

Palabora News

An Internal newsletter for Palabora Copper
Issue 3—2013

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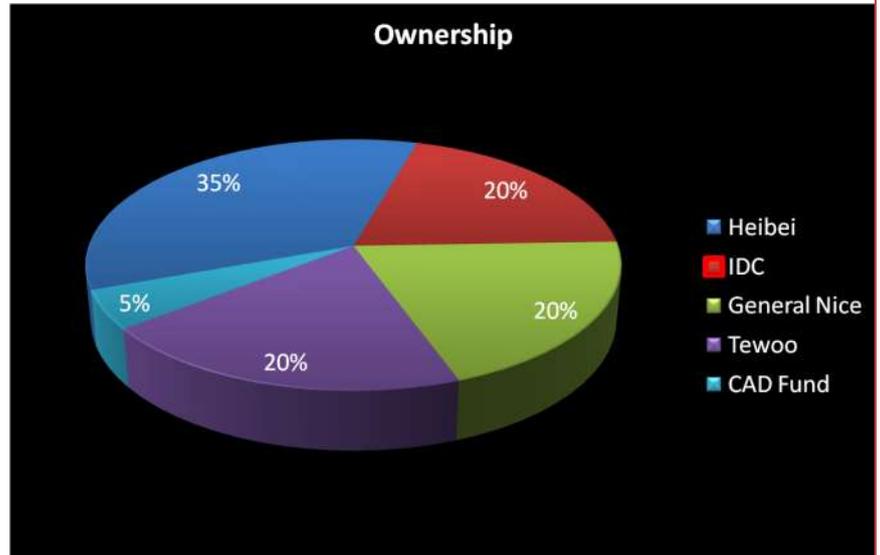
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Palabora news...ditaba...nuus...mahunngu...mafhungo...

New ownership take up the reigns

With the Rio Tinto Group divesting its interests in Palabora, a new consortium comprising both South African and Chinese interests has taken up the reigns. The Industrial Development Corporation of South Africa (IDC) and Chinese companies including the Hebei Iron and Steel Group (HBIS) join hands with our BBBEE consortium to take Palabora into the future.

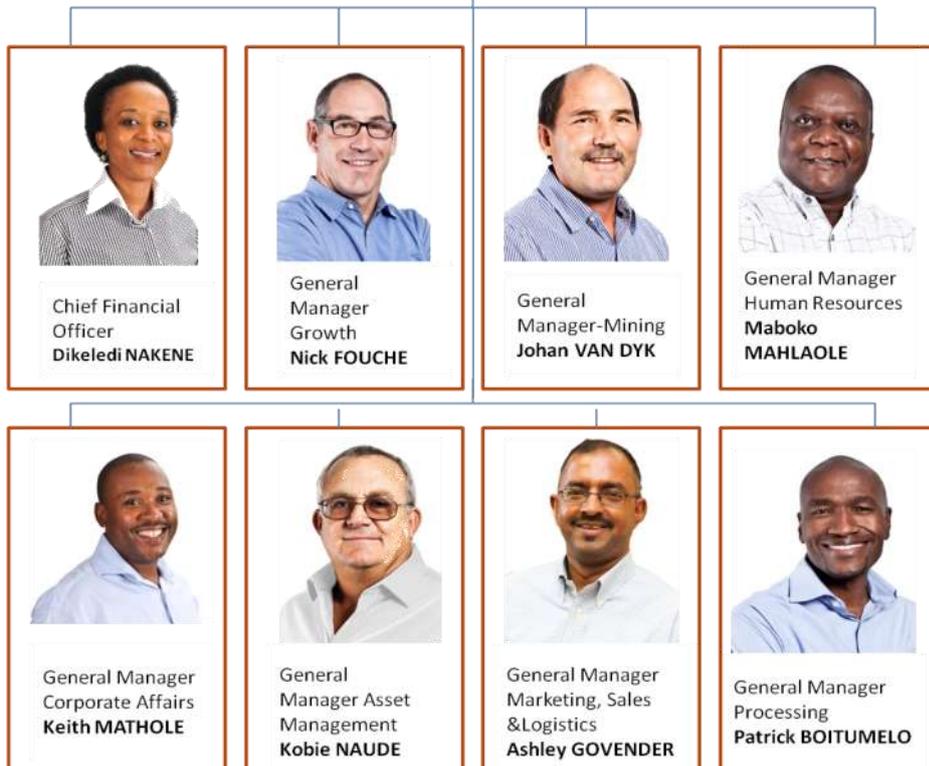


PC Executive structure

Board of Directors



Chief Executive Officer
Han JINGHUA



Conversation with the Palabora Copper new CEO

Han Jinghua, who has recently been appointed the Chief Executive Officer of the Palabora Copper (Pty) Ltd, says he is humbled by the appointment and looks forward to ensuring a growing and sustainable mining **company together with the team. "I'm absolutely honored by the appointment and excited to be joining the team here in South Africa, especially becoming part of the Ba-Phalaborwa community," said the 50 year old** seasoned mining and engineering professional, who officially assumed his duties on 1 November, 2013.

Speaking about his new role as the CEO of Palabora Copper Han said the responsibility for the success of our company is in the hands of all of us working here. **"We've to be able to rely on the strength and expertise of every person, and our ability to collaborate in teams is vital."**

Han says he will be steadfast to increasing the company's safety record, reducing costs, increasing productivity as well focusing on the Lift II project in the next few coming months.

"Palabora Copper can become the industry's benchmark in health and safety, ensuring long-term sustainable and profitable business growth and increased

"...the responsibility for the success of the company is in the hands of all who work here. Palabora can become the industry benchmark in health and safety, and ensure long-term sustainable profitability and productivity."



productivity. All we need is both hands joined together as one team," he said.

Commenting on health and safety Han said our human resource is priceless. **"It is essential that we increase our record of safeguarding our people, who are our irreplaceable resource.**

We also have the duty to ensure our continuing coexistence with nature by looking after the environment from which our business operates," he said, adding that **"with the right mindset we can set the industry' standard."**

Han went on to say that **"the value of our business is also dependant on safeguarding our pricey asserts. "Not only will that provide us with the opportunity to increase and improve the quality of our production yield, but will also save us some costs." "Over the past 28 years I enjoyed working in the steel industry, embraced its challenges and successes and I'm excited to be bringing my experience from the steel making value chain to copper," he concluded.**



A new era for Palabora

Palabora, a world-class mine with long and proud history, is growing and diversifying to meet the strong demand for our products both nationally and internationally.

Our vision to be a leader in the mining industry through our performance, is achieved through extracting and beneficiating copper and other minerals safely and profitably.

We operate to a set of sound business principles underscored by the highest ethical standards. These principles are based on sound core values and objectives to optimise our operations.

We are fortunate to be located in a beautiful environment bordering the Kruger Nation Park and

preserving this environment for future generations is embedded in our values.

Our commitment extends to securing the future wellbeing and economic independence of our communities through education, healthcare and helping to develop local small and medium-sized businesses.

The spirit of togetherness, commitment and dedication remain our hallmark.



Sisiwe takes up a new role as manager Training and Development

In July, we welcomed a new member of Palabora in the HR division, Sisiwe Mthethwa who assumed the role of Training and Development manager. Sisiwe, a familiar face in Palabora, recently returned from Mongolia with her family where she was part of the Oyu Tolgoi team operating in Ulaanbaatar since 2011. Sharing her Mongolian experience, Sisiwe says that Ulaanbaatar is the coldest capital in the world with 8 months of the year permanently at sub-zero temperatures. Even though she sometimes missed waking up to sunlight, she does not regret the time she spent in Mongolia, sharing her knowledge and learning from others.

“Mongolia is a great country full of wonderful people. It was not all blood sweat and tears, there were many moments of laughter, stupidity and binging on Mongolian cuisine. The presence of other South Africans was the icing on the cake. We used to share Nicknaks, Biltong, Milo, koek-sisters and anything

else that wasn't confiscated at the border” says Sisiwe.

Sisiwe says that she is grateful to have had the opportunity of being part of the team that implemented new systems in an operation that was just **starting up**. **“I joined Oyu Tolgoi** when it was at operation start-up phase. Our employee population grew gradually from less than 5 thousand to 15 thousand at one point and gradually back to half that figure again. I was instrumental in the implementation of training policies and procedures and mainly the learning management system. The provision and management of training was key to everything,” she said.

Contractor Management was the biggest challenge, hence seeing

the first trucks of the copper concentrate moving out of the plant gates to China in June 2013, created such an emotional moment for Sisiwe and colleagues.

On the department and the way forward, Sisiwe is confident that with the support of the her team, the department will be able to achieve the goal of being the gear that drives Palabora Copper. **She said: “It is for us as a department to re-engineer and position ourselves strategically to be able to respond to the needs of the whole business. The business is growing and moving forward and so should we. Most importantly we need to ensure that we remain legally compliant as a training centre and also assist the various sections within the business to also meet their statutory requirements by providing a trained and competent workforce.”**

“In order to meet our strategic focus in the next six months we will restructure our resources to be able to support Lift 2 and magnetite business, realign ourselves to ensure overall effectiveness and efficiency and find ways to improve and increase the offering at the Engineering training centre. We will further ensure that all our internal training courses are aligned to the nationally recognised unit standards for the benefit of the company and learners, and focus on all training and development initiatives that drive transformation.”

“With the history of Palabora, we've seen great people come and go, great achievements have been made and some opportunities have been lost. As I sit and review the footprint of time, where we have been and where we are now,” she said in conclusion.

“ *Mongolia was a culture shock*

and being an expatriate in a country where 80% of the population does not speak English is definitely not easy.

But most surprisingly for us is that returning to South Africa is not that easy either, we are facing a “reverse culture shock”.

My family is happy to be back in Phalaborwa. I believe that we have not only come back home but we have taken a step forward in our lives. **”**

PC's Supplier Development Programme gains momentum

Palabora launched its supplier development programme in October, with the aim of registering small businesses within the Ba-Phalaborwa community. Registration which started on 24 October is gathering momentum.

The Business Development Centre at the Palabora Foundation in Namakgale is abuzz with entrepreneurs and small businesses representatives registering their companies with the hope of being selected for the two-year programme aimed at building up the capacity and capability of these businesses so that they stand a chance of qualifying as suppliers for the mine and other big companies in the area.

Dozens of companies have registered and other interested businesses have until the end of the month to submit their applications for consideration on the programme. Companies will be selected based on the merit of their applications.

Registration closes on 30 November and priority will be given to businesses from our local communities, especially historically disadvantaged groups living in the Ba-Phalaborwa Municipality.



Rachel Mabuza from the BDC, assists an entrepreneur to register on the Palabora portal. Rachel and colleagues are available to assist businesses to register.

Honouring long serving employees

Palabora Copper held their long service award ceremony in style at Ngulube Lodge near Phalaborwa last to honour 42 employees for their years of dedication and hard work at the mine. Each employee received a certificate, a custom-made trophy and a gift bag for their spouses/partners.

“We honour all the recipients for dedicating your lives to making Palabora what it is today. Your loyalty and support over the years is highly appreciated” said Maboko Mahlaole during his key note address.

Mahlaole acknowledged all the employees for their dedication and commitment of the company and he said that many have failed the rules and left the company but good employees are still standing today.

Chairperson of the NUM Palabora, Donald Shikati acknowledged the recipients for their dedication, commitment and excellent service. He also added that the employees have witnessed the growth and reduction of the operation as well as many changes that took place in the organisation over the decades. .

One of the recipients and the only women in the long service awards, Mrs. Angie Gomes said, **‘I’ve been working at Palabora for manyand, it was not easy but I survived all the challenges through my hard work and dedication.**

Most female attendees dawned on their traditional outfits such as **‘xibhelani’, sepedi traditional attires and some in modern African styles, with some managers also wearing their Sesotho attires to complement the ‘traditional’ theme for this year’s event.**



Taking care of the environment-keeping Palabora clean



The orange shift from smelter took on to the streets, corners and curves of the smelter and collected rubbish around the smelter plant including the HR/ Procurement parking lot. The team's supervisor Lizzy Selepe says that she noticed waste around the plant and mobilized her team to clean up around the smelter plant and across the HR bus stop. "We have dedicated one of our 9/11 to collect any litter around our work area and continue to keep our work environment clean," says Lizzy.

This exercise was also in support of the newly launched anti-litter campaign from environmental.



In an effort to motivate the Palabora community to not litter, and raise awareness around the dangers of littering, a sticker was designed to serve as a reminder to make use of available rubbish bins.

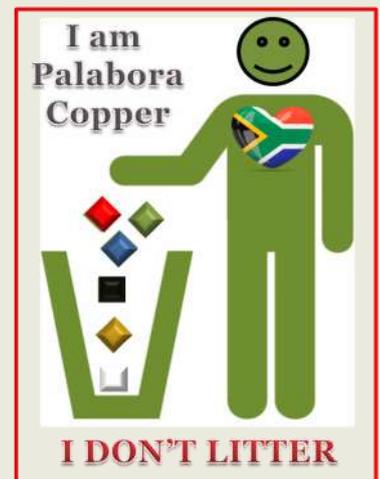
Did you know:

Many animals confuse plastic bags, balloons, bait packets, lolly wrappers and rubber with prey and eat them. Many animals are injured, become ill, and die each year due to human carelessness with litter and pollution. Animals can swallow or get entangled in many of the litter items people leave in the environment. Littering pollutes the environment and it is unsafe! So do the right thing -don't litter!

The sticker designed to remind people to make use of available rubbish bins. The green man promotes the environment.

The smile creates a happy and positive vibe. The heart-shaped flag on the chest promotes patriotism.

The theme "I am Palabora" depicts the community of Palabora Copper that stands together against litter. The tag-line **"I don't litter"** stresses PC's unity and cooperation on a subconscious level.



This campaign is extended to contractor employees and the stickers are also placed inside the cabs of trucks to serve as a reminder to not litter.

Skills graduation ceremony *'FUTURE is the next exit!'*

Graduation day is a special and memorable day for students who were once dreamers and are now skilled and certified. The day is normally filled with cheers, dance, ululating from parents and grins from the facilitators who see the results of their work from the graduates.



Anxious and excited to start a new chapter. More than 70 learners qualified to receive certificates per field of specialty at a ceremony held at Foskor Community hall in Namakgale on Saturday, 28 November.

For over 20 years, Palabora Foundation has been in the forefront in developing and up skilling the local community. The foundation's approach is through the various programmes that addresses the needs of the local communities. Such programmes include enterprise development, education, community health, sports, arts & culture as well as skills development. Skills development provides variety of programmes to choose from, i.e. food preparation, clothing production and construction carpentry & masonry.

Saturday, 28 October was a dawn of a new day on for over 70 learners who successfully completed their training in food preparation, clothing production and construction carpentry & masonry, when they were called to ascend the stage to receive their well deserved certificates.

In his key note address, Pastor R. Kuhlengisa motivated the graduates to acknowledge and appreciate the power that each one possesses; the power of thought! He said: "each one of us has been blessed with the ability to create things in our minds. Whatever you can do with your hands began as a thought in your mind. Let your mind take you to unimaginable arena of success and tell yourself that 'I am a success, a game changer'!

Pastor Kuhlengisa further cautioned graduates to be attentive when using this power, saying that the 'power of mind can become productive if applied well; it can also be a destructive force if one fails to change their mind-sets about ourselves'. A person's vision is the boundary of his/her success and future.

Thanking the graduates for their tenacity, Cllr MR Popela urged the graduates to appreciate their talents, to lead by example in their communities and not to forget the skills that they now possess.

Skills graduation ceremony *'FUTURE is the next exit!'*

As leaders of tomorrow, she encouraged the graduates to stay focused and look for opportunities to transfer the knowledge they've acquired. Stan the Poet was on point when he rendered a poem 'Why am I doing this', which grabbed the attention of the attendees and brought a tear or two from the graduates due to its relevance. Stan cited the sacrifices that people make in order to reach their goals, such as waking up very early walking long distances to get education, spending sleepless nights studying in preparation for exams and living in uncomfortable conditions in order to get to their envisaged goals.

The event was attended by representatives from various organisations and partners from Ba-Phalaborwa including Foskor and Palabora Copper. Heqlen Mica sponsored prizes for the construction carpentry and construction masonry graduates. Mica has been actively involved in this programme since 2008. Another active sponsor since 2009 is Fabric 2000 who donated prizes for the fashion show finalists in clothing production.



Clothing production graduates were challenged to create a 'show-stopper' outfit to parade during the graduation ceremony. The fashion parade saw three ladies from Rixile in the top 3, these are Conny Nkuna in position 1, Busisiwe Nkuna in position 2 and Dinah Noble in position in position 3. From Leboneng, Lydia Sekgobela was awarded position 1, Irene Baloyi position 2 with Tumi Thoka in position 3.

Congratulations to all the graduates...let your imagination take flight!

PC receives award during the Chamber of Business Prestige Awards 2013



John Makgatho Manager VO Mining Surface received the service excellent award on behalf of Palabora Copper. With him is (right) Mannie Kriel, president of the Phalaborwa Chamber of Business and Daniel Mminele, Deputy Governor, South African Reserve Bank. The award ceremony which was hosted by the Phalaborwa Chamber of business took place on 8 November at Cajori hotel. Mminele honoured the invitation as the guest speaker and delivered a very informative speech. In his speech, he recognised the contributions made by the mines in the SA economy.

He said: “the mining sector is important because it generates the bulk of foreign currency earnings – exports of minerals and metals account for approximately 60 per cent of all export revenue, hence the sensitivity of the foreign exchange value of the rand to mineral and metal prices and their production.”

“Mining accounts for approximately one third of market capitalisation on the JSE; has been a strong attraction for Foreign Direct Investment and contributes handsomely to government’s tax revenue.”

Jenny McDade, confidential secretary to the chief executive officer, was also nominated for her contribution in the overall secretarial category. Jenny was awarded the ‘secretary of the year’ certificate. Sharing her principles in working with people, Jenny says that it does not matter how great or small the requests from people are, she is happy to assist anyone as it is her belief to **“treat everyone with dignity and respect. I treat people as I would like to be treated. This principle has carried me through out my career. It is an honour to be recognized in this way.”**



Jenny McDade confidential secretary to the CEO, receives the award from the president of the Phalaborwa Chamber of Business Mannie Kriel and Daniel Mmenimela

The new whistle blower system



Maboko Mahlaole officially introduced Tip-offs anonymous on 6 September. The new whistleblower hotline may be used by employees, customers, suppliers, managers and shareholders to report fraud and inappropriate activities. The hotline is open 24/7 and information will be dealt with in a safe, confidential and secure manner. Information can be provided by phone, email, web, sms, fax or post.

Refinery Energy initiative performs

The Management of Electrolysis energy saving initiative at the Refinery is yielding favourable results since its implementation in June. For the month of July a total cost saving of R163, 704 was achieved.

This energy saving opportunity is a typical *Load Shift* project, where the electroplating process is scheduled to minimise electrical energy use

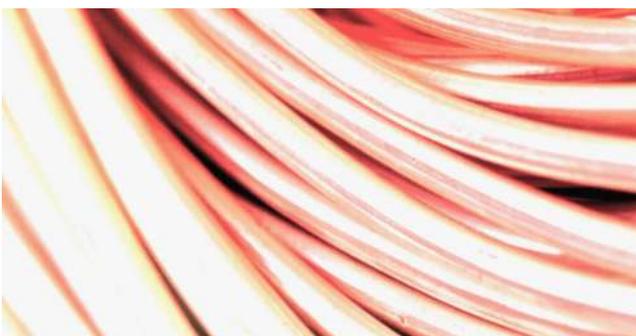
during the Eskom peak periods. This is achieved by reducing the output (amps) of the rectifiers from 16000 amps to 8000 amps during Eskom peak periods (07:00 – 10:00 and 18:00 – 20:00 each weekday).

The operating load of the rectifiers typically reduced from 2.4 MW to 1 MW during these periods, resulting in significant energy savings.

Changes to the production schedule were made to ensure monthly production is not affected.

This project is highly reliant on the changes made by the

operators on the floor. In particular, the following people are acknowledged for their contribution to the project: Itumuleng Ngoae; Tsela Ntsepe; Arthur Mthimkulu ; Hennie Steyn; Hennie Janse van Rensburg and Andreas Brink. A huge thank you is extended to all of the operators in the Refinery tank house, whose support and actions have made these savings possible. Currently, the project will be run only during the Eskom peak months from June – August. This initiative will result in an estimated saving of R350 000 during the first year of performance.



MQA learner verification visit

As the accredited training provider, Palabora offers development programmes that are aimed at improving employee skills and qualification. These programmes are accredited by the Mining Qualifications Authority (MQA). To ensure that quality programmes are provided to learners, the MQA make house calls during the year to assess the modules per programme being offered.

Freda Moshime who is the artisan development manager and Rachel Masha from the Department of Labour - UIF Head Office recently knocked on

PC's doors to conduct such verifications in accord to MQA mandate.

These verifications challenge Palabora to ensure delivery of quality programmes and in line with the **government's requirement for more artisans** to be developed. Programmes are funded by the Department of Labour in partnership with MQA.

The assessment focuses on modules as well as learners. During the recent visit, learners confirmed their satisfactions with the modules and the support they receive from line management, peers and facilitators. They are keen however to be exposed to activities across the site to be able to learn from fault finding during break-downs.



Rachel (far left) and Freda (right) with 34 learners during the learner verification session in August.

Commending a job well done!

Concentrator maintenance hosted a ceremony to appreciate the fine work performed by onsite contractors during the Auto Mill Feeder no. 2 Shutdown.



Project Engineer BM van Tonder handed out item to the teams for the manner in which they carried out and completing the project. Xolisa Sidandala manager for concentrator maintenance also attended the event.

Process safety management

Process safety is about designing, operating and maintaining the integrity of our facilities to manage process safety hazards such as fire, explosion and releases.



Process Safety Management (PSM) entails the things we do for managing the risks of process plants. More specifically, PSM is what the owner of a process plant does to ensure the process runs and delivers its products without unplanned interruptions. Interruptions **are the 'risk receptors' that can kill or injure people, and/or damage the environment, physical systems, reputation**

PC like any other organization put measures in place with the efforts to manage its risks, and these could be; process risk, technological risk, market risk and political risk, amongst others. PSM is process risk and is therefore part of the broader risk management efforts of an organization that runs a process plant.

Some of the worst incidents in history occurred during plant startup activities. In many cases these events point to the need for a higher level of attention and care than that needed for routine processing. The reason being that hazards are increased by inexact operating instructions, lack of experience in startup operations, and a plant in non-standard condition – for

example, feed tanks empty, manual valves in the wrong position, new or modified equipment. Time pressures to get the plant back in operation may be high, and operators may have worked long hours during shutdown, making them less alert.

It is always safe to; complete an accurate written startup procedures and checklists, and use them, use Management of Change review before modifying any

startup procedures, ask questions and get help with

startup operations which are not familiar to you, check with the responsible people that shutdown activities have been completed and equipment approved for use, verify equipment functionality and setup before startup, including pre-startup safety review after major maintenance and modifications, make sure that all valves are in the correct operating positions, and maintain excellent communication between outside operations and the control room!



Saturday, 9th November saw over 360 people participating in the 8th Palabora Copper annual fun run event. Participants included both employees and local community members.

The 11, 7 kilometers fun run marathon kicked off at the mine premises and finished at Impala Park Stadium. The atmosphere was full of excitement and fun as employees from different departments had various themes at their water points.

This is the last social event for the year in the sports calendar of Palabora Copper. The various sporting activities are aimed at encouraging employee wellness and motivate employees to at least participate in one of them. **Teams come together to socialize and have fun during these events and fulfill the mine's objective of promoting team work.** Divisions came together to arrange and man water points allocated along the route. Participants **rated the watering points. The results saw Processing clowns in first place, Peer Educators as 'Africans' in second place with the Underground Hippies in third place.**





The first runner home was Collen Mmola who finished the race in 39:58min, followed by Happy Ubisi in who completed in 40:10min. In the lady's categories, Naume Malatji received the prize for the first lady home. Naume finished the race in 56:00min. Faith Makatu came second when she completed the race in 59:45min. 12 year old Mokibelo who finished the race at 54:05min, was awarded a prize for the first youngest participant home in the male category, with Nhlanhla Ndzobe receiving same in the female category. Age didn't stop Sue Morrel to participate in the fun run and crowned the oldest participant.

Water points: Underground, Processing, Human Resources, Corporate Affairs, IEMAS and Peer Educators. Prize-giving by Mantsaye Ngwaila, Jacky Mboweni and Ray Duba.



Tug-O-War competition

It was all about fun and team building for Palabora Copper employees who participated in the inter- departmental games held at Impala Park Stadium on Saturday, 12 October. The teams comprised of employees representing different division from the mine and competed in the Tug-Of-War and netball games.



Winners - ladies category: Underground Torros



2nd place: Candy Chicks-Corporate Affairs



2nd place: Smelter-licious



Winners: Logistics



2nd place: Smelter A



3rd place: Underground Technical

Netball competition

The ladies have outdone themselves during the netball game. Asset Management were crowned championship meanwhile Corporate Affairs candy chicks held the second position and Refinery in the third place.



2013 Netball champions: Asset Management



Corporate Affairs-Candy Chicks Ladies in second place



Refinery ladies in 3rd place



James Mathonsi and umpires from Hlanganisa Sports Promotions

Palabora Employees Going Big!



Palabora employees went 'Big' this year in support of the annual casual day event. Employees donated clothes, non perishable food stuff and money by means of purchasing stickers, this was supporting both the National Council for Persons with Physical Disabilities (NCPDP) and the Mandela Day 67minutes. Items donated by employees amounted to R34 980 including the money from the casual day sticker sale and personal pledges. The company matched the donations; split the proceeds equally between the National Council for Persons with Physical Disabilities (NCPDP) and the to Phalaborwa Rotary Club.



Christelle Steyn from ABSA and a representative for the local casual day project received a cheque on behalf of the NCPDP from Keith Mathole GM CA.



Phalaborwa Rotary Club representative Jabu Sambo expressed his gratitude to PC for the donation.

Palabora Employees Going Big!



The atmosphere was full of excitement and fun as employees adopted the theme and dressed up whilst displaying their stickers in their different department. The finance department dressed up in big and oversize jeans, shirts, dresses, hats and glasses to mark the occasion. Growth department dressed up as pregnant fairies while human resource department wore shorts and big accessories and marketing and sale were fairies and procurement went really big.



DMR site visit

DMR delegation with Keith Mathole during their visit in Palabora.

The team conducted an onsite audit/formal inspection at PC from 8-10 October 2013. The audit was conducted on the company's mining works programme, environmental management and Social and Labour Plan.

The inspection was in line with the Mining Petroleum Resource Development Act (MPRDA) as set out by the government and the main objective was to ensure that PC is in compliance with the MPRDA.



Join the **DONATION**
and **Commit** to donating
blood **4 times** a year

The SANBS team will be at on site on **Wednesday, 11 December 2013** at the Mine Health Clinic from **10:00 to 14:00** to draw blood from donors, as part of the Palabora Blood Drive.

Be a Hero, it's in your Blood.
Your blood saves lives