

Palabora Copper (Pty) Limited

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PRESS STATEMENT

Region: Limpopo Province, Phalaborwa
20 October 2014

Palabora Copper gets a Level 4 BEE status for year 2013 verification

Palabora Copper (Pty) Limited, a subsidiary of Palabora Mining Company (PMC), has recently achieved a Level 4 BBBEE status following an audit conducted by Edge Verification Agency in September 2014, for the year 2013. Announcing the latest rating, General Manager for Corporate Affairs, Keith Mathole, said the achievement is part of our continuing efforts to ensure that the business benefits not only the shareholders, but also our employees, the local communities and South Africans broadly. "Transforming a business with an annual turnover of about R12 billion is a formidable but achievable task - thanks to the leadership of the organisation who embraced the importance of change in our entire value chain," explains Mathole.

He goes on to say "This is significant as the Level 4 we had for the 2012 financial year only verified the "Ownership" element as a result of the BBBEE transaction moving assets from PMC to PC. This time around we are making tangible progress in all the seven BBBEE elements and just missed out on Level 3 by 0.47 points."

Mathole is however cautious that the amended BBBEE Act, which is set to become effective in May 2015, will short-live the recent achievement. "If we are to remain at Level 4 we have to be very vigorous in driving our transformation as the new Act is very stringent and has fewer elements – reduced from seven to five." As though the new amendments were not enough, Mathole adds that Palabora Copper as a mining company should comply with the Minerals and Petroleum Resources Development Act (MPRDA), also known as the Mining Charter, as well as the Social and Labour Plan. These are important pieces of regulations which we must endeavour to meet their requirements."

"The Mining Charter for example," explains Mathole, requires us to increase our local community spend through procurement with the Ba-Phalaborwa people mainly from the previously disadvantaged people. Not only will that increase their economic participations; it will alleviate poverty through jobs creation and most importantly improve the rapport and cohesion this business and the community enjoys with one another."



Directors: Clifford N Zungu (Chairman) , Nhlanhla Hlubi, Ray Abrahams, Francine A du Plessis, Peter Ward, George M Negota, Jie Yan#, Ng Tze For (Alternate)^, Jinghua Han^#, Katinka Schumann, Dikeledi L Nakene# (Chief Financial Officer)

Company Secretary: Keith N Mathole

#Executive Director ^Chinese Director

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Speaking of collaboration with contractors, he says this achievement is also as a result of the continued drive by the contractors we have in the mine who are also pulling in their weight to meet and exceed these legislative requirements. "It's a collaborative effort deserving to be celebrated by all."

Concluding, Mathole says the Level 4 has a BEE recognition of 100% and will enable our customers to be able to claim 100% of their spend with us. The current scorecard will be valid until October 2015.

ENDS

Note to the Editor about Palabora Copper (Pty) Limited

Palabora Copper (Pty) Limited (Palabora), a subsidiary of Palabora Mining Company Ltd, is a copper mine that also operates a smelter and refinery complex based in the town of Phalaborwa, in South Africa's Limpopo Province. The mine owes its origins to a unique rock formation in the region known as the Palabora Igneous Complex.

Palabora has been operational since its incorporation in 1956 and is the country's major producer of refined copper, producing approximately 48 000 tonnages of copper per year. Operational since its incorporation in 1956, Palabora Copper is South Africa's sole producer of refined copper, which it supplies mainly to the local market and export the balance. Whilst copper forms the base-load of its business, Palabora also mines and exports other by-products such as Magnetite, Vermiculite Sulphuric acid, anode slimes and nickel sulphate.

More than a mine

Located directly adjacent to the world-renowned eco-tourism attraction, the Kruger National Park, Palabora coordinates several onsite wildlife management and cultural heritage programmes as part of its ongoing sustainability drive. The company also collaborates closely with various communities in the Ba-Phalaborwa district to boost economic development and alleviate poverty.

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