



SOCIAL AND LABOUR PLAN 2014 – 2019 CLOSE OUT REPORT

Mining Right : MR 517 NC & MR 518 NC



BLACK MOUNTAIN MINING

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List of Abbreviations

| | |
|-------|-------------------------------------------------------------------------------------------------|
| AET | Adult Education and Training |
| BMM | Black Mountain Mining (PTY) LTD (consisting of Deeps, Swartberg and Gamsberg Mining operations) |
| CSI | Corporate Social Investment |
| DMR | Department of Mineral Resources |
| DoL | Department of Labour |
| EE | Employment Equity |
| FF | Future Forum |
| HDSA | Historically Disadvantaged South Africans |
| HLC | Housing and Living Conditions |
| HIV | Human Immunodeficiency Virus |
| HRDP | Human Resources Development Programme |
| LED | Local Economic Development |
| MPRDA | Mineral and Petroleum Resources Development Act No. 28 of 2002 |
| SLP | Social and Labour Plan |
| SMME | Small Medium and Micro-Sized Enterprises |
| WES | Work Exposure Students |
| WIM | Women in Mining |

1. INTRODUCTION

The Department of Mineral Resources (DMR) requires a close out report at the end of a five year Social and Labour Plan (SLP) term, in compliance with the Mineral and Petroleum Resources Development Act No. 28 of 2002 (MPRDA). Black Mountain Mining (BMM – consisting of Deeps, Swartberg and Gamsberg Mining operations) (Pty) Ltd, conducted an assessment of the company's performance against the commitments of the two SLPs, the result of which is captured in this close out report. The report contains the outcomes for **MR517 SLP**, for year 1 to 5 (that is **April 2014 to March 2019**), and for **MR518 SLP** submitted (from **2017 to end March 2019**).

BMM applied for extension of the implementation date for the MR518 SLP on 8 June 2016 and was granted permission on 21 June 2016 to start with implementation in 2017.

It is important to note that the results reflected in this report are **for MR517's five-year targets and actuals**, and for **MR518**, the first two years of implementation, namely **2017/2018 and 2018/2019**.

In September 2019, BMM intends submitting a **new consolidated SLP** for both Mining Rights.

In summary, **BMM is fully compliant** with the MPRDA in that all commitments for MR517 SLP were met. In only two (2) years of implementation, BMM achieved most targets for MR518 SLP programmes, with the exception of one multi-year local economic development programme (the Broad-Based Livelihood Programme). BMM has committed to fast-track this programme, and complete implementation by end 2020.

The ensuing sections of the report provide an assessment of evidence on BMM's commitment to the transformation and empowerment of its workforce and socio-economic development of its communities.

1.1 PARTICULARS OF OPERATION

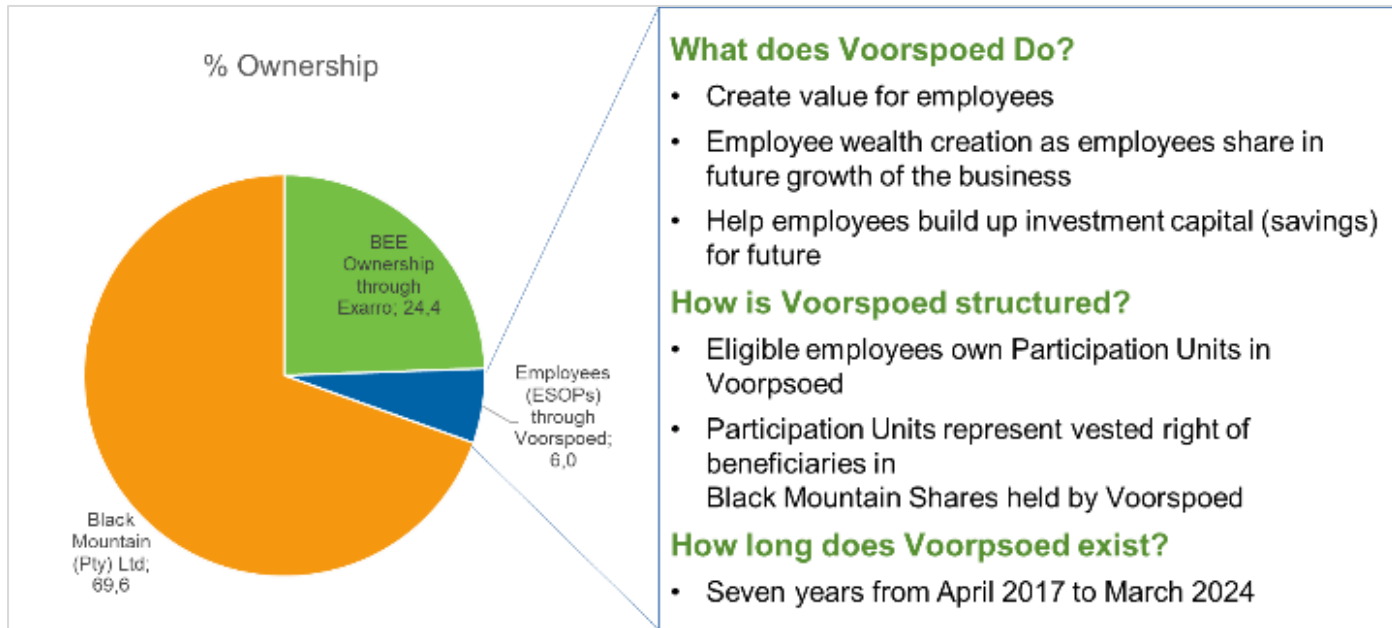
| | |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of company | Black Mountain Mining (Pty) Ltd |
| Name of mine | Black Mountain Mine (BMM) |
| Physical address | MR 517 Deeps and Swartberg: Aggeneys 56 Portion 1, Zuurwater 62 and Koeries 54 Portion 1 MR 518 Gamsberg: Bloemhoek 61 Portion1, Gams 60 Portion 1, and Aroams 57 RE (between the towns of Aggeneys and Pofadder). |
| Postal address | Private Bag X01 Aggeneys 8893 |

| | |
|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Telephone number | (054) 983-9256 |
| Fax number | (054) 983-9353 |
| Location of mine | <p>BMM's Deeps/Swartberg Operation is situated immediately west of the town of Aggeneys within the Khâi-Ma Local and Namakwa District Municipalities, Northern Cape Province.</p> <p>BMM's Gamsberg Operation is situated east of the town of Aggeneys just off the provincial road to Pofadder, within the Khâi-Ma Local and Namakwa District Municipalities, Northern Cape Province.</p> |
| Commodity | Zinc, Copper, Lead & Silver |
| Life of mine | 13 years? Which one? Gamsberg has a longer life of mine than Swartberg and Deeps. |
| Breakdown of employees per labour sending area | <i>See Section 1.4</i> |
| Financial year end | March |

1.2 BLACK MOUNTAIN MINE OWNERSHIP STRUCTURE

BMM is owned by Vedanta via THL-Zinc Limited (69.6%) with Black ownership through Exxaro Resources Limited (24.4%) and 6% owned by the employees through an employee share ownership programme called the "Voorspoed Trust".

Figure 1: Ownership structure

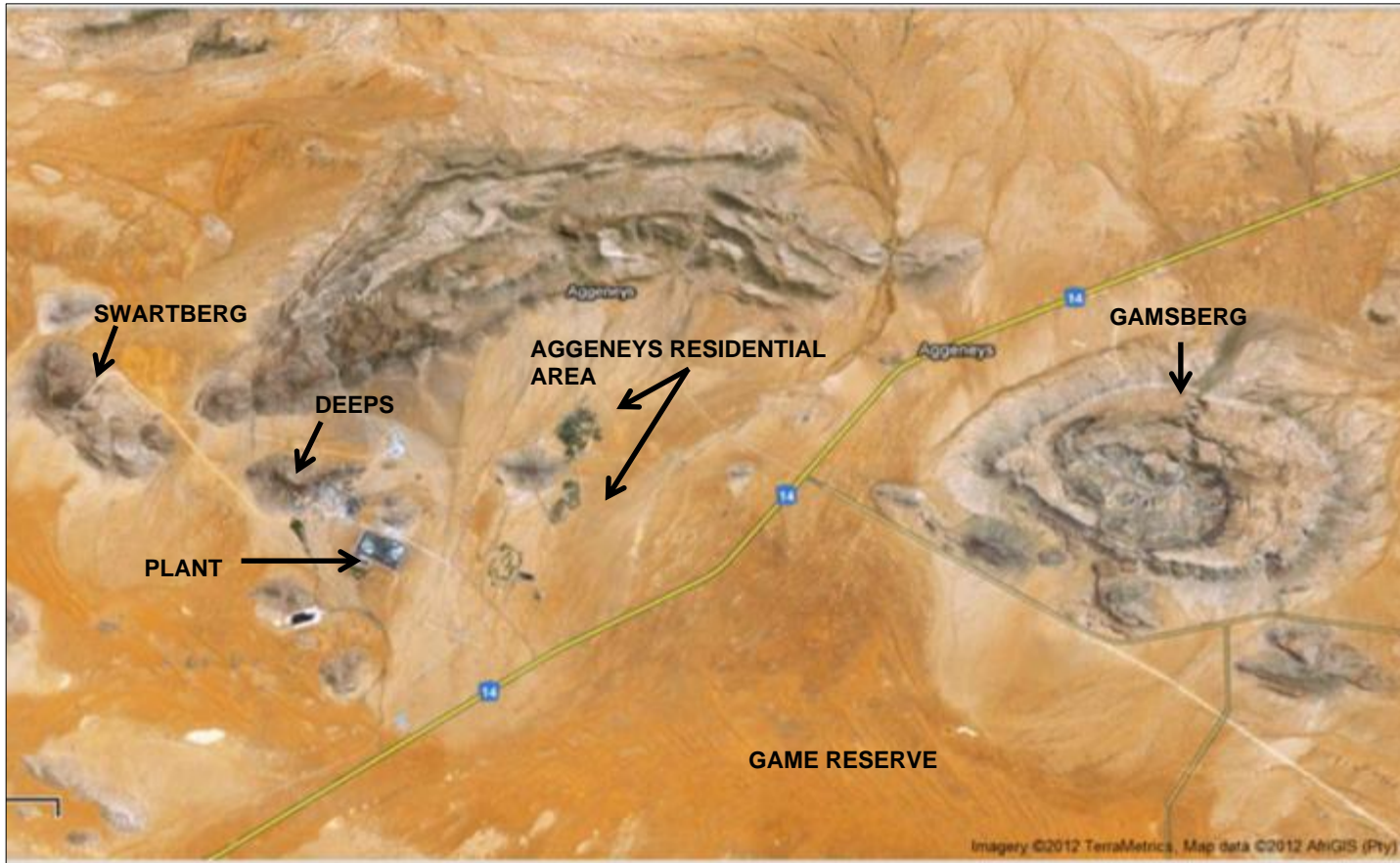


1.3 LOCALITY

BMM's Deeps/Swartberg operation is located within the town of Aggeneys, 113km north-east of Springbok in Northern Cape province, South Africa. Gamsberg is located about 25km east of Aggeneys.

Figure 2 indicates the locality of BMM's operations of Deeps, Swartberg and Gamsberg.

Figure 2: Aerial View of Geographical Location of BMM's operations



1.4 LIFE OF MINE BACKGROUND

BMM has been in operation since 1980 and was acquired from Anglo American by Vedanta Resources in 2010/2011. Black Mountain Mine's current operation comprises: i) Two underground mines, namely Deeps, Swartberg and a processing plant; and ii) Gamsberg mine which is an open pit operation and a processing plant. The Deeps mine, which started in 2003, has been the primary mining operation to date and has produced 14.5 million tonnes of sulphide ore from its underground operations. Production at Deeps is currently scheduled to cease in 2023. The Swartberg deposit was mined on a small-scale during the Broken Hill to Deeps interchange but has since started again in January 2013 to supplement the Mill feed. On average, the current Swartberg operation produces about 40,000 tonnes of ore from its underground workings. The Swartberg shaft produces primarily copper and lead, with silver as a by-product. Annual production is of the order of 13.5ktpa of metal-in-concentrate. Plans are well advanced to deepen Swartberg, which will increase production to 1.6Mtpa of copper and lead ore, and 60ktpa - 70ktpa of metal-in-concentrate, depending on a favourable economic assessment. Further ramp up is planned for the future, taking copper and lead ore production past the 2Mtpa mark.

The Gamsberg mine, which is BMM's newest operation, exploits one of the largest known, undeveloped zinc orebodies in the world and comprises an open pit mine and a dedicated processing plant.

1.5 LABOUR TRENDS

BMM employs an outsourced workforce model at Gamsberg and makes use of core-contractors to fulfil primary mining and plant operations. At Deeps and Swartberg, BMM has a direct labour workforce model. The labour sending areas for both direct (permanent) and indirect (core-contractor) employees are captured below:

Table 1: Labour Trends

| LABOUR NUMBERS | FY 2011-12 | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 |
|-----------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual |
| Direct Labour total | 903 | 822 | 821 | 849 | 829 | 838 | 921 | 962 |
| Indirect Labour total | - | - | - | - | - | - | 380 | 842 |
| Overall Labour | 903 | 822 | 821 | 849 | 829 | 838 | 1301 | 1804 |

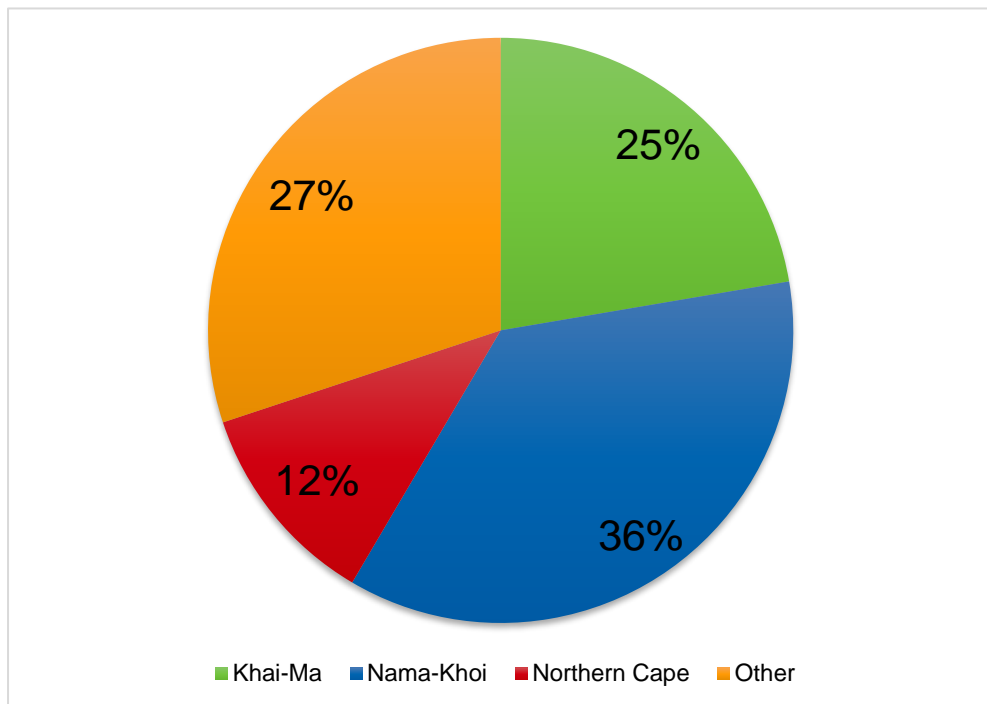
1.6 LABOUR SENDING AREAS

BMM sources more than 61% of its labour force from within the District Municipal area of Namakwa.

Table 2: Labour-sending areas

| Labour Sending Area | Total number | % |
|---------------------|--------------|-------------|
| Khai-Ma | 454 | 25% |
| Namakhoi | 640 | 36% |
| Northern Cape | 218 | 12% |
| Other | 492 | 27% |
| Total | 1804 | 100% |

Figure 3: Labour sending percentage splits per area



2. HUMAN RESOURCES DEVELOPMENT PROGRAMME

BMM's Human Resource Development (HRD) Programme and business strategies are aligned to ensure the transformation and empowerment of its workforce as well as its surrounding community. BMM committed to implement the following HRD programmes in their previous SLP (2014 - 2019): ABET, Core Business Skills Training, Career Progression, Portable Skills, Learnerships, Bursaries, Internships, Developmental programmes to build a talent pool, Mentorships and Employment Equity targets.

BMM is compliant in HRD implementation. In the SLP for MR 517 (Deeps/Swartberg), a spend of **R53 850 139.00** over the 5-year period was achieved, which is well above the committed target of **R48 329 472.00**. The reported spend over the 5 years includes tuition costs as well as disbursements, overheads, travel, accommodation, materials and opportunity costs.

For MR 518 (Gamsberg), BMM achieved an overall spend of **R26 361 808.00** against a committed total of **R 10 393 644.00** for 2017/18 and 2018/19 (of the total 5-year commitment of **R37 650 275.00**) in **less than 1 year of operation**. Table 3, below, provides a summary of the overall spend. The sections which follow, outline the implementation of BMM's HRD Programmes for both MR 517 and MR 518.

Table 3: Summary of Human Resource Development (HRD) spend

| | 5-year TARGET | 5-year ACTUAL SPEND |
|--------------------------------|----------------------------------------------------------------------------------|-----------------------|
| Human Resource Development 517 | R48 329 472.00 | R53 850 139.00 |
| Human Resource Development 518 | R10 393 644.00 (start to date) R37 650 275.00 (full 5-year commitment) | R26 361 808.00 |

2.1 ADULT EDUCATION AND TRAINING (AET)

Table 4: AET 18.1 SLP Compliance for Employees

| Mining right 517 | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 | Total |
|----------------------------|-----------|-----------|-----------|-----------|-----------|-------------|
| Target | 10 | 10 | 10 | 10 | 10 | 50 |
| Actual | 9 | 30 | 2 | 1 | 0 | 42 |
| Total Financial SLP Target | | | | | | R793 874.00 |
| Total Financial Actual | | | | | | R653 876.00 |
| Mining right 518 | | | | 2017/2018 | 2018/2019 | Total |
| Target | | | | 0 | 0 | 0 |
| Actual | | | | 0 | 0 | 0 |
| Total Financial SLP Target | | | | | | R0.00 |
| Total Financial Actual | | | | | | R0.00 |

Table 5: AET 18.2 SLP Compliance for the Community

| Mining right 517 | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 | Total |
|----------------------------|-----------|-----------|-----------|-----------|-----------|---------------|
| Target | 2 | 2 | 2 | 2 | 2 | 10 |
| Actual | 2 | 2 | 2 | 18 | 13 | 37 |
| Total Financial SLP Target | | | | | | R14 093.00 |
| Total Financial Actual | | | | | | R1 799 367.00 |
| Mining right 518 | | | | 2017/2018 | 2018/2019 | Total |
| Target | | | | 0 | 2 | 2 |
| Actual | | | | 12 | 0 | 12 |
| Total Financial SLP Target | | | | | | R2 650.00 |
| Total Financial Actual | | | | | | R369 892.00 |

Implementation summary for 2014 - 2019

As depicted in Table 4, BMM achieved a total number of 42 AET training interventions to a committed 50 for the 5-year implementation period of MR 217 SLP. It was found that the level of interest in AET by employees tapered off after 2016. To help address this, BMM engaged organised labour to assist in driving an AET revival, with the focus on showing viable career paths for AET students. Due to the reduced interest from internal employees, the company increased the enrolment numbers for community members, as part of a strategy to prepare a **potential talent pool for future skills needs of the company**, within the local municipal region. BMM MR 517 addressed its shortfall in 18.1 by increasing the number of AET opportunities offered to the communities.

BMM MR 518 made no commitment for employees (18.1) for AET as the minimum level of education for employees is Grade 12.

In the AET training programme for the community, BMM MR 517 overachieved its overall commitment by offering training to 37 people against a committed 10 with spending a total of R1 799 367.00. BMM MR 518 committed to train a total number of 2 people for the first two years, BMM MR 518 also overachieved its commitment by enrolling a total number of 12 people into the AET for community programme.

2.2 CORE BUSINESS SKILLS TRAINING

Table 6: Core Business Skills Training SLP Compliance for Employees

| Mining right 517 | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 | Total |
|----------------------------|-----------|-----------|-----------|-----------|-----------|----------------|
| Target | 1320 | 1289 | 1289 | 1289 | 1289 | 6476 |
| Actual | 0 | 0 | 1572 | 1371 | 1616 | 4559 |
| Total Financial SLP Target | | | | | | R27 640 957.00 |
| Total Financial Actual | | | | | | R32 070 438.00 |
| Mining right 518 | | | | 2017/2018 | 2018/2019 | Total |
| Target (18.1) | | | | 0 | 794 | 794 |
| Actual (18.1) | | | | 0 | 1060 | 1060 |
| Target (18.2) | | | | 20 | 20 | 40 |
| Actual (18.2) | | | | 39 | 0 | 39 |

| | | |
|-----------------------------------|--|----------------|
| Total Financial SLP Target | | R3 422 694.00 |
| Total Financial Actual | | R13 003 322.00 |

Implementation summary for 2014 – 2019

BMM MR 517 committed to implement Core Business Skills training across the organisation. The total budget commitment for the 5-year period was R27 640 957.00. BMM 517 is compliant in Core Business Skills training as R32 070 438.00 spend was achieved, which is nearly a R4 million overspend. The spend over the 5 years includes tuition costs as well as disbursements, overhead, travel, accommodation, materials and opportunity costs.

BMM MR 518 is committed to spend R3 422 694.00 in the first two years, and achieved a spend of R13 003 316.00 on training up its employees, in less than 1 full year of operation. BMM MR 518 is committed to offer core business skills training to 40 community members, narrowly missing this target by 1.

2.3 CAREER PROGRESSION

Table 7: Career Progression SLP Compliance

| Mining right 517 | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 | Total |
|-------------------------|------------------|------------------|------------------|------------------|------------------|--------------|
| Target | 20 | 0 | 5 | 15 | 5 | 45 |
| Actual | 0 | 0 | 18 | 180 | 8 | 206 |

Implementation summary for 2014 – 2019

During the SLP period, BMM MR 517 had committed to implement a Career Progression Plan that would provide growth, development and progression opportunities for employees within the mining operations. BMM MR 517 achieved massive strides in its growth and development of employees through advanced skills programs, degree programs and development initiatives aimed at improving the development opportunities of its workforce. To ensure that employees were aware of the opportunities available to them, BMM communicated the Career Development System (CDS) to all employees. The generic career paths as well as how it's related to the employee's development plans was emphasized.

BMM has seen 206 historically disadvantaged employees progressing within the organisational structures of the organisation, against the committed target of 45.

For BMM MR 518, it is important to note that it is a new mining operation that only commenced operation towards the end of 2018. No career progression figures are therefore reported due to the insufficient

time for Career Progression results. The same CDS programme in operation at MR 517 is being established at MR 518.

2.4 PORTABLE SKILLS

Table 8: Portable Skills SLP Compliance for Employees

| Mining right 517 | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 | Total |
|----------------------------|-----------|-----------|-----------|-----------|-----------------------|-----------------------|
| Target | 34 | 34 | 34 | 34 | 34 | 170 |
| Actual | 0 | 0 | 34 | 0 | 45 | 79 |
| Total Financial SLP Target | | | | | | R2 254 836.00 |
| Total Financial Actual | | | | | | R1 531 873.00 |
| Mining right 518 | | | | 2017/2018 | 2018/2019 | Total |
| Target (18.1) | | | | 0 | 25 | 25 |
| Actual (18.1) | | | | 0 | 0 | 0 |
| Target (18.2) | | | | 0 | 15 | 15 |
| Actual (18.2) | | | | 0 | 54 of 250 enrolled | 54 of 250 enrolled |
| Total Financial SLP Target | | | | | | R500 000.00 |
| Total Financial Actual | | | | | | R8 309 676.00 |

Implementation summary for 2014 – 2019

Portable skills were offered to employees in all 5 host communities (namely, Aggeneys, Pella, Pofadder, Onseepkans, Witbank) in non-mining related skills. Programmes included Welding, Early Childhood Development, Professional Cookery and Computer skills. The total financial commitment (for both MR 517 and MR 518) of R2 754 836.00 was more than tripled, with a total spend of R9 841 549.00. Of the planned 250 learners (unemployed youth), 54 have been selected will be selected from the Northern Cape and enrolled to be trained as electrical and construction engineers, diesel mechanics, boilermakers and fitters & turners.

A total of 54 students have been based at Black Mountain since the start of the program. The programme runs over three years until May 2019 and will produce fully qualified artisans during the “Decade of the Artisan”, an initiative of the Department of Higher Education and Training.

2.5 LEARNERSHIPS

Table 9: Learnerships SLP Compliance for Employees

| Mining right 517 | 2014/201 5 | 2015/201 6 | 2016/201 7 | 2017/201 8 | 2018/201 9 | Total |
|---------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Target | 24 | 0 | 22 | 8 | 14 | 68 |
| Actual | 7 | 11 | 17 | 12 | 22 | 69 |
| Total Financial Target | | | | | | R8 011 793.00 |
| Total Financial Actual | | | | | | R9 130 192.00 |
| Mining right 518 | | | | 2017/201 8 | 2018/201 9 | Total |
| Target (18.1) | | | | 19 | 19 | 38 |
| Actual (18.1) | | | | 49 | 20 | 69 |
| Target (18.2) | | | | 8 | 8 | 16 |
| Actual (18.2) | | | | 0 | 0 | 0 |
| Total Financial Target | | | | | | R2 391 660.00 |
| Total Financial Actual | | | | | | R3 413 542.00 |

No commitment for community learnerships was made for MR 517.

Implementation summary for 2014 - 2019

Due to BMM's business expansion and growth strategy, learnerships were a necessary catalyst in preparing the workforce for the future skills needs of the expanding mining operations. As stipulated in the MR 517 SLP the provision of learnerships within BMM is aimed at addressing current and future skills and competency needs in terms of the career pathing structure and the HRD planning process. Furthermore, learnerships are aimed at addressing scarce and critical core skills requirements, hard to fill vacancies and women in mining (WIM) at BMM and the mining industry as a whole in South Africa.

The Graduate Programme was aimed at developing previously disadvantaged youth. The programme's duration is 3 years and graduates are afforded the opportunity to develop skills in their specific field of specialisation.

BMM MR 517 committed to a total of 68 learnerships at a total cost of R8 011 793.00. BMM MR 517 was compliant by offering learnerships to a total number of 69 employees at a cost of R9 130 192.00.

BMM MR 518 committed to 38 learnerships and achieved 69 learnerships at the cost of R3 413 542.00.

2.6 BURSARIES

Table 10: Bursary Programme SLP Compliance (Experiential Training)

| Mining right 517 | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 | Total |
|------------------------|-----------|-----------|-----------|-----------|-----------|---------------|
| Target | 8 | 8 | 8 | 8 | 8 | 40 |
| Actual | 9 | 5 | 4 | 1 | 55 | 74 |
| Total Financial Target | | | | | | R4 509 675.00 |
| Total Financial Actual | | | | | | R3 052 390.00 |

Implementation summary for 2014 - 2019

BMM is committed to implementing a bursary programme for students at tertiary education institutions inclusive of the costs of enrolment, tuition, and accommodation. It is BMM's commitment to employ within their local community of operation as far as possible. To achieve this, an investment into the development of a talent pool as a source for current and future operations skills is a top priority for BMM.

BMM MR 517 committed to offer 40 bursaries for the SLP duration (2014 – 2019). BMM exceeded this number by offering a total of 74 bursaries at a cost of R3 052 390.00.

No SLP commitment was made by BMM MR 518 in terms of bursaries. Going forward bursary commitments for MR 518 will be included in BMM's new SLP.

2.7 INTERNSHIPS

Table 11: Internships SLP Compliance (Experiential Training)

| Mining right 517 | 2014/201 5 | 2015/201 6 | 2016/201 7 | 2017/201 8 | 2018/201 9 | Total |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Target | 4 | 3 | 3 | 5 | 3 | 18 |
| Actual | 27 | 13 | 3 | 5 | 32 | 80 |
| Total Financial SLP Target | | | | | | R1 620 000.00 |
| Total Financial Actual | | | | | | R3 752 400.00 |
| Mining right 518 | | | | 2017/201 8 | 2018/201 9 | Total |
| Target | | | | 0 | 5 | 5 |

| | | | | |
|----------------------------|--|----|---|----------------------------|
| Actual | | 25 | 0 | 25 |
| Total Financial SLP Target | | | | Included in Bursary budget |
| Total Financial Actual | | | | R 995 000.00 |

Implementation summary for 2014 – 2019

The internship programme aims to develop individuals from the surrounding communities with an opportunity to gain work experience. Moreover, the internship plan helps to develop individuals, thus supplying the operation with its required skills. BMM is also aware of the need to develop qualified individuals from other sectors of the economy, whose communities have been affected by the mine. As can be seen in Table 11, BMM MR 517 committed to offer a total of 18 internships and exceeded this number by offering 80 internships opportunities at a cost of R3 752 400.00 which is more than double its committed financial target. The headcount commitment for MR 518 was exceeded by 20 in the 2-year period, at a cost of R995 000.00. This brings the total spend by BMM for internships to R 4 747 400.00.

2.8 DEVELOPMENTAL PROGRAMMES FOR BUILDING A TALENT POOL (SCHOOL ASSISTANCE AND BRIDGING PROGRAMMES)

Table 12: School Assistance for Community

| Mining right 517 | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 | Total |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|----------------|
| Total Financial SLP Target | R500 000.00 | R530 000.00 | R561 800.00 | R595 508.00 | R631 238.00 | R2 818 546.00 |
| Mining right 518 | | | | 2017/2018 | 2018/2019 | Total |
| Total Financial SLP Target | | | | R500 000.00 | R530 000.00 | R1 030 000.00 |
| Combined Total Financial SLP Target | | | | | | R 3 848 546.00 |
| Combined Total Financial Actual | | | | | | R11 101 680.00 |

Implementation summary for 2014 – 2019

BMM is committed to recruit locally and to achieve this commitment BMM recognises the need to build the local talent pool, through improving access to quality education for Khai-Ma youth. This need was addressed through financial assistance to schools, primarily for teacher salaries and training. BMM is committed to spend R3 848 546.00 for the two mining rights over this period. BMM spent R11

101680.00 on schools assistance, evidence of BMM's commitment to improve access to education and improve the potential for Khai-Ma youth.

2.9 BRIDGING PROGRAMME FOR COMMUNITY

Table 13: Bridging Programme for Community (18.2)

| Mining right 517 and 518 | Total |
|-----------------------------|---------------|
| Target 517 and 518 (18.2) | 59 |
| Total Actual (18.2) | 60 |
| Total Financial SLP Target | R 923 647.00 |
| Total Financial Actual | R1 212 000.00 |

Implementation summary for 2014 – 2019

BMM achieved a combined total of 60 bridging course interventions (over 5 years for MR 517 and 2 years for MR 518), spending R 288 353.00 more than what was committed.

2.10 MENTORSHIP AND COACHING

Table 14: Mentorship SLP Compliance

| Mining right 517 | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 | Total |
|---------------------|-----------|-----------|-----------|-----------|-----------|-------|
| Target | 44 | 43 | 43 | 45 | 43 | 218 |
| Actual | 0 | 3 | 11 | 56 | 92 | 162 |
| Mining right 518 | | | | 2017/2018 | 2018/2019 | Total |
| Target | | | | 0 | 20 | 20 |
| Actual | | | | 19 | 25 | 44 |

Implementation summary for 2014 – 2019

The BMM mentorship programmes focussed on improving the competency of employees to meet current and future requirements of the job, and to enable development and progression of HDSAs. BMM selected targeted employees into a talent pool, enrolled them into the career progression system,

formulated individual development plans and assigned mentors in the form of mentor-mentee agreements. Furthermore, as part of BMM's commitment to develop the community, students were also selected and enrolled into the talent development, career progression mentorship programmes. This ultimately allowed for the students to gain work experience in their study fields and exposure to BMM in line with operation's skills requirements. As indicated in **Table 16**, BMM MR 517 committed to mentor a total of 218 people over the 5 years. The mentorship programme took time to establish and to entrench into the operation, but by year 4 the programme was running successfully and achieving the desired results. BMM will continue to offer the opportunity to be mentored to anyone in the organisation with the desire to progress in their careers.

2.11 HARD-TO-FILL VACANCIES

BMM identified the vacancies indicated in Table 15 as hard-to-fill-vacancies.

Table 15: Hard-to-Fill-Vacancies

| Occupational Level | Job title vacancy | Main reason for being unable to fill the vacancy | Strategies to address identified challenges |
|------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Professionally qualified and experienced specialists and mid management (D) | TMM Engineer, Ventilation and Hygiene Manager, Chief Mine Planning Manager | The remoteness of the area Lack of local skills in the Namakwa District | To align salaries in such a way that we are able to attract these candidates. Develop local capacity and core and critical skills in the communities. |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (C) | Mine Overseer, Mine Planning Engineer, Sectional Ventilation Officer, | The remoteness of the area Lack of local skills in the Namakwa District | To align salaries in such a way that we are able to attract these candidates. Develop local capacity and core and critical skills in the communities. |
| Semi-skilled and discretionary decision-making (B) | Artisans | The remoteness of the area Lack of local skills in the Namakwa District | To align salaries in such a way that we are able to attract these candidates. Develop local capacity and core and critical skills in the communities. |
| Unskilled and defined decision making (A) | 0 | 0 | 0 |

BMM addressed the hard-to-fill-vacancies through:

- The implementation of skills development and learnership programmers within the company;
- The establishment of a talent pool within the company; and

- By offering of conditional bursaries to ensure people work for BMM during and on completion of their studies.

2.12 EMPLOYMENT EQUITY (EE)

BMM fully subscribes to the principles of the Mining Charter for empowering HDSAs and strives to improve on the minimum legislated requirements. BMM believes that Employment Equity is an integral part of building an effective and representative workforce to ensure equality among its future employees.

Table 16 indicates BMM MR 517 and MR 518's Employment Equity status as at 31 March 2019.

Table 16: Employment Equity as per Form S of the MPRDA Regulations for BMM's permanent employees

| Occupational levels | Male | | | | Female | | | | Total |
|--------------------------------------------|------------|------------|-----------|-----------|-----------|------------|----------|-----------|------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management (Board) | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| Senior Management (Exco) | 1 | 5 | 10 | 7 | 0 | 1 | 0 | 1 | 22 |
| Middle Management | 20 | 30 | 13 | 37 | 11 | 14 | 4 | 5 | 133 |
| Junior Management | 26 | 228 | 0 | 36 | 14 | 48 | 4 | 4 | 362 |
| Core & Critical Skills | 71 | 302 | 0 | 7 | 2 | 56 | 0 | 3 | 439 |
| Total number of Permanent Employees | 118 | 565 | 23 | 87 | 27 | 119 | 9 | 13 | 961 |

Table 17:Percentage of HDSA for BMM 517 & 518 at management levels

| | MC II Targets | 2014/2015 Actual | 2015/2016 Actual | 2016/2017 Actual | 2017/2018 Actual | 2018/2019 Actual |
|------------------------|------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Top management | 40% | 0% | 0% | 50% | 50% | 60% |
| Senior management | 40% | 38% | 38% | 66.67% | 50% | 54% |
| Middle management | 40% | 52% | 30% | 64.72% | 59% | 73% |
| Junior Management | 40% | 70% | 75% | 82.61% | 82% | 89% |
| Core & Critical skills | 40% | 96% | 95% | 94% | 94% | 94% |
| | MC II Targets | | | | 2017/2018 Actual | 2018/2019 Actual |
| Top management | 40% | | | | 50% | 60% |
| Senior management | 40% | | | | 50% | 86% |
| Middle management | 40% | | | | 75% | 100% |
| Junior Management | 40% | | | | 100% | 83% |
| Core & Critical skills | 40% | | | | 56% | 56% |

Table 18: Employment Equity as per Form S of the MPRDA Regulations for Moolmans

| EMPLOYMENT EQUITY REPORT - MOOLMANS | | | | | | | | | | |
|-------------------------------------|----------|----------|------------|-----------|----------|----------|----------|------------------|-----------|------------|
| Category | African | | Coloured | | Indian | | White | Subtotals (HDSA) | White | Totals |
| | Male | Female | Male | Female | Male | Female | Female | | Male | |
| Top management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| Middle Management | 0 | 0 | 5 | 0 | 0 | 0 | 0 | 5 | 7 | 12 |
| Junior Management | 1 | 0 | 10 | 0 | 0 | 0 | 0 | 11 | 5 | 16 |
| Core & Critical Skills (1) | 5 | 0 | 332 | 11 | 0 | 0 | 0 | 348 | 24 | 372 |
| Total of the above | 6 | 0 | 347 | 11 | 0 | 0 | 0 | 364 | 37 | 401 |

Table 19: Employment Equity as per Form S of the MPRDA Regulations for Minopex

| EMPLOYMENT EQUITY REPORT - MINOPEX | | | | | | | | | | |
|------------------------------------|-----------|----------|-----------|-----------|----------|----------|----------|------------------|-----------|------------|
| Category | African | | Coloured | | Indian | | White | Subtotals (HDSA) | White | Totals |
| | Male | Female | Male | Female | Male | Female | Female | | Male | |
| Top management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior management | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 1 |
| Middle Management | 1 | 0 | 5 | 0 | 1 | 0 | 0 | 7 | 2 | 9 |
| Junior Management | 1 | 0 | 1 | 1 | 0 | 0 | 0 | 3 | 4 | 7 |
| Core & Critical Skills (1) | 17 | 2 | 67 | 26 | 0 | 1 | 3 | 116 | 9 | 125 |
| Total of the above | 19 | 2 | 73 | 27 | 1 | 2 | 3 | 127 | 15 | 142 |

Implementation summary for 2014 – 2019

Table 16 and Table 17 reflect the level of HDSA participation as per the SLP requirements. With regards to set targets for all levels, BMM has exceeded all the targets set in Mining Charter 2010. BMM is therefore, **compliant**. Table 18 and Table 19 reflect the HDSA participation of the BMM assigned employees for the two core contractors at Gamsberg namely Moolman and Minopex respectively.

3. LOCAL ECONOMIC DEVELOPMENT PROGRAMME (LED)

3.1 INFRASTRUCTURE DEVELOPMENT, POVERTY ERADICATION AND WELFARE CREATION PROJECTS, REGULATION 46 C (III)

3.1.1 Approach

The MPRDA requires mines to invest into the communities in which they operate, and from where they draw a significant portion of their labour force, as a way of giving back, and of showing good corporate citizenship. BMM committed to invest in Mine Community Development through the implementation of infrastructure, poverty reduction as well as development projects. Overall, BMM committed to an LED financial target of R16 million for MR 517. BMM achieved its financial target and spent R20 955 070.18.

BMM MR 518, committed R9 100 000.00 for year 1 and 2, of which R7 803 364.69 has been spent as at March 2019.

3.1.2 MR 517 Local Economic Development Interventions

Table 20: Summary of LED programmes for MR517

| # | Domain | Project | Total SLP Target | Total SLP Actual | Status |
|----------------------------------------|----------------------------------------------------------------|------------------------------------------------|------------------------|----------------------------------------------|------------------|
| 1 | Health | Cataract surgeries | R2 500 000.00 | R 6 647 476.83 | Completed |
| 2 | | New equipment for all Clinics in Khai-Ma | | | |
| 3 | Education | Study Trust Bursaries | R 4 000 000.00 | R 4 747 230.72 | Completed |
| 4 | Poverty alleviation | Support for emerging farmers & agro-processing | R 2 000 000.00 | R 1 954 747.16 | Completed |
| 5 | | SMME support | R 3 000 000.00 | R 3 723 855.31 | Completed |
| 6 | Infrastructure / Institutional Development & Municipal Support | Upgrading of libraries | R2 000 000.00 | R 1 635 042.05 (SLP) R 4 372 004.00 (CSR) | Completed |
| 7 | Community Upliftment | Arts and Crafts, Sports & Youth Development | R 2 500 000.00 | R 2 246 718.11 | Completed |
| Overall total (SLP 2014 – 2019) | | | R 16 000 000.00 | R 20 955 070.18 (SLP) | Compliant |

Table 21: Health Projects (MR 517)

| Project | Goal | Description | Impact |
|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cataract Surgeries (SLP COMMITMENT) | Zero cataract blindness in the Northern Cape | <ul style="list-style-type: none"> Partnering with DoH and SANCB to reduce the existing cataract-induced blindness backlog. Eye testing and provision of spectacles Cataract surgeries performed on qualifying patients | Since its inception in 2012: <ul style="list-style-type: none"> Over 4150 candidate screenings have been done 1063 surgeries completed Benefitted communities of De Aar, Calvinia, Aggeneys, Upington and Kuruman |
| Health Outreach – cancer, TB, HIV/Aids testing/examination, screening (ADDITIONAL) | 100% coverage of municipal areas with testing / examination, awareness campaigns | The Pink Drive Cancer Outreach is an annual drive and its purpose is to facilitate breast health education, provide free clinical breast examinations and mammograms to individuals without medical insurance and spread the message that 'Early Detection Saves Lives' across South Africa through awareness campaigns. Early diagnosis and awareness sessions were held in communities | <ul style="list-style-type: none"> Since inception BMM helped more than 600 vulnerable people, who have no medical aid, receive free life-saving early cancer detection with PinkDrive Health services to 5 towns in a 100 km radius |
| Clinic (Primary Health Care) Access (SLP COMMITMENT) | Access to primary health care services | Expansion of Aggeneys State Clinic, Upgrade/supply of emergency equipment to Khai-Ma clinics | <ul style="list-style-type: none"> Hospital/Clinics # of beneficiaries: 25 000 Mobile vans # of beneficiaries: 4700 Adult Health and training programme # of beneficiaries: 85 Aggeneys Health Clinic caters for around 600 patients per month. Five clinics and one community health centre in Pofadder, Pella, Aggeneys and Onseepkans |

SLP Commitment:

R2 500 000.00

Actual Spend:

R6 647 476.83

Some photos of the health projects:

Cataract surgeries patients



Pink Drive



Table 22: Education Projects (MR 517)

| Project | Goal | Description | Impact |
|----------------------------------------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Study Trust Bursaries / Isibindi Program (SLP COMMITMENT) | Facilitate access to education | Advance capacity building and skills development within Khai-Ma | <ul style="list-style-type: none"> 248 community members assessed for driving ability and performance 34 community trust bursaries granted to students from Pella and Pofadder 54 local engineering students (twelve from Pella / Pofadder / Aggeneys), sponsored by National Skills Fund/Mining Qualifications Authority, are placed at BMM for workplace exposure. 13 dump truck operators and 12 drilling rig assistants successfully completed a training programme and are eligible for employment or promotion. |
| School subsidies & maintenance (ADDITIONAL) | Improve teacher/pupil ratio and maintain identified schools and ECD centres | Improved academic performance. Create a conducive environment for learning. | <ul style="list-style-type: none"> School Program # of Beneficiaries: 7 500 Pre-school program # of Beneficiaries 715 Renovation of 2 pre-primary schools in Aggeneys Bright Beginnings and Sonstraaltjie pre-primary schools |
| Eco-Tourism Awareness / Biodiversity (ADDITIONAL) | Increase Biodiversity Awareness amongst communities and learners | Biodiversity Awareness presented amongst communities and learners | <ul style="list-style-type: none"> Better understanding of biodiversity and environmental principles and monitoring requirements |
| SLP Commitment: | R4 000 000.00 | Actual Spend: | R 4 747 230.72 |

Some photos of the education projects:



Educational Equipment for all registered Early Childhood Development Centre's across Khai-Ma Municipality.



Refurbishment of the Witbank ECD Centre

Table 23: Poverty Alleviation Projects (MR 517)

| Project | Goal | Description | Impact |
|-------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Small scale farming / Olive Project | Facilitate access to agriculture as part of alternative economy | Assist upcoming small-scale farmers to grow and become sustainable | <ul style="list-style-type: none"> # of beneficiaries 98 Solar Water Pumps - 8 small-scale farmers in Khâi-Ma Local Municipality |
| SMME support | Provide capacity building and support for local SMMEs | <p>SMME start-up fund, working capital access and business training.</p> <p>Phakamani Impact Capital was appointed as a third party to administer low interest working capital and loans as well as grants and delivering hands on business and technical support</p> | <ul style="list-style-type: none"> No of beneficiaries (2016 – 2019): 300 Refurbishment of SMME Incubation Centre 72 SMMEs have been registered |
| SLP Commitment: | R2 000 000.00 | Actual Spend: | R1 954 747.16 |
| | R3 000 000.00 | | R3 723 855.31 |

Some photos of the poverty alleviation projects:



Start-up capital fund created for SMMEs

Water Pumps installed on Small Scale Farms in Pella, Pofadder, Onseepkans and Witbank

Table 24: Community upliftment Projects (MR 517)

| Project | | Impact | | |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|----------------|
| Art & Crafts, Sports & Youth Development | <ul style="list-style-type: none">Football leagues: # of beneficiaries 34 teamsSport Clubs, Learner and Student sport; # of beneficiaries 750 (in Namakwa District Municipality and Khâi-Ma Local Municipality)Sponsorship of Cultural Festival: 2,000 people in PellaPrize money for Easter Soccer Tournament Top 4 teams in Khâi-Ma Local Municipality | | | |
| | BMM SMART Culture campaign 850 employees and families | | | |
| SLP Commitment: | | R2 500 000.00 | Actual Spend: | R 2 246 718.11 |

Some photos of the community upliftment projects:



Supporting our local communities through Arts and Crafts. Sports and Youth Development



Table 25: Infrastructure / institutional Development & Municipal Support Projects (MR 517)

| Project | Goal | Description | Impact |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| Upgrading libraries of (SLP COMMITMENT) | Improve access to library services in the community | Upgrade & Equip Khai-Ma libraries. | <ul style="list-style-type: none"> Security upgrades at libraries 5 towns in Khâi-Ma Local Municipality |
| Day Care Centres (ADDITIONAL) | Establishment of Nandghar / ECD / Cultural Centre in Khai-Ma | <p>As part of the SLP legislative spend the community as part of its needs identified the revamping and upgrading of several Early Childhood Development Centre's. This project ensures that the physical infrastructure where children 0 - 6 year is being cared for is conducive for learning and stimulation (Excel).</p> <p>Improved childcare & early development. Empowerment / Skills development of women.</p> | <ul style="list-style-type: none"> Isibindi child and youth care training 28 learners in Khâi-Ma Local Municipality |
| Community Outreach (ADDITIONAL) | Acknowledge / Celebrate key public events and campaigns. Assist with other outreach activity requests | Organise key events like Youth Day, Women's Day, Mandela Day etc. | <ul style="list-style-type: none"> Community cohesion and upliftment |
| Surveying of land (ADDITIONAL) | Access to surveyed land for residential purposes | Appoint service provider to survey and subdivide land in Pella and Pofadder. | <ul style="list-style-type: none"> 300 plots in Pella, Onseepkans and Witbank |

| | | | |
|-----------------|---------------|---------------|----------------------------------------------|
| SLP Commitment: | R2 000 000.00 | Actual Spend: | R 1 635 042.05 (SLP) R 4 372 004.00 (CSR) |
|-----------------|---------------|---------------|----------------------------------------------|

Some photos of the infrastructure / institutional development & municipal support projects:



Tele-con Trailer donated to Khai-Ma municipality for
Town Cleaning



Buying equipment in support of our local municipalities.

3.1.3 MR 518 Local Economic Development Interventions

Table 26: Summary of LED programmes for MR518

| # | Domain | Project | Total SLP Target | Total SLP Actual | Status |
|---------------------------------|----------------------------------------------------------------|----------------------------------------------------------|-----------------------|------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| 1 | Poverty alleviation | Agricultural development / Horticultural (BBL program) | R 9 500 000.00 | R 2 510 830.00 | Broad-based Livelihood program to be implemented for Khai-Ma residents. Project is Ongoing. To be completed by Dec 2020 |
| 2 | Infrastructure / Institutional Development & Municipal Support | Establishment of ICT Centre for FET College | R 3 250 000.00 | R 1 400 000.00 | Ongoing. To be completed by December 2019 |
| 3 | | Municipal Fleet Upgrade and Maintenance | R 1 800 000.00 | R 1 676 848.00 | Ongoing. To be completed by December 2019 |
| 4 | | VZI's Free Community WiFi initiative – V-Fi (ADDITIONAL) | R0 | R 991 745.00 (with monthly cost of approx. R90 000.00pm for 24 months) | Completed |
| 5 | Land Use Management | Surveying and pegging of stands | R 1 450 000.00 | R 1 223 941.69 | Ongoing. To be completed by December 2019 |
| Overall total (SLP 2017 – 2019) | | | R16 000 000.00 | R7 803 364.69 | Continuing |

Table 27: Poverty alleviation projects (MR 518)

| Project | Goal | Description | Impact |
|--------------------------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Agricultural development / Horticulture (BBL program) | Poverty alleviation and income generation, for households living in poverty in BMM communities | <ul style="list-style-type: none"> • Small-scale organic food production for household well-being, food security and income generation. • Livestock improvement programme for new and existing farmers. • Inclusive door to door approach to benefit every household in Khai- Ma municipal area. • Programme started in Jan 2019 and will run until 2021. | <ul style="list-style-type: none"> • Successful project mobilisation and kick-off • Announcement meetings held in each of the 4 target communities • 22 Learning Sessions completed to date • 339 participants have attended training • 45 of the visited participants are implementing what they have learnt • 35 green-house tunnels have been constructed, which can dramatically increase productivity of the crops |

| | | | |
|------------------------|----------------------|----------------------|-----------------------|
| SLP Commitment: | R9 500 000.00 | Actual Spend: | R 2 510 830.00 |
|------------------------|----------------------|----------------------|-----------------------|

Some photos of the poverty alleviation projects:



Broad-Based Livelihood Programme



Table 28: Infrastructure / institutional Development & Municipal Support Projects (MR 518)

| Project | Goal | Description | Impact |
|--------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Establishment of ICT Centre for FET College (SLP COMMITMENT) | Construction of a FET college in Okiep | Building and establishing a new ICT (computer) Centre at the local College ensuring that students at the college have access to internet and computer facilities. | <ul style="list-style-type: none"> Completed, with handover of ICT centre planned for Aug 2019. |
| Engineering capacity support & Fleet upgrade (SLP COMMITMENT) | Give municipality access to engineering services for bulk infrastructure projects. Replace or maintain municipal fleet as required | Appoint service provider for technical support in water, sanitation and electricity supply. Maintain service delivery requirement. | <ul style="list-style-type: none"> Fleet repairs to 3 vehicles used by Khâi-Ma Local Municipality. Tele-containers for cleaning towns Khâi-Ma Local Municipality (population: 12,500) and Pofadder (population: 3,500). Cemetery upgrade Pella (population: 2,500). |
| SLP Commitment: | R5 050 000.00 | | Actual Spend: R 3 076 848.00 |

| | | | |
|---------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Land Use Management (SLP COMMITMENT) | Surveying and pegging of stands to increase access to land for residential purposes | <p>Commitment to the surveying of plots in all Khai-Ma municipal towns, to increase access to residential land</p> <p>Funding the implementation of the SPLUMA (Land Use Management Act) and LUMS (Land Use Management System) for the Khai-Ma Municipality.</p> | <ul style="list-style-type: none"> 500 plots having been surveyed to date. Municipality is able to build houses on the surveyed plots as well as enable the municipality to the sell plots for private use. Ongoing – Formalisation in progress. |
| SLP Commitment: | R 1 450 000.00 | Actual Spend: | R 1 223 941.69 |

Table 29: Infrastructure / institutional Development & Municipal Support Projects (MR 518) (Cont.)

| Project | Goal | Description | Impact |
|----------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| VZI's Free WiFi Community initiative – V-Fi (ADDITIONAL) | Greater participation in 4IR through access to the internet | The first phase consisted of the establishment of two hotspots in each of Aggeneys, Pella and Pofadder, Provision of 2 Gig of free data every month per person. | <ul style="list-style-type: none"> All community members (7500) has free access to the internet at 2 hotspots. Further needs have been identified. |
| SLP Commitment: | R 0 | Actual Spend: | R 991 745.00 (with monthly costs of approx. R90 000.00 pm for 24 months) |

Some photos of the infrastructure projects:



The building of the ICT Okiep TVET college



3.2 PROCUREMENT AND ENTERPRISE DEVELOPMENT

As per the Mining Charter, companies are compelled to spend a certain percentage on B-BBEE companies in terms of procurement. Table 30 provides an overview of BMM's procurement spend for the last 5 years against Mining Charter II targets.

Table 30: Procurement summary for MR517 & MR518

| Mining Right | Category | SLP Targets | 2014/2015 Actual | 2015/2016 Actual | 2016/2017 Actual | 2017/2018 Actual | 2018/2019 Actual |
|--------------|----------------|------------------------------------------------------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| 517 | Capital | 40% | 74.99% | 82.2% | 99.71% | 93% | 73% |
| | Services | 70% | 80.31% | 83.3% | 81.92% | 78% | 74% |
| | Consumables | 50% | 75.64% | 74.1% | 74.08% | 76% | 78% |
| | Multinationals | Capital goods: Multinationals contribute 0.5% of income generated from BMM into a social development fund. | 0 | 0 | 0 | 0.5% | 0.5% |
| | Capital | 40% | n/a | n/a | n/a | 88% | 94% |
| | Services | 70% | n/a | n/a | n/a | 87% | 56% |
| | Consumables | 50% | n/a | n/a | n/a | 99% | 96% |
| 518 | Multinationals | Capital goods: Multinationals contribute 0.5% of income generated from BMM into a social development fund. | n/a | n/a | n/a | 0 | 0 |

Implementation summary for 2014 – 2019

Procurement, Enterprise and Supplier development are critical in growing an inclusive sustainable local economy developing HDSA's and local communities through procurement opportunities. In order to generate maximum local economic impact, BMM aligned its preferential procurement development programme with the LED projects programme in the communities, through community based SMME Development Projects. The BMM enterprise development programme targets people in the local communities and aims to align their

growth to economic development priorities in the region, thereby enabling their productive inclusion into the local economy. On a larger economic scale, the BMM enterprise development programme aims to improve the capacity of local communities to capitalize on future procurement opportunities provided by the expansion of mining operations at BMM and regional bulk infrastructure and development programmes in the Northern Cape, as outlined by the Spatial Development Framework (SDF) and Provincial Growth Development Plans (PGDPs) i.e. Gamsberg phase II mining extension, establishment of a Smelter and Refinery, establishment of Agro-Processing and Fertiliser Plants, establishment of Independent Renewable Power Producers Projects, construction of railway network from Aggeneys to the West Coast, construction of a new deep sea port at Bogoe Baai on the West Coast, establishment of a Special Economic Zone at Aggeneys, bulk construction of houses and services in the towns of Aggeneys, Pofadder, Pella and Springbok, and further downstream economic industries.

BMM is fully compliant in terms of percentages spend on capital goods, services as well as consumables.

3.3 MENTORING OF EMPOWERMENT GROUPS (ENTERPRISE DEVELOPMENT & SMME SUPPORT)

It is BMM's aim to ensure that SMME mentoring and support are implemented and provided. BMM contracted Phakamani Impact Capital in 2018 to drive enterprise and supplier support within the communities. This was done after BMM identified a lack of business supporting services in the area. Phakamani's role is to provide overall support, guidance and coaching to current small business owners and to entrepreneurs aiming to start a business. **Table 33** provides a **snapshot** of Phakamani's support during year five of BMM's SLP period.

Table 31: Snapshot of SMME Mentorship and Support

| Phakamani Impact Capital 1 MARCH 2018 – 08 APRIL 2019 | Actual |
|-------------------------------------------------------------------------|----------------|
| Number of Loans approved | 10 |
| Funds approved by investment committee | R 1 002 077.00 |
| Number of jobs (created and sustained for duration of project/contract) | 61 |
| Number of SMMEs Supported | 9 |
| Female Entrepreneurs Supported | 9 |
| Youth Entrepreneurs Supported | 6 |
| Business coaching, mentoring & training | 15 |
| No of workshops | 13 |
| No of pre-assessments | 15 |
| ED Verification | R1 037 980.00 |

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| SD Verification | R572 889.00 |
| Total funds disbursed | R 929 163.00 |
| <u>First Quarter ED Feedback</u> <ul style="list-style-type: none"> • 10 X Private Company registrations • 71 X entrepreneurs visited our office as well as Pella & Pofadder • Basic Marketing, Basic Bookkeeping, Financial Management, Tendering Process, Proposal and Business Plan Writing • Regular Stakeholder Engagements with SEDA | |

3.4 HOUSING AND LIVING CONDITIONS

Aggeneys is a mining town, which BMM established, manages and maintains. BMM provides housing, infrastructure and services for its employees in this town. However, given the ongoing expansion of BMM's mining operations, and the high influx of people to the area, there is a severe housing shortage resulting in employees having to stay in towns like Springbok 100 km away. For this reason, BMM and the Department of Trade and Industry (DTI) have urgently earmarked the establishment of an SEZ at Aggeneys. The SEZ will allow for the further expansion of Aggeneys through construction of houses and services. Furthermore, BMM has entered into housing and services agreements to purchase and construct homes in Pofadder and Pella.

At the end of the 2018/2019 financial year, BMM provided decent and affordable accommodation to all its employees in the town of Aggeneys at a subsidised rental fee of R10.00 per month including water and lights. The current availability of accommodation units makes provision for most of the employees to be accommodated in family type accommodation comprising of houses and flats, whilst the remainder of the employees can be accommodated in single room accommodation (one person per room). The following table indicate the number of employees who live in company provided accommodation as of 31 March 2019.

Table 32: Housing status for MR 517 & MR 518

| Accommodation | MR 517 | MR 518 |
|----------------------------|------------|------------|
| As at 31 March 2019 | | |
| Family Units | 521 | 167 |
| Single Accommodation | 155 | - |
| TOTAL | 676 | 167 |

Due to the mine experiencing a severe shortage of accommodation for its employees in Aggeneys, BMM introduced a housing and travel allowance for those employees who wish to stay in their own or rented accommodation within the Khai-Ma (towns of Pofadder and Pella) and Nama-Khoi (town of Springbok) municipal areas. Only employees living outside of Aggeneys qualify for a housing and travelling allowance.

The criteria, as stipulated in the company's Housing and Travel Allowance Policy, to qualify for the allowance is as follows:

- No company house is available for the employee;
- The employee must provide satisfactory documentary proof that they either own the property or provide a lease agreement in their name for a property; and
- The employee will be required to give a written undertaking acknowledging the following:
- Staying outside Aggeneys will not absolve the employee from working overtime or performing standby duties as required; and
- Informing management in the event of a change of address and / or residence.

The table below provides an outline of the Housing and Travelling allowance for employees:

Table 33: Housing & Travelling Allowance

| Job Category & Municipal area | Housing & W/Lights | Travel | Total |
|-------------------------------|--------------------|-----------|-----------|
| Khai-Ma | | | |
| B Band | R 1725.00 | R 1907.00 | R 3632.00 |
| C Lower | R 2567.00 | R 1907.00 | R 4474.00 |
| C Upper | R 3272.00 | R 1907.00 | R 5179.00 |
| D & E Band | R 4672.00 | R 1907.00 | R 6579.00 |
| Nama - Khoi | | | |
| B Band | R 1937.00 | R 3815.00 | R 5752.00 |
| C Lower | R 2818.00 | R 3815.00 | R 6633.00 |
| C Upper | R 3724.00 | R 3815.00 | R 7539.00 |
| D & E Band | R 5700.00 | R 3815.00 | R 9515.00 |

Housing approach – The Company's housing approach to housing is to:

- be responsive to housing demand;
- ensure involvement of employees in the housing administrative system;
- create options that will allow employees to implement sensible and affordable choices with regard to accommodation;
- encourage private tenure.

In line with the Company's Life After Mine Vision the company is embarking on re-evaluating the Town Master Plan, which initially was compiled and in principle agreed with Khai-Ma Municipality.

It should be noted that with the realisation of the Gamsberg project Aggeneys has resulted in the town of choice in terms of promoting a secondary economy to support the Life After Mine (LAM) initiative. Homeownership is also considered in the towns of Pofadder and Pella.

Home ownership process has been facilitated by consultancy Erioloba (Dr. J.E Drewes), in collaboration with multiple stakeholders. It put forward a proposal for individuals to construct their own homes within the Namakwa region with funding facilitated by BMM. However, this presents a safety risk with long travel distances. There is also the risk of each individual managing their own building project finances. The original master plan of expanding Aggeneys is again being pursued.

Financial awareness training planned to assist employees to plan finances accordingly in preparation for roll out of home ownership scheme.

3.5 HEALTH AND NUTRITION

BMM is committed to contributing to a healthy, productive and motivated workforce. The mine provides food for its employees and has engaged a professional catering company to provide balanced meals daily to employees residing in single unit accommodation facilities at a hugely subsidised cost. Supplements are also provided to the entire workforce. Employees residing with their families in the family homes are responsible for their own food and nutrition, in line with BMM education programmes in this regard.

In terms of health, direct employees receive medical aid from BMM. Furthermore, the Black Mountain Clinic is available to any person with medical aid, this means the clinic will serve community members as well as BMM's workforce provided the person has medical aid. Those without medical aid, for example the mine's business partners, may make use of the state clinic which is open to community members too. The nurses and doctors at the Black Mountain Clinic will assist business partners (those with no medical aid) after hours since the state clinic is only open during normal business hours. Important to note is that a nurse and doctor are 24/7 on standby at BMM's clinic. Also, paramedics are on site at both Black Mountain Mine and Gamsberg to serve the community and workforce in case of an emergency. Furthermore, at MR518 (Gamsberg) a nurse is available at the medical bay. In terms of mental health, a psychologist is available on a weekly basis and a social worker serves the workforce on a fulltime basis.

With regards to HIV/AIDS awareness, the mine is dedicated to strengthening the local community health systems, educating the employees on prevention, offering counselling services, ensuring care and support is made to all employees. It is in BMM's culture to uphold employee rights of both those living with the HIV/AIDS. BMM employees and business partners have access to state provided free primary health care clinic services in Aggeneys, which is serviced by a municipal nurse daily and a doctor once a month. Medication and consultations are free.

4. MANAGEMENT OF DOWNSCALING AND RETRENCHMENT

4.1 MANAGEMENT OF DOWNSCALING

As per the MPRDA, a Future Forum is required to be established for the purpose of communication between the Mine and employees, and must consist of representatives from management, organised labour and the core-contractors. BMM established the Future Forum in September 2018. The Future Forum will meet quarterly and is composed of representatives of the mine's management of both BMM and core contractors, worker representatives and trade unions. The core functions of the forum are summarised below:

- Participation in proactive identification of problems and challenges facing the mine, and the solutions thereto;
- Generate awareness of SLP and associated activities;
- Act as a communication conduit on company related matters.

Figure 4: Agreement in terms of BMM's Future Forum

Signed at AGGENEYS on 19 SEPTEMBER 2018

| | | |
|------------------------|---------------|------------------------------------------------------------------------------------|
| BLACK MOUNTAIN COMPLEX | NAME: | SIGNATURE |
| | Ebrahim Bogan |  |
| | NAME: | SIGNATURE |
| | Sean Jeniker |  |

| | | |
|---------------------|---------------|------------------------------------------------------------------------------------|
| NUM REPRESENTATIVES | NAME: | SIGNATURE |
| | BENJAMIN VASS |  |
| | NAME: | SIGNATURE |
| | D.K. CREW |  |

| | | |
|-----------------------------|------------------|--------------------------------------------------------------------------------------|
| NON-BARGAINING EMPLOYEES | NAME: | SIGNATURE |
| | NOLBERT RICHARDS |  |
| UNIT | NAME: | SIGNATURE |
| | GARY EPHRAIM |  |

| | | |
|---------------------------|------------------------|--------------------------------------------------------------------------------------|
| MUNICIPAL REPRESENTATIVES | NAME: Pa | SIGNATURE |
| | Rosqueline van Heerden |  |
| | NAME: | SIGNATURE |
| | ISHMAEL KOLBERG |  |

5. FINANCIAL PROVISION

Table 34: Financial Undertaking Compliance Summary for MR 517

| SECTION OF THE SLP | FINANCIAL UNDERTAKING COMPLIANCE SUMMARY | |
|------------------------------------------------|------------------------------------------|---------------------------|
| | TOTAL SLP FINANCIAL TARGET | TOTAL SLP FINANCIAL SPENT |
| Human Resource Development | R48 329 472.00 | R53 850 139.00 |
| Local Economic Development (LED) | R16 000 000.00 | R 20 955 070.18 |
| Closure and Retrenchment Management programmes | 1 | - |
| Total provision for the SLP (2014 – 2019) | R64 329 472.00 | R74 805 209.18 |

Table 35: Financial Undertaking Compliance Summary for MR 518

| SECTION OF THE SLP | FINANCIAL UNDERTAKING COMPLIANCE SUMMARY | |
|----------------------------------|----------------------------------------------------------------------|---------------------------|
| | SLP FINANCIAL TARGET (Year 1 and 2) | TOTAL SLP FINANCIAL SPENT |
| Human Resource Development | R10 393 644.00 R37 650 275.00 (full 5-year commitment) | R26 361 808.00 |
| Local Economic Development (LED) | R9 500 000.00 R16 000 000.00 (full 5-year commitment) | R7 803 364.69 |
| Total provision for the SLP | R 18 593 644.00 R 53 650 275.00 ((full 5-year commitment)) | R34 165 172.69 |

¹ The life of mine was extended even though the closure of Deeps was anticipated. BMM is fully committed to providing the funds for managing future closure and to use for retrenchments when such a time arises.

6. ACKNOWLEDGEMENT

I, _____, the undersigned and duly authorised thereto by Black Mountain Mining (Proprietary) Limited acknowledge that the information contained in this report is a true reflection of the BMM's implementation of the MR 517 Social and Labour Plan (2014-2018) and MR 518 Social and Labour Plan (2017 – 2018).

| | |
|------------------------------------------|--------------------|
| NAME OF RESPONSIBLE PERSON | Pieter van Greunen |
| DESIGNATION OF RESPONSIBLE PERSON | General Manager |
| SIGNATURE | |
| PLACE | |
| DATE | |