

**MEDIA RELEASE: 11 MAY 2017**

**UPDATE ON AMCU STRIKE AND ACTS OF INTIMIDATION TO NON-STRIKING EMPLOYEES AND CONTRACTORS**

Palabora Copper (PTY) Ltd is gravely concerned about the on-going strike and escalating acts of violent intimidation to non-striking employees and the resultant impact on Palabora Copper's ability to maintain normal production.

The Association of Mineworkers and Construction Union (AMCU) embarked on a strike on 3 May 2017 due to the wage increase agreement dispute. Palabora Copper's wage agreement negotiations with organised labour started in March 2017, following the expiry on 28 February 2017 of the wage agreement which was signed in early 2014.

Organised labour submitted their wage demands to Palabora Copper in late February 2017. Thus, wage negotiations commenced in earnest in March 2017. The organised labour did not accept Palabora Copper's mine three year wage agreement offer which proposes increase of **8%** for **2017**, **7%** for **2018** and **7%** for **2019**. This offer includes the same percentage of increase to allowances that are linked to salary. Palabora Copper is of the view that the offer presented is reasonable, fair and competitive under current strained economic, market and commodity conditions. The ongoing negotiations between Palabora Copper Management and organised labour resulted with the National Union of Mineworkers (NUM) concluding a three year (2017 to 2019) wage agreement on Tuesday, 9 May 2017. Palabora Copper is not yet in a position to disclose the details of the agreement until such time that NUM would have communicated the details to their members.

AMCU on the other hand is demanding 12 % for 2017, 11% for 2018 and 10% for 2019. Thus, the strike by AMCU members is still ongoing. The Management of Palabora Copper is continuously engaging with AMCU leadership in an attempt to resolve the issues amicably.

Although the strike by AMCU members is legal, protected and AMCU having agreed to a peaceful strike, free of intimidation, Palabora Copper has over the past week noted a significant increase in intimidation of Palabora Copper's non striking workers and contractors exiting and entering the mine. Acts such as burning of tyres and blocking of roads entering and exiting the mine have become daily part of intimidation tactics by the striking employees. These include an incident wherein more than 200 employees including Executive Management were held hostage inside the Mine, from afternoon until the following day. As part of the steps to protect non-striking employees, the Management has advised non-striking employees to stay at home until further notice.

As Palabora Copper we strive to be sustainable and extend the life of mine with the intention to curb job losses.

ENDS

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Palabora Copper (Pty) Ltd, is a subsidiary of Palabora Mining Company, 1 Copper Road, Phalaborwa, 1389.

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