

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”)

FOURTH QUARTER 2007 – OPERATIONS OVERVIEW AND PRODUCTION STATISTICS

	4Q 2006	1Q 2007	2Q 2007	3Q 2007	4Q 2007	FULL YEAR 2006	FULL YEAR 2007
Palabora mine							
Tonnes hoisted ('000 tonnes)	2,832	2,917	3,065	3,041	2,822	11,018	11,846
Ore treated ('000 tonnes)	2,783	2,886	3,025	3,046	3,958	10,730	12,915
Average ore grade: copper (%)	0.72	0.71	0.70	0.68	0.69	0.71	0.70
Copper concentrates produced ('000 tonnes)	61.0	82.1	56.0	48.6	52.5	208.9	239.2
Average concentrate grade: copper (%)	28.5	27.4	31.5	31.0	30.7	29.4	29.8
Copper in concentrates ('000 tonnes)	17.4	22.5	17.6	15.0	16.1	61.5	71.4
Palabora smelter/refinery							
New concentrate smelted on site ('000 tonnes)	75.5	73.6	74.2	73.9	74.1	288.5	295.8
New copper anodes produced ('000 tonnes)	22.2	21.2	22.9	24.0	22.7	78.6	90.7
Refined new copper produced ('000 tonnes)	22.1	20.8	22.9	24.0	24.0	81.2	91.7
By-products:							
Magnetite concentrate ('000 tonnes)	281	262	321	361	363	1,127	1,306
Nickel contained (tonnes)	-	-	8	43	45	-	96
Copper sold as concentrate ('000 tonnes)	5	9	1	-	0.7	16	11
Vermiculite plant							
Vermiculite produced ('000 tonnes)	50	50	50	50	50	198	200

Palabora Mining Company, 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 30,674 tonnes for the quarter. The tonnes hoisted remained at similar levels to those of the corresponding period in 2006 and 7% lower sequentially.

In total, 2,822,040 tonnes of ore were hoisted during the quarter with a copper grade of 0.69%. Overall 2007 mine production was 11,845,518, tonnes at 0.70% grade, representing a 7% increase compared with the total in 2006.

Ore treated in the fourth quarter was 30% higher compared with the third quarter levels mainly due to processing of additional 1.3 million tonnes of

oxide ore. Overall, ore treated was 20% above 2006 levels due to a combination of improved mine output, improved automill run time and processing of oxide ore.

Concentrate tonnage was 8% higher in the fourth quarter compared with the third quarter due to higher milled tonnage. Total concentrate tonnage was 14% higher in 2007 than 2006 due to reclaimed low grade concentrate in the first quarter of 2007 and higher milled tonnage.

The higher milled tonnage also contributed to the increase of 7% for copper in concentrate. A combination of higher milled tonnage and reclaiming of low grade copper from dewatering ponds in the first quarter of 2007 led to an overall increase of 16% for copper in concentrate in 2007 when compared with 2006.

Anodes production was 2% higher than the corresponding quarter in 2006 and 5% lower sequentially. Overall annual anodes production was up 15% year on year, explained in part by operating efficiencies. Refinery production was in line with Smelter output during the quarter. Overall, total refined copper produced was 13% higher in 2007 compared with the previous year.

Magnetite

Production for export magnetite during the quarter was steady mainly due to availability of logistics capacity to the port of Richards Bay. Overall, 2007 production was up 16% year on year, in line with our plans to meet off take agreements.

Vermiculite Operations

Vermiculite production was in line with that of the previous quarter and the corresponding quarter for 2006. Overall plant recovery for the fourth quarter was 66%, a slight improvement on third quarter recovery of 63%.

Phalaborwa
15 January 2008

Sponsor:
Barnard Jacobs Mellet Corporate Finance (Pty) Limited