

Sishen Iron Ore Company (Pty) Ltd

Mining Right No: MPT 50/2009

DMR Ref: NC 30/5/1/1/2/069 MR

KOLOMELA MINE

SOCIAL AND LABOUR PLAN EXTRACT

LED PROGRAMME

2015 - 2019

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8.5 Regulation 46 (c) (iii): Kolomela Mine 5 Year LED Programme Aligned to Mineral Regulation Requirements

Kolomela Mine, by conforming to the guidelines of the social and labour plan as measured through the MC scorecard, presents its five-year local economic development programme; following thorough engagement with key Kolomela Mine stakeholders (primarily Tsantsabane local municipality). The programme aligns itself to the following requirements:

- Consultation and co-operation in formulating integrated development plans.
- Co-operating with government in implementing these plans for the Tsantsabane community and other identified communities.
- Engage the local mine community (Kolomela Mine here indicates money expenditures).

Reflecting on the implementation of the first SLP of Kolomela Mine, many leanings have been taken. In order to improve on the challenges that the Mine faced in implementing the plan, the following are proposed:

- Strategic focus should be placed on O&M of existing infrastructure to support improved service delivery and access to basic services.
- The outlook of the town is one that is growing and the key priority is the need for the Spatial Development Framework (SDF).
- Projects for SLP 3 should strategically be focussed on infrastructure development to be defined from the SDF, IDP and Master plans.
- In the interest of adding maximum value through the SLP 3 investment, poverty alleviation projects set up as cooperatives leads to non-value adding expenditure and not aligned to priorities of current town needs.
- Poverty alleviation projects should be managed under a completely separate umbrella within social interventions by government subsidy and grant schemes and not SLP driven as a developmental objective.
- Sectorial projects will be considered in alignment with sector priorities in Education, Skills, Healthcare, and Social Development.
- All projects agreed must be proven feasible and have clear scope of works.

- Projects identified but in concept phase are undertaken as high risk and municipality to provide study costs.
- Economic Development Projects must be aligned with Enterprise Development Strategies where Public and Private Sector have common objectives to promote job creation.
- Projects agreed upon must have a feasible business plan to ensure all funds committed add maximum value.
- Projects must be aligned to the IDP priorities.

Kolomela Mine's primary objective of the LED programme is to contribute to poverty eradication and community upliftment in Tsantsabane and neighbouring municipalities, particularly where most vulnerable communities reside.

The programme includes sustainable projects which the mine will financially support and implement in conjunction with the key role-players like the municipality, sector departments or civil society organisation. These interventions will focus on three areas, namely community development, infrastructure and local economic development (LED). The intention is to adhere to the following:

- Co-operation with local government in formulating and assisting with the implementation of integrated development plans for surrounding communities where Kolomela mining activities will take place.
- Regular engagements with host communities.
- Contribute significantly to addressing poverty eradication and uplift of host communities.
- Identifying and engaging with key stakeholders in existing and emerging forums.

Through various consultations, the LED programme is fully aligned with the IDP of Tsantsabane Local Municipality and the goals of the NDP which speaks to the priorities of sector departments. These consultations and engagements are fully supported by those key stakeholders. Refer to enclosed minutes of consultation workshops held between Kolomela Mine and Tsantsabane Local Municipality on 14 October 2015.

8.6 Governance Framework for SLP 3 commitments

Using the learnings derived from the compilation as well as the implementation of the first LED programme, Kolomela Mine followed the process below:

- Engagement undertaken between Kolomela Mine and Tsantsabane Local Municipality on the framework on SLP 3 commitments, to give guidance and support for outcomes linked to municipality developmental needs.
- Consultation between Kolomela Mine management and political leadership on current IDP priorities.
- Identification and delegation of officials by the Municipality, to drive process.
- Consultation in line project guidelines, to identify proposed projects.
- Communication by Kolomela Mine on its mandate and approved financial commitment.
- Signing of Service Level Agreements to govern project implementation between the two parties.
- Engagement between Kolomela Mine management and Tsantsabane Local Municipality Council on Strategy Framework and capturing of new five year commitments into the SLP 3.
- Agreement between Municipality and Kolomela Mine on new commitments within Kolomela budget limits, after consultation workshops.
- Engagement with the DMR on the process and proposed projects.
- Kolomela Mine physically lodges new commitments to DMR.
- Final approvals on new five year commitments by the DMR.

8.6.1 Kolomela Mine 5 Year LED Plan Commitments 2015 – 2019

PROJECT		Scope of Project	Focus	Beneficiary	PRIORITY				FINANCE MODEL R000				FINANCERS & PARTNERS			PROJECT PHASE				Project	PROJECT EXECUTION					PROJECTED CASHFLOW R000								
Original	Considerations made by Kolomela				EDP	NDP	ES/Programme #	SDF	Total Cost	Funded	Unfunded	Commitment	Partner 1	Partner 2	Partner 3	Concept	PreFeas	Feasibility	Implementation		Timeline	Year 1	Year 2	Year 3	Year 4	Year 5	Total R000 Commitment	2015	2016	2017	2018	2019		
COMMUNITY DEVELOPMENT																																		
Community Bursary Scheme	Considered to provide local youth access to advance tertiary studies through funding	Community bursary scheme providing financial support to local youth in non mining related courses in line with scarce skills in the Tsantsabane municipal area.	Education	Tsantsabane Learners	x	x	x	-	3 650				3 650	Kolomela Mine	Tsantsabane LM	Dept of Education			x	60 months	Concept and study completed. Agreements with key suppliers and related government departments, roll out of programme and allocation of first bursaries.	Rollout of programme	Programme ongoing	Programme ongoing	Programme ongoing	3 650	250	600	800	1 000	1 000			
Community Skills Programme	This is in response to migrant youth demanding employment opportunities, but lacking the relevant skills.	implementation of a community skills programme to ensure youth (18-35) are equipped with skills that will enhance their employability and allow them to enter the SA labour market.	Skills Development	Tsantsabane Youth	x	x	x	-	5 117				5 117	Kolomela Mine	SETA	Dep of Labour			x	60 months	Concept and study completed. Agreements with key suppliers and related government departments, roll out of programme and allocation of first bursaries.	Rollout of programme	Rollout of programme	Rollout of programme	Rollout of programme	5 117	387	750	1 250	1 250	1 500			
EPWP Jem Haven upgrade of access road	Upgrade of internal and main access roads in Jem Haven	Roads construction and upgrade of main access roads and internal roads in Jem Haven based on EPWP principles to ensure skills development and job creation	Skills development infrastructure	Tsantsabane	x	x			5 000				5 000	Kolomela Mine	Tsantsabane LM	Dept of Public works			x	48 months	concept and design completed	Project executed	Project executed	Project executed		5 000		1 000	1 000	1 000	2 000			
Learner empowerment programme	Learners require access to information to make decisions regarding subject and career choices in the FET phase	to host career exhibition for grade 9 learners to assist them to make good subject choices and to provide grade 12 learners with relevant information for tertiary studies	Education	Tsantsabane youth		x	x		1 366				1 366	Kolomela mine	SIOC TRUST	Dep of Education				x	60 months	project executed	project executed	project executed	project executed	project executed	1 366	116	250	250	250	500		
Blinklip science lab	to improve maths and science in the secondary schools in Tsantsabane	to supply and install a fully fitted science laboratory at Blinklip high school that will improve the infrastructure of science and provide teachers with resources to improve teaching of science.	Education	Tsantsabane youth		x	x		630				630	Kolomela mine	Dept of Education	Tsantsabane LM				x	24 months	project executed	handover during first quarter				630	530	100					
Upgrade of the current District Hospital	To improve access to medical services to vulnerable groups as well as improved security.	improving the current district hospital by optimising the current building through upgrading and resourcing the existing infrastructure.	Healthcare	Tsantsabane Community	x	x	x	x	13 200				13 200	Kolomela Mine	DOH	Tsantsabane LM				x	48 months	Feasibility study conducted and released. EIA process starts project proposal completed, completed	Project executed	Project executed	Project executed	Project completed	13 200	3 200	1 000	5 000	4 000			
Operation of a Community Rehabilitation and Substance Abuse Centre	impact of mining indicates an increase in social ills like family violence substance abuse. Partnership is established with Civil Society organisations to address these social issues	operation of a Community Rehabilitation and Substance Abuse Centre through partnership with FEMSA and SANCA to deal with the rising social ills in particular domestic violence and substance abuse	Social transformation	All	x	x	x	x	11 060				11 060	Kolomela Mine	Dept Social Development	FEMSA, SANCA, SARS				x	60 months	Rollout of programmes	Rollout of programmes	Rollout of programmes	Rollout of programmes	Rollout of programmes	11 060	3 760	1 800	1 500	2 000	2 000		
Construction of living units for medical staff	Availability of affordable housing in Tsantsabane plays a significant role in retention of key medical staff	to construct living units for key medical personnel as an attraction and retention strategy	Health care	Tsantsabane community		x	x		4 500				4 500	Kolomela mine	Department of Health	Tsantsabane LM				x	24 months	project executed	handover during first quarter				4 500	4 480	50	0	0	0		
Establishment of center for gender based violence(hallway house)	Due to rising social ills like family violence the need for a place of safety for gender based violence became critical	construction of a shelter for victims of gender based violence that will be managed by DSD	Social transformation	Tsantsabane community		x	x		3 625				3 625	Kolomela mine	Dept Social Development	Tsantsabane LM				x	24 months	project executed	handover during first quarter				3 650	3 600	50	0	0	0		
Establishment of a youth centre	youth are faced with social ills and partnership with Civil society organisation was formed to address the issues of youth	to establish and operate a youth center that will implement youth programmes in Tsantsabane area that will address the issues youth are faced with.	Social transformation	tsantsabane youth	x	x	x		6 300				6 300	Kolomela mine	Lowell	Tsantsabane LM				x	60 months	Rollout of programmes	Roll out of programmes	Roll out of programmes	Roll out of programmes	roll out of programmes	6 300	1 800	1 000	1 000	1 000	1 500		
																							Total	54 503	18 103	6 600	10 800	10 500	8 500					
ENTERPRISE/ECONOMIC DEVELOPMENT																																		
SMME Informal trader	interaction with Sishen regarding Supplier Park Model	A supplier development park to enable localisation of big suppliers to set up local sites and open opportunities for local economic development to empower local smme	enterprise development	Tsantsabane SMMEs	x	x	x	x	500	0			500	Kolomela Mine	Tsantsabane LM	Dept Economic Affairs				x	36 months	Concept and study completed, Agreements with key suppliers and related government departments	project execution				500		500	0	0	0		
Contribution to Supplier park	partner with other stakeholders on the establishment of a supplier park	contribute to the development and set up a trading environment for informal traders to take place which will enhance local economic development in the area	enterprise development	Tsantsabane SMMEs	x	x	x	x	1 000	0			1 000	Kolomela Mine	Tsantsabane LM	Dept Economic Affairs				x	24 months		roll out of programme				1 000	0	0	0	0	1 000		
Business Development Services	to provide local entrepreneurship in Tsantsabane	to operate a Small business development centre that will provide essential services to local entrepreneurs including landing and training.	enterprise development	Tsantsabane SMMEs	x	x	x		11 600				11 600	Kolomela Mine	Tsantsabane LM	Dept Economic Affairs				x	60 months	roll out of programmes	roll out of programme	roll out of programmes	roll out of programmes	roll out of programme	11 600	1 600	1 500	2 000	2 500	2 500		
																							Total	13 100	1 600	1 500	2 500	2 500	3 500					
INFRASTRUCTURE																																		
Water & Sanitation	Scope and current proposal to be shared, project strongly recommended for support	Supply water and sanitation for the growing influx of people and extended informal areas. Focus is one Phase 1 and Phase 2 focused remote external areas in Maatnane	basic services	Maatnang & Maatnane	x	x	x	x	2 600	0			2 600	Tsantsabane	Kolomela Mine	Dept of COGTA				x	24 months	Engagement and Agreements, Design Work + Phase 1 kick off	Phase 2 executed	Phase 2 executed			2 600	600	1 000	1 000				
Operation and Maintenance of Waste Wastewater Treatment Work	Enhancing the capacity of the current WWTW to support and to operate and maintain the current WWTW	Extension of current WWTW infrastructure to improve the capacity with 20 %	basic services	Tsantsabane	x	x	x	x	3 600				3 600	Kolomela mine	Tsantsabane LM	Dept of COGTA				x	12 months	Continuation of project currently in implementation;					3 600	4 600						
Bulk Water Project: Boneholes/Gatkappe, Bonehole, Boichoko Pressure Tower, Connecting all 8 boneholes to the water reservoir - Maatnang	Focus on on town bulk water services due to increasing pressure on town	improve the capacity of boneholes to ensure water supply to households and prevent water losses	basic services	Tsantsabane	x	x	x	x	4 500	0	0		4 500	Tsantsabane	Kolomela Mine	Dept of COGTA				x	18 months	Continuation of project currently in implementation;	Completion of Project				4 500	500	1 000	1 000	1 000	1 000		
Coland the construction of 10 plus megatier bulk water supply scheme for new water reservoir in Postdana?	TSASANBA Bulk services contribution project. What are the total cost and scope?	construction of a shelter for victims of gender based violence that will be managed by DSD	Bulk services	Tsantsabane	x	x	x	x	9 000	0	0		9 000	Kolomela Mine	Tsantsabane LM	Assnang				x	36 months						9 000				4 000	5 000		
																							Total	19 700	5 700	2 000	2 000	5 000	6 000					