tharisa

THARISA MINE

SOCIAL AND LABOUR PLAN

Resubmitted August 2008

Contents

SECTION 1: 1

PREAMBLE AND OVERVIEW 1

1.1 OVERVIEW 1
1.2 PREAMBLE (REGULATION 46 (A)) 4
1.3 THARISA MINERALS (PTY) LTD 6
1.3.1 *Tharisa Minerals (Pty) Ltd Business Model* 7
1.3.2 *Mining Operations at Tharisa Mine* 7
1.3.3 *Breakdown of Employees* 8

SECTION 2: 11

HUMAN RESOURCE DEVELOPMENT PROGRAMME 11

2.1 INTRODUCTION 11
2.1.1 *Manpower Planning* 13
2.2 SKILLS DEVELOPMENT PLAN (REGULATION 46 (B)(I)) 14
2.2.1 *Introduction* 14
2.2.2 *Skills Analysis* 15
2.2.3 *ABET* 16
2.2.4 *Learnerships* 19
2.2.5 *Skills Development Programmes* 20
2.2.6 *Portable Skills* 22
2.2.7 *Career Progression Plans (Regulation 46 (b)(ii)* 23
2.3 MENTORSHIP AND COACHING (REGULATION 46 (B)(III)) 38
2.3.1 *Mentorship and Coaching of Employees* 38
2.3.2 *Mentorship of Empowerment Groups and BEE Companies* 39
2.4. INTERNSHIP AND BURSARY PLAN (REGULATION 46 (B)(IV)) 40
2.4.1 *Bursaries:* 40
2.4.2 *Internships* 41
2.5. EMPLOYMENT EQUITY PLAN (REGULATION 46 (B)(V)) 42
2.5.1 *HDSAs in Management* 44
2.5.2 *Women in Mining* 45

SECTION 3 49

LOCAL ECONOMIC DEVELOPMENT PROGRAMME 49

3.1 SOCIO-ECONOMIC BACKGROUND AND KEY ECONOMIC ACTIVITIES OF THE AREA (REGULATION 46 (C)(I) & (II)) 49
3.1.1. *Introduction* 49
3.1.2 *Socio-Economic Profile of Surrounding Region* 49
3.1.3 *Key Economic Activities* 53
3.1.4 *Impact of the Mine in Local and Labour Sending Communities* 54
3.1.5 *Integrated Development Planning – Bojanala Platinum District Municipality* 58
3.1.6 *Integrated Development Planning – Rustenburg Local Municipality* 58
3.2 INFRASTRUCTURE AND POVERTY ERADICATION PROJECTS IN THE LOCAL AND LABOUR SENDING AREAS (REGULATION 46 (C)(III)) 60
3.2.1 *Overview of Strategic LED Needs in Rustenburg Local Municipality* 60
3.2.2 *Strategic Local Economic Development Project One (1) – Tourism Route Development* 65
3.2.3 *Strategic Local Economic Development Project Two (2) – Sewing Enterprise Establishment and Expansion* 66
3.2.4 *Strategic Local Economic Development Project Three (3) – Brick Manufacturing Enterprise* 69
3.3 HOUSING AND LIVING CONDITIONS OF MINE EMPLOYEES (REGULATION 46 (C)(IV)) 71
3.3.1 *Overview* 71

3.3.2 *Strategic Principles* 71
3.3.3 *Strategic Housing Plan* 72
3.4 NUTRITION PROGRAMME (REGULATION 46 (C)(V)) 74
3.4.1 *Overview* 74
3.4.2 *Strategic Plan* 74
3.5 PROCUREMENT PROGRESSION PLAN (REGULATION 46 (C)(VI)) 76
3.5.1 *Overview* 76
3.5.2 *Principles & Objectives for Procurement from HDSA Companies* 76
3.5.3 *Implementation of Short and Long Term Strategies* 77
3.5.4 *Procurement Targets amongst HDSA Spend* 80

PROCESSES PERTAINING TO MANAGEMENT OF DOWNSCALING AND RETRENCHMENT 81

4.1 INTRODUCTION 81
4.2 ESTABLISHMENT OF A FUTURE FORUM (REGULATION 46 (D)(I)) 81
4.3 PLANNING INITIATIVE TO AVOID RETRENCHMENT EXERCISES (REGULATION 46 (D)(II)) 82
4.4 PLANNING ALTERNATIVE SOLUTIONS WHERE RETRENCHMENT EXERCISES ARE UNAVOIDABLE (REGULATION 46 (D)(III)) 83
4.4.1 *Consultation Mechanisms* 83
4.4.2 *Notification of all relevant parties* 83
4.4.3 *Support Mechanism for affected employees* 84
4.5 MANAGEMENT OF THE IMPACT OF RETRENCHMENT EXERCISES (REGULATION 46 (D)(IV)) 85

SECTION 5: 87

FINANCIAL PROVISIONS 87

5.1 INTRODUCTION 87
5.2 SKILLS DEVELOPMENT PROGRAMME (REGULATION 46 (E)(I)) 88
5.3 LOCAL ECONOMIC DEVELOPMENT PROGRAMME (REGULATION 46 (E)(II)) 88
5.4 THE MANAGEMENT OF DOWNSCALING AND RETRENCHMENTS (REGULATION 46 (E)(III)) 88

SECTION 6: 90

UNDERTAKING AND COMMUNICATION 90

6.1 UNDERTAKING (REGULATION 46 (F)) 90
6.2 COMMUNICATION OF THE SOCIAL AND LABOUR PLAN TO EMPLOYEES AT THARISA MINE (REGULATION 46 (F)) 91

APPENDICES 92

APPENDIX A – Summary of Employees by Occupational Category At Tharisa Mine 92
APPENDIX B – Summary of Labour-Sending Areas for TM Workforce at Tharisa Mine 93
APPENDIX C – Form Q - Functional Literacy and Numeracy at Tharisa Mine (Regulation 46 (b)(i)(aa)) 94
APPENDIX D – Form R - Hard to Fill Vacancies at Tharisa Mine (Regulation 46 (b)(i)(bb)) 95
APPENDIX E – Form S - Employment Equity Statistics at Tharisa Mine (Regulation 46 (b)(v)) 96
APPENDIX F – Rustenburg Local Municipality Letter of Acceptance of LED Projects 97
APPENDIX G - Form T – Planned Procurement at Tharisa Mine (Regulation 46 (c)(vi)) 99

List of Abbreviations

ABET	Adult Based Education Training
ATR	Annual Training Report
BBBEE	Broad Based Black Economic Empowerment
BEE	Black Economic Empowerment
BPDM	Bojanala Platinum District Municipality
CPI	Consumer Price Index
DME	Department of Minerals and Energy
DoL	Department of Labour
EIA	Environmental Impact Assessment
EMPR	Environmental Management Programme
ETQA	Education & Training Quality Assurance
GDP	Gross Domestic Product
HDSAs	Historically Disadvantaged South African(s)
HR	Human Resources
HRD	Human Resource Development
IAP	Interested and Affected Parties
IDP	Integrated Development Plan
JHTTT	Joint Housing Technical Task Team
JV	Joint Venture
KPA	Key Performance Areas
KPI	Key Performance Indicators
LED	Local Economic Development
LGSA	Local Government Strategic Agenda
LRA	Labour Relations Act
Ltd	Limited
MC	Mining charter
MG	Middle Group
MIG	Municipal Infrastructure Grant
MPRD	Mineral and Petroleum Resources Development
MQA	Mining Qualifications Authority

NQF	National Qualifications Framework
PGDS	Provincial Growth & Development Strategy
PPE	Personnel Protective Equipment
Pty	Proprietary
RDP	Reconstruction and Development Programme
RLM	Rustenburg Local Municipality
RPL	Recognition of Prior Learning
SAHRA	South African Housing Resources Association
SAPBCOR	South Producers & Beneficiators of Chrome Ore (Pty)Ltd
SEIA	Socio-Economic Impact Analysis
SEIR	Socio Economic Impact Report
SETA	Sector Education Training Authority
SLP	Social and Labour Plan
SMME	Small Medium Micro Enterprise
THARISA	Tharisa Minerals (Pty) Ltd
TM	Tharisa Mine

Section 1:
Preamble and Overview

1.1 OVERVIEW

In terms of Section 23 of The Mineral and Petroleum Resources Development Act (Act 28 of 2002) (MPRD Act) the granting of a new order mining right may only be affected where the requirements of this section including the development of a Social and Labour Plan (SLP) to be in place for the life of every mining right are satisfied.

The objectives of the SLP (section 41 of the Regulations) are to:

- Promote employment and advance the social and economic welfare of all South Africans;
- Contribute to the transformation of the mining industry; and
- Ensure that holders of mining rights contribute towards the socio-economic development of the areas in which they are operating.

This SLP will be submitted by:

- Lefika Minerals (Pty) Ltd in respect of a Section 11 Transfer of Mining Rights to Tharisa Minerals (Pty) Ltd (Tharisa)as set out below in 1.1.1, and
- Tharisa in respect of the conversion of these mining rights, once transferred, and the Conversion of Prospecting Rights to New Order Mining Rights in respect of 1.1.2:

1.1.1 Section 11 Transfer Of Mining Right Portions 96 and 183 of the Farm Kafferskraal no 342 JQ

Current ownership of the mineral and mining rights over these portions is in the name of SAPBCOR (Pty) Ltd. Lefika Minerals (Pty) Ltd (Lefika) has purchased the entire shareholding of SAPBCOR, which included the mining license, mineral rights and guarantee with the DME for rehabilitation. At this time Lefika is seeking to sell its rights to the above portions in respect of the Middle Group (MG) seams to Tharisa.

1.1.2 Section 22 Application for Mining Right (Conversion of Prospecting Rights)

Prospecting rights for the portions on the Farm Kafferskraal 342 JQ and Rooikoppies 297 JQ listed below in Tables 1.1a and 1.1b have been acquired by Tharisa. This SLP is pursuant to Section 22 of the MPRD Act (Regulation 10) in application for a new order mining right for the MG seams for these portions.

TABLE 1.1A
LIST OF MINING APPLICATION SURFACE PORTIONS TO FORM PART OF THARISA MINE

PORTION NUMBERS FARM KAFFERSKRAAL 342 JQ											
2	22	48	110	137	153	187	214	230	256	304	350
3	23	53	111	138	154	188	215	233	257	305	352
5	25	74	114	139	155	189	216	234	259	314	353
6	26	76	116	140	156	190	217	235	262	317	354
7	27	83	117	142	157	191	218	236	265	318	356
9	28	84	118	144	158	192	219	237	266	319	357
10	29	90	119	145	159	193	220	238	276	324	358
11	30	91	120	146	166	196	221	239	283	329	361
12	33	100	122	147	175	205	222	240	285	330	362
13	38	101	123	148	176	206	224	241	289	331	365
15	39	104	127	149	182	207	225	242	297	335	
16	40	105	132	150	184	208	226	243	298	336	
19	41	108	133	151	185	212	227	250	301	342	
20	47	109	135	152	186	213	229	251	303	344	

TABLE 1.1B
LIST OF MINING APPLICATION SURFACE PORTIONS TO FORM PART OF
THARISA MINE

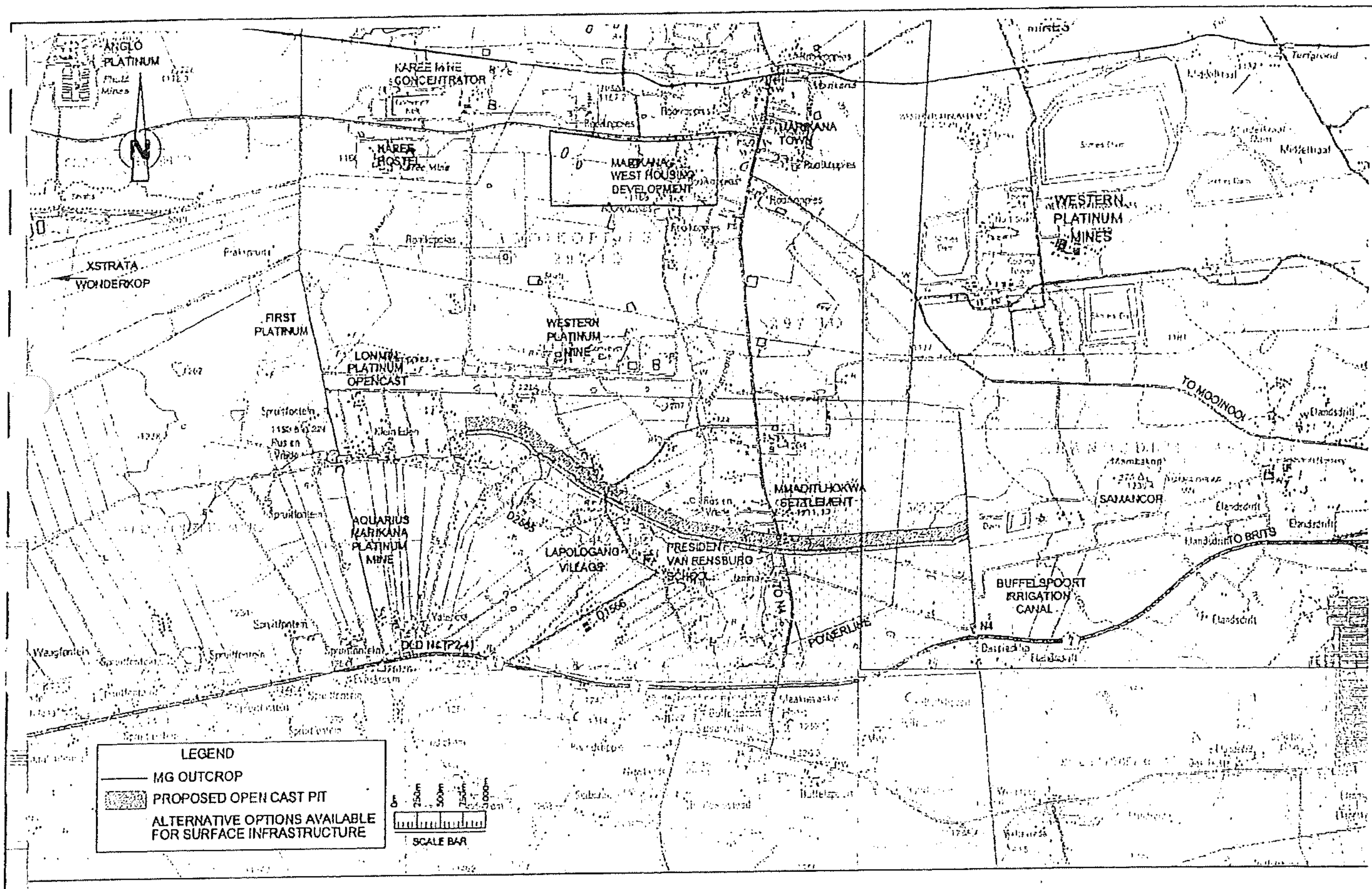
PORTION NUMBERS FARM ROOIKOPPIES 297 JQ											
1	32	58	83	116	147	173	207	235	280	331	365
2	33	60	84	117	149	176	208	236	281	332	366
3	35	61	85	118	150	177	212	237	282	333	367
5	36	62	86	120	151	179	213	238	283	335	368
6	37	63	87	121	152	182	216	239	292	336	369
7	38	64	88	122	153	183	217	240	297	337	370
8	39	65	95	123	154	184	218	241	307	338	371
9	40	66	96	124	156	185	219	242	308	339	372
10	41	67	97	125	157	189	220	243	312	343	387
11	42	68	98	126	158	190	221	244	313	344	388
14	43	69	99	130	159	194	222	245	314	345	399
15	44	70	101	134	160	195	223	246	315	347	400
16	46	71	102	135	161	196	224	247	316	348	
19	47	72	103	136	162	197	225	248	317	349	
20	48	73	104	137	163	198	226	249	318	351	
22	49	74	105	138	164	199	227	250	320	354	
23	50	75	106	139	165	200	228	251	322	357	
24	52	76	107	141	166	201	229	252	323	358	
26	53	77	108	142	167	202	230	253	326	359	
27	54	78	109	143	168	203	231	276	327	360	
28	55	80	111	144	169	204	232	277	328	361	
29	56	81	113	145	170	205	233	278	329	362	
30	57	82	114	146	171	206	234	279	330	364	

1.2 Preamble (Regulation 46 (a))

Name of Company	Tharisa Minerals (Pty) Ltd (Holding Company Thari Resources (Pty) Ltd)
Name of Mine	Tharisa Mine
Physical Address	Eland House, The Braes, 3 Eaton Road, Bryanston, Johannesburg
Postal Address	Postnet Suite 473, Private Bag X51, Bryanston, 2021
Telephone Number	011 996-3500
Fax Number	011 996-3525
Location of the Mine	The mine is located 6km south of Marikana, Rustenburg on the farm Kafferskraal 342 JQ in the Magisterial district of Rustenburg, North West Province
Commodity	The mine will be involved in open pit and underground mining of the Platinum Group Metals (PGM) and Middle Group (MG) Chromitite Layers as well as a processing plant and smelter
Life of Mine	Tharisa Mine currently has a life expectancy of more than fifty (50) years. This will be up to the year 2058
Financial Year	The financial year for the company is from 1 August to 31 July.

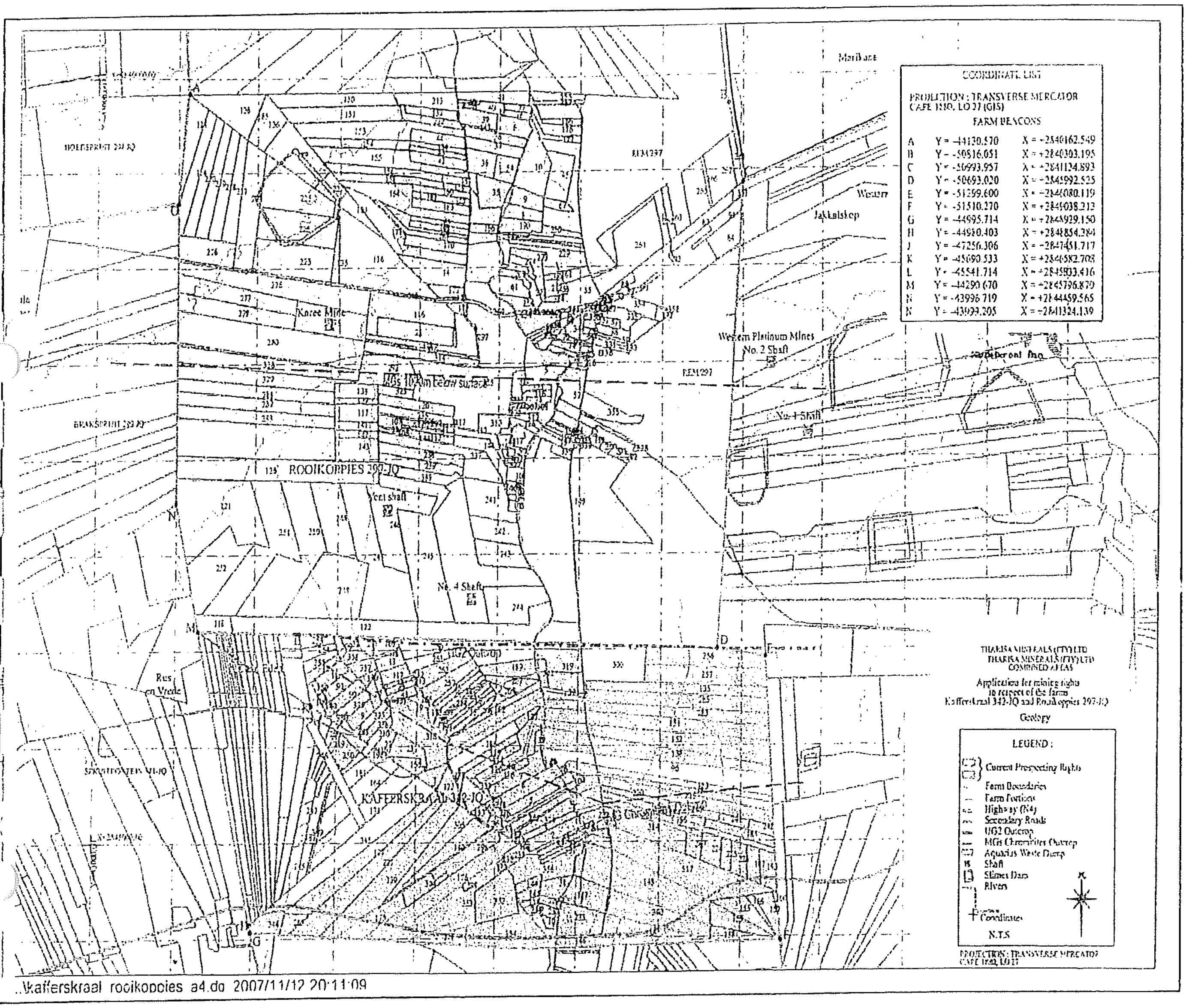
Figure 1.1 below shows the geographical location of the proposed mine while Figure 1.2 shows the location of the various portions listed in Table 1.1.

FIGURE 1.1
LOCATION OF THE PROPOSED THARISA MINE



THARISA MINERALS
KAFFERSKRAAL 342 JQ

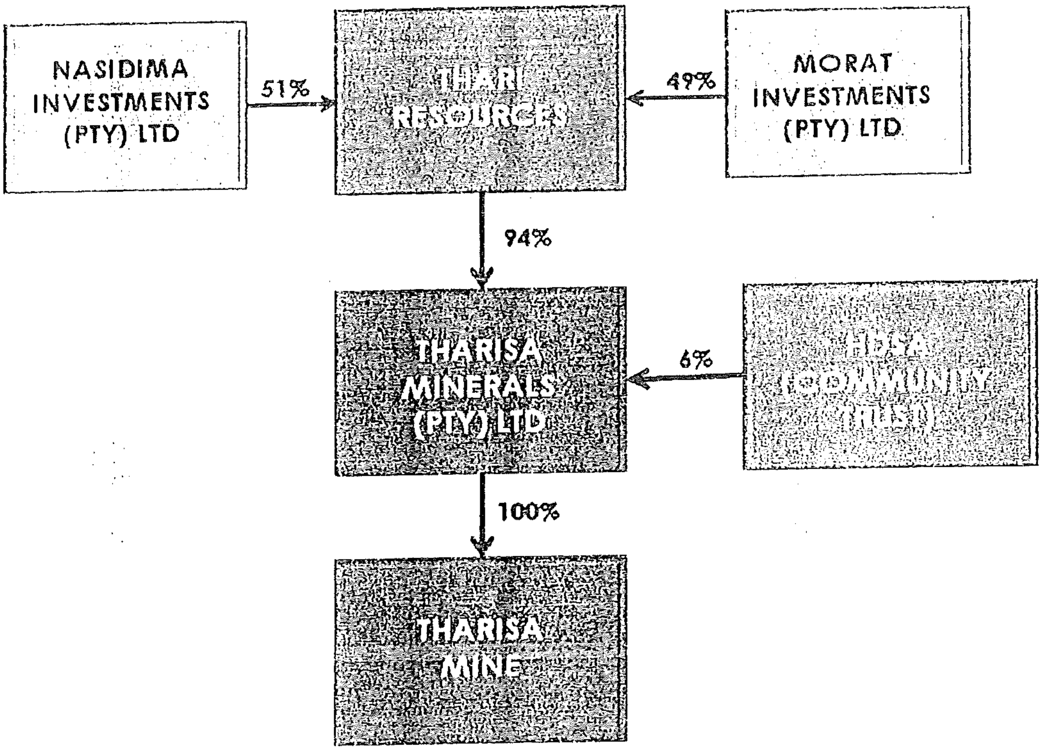
FIGURE 1.2
LOCATION OF THE PORTIONS OF THE PROPOSED THARISA MINE



1.3 THARISA MINERALS (PTY) LTD

Tharisa is an independent South African mining company that anticipates commencing its open pit mining operations before the end of 2008. Tharisa Minerals is BEE equity compliant with the remaining shares held by Thari Resources (a BEE and woman controlled company focusing on the mineral and energy sector, and two trusts (6%) established for the benefit of the local communities. 51% of the shareholding in Thari is held by Nasidima Investments (Pty) Ltd which, in turn, has 100% black female ownership. The balance of the 49% ownership of Thari Resources is held by Morat Investments (Pty) Ltd which has 100% white female ownership. However, Tharisa is currently seeking additional investment that may alter the ownership structure. The current Tharisa ownership structure is shown in Figure 1.3

FIGURE 1.3
OWNERSHIP STRUCTURE OF THARISA MINERALS



1.3.1 Tharisa Minerals (Pty) Ltd Business Model

The operation business model that Tharisa will follow is one that commits to having a strong management team on-site and outsourcing the core operational functions.

The on-site management team will consist of highly qualified experts who have a proven track record in their respective areas. The outsourced functions will be awarded to specialized contractors who also have a proven track record in the mining industry. The aim is to have experienced, reputable and cost effective contractors in place.

The core functions are open pit mining, underground mining, the operations and maintenance of the process plants and the operation and maintenance of a smelting plant.

The management team will be held accountable and responsible for ensuring that Tharisa Mine (TM) meets all production targets and that contractors perform and conform to agreed working standards. Furthermore, the management team will be required to ensure compliance to all legislative, social, labour and environmental requirements.

1.3.2 Mining Operations at Tharisa Mine

The reserves of the proposed TM are situated on the farms Kafferskraal 342 JQ and Rooikoppies 297 JQ in the magisterial districts of Rustenburg, North West Province.

They cover an area where the top grade chromium reserve manifests itself in a sub-out crop with 1m – 1.5m topsoil. This makes open pit operations viable for a period of approximately 10 years. In order to extend the life of the mine Tharisa intends purchasing portions in the surrounding areas. The portions under consideration of this mining application are indicated in Section 1.1 above. The proposed mine will comprise an open pit mine that will phase into underground development within four years of start-up following the acquisition of additional portions in the surrounding areas.

Initially this proposed mine will comprise an open pit mine, a concentrator plant, a smelter, a tailings dam and associated infrastructure and support facilities. The mine will treat some 320,000t/m of MG ore at steady state over a life of mine of approximately fifty (50) years. The mine will produce 600,000tpy of export grade ferrochrome and approximately 140,000 ounces per year of4E platinum group metals (PGM) i.e. platinum, palladium, rhodium and gold.

1.3.3 Breakdown of Employees

Although the mine has not yet commenced operation, specialised contractors will perform the core functions in terms of open pit mining, underground mining, processing plant operations and operations of a smelting plant. TM will be responsible for the overall management of the mine. Table 1.2 provides a summary of the Service Provision Categories and the anticipated number of employees in the first year of the mines operations.

TABLE 1.2
ANTICIPATED STAFFING FIGURES BY AT THARISA MINE
AS AT FEBRUARY 2009

Service Type	Name of Company	Anticipated Number of employees at mine as at at August 2010	Anticipated Date of Commencement of Operations
Management	**Tharisa Minerals (Pty) Ltd**	**4**	**2008/2009**
Open pit mining	**To be Confirmed**	**40**	**2009/2010**
Underground Development	**To be Confirmed**	**-**	**2012/2013**
Operations and Maintenance of Processing Plant	**To be Confirmed**	**-**	**2009/2010**
Operations and Maintenance of Smelting Plant	**To be Confirmed**	**-**	**2012/2013**
Total		**44**	

These anticipated figures for the permanent workforce may fluctuate (increase or decrease) as the mining operations change. These changes will, however, be built into the SLP and be dealt with in line with DME requirements. It is, therefore,

important that whilst reading this document the mine's developmental stage is taken into account.
As both the contractors and the permanent workforce still need to be appointed it is not possible to confirm the exact numbers of staff to be employed on the mine. However, anticipated figures are forecast and, wherever skills requirements allow, sourcing will predominantly be from local and/or regional communities. The workforce will, therefore, largely derive from Rustenburg Local Municipality (RLM) and the Bojanala Platinum District Municipality (BPDM). Local resident status of the recruits will be verified in conjunction with community representatives. TM and its contracting companies performing the core functions will be bound by the same principles.

For those occupations where labour cannot be sourced locally, focus will be placed on obtaining this labour, wherever possible, from the rest of the North-West Province and from the Mpumalanga and Gauteng provinces.

Baseline information as required in the Occupational Categories table, Form Q, R, S and T cannot be provided until contractors have been appointed. However this information will be made available to the regional DME office within 6 months of the appointment of the contractors and will be updated on an annual basis in the Annual SLP submissions.

TM, however, will require extensive manpower planning to ensure that the permanent workforce composition is representative of the HDSA categories and the requirements stipulated by the DME.

To ensure that all aspects of the Social and Labour Plan is overseen and managed, TM intends to employ a Social and Labour Plan Coordinator.

Because of the timing of the ramping up of mine operations, the workforce on the mine will increase over the first 5 years' of operation. Table 1.3 shows the anticipated growth of the size of the workforce over the first five (5) years of mining operations.

TABLE 1.3
ANTICIPATED STAFFING FIGURES OVER FIRST FIVE YEARS OF OPERATION
AT THARISA MINE
2008/2009 TO 20013/2014

Service Type	Y1 (2008/2009)	Y2 (2009/2010)	Y3 (2010/2011)	Y4 (2011/2012)	Y4 (2012/2013)
Management	4	8	8	8	8
Open pit mining	40	214	427	427	427
Underground Development	0	0	0	0	127
Operations and Maintenance of Processing Plant	0	145	145	145	145
Operations and Maintenance of Smelting Plant	0	0	0	0	365
Total	44	367	580	580	1072

TM will provide the DME with the Labour Sending Areas and Occupational Distribution of Employees by Category forms by July 2010.

Section 2:
Human Resource Development Programme

2.1 INTRODUCTION

The Human Resource Development Programmes required by Section 46 of the Regulations to the MPRD Act will be outlined in the section to follow.

Although the mine has not started its operations, and most of its permanent workforce will not be direct employees of TM, the mine takes full cognizance of the fact that the human resource development programmes implemented by its contracting companies and affecting the contractor workforce would need to comply with the MPRD Act requirements in terms of the provisions of Section 101.

The Human Resource Development Programmes will be based on a philosophy and principles that ensures an integrated approach to human resource development. One of the grounding principles for the selection of specialised core contracting companies will be the requirement that they conform to outlined principles in their human resources development programmes.

By following this best practice philosophy the mine will ensure that manpower planning does not take place in isolation. The mine's operational requirements will form the basis for the input of comprehensive and value adding information into the Skills Development Plan that will incorporate plans and structures for the implementation of:

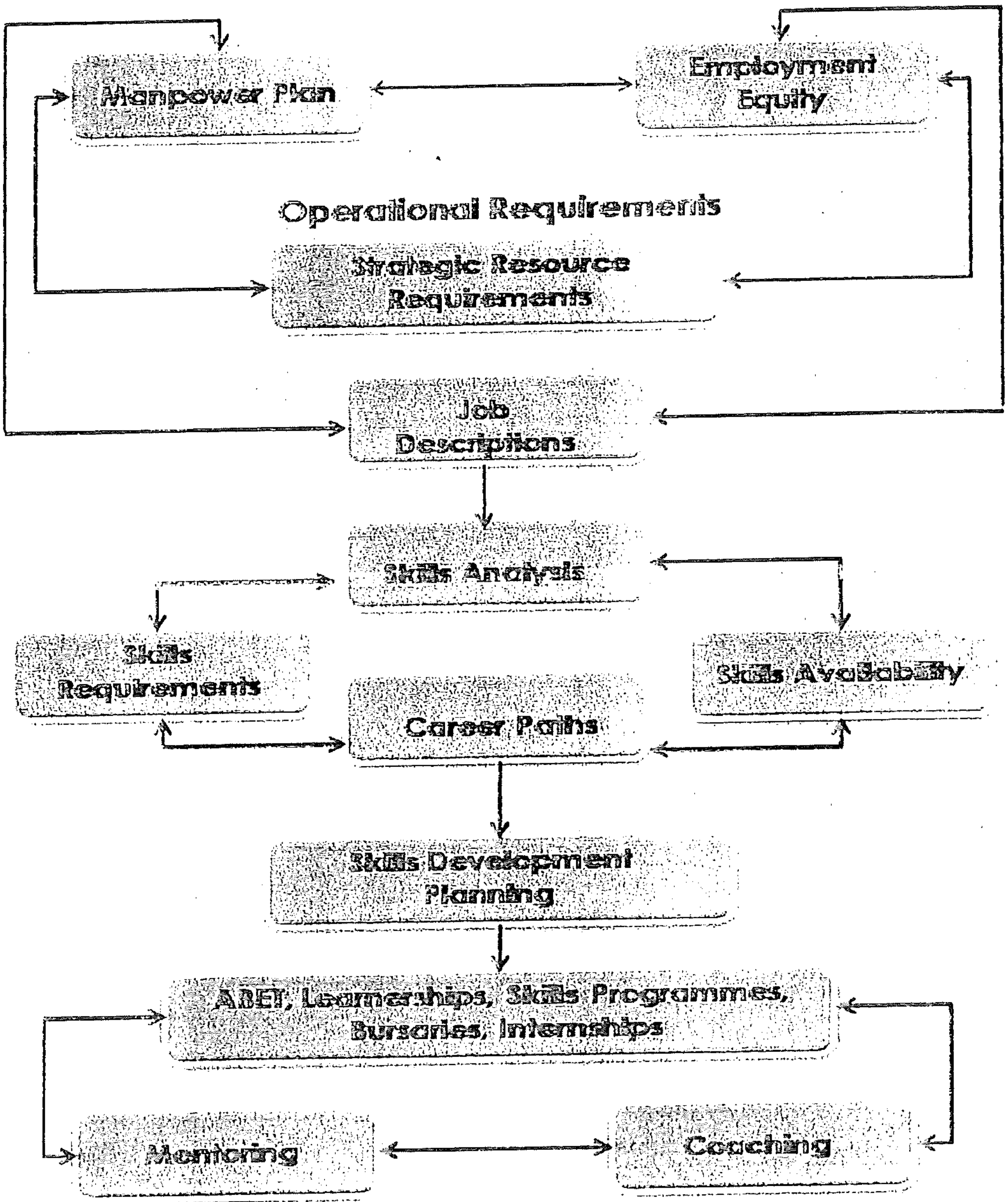
- Bursaries,
- Internships,
- Learnerships,
- Core Skills Training,
- ABET training,
- Mentorship Programmes, and
- Coaching programmes

In addition to the above, a major objective of the manpower planning process will be to provide a platform to identify employees' individual development needs and link these to career paths and progression plans that contractors will be required to develop. This process is also designed to promote the portability of skills.

Figure 2.1 illustrates the integrated human resources approach that TM intends to adopt. In this approach the strategic resource requirements of the mine will be determined based on the operational requirements linked to the Mine Works Programme. The initial process requires job descriptions which provide a platform from which to conduct a skills analysis. The skills analysis will include a process of comparing the skills required for the mine to perform optimally with skills available in the mine's workforce.

The results from this analysis will feed into the manpower plan, which will become a key driver for other processes i.e. Employment Equity plans, particularly to meeting the required HDSA targets as stipulated by the MPRD Act and the appointment of women in mining. The manpower plan will help flag positions into which these category employees will be appointed and what specific skills/competencies they will require to perform successfully. This will provide the necessary information to develop generic career paths and individual progression plans. The manpower plans will also form the foundation for the development of skills development plans and assist in identifying which learning initiatives should be implemented to address the skills gaps. These learning initiatives could include ABET, learnerships, core skills training, internships, bursaries, mentorship and coaching programmes.

FIGURE 2.1
THE INTEGRATED HUMAN RESOURCES DEVELOPMENT PROGRAMME AT THARISA MINE



One of the key aims behind the implementation of this SLP is to ensure proactive development of portable skills throughout the life of the Mine but specifically when the mine goes through a downscaling and retrenchment exercise. This integrated human resources approach provides the essential information that will define future workforce requirements.

Downscaling and/or retrenchment possibilities can be identified in advance and job losses can be managed more effectively through employee development based on specific skills requirements and supporting the notion of portability before the life of the mine expires. The intention of this is to reduce the impact of such retrenchments/job losses.

2.1.1 Manpower Planning

By following the integrated process discussed in Section 2.1.above, people resourcing requirements can be identified pro-actively. This is designed to ensure that TM has the right employees, with the right skills in the right positions.

As the mine is still in the planning phase and core contractors have yet to be identified, the appointed workforce figures have been estimated. As documented in Table 1.2, the Tharisa staffing component at TM will consist of an anticipated 4 employees from year 1 increasing to 8 in the second year wherafter it will remain stable. Contractors will phase in their workforce requirements to meet the growing needs of their operations. Estimates of the total workforce size to be brought onboard by contractors when fully operational are as follows:

- Open pit mining -427
- Underground mining – 2320
- Processing Plant Operations - 145
- Smelter Operations - 365

During the tender process TM will make bidders aware of the requirements of the SLP and the targets set therein. One of the tender requirements will be for bidders to demonstrate their ability to meet these targets and the provisions of the SLP. Once contractors have been appointed TM will request that they provide comprehensive information regarding their workforce plan and work closely with them to ensure all aspects are covered. The plans will be based on staffing figures for the first five financial years, which runs from March to February of each year.

TM has defined the underlying principles that will be adhered to with the implementation of the manpower plan. These principles are applicable to TM and its future contractors:

- The mine's operational requirements will define the people resource requirement for TM and each of the contractors
- Future staffing needs will be identified and will provide an opportunity to target the number of HDSA's (including women) to be appointed and/or developed into Management positions and the number of women to be appointed into mining positions
- The recruitment and development of staff and will be aligned to achieve the overall purpose of the MPRD Act and the prescribed HDSA targets
- Learning initiatives such as ABET, learnerships, core skills training, bursaries etc. will be directed at the development of internal staff
- The Skills analysis process will ensure the establishment of generic career paths in that the competencies, skills, knowledge and experience requirements for each position will be identified

Table 2.1 below illustrates the process steps that will be followed in compiling the manpower plan for TM. Contractors, when appointed, will be required to follow this process. TM will monitor these process steps by putting extensive reporting and monitoring tools in place. The monitoring will take place on a quarterly basis and against all requirements stipulated in the MPRD Act.

TABLE 2.1
MANPOWER PLANNING PROCESS

STEPS	
1.	Jobs required on the mine will be identified. This will include the identification of positions and HDSA targets
2.	Total staffing requirements will be determined based on: • Current levels • Estimated staff turnover levels • Growth or decline in staffing requirements
3.	Staffing requirements will be met through: • Internal recruitment and promotions based on career plans and progression paths • External recruitment
4.	To meet internal recruitment needs development mechanisms will be identified including: • Learnerships – employed and unemployed learners • Bursaries • Internships • Skills development programmes
5.	Development mechanisms to meet internal recruitment needs will take cognizance of : • Timing required to complete programmes • Drop-out rates

2.2 SKILLS DEVELOPMENT PLAN (REGULATION 46 (B)(I))

2.2.1 Introduction

Skills Development is a critical aspect and TM realizes that the success of the Tharisa Mine is highly dependent on how effectively Skills Development is embraced and incorporated into strategic and day-to-day practices. In figure 2.1 the integrated Human Resources Framework continuously incorporates skills development as part of the process.
TM believes that apart from developing their employees, Skills Development will play an essential role in the following areas:

- Ensuring that operational changes are adopted in a proactive manner
- Keeping productivity at optimal levels
- Having value-add employees as part of the workforce and contributing to the mine's performance
- Providing employees the opportunity to not only develop for current requirements but for future changes
- Ensuring Skills Development supports and promotes portability and employability

Each contractor will be required to submit a Skills Development Plan specific for their area of operation and clear proof must exist that the following principles are incorporated:

- The National Qualifications Framework forms the basis of any training and development that takes place. This refers specifically to:
  - Having outcomes based training
  - Utilizing accredited training providers

  - Ensuring training facilities are accredited
  - Incorporating Recognition of Prior learning which will provide an opportunity to obtain qualifications for those employees who have extensive practical experience or have previously undergone training that has not been accredited
  - Developing a quality management system that incorporates formal assessment and moderation practices
- The acquisition of skills promotes portability from one environment to another and through this sustain the employability of the mine workforce
- The establishment of a mindset which recognizes the extent to which training, contributes to the effectiveness, performance and productivity of the mine, its employees and teams
- The support of initiatives for employees are formalized in programmes such as coaching and/or mentorship

In terms of the integrated Human Resource Development Framework and the workforce planning process adopted by TM and its main contractors, an important element is the identification of the skills and competencies that are required for the mine to meet its production targets. To evaluate the skills base, TM and its contractors will perform an analysis on all prospective employees during the recruitment process. Thereafter, skills profiles will be updated on an ongoing basis as employees undergo skills development and training initiatives.

2.2.2 Skills Analysis

Skills analysis is a critical tool that TM will utilize extensively to determine the skills levels of the permanent workforce and provide direction in terms of what skills development is currently required and what future skills need to be addressed.

It is TM's intention that its contracting companies complete a skills analysis during the initial recruiting process. As indicated above, once the skills profile of employees is established this will be updated on an ongoing basis. This analysis process should include information on current skills levels as well as information in terms of:

- Potential – which employees, particularly HDSAs, can be fast tracked to move into possible management positions
- Literacy requirements (ABET) – based on functional literacy and numeracy levels identify which ABET programmes need to be put in place. Specific attention will be paid to identifying women to be placed on these programmes to ensure that the mine can meet its obligations in terms of its targets for women in mining positions.
- Training Intervention allocation – indicates which training programmes need to be implemented to address the current gaps

This assessment process will need to be established prior to the start of recruiting for new recruits. However, the tools to be used will be dependent on what assessment tools, systems and processes the appointed contractors already have in place. Wherever possible the tools should comply with the following key principles:

- Fundamental knowledge required in order to do the necessary work it must be assessed, including functional literacy;
- Results must be easy to interpret

- Portable skills already available amongst candidates must be identified during the process
- Tools must allow for group testing
- The tools should allow for the assessment of potential;
- The feedback must contribute to the development and career planning process;
- Tools must be applicable for literate and illiterate recruits;

2.2.3 ABET

As previously noted the mine is a new operation without any employees at present. Therefore, no baseline information on educational levels and functional literacy and/or numeracy is available.

According to information available (See Table 3.1 – Section 3) on average 35% of the adult population will have received either no schooling or only limited primary education. The information also indicates that 22% of the population in the surrounding areas is unemployed. Because it is TM's policy to encourage recruitment from the local communities wherever possible, it is from this unemployed pool that much of the labour for the mine will be recruited. However, it is not possible at this time to ascertain the extent of overlap between the education levels and unemployment rates.

However, ABET development will be a key focus area for TM and its contracting companies as it provides the foundation for any further development. It contributes not only to improving the employee's numeracy and literacy levels but also improves employment, prospects to further develop and progress within the mines hierarchy. The ABET programme will therefore be included in the employees career and progression plans as a starting point and will be available to all employees who, as a result of the skills analysis process undertaken at the recruitment phase, are indicated as having literacy levels below ABET level 4.

TM is aware of the fact that ABET development is not always embraced by all employees and requires extensive motivation to ensure attendance is upheld and drop-out levels limited. It is, therefore, anticipated that although ABET training will be offered to all employees who need this training, the participation will decrease from level to level as fewer employees take each successive opportunity. It is anticipated, therefore, that far fewer employees will complete the entire ABET programme to Level 4 than will have started.

TM will work with its contracting companies to develop and embark on a strong communication drive that will highlight the benefits of attending ABET and how the achievement of competence will link to career plans and progression (See Table 2.2 – ABET Strategic Action Plan). As further incentive TM will encourage contractors to apply for and pay across to learners any grants provided by MQA and other relevant SETAs for learners who successfully complete ABET programmes.

The ABET training will take place based on the following key principles:

- ABET programmes will form the foundation for further development of TM's employees, particularly for HDSAs who have the potential to be developed into management positions and for women to be moved into mining positions
- ABET programmes will contribute to the confidence of learners to further their studies

- ABET programmes will be run by accredited facilitators and programmes will be accredited in line with the NQF for fundamental areas of language and mathematics.
- Depending on the number of employees requiring ABET training, priority will be given to:
  - Employees with no literacy skills;
  - Employees who need literacy training for their jobs; and
  - Employees who have been earmarked for promotion, i.e. HDSAs targeted for management positions and women in mining
- Successful completion of a specific ABET programme will not automatically result in promotion or increase in remuneration.
- The incentive for participating in ABET will be the potential impact such competence will have on the employee's career development.
- Progress in the provision of ABET will be reported through Form Q and reports on actual training taking place will be included in the Annual SLP Report.
- The ABET programme will include the following 4 levels of training. However this will be dependent on the results obtained from the skills analysis and where the need is identified
  - ABET level 1: Mother tongue
  - ABET level 2: Literacy, Numeracy and Communication
  - ABET level 3: Advanced Literacy, Numeracy and Communication
  - ABET level 4: Communication, Natural Science and Mathematics

In order to implement an ABET programme, TM and its contracting companies will embark on implementing the following action plan to ensure the necessary infrastructure exists, adequate resources are available once numbers have been identified after the recruitment process.

Notwithstanding that ABET targets can only be set once the baseline of educational levels has been established; the mine undertakes to offer all employees the opportunity to become functionally literate within five (5) years from the start of mining operations.

This implementation plan will include the following action steps and will be applicable to TM and its contractors as illustrated in Table 2.2

TABLE 2.2
ABET STRATEGIC ACTION PLAN

Action	Envisaged Outcome(s)	Person(s) Responsible	Timeframe
Research relevant and applicable tools to utilise in the assessment process	Tools for assessing literacy levels are identified and a selection of appropriate tool/s can be made	TM and Core Contractors	On appointment of Contractors
Identify career paths, clusters and minimum entry requirements for jobs	Skills and competencies and minimum requirements for each job are identified and provide a basis for developing generic career paths.	Core Contractors	Prior to commencement of recruitment process
Conduct skills analysis to determine developmental needs and literacy levels	Skills levels within the workforce are identified and skills gaps identified and literacy and numeracy levels	Core Contractors	Start of recruitment process and ongoing
Identify accredited providers, venues, facilities (upgrade venues where required)	Appropriate venues, facilities and training providers are in place for the start of the programmes	Core Contractors	Commencement of contract
Draft communication plan to highlight advantages of programme and logistical arrangements	Employees are encouraged to participate in the programme/s and are aware of the benefits of such participation	TM and Core Contractors	Commencement of contract
Contact relevant SETAs and MQA with regard to grant funding	Grant funds are available to support ABET initiatives and the mine and contractors are able to tap into the relevant SETA support structures	Core Contractors	Commencement of contract
Integrate the information into the Workplace Skills Plan and Manpower Plan	Information gathered from skills audit and progress on the programmes feeds into and supports the manpower planning process. Information also provides a basis for planning workplace skills programmes.	Core Contractors	Commencement of contract and ongoing

TABLE 2.2 (CONT.)
ABET STRATEGIC ACTION PLAN

Action	Envisaged Outcome(s)	Person(s) Responsible	Timeframe
Monitor the progress of learners and the achievement of ABET levels	Ensure progress in meeting targets and in improving levels of literacy. Measure the success of the programmes Provide input into corrective measures to be taken	TM and Core Contractors	Ongoing
Report on progress	Provide TM and management with feedback on the success of programme/s Provide DME with necessary information to measure compliance	TM and Core Contractors	Annually

Form Q for the Tharisa staff will be provided to the DME by September 2009. The Form Q and 5 (five) year targets for ABET for contractor personnel will be provided to the DME by April 2010.

2.2.4 Learnerships

Learnership programmes will play an important role as part of TM skills development plan. These programmes allow employees to complete qualifications relevant to their occupation, accredited and aligned with the NQF and incorporates a balanced combination of structured practical work experience and structured theoretical training. Both these include on the job and academic components.

The learnership programmes to be introduced by TM will be in line with MQA or other relevant SETA specifications.

The learnership programme implementation for TM and its contractors will be guided and based on the following principles:

- Learnerships will be aimed at addressing skills and competencies as identified in the skills analysis and where these formed part of an employee's career planning process and path;
- Learnerships will be aimed at addressing critical and scarce skills (specifically those for which TM and its contractors struggle to find suitable candidates);
- Effective support mechanisms will be put in place to ensure the learner is guided through the process, these will relate directly to coaching and mentorship programmes;
- Learnership programmes will be implemented based on the requirement set out in the learnership agreement, SETA ETQA and MQA requirements

- Learnership progress will be reported on an annual basis in the ATR and in the Annual SLP submission

TM's focus will be to employ unemployed learners (recruiting of external candidates from the local community or area) and placing them on Learnership programmes. The purpose of this approach is to alleviate skills shortages and unemployment challenges not only for TM and its contractors but supporting the national unemployment strategies. TM will investigate and where possible utilize grants from the relevant SETA to fund the learnership programmes.

Based on the nature of the jobs that will be required on the mine, it is likely that learnerships will be offered for the following positions:

- Boilermaker
- Electrician
- Fitter
- Instrument Mechanics
- Operations and maintenance of Processing Plant
- Diesel Mechanic
- Learner Miner

Table 2.3 below sets out the anticipated number of new learnerships to be offered at TM over the first 5 (five) years of mine operation.

TABLE 2.3
LEARNERSHIPS AT TM
2008/2009 – 2012/2013

Study Field	Duration	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
Electrician	3 years		3	1		3
Boilermaker	3 years		2			3
Diesel Mechanic	3 years		2			2
Fitter	3 years		3			4
Plant Operations	3 years		5	3		5
Instrument Mechanic	3 years			1	1	1
Learner Miner	3 years					4

However, the actual learnerships, the specific numbers and the timing and durations can only be finally determined once core contractors have been appointed and they have undertaken their manpower planning exercises.

2.2.5 Skills Development Programmes

TM is committed to drafting a skills development plan that meets the needs of the mine's employees as well the needs of the mine itself. By using this approach the mine will not only support current skills development but will also incorporate planning for future job requirements. Employability and portability will be strongly supported and enforced.

The skills development plan will be based on the information obtained from the skills analysis process, which will have identified.

- Gaps based on current job requirements and current job competence;
- Development areas based on the employees individual career plans in relation to the generic career paths to be identified.

Training and development initiatives will, therefore, be in line with the manpower plan in that it will support internal skills development and support employees where possible promotion opportunities have been identified

Once the recruitment of staff begins manpower plans and skills development targets will be set. Table 2.4 provides an overview of the anticipated skills development focus areas. Updated information will be provided within 6 months of the appointment of contractors and will, thereafter, be updated in the Annual SLP Report.

TABLE 2.4
ANTICIPATED SKILLS DEVELOPMENT FOCUS AREAS FOR TM

Skills Areas	Portable Skill (within Mining Industry)	Portable Skill (outside of Mining industry)
ABET	X	X
Engineering	X	X
Basic Fire Fighting	X	X
Basic First Aid	X	X
Mineral Processing	X	
Communication Skills	X	X
Conflict Management	X	X
Contract Management	X	X
Drivers & Operators	X	X
Health and Wellness	X	X
HIV Aids	X	X
Information Technology	X	X
Legal Knowledge MHSA	X	
Maintenance Planning	X	
Management	X	X
Crane Driving	X	X
Problem Solving	X	X
Project Management	X	X
Quality Management System	X	X
Risk Management	X	X
Safety	X	

Skills Areas	Portable Skill (within Mining Industry)	Portable Skill (outside of Mining Industry)
Service and Maintenance	X	X
Store Keeping	X	
Supervisory	X	
Technical Skills – identified in the skills analysis process	X	X

2.2.6 Portable Skills

TM has been identified as having a mining life of greater than 50 years. TM is committed to a skills development strategy, which promotes portability of skills for the future, but also, as a primary objective, ensures that TM meets its operational requirements.

Employees will therefore be provided with training and development that support their current position requirements. However, many of the skills that will be provided to employees as a core business competence will be transferable to other mining operations and beyond the mining industry.

An additional focus of the skills development initiatives anticipated in Section 2.3.5 (Table 2.3) is to:

- Enhance employee potential that will lead to placement in alternative employment
- Support income generating activities beyond TM
- Provide skills that can be utilized not only in the formal sector but also in the informal sector. This will become the main focus of the mine closer to the end of the life of the mine, these aspects will be allocated funding and they will be explored during the Future Forum discussion.

In order to support the above-mentioned strategy, TM will be bound by specific principles when implementing portability skills training into their operations:

- Training and development must be in line with NQF requirements. Thus training will be outcomes-based and, where possible, linked to the achievement of unit standards and/or a formal qualification
- Qualifications must be recognized nationally
- ABET development programmes will be a focus of TM and continuous motivation will take place for employees to uplift their foundational literacy levels
- The skills provided will support the notion of enabling employees to remain economically active following a retrenchment/downscaling exercise or if the mine closes down
- Socially responsible retrenchment support will be given in terms of additional training and development in line with identified skills needs within the source labour communities and/or the local communities surrounding the mine

The 5 (five) year targets for the provision of portable skills as well as core skills development training will be informed by the skills audit process undertaken during recruitment and this information will be provided to the DME by July 2010.

The progress of the implementation of portable skills, being part of the skills development strategy, will be reported in the Annual SLP report.

2.2.7 Career Progression Plans (Regulation 46 (b)(ii)

2.2.7.1 Career Paths

Career paths are specific to the discipline and operational area for which they are determined and different career clusters can be defined based on the core business activities of each core contractor. Due to the fact that TM's structure is very flat it requires a high entry level with extensive knowledge of the technical aspects of the job and managerial skills requirements.

As the mine is not yet operational, TM will only provide anticipated career clusters that may exist in the key areas. An organogram showing the generic career paths including minimum entry level requirements for all positions at TM is provided in Annexure G.

Table 2.5 a - m below show the anticipated career paths within TM and its core contractors. These anticipated career paths and jobs can only be finally clarified once core contractors are identified and appointed.

TABLE 2.5

TABLE 2.5 A

CAREER PATH – THARISA MANAGEMENT

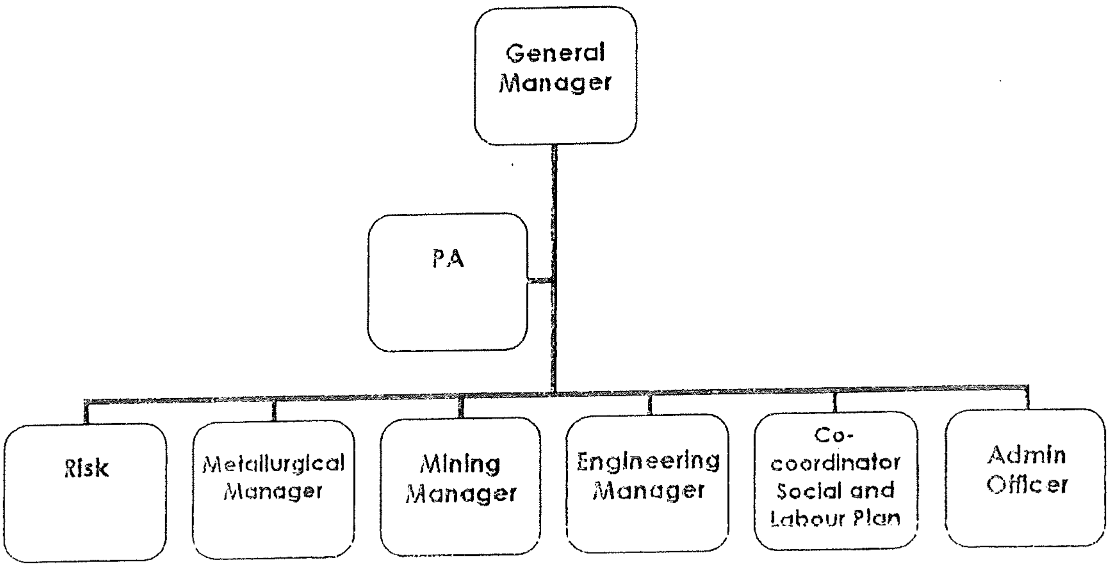


TABLE 2.5 B
CAREER PATHS – OPEN CAST MINING
PRODUCTION

SITE MANAGER

NQF Level 7
4 Years & National Diploma in Surface Mining

PRODUCTION MANAGER

NQF Level 6
2 years & Module 30 (Managing Production Activities)

FOREMEN (Post School)

NQF Level 5
2 Years Practical & Surface Blasting Ticket

SUPERVISORS

NQF Level 4
2 Years Practical & Module 29 (Production) (Outcomes Based)

DRIVERS & OPERATORS (TEAM PLAYERS)

NQF Level 3 (Advanced Plant Operations)
1 Year Learnership in Plant Operations

DRIVERS & OPERATORS

NQF Level 2
1 Year Learnership in Plant Operations

TALLY CLERKS & SPOTTERS

NQF Level 1
2 Years Experience
Driver & Operator Training

TABLE 2.5 C
CAREER PATHS – OPEN CAST MINING
MAINTENANCE

WORKSHOP MANAGER

NQF Level 7
3 years & Diploma in Mechanical Engineering

↑

WORKSHOP FOREMEN

NQF Level 6
2 years & Module 29 (Supervising Service and Maintenance Activities)

↑

MECHANIC (POST SCHOOL)

NQF Level 5
Learnership developed with MER SETA

↑

SERVICE SUPERVISORS

NQF Level 4
2 Years practical & Module 29 (Plant) (Outcomes Based)

↑

SERVICEMEN (TEAM PLAYERS)

NQF Level 3 (Advanced Plant Operations)
1 Year Learnership in Plant Operations

↑

SERVICEMEN

NQF Level 2
1 Year Learnership in Plant Operations

↑

CLEANERS & ASSISTANTS

NQF Level 1
2 Years Experience
Service & Maintenance Training

TABLE 2.5 D
CAREER PATHS – OPEN CAST MINING
SHARED SERVICES

SENIOR SAFETY OFFICER NQF Level 3 2 years Multi-Skilled	**SENIOR TRAINING OFFICER** NQF Level 3 2 Years Multi-Skilled
↑	↑
QUALIFIED SAFETY OFFICER NQF Level 2 3 Years Assessor & Facilitator	**CHIEF SURVEYOR QUALIFIED TRAINING OFFICER** NQF Level 2 2 Years Assessor
↑	↑
SAFETY OFFICER NQF Level 1 3 Years Operator Evaluator	**TRAINING OFFICER & QUALIFIED FACILITATOR** NQF Level 4 3 years Operator Evaluator
↑	↑
SAFETY REPRESENTATIVE NQF Level 4 Numeracy & Literacy Health & Safety in Workplace	**TRAINING REPRESENTATIVE** NQF Level 4 Numeracy & Literacy Health & Safety in workplace
↑	↑
Clarks (Site & Workshop)	

TABLE 2.5 E
CAREER PATHS – PLANT OPERATIONS
ADMINISTRATION

SITE / FINANCIAL ADMINISTRATOR

2 Years experience as a materials controller
Financial diploma or degree
Excellent financial knowledge
Management and supervisory skills
Be highly computer literate
Budget control skills
Excellent communication skills

↑

MATERIALS CONTROLLER

3 Years experience and training as a stores controller
1 year procurement experience
Purchasing / Financial diploma
Posses leadership qualities
Highly computer literacy

↑

STORES CONTROLLER

2 Years experience and training
Material Management Diploma
Possess leadership qualities
Computer literate

↑

SITE SECRETARY

2 Years experience & training (80% on the job and 20% at training centre)
Highly computer literate
Payroll
Knowledge of Medical & Provident Fund
Good interpersonal & telephone skills
N3 in Office Administration

FINANCIAL CLERK

2 Years experience and training
Creditors & Debtors experience

↑

FINANCIAL CLERK

2 Years experience and training (80% on the job and 20% at training centre)
Creditors & Debtors experience

↑

DATA CAPTURE CLERK / STOREKEEPER

1 Year Experience & Training (

↑

DATA CAPTURE CLERK / STOREMAN / ACCESS CONTROLLER / DRIVER

Grade 12
Good communication skills

TABLE 2 F
CAREER PATHS – PLANT OPERATIONS
ENGINEERING

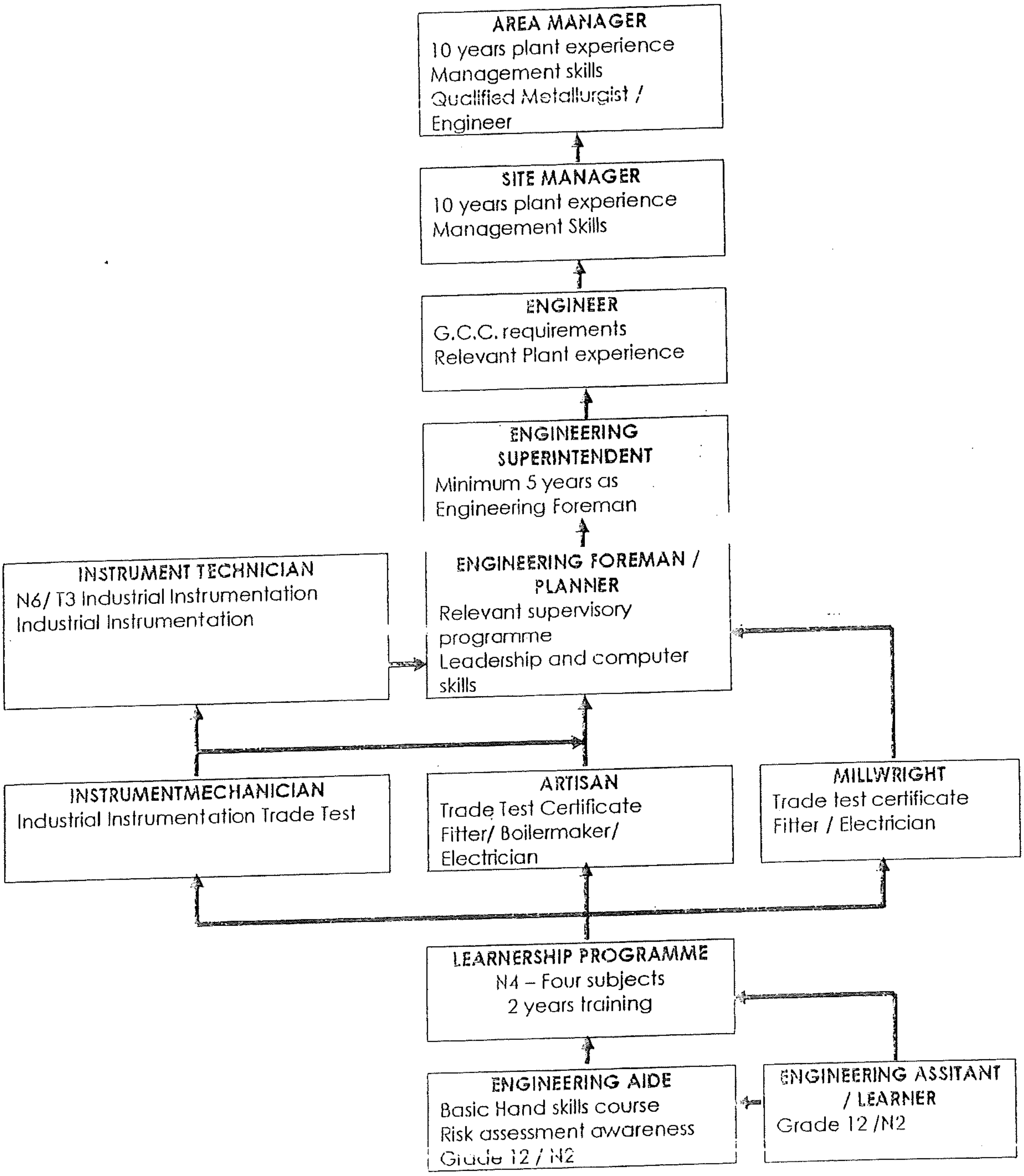


TABLE 2.5 G
CAREER PATHS – PLANT OPERATIONS
LABORATORY

SITE MANAGER

Follow Process Career Path

PROCESS SUPERINTENDENT

5 Years experience as a Lab and Shift Superintendent
Knowledge of Isometric
DYNA BMS course
Qualified Chemist (Optional)
Posses leadership qualities
Have good interpersonal skills

LABORATORY SUPERINTENDENT (Wet Lab)

3 Years lab & process experience
Qualified chemist
ASSAY knowledge and working experience
Excellent lab knowledge
Management & Supervisory Skills
Be highly computer literate
Budget control skills

LAB SUPERVISOR (Sample Prep Lab)

3 Years experience as Operator in a laboratory environment
Knowledge of Isometrix
Have passed DYNA Supervisory Course
Posses leadership qualities
Have good interpersonal skills & report writing skills

PRODUCTION ARTISAN (Laboratory Analyst)

3 years Experience & Training
Analytical chemistry / Chemistry Qualification
Possess leadership qualities
Computer literate

PRODUCTION ARTISAN (Laboratory Attendant)

1 year Experience & Training

PRODUCTION ARTISAN (Laboratory Assistant)

Grade 12

TABLE 2.5 H
CAREER PATHS – PLANT OPERATIONS
PROCESSING

AREA MANAGER

3 Years experience as a Process Manager
Have project & budget management skills
Must be able to liaise at a Senior Management Level and have good contractual understanding

↑

SITE MANAGER

10 Years PROCESS PLANT EXPERIENCE
Qualified metallurgist / Engineer (optional)
Excellent process knowledge
Management & Supervisory skills
Be highly computer literate

↑

PROCESS SUPERINTENDENT

5 Years experience as a Shift Superintendent
Knowledge of Isometrix
DNYA BMS course
Relevant Qualification
Posses leadership qualities
Have good interpersonal skills

↑

METALLURGIST

Diploma / B-Tech+
2 Years plant experience as metallurgist (external applicant)

SHIFT SUPERINTENDENT

3 Years experience as a production Operator
Knowledge of Isometrix
DYNA Core course
Management skills
Posses leadership qualities
Have good interpersonal skills

↑

PRODUCTION OPERATOR

3 Years experience and training
Possess leadership qualities
Computer literate

↑

PRODUCTION ATTENDENT

1 Year Experience & Training

↑

PRODUCTION ASSISTANT

Grade 12 / NQF 1

TABLE 2.51
CAREER PATHS – UNDERGROUND MINING

MINE MANAGER

Relevant Degree / Qualification
Mine Managers Certificate
National Certificate in Rock Breaking

↑

PRODUCTION MANAGER

Relevant Degree/ Qualification
Mine Manager Certificate
National Certificate in Rock Breaking

↑

MINE OVERSEER

Grade 12 Certificate
Mine Overseer Certificate
National Certificate in Rock Breaking

↑

SHIFT BOSS

Grade 12 Certificate
Shift Supervisor Certificate
National Certificate in Rock Breaking

↑

MINERS/ MAGAZINE MASTERS

Grade 12 Certificate
National Certificate in Rock Breaking

↑

TEAM LEADER / ASSISTANT MAGAZINE MASTER

ABET 3 Numeracy and Literacy
Competent A + B

↑

LHD /UV DRIVER

ABET 3 Numeracy and Literacy
Competent A + B

↑

ROCK DRILL OPERATOR
WINCH OPERATOR

ABET 3 Numeracy and Literacy
Competent B

↑

MINE ASSISTANT
TIP ATTENDANT
GENERAL LABOURER

ABET 3 Numeracy and Literacy

TABLE 2.5 J
CAREER PATHS – UNDERGROUND SURVEYING

CHIEF SURVEYOR

Relevant Degree / Diploma
8 years experience

↑

SURVEYOR

Relevant Degree / Diploma
5 years experience

↑

LEARNER SURVEYOR

Grade 12
Computer Literate

↑

SURVEY ASSISTANT

Grade 10

TABLE 2.5 K
CAREER PATHS – UNDERGROUND MINING
ENGINEERING

MINE ENGINEER

Std. 10 Certificate
Government Certificate of Competence

GENERAL ENGINEERING SUPERVISOR

Std. 10 Certificate
Foreman Course

FOREMAN

Std. 10 Certificate
Foreman Course
First Aid Certificate
Fitness Certificate

ARTISAN

Std. 8
N2 & N3 Qualification
Learnership Program
First Aid Certificate
Fitness Certificate

CONTROL ROOM OPERATOR / ENGINEERING PLANNER

Std. 8
First Aid Certificate
Fitness Certificate

ENGINEERING AID
Construction Team Leaders

ABET 3 Numeracy and Literacy
First Aid Certificate
Fitness Certificate

ENGINEERING AID
Drivers

First Aid Certificate
Fitness Certificate
Applicable Driver's License

ENGINEERING ASSISTANT / ATTENDANTS

ABET 3 Numeracy and Literacy
First Aid Certificate
Fitness Certificate

Table 2.5 L
Career Paths – Underground Mining - Finance

FINANCE MANAGER

B Comm Degree and 8 years experience

FINANCIAL ACCOUNTANT

B Comm Degree and 8 years experience

SITE ADMINISTRATOR

Grade 12 and 8 years experience
Computer literate
Good interpersonal and management skills

TRAINEE SITE ADMININSTRATOR

Grade 12 and 8 years experience
Computer literate

STORE CONTROLLER / PRINCIPAL CLERK

Relevant Diploma/Certificate
3-5 years experience
Computer Literate

CHIEF CLERK
SENIOR CLERK
SITE CLERK

Grade 12 and 3-5 years experience
Computer Literate

JUNIOR CLERK

Grade 12 and 1-3 years experience
Limited Computer Literacy

STORES ATTENDANT

NQF 1
Fitness Certificate

TABLE 2.5 M

CAREER PATHS – UNDERGROUND MINING – HUMAN RESOURCES

HR MANAGER

Relevant Degree / Diploma
10 years experience

↑

HR SUPERINTENDENT
TRAINING CO-ORDINATOR

Relevant Degree / Diploma
7 years experience

↑

SENIOR PERSONNEL OFFICER
TRAINING OFFICER

Relevant Degree / Diploma
5 years experience
National Certificate in Rock Breaking (requirement for Training Officer)

↑

HR OFFICER
ASSESSOR

Grade 12 and 3 years experience
Computer literate

↑

SENIOR HR ASSISTANT
TRAINING INSTRUCTOR

Grade 10 and 2 years experience
Computer literate

↑

HR ASSISTANT

Grade 10
Computer Literate

The finalised Career Paths will clearly stipulate the following for each position at the mine:

- How people can advance from one position to another within the career groups through the development of further skills and competencies;
- The minimum requirements for each position;
- The minimum training/experience required;
- The minimum time span required to move from one position to another
- Serve as a planning framework to determine how people, particularly HDSAs and women in mining positions, should be trained and developed so that they can be promoted into positions within the workforce plan

2.2.7.2 Career Progression Plans

Career Progression Plans will form a key component to knowing what development employees require in order to progress in their careers. TM will therefore implement a Career Management process with a clearly defined Career Management Policy.

After the initial skills analysis process, employees will be able to voluntarily participate in career development discussions with their managers. In these discussions the aim will be to link the employees' career needs with the workforce requirements as dictated by the employer's strategic direction, the generic career paths and the workforce plan (See Sections 2.2.1 and 2.2.2). Through this, employees will be given an opportunity to become more aware of their careers, their direction and how they can progress. The discussion will be documented in an individual development plan. This plan will be a live document that will require updates as changes occur in the mine or with the employee specifically. It will contain a detailed description of the specific employee development needs in terms of skills, competencies and knowledge (current and future). Individual Development Plans will therefore become the outcome of the skills analysis process and workforce planning process.

Particular emphasis will be given to HDSA employees who have been identified based on the assessment of potential to move into management positions and on women in mining positions. Where employees decide not to participate this will not hamper them from participating in learning and development initiatives or participating in the process at a later stage.

TM is committed to implementing a career management system based on the following key principles:

- The Career Management System will support the development of current and future skills and through this ensure the mine meets it's objectives
- Employees will actively participate in the process and know where their careers are headed and what is required to acquire the necessary competencies in relation to their current and potential future positions
- The process will open communication channels between employees and management in that discussion will be held that clearly outlines job requirements and responsibilities
- The process will create an environment which allows for realistic feedback to employees with regard to their career aspirations – this eliminates unrealistic expectations and disappointments in terms of career growth and promotions
- The process will allow an opportunity to provide Organisational career information; support process and resources required including on-the-job experience, training, education and mentoring
- A stringent record system will be created that will provide accurate and value add information in terms of employee development and progress thereof
- Continuous updating of the career plans will take place when specific goals have been reached or when promotions take place and fed back into the record system

The progress of the implementation of the career management system will be reported in the Annual SLP report.

Table 2.6 sets out the strategic action plan for career management that will form the basis of TM and its contracting companies' implementation of career management:

TABLE 2.6
CAREER PROGRESSION STRATEGIC ACTION PLAN

Action	Envisaged Outcome(s)	Person(s) Responsible	Timeframe
Identify career paths and clusters and minimum entry requirements for jobs	Skills and competencies and minimum requirements for each job are identified and provide a basis for developing generic career paths.	TM and Core Contractors	2nd Quarter 2008 for completion by commencement of recruitment process
Develop Career Management Policy	Ensure standardised approach and process within each contracting company to management of careers	TM and Core Contractors	2nd Quarter 2008 for completion by commencement of recruitment process
Develop Career Development Plan format	Formalise and standardise career planning process	TM and Core Contractors	3rd Quarter 2008 for completion by commencement of recruitment process
Train managers and supervisors on how to conduct a career discussion	Managers and supervisors are competent to carry out career discussions and assist employees in planning their career progression	TM and Core Contractors	4th Quarter 2008 for completion prior to career discussion taking place
Draft communication to educate employees on career management process	Employees understand the relevance of and importance of career planning Employees can make a meaningful contribution to the career planning process	TM and Core Contractors	2nd Quarter 2009 for completion prior to recruitment process
Provide detail on career paths and clusters available	Employees know and understand the generic career paths and the career planning process	TM and Core Contractors	On initial engagement of employee, during induction and ongoing
Comprehensive Career Progression Plan in place	Plan is informed by identified skills gaps and developmental needs	TM and Contractors	Completion by end 3rd Quarter 2009

TABLE 2.6 (CONT.)
CAREER PROGRESSION STRATEGIC ACTION PLAN

Action	Envisaged Outcome(s)	Person(s) Responsible	Timeframe
Compile Individual Development Plans for employees with interest or potential for development. Include results from career discussion and assessment results	Career progression plans are developed for employees with potential, HDSAs who are earmarked to be developed into management positions and women who will be developed into mining positions.	TM and Core Contractors	To commence 4th Quarter 2009

TM is committed to providing targets for Career Progression Plans to the DME by July 2010.

2.3 MENTORSHIP AND COACHING (REGULATION 46 (B)(III))

2.3.1 Mentorship and Coaching of Employees

Mentorship and Coaching is an integral part of the Integrated Human Resources Framework in that it forms the core of ensuring the success of the Career Development Process, Skills Development Planning that feeds into the Workplace Skills Plan and Employment Equity that feeds into the Employment Equity Plan.

It, therefore, plays an essential role in ensuring that specific learning initiatives and employee progression plans are implemented successfully at TM.

The aim of mentorship and coaching is to improve the competencies (knowledge, skill and attitude) of employees to meet the current and future demands of the job. Mentorship assists and supports employees to manage their own learning in order to maximize their potential, develop their skills and improve their performance.

While there is a great deal of similarity between the roles, TM believes that the role of a coach requires greater involvement in terms of the employee/learners day-to-day activities. The coach will, in most instances, be a subject-matter expert, act as facilitator by listening, asking questions and enabling employees being coached in the process of self-discovery and guide them to the correct solutions.

The role of mentor, on the other hand, is one where they will use their own experience to guide and direct learners to meet the requirements of skilled and management positions. Mentors will be interested and willing to develop less experienced employees to broaden the latter's contribution to the mine.

The implementation of coaching will be guided by the following principles:

- Coaches will be selected on the basis of their subject matter expertise
- Coaches will in most instances either be the employee/learners direct manager or supervisor

- They will actively be involved in employee's day-to-day activities and through this, follow an interactive and developmental approach

The objective of coaching is that it will lead to greater confidence and performance on the part of the employee, supporting a learning culture.

Mentorship Programme implementation will be guided by the following principles:

- Mentors will be selected based on their experience and interest in developing employees; they will pass their experience on to less experienced individuals
- It will be focused on developing competencies that meet current needs but also future requirements
- It will contribute to supporting employees in their own development; lead them to a realization and achievement of their potential
- It will lead to improving competencies and performance as employees/learners grow into new roles

Coaches will be assigned to all learners based on Tharisa's skills development process while Mentors will be assigned to those learners on bursary programmes, internships /experiential training and learnerships. In addition to these, group mentors will also be assigned to employees who have been identified for development to management positions in terms of the skills analysis and workforce planning process.

Because the mine is only in the planning phase and core contractors have not been appointed targets and numbers with regard to Mentors and Coaches for the various learning initiative categories cannot be set down. However, TM has targeted that its mentorship and coaching programme targeted at employees will be in place by July 2010 by which date TM will provide a plan to the DME indicating targets over a 5 (five) year period.. Reporting on this will take place on an annual basis in the Annual SLP submissions.

2.3.2 Mentorship of Empowerment Groups and BEE Companies

Tharisa's empowerment partners, Nasidima Investments largely comprise of professional executives with experience in a variety of enterprises across industry sectors. Should it be identified that any mentoring assistance be required by these empowerment partners during the life of TM suitable assistance will be provided.

The local municipality has indicated the need for capacity building for local SMMEs listed on their SMME supplier database. However, due to budget constraints the municipality is unable to offer capacity building training to the identified SMME companies. As such, the mine will undertake to provide the necessary capacity building training, through an accredited service provider, to SMMEs that have been identified by the municipality as requiring assistance.

In addition to the SMMEs to be identified through the municipality's SMME supplier database, the mine will, in line with its procurement progression plan (refer to Section 3.5), identify SMMEs that also require capacity building and/or mentoring assistance.

The capacity building assistance to be offered will include:

- Identification of a service provider to conduct capacity building training programme.

- Identification by the municipality of five (5) SMME training candidates from the municipality's SMME database.
- Identification by the mine of five (5) SMME training candidates from the mine's supplier database.
- Ten (10) SMMEs to receive capacity building training through an accredited service provider.
- Six (6) month mentoring assistance programme to be conducted by service provider with trained SMME's.

2.4. Internship and Bursary Plan (Regulation 46 (b)(iv))

TM recognizes that Internships and Bursaries will assist the mine in achieving the skills and competencies required by the manpower plans to be developed. It will form an essential component of TM's plan in achieving its objectives and contribute in the following areas:

- **HDSA Targets:** Supports the achievement of the HDSA targets and targets for women in mining
- **Vacancy Placements:** Become a substitute to permanent placements in areas where there are hard to fill vacancies and provide potential successors for management positions
- **Work related Experience:** Provides work related experiences specifically through Internships and through this prepare learners for the world of work
- **Potential Identification:** Allows the identification of potential at an early stage so that this can be nurtured in order to support future skills requirements
- **Learning opportunities:** Support initiatives to make the sector more competitive and representative of South Africa's demographics by providing learning opportunities to previously disadvantaged individuals
- **Value- add learners:** Employees/learners recognize that the business is committed to their development and as a result are more likely to make a value-added contribution.
- **Value Chain Exposure:** Provide students with an opportunity to gain exposure of the mines full value chain process and allow greater flexibility in terms of later placement in the mine.

TM is committed to Bursary and Internship programmes based on the principles outlined below.

2.4.1 Bursaries:

- Bursaries will be awarded to students with potential to succeed
- Bursary students will preferably be selected from the local communities who will be informed of the availability of such bursaries through a variety of communication structures including local community structures, tertiary institutions and advertisements in the local press
- TM will liaise and work closely with the local Universities and Technikons to identify top students

- The liaison with these institutions would also be to ensure the training provided meets business requirements
- Bursary funding will only be for students studying towards mining-related qualifications on a tertiary level at accredited Universities and Technikons
- Bursary funding will be inclusive of the costs of finance to meet enrolment fees and study costs
- Those awarded bursaries will be required to enter into a service agreement and as part of this do vacation work at the mine
- Students will be required to pass all their subjects in order to keep the bursary provided. However special circumstance may be considered at times
- Mentors will play an extensive role in the development of bursary students, the mentoring will take place while the student is at the tertiary institution or doing vocational work at the mine

TM intends offering one (1) bursary per annum increasing to two (2) as the mine reaches full production. The number of bursaries to be supported in the period 2008/2009 to 2012/2013 is shown in Table 2.7 below.

TABLE 2.7

TARGETS FOR THE PROVISION OF BURSARIES BY TM

YEAR	NEW BURSARIES AWARDED	TOTAL NUMBER OF BURSARIES SUPPORTED
2008/2009	1	1
2009/2010	1	2
2010/2011	1	3
2011/2012	1	4
2012/2013	2	5

2.4.2 Internships

- Internships will offer high quality, structured practical work experience directly linked to fields of study (these would be in line with mine qualifications)
- The manpower plan will be the key driver in terms of which positions will be allocated internships based on:

  - Hard to fill vacancies
  - Critical and Scarce Skills

- Interns will be mentored during their in-service training
- Internship programmes will be designed to ensure a logical sequence, build on skills and competencies acquired during the formal study but contribute to supporting the mines operational requirements

The number of internships to be offered in the period 2008/2009 to 2012/2013 is shown in Table 2.8 below.

TABLE 2.8
TARGETS FOR THE PROVISION OF INTERNSHIPS AT TM

YEAR	NUMBER OF INTERNSHIPS
2008/2009	
2009/2010	2
2010/2011	5
2011/2012	6
2012/2013	7

However, the actual number of internships, the fields in which these will be offered and the timing and duration can only be finally determined once core contractors have been appointed and they have undertaken their manpower planning exercises.

TM undertakes to provide the DME with Form R – Hard to fill Vacancies by July 2010.

2.5. EMPLOYMENT EQUITY PLAN (REGULATION 46 (B)(V))

TM is bound by the requirements set out in the Mining Charter (MC) of 40% HDSA participation in management and 10% women in mining, both to be achieved by 2012/2013 The mine embraces the fact that the achievement of these targets can only be achieved with pro-active interventions.

The Integrated Human Resources Programme illustrated and discussed in Section 2.1 clearly incorporates the above-mentioned commitment by outlining the link of all current and future resource requirements and how this feeds into the development of an Equity Plan.

In order to be seen as a world class South African company, TM must create a culture of equity and build upon the strengths that diversity brings to promote diversity within the mine. To achieve this, the following objectives are key to the process:

- Eliminate unfair discrimination;
- Ensure that the company is recognized as an equal opportunities employer;
- Establish and exceed the required degree of representation of designated groups in all occupational categories and levels of the mine;
- Integrate the mine's equity initiatives with the terms of the Skills Development Act, as far as is practically possible; and
- Increase the number of women as well as HDSAs in management positions, over time and in line with the targets laid out in Table 2.10 and Table 2.11.

The principles that TM will follow to achieve the above are:

- Mining occupations which could be occupied by women will be identified in the manpower plan
- Strategies will be implemented to attract HDSA's (including women) and retain them e.g. development of policies that support the retention of HDSA's
- Recruitment processes will be focused on HDSA's and women in mining positions

- Individual development plans will be a key mechanism to ensure that those HDSA's identified as having potential based on the skills assessments are earmarked for management positions and developed in line with this
- HDSA's will be mentored to provide them with support and assistance to ensure that they can assume their roles with success

Table 2.9 below sets out the strategic action plan for the achievement of Employment Equity targets:

TABLE 2.9
EMPLOYMENT EQUITY ACTION PLAN

Action	Envisaged Outcome(s)	Person(s) Responsible	Timeframe
Establish recruitment practices	Targets for the achievement of Employment Equity, including HDSAs in management positions and women in mining positions are set down in line with the manpower plan	TM and Core Contractors	On appointment of Contractors
Review all policies, procedures and practices	Ensure that Employment Equity principles are applied in all HR policies and practices	Core Contractors	Prior to commencement of recruitment process
Establish mechanisms for identifying HDSAs and women with potential	HDSAs and women with potential can be sourced and fast-tracked for advancement	Core Contractors	Prior to commencement of recruitment process
Develop and implement retention policies	Support the retention of HDSAs and women	Core Contractors	Commencement of contract
Develop and implement Human Resource Development Plans in line with manpower plan and workplace skills plan	Skills development initiatives support the achievement of the targets set out in the manpower plan and meet the strategic skills requirements of the organisation	Core Contractors	Commencement of contract

TABLE 2.9 (CONT.)
EMPLOYMENT EQUITY ACTION PLAN

Action	Envisaged Outcome(s)	Person(s) Responsible	Timeframe
Allocate resources to focus on the training of HDSAs and women	Appropriate resource allocation to ensure that requirements of development plans are met	Core Contractors	Commencement of contract and ongoing
Initiate mentorship and coaching system for HDSAs and women	HDSAs and women receive the support needed for their development. HDSAs and women have the right skills and competencies to assume their roles successfully	Core Contractors	Commencement of contract and ongoing
Ensure facilities on the mine available for women	Appropriate and adequate facilities available for women	TM	Commencement of contract and ongoing
Set targets for numbers of HDSAs and women	Acceptable progress is made in achieving demographic on the mine	TM	Prior to commencement of recruitment process and ongoing
Report on progress	Provide TM and management with feedback on the success of programme/s. Provide DME with necessary information to measure compliance	TM and Core Contractors	Annually

TM undertakes to provide the DME with Form S – Employment Equity Statistics by July 2010.

2.5.1 HDSAs in Management

TM will plan for the achievement of 40% HDSAs in management positions by 2008/2009. Despite the fact that the fact that the mine has not yet started operations and there is a need to have fully trained and experienced personnel in place for the start up phase, TM, undertakes to meet the required targets by 2008/2009 by taking the following factors into consideration:

- Number of Top Management to employees to be appointed in positions equivalent to Paterson F Band as defined by Form S and by the Form EEA9 that is provided by the Department of Labour (DoL) in respect of Employment Equity.
- Number of Senior Management employees to be appointed in positions equivalent to Paterson E Band as defined by Form S and by the Form EEA9 that is provided by the DoL in respect of Employment Equity.

- Number Middle Management employees to be appointed in positions equivalent to Paterson D Band as defined by Form S and by the Form EEA9 that is provided by the DoL in respect of Employment Equity.
- Total HDSAs in Management is the sum of all HDSAs in Paterson Bands F, E and D.
- Total Management is the total number of all employees regardless of race or gender in Paterson Bands F, E and D.
- Percentage HDSAs in Management is the number of HDSAs in Management expressed as a percentage of the total number of managers.
- Targets will take into account availability of relevant skills and will progressively increase over the five (5) year period in order to achieve the 40% target

Table 2.10 provides a detailed breakdown on anticipated targets to meet the 40% HDSAs in Management at Tharisa:

TABLE 2.10
TARGETS FOR HDSA'S IN MANAGEMENT FOR TM
(YEAR 1 - 5)

TM Management	Targets for appointment of HDSAs in Management				Total Management	% of HDSA in Management
	Top Management F Band	Senior Management E Band	Middle Management D Band	Total		
2008/2009	-	1	1	2	4	50%
2009/2010	-	1	2	4	7	43%
2010/2011	-	1	2	4	7	43%
2011/2012	-	1	2	4	7	43%
2012/2013	-	1	2	4	7	43%

2.5.2 Women In Mining

Tharisa is currently owned 94% by women and this will be used as substantial impetus to recruit women onto TM. Having ownership of the mine in the hands of women provides significant role models to other women entering the sector and the company. Moreover, these women in management/ownership positions will use their positions and time to mentor and motivate women on the mine. This process is aimed at encouraging women into the sector and their retention both at TM and in the industry.

TM will add the following additional points to their action plan to ensure that the recruitment of women takes place in line with the target of having a minimum of 10% women in mining positions by 2009:

- Ensuring that policies and procedures relating to women working in risk areas as well as sexual harassment in the work place are in place;
- Establishing a conducive environment for female employees including the building of female change houses and making provision for suitable ablution facilities underground;
- Encouraging core contractors to recruit women from the surrounding communities that form part of the mine's local labour recruitment areas;
- Encouraging contractors to apply a demographic split in terms of the learnership intake in line with the skills development plan; and
- Supporting contractors to identify women within the workforce with the aim of fast tracking in support of career progression and future appointments, based on the mine's needs.

In planning for Women in mining the following points will be taken into consideration:

- The total number of women in all occupations at the mine;
- The total number of employees of all races and genders in occupations deemed to be mining related in terms of the manpower plans to be developed; and
- Targets will be based on the deficit between the actual numbers and the desired target percentage. This figure will progressively increase over the five (5) year period in order to achieve the required minimum 10% representation.

Targets for women in mining positions will be set once contractors have been appointed and this will be reported in the Annual SLP report.

Table 2.11 sets out the anticipated mining positions into which women may be recruited.

TABLE 2.11
WOMEN IN MINING POSITIONS AT THARISA MINE

LIST OF POSSIBLE MINING POSITIONS AT THARISA MINE INTO WHICH WOMEN MAY BE RECRUITED 2008-2013
Access controller
Assistant / Attendant Eng/Tips / Pump / Belt
Cleaners & Service Assistants
Data capture clerk
Drill Rig / Transport Assistants
Drill Rig Operator
Engineering Aide
Engineering Planner
Lab Superintendent
Mechanic (Artisan)
Miner's Assistant
Plant Operator
Process Superintendent
Production Assistant/Attendant/Operator
Safety & Systems Coordinator
Safety Representative
Safety/Training Officer
Serviceperson
Site secretary
Site/Workshop Clerks
Supervisor
Survey assistant
Tally Clerk & Spotter
Team Leader
Tip Attendant / General Labourer
Truck Driver

Table 2.12 below provides the anticipated targets over the period 2008/2009 to 2012/2013 to achieve 10% Women in Mining Positions at TM:

TABLE 2.12
TARGETS FOR WOMEN IN MINING POSITIONS AT TM
(YEAR 1 - 5)

	Targets for appointment of Women in Mining Positions			
	Total Number of Employees on the Mine	Total Number of Mining Positions	Targeted Number of Women in Mining Positions	% of HDSA in Management
2008/2009	44	41	4	9%
2009/2010	367	294	29	10%
2010/2011	580	539	53	10%
2011/2012	580	539	54	10%
2012/2013	1072	1072	118	11%

However, the actual number of women in mining positions and the nature of those positions can only be finally determined once core contractors have been appointed and they have undertaken their manpower planning exercises.

Section 3
Local Economic Development Programme

3.1 SOCIO-ECONOMIC BACKGROUND AND KEY ECONOMIC ACTIVITIES OF THE AREA (REGULATION 46 (C)(I) & (II))

3.1.1. Introduction

Tharisa's proposed Chrome Mine will be located within the North West Province in the Bojanala District Municipality and within the Rustenburg Local Municipality (See Location Map (Figure 1.1 Section 1). The nearest major town and likely major labour-sending area is Rustenburg. It should be noted however that the statistics obtained from Stats SA only include the urban areas of Rustenburg and have not incorporated the surrounding rural areas. This would therefore present a skewed socio-economic profile of the rural community. As such, for the purposes of this section of the SLP, the statistics for Rustenburg Local Municipality as well as those for the smaller town of Mooinooi should be considered as the baseline for Local Economic Development (LED) planning as these statistics would present a more balanced view of the region.

3.1.2 Socio-Economic Profile of Surrounding Region[1]

TABLE 3.1
SUMMARY OF SOCIO-ECONOMIC PROFILE OF SURROUNDING REGION

Socio-Economic Indicators	North West Province	Bojanala District Municipality	Rustenburg Local Municipality	Rustenburg	Mooinooi
Population					
Total number of people	3,193,675	1,188,458	387,095	67,201	3,901
Total number of households	898,741	334,499	116,665	18,464	964
Brief Analysis	The new demarcated boundaries that came into effect on 9th December 2005 show a decrease of 475,664 people within the North West province. The population figures for Bojanala District Municipality increased by a mere 3,133 people. Rustenburg Local Municipality's population showed a decrease of 8,444 people. The average size of households within the province is four (4) persons. Bojanala District Municipality and the towns of Rustenburg and Mooinooi also show an average of four (4) persons per households. However, Rustenburg Local Municipality statistics cited three (3) persons per household on average. These are depictive of relatively small urban or peri-urban household sizes for a developing economy and are likely to be larger amongst rural households within each geographical area.				

[1] Statistics obtained from Stats SA from the National 2001 Census.

TABLE 3.1 (CONT.)
SUMMARY OF SOCIO-ECONOMIC PROFILE OF SURROUNDING REGION

Socio-Economic Indicators	North West Province	Bojanala District Municipality	Rustenburg Local Municipality	Rustenburg	Mooinooi
Housing (% stated for households in the Municipal Areas)					
Brick dwelling on separate stand	59.60%	59.10%	47.20%	63.60%	84.08%
Traditional dwellings	4.20%	3.50%	2.10%	1.30%	3.33%
Informal settlements (separate stands and backyard dwellings)	21.20%	29.40%	39.20%	11.10%	0.62%
Flush toilet with sewerage system	39%	24.30%	39.90%	88.20%	98.34%
Pit latrine (without ventilation)	33.90%	51.80%	31.70%	1.50%	1.19%
No access to any toilet facilities	9.20%	9.10%	12.50%	7.90%	0.73%
Regional/Local Water Scheme	72.60%	70.50%	74%	67.50%	44.18%
Borehole	20.20%	18.20%	10.90%	0.10%	0.00%
Other (spring, rain water tank, dam/pool/stagnant water, river/stream or water vendor)	7.20%	11.30%	15.10%	1.70%	0.00%
Electricity	57.30%	56.80%	60.10%	87.70%	98.96%
Gas	1.20%	2.80%	0.90%	0.40%	41.45%
Paraffin	15.90%	18.30%	22.10%	7.10%	0.00%
Candles	23.20%	22.20%	23.60%	8.50%	0.31%
Wood	21.30%	19%	9.60%	2%	0.00%
Refuse removed by local authority at least once a week	40.60%	25.90%	43.70%	90.50%	96.47%
Communal refuse dump	1.80%	1.50%	1.10%	1.10%	0.62%
Own refuse dump	48.50%	62.30%	46.90%	4.50%	0.73%
No rubbish disposal	7.30%	9.80%	7.60%	3.80%	0.52%

TABLE 3.1 (CONT.)
SUMMARY OF SOCIO-ECONOMIC PROFILE OF SURROUNDING REGION

Brief Analysis	The housing infrastructure at the various geographical levels appears to be formalized. However, sanitation usage at provincial, district and local municipality levels indicates high percentages of the population utilizing pit latrines. The majority of households within the province appear to be included within the regional/local water scheme. Electricity available to households at provincial, district and local levels reflects favourably with most of the households within the province having access to electricity. Wood is still used by some (21.3%) households for heating and cooking purposes within the North West Province and remains a great concern for the natural environment of the region as most of the wood is obtained from nearby vegetation illegally. Refuse removal still remains a great concern as approximately half (48.5%) of North West Province, 62.3% of Bojanala District Municipality and 46.9% of Rustenburg Local Municipality households utilize their own refuse dumps to discard their household waste, which again impacts negatively on the environment.				
Socio-Economic Indicators	**North West Province**	**Bojanala District Municipality**	**Rustenburg Local Municipality**	**Rustenburg**	**Maologadi**
Educational profile of adults					
No or limited primary education	40.30%	34.80%	30.20%	11.30%	2.55%
Completed primary education	6.90%	7.40%	7.70%	3.10%	2.76%
Completed some secondary education	29.20%	32.20%	33.50%	29.90%	35.91%
Completed secondary education	18%	20.10%	22.30%	38.80%	42.86%
Completed tertiary education	5.60%	5.60%	6.30%	16.90%	11.05%
Brief Analysis	Overall statistics at provincial, district and local levels indicate poor educational profiles. This results in a shortage of educated labour, which is a critical problem in the province, with 35% of the adult population having received either no schooling or only limited primary education in 2001. On average only 25% of the population in the province had completed secondary education and a mere 9% were cited to have higher qualifications. In terms of the available skills within all industries in the provincial economy, finance for the extension of education and training will be essential to provide the skills required for a growing regional economy.				

TABLE 3.1 (CONT.)
SUMMARY OF SOCIO-ECONOMIC PROFILE OF SURROUNDING REGION

Employment of working age population					
Percentage of population of working age (19 to 65 years)	56%	58%	65%	73%	60%
Employment rate	37.10%	39.90%	50.30%	60%	35%
Unemployment rate	26%	27.60%	23.40%	9%	4%
Economically not active	52%	61%	34%	30.90%	21.80%
Brief Analysis	The greater part of the population within the province falls within the working age category. However, only 48% of the population were economically active at the time of the 2001 Census. On average, 22% of the population within the province were unemployed at the time of the census and 44% could cite formal employment. Just under one third (31.9%) of the economically active population were cited to be either still in school, homemakers, pensioners, seasonal workers or unable to work due to illness.				
Socio-Economic Indicators	**North West Province**	**Bojanala District Municipality**	**Rustenburg Local Municipality**	**Rustenburg**	**Mooinooi**
Household Income (Excluding income derived from government grants, pensions and informal employment)					
No income	1.90%	1.80%	1.40%	1.30%	0.83%
R1 to R1,600 per month	57.30%	54%	46.40%	24%	21%
R1,601 to R6,400 per month	33.60%	37.40%	43.40%	45.50%	44.81%
R6,401 to R51,200 per month	6.90%	6.40%	8.40%	28%	33%
R51,201 and above	0.30%	0.40%	0.40%	1.10%	0.51%
Brief Analysis	Just over half of the households (54.3%) within the various geographical levels (Rustenburg has been excluded as the statistics only include the urban areas and thus presents skewed results) receive a minimal monthly income of below R1600. Secure, formal income on a monthly basis therefore remains minimal within the North West Province as the average household of four (4) persons only earn a combined income of R1600, which is indicative of a developing regional economy.				

TABLE 3.1 (CONT.)
SUMMARY OF SOCIO-ECONOMIC PROFILE OF SURROUNDING REGION

Socio Economic Indicators	North West Province	Bojanala District Municipality	Rustenburg Local Municipality	Rustenburg Town	Mooinooi
Schools	2247	681	145	374	1
Police Stations	94	22	32	2	1
Hospitals	32	7	8	4	0
Brief Analysis	Whilst the above essential services including schools, healthcare facilities and police stations are available at the various geographical levels (except for Mooinooi that does not have health care facilities), the accessibility of these services may be questionable given the population figures for each area. With over 3.1 million people in North West Province, each one (1) of the thirty-three (33) hospitals must service an average of over seventy-two thousand (72 000) people and the ninety-four (94) police stations should each service over thirty-three thousand (33 000) people. In addition the twenty-two (22) police stations in the District Municipality (servicing approximately fifty thousand (50 000) people each) and the thirty-two (32) police stations in the local municipality (servicing over twelve thousand (12 000) people each) are unlikely to meet these large demands. The same would be true for the hospitals at the District Municipality (seven (7) each serving an average of over one hundred and ten thousand (110 000) people) and Local Municipality (eight (8) servicing over forty-eight thousand (48 000) people) each. Despite Mooinooi's solid infrastructure environment, the level of welfare services for the current population are of concern in respect of hospitals (none) and police stations (one (1)) for three thousand nine hundred and one (3901) people.				

3.1.3 Key Economic Activities

As indicated within Table 3.2 below, the mining sector is a key employer in the province contributing 27.7% of employment to the province. According to Stats SA, in 2005, South Africa reported a 5.1% Gross Domestic Product (GDP)(R171,507m) which declined slightly in the 2006 GDP report of Stats SA to 5%. The GDP for the North West Province in 2005 was calculated at 5.1% (R69.9 million), an increase from 4.9% GDP of 2004. This is a 4.1% increase in economic growth from the previous year.

[2] *The difference between the number of schools within the local municipality and the town of Rustenburg may be due to the elapsed period between the Census 2001 statistics utilized on the Demarcation's Website and the 2007 actual statistics which were obtained from Bojanala Platinum House and Rustenburg Municipality's Housing Department.*

TABLE 3.2
SECTORAL EMPLOYMENT STATISTICS IN 2001

Sectoral Employers	North West Province	Bojanala District Municipality	Rustenburg Local Municipality	Rustenburg
Agriculture	11.4%	7.5%	3.7%	1.3%
Community services	17%	14%	11.2%	18.7%
Construction	4.1%	4.8%	4.4%	4.2%
Financial & business services	4.9%	4.8%	4.9%	9.2%
Manufacturing	7.4%	10.7%	6%	5.9%
Mining	24.2%	27.7%	44.2%	31.0%
Private households	10.3%	8%	6.4%	7.8%
Transport & communication	3.1%	3.5%	2.7%	2.4%
Utility supplies	0.5%	0.5%	0.4%	0.5%
Wholesale & retail trade	12.6%	13.6%	11.6%	13.4%
Undetermined	4.6%	4.8%	4.5%	5.5%

3.1.4 Impact of the Mine in Local and Labour Sending Communities

Table 3.3 is a summary of the envisaged socio-economic impacts derived for the proposed Chrome Mine. This table is a summary of the findings of the Socio-Economic Impact Report (SEIR) (September 2007) carried out as part of the mine's Environmental Impact Assessment (EIA). The impact assessment has taken cognizance of the mine's business planning (as at 5th September 2007) in respect of envisaged workforce requirements (TM and the contractor workforce), the expected procurement spend and geographical sources of these suppliers as well as the potential location of the mine infrastructure and smelter.

TABLE 3.3
SUMMARY OF SOCIO-ECONOMIC IMPACTS

Description of Identified Impact	Positive/ Negative	Recommendations for Enhancement or Mitigation Measures
1. Job Creation **a. During the construction phase** The mine will generate over 2200 jobs during the construction phase of its development providing 1600 employment opportunities within semi skilled or unskilled jobs. 55% of recruitment aimed to be within local area. **b. During the operation phase**	Positive	▪ A Skills Audit of the local community should be conducted to establish the available local skills base, facilitate future recruitment and establish training requirements. ▪ Suitable bursary, internship and/or Learnership Programmes should take cognizance of the results of the Skills Audit as well as the mine's labour needs. ▪ A suitable recruitment mechanism

Description of Identified Impact	Positive/ Negative	Recommendations for Enhancement or Mitigation Measures
The mine will require approximately 900 employees for the open pit operations, the processing plant and smelter. It is planned that approximately one third of these employees will be recruited locally. **c. During 1 Year Prior to Closing** During the down-scaling process at the mine, at the end of the mine's life, 800 people will be required to work on the downscaling and environmental management of the mine and its associated infrastructure.		should be established and correctly communicated in order to facilitate access to available jobs by local residents. ▪ Particular focus should be placed on recruiting women. ▪ Basic literacy and numeracy levels within the region are likely to be poor. Consideration of a suitable ABET programme for local community members to facilitate improved ABET levels may be beneficial.
2. Improved Spending Power within the Local Economy With the increase in the number of salaried people in the area and a concurrent increase in the household income, an increase in local spending power can be expected in economic hubs such as Marikana and Rustenburg.	Positive	▪ By facilitating opportunities for retail and service businesses to establish themselves or expand current services to meet the needs of this salaried population in close proximity to the mine, direct benefits to the local economy will be felt. ▪ Cognizance of the rise in spending on alcohol, drugs and prostitution should be taken and appropriate education campaigns at the mine should be considered. ▪ Education programmes in respect of utilising personal finance to improve housing and living conditions may further assist in directing this new found spending power towards constructive uses, benefiting the employee's family and dependents. ▪ Whilst residents on the potentially affected land are not used to paying for basic services, (indicative of a culture of non-payment for services), some degree of education over the need for payment of services rendered may be required.
3. Support for Local Businesses During both the construction and operation phases at Tharisa Mine, a wide variety and generally substantial quantities of a variety of goods and services will be required by the	Positive	▪ To enhance the benefits of the developing mine the development of a Tharisa Mine Preferential Procurement Policy and associated comprehensive plan will be required and should focus on ensuring the mine and

Description of Identified Impact	Positive / Negative	Recommendations for Enhancement or Mitigation Measures
mine and their contractors. Current indication are for approximately R56 million in procurement spend in the first year of operation, and between R30 and R40 million per annum thereafter. Current plans indicate one third to come from Rustenburg Local Municipality.		contractors use local companies and that preference is given to HDSA companies when purchasing goods and services.
4. Relocation of Households on Land Required for Mine Development The current tenure rights of approximately 1160 individuals within approximately 544 households to be relocated, as well as the social and welfare services, schools and crèches they currently utilise are key considerations when assessing the impact of a potential relocation programme upon these individuals. Also critical are their current livelihoods and employment sources. The relocation of these individuals away from their current place of residence and proximity to familiar social and welfare services as well as family and friends, may cause some degree of negative impact to these households.	Negative	▪ Cognizance of prevailing legislation and best practice in respect of relocation planning and implementation should be considered critical at all times. ▪ Critical to all relocation planning exercises is the appropriate and regular communication with those affected by the relocation process and should include legal representation for the affected households. ▪ Ongoing cognizance of the baseline information obtained about the residents of the affected community during the relocation planning process is invaluable. ▪ The current subsistence farming activities should be taken into account within the relocation planning process and new relocation site(s) should be adequate for on-going subsistence farming practices.
5. Limited Available Land for Alternative Housing Discussions with the Rustenburg Local Municipality and the Department of Land Affairs have indicated a severe shortage of land and this, therefore, is a major limitation in providing houses for affected households.	Negative	▪ The mine will need to maintain open and frequent channels of communication with the municipality in respect of land availability for housing development and/or municipal plans for new housing stock. ▪ It may be beneficial for the mine to facilitate the purchase of private land for the purposes of construction of housing. ▪ Maintain close contact with the Producers Forum and the dedicated Strategic Forum on Housing in conjunction with other local mines, in order to stay abreast of local strategy and plans in respect of meeting this major regional issue of housing for mine

Description of Identified Impact	Positive/ Negative	Recommendations for Enhancement of Mitigation Measures
		employees. ▪ Potential focus areas on housing (its construction and the capacity building of associated service providers and/or SMMEs) may be required as part of the mine's LED programme.
6. Proximity of Large Informal Settlement to the Mine Development Should relocation not be required it is likely that this community will experience a substantial influx of people in search of jobs. Those who have resided in the settlement may perceive an entitlement to the jobs generated by the mine on their doorstep and strong political battles may ensue between the established residents, new residents and the mine and its recruiting contractors.	Negative	▪ Appropriate and transparent recruitment mechanisms will be critical at the mine. Off-site recruitment will reduce some of the potential problems of large numbers of job-seekers on mine property during construction and ramp-up phases. ▪ The management of the expanding informal settlement on land adjacent to the mine will be impossible if the land is not owned by the mine and should the mine purchase the land and attempt to ring-fence the existing settlement on this land, strong management mechanisms and personnel will be necessary. ▪ The establishment of a Working Committee to communicate these matters with the local residents may be of use.
7. Potential Environmental Impacts on Local Community The potential negative impacts on the natural environment from mining developments are frequent concerns raised by IAP's, including concerns associated with dust, noise, impacts on flora, fauna and local livestock or wildlife.	Negative	▪ The commissioning of appropriate specialists to investigate the various potential impacts on the natural environment will be required. ▪ The scientific analysis of the above assessment may not be understood by many of the semi-literate residents in the vicinity of the development and the appropriate communication of the findings of the studies must be considered.
8. Disturbances of Graves A number of graves on Maditlhokwa settlement and Theuns Smith's farm indicated by local residents as part of the baseline survey will be impacted should the development proceed on this land.	Negative	▪ Should the proposed mine development proceed on land where graves have been noted as existing, developers will need to obtain permits for the relocation of graves from the local authorities and SAHRA. ▪ More precise information on the location, age and ownership of the graves affected by the mine

Description of Identified Impact	Positive/ Negative	Recommendations for Enhancement or Mitigation Measures
		development, as well as permission to relocate these graves should be gathered during the public consultation phase of the grave relocation planning process with the identified next of kin.
9. Impact on Local Roads and Traffic Levels Of concern with any mining development, is the potential increased level of traffic, particularly in the vicinity of the chrome mine.	Negative	▪ A dedicated traffic study as part of the EIA will be required to investigate the potential impact of this perceived problem in more detail and results of this investigation should be incorporated into the EMP.

3.1.5 Integrated Development Planning – Bojanala Platinum District Municipality

The information regarding the integrated development planning for Bojanala District Municipality was sourced from their revised Integrated Development Plan (IDP) (2007/2008 – 2011/2012). The vision of the municipality is that of a model of cooperative governance for effective and efficient service delivery in partnership with local municipalities and all stakeholders. The Key Performance Areas (KPA's) or strategic priorities as outlined in the Local Government Strategic Agenda (LGSA) (2006-2011) together with benchmarks for an ideal functional municipality are as follows:

- Municipal Transformation and Institutional Development
- Local Economic Development
- Basic Service Delivery and Infrastructure Investment
- Financial Viability and Financial Management
- Good Governance and Community Participation

As the focus for this SLP will be the Local Economic Development (LED) objectives of the LGSA and IDP, the Key Performance Indicators (KPI's) for local economic development within the Bojanala District Municipality are:

- Thriving and vibrant local economy and neighbourhoods
- Ongoing programme contributing to the development of employable, educated and skilled citizens
- Facilitation of job creation and access to business opportunities
- Continuous and positive interactions with all key economic anchors and actors
- Clean, safe and healthy municipality
- Universal access to quality, affordable and reliable municipal services (e.g. water, sanitation, electricity, refuse removal, transportation)
- Regular investment in infrastructure and productive equipment

3.1.6 Integrated Development Planning – Rustenburg Local Municipality

The information regarding the integrated development planning for the Rustenburg Local Municipality was sourced from their revised IDP (2007/2008). The vision of the Rustenburg Local Municipality is defined as "A successful Rustenburg for the benefit of all". In order to view the objectives for LED, it is of importance to consider the Key

Performance Areas (KPA's) at local level in conjunction with the Provincial Growth and Development Strategy (PGDS) and the Bojanala District Municipality's development objectives (as described in section 3.1.5).

The priority areas in the local municipality, as listed in the PGDS, can be summarised as:

- Reduce poverty and unemployment by half over the next ten (10) years
- Provide the skills and build the capacity required to fight poverty and promote the economy
- Promote the rights contained in the Bill of Rights amongst vulnerable groups like women, people with disabilities, youth and the aged
- Efficiently and effectively provide compassionate government services to the people
- Markedly reduce cases of preventable diseases and turn the tide on HIV/Aids
- Create an environment of safety and security to promote sustainable development

For the purposes of this SLP, the key strategic areas listed within the Rustenburg Local Municipality that the mine will consider to promote Local Economic Development (LED) within the region are summarized in Table 3.4 below.

TABLE 3.4
KEY STRATEGIC AREAS LISTED WITHIN THE RUSTENBURG LOCAL MUNICIPALITY'S REVISED IDP (2007/2008)

Revised Priority Area	Revised Objectives	Mine's Strategic Objective within SLP
Infrastructure Investment and Access to Basic Services	• To maintain and upgrade the level of existing services to meet the required standards and ensure the sustainability of projects. • To ensure provision of free basic services to all indigent households. • To ensure provision of basic services. • To facilitate affordable quality services. • To develop new infrastructure in partnership with other spheres of government, business, parastatals and international institutions. • To promote infrastructure investment in order to stimulate economic growth and development.	• Relocation of Households affected by Mining Development (Section 3.1.4) • Promotion of Home Ownership (Section 3.3)
Social Development, HIV/Aids, Youth, Children,	• To ensure social development of communities. • To lobby and advocate programmes for women, youth, children and people	• Project Two: Sewing Enterprise Development and Expansion (Section 3.2)

Revised Priority Area	Revised Objectives	Mine's Strategic Objective within SLP
Women and People with Disabilities	with disabilities.	
Economic Development and Job Creation	• To promote, attract and retain investors. • To promote a diverse economic development and job creation for local residents through SMMEs, tourism and capital projects undertaken within the municipal area. • To advance the cause of local businesses to procurement opportunities available to the industries. • To maximize private sector investment and facilitate forging of partnerships. • To promote the development of entrepreneurial skills in the management of economic development. • To support BBBEE as part of economic development. • To create conditions conducive to entrepreneurial activity and investment. • To position the municipality as a player in the global economy.	• Project One: Tourism Route Development (Section 3.2) • Project Two: Sewing Enterprise Development and Expansion (Section 3.2) • Project Three: Brick Manufacturing Enterprise (Section 3.2) • Procurement Progression Plan (Section 3.5)
Housing	• To facilitate accelerated housing development. • To promote integrated human settlement.	• Relocation of Households affected by Mining Development (Section 3.1.4) • Promotion of Home Ownership (Section 3.3)

3.2 Infrastructure and Poverty Eradication Projects in the Local and Labour Sending Areas (Regulation 46 (c)(iii))

3.2.1 Overview of Strategic LED Needs in Rustenburg Local Municipality

The strategic LED needs of Rustenburg Local Municipality, as shown in Section 3.1.5, in line with the extent of project assistance required by the municipality, has been considered by the mine in the formation of the mine's LED strategy and project development. It should further be noted that should household relocation be required, every effort will be made to ensure this process will also assist the municipality's Housing and Infrastructure Investment and Access to Basic Services focus areas ensuring the households will be relocated to improved housing facilities. To date however, the need for relocation has not been determined and will only be gauged once the Environmental Impact Assessment (EIA) and Environmental Management Programme (EMP) processes have been completed.

During the initial consultation with the municipality's IDP office, on Friday 29th June 2007, a number of LED projects were identified. A subsequent meeting was conducted on Friday, 20th July 2007 to inform the municipality of the mine's acceptance of the projects and discussion took place on the way forward. A further progress meeting was held on Thursday, 6th September 2007 with the Executive Mayor, the Municipal Manager and the LED Directorate. During this meeting the mine provided background to the proposed mining operation and to the possible relocation process to be conducted. This proposal has been agreed to. The senior officials of the municipality requested subsequent bi-monthly meetings to be held between TM and senior officials to ensure the mine's future plans and community liaisons are aligned to the municipality's Integrated Development Plan (IDP). In addition, Tharisa and the Director of LED, Rustenburg Municipality, held a meeting on 14th September 2007 with the Department of Minerals and Energy Affairs (DME) to ensure the LED projects (refer to Section 3.2) are in line with the required framework of the DME and the municipality's IDP. The final LED projects identified in conjunction with the Rustenburg Local Municipality were accepted on 27th September 2007 by the municipality (refer to Appendix H) and are included within Section 3.2.

Tharisa has also, as part of their LED planning, become a member of the Producers Forum and attended the Joint Housing Technical Task Team (JHTTT) and Transport Forum meetings (see Table 3.5 below for more details). These are sub-forums of the Producers Forum and aim to facilitate discussions between mining companies within the North West Province on housing related matters. Tharisa was particularly concerned in establishing where land was available for the development of housing units to facilitate the mines' workforce, as well as to identify housing availability for the potential household relocation of the community residing on the land earmarked for the mining development.

included in this summary, as well as the specific LED project plans indicate the financial provision by the mine during the next five (5) years.

TABLE 3.6

SUMMARY OF LED PROJECTS TO BE UNDERTAKEN BY THARISA MINE (FY 2008-2013)

Project No.	Project Name	IDP Focus Area	2008/ 2009	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	Total Financial Contribution (2008-2013)
1	Tourism Route Development	Tourism	2,000,000					2,000,000
2	Sewing Enterprise Establishment and Expansion	Social Development, HIV/Aids, Women and People with Disabilities, Local Economic Development and Job Creation	2,350,600	1,250,000	500,000	500,000	500,000	5,100,600
3	Brick Manufacturing Enterprise	Economic Development and Job Creation	1,000,000	3,000,000	2,000,000	2,000,000	2,000,000	10,000,000
Total Financial Contribution by Mine for Committed Projects (FY 2008 to 2013):			5,350,600	4,250,000	2,500,000	2,500,000	2,500,000	17,100,600
Total Local Economic Development Budget available for Housing/Infrastructure Projects (To be determined):			7,600,000	7,600,000	7,600,000	7,600,000	7,600,000	38,000,000
Total Local Economic Development (LED) Budget (FY 2008 to 2013):			12,950,600	11,850,000	10,100,000	10,100,000	10,100,000	55,100,600

3.2.2 Strategic Local Economic Development Project One (1) – Tourism Route Development

During consultation between the Rustenburg Local Municipality and Tharisa, the municipality indicated the need for financial assistance on a project that has already commenced and should have been funded by the Municipal Infrastructure Grant (MIG) Programme. Due to failure to register, the project was turned down for the grant. The municipality indicated that this project is of high importance to the municipality's Integrated Development Plan (IDP) as this project will see the promotion of local businesses (with the Soccer World Cup 2010 in mind), facilitate an influx of tourists to the area and attract local and foreign investors to the Rustenburg area.

TABLE 3.7
TOURISM ROUTE DEVELOPMENT

Project Name:	Tourism Route Development	**Geographical Location of the Project:**	Rustenburg and surrounding areas
Background to the Project:	The project has been identified and listed as a high priority to the municipality in an effort to enhance tourism attraction to the area and to attract local and foreign investors. Rustenburg has also been chosen as one (1) of the host cities for the Soccer 2010 World Cup and matches will be played at the Royal Bafokeng Stadium. As such, the municipality, in an effort to promote the tourism industry within the region, have initiated a project which will entail the appointment of a service provider to gather relevant information to compile a brochure that will consist of tourism attractions in the area, museums, cultural heritage sites, accommodation, etc. and to position billboards in key strategic areas to promote these focus sites. The service provider has already been appointed and 50% of the project milestones have been completed but halted as a result of lack of available funding. Hence the municipality's request for financial assistance to complete the project in advance of the Soccer 2010 World Cup.		
Project's Start Date:	March 2008	**Project's End Date:**	February 2009
Project incorporated into which IDP:	Rustenburg Local Municipality		
Project Objectives:	1. Promote local tourism industry. 2. Attract local and foreign investors to the local area.		
Partners/Associates in Project:	Rustenburg Local Municipality		
Applicable Labour-Sending Area:	Rustenburg and surrounding areas		
Beneficiaries:	Rustenburg Local Municipality Tourism Industry	**Number of people employed:**	N/A

Measurable Deliverables of Project (KPA's/KPI's)		Financial Contribution
FY 2008/2009 Quarter 1	1. Project Management (Project Manager fees, tourism consultant fees and project administration costs).	R321,400
	2. Project Research (Instrument design, field workers, database administration, analysis and final report).	R91,600
	3. Route Development (Routes mapping and product design and product owner guidelines).	R25,200
	4. Tourism Development Plan (Infrastructure analysis, tourism strategy consultant fees and institutional planning).	R63,200
	5. Travel & Accommodation (Car hire, accommodation and per diems).	R47,500
	6. Disbursements (Telephone, travel and meals (field workers) and gratuities).	R20,455
	7. Design and production of guide.	R307,200
	8. Appoint experts (architects, engineers and quantity surveyors, etc.)	No Cost
	9. Carry out tender process on physical construction phase.	
	10. Appoint successful contractor(s) to commence construction.	R50,000
	11. Source materials and infrastructure equipment for construction phase.	No Cost R600,000
	12. Complete construction of signage and route furniture material on the following routes: 1. Heritage Route; 2. Arts & Culture Route; 3. Shebeen & Township Route; 4. Adventure Route; and 5. Platinum Route (Mining Story).	R473,445
	Total Financial Contribution	R2 000 000
Exit Strategy	The mine will exit the project upon successful completion of the project. No additional assistance will be required in the subsequent financial years.	

3.2.3 Strategic Local Economic Development Project Two (2) – Sewing Enterprise Establishment and Expansion

The Rustenburg Local Municipality has initiated a sewing group with twenty (20) women. Due to limitations within the municipality's budget and funding sources, the project cannot be expanded to broaden the client database of the group and to create additional jobs for more local women or youth. The municipality require financial assistance to register the group as a company, purchase industrial sewing machines and to provide capacity building and skills training to beneficiaries of the project to expand the current sewing operations in an effort to produce larger quantities and, to broaden the beneficiaries' client base. The municipality will conduct a feasibility study on the viability of making available factory space within the industrial area of Rustenburg for the sewing enterprise. The findings of the feasibility study will be presented during December 2007. The factory space will be managed by the municipality and rented out to the sewing enterprise. The municipality will allow a three (3) to six (6) months grace period to the sewing enterprise for the payment of rent and utilities to the Rustenburg Local Municipality. A Service Level Agreement will be signed between the municipality and the sewing enterprise for the lease of the factory space and payment of utilities.

TABLE 3.8
SEWING ENTERPRISE PROJECT

Project Name:	Sewing Enterprise Establishment and Expansion	**Geographical Location of the Project:**	Rustenburg
Background to the Project:	The Rustenburg Local Municipality initiated a sewing group within Rustenburg area that currently provides sustainable jobs to twenty (20) women. The project can not be expanded due to budget constraints. Financial assistance is required for the construction of a factory on land purchased by the municipality within the main industrial area in Rustenburg earmarked for SMME development, to enable the sewing group to be registered as a close corporation, purchase industrial sewing machines and for the project beneficiaries to acquire the necessary skills training to expand the operations and broaden the project's client base. The municipality's intention is to obtain funding to construct the factory and to register the company, provide the necessary capacity building and skills training, to secure contracts within the various industries (i.e. mining, construction, etc.) to supply overalls which will be manufactured with the purchased industrial sewing machines.		
Project's Start Date:	March 2008	**Project's End Date:**	February 2013
Project incorporated into which IDP:	Rustenburg Local Municipality		
Project Objectives:	1. Infrastructure development and support. 2. Empower local woman and youth in Rustenburg area through sustainable assistance to an established sewing enterprise. 3. Job creation and security for females and youth within the municipality. 4. Skills development of beneficiaries and capacity building training.		
Partners/Associates in Project:	Local service providers will be identified where possible, appointed and procured from within the district municipal area for the various stages of the project.		
Applicable Labour-Sending Area:	Rustenburg and surrounding rural areas		

Beneficiaries:	Local females within Rustenburg and rural surrounding areas, relocated households	Number of people employed:	The number of people to be employed will be determined after the feasibility study has been concluded. In addition, the sewing group will expand to provide additional jobs for females.
Measurable Deliverables of Project (KPA's/KPI's):			**Financial Contribution:**
FY 2008/2009 Quarter 1	1. Conduct Feasibility Study. 2. Municipality, in conjunction with business to identify market/contracts with various industries for the supply of protective clothing (overalls). 3. Investigation into production of female PPE (overalls) for mining industry.		R150,000 No Cost R100,000
FY 2008/2009 Quarter 2	1. Draft business plan and conduct tender process for contractors. 2. Construction of factory to commence 3. Register Sewing Group as a registered company.		R150,000 R1,250,000 R600
FY 2008/2009 Quarter 3	1. Sourcing and supply of industrial sewing machines suitable for business enterprise and in accordance with available factory space. 2. Identify unemployed females from relocated households interested to join sewing enterprise and conduct selection process.		R300,000 No Cost
FY 2008/2009 Quarter 4	1. Beneficiaries in consultation with the LED Directorate to sign contracts/purchase orders with buyers for protective clothing within the various industries. 2. Identify suitable service provider to conduct technical skills training programme and sign contact. 3. Technical Skills Training Programme to be conducted with project beneficiaries.		No Cost R400,000
FY 2009/2010 Quarter 3	1. Completion of construction and servicing factories.		R750,000
FY 2009 / 2010 Quarter 4	1. Capacity building training programme to be conducted with the project beneficiaries.		R500,000

FY 2010 / 2011 Quarter 4	1. Ongoing mentoring assistance to be provided to project beneficiaries.	R500,000
FY 2011 / 2012 Quarter 4	1. Ongoing mentoring assistance to be provided to project beneficiaries	R500,000
FY 2012 / 2013 Quarter 4	1. Assess company's progress to successfully operate business and secured contracts in place. 2. Mine to determine future assistance.	R500,000 No Cost
	Total Financial Contribution:	**R5,100,600**
Exit Strategy	The mine will exit the project upon successful implementation of the project and project beneficiaries' ability to run the enterprise independently and have the ability to secure their own contracts.	

3.2.4 Strategic Local Economic Development Project Three (3) – Brick Manufacturing Enterprise

The Rustenburg Local Municipality indicated the need for the establishment of a brick manufacturing enterprise within the rural area surrounding the mine to assist with the supply of bricks for planned future housing developments in the municipality. There are currently three (3) SMMEs operating within the municipality and the Rustenburg Local Municipality would like to see these SMMEs and the proposed brick manufacturing enterprise form a cooperative to service the municipality's construction needs for the next five (5) years. In addition, the municipality agreed that if the mine can make land available for this enterprise to be developed on, the municipality will sign a lease agreement with the mine to manage and service the land where the project has been developed.

TABLE 3.9
BRICK MANUFACTURING ENTERPRISE

Project Name:	Brick Manufacturing Enterprise	**Geographical Location of the Project:**	Maditlhokwa
Background to the Project:	The local municipality indicated the need for the establishment of a brick manufacturing enterprise within the area of the proposed mining operation. This enterprise will provide bricks to the municipality for future housing developments (RDP houses, social housing and rental stock to be constructed within the next five (5) years) as well as to the mine to construct houses for the relocated households and the mine's workforce. As such, the standard of the bricks should be of high quality to be able to service the municipality's need as well as the houses to be constructed for the households to be relocated and workforce housing.		
Project's Start Date:	March 2008	**Project's End Date:**	February 2013
Project Incorporated into which IDP:	Rustenburg Local Municipality and Bojanala District Municipality		

Project Objectives:	1. Identify beneficiaries within the local rural area surrounding the mine for the project. 2. Identify suitable land for the enterprise to be developed on in close proximity to existing water and electricity reticulation connections. 3. Construct the necessary offices, ablution facilities, change rooms for the project beneficiaries. 4. Purchase the necessary equipment and start-up materials to manufacture bricks. 5. Technical Skills training to be provided to project beneficiaries through equipment supplier. 6. Purchase a five (5) ton tipper truck. 7. Identify service provider to conduct capacity building programme. 8. Ongoing mentoring assistance to be provided to project beneficiaries. 9. Local municipality to identify mentoring needs within the other local Brick Manufacturing Enterprises and mentoring assistance to be provided.			
Partners/Associates in Project:	Rustenburg Local Municipality, Department of Housing North West			
Applicable Labour-Sending Area:	Maditlhokwa			
Beneficiaries:	Maditlhokwa	Number of people employed	Male Female Youth Disabled Total	The number of people to be employed will be determined after the feasibility study has been concluded.
Measurable Deliverables of Project (KPA's/KPI's):			Financial Contribution	
FY 2008/2009 Quarter 1	1. Identify project beneficiaries from the relocated household skill survey.		No Cost	
FY 2008/2009 Quarter 3	6. Identify and purchase suitable land for enterprise to be developed on, in close proximity to existing water and electricity reticulation connections		R1,000,000	
FY 2009/2010 Quarter 1	1. Construct the necessary offices, ablution facilities, change rooms for the project beneficiaries.		R750,000	
FY 2009/2010 Quarter 2	1. Source workforce and identify training needs.		No Cost	
FY 2009/2010 Quarter 3	1. Purchase the necessary equipment and start-up materials to manufacture bricks. 2. Purchase a five (5) ton tipper truck.		R750,000 R1,000,000	
FY 2009/2010 Quarter 4	1. Technical Skills training to be provided to project beneficiaries through equipment supplier. 2. Identify service provider to conduct capacity building programme. 3. Capacity building training		No Cost No Cost	

FY 2010/2011 Quarter 1	programme to be conducted with the project beneficiaries.	R500,000
	1. Project beneficiaries with the assistance of municipality to identify additional markets for product.	No Cost
FY 2010/2011 Quarter 4	1. Ongoing mentoring assistance to be provided as required to project beneficiaries. 2. Three (3) Local Brick manufacturing SMMEs to receive mentoring assistance	R500,000 R1,500,000
FY 2011/2012 Quarter 4	1. Ongoing mentoring assistance to be provided as required to project beneficiaries. 2. Three (3) Local Brick Manufacturing SMMEs to receive mentoring assistance.	R500,000 R1,500,000
FY 2012/2013	1. Ongoing mentoring assistance to be provided as required to project beneficiaries. 2. Three (3) Local Brick manufacturing SMMEs to receive mentoring assistance. 3. Assess company's progress to successfully operate business and secured contracts in place. 4. Mine to determine future assistance.	R500,000 R1,500,000 No Cost No Cost
	Total Financial Contribution	R10,000,000
Exit Strategy	The mine will exit the project upon successful implementation of the project and project beneficiaries' ability to run the enterprise independently and have the ability to secure their own contracts.	

3.3 Housing and Living Conditions of Mine Employees (Regulation 46 (c)(iv))

3.3.1 Overview

Tharisa's proposed Chrome Mine recognizes the importance of formal housing with regard to the social stability of the region surrounding the area of operation and for the secure welfare of their employees and their families. As such, the mine envisages an integrated approach towards housing in order to give the opportunity for all employees (inclusive of contractors) to reside in formal, well serviced housing structures of an acceptable standard, in line with the relevant legislation in South Africa. It is with this policy in mind that Tharisa have joined the Producers Forums, Joint Housing Technical Task Team (JHTTT) with other local mines in an effort to join forces in local efforts to adequately address the issue of mine-worker housing (see Section 3.2.1 and Table 3.5).

3.3.2 Strategic Principles

The underlying foundation principle of TM's housing strategy will be to promote individual home ownership to ensure a socially stable community within a sound and healthy living environment within the area of operation. This will be supported by the following principles:

- Core business should remain that of mining and not for the provision of housing

- Every employee has the right to live with his/her own family within a private dwelling and this should be encouraged as a contribution to employee well-being
- Squatting should not be permitted on mine land and measures to prevent squatting will be implemented
- Collaboration between the mine, contractors and employee representatives should be encouraged to accomplish efficient housing practice and provision

3.3.3 Strategic Housing Plan

Strategy Focus Area	Action	Envisaged Outcome(s)	Person(s) Responsible	Timeframe
Promotion of Home Ownership	1. Determine availability of formal housing and/or stands within RLM for new workforce, in conjunction with Municipality and JHTTT.	1. Working Relationship with Municipality and other local mines re: Housing	SLP Coordinator	February 2009
	2. Develop Action Plan to facilitate access for workforce to this housing.	1. Information on pool of housing/stands available and mechanism for workforce to access this housing.	SLP Coordinator	February 2009
	3. Develop strategies for facilitating workforce access to appropriate finance to purchase stands/housing or to build their own informal sector.	1. Action Plan for the workforce's access to housing informal sector.	SLP Coordinator	February 2009
		2. Action Plan for facilitation of workforce access to finance for housing.	SLP Coordinator	February 2009
	4. Develop Communication Plan for promotion of Home Ownership.	1. Communication Plan for Home Ownership promotion.	SLP Coordinator	February 2010
Living Out Allowance	1. Determine appropriate rates/scales for Living Out Allowance with Stakeholders, Finance Management	1. Living Out Allowances across occupational levels determined for set period of time.	TM Management	February 2009

Strategy - Focus Area	Action	Envisaged Outcome(s)	Person(s) Responsible	Timeframe
	and Contractors for the mine's specific area of operation.			
	2. Where feasible, set guidelines for use of Living Out Allowances at mine.	1. Policy Document on Living Out Allowances.	TM Management	December 2009
	3. Monitor use of Living Out Allowance on regular basis.	1. Contribution to Annual SLP Report re: Living Out Allowances.	TM Management	Annually (February)
Management and Quality Control of Hostel Usage	1. Draw up minimum standards for hostels to be used at the mine (mine and contractor managed). (re: quality, family units, size etc.)	1. Hostel Policy Document (for inclusion in contracts with contractors.)	TM Management	February 2009
	2. Establish Communication and Management Action Plans for hostel usage.	1. Action Plan for Hostel Management.	TM Management	December 2009
		2. Communication Plan with Stake-holders.	TM Management	December 2009
Communication and Reporting around Mine's Housing Plan and Progress there in	1. Carry out Baseline Survey of Workforce Housing (at Recruitment)	1. Baseline of Housing Standards amongst the Workforce, against which progress can be monitored.	SLP Coordinator	February 2008 Onwards
	2. Update Housing Survey of Workforce or a random sample of the workforce across all occupational categories, on an annual basis.	1. Progress report on the success and short-comings of mine's housing plan in respect of improving/maintaining housing welfare standards amongst all workforce and recommendations for improved plan.	SLP Coordinator	Annually (February) (for Annual SLP Report)
	3. Include Housing as topic for	1. Records of Meetings and part of mine's SLP reporting	SLP Coordinator	Monthly

Strategy / Focus Area	Action	Envisaged Outcome(s)	Person(s) Responsible	Timeframe
	agenda in SLP Forum Meetings and /or Monthly Mine Operation Meetings.	mechanism.		

3.4 Nutrition Programme (Regulation 46 (c)(v))

3.4.1 Overview

The mine recognizes the importance of promoting good nutrition amongst its workforce, in order to facilitate a healthy workforce. However, the mine may not be in a position to directly impact their workforces' diet where hostel accommodation is not utilized by either the mine or its contractors. Taking cognizance of this, the mine will focus its nutrition programme for their workforce on indirect methods.

3.4.2 Strategic Plan

Strategy / Focus Area	Action	Envisaged Outcome(s)	Person(s) Responsible	Timeframe
Educate workforce about adequate nutritional intake through poster campaigns and induction sessions	1. Dietician to develop posters and leaflets on adequate nutrition intake required by workforce to ensure optimum health and well-being is achieved at the mine	1. Communication plan and tools for awareness of benefits of good nutrition for workforce and their families	Outsourced Dietician	December 2009
	2. The mine to ensure posters are visible and in appropriate languages within the workplace for all employees	1. The workforce will be able to read the posters and be informed of adequate nutrition intake required to maintain a healthy life	General Manager	Effective immediately after receipt of posters (To be updated annually)

Strategy - Focus Area	Action	Envisaged Outcome(s)	Person(s) Responsible	Timeframe
Regular awareness programmes to be established and implemented at the mine to inform the workers of the benefits of good nutrition, balanced diets and the correct method of food preparation to maintain balanced nutrition within food	3. The mine to issue nutrition information leaflets to all employees through induction sessions	3. The workforce will be informed of adequate nutrition intake through leaflets which every employee will be able to share with their families	General Manager	Effective immediately after receipt of leaflets and thereafter at induction sessions (To be updated annually)
	1. Identify dietician to assess nutritional requirements for workforce based on employee occupations	1. Workforce will be assessed to establish the nutritional requirements to inform nutrition education programme i.e. baseline developed	Outsourced Dietician	December 2009
	2. Conduct nutrition assessment of workforce to inform requirements	1. Nutrition assessment of workforce conducted by Dietician will form the baseline for future programmes and poster campaigns to be developed, against which progress will be monitored.	Outsourced Dietician	February 2008 Onwards
	3. Dietician to develop suitable programmes after initial assessments have been concluded at the mine	1. The dietician will through the assessments be informed of the nutritional levels amongst the workforce and suitable programmes will be developed to address nutritional inadequacy	Outsourced Dietician	Within 3 months of completion of initial assessments
	4. Dietician to train peer educators at the mine to conduct information sessions	1. Peer educators (identified employees) will be trained to inform the workforce on an on-going basis through monthly worker forum meetings of the benefits of good nutrition	Outsourced Dietician	December 2009

Strategy - Focus Area	Action	Envisaged Outcome(s)	Person(s) Responsible	Timeframe
Communication and Reporting around Mine's Nutrition Plan and Progress there in	1. Update nutritional requirements for all workforce or take a random sample of the workforce across all occupational categories, on annual basis, to update baseline nutritional levels	1. Progress report on the success and short-comings of mine's nutrition plan in respect of improving/maintaining nutrition wellbeing standards amongst all workforce and recommendations for improved plan.	General Manager / SLP Coordinator	Annually (February) (for Annual SLP Report)
	2. Include Nutrition as topic for agenda in SLP Forum Meetings and /or Monthly Mine Operation Meetings.	1. Records of Meetings and part of Mine's SLP reporting mechanism.	General Manager / SLP Coordinator	Monthly

3.5 Procurement Progression Plan (Regulation 46 (c)(vi))

3.5.1 Overview

The objective of the mine's preferential procurement policy is to maximize opportunities for HDSAs to supply capital goods, services and consumables to TM during the construction and operation phases where-ever feasible. This will contribute to the development of sustainable HDSA business enterprises within the area of operation and will contribute to the purchasing and procurement requirements of the MPRD Act and Mining Charter. The mine undertakes wherever possible to procure capital goods, services and consumables from local HDSA enterprises and report on the mine's success therein in the Annual SLP Report and within the prescribed DME Form T.

3.5.2 Principles & Objectives for Procurement from HDSA Companies

The mine is committed to meeting the requirements of the MPRD Act and the Mining Charter regarding the mine's procurement practices in line with the mine's objective of facilitating improved procurement opportunities amongst HDSAs. As such the following objectives will be followed:

- To create an enabling environment for HDSA enterprises to do business with the mine
- To promote practices whereby an increasing proportion of contracts, concessions, etc. are awarded to HDSA enterprises
- Provide opportunities to businesses that implement their own proven economic empowerment programmes

- To create awareness, understanding, and support of economic empowerment objectives amongst key stakeholders

3.5.3 Implementation of Short and Long Term Strategies

The strategies and associated timeframes that will be implemented by the mine are detailed below.

Strategy – Focus Area	Action	Envisaged Outcome(s)	Person(s) Responsible	Timeframe
Develop HDSA procurement policy and commitments and mechanisms. Access the DME's assistance programmes to achieve this	The mine to develop HDSA procurement policy and commitments and mechanisms through the DME's assistance programmes	The mine will have a detailed procurement policy, commitments and a procurement mechanism will be in place	General Manager	Within six (6) months after receipt of the new mining right
Verification of suppliers through Decti Rating Agency prior to appointment/signing of contracts	The mine to utilize Decti Rating Agency to verify HDSA supplier status prior to appointment/ signing of contract	The mine will have all suppliers HDSA verified from commencement of construction and thereafter throughout the life of mine	General Manager	February 2009 Onwards
Identification of HDSA accredited suppliers within the Bojanala District through Decti	The mine to access Decti Mining Industry Supplier Database to develop a pool of HDSA accredited suppliers	The mine will have access to Decti database of HDSA accredited suppliers within the Bojanala District to utilize for supplies during the construction phase and thereafter during the operation phase to ensure local HDSA accredited suppliers are used throughout the life of the mine wherever feasible	General Manager	February 2009 Onwards

Strategy – Focus Area	Action	Envisaged Outcome(s)	Person(s) Responsible	Timeframe
Design procurement management system to capture data to manage procurement within three (3) categories namely capital goods, services and consumables	The mine will utilize the services of Decti to design a procurement management system to capture data within three (3) categories namely capital goods, services and consumables	This will facilitate monitoring and reporting on preferential procurement	General Manager	February 2010
HDSA preferred supplier status to be given by the mine wherever possible in all three (3) categories of procurement during construction and operation	The mine to give preference to HDSA suppliers where possible within all three (3) categories of procurement	The mine will procure, where possible, only through HDSA suppliers	General Manager	February 2010 Onwards
Identify and record the level of procurement from HDSA companies on a quarterly basis as well as geographical sources of procurement	The mine will utilize the procurement management system to capture procurement information within the three (3) categories and within the geographic areas	The designed procurement management system will be linked to the quarterly reporting mechanism to ensure reporting on HDSA procurement can be extracted on a quarterly basis	General Manager	Within SLP reporting mechanism
Determine potential areas where JV's can be developed between established, large suppliers/service providers and local HDSA companies and develop strategies and targets to ensure JV's developed where feasible	The mine to determine potential large suppliers/service providers and local HDSA companies through the supplier database and develop targets	Local HDSA companies will have the opportunity to supply the mine in conjunction with the large supplier/service provider to ensure the local SMME companies are offered the opportunity to provide their services to the mine	General Manager/ SLP Coordinator	February 2010 Onwards

Strategy - Focus Area	Action	Envisaged Outcome(s)	Person(s) Responsible	Timeframe
Determine preferential procurement opportunities at the mine	The mine to determine categories within essential and non-essential services provision which can be granted to HDSA companies only. The mine to develop strategies and action plans to support this undertaking.	The mine's procurement within the identified categories from HDSA suppliers only will ensure 100% procurement from accredited HDSA suppliers	General Manager/ SLP Coordinator	February 2010 and assessed annually during February thereafter
Provide mentoring and capacity building assistance to HDSA suppliers in order to facilitate improvements in their business practices with an aim of facilitating a successful SMME sector operating in conjunction with the mine	The mine to identify through procurement from HDSA suppliers the strengths and weaknesses of the HDSA suppliers and provide the necessary mentoring and/or capacity building assistance to ensure sustainability of the HDSA suppliers	HDSA suppliers will acquire the necessary mentoring and capacity building assistance from the mine to ensure the HDSA suppliers will retain their procurement contracts with the mine	General Manager/ SLP Coordinator	February (Annually)
Report progress against preferential procurement targets from HDSA enterprises to DME within Annual SLP Report	The mine to report on progress achieved against preferential procurement targets from HDSA enterprises (refer to Table 3.9)	Progress report on the success and short-comings of mine's procurement plan in respect of improving/maintaining HDSA suppliers and recommendations for improved plan.	General Manager/ SLP Coordinator	Within first year of receiving new order mining right and thereafter annually (within Annual SLP Report)

3.5.4 Procurement Targets amongst HDSA Spend

The projected progressive preferential procurement targets for TM are detailed in Table 3.9. The mine undertakes to monitor progress in the achievement of the targets on a regular basis through the SLP monitoring mechanism. Progress in respect of the mine's progressive procurement plan will be reported in the Annual SLP report to be submitted to the regional DME.

TABLE 3.9
PROCUREMENT TARGETS AMONGST HDSA COMPANIES AT THARISA MINE
(2008- 2013)

	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
HDSA Spend on Services at the mine (Rand Value & as a Percentage of Total Services Procured)	1,200,000 26%	3,800,000 36%	4,200,000 40%	3,000,000 40%	3,000,000 40%
HDSA Spend on Consumables at the mine (Rand Value & as a Total Percentage of Consumables Procured)	0	800,000 20%	1,900,000 24%	2,400,000 30%	2,400,000 30%
HDSA Spend on Capital Goods at the mine (Rand Value & as a Total Percentage of Capital Goods Procured)	1,100,000 5%	2,800,000 7%	2,400,000 8%	3,000,000 8%	2,000,000 8%
Total Spend on Procurement amongst HDSA Companies as a rand value or percentage of total procurement spend at the mine	**2,300,000 9%**	**7,400,000 9%**	**8,500,000 9%**	**8,400,000 10%**	**7,400,000 12%**

Section 4:
Processes Pertaining To Management of Downscaling and Retrenchment

4.1 INTRODUCTION

TM acknowledges the reality that downscaling of staff and/or the closure of the mine can take place during the life of the mine for a variety of reasons including:

- Reduced profits caused by external issues
- Implementation of technical innovation
- Competitiveness locally and globally
- Changes to the mine's strategic business plan

The mine, therefore, commits to addressing the impact pro-actively and implementing processes that minimize unemployment and job losses.

In line with this commitment TM recognizes the importance of notifying the Minerals and Mining Development Board if the following occurs within the mining environment during the life of the mine and three (3)–five (5)years prior to the end of the life of the mine:

- Profit: is less than six percent (6%)of revenue
- This continuous for a twelve (12) months period
- Ten percent (10%) or more of the workforce has to be retrenched
- Five hundred (500) or more employees have to be retrenched

TM also undertakes to comply with any ministerial directive arising from such a retrenchment exercise. This notification is in line with the requirements set out in Section 52 of the MPRD Act (MPRDA). Even though this is a requirement, the commitment will still remain to plan pro-actively in terms of the SLP requirements, which will contribute to avoiding job losses and an increase in unemployment.

4.2 ESTABLISHMENT OF A FUTURE FORUM (REGULATION 46 (D)(I))

Tharisa will establish a Future Forum that will focus on implementing processes and initiatives aimed at:

- Minimizing the impact and effects of retrenchments;
- Providing employees that are affected with assistance;
- Promoting portability of skills through the effective implementation of training initiatives that will lead to up-skilling and attainment of additional skills inside and outside the mining industry;
- Ensuring proper planning with regards to the downscaling and/or retrenchment;
- Ameliorating the social and economic impacts on local and regional economies and other labour sending areas; and
- Informing and ensuring continuous communication with the workforce on all SLP matters

Representation at the Future Forum will include the following employment categories:

- Management (both TM and its contracting companies)
- Employees
- Trade Unions

Table 4.1 provides a list of the responsibilities and duties of the Future Forum:

TABLE 4.1
FUTURE FORUM RESPONSIBILITIES

Responsibilities
Identifying problems or challenges that the mine faces
Providing solutions to the challenges and problems
Identifying and agreeing on strategies with respect to production and employment turnaround
Participating in the implementation of the strategies
Establishing and setting production targets
Establishing and setting performance incentives
Communicating all SLP issues specifically related to • Human Resourced Development • Portability of skills • Retrenchment Management Processes

TM undertakes to establish a Future Forum within twelve (12) months after the granting of a new order mining right.

4.3 PLANNING INITIATIVE TO AVOID RETRENCHMENT EXERCISES (REGULATION 46 (D)(II))

TM commits to making every effort to promote security of employment through sound management of the operations for the entire existence of the life of the mine. The contracting companies, once appointed will be expected to play a significant role in supporting initiatives that will contribute to avoiding job losses during a retrenchment exercises.

The SLP requires extensive investment (time, resources and money) from the contractors in the training and development of employees. It will be required that they endorse a policy that focuses on retaining skills rather than losing them during retrenchment exercise.

Although not yet identified or appointed, the core contractors are likely to have a number of ongoing contracts. Thus, they will be encouraged to seek alternative employment for their employees through various initiatives including seeking to transfer employees to other projects or companies within the same group (if this is feasible). Such transfers could be between mining and non-mining operations depending on the nature of the projects that the contractor is committed to.

Once the contractors have officially been appointed, TM will undertake an analysis, in conjunction with the core contractors, of the various operations and projects the contractors are involved in. This will provide some indication as to the opportunities that might exist for transferring skills within the contracting companies should a retrenchment exercises take place.

In addition, in terms of the company's skills development strategy, there will be a focus on the provision of portable skills within the workforce throughout the life of the mine. These skills should provide those employees who either do not wish to be transferred or who cannot be accommodated in other contractor operations to remain economically active when downscaling and/or retrenchments are unavoidable.

A well as the aforementioned transfer alternative for employees, the following are alternatives that will also be considered to avoid job losses:

- Voluntary or compulsory retirement;
- Voluntary retrenchment;
- Working shorter hours;
- Reduction or elimination of overtime work;
- Termination of the services of temporary employees and contractors (subject to contractual terms);
- Moratorium on new recruitment;
- Redeployment;
- Job-sharing; and
- Any other suggestions identified during consultation.

4.4 PLANNING ALTERNATIVE SOLUTIONS WHERE RETRENCHMENT EXERCISES ARE UNAVOIDABLE (REGULATION 46 (D)(III))

4.4.1 Consultation Mechanisms

In circumstances where TM is of the opinion that retrenchments are unavoidable, it will embark on a comprehensive consultation process with all interested and affected parties, as prescribed in terms of Section 189 of the Labour Relations Act (LRA).

Consultation will take place based on the following principles:

- Relevant unions, employee representatives and employees who are likely to be affected by the retrenchment will be consulted
- Discussions with the Future Forum will continue on an ongoing basis
- Universally accepted retrenchment principles will be applied
- Information will be shared with the Future Forum members, unions and employee representatives. This information will be based on the Financial and Operational status of the mine
- Proposals presented by the union and employee representatives will be considered in a serious fashion
- Creative initiatives/mechanisms will be applied/implemented to minimize the retrenchments

4.4.2 Notification of all relevant parties

As indicated in Section 4.1 TM will be required to provide the Minerals and Mining Development Board with sufficient notification of retrenchments during the life of the mine and three (3) – five (5) years prior to the end of the life of the mine. Other parties that will require notice with specific time frames are the:

- Future Forum at TM
- DoL
- Local Municipality of Rustenburg
- Bojanala Platinum District Municipality
- Relevant authorities of any major sending areas as determined by the mine's labour-sending records

4.4.3 Support Mechanism for affected employees

Subject to the availability of resources TM will provide support mechanisms that will assist employees who are affected by the retrenchment exercises. These could include but are not limited to:

4.4.3.1 Training and Development prior to retrenchment date

- Retraining
- Entrepreneurship training
- Other relevant training to enhance employability

This will supplement the skills development training received throughout the employment of the employee at the mine as described in Section 2.2 .

4.4.3.2 Internal Redeployments Procedures

- Guide employee in understanding procedures
- Provide support in making use of procedures

4.4.3.3 Job Search

- Assistance in accessing available and suitable jobs in other companies or local mines
- Notifying neighbouring mines of the retrenchments process
- Requesting neighbouring mines to provide information on current vacancies
- Assistance in registering as job seeker with the relevant DoL and/or employment agencies
- Assistance in completing job application forms and other relevant forms
- Compiling a database with details of retrenched employees who will be given preferences in line with skills requirements of jobs in the event of new vacancies arising at the mining

4.4.3.4 Counseling

- Career transition counselling and/or Outplacement counselling through job advice centres in the community
- Personal counselling for individuals/groups to deal with trauma associated with retrenchment
- Counselling available to retrenched employees and those left behind

4.4.3.5 Financial Planning

- Advice and support on financial planning

- Support in accessing pension and/or provident fund payouts
- Support in claiming UIF or other state assistance

4.5 Management of the Impact of Retrenchment Exercises (Regulation 46 (d)(iv))

Mechanisms will be implemented to manage and, wherever possible, minimize the social and economic impact that a retrenchment exercise has on individuals, regions and economies. Due to the potential of downscaling and retrenchment exercises not only affecting TM but also surrounding businesses and communities. TM's management and the Future Forum will have to conduct careful advance planning and assessments.

Sections 2 and 3 of this document specifically refer to processes that will assist in the facilitation of sustainable social and economic growth in the local communities during the life of the mine. This will need to be supported with additional measures to manage the impact of the mine closure on both the surrounding communities and those communities from which labour is sourced including, but is not limited to:

4.5.1 Communication:

Communication will be at the forefront of the process by making all affected parties aware of the downscaling and/or retrenchment exercise and the affect it will have on the community. They will receive feedback and consider proposals on how to minimise the impact on the socio-economic situation of the area.

4.5.2 Socio-economic impact analysis (SEIA):

Prior to the development of detailed closure management plans, specialist consultants will carry out the SEIA. This will incorporate interaction with both the Future Forum and relevant community structures.

4.5.3 Mine Closure Strategies

The plans to manage the socio-economic impact of retrenchments and/or the mine closure must be both comprehensive and will include a variety of strategies. These strategies will be guided by the principles as documented in table 4.2 below.

TABLE 4.2
PRINCIPLES FOR DEVELOPING MINE CLOSURE STRATEGIES

Categories	Description
Consultation	**Conduct comprehensive and sensitive consultation with:** • Local Communities • Government Departments • Other relevant parties identified • Local businesses (those reliant on the mine and those that are independent)
Capacity Building	**Assist retrenched employees to set up own business and local business to expand their operations:** • Support and guidance during life of mine and at time of retrenchment • Encourage entrepreneurial initiatives with local business and interested employees
Mentorship	**Utilize mentorship structures that started during the life of the mine and in line with the needs of the groups/structures during the retrenchments:** • Continued mentorship of empowerment groups and local community structures • Ad hoc mentoring for entrepreneurs as required based on projects
Skills Portability	**Conduct skills development for those employees facing retrenchment, (this will be in addition to skills development initiatives that take place during the life of the mine). It will not only focus on mine-related skills training but provide the opportunity to transfer to other industries and promote employability:** • Build on skills that will be recognized nationally • Build on existing skills of employees • Address skills gaps and through this enable employees to manage their own careers • Provide business related training where applicable.

TM undertakes to formalize its policy and approach to ameliorating the socio-economic impact of retrenchments or mine closure within twenty-four (24) months of obtaining its new order mining right.

Section 5:
Financial Provisions

5.1 INTRODUCTION

Section 23(1) (e) of the MPRD Act states that "the Minister must grant a mining right if the applicant has provided financially and otherwise for the prescribed social and labour plan."

TM will make financial provision for each component of the SLP as required. Table 5.1 presents a summary of the financial commitment by the mine to each element of the SLP for a five (5) year period from 2008/2009 to 2012/2013.

TABLE 5.1
FINANCIAL UNDERTAKINGS IN RESPECT OF THARISA MINE

	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	Total Financial Commitment (2008-2013)
Human Resource Development Programmes (Section 2.2)	R 25,000	R 50,000	R 50,000	R 50,000	R 50,000	R R225, 000
SMME Capacity Building (Section 2.3)	R 250,000	R 250,000	R 250,000	R 250,000	R 250,000	R 1,250,000
Local Economic Development Programmes (Section 3.2)	R 5,450,600	R 4,250,000	R 2,500,000	R 2,500,000	R 2,500,000	R 17,200,600
Housing and/or Infrastructure Projects (Section 3.2)	R 7,600,000	R 7,600,000	R 7,600,000	R 7,600,000	R 7,600,000	R 38,000,000
Provision for Closure and Retrenchment Management Programmes (Section 4)	R277,530	R217,500	R130,000	R130000	R130,000	R885 030,00
TOTAL	R 6,763,100	R 5,527,500	R 3,690,000	R 3,690,000	R 3,690,000	R 23,360,600

The above commitments are based on the current business planning. As the mine is still in the planning phase and has not yet started operations, market and economic conditions impacting on the operations may differ from those used to base the projected business plan.

which may necessitate a revision of these commitments in future. Where changes are required by the above, these will be reported in the Annual SLP Report. Actual expenditure in each of the three (3) elements of the SLP will also be reported annually.

5.2 SKILLS DEVELOPMENT PROGRAMME (REGULATION 46 (E)(I))

Section 2 outlines the Human Resource Development Programmes to be adopted by the mine. However, the mine is in the conceptual stage and no employees have yet been appointed. As a result, no analysis of skills is possible at this time nor is it possible to identify the training needs in terms of ABET and core skills training required to ensure that the workforce has the necessary skills and competencies to operate effectively. This can only be undertaken once core contractors have been appointed and recruitment of the workforce begins. The outcome of this process will undoubtedly identify more specific needs and thus result in an adjustment of expenditure budgets to meet the different elements of the skills development programme. In addition, evolving business needs during the life of the mine may modify these programmes and the associated expenditure.

Because of the very high level of skill and experience required from the TM staff, it is anticipated that little initial training will be required for these people. The bulk of expenditure on HRD will be focused on those people employed by the core contractors. It is anticipated that the core contractors will have relatively higher HRD costs in the initial year of operation as they gear up and skill their staff. After the first year of operation the commitment on HRD programmes should level out at TM for the total mine workforce. This reduction will be as a result of the workforce becoming more stable and skilled and initial high costs of bringing the workforce up to the required levels of competency will no longer be necessary.

5.3 LOCAL ECONOMIC DEVELOPMENT PROGRAMME (REGULATION 46 (E)(II))

In order to meet the scope of the Local Economic Development (LED) Programme as outlined within Section 3.2, TM has undertaken to support three (3) LED projects in line with the Rustenburg Local Municipality's Integrated Development Plan (IDP) for Rustenburg and surrounding areas during the next five (5) years. The mine has further made available an additional budget for housing and/or infrastructure projects to make provision for a household relocation process should this be considered necessary once the EIA and EMP processes have been completed.

In line with the mine's Procurement Progression Plan the mine undertakes to provide mentoring and/or capacity building assistance to ten (10) local SMME suppliers identified through the mine's supplier database on an annual basis to ensure these local SMME suppliers remain on the mine's supplier database and to provide these companies with the necessary business skills to ensure sustainability of these companies into the future.

5.4 THE MANAGEMENT OF DOWNSCALING AND RETRENCHMENTS (REGULATION 46 (E)(III))

The on-going investment in Human Resource Development Programmes and facilitation of training during the life of the mine is intended to support the acquisition of skills that will provide employability to the workforce beyond the life of the mine. In addition to this, TM will commit one (1) month's salary per employee for specific skills development directed at facilitating the further acquisition of skills that will be of value to employees at the time of retrenchment.

Negotiations with regard to retrenchment packages will be carried out at the time these take place. Such negotiations and consultation will be in line with prevailing legislation and best practice. In addition, provisions for downscaling and retrenchments will be finalized in the Future Forum as the need arises. TM undertakes to guarantee a minimum retrenchment payment of five thousand rand (R5000.00) per person at current values, upon mine closure. This will be linked to the CPI for the life of mine.

Section 6:
Undertaking and Communication

6.1 Undertaking (Regulation 46 (f))

I, Clem Sweet, the undersigned and duly authorised thereto by

Tharisa Minerals(Pty) Limited

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

Signed at Bryanston on this 07th day of August 2008

C A F SWEET
Chief Operating Officer

Contact Details: 011 996-3500 csweet@tharisa.com

6.2 Communication of the Social and Labour Plan to Employees at Tharisa Mine (Regulation 46 (f))

In order to comply with the requirements of the MPRD Act (specifically regulation 46(f)) TM will ensure that each employee is informed about the provisions laid out in the mine's SLP as well as progress in achieving the objectives on an annual basis. In order to communicate the information effectively TM intends to implement a communication process encompassing the following:

- TM and the core contractors will each be responsible for communicating with its employees on the mine separately. To ensure that this has been done, contractors will have to report to TM on their communication strategies and processes
- Each contractor will be required to hold dedicated meetings on an annual basis to provide feedback to its employees on the progress made within the SLP
- The feedback must be presented in an appropriate format to be understood by all employees and may include verbal, face-to-face communications with the assistance of interpreters
- The contractors will be required to set up Future Forums at contractor level to discuss and communicate SLP issues during the life of the mine as well as issues pertaining to downscaling and retrenchment should these arise
- Further communication structures to be set up by the contractors will be used to address specific SLP issues

Appendices

APPENDIX A – Summary of Employees by Occupational Category At Tharisa Mine

Occupational Categories	Designated							Non-designated			TOTAL
	Male			Female				White Male	Foreign Nationals		
	A	C	I	A	C	I	W	W	Male	Female	
Legislators, senior officials, managers and owners managers											
Professionals											
Technicians and associated professionals											
Clerks											
Service workers, shop and market sales workers											
Craft and related trade workers											
Plant and machine operators and assemblers											
Labourers and related workers											
Apprentices and Section 18 Learners											
TOTAL											

SUMMARY OF EMPLOYEES BY OCCUPATIONAL CATEGORY CANNOT BE COMPLETED AT THIS TIME AS THE MINE DOES NOT HAVE ANY EMPLOYEES

APPENDIX B – Summary of Labour-Sending Areas for TM Workforce at Tharisa Mine

Labour Sending Area (Province/Country)	Labour Sending Area (Town)	Number of Employees at the Mine	Total No. of Employees per Province	Percentage of Employees per Province

SUMMARY OF LABOUR SENDING AREAS CANNOT BE COMPLETED AT THIS TIME AS THE MINE DOES NOT YET HAVE ANY EMPLOYEES

APPENDIX C – Form Q - Functional Literacy and Numeracy at Tharisa Mine (Regulation 46 (b)(i)(aa))

BAND	NQF LEVEL	OLD SYSTEM	Male				Female				Total	
			African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female
General Education and Training (GET)		No Schooling										
		Grade 0/Pre										
		Grade 1/Sub A										
		Grade 2/Sub B										
		Grade 3/Std 1/ABET 1										
		Grade 4/Std 2										
		Grade 5/std3/ABET 2										
		Grade 6/Std 4										
		Grade7/Std 5 ABET 3										
		Grade 8/Std 6										
	1	Grade 9/Std 7/ABET 4										
Further Education and Training (FET)	2	Grade 10/Std 8/N1										
	3	Grade 11/Std 9/N2										
	4	Grade 12/Std 10/N3										
Higher Education and Training (HET)	5	Diplomas/Certificates										
	6	First Degrees/Higher Diploma										
	7	Honours/Masters Degrees										
	8	Doctorates										
		TOTAL										

FORM Q CANNOT BE COMPLETED AT THIS TIME AS THE MINE DOES NOT YET HAVE ANY EMPLOYEES

APPENDIX D – Form R - Hard to Fill Vacancies at Tharisa Mine (Regulation 46 (b)(i)(bb))

Occupational Level	Job title of vacancy	Main reason for being unable to fill the vacancy
Top Management		
Senior Management		
Professionally qualified and experienced specialists and mid-management		
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents		
Semi-skilled and discretionary decision-making		
Unskilled and defined decision-making		

FORM R CANNOT BE COMPLETED AT THIS TIME AS THE MINE DOES NOT HAVE ANY EMPLOYEES NOR HAS RECRUITMENT COMMENCED.

APPENDIX E – Form S - Employment Equity Statistics at Tharisa Mine (Regulation 46 (b)(v))

Occupational Levels	Designated							Non-designated			TOTAL
	Male			Female				White Male	Foreign Nationals		
	A	C	I	A	C	I	W	W	Male	Female	
Top management (Paterson Level F)											
Senior management (Paterson Level E)											
Professionally qualified and experienced specialists and mid-management (Paterson Level D)											
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Paterson Level C)											
Semi-skilled and discretionary decision making (Paterson Level B)											
Unskilled and defined decision making (Paterson Level A)											
TOTAL PERMANENT											
Non – permanent employees											
GRAND TOTAL											

FORM S CANNOT BE COMPLETED AT THIS TIME AS THE MINE DOES NOT HAVE ANY EMPLOYEES

APPENDIX F – Rustenburg Local Municipality Letter of Acceptance of LED Projects

Rustenburg

strategic objectives of the priority area of sustainable local economic development as per the inforce IDP of the RLM; which talks of promotion of economic development and job creation for local residents through SMMEs, tourism and capital projects undertaken within the RLM area.

Purpose

The RLM seeks herewith to confirm that the projects herein agreed to serve to address effectively and objectively the best interests of the communities herein affected, in line with the spirit of the underlying statutory framework.

The mutually beneficial projects agreed to are contained accordingly in the attached **Annexure A** – namely:

1. **The Tourism Route Development Project**
2. **The Sewing Enterprise Establishment and Expansion Project**
3. **The Brick Manufacturing Enterprise Project**

<u>The RLM wishes to reiterate the following:</u>

Annexure A contains the terms underpinning the ongoing partnership of the RLM and TCM in relation to the current undertaking. Included herein is that the funding will be availed to RLM at the commencement of each financial year of TCM, commencing with the immediate impending new one (financial year).

Annexure A does not purport to contain every detail of how the finer details of the undertaking will be implemented. This aspect shall be dealt with between the Parties within the spirit of mutual and win-win approach currently herein prevailing.

The RLM and TCM will engage the DME on ongoing basis in order to ensure complete compliance with the relevant regulatory framework. Support and guidance by the DME shall always be prioritised.

Conclusion

The RLM pledges its support to the much-desired mining activities herein envisaged; and supports accordingly the commencement thereof.

'A successful Rustenburg for the benefit of all'
Corner Nelson Mandela & Beyers Naude,
www.rbes.co.za
Tel: (014) 590 3064/3455, Fax: (014) 590 3055

Rustenburg

MP Ramadikela	PJ Gard
Director: LED & IGR	Director: Operations
Rustenburg Local Municipality	Tharisa Minerals (Pty) Ltd

"A successful Rustenburg for the benefit of all"
Corner Nelson Mandela & Beyers Naude,
www.rlm.co.za
Tel: (014) 590 3084/3438; Fax: (014) 590 3056

APPENDIX G - Form T – Planned Procurement at Tharisa Mine (Regulation 46 (c)(vi))

CAPITAL GOODS			SERVICES			CONSUMABLES		
Provider and Address	Percentage of total capital goods procured	HDSA Composition	Provider and Address	Percentage of total services procured	HDSA Composition	Provider and Address	Percentage of total consumables procured	HDSA Composition

FORM T CANNOT BE COMPLETED AT THIS TIME AS THE MINE IS STILL IN THE PLANNING PHASE AND SUPPLIERS HAVE NOT YET BEEN IDENTIFIED.