



# PHAPHAMA IRON ORE MINING PROJECT

## Social and Labour Plan

Submitted as part of the Mining Right Application as contemplated in Regulation 46 of the Mineral and Petroleum Resources Development Act 200

Prepared by:

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## ACRONYMS

ABET	Adult Basic Education and Training
DMR	Department of Minerals Resources
DoL	Department of Labour
HDSA	Historically Disadvantaged South Africans
LED	Local Economic Development
MQA	Mining Qualifications Authority
MPRDA	Mineral and Petroleum Resources Development Act, 2002 (Act No 28 of 2002)
SETA	Sector Education Training Authority

## SECTION 1

### Preamble (Regulation 46(a))

Motjoli Iron Ore Company (Pty) Ltd (Motjoli) wholly owns a prospecting right (registration number NC-30/5/1/1/2/11434-PR), the Blackridge Iron Ore Project (the Project), located between Griquatown and Groblershoop in South Africa's Northern Cape Province (Figure 1)

In 2018 Motjoli lodged a mining right application, reference number NC-30/5/1/2/3/10139-MR, over a portion of the project area, remaining extent of Farm Waterkloof 95. The Project is situated approximately 30km south of Kumba Iron Ore's Kolomela Iron Ore Mine. This document outlines the needs of the community as defined through stakeholder engagement and Motjoli's envisioned social and labour plan.

1.1	Name of the company/applicant	Motjoli Iron Ore Company (Pty) Ltd
1.2	Name of mine or production operation	Phaphama Mine
1.3	Physical Address	5 Jellicoe Avenue, 2196
1.4	Postal Address	P.O. Box 52795, Saxonwold, 2132
1.5	Telephone Number	27 11 243 4900
1.6	Fax Number	27 11 243 4930
1.7	Location of mine or production operation	R/E Waterkloof farm 95, 45 km west of Griekwastad, Northern Cape
1.8	Commodity	Iron Ore and Manganese Ore
1.9	Life of mine or production operation	8 years
1.10	Breakdown of employees per sending area	31-Mar
1.11	Financial year	End of February
1.12	Responsible person	Thabile Mlaba
1.13	Geographic origin of employees (mine community and labour sending areas)	
	<b>(a) Mine Community</b>	<b>(b) Labour Sending Area</b>
	<b>Province</b>	<b>Province</b>
	Northern Cape Province	Northern Cape Province
	<b>District Municipality</b>	<b>District Municipality</b>
	Pixley Ka Seme District Municipality	Pixley Ka Seme District Municipality
	<b>Local Municipality</b>	<b>Local Municipality</b>
	Siyancuma Local Municipality	Siyancuma Local Municipality

## 1.1 Background Information

Motjoli is a wholly owned subsidiary of Motjoli Resources (Proprietary) Limited, 100% Black owned, controlled and managed company registered in terms of the laws of the Republic of South Africa with registration number 2016/070657/07. Motjoli purchased 100% interest in the Blackridge Iron Ore Project (now referred to as “Phaphama Iron Ore Project”) in the Northern Cape Province of South Africa from Aquila Steel South Africa (Proprietary) Limited (“ASSA”). The sale transaction was concluded on 19 May 2016 and a consent for a Section 11 application (NC-00070-11/PR) was granted to Motjoli on 19 May 2017.

ASSA’s drilling Programme delineated high-grade hematite (iron ore) resource and reported as a JORC compliant inferred mineral resource of 10.46Mt at 60.1%Fe. Motjoli recently completed a conceptual study that indicated mineability of the current mineral resource.

Additional studies are underway to upgrade the estimated mineral resource on the Project. The mining right was lodged over the remaining extent of farm Waterkloof 95, located 45 km west of Griekwastad and 95km south west of Postmasburg. The location of the deposit is shown in Figure 1.

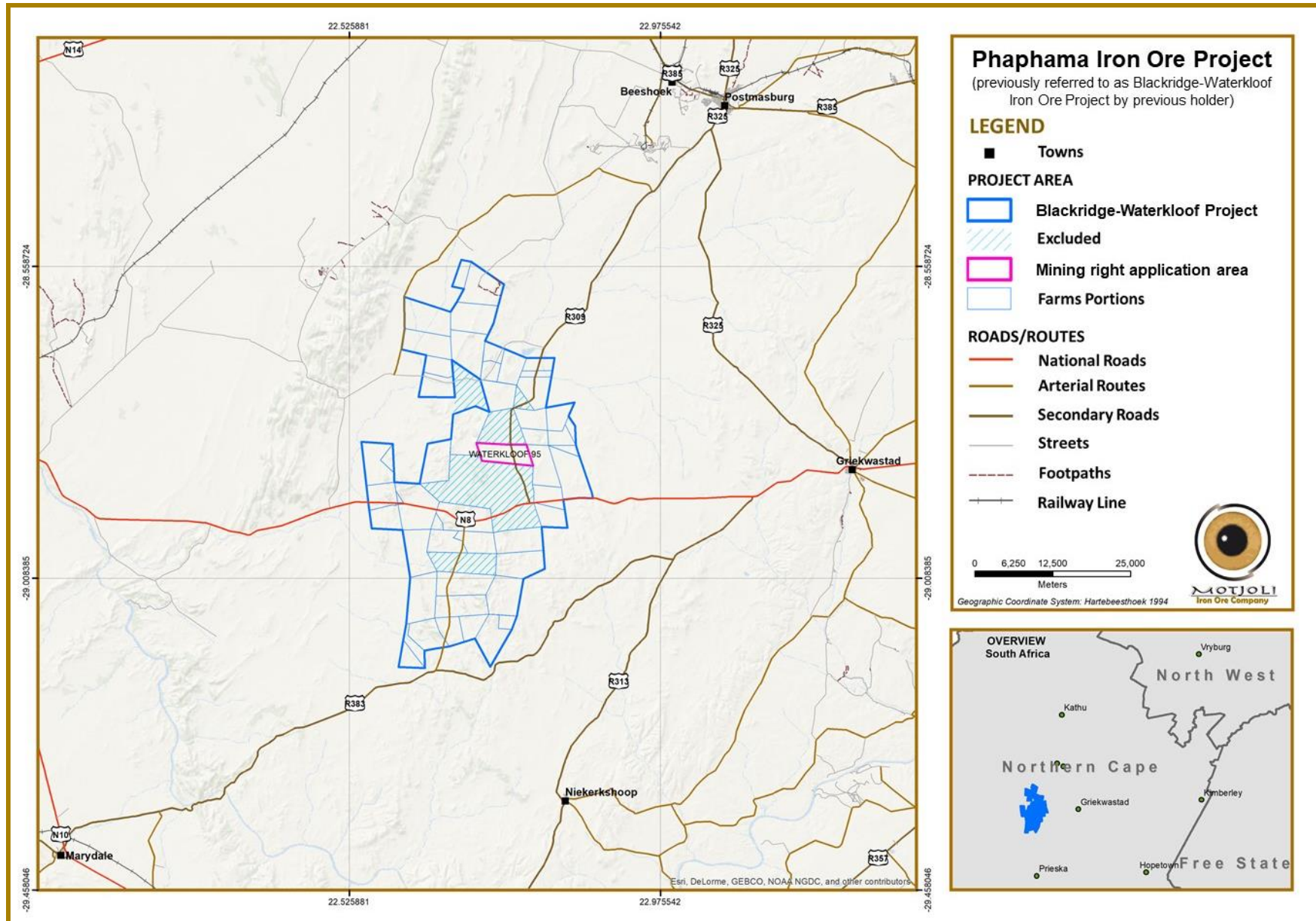


Figure 1: Mining right area location, Phaphama Mine operation



## SECTION 2

### Human Resource Development Programme - Regulation 46 (b)

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#### Introduction

Motjoli firmly believes that the competence of its human capital is of utmost importance to the future success of the organisation. It furthermore recognises that in order to address the skills deficit faced by the workforce, considerable effort and investment should be directed towards the education, training and skill development of its employees.

The primary purpose (as highlighted by the Department of Mineral Resources) of this Human Resource Development (“HRD”) Programme is to ensure that the workforce has an adequate supply of mining specific skills and competencies.

Secondly, it is of utmost importance that this programme makes provision for the training of employees in portable skills that can be utilised beyond life in the mining industry. In realising the vision of a competent workforce, the company takes full cognisance of the importance of aligning its Human Resource Development Programme to the following national legislation and strategic frameworks:

- The Skills Development Act
- The Skills Development Levies Act
- The South African Qualifications Authority Act
- The Employment Equity Act
- The Mineral and Petroleum Resources Development Act (MPRDA)
- The Broad Based Black Economic Empowerment Act
- The Amended Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry (the Mining Charter)
- The National Skills Development Strategy
- Regulations to the Skills Development Act
- Regulations to the Skills Development Levies Act
- Strategies of the Mining Qualifications Authority

#### 2.1 Compliance with Skills Development Legislation

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NAME OF SETA	
Registration number with the relevant SETA	No employees yet, therefore not registered with SETA.
Has your company appointed a Skills Development Facilitator? If yes provide a name	
To which institution have you submitted your workplace skills plan? i. Department of Labour ii. Mining Qualifications Authority iii. Mine Health and Safety	

## Key Outcomes

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This programme intends to facilitate the achievement of four key outcomes:

1. To provide skills training opportunities to mine workers during their employment in order to improve their income earning capacity after mine closure.
2. To promote employment and skills development in the local communities and major labour sending areas.
3. To ensure substantially higher levels of inclusiveness and advancement of HDSAs<sup>1</sup>, including women, in the mining industry
4. To contribute to the development of a pool of skilled South African workers in support of National Economic and Skills Development strategies

## Overarching Framework

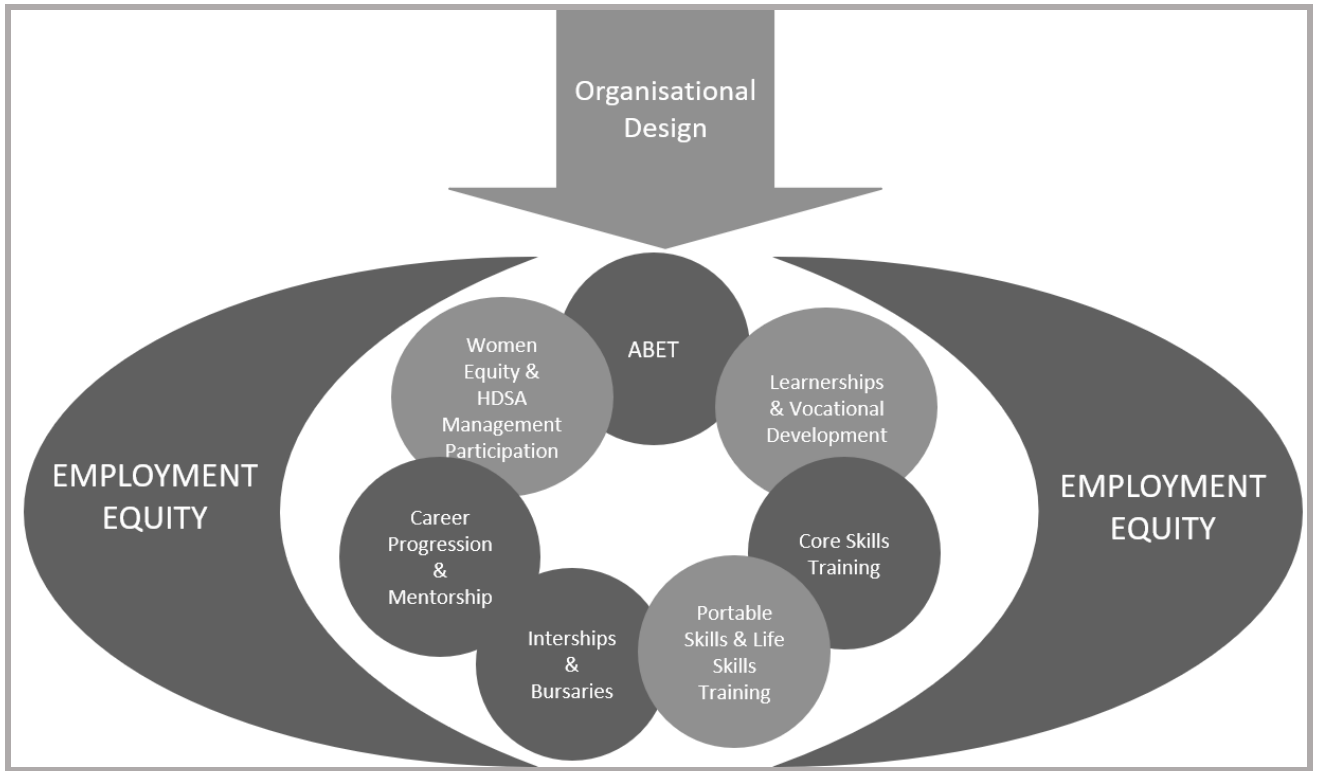
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With meticulous planning and implementation of the HRD Programme, the desired outcomes are inevitable. A crucial point to note is that no facet of the programme will be initiated in isolation. All manpower planning and skills development initiatives will be aligned to the company's strategic business plan as well as to the level of skill of staff employed once the mine is in operation. The mine's operational requirements, stemming from the mine works programme, will form the basis for establishing the organisations' skill development priorities. These priorities will include the following plans for implementation:

- Adult Basic Education and Training (ABET)
- Learnerships
- Apprenticeships
- School Support programmes
- Core Skills Training (relevant to the core business functions)
- Portable Skills Training (promoting employment beyond mine closure)
- Internships and Bursaries
- Career Progression and Mentorship Programmes

The theme of Employment Equity will be interwoven through each of the abovementioned initiatives, expanding the skills base and opportunities of HDSA employees (including women).

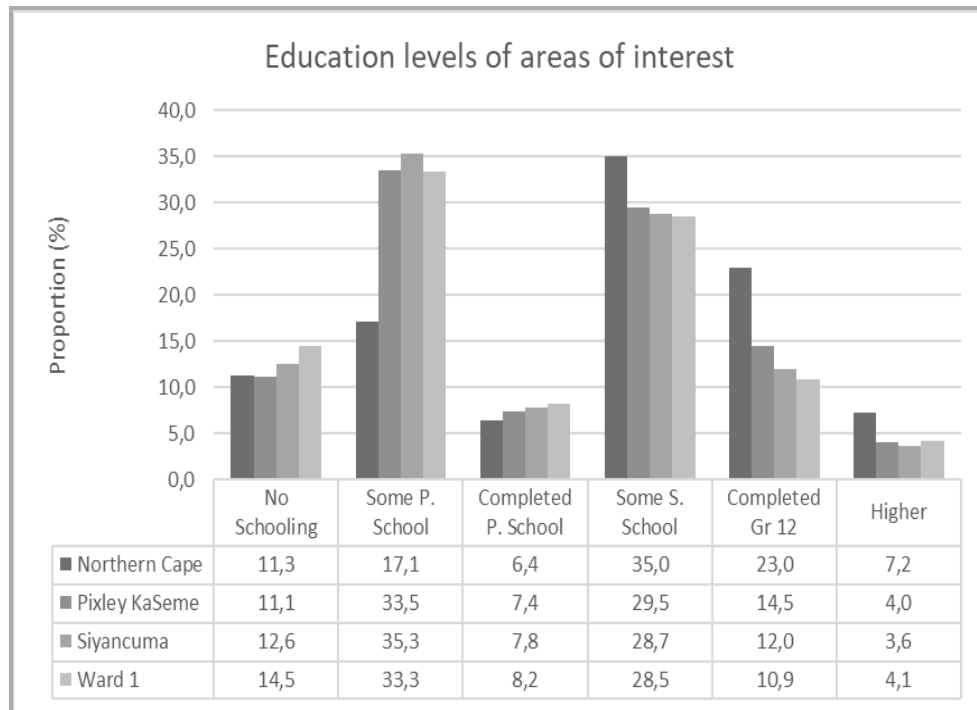
Figure 2 shows the diagram that provides a graphical depiction of this framework.



**Figure 2: HRD Programme – overarching framework**

## 2.2 Skills Development Plan - Regulation 46 (b) and Regulation 11 (1)g

As noted in the Mining Charter, the South African labour market does not produce sufficient skills required by the mining sector. This is likewise a reflection of the available skills in the local area where intends to operate – demonstrating the dire need for education, training and development in the region as illustrated below.



*Education Levels in Motjoli's Communities of interest in '2011*

The above figure indicates that the education levels in the Northern Cape are low. Only 23% of the economically active population (“EAP”) have attained a Grade 12 level education while only 7.2% have attained a higher education. Eleven of EAPs have never attended school while almost 17.1% had not completed primary school.

It should be noted that while similar patterns of low education levels have been observed in the Pixley KaSeme District Municipality, Siyancuma Local Municipality (“SLM”) and Ward 1 of SLM, the statistics indicate that the lower one goes in the area level, the worse the education profile. In Ward 1, almost half (47.8%) of the of EAPs have not completed primary school while only 15% have completed Grade 12 or have attained a higher education level.

### 2.2.1 Education levels of the workforce

A tool that will be used extensively by the company is a Skills Analysis (or Skills Audit). The significance of this process lies in its ability to (a) determine the skills levels of the workforce, (b) to provide direction in terms of what skills development is required at the time of the audit and (c) to identify future skills needing to be addressed and/or acquired. A snapshot of the data to be obtained from employees and new recruits has been provided in the following list:

- Labour sending area
- Level of education
- Preparedness to do ABET
- Acquired training and skills

- Potential for further development
- Interest in portable skills

The initial and annual skills development plan (Form Q) and workplace skills plan will only be submitted once the mining right has been awarded and mining operations have commenced.

### 2.2.2 Illiteracy levels and ABET needs

Level	Number of illiteracy	Need	Cumulative need
No Schooling	1	0	0
ABET 1	1	1	1
ABET 2	5	1	2
ABET 3	3	2	4
ABET 4	3	4	8

### 2.2.3 Training Planned

The following table summarises the anticipated training targets (by number of employees) for the initial five-year period

ABET Level	Targets and timelines				
	Year 2	Year 3	Year 4	Year 5	Year 6
ABET 1	0	0	0	0	0
ABET 2	0	0	0	0	0
ABET 3	1	1	0	2	0
ABET 4	1	2	2	1	2
Total number	2	3	2	3	2
Budget	R 105 000	R 130 000	R 65 000	R 125 000	R 120 000

Note: Mentorship programmes at the mine will be reported upon in the annual workplace skills plan and Annual SLP Reports of which have not yet been submitted to the mining qualifications authority. The above is a representation of training initiatives/interventions and not necessarily the number of individuals to receive training.

### 2.2.4 Core Business Training

Employees will embark upon skills programmes arising out of career progression planning and the mine's mentorship programme. These programmes will be specifically geared to enhancing an employee's internal mobility opportunities

Field / area of training	Targets and timeline					
	<i>Note: Below, in year 1,2,3,4,5 put the actual calendar timelines</i>					
	Year 2	Year 3	Year 4	Year 5	Year 6	Total budget
HIV/AIDS Awareness	5	5	5	5	5	25

Field / area of training	Targets and timeline					
	<i>Note: Below, in year 1,2,3,4,5 put the actual calendar timelines</i>					
	Year 2	Year 3	Year 4	Year 5	Year 6	Total budget
SHE training	6	6	6	6	6	30
Competent A	2	2	2	2	2	10
Financial Fitness	0	3	4	4	4	15
First Aid	5	5	5	5	5	25
Total number	18	21	22	22	22	105
<b>Budget</b>	<b>R 250 000,00</b>	<b>R 262 000,00</b>	<b>R 278 000,00</b>	<b>R 291 000,00</b>	<b>R 305 000,00</b>	<b>R1 360 000,00</b>

*Note: Based on skills availability, data is subject to change based on results of a skills audit to be conducted once mine recruitment is concluded. More accurate data will be submitted to the department within 8 months of commencement of mining. The above is a representation of training initiatives / interventions and not necessarily the number of individuals to receive training.*

Relevant skills programmes that may arise out of career progression and mentorship planning will be elaborated upon in the mine's workplace skills plan that will be submitted to the Mining Qualifications Authority (MQA) each year as well as in the annual Social and Labour Plan reports to the Department of Mineral Resources.

### **2.2.5 Learnerships- Internal**

Motjoli views learnerships as an important component of its skills development plan. Appropriate learnerships will be offered to the mine's employees and people from the nearby communities. Learnerships will adhere to the criteria below as set out by the MQA:

- All learnerships at Motjoli will have a structured learning and institutional learning component.
- All learnerships will have a practical work component of a specific nature and duration.
- The learnerships at Motjoli will lead to a qualification registered on the National Qualifications Framework ("NQF").
- The offered learnerships will lead to an occupation.
- Only learnerships that are recognised and registered by the MQA will be offered to Motjoli employees.

Where possible, Motjoli will apply for grants from the relevant SETA to fund the learnerships offered at the mine.

#### ***Estimated internal learnership target***

Field / area of training	Targets and timeline					
	<i>Note: Below, in year 1,2,3,4,5 put the actual calendar timelines</i>					
	Year 2	Year 3	Year 4	Year 5	Year 6	Total budget
Mining Related learnership / Rockbreaking	1	1	1	1	1	5
Supervisory Development	0	1	1	1	0	3
Administration Learnership	0	0	1	2	1	4
Total number	1	2	3	4	2	12

Field / area of training	Targets and timeline					
	<i>Note: Below, in year 1,2,3,4,5 put the actual calendar timelines</i>					
	Year 2	Year 3	Year 4	Year 5	Year 6	Total budget
Budget	R 36 000,00	R 70 000,00	R 140 000,00	R 180 000,00	R 73 000,00	R 499 000,00

Note: Based on skills availability, data is subject to change based on results of a skills audit to be conducted once mine recruitment is concluded. More accurate data will be submitted to the department within 8 months of commencement of mining. Data includes non-employee training. The above is a representation of training initiatives / interventions and not necessarily the number of individuals to receive training.

## 2.2.6 Learnerships – External

As noted above, learnerships will be made available to members of Motjoli's host communities and local municipal residents. Awareness of these learnerships will be created as outlined in the school support and post matric programme. Furthermore, Motjoli's awareness campaign in this regard will filter through to local publications – inviting qualifying community members to participate in the mine's learnership programme. Learnership opportunities will also be advertised at the tertiary facilities and Technikons in the region.

The targets represented below indicate the minimum number of external candidates to complete learnerships over a five-year period.

### ***Estimated external learnership target***

Type / area of training	Targets and timeline					
	<i>Note: Below, in year 1,2,3,4,5 put the actual calendar timelines</i>					
	Year 2	Year 3	Year 4	Year 5	Year 6	Total budget
Artisans	1	1	2	3	3	10
Total number	1	1	2	3	3	10
Budget	R 40 000,00	R 41 000,00	R 80 000,00	R 125 000,00	R 130 000,00	R 416 000,00

## 2.2.7 Artisan Training

The Mining Qualifications Authority ("MQA") registers all artisan learners on a "Learning Programme Agreement" that complies with the terms and conditions of the learnership agreement as prescribed in the relevant legislation. Learnerships are primarily workplace learning programmes, supported by structured institutional learning, which results in a qualification. It is one of a range of interventions aimed at transforming access to education.

Learnerships lead to a qualification and therefore Motjoli will ensure that every artisan programme includes:

- The three component categories in a qualification, namely fundamental, core and elective;
- Represents a planned and appropriate intervention shaped according to the purpose of the qualification, and the outcomes and assessment criteria in the unit standards;
- Include learning geared towards both the critical cross-field outcomes as well as the learning area outcomes;
- Provide artisan learners with the opportunities to achieve applied competence and a basis for further learning

The artisan and learnership training programme at Motjoli will further aim to:

- Address the transformative agenda contained in the South African Qualification Authority Act, the Skills Development Act as well as in the Mine Health and Safety Act. Every learnership at Motjoli will also: a) Provide a structured learning experience (that is, institutional leaning), together with b) Structured workplace learning – both of which will be determined by the qualification and associated unit standards.

### *Planned Training*

The targets below indicate the minimum number of employees to complete Artisan training over a five year period.

Motjoli is of the view that apprenticeships also form an integral part of its skills development plan. In keeping with this philosophy, appropriate apprenticeships will be offered to employees at the mine.

The apprenticeships will adhere to the criteria below as set out by the Mining Qualifications Authority (MQA):

- All apprenticeships at Motjoli will have a structured learning and institutional learning component.
- All apprenticeships will have a practical work component of a specific nature and duration.
- The offered apprenticeship will lead to an occupation.
- Only apprenticeships that are recognized and registered by the MQA will be offered to Motjoli employees.

Where possible, Motjoli will apply for grants from the relevant SETA to fund the apprenticeships offered at the mine.

Field / area of training	Targets and timelines					
	Year 2	Year 3	Year 4	Year 5	Year 6	Total Budget
National Certificate, Boilermaking	0	0	1	1	1	315 000
National Certificate, Fitting	1	1	1	0	0	315 000
National Certificate, Electrical	0	0	0	1	1	210 000
National Certificate, Diesel Mechanic	1	1	1	0	0	315 000
Total Number	2	2	3	2	2	11
Budget (ZAR)	210 000	210 000	315 000	210 000	210 000	1 155 000

Note: Based on skills availability, data is subject to change based on results of skills audit to be conducted once mine recruitment is concluded. More accurate data will be submitted to the department within 8 months of commencement of mining. The above is a representation of training initiatives / interventions and not necessarily the number of individuals to receive training.

### **2.2.8 School Support and Post Matric Programmes**

Motjoli is mindful that skills development should ideally start at school level. It is at this level that individuals are acquiring skills and education required to study further. Motjoli plans to improve learning at school by implementing an 'in school additional learning' programme.



The programme will focus on providing additional classes throughout the in-core subjects such as English, Physical Science and Mathematics. Additional classes will be offered from Grade 8 to Grade 12. For primary schools, Motjoli will provide additional training for teachers; such training would focus on providing teachers with skills to teach primary scholars more effectively. Schools support programmes will be provided in accordance to need.

As part of the Community Development initiatives, Motjoli will also fund the construction of a new creche for Griekwastad, amongst other projects.

## 2.3 Form R: Hard-to-Fill Vacancies

Occupational level	Job Title of Vacancy	Main Reason for being unable to fill the vacancy
Top management		No hard to Fill vacancies experienced because the company is not operational
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		

## 2.4 Career Progression (path) Plan (Regulation 46 (b) (ii))

The career progression plan will be embedded on a foundation comprised of the following principles: opportunity for all employees, performance management, career interests, availability of positions, employment equity targets and opportunities for high level operational exposure for candidates.

An employee of Motjoli will be granted the opportunity to follow the career path of his/her choice (should vacancies exist), if he/she meets the inherent requirements of the job and is considered as the best suitable candidate for the position.

### 2.4.1 Career Development Matrices of Each Discipline

ACTION	ENVISAGED OUTCOME	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.	Prior to commencement of recruitment process
Develop Career Management Policy	Ensure standardised approach and process within each contracting company to management of careers	Prior to commencement of recruitment process
Develop Career Development Plan	Formalise and standardise career planning process	Prior to commencement of

ACTION	ENVISAGED OUTCOME	TIMEFRAME
format		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	Prior to career discussion taking place
Draft communication to educate employees on career management process	<ul style="list-style-type: none"> <li>➤ Employees understand the relevance of and importance of career planning</li> <li>➤ Employees can make a meaningful contribution to the career planning process</li> </ul>	Prior to commencement of recruitment process
Provide detail on career paths and clusters available	Employees know and understand the generic career paths and the career planning process	On initial engagement of employee, during induction and ongoing
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	In terms of Career Management Policy
Integrate information into record keeping system and monitor progress	<ul style="list-style-type: none"> <li>➤ Appropriate records are maintained of career development process</li> <li>➤ Maintain data that will provide input into manpower planning process</li> <li>➤ Have information against which to monitor individual progress in terms of career progression plans</li> </ul>	Ongoing
Report on progress	<ul style="list-style-type: none"> <li>➤ Provide Motjoli management with feedback on the success of the programme</li> <li>➤ Provide DMR with necessary information to measure compliance</li> </ul>	Annually

## 2.4.2. Comprehensive Plan: TABLE H

Current Position	Training Intervention	Qualification to be achieved	Year 2		Year 3		Year 4		Year 5		Year 6	
			No. of identified employees		No. of identified employees		No. of identified employees		No. of identified employees		No. of identified employees	
			New	Cont.	New	Cont.	New	Cont.	New	Cont.	New	Cont.
Boilermaker's Assistant	Mentoring & formal study	National Certificate, Boilermaking	0			0		1		1	1	
Fitter's Assistant	Mentoring & formal study	National Certificate, Fitter	1			1		1		0	0	
Electrician's Assistant	Mentoring & formal study	National Certificate, Electrical	0			0		0		1	1	
Diesel Mechanic's Assistant	Mentoring & formal study	National Certificate, Diesel Mechanic	1			1		1		0	0	
Geotechnician/Grade Controller	Mentoring & formal study	Geology	0	0	0	0	1	0		1	0	1
HR Clerk	Mentoring & formal study	Relevant other	0	0	0	0	1	0		1	0	1
Finance Clerk	Mentoring & formal study	Mining Engineering	0	0	0	0	0	0		0	1	1
<b>TOTAL</b>			<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>3</b>	<b>3</b>

Note: Based on skills availability, data is subject to change based on results of skills audit to be conducted once mine recruitment is concluded. More accurate data will be submitted to the department within 8 months after commencement of mining. Data includes non-employee training. The above is a representation of training initiatives /interventions and not necessarily the number of individuals to receive training.

## 2.5. Mentorship Plan (Regulation 46 (b) (iii))

Focus Area	Action	Envisaged Outcome(s)
Mentoring programme for participants of LED Projects	Draft and implement Mentoring Programmes for participants and beneficiaries of LED Projects	<ul style="list-style-type: none"> <li>➤ Identify skills requirements and skills gaps</li> <li>➤ Identify technical skills and capacity building skills training providers</li> <li>➤ Ensure mentorship by established enterprises</li> </ul>
Mentoring HDSA Companies for Preferential Procurement.	Provide support to SMMEs who provide goods and services to the mine.	<ul style="list-style-type: none"> <li>➤ Identify locally based potential suppliers</li> <li>➤ Identify and resolve obstacles preventing SMME's from inclusion onto the supplier database;</li> <li>➤ On-going liaison with the local municipality to support the mine's participation in local LED projects</li> </ul>

Table 2.5.1

	Mentoring Programmes	Career Deliverables	Duration	TARGET		GENDER	
				HDSA	Non-HDSA	Male	Female
Year 2	See above Table H	See above Table H	2	4	1	3	2
Year 3			2	4	1	3	2
Year 4			2	4	1	3	2
Year 5			2	4	1	3	2
Year 6			2	4	1	3	2

Note: Based on skills availability, data is subject to change based on results of skills audit to be conducted once mine recruitment is concluded. More accurate data will be submitted to the department within 8 months after commencement of mining. Data includes non-employee training. The above is a representation of training initiatives /interventions and not necessarily the number of individuals to receive training.

## 2.6 Internship and Bursary Plan

Motjoli recognises that the implementation of an Internship and Bursary Plan will aid the mine's endeavour to achieve key competencies and skills required for the success of the operation.

The bursary programme at Motjoli will be offered to school leavers and employees interested in mining-related disciplines such as:

- Geology
- Mining Engineering
- Metallurgy
- Mechanical Engineering
- Electrical Engineering

- Mine Surveying

For external candidates, graduates will generally be offered employment at Motjoli, depending on the need (or vacancy) in the relevant field.

The internship programme will serve the purpose of bridging the gap between academic theory and the practical demands of the work environment. Upon completion of their theoretical training, graduates of mining-related degrees will be granted the opportunity to embark upon the internship programme at Motjoli.

The following tables outline the minimum anticipated bursaries and internships to be awarded over a five-year period.

### 2.6.1 Bursaries to be awarded internally

Bursary Fields	Targets and timelines.							
	<i>Note: Below, in year 1,2,3,4,5 put the actual calendar timelines</i>							
	Year 2	Year 3		Year 4		Year 5		Total Budget
New intake	New intake	Cont.	New intake	Cont.	New intake	Cont.		
Mechanical	1	1	0	1	0	1	0	
Chemical engineering	1	2	0	1	0	0	0	
Mining Engineer	1	1	0	1	0	0	0	
Geology/Environmental	1	2	0	2	0	0	0	
Total number	4	6	0	5	0	1	0	
Budget	R 280 000,00	R 430 000,00		R 360 000,00		R 80 000,00		R 1 650 000

### 2.6.2 Bursaries to be awarded externally

Bursary Fields	Targets and timelines.							
	<i>Note: Below, in year 1,2,3,4,5 put the actual calendar timelines</i>							
	Year 2	Year 3		Year 4		Year 5		Total budget
New intake	New intake	Cont.	New intake	Cont.	New intake	Cont.		
Electrician engineering	1	1	0	1	0	0	0	
Mechanical engineering	1	1	0	1	0	1	0	
Mining Engineer	0	1	0	1	0	0	0	
Geology, Environmental	1	1	0	1	0	0	0	
Total number	3	4	0	4	0	1	0	
Budget	R 180 000,00	R 250 000,00		R 260 000,00		R 73 000,00		R 763 000,00

### 2.6.3 Internships

The internship programme will serve the purpose of bridging the gap between academic theory and the practical demands of the work environment. Upon completion of their theoretical training, graduates of mining-related degrees will be granted the opportunity to embark upon the internship programme at Motjoli.

Internship Fields	Targets and timelines. <i>Note: Below, in year 2,3,4,5 put the actual calendar timelines</i>				
	Year 2	Year 3	Year 4	Year 5	Total Budget
Electrician engineering	0	1	1	0	2
Mechanical engineering	1	0	1	1	3
Mining Engineer	1	1	0	1	3
Geology, Environmental	0	1	1	1	3
Total number	2	3	3	3	11
Budget	R 180 000,00	R 260 000,00	R 268 000,00	R 270 000,00	R 978 000,00

## 2.7 Employment Equity Plan (Projected)

In order to be seen as a world class South African company, Motjoli 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 critical to the process.

### 2.7.1 Table – Form S

Occupational Levels	Male				Female				Total	Disabled	
	African	Coloured	Indian	White	African	Coloured	Indian	White		Male	Female
Top Management	1								1		
Senior Management	1				2				3		
Professionally qualified and experienced specialists and mid-management	1			1	1	1			4		
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	5	11		1	5	11	1	1	37	1	1
Semi-skilled and discretionary decision making	8	16	1	1	8	16	1	1	52		
Unskilled and defined decision making	2	4			2	4		1	13		
<b>TOTAL PERMANENT</b>									110		
Non-permanent employees											
<b>TOTAL</b>									110		

*The first milestone is the Mining Charter target of 40% HDSA and 10% female representation in management. (Other figures to be confirmed)*

## 2.7.2 Annual HDSA Progressive Targets

Motjoli's aim is to invest in the development of promising individuals within the organisation as opposed to merely focusing on the achievement of targets. This said, it is also key to note that rectification of the disparities brought about by past injustices are required for South Africa to see a transformation in the progression of HDSA employees.

Targets will take into account availability of relevant skills and will progressively increase over the first five years. As mining is expected to begin in 2020, it is expected that the mine will be able to meet the targets set in the amended mining charter of 2010. Motjoli will make every effort to meet each target within the specified time frames.

*The annual targets in respect of HDSAs in management positions for the period between Year 2 and Year 5*

Occupational Levels	Year 2	Minimum Progress to be achieved	Year 3	Minimum Progress to be achieved	Year 4	Minimum Progress to be achieved	Year 5	Compliance Target
Executive Management (Board)	40%	20%	40%	25%	40%	35%	40%	40%
Senior Management (Exco)	40%	20%	40%	25%	40%	35%	40%	40%
Middle Management	40%	30%	40%	35%	40%	40%	40%	40%
Junior Management level	40%	40%	40%	40%	40%	40%	40%	40%
Core Skills	40%	15%	40%	20%	40%	35%	40%	35%



## SECTION 3

### Local Economic Development Programme

#### 3.1 Social and Economic Background Information

The key development indicators of the regional project area below show a region that has a similar development and underdevelopment profile as the rest of South Africa.

KEY INDICATORS	DEFINITION	SOUTH AFRICA (RSA)	NORTHERN CAPE PROVINCE	PIXLEY KASEME DISTRICT MUNICIPALITY	SIYANCUMA LOCAL MUNICIPALITY
<b>DEMOGRAPHICS</b>					
Population Size	Number of individuals in area of interest	51 770 560	1 145 861	186 352	37076
Population growth (2001- 2011)	Growth rate of population	1.06%	1.44%	1.12%	-0.58%
Gender Profile	Sex ratio				100.4
<b>SOCIO ECONOMIC INDICATORS 2011</b>					
Water: Piped	Proportion of households with access to piped water	73.4%	79.7%	47%	76.4%
Energy: Electricity	Proportion of households with access to electricity	84.7%	89.3%	85.1%	82.2%
Sanitation: Flush	Proportion of households with access to flush sanitation	60.1%	63.6%	65.7%	60.2%
Housing: formal dwellings	Proportion of households living in formal dwellings	77.6%	84.5%	86.96%	73%
<b>EMPLOYMENT CENSUS 2011</b>					
Formal Employment	Number of individuals employed in the formal sector	13 180 070	389 514	35 099	7946
Unemployment Rate	Unemployed/(Economically active)	29.8%	27.4%	28.11%	28.2%
Dependency Ratio (2011)	Number of children (people aged below 15 years) and pensioners (people above 64) per 100 people aged 15-64 years	52.7	55.8	60.4	60.8
Participation Rate (2011 Census)	(Employed + Unemployed)/ Workforce	60%	36.2%	46.8%	62.2%
Income Profile	Average Income (2019)	R261, 936	R326, 922		R5,502

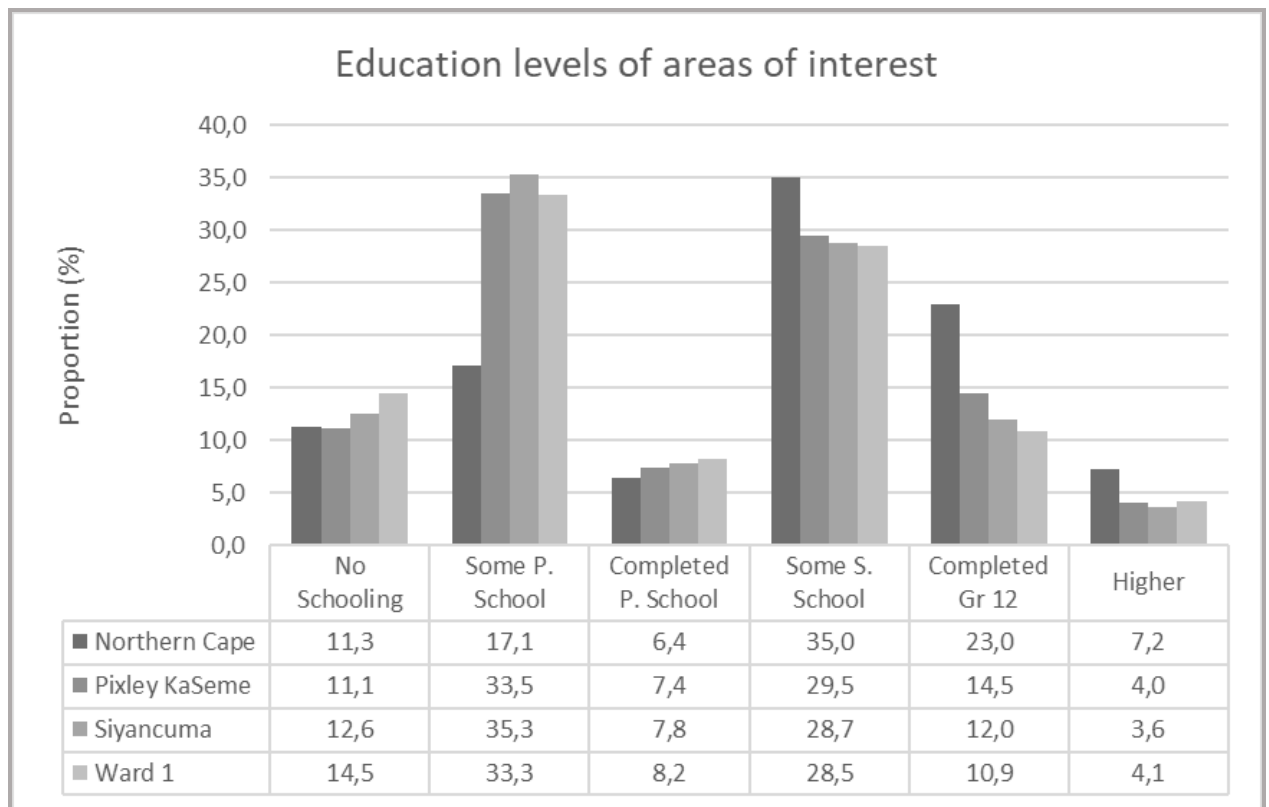
The key elements from this table, with reference to the mine's impacts, are the following:

- Northern Cape and Pixley KaSeme are dominated by formal settlements;
- Siyancuma fares well in terms of provision of social services, its downfall being the type of dwelling;
- Siyancuma Local Municipality has a relatively high dependency ratio.

The Northern Cape Province has a shoreline in the west of the South Atlantic Ocean, it also shares international borders with Botswana and Namibia. It also borders Free State, Eastern Cape, Western Cape and the North West. It is divided into 5 district municipalities, namely:

- Frances Baard District
- Pixley Ka Seme District
- Namakwa District
- John Taolo Gaetsewe District
- ZF Mgcawu District

In 2011, there was a significant increase in the number of persons (both male and female) who were not economically active as compared to the years 1996 and 2001. With this said, Northern Cape is the second poorest province in South Africa after Eastern Cape. Current sustainable long-term growth rate for the Northern Cape province is 2,0%.



## 3.2 Key Economic Activities

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### 3.2.1 Key economic activities of the mining community

The Northern Cape is South Africa largest province, it is dominated by the Karoo Basin and consists mostly of sedimentary rocks and some dolerite intrusions. Kimberlite intrusions punctuate the Karoo rocks, giving the province its most precious natural resource, Diamonds.

The economy of the Northern Cape relies heavily on two sectors, namely Mining and Agriculture, which employs 57% (Tertiary Sector) of all employees in the province. Most famous for the diamond mines around Kimberley, the Northern Cape also has a substantial agricultural area around the Orange River, including most of South Africa's sultana vineyards. Extensive sheep raising is the basis of the economy in the southern Karoo areas of the province.

### 3.2.2 Names of other mining companies that operate around your area

Name of Mining Company	Commodity
Khumba Iron Ore (Kolomela Mine)	Iron Ore

## 3.3 Negative Impact of the Mining Operation

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	Yes	No	If Yes, how will you address it?
Relocation of people		X	
Exhumation of graves		X	
Influx of people		X	
Other		X	

## 3.4 Infrastructure and Poverty Eradication Projects

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General	Specific	Type of need	Local Municipality
<b>Education</b>	Building of Library and computer labs.	Infrastructure and Equipment (computers)	SLM
	Training and Capacity Building	Training	SLM
	Extension of school grounds in Matlhomola, Griekwastad	Infrastructure	SLM
	Building of a crèche in Griekwastad	Infrastructure	SLM
<b>Health</b>	Resourcing of a clinic in Griekwastad	Infrastructure	SLM
<b>Local Economic Development</b>	Training of Small-Scale farmers	Training	SLM
	Planting of trees (greening)	Preservation	SLM
<b>Sustainable Human Settlement Development</b>	Planning and land surveying of residential and church sites in Griekwastad	Land use management	SLM

### 3.5 Project Plans

Project Name: Building of library and computer labs				Classification of project: Infrastructure and Education			
Background:	At a meeting, community requested a new library						
Geographical location of the project:	District Municipality:	Local Municipality:	Town:	Project Start Date:		Project End Date:	
	Pixley kaSeme	Siyancuma	Griekwastad	Year 4		Year 5	
Output:	Key Performance Area	Key Performance Indicator	Responsible Entity (inclusive of all role players)	Quarterly timelines and year	Quarterly timelines and year	Quarterly timelines and year	Budget
				Quarter 1	Quarter 1-3	Quarter 4	
Building of Library and computer labs; one in the secondary school one in the community	<ul style="list-style-type: none"> <li>Providing library and computer labs to the neighboring communities.</li> <li>Inspire people to acquire more knowledge</li> </ul>	Availability of a fully functioning library	<ul style="list-style-type: none"> <li>Motjoli</li> <li>Department of Education</li> </ul>	<ul style="list-style-type: none"> <li>Forge Agreements with stakeholders</li> <li>Conduct tender process</li> </ul>	<ul style="list-style-type: none"> <li>Commence with construction</li> <li>Continuous inspection of work done</li> <li>Complete Construction</li> </ul>	<ul style="list-style-type: none"> <li>Delivery and set up of equipment and learning material (eg computers, desks, chairs, shelves etc.)</li> <li>Official handover to Department of Education.</li> </ul>	R2 000 000
Classification of jobs:	No. of jobs to be created	Male Adults	Female Adults	Male Youth	Female Youth	Total	Comments
Short Term	Employment figures to be confirmed, once company is operational.						
Medium Term							
Long Term							
Completion date and exit strategy: The company will hand over the building to the department of education during or after year 5							

<b>Project Name:</b> Extension of school grounds				<b>Classification of Project:</b> Infrastructure and Education			
<b>Background:</b>	It was part of the unfunded project list in the Integrated Development Plan of Siyancuma Local Municipality.						
<b>Geographical location of the project:</b>	<u>District Municipality:</u>	<u>Local Municipality:</u>	<u>Town:</u>	<u>Project Start Date:</u>	<u>Project End Date:</u>		
	Pixley kaSeme	Siyancuma	Matlhomola; Griekwastad	Year 2	Year 2		
<b>Output:</b>	<b>Key Performance Area</b>	<b>Key Performance Indicator</b>	<b>Responsible Entity (inclusive of all role players)</b>	<b>Quarterly timelines and year</b> Quarter 1	<b>Quarterly timelines and year</b> Quarter 2-4	<b>Quarterly timelines and year</b> Quarter 4	<b>Budget</b>
	Extended school grounds in Matlhomola, Griekwastad	<ul style="list-style-type: none"> <li>To provide enough school space for scholars.</li> </ul> Larger school grounds accommodate the number of scholars by the end of year 2	<ul style="list-style-type: none"> <li>Motjoli</li> <li>Department of Education</li> </ul>	<ul style="list-style-type: none"> <li>Forge Agreements with stakeholders</li> <li>Conduct tender process</li> </ul>	<ul style="list-style-type: none"> <li>Commence with extension</li> <li>Continuous inspection of work done</li> </ul>	Complete extension	R500 000
<b>Classification of jobs:</b>	<b>No. of jobs to be created</b>	<b>Male Adults</b>	<b>Female Adults</b>	<b>Male Youth</b>	<b>Female Youth</b>	<b>Total</b>	<b>Comments</b>
<b>Short Term</b>	Employment figures to be confirmed, once company is operational.						
<b>Medium Term</b>							
<b>Long Term</b>							
Completion date and exit strategy: Handover project to Department of Education in Quarter 1.							

<b>Project Name:</b> Building of a crèche				<b>Classification of project</b> Infrastructure and Education			
<b>Background:</b>	It was part of the unfunded project list in the Integrated Development Plan of Siyancuma Local Municipality.						
<b>Geographical location of the project:</b>	<u>District Municipality:</u> Pixley kaSeme	<u>Local Municipality:</u> Siyancuma	<u>Town:</u> Griekwastad	<u>Project Start Date:</u> Year 2	<u>Project End Date:</u> Year 2		
<b>Output:</b>	<b>Key Performance Area</b>	<b>Key Performance Indicator</b>	<b>Responsible Entity (inclusive of all role players)</b>	<b>Quarterly timelines and year</b> Quarter 1	<b>Quarterly timelines and year</b> Quarter 2-4	<b>Quarterly timelines and year</b> Quarter 4	<b>Budget</b>
Building of a crèche in Griekwastad	<ul style="list-style-type: none"> <li>Provide a creche to neighbouring communities, to allow parents to attend.</li> <li>Provide schooling facilities for younger children.</li> </ul>	Availability of a fully functional primary school for potential students to attend by January 2022	<ul style="list-style-type: none"> <li>Motjoli</li> <li>Department of Education</li> </ul>	<ul style="list-style-type: none"> <li>Forge Agreements with stakeholders</li> <li>Conduct tender process</li> </ul>	<ul style="list-style-type: none"> <li>Commence with construction</li> <li>Continuous inspection of work done</li> <li>Complete Construction Delivery and set up of equipment and learning material</li> </ul>	<ul style="list-style-type: none"> <li>Delivery and set up of equipment and learning material (eg desks, chairs, shelves etc.)</li> <li>Official handover to Department of Education.</li> </ul>	R600 000
<b>Classification of jobs:</b>	<b>No. of jobs to be created</b>	<b>Male Adults</b>	<b>Female Adults</b>	<b>Male Youth</b>	<b>Female Youth</b>	<b>Total</b>	<b>Comments</b>
<b>Short Term</b>	Employment figures to be confirmed, once mine is operational.						
<b>Medium Term</b>							
<b>Long Term</b>							
Completion date and exit strategy: The company will hand over the building to the department of education during/after year 2							

Project Name: Planting of trees					Classification of project: Preservation		
Background:	It was part of the unfunded project list in the Integrated Development Plan of Siyancuma Local Municipality.						
Geographical location of the project:	<u>District Municipality:</u> Pixley kaSeme	<u>Local Municipality:</u> Siyancuma	<u>Town:</u> Griekwastad	<u>Project Start Date:</u> Year 2		<u>Project End Date:</u> Closure of mine	
Output:	Key Performance Area	Key Performance Indicator	Responsible Entity (inclusive of all role players)	Quarterly timelines and year Quarter 1	Quarterly timelines and year Quarter 2-4	Quarterly timelines and year Quarter 4	Budget
Planting of trees	Promoting a greener future		<ul style="list-style-type: none"> <li>• Motjoli</li> <li>• Agricultural Department</li> </ul>	<ul style="list-style-type: none"> <li>• Research endangered, tree species of Northern Cape</li> <li>• Research tree species useful to the communities.</li> </ul>	<ul style="list-style-type: none"> <li>• Planting of trees commences</li> <li>• Handover project to the community and the agricultural department.</li> </ul>	Planting of trees is completed	R50 000
Classification of jobs:	No. of jobs to be created	Male Adults	Female Adults	Male Youth	Female Youth	Total	Comments
Short Term	Employment figures to be confirmed, once company is operational.						
Medium Term							
Long Term							
Completion date and exit strategy: Handover project to the community and the agricultural department will take place in Quarter 2-4.							

<b>Project Name:</b> Building of a clinic				<b>Classification of project</b> Infrastructure and Health			
<b>Background:</b>	It was part of the unfunded project list in the Integrated Development Plan of Siyancuma Local Municipality.						
<b>Geographical location of the project:</b>	<u>District Municipality:</u> Pixley kaSeme	<u>Local Municipality:</u> Siyancuma	<u>Town:</u> Griekwastad	<u>Project Start Date:</u> Year 6		<u>Project End Date:</u> Year 8	
<b>Output:</b>	<b>Key Performance Area</b>	<b>Key Performance Indicator</b>	<b>Responsible Entity (inclusive of all role players)</b>	<b>Quarterly timelines and year</b> Year 6 <i>R1 000 000</i>	<b>Quarterly timelines and year</b> Year 7 <i>R1 000 000</i>	<b>Quarterly timelines and year</b> Year 8 <i>R1 000 000</i>	<b>Budget</b>
A new clinic in Griekwastad	Providing advanced healthcare facility to the community of Griekwastad	Availability of a fully functioning clinic for neighbouring communities by the end of 2027	<ul style="list-style-type: none"> <li>• Motjoli</li> <li>• Department of Health</li> </ul>	<ul style="list-style-type: none"> <li>• Forge Agreements with stakeholders</li> <li>• Conduct tender process</li> <li>• Raise money for the construction</li> </ul>	<ul style="list-style-type: none"> <li>• Commence construction</li> <li>• Continuous inspection of work done</li> </ul>	<ul style="list-style-type: none"> <li>• Complete Construction</li> <li>• Delivery and set up of equipment and learning material (eg computers, desks, chairs, shelves etc.)</li> <li>• Official handover to Department of Health</li> </ul>	R3 000 000
<b>Classification of jobs:</b>	<b>No. of jobs to be created</b>	<b>Male Adults</b>	<b>Female Adults</b>	<b>Male Youth</b>	<b>Female Youth</b>	<b>Total</b>	<b>Comments</b>
<b>Short Term</b>	Employment figures to be confirmed, once company is operational.						
<b>Medium Term</b>							
<b>Long Term</b>							
Completion date and exit strategy: The company will hand over the building to the department of health by the end of year 8							



<b>Project Name:</b> Training of farmers				<b>Classification of project:</b> Training			
<b>Background:</b>	It was part of the unfunded project list in the Integrated Development Plan of Siyancuma Local Municipality.						
<b>Geographical location of the project:</b>	<u>District Municipality:</u>	<u>Local Municipality:</u>	<u>Town:</u>	<u>Project Start Date:</u>		<u>Project End Date:</u>	
	Pixley kaSeme	Siyancuma	Griekwastad	Year 2		Closure of mine	
<b>Output:</b>	<b>Key Performance Area</b>	<b>Key Performance Indicator</b>	<b>Responsible Entity (inclusive of all role players)</b>	<b>Quarterly timelines and year</b>  Quarter 1	<b>Quarterly timelines and year</b>  Quarter 2-4	<b>Quarterly timelines and year</b>  Quarter 4	<b>Budget</b>
Training of small-scale farmers	<ul style="list-style-type: none"> <li>• Providing small scale farmers with more information on how the industry works</li> <li>• Providing farmers with more advanced skills and knowledge.</li> </ul>		<ul style="list-style-type: none"> <li>• Motjoli</li> <li>• Department of Agriculture</li> </ul>	<ul style="list-style-type: none"> <li>• Find the right people to carry out training</li> <li>• Select people to take part in training</li> <li>• Find space where training will take place</li> </ul>	Training commences	<ul style="list-style-type: none"> <li>• Find out outcomes of training.</li> </ul>	R280 000
<b>Classification of jobs:</b>	<b>No. of jobs to be created</b>	<b>Male Adults</b>	<b>Female Adults</b>	<b>Male Youth</b>	<b>Female Youth</b>	<b>Total</b>	<b>Comments</b>
<b>Short Term</b>	Employment figures to be confirmed, once company is operational.						
<b>Medium Term</b>							
<b>Long Term</b>							
Completion date and exit strategy: The company will assign/hire professionals to train the farmers throughout the life of mine.							

Project Name: Planning and land surveying					Classification of project: Town Planning			
Background:	It was part of the unfunded project list in the Siyancuma Local Municipality.							
Geographical location of the project:	District Municipality: Pixley kaSeme	Local Municipality: Siyancuma	Town: Griekwastad	Project Start Date: Year 2	Project End Date: Closure of mine			
Output:	Key Performance Area	Key Performance Indicator	Responsible Entity (inclusive of all role players)	Quarterly timelines and year Quarter 1	Quarterly timelines and year Quarter 2-4	Quarterly timelines and year Quarter 4	Budget	
Planning and land surveying of residential and church sites in Griekwastad	Provide town planning and land surveying for Griekwastad	Improved land use	<ul style="list-style-type: none"> <li>• Motjoli</li> <li>• Co-Operative Governance Human Settlements and Traditional Affairs</li> </ul>	<ul style="list-style-type: none"> <li>• Forge Agreements with stakeholders</li> <li>• Conduct tender process</li> </ul>	Commence with planning and land surveying	Complete planning and land surveying	R240 000	
Classification of jobs:	No. of jobs to be created	Male Adults	Female Adults	Male Youth	Female Youth	Total	Comments	
Short Term	Employment figures to be confirmed, once company is operational.							
Medium Term								
Long Term								
Completion date and exit strategy: Handover project to Co-Operative Governance Human Settlements and Traditional Affairs in Quarter 1.								

### 3.8 Measures to address housing and living conditions (Regulation 46 (c)(IV))

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#### 3.8.1 Provide the current status of available dwelling for employees

	Mark (x) the appropriate	Percentage
Hostels		Not known
Own Home	X	Not known
Rentals	X	Not known
Other (specify)		Not known

*Note: Majority of the employees will be sourced from the surrounding villages.*

#### 3.8.2 Provide the municipality's strategy to address housing

According to the Siyancuma Local Municipality Integrated Development Plan 2018/2019, the different wards have indicated that there is an issue of housing, but no strategy plan for housing is presented in the document.

#### 3.8.3 Establish the preferred requirements for housing and living conditions of the workforce

No housing will be built.

#### 3.8.4 Housing and living conditions plan over a five-year period

No housing will be built.

#### 3.8.5 Occupancy rate

No housing will be built.

#### 3.8.6 Measures to address nutrition

Motjoli is committed to contributing to a healthy and productive labour workforce. The company's approach to a nutrition programme will be that of education and awareness and directly impacting on nutrition.

Motjoli will provide educational information to employees on the benefits of a responsible diet, for example through the use of posters at mine and plant entrances. The messages communicated to employees will emphasise the benefits of good nutrition, encouraging employee wellness and the adoption of a balanced nutritional lifestyle. This awareness programme will be developed and implemented by a qualified Wellness Facilitator, who will work in conjunction with the mine's General Manager and SLP coordinator to ensure an effective implementation of this plan.

### 3.9 Procurement Progression Plan

Strategy - Focus Area	Action	Envisaged Outcome(s)
Develop a HDSA procurement policy, commitments and mechanisms. Access the DMR's assistance programmes to achieve this.	The mine to develop a HDSA procurement policy, commitments and mechanisms.	The mine will have a detailed procurement policy, commitments and a procurement mechanism will be in place, benefiting local HDSA suppliers.
Identification of HDSA accredited suppliers within the Pixley KaSeme District Municipality through a Rating Agency.	The mine to access Mining Industry Supplier Database to develop a pool of HDSA accredited suppliers in the local area.	The mine will have access to a database of HDSA accredited suppliers within the Pixley KaSeme District Municipality 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.
HDSA preferred supplier status to be given by the mine wherever possible in all categories of procurement during construction and operation.	The mine to give preference to local HDSA suppliers where possible within all categories of procurement.	The mine will procure, where possible, only through local HDSA suppliers.
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 categories and within the geographic areas.	The designed procurement Management system will be linked to the quarterly reporting mechanism to ensure reporting on local HDSA procurement can be extracted on a quarterly basis and rectified where necessary.
Determine preferential procurement opportunities at the mine.	The mine to determine categories within essential and nonessential services provision which can be granted to local HDSA companies only. The mine to develop strategies and action plans to support this undertaking.	The mine's procurement within the identified categories from local HDSA suppliers only will ensure 100% procurement from accredited local HDSA suppliers.
Report progress against preferential procurement targets from HDSA enterprises to DMR within Annual SLP Report.	The mine to report on progress achieved against preferential procurement targets from HDSA enterprises.	Progress report on the success and shortcomings of mine's procurement plan in respect of improving/ maintaining local HDSA suppliers and recommendations for improved plan.

## SECTION 4

### Processes Pertaining to Management of Downscaling and Retrenchment

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The specific aims of the Programme are to:

- Avoid and prevent job losses;
- Manage the retrenchment process, where job losses are unavoidable;
- Integrate retrenched persons into the mainstream economy, where possible.

#### 4.1 Establishment of Future Forum

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Date of Establishment	Within 6 months of granting of Mining Right
Nr of planned meetings per annum	4

#### 4.2 Mechanisms to save jobs, provide alternative solutions and procedures for creating job security where job losses cannot be avoided

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Motjoli Iron Ore Company (Pty) Ltd will follow the procedures for downscaling and retrenchment as set out by the Department of Labour and the Labour Relations Act. He will develop and implement turnaround strategies and mechanisms to save jobs, prevent unemployment, and avoid downscaling by focus on the following:

- Investigation options for the exploitation of additional reserves, thereby extending the life of the operation;
- Seeking to prevent retrenchments from taking place, where possible;
- Utilizing the Future Forum to identify strategies to prolong the life of operation or avoid retrenchments and downscaling;
- Consulting with the DOL, the DMR, and surrounding mining companies to assess any potential opportunities to mitigate the above;
- Appropriately training and re-skilling retrenches in order to find alternatives employment within the operation, or in the open job market;
- Where retrenchments are avoidable, they will be managed humanely i.e. through the formulation of an appropriate retrenchment proposal in consultation with the relevant parties; and
- When Motjoli approaches a downscaling phase and there is considered likely retrenchments, notification will be given to the following government authorities, 6 weeks before reaching that phase:

## Notification process:

Notification to the Chairperson of the Minerals and Mining Development Board	Notification to the Minister of Labour
Where Motjoli foresees a physical depletion of the mineral being mined and/or becomes marginal where the profit/revenue ratio is less than 6% on average for a period of 12 months.	Where Motjoli foresees a physical depletion of the mineral being mined and/or becomes marginal where the profit/revenue ratio is less than 6% on average for a period of 12 months.
Where Motjoli contemplates or intends large-scale retrenchments (20% or more OR cumulatively more than 15 people of the workforce, whichever is less) in a period of one year.	Where Motjoli Iron Ore Company Pty Ltd contemplates or intends large-scale retrenchments (20% or more OR cumulatively more than 15 people of the workforce, whichever is less) in a period of one year.

In this way it will be ensured that all relevant parties accurately and timeously informed so that alternative solutions to retrenchment may be explored.

### 4.3 Management of retrenchments (attach a copy in line with the terms of Section 52(i) of the MPRDA and Section 189 of the LRA)

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#### 4.3.1 Purpose

The purpose this policy is to provide rules and guidelines to regulate the management of retrenchment.

Retrenchment of employees may be considered when requirements necessitate a reduction in the work force of the organization or the redundancy of identified. Operational requirements may include changes brought about by economic, structural, technological or other factors.

#### 4.3.2 Application

The policy is applicable to all permanent employees of the company.

#### 4.3.3 Legal Compliance

4.3.3.1 The company is committed to complying with the provisions of the Labour Relations Act and the Code of Good practice on Dismissal Based on Operational Requirements whenever the retrenchment of employees is contemplated.

4.3.3.2 The Mineral and Petroleum Resources Development Act, stipulates that the Minerals and Mining Board must be notified where more than 14 employees, or 20% of the workforce are to be retrenched in any 12-month period, or were the profit revenue ratio of the business unit falls below 6% on average over a continuous period of 12 months.

4.3.3.3 In terms of the above, when retrenchment of employees is contemplated, the company undertakes to:

- Consult with all parties as required by the Trade Union agreements.
- Consult with affected employees and or employee groups.
- Seek and attempt to reach consensus with consulting parties on appropriate measures to avoid dismissals, to minimize dismissals to change the timing of dismissals, and to mitigate the adverse effects of dismissals.
- Seek and attempt to reach consensus with consulting parties on the method for selecting the employees to be dismissed, and the severance pay for dismissed employees.
- Provide consulting parties with written information as per the requirements of the Labour Relations Act.

#### **4.3.4 Exceptions**

4.3.4.1 Learners (previously referred to as apprentices) may not be retrenched before their contracts expire, without the approval of the SETA. The contract may however be transferred to another employer.

Learners may be considered for employment in other post until an appropriate post becomes available.

4.3.4.2 Bursars, learner technicians and other persons in learner programs not covered by the Skills Development Act as learners may not be retrenched during their training programs. Any decision to retrench such person may only be made after completion of their studies. If a decision is taken to retrench such persons after the completion of their studies, they will not be required to repay any outstanding study loans.

4.3.4.3 No employee may be given notice or retrenched during any period of annual leave, sick leave, maternity leave or family responsibility leave, nor may such notice run concurrently with any such leave, except sick leave.

#### **4.3.5 Selection Criteria**

Selection criteria will be consulted with parties as prescribed by law. The selection criteria will be objective and fair, and applied in all cases of retrenchment. The selection criteria may include the following factors, length of service, skills, qualifications, performance, attendance, experience, succession planning, disciplinary record and the LIFO (last in first out)

**NB:** The LIFO principle may not be used to undermine an affirmative action plan. The selection criteria may also not discriminate, either directly or indirectly against employees with disabilities.

#### **4.3.6 Alternative Job Offers**

Details of employees who have been selected for retrenchment will be supplied to the various business units within the employer group. The company undertakes to consider these affected employees for vacant positions in the same business units within the group. During the selection process the inherent job requirements of a vacant position will be used to determine the employee's suitability for the position in accordance with normal selection procedures. Only those vacancies that cannot be filled by placing affected employees may be advertised externally and then only after consultation with the consulting parties.

An affected employee may be offered a position on the same level or on a lower level.

#### **4.3.6.1 Job offer on the same level.**

##### *4.3.6.1.1 Acceptance of job offer*

If an affected employee accepts a position on the same level, the appointment salary or package in the new position will be made at the employee's current salary or package (CTC) value. An employee will also be retained should this be necessary in order to fulfil the requirements of the position.

##### *4.3.6.1.2 Unreasonable rejection of job offer*

If an affected employee unreasonably rejects an alternative job offer at the same level, the employee will be counselled in order to persuade the employees to accept the position that is offered. The employee should be advised that retraining will be offered in the event that this should be necessary. If the employee then still declines the alternative job offer, the employee will then be retrenched without a severance package. The employee will then not qualify for participation in any Employee Assistance Program; furthermore, the employee will also not be considered for re-employment in accordance with the policy.

#### **4.3.6.2 Job offer on a lower level**

##### *4.3.6.2.1 Acceptance of job offer*

If an affected employee accepts a position on the lower grade, the employee will be appointed on the maximum of the lower graded salary scale and the conditions of service applicable to such position will then apply.

##### *4.3.6.2.2 Salary Protection*

The current remuneration of any employee accepting a job on a lower level will be protected for a period of three (3) calendar months from the date of appointment. The appointment salary for the new position will then be applied effective as of the first day of the fourth (4) months.

##### *4.3.6.2.3 Refusal of job offer*

If an affected employee rejects an alternative job offer at a lower level, the employees must be counselled in order to convince the employee to accept the position. The employee should be advised that retraining will be provided should this be necessary. If the employee rejects the alternative job offer, the employee will be retrenched but with the payment of a severance package. The employee will also qualify for the participation in any Employee Assistance Program and will also be considered for re-employment.

#### **4.3.6.3 Determining whether a job offer was reasonable**

When determining whether an alternative job offer was reasonable offer, cognizance must be taken to the employee's personal circumstances as well as other objective factors such as job status, functions, remuneration, job security, etc.



#### **4.3.7 Notice Period**

An employee is entitled to a minimum notice period of four (4) weeks in the event of being retrenched.

#### **4.3.8 Severance Benefit**

The company will pay a retrenchment employee a severance package calculated at 1 week's earnings for every completed year of service.

#### **4.3.9 Outstanding Debts**

Outstanding loans, with the exception of loans referred to in paragraph 4.2, are payable on termination of service. Arrangements for monthly repayments after termination should be made with Human Resource Department.

#### **4.3.10 Release from duty**

An employee may be released from duty without loss of earnings prior to the date of retrenchment subject to management discretion.

#### **4.3.11 Unemployment Insurance Fund**

Unemployment Insurance Fund documentation will be issued to the employee on the date of retrenchment.

#### **4.3.12 Service Certificate**

Certificate of service will be issued to the employee on the date of retrenchment.

#### **4.3.13 Time off to seek alternative Employment**

An affected employment may be given paid time off, where possible, to find alternative employment if the employee cannot be released from duty in the final month of service.

#### **4.3.14 Re-Employment**

Re-employment of employees with relevant qualifications, who have been retrenched by the company, as far as is practical, considered for re-employment when suitable vacancies arise. During the selection process the inherent job requirements of a vacant position will used or determined the employee's suitability for the position in accordance with normal selection procedures. This is consideration will only apply for a period of 12 months after the date of retrenchment. Individual employee will be notified of any vacancies by the company.

The company will, in consultation with the consulting parties, forward details of employees to be retrenched to other companies or placement companies if requested to do so.

#### **4.3.15 Employee Assistance Programs**

Employees, who are retrenched by the company will, where possible, practical and reasonable, be offered basic life skill, financial skills and Small, Medium and Macro Enterprises (SMME) training. Attendance at such training courses will be voluntary. Any training will be limited to the relevant disciplines available and for a limited period only. The period will be determined by the company in consultation with the consulting parties or affected employee after the date of retrenchment. Training will be provided by an external service provider which will preferably be a BEE company.

The cost of this training will be paid for by the company and will be paid directly to the applicable service provider and not to the employee. Costs for food, accommodation and other incidental expenses for the duration of the training will also be paid for by the company.

#### **4.3.16 Income Tax on Lump Payments**

On retrenchment, in terms of the Income Tax Act, employee is entitled to a once off tax lump sum payment of maximum R30 000 which includes payment for any leave, severance payment, payment in lieu of notice etc.

#### **4.3.17 Voluntary Retrenchment**

Employees may apply for voluntary retrenchment or early retirement. This will only be offered in the event that the retrenchment of employees is inevitable. Approval will be subject to management discretion which will not be unreasonably withheld.

An employee who applies for voluntary retrenchment or early retirement may not qualify for Unemployment Insurance Fund benefits in terms of current Department of Labour policy as this is viewed by the department as a resignation.

#### **4.3.18 Medical Examination**

Employees who are selected for retrenchment, granted voluntary retrenchment, or early retirement and who have been employed in positions that are deemed to be risk work in terms of any applicable health legislation will be required to undergo an exit medical examination prior to termination. The cost of the medical examination will be borne by the company.

#### 4.4 Mechanisms to ameliorate the social and economic impact on individuals, regions and economies where retrenchment or closure of the operation is certain

This phase will be undertaken in partnership with the Department of Provincial and Local Government, which will aim to implement local economic regeneration studies with a view to unlocking new or alternative employment opportunities. Motjoli will ensure that severance packages are offered to all permanent employees to minimize the impacts of the mine on affected individuals. The emphasis will be on promoting and providing self-employment and re-employment training to affected employees.

Motjoli through the implementation of an integrated Human Resource Development Program and Local Economic Development Program, ensure that employees will be empowered, or, capacitated, to be able to access alternative livelihood opportunities after closure. These programs will be linked to the IDP i.e. the paths of development identified for Siyancuma Local Municipality and will thus equip employees with skills necessary to access alternative employment within the area. Similarly, employees will be able to become involved in established sustainable development initiatives in the area.

Motjoli will plan for the inevitable closure scenario through the operational phase of the Mine acknowledging the future well-being of its employees. It is further acknowledged that the employees will be the key stakeholders in this phase of the Social and Labour Plan. They will be consulted at all necessary instances during the project i.e. from the outset of the project to decommissioning and closure.

##### *Principles for developing mine closure strategies*

CATEGORIES	DESCRIPTION
<b>Consultation</b>	<p><b>Conduct comprehensive and sensitive consultation with:</b></p> <ul style="list-style-type: none"> <li>• Local Communities</li> <li>• Government Departments</li> <li>• Other relevant parties identified</li> </ul> <p>Local businesses (those reliant on the mine and those who are independent)</p>
<b>Capacity Building</b>	<p><b>Assist retrenched employees to establish their own businesses and assist local businesses in expanding their current operations:</b></p> <ul style="list-style-type: none"> <li>• Support and guidance during life of mine and at time of retrenchment</li> <li>• Encourage entrepreneurial initiatives with local business and interested employees</li> </ul>
<b>Mentorship</b>	<p><b>Utilize mentorship structures that commenced during the life of the mine and in line with the needs of the groups/structures during the retrenchments:</b></p> <ul style="list-style-type: none"> <li>• Continued mentorship of empowerment groups and local community structures</li> <li>• Ad hoc mentoring for entrepreneurs as required based on projects</li> </ul>
<b>Skills Portability</b>	<p><b>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:</b></p> <ul style="list-style-type: none"> <li>• Build on skills that will be recognized nationally</li> <li>• Build on existing skills of employees</li> <li>• Address skills gaps, enabling employees to manage their own careers</li> <li>• Provide business-related training where applicable</li> </ul>

#### 4.4.1 (Provide the planned type of counselling)

Emotional	X
Financial	X
Employment	X
Other	

	Programs	Timeframes
Self-employment training program	All HR training programs will contribute to the employees being able to find employment in other sectors and/or be self-employed.	Throughout life-of-mine
Placement opportunities		Upon mine closure
Portable skills development plan	All HR training programs will contribute to the employees being able to find employment in other sectors and/or be self-employed	Throughout life-of-mine

#### **Portable Skills**

As outlined in the Portable Skills section of the HRD Programme, Motjoli has the desire to minimise the impact of job losses in instances of downscaling and/or retrenchment. Motjoli will therefore ensure that the skills programmes offered at the mine provide practical training opportunities that increase employees' chances of labour mobility. Motjoli commits to identifying portable skills training opportunities for all employees who are considered vulnerable during downscaling and/or retrenchment.

Basic Life Skills	Basic Artisanal Skills	Basic Entrepreneurship Skills
<ul style="list-style-type: none"> <li>• Basic Principles of Finance</li> <li>• Retirement Planning and Financial Management</li> </ul>	<ul style="list-style-type: none"> <li>• Basic Welding</li> <li>• Basic Electricity</li> <li>• Basic Boiler Making</li> <li>• Basic Fitting</li> <li>• Basic Bricklaying</li> </ul>	<ul style="list-style-type: none"> <li>• Farming Entrepreneurship</li> <li>• Construction Entrepreneurship</li> <li>• Franchising Entrepreneurship</li> <li>• Transport Entrepreneurship</li> </ul>

#### **Local Economic Development Initiatives**

Motjoli will consult the Local Municipality regarding opportunities for the mine to assist in their LED job creation activities. This will be undertaken with the intention of reducing the impacts of retrenchment on the local communities. In conjunction with the portable entrepreneurial skills development training offered at the mine, Motjoli will assist as many of its employees as possible to initiate small businesses in the local area.

## SECTION 5

### Financial Provision

Motjoli will provide adequate finances for the SLP projects through the formation of partnerships with possible, employees, local organisations, government, business, non- governmental organisations and the local communities. In doing so, resources will be optimally pooled to provide strength in ensuring successful implementation of its Social and Labour Plan activities. Below is a summary of the financial resources Motjoli commits to:

	Financial provision for a 5-year period				
	Year 1	Year 2	Year 3	Year 4	Year 5
Human Resource Development	-	R1 143 883,00	R 1 143 884,00	R 1 143 885,00	R 1 143 886,00
Local Economic Development	-	R 2 216 360,00	R 2 216 361,00	R 2 216 362,00	R 2 216 361,00
*Management of Downscaling	-	-	-	-	-
<b>Total</b>	-	<b>R 3 360 243,00</b>	<b>R 3 360 245,00</b>	<b>R 3 360 245,00</b>	<b>R3 360 245,00</b>

\*In the event of downscaling and retrenchment, financial provisioning will be calculated in accordance with the following principles. These will be calculated per individual affected by downscaling and retrenchment:

Financial Provisioning	Detail
Severance Package	Severance package of one week's remuneration for every completed year of continuous service at Motjoli ( <b>NB:</b> this will apply only for employees directly employed by Motjoli and specifically excludes employees employed by the mine's contractors)
Retrenchment Counselling	The cost of retrenchment counselling for retrenched employees
Portable Skills Training	A pre-determined amount per employee for training in a portable skill of the employee's choice as per the Human Resources Development Programme of this Social and Labour Plan

## SECTION 6 Undertaking

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The person responsible for the social and labour plan, who is responsible to make known the social and labour plan to the employees and who must be contacted for follow-ups, requests, reports, queries, enquiries, discussions, etc. at time of such needs must make the following undertaking on behalf of the Mine or Production Operation. The Chief Executive Officer, Managing Director or any other person so appointed must approve the social and labour plan.

I, \_\_\_\_\_ the undersigned and duly authorized thereto by \_\_\_\_\_ (Company) undertake to adhere to the information, requirements, commitments and conditions as set out in the social and labour plan.

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

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

Designation \_\_\_\_\_

Approved

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

Signature: \_\_\_\_\_

Designation: \_\_\_\_\_