- Sishen Mine Workplace Skills Plan
- Sishen Mine Employment Equity Plan
- Integrated Development Plans for the Gamagara Municipality and John Taolo Gaetsewe District Municipality
- Amended Mining Charter
- Sishen Mine policies and procedures related to:
 - Local Economic Development
 - Training and Development
 - Employment equity
 - Recruitment and promotion
 - Procurement
 - Retrenchment and downscaling

ACRONYMS, ABBREVIATIONS AND ORGANISATIONS

| | |
|--------|---|
| ABET | Adult Basic Education and Training |
| DM | District Municipality |
| DMA | District Management Area |
| EAP | Employee Assistance Programme |
| EE | Employment Equity |
| HDSA | Historically Disadvantaged South African |
| IDP | Integrated Development Plan |
| LED | Local Economic Development |
| LM | Local Municipality |
| LRA | Labour Relations Act 1995 |
| MPRDA | Mineral and Petroleum Resources Development Act |
| MQA | Mining Qualifications Authority |
| PDP | Personal Development Plan |
| QMS | Quality Management System |
| RPL | Recognition of Prior Learning |
| RSL | Regional Services Levy |
| SAMPPF | South African Mining Preferential Procurement Forum |
| SAP | SIOC's electronic data system |

| | |
|------|---|
| SAQA | South African Qualifications Authority |
| SD | Skills Development |
| SDF | Skills Development Facilitator |
| SETA | Sectoral Education and Training Authority |
| SIA | Social Impact Assessment |
| SEAT | Socio-Economic Impact Assessment Toolbox |
| SME | Subject Matter Expert |
| SMME | Small, Medium or Micro Enterprise |
| WSP | Workplace Skills Plan |
| RWG | Resettlement Working Group |
| PRWG | Post Resettlement Working Group |

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- A1. Joe Morolong Graduate Youth Internship Programme
- A2. Gamagara Graduate Youth Internship Programme
- B1. Kathu College Bursary Project (B.Ed. and Tourism)
- B2. Health Practitioner Development Programme
- C. Kathu College Infrastructure Upgrade
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- F. Construction of Maduo Ablution Facility
- G. Construction of Klein Neira Road
- H. Letter from Sol Plaatje University about mining related qualifications

SECTION 1: PREAMBLE

In compliance with Regulation 46 (a) of the Mineral and Petroleum Resources Development Act No 28 of 2002

1.1 SECTION 102 APPLICATION

This amended SLP is lodged in terms of Section 102 of the Mineral and Petroleum Resources Development Act No 28 of 2002 (MPRDA) and substitutes the Section 102 application to amend Sishen mine's first SLP lodged on the 1st July 2016. It covers the period 2017 to 2021 and incorporates all amendments subsequent to the July 2016 application, as lodged on the 25th of November 2016, 6th of April 2017 and the 3rd of January 2018, which amendments were made on the request of the Department of Mineral Resources.

Sishen Iron Ore Company (Pty) Ltd (SIOC), under cover of a letter dated 26 September 2016, was granted consent (the Grant) in terms of Section 102 of the MPRDA to amend the Sishen Mining Right, by the addition of a 21.4% share in the right to iron ore and quartzite in, on and under certain Portions of the Farms Gamagara 541, Sacha 468, Sims 462 and Sishen 543, so that SIOC holds a 100% share in the right to iron ore and quartzite on, in and under the properties listed above. The Grant was conditional to SIOC amending its SLP in terms of Section 102 of the MPRDA, to cater for the conditions attached to the Grant. This SLP incorporates these conditions.

The SLP takes into consideration the ongoing structural changes in the global iron ore market. Record growth in iron ore production (specifically from Australia and Brazil), combined with lower demand from China, resulted in an oversupply of iron ore, and this led to the iron ore price dropping to all-time lows. This unfavourable economic environment is expected to continue into the foreseeable future, with iron ore prices remaining under pressure for at least five years. Several initiatives are in place to lower costs and to allow the mine to remain sustainable in the long term.

This SLP caters for consents granted to SIOC to extend the Sishen Mining Right by the inclusion of certain properties, as listed in later in the document.

1.2 OBJECTIVES OF THE SOCIAL AND LABOUR PLAN

Through compiling this SLP, Sishen mine takes cognisance of its social responsibilities in terms of the MPRDA and its commitments to the transformation of the mining industry, which are aligned with the Broad-based Socio-economic Empowerment Charter for the South African Mining and Minerals Industry as amended in September 2010 (the Mining Charter)

Sishen mine has planned the implementation of comprehensive Human Resources Development, Employment Equity and Local Economic Development Programmes, as well as processes to save jobs and manage downscaling and/or closure, and all other components of the Social and Labour Plan, within a constrained economic environment. Also included are developmental initiatives related to the Dingleton Resettlement Project.

The objectives of this Social and Labour Plan are:

- To contribute to the transformation of the mining industry;

- Promote employment and advance the social and economic welfare of all employees of Sishen mine;
- Ensure that Sishen mine contributes towards the socio-economic development of the John Taolo Gaetsewe Rural District Municipality;
- Pursue sustainable transformation initiatives that will continue beyond the period of this Social and Labour Plan;
- Support the inclusion of Dingleton into the existing mining right in order to sustain the business.

Sishen mine will encourage and build skills which are recognised under the National Qualifications Framework and which are portable outside the worker's current employment. The success of the plan relies on both Sishen mine and each employee taking responsibility for his or her well-being and energetically pursuing the opportunities that may be available to ensure that his or her potential is realised.

In implementing the plan, Sishen Mine takes cognisance of, and subscribes to the principles of good corporate citizenship, respect for human rights and addressing the United Nations Sustainable Development Goals.

1.3 BACKGROUND INFORMATION

Kumba Iron Ore Ltd, a subsidiary of Anglo American Plc, is the majority shareholder in SIOC, the holder of a converted mining right (the Sishen Mining Right) granted in terms of Section 23 of the MPRDA. SIOC operates Sishen mine under the Sishen Mining Right, which mine is located next to the town of Kathu in the Northern Cape. The Sishen Mining Right will expire on the 10th of November 2039.

| | |
|------------------------------------|--|
| Name of mine | Sishen Mine |
| Name of owner | Sishen Iron Ore Company (Pty) Ltd |
| Registration number | 2000/011085/07 |
| DMR reference: | NC 5/3/2/259 (106) MRC |
| Contact person | Mr Bongani Buthelezi Tel: 053-739 2911 Fax: 053-739 2670 Mapi.Mobwano@angloamerican.com |
| Physical address | Sishen Iron Ore Mine, Kathu, Northern Cape Province |
| Postal address | The General Manager, Private Bag X506, Kathu, Northern Cape |
| Municipal authorities | Gamagara Local Municipality John Taolo Gaetsewe District Municipality |
| Life of mine | Estimated 13 years |
| Mineral mined | Iron Ore (Fe) and Quartzite |
| Size of workforce (as at Dec 2018) | 4225 |
| Financial year | January – December |

SECTION 2: HUMAN RESOURCES DEVELOPMENT (HRD) PROGRAMME

In compliance with Regulation 46 (b) of the Mineral and Petroleum Resources Development Act

2.1 INTRODUCTION

Sishen Mine fully subscribes to the principles of the Mining Charter and Anglo-American policies related to empowerment and the employment of historically disadvantaged South Africans, including women in mining, in order to achieve representative targets.

2.2 REG 46 (b) (i): SKILLS DEVELOPMENT PLAN

2.2.1 Philosophy

Sishen Mine, through Kumba's Human Resource Development Policy, aims to:

- Develop and sustain core competencies and to optimise its human resources in order to meet its strategic objectives and to improve its operational performance;
- Ensure integration and uniformity in all learning and development processes through the leverage of technologies;
- Ensure that learning and development initiatives are career focused and aligned with business objectives.

2.2.2 Strategic focus

The Sishen Mine Human Resources Development strategy aims at:

- The development of individuals to be safe, healthy, competent and compliant in all aspects of their employment;
- Accelerated development opportunities in line with employment equity strategies and targets;
- Specific equipment specific risk-based training on Trackless Mobile Machinery;
- Dedicated operational risk, health and environmental training;
- Simulation training for operators on heavy mining equipment to improve operators' behaviour on application of emergency procedures in our quest to zero harm

It is also an essential output for Sishen Mine to develop members from the surrounding communities in relevant skills and education to facilitate the process of having community members that are more employable.

2.2.3 Financial commitment

In order to develop and sustain the necessary core competencies, and thus the competitive edge of the operation, Sishen Mine aims to spend 5% of employee's payroll on skills development programs predominately aimed at historically disadvantaged South Africans.

2.2.4 Skills Development Facilitator

Kumba has appointed a full-time skills development facilitator. The details of the registered Skills Development Facilitator (SDF) are:

| | |
|-----------------------|-------------------------------------|
| Name: | Allan Esterhuysen |
| Tel: | 0827669121 |
| Email: | Allan.Esterhuysen@angloamerican.com |
| Date of Registration: | January 2018 |

2.2.5 Number and Educational Level of Employees

Table 2.1 indicates the number and education level of permanent employees at Sishen Mine as at 27 June 2018, as per Form R in Annexure II of the MPRDA Regulations.

2.2.6 Facilities

Sishen Mine has its own accredited training facilities and resources where all training is provided to our employees, personnel from other mining companies and community members.

The following training and development interventions are offered at these facilities: artisan training, portable skills training, operator training and Safety Health and Environment (SHE) training.

2.2.7 Adult Basic Education and Training (Abet)

Currently 95% of Sishen Mine's employees have a qualification of ABET level 2 and higher.

Sishen Mine will continue to provide an ABET facility for the development of employees, contractors and community members at no cost.

2.2.8 Learnerships

Sishen Mine recognises the national shortage of skilled citizens and the focus on skills development. Therefore, the objective is to utilize Sishen Mine's infrastructure optimally to benefit the company, community, Northern Cape Province and the country.

The annual intake of learnerships is in line with learnership equity targets.

Table 2.1 Number and Education Level of Employees, as per Form Q in Annexure II of the MPRDA Regulations

| Band | 10 Point Scale NQF Level | Education Classification System – Interim | African | | Coloured | | Indian | | White | | Total | | Age | | |
|---|--------------------------|---|------------|-------------|------------|------------|----------|----------|------------|------------|------------|-------------|-------------|-------------|------------|
| | | | F | M | F | M | F | M | F | M | F | M | <35 | 35-55 | >55 |
| General Education & Training (GET) | Below NQF 1 | No Schooling / Unknown | 3 | 18 | 1 | 11 | 0 | 0 | 0 | 3 | 4 | 32 | 17 | 18 | 1 |
| | | Pre-ABET / Sub A, Grade 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | ABET 1 / Std 1, Grade 3 | 0 | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7 | 0 | 4 | 3 |
| | | ABET 2 / Std 3, Grade 5 | 0 | 20 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 23 | 0 | 14 | 9 |
| | | ABET 3 / Std 5, Grade 7 | 4 | 154 | 0 | 47 | 0 | 0 | 0 | 10 | 4 | 211 | 30 | 150 | 35 |
| | 1 | ABET 4 / Std 7, Grade 9 | 2 | 27 | 0 | 17 | 0 | 0 | 0 | 0 | 2 | 44 | 3 | 35 | 8 |
| Further Education & Training (FET) | 2 | Std 8 / Grade 10, NATED 1 / NCV Level 1 | 1 | 75 | 0 | 25 | 0 | 0 | 1 | 23 | 2 | 123 | 19 | 97 | 9 |
| | 3 | Std 9 / Grade 11, NATED 2 / NCV Level 2 | 17 | 146 | 4 | 81 | 0 | 1 | 1 | 42 | 22 | 270 | 133 | 156 | 3 |
| | 4 | Std 10 / Grade 12, NATED 3 / NCV Level 3 | 245 | 1081 | 80 | 403 | 0 | 2 | 36 | 147 | 361 | 1633 | 978 | 999 | 17 |
| Higher Education & Training (HET) | 5 | National / Higher Certificate | 147 | 392 | 83 | 205 | 0 | 0 | 38 | 209 | 268 | 806 | 502 | 549 | 23 |
| | 6 | Advanced Certificate / Diploma | 46 | 64 | 5 | 20 | 0 | 0 | 8 | 48 | 59 | 132 | 55 | 129 | 7 |
| | 7 | B Tech / Bachelor's degree | 20 | 55 | 4 | 6 | 1 | 1 | 15 | 31 | 40 | 93 | 50 | 77 | 6 |
| | 8 | Bachelor Honours Degree | 9 | 10 | 4 | 3 | 0 | 0 | 4 | 15 | 17 | 28 | 17 | 27 | 1 |
| | 9 | Master's degree | 0 | 4 | 0 | 1 | 0 | 0 | 1 | 3 | 1 | 8 | 2 | 7 | 0 |
| Totals | | | 494 | 2053 | 181 | 822 | 1 | 4 | 104 | 531 | 780 | 3410 | 1806 | 2262 | 122 |

Table 2.2 below shows the five-year plan for learnerships skills training (such as mechanical/electrical engineering, civil engineering, ore beneficiation and surface mining)

Table 2.2 Five-year Learnership Plan

| Discipline | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|-------------------------|------------|------------|------------|------------|------------|------------|
| Learnerships | 180 | 180 | 180 | 180 | 180 | 900 |
| Engineering(elect/mech) | 110 | 110 | 110 | 110 | 110 | 550 |
| Engineering (civil) | 30 | 30 | 30 | 30 | 30 | 150 |
| Ore beneficiation | 10 | 10 | 10 | 10 | 10 | 50 |
| Surface mining | 30 | 30 | 30 | 30 | 30 | 150 |

2.2.9 Safety, Health, Environmental and Functional training

Sishen Mine offers safety, health, environmental and functional training to all employees based on the needs identified from a variety of sources such as: job requirements, competency gaps, performance measurements, Sishen Mine strategies, surveys and legal requirements. Based on the needs identified, employees are then exposed to various development interventions. These development actions are part of Sishen Mine's philosophy to develop its people to their full potential in their positions.

2.2.10 Plan for the Provision of Portable Skills for Post-Mining Employment

Sishen Mine is committed to provide portable skills development to employees. These opportunities are available to employees who wish to acquire these additional skills at a cost absorbed by Sishen Mine. On-going on-the-job training is available for all employees when it is necessary to upgrade and enhance their mine-relevant skills while at Sishen.

The table below shows five-year plan for portable skills training for both employees and community in welding, bricklaying, carpentry and plumbing.

Table 2.3. Five-year Portable Skills Training Plan

| Discipline | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|--|------|------|------|------|------|-------|
| Number of trainees per annum over five years | 150 | 150 | 150 | 150 | 150 | 750 |
| Bricklaying | 38 | 38 | 38 | 38 | 38 | 38 |
| Plumbing | 38 | 38 | 38 | 38 | 38 | 38 |
| Welding | 37 | 37 | 37 | 37 | 37 | 37 |

| | | | | | | |
|-----------|----|----|----|----|----|----|
| Carpentry | 37 | 37 | 37 | 37 | 37 | 37 |
|-----------|----|----|----|----|----|----|

2.2.11 Workplace Skills Plan and Annual Training Report

Sishen Mine's Human Resources Department is fully accredited by the Mining Qualifications Authority (MQA) and Workplace Skills Plans and Annual Training Reports are developed, completed and submitted annually according to the requirements and target dates set by the MQA. Sishen Mine's levy number is **L440739045** and skills levy payments are made to the South African Revenue Services.

2.2.12 Hard to fill vacancies

The main reasons for the difficulty to find suitable HDSA candidates are that the professionally qualified and suitably experienced HDSA candidates are nationally in high demand and that these candidates prefer not to settle permanently in remote rural areas like Kathu. However, Human Resource attraction mechanisms, training and development are fundamental means of addressing internal skills shortages. Table 2.4 below indicates that Sishen Mine currently has no vacancies which it has been unable to fill for top and senior management, as well as semi-skilled and unskilled positions.

Table 2.4 Number of Vacancies that Sishen Mine has been unable to fill, as per Form R in Annexure II of the MPRDA Regulations

| Occupational level | Job title of vacancy | Main reason for being unable to fill the vacancy |
|---|--|---|
| Top management | - | - |
| Senior management | - | - |
| Professionally qualified and experienced specialists and mid-management | Certified Engineers Mine Planning Engineers Occupational Hygienists Medical Practitioners | Scarcity of the skill in the market. Scarcity of HDSA and women candidates in the market. Remoteness and location of the mining operation |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | Artisans | Scarcity of experience skill in the market. HDSA and women candidates scarcity |
| Semi-skilled and discretionary decision-making | - | - |
| Unskilled and defined decision-making | - | - |

2.3 REG 46 (b) (ii): CAREER PROGRESSION AND MENTORSHIP PLANS

2.3.1 Career progression plan

Sishen Mine has identified the following mechanisms as means to develop employees in ways that allow individual/s to progress within their careers in the organisation:

- Identification of the talent pool;
- Accelerated development of the talent pool;
- Rigorous use of formal succession planning and individual development plans for all management and professional categories.

In respect to the above-mentioned mechanisms due consideration is given to the advancement of the transformation goals of the company.

2.3.2 Career progression, succession planning and fast-tracking

The development of appropriate succession plans and fast-tracking programmes at Sishen Mine are:

- Derived from employment equity plan;
- Linked to the succession plan in the case of managerial candidates;
- Focused on formal learnerships for frontline employees;
- Focused on the talent pool, “high flyers” with leadership potential;

Employees are all encouraged to further their studies, or obtain new qualifications, and those studying in their own time have the option to apply for financial assistance including bursary according to the official study assistance policy.

2.4 REG 46 (b) (iii) MENTORSHIP AND COACHING

Sishen Mine operates both formal mentorship and coaching programmes. Employees are mentored and coached with the specific focus towards HDSA employees who are identified through career progression processes and subjected to a mentorship and coaching programme.

2.4.1 Formal mentorship programme

The formal mentorship process comprises mentoring by identified line managers to mentees, with a formal contract between both parties. Line managers are provided with the necessary skills to act as mentors. Mentees are matched with mentors to ensure maximum benefit.

It is expected that the number of employees, who will undergo the formal mentorship programme over the next five years, will be as follows:

Table 2.5 Employees on the formal mentorship programme

| 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|------|------|------|------|------|-------|
| 10 | 10 | 10 | 10 | 10 | 60 |

2.4.2 Informal Coaching

Employees are coached by their immediate line managers and professional coaches. This process aims to ensure that each employee is equipped with the necessary skills for their jobs and supported in their career aspirations.

2.5 REG 46 (b) (iv); INTERNSHIPS AND BURSARIES

2.5.1 Bursaries

Sishen Mine will continue to fund bursaries in engineering, mining, surveying, metallurgy, geology, civil engineering, electrical engineering, mechanical engineering and industrial engineering, as the need arises. The focus for recruitment of bursars will be the Northern Cape. The intake of bursars will be according to the employment equity targets of organisation.

2.5.2 Graduates/ Professionals in Training (PIT)

After graduation, young graduate professionals in training (PIT) are taken through a structured internship for at least 36 months, which includes thorough training and development in the respective fields of study. During this period, the young professionals are properly mentored and coached.

Table 2.6 Number of bursaries offered and PIT intake by Sishen Mine per Annum

| | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|----------------|------|------|------|------|------|-------|
| Bursars | 10 | 10 | 10 | 10 | 10 | 50 |
| PIT's | 10 | 10 | 10 | 10 | 10 | 50 |
| Total | 20 | 20 | 20 | 20 | 20 | 100 |

2.5.3 Other internships

Sishen Mine also admit interns from the local community who need work experience in the mining industry and, also in order to complete their degrees/diplomas. This programme is offered to qualifying interns at no cost and an allowance is paid for the duration of the internship.

Table2.6 Internships offered by Sishen Mine for the period 2017 - 2021

| Discipline | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|----------------------|------|------|------|------|------|-------|
| Technical | 10 | 10 | 10 | 10 | 10 | 50 |
| Non-technical | 5 | 5 | 5 | 5 | 5 | 25 |
| Total | 15 | 15 | 15 | 15 | 15 | 75 |

2.6 REG 46 (b) (v): EMPLOYMENT EQUITY PLAN

The employment equity policy and plans have been developed in order to eradicate discriminatory practices and through affirmative action measures, ensure that the workforce reflects the demographics of the region in which it operates.

2.6.1 Employment Equity Compliance by Sishen Mine

In complying with the policy of fair and equitable employment, EE processes are driven by an inclusive EE committee and departmental sub-committees with the involvement of senior management and organised labour which ensures that all processes are conducted and challenged effectively.

2.6.2 Employment Equity Policy

Sishen Mine's employment equity policy has been designed with the aim of achieving the following goals:

- No unfair discriminatory practices, implicit or explicit, to exist anywhere in Sishen Mine;
- Sexual and racial harassment will not be tolerated;
- No barriers to exist in the workplace that unfairly restrict employment and promotion opportunities of any person;
- An enhanced representation of currently underrepresented categories of people, with the emphasis on persons from designated groups,
- Inculcate organisational culture, in which diversity is encouraged and valued while focusing on shared values in order to develop team spirit and promote mutual understanding.

The mine continues to identify barriers inhibiting the achievement of its employment equity targets and introduce measures aimed at eradicating such barriers.

2.6.3 Disability and Gender

Sishen Mine is committed to work towards increasing the current number of people with disabilities and women employed at Sishen Mine. This will be done on a continuous basis by identifying the barriers and implementing measures to eliminate such barriers.

2.6.4 Women in Core Mining

Sishen Mine aims to reach 12% of women employed in all core mining areas by 2019. Table 2.7 shows the planned percentage of the workforce being women participating in core mining activities for the five-year period.

Table 2.8 Five-year plan to reach women in core mining

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------|------|------|------|------|------|
| TOTAL % | 9% | 10% | 11% | 12% | 12% |

2.6.5 HDSA participation in management

Sishen Mine aims to increase its HDSA and black representation in management. However, the ability of Sishen Mine to achieve the targets relies on some of the following challenges for which measures are always reviewed, developed and implemented:

- The career paths of professionally qualified employees necessitate them being rotated between the various mines within SIOC group to expose them to the different mining environments. Some of them therefore do not settle permanently at Sishen Mine.
- The retaining of young HDSA professionals in a remote rural area remains an enormous challenge.

Progress towards the targets will be achieved through implementation of individual development plans as Sishen Mine has already completed its skills audits, affirmative action measures, and talent identification and classification processes, fast tracking, training and mentoring.

Table 2.9 Five-year plan HDSA's in Management, Blacks in Management, Women Employed

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|-----------------------------|------|------|-------|------|-------|
| HDSA in Management | 50% | 51% | 52% | 53% | 54% |
| Blacks in Management | 40% | 40% | 40% | 40% | 40% |
| Women Employed | 13% | 14% | 14.5% | 15% | 15.5% |

Table 2.10 Employment Equity Statistics for Sishen Mine at end June 2018, as per Form S in Annexure II of the MPRDA Regulations

| Occupational Levels | Male | | | | Female | | | | Total | | Disabled | | Grand total |
|---|-------------|-------------|-----------|-------------|-------------|------------|----------|------------|-------------|-------------|-----------|----------|-------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | Male | Female | Male | Female | |
| Top management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior management | 9 | 0 | 1 | 6 | 0 | 0 | 0 | 1 | 16 | 1 | 0 | 0 | 17 |
| Professionally qualified and experienced specialists and mid-management | 68 | 23 | 1 | 87 | 27 | 7 | 1 | 18 | 179 | 53 | 2 | 0 | 232 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 649 | 430 | 1 | 396 | 111 | 77 | 0 | 60 | 1476 | 248 | 11 | 1 | 1724 |
| Semi-skilled and discretionary decision-making | 1327 | 369 | 1 | 41 | 356 | 97 | 0 | 25 | 1738 | 478 | 2 | 1 | 2216 |
| Unskilled and defined decision-making | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total permanent | 2053 | 822 | 4 | 530 | 494 | 181 | 1 | 104 | 3409 | 780 | 15 | 2 | 4189 |
| Non-permanent employees | 132 | 66 | 0 | 31 | 83 | 35 | 0 | 8 | 229 | 126 | 0 | 0 | 355 |
| Contractor employees | 3036 | 579 | 10 | 869 | 467 | 71 | 3 | 139 | 4494 | 680 | 3 | 0 | 5174 |
| Total | 5221 | 1467 | 14 | 1430 | 1044 | 287 | 4 | 251 | 8132 | 1586 | 18 | 2 | 9718 |

SECTION 3: LOCAL ECONOMIC DEVELOPMENT PROGRAMME

In compliance with Regulation 46 (c) of the Mineral and Petroleum Resources Development Act

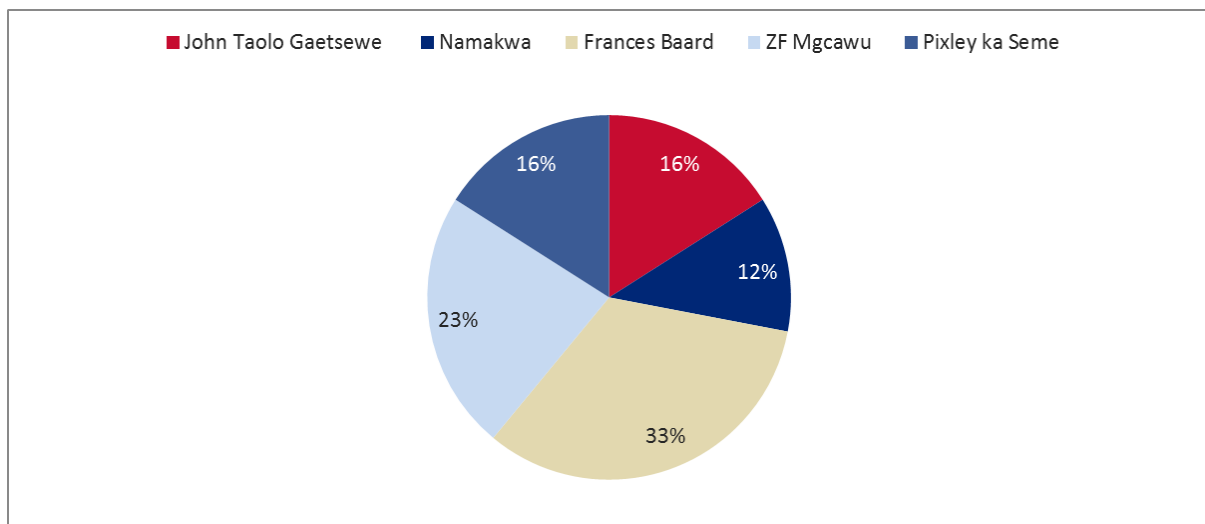
3.1 REG 46 (c) (i) SOCIAL AND ECONOMIC BACKGROUND OF AREA IN WHICH THE MINE OPERATES

3.1.1 Northern Cape Province

Sishen mine is situated in the Northern Cape, the largest province in South Africa, having a land mass of 361,830 km² and covering 30% of South Africa. The province also has the smallest population, consisting of approximately one million people. The province falls within the Arid Areas of South Africa with low rainfall and resultant dry conditions typical of a Karoo and desert environment. For this reason, population densities are low and widely distributed as agricultural activities require large areas of land for farming.

One urban renewal node (Galeshewe) and one rural development node (John Taolo Gaetsewe District) have been identified as Presidential priority areas in the Northern Cape.

Figure 3.1: Distribution of Northern Cape population by district municipality



3.1.2 Sishen Mine's zone of influence

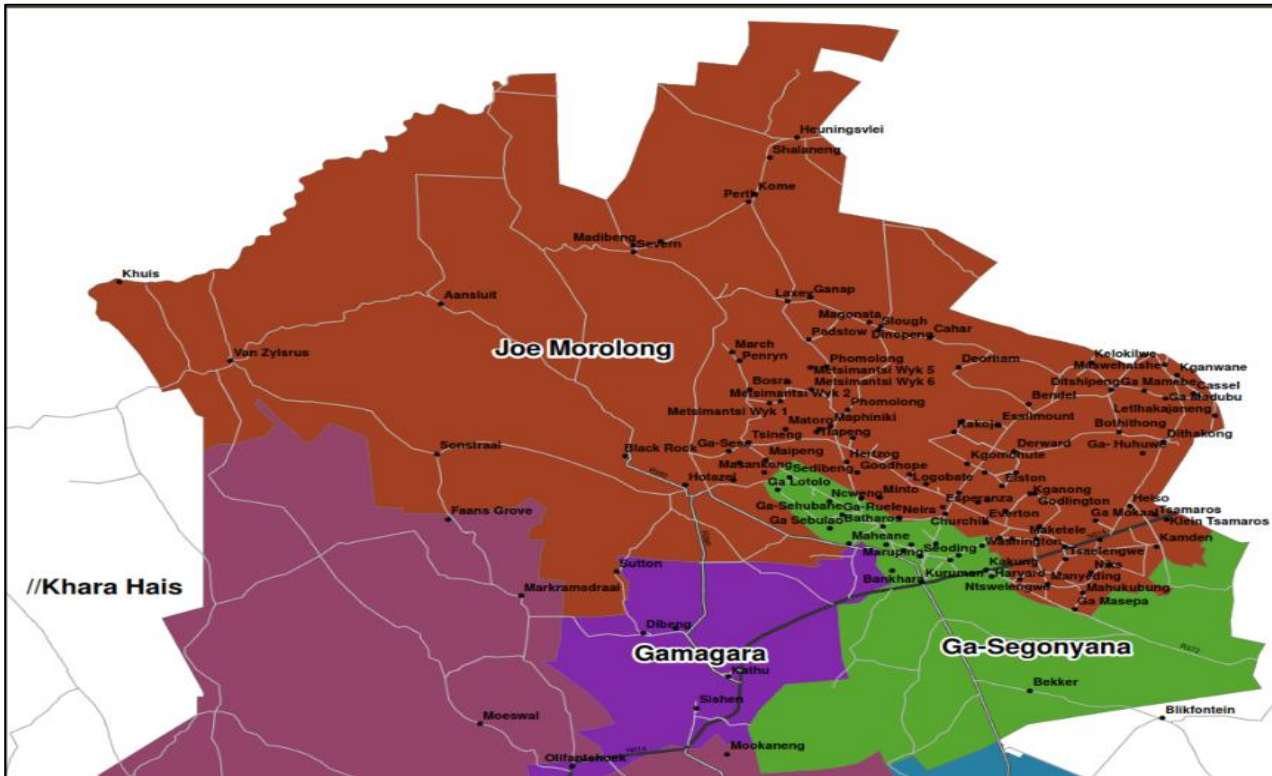
The zone of influence (also referred to as the local area) of Sishen mine is broadly defined as Gamagara Local Municipality, which hosts the mine, and the labour-sending Joe Morolong Local Municipality and Ga-Segonyana Local Municipality. Together, these three local municipalities make up the John Taolo Gaetsewe (JTG) District Municipality.

The majority of employees working at Sishen mine are from communities in the local municipality of Gamagara and John Taolo Gaetsewe District Municipality in the Northern Cape Province. These are the mine's labour sending areas.

Communities in Sishen mine's zone of influence have a combination of fast-growing urbanised areas and rural areas where there is little development. Communities are very unevenly distributed. In the

south, formal towns are surrounded by extensive and sparsely populated farmland; in the north, scattered small rural villages mean a greater general population density, but without meaningful urban centres.

Figure 3.2: Map of JTG District



Gamagara Local Municipality (GLM), the host municipality of Sishen mine, is regarded as an urbanised area and comprises six main residential communities. Kathu, including Sesheng and Mapoteng, is the administrative centre; economically sustained by mining activities in the area. Sesheng originated as a mining compound that consisted mainly of hostels and was later transformed into family units. In 2001, when the need for additional accommodation for mineworkers intensified, the municipality established Mapoteng as an RDP housing area with electricity, tarred roads and street lights.

Although Kathu was only established in the 1980s as a Sishen mine town, Olifantshoek was already established in 1899, with Deben and Dingleton established in 1902 and 1950 respectively.

Dingleton was an established town with a population of about 600 households and it is being relocated to Kathu. Kumba Iron Ore's predecessor, the State-owned Iscor, built the town to serve Sishen mine in the 1950s. Dingleton relocation was announced at a public meeting late in 2008. The baseline and pre-feasibility studies were conducted according to the World Bank Guidelines on Resettlement (Standard 5). More detail on the Dingleton resettlement project is discussed in detail in section 4.

3.1.3 Socio-demographic profile of John Taolo Gaetsewe District Municipality

3.1.3.1 Geographical area

The John Taolo Gaetsewe (JTG) District Municipality is the second smallest district municipality in the Northern Cape, occupying only 6% of the province (27,293 km²) and accounting for about 16% of the provincial population.

The largest geographical area within the JTG district is the Joe Morolong Local Municipality, covering 15,813 km² of rural land. The JTG district comprises 186 towns and settlements, 80% of which are villages in the Joe Morolong Local Municipality.

3.1.3.2 Income and poverty

Poverty is widespread throughout the JTG district and is especially severe in the rural areas. An estimated 38% of households in Joe Morolong and 30% in Ga-Segonyana earn less than R9 600 per household per month. The corresponding figure for Gamagara is 15.9%.

A total of 91,618 (40.8%) people of the district's population have no recordable income. In terms of the spatial distribution of those earning no income in the district, 40.85% are resident in the Joe Morolong Local Municipality, 44.59% in Ga-Segonyana Local Municipality and 14.55% in Gamagara Local Municipality.

A comparison between the 2001 and 2011 Census indicates that unemployment came down by 10% over the 10-year period in each of the local municipalities. But unemployment remains a serious problem in the district area, with 30% of economically active people unemployed. The youth unemployment rates in the Joe Morolong and Ga-Segonyana Local Municipalities are significantly higher than the national average of 24.1%, and a source of major concern.

Table 3.3: Unemployment rate – JTG district

| Local municipality | Unemployment rate | Youth unemployment rate |
|--------------------|-------------------|-------------------------|
| Joe Morolong | 38.6% | 49.5% |
| Ga-Segonyana | 33.7% | 43.2% |
| Gamagara | 17.7% | 22.4% |

(Source: Census 2011)

3.1.3.3 Population

The most reliable population figures are contained in findings from the 2001 and 2011 Census. Whereas the Joe Morolong population contracted by -8.6% in that period, the total population of Gamagara Local Municipality and Ga-Segonyana Local Municipality expanded by 79.36% and 33% respectively. This is indicative of the growth in mining activities since 2001.

Table 3.4: Population growth

| Data | 2001 | 2011 |
|------|------|------|
|------|------|------|

| | | |
|---------------------------------|---------|---------|
| Gamagara | 23,202 | 41,617 |
| Joe Morolong | 97,945 | 89,530 |
| Ga-Segonyana | 70,392 | 93,651 |
| John Taolo Gaetsewe (DM) | 191,539 | 224,799 |

(Source: Census 2011)

The population decline in Joe Morolong is attributed to emigration from this local municipality to Ga-Segonyana and Gamagara, notably the towns of Kuruman and Kathu, and the prevalence of HIV and AIDS in the area.

Comparing the gender ratio (males per 100 females) of the three local municipalities demonstrates the influx of men into Gamagara as the host municipality and confirms Joe Morolong's status as a labour-sending area. The gender ratio for Gamagara is 120 males per 100 females; for Joe Morolong it is 85.5 males per 100 females. Corresponding to the gender ratio, 50.7% of households in Joe Morolong are female headed.

Africans form the majority of the district's population. In Ga-Segonyana and Joe Morolong this is a large majority (79% and 96% respectively) and in Gamagara the division between races is much smaller with blacks at 42.7%, Coloureds at 32.7% and Whites at 24.6%.

In line with the racial profile, Setswana dominates as the home language in Ga-Segonyana (78.4%) and Joe Morolong (90.1%), whereas Gamagara residents use both Afrikaans (51.6%) and Setswana (32.3%). The fact that no other language grouping has more than 3.5% of users in any of the municipalities, confirms that people migrating into Gamagara in search of jobs are predominantly from the Northern Cape and North West Provinces, and not from South Africa's more traditional labour-sending areas such as the Eastern Cape and Lesotho.

3.1.3.4 Education

Between the 2001 and 2011 Census, there was a definite improvement in the education profile of the JTG district: the percentage of adults with no schooling declined from 25.5% to 14.6%. However, basic education levels remain inferior to the average for the Northern Cape Province, and the figures of 22.8% of adults in Joe Morolong with no schooling and only 13.4% with a matric qualification are unacceptable by any standards.

The education profile of the JTG District Municipality reflects the high levels of poverty and deprivation in especially the Joe Morolong Local Municipality, as well as the socio-economic differences among the three local municipalities.

Table 3.5: Basic education profile 2011

| Area | % Population aged 20+ | | |
|---------------------------------|-----------------------|--------|------------------|
| | No schooling | Matric | Higher education |
| Joe Morolong Local Municipality | 22.8% | 13.6% | 4.1% |

| | | | |
|---------------------------------|-------|-------|-------|
| Ga-Segonyana Local Municipality | 9.7% | 24% | 9.5% |
| Gamagara Local Municipality | 10.5% | 27.8% | 11.3% |
| JTG District Municipality | 14.6% | 21.1% | 7.9% |
| Northern Cape Province | 11.3% | 22.9% | 7.2% |

(Source: Census 2011)

3.2 REG 46 (c) (ii): KEY ECONOMIC ACTIVITIES OF THE AREA IN WHICH THE MINE OPERATES

The economy of the JTG District Municipality is based on mining (68% of provincial GVA), followed by community, social and personal services at 12%. Agriculture and manufacturing, which are strong growth sectors and job creators, play a very insignificant role in the local economy of the district, at 1% and 1.4% respectively (JTG District Municipality 2011: 68).

The strong reliance on mining makes the district's economy undiversified and vulnerable. The towns of Kathu and Kuruman grew rapidly due to new mining activities, while many of the villages in Joe Morolong have no economic base to build from and very little expectation of any new developments or investments. Most services and transport are tied to the mining sector.

Retail activities increased significantly as a result of this increase in mining activities in the area in the past three years in Kathu and essentially fed off population size and available disposable income. Retail and financial services will grow further in Kuruman and Kathu as the population and job opportunities grow but will remain locally orientated for a long time to come as Kimberley and Upington are too strong to be challenged in the near future as regional service centres.

The number of households involved in agriculture contracted between 2001 and 2011. A total of 48% of all households in Joe Morolong depend on agriculture – often subsistence farming – for an income. The percentages of households involved in agriculture for Ga-Segonyana and Gamagara are 22.3% and 11.11% respectively and tend to include commercial farms. Cattle and game farming are the mainstay of the agricultural sector.

Diversification of the local economy will be focused on agriculture, agro-processing, tourism and manufacturing. Kuruman has a strong base in government services, reflected in the fact that Ga-Segonyana Local Municipality generates 60.6% of JTG District Municipality's GVA for community, social and personal services GVA. In contrast, Kathu's local economy is totally dominated by the mining sector: 71.4% of GVA in the district comes from mines in Gamagara Local Municipality.

In the JTG district area, some 416 beneficiaries have benefited from land reform schemes covering almost 28,000 ha. In many cases, the economic potential of land is inadequate as a source for economic livelihoods and this will have to be addressed in any future consideration of infrastructure investment and development. As a result, the development priorities should be maximisation of LED opportunities, promoting integration and linkages with the surrounding economy and providing appropriate levels of service.

3.3 REG 46 (c) (iii) IMPACT OF SISHEN MINE ON LOCAL AND LABOUR SENDING COMMUNITIES

The mining sector is the largest contributor to the Northern Cape's GDP and accounts for approximately 50% of the GDP of the JTG district area (which forms the major labour sending area of Sishen Mine). Sishen mine is the largest private sector employer in the Northern Cape and around 80% of Sishen mine's permanent employees are local; in other words, they are recruited from the host or labour-sending municipalities in the JTG district. Some of these employees are from far-off areas in the rural Joe Morolong Local Municipality and have to relocate to Kathu, Sesheng or Mapoteng when taking up positions at the mine. Local employment from the district does not always mean that employees work close to home.

In addition to direct employment, Sishen mine offers indirect employment to employees working for suppliers or sub-contractors whose employment is attributable to business generated by Sishen mine. Induced employment means mining-related salaries (from direct and indirect employees) are being spent in the local economy and that leads to growth of local businesses and the employment of more people. Applying a multiplier of 0.44 to Sishen mine means the mine create as many as 6,207 induced jobs in 2014 alone. Sishen mine therefore plays an important role in the economy, both in terms of local job creation and in the procurement of goods and services. In addition, Sishen mine regards its sustainable development efforts, with their strong focus on skills upliftment and enterprise development as playing a crucial role in addressing the issues of local unemployment and poverty alleviation.

3.4 REG 46 (c) (iv): SISHEN MINE FIVE- YEAR LED PROGRAMME

3.4.1 Sishen Mine LED programme aligned to mineral regulations

Sishen Mine, by conforming with the guidelines of the Social and Labour Plans and measured in accordance with the Mining Charter Scorecard, presents its LED programme. The programme was developed in consultation with Sishen Mine's key stakeholders. The programme aligns itself to the requirements below:

- Consultation and co-operation in the formulation of integrated development plans;
- Co-operation with local, district and provincial government in the implementation of these plans for the JTG DMA and other identified communities within the Northern Cape; and
- Engagement with the local mine community (communities within the GLM).

The LED programme has been compiled after following an intense consultation process with all local, district and provincial authorities and other interested stakeholders in a combined forum. In recognising broader community needs, Sishen Mine also implements projects at a provincial level in the Northern Cape.

Sishen Mine is actively involved in the integrated development planning process of the JTG Development node, and to this effect has funded a comprehensive rural research study that has been adopted by the JTG District Municipality as the baseline input document used for the revision of the JTG Integrated Development Plan.

Sishen Mine played an instrumental role in the establishment of JTG District Growth and Development Forum (DGDF).

3.4.2 Sishen Mine five-year LED commitment

SLP project commitments have been made for the three municipalities in the JTG district as follows:

3.4.2.1 Gamagara and Joe Morolong Youth Graduate Internship Programs

The purpose of these internship projects is to provide real-time work exposure for unemployed Graduates in the Gamagara and Joe Morolong Municipal areas.

The interns will be placed with various employers for the duration of the project to obtain knowledge, skills, experience and on the job training. Each intern will receive a stipend for the duration of the internship program. The workplace exposure will assist and empower all interns to be ready for employment opportunities and to be more employable in the future **(See detailed project profile in Annexure A)**

3.4.2.2 Community Bursaries for NCR TVET College (B.Ed. and Tourism) and Health Practitioner Development

The aim of the community bursary programme is to assist the FET College in Kathu to provide services that will create a wider range of offerings in courses starting with teaching and hospitality. Minimum of 40 youth from JTG Districts will be targeted to enrol in education and tourism courses. The youth will attend courses at Kathu NCR TVET College and will be provided with accommodation at Sishen mine's learnership residence in Kathu. The availability of alternative courses to mining industry will assist in the mine closure plan strategy.

Whereas the purpose of health practitioner development programme is to sponsor tuition fees and other needs for youth of JTG District who enrolled on various medical profession. A minimum of 15 youth is targeted to benefit from this project on a yearly basis. The project is ideal to assist the Department of health in strengthening health services delivery through the training and development of health practitioners.

This project will assist the Department of Health to have the necessary skills that will be able to deliver quality services to the Community of the JTG area. The area is currently amongst the top poorest performing with regards to health facilities and has been unable to meet minimum requirements for basic health services delivery to its communities. Patients have to wait for days for transports to be able to take them to Kimberley to see specialist or make use of medical equipment. **(See detailed project profile in Annexure B)**

3.4.2.3 NRC TVET College Upgrade

Provide infrastructural upgrade to the Kathu NCR TVET College with the renovation of classrooms, construction of student accommodation facility, removal of asbestos water pipes and the refurbishment of a professional cookery classroom.

This will stimulate an enabling environment to introduce alternative careers within the JTG area and contribute towards sustainability after the life of mine. **(See detailed project profile in Annexure C)**

3.4.2.4 Gamagara Agricultural Project

The purpose of this project is to provide funding for the implementation of an agricultural project for local beneficiaries for crop production and under tunnels. The production will be sold to local, regional and national market. The project is expected to create more than 30 jobs when in full implementation. It project seeks to prepare Kathu to develop an alternative sustainable economic activity to rely on water from Sishen Mine. **(See detailed project profile in Annexure D)**

3.4.2.5 Bulk Water Supply Upgrade

The project entails upgrade of bulk water supply system in Ga-Segonyana area. One of the key activities in this project is the laying of a pipeline from Kuruman to the newly constructed Bankhara Bodulong water reservoir as well as the installation of mechanical and electrical equipment. **(See detailed project profile in Annexure E)**

3.4.2.6 Construction of Schools Ablution Facilities

The project entailed construction and upgrade of ablution facilities at identified School in the JTG District. The project is anticipated to create more than 40 jobs and benefited 512 learners identified schools. **(See detailed project profile in Annexure F)**

3.4.2.7 Construction of a Road (Klein Neira to Churchill)

Joe Morolong Local Municipality situated in Churchill of the Northern Cape Province identified a need for the upgrading of a main gravel road between the village of Lotlhakaneng and Klein Neira. The services required includes the following:

The development of a new main road consisting out of a double seal wearing course, for the Municipality; Preparations of business plans, project costs estimate, as well as preparation of tender documents, budget control, monthly progress reports and overall implementation.

The road identified will be the main road leaving Lotlhakaneng travelling to Klein Neira in a south-western direction. The project is expected to generate more than 20 jobs. **(See detailed project profile in Annexure G)**

Table 3.6 SLP Projects for the Gamagara Local Municipality 2017 – 2021

| PROJECTS | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|--------------------|---------------------|---------------------|--------------------|--------------------|
| Youth Graduate Internship Program | R 1 547 964 | R 3 000 000 | R 2 152 200 | R 1 795 200 | |
| Community Bursaries for NCR TVET College (B.Ed. and Tourism) | | R 1 765 000 | R 1 765 000 | R 1 765 000 | R 1 765 000 |
| Health Practitioner Development Project | | R 536 837 | R 538 867 | R 590 554 | R 590 554 |
| NRC TVET College Upgrade | | R5 119 000 | R 2 000 000 | | |
| Gamagara Agricultural Project | R 99 000 | R 2 000 000 | R 6 286 013 | R 2 000 000 | R 2 000 000 |
| TOTAL | R 1 646 964 | R 12 420 837 | R 12 742 080 | R 6 150 754 | R 4 355 554 |

Table 3.7. SLP Projects for the Ga - Segonyana Local Municipality 2017 – 2021

| PROJECTS | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|------|--------------------|--------------------|---------------------|--------------------|
| Bulk Water Supply Upgrade | | R 4 000 000 | R 6 000 000 | R 16 000 000 | |
| Health Practitioner Development Project | | R 536 837 | R 538 867 | R 590 554 | R 590 554 |
| Community Bursaries for NCR TVET College (B.Ed. and Tourism) | | R 1 765 000 | R 1 765 000 | R 1 765 000 | R 1 765 000 |
| TOTAL | | R 6 301 837 | R 8 303 867 | R 18 355 554 | R 2 355 554 |

Table 3.8. SLP Projects for the –Joe Morolong Local Municipality 2017 – 2021

| PROJECTS | 2017 | 2018 | 2019 | 2020 | 2021 |
|----------|------|------|------|------|------|
|----------|------|------|------|------|------|

| | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| Construction of schools ablution facilities | R 1 200 000 | - | R2 000 000 | R2 000 000 | R2 000 000 |
| Construction of a Road (Klein Neira to Churchill) | R 10 000 000 | R 8 000 000 | R 8 000 000 | R 8 000 000 | R 8 000 000 |
| Joe Morolong Youth Graduate Internship | R 720 000 | R 1 751 646 | R 1 058 400 | R 739 200 | |
| Health Practitioner Bursary Programme | | R 536 837 | R 538 867 | R 590 554 | R 590 554 |
| Community Bursaries for NCR TVET College (B.Ed. and Tourism) | | R 1 765 000 | R 1 765 000 | R 1 765 000 | R 360 000 |
| TOTAL | R 11 920 000 | R 12 053 483 | R 13 362 267 | R 13 094 754 | R 10 950 554 |

3.4.3. Conditions attached to the grant of the 21.4% residual share of the Sishen Mining Right

3.4.3. Additional Projects – conditions for the granting of the 21.4% share of the mining right:

By virtue of a grant letter dated 26 September 2016, SIOC was granted consent in terms of Sec 102 of the MPRDA to amend the SIOC Mining Right by the addition of a 21.4% share in the right to iron ore and quartzite, so that SIOC will hold a 100% share in the right to iron ore and quartzite, which grant was conditional to SIOC amending the Sishen SLP by the addition of the commitments below.

3.4.3.1 Support for skills development:

- Sol Plaatje University

SIOC will engage with the Sol Plaatje University to discuss the possibility to jointly conduct a feasibility study to ascertain the viability of establishing a Centre of Excellence focussed on courses related to the mining industry. SIOC will contribute up to R5 million (five million Rand) to fund this feasibility study. Sol Plaatje University however, does not support the idea of conducting feasibility study focusing on mining related courses as engineering disciplines do not appear in the University's Programme and qualifications mix agreed to with the Department of Higher Education, and Training and is unlikely to offer such qualification in the next five years. The University requested support for development of a B.Ed. (Foundation Phase Teaching) and the establishment of a mentoring programme to support Work Integrated Learning component of their B.Ed. Programme (See request letter in Annexure H). It is the University's view that a more significant contribution to social development in the Northern Cape would be achieved through school and teacher development.

SIOC will also contribute R40 million towards the establishment of the University, including funding for infrastructure, and a Memorandum of Understanding has already been signed with the University.

- Training of artisans with the MQA

SIOC will avail its workplace, subject to reasonable constraints such as capacity, as a training space to the MQA for the training and development of a suitably appropriate number of qualified artisans.

3.4.3.2 Research and development:

a) Research into possible means of extracting additional value from the Bushveld titanomagnetites

SIOC will conduct Research and Development considered by SIOC to be viable and appropriate into possible means of extracting additional value from the Bushveld titanomagnetites, and that the results of such research will be shared with the African Exploration and Mining Finance Company ('State Mining Company').

b) Joint training and best practice knowledge sharing programme with African Exploration and mining Finance Company

SIOC will undertake to assist the African Exploration and Mining Finance Company ("State Mining Company") to develop and implement a detailed joint training and best practice knowledge sharing programme, for the benefit of the State Mining Company. A working Group will be formed to allow SIOC and the State Company to jointly identify training programmes, and to agree on the terms for sharing of information.

3.4.3.3 Procurement

c) Feasibility study into the viability of establishing a Supplier Park in the Kathu area SIOC will commence a feasibility study into the viability of establishing a Supplier Park in the Kathu area. The feasibility study will consider the viability of establishing an Industrial Park serving private entities that focus on serving the local mining community, focused on creating a positive and sustainable socio-economic impact in the Kathu area of the Northern Cape. Such feasibility study will be shared once completed.

d) Land for the Supplier Park

In the event that a Supplier Park is to be established, SIOC will donate vacant land in the Kathu area, up to a maximum of 60Ha, to be used for the establishment of the Supplier Park.

e) Supplier Development Programme

SIOC will develop a Supplier Development Programme which will focus on establishing guidelines for the development of local procurement activities for historically disadvantaged persons and entities in the procurement opportunities at the Sishen and Kolomela Mines.

SIOC will implement a second Supplier Development Program in 2017, where 10 suppliers, who would have been awarded contracts will be identified put through the program. The programme incorporates business theory together with technical, safety and general business mentorship. A pre-approved Local Procurement Pipeline will be set aside for Local spend and credible potential local suppliers identified will be invited to form part of the program.

Table 3.10: Projects related to conditions of the 21.4% residual share of the Sishen Mining Right grant

| PROJECTS | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|----------------------|--|---|---|---|
| Feasibility study on Centre of Excellence on Mining at Sol Plaatje University | | | | R 5 000 000 | |
| Training of artisans with the MQA | | <i>Training Facilities provided to MQA</i> | <i>Training Facilities provided to MQA</i> | <i>Training Facilities provided to MQA</i> | <i>Training Facilities provided to MQA</i> |
| Detailed joint training and best practice knowledge sharing programme with African Exploration and Mining Finance Company | | <i>Identify training needs</i> | <i>Implement training and knowledge sharing programme</i> | <i>Implement training and knowledge sharing programme</i> | <i>Implement training and knowledge sharing programme</i> |
| Share R&D study, considered viable and appropriate, into possible means of extracting additional value from the Bushveld titanomagnetites | | <i>Share study with African Exploration and Mining Finance Company</i> | | | |
| Feasibility study into the viability of establishing a Supplier Park in the Kathu area | R 10 900 000 | | R 2 000 000 | <i>Land Donation (18 000 000) Submission of study</i> | |
| Supplier Development Programme – Phase 2 | | R 1 022 715 | | | |
| Development of local procurement opportunities for local 51% black entities (ring-fenced amount of discretionary procurement spend) | <i>R 500 000 000</i> | <i>R 700 000 000</i> | <i>R 1,4 billion</i> | <i>R 2,1 billion</i> | R2,1 billion |
| TOTAL | R 10 900 000 | R 1 022 715 | R2 000 000 | R23 000 000 | |

3.5 REG 46 (c) (v): HOUSING AND LIVING CONDITIONS

This section reflects on plans for the next five years, 2017- 2021, to address the housing and living conditions of Sishen Mine’s employees.

Sishen Mine’s housing and living condition approach is founded on the principle of building sustainable communities adjacent to its operation, through the promotion of homeownership and provision of appropriate accommodation in line with requirements of the Mining Charter.

The housing strategy is also supplemented by support measures to all employees in the form of housing allowances and subsidies to enable them to either purchase or tent accommodation. The following provisioning model shows how the housing need and expansions at Sishen Mine will be addressed.

3.5.1 Hostel accommodation

All hostel blocks have been converted into single unit accommodation by the end 2021. This resulted into lesser number of available rooms. Employees who could not be accommodated back to the converted hostel blocks are accommodated in 476 single family houses.

3.5.2 Company rental houses and flats

Mine owned houses and flats are rented out to employees at affordable rental tariffs. These houses and flats are reserved in line with Sishen Mine objective of retaining and attracting talent.

Sishen Mine continues to provide accommodation in the form of flats to employees in the Professionals in Training programme (PIT).

3.5.3 Formal facilitated/affordable housing

Sishen Mine continues with its facilitated housing project launched in 2003. Emphasis will always be placed on the promotion of home ownership whilst continuing to provide support to employees in the form of housing allowances and subsidies.

3.5.4 Measures to address nutrition

All housing units are fitted with an electrical cooking facility. Employees have the option to either obtain food from the catering facility or purchase their own meal ingredients and prepare their own food.

3.5.5 HIV and Aids

Sishen Mine's HIV and AIDS Disease Management Programme focuses on prevention treatment, care and support and is aimed at providing services to employees, contractors, family members and the broader community. With respect to the workplace programme, prevention initiatives include health education and promotion, condom distribution, post exposure prophylaxis and general health risk screening which includes voluntary counselling and testing (VCT) AND screening for TB. The company started offering VCT as early as 2004 and, over the years, access to testing service has enhanced through wellness campaigns, medical surveillance and primary care services. VCT has now been entrenched as part of routine health risk screening. Sishen Mine Continues to consistently report high HCT participation in the region of 90% for permanent employees and core contractors.

The delivery of community-related prevention, treatment, care and support services is entirely managed by a not-for-profit organisation – UGM Clinical Services – and governed by a memorandum of understanding signed with Department of Health. The UGM Wellness clinic located in town closely collaborates with surrounding public health clinics. Individuals registered on the disease management are closely monitored on an on-going basis.

3.6 REG 46 (c) (vi) PROCUREMENT PROGRESSION PLAN

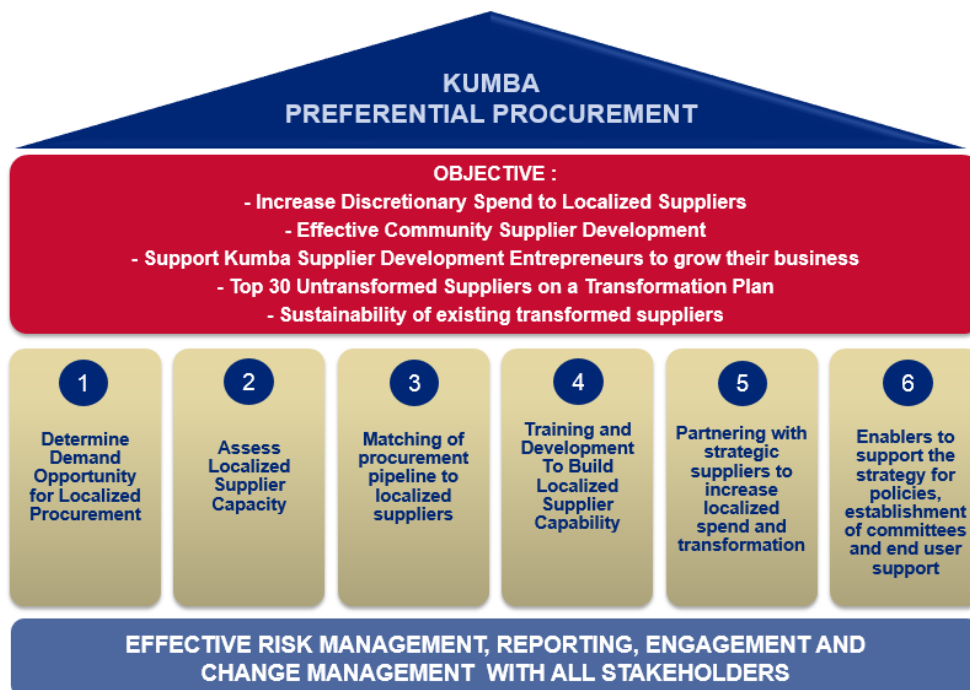
3.6.1 INTRODUCTION

It is a business imperative for mining companies to develop the communities in which they operate. Kumba's Socio Economic Development Strategy has Preferential Procurement as one of its focus areas. This is to ensure that communities participate and benefit from economic activities created by the mine and creating an empowered community that can sustain itself beyond the life of mine.

In the main, the discontent directed towards our mines (and most mining companies) by communities has been around the lack of access to procurement opportunities. To address this issue the company is implementing a strategy to: -

- Increase discretionary spend for localized suppliers, (black owned companies based in Gamagara, Joe Morolong, Ga-Segonyana, Tsantsabane, Kgatelopele and Griekwastad)
- Support and grow localised suppliers that have gone through the SIOC Supplier Development Programme,
- Influence and increase transformation of suppliers that conduct business with our operations,
- Promote sustainability of localized entrepreneurs,
- Finally, design and implement an effective community supplier development initiative to ensure growth and continuous development of localized suppliers.

The Strategy set out below focuses on key 6 pillars that will meet the objectives of the Preferential Procurement Policy.



Localised Procurement opportunities have been identified with a clear target of R500 million between Kolomela and Sishen mine for 2017 which was achieved and exceed by R20 million. R1 billion and R2 billion ring-fenced for 2018, and 2019 respectively.

Sishen mine aims to increase its localised procurement spend every year. In 2017 the mine commits to spend 350 million on goods and services procured from BEE companies based within communities local to both Sishen and Kolomela mines. This amount will increase to R700 million in 2018, R1,4 billion in 2019, R2,1 billion in 2020 and 2021. The table below indicates the commitment for the next five years.

Table 4.2 Five Year Target for Localised Procurement

| 2017 | 2018 | 2019 | 2020 | 2021 |
|--------------|--------------|--------------|--------------|-------------|
| R350 million | R700 million | R1,4 billion | R2,1billionl | R2,1billion |

3.6.2 PREFERENTIAL PROCUREMENT OBJECTIVES ALIGNING TO MINING LEGISLATIVE REQUIREMENTS

The Sishen Mine procurement plan is executed in accordance with South Africa’s mining legislation and supports meaningful participation in the broad based socio-economic (BBSE) transformation of the country. The SIOC Localised Preferential Procurement strategy complements these legal requirements and maximises economic opportunities for host community suppliers. Sishen mine has recognized the need to promote national and localised preferential procurement goals, and is accordingly a participating member of the Northern Cape Mine Managers Preferential Procurement Forum (NCMMPPF).

OUR PRINCIPLES

Underpinning the vision are four fundamental principles:

| | | | |
|--|---|---|--|
| <p>MULTI-FACETED</p> <p>Our entire supply chain offers potential opportunities for local procurement: from the exploration stage through to post-closure; operational and capital expenditure; goods and services; small, medium, large and multinational suppliers and contractors; and in all our areas of operation.</p> | <p>INCLUSIVE</p> <p>We pursue development outcomes through local procurement at multiple levels: including host communities; indigenous and previously disadvantaged communities; as well as at appropriate national levels.</p> | <p>SOUND GOVERNANCE</p> <p>Sound business principles and good governance will underlie all transactions. There will be no compromise on quality, delivery, service, safety, health and environment, or any other technical requirements. The relevant Anglo American policies and procedures will apply.</p> | <p>WORKING IN PARTNERSHIP</p> <p>Creating an enabling environment for local procurement requires collaborative ways of working: across functions within Anglo American; with our major suppliers; and with communities, governments and development institutions.</p> |
|--|---|---|--|

4.3.6.4 STATUS OF BEE PROCUREMENT SPEND BY SISHEN MINE

The figures set out below reflect January – December 2017 BEE spend Sishen Mine:

Table 4.1 Current status of procurement spend

| | Total | Non-Discretionary | Discretionary | BEE | % Split |
|--------------|-------------------------|-----------------------|-------------------------|-------------------------|------------|
| Capital | 555 876 002,18 | | 555 876 002,18 | 374 070 568,7 | 67% |
| Services | 3 159 043 914,48 | 387 740 205,83 | 2 771 303 708,65 | 2 274 189 085,71 | 82% |
| Consumables | 4 311 852 194,27 | | 4 311 852 194,27 | 3 339 411 179,14 | 77% |
| Total | 8 026 772 110,93 | 387 740 205,83 | 7 639 031 905,10 | 5 987 670 833,64 | 78% |

3.6.5 SMME Development

Sishen Mine is getting support from Anglo American Zimele to meet the Enterprise and Supplier Development (ESD) objectives. Since its inception, Zimele has supported over 2,300 SMMEs that have collectively employed more than 57,000 people across South Africa.

ESD objectives will be driven with the assistance and in partnership with Anglo Zimele and strategic partners such as TechnoServe (mentoring and coaching) and ABSA (fund administration). Assistance comes in the form of training/ mentoring as well as financial assistance where required. Zimele also has a strong focus on the development of youth and assisting with access to markets for entrepreneurs under development. The ESD programme is entrenched in the inclusive procurement strategy and category strategies to ensure the development of suppliers and enterprises who are able to operate independently and sustainably.

The mine also aims to develop SMMEs through a business readiness programme. The programme intends building an SMME pipeline to be ready to participate in the localised procurement programme. The following are the targets set by Sishen Mine over a five-year period to develop and build this SMME pipeline:

Table 4.3 Five Year Target for SMME Development

| 2017 | 2018 | 2019 | 2020 | 2021 |
|------|------|------|------|------|
| 0 | 30 | 30 | 30 | 30 |

3.6.6. Northern Cape Mine Managers Association Preferential Procurement Forum

As part of its commitment to transformation, the Northern Cape Provincial Government, Sishen mine and other mines in the Northern Cape Province have embarked on a project to formalize a co-operative preferential procurement approach.

Sishen mine is a participating member of the Northern Cape Mine Managers Association Preferential Procurement Forum (NCMMAPPF). This forum aims to integrate the principles expressed in the

Revised Mining Charter into the procurement operations of mining companies, thereby demonstrating a measurable commitment to develop and enhance procurement processes, policies and procedures that will increase access to business opportunities for HDSA's.

To this end, Sishen mine focuses on five major areas of transforming its Supply Chain, viz:

- High spend suppliers: identifying those suppliers that are dependent on supply to Sishen mine and determine their intentions of transformation in terms of the revised mining charter definition of BEE compliant supplier;
- Determine which of these suppliers are strategic to Sishen mine;
- Focus to transform the suppliers that can be leveraged to transform through the impact of Sishen mine procurement with such suppliers;
- Suppliers providing routine commodities: identify the potential to replace suppliers without BEE compliance if the existing suppliers are not yet BEE compliant.
- Secure and develop opportunities in mining construction and maintenance programmes to set up new suppliers with ownership by HDSA individuals from the regions adjacent to the Sishen mine operation (approximately 100km radius).

Selection criteria for preferential procurement will relate to a balanced scorecard approach, wherein technical competency, key risks, critical success factors and major service deliverables will be considered, together with empowerment, location and employee parameters. The criteria will address the following broad areas:

- The technical merit of the goods or services offered;
- The ability of the supplier to fulfil the specified requirements, including technical and management competence, financial viability, relevant skills, experience and availability of key personnel;
- Total cost of ownership of providing goods and services;
- An assessment of the risks or constraints associated with each offer;
- A preference for categories of bidders, such as the employment creation, location and BEE parameters, provided this does not compromise the value for money required and is achieved in a required timeframe;
- Any wider benefits to Sishen mine, for example, local employment opportunities. Sishen mine ensures that all suppliers claiming to be BEE are accredited as such. The scope of preferential procurement interventions shall include the following activities:
 - Integrating affirmative procurement into the mine's supply chain policy;
 - Instituting process and principles relating to equitable procurement and supplier relationship;
 - Supporting joint ventures between the target group and existing suppliers that encourage commercial equity, as well as equality and best practice; and
- Compliance with general and special terms and conditions.

3.6.7 ACTIONS TO ACHIEVE PROCUREMENT TARGETS

| NO | STEPS | TIMELINE |
|-----|---|------------|
| 1. | Ensure that entrepreneurs are aware of the vendor portal where they need to register their business on the website (www.innoven.co.za) to become a potential supplier. | Continuous |
| 2. | Ensure that the list of potential suppliers is distributed to Supply Chain teams on a monthly basis to consider entrepreneurs for opportunities. | Continuous |
| 3. | Maintain a list of localised suppliers and share monthly with Supply Chain teams. | Continuous |
| 4. | Ensure that the current supplier information on the vendor database is correct to ensure spend tracking towards localised suppliers is correctly measured and reported. | Continuous |
| 5. | Use the potential and localised supplier databases to identify which businesses require development and support which will also be discussed during cross functional meetings with the Sustainable Development department on how to assist/ capacitate these such businesses. | Continuous |
| 6. | Continuous engagement with the local community to understand what businesses exist that can render goods and or services to the mine. | Continuous |
| 7. | Monthly engagement sessions with the local community via SMME forums and Business Forum Meetings. | Continuous |
| 8. | Track and measure supplier development initiatives towards localised suppliers. | Continuous |
| 9. | Drive implementation of the Preferential Procurement Policy to ensure increased spend towards localised suppliers whilst ensuring compliance. | Continuous |
| 10. | Set reporting standards for measuring spend towards localised suppliers. | Continuous |

SECTION 5: DINGLETON RELOCATION PROJECT

Section 5 below deals in detail with the developmental programmes implemented as part of the Dingleton Relocation project undertaken by SIOC.

5.1 INTRODUCTION

The Dingleton Resettlement Project was approved by Kumba and Anglo American to enable Sishen to mine according to its Life of Mine Plan. The project consists of the resettlement of over 500 households, as well as business premises, churches, schools, various commercial structures and municipal buildings such as the town hall, library and the community centre. It is envisaged that the

resettlement will be completed in December 2018, at a cost of R4,2 billion. Some of the community projects undertaken as part of the resettlement are listed in 5.4.3 below. A new host site is currently under construction in Kathu, comprising new bulk water, power, road and sewer infrastructure.

The project strategy is focused on ensuring compliance with World Bank IFC Standards as well as the Anglo-American Social Way. The project is aimed at relocating the Dingleton community on a sustainable, like for like basis and to avoid any negative impacts on the livelihoods of relocated families. Extensive consultation was done with multiple stakeholders, including Provincial and Local Government, community representatives, home owners and various resettlement specialist consultants to develop and execute the project successfully.

In addition, the project embarked on a comprehensive Sustainable Development Programme to train, employ, develop and contract Dingleton community members and SMME's during the construction of the new suburb, Siyathemba.

5.2 BACKGROUND

The Township of Dingleton was established in the 1950's as a mining town to accommodate employees of Iscor, the state-owned mining company that operated Sishen mine at the time. Between the 1970's and 1980's, some of the houses were sold to private individuals with a few retained as company's housing stock. The Dingleton Township consists of inter alia some:

- 307 privately owned houses
- 96 SIOC owned houses
- 51 Transnet houses
- 54 Municipal RDP houses
- 13 SANDF houses
- Several business premises, 16 church denominations, out buildings and garages
- Pre-primary school housing 600 learners
- Satellite police station, office block and accommodation
- Municipal buildings including a town hall, offices, libraries and community centre.

The Dingleton Township is situated adjacent to Sishen Mine's mining right area, within the Gamagara Local Municipality, but it is isolated from the town of Kathu and its surrounding communities. The proposed Dingleton resettlement was announced at a public meeting in 2008 and bulk infrastructure construction started in June 2013. The process followed for the baseline and pre-feasibility studies were conducted according to the World Bank Guidelines on Resettlement (Performance Standard 5).

The project requires the following scope of work:

Bulk services to 766 stands, primary school, high school, churches and retail buildings which includes sewerage, potable water, roads and electrical reticulation;

Bulk services to all municipal and government structures;

Building of 508 houses to resettle the community. Each house will be equipped with Jojo water tanks and solar water heating;

Building of 2 x schools (1 x pre-primary and primary and 1 x extension to the current high school), 7 x churches, 8 x public buildings and community centres, 1 x Police Station and 3 x businesses;

Payment to all residents for inconvenience allowances and physical removal costs; and

Subsidy of rates and taxes for a 20-year period with a five-year phase out period.

The resettlement project is set up to benefit the community immensely due to improved bulk, housing, school and other public infrastructure; low maintenance cost of houses and public buildings

due to innovative design and energy efficiencies; as well as better access to shopping facilities, garages and medical facilities, as the new location will be integrated into Kathu.

5.3 COMMUNITY INVOLVEMENT AND STAKEHOLDER ENGAGEMENT

Since the public announcement of the Dingleton Relocation project in 2008, a rigorous consultation and engagement processes were instituted with the Northern Cape Provincial Government, Gamagara Local Municipality and Dingleton community representatives through the Resettlement Working Group (RWG), and with the Dingleton community at large through monthly public meetings. All engagements are regulated by terms of references, which were agreed upon at the inception of the project. A resettlement office was also set up in Dingleton to facilitate one on one consultations and to provide a platform for residents to submit complaints pertaining to resettlement issues.

5.4 LIVELIHOOD ENHANCEMENT

5.4.1 Employment and Enterprise Development opportunities to be created

By the end of 2015, the Dingleton Resettlement Project had created direct employment opportunities for 4380 persons for consultants, managers, construction workers and SMME's. This number is foreseen to increase further post contraction (through sustainability projects and demolition of old infrastructure).

Construction related packages (bricklaying, plastering, fencing, paving and painting) were, and still are provided for the community to contract with the principal contractor to earn income, learn business, supervisory, safety, and construction skills.

A total of not less than R150 million will be set aside for procurement of goods and services from local service providers, contractors and suppliers, and this will go a long way to contribute to local employment and investment. This is expected to increase further until project close-out.

5.4.2 Employment and SMME opportunities to be created

The Dingleton Resettlement Project is planned for completion by December 2018 with all residents relocated to Siyathemba in Kathu. It is envisaged that once everyone has been moved the vacated buildings in Dingleton town will be demolished. Demolition packages will be set aside for local SMMEs and will create further employment and training opportunities for the Dingleton community particularly with demolition of buildings, landscaping, fencing and transport.

5.4.3 Community Development Projects

Since the start of the Dingleton Resettlement Project various community development programmes were initiated to create opportunities for employment and procurement, and to alleviate poverty. An amount of R60 million will be spent to construct a clinic and a youth centre within the five-year period of this SLP, over and above the initial resettlement scope.

As the project moves forward, various other upliftment and livelihood advancement facilities are being secured for the community through the project, such as rain water harvesting systems, solar geysers and water wise garden designs.

Previous Dingleton community members will also have further opportunities to participate in all Sishen Mine community projects within the Gamagara Municipality. One such project is the youth development programme which, although initially established for the Dingleton youth, will take an integrated approach and involve youth in the Gamagara municipality.

The following projects have been identified to commence during the duration of the project and to be integrated within the Gamagara District after the community moved to Kathu:

Table 5.1: Identified projects to be delivered during the resettlement project.

| Project | Budget | Timeline |
|---|--------------|-------------------------|
| Siyathemba Health Clinic | R15 961 849 | 2019 - 2020 |
| Siyathemba Youth Centre | R6 546 370 | 2017 - 2018 |
| Landscaping and Parks | R11 280 419 | 2017 - 2020 |
| Fencing of CRUs | R1 128 945 | 2018 |
| New Cemetery | R9 301 857 | 2019 |
| Portable Skills Training | R4 000 000 | 2017 - 2021 |
| Love Life Youth Services | R8 000 000 | 2017 - 2021 |
| Sports Field | R2 060 514 | 2019 |
| Housing Accommodation and other buildings | R1,3 billion | Duration of the project |

SECTION 6: MANAGEMENT OF DOWNSCALING AND RETRENCHMENT

In compliance with Regulation 46 (d) of the Mineral and Petroleum Resources Development Act

6.1 INTRODUCTION

Guided by the current legislation and aligned with Trade Union Agreements (in accordance with Retrenchment Policy), SIOC will enter into an agreement with the relevant union(s) on the management of retrenchment and downscaling at Sishen Mine. The parties will agree to the following:

- Prevent or minimise job losses and a decline in employment through turnaround or redeployment strategies, and to seek alternative solutions to the threats to job security and potential measures to prevent a decline in employment.
- Promote a new culture of self-employment and self-maintenance, aimed at improving access to employment opportunities for those that become unemployed.
- Seek to improve the quality of life of all retrenched employees and the affected communities.
- Promote on-going discussions between the Sishen Mine, the union(s) and other relevant parties in respect of any problems and challenges experienced by either of the parties, and in relation to possible alternative job creation projects.
- Jointly and openly discuss issues that concern the employees' future, and jointly structure and implement potential solutions to job losses.
- Jointly engage in strategic planning, deployment or other appropriate strategies that affect jobs, and evaluate progress at regular intervals.

6.2 REG 46 (d) (i): ESTABLISHMENT OF THE FUTURE FORUM

Sishen Mine established a Future Forum with all affected stakeholders on the 2nd of September 2009. It consists of representatives of the employees through their unions, both directly employed and employed by contractors and Sishen Mine management. The members of the Future Forum consist of the following representation:

- Manager Sustainable Development Sishen Mine
- Employee Relation Manager
- Recognised Organised Labour Representatives
- Local Municipality Representative

The Forum meets quarterly and focuses on broader issues, such as:

- Employment Equity
- Skills Development
- Women in core mining
- Management development programmes
- Health and Wellness programmes
- Community Skills Development
- Local Economic Development
- Community Engagement Plans
- Preferential Procurement
- Update about business performance

6.3 REG 46 (d) (ii): MECHANISM TO SAVE JOBS AND AVOID JOB LOSSES AND A DECLINE IN EMPLOYMENT

6.3.1 Consultations

Sishen Mine conducts constructive consultation with employees, should the company contemplate the dismissal of any employee/(s) for reasons based on operational requirements, as required by section 189 (1) of the LRA. Sishen undertakes to:

- Consult with all parties as required by Trade Union Agreements;
- Consult with affected employees and or groups;
- Seek and attempt to reach consensus with consulting parties on appropriate measures to avoid dismissals, minimise dismissals, change timing of dismissals and to mitigate the adverse effects of dismissals;
- Seek and attempt to reach consensus with consulting parties on the method for selecting the employees to be dismissed and the severance packages for dismissed employees; and
- Provide consulting parties with written information as per the requirements of the Labour Relations Act.

6.4 REG 46 (d) (iii): MECHANISMS TO PROVIDE ALTERNATIVE SOLUTIONS AND PROCEDURES FOR CREATING JOB SECURITY WHERE JOB LOSSES CANNOT BE AVOIDED

6.4.1 Consultations

Sishen Mine undertakes to seek to reach consensus with consulting parties on appropriate measures to address adverse effects of dismissals where job losses cannot be avoided, and optimise severance packages for dismissed employees.

6.4.3 Notification to the Minister of Mineral Resources

The Minister of Mineral Resources will be notified as required by Section 52 of the Act, where retrenchment of 500 employees or 10% of the labour force, whichever is the lesser, is to take place in any 12-month period; and to the Minister of Labour if retrenchment of 500 employees or 10% of the workforce, whichever is the greater, is contemplated.

6.4.4 Implementing section 189 of the Labour Relations Act, 1995

In the event of downscaling and retrenchments occurring, consultation with employees will be affected in accordance with Section 189 of the Labour Relations Act (66) of 1995, as amended, (LRA) and any collective agreement that exists. (Refer to above section on consultation process)

6.4.5 Mechanisms to provide alternative solutions and procedures for creating job security where job losses cannot be avoided

During Sishen Mine's planned Life of Mine all efforts will be made to prevent job losses. Initiatives will include, but will not be limited to the following:

| No | Measure \ Actions | By When |
|----|--|------------------|
| 1 | Suspension on external appointments; | Pre –downscaling |
| 2 | Moratorium on all new and / or renewal of contracts with external contractors; | Pre downscaling |
| 3 | Suspension of employment of temporary staff where permanent jobs can be prolonged | Pre downscaling |
| 4 | Involvement of key stakeholders to look at ways and strategies to eliminate working cost (excl labour) to ease the financial burden on operation | Pre downscaling |
| 5 | Offering of voluntary separation packages to those employees whom wish to do so and feels secure to seek alternative employment or means of income in the area or elsewhere; | Pre downscaling |
| 6 | Offering of early retirement packages for employees who has been in the employment of the company for an extensive period and are near to the retirement age range; | Pre downscaling |
| 7 | Redeployment in other group operations where possible; | Pre down scaling |
| 8 | Limitation of excessive overtime; and | Pre downscaling |
| 9 | Revision of shift configurations e.g. continuous operations | Pre downscaling |
| 10 | Eliminate or Reduce work outsourced to contractors on site where it can be performed by full time employees | Pre downscaling |
| 11 | Creation of post-mine employment where job losses cannot be avoided by ensuring social and economic aspects are fully considered through the implementation of a comprehensive Local Economic Development Programme | Pre downscaling |
| 12 | Diversification of skills base of employees affected by retrenchment through a comprehensive Portable Skills programme which shall include Skills programmes aligned with alternative sectors e.g. plumbing, carpentry, agriculture etc. | Ongoing |

Sishen Mine will confer through the Future Forum and in consultation with the appropriate local municipality representative body, such as the Local Economic Development Forum, the IDP Representative Forum, and all other appropriate forums which may exist at that point in time on all aspects of the downscaling or closure of Sishen Mine. The applicable provincial and/or national government department(s) will also co-operate to develop infrastructure as well as provide assistance for the establishment of an appropriate environment that will enable employees to create or access post-mine employment.

6.4.2 Communicating possible retrenchments

Through SIOC Communications and Industrial Relations Departments, a strategy exists to address the following:

- **Informing employees of possible retrenchments;**
Employees will be notified through levels of effective communication sessions by senior management.

Continuous information sessions will be in place to address employees when potential retrenchments might come into effect, taking cognizance of the sensitivity of these issues.
- **Informing other affected parties (labour sending areas, municipalities, etc.) of the possible retrenchments at the operation;**
Parties as mentioned above, will be addressed through the Future Forum in line with SIOC external communication strategies in place.
- **Informing outside parties (media, etc.) of the possible retrenchments at the operation**
Parties as mentioned above will be addressed through SIOC Head Office in line with Company protocol and in line with SIOC external communication strategies in place.

These are agreements in place between SIOC and employee representative unions

6.5 REG 46 (d) (iv): MECHANISMS TO AMELIORATE THE SOCIAL AND ECONOMIC IMPACT ON INDIVIDUAL, REGIONS AND ECONOMIES WHERE RETRENCHMENT OR CLOSURE OF THE MINE IS CERTAIN

6.5.1 Assessment and Counselling Service

Sishen Mine understands that any process of retrenchment has adverse effects on any employee and their extended household. To offer support to affected employees during such time, Sishen Mine will implement Employee Assistance Programmes (EAP's). Employees who are retrenched by the Company will, where possible, practically and reasonably be offered basic life skills, financial life skills and Counselling Services to ameliorate the effects of retrenchments.

Training and other services will be provided by a nominated service provider. All the above services will be available for a duration set by the Company and is completely voluntary. Sishen Mine will bear all costs of such training and counselling services to take further financial burden off those affected employees.

In addition, Sishen Mine, in consultation with the relevant stakeholders, will implement the following:

- Psychological counselling and financial services.
- Portable skills training interventions.
- Comprehensive self-employment programmes.
- In conjunction with the Department of Labour, facilitate the completion of UIF claim forms at Sishen Mine premises.

6.5.2 Comprehensive self-employment training programmes & Portable Skills

Sishen Mine will consider various interventions that will mitigate the adverse effects of any retrenchments of employees.

These measures shall include but will not be limited to the following:

- Sishen Mine will through successful implementation of its Human Resources Development practices pertaining to Portable Skills, ensures that all employees are equipped with those skills to capacitate them to seek and be preferred candidates for alternative employment.
- Ensure training offered to employees are relevant to that of the needs of the region.
- Conduct a comprehensive skills audit of the affected employees.
- Develop learnership programmes that are aligned to the interests of the affected employees as well as the current and forecast skills requirements for the region.
- Implement the accredited learnership programmes.
- Liaise with other companies in the area regarding employment opportunities.
- Employees to be retrenched by the employer will be offered basic life skills, financial skills, SMME training and training related to the economic sectors in the region where poverty eradication opportunities can be achieved.
- Mechanisms and procedures for skills training on retrenchment.
- Training shall be limited to the relevant disciplines available for a limited period and to a limited amount, to be determined by the employer in consultation with the consulting parties/affected employees after the date of retrenchment.
- Affected employees will be remunerated in line with SIOC and Trade Union agreements and the Retrenchment Policy. This includes severance packages, outstanding leave pays, retirement funds and all outstanding amounts due to the employee. This will ensure that employees have some financial assurance in the case of downscaling.

This process will ensure that retrenched employees are more marketable and can capitalise on current and emerging employment or business opportunities that exist within the local labour and business environment.

6.5.3 Comprehensive training and re-employment programmes

To avoid and ameliorate the effects of job losses Sishen Mine will make utmost attempts to ensure that retrenchments will be the last resort in the case of downscaling of operational activities. These efforts and initiatives shall include but not be limited to the following:

- Comprehensive training plans and strategies as discussed in section 5.4.2. above; and other strategies to mitigate job losses during the life of mine of Sishen
- The resource information as based on the Mine Works Programme indicates that Sishen Mine has a 22-year operational life span. This downscaling is associated with the reduction in operational activities as the economically viable resource diminishes.
- Assuming that no additional economically viable resources are available, Sishen Mine will implement the necessary mechanisms to ameliorate the social and economic impacts on employees and local communities as outlined in the table below:

| Main Activities | Indicator | Timeframe |
|--|--|-------------------------------|
| <p>Sishen Mine will assist affected employees through:</p> <ul style="list-style-type: none"> – Alternative employment Should alternative employment at a level (one level/grade) lower be available the employer may protect the salary and conditions of the affected employee or redeployment within the SIOC Group or within the Anglo Group – Time off to seek alternative employment An affected employee may be given paid time off, where possible, to find alternative employment if the employee cannot be released in the final month of service <p>Stimulate Job Creation for Local and Provincial Areas, Sishen Mine will:</p> <p>Consider the feasibility of initiation or expansion of rural development schemes and local development interventions which foster job creation or economic activity at Sishen Mine and surrounding communities.</p> <p>Consider the particular socio-economic circumstances of Sishen Mine and its surrounding communities in all relevant decisions concerning the short and long term future of Sishen Mine.</p> <p>If Sishen Mine is to close the following additional options will be considered:</p> <p>Sishen Mine, in consultation with the relevant stakeholders, will evaluate the viability of transferring ownership of any outstanding initiatives to retrenchees or local authorities or any other responsible body in terms of the principles and procedures agreed or reasonably established by the enterprise.</p> <p>Sishen Mine, in consultation with the relevant stakeholders, will consider the financial feasibility of the transference of particular amenities, land and buildings and other resources to retrenchees or the community on beneficial terms, especially where the market value of the resources does not justify open market disposal and the beneficiaries are able to maintain and make active use of them.</p> <p>Discussions will be held with the local municipality to establish the best use for infrastructure following closure, to ensure that buildings that could be used, for example, to house SMME projects, are not demolished. Sishen Mine will implementt closure plan commitments, which include rehabilitation and social issues.</p> | <p>Number of jobs saved</p> <p>Number of affected employees not retrenched and still in the employment of the company</p> <p>Number of employees finding alternative employment</p> <p>Number of employees employed within the local communities</p> <p>No of employees in alternative employment</p> <p>Number of employees economically active</p> <p>Implementation of closure plan commitments</p> | <p>Ongoing</p> <p>Ongoing</p> |

SECTION 7: FINANCIAL PROVISION

In compliance with Regulation 46 (e) of the Mineral and Petroleum Resources Development Act

To provide financially for the implementation of the Social and Labour Plan in terms of the implementation of the Human Resources Development programme, the Local Economic Development programme, and the processes to manage downscaling and retrenchment, Sishen Mine will ensure that all programmes identified through the Social and Labour Plan are financed by the operation itself.

7.1 Human Resources Development Programme

In order to develop and sustain the necessary core competencies, and thus the competitive advantage of Sishen Mine, it will commit an amount of approximately 5% per annum of its total payroll for the development of its permanent employees, contractors and community members enrolled on skills development programmes.

7.2 Local Economic Development Programme

Sishen Mine will provide the finances to fund all its activities identified and committed to in its local economic development programme. Funding will be allocated from the operation itself and be aligned with annual budget practices. The table below provides a breakdown of the financial provision over a five-year period:

Table: 7.1. SLP Financial Provision 2016 and 2017 - 2021

| 2017 | 2018 | 2019 | 2020 | 2021 |
|-------------|-------------|-------------|-------------|-------------|
| R13 564 964 | R30 776 157 | R34 408 214 | R37 601 062 | R17 661 662 |

7.3 Management of downscaling and closure programme

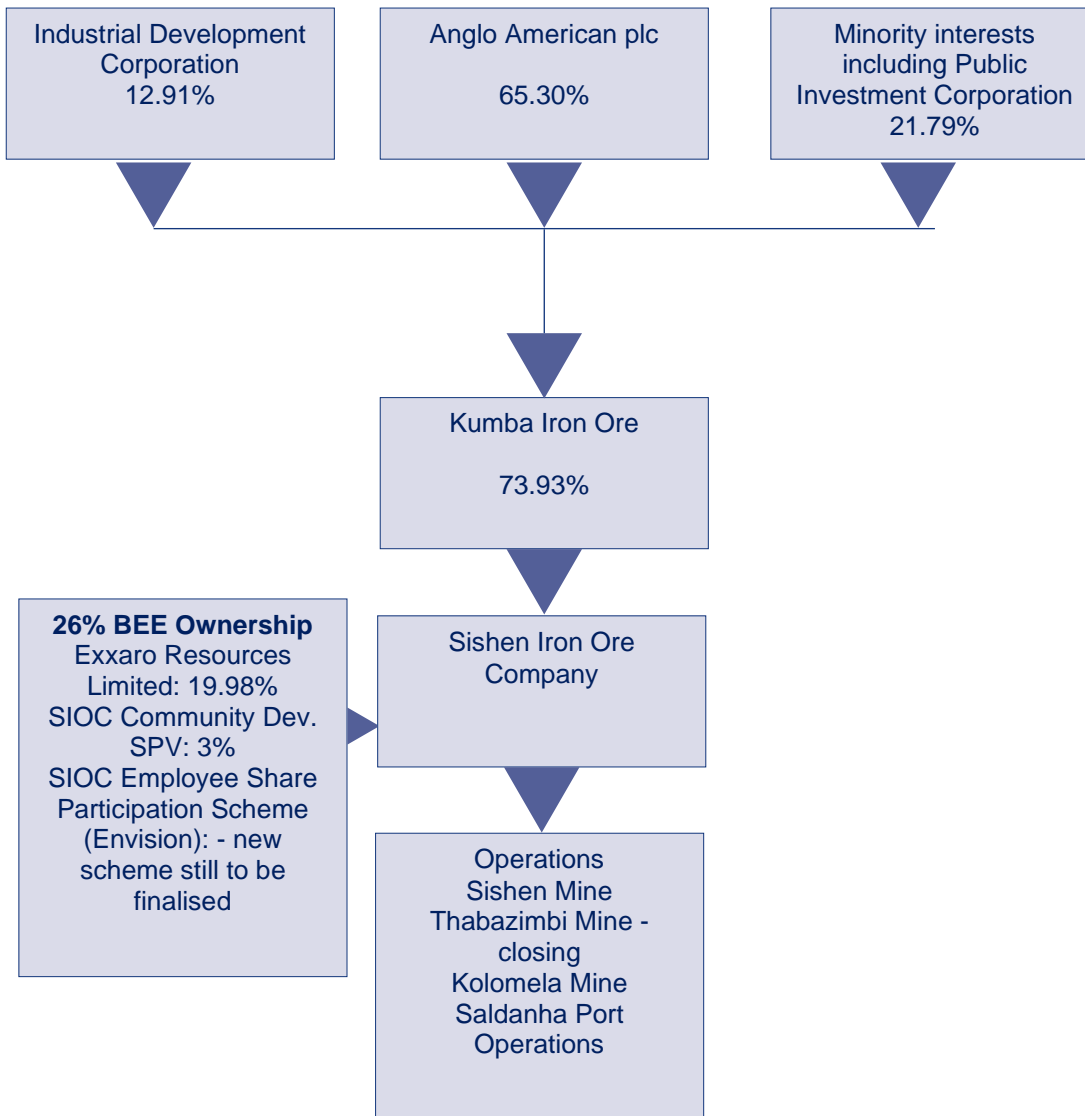
Provisions for this programme will be made from five years prior to closure based but not limited to conditions and agreements between employee representative bodies and regulations within the governing acts.

SECTION 8: OWNERSHIP

In compliance with the Mineral and Petroleum resources Development Act

As at December 2013

Kumba Iron Ore Ltd owns 74% of SIOC which was born out the unbundling of Kumba Resources in 2006. The SIOC Community Development Trust and SIOC Employee Share Participation Scheme are initiatives designed to allow employees and local communities to own shares in Kumba Iron Ore as set out in the structure below. This makes the Company 26% empowered.



Exxaro Resources Limited, Registration Number 2000/011076/09 (“Exxaro”) is a South African based mining company, listed on the JSE, and is the registered and beneficial shareholder of 19,98% (nineteen comma nine eight percent) of the total issued share capital of SIOC.

The shareholding in Exxaro is held as follows:

| | |
|---|---|
| Main Street 333 (Pty) Limited (“BEE Holdco”): | 52.10% (five two comma one zero percent): |
| Anglo South Africa Capital (Pty) Limited: | 9.70% (nine comma seven zero percent); |
| Exxaro Employee Share Ownership Program: | 0,84% (zero comma eight four percent); |
| Minority Shareholders: | 37.36% (three seven comma three six percent). |

BEE Holdco which holds 52.10% (five two comma one zero percent) of the total issued share capital of Exxaro is beneficially owned and controlled by historically disadvantaged South Africans (“HDSA”), alternatively HDSA companies, as defined in terms of the Codes of Good Practice of the

Minerals Industry, GG 32167, GN 446 of 29 April 2009 (“Codes of Good Practice”) and the Broad Based Social Economic Empowerment Charter for the South African Mining Industry GNR 1639 of 13 August 2004 (“Charter”) as amended.

By applying the flow through and modified flow through principles as contained within the Codes of Good Practice, BEE Holdco and Exxaro constitute HDSA companies for purposes of the Codes of Good Practice and Charter.

SECTION 9: BENEFICIATION

In compliance with the Mineral and Petroleum Resources Development Act and In accordance with the amended Mining Charter published September 2010.

8.1 INTRODUCTION

Sishen Iron Ore Company (SIOC) has an approved beneficiation strategy and engages with relevant stakeholders regarding beneficiation. SIOC has an active technology development program in which various technologies are evaluated and demonstrated to improve safety and production efficiencies, reduce mining and processing cost and to maximise product value. SIOC’s technology development budget was R175m for 2013 on multi-disciplinary and various project life cycle stage technology projects.

SIOC operates three iron ore mines, the Sishen and Kolomela Mines in the Northern Cape and Thabazimbi Mine in the Limpopo. Mineral beneficiation plants operating in both Sishen and Thabazimbi beneficiating approximately 80% of the ore produced. Approximately 15% of iron ore produced by SIOC (up to 6.25Mt per annum) is supplied to the domestic market to produce steel.

The business continues to explore novel beneficiation methods to increase the iron content of iron ore products and improve recoveries. The company is also at an advanced stage of investigating technologies that will enhance the value of iron ore and unlock additional mineral resources.

In addition, SIOC is exploring pyro-metallurgical processes to produce products that can be utilised in steelmaking.

SIOC’s Sishen Mine is one of the few haematite ore producers in the world to fully beneficiate its products by treating the entire run of mine production into saleable products. This is achieved through dense medium separation (DMS), gravity concentration and Jigging technology.

SIOC’s innovative Jig technology plant at Sishen Mine is a leading example in maximising value from current resources by utilising pioneering technology to separate iron-bearing material from waste material, thus enabling production of an additional 13 million tonnes of iron ore per annum.

SIOC does extensive Quality Assurance and Quality Control (QAQC) throughout the iron ore value chain, from exploration drilling up until product is loaded at the port of Saldanha. All the QAQC work is done internally through either SIOC site specific laboratories or the Anglo-American laboratory. Limited (<5%) samples are sent outside South Africa for the purpose of quality control and benchmarking.

8.2 Beneficiation project pursuits in progress

In 2012, Kumba partnered with Exxaro to commercialise the ultra-high dense-medium-separation (UHDMS) technology to establish a 50 tonne per hour (tph) modular beneficiation plant at Sishen Mine. The plant will be used to demonstrate the commercial feasibility of separating iron ore at different operating densities using this new technology. Ultimately, UHDMS facilitates a more

efficient and cost-effective extraction process that will enable the business to extract more value from an ore body

SIOC is investigating novel comminution and processing technologies as to further enhance its ore utilisation and enabling the production of saleable iron ore products from low grade iron ore resources.

SIOC and the IDC play an active role in investigating suitable technology to convert iron ore fines and concentrate into products suitable for the steel industry.

SIOC and ArcelorMittal South Africa signed a new long-term iron ore Sale and Supply Agreement on the 5th November 2013. The agreement allows ArcelorMittal S.A to purchase up to 6.25million tonnes of iron ore at a discounted cost-based price. This price will be subject to a ceiling price and calculated in reference to the Sishen export parity price at Sishen Mine gate.

SECTION 9: UNDERTAKING BY THE APPLICANT

In compliance with Regulation 46 (f) of the Mineral and Petroleum Resources Development Act.

An undertaking by the holder of the mining right to ensure compliance with the Social and Labour Plan and to make it known to employees

We, and, the undersigned and duly authorised thereto by SIOC Ltd undertake to adhere to the information, requirements, commitments and conditions as set out in this social and labour plan.

We confirm that consultations will be held with our employees.

Signed at on this day of 2018

Signature of applicant Designation

Signature of applicant Designation

ANNEXURE A1**Project Form**

Project Name: Joe Morolong Graduate Youth Internship
Owner of the Project Proposal: Oduetse Kolberg
Contact Person: Oduetse Kolberg
Phone: 053 739 3812
Email: oduetse.kolberg@angloamerican.com

Project Description and Background

The purpose of this internship project is to provide to provide real-time work exposure for unemployed youth graduates of Joe Morolong area and make them employable

Project Location: Joe Morolong Local Municipality

Stakeholders:

| <u>Stakeholders</u> | <u>Internal</u> | <u>External</u> |
|---------------------------------|------------------------|------------------------|
| Kumba Iron Ore (Sishen Mine) | | |
| Joe Morolong Local Municipality | | External |
| | | |
| | | |

Partnerships:

Kumba Iron Ore (Sishen Mine)
Joe Morolong Local Municipality

Number of Beneficiaries:

Amount of Jobs Created: 44

| <u>Temporary</u> | <u>Permanent</u> |
|-------------------------|-------------------------|
| 44 | |

Relevance of the Project:

The project is relevant in that it provides opportunity for unemployed Youth Graduates to gain workplace exposure

Overall and Specific Project Purpose:

The interns will be placed with various employers for the duration of the project to obtain knowledge, skills, experience and on the job training. Each intern will receive a stipend for the duration of the program.

The workplace exposure will assist and empower all interns to be ready for employment opportunities and to be more employable in the future

Each intern will receive a stipend for the duration of the internship program.

Project Outputs:

Experienced youth who stand a better chance to get employment

Basic Activities:

a) Deployment of interns to various host employers through contracts and secondment letters.

b) Experimental learning/on the job training.

c) Discipline and punctuality. Interpersonal Skills

d) Adherence and execution of tasks related to training manuals (Discipline and punctuality).

e) Communication and reporting protocols.

Possible Risks:

| <u>Risks</u> | <u>Mitigation</u> | <u>Risk Rating</u> |
|---|--|---------------------------|
| Transport for interns placed at employers a distant from Joe Morolong area. | Liaise with employers to orientate and induct interns with all factors including transportation and accommodation. | Low |
| Interns finding permanent employment elsewhere while still being busy with the program. | Continuous engagement, regular monitoring and joint solution seeking by stakeholders | Low |

Duration of the Project:

4 years

Cost of the Project: R4 269 246

ANNEXURE A2**Project Profile Form**

Project Name: Gamagara Youth Graduate Internship
Owner of the Project Proposal: Oduetse Kolberg
Contact Person: Oduetse Kolberg
Phone: 053 739 2573
Email: oduetse.kolberg@angloamerican.com

Project Description and Background

The purpose of this internship project is to provide real-time work exposure for unemployed youth graduates of Gamagara region and make them employable.

Project Location: Gamagara region

Stakeholders:

| <u>Stakeholders</u> | <u>Internal</u> | <u>External</u> |
|------------------------------|------------------------|------------------------|
| Kumba Iron Ore (Sishen Mine) | | External |
| Sishen Solar Facility | | External |
| Dust A Side | | External |
| Gamagara Municipality | | External |
| | | |

Partnerships:

| |
|------------------------------|
| Kumba Iron Ore (Sishen Mine) |
| Sishen Solar Facility |
| Dust A Side |

Number of Beneficiaries:

Amount of Jobs Created:

78

| <u>Temporary</u> | <u>Permanent</u> |
|-------------------------|-------------------------|
| 78 | |

Relevance of the Project:

The project is relevant in that it provides opportunity for unemployed Youth Graduates to gain work place exposure and to be more employable.

Overall and Specific Project Purpose:

The interns are placed with various employers for the duration of the project to obtain knowledge, skills, experience and on the job training. Each receives a stipend for the duration of the internship program. The workplace exposure will assist and empower all interns to be ready for employment opportunities and to be more employable in the future.

Basic Activities:

a) Site visits to host employers to be conducted.

b) Questionnaires to be issued to all interns to obtain feedback about learnings and training for the past quarter.

c) A feedback template to be issued to all mentors/supervisors during October to provide feedback regarding training progress of each intern.

d) Log book obtained from Wholesale and Retail Seta to be used as portfolio of evidence for Management Assistant Interns

Possible Risks:

| <u>Risks</u> | <u>Mitigation</u> | <u>Risk Rating</u> |
|---|--|--------------------|
| The transport for interns placed at employers a distant from Kathu. | Liaise with employers to orientate and induct interns with all factors including transportation. | Low |
| Interns finding permanent employment elsewhere while still being busy with the program. | Continuous engagement, regular monitoring and joint solution seeking by stakeholder. | Low |

Duration of the Project:

4 years

Cost of the Project:

R8 495 364

ANNEXURE B 1

Project Profile Form

Project Name: Kathu College Bursary Project (B.Ed. and Tourism)
Owner of the Project Proposal: Faith Masuku
Contact Person: Faith Masuku
Phone: 053 739 3812
Email: faith.masuku@angloamerican.com

Project Description and Background

To assist the FET College in Kathu to provide services that will create a wider range of offerings in courses starting with teaching and hospitality. The alternative courses will assist in the mine closure plan strategy.

Project Location: JTG

Stakeholders:

| <u>Stakeholders</u> |
|----------------------------|
| SETA's |
| Higher Education |
| Local Government |
| Hospitality Industry |
| |

Partnerships:

| |
|----------------------|
| SETA's |
| Higher Education |
| Local Government |
| Hospitality Industry |
| |

Number of Beneficiaries: Estimated at 1000 people

Relevance of the Project:

Assist with Access to higher education and allow for skills that are not mine related looking towards mine closure

Overall and Specific Project Purpose:

| |
|------------------------------------|
| Youth Development and capacitating |
| |

Project Outputs:

| |
|-------------------------------------|
| Hospitality training |
| Qualified hospitality practitioners |
| Education training |
| Qualified educators |
| |

Basic Activities:

| |
|-----------------------|
| Interactive sessions |
| Basic computer skills |
| Motivational sessions |
| Practical sessions |
| |

Possible Risks:

| Risks | Mitigations |
|---|---|
| Expectation of employment by participants | Information sessions will be held with participants to inform them on the objective of the project. |
| Political interference in the project | Uphold good relationships and informative communications with all stakeholders. |

Duration of the Project: **4 years**

Cost of the Project: R21 180 000

| Line Item |
|--|
| Registration, tuition, books, lecturers, meals, students stipend, equipment, vehicle and accommodation |

ANNEXURE B2**Project Profile Form**

| | |
|--|---------------------------------|
| <u>Project Name:</u> | Health Practitioner Development |
| <u>Owner of the Project Proposal:</u> | Faith Masuku |
| <u>Contact Person:</u> | Faith Masuku |
| <u>Phone:</u> | 053 7393812 |
| <u>Email:</u> | faith.masuku@angloamerican.com |

Project Description and Background

| |
|---|
| To assist the Department of health in strengthening health services delivery through the training and development of health practitioners |
|---|

Project Location: JTG

Stakeholders:

| <u>Stakeholders</u> | <u>Internal</u> | <u>External</u> |
|---------------------------------|-----------------|-----------------|
| DoH | | External |
| Institutions of higher learning | | External |
| Local Municipalities | | External |

Partnerships:

| |
|--|
| DoH |
| Joe Morolong, Gamagara and Ga-Segonyana municipalities |
| Henrietta Stockdale Nursing College and University of Free State |

Number of Beneficiaries: 21

Amount of Jobs Created:

| <u>Temporary</u> | <u>Permanent</u> |
|------------------|--------------------------------|
| None | 21 to be created on completion |

Relevance of the Project:

| |
|---|
| This project will assist the Department of Health to have the necessary skills that will be able to deliver quality services to the Community of the JTG area. The area is currently amongst the top poorest performing with regards to health facilities and has been unable to meet minimum requirements for basic health services delivery to its communities. Patients have to wait for days for transports to be able to take them to Kimberly to see specialist or make use of medical equipment. This project will increase medical capacity within the JTG area and contribute to the improvement of health services delivery |
|---|

Overall and Specific Project Purpose:

| |
|------------------------------|
| Development and capacitating |
|------------------------------|

Project Outputs:

| |
|-----------------------------------|
| 21 qualified health practitioners |
|-----------------------------------|

Basic Activities:

| |
|--|
| |
|--|

Attending training program

Possible Risks:

| <u>Risks</u> | <u>Mitigation</u> | <u>Risk Rating</u> |
|----------------------------|-----------------------------------|---------------------------|
| Dropping out from training | Regular interaction with learners | Low |

Duration of the Project:

4 years

Cost of the Project:

R 6 770 436

ANNEXURE D**Project Profile Form**

| | |
|--|-----------------------------------|
| <u>Project Name:</u> | Gamagara Agricultural Project |
| <u>Owner of the Project Proposal:</u> | Oduetse Kolberg |
| <u>Contact Person:</u> | Oduetse Kolberg |
| <u>Phone:</u> | 053 739 2573 |
| <u>Email:</u> | oduetse.kolberg@angloamerican.com |

Project Description and Background

The purpose of this project is to provide funding for the implementation of an agricultural project for local beneficiaries for crop production and under tunnels. The production will be sold to local, regional and national market.

Project Location: Kathu**Stakeholders:**

| <u>Stakeholders</u> | <u>Internal</u> | <u>External</u> |
|-----------------------------|------------------------|------------------------|
| Gamagara Local Municipality | | External |
| Kumba Iron Ore | | Internal |
| Department of Agriculture | | External |

Partnerships:

| |
|-----------------------------|
| Gamagara Local Municipality |
| Assmang Khumani mine |

Number of Beneficiaries: 15**Amount of Jobs Created:**

| <u>Temporary</u> | <u>Permanent</u> |
|-------------------------|-------------------------|
| TBC | 15 |

Relevance of the Project:

The project is relevant in that it is in line with Kumba's Socio-Economic D Strategic Focus Area.

Project Outputs:

| |
|--|
| Job creation and sustainable community post mine closure |
|--|

Basic Activities:

| |
|---------------------------|
| Cultivation of vegetables |
| Marketing |
| Selling produce |

Possible Risks:

| <u>Risks</u> | <u>Mitigation</u> | <u>Risk Rating</u> |
|---------------------------|---|--------------------|
| Maintenance of equipment. | Engagement and assurance from municipality. | Low |

Duration of the Project:

5 years

Cost of the Project:

R12 385 013

ANNEXURE E

Project Profile Form

| | |
|--------------------------------|-----------------------------------|
| <u>Project Name:</u> | GA-SEGONYANA BULK WATER PROJECT |
| <u>Project Manager:</u> | Oduetse Kolberg |
| <u>Contact Person:</u> | Oduetse Kolberg |
| <u>Phone:</u> | 0537393812 |
| <u>Email:</u> | oduetse.kolberg@angloamerican.com |

Project Description and Background

The purpose of the Project is to provide funding for the laying of a pipeline from Kuruman to the newly constructed Bakhara Bodulong 12 MI reservoir as well as the installation of mechanical and electrical equipment.

Project Location: Kuruman

Stakeholders:

| <u>Stakeholders</u> | <u>Internal</u> | <u>External</u> |
|--------------------------------|------------------------|------------------------|
| Gasegonyana Local Municipality | | External |
| Khumani Mine | | External |
| Kumba Iron Ore (Sishen Mine) | | Internal |

Partnerships:

| |
|---------------------------------|
| Khumani Mine |
| Ga-Segonyana Local Municipality |

Number of Beneficiaries: Estimated at 500 households

Amount of Jobs Created:

| <u>Temporary</u> | <u>Permanent</u> |
|-------------------------|-------------------------|
| 20 | 2 |

Relevance of the Project:

The project is relevant in that it is part of the IDP commitments for the Gasegonyana Municipality hence it has been identified by the mine as an SLP project and will contribute towards community development by ensuring consistent supply of water

Overall and Specific Project Purpose:

R8 Million will be allocated for the laying of a pipeline from Kuruman to the 2 newly constructed Bankhara Bodulong 12 MI each reservoir. The work allows for the laying of a pipeline as well as the installation of mechanical and electrical equipment. This is also an area which the

Project Outputs:

| |
|---|
| Reliable water supply network |
| Improved quality of life to the beneficiaries |

Basic Activities:

a) The laying of a pipeline from Kuruman to the newly constructed Bakhara Bodulong 12 MI each reservoir.

b) The installation of mechanical and electrical equipment.

Possible Risks:

| <u>Risks</u> | <u>Mitigation</u> | <u>Risk Rating</u> |
|---------------------------------------|--|---------------------------|
| Risk of project rolling over to 2019. | Continuous engagement. | Low |
| Funding/reliance on donors | Consideration of expanding future participation and funding. | Low |

Duration of the Project: 3 years

Cost of the Project: R26 000 000

ANNEXURE F

Project Profile Form

| | |
|--|--|
| <u>Project Name:</u> | Upgrade of Schools Ablution Facilities in JTG District |
| <u>Owner of the Project Proposal:</u> | Sydney Ntili |
| <u>Contact Person:</u> | Sydney Ntili |
| <u>Phone:</u> | 053 739 3812 |
| <u>Email:</u> | sydney.ntili@angloamerican.com |

Project Description and Background

The project entails construction and upgrade of ablution facilities in the JTG district.

Project Location: JTG

Stakeholders:

Partnerships:

Department of Education

Number of Beneficiaries:

3 schools

Amount of Jobs Created:

| <u>Temporary</u> | <u>Permanent</u> |
|-------------------------|-------------------------|
| 13 | |

Relevance of the Project:

The project is relevant in that it is in line with Kumba's Education Strategic Focus Area.

Project Outputs:

Achievement of proper health and sanitation at the JTG schools. Poor health and sanitation affect children’s right to education in many ways.

Basic Activities:

Plumbing
 Construction of ablution block

Possible Risks:

| <u>Risks</u> | <u>Mitigation</u> | <u>Risk Rating</u> |
|--|--------------------------|---------------------------|
| Poor performance by construction service providers | Take corrective steps | Low |

Duration of the Project:

3 years

Cost of the Project:

R6 000 000

ANNEXURE G**Project Profile Form**

| | |
|--|----------------------------------|
| <u>Project Name:</u> | Construction of Klein Neira Road |
| <u>Owner of the Project Proposal:</u> | Faith Masuku |
| <u>Contact Person:</u> | Faith Masuku |
| <u>Phone:</u> | 053 739 3812 |
| <u>Email:</u> | faith.masuku@angloamerican.com |

Project Description and Background

Joe Morolong Local Municipality situated in Churchill of the Northern Cape Province identified a need for the upgrading of a main gravel road between the village of Lotlhakane and Klein Neira. The services required includes the following:

- The development of a new main road consisting out of a double seal wearing course, for the Municipality;
- Preparations of business plans, project costs estimates, as well as preparation of tender documents, budget control, monthly progress reports and overall implementation.

The roads identified will be the main road leaving Lotlhakane travelling to Klein Neira in a south western direction.

Project Location: Klein Neira

Stakeholders:

| <u>Stakeholders</u> | <u>Internal</u> | <u>External</u> |
|---------------------------|-----------------|-----------------|
| Joe Morolong Municipality | | External |

Partnerships:

| |
|------|
| None |
|------|

Number of Beneficiaries: +1000

Amount of Jobs Created:

| <u>Temporary</u> | <u>Permanent</u> |
|------------------|------------------|
| 50 | |

Relevance of the Project:

| |
|--|
| Project will create access to the area and allow its residents to be able to commute safely. |
|--|

Overall and Specific Project Purpose:

The purpose of the project is the construction of a road between Klein Neira and Churchill

Project Outputs:

The project will boost the economy by connecting rural road to urban roads. This also makes it easier for employees to travel between work and home safely.

Basic Activities:

Road Construction

Possible Risks:

| <u>Risks</u> | <u>Mitigation</u> | <u>Risk Rating</u> |
|--|---|---------------------------|
| Poor performance by construction service providers | Take corrective steps | Low |
| Political interference in the project | Uphold good relationships and informative communications with all stakeholders. | High |

Duration of the Project:

5 years

Cost of the Project:

R 42 000 000