

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”)

FIRST QUARTER 2007 – OPERATIONS OVERVIEW AND PRODUCTION STATISTICS

	1Q 2006	2Q 2006	3Q 2006	4Q 2006	1Q 2007	FULL YEAR 2006
Palabora mine						
Tonnes hoisted ('000 tonnes)	2,743	2,672	2,771	2,832	2,917	11,018
Ore treated ('000 tonnes)	2,646	2,633	2,668	2,783	2,886	10,730
Average ore grade: copper (%)	0.71	0.70	0.72	0.72	0.71	0.71
Copper concentrates produced ('000 tonnes)	51.5	43.0	53.4	61.0	82.1	208.9
Average concentrate grade: copper (%)	29.9	30.5	29.4	28.5	27.4	29.4
Copper in concentrates ('000 tonnes)	15.4	13.1	15.7	17.4	22.5	61.5
Palabora smelter/refinery						
New concentrate smelted on site ('000 tonnes)	42.0	83.3	87.7	75.5	73.6	288.5
New copper anodes produced ('000 tonnes)	10.0	24.0	22.4	22.2	21.2	78.6
Refined new copper produced ('000 tonnes)	14.3	21.9	22.9	22.1	20.8	81.2
By-products:						
Magnetite concentrate ('000 tonnes)	251	296	299	281	262	1,127
Refined nickel sulphate (tonnes)	35	28	25	32	21	120
Copper sold as concentrate ('000 tonnes)	5	6	-	5	9	16
Vermiculite plant						
Vermiculite produced ('000 tonnes)	48	48	52	50	50	198

Palabora, situated in the Ba-Phalaborwa area of Limpopo, operates South Africa's largest copper mine. After 40 years of mining from a large, open-pit operation, the ore is now extracted in an underground operation located immediately below the open pit. Overall copper production is supplemented by imported copper concentrates from Zambia.

Daily production from the underground mine averaged 32,416 tonnes. The production was 3% higher than the prior quarter and 6% higher than the corresponding period in 2006. In total, 2,917,430 tonnes of ore were hoisted with a copper grade of 0.71%, marginally lower than the previous quarter.

The ore treated increased by 9% year on year and by 4% compared with the fourth quarter of 2006 in line with improved mine output.

Copper concentrate tonnage was 35% higher in the quarter compared with the previous quarter due to a 4% higher milled tonnage and the transfer of 24,863 tonnes of low-grade stock from the concentrator to the smelter for sale.

There was an increase of 6% in concentrate grade during the quarter from flotation compared with the fourth quarter of 2006. This was offset by the reclaimed low grade concentrate from the 2006 pond inventory which resulted in a net decrease of 3.6% in copper concentrate delivered to the smelter.

Smelting capacity was affected during the quarter as a result of the Eskom power outage for several hours in January 2007 which continued to impact on copper recovery for a few days. The reverb furnace was also shutdown for 3 days in February for a planned maintenance.

Vermiculite Operations

Vermiculite production in the first quarter was 4% above the corresponding quarter in 2006. The main contributing factor for higher production was the increase in recovery of the finer material. Along with this, the quality of superfine and micron grade improved. Overall plant recovery for the quarter was at 68.7%, which was slightly lower than the previous quarter.

Magnetite

The magnetite production during the quarter was in line with rail logistic capacity to both ports of Richards Bay and Maputo with a seasonal reduction in deliveries of heavy medium fines to coal washeries due to wet season mining conditions.

Phalaborwa
18 April 2007

Sponsor:
Barnard Jacobs Mellet Corporate Finance (Pty) Limited