

PALABORA MINING COMPANY LIMITED
(Incorporated in the Republic of South Africa)
Registration number – 1956/002134/06
JSE Code: PAM ISIN: ZAE000005245
(“Palabora” or “the Company”)

SECOND QUARTER 2009 – OPERATIONS OVERVIEW AND PRODUCTION STATISTICS

	2Q 2008	3Q 2008	4Q 2008	1Q 2009	2Q 2009	1H 2008	1H 2009
Palabora mine							
Tonnes hoisted ('000 tonnes)	3,026	3,086	3,019	2,966	3,009	5,725	5,975
Ore treated ('000 tonnes)	3,027	3,096	3,150	2,789	2,940	6,208	5,729
Average ore grade: copper (%)	0.71	0.66	0.67	0.68	0.68	0.71	0.68
Copper concentrates produced ('000 tonnes)	89.4	56.5	66.7	67.7	76.1	163.3	143.80
Average concentrate grade: copper (%)	29.2	30.3	29.6	30.5	29.9	29.5	30.2
Copper in concentrates ('000 tonnes)	26.1	17.1	19.7	20.5	22.8	48.2	43.3
Palabora smelter/refinery							
New concentrate smelted on site ('000 tonnes)	72.3	52.5	70.0	72.8	68.0	138.8	140.80
New copper anodes produced ('000 tonnes)	22.3	14.9	20.7	20.2	18.9	40.4	39.10
Refined new copper produced ('000 tonnes)	21.6	17.0	19.1	21.0	19.5	39.8	40.5
By-products:							
Magnetite concentrate ('000 tonnes)	475	562	469	772	617	921	1,389
Nickel contained (tonnes)	26	13	19.3	21.4	39.9	68	61.30
Copper sold as concentrate ('000 tonnes)	3.2	1	4.5	0	9.1	5	9.1
Vermiculite plant							
Vermiculite produced ('000 tonnes)	50	50	49	52	46	100	98.0

Palabora, a member of the Rio Tinto Group of Companies, situated in the Ba-Phalaborwa area of Limpopo, operates a large block cave copper mine and smelter complex.

Daily production from the underground mine averaged 33,066 tonnes for the quarter. The production during the quarter was slightly above the previous quarter's tonnes and consistent with the previous quarter's grade. In total, 3,008,982 tonnes of ore were hoisted during the quarter with a copper grade of 0.68%, which is consistent with that of the previous quarter's grade.

Ore treated was 5,4% higher compared with the previous quarter and 2,9% lower than the corresponding period in 2008. The reduction is mainly attributed to the absence of 76,2 kt of surface oxide material.

Copper concentrate production improved by 12,4% sequentially, but 14,8% lower year on year. This was mainly due to the reduction in the milled throughput. The

quarterly increase is attributable to a combination of the reclaiming and transferring of 12,628 tonnes of low grade concentrate from the pond inventory to sale.

Copper in concentrate was 11,2% higher than the previous quarter and 12,6% lower than the corresponding period in 2008, mainly due to the sale of 3,193 tonnes of copper in concentrate from the concentrate ponds.

The new concentrate smelted was mainly in line with concentrate supplied. Converter reliability and acid plant performance affected smelting during the first part of the second quarter. The planned shutdown of the waste heat-boiler, reverb and acid plant has been postponed until the third quarter of 2009.

Refined copper production was in line with anode supply from the smelter. The tank house efficiencies were negatively affected by the lower copper tenor in electrolyte.

The nickel plant production has steadily increased as the plant has been optimised to achieve design capacity. The second quarter was negatively affected by the failure of the heat exchanger on the crystalliser circuit and the reduction of the feed to the plant in order to regain copper tenor in the tank house.

Magnetite

Magnetite production for the quarter was 20% lower than the first quarter and 30% higher year on year as a result of the commissioning of stockpile reclaims operation and improved magnetite recoveries. The reduction is mainly attributed to the reduced current arising feed to the magnetite plant due to processing of smelter secondaries blended with sulphide ore for higher copper output.

Vermiculite Operations

Vermiculite production for the quarter was negatively affected by a planned 7 day shutdown of the entire plant, resulting in 10% lower output compared to last quarter and 6% lower than the corresponding period in 2008.

The above information has not been reviewed or reported on by the Company's auditors.

Phalaborwa
14 July 2009

Sponsor:

Barnard Jacobs Mellet Corporate Finance (Proprietary) Limited