

***Knight Piésold***  
CONSULTING

# LEEUEWKOP PLATINUM MINE

## SOCIAL AND LABOUR PLAN

### FINAL REPORT 4906/80/03

**MARCH 2008**

*Prepared for  
Afplats (Pty) Limited*

*Prepared by  
Knight Piésold Consulting*

***Knight Piésold***  
CONSULTING  
Tel: +27 11 806 7111  
Fax : +27 11 806 7100  
P O Box 221  
Rivonia  
2128  
enquiries@kprsa.co.za  
www.knightpiesold.com

Project No: 4906

*[Handwritten signatures and initials]*

**AFPLATS (PTY) LIMITED**  
**LEEUEWKOP PLATINUM MINE**  
**SOCIAL AND LABOUR PLAN**  
**FINAL REPORT 4906/80/03**  
**MARCH 2008**

Report Prepared by:

\_\_\_\_\_  
[REDACTED]  
Environmental Scientist)

Report Reviewed by:

\_\_\_\_\_  
[REDACTED]

***Knight Piesold***  
**CONSULTING**

Knight Piesold (Pty) Limited  
Consulting Engineers





P O Box 221  
RIVONIA  
2128

Tel: +27 11 806 7111

Fax: +27 11 806 7100

e-mail: [enquiries@kprsa.co.za](mailto:enquiries@kprsa.co.za)

Web: [www.knightpiesold.co.za](http://www.knightpiesold.co.za)

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## AFPLATS (PTY) LIMITED

 LEEUWKOP PLATINUM MINE  
 SOCIAL AND LABOUR PLAN  
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## A. AC - RONYMS

ABET	Adult Based Education and Training
ATR	Annual Training Report
BBSEE	Broad Based Socio-economic Empowerment
C&I	Control and Instrumentation
CCMA	Commission for Conciliation, Mediation and Arbitration
CSI	Corporate Social Investment
DBCM	De Beers Consolidated Mines Limited
DMME	Department of Minerals and Energy
DMED	Department of Minerals Development
DoL	Department of Labour
DoE	Department of Education
DTI	Department of Trade and Industry
EE	Employment Equity
HDSEA	Historically Disadvantaged South Africans
HRD	Human Resource Development
IDP	Integrated Development Plan
LED	Local Economic Development
MLS	Mining License
MPRD Act	Mineral and Petroleum Resources Development Act, No. 28 of 2002
Mining Charter	Broad Based Socio-Economic Empowerment Charter for the South African Mining Industry
MQA	Mining Qualifications Authority
SDF	Skills Development Facilitator
SETA	Sector Education and Training Authority
SLP	Social and Labour Plan
SIA	Social Impact Assessment
SP (DoL)	Social Plan (Department of Labour)
TETA	Transport Education Training Authority
T & D	Training and Development
WSP	Workplace Skills Plan



**B. DEFINITIONS**

**“Broad Based Socio-Economic Empowerment”**- means a social or economic strategy, plan, principle, approach or act, which is aimed at:

- redressing the results of past or present discrimination based on race, gender or other disability of historically disadvantaged persons in the minerals and petroleum industry, related industries and in the value chain of such industries
- transforming such industries so as to assist in, provide for, initiate or facilitate:
  - The ownership, participation in, or the benefiting from, existing or future mining, prospecting, exploration or production operations
  - the participation in, or control of, management of such operations
  - The development of management, scientific, engineering or other skills in historically disadvantaged persons.
  - The involvement of, or participation in, the procurement chains of the operations.
  - The ownership of, and participation in, the beneficiation of the proceeds of the operations or other upstream or downstream value chain in such industries.
  - The socio-economic development of communities immediately hosting mines affected by the supplying of labour to the operations.
  - The socio-economic development of all historically disadvantaged South Africans from the proceeds or activities of such operations.

**“Community”** - means a coherent, social group of persons with interests or rights in a particular area of land, which the members have or exercise communally in terms of an agreement, custom or law.

**“Community based organisations”** – organisations that are established by and draw from community representatives.

**“Community social investments”** – contributions (monetary, staff time or gifts in kind) that are made to stakeholders associated with an operation, which bring benefits over and above the core activities of any mine. The beneficiaries may range from local stakeholders to national and International ones. These investments are generally aimed at addressing needs within the selected target community. The scope of these activities ranges from donations to charities to those that tie in with business needs (e.g. capacity building among local residents for employment purposes).

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**“Employee”** - means any person who works for the holder of a prospecting right, mining right, mining permit, retention permit and who is entitled to receive any remuneration, and includes any employee working at, or in, a mine, including any person working for an independent contractor.

**“Foreign migrant labour”** - employees from neighbouring countries who have retained their non-permanent resident status in South Africa while working at De Beers group's operations.

**“Integrated Development Plan (IDP)”** - the Municipal Systems Act requires every municipality to develop an IDP as a tool to plan and co-ordinate development within their areas of jurisdiction. This tool is meant to assist municipalities to involve all stakeholders in the planning and delivery of services and thereby enhance the chances of sustainable development in their areas.

**“Historically Disadvantaged Person”** -

- a) any person, category of persons or community, disadvantaged by unfair discrimination before the Constitution of the Republic of South Africa, 1993, took effect
- b) Any association, a majority of whose members are persons contemplated in Paragraph (a)
- c) any juristic person other than an association, in which persons contemplated in Paragraph (a) own and control a majority of the issued capital or members' interest and are able to control a majority of the members' votes.

**“HDSA Company”** - a company that is owned or controlled by Historically Disadvantaged South Africans

**“Historically Disadvantaged South Africans”** - means any person, category of persons or community, disadvantaged by unfair discrimination before the Constitution of the Republic of South Africa, 1993 (Act No. 200 of 1993) came into operation.

**“Major labour sending areas”** – areas from which a significant number of mineworkers are, or have been, recruited.

**“Management”** – all employees within the Paterson D, E, and F bands.

**“MPRDA”** - means the Mineral and Petroleum Resources Development Act, No. 28 of 2002

**“Mining Charter”** - means the Broad Based Socio-Economic Empowerment Charter for the South African mining industry.

**"Scorecard"** - means the scorecard or way of measuring the implementation, commitment and the achievement of the targets as set out in the Broad Based Socio-Economic Empowerment Charter for the South African mining industry.

**"SMEs"** - means small and medium enterprises, a business that has a gross asset value of less than R50 million and/or employs less than 200 employees.

**"Social Impact Assessment"** - a method of identifying, analysing and evaluating the impacts actions may have on the social aspects of the environment.

**"Sustainable development"** - means the integration of social, economic and environmental factors into planning, implementation and decision making so as to ensure that mineral and petroleum resources development serves present and future generations.

### C. LEGISLATION

The following legislation and regulations are relevant to the Social and Labour Plan:

- Mineral and Petroleum Resources Development Act and Regulations, 2002 (Act No. 28 of 2002)
- DME guidelines for Social and Labour Plans
- Broad Based Socio-Economic Empowerment Charter for the South African mining industry, also known as the Mining Charter and Scorecard



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## AFPLATS (PTY) LIMITED

LEEUEWKOP PLATINUM MINE  
SOCIAL AND LABOUR PLAN  
REPORT 4906/80/01**1 INTRODUCTION**

Afplats (Pty) Limited appointed Knight Piesold (Pty) Limited to develop the Social Labour Plan (SLP) for the proposed new Leeuwkop platinum mine in the North West Province. The proposed mine will be situated on the farm Leeuwkop 402 JQ, approximately 15 km west of Brits and 80 km north-west of Johannesburg in the North West Province. The closest towns are Segwaelane, Bethanie and Makolokwe showed on the locality map in Figure 1.

The surface rights of the farm Leeuwkop 402 JQ belong to the Bakwena Tribe. Afplats entered into a prospecting agreement with the Bakwena Ba Magopa in 2003, and has done extensive exploration and prospecting on the farm Leeuwkop. The prospecting resulted in Afplats conducting a feasibility study and subsequently submitted a mining rights application in terms of the Mineral and Petroleum Resources Development Act 2002, Act 28 of 2002 in 2006. Afplats has secured an agreement with the Bakwena Tribe as its Black Empowerment Equity partner. The Bakwena Tribes owns 26% of the Afplats shares. However during the past year Impala Platinum Limited bought Afplats and it became a subsidiary company of Impala Platinum Holdings Limited.

The Leeuwkop mine is still a proposed new mine, and there are currently no employees except for the few employees tasked with finalising the mining method, the layouts and getting the necessary authorisations in place, etc.. Currently the mine is still in the planning and design phase and important decisions such as the mining method has not been finalised. As explained at the various meetings with DME, it is for this reason that Afplats is not in the position to submit DME forms Q, S, and T. Afplats, however, does commit to submit these forms within the first 6 months of receiving the mining right and the commencement of the construction phase. During the first five years the mine will be constructed and this phase will consist of the building of the access roads, tailing storage facility, office infrastructure and the sinking of the shafts, and associated infrastructure, and this work will be mainly be undertaken by contractors. Refer to the timeline depicted in Table 1. During construction the workforce will peak at some 2 000 people. Approximately 15 people will be employed on a full time bases during the construction phase and the rest of the work will be outsourced to contractors such as Shaft Sinkers. Refer to Table 1 for an indication of how many people will be employed and the capital outlay for the first five years of this project. From this table it is evident that no revenue will be generated until mining commence in 2012/2013.

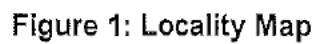


Table 1: Time line and the various phases of the mine

Total Capital and Operating costs are subject to the mine plan being finalised which is currently work in progress. The capital cost is expected to be some R6.5 billion

Contractors and consultants employed for specific purposes completed preliminary work on the project such as the drilling and exploration work, the environmental impact assessments, etc. Once the mine's mining rights application is approved, and approval is granted a process will be entered whereby employees will be recruited and appointed from the local community and surrounding areas.



This SLP has been developed in advance of the mine being operational and therefore changes to the plan are anticipated and these will have to be implemented once the construction phase commences and the mine is operational. As a proposed mine and subsidiary of Impala Platinum Limited many of the policies and programmes developed and implemented by Impala Platinum will be applied and implemented at Leeuwkop once the mine is operational except where opportunities exist for Leeuwkop to deviate from those policies and programmes to benefit of the transformation process.

## 1.1 Background

The Mineral and Petroleum Resources Development Act 28 of 2000 (MPRDA) required that the Minister must, in terms of transformation of the minerals industry, after due consultation, develop a broad-based socio-economic empowerment Mining Charter. This Charter outlines the framework, timetables and targets for affecting the entry of Historically Disadvantaged South Africans (HDSAs) into the mining industry and facilitates their benefit from the exploitation of mining and mineral resources. The Charter sets out a process whereby the following objectives can be achieved:

- Significantly expand opportunities for HDSA persons, including women, to enter the mineral and petroleum industries and to benefit from the exploitation of the nation's resources
- Promote employment and advance the social and economic welfare of all South Africans
- Ensure that holders of mining and production rights contribute towards the socio-economic development of the areas in which they are operating.

This Broad Based Socio-Economic Charter for the South African mining industry was gazetted in August 2004. It recognises that blacks, women and mining communities had historically been excluded from participating in the mainstream of the economy. Its focus is to adopt a proactive strategy of change to promote black economic empowerment and transformation of ownership, management, skills development, employment equity, procurement and rural development. It seeks to redress historical and social inequalities and expand opportunities for HDI persons to enter and develop their skills in the mining and minerals industry and beyond.

The Social and Labour Plan is the key element and a mechanism to achieve the objectives of the Charter. The main objective of the SLP is to contribute to the transformation of the mining industry and ensure that the whole community benefits from the exploitation of the mineral resources. This includes promotion of employment and advancement of the social and economic welfare of all South Africans. The SLP requires the mining industry to develop and implement comprehensive Human Resources Development Programmes (including Employment Equity Plans), Local



Economic Development Programmes and also to develop processes to save jobs and manage downscaling on closure of mining projects.

## 1.2 Content of this Social and Labour Plan

Afplats recognises that the SLP is a living document and although it is not yet possible to provide all the prescribed plans and DME forms Q, T and S (Appendix 1) as required by the SLP for this new proposed mining development for the following reasons, the SLP will be updated as the information becomes available:

- The mine has yet to recruit its labour force
- It has yet to fully understand the skills and education levels of the potential workforce
- Once the abovementioned skills and education levels are identified mentorship, learnerships and internship and bursary plans can be developed accordingly.
- The development of the skills programme on the mine needs to be developed in consultation with the employees (which is still to be appointed)
- The establishment of a representative forum is another requirement that will only come into effect once construction commences.

Afplats has developed basic procedural plans for career progression (Section 3.2). The Employment Equity policy and plan is completed (Section 3.5) but could be subject to change once the mine commences and the employees are recruited.

**Therefore it must be acknowledged that this SLP contains the basic principals and commitments and stands to be amended and enhanced as the mine becomes operational. All commitments have been given a timeframe in this SLP under each of the relevant sections. As the plan is amended and updated, the changes will be submitted to the Department of Mineral and Energy (DME) for auditing on a yearly basis, as required by the MPRDA.**

This SLP contains the five main sections and each section contains a table that summarises the plan of action that will be taken to comply with the guidelines. These tables will also provide the necessary time frames within which these plans will be developed and submitted to the Department of Minerals and Energy. The main sections are:

- Human Resource Development Plan
- Local Economic Development Programme
- Process Pertaining to Management of Downscaling and Retrenchment
- Financial provision

▪ Undertaking

The following table indicates the overall status of the various plans developed to date, also shows what items are still outstanding, and a commitment date by which the outstanding plans will be completed and submitted to the Department.

**Table 2: Overall Status of Social and Labour Plans and Commitments**

Section reference	Section	Status	Date of completion and submission to DME
<b>Human Resource Development</b>			
3.1	Skills development plan: • ABET • Learnerships • Skills Programmes • Portable skills	All strategic objectives have been set. Principles of the plan are provided in broad guidelines as well as the steps that will be implemented in order to compile the Skills Development plan.	2009
3.2	Career Progression Pathing	Completed	Will be revised at the end of 2009
3.3	Mentorship Plan	All strategic objectives have been set. Broad principles were outlined. Actions for implementation will be presented in the actual plan.	2009
3.4	Internship & Bursary Plan	All strategic objectives have been set. Broad principles were outlined. Actions for implementation will be presented in the actual plan.	2009
3.5	Employment Equity Policy and Plan	Completed.	Will be reviewed at the end of 2009
	DME Forms S Q R	Will only be filled in once the recruitment process is finalised.	6 months after the mining rights permit is granted (2009)
<b>Local Economic Development Programme</b>			
4.4	Community Development & Poverty Eradication Plan	All strategic objectives have been set. Broad principles were outlined. Actions for implementation will be presented in the actual plan	
4.5	Measures to address housing	Completed	N/A
4.6	Measures to address nutrition	Completed	N/A

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Section reference	Section	Status	Date of completion and submission to DME
4.7	Procurement Progression Plan	Broad guidelines and principles have been agreed	2008
	DME Form T	Will be completed once construction commences	2008
<b>Downscaling and retrenchment</b>			
5	Processes pertaining to Management of down scaling & retrenchment	Completed	N/A
<b>Financial provision</b>			
6	Financial provision	Completed	N/A
<b>Undertaking</b>			
7	Official commitment to all plans/policies contained within the SLP	Completed	N/A
<b>Reporting</b>			
	Updating and presenting progress on commitments of the SLP	Will report annually to the DME, as prescribed	At the end of each financial year

Afplats is committed to the principles and the spirit expressed in the Charter and will meet the objectives as outlined in this SLP, ensure its permanent employees and contractors comply with Section 101 of the MPRDA and ensure the necessary structures and mechanisms are in place and utilised to this end. Details of the Social and Labour Plan for the proposed Leeuwkop Platinum Mine follow in the next sections.

### 1.3 Amendment of the Social and Labour Plan

The SLP will be amended when the mine commences with construction and the actual situation can be determined after the mining rights permit is granted. The projected figures can then be verified and confirmed. If the actual situation differs from the projected situation the necessary changes will be made and submitted to the Department. This will be done on an annual basis.

### 1.4 Reporting on the Social and Labour Plan

Afplats will report on the SLP as determined by the DME. It is proposed that Afplats will report on the SLP one month after the financial year-ends, which occurs on the last day of February each year.

**2 PREAMBLE**

Name of the company Afplats (Pty) Ltd.

Name of mine or production Leeuwkop Platinum Mine

Physical address Johannesburg Office  
Building no 4  
Fourways Golf Park  
2 Roos Street  
Fourways

Postal address PO Box 2055  
Fourways  
2055

Telephone number 011-467-1858

Fax number 011-467-1859

Location of mine or production operation Situated in the North West Province on the farm Leeuwkop 402 JQ. It falls within the jurisdiction of the Rustenburg Municipality but is also adjacent to the Madibeng Municipality

Commodity The UG2 reef will be mined for platinum

Breakdown of employees per sending area (numbers of employees from each sending area) Equal job opportunities will be allocated to the local communities. The allocation of job opportunities will depend on the available skills. A total number of 3 600 people will be employed and it is expected that they will come from the following areas:

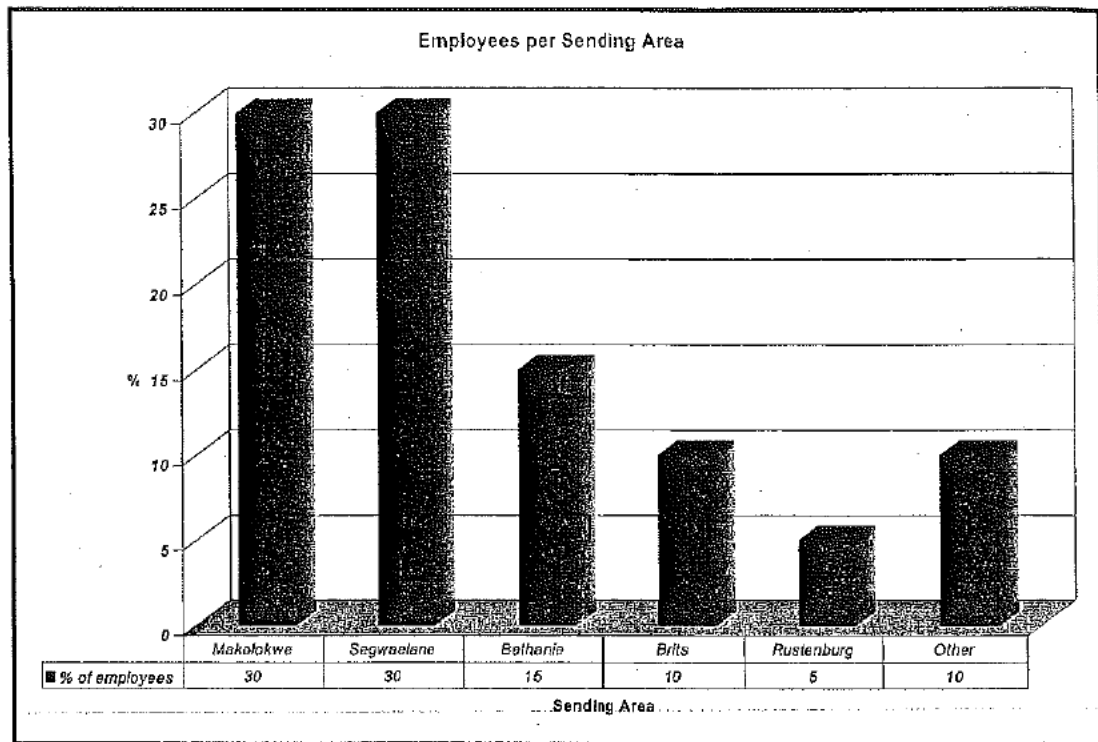
Potential labour area	Relevant Municipality
Makolokwe	Rustenburg
Segwaelane	Madibeng
Bethanie	Rustenburg
Brits	Madibeng
Rustenburg	Rustenburg

(refer to Figure 1 for the location of these communities and Figure 2 for the percentage expected to be employed from the areas)

Life of mine or production operation It is foreseen that the mine will be operational for the next twenty (20) years

Financial year (date of financial year) Ends in June every year





**Figure 2 : Breakdown of sending areas**

The proposed new mine (Leeuwkop) lies within the municipal jurisdiction of the Rustenburg local municipality. During consultations, it has been understood that the potential mine workforce would be sourced from areas within the Rustenburg and Madibeng local municipalities.

Figure 2 portrays the proposed breakdown of the percentage of people that will be sourced from the surrounding areas. These figures are only projected figures used to illustrate that people from both the Makolokwe and Segwaelane villages will be provided with an equal opportunity to apply for jobs where possible, because these are the villages closest to the mine. People from Segwaelane will not be discriminated against only because they are not from the Bakwena tribe. This commitment was made during the Public Meetings with representative stakeholders from the relevant labour source areas. These public meetings were part of the public participation process, which informed the public of the proposed development as required by Environmental Impact Assessment Process. Refer to Appendix 2 for an extract of the Public Participation Report.

3

**HUMAN RESOURCES DEVELOPMENT PROGRAMME**

Afplats (Leeuwkop Mine) undertakes to adhere to the requirements of the MPRD Act and specifically Section 101 and ensure all permanent employees on the mine, be they mine or contractor employees, have access to Human Resource Development (HRD) Programmes, as outlined in this section, facilitated or managed by either the mine itself or by the contracting companies.

As already mentioned, the proposed Leeuwkop Mine does not have any employees at present and employees would only be recruited once development commences post the granting of a Mining Right. In the spirit of the SLP, Afplats has endeavored to clearly define the planned skills development, career progression, mentorship, employment equity, and bursary schemes. **As this is a new mine, some of the plans cannot be compiled or finalised yet but various commitments are made and the deliverables are set out in the section below.** The Human Resources Development (HRD) Programme for Leeuwkop will be based on Impala Platinum Limited's HRD plan. The status of each plan for Leeuwkop is indicated in the next table assuming that construction will commence in middle of 2008.

**Table 3: Human Resources Development Status and Commitment Table**

Section ref.	Section	Status	Date of completion and submission
3.1	Skills development plan: <ul style="list-style-type: none"> <li>• ABET</li> <li>• Learnerships</li> <li>• Skills Programmes</li> <li>• Portable skills</li> </ul>	All strategic objectives have been set.  Principles of the plan are provided in broad guidelines as well as the steps that will be implemented in order to compile the Skills Development plan.	2009
3.2	Career Progression Planning	Completed	Will be revised at the end of 2009
3.3	Mentorship Plan	All strategic objectives have been set.  Broad principles were outlined. Actions for implementation will be presented in the actual plan.	2009
3.4	Internship & Bursary Plan	All strategic objectives have been set.  Broad principles were outlined. Actions for implementation will be presented in the actual plan.	2009
3.5	Employment Equity Policy and Plan	Completed.	Will be reviewed 6 months after the mining rights permit is granted
	DME Forms	Will only be filled in once the	6 months after

Section ref.	Section	Status	Date of completion and submission
	Q R S	recruitment process is finalised.	commencement of construction activities (2009)

Table 3 provides a summary of the work already done, and also outlines the work that will be undertaken once Afplats (Leeuwkop) establish its own Human Resource Department and enters into the recruitment process. Once again, it must be emphasised that the "date of completion" refers to the period once the mine commences with construction.

### 3.1 Skills Development Plan

Afplats will meet the requirements of the Skills Development Act. This includes the submission of the mine's Workplace Skills Plan (WSP) on an annual basis. In addition the mine will register with the South African Revenue Services (SARS) as well as the relevant SETA (the Mining Qualifications Authority (MQA)) and will contribute one percent of payroll towards Skills Levies.

Afplats (Leeuwkop) takes cognisance of the growing shortage of critical skills in the mining industry of South Africa. To ensure that the Company has access to the necessary skills, it will engage in programmes to address these needs.

#### **Objective**

The purpose of the Skills Development Plan will be to assess and record current levels of skills and education, with assistance from stakeholders such as the Mines Qualification Authority (MQA) and employees. The results of the research will be used as a base for future skill development initiatives. The Skills Development Plan will form the foundation out of which education, training and development initiatives will flow.

In order to address the shortage of skills, Afplats will collaborate with Statutory Bodies such as the MQA, in developing a comprehensive skills development strategy to ensure the availability of mine and production operation specific skills, a competent work force and the training of employees in skills that can be used not only in the mining or production industries but in future employment opportunities.

Afplats (Leeuwkop) will register with the MQA once the mine commences construction to ensure continued consultation with the Authority in the formulation of a skills development plan and the upliftment of skilled employees.

Afplats will enter into a process of determining organisational skills needs, utilising a so called needs analysis, which will allow for the identification of organisational skills priorities and associated training interventions to address these priorities. Skills priorities could include supervisory training, technical operator training, leadership

training or training required for succession planning for identified key positions. Training and development interventions are intended to focus on relevant training needs as identified internally by employees and business once the mine is operational. The abovementioned will be compiled into a plan as described in Table 4.

**Table 4: Summary of the Leeuwkop Platinum Mine Training and Development Plan**

Step	Action	Date by when action will be completed
1	Appoint a Human Resource Manager and support team	2008
2	Register Afplats with the MQA	2008
3	Conduct a skills audit in the surrounding communities to identify potential skills	2009
4	Use the results of the skills audit to update the skills database available at the Rustenburg Municipality	2009
5	Establish a skills development committee	As soon as possible after the HR team is appointed once the mining rights permit is granted 2009
6	Conduct a skills audit amongst the workforce once the mine commences with the operations	2014
7	Training needs analysis	To be compiled by 2013. Will be revised annually.
8	Formulation of Skills Development Plan in consultation with MQA and the skills development committee	2009
9	Compile and submit a Workplace skills plan	2009
10	Submit the Skills Development Plan to DME upon SLP review	2009

**The Skills Development Plan will be specific for the mine; therefore it must be developed in consultation with employees and/or representatives of employees.** A skills development committee will be appointed once the mine is operational. The committee would consist of various stakeholders (management, employees, and union representatives) from the different functional areas, to collectively deliver and contribute to the plan. Equity will be considered (gender, race or disability) when forming the Committee.

For the first three years after the mining right application is granted, the Leeuwkop Mine will make use of contractors to do the majority of the work required including the construction of the access roads and the sinking of the shafts. The contractors will be liable to use as many employees from the surrounding areas as possible, however, the very specialised skills with deep shaft sinking will limit initial opportunities in this first phase of construction. Contractors will be responsible to provide their own Skills

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Development Plan and therefore, comply with their own objectives and targets. Afplats will however ensure that these targets are met and reflect Afplats own targets.

In order to determine what type of skills are available in the community, Afplats will conduct a skills audit in the surrounding community and use these results to update an existing skills database in consultation with the Local Municipalities in the communities of Makolokwe and Segwaelane. This will assist in identifying the available skills and in determining a strategy to address the gaps between the existing situation and the future requirements and priorities of the mine e.g making bursaries available to potential candidates from the communities to meet the future requirements of the mine when it becomes operational.

As the new workforce is recruited and appointed their skills will be determined and gaps identified. A training needs analysis will then be compiled to assist in identifying the training needs of the workforce once the mine becomes operational.

In order to facilitate the skills development plan, Afplats (Leeuwkop) will appoint an internal skills facilitator to co-ordinate the skills audit, development and implementation of the plan. The necessary budget will be made available for the development of the Skills Development Plan.

The Skills Development Plan will consist of the following:

- Adult Basic Education and Training (ABET)
- Learnerships
- Skills Programmes
- Portable Skills Training

The approach to each of the abovementioned sections will be outlined below.

Afplats acknowledges the need to develop a Workplace Skills Plan (WSP) in the interim period this will be based on the WSP of Impala Platinum Limited. All costs relating to training and development activities (including ABET) will be reflected within the WSP. The mine will be able to provide for the training programmes via the reimbursement of skills levies (in the second year), as well as an allocated budget put aside for such training. This is shown in Section 6.

### 3.1.1 Adult Basic Education and Training (ABET)

It is in the interest of Afplats to ensure that all of its employees can read, write and communicate in English to ensure that any instructions and/or health and safety issues are clearly understood to enable employees to not only be more productive but also to ensure their own safety by being able to read any communication expressed on notice boards, briefs, etc. As part of its commitment to developing the educational base of its



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workforce, Afplats will implement a Functional Literacy and Numeracy Programme, ensuring that all employees have access to further learning. The programme will consist of Adult Based Education and Training (ABET) aimed at providing good quality education and training to adult learners, whilst ensuring that all learners are offered the opportunity to become functionally literate and numerate (to ABET Level 4).

### **Objective**

Afplats will provide employees with the opportunity to become functionally literate and numerate. This will be extended to members of nearby communities once all employees have completed their courses.

### **Programme**

Afplats will make use of existing facilities/or service providers in the local Municipalities of Rustenburg and Madibeng to enable the employees who are functionally illiterate and ennumerate to attend programmes to ensure that they are given an opportunity to become functionally literate and numerate. These organisations will be supported by Afplats, which will make the necessary financial resources available. Newly appointed employees who do not have these skills will have the opportunity to join the programme. This programme will ensure that everybody will have an equal opportunity to be considered for employment on the mine and for further development.

A skills audit of the workforce will be undertaken, once the mine commences, to establish existing levels of literacy. The Human Resources Department will be tasked with evaluating progress and ensuring that the ABET programme remains on track. In addition to enhancing the advancement prospects of the employees, it will equip them with skills that may be used beyond the life of the mine.

Afplats is proposing to implement ABET training for the projected figures of illiteracy set out in the table below. However it must be emphasised that these figures are projected figures and can change once recruitment is completed and the results of the skills audit are available. Training will be provided as full time or part time courses,

**Table 5: Proposed Leeuwkop Platinum Mine Adult Basic Education (ABET) Training**

	2009	2010	2011	2012	2013
Expected Illiteracy Level	31%	27%	24%	21%	20%

### **3.1.2 Learnerships**

Afplats will, through Impala Platinum Limited's established participation in the MQA's Learnership programme, support the Department of Labour's Learnership Programmes geared at ensuring participants benefit from practical experience in the mining workplace as well as receiving accredited training in the theory behind these chosen



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disciplines. The mine will make every effort to establish successful relations with the relevant SETA, as well as the training and education providers involved, to facilitate the implementation of beneficial and effective Learnership programmes.

Afplats is aware of the potential shortage of skills in the surrounding areas and plan to establish a training school to address some of skills shortages that might be required on the mine. This training school will be established before construction commences in order to provide local people with the opportunity to enrol in a programme, which will enable to work on the mine once their training is completed.

Learnerships are vocational education and training programmes that combine structured workplace learning and institutional learning. This process is governed by a contract between the employer, the training provider and the learner. The end result is a qualification registered on the National Qualifications Framework (NQF). In terms of the Skills Development Act of 1998, the MQA has established, registered, promoted and administered approximately 54 Learnerships (May 2004 figures).

The mine plans to appoint Learnerships annually in line with the business plan as well as the outcomes of the skills audit. Afplats will ensure that a proportion of junior employees recruited from the local communities will be eligible for registration for suitable Learnerships for qualifications required on the mine. It is acknowledged that job creation in the local community must include opportunities for the youth. Registering Learnerships will provide opportunities for young people to remain in their communities and contribute to economic growth in the area. The following table explains the number and the type of learnerships that would be made available on the mine. The learnerships to be made available will be identified by the mine management once the mine commences with construction.

**Table 6: The following potential learnerships will be made available on the mine from year 3 onwards (operational phase) when shaft sinking is complete;**

Type of learnerships	No of employees per year
Internships (non permanent)	10 unemployed local people per year during selected school holidays
Engineering Apprentices	5 full time apprenticeships in disciplines nominated by mine management
Learner Miners	5 full time learner miners
Trackless Machine Learner Machine Operators	15% of the total machine operator labour complement per year will undergo training
Trackless Machine Learner Maintenance Operators	15% of the total machine operator labour complement per year will undergo training

The learnerships will be distributed between the various population groups as set out in the following graphs depicted in Table 7 to Table 10. The mine will aim to award a

minimum of 10% of these learnerships to females. However, this may be subject to change and will be finalised once the Human Resources policies and procedures are put into place when the mine becomes operational. The figure of 10% of women is projected as required by the Charter. Upon mine commencement, learnership figures will be re-evaluated as the mine will have a better understanding of the type of skills available and what types of jobs women are prepared to do on the mine. It should be noted that the mine would comply with the Charter's requirement of a 10% female complement of the total workforce in 2009. This is reported on in Section 3.5.

To clearly present the Afplats (Leeuwkop) equity targets for learnerships and apprenticeships, the female and HDSA categories have been separated. Note that these graphs have been generated with the assumption that the mine will receive its mining right in 2006, and commence with construction activities in 2007.

**Table 7: Proposed Breakdown of Engineering Apprentices**

	2008	2009	2010	2011	2012	2013
Females	5%	6%	10%	10%	10%	12%
HDSA	50%	53%	54%	57%	60%	61%
Other	45%	41%	36%	33%	30%	27%

Learnerships in engineering will be made available as determined by the mine management after taking into account the skills need on the mine and the hard to fill vacancies. It must be noted that once the mine enters into the operational phase and the skills needs of the mine are identified, these projected figures will most likely change to reflect the more realistic situation. The number of male HDSA's receiving engineering learnerships is expected to increase from 50% in year 2008 to 61% in year 2013. The reason for allocating such a low percentage of learnerships in engineering to women (5% in year 2007 progressing to 12% in year 2012) is due to the nature of mine work. Mining is often said to have a work environment that is not conducive to women and women's rights. Afplats (Leeuwkop) would like to change that perception by offering learnerships to females in the mining engineering field, but only to those that understand and accept the challenges of such a work environment. As their exposure is increased, it is possible that the percentage learnerships to women would also increase significantly.

**Table 8: Proposed Breakdown of Learner Miners**

	2008	2009	2010	2011	2012	2013
Females	6%	7%	10%	10%	11%	11%
HDSA	57%	59%	61%	62%	63%	65%
Other	37%	34%	29%	28%	26%	24%

**Table 9: Proposed Breakdown of Machine Operators**

	2008	2009	2010	2011	2012	2013
Females	8%	9%	10%	11%	12%	12%
HDSA	65%	68%	70%	72%	73%	75%
Other	27%	23%	20%	17%	15%	13%

**Table 10: Proposed Breakdown of the Maintenance Operators**

	2008	2009	2010	2011	2012	2013
Females	4%	5%	7%	8%	10%	10%
HDSA	55%	55%	56%	57%	60%	60%
Other	41%	40%	37%	35%	30%	30%

In Table 8 to Table 10 the percentage of learnerships for learner miners, learner machine operators and maintenance operators are presented according to the female, HDSA and other categories. As this is currently a male dominated field the percentage allocated to females is at first low but the involvement from women does increase gradually over the next four years. During the course of mine life, the mine's HR would have to understand the interest in pursuing such careers (particularly from women), and amended the learnership plan accordingly. Once again this must be emphasised that these are projected figures, which will be revisited once the mine is operational, the skills audit is completed so that a realistic situation is obtained.

All training programmes will be implemented in accordance with the relevant training legislation (MQA and SAQA) and will be carried out at an accredited training facility until the planned training facility on the mine is completed.

### 3.1.3 Skills Development Programmes

A recent social study by Wits Enterprises (2005) indicates that the Rustenburg local Municipality has undertaken a skills analysis for all the wards in its jurisdiction including the potential labour source area of Segwaelane. Afplats will make use of this existing skills database of the Rustenburg Municipality and assist Madibeng to establish a similar database for Makolokwe in order to allow for easy recruitment from these selected areas. It will conduct a census to identify and determine the level of skills available in the area. Based on these findings, a skills development programme will be produced according to the mine's requirements.

The MQA, in association with the mining industry, has established several Skill Programmes. These programmes constitute credits towards an NQF qualification. Such programmes must be occupationally based and delivered by an accredited education and training provider. The Company will continuously develop an



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implement appropriate skills training programmes as and when required by their workforce and in line with their business plan. In addition Afplats will gradually convert their training and development programmes towards either Learnerships or skills programmes as and when they are released by SAQA

Afplats (Leeuwkop) will be liable, from date of establishment of the mine, for payment of the Skills Development levy, currently 1 % of payroll. It will be ensured that grants are applied as permitted by legislation and the Mining SETA, so that maximum funds can be released for training and employee development.

**The following Skills Development Programme action plan is proposed and will come into affect once people are appointed into specific positions and they were given the opportunity to develop in a position for at least a year.**

**Table 11: Skills Development programme action plan for mine**

Step	Action	Date by when actions should be completed
1	Identify relevant courses/institutions/activities to address the shortcomings in the Skills Development Plan	2012
2	Schedule courses for the relevant employee/s	2013
3	Monitor the employee/s progress	2014
4	Audit the progress made on the implementation of the process	2014

The needs analysis process will allow for the identification of organisational skills priorities and associated training interventions to address these priorities. However, this will only be done once the employees are recruited for the operational phase (2013). Skill priorities will depend on the mine design and method and may include:

- Supervisory training
- Technical operator training
- Leadership training
- Training required for succession planning for identified succession planning for identified key positions
- Safety training

Afplats will consider cost effective strategies to implement the training interventions related to the identified programme. The aim would be to place a higher priority on internal training and development programmes (in-house training) rather than externally focused (off-mine venue) interventions.

External training will be considered for non-employees, and will include scholars and university students. This will contribute to the general development of the community even if these trainees are not employed on the mine once they have completed their studies.

#### 3.1.4 Portable Skills Training

Afplats will, as part of its Skills Development Plan and its retrenchment management programme, provide training in portable skills which are applicable to the mining sector and other employment sectors and ensure such training programmes are adapted as required by the mine's employees. The company therefore defines portable skills as accredited skills developed through unit standards based training that can be utilized within the mining sector (across mineral sectors) as well as outside of the mining sector

The mine intends on negotiating agreements with the recognised trade unions and Future Forum on issues relating to training needs of employees to be considered in the event of the following:

- Medical unfitness
- Retrenchment
- Mine/Section closure

The Company will develop programmes to increase the knowledge of all the employees. The intention is to create skills which employees can use during their employment on the mine and beyond the workplace. These could include, but will not be limited to:

- Life skills such as communication skills, business ethics and personal budgets
- Time management
- Stress management
- Change management
- Computer skills
- Entrepreneurship

**Note:** Portable skills training is considered a critical factor in softening the impact of mine retrenchment and downscaling as presented in Section 5.

Afplats will also take into consideration the portable skills training conducted at Impala Platinum and use this as a baseline to develop their own core business training. Core business training will be carried out amongst all employees during the life of the mine in various core business disciplines and as such facilitates on-going skills development

and certification thereof. Further, the mine will institute supervisory and management training amongst all employee levels which further facilitates access to generic business, financial, management-related skills transferable across any sector.

In addition to the functional literacy and numeracy training Leeuwkop Mine will provide portable skills training within the various core business disciplines as outlined in Table 12 during the life of the mine. Where the skills training is portable within the mining sector (and across mineral sectors) and/or is external to the mining sector, this has been identified.

### 3.1.5 Training in Core Business Areas

Afplats's core business is mining and will remain so for the life of the mine. For this reason the company will direct a major portion of its training and development resources to the development of mining, engineering and plant related competencies and skills. Leeuwkop Mine is still a proposed mine but will endeavour to ensure that all training and development is in accordance with appropriate legislation and will plan its core business training and development accordingly.

In addition to the core business training within each discipline, Afplats will carry out ex-leave training in an effort to ensure the continuous improvement and upliftment of the Leeuwkop workforce. The mine will carry out ex-leave training on an on-going basis during the life of the mine as employees return from leave. The duration of this refresher training, which also facilitates key communication opportunities to employees (on issues such as ABET programmes, portable skills programmes, nutritional awareness, HIV/Aids etc) is three days per employee. The employees within the plant however, complete one scheduled ex-leave training session per annum on returning from leave in January which takes one day



Table 12: Portable Skills Training within the Mining Industry (across mineral sectors)

Department	Training Programmes	Occupational Categories as per Form S	2009	2010	2011	2012	2013
Mining	Equipping Helper	Unskilled					
	Scraper Winch Operator	Unskilled					
	Rock Drill Operator	Unskilled					
	Mining Competent A	Skilled					
	Mining Competent B	Unskilled					
	Safety	All Levels					
	Survey	All Levels					
	Shift Supervisors	Skilled					
	Mine Overseer	Professional					
	Rock Engineering	All Levels					
	Coded Drivers	Semi-skilled					
	Geology	All Levels					
	Miners	Skilled					
	Ventilation Observers	Semi-skilled					
	Ventilation Officials	Skilled & Prof					
	Underground Crew & Gang Leaders	Semi-skilled					
	Conveyor Belt & Tip Attendant	Unskilled					
Administration	Human Resources	Semi-skilled, Skilled & Prof					
	Finance	Semi-skilled, Skilled & Prof					
	Stores	All Levels					
	Admin	All Levels					
	Computer Training	All Levels					
Engineering non – licensed	Eng Helpers & Gang Leaders	Unskilled					
	Eng Serviceman	Semi-skilled					
	Lamp Room Attendant	Unskilled					
	Control Room Operators	Semi-skilled					
	Eng Semi-Skilled – welders, torch cutters	Semi-skilled					

Department	Training Programmes	Occupational Categories as per Form S	2009	2010	2011	2012	2013
Engineering – Licensed & Trades	Trackless Mining Machines	Semi-skilled					
	Artisan (Fitter, Boilermaker, Diesel Mechanic, Electrician, Instrumentation, Rigger & Millwright)	Skilled					
Metallurgy	Crushing & Screening	All Levels					
	Floatation & Thickening	All Levels					
	Introduction to Mineral Processing	All Levels					
Formal Learnership	Blasting Certificates	Skilled					
	Engineering	Skilled					
Supervisory & Management Training	Principles of Supervision	All Levels					
	Intro to Supervision	All Levels					
	Life Skills	All Levels					
	Basic Business Skills	All Levels					

Note: Targets to be determined once the skills audit is completed and the mine becomes operational

### 3.2 Career Progression Planning

Afplats will provide every employee with the opportunity to develop within one of the career progression paths available.

#### **Objective**

To develop career paths for all core and non core positions and to indicate how employees will be able to progress through the employment equity levels in line with targets set out in the Skills Development Plan, the Training Plans and the Employment Equity Plan. Leeuwkop undertakes to implement career paths to provide opportunities to HDSA employees to progress in their chosen careers.

It must be noted that Afplats (Leeuwkop) has already completed it's career progression planning. Once the mine commences construction activities, further actions such as the identification of individuals (talent pool) and the establishment of other supporting mechanisms will be investigated. Refer to Table 13.

In developing the career progression plan, the emphasis will be to comply with the Mining Charter and prioritise the development of HDSA and women in the work place. This plan will focus on generic career plans thus enabling employees to progress within disciplines as well as between disciplines, and does not imply a personal consultation process for every individual. It is intended to create a process, which will facilitate addressing the career progression needs for both the operation of the mine and the individual employee.

**Table 13: Career progression plans**

Step	Action	Date by when actions should be completed
1	Develop generic job profiles for all immediate positions required by the mine	2008
2	Develop possible career paths for identified trainees required initially such as the miners and engineers (Figures 8 & 9)	2010
3	Develop possible career paths for non-core positions on the mine such as safety, environmental, security etc.	2009
4	Develop support structures such as mentorship and career counselling	2010
5	Develop leadership and personal development plans for middle management	2010
6	Implement a performance appraisal system which will allow for the natural progression of employees	2010

**Generic career progression plans:** Afplats (Leeuwkop) will develop generic career progression plans based on core functions of the business. A detailed career progression (path) plan will be developed for Mining and Engineering positions. All

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employees will be informed as part of their induction to the mine, of the potential career paths within the various occupations and disciplines. As such, all employees will be aware of the educational and training requirements in order to progress through the various occupational levels within the various disciplines at Leeuwkop mine. Appendix 3 presents the core generic career path plans for Leeuwkop Platinum Mine and indicates key criteria, timeframes and career opportunities.

Generic career progression plans for other non-core functions of the business will be available for the following disciplines:

- Safety Health and Environmental
- Security
- Operational Finance

Afplats (Leeuwkop) will ensure that ample opportunities are created for women, and that they are included into the above-mentioned career paths in the fields of mining and engineering.

**Individual Development Plans** Following the completion of the skills audit amongst the mine workforce (once the mine is operational), the mine will roll-out a process whereby Individual Development Plans (IDPs) for all employees will be developed in conjunction with the qualified training specialist. The process of completing IDPs will commence with the lower employment categories working towards the higher categories. Following this, whilst the mine continues to recruit to its envisaged maximum employment level of three thousand six hundred (3 600) employees, new recruits will receive their IDPs at point of entry to the mine. The IDPs will be reviewed annually with each employee and assistance in respect of mentoring and/or training requirements will be given as and when required.

**Succession Planning and Fast-tracking Programme** In order to facilitate the progression of employees, most notably HDSAs in line with the mine's Employment Equity Plan, a succession planning system, linked to the generic career path programme within all core disciplines will be implemented. This will ensure that all employees are aware of promotional routes, job prerequisites and time frames. The succession planning system will also incorporate a replacement plan for successors and will identify functions for key skilled labour and institute accelerated development of people within their succession plan.

Line managers and/or supervisors will identify a pool of candidates for the fast-tracking programme as part of the IDP process with each employee within their department. These candidates will then be assessed by the HRD department through the company's assessment tool for this purpose. The selected candidates will then

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complete a one-on one discussion with their Head of Department and HRD manager to develop the appropriate fast-tracking elements to their IDP.

### 3.2.1 Hard to fill vacancies

Leeuwkop is a proposed new mine and the employees have not yet been recruited. Only once the mine has been granted their mining rights will the process of recruitment of employees begin. It is not yet possible to populate the DME form R "Hard to fill vacancies". The hard to fill vacancies will only be determined once the mine has been operational for at least 10 months.

### 3.3 Mentorship Plan

Impala Platinum Limited introduced a formal mentoring system in 2003, comprising of a formal training and orientation programme for both mentors and protégés. This formal system will be implemented at Leeuwkop Platinum Mine, and will include training of all mentors and protégés on Leeuwkop Platinum Mine's Succession and Employment Equity plans. All mentoring will follow the guidelines and principles of the Impala Platinum Limited Mentorship Code of Practice

Mentorship forms an integral part of the development of all employees and empowerment groups from the designated groups as defined by the Employment Equity Act. Mentorship will be used as an effective method to develop talent within the organisation. It will place the responsibility for the development of managerial talent not only on the shoulders of the Training Department, but also the senior managers.

#### ***Objectives***

The purpose of the mentorship training strategy and the mine operation will be to share the following objectives:

- Providing a vehicle for competency transfer, as well as a process through which work and life experiences can be acquired under the guidance of competent role models
- Accelerating the development of skills necessary for the achievement of Afplats strategic objectives, of which supporting the targets of the Mining Charter forms an important part
- Creating an enabling environment for the development and growth of HDSA individuals and women within the organisation
- Establishing a relationship where the operation helps meet individual aspirations and to enable such individuals to maximise their potential
- Preparing for career advancement with particular emphasis on moving employees with potential from operational/ tactical/ technical to strategic/leadership positions



- Help establish the Bakwena as a corporate entity and assist them to develop with the necessary guidance and skills to become a valuable partner in Afplats and the community as a whole.

Afplats (Leeuwkop) will develop a mentorship training programme to empower both mentors and protégés once the general career paths are finalised and implemented once the operational phase begin. The Company intends to focus its mentorship initiatives on HDSAs and women, specifically aiming at providing sufficient exposure for them to be promoted into next level positions. It is envisaged that all employees identified as successors will have a formal mentor. Mentors will be directly involved with the development of successors, with formal feedback provided as per the mentoring procedure developed within the code of practice. Employees, such as successors, learner officials, mine overseers and those in experiential learning who require mentoring, will be identified during the skills audit. Following this, appropriate plans with relevant targets will be developed and reported to DME in order to indicate which employees (in terms of racial groups and gender) will be mentored along with the envisaged outcomes of the mentoring programmes.

Therefore it is difficult at this early stage in the project to compile a detailed mentorship programme, which will enable Afplats (Leeuwkop) to identify a competent mentor and to assign a certain amount of mentees to that person. However, Afplats is committed to implementing the following programme to ensure that Leeuwkop will provide the necessary leadership and mentorship to mentees.

**Table 14: Proposed Mentor Programme action plan**

Step 1	Action	Date by when action should be completed
1	Audit Shaft Sinkers mentorship plan to ensure it complies with the requirements of the MPRDA	2008
1	Draft a policy and guidelines on mentorship including the criteria to which a competent mentor should comply based on the Impala Platinum model	2009
2	Develop a mentoring system and programme using Impala Platinum's as basis	2010
3	Identify potential mentors once recruitment is completed	2013
4	Identify potential HDSA individuals & women to enter mentorship programmes	2013
5	Assign the candidates in learnership programmes and bursaries holders to mentors	2013
6	Build coaching and mentoring capacity at all levels of the workforce	2014
7	Create a mentoring and coaching support system for all new HDSA employees	2013

Step 1	Action	Date by when action should be completed
8	Implement performance appraisal system, which will allow the progression of employees.	2013

### 3.3.1 Management Levels

All Employees-in-training will be assigned to a mentor. These mentors will work with the mentees to optimise their training experience.

Graduates will automatically be included in a Graduate Development Programme (GDP). These GDP groupings ensure that all persons employed in the various relevant levels acquire the necessary discipline-specific exposure in the Company.

### 3.3.2 Mentoring of Empowerment Groups

Mentorship will also be extended to empowerment groups. Afplats will help the Bakwena to establish a corporate entity and fund this with R 7.5 Million per annum for the first 8 years of the mine life. The Afplats management will assist the Bakwena and provide them with mentorship as identified. The mentorship program in the first few years of production will be very limited due to the high level of management staff involved in the project and the low numbers (15) of people involved.

Impala Platinum Holdings Limited has in place a Policy of Good Corporate Governance which directs the induction, management and training of all of its Directors on the respective mine Boards and associated committees. This policy will apply equally to the Afplats (Pty) Limited Board and its respective BEE Directors once appointed in line with the current Shareholders Agreement. The schedule for such induction, management and training is set each year as part of the group wide annual meeting schedule and in consultation with board members. From calendar year 2008 a programme devoted to the needs of director training will be incorporated into that schedule annually.

Induction and training of all directors is considered to be an essential part of the business and is designed to equip them with that level of knowledge, information and experience that will enable them to take effective decisions and participate in the overall business in a meaningful way. This philosophy is not confined to directors of Impala Platinum Holdings Limited but extends to all its subsidiaries, including Afplats (Pty) Ltd. The requirement of appropriate skills, knowledge and experience is particularly relevant in the mining industry where the issues required to be addressed are complex, the operating environment highly intricate and commodity trading a specialised field. In addition the legal and regulatory environments are extremely challenging.

Against that background the organisation has recognised the importance of induction and training of all directors. Under the auspices of the Nomination Committee, a sub-committee of the Impala Platinum Holdings Limited Board, an induction and training programme has been devised which covers diverse disciplines such as the applicable legislation and legal requirements, regulatory provisions (such as the JSE Listings Requirements and the SRP Code), risk management, understanding of finance (including business planning, capex, amortisation and the like), technical information sharing, mine health and safety and environmental requirements. In addition and in recognition of the importance of and contribution made by the workforce an understanding of human resources issues is indispensable.

Several training sessions will be arranged annually for directors during which they receive formal presentations from members of the Institute of Directors, lawyers, and representatives of merchant banks, financial experts and HR specialists. In addition directors visit the operations where they interact with mine personnel, are exposed to the technical aspects of the business such as the different mining techniques and methods, and the concentrating, smelting and refining processes. Directors are also encouraged to make independent enquiries in respect of any subject relating to the group business that they may require further information on.

### **3.4 Internship and Bursary Plan**

Problems are experienced throughout South Africa regarding the schooling of learners and the dearth of learners who have higher standard maths and science qualifications. As a result, learners do not consider mining and engineering as a career as they do not have the required educational standards to apply for tertiary education institutions. With this in mind, Afplats (Leeuwkop) is investigating the possibility of recruiting learners with potential at high school level for a mining career before they need to choose their subjects. This will encourage youngsters to consider taking maths and science at higher standard, therefore providing them with the opportunity to enter technikons or universities for tertiary education. This initiative will enable Afplats (Leeuwkop) to make bursaries available to learners who have the necessary qualifications pertinent to the mining sector.

Bursaries will be made available in the following field of studies; this will be determined once again by the requirements on the mine:

- Engineering (mining and metallurgical)
- Environmental Management
- Finance
- Human Resources
- IT Development
- Law

- Logistics
- Management
- Mining
- Geology
- Public Relations
- Safety Management
- Secretarial
- Security Management
- Supply Chain Management

**Table 15 : Proposed breakdown of internships – non-permanent positions**

	2008	2009	2010	2011	2012	2013
Females	6%	7%	10%	10%	10%	12%
HDSA	60%	60%	60%	60%	60%	60%
Other	34%	33%	30%	30%	30%	28%

Table 15 indicates the percentage breakdown of the internship Afplats will make available to the various population groups. Once the mine commences operations the number of internships will be increased over a number of years up to a maximum number of 10 internships. These learnerships will be made available during selected school holidays as determined by the mine management. The ratio of internships will be reviewed once the mine commences and it is clear what learnerships are required on the mine and in the community.

Afplats (Leeuwkop) will implement an internship and bursary scheme, based on its needs and taking into consideration the scarcity of skills in the labour market and the size of the operations. Employment equity will be a priority on the scheme and special consideration will be given to women during recruitment of bursars.

Various opportunities will be developed for unattached students and for Technikon and University bursars

Unattached students, from the local communities, i.e. students who have no contractual obligations to the mine, will be provided with opportunities for experiential learning and exposure to work place environment without any employment commitment to the Company.

Technikon bursars would include students with whom Afplats (Leeuwkop) has contractual obligations to provide employment after successful completion of their studies. These students would be recruited from the local communities, if they have



the necessary available qualifications, depending on the disciplines in which they have enrolled, or in which they have expressed an interest.

The University bursars will be students with whom the Company has contractual obligations to provide employment after successful completion of their studies. These students will be recruited from the local communities, if available, depending on the disciplines in which they have enrolled, or in which they have expressed an interest and their acceptance by a university.

Table 16 indicates the percentage breakdown of the bursaries that will be distributed between the populations. Women will be provided with an opportunity to apply for these bursaries to also ensure the development in the community. The projected ratio between men and woman will be re-evaluated once it can be determined whether woman will be interested in following a career in mining.

**Table 16: Breakdown of bursaries**

	2008	2009	2010	2011	2012	2013
Females	15%	15%	15%	17%	18%	20%
HDSA	50%	50%	50%	53%	54%	55%
Other	35%	35%	35%	30%	28%	25%

Afplats (Leeuwkop) is committed to providing a number of bursaries for the next six years as set out in the figure below:

**Table 17: Number of bursaries to be allocated to internal and external students**

	2008	2009	2010	2011	2012	2013
No of Bursaries	4	5	6	7	8	9

Employees will be encouraged to improve themselves through self-study. Afplats (Leeuwkop) will therefore provide an internal self study assistance scheme for the following disciplines:

Engineering  
 Finance  
 IT Development  
 Logistics  
 Mining  
 Safety Management  
 Security Management

Environmental Management  
 Human Resources  
 Law  
 Management  
 Public Relations  
 Secretarial  
 Supply Chain Management



### 3.5 Employment Equity Policy and Plan

Afplats will align all employment equity efforts as prescribed by Impala Platinum Limited. In line with its vision of "unlocking the potential of all its employees" and in compliance with the Employment Equity Act, the MPRD Act and the Mining Charter, Leeuwkop is committed to a process of:

- Increasing organisational effectiveness to sustain competitive advantage by recruiting, selecting and developing individual employees to their full potential;
- Providing development opportunities to all employees with a particular focus on those who have been excluded from the main stream of economic activity as a direct result of unfair discrimination;
- Maintaining short to medium term equitable means to counter employee imbalances of the past as a result of legislation and/or customary practices;
- Bringing the employment equity process in line with the company's values and goals.

To this end Afplats will implement an Employment Equity Plan ensuring that set targets are met and that all employees are aware of the company's goals. The Employment Equity Plan (as set out below) incorporates the strategies, targets and plans to comply with the MPRD Act's focus on and specific targets for, HDSAs in management positions and women in mining at Leeuwkop Mine. Afplats (Leeuwkop) has completed an Employment Equity Plan. This is presented below:

#### 3.5.1 Introduction

The two pillars of the Employment Equity Act 55 of 1998 are:

- the elimination of discriminatory practices,
- the promotion of employment equity/affirmative action to redress the imbalances in employment opportunities created by apartheid.

Afplats is committed to the principles and practices of the Act, and plans to recruit, train and develop staff with these objectives in mind. As the mine is still in its planning stage, it will implement these principles as part of its operation requirements.

In addition to these general objectives, Afplats subscribes to the requirement of the Mining Charter to work towards achieving the goal of 40% HDSAs in management and 10% participation of women in mining from the commencement of the mine.

Afplats has already had various negotiations with the local Authorities in order to determine what type of resources are available in the area. The Rustenburg Municipality indicated that a skills development database is available and this will assist

## ***Knight Piésold*** CONSULTING

the mine in determining what skills are available in the Makolokwe and Segwaelane areas.

### 3.5.2 The Process

Leeuwkop Mine will be a "designated employer" in terms of the Act as Afplats (Leeuwkop) will employ more than 50 staff. Therefore, the required procedures of the Act will be implemented as follows:

#### *Affirmative Action Measures*

Afplats (Leeuwkop) will undertake its recruitment campaign with a specific staff profile in mind. In all cases the best candidates will be selected for the positions available, taking cognisance of the fact that ability and potential for success are valuable attributes. This is particularly relevant where a candidate shows the capacity to acquire, within the probationary period, the skills necessary to do a particular job. This will be particularly noted in members of designated groups (black people, women and the disabled), and these candidates will be given preference in order to move towards meeting the targets in the time frame specified.

Appointees showing potential will be fast-tracked with appropriate development, mentoring and training to successfully fill the numerical goals specified for management positions.

Afplats (Leeuwkop) will establish human resources policies with the specific objective of ensuring that there are no barriers to appointment or advancement of members of designated groups. The Employment Equity Committee will be consulted to ensure that senior management is sensitised to the presence of any such barriers, and to make due accommodation for the needs of designated groups.

An enabling work environment will be established, wherever possible. Examples of such facilities could be suitable access and facilities for disabled people, and flexible working hours to assist working parents in fulfilling their family responsibilities.

#### *Consultation*

Once the staff complement exceeds 50, elections will be conducted amongst the staff in order to establish an "Employment Equity Committee", or if more appropriate, a request will be made to the representative trade union to nominate members. These members must be representative of all levels and occupational categories on the mine, and must include designated groups and non-designated groups. Afplats (Leeuwkop) will consult this group and elicit their assistance in conducting an audit of the company's policies and practices, preparation of an Employment Equity Plan and production of the Employment Equity Report. They will also be consulted on affirmative action measures to be taken to achieve employment targets as per the Mining Charter.

### Analysis

In developing and compiling human resources policies, the requirements of the Act will be taken into account. Once the mine is operational, an audit will be conducted in association with the Employment Equity Committee, to ensure that the policies, practices and procedures do not present barriers to employment and advancement of staff from designated groups. The staff profile will be analysed to ensure that there is no under-representation in the different categories and levels of positions. Progress will be measured against the Scorecard for the Broad Based Socio-economic Empowerment Charter for the South African Mining Industry.

#### 3.5.3 Accountability

One of the key performance areas of senior management will be a successfully completed scorecard for the Broad Based Socio-economic Empowerment Charter for the South African Mining Industry. This includes accountability for the establishment and implementation of an Employment Equity Policy and Plan. A specific member of the top management team will be assigned to take responsibility for ensuring that the process, monitoring and measurement of progress take place. This "Responsible Manager" will be given the authority and means to be able to carry out his or her duties successfully. This person will champion the entire process.

#### 3.5.4 The Employment Equity Plan

The Responsible Manager will co-ordinate compilation of the Plan, in consultation with the Employment Equity Committee. The Plan will include, but should not be limited to:

- Objectives to be achieved for each year of the Plan, of which the duration must be between one and five years. These objectives must correlate with those of the Mining Charter
- Specific affirmative action measures to be implemented
- A strategy, plan and timetable to redress the imbalance if the Company has been unable, during the initial recruitment phase, to fully meet the employment equity targets, according to the Mining Charter. This could include increasing the pool of available candidates via developing bridging programmes within the community from which the mine will source its labour. Further details may be found in the Skills Development section in 3 above.
- Procedures to be put in place to monitor implementation of the Plan, to assess progress and, if necessary, to take steps to get the Plan back on track. The Employment Equity Committee will be fully involved in the monitoring process.
- The establishment of a dispute resolution mechanism and procedure to resolve any disputes that may arise regarding interpretation and implementation of the Plan
- The ultimate responsibility for implementation of the Plan lies with management, and their accountability will be written into the Plan.

The following plan is proposed in the interim until the mine is operational:

### **Employment Equity Targets**

Once recruitment of employees commences following the allocation of the mining right the following Employment Equity targets will be achieved. Afplats (Leeuwkop) commits itself to achieve the objective set by the Mining Charter, ensuring 40% of HDSAs in Management by 2009 (refer to Table 18). Afplats will also set out to achieve the 10% of female in mining as prescribed in the Charter.

It is further proposed that the construction phase be used to identify potential candidates for further development and skills transfer in order to reach the above objectives set by the Mining Charter. These candidates will be developed and trained accordingly.

- 2% of the total workforce will be women which will occupy administration positions
- 8% of the total workforce on the mine will be women

Afplats (Leeuwkop) fully understands the importance of achieving the prescribed equity targets and in the following tables (Table 20 and Table 21) plots the progression of females and HDSA's respectively, according to positions within Afplats (Leeuwkop). The actual statistics will be identified once the mine operations commence.

**Table 18: Projected HDSA Targets to be Achieved in Management**

	2008	2009	2010	2011	2012	2013
HDSA Targets	35%	40%	40%	40%	40%	40%

**Table 19: Projected Figures to be achieved for Women on the Mine**

	2008	2009	2010	2011	2012	2013
Women	8%	10%	10%	10%	10%	10%

**Table 20: Progression table for Woman (10%)**

Occupational levels	2008	2009	2010	2011	2012
Top Management					√
Senior Management				√	
Professionally qualified and experienced specialists and mid-management			√	√	√
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	√	√	√	√	√



Occupational levels	2008	2009	2010	2011	2012
Semi skilled and discretionary decision making (samplers, process controllers)	√	√	√	√	√
Unskilled and defined decision makers (cleaners)	√	√	√	√	√
% Woman employed	7	10	10	10	10

Table 21: Progression table for HDSA in Management (40%)

Occupational levels	2008	2009	2010	2011	2008
Top Management				√	√
Senior Management			√	√	√
Professionally qualified and experienced specialists and mid-management		√	√	√	√
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	√	√	√	√	√
Semi skilled and discretionary decision making (samplers, process controllers)	√	√	√	√	√
Unskilled and defined decision makers (cleaners)	√	√	√	√	√
% HDSA employed	35	40	40	40	40

Table 20 and Table 21 represent the positions that will be occupied by women and HDSA by 2013 respectively. As mentioned before, the actual numbers are not available (Form S), as the mine has not commenced with the recruitment process. Form S will be submitted 10 months after the mine commences with the construction phase.

### ***The Talent Pool Identification Process***

The talent pool identification process will commence once recruitment is completed for the construction and the operational phases of the mine. This would also be an ongoing process once employees are appointed to specific jobs.

The talent pool will serve a dual purpose. Firstly it will serve or provide a pool of skilled people who could be recruited during the initial recruitment process for the construction phase, and secondly, it refers to the process of identifying High Potential Candidates. A four tiered-approach will be used to determine these candidates, namely:

- **Performance Management Process**

Line Managers will follow a formal process, including regular reviews of performance coupled with coaching towards full performance. High Potential candidates generally perform well and react well to coaching.

- **Personal Development Plan Process**



High Potential candidates will be supported to enhance their skills. Line managers and HR managers will support this process.

- **Winning with People Plans**

All line managers will present a talent management plan (Winning with People Plan) highlighting High Potential candidates and opening up the plan for discussion. This forum will be governed by members of senior management who, typically, will identify certain employees and ensure that Line Managers are responsible for presentation of the plan.

- **Assessment Procedures**

These procedures will be approached from a developmental perspective. The focus is on learning potential. Assessment instruments to be used must be culturally fair (i.e. no psychometric or IQ tests).

The identification of a talent pool should also include the identification of learners at school level who could be recruited to study further, thus allowing the mine to train employees from an early stage and to support the talent in the community.

### ***Process to Fast Track HDSAs***

After integrating performance management, coaching, the talent plans and learning potential, HDSAs within Afplats (Leeuwkop) will be fast tracked according to the following criteria:

- A baseline of competence is proven in daily activities and agreed upon by the forum and formal structures.
- Mentor and coach reports confirm readiness for movement (rotational or promotional).
- The HDSA employee reports own readiness.

### ***Training Programmes for HDSAs***

Afplats (Leeuwkop) believes that all employees should be given equal opportunities in the workplace, including training. However, it has developed programmes aimed specifically at HDSAs:

- Accelerated leadership development programme.
- Adult basic education and training facilities.
- Focused Learnerships for women maintenance and machine operators.
- An accelerated mentorship programme for an identified talent pool.

3.5.5 Monitoring and evaluation of Employment Equity Plans at Leeuwkop Platinum Mine

- The plan will be evaluated on a quarterly basis by the MTSC to ensure progress. MTSC members will be granted reasonable time to report back to constituencies after meetings.
- Employment Equity issues will be discussed at Leeuwkop Platinum Mine's Executive Committee meetings and will be given equal attention as is given to strategic and operational matters.
- The DME Form S will be completed once the mine commences with construction. These forms will then be completed annually and submitted as part of the Mine's annual SLP Report, on behalf of the mine and its core business contractor(s) as a means to report on Leeuwkop Platinum Mine's employment equity.

**4 LOCAL ECONOMIC DEVELOPMENT PROGRAMME**

As the IDP is the overarching development framework of a given municipality, Afplats (Leeuwkop's) Social and Labour Plan and sustainable development initiatives will conform to the IDP process, which will form the basis of all projects. By building on the development strategies existing at a Local Government level, a partnership will be formed between Afplats (Leeuwkop's) and Government, particularly the Rustenburg and Madibeng local municipalities, which aims to work together to build a sustainable future for all.

**4.1 Integrated development plans**

The integrated development plans of Rustenburg and Madibeng local municipalities as well as the Bojanala district municipality were interrogated for the purposes of understanding priority LED projects. These plans are described in detail in Appendix 3. The critical issues from these plans are the following:

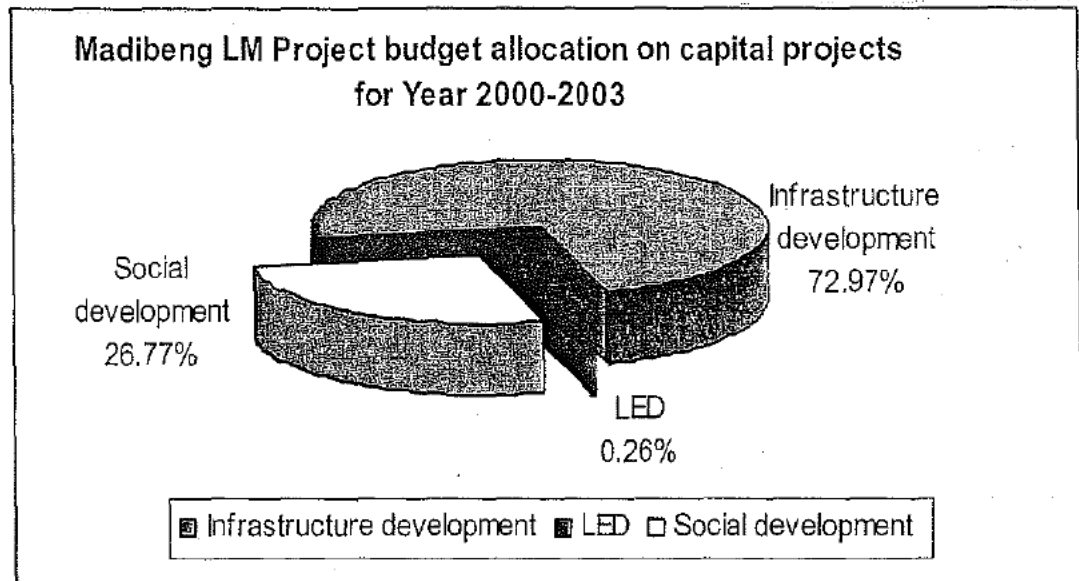
The Local Economic Development Plans of all the municipalities (as is the case with most of them in SA) have very similar themes, which evolve around job creation, investment, SMME-development, tourism development and infrastructural development. Afplats (Leeuwkop) need to integrate its own activities, the stakeholder needs and these municipality initiatives into a coherent programme in order to embark on a structured action plan.

**4.1.1 The Madibeng LM Needs analysis 1**

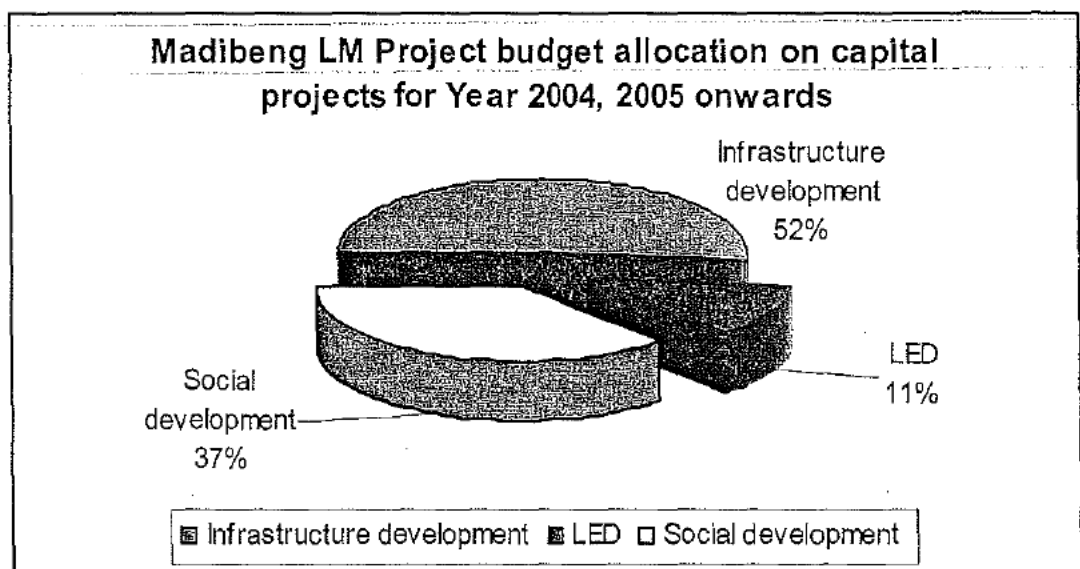
The Madibeng needs analysis conducted in each ward revealed that amongst community facilities needed, schools, sports and recreation centre, clinics, police stations and libraries rated the top 5. Needs relating to the economic category, were prioritised as agriculture/ farming areas, Job creation, Tourism, Entrepreneurs Development centre and Arts and culture.

In terms of the entire local municipality, the priority needs that reflect social, economic and services needs, are (in order of priority)

- Water and sanitation
- Electricity
- Roads and stormwater
- Land and housing
- Economic development
- Community services and facilities



**Figure 3: The Madibeng LM Projects and Budget Allocation**

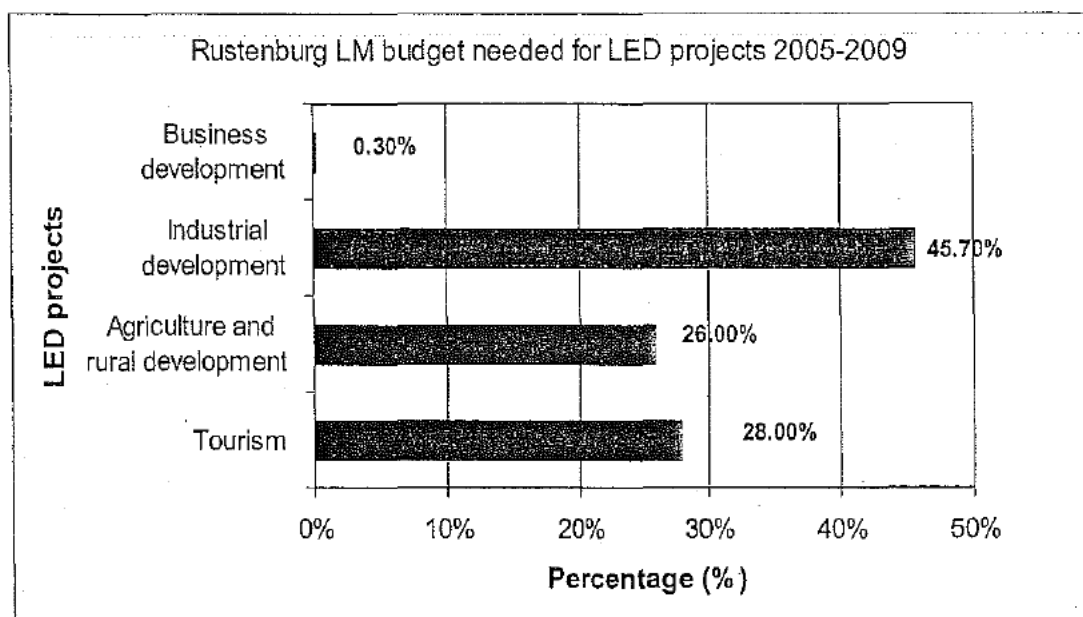


**Figure 4: Madibeng LM Projects and Budget Allocation**

#### 4.1.2 The Rustenburg LM LED projects and budget allocation

The Rustenburg LM in its IDP, identified 4 areas of activity and resulting strategies that it considers as vital to the municipality's economy, those are, SMME development strategy, Agriculture/Rural development strategy, Tourism development strategy, and the Industrial development strategy.

Business opportunities have been identified as agriculture, manufacturing, mining and transport. Various LED projects have also been identified by the municipality. The table below reflects the LED projects that the Rustenburg LM are in the process of, or would like to initiate between the years 2005 and 2009.



**Figure 5: LED Projects in the Rustenburg areas**

## 4.2 Productive economic sectors

According to the SA Yearbook (2005) the productive economic sectors of the North West province are:

### 4.2.1 Mining

Mining contributes 25,6% to the economy at current prices and 17,8% of total employment in the North West. It makes up 15,5% of the mining GDP in South Africa. North West is also the dominant province in mineral sales with a contribution of 17,8% to the South African mining sector (Provincial Economies, 2003). Diamonds are mined at Lichtenburg, Koster, Christiana and Bloemhof, while Orkney and Klerksdorp have gold mines. Mining is responsible for more than a third of the province's GDP: 94% of South Africa's platinum comes from the Rustenburg and Brits districts which produce more platinum than any other single area in the world. It produces 25% of the country's gold. Granite, marble, fluorspar and diamonds are also mined. Fluorspar is exploited at Zeerust.

### 4.2.2 Manufacturing

Manufacturing contributes 7% of the province's GDP and 9% of its employment opportunities. It provides 6% of the South African manufacturing sector's contribution to GDP. Manufacturing is almost exclusively dependent on the performance of a few sectors in which the province enjoys a competitive advantage. These are fabricated metals (51%), the food sector (18%) and non-metallic metals (21%) (Provincial Economies, 2003). Industrial activity is centred around the towns of Brits, Klerksdorp, Vryburg and Rustenburg. The Brits industries concentrate mostly on manufacturing and construction, while those at Klerksdorp are geared towards the mining industry, and those at Vryburg and Rustenburg towards agriculture.



The Platinum SDI will unlock further development. It is situated on the Coast-to-Coast highway that links the Port of Maputo in Mozambique to Walvis Bay in Namibia.

Approximately 200 potential project opportunities in tourism, manufacturing, agriculture and mining have been identified. Five anchor projects within the Platinum SDI have been identified with an estimated R4,3-billion capital investment component, around which there are dozens of other development and investment opportunities. Employment along the Platinum Corridor, from Pretoria to eastern Botswana, accounts for over a third of total employment in North West. The aim of the Mafikeng IDZ is to create jobs and enhance the economic potential of the Central Region, the entire North West and the Southern African Development Community (SADC) region. In June 2004, the provincial Department of Transport and Roads, together with the Department of Economic Development and Tourism, the North West Parks and Tourism Board, and Invest North West concluded a feasibility analysis on air-transport service between Johannesburg and Mafikeng. The Department also submitted an application to the Cabinet to consider awarding Mafikeng Airport international status, specifically for air cargo, which is a prerequisite for the development of the Mafikeng IDZ.

#### 4.2.3 Agriculture

Agriculture is of extreme importance to the North West. It contributes about 6,2% of the total GDP and 19% to formal employment. Some 5,3% of the South African GDP in agriculture and 16,96% of total labour in agriculture are based in the North West (Provincial Economies, 2003). The province is an important food basket in South Africa. Maize and sunflowers are the most important crops and the North West is the biggest producer of white maize in the country. Some of the largest cattle herds in the world are found at Stellaland near Vryburg, which explains why this area is often referred to as the Texas of South Africa. Marico is also cattle-country. The areas around Rustenburg and Brits are fertile, mixed-crop farming land.

#### 4.2.4 Tourism

A provincial DTI report (2003) states that about 5% of the country's foreign visitors visit the North West province. The two most prominent tourist attractions are the heritage route, which includes the Sterkfontein Cradle of Mankind, and a conservation corridor linking the Pilansberg National Park and the Madikwe Game Reserve.

#### 4.2.5 Social and economic statistics

In the case of Afplats (Leeuwkop) the affected municipalities (ie, Rustenburg and Madibeng local municipalities and Bojanala district municipality) are identified by the potential labour sending areas. These potential labour sending areas have been identified (via consultations with stakeholders), as Makolokwe, Bethanie, Segwaelane, Brits and Rustenburg.

**Table 22: A comparative analysis of the NW and SA social and economic indicators reveal:**

Indicator	North West province (2002 SoE Report)2	SA (Census 2001)	Interpretation
Population (000) (2001)	3,4	44,000	Province has a relatively low population.
Area (km2)	116 180	1 223 201	North west population density is 29 vs 35 people per km2 for SA.
Population growth	3.1%	2.1%	The growth rate for the North West province is above the SA average. This is likely due to the strong economic growth in the area attracting labour.
Infant mortality rate (per 1000)	45	45	The Department of Labour in its Annual Report 2001/2002 stated its five year goal to reduce the national infant mortality rate from 45/ 1000 live births. The infant mortality rates for NW are on par with the national average,
Under 5 yr mortality rate (per 1000)	37	59	The Department of Labour in its Annual Report 2001/2002 stated its five year goal to reduce the national under five year mortality rate. On the whole, the NW has a much better under 5 yr mortality rate.
Total Fertility Rate (Births per woman)	2.4	2.9	Reported by the SAdoH survey (1998). Number of births per woman – thus North West province has a lower fertility rate.
Life Expectancy (Age)	60	63.2	Life expectancy in the NW had improved from 58 years in 1994 to 60 years in 2002. However this is still below the national average.
Literacy Rate (%)	70 %	82.9 %	The North West has a much lower literacy rate than the average South African. According to the HSRC (1996) the NW has a total number of 2434 schools. The DBSA deduces the illiteracy rate of 70% (1998)
GDP per capita (R – 2002)	19,557	22,256	GDP per capita just over 5% less than average SA.
Functional Urbanisation	35%	57.9%	More of NW's population lives in rural areas (65%). This figure being well above the national average is also an indication of the service delivery challenge facing municipalities.
Human Development	0.623	0.627	1 = a Perfect Score. Info obtained from SoE report (2002)

2 SoE is the State of the Environment Report for the North West province. No other has been produced since then.

Indicator	North West province (2002 SoE Report)2	SA (Census 2001)	Interpretation
Index			

A more localised social and economic investigation of the affected municipalities, that is, Rustenburg and Madibeng local municipalities, and the Bojanala District Municipality, reveal the following. Please refer to Appendix 3 for a more detailed presentation of these statistics.

- The Bojanala district had a population of 1.185 million in 2001 and the predominant language of the area was (and still is) Tswana, although English could be regarded as the main business language. Statistics reveal that the population grew at a rate of just over 2% per annum while Rustenburg's growth rate was 3.4%, underscoring the influx of labourers into the municipality.
- Rustenburg and Bojanala both have booming economies. The economic growth of the Bojanala district is estimated at a phenomenal 15% real growth rate per annum, supporting the claim that Rustenburg is one of the fastest growing economies in Africa. The Bojanala Gross Geographic Product (GGP) is estimated at R34 billion (2002) and this is a significant size for a region in South Africa. Mining, and in particular metals are the major driver of this economy and makes up 65% of Bojanala's economy, with metal ores at 59%. The district is endowed with some of the best platinum deposits in the world and this will continue to drive the region's economy in the short term.
- Despite this meteoric economic growth, unemployment in the Bojanala district remains high, with an unemployment rate of 25% and a "not economically active" population of 38% (effectively, 63% of the workforce not employed).
- An interesting anomaly is that although mining output had increased dramatically over the last couple of years, the employment increase has not been as steep. Employment in mining in the Bojanala district grew by only 5% per annum and it had in fact declined by 4% in Northwest as a whole (much of this decline came from the gold producing areas in Northwest). This decline serves as a stark reminder that mining is depleting resource and is by definition not a perpetual business.
- A further important consideration is the fact that the Bojanala district is very dependent on mining. A total of 37% of its employment is in mining and a conservative multiplier of 1.5 gives a total employment dependency of 55% in the district. The dependency ratio can be calculated as the total population divided by the formally employed, which for Bojanala amounts to 5:1. This in fact means that 35% (385 000) of the total population of 1,1 million people in Bojanala is dependent on mining. This is clearly a significant amount of dependants.
- Rustenburg itself is the more affluent area of Northwest Province and the Bojanala district. It has a population of 395 000 people, which is 33% of the Bojanala district.



Its households living on or below the poverty line amounts to 38% as opposed to 49% for the Bojanala district as a whole. This means that the other local municipal areas in the district have a much higher poverty profile.

- Poverty statistics show that 30% of households lived in informal housing (in 2001) and 34% of Bojanala's adult population had no schooling or some primary schooling in that year.
- Furthermore, in 2001, only 14% of Bojanala's households had water connected to the main dwelling on the property. Water services varied from water to the yard and community stands.
- In essence, the Bojanala and Rustenburg socio-economic profile appears much better than many areas in SA and this can be ascribed to the significant role of metal ore mining in that area (of).
- But as with the rest of SA, there is a first and second economy running parallel in society, and hence there are still large pockets of poverty in the Bojanala district.

#### 4.3 Impact of the Mine on Socio-economic Conditions

This section outlines the expected impacts (on local communities) following the development of the proposed new mine. Whilst the SLP guideline requests that information pertaining to the number of jobs created and SMME development also be included, it is challenging to present such information due to this being a new mine.

A preliminary investigation into the potential impacts following the establishment of this mine have been revealed as:

- Approximately 3 600 new employment opportunities (subject to the selected mining method) would become available, however this will be at peak production from year 2017/18. Refer to an illustration of the mine life and phases in Section 1.
- Transfer of skills to the community, as skills development programmes offered by the mine to employees such as literacy and numeracy, will enable further employment advancement opportunities.
- Opportunities for further education through the provision of scholarships and bursaries to employees and with potential.
- Stimulation of local economy in nearby towns. Employees will have money to spend in the local communities.
- New business opportunities i.e. spin-offs from injection of wages into local economy and the use of contracting services such as security or transportation from the local communities to and from the mine.

Due to the development of mines in the area over the last few decades, good surface infrastructure such as roads, railway lines and even an airfield are already in place. The local municipality has already invested substantially in these as the transportation

of the mined material to other markets is considered critical to the economic well-being of an area.

#### 4.4 Mine community and rural development

This section has been developed in response to the DME's call to present all initiatives that would lend to community development and the subsequent eradication of poverty. Afplats (Leeuwkop) acknowledges that as one of many mines in the area, which will be sourcing its labour from the nearby communities, its contribution to the welfare of nearby communities will influence its credentials as a good corporate citizen. Not only is it critical that Afplats (Leeuwkop) be seen as a good corporate citizen, but it is equally important that development initiatives be undertaken because of the dire social and economic development need that may exist in its very own workforce (and their families).

##### 4.4.1 Stakeholder and community needs analysis

Afplats (Leeuwkop) has also commissioned (and completed) an Environmental Impact Assessment (EIA). The EIA contains an extensive public participation process where 'interested and affected' parties were invited to attend a range of public and/ or focus group meetings. This SLP has utilised the key findings from this consultation process. Refer to Appendix 3.

Generally, stakeholder needs expressed at the consultative meetings included:

- **Health and Welfare:** Many stakeholders placed much attention on the need for improved health facilities which ought to be better equipped, in closer proximity to needy areas, and better capacitated. There was also great concern over whether home based care centres and CBO's / NGO's providing humanitarian aid to the elderly, children, HIV/AIDS patients, or even the sick, will have adequate funding and training to operate in the future.
- **Education and Training:** There was a realisation that in conjunction with improved business opportunities, further tertiary education and skills training needed to take place.
- **Procurement:** One of the most discussed topics was that of procurement opportunities, particularly for local companies/labour in the nearby mines. Communities wish to have 'preferred supplier' status in the nearby mines. They also wished to be informed of all procurement activities.
- **SMME-development:** Job creation was also a major point that was discussed. There was however recognition that creating business opportunities, in the form of SMME development was a more sustainable activity to invest in. Many expressed their need for support in terms of financial or human resources. They also acknowledged that training and development pertaining to the ownership and running of a business was needed.



- **Infrastructure:** Many stakeholders felt that more attention must be paid to the condition of roads, particularly in rural areas.

#### 4.4.2 Proposed LED programmes/ projects

Afplats (Leeuwkop) affirms that it will strive towards improving the opportunities for local economic development in mainly its labour source areas. This it will do by implementing the LED projects summarised in Table 13.

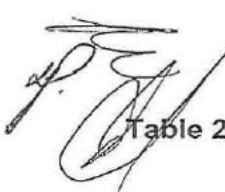
**The focus of the LED projects will be on Infrastructure development, poverty alleviation and reducing unemployment**

**Table 23 a: Summary of Infrastructure development and Income generating projects: (FY 2008 – 2013)**

	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	Total:
Infrastructure Development: Water Provision to Segwaelane Village	7 500 000	5 000 000	5 000 000			17 500 000
Income-Generating Project: Bakery in Mokolokwe	100 000	2 000 000	600 000	600 000		3 300 000
Poverty Alleviation: Bursary Project in Bojanala District Municipality		320 000	650 000	980 000	990 000	2 940 000 <sup>3</sup>
<b>Total</b>	<b>7 600 000</b>	<b>7 320 000</b>	<b>6 250 000</b>	<b>1 580 000</b>	<b>990 000</b>	<b>23 740 000</b>

**Note:** The expenditure on water reticulation in 2007/2008 includes R7000000 already being spent on a potable water supply from Sonop to the Leeuwkop project area and Segwaelane Reservoir

<sup>3</sup> The total value of the bursary project is R 5,000,000 over a period of seven years, sponsoring a total of five (5) bursars on a five (5) degree at a tertiary institution. Table 23 a only reflects the budget for the first four (4) years.


**Table 24 b: Infrastructure Development: Water Provision to Segwaelane Village**

Project Name	Infrastructure Development: Water Provision to Segwaelane Village				FY of Project Sheet	2007/08
Background to project	Afplats in conjunction with the Bojanala District Municipality (the water services authority) will provide assistance in the provision of fresh potable water pipeline to Segwaelane. This water will be stored in an existing reservoir from which pipelines will be extended to provide potable water to households in the Segwaelane Village, according to guideline as per legislative requirements in the alleviation of poverty in rural areas.				Project start date	2008
					Project End Date	2009
Project Incorporated into which IDP	This project will be included in the revised Madibeng Local Municipality's Integrated Development Plan (IDP).				IDP Project Reference Number	TBC
Project Partners	Afplats, Bojanala District Municipality, Madibeng Local Municipality	Beneficiaries (Community Specific)	Segwaelane Village			
Geographical Location of project	Total Expected Number of Jobs to be created	Male		Female	Youth	Disabled
		20		6		
Refer to locality map in SLP	Output	Activity			Responsible Entity	FY 2009
		KPA (key performance area)	KPI (Key Performance Indicator)			Budget Allocation
Quarter 4	Feasibility Study	Feasibility Report	Completion of Report		Consultant	500,000
Total:						500,000



Table 24 b Cont: Infrastructure Development: Water Provision to Segwaelane Village

Project Name	Infrastructure Development: Water Provision to Segwaelane Village			FY of Project Sheet	2008/09
Background to project	Afplats in conjunction with the Bojanala District Municipality (the water services authority) will provide assistance in the provision of fresh potable water pipeline to Segwaelane. This water will be stored in an existing resevoir from which pipelines will be extended to provide potable water to households in the Seqwaelane Village, according to guideline as per legislative requirements in the alleviation of poverty in rural areas.			Project start date	2008
				Project End Date	2009
Project Incorporated into which IDP	This project will be included in the revised Madibeng Local Municipality's Integrated Development Plan (IDP).			IDP Project Reference Number	TBC
Project Partners	Afplats, Bojanala District Municipality, Madibeng Local Municipality	Beneficiaries (Community Specific)	Segwaelane Village		
Geographical Location of project	Total Expected Number of Jobs to be created	Male	Female	Youth	Disabled
		20	6		
Refer to locality map in SLP	Output	Activity		Responsible Entity	FY 2009
		KPA (key performance area)	KPI (Key Performance Indicator)		Budget Allocation
Quarter 1	Water Supply and Reticulation Design	Water Supply and Reticulation Design Phase 2	Completion of Design	Consultant	300,000
Quarter 2				Consultant	300,000
Quarter 3	Construction Phase 2	Basic Water Supply	Handover of Phase 2	Consultant	2,200,000
Quarter 4				Consultant	2,200,000
Total:					5,000,000
Exit Strategy:	The focus of this project is to assist the local municipality in the provision of basic services such as water and at completion of the project the infrastructure will be handed over to the local municipality for management and maintenance.				

Table 24 b Cont: Infrastructure Development: Water Provision to Segwaelane Village

Project Name	Infrastructure Development: Water Provision to Segwaelane Village			FY of Project Sheet	2009/2010	
Background to project	Afplats in conjunction with the Bojanala District Municipality (the water services authority) will provide assistance in the provision of fresh potable water pipeline to Segwaelane. This water will be stored in an existing resevoir from which pipelines will be extended to provide potable water to households in the Seqwaelane Village, according to guideline as per legislative requirements in the alleviation of poverty in rural areas.			Project start date	2009	
				Project End Date	2010	
Project Incorporated into which IDP	This project will be included in the revised Madibeng Local Municipality's Integrated Development Plan (IDP).			IDP Project Reference Number	TBC	
Project Partners	Afplats, Bojanala District Municipality, Madibeng Local Municipality	Beneficiaries (Community Specific)	Segwaelane Village			
Geographical Location of project	Total Expected Number of Jobs to be created	Male	Female		Youth	Disabled
		20	6			
Refer to locality map in SLP	Output	Activity		Responsible Entity	FY 2010	
		KPA (key performance area)	KPI (Key Performance Indicator)		Budget Allocation	
Quarter 1	Water Supply and Reticulation Design	Water Supply and Reticulation Design Phase 2	Completion of Design	Consultant	300,000	
Quarter 2				Consultant	300,000	
Quarter 3	Construction Phase 2	Basic Water Supply	Handover of Phase 2	Consultant	2,200,000	
Quarter 4				Consultant	2,200,000	
Total:					5,000,000	
Exit Strategy:	The focus of this project is to assist the local municipality in the provision of basic services such as water and at completion of the project the infrastructure will be handed over to the local municipality for management and maintenance.					



Table 24 c. Income Generating Project: Bakery in Mokolokwe

<b>Project Name</b>	Income Generating Project: Bakery in Mokolokwe			<b>FY of Project Sheet</b>	2007/08
<b>Background to project</b>	A local bakery in Bethanie has been identified as an income generating and poverty alleviation project. Although the bakery is currently operational, it is not financially feasible and does not supply the local community with good quality products. A well managed bakery in the area has the potential to create job opportunities for a group of women as well as provide cost effective food to the local community. The mine's involvement in the bakery will be to conduct a thorough feasibility study and develop a business plan, upgrade the infrastructure (including building, electricity supply, bakery equipment, office equipment), provide business training, assist with establishing a market and mentor the owners and employees. Further bread from the bakery will be distributed to schools, police stations and community organizations in support of feeding schemes.			<b>Project start date</b>	2008
				<b>Project End Date</b>	2011
<b>Project Incorporated into which IDP</b>	Madibeng Local Municipality	<b>IDP Project Reference Number</b>			
<b>Project Partners</b>	Afplats, Madibeng Local Municipality	<b>Beneficiaries (Community Specific)</b>			
<b>Geographical Location of project</b>	<b>Total Expected Number of Jobs to be created</b>	<b>Male</b>		<b>Female</b>	<b>Youth</b>
		5		15	5
<b>Refer to locality map in SLP</b>	<b>Output</b>	<b>Activity</b>		<b>Responsible Entity</b>	<b>FY 2007/08</b>
		<b>KPA (key performance area)</b>	<b>KPI (Key Performance Indicator)</b>		<b>Budget Allocation</b>
<b>Quarter 4</b>	Establish ownership of current bakery and community support of the project	Communication and consultation process with local authority, ward councilors and interested parties	Identify management of the bakery and set in place all processes to ensure registration of business and other legal requirements	Afplats	100,000.00
	Feasibility Study and business plan development	Feasibility Report	Report completion	Consultant TBD	
<b>Total:</b>					100,000.00



Table 24 c. Income Generating Project: Bakery in Mokolokwe

Project Name		Income Generating Project: Bakery in Mokolokwe					FY of Project Sheet	2008/09		
Background to project		A local bakery in Bethanie has been identified as an income generating and poverty alleviation project. Although the bakery is currently operational, it is not financially feasible and does not supply the local community with good quality products. A well managed bakery in the area has the potential to create job opportunities for a group of women as well as provide cost effective food to the local community. The mine's involvement in the bakery will be to conduct a thorough feasibility study and develop a business plan, upgrade the infrastructure (including building, electricity supply, bakery equipment, office equipment), provide business training, assist with establishing a market and mentor the owners and employees. Further bread from the bakery will be distributed to schools, police stations and community organizations in support of feeding schemes.					Project start date	2008		
							Project End Date	2011		
Project Incorporated into which IDP		Madibeng Local Municipality		IDP Project Reference Number						
Project Partners		Afplats, Madibeng Local Municipality		Beneficiaries (Community Specific)						
Geographical Location of project		Total Expected Number of Jobs to be created	Male		Female		Youth		Disabled	
Refer to locality map in SLP		Output	Activity				Responsible Entity	FY 2008/09		
			KPA (key performance area)		KPI (Key Performance Indicator)			Budget Allocation		
Quarter 1	Formalise business venture and finalise all legal agreements				Business to be formally registered, access to a bank account etc			Afplats		
	Upgrade power & infrastructure		Upgrade electricity supply in the bakery to support bakery equipment, upgrade infrastructure currently available in bakery		Adequate electricity to run bakery at optimum production, ensure a pleasant and hygienic working environment. Create a inviting shop front			Afplats		
Quarter 2	Purchase and install equipment		Office equipment as well as equipment for bakery		Installation of office equipment and adequate baking equipment and infrastructure as identified in the feasibility study			Afplats		
Quarter 3	Training of personnel		During the feasibility study the background of management and personnel of the current bakery would be clarified, the mine undertakes to send identified personnel to required training (Practical bakery, business skills etc)		Identified individuals to commence with required training			Afplats		
Quarter 4	Market research and development		Utilise the information gained through feasibility study to assist bakery in the marketing of their product, assist with gaining access to the market		Mine will assist bakery with negotiation to get contracts, delivery vehicle, local marketing campaign such as community radio ads, mentoring of bakery personnel			Afplats		
	Commence with Bakery		Bakery is operational and delivering products to the local community							
		Total:							2,000,000.00	

Table 24 c. Income Generating Project: Bakery in Mokolokwe

<b>Project Name</b>	Income Generating Project: Bakery in Mokolokwe	<b>FY of Project Sheet</b>	2009/2010
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<b>Background to project</b>	A local bakery in Bethanie has been identified as an income generating and poverty alleviation project. Although the bakery is currently operational, it is not financially feasible and does not supply the local community with good quality products. A well managed bakery in the area has the potential to create job opportunities for a group of women as well as provide cost effective food to the local community. The mine's involvement in the bakery will be to conduct a thorough feasibility study and develop a business plan, upgrade the infrastructure (including building, electricity supply, bakery equipment, office equipment), provide business training, assist with establishing a market and mentor the owners and employees. Further bread from the bakery will be distributed to schools, police stations and community organizations in support of feeding schemes.				<b>Project start date</b>	2008
					<b>Project End Date</b>	2011
<b>Project incorporated into which IDP</b>	Madibeng Local Municipality		<b>IDP Project Reference Number</b>			
<b>Project Partners</b>	Afplats, Madibeng Local Municipality		<b>Beneficiaries (Community Specific)</b>			
<b>Geographical Location of project</b>	<b>Total Expected Number of Jobs to be created</b>	<b>Male</b>	<b>Female</b>		<b>Youth</b>	<b>Disabled</b>
<b>Refer to locality map in SLP</b>	<b>Output</b>	<b>Activity</b>			<b>Responsible Entity</b>	<b>FY 2009/10</b>
		<b>KPA (key performance area)</b>	<b>KPI (Key Performance Indicator)</b>			<b>Budget Allocation</b>
FY 2010/2011	To produce bread, buns, Swiss rolls, biscuits, cocktail buns and rusks	Operational Cost	The funds will be used for the day to day operation of the project			
	To create sustainable jobs for the local community through an income generating project	Marketing Sales and branding	All products will be marketed and branded			
		Allowance while generating income				
		Monitoring and evaluation	Financial reports and progress reports to be available			
	Formally trained and empowered business owners and employees	Continuous training and mentoring for identified personnel				
					<b>Total:</b>	600,000.00



Table 24 c. Income Generating Project: Bakery in Mokolokwe

<b>Project Name</b>	Income Generating Project: Bakery in Mokolokwe			<b>FY of Project Sheet</b>	2010/11
<b>Background to project</b>	A local bakery in Bethanie has been identified as an income generating and poverty alleviation project. Although the bakery is currently operational, it is not financially feasible and does not supply the local community with good quality products. A well managed bakery in the area has the potential to create job opportunities for a group of women as well as provide cost effective food to the local community. The mine's involvement in the bakery will be to conduct a thorough feasibility study and develop a business plan, upgrade the infrastructure (including building, electricity supply, bakery equipment, office equipment), provide business training, assist with establishing a market and mentor the owners and employees. Further bread from the bakery will be distributed to schools, police stations and community organizations in support of feeding schemes.			<b>Project start date</b>	2008
				<b>Project End Date</b>	2011
<b>Project Incorporated into which IDP</b>	Madibeng Local Municipality	<b>IDP Project Reference Number</b>			
<b>Project Partners</b>	Afplats, Madibeng Local Municipality	<b>Beneficiaries (Community Specific)</b>			
<b>Geographical Location of project</b>	<b>Total Expected Number of Jobs to be created</b>	<b>Male</b>	<b>Female</b>	<b>Youth</b>	<b>Disabled</b>
<b>Refer to locality map in SLP</b>	<b>Output</b>	<b>KPA (key performance area)</b>	<b>KPI (Key Performance Indicator)</b>	<b>Responsible Entity</b>	<b>FY 2010/11 Budget Allocation</b>
FY 2010/2011	To produce bread, buns, Swiss rolls, biscuits, cocktail buns and rusks	Operational Cost	The funds will be used for the day to day operation of the project		
	To create sustainable jobs for the local community through an income generating project	Marketing Sales and branding	All products will be marketed and branded		
		Monitoring and evaluation	Financial reports and progress reports to be available		
	Formally trained and empowered business owners and employees	Continuous training and mentoring for identified personnel			
<b>Total:</b>					600,000.00
<b>Exit Strategy</b>	<p>The mine's commitment to the bakery is to assist local entrepreneurs with the establishment of an economically viable business that will provide in the needs of the local community. To that effect the mine will upgrade and provide the infrastructure to ensure a profitable and hygienic operation can be run. Further the mine will develop and mentor the identified personnel throughout the five year period that the mine is actively involved to ensure that the necessary skills transfer and business acumen are established in the bakery to ensure it's sustainability. The mine however realizes that operational capital and cash flow are the biggest challenges in a start up enterprise and therefore the mine undertakes to support the bakery in the following manner: Based on the business plan developed as a result of the feasibility study, the mine undertakes to:</p> <ul style="list-style-type: none"> <li>During the first year (FY 2009/2010) of operation at the bakery, purchase at least 60% of the stock required to ensure a financially viable business,</li> <li>During the second year (FY 2010/2011) of operation at the bakery, purchase at least 40% of the stock required to ensure a financially viable business</li> <li>During the third year (FY 2011/2012) of operation at the bakery, purchase at least 20% of the stock required to ensure a financially viable business</li> </ul> <p>The mine foresees that by the end of FY 2011/2012 the bakery would be sustainable and that no further financial or other assistance will be required as the management will have received adequate skills development, experience and market exposure to run a successful business independent of the mine</p>				

Table 24 d Cont: Poverty Alleviation Projects for candidates from the Bojanale District Municipal Area

<b>Project Name</b>	Poverty Alleviation: Bursary Project for candidates from the Bojanale District Municipal Area	<b>FY of Project</b>	2009
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					Sheet		
Background to project	Afplats Social Affairs Department has embarked on this R5 Million initiative, as part of the Social and Labour Plan, to award bursaries to HDSA learners from the Bojanale District Municipal Area. These learners will be treated according to the same principles as the Implats bursary students and the criteria for rewarding a bursary will remain unchanged. The plan is to identify five (5) learners per year with an intention of awarding five (5) bursaries annually for three (3) years - a total of fifteen (15) bursars to study a maximum period of five (5) years. Only learners who meet the minimum requirements to study mining related disciplines will be awarded bursaries to study at selected tertiary Institutions. The programme will focus on selecting female learners if available. This bursary programme would be addressing a shortage of skills in the country (JIPSA), as well as alleviating poverty through education.				Project start date	2009	
					Project End Date	2015	
Project Incorporated into which IDP		To be included in the Bojanale District Municipality's IDP	IDP Project Reference Number		TBC		
Project Partners			Beneficiaries (Community Specific)				
Geographical Location of project	Total Expected Number of Jobs to be created	Male		Female		Youth	Disabled
		4		1		5	
	Output	Activity				Responsible Entity	FY 2009
		KPA (key performance area)		KPI (Key Performance Indicator)			Budget Allocation
Quarter 1	To increase number of skilled Engineers in country	Recruit 5 Learners through interviews and keep records of these interviews		Selection of successful candidates by the bursary team.			
	To alleviate poverty through education	Transport and accommodate these learners to and during final interview days.				CSI Department	

Table 24 d Cont: Poverty Alleviation Projects for candidates from the Bojanale District Municipal Area

	Output	Activity		Responsible Entity	FY 2009
		KPA (key performance area)	KPI (Key Performance Indicator)		Budget Allocation
Quarter 1	To sensitize other youth to choose the Engineering discipline	Informed them officially of the outcomes. Assist them to apply to tertiary Institutions	5 candidates placed at tertiary education centres.	Bursary team.	
	To add value to our company's production and to it's growth	Liaise with relevant departments at the operations for vocational employment every year of studying (5 years in total)		Bursary team.	
Quarter 2		Organise a programme for career exhibition, mine visits including underground, interaction with engineers. Explain bursary benefits and rules and regulations	Visits to place of employment, to do assessments and assist them during the orientation period	Bursary team.	
	Skills Enhancement	Electrical Engineering			
		Chemical Engineering			
		Metallurgy			
Quarter 3	Enhance all Grade 10 -12 Learners to do Maths, Science and English higher Grade	Monitor all Learners by visiting respected tertiary institutions.	5 candidates successfully progressing at tertiary education centres.	Monitoring Team.	
	Assist Schools with the capacitating of Educators on Maths, Science and English	Inform all relevant stakeholders about progress.	Good record keeping.	Bursary team.	
	Forge partnerships with the Dept of Education and other Companies				
Quarter 4	5 (Five) candidates successfully passing 1st year at a tertiary education centre				
Total:					320,000.00

Table 24 d Cont: Poverty Alleviation Projects for candidates from the Bojanale District Municipal Area

Project Name	Poverty Alleviation: Bursary Project for candidates from the Bojanale District Municipal Area	FY of Project Sheet	2010
Background to project	Afplats Social Affairs Department has embarked on this R5 Million initiative, as part of the Social and Labour Plan, to	Project start	2009



	award bursaries to HDSA learners from the Bojanale District Municipal Area. These learners will be treated according to the same principles as the Implats bursary students and the criteria for rewarding a bursary will remain unchanged. The plan is to identify five (5) learners per year with an intention of awarding five (5) bursaries annually for three (3) years - a total of fifteen (15) bursars to study a maximum period of five (5) years. Only learners who meet the minimum requirements to study mining related disciplines will be awarded bursaries to study at selected tertiary Institutions. The programme will focus on selecting female learners if available. This bursary programme would be addressing a shortage of skills in the country (JIPSA), as well as alleviating poverty through education.				date		
Project Incorporated into which IDP	To be included in the Bojanale District Municipality's IDP				Project End Date	2015	
Project Partners		Beneficiaries (Community Specific)				IDP Project Reference Number	TBC
Geographical Location of project	Total Expected Number of Jobs to be created	Male	Female	Youth	Disabled		
		4	1	5			
	Output	Activity		Responsible Entity	FY 2010		
		KPA (key performance area)	KPI (Key Performance Indicator)		Budget Allocation		
	To increase number of skilled Engineers in country	Recruit 5 Learners through interviews and keep records of these interviews	Selection of successful candidates by the bursary team.				
	To alleviate poverty through education	Transport and accommodate these learners to and during final interview days.			CSI Department		
Quarter 1	To sensitize other youth to choose the Engineering discipline	Informed them officially of the outcomes. Assist them to apply to tertiary Institutions	5 candidates placed at tertiary education centres.		Bursary team.		
	To add value to our company's production and to it's growth	Liaise with relevant departments at the operations for vocational employment every year of studying (5 years in total)			Bursary team.		
Quarter 2		Organise a programme for career exhibition, mine visits including underground, interaction with engineers. Explain bursary benefits and rules and regulations	Visits to place of employment, to do assessments and assist them during the orientation period		Bursary team.		

Table 24 d Cont: Poverty Alleviation Projects for candidates from the Bojanale District Municipal Area

	Output	Activity		Responsible Entity	FY 2010
		KPA (key performance area)	KPI (Key Performance Indicator)		Budget Allocation
Quarter 2	Skills Enhancement	Electrical Engineering			
		Chemical Engineering			
		Metallurgy			
		Geology			
Quarter 3	Enhance all Grade 10 -12 Learners to do Maths, Science and English higher Grade	Monitor all Learners by visiting respected tertiary institutions.	5 candidates successfully progressing at tertiary education centres.	Monitoring Team.	
	Assist Schools with the capacitating of Educators on Maths, Science and English	Inform all relevant stakeholders about progress.	Good record keeping.	Bursary team.	
	Forge partnerships with the Dept of Education and other Companies				
Quarter 4	5 (Five) candidates successfully passing 1st year and 5 (Five) candidates successfully passing 2nd year at a tertiary education centre				
Total:					650,000.00



Table 24 d Cont: Poverty Alleviation Projects for candidates from the Bojanale District Municipal Area

Project Name	Poverty Alleviation: Bursary Project for candidates from the Bojanale District Municipal Area				FY of Project Sheet	2011
Background to project	Afplats Social Affairs Department has embarked on this R5 Million initiative, as part of the Social and Labour Plan, to award bursaries to HDSA learners from the Bojanale District Municipal Area. These learners will be treated according to the same principles as the Implats bursary students and the criteria for rewarding a bursary will remain unchanged. The plan is to identify five (5) learners per year with an intention of awarding five (5) bursaries annually for three (3) years - a total of fifteen (15) bursars to study a maximum period of five (5) years. Only learners who meet the minimum requirements to study mining related disciplines will be awarded bursaries to study at selected tertiary Institutions. The programme will focus on selecting female learners if available. This bursary programme would be addressing a shortage of skills in the country (JIPSA), as well as alleviating poverty through education.				Project start date	2009
					Project End Date	2015
Project Incorporated into which IDP	To be included in the Bojanale District Municipality's IDP				IDP Project Reference Number	TBC
Project Partners		Beneficiaries (Community Specific)				
Geographical Location of project	Total Expected Number of Jobs to be created	Male	Female		Youth	Disabled
		4	1		5	
	Output	Activity			Responsible Entity	FY 2011
		KPA (key performance area)	KPI (Key Performance Indicator)			Budget Allocation
Quarter 1	To increase number of skilled Engineers in country	Recruit 5 Learners through interviews and keep records of these interviews	Selection of successful candidates by the bursary team.			
	To alleviate poverty through education	Transport and accommodate these learners to and during final interview days.			CSI Department	
	To sensitize other youth to choose the Engineering discipline	Informed them officially of the outcomes. Assist them to apply to tertiary Institutions	5 candidates placed at tertiary education centres.		Bursary team.	
	To add value to our company's production and to it's growth	Liaise with relevant departments at the operations for vocational employment every year of studying (5 years in total)			Bursary team.	

Table 24 d Cont: Poverty Alleviation Projects for candidates from the Bojanale District Municipal Area

	Output	Activity		Responsible Entity	FY 2011
		KPA (key performance area)	KPI (Key Performance Indicator)		Budget Allocation
Quarter 2		Organise a programme for career exhibition, mine visits including underground, interaction with engineers. Explain bursary benefits and rules and regulations	Visits to place of employment, to do assessments and assist them during the orientation period	Bursary team.	
	Skills Enhancement	Electrical Engineering			
		Chemical Engineering			
		Metallurgy			
		Geology			
Quarter 3	Enhance all Grade 10 -12 Learners to do Maths, Science and English higher Grade	Monitor all Learners by visiting respected tertiary institutions.	5 candidates successfully progressing at tertiary education centres.	Monitoring Team.	
	Assist Schools with the capacitating of Educators on Maths, Science and English	Inform all relevant stakeholders about progress.	Good record keeping.	Bursary team.	
	Forge partnerships with the Dept of Education and other Companies				
Quarter 4	5 (Five) candidates successfully passing 1st year, 5 (Five) candidates successfully passing 2nd year and 5 (Five) candidates successfully passing 3rd year at a tertiary education centre,				
<b>Total:</b>					<b>980,000.00</b>



Table 24 d Cont: Poverty Alleviation Projects for candidates from the Bojanale District Municipal Area

<b>Project Name</b>	<b>Poverty Alleviation: Bursary Project for candidates from the Bojanale District Municipal Area</b>				<b>FY of Project Sheet</b>	2012
<b>Background to project</b>	Afplats Social Affairs Department has embarked on this R5 Million initiative, as part of the Social and Labour Plan, to award bursaries to HDSA learners from the Bojanale District Municipal Area. These learners will be treated according to the same principles as the Implats bursary students and the criteria for rewarding a bursary will remain unchanged. The plan is to identify five (5) learners per year with an intention of awarding five (5) bursaries annually for three (3) years - a total of fifteen (15) bursars to study a maximum period of five (5) years. Only learners who meet the minimum requirements to study mining related disciplines will be awarded bursaries to study at selected tertiary Institutions. The programme will focus on selecting female learners if available. This bursary programme would be addressing a shortage of skills in the country (JIPSA), as well as alleviating poverty through education.				<b>Project start date</b>	2009
					<b>Project End Date</b>	2015
<b>Project Incorporated into which IDP</b>	To be included in the Bojanale District Municipality's IDP				<b>IDP Project Reference Number</b>	TBC
<b>Project Partners</b>		<b>Beneficiaries (Community Specific)</b>				
<b>Geographical Location of project</b>	<b>Total Expected Number of Jobs to be created</b>	<b>Male</b>	<b>Female</b>	<b>Youth</b>	<b>Disabled</b>	
		4	1	5		
	<b>Output</b>	<b>Activity</b>		<b>Responsible Entity</b>	<b>FY 2012</b>	
		<b>KPA (key performance area)</b>	<b>KPI (Key Performance Indicator)</b>		<b>Budget Allocation</b>	
<b>Quarter 1</b>	To increase number of skilled Engineers in country	Recruit 5 Learners through interviews and keep records of these interviews	Selection of successful candidates by the bursary team.			
	To alleviate poverty through education	Transport and accommodate these learners to and during final interview days.		CSI Department		
	To sensitize other youth to choose the Engineering discipline	Informed them officially of the outcomes. Assist them to apply to tertiary Institutions	5 candidates placed at tertiary education centres.	Bursary team.		
	To add value to our company's production and to it's growth	Liaise with relevant departments at the operations for vocational employment every year of studying (5 years in total)		Bursary team.		



Table 24 d Cont: Poverty Alleviation Projects for candidates from the Bojanale District Municipal Area

	Output	Activity		Responsible Entity	FY 2012
		KPA (key performance area)	KPI (Key Performance Indicator)		Budget Allocation
Quarter 2		Organise a programme for career exhibition, mine visits including underground, interaction with engineers. Explain bursary benefits and rules and regulations	Visits to place of employment, to do assessments and assist them during the orientation period	Bursary team.	
	Skills Enhancement	Electrical Engineering			
		Chemical Engineering			
		Metallurgy			
		Geology			
Quarter 3	Enhance all Grade 10 -12 Learners to do Maths, Science and English higher Grade	Monitor all Learners by visiting respected tertiary institutions.	5 candidates successfully progressing at tertiary education centres.	Monitoring Team.	
	Assist Schools with the capacitating of Educators on Maths, Science and English	Inform all relevant stakeholders about progress.	Good record keeping.	Bursary team.	
	Forge partnerships with the Dept of Education and other Companies				
Quarter 4	5 (Five) candidates successfully passing 2nd year, 5 (Five) candidates successfully passing 3rd year, 5 (Five) candidates successfully passing 4thst year at a tertiary education centre.				
Total:					990,000.00

**Potential (future) projects (Refer to Appendix 4)**

In striving to create an environment conducive to improved business opportunities and wealth creation, Afplats (Leeuwkop) would like to investigate :

- Investment enhancing opportunities. In this regard, an export development zone is planned in Mafikeng and a Platinum spatial development initiative is underway in Bojanala. These are flagship initiatives and Afplats (Leeuwkop) would like to consider becoming part of these initiatives; and
- Opportunities to join forces with other mines in the area to establish a 'Development Agency.' This Development Agency will act as the support and advice centre for those requiring assistance in SMME development activities. Further research into the feasibility of such a centre will be undertaken within the first 2 years of the mine commencing operations.

**4.4.3 Measures to Address Housing and Living Conditions**

Afplats will introduce a scheme based on the same principles as those approved for the Marula Mine of Impala Platinum Holdings

Afplats recognises the importance of its workforce (including that of its contractors) residing in decent housing which is of an adequate size and serviced with basic infrastructure in terms of water, sanitation and electricity, in line with the Constitution of the country. As such the key principles guiding Afplats Platinum Mine's strategic planning during the life of the mine include the following:

- Leeuwkop Platinum Mine's core business should remain that of mining and not the provision of housing.
- In turn, it is not Afplats's intention to become a land owner or landlord in the local area without a clear strategy of transferring land or housing stock to individual owners (i.e. the workforce).
- Hostel accommodation is not an acceptable solution to the housing needs of its workforce, and whilst this may be necessary in the short term during the establishment of alternative housing accommodation, will not be utilized as a long term strategy.
- Local recruitment is a key objective of the Leeuwkop Platinum Mine with a view to ensuring a fully localized labour force at the mine.
- The housing policy at the Leeuwkop Platinum Mine must work in conjunction with the mine's recruitment, remuneration and local economic development programmes to ensure a holistic approach to the issue during the life of the mine.

- The housing policy will take cognizance of the business plan of the mine and its related projected workforce requirements in good time for effective planning mechanisms to be implemented.

As a result, Marula Platinum Mine endeavours, through its company housing policy, to prevent squatting in the vicinity of the mine development.

#### 4.4.4 Measures to Address Nutrition

Afplats (Leeuwkop) will provide a good remuneration package that will allow the employees to cater for their own nutritional needs. Since there are no hostels being established, the mine does not have need to cater for its 'live-in' staff.

#### 4.5 Procurement progression plan

##### 4.5.1 Giving Preferred Status to HDSA Suppliers

The largest expense outlay by Afplats (Leeuwkop) during the construction of the mining infrastructure will be the sinking of the shaft. This contract will be awarded to a Shaft Sinkers who have been accredited by the South African Preferential Procurement Forum as a Black Owned Service Provider.

Afplats (Leeuwkop) will identify and further exercise the option of setting aside certain commodities and services in specific areas for suppliers from the designated groups. The Company will venture into negotiations with other mines to determine whether there are opportunities available in the area to stimulate initiatives to develop HDSAs in providing a service to the company.

##### 4.5.2 Procurement Progression Plan

Afplats (Leeuwkop) intends to obtain outsourced services and products from HDSA companies / Groups. The actual progression plan is presented in the table below. **Form T will only be filled in once the mine commences with recruitment and sourcing of capital goods, services and consumables.**

**Table 24: HDSA Procurement to be achieved once the mine commences with construction activities**

Year	% HDSA achieved
2008	25
2009	25
2010	27
2011	30
2012	30
2013	30



The table shows the minimum targets that will be achieved with respect the HDSA participation in procurement. Leeuwkop will strive to distribute its procurement activities/initiatives between these three categories to make up the total HDSA spent. It is envisaged that with Shaft Sinkers participation that the actual % HDSA supplier achieved will be significantly higher than those portrayed in the table above.

The construction phase in 2007 to 2009 will utilise the services of Shaft Sinkers for the bulk of the development. Shaft Sinkers is accredited as a Black Owned Service Provider by South African Mining Preferential Procurement Forum (refer to Appendix 4). Afplats (Leeuwkop) will make use of the following mechanisms to assist HDSA suppliers:

- Price matching
- Payment premiums
- Expedited payment
- Retendering
- Set asides.

#### 4.5.3 Encouragement of partnerships

Suppliers with HDSA accreditation will be given preference. The intention would also be to encourage existing suppliers to include HDSA's in their companies and then grow ownership towards black controlled companies. The Bakwena tribe will be given opportunities to develop and improve their own operations and services that the mine can use such as:

- Safety
- Maintenance and equipment reliability
- Financial management and taxation
- Human resource practices
- Auditing practices
- Mining practices


#### 4.5.4 Developing of HDSA procurement capacity

Once the mine is operational and a Procurement Manager is appointed, a set of HDSA Guidelines and a Policy will be developed which will allow preferential status to be given to suppliers from the designated groups.

Form T cannot be filled in at this point in time as the service providers and goods have not been identified. This will only be investigated once the mining rights authorisation

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is granted to Afplats and the necessary funds raised for the project. Form T will be completed and submitted to the Department 10 months after construction commences and all the suppliers of capital goods, services, and consumables have been identified.





## 5 PROCESSES PERTAINING TO MANAGEMENT OF DOWNSCALING AND RETRENCHMENT

As this is a new project, it is difficult to project what will happen in the future. Therefore, it is recognised that Afplats (Leeuwkop) might have to retrench workers from time to time for economic reasons and to remain globally competitive. The proposed mine will be mechanised so sufficient people will always be employed to ensure that the mine is fully operational.

However, circumstances might require that mine management enter a process whereby people have to be retrenched, or that the mining process will have to be downscaled. Should this occur, the mine will follow the process described in Figure 6.

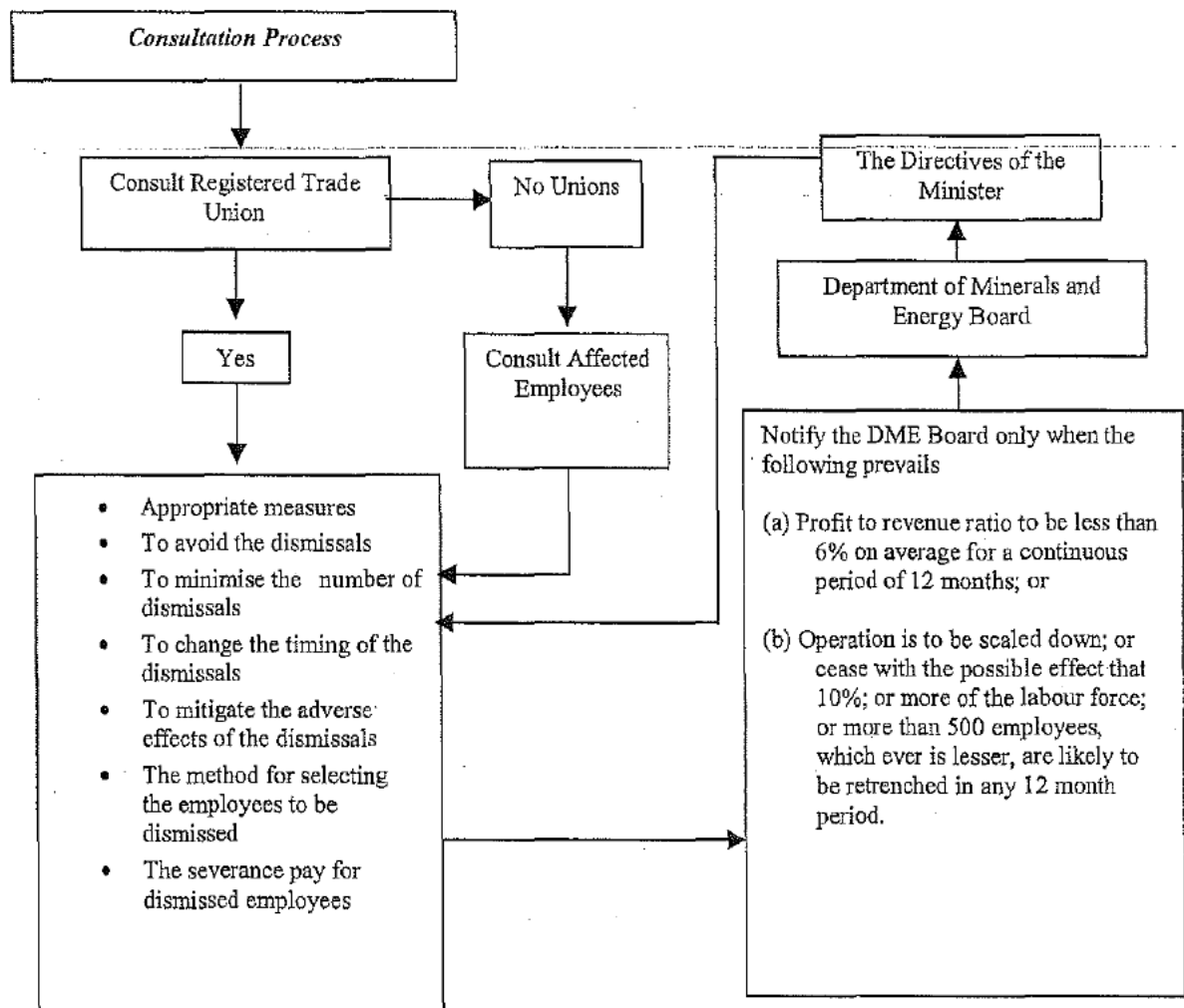


Figure 6: Process to be followed if it becomes necessary for the mine to retrench employees.

Detailed processes will be drawn up in line with the Labour Relations Act 189A, as amended and in conjunction with Section 52 (1) of the MPRDA and Regulation 46 (e). The process could entail the following:

- Establishment of a forum
  - Identify mechanisms to save jobs and avoid job losses and a decline in employment
  - Identify mechanisms to provide alternative solutions and procedures for creating job security where job losses cannot be avoided
  - Identify mechanisms to ameliorate the social and economic impact on individuals
  - regions and economies where retrenchment or closure of the operation is certain.
- This will be discussed in the following sections

### 5.1 Establishment of a Forum

Once the mine is operational; Afplats (Leeuwkop) will establish a forum to include, but not limited to, the following functions:

- To promote ongoing discussions between worker representatives and employers about the future of the mine
- To be proactive in identifying problems, challenges and possible solutions with regard to productivity and employment
- To identify production and employment turnaround strategies
- To implement strategies agreed upon by both employer and worker parties.

### 5.2 Identify Mechanisms to Save Jobs

In order to save jobs, the mine will appoint the optimum staff component to run the mine efficiently. Thus, there should be no superfluous people in jobs that could become redundant. The mine will recruit people from the community, thus enabling them to stay within the community and minimising the risk of losing their homes, should retrenchment occur. This will also lessen the impact of retrenchment, as communal support systems will still be available.

Afplats (Leeuwkop) will investigate other options to save jobs. This could include the following but should not be limited to:

- The existing mining plan is to mine only the UG2 reef. The feasibility of mining the Merensky reef can be considered, depending on the platinum price should the mine enter difficulties and jobs are threatened.

- A reduction in working hours could be considered as well as a change in shifts. This will result in a reduction in remuneration for the employees but it will save jobs for a period of time.
- People may also be laid off for a period until they are required again. These employees will take priority should their services be required again.
- Natural retention would be encouraged: thus should an employee resign then his/her post will not be filled and those taking early retirement would not be replaced. This will result in the distribution of employees over the entire mine and could lead to retraining of employees where necessary.

However, should Afplats (Leeuwkop) find itself in a position whereby retrenchment is necessary, it intends to follow the same processes described in Figure 6 in the event of job losses due to the curtailment of the profitability of any operation.

#### *Consultations*

Afplats (Leeuwkop) aims to align the current consultation processes with Section 52 (1) of the Act. See Section 4 above for a graphical process flow.

#### *Implementing section 189 of the Labour Relations Act, 1995*

See Section 4 above including Figure 6.

#### *Notification to the Minerals and Mining Development Board*

See Section 4 above including Figure 6.

#### *Complying with Ministerial Directive*

Afplats (Leeuwkop) intends to comply with all the Ministerial directives and aims to conform or implement corrective measures.

### **5.3 Identify Mechanisms to Provide Alternatives when Job Losses Cannot be Avoided**

In order to provide employees with alternative job opportunities when job losses are unavoidable, the mine will investigate opportunities available in the community. This could include, but should not be limited to, the following intentions:

- Training provided by Afplats (Leeuwkop) will be focused on skills that could also be applied outside the operation of a mine. During the life of the mine illiterate employees will be provided with the opportunity to undergo ABET training. Learnerships will be made available which will empower individuals to participate economically and to be self-supporting.
- Bursaries and internships will be made available to internal and external students which will allow individuals to create opportunities in their own community should it be necessary for the mine to be decommissioned.



- Accredited Service Providers and the Department of Labour should be encouraged to develop actual employment/ business opportunities for individuals
- The mine would identify potential products and services that could be outsourced to small business initiatives e.g. supply of stationery, toilet paper, mining equipment etc
- Creating an understanding that investments can be used as collateral for business ventures while generating monthly income

#### 5.4 Mechanisms to Ameliorate Social and Economic Impacts Upon Closure

The mine will take the initiative to ensure that the necessary processes are in place at the appropriate time, which could be 10 years before closure is considered. The mine will ensure that employees will be trained in skills that they will be able to use outside the mining environment. Additional support will be made available to the employees that could include, but once again, are not be limited to:

- Service providers (local authorities, organisations or NGOs) who could assist in setting up community based organisations to explore the best options and ensure community buy-in to alternative job opportunities
- Service providers who could assist in finding external sponsors to finance new business and to contribute to the development of new business in the region
- An information centre will be established and permanently manned where employees can be counselled and given appropriate advice
- Counselling sessions will be held to create awareness amongst employees of the need to undergo training in order to acquire life skills and the benefits thereof.

## 6 FINANCIAL PROVISION

The project is still in the planning and conceptual phase and therefore commitment to the financial provision would be premature. However, Afplats has included the detailed financial provisions into the mineral rights application.

### 6.1 Human Resource Development Plan

The financial provision addresses the Human Resources Development Plan. The figures projected in Table 15 will be refined as more detailed planning commences in development, and could vary marginally from the figures quoted here, after consultation with all interested and affected parties, government and the local community.

**Table 25: Human Resource Development Plan Costs**

Item	Total Cost LoM (ZAR)	R/ton	R/year
ABET Training	5,565,465	0.09	261,072
Life skills Training	5,565,465	0.09	261,072
Internship (Non Permanent)	1,705,419	0.03	80,000
University/Technikon Bursaries	10,658,870	0.17	500,000
Engineering Apprentices	31,976,611	0.52	1,500,000
Learner Miners	31,976,611	0.52	1,500,000
Learner Machine Operators	16,331,095	0.26	766,080
Learner Maintenance Operators	16,331,095	0.26	766,080
Career Progression Skills Courses	23,189,439	0.37	1,087,800
Total Cost	143,300,071	2.31	6,722,104

### 6.2 Local Economic Development Programme

The provision made within the cash flow for the community development is aimed at addressing needs within the selected target community (Makolokwe and Segwaelane). The scope of these activities range from donations to charities and activities that tie in with business needs (e.g. capacity building among local residents for employment purposes).

**Table 26: Local Economic Development Provision**

Item	Total Cost LoM (ZAR)	R/ton	R/year
Social Plan Provision	85,270,955	1.37	4,000,000
Total Cost	85,270,955	1.37	4,000,000

**6.3 Financial provision for processes pertaining to management of downscaling and retrenchment**

Afplats will provide the necessary financial provision to develop additional skills and the training of people throughout the process as indicated in Table 15 and therefore will require less funds to address the re-training of employees.

The financial provision will take the inflation rate into consideration once the mine is operational. Once the mine is operational the financial provision will be readjusted on an annual basis to include inflation.




7

**UNDERTAKING**

The Chief Executive Officer, Managing Director or any other person so appointed must approve the social and labour plan.

The person responsible for the social and labour plan, and who is also responsible for promoting the plan to the employees and who must be contacted for follow-ups, requests, reports, queries, enquiries, discussions, etc. when necessary, must commit to the following undertaking on behalf of the Mine or Production Operation.

I,  the undersigned and duly authorised thereto

by A7PLATS (PTY) LTD (Company)

undertake to adhere to the information, requirements, commitments and conditions as set out in the social and labour plan.



Signed at JOHANNESBURG on this 18th day of MARCH 2008.

Signature of responsible person 

Designation PROJECT MANAGER

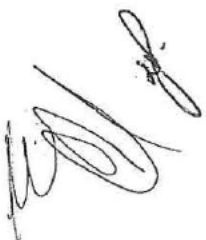
**Approved**

Signed at JOHANNESBURG on this 18th day of MARCH 2008.

Signature of responsible person  

Designation DIRECTOR 

## APPENDIX 1: DME FORMS



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**APPENDIX 2:  
Public Participation Process**

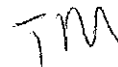
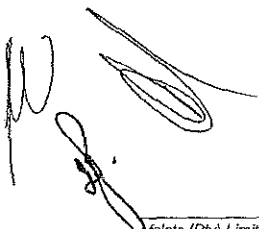


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**Appendix 3**  
**Career Path Plans at Leeuwkop Platinum Mine**



**LEEUEWKOP PLATINUM MINE**  
**ROCK ENGINEERING**
**SENIOR ROCK ENGINEERING OFFICER (D2)**

- Completed COM Rock Mechanics Certificate
- 3 Years department experience
- Successfully acted as Senior Rock Engineering Officer

**ROCK ENGINEERING OFFICER (D1)**

- COM Part 1 Rock Mechanics Certificate
- 6 Months acting experience as a Rock Engineering Officer
- 2 Years department experience
- Excellent Computer literacy
- Management Programme

**STRATA CONTROL OFFICER (C5)**

- Relevant Chamber of Mines (COM) Strata Control Certificate (MQA Level 4)
- 2 Years department experience
- 6 months acting as a Junior Strata Control Officer
- Computer literacy

**JUNIOR STRATA CONTROL OFFICER (C1)**

- Internal certificate for strata control (MQA Level 3)
- 1 year department experience
- 6 months acting as Strata Control Observer
- Computer literacy

**STRATA CONTROL OBSERVER (B6)**

- Completed internal modules
- Grade 12 Maths & Science
- Internal certificate for strata control (MQA Level 2)
- 1 year department experience

**STRATA CONTROL OBSERVER (B4)**

- Grade 10 with maths & science
- Medical Fitness
- 2 years underground experience

NB All positions are vacancy driven and are determined by the needs of the company.

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## LEEWKOP PLATINUM LIMITED

### OPERATIONS MANAGER (D4)

- 5 years mining experience at least 4 years in production
- Competent A & B
- Grade 12 or N3
- Blasting Certificate
- Mine Managers Certificate of competency
- Have Good Interpersonal Skills
- Supervisory training
- Good computer literacy
- Management Programme
- Financial Planning
- Presentation skills
- Psychometric tests

### MINE OVERSEER (D2)

- 7 years mining experience at least 5 years in production
- Competent A & B
- Grade 11 or N2
- Blasting Certificate
- Mine Overseer Certificate of competency
- Have Good Interpersonal Skills
- Supervisory training
- Good computer literacy
- First Aid Certificate
- Management Programme
- Financial Planning
- Psychometric tests

### SHIFT SUPERVISOR (C5)

- 5 years mining experience at least 4 years in production
- Competent A & B
- Grade 10 or N1
- Blasting Certificate
- Have Good Interpersonal Skills
- Supervisory training
- Acceptable computer literacy
- First Aid Certificate

### MINER (C1)

- 4 years mining experience
- Competent A & B
- ABET 4
- Blasting Certificate
- Have Good Interpersonal Skills
- Leadership abilities
- First Aid Certificate

### DRILL RIG OPERATOR (B4)

- 3 years mining experience
- Code 8 Drivers License
- Dover test
- TMM License
- ABET 4
- First Aide Certificate
- Appropriate medical fitness level (colour blindness, hypertension)

### 1) LOAD HAULAGE DUMPER DRIVER (B3)

- 2 years exp in mining occ A4.
- Code 8 Drivers License
- TMM License
- Dover test
- ABET 4
- First Aide Certificate
- Appropriate medical fitness level (colour blindness, hypertension)
- Competent B

### 2) ROOF BOLTER (B3)

- 2 years exp in mining occ A4

### 1) UTILITY VEHICLE DRIVER (B2)

- 2 years experience and training
- Code 8 Drivers License
- Dover test
- ABET 4
- Appropriate medical fitness level (colour blindness, hypertension)
- Competent B
- TMM License

### 2) WINCH MOVER, SECTIONAL GANG LEADER (B2)

- 2 years mining experience
- Supervisory Skills

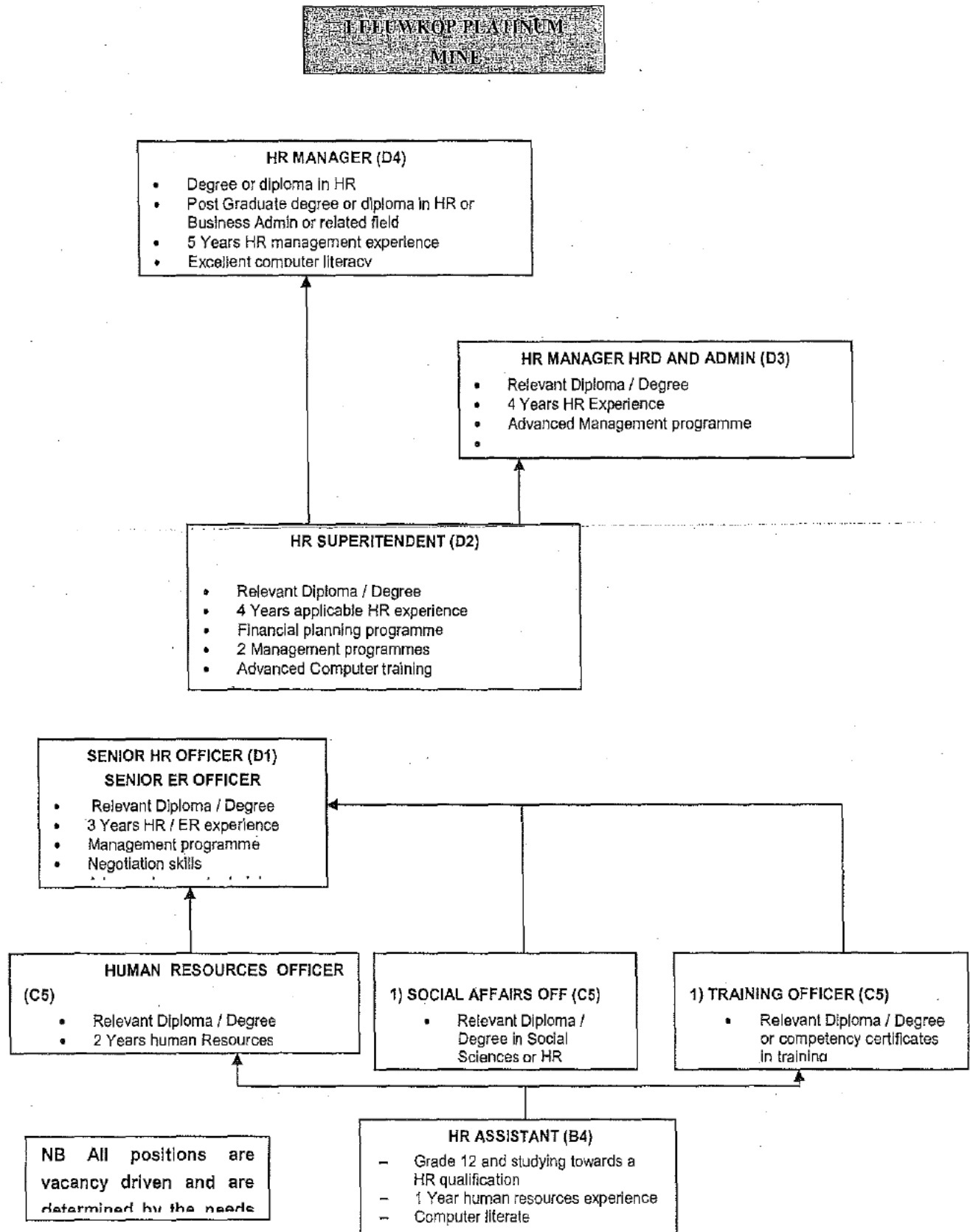
### Scraper Winch Operator, Rock Drill Operator (A4)

- 1 year experience and training
- ABET 2

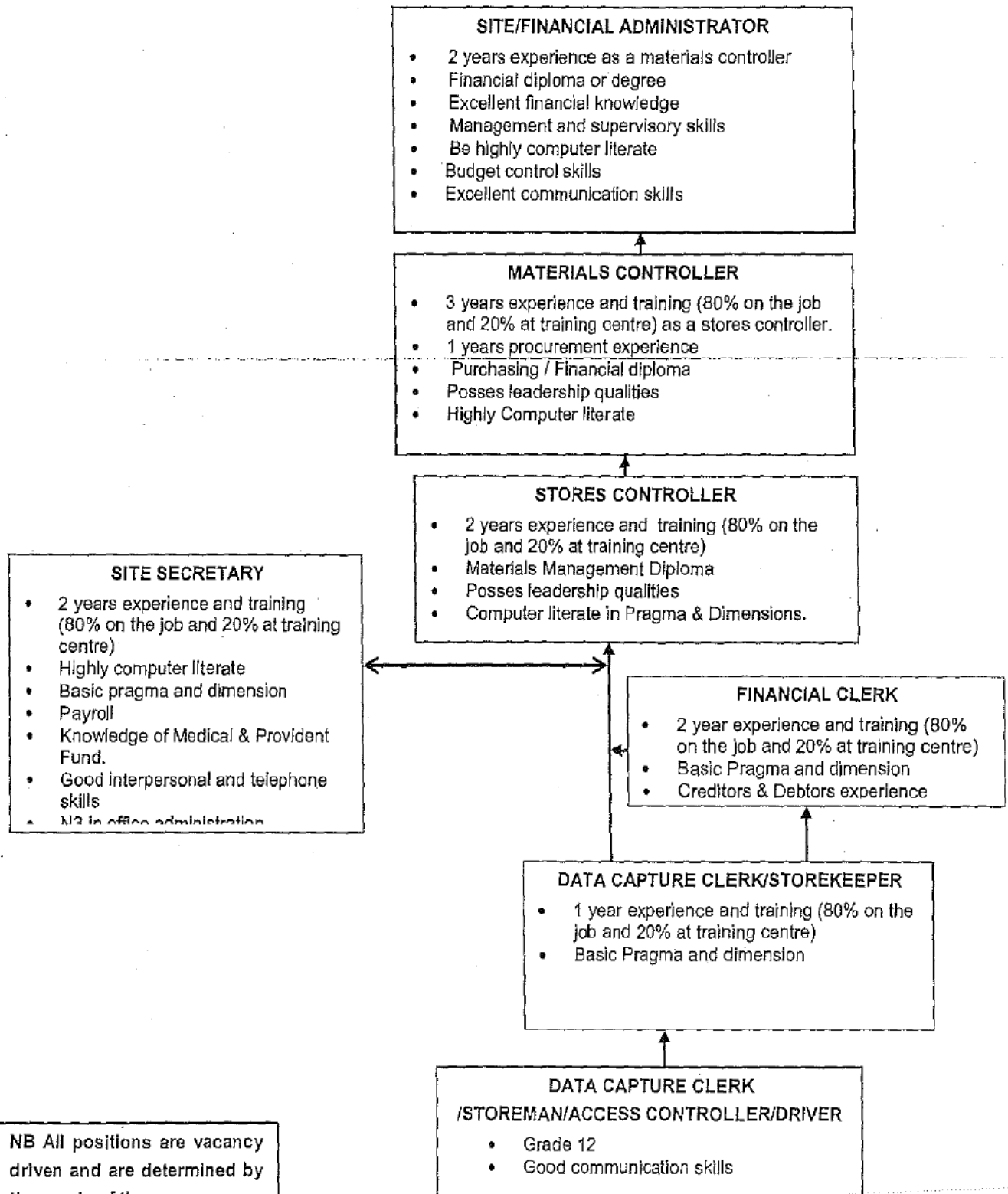
### NOVICE ENTRY (A3)

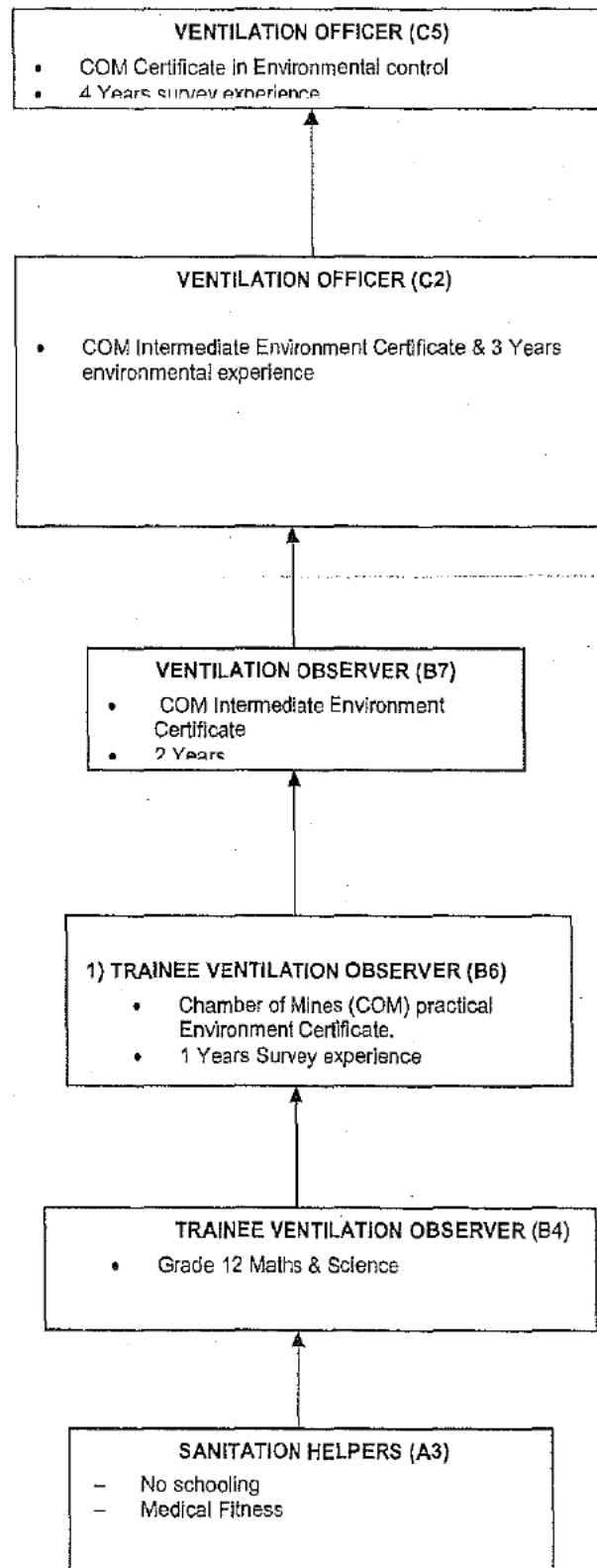
- Equipping Helper : No Schooling : Competent B
- Underground Store Issuer: ABET 2
- Medical Fitness

NB All positions are vacancy driven and are determined by the needs



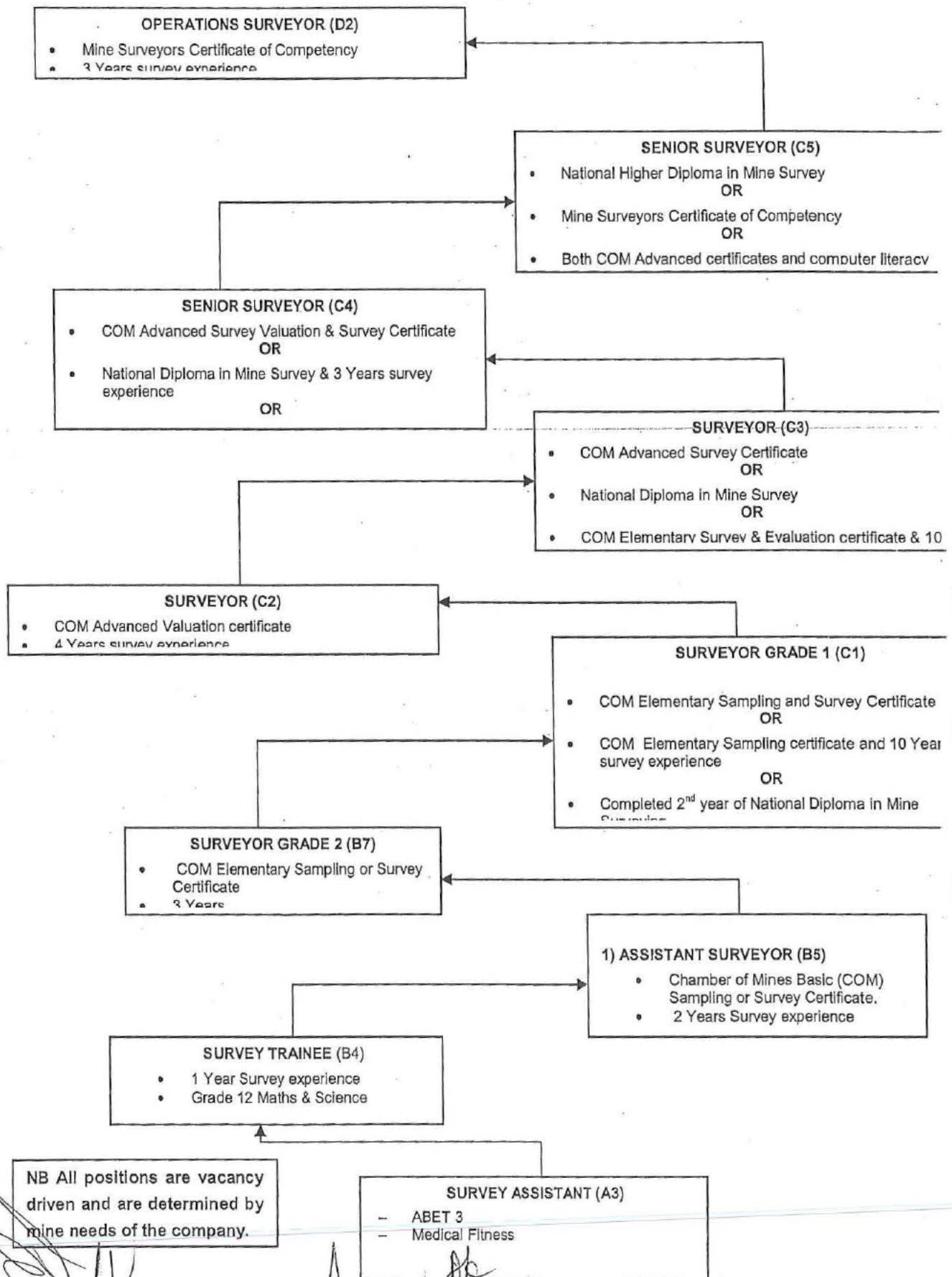


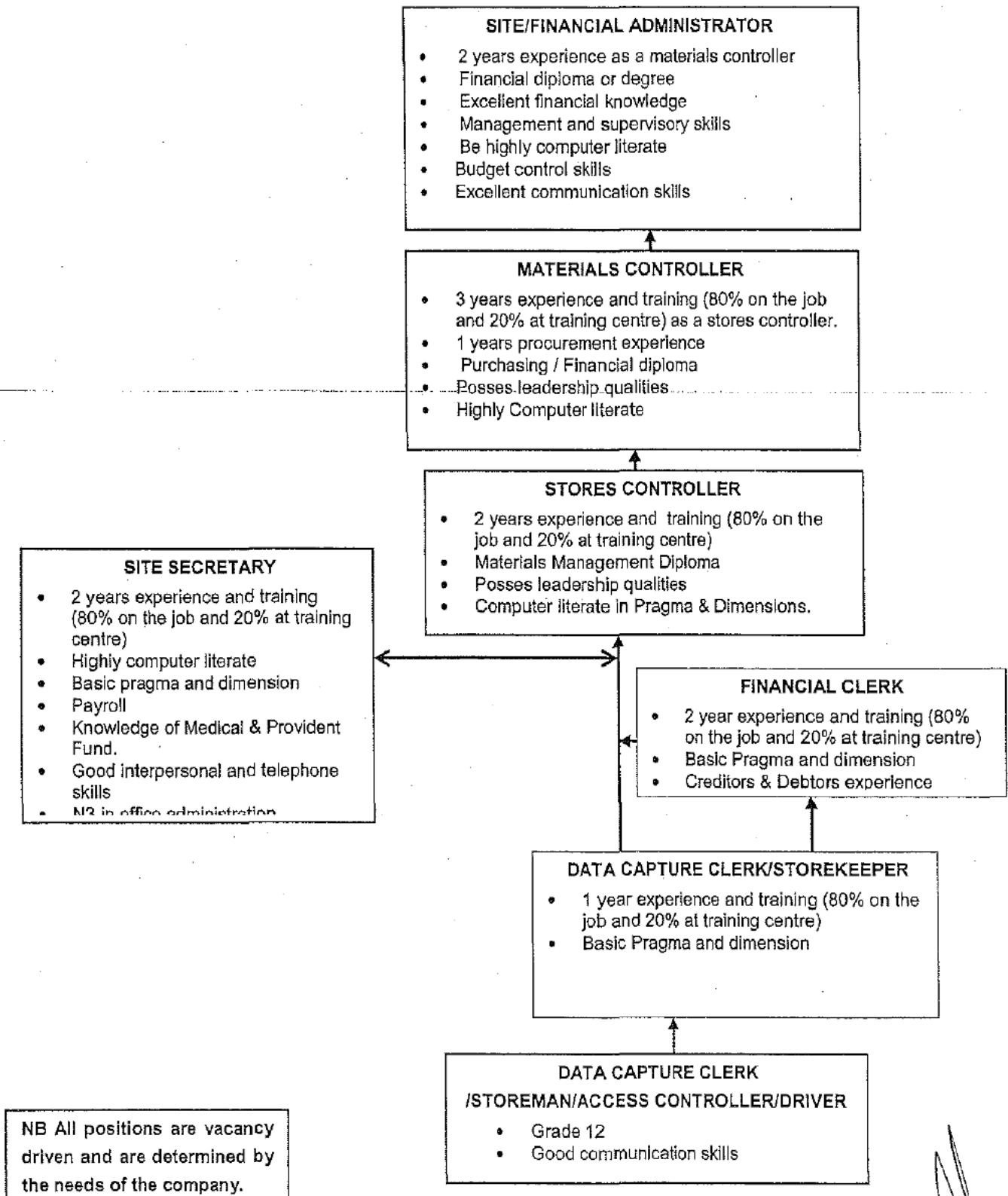
**LEEUEWKOP PLATINUM MINE**  
**ADMIN CAREER PATH**


**LEEUNWOP PLATINUM MINE  
VENTILATION CAREER PATH**

NB All positions are vacancy driven and are determined by mine needs company.

## LEEUEWKOP PLATINUM MINE SURVEY CAREER PATH

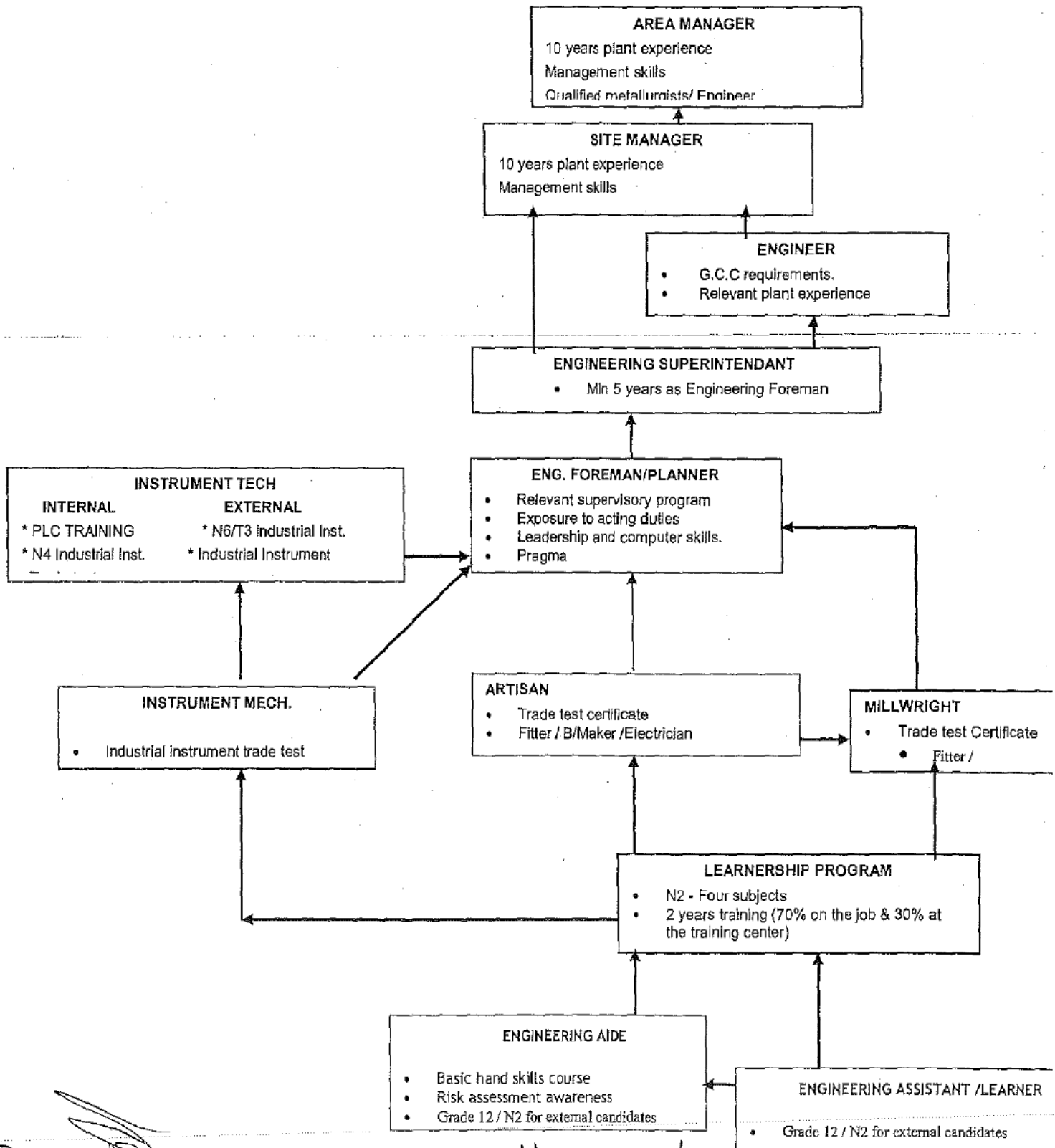


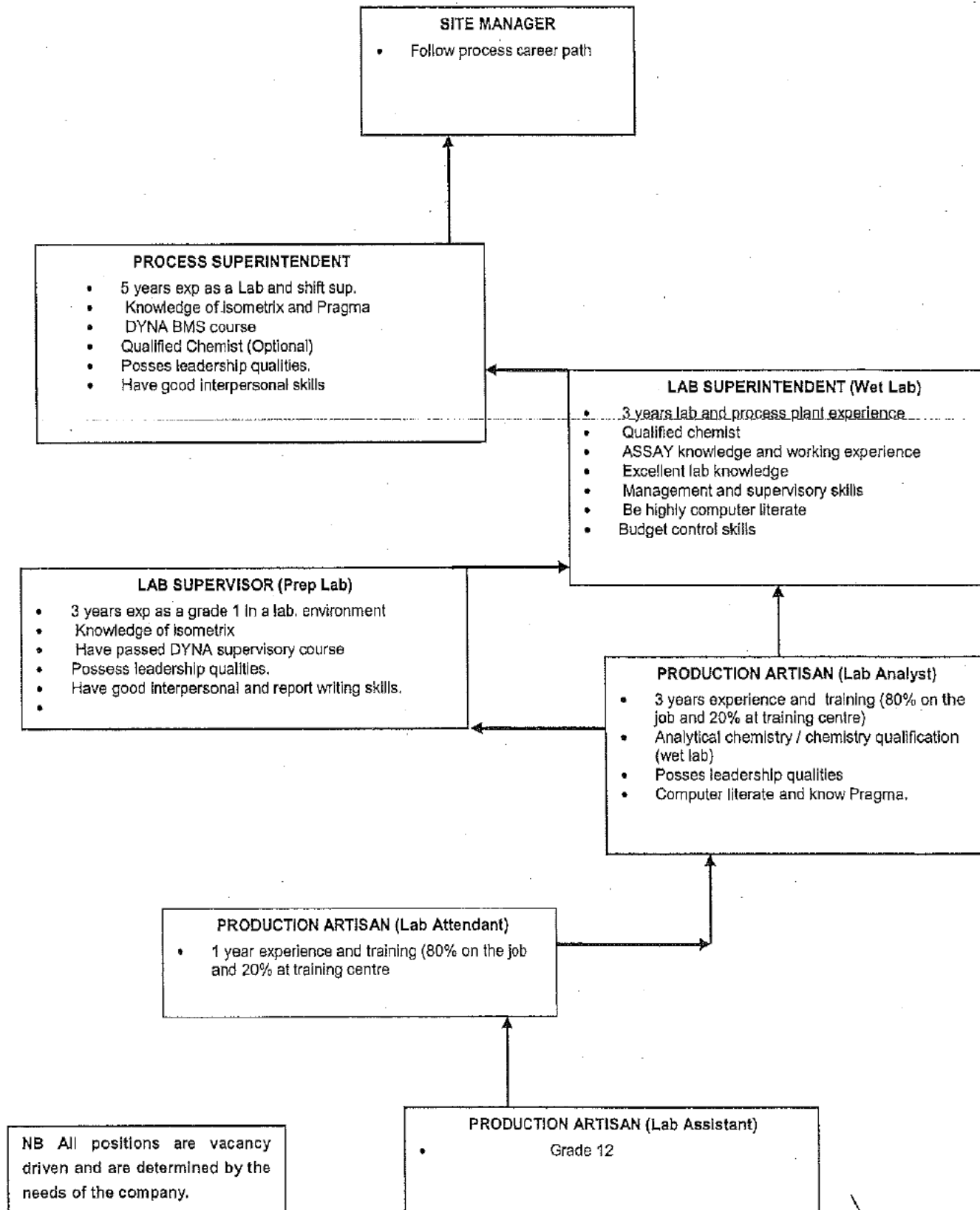
**Career Path Development Plans at the Plant: Administration**




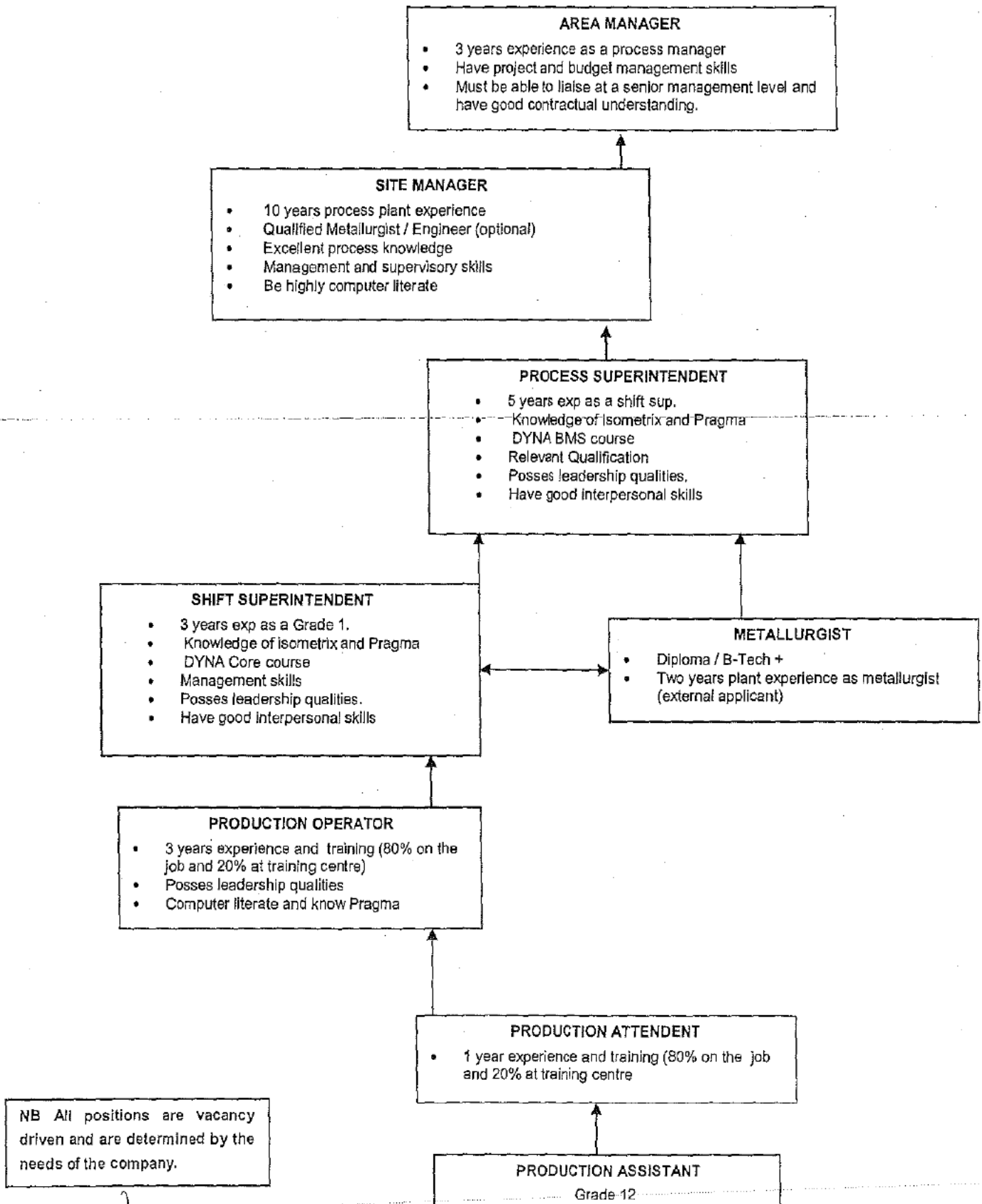
## Career Path Development Plans at the Plant: Engineering

NB All positions are vacancy driven and are determined by the needs of the company.



**Career Path Development Plans at the Plant : Laboratory**


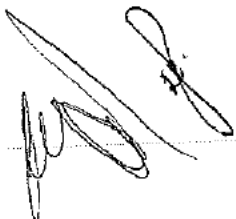
## Career Path Development Plans at the Plant : Processing



**Appendix 4**  
**Detailed Socio economic Baseline Information and IDP Analysis**



**Appendix 4**  
**Certificate of the South African Mining Preferential Procurement**  
**Forum**



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# **AFPLATS (PTY) LTD (LEEUEWKOP PLATINUM MINE)**

## **FIRST GENERATION SOCIAL AND LABOUR PLAN**

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### **Section 102 Application**

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**September 2023**

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## 1. DEFINITIONS AND ABBREVIATIONS

Afplats	Afplats Proprietary Limited
DMRE	Department of Mineral Resources and Energy
FY2024	Financial Year 2024, for the period 1 July 2023 to 30 June 2024
HRD	Human Resource Development
FY2025	Financial Year 2025, for the period 1 July 2024 to 30 June 2025
LED	Local Economic Development
MPRDA	Minerals & Petroleum Resources Development Act, 28 of 2002, as amended
NW	North West Region
POE	Portfolio of Evidence
RLM	Rustenburg Local Municipality
RM	Regional Manager
SLP	Social and Labour Plan
SLP 1	1 <sup>st</sup> Generation Social and Labour Plan, 2008-2013, dated March 2008, and approved on 9 April 2008
SLP 1 Sec 102 (2021)	SLP 1 Section 102 amendment, dated October 2021, submitted on 28 October 2021 (hard copy) and 9 November 2021 (SAMRAD), not approved to date
SLP 1 Sec 93	Instruction in terms of Section 93(1)(b)(i) of the MPRDA relating to SLP 1 commitments for period 2008 - 2013, dated 26 March 2020.
SLP 1 Sec 93 Responses	Afplats response to SLP 1 Sec 93, dated and submitted 2 July 2020, with progress reports submitted on 21 December 2020 and on 5 July 2021.



## 2. BACKGROUND TO SECTION 102 APPLICATION IN RESPECT OF SOCIAL AND LABOUR PLAN I

Afplats is the holder of Mining Right 40/2008 (as registered on 24 June 2008 in the Mineral and Petroleum Titles Registration Office, Pretoria (MPTRO)), as amended in terms of section 102 of the MPRDA under MPT No 16/2012 (as registered on 31 August 2012 in the MPTRO) in terms of which it has the right to mine platinum group metals, gold ore, silver ore, copper ore, nickel ore, chrome ore, cobalt, sulphur, sand (manufactured from the waste rocks) and iron core, in, on and under the farm Leeuwkop 402 JQ, measuring 4601.5724 hectares, (Leeuwkop Mining Right) situated in the Brits Magisterial District, and approximately 15 km west of Brits and 80 km north-west of Johannesburg in the North West Province.

The farm Leeuwkop 402 JQ is owned by and registered in the name of the National Government of the Republic of South Africa (The State) in Trust for the Bakwena Community by Deed of Transfer T947/1889BP and Afplats has secured an agreement with the Bakwena Community as its Black Empowerment Equity partner as indicated above.

Afplats' SLP 1 was approved simultaneously with the grant of its mining right on 9 April 2008, and covers the period between 2008 and 2013.

On 26 March 2020 Afplats received a notice in terms of section 93 of the MPRDA. Accordingly, and following delivery of its SLP 1 Sec 93 Responses, Afplats submitted an application to amend SLP 1 in terms of section 102 of the MPRDA on 28 October 2021 (in hard copy). An electronic copy of the SLP 1 Sec 102 (2021) was submitted on SAMRAD on 9 November 2021. The SLP 1 Sec 102 (2021) is still pending approval from the DMRE.

For the reasons as set out in paragraphs hereunder, Afplats herewith:

(i) withdraws SLP 1 Sec 102 submitted on 9 November 2021 under SAMRAD ref no.: *NW-00303MR/102* and

(ii) submits a revised amendment application for SLP 1 in terms of section 102 of the MPRDA, read with regulation 44 of the MPRDA regulations for:

- clarification with regards to the bursary plan as part of the Human Resource Development programme;
- the replacement of two LED projects; and
- the alignment of the relevant LED financial provisions in accordance with the replacement projects.

## A. SECTION 3: HUMAN RESOURCE DEVELOPMENT PROGRAMME

### 1. Bursaries

#### 1.1 Approved Commitment:

- 1.1.1 Afplats committed to providing a number of bursaries between the years 2008 and 2013 to employees. Through the bursaries, employees would be encouraged to improve themselves through self-study in the following disciplines: engineering, finance, IT development, logistics, mining, safety management, security management, environmental management, human resources, law, management, public relations, secretarial and supply chain management.
- 1.1.2 See extract from SLP 1, page 30, Section 2, HRD under table number: 17 of the submission dated March 2008, and approved April 2008: Number of bursaries to be allocated to internal and external students.

**Table 17: Number of bursaries to be allocated to internal and external students**

	2008	2009	2010	2011	2012	2013
No of Bursaries	4	5	6	7	8	9

#### 1.2 Reason for Section 102 Amendment Application:

- 1.2.1 Afplats received a SLP 1 Sec 93 finding on 26 March 2020, relating to the non-implementation of its bursary plan.
- 1.2.2 At a meeting held on 6 August 2020 with the DMRE, NW, it was confirmed that the non-finding relates to Section 2, Table 17 - the internal and external HRD bursary commitments.
- 1.2.3 At the meeting it was clarified that Table 17 reflects a total amount of 9 HRD bursaries (in addition to the Section 3 – LED bursaries) and not a cumulative total target of 39.
- 1.2.4 The bursaries were intended for Afplats employees, however only 2 bursars were awarded to employees seconded from Impala Platinum Limited's Rustenburg Operation (a subsidiary company within the Implats Group of Companies) to the Afplats Leeuwkop Mine Project, prior to the said project being deferred.
- 1.2.5 As the Afplats Leeuwkop Mine Project is not in operation with no employees employed, the DMRE, NW and Afplats recommended that Afplats could allocate the shortfall of 7 bursaries to external community members without the commitment to provide employment to them, whilst the Afplats Leeuwkop Mine Project is not in operation.
- 1.2.6 It was recommended that a Section 102 amendment should be submitted to clarify the total target of HRD bursars as 9 and the awarding of the shortfall of 7 bursars to community members, whilst the Afplats Leeuwkop Mine Project is deferred, having no Afplats employees.

#### 1.3 Section 102 Amendment Application:

- 1.3.1 Afplats hereby applies in terms of section 102 for the following:
- Clarification that the targets in Table 17 are cumulative with the first-year target set at 4 and an addition of 1 new intake per year from the first year, 2008 up to 2013, with a total commitment of 9 bursaries and replacing the Table 17 with the Table 17\* below.
  - As per SLP 1 Sec 93, the remainder of the 7 bursaries outstanding will be allocated to the external community members as Afplats currently has no employees and is not in

operation. Should Afplats become operational and positions are vacant for the study fields of the bursars at the completion of their studies, Afplats will employ those bursars. The outstanding intake of 7 bursars to be completed by 30 June 2022.

**(Revised) Table 17\*: Number of bursaries to be allocated to internal and external students**

	2008	2009	2010	2011	2012	2013	2021	Total
No of Bursaries	0	2	0	0	0	0	7	9

1.4 Public Participation:

- 1.4.1 As a result of Afplats not having employees, public participation with regards to its Human Resource Development programme could not be achieved. However, the above clarifications and amendments were discussed with the DMRE NW and recorded in its SLP 1 Sec 93 Responses. A copy of the June 2021 progress report dated and submitted to DMRE, NW on 5 July 2021 is attached marked annexure A, with specific reference to par 2.1, page 3. Table 17: Number of bursaries to be allocated to internal and external students.



## B. SECTION 4: LOCAL ECONOMIC DEVELOPMENT PROGRAMMES

### I. LOCAL ECONOMIC DEVELOPMENT

#### 1. Infrastructure Development: Water Provision to Segwaelane Village (project replaced by Installation of Replacement Supply Pipeline from Village Railway Track to Segwaelane Reservoir)

##### 1.1 Approved Commitment:

1.1.1 The initial commitment included pipeline extensions to source water from a reservoir to be connected to households in the Segwaelane Village. The project was to be done in conjunction with the Bojanala District Municipality (water services authority), with the aim to provide a fresh potable water pipeline to the Segwaelane Village. This water would be stored in an existing water reservoir from which further pipelines would be extended to provide potable water to households in the Segwaelane Village.

1.1.2 From the initial commitment, the pipeline was constructed up to the Sonop reservoir (which we shall refer to as phase I of the project). However, the further pipelines that would be extended to provide potable water to households in the Segwaelane Village (which we shall refer to as phase II) could not be attended to and as such phase II of this project remained outstanding.

1.1.3 See extract from SLP 1, pages 47 to 49, Section 4 LED project sheets under table number: 24b, of the submission of the detailed LED and financial provision relating thereto, dated March 2008, and approved April 2008: Water Provision to Segwaelane Village.

Table 24 b: Infrastructure Development: Water Provision to Segwaelane Village

Project Name	Infrastructure Development: Water Provision to Segwaelane Village			FY of Project Sheet	2007/08
Background to project	Afplats in conjunction with the Bojanala District Municipality (the water services authority) will provide assistance in the provision of fresh potable water pipeline to Segwaelane. This water will be stored in an existing reservoir from which pipelines will be extended to provide potable water to households in the Segwaelane Village, according to guideline as per legislative requirements in the alleviation of poverty in rural areas.			Project start date	2008
				Project End Date	2009
Project incorporated into which IDP	This project will be included in the revised Medibong Local Municipality's Integrated Development Plan (IDP).			IDP Project Reference Number	TBC
Project Partners	Afplats, Bojanala District Municipality, Medibong Local Municipality	Beneficiaries (Community Specific)	Segwaelane Village		
Geographical Location of project	Total Expected Number of Jobs to be created	Male	Female	Youth	Disabled
		20	6		
Refer to locality map in SLP	Output	Activity		Responsible Entity	FY 2009
		KPA (key performance area)	KPI (Key Performance Indicator)		Budget Allocation
Quarter 4	Feasibility Study	Feasibility Report	Completion of Report	Consultant	500,000
Total:					500,000



Table 24 b Cont: Infrastructure Development: Water Provision to Segwaelane Village

Project Name	Infrastructure Development: Water Provision to Segwaelane Village				FY of Project Sheet	2009/09
Background to Project	Alplats in conjunction with the Bojanala District Municipality (the water services authority) will provide assistance in the provision of fresh potable water pipeline to Segwaelane. This water will be stored in an existing reservoir from which pipelines will be extended to provide potable water to households in the Segwaelane Village, according to guideline as per legislative requirements in the alleviation of poverty in rural areas.				Project start date	2008
Project incorporated into which IDP	This project will be included in the revised Madibeng Local Municipality's Integrated Development Plan (IDP).				Project End Date	2009
					IDP Project Reference Number	TBC
Project Partners	Alplats, Bojanala District Municipality, Madibeng Local Municipality	Beneficiaries (Community Specific)	Segwaelane Village			
Geographical Location of project	Total Expected Number of Jobs to be created	Male	Female	Youth	Disabled	
		20	6			
Refer to locality map in SLP	Output	KPI (Key performance indicator)	KPI (Key Performance Indicator)	Responsible Entity	FY 2008 Budget Allocation	
Quarter 1	Water Supply and Reticulation Design	Water Supply and Reticulation Design Phase 2	Completion of Design	Consultant	300,000	
Quarter 2				Consultant	300,000	
Quarter 3	Construction Phase 2	Basic Water Supply	Handover of Phase 2	Consultant	2,200,000	
Quarter 4				Consultant	2,200,000	
					Total	5,000,000
Exit Strategy	The focus of this project is to assist the local municipality in the provision of basic services such as water and at completion of the project the infrastructure will be handed over to the local municipality for management and maintenance.					

Table 24 b Cont: Infrastructure Development: Water Provision to Segwaelane Village

Project Name	Infrastructure Development: Water Provision to Segwaelane Village				FY of Project Sheet	2009/2010
Background to project	Afplats in conjunction with the Bojanala District Municipality (the water services authority) will provide assistance in the provision of fresh potable water pipeline to Segwaelane. This water will be stored in an existing reservoir from which pipelines will be extended to provide potable water to households in the Segwaelane Village, according to guideline as per legislative requirements in the alleviation of poverty in rural areas.				Project start date	2009
Project incorporated into which IDP	This project will be included in the revised Madibeng Local Municipality's Integrated Development Plan (IDP).				Project End Date	2010
Project Partners	Afplats, Bojanala District Municipality, Madibeng Local Municipality	Beneficiaries (Community Specific)	Segwaelane Village		IDP Project Reference Number	TBC
Geographical Location of project	Total Expected Number of Jobs to be created	Male	Female	Youth	Disabled	
		20	6			
Refer to locality map in SLP	Output	KPI (Key Performance Indicator)	Activity		Responsible Entity	FY 2010 Budget Allocation
Quarter 1	Water Supply and Reticulation Design	Water Supply and Reticulation Design Phase 2	Completion of Design		Consultant	300,000
Quarter 2					Consultant	300,000
Quarter 3	Construction Phase 2	Basic Water Supply	Handover of Phase 2		Consultant	2,200,000
Quarter 4					Consultant	2,200,000
					Total	5,000,000
Exit Strategy	The focus of this project is to assist the local municipality in the provision of basic services such as water and at completion of the project the infrastructure will be handed over to the local municipality for management and maintenance.					

## 1.2 Reason for Section 102 Amendment Application:

- 1.2.1 After the completion of phase I of the project and immediately prior to the implementation of phase II (water connections to the households) it came to Afplats' attention that a third-party entity had already attended to providing water connections to the households in the Segwaelane Village.
- 1.2.2 In the circumstances, it no longer became feasible to implement phase II of the project with the outstanding / remaining budget.

## 1.3 Section 102 Amendment Application:

- 1.3.1 Based on the above, Afplats hereby applies in terms of section 102 for the replacement of the phase II portion of the Water Provision to the Segwaelane Village project with a new bulk water pipeline which will be constructed, and the old bulk water supply pipeline will be repurposed by the municipality into a distribution pipeline to households, instead of a

supply pipeline to the reservoir. The existing pipeline is riddled with illegal connections leading to a significant number of pipeline leakages. This challenge, coupled with the wasteful consumption of water by subsistence crop farmers in the low-lying areas of the village yield to an unequal distribution of water to households, especially to those in the high-lying parts of the village. In order to ensure equal distribution of water and reduce water leakages in the community, this new bulk water pipeline will be constructed.

#### 1.3.2

This project will constitute what was to be phase II of the project already implemented by Afplats under SLP 1.



**[Revised] Table 24b: Infrastructure Development: Installation of New Replacement Supply Pipeline from Village Railway Track to Segwaelane Reservoir**

Project name:	Installation of a new replacement supply pipeline from the village railway track to the existing Segwaelane Reservoir		Classification of project:	Infrastructure	
Background:	Afplats in conjunction with the Local Municipality of Madibeng, will assist with the supply and installation of a bulk water supply pipeline from the railway track within the village to the Segwaelane Reservoir. The existing pipeline is riddled with illegal connections leading to a significant number of pipeline leakages. This challenge, coupled with the wasteful consumption of water by subsistence crop farmers in the low-lying areas of the village yield to an unequal distribution of water to households, especially to those in the high-lying parts of the village. In order to ensure equal distribution of water and reduce water leakages in the community, a new bulk water pipeline will be constructed. The old bulk water supply pipeline will be repurposed by the municipality to a distribution pipeline to households, instead of a supply pipeline to the reservoir.				
Who initiated project:	Afplats Mine Project (The project constates what is Phase 2 of the water project already implemented by Afplats under SLP 1)				
Geographical location of the project:	District Municipality:	Local Municipality:	Village name:	Project start date:	Project end date:
	Bojanala District	Madibeng LM	Segwaelane Village: Ward 32	2023	2025
	Key performance area:	Key performance indicator:	Responsible entity:	Timeframes:	Budget:
Output:	<ul style="list-style-type: none"><li>• New and installed pipeline from the village railway track to the Segwaelane Reservoir.</li></ul>	<ul style="list-style-type: none"><li>• Equal water distribution of water from the reservoir to low and high-lying areas of the village</li></ul>	<ul style="list-style-type: none"><li>• Impala Project Team</li></ul>	<ul style="list-style-type: none"><li>• Project planned to start within 2023 Calendar year.</li></ul>	<ul style="list-style-type: none"><li>• R 10 000 000</li></ul>
	<ul style="list-style-type: none"><li>• Deepened pipeline installation to discourage illegal connections.</li></ul>	<ul style="list-style-type: none"><li>• Discourage actions of illegal water connections to the new pipeline</li></ul>	<ul style="list-style-type: none"><li>• Impala project Stakeholder Engagement</li></ul>		
	<ul style="list-style-type: none"><li>• Increased water supply into the Segwaelane Reservoir.</li></ul>	<ul style="list-style-type: none"><li>• Open opportunity for municipality to amend and repurpose the old supply pipeline to serve as an additional distribution pipeline in the village.</li></ul>	<ul style="list-style-type: none"><li>• Community Structures</li></ul>		

	Male adults:	Female adults:	Male youth:	Female youth:	Total:	GPS Coordinates	Comments:
No. of jobs to be created:						-25.662359, 27.611467	The number of jobs created might vary dependent on the contractor appointed. Jobs created can include, but are not limited to: civil engineers, surveyors, machine operators, quantity surveyors, general workers, etc.
Medium term:	This project seeks to contract local businesses and employ local unemployed people within the host community.						
Long term:	Increased and equitable water distribution within the community of Segwaelane Village						
Links with other development initiatives:	This project is endorsed by the local municipality of Madibeng and the relevant Tribal Council.						
Sustainability plan:	The project will be handed over to the Local Municipality of Madibeng (Economic Development, Tourism and Agriculture) and the Tribal Authority for management.						
Completion date and exit strategy:	Once the project is completed it will be handed over to Local Municipality of Madibeng (Economic Development, Tourism and Agriculture & Water and Sanitation departments) for maintenance.						



**[Revised] Table 24b cont: Project Implementation Plan**

#	MILESTONE	DESCRIPTION	DUE DATE
1	Project design and scope finalisation	Agreement on the detailed construction design with all stakeholders	30 October 2023
2	Bill of Quantities	Draft and finalise BOQ	10 December 2023
3	Request for quotes (RFQ)	Request for quotations from local SMMEs	30 January 2023
4	Contractor appointment	Shortlist and appoint the suitable local SMME	01 March 2024
5	Commencement of work	Commence with the work as outlined in the BOQ	30 April 2024
6	Project completion	Project finalisation and closeout report	5 December 2024
7	Project hand over (Launch)	Hand over the project to the Local municipality of Madibeng and Tribal Authority for maintenance	31 January 2025

#### 1.4 Public Participation:

##### 1.4.1 Meetings with Segwaelane Tribal Authority

- 13 January 2023: Section 102 meeting with Tribal Council to explain the submission process.
- 17 January 2023: Site visit with Tribal Council representative ( ) to conduct needs assessment.
- 18 January 2023: Delivery of SLP 1 hard copy to Tribal Council and the ward committee

##### 1.4.2 Meetings with Madibeng Local Municipality officials

- 18 January 2023: Section 102 meeting with MLM LED ( ) and understand requirements from the municipality.
- 28 March 2023: Section 102 meeting with MLM department of Water and sanitation ( ) to amend initial scope based on needs assessment.
- 5 May 2023: Site Visit with MLM LED, MLM department of water and sanitation, ward Cllr and as well as the Tribal Council to agree on the new scope and timelines.
- 19 May 2023: Introductory meeting with MMC LED ( ) and request endorsement on the water project.
- 11 September 2023: Endorsement meeting with LED Acting Director ( ) and NW department of water and sanitation ( )

##### 1.4.3 Submission made to the Madibeng Local Municipality (Local Economic Development)

- 8 December 2023: SLP 1,2,3 and 4 feedback report
- 26 June 2023: Segwaelane water project Implementation Plan
- 22 August 2023: Request for endorsement letter with Approved SLP 1 and Implementation Plan

##### 1.4.4 See the independent consultant's report and related portfolio of evidence attached as Annexure B.

## 2. **Income Generating: Bakery in Mokolokwe [erroneously referred to as Mokolokwe instead of Bethanie] (project replaced by Demolishing and Rebuilding of Bethanie Community Hall to Convert it to Multi-Use Centre and Renovating Guard Structure)**

### 2.1 Approved Commitment:

#### 2.1.1 A local bakery in Bethanie was identified as an income generating and poverty alleviation project. The initial commitment envisioned a well-managed bakery in the area with the potential to create job opportunities and provide cost effective food to the local community.

#### 2.1.2 Afplats would assist the bakery in negotiating contracts, delivery vehicles, a local marketing campaign and mentoring of bakery staff.

#### 2.1.3 See extract from SLP 1, page 50 to 54, section 4 LED project sheets under table number: 24c, of the submission of the detailed LED and financial provision relating thereto, dated March 2008, and approved April 2008: Bakery in Bethanie



Table 24 c. Income Generating Project: Bakery in Mokolokwe

Project Name	Income Generating Project: Bakery in Mokolokwe			FY of Project Sheet	2007/08
Background to project	A local bakery in Bethanie has been identified as an income generating and poverty alleviation project. Although the bakery is currently operational, it is not financially feasible and does not supply the local community with good quality products. A well managed bakery in the area has the potential to create job opportunities for a group of women as well as provide cost effective food to the local community. The mine's involvement in the bakery will be to conduct a thorough feasibility study and develop a business plan, upgrade the infrastructure (including building, electricity supply, bakery equipment, office equipment), provide business training, assist with establishing a market and mentor the owners and employees. Further bread from the bakery will be distributed to schools, police stations and community organizations in support of feeding schemes.			Project start date	2008
				Project End Date	2011
Project incorporated into which IDP	Mabong Local Municipality		IDP Project Reference Number		
Project Partners	Afplats, Mabong Local Municipality		Beneficiaries (Community Specific)		
Geographical Location of project	Total Expected Number of Jobs to be created	Male	Female	Youth	Disabled
		5	15	5	
Refer to locality map in SLP	Output	Activity		Responsible Entity	FY 2007/08 Budget Allocation
		KPA (Key Performance Area)		KPI (Key Performance Indicator)	
Quarter 1	Establish ownership of current bakery and community support of the project	Communication and consultation process with local authority, ward councillors and interested parties	Identify management of the bakery and set in place all processes to ensure registration of business and other legal requirements	Afplats	100,000.00
	Feasibility Study and business plan development	Feasibility Report	Report completion	Consultant TBD	
Total:					100,000.00

Table 24 c. Income Generating Project: Bakery in Mokolokwe

Project Name	Income Generating Project: Bakery in Mokolokwe			FY of Project Sheet	2008/09
Background to project	A local bakery in Bethanie has been identified as an income generating and poverty alleviation project. Although the bakery is currently operational, it is not financially feasible and does not supply the local community with good quality products. A well managed bakery in the area has the potential to create job opportunities for a group of women as well as provide cost effective food to the local community. The mine's involvement in the bakery will be to conduct a thorough feasibility study and develop a business plan, upgrade the infrastructure (including building, electricity supply, bakery equipment, office equipment), provide business training, assist with establishing a market and mentor the owners and employees. Further bread from the bakery will be distributed to schools, police stations and community organizations in support of feeding schemes.			Project start date	2008
				Project End Date	2011
Project incorporated into which IDP	Mabong Local Municipality		IDP Project Reference Number		
Project Partners	Afplats, Mabong Local Municipality		Beneficiaries (Community Specific)		
Geographical Location of project	Total Expected Number of Jobs to be created	Male	Female	Youth	Disabled
Refer to locality map in SLP	Output	Activity		Responsible Entity	FY 2008/09 Budget Allocation
		KPA (Key Performance Area)		KPI (Key Performance Indicator)	
Quarter 1	Formalise business venture and finalise all legal agreements		Business to be formally registered, access to a bank account etc	Afplats	
	Upgrade power & infrastructure	Upgrade electricity supply in the bakery to support bakery equipment, upgrade infrastructure currently available in bakery	Adequate electricity to run bakery at optimum production, ensure a pleasant and hygienic working environment. Create a inviting clean front	Afplats	
Quarter 2	Purchase and install equipment	Office equipment as well as equipment for bakery	Installation of office equipment and adequate baking equipment and infrastructure as identified in the feasibility study	Afplats	
Quarter 3	Training of personnel	During the feasibility study the background of management and personnel of the current bakery would be clarified, the mine undertakes to send identified personnel to required training (Practical bakery, business skills etc)	Identified individuals to commence with required training	Afplats	
Quarter 4	Market research and development	Utilise the information gained through feasibility study to assist bakery in the marketing of their product, assist with gaining access to the market	Mine will assist bakery with negotiation to get contracts, delivery vehicle, local marketing campaign such as community radio ads, mentoring of bakery personnel	Afplats	
	Commence with Bakery	Bakery is operational and delivering products to the local community			
Total:					2,000,000.00

Table 24 c. Income Generating Project: Bakery in Mokolokwe

Project Name	Income Generating Project: Bakery in Mokolokwe			FY of Project Sheet	2009/2010
Background to project	A local bakery in Bethanie has been identified as an income generating and poverty alleviation project. Although the bakery is currently operational, it is not financially feasible and does not supply the local community with good quality products. A well managed bakery in the area has the potential to create job opportunities for a group of women as well as provide cost effective food to the local community. The mine's involvement in the bakery will be to conduct a thorough feasibility study and develop a business plan, upgrade the infrastructure (including building, electricity supply, bakery equipment, office equipment), provide business training, assist with establishing a market and mentor the owners and employees. Further bread from the bakery will be distributed to schools, police stations and community organizations in support of feeding schemes.			Project start date	2008
				Project End Date	2011
Project incorporated into which IDP	Mabong Local Municipality		IDP Project Reference Number		
Project Partners	Afplats, Mabong Local Municipality		Beneficiaries (Community Specific)		
Geographical Location of project	Total Expected Number of Jobs to be created	Male	Female	Youth	Disabled
Refer to locality map in SLP	Output	Activity		Responsible Entity	FY 2009/10 Budget Allocation
		KPA (Key Performance Area)		KPI (Key Performance Indicator)	
FY 2010/2011	To produce bread, buns, Swiss rolls, biscuits, cocktail buns and rusks	Operational Cost	The funds will be used for the day to day operation of the project		
	To create sustainable jobs for the local community through an income generating project	Marketing Sales and branding	All products will be marketed and branded		
		Allowance while generating income			
		Monitoring and evaluation	Financial reports and progress reports to be available		
	Formally trained and empowered business owners and employees	Continuous training and mentoring for identified personnel			
Total:					600,000.00

Table 24 c. Income Generating Project: Bakery in Mokolokwe

Project Name	Income Generating Project: Bakery in Mokolokwe				FY of Project Sheet	2010/11
Background to project	A local bakery in Bethanie has been identified as an income generating and poverty alleviation project. Although the bakery is currently operational, it is not financially feasible and does not supply the local community with good quality products. A well managed bakery in the area has the potential to create job opportunities for a group of women as well as provide cost effective food to the local community. The mine's involvement in the bakery will be to conduct a thorough feasibility study and develop a business plan, upgrade the infrastructure (including building, electricity supply, bakery equipment, office equipment), provide business training, assist with establishing a market and mentor the owners and employees. Further bread from the bakery will be distributed to schools, police stations and community organizations in support of feeding schemes.				Project start date	2008
					Project End Date	2011
Project incorporated into which IDP	Madibeng Local Municipality		IDP Project Reference Number			
Project Partners	Afplats, Madibeng Local Municipality		Beneficiaries (Community Specific)			
Geographical Location of project	Total Expected Number of Jobs to be created:	Male	Female	Youth	Disabled	
Refer to locality map in SLP	Output:	KPI (key performance area)	KPI (Key Performance Indicator)	Responsible Entity	FY 2010/11 Budget Allocation	
	To produce bread, buns, Swiss rolls, biscuits, cocktail buns and rusks	Operational Cost	The funds will be used for the day to day operation of the project			
FY 2010/2011	To create sustainable jobs for the local community through an income generating project	Marketing Sales and branding	All products will be marketed and branded			
	Formally trained and empowered business owners and employees	Monitoring and evaluation	Financial reports and progress reports to be available			
		Continuous training and mentoring for identified personnel				
	Total:				800,000.00	
Exit Strategy	The mine's commitment to the bakery is to assist local entrepreneurs with the establishment of an economically viable business that will provide in the needs of the local community. To that effect the mine will upgrade and provide the infrastructure to ensure a profitable and hygienic operation can be run. Further the mine will develop and mentor the identified personnel throughout the five year period that the mine is actively involved to ensure that the necessary skills transfer and business acumen are established in the bakery to ensure its sustainability. The mine however realizes that operational capital and cash flow are the biggest challenges to a start up enterprise and therefore the mine undertakes to support the bakery in the following manner: Based on the business plan developed as a result of the feasibility study, the mine undertakes to: <ul style="list-style-type: none"><li>During the first year (FY 2009/2010) of operation at the bakery, purchase at least 60% of the stock required to ensure a financially viable business.</li><li>During the second year (FY 2010/2011) of operation at the bakery, purchase at least 40% of the stock required to ensure a financially viable business.</li><li>During the third year (FY 2011/2012) of operation at the bakery, purchase at least 20% of the stock required to ensure a financially viable business.</li></ul> The mine foresees that by the end of FY 2014/2015 the bakery would be sustainable and that no further financial or other assistance will be required as the management will have received adequate skills development, experience and market exposure to run a successful business independent of the mine.					

## 2.2 Reason for Section 102 Amendment Application:

- 2.2.1 Afplats employees were earmarked as primary market for the bakery. It therefore became apparent that the bakery would not be financially viable for as long as Afplats remains non-operational.

## 2.3 Section 102 Amendment Application:

- 2.3.1 Based on the above, Afplats hereby applies in terms of section 102 for the replacement of Bethanie Bakery project with the Bethanie Community Hall. The Bethanie Community Hall addresses a number of development needs and has been reconfirmed as a requirement for the Bethanie Community. Over time the hall has fallen into a state of dilapidation and is now in need of demolition and must be rebuilt.
- 2.3.2 It was agreed that the new design should include aspects such as a traditional and e-library, an indoor sport area that can also be used for community gatherings and events. The Hall should also allow a space where community members can connect online and access the internet.
- 2.3.3 The Hall should also be complimentary to the Bethanie Tribal Offices vision and not duplicate functions of the Bakwena Ba Mogopa Tribal Office functionalities.



**[Revised] Table 24c Bethanie Community Hall: Rustenburg Local Municipality**

Project name:	Demolishing and rebuilding of Bethanie Community Hall to turn it into a multi-use centre. Renovating the security guard structure ( <i>Afplats SLP 1 replacement project</i> )			Classification of project:	Infrastructure
Background:	<p>A Bethanie Community Hall that addresses a number of development needs has been reconfirmed as a requirement for the Bethanie Community. The proposed Bethanie Hall SLP project is a replacement project for a Bethanie Bakery that was originally contained in the Afplats SLP 1 submission but was later found to be unsustainable and was proposed as a replacement project in a Section 102 amendment application.</p> <p>The Hall has over time fallen into a state of dilapidation and is now in need of demolition and must be rebuilt. In the latest assessment and through various meetings with community representatives, it was agreed that new a Hall be designed in such a fashion that it addresses community further community needs and not to remain merely be available for general community gatherings to ensure continued use and sustainability thereof. It was agreed that the new design should which may include aspects such as a traditional and e-library, an indoor sport area that can also be used as a community gatherings and events. The Hall should also allow a space where community members can connect online and access the internet. The Hall should also be complimentary to the Bethanie Tribal Offices vision and not duplicate functions of the Bakwena Ba Mogopa Tribal Office functionalities.</p>				
Who initiated project:	Bethanie Tribal Council supported by Rustenburg Municipality IDP requirements				
Geographical location of the project:	District Municipality:	Local Municipality:	Village name:	Project start date:	Project end date:
	Bojanala District	Rustenburg LM	Bethanie Village: Ward 30	2023	2024
Output:	Key performance area:	Key performance indicator:	Responsible entity:	Timeframes:	Budget:
	<ul style="list-style-type: none"> <li>Demolition of current Bethanie Hall structure.</li> <li>Fencing of Bethanie Hall plot</li> <li>Construction of newly designed Bethanie Hall</li> </ul>	<ul style="list-style-type: none"> <li>Demolition and reversion structures and site cleared.</li> <li>Fencing complete to ensure security of construction site.</li> </ul>	<ul style="list-style-type: none"> <li>Implats Project Team and appointed contractors</li> <li>Implats project Stakeholder Engagement</li> </ul>	<ul style="list-style-type: none"> <li>Project planned to start within 2023 Calendar year. (<i>but depends on S102 DMRE</i>)</li> </ul>	<ul style="list-style-type: none"> <li>R 3 200 000</li> </ul>



	<ul style="list-style-type: none"> <li>Renovated and repurposed old security guard house</li> </ul>		<ul style="list-style-type: none"> <li>Newly built Bethanie Hall and associated amenities</li> <li>Security guard house renovated</li> </ul>		<ul style="list-style-type: none"> <li>Elected Community Representatives</li> </ul>	comments and approval)	
No. of jobs to be created:	Male adults:	Female adults:	Male youth:	Female youth:	Total:	GPS Coordinates	Comments:
							The number of jobs created might vary dependent on the contractor appointed. Jobs created can include, but are not limited to: civil engineers, surveyors, machine operators, quantity surveyors, general workers, etc.
Medium term:	This project seeks to contract local businesses and employ local people within the host community.						
Long term:	Support community cohesion and development through indoor sport, community gatherings, access to internet, knowledge, and opportunities (i.e., library and internet)						
Links with other development initiatives:	This project is in line with Bakwena Ba Mogopa Tribal Council development plans as well as the RLM IDP. The municipal Integrated Development Plan (2022-2027) page 477 also identifies the need for a community multi-purpose centre and library in Bethanie. This project aligns with the municipality's objective to develop the Eastern Planning Area (Bethanie region) of the municipality, into a fully-fledged development precinct (pg. 390).						
Sustainability plan:	Support partnerships will be developed during the construction of the Bethanie Hall. The project will be handed over to the Rustenburg Local Municipality for management and maintenance, in partnership with their development partners such as the Bakwena Ba Mogopa Tribal Council and other sponsors. Before construction starts a handover and sustainability plan will exist.						
Completion date and exit strategy:	Once the project is completed it will be handed over to Bakwena Ba Mogopa Traditional Authority for ongoing management and maintenance of the infrastructure guided by an MoU between the RLM and the Traditional Authority. Planned end date is March 2025						

**[Revised] Table 24c cont: Project Implementation Plan**

#	MILESTONE	DESCRIPTION	DUE DATE
1	Project design and scope finalisation	Agreement on the detailed construction design with all stakeholders	15 January 2024
2	Bill of Quantities	Draft and finalise BOQ	28 February 2024
3	Request for quotes (RFQ)	Request for quotations from local SMMEs	12 March 2024
4	Contractor appointment	Shortlist and appoint the suitable local SMME	15 April 2024
5	Commencement of work	Commence with the work as outlined in the BOQ	30 June 2024
6	Project completion	Project finalisation and closeout report	26 March 2025
7	Project hand over (Launch)	Hand over the project to Bakwena Ba Mogopa Tribal Authority	31 April 2025



## 2.4 Public Participation:

- 2.4.1 Meetings with Rustenburg Local Municipality officials
- 8 September 2023: SLP 4 Introductory meeting (RLM LED Director and Deputy Director: Mr. Sehloho and Mr. Komane)
  - 4 January 2023: Needs Assessment meeting on Bethanie Hall (Ward Cllr Tshepo Mooketsi)
  - 16 January 2023: SLP 1 hardcopy delivery and follow up meeting on Bethanie Hall (Ward Cllr Tshepo Mooketsi)
  - 12 February: Request support on the Bethanie Hall project for Sect 102 submission (Ward Cllr Tshepo Mooketsi)
  - 2 March 2023: Discuss next steps for Section 102 endorsements for Bethanie Hall project (MMC LED: Cllr Karabo Phuthu)
  - 25 July 2023: Presentation of project scope of work and implementation plan to LED Acting director (Mr. Sehloho) and HODs
  - 5 September: Follow up meeting the requested endorsement letter (LED Acting director Mr. Sehloho and MMC LED: Cllr Karabo Phuthu)
- 2.4.2 Submissions made to the Rustenburg Local Municipality (Local Economic Development)
- Afplats Public Participation Report (PoE): Submitted electronically on 6 February 2023 and Hardcopy on 9 February 2023
  - Modikwe Implementation Plan document: Submitted electronically on 26 June 2023
  - Re-submission of project scope of work and Implementation plan: 5 September 2023
- 2.4.3 Meetings with Bakwena Ba Mogopa Traditional Authority
- 23 January 2023: Section 102 meeting with Tribal Council to explain the submission process.
  - 22 February 2023: Follow up meeting on Bethanie Hall Section 102 application and requirements from Tribal Council
  - 18 May 2023: Request Kgosi's office to facilitate Bethanie Hall project endorsement meetings with Tribal Council
  - 7 June 2023: Discussed Bethanie Hall scope of work and possible designs with Office of Kgosi, Tribal Council, and community representatives
  - 31 August 2023: Follow up meeting on the requested Bethanie Hall endorsement letter from Office of Kgosi.
- 2.4.4 See the independent consultant's report and related portfolio of evidence attached as Annexure C.



## C. SECTION 6: FINANCIAL PROVISION

### 1. Local Economic Development Programme

**[Revised] Table 26: Financial Provision for Local Economic Development**

Financial Provision	FY2024	FY2025	Total Budget
Segwaelane Water Phase 2: Installation of New Replacement Supply Pipeline from Village Railway Track to Segwaelane Reservoir	R5 000 000	R5 000 000	R10 000 000
Demolishing and rebuilding of Bethanie Community Hall to turn it into a multi-use centre. Renovating the security guard structure (Afplats SLP 1 replacement project)	R1 600 000	R1 600 000	R3 200 000
<b>TOTAL</b>	<b>R6 600 000</b>	<b>R6 600 000</b>	<b>R13 200 000</b>

#### 4. SECTION 7: UNDERTAKING

I, [REDACTED], the undersigned and duly authorized thereto by AFPLATS (PTY) LIMITED undertake to adhere to the information, requirements, commitments and conditions as set out in the social and labour plan.

Signed at JOHANNESBURG on this the 28<sup>th</sup> day of September 2023

Signature of responsible person: \_\_\_\_\_

Designation: CEO, AFPLATS (PTY) LTD

Contact Details: 011 – 731,9000

#### Approved

Signed at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

Signature of responsible person \_\_\_\_\_

Designation \_\_\_\_\_

Signed at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

Signature of responsible person \_\_\_\_\_

Designation \_\_\_\_\_

The Annexures contained in the pages hereafter contains confidential information. Should you have a need to access this information please follow the PAIA process.