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## PRESS STATEMENT

**Region: Phalaborwa, Limpopo, South Africa**  
**Date: Monday, 03 August, 2015**

### ILLEGAL COMMUNITY PROTEST IN PHALABORWA A CONCERN

Palabora Copper, a subsidiary of Palabora Mining Company confirms that there is an ongoing illegal and violent protest by the members of the community in Ba-Phalaborwa, which is impacting negatively on the safety our employees, contractors and the protesters themselves, and the production of the company. This unfortunate development is happening at the most critical time in the mining industry and the economy. It can have significant ramifications to the future of Palabora – impacting on the execution of the **R 9.3 billion** Lift II project schedule and delivery and may lead to the mine closure.

The company is opposed to any use of violent means by the community to achieve whatsoever objectives. We remain resolute that we have the best interest of our communities and have always maintained an open door policy to engage with our communities. As an organisation we however cannot continue engaging in a hostile climate.

#### Our commitment to local development

We remain committed to creating local economic opportunities for local people as well as creating jobs within our immediate communities. Since January, 2010, the company has spent about **R 160 million** in various community development projects as part of our commitment to good corporate citizenship and sustainability. The company has always viewed its long-term sustainability being entwined with that of the community. This year, 2015, we will be spending **R 10 million** towards community development in Ba-Phalaborwa, despite very difficult economic conditions.

#### Empowering locally black-owned suppliers

Currently the company is implementing the supplier development programme which saw 30 companies coming into the supply chain of Palabora Copper. Between January-May 2015, we have spent over **R30 million** with these locally black owned companies in the programme, excluding other HDSA and other local companies from Ba-Phalaborwa who were already within our system.



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Palabora Copper (Pty) Ltd, is a subsidiary of Palabora Mining Company, 1 Copper Road, Phalaborwa, 1389. Registration No 2007/033694/07

**Directors:** Jinghua Han (Chairman)<sup>#A</sup>, Ray Abrahams, Katinka Schumann, George M Negota, Jie Yan<sup>A</sup>, Ng Tze For<sup>A</sup>, Wang Feng<sup>A</sup>, Liu Yufeng<sup>A</sup>, Yang Guiqing<sup>A</sup>, Fan Ziqiang<sup>A</sup>, Tian Jianguo<sup>A</sup>  
**Chief Financial Officer:** Dikeledi L Nakene  
**Company Secretary:** Keith N Mathole

<sup>#</sup>Executive Director | <sup>A</sup>Chinese Director

Registered with the Department of Higher Education - Registration NO 2010/FE06/006

## **Localisation of employment opportunities**

As part of our commitment to localisation in the unskilled and semi-skilled categories, we have created 325 jobs for Ba-Phalaborwa out of six hundred available jobs, between January-June 2015 period.

### **The CV collection drive in January-February 2015**

In January-February, we have called local members of the community to submit their CV's to their tribal offices as well as the various public areas around Ba-Phalaborwa. These are the people who were hired from the created. The CV's from the tribal authorities had to have a stamp from the tribal council in order to be registered in the database and proof of residence for those in the townships and town.

The employed persons are working for different contractors. Depending on the specialised skills requirements by various contractors, including Palabora Copper, there are 208 people who comes from other communities beyond Phalaborwa. This is mainly due to various companies relocating their specialist's personnel when they get contract opportunities at Lift II mainly and the project is underway.

## **Lift II Development**

Palabora also confirms that the Lift II project is currently under execution and only a handful of contractors are on site. The project will be under execution until early 2020 and only a few jobs, mostly temporal will be created during the period.

## **The steel plant project**

We are also aware that the community believes the company is involved in the discussions about the location of the steel plant proposed in South Africa. Palabora Copper is not involved in the discussion. This is an issue being discussed by the main shareholders of Palabora, which are Hebei Iron & Steel Group of China and the Industrial Development Corporation (IDC) of South Africa. The process has also involved intensive government-to government lobbying between China and South Africa. We are not part of this engagement process. We are however, aware that there are four proposed locations which are Phalaborwa, Richards Bay, Middleburg and Soweto which will form part of the prefeasibility study to be conducted by the two entities.

As an organisation we strongly condemn the intimidation of our people and the vandalism of properties and the spread of malicious information that do not indicate the best practices of Palabora as a good corporate citizen.

**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 33 000 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.

### **MEDIA CONTACT PERSON**

#### **Hulisani Nemaxwi**

Corporate Affairs Manager

Email: [hulisani.nemaxwi@palabora.co.za](mailto:hulisani.nemaxwi@palabora.co.za)

Office: 015 780 2019

Cell: 071 633 6096