

Makhanda Mining – Social and Labour Plan (2024 – 2029)

**MAKHANDA MINING (PTY) LTD**  
**MINING RIGHT OVER PORTION 3 OF THE FARM**  
**THE ORCHARDS NO 233, MAKANA LOCAL**  
**MUNICIPALITY, EASTERN CAPE PROVINCE**

**SOCIAL AND LABOUR PLAN**

**2024 - 2029**

**Prepared for:**

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## **EXECUTIVE SUMMARY**

### **Location of the mine:**

Grahamstown Brick (Pty) Ltd t/a Makana Brick holds a mining permit with reference number EC 30/5/1/3/2/10397 MP over 4.95 ha of Portion 3 of the farm The Orchards No 233 in the Makhanda area. The mining permit allowed the mining of Ball Clay, Clay (General), Gravel and Kaolin from the approved area.

### **Project Proposal:**

Makhanda Mining (Pty) Ltd (hereafter referred to as the Applicant) identified the need to apply for a mining right over 43.4688 ha of Portion 3 of the farm The Orchards No 233 from where ball clay, clay (general), gravel, kaolin and aggregate will be mined.

The Applicant entered into an agreement with Makana Brick to apply for the proposed mining right over the current mining permit area of Makana. This application is also accompanied by a Transfer of Liabilities application where if the mining right is approved the environmental liabilities of Makana Brick will be transferred to the Applicant.

### **Funds available for Human Resources Development and Local Economic Development:**

As part of this Social and Labour Plan (hereinafter referred to as “SLP”) and the commitments thereto, the Applicant intends to spend at least **R100 000.00 (Hundred Thousand Rand)** on Human Resource Development for the 5-year duration of this SLP.

Furthermore, the applicant intends to spend a total of **R50 000 (Fifty thousand Rand)** on Local Economic Development Project/s (hereinafter referred to as “LED project”) for the 5-year duration of this SLP, within the Makana Local Municipality.

An LED project is in the process of being identified, in consultation with the Makana Local Municipality, which approval will be attached to the final SLP as **Annexure 6**. It should be noted that the company will use a subcontractor’s employees, Hempel Mining (Pty) Ltd, for the duration of the mining activities. After numerous consultations, the employees of Hempel Mining, do not wish to participate with the ABET, Core Business and Portable Skills, Internal Bursary training initiatives as well as receive provisions for housing and living conditions. Please proof attached as Appendix A.

**Meaningful consultation and collaboration in terms of the provisions of the Amendments to the Mineral and Petroleum Resources Development Regulations for Implementation, as published on 27 March 2020:**

This SLP will be subjected to meaningful consultation with the landowners, mine employees, the municipality and other interested and affected parties, proof of which will be submitted to the DMRE once the collaboration process has been finalised. Once approved, the SLP will also be made available in isiXhosa, which is the most dominant official language spoken within the mine community.

The approved SLP will be published on the consultant website and hard copies of the SLP will be made available at the site office. Once approved a notice will be placed in a local newspaper about the availability of the SLP, and all stakeholders will be notified of the approval of the SLP.

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**1. PREAMBLE (REGULATION 46(A))**

<b>Name of Company/Applicant</b>	Makhanda Mining (Pty) Ltd
<b>Name of mine/production operation</b>	Makhanda Mining (Pty) Ltd
<b>Physical Address</b>	Brakkefontein Farm 243 Cemetery Road Makhanda 6139
<b>Postal Address</b>	Brakkefontein Farm 243 Cemetery Road Makhanda 6139
<b>Telephone number</b>	046 603 6300 / 082 578 9480
<b>Fax number</b>	086 729 4076
<b>Location of mine or production operation</b>	The property is located $\pm$ 4 km northeast of the King Flats residents of Makhanda, between the N2 national road (south) and the Botha's River (north).
<b>Commodity</b>	- Clay; and - Aggregate
<b>Life of mine</b>	30 Years
<b>Financial year end</b>	30 June
<b>Reporting year</b>	2024 - 2029
<b>Responsible person</b>	Mr. Colin Meyer
<b>Geographic origin of employees (mine employees and labour sending areas)</b>	
(a) Mine community	(b) Labour sending area
<b>Province</b>	<b>Province</b>
Eastern Cape	Eastern Cape
<b>District municipality</b>	<b>District municipality</b>
Sarah Baartman District Municipality	Sarah Baartman District Municipality
<b>Local municipality</b>	<b>Local municipality</b>
Makana Local Municipality	Makana Local Municipality

**2. HUMAN RESOURCE DEVELOPMENT PROGRAMME (REGULATION 46(B))**

It is important to point out that the mine has a very small staff of 6 (six) employees, of which 1 (one) is employed by the applicant and 5 (five) are employed by an independent contractor. The commitments contained in this section is only an estimated minimum of the expenditure foreseen for the 5-year duration of this SLP.

Due to the size of the operation, Makhanda Mining will not have the capacity or structure to be comparative in terms of Training and Development and Social Responsibilities, to that of the other large mining operations within the area. Due to the aforementioned, the Skills Development Plan and Human Resources Development Programme contained herein is simplistic but most of all, achievable and manageable, as far as practically possible.

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The primary objective of the Human Resource Development and Social Programme will be to focus on strategic development initiatives, within pockets of the workforce, rather than a blanket training initiative for all employees.

Although training initiatives will be somewhat restricted, the company has fully embraced the concept of sectoral training and has access to the activities of SETA (Sector Education and Training Authority) and MQA (Mining Qualifications Authority) and an internal training co-ordinator/Skills Development Facilitator (SDF) has been appointed to assist in this regard.

### 2.1. COMPLIANCE WITH SKILLS DEVELOPMENT LEGISLATION

The mine will pay the skills development levies of all its employees to the South African Receiver of Revenue as a legal requirement. Where possible, all training opportunities will be facilitated through the Mining Qualification Authority (MQA) (011) 832 1022.

**Table 2.1: Seta Information**

<b>Name of SETA</b>	Mining Qualifications Authority (MQA)
<b>Registration number with relevant SETA</b>	L160705556
<b>Has your company appointed a Skills Development Facilitator? If yes, provide name</b>	MASANDE HOYI – SIYAYA SKILLS
<b>To which institution have you submitted your workplace skills plan?</b>	DEPARTMENT OF LABOUR
<ul style="list-style-type: none"> <li>(i) Department of Labour</li> <li>(ii) Mining Qualifications Authority</li> <li>(iii) Mine Health and Safety</li> </ul>	

The SDF is the main liaison person with the MQA and has access to company information directly on the MQA Database through the use of a user ID and password. The appointed skills development facilitator is responsible for the development and submission of the workplace skills plan for Makhanda Mining.

The roles of the Skills Development Facilitator are *inter alia*:

- To assist in developing the Workplace Skills Development plan.
- To ensure the reporting on the social and labour plan is submitted as and when required.
- To advise on the implementation, monitoring and review mechanism of the social and labour plan.
- To serve as a resource in all aspects of skills development, including skills programmes and learnership development.
- To advise on quality assurance requirements as set out by the MQA.
- To serve as a liaison person between the organisation and the MQA.
- To, where possible, assist the employees to claim grants for the training courses which have been undertaken.

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Makhanda Mining will focus on strategic and specific training interventions as part of the workplace skills development plan, which plan will also take cognisance of the commitments made within this Social and Labour Plan.

## 2.2. SKILLS DEVELOPMENT PLAN (REGULATION 46(B)(I) IN CONJUNCTION WITH REGULATION 11(G))

Makhanda Mining regards training as an important activity and a simplistic yet achievable training programme has been established. The objectives of the skills development plans for Makhanda Mining are as follows:

- Ensure that individuals receive skills required for work opportunities.
- To implement plans to ensure succession of management and career development is achieved through the identification of talent and development of the identified talent.
- Develop plans to provide individuals with both life skills and portable skills that they may need either upon closure of the mine or should they choose to leave the employment of the mine.
- Provide ABET training, where possible, to ensure all employees have the opportunity to obtain an education level up to ABET 4.

### APPENDIX 2.2.1 and 2.2.2

#### 2.2.1. Education levels of the workforce

The education levels of the foreseen workforce, consisting of 6 (six) employees, are set out below.

**Table 2.2: Education levels of employees.**

BAND	NQF	OLD SYSTEM	Male				Female				Total	
			African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female
General Education and Training (GET)	1	No schooling / Unknown										
		Grade 0 / Pre										
		Grade 1 / Sub A										
		Grade 2 / Sub B										
		Grade 3 / Std 1 / ABET 1	1								1	
		Grade 4 / Std 2	1								1	
		Grade 5 / ABET 2										
		Grade 6 / Std 4										
		Grade 7 / Std 5 / ABET 3	1								1	
		Grade 8 / Std 6	1								1	
		Grade 9 / Std 7 / ABET 4										
Further Education and Training (FET)	2	Grade 10 / Std 8 / N1	1								1	
	3	Grade 11 / Std 9 / N2										
	4	Grade 12 / Std 10 / N3										
Higher Education and Training (HET)	5	Diplomas / Certificates										
	6	First degrees / higher diplomas				1					1	
	7	Honours / Master's degrees										
	8	Doctorates										
		<b>TOTAL</b>	5			1					6	

#### 2.2.2. Illiteracy level and ABET needs

The proposed mine has 4 (four) employees with an education level lower than ABET 4. However, after numerous consultations with the employees, they do not wish to take part in the ABET

training initiative. Therefore, funds will be directed to other SLP commitments such as the Learnership, Bursary and Internship programmes to provide meaningful contributions to the nearest community members. Please see proof of training refusal attached as Appendix A.

**Table 2.3: Planned ABET Training for a five-year period**

Level	Year 1	Year 2	Year 3	Year 4	Year 5	Total
ABET 1						
ABET 2						
ABET 3						
ABET 4						
Total No.						
Budget	0	0	0	0	0	0

#### APPENDIX 2.2.3 and 2.2.4

### Staff and present level of competence

#### 2.2.3. Portable Skills Programme Training

As previously mentioned, Makhanda Mining's employees as well as the independent contractor's employees do not wish to participate with the Core Business and Portable Skill Training program. Therefore, funds will be directed to other SLP commitments that will provide meaningful contribution to the nearest community.

#### 2.2.4. Core Business Training / Induction Training

In addition, Makhanda Mining will however provide all employees induction training on the following:

- Introduction to Environmental Awareness and
- Introduction to Fire Fighting.

The training will be undertaken when commencing with employment, which induction will include annual refresher courses.

**2.2.6 and 2.2.7 Learnerships (Internal and External) and Artisan Training****APPENDIX 2.2.6 and 2.2.7****2.2.5. Internal Learnerships**

Experience has taught that internal learnerships are not always practical by reason of the fact that full time employees earning a specific salary do not often want to (nor can they afford to) sacrifice their salary and accept the stipend offered as part of a learnership programme. In the circumstances, Makhanda Mining will direct it's commitment towards external learnerships and artisan training.

Having said that, it is not to say that the door is closed to an employee who would like to participate in a learnership programme. In the event that an employee shows an interest in the learnership programme, such employee will be afforded the opportunity to apply for a particular learnership together with the external applicants.

Employees will also have the opportunity to apply for an internal bursary at Makhanda Mining, as more fully set out in Appendix 2.6.1.

Alternatively, employees interested in learnership or artisan training can apply to receive such training internally under mentorship. This will then be implemented in the next 5-year cycle.

**2.2.6. External Learnerships and Artisan Training****Table 2.4: External Learnership & Artisan Training**

Field/ area of training	Targets and timelines									Budget
	Year 1	Year 2		Year 3		Year 4		Year 5		
	New intake	New	Cont	New	Cont	New	Cont	New	Cont	
Business administration (or mine related field)										
<b>Total No</b>										
<b>Budget</b>	<b>R2000</b>	<b>R2000</b>	<b>0</b>	<b>0</b>	<b>R2000</b>	<b>0</b>	<b>R2000</b>	<b>0</b>	<b>R2000</b>	<b>R10 000</b>

Makhanda Mining intends to collaborate with the VOLKSWAGEN SA TECHNICAL SCHOOL in Uitenhage, for the implementation of the external learnership and artisan training field, which programmes will run for a maximum period of 6 months. The training will be provided by the VOLKSWAGEN SA TECHNICAL SCHOOL, where possible, which training will be funded by Makhanda Mining, and once the training has been completed the learner will receive proof of such completion.

The learnership and artisan programmes will be made available to local community members who have completed their schooling and who are interested in and show an aptitude for learning a trade. Makhanda Mining firmly believes that the learning of a trade will benefit community

members and provide them with a useful skill which will open many doors with regards to employment opportunities in the future. The learnership and artisan programmes will also be available to female and disabled candidates, to whom preference will be given, as far as possible.

### 2.2.8 School Support Programme

#### APPENDIX 2.2.8

##### School Support

Makhanda Mining will implement a school support programme in which school going children of employees or community members will be funded with regards to school fees, school clothing, sporting equipment, sport clothing, stationary or any relevant educational supplies. Makhanda Mining shall make payment of the relevant educational sponsorship directly to the applicable service provider, which payments will be reported on in the annual reporting of this SLP.

In the event that there is any excess of the allocated budget these amounts will be spent on the needs of local schools.

In the table below the budget for the 5-year period is set out more fully:

Field/ area of training	Targets and timelines					
	Year 1	Year 2	Year 3	Year 4	Year 5	Total Budget
School support	R1 000	R1 000	R1 000	R1 000	R1 000	R5 000
<b>Total No</b>	1	1	1	1	1	5
<b>Budget</b>	<b>R1 000</b>	<b>R1 000</b>	<b>R1 000</b>	<b>R1 000</b>	<b>R1 000</b>	<b>R5 000</b>

### 2.3. FORM R: HARD TO FILL VACANCIES (ANNEXURE 2)

Table 2.5: Hard to fill Vacancies

Occupational Level	Job title of vacancy	Main reason for being unable to fill vacancy
Top management	None	None
Senior management	None	None
Professionally qualified and experienced specialists and middle management	None	None
Skilled technical and academically qualified workers, junior management,	None	None

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supervisors, foreman and superintendents		
Semi-skilled and discretionary decision making	None	None
Unskilled and defined decision making	None	None

**2.4. CAREER PROGRESSION PLAN (REGULATION 46(B)(II))****2.4.1. Career Development Matrix****APPENDIX 2.4.1**

Career development is aimed at providing better employment opportunities to employees and to develop the skills, competencies and education levels of employees so as to equip them to progress within their existing place of employment, alternatively take up employment in a key position in a different company.

**2.4.2. Career Progression Plan (Regulation 46(b)(ii))****APPENDIX 2.4.2**

An employee progression along a career development path at Makhanda Mining will depend on possible growth and subsequent vacancies within the operation, the employee obtaining the necessary educational level, experience and / or competencies to cope with the complexities of a position with greater responsibility (i.e. career development).

The rate of career development for an individual employee will depend on numerous factors, such as:

- The talent and education level of the employee.
- The aspirations and age of the employee.
- Staff turnover of the Mine.
- The availability of a vacant position which represents a career development move. This is influenced by the growth or reduction in activity of the mine and the actual labour turnover rate.

The objectives of a career development path are:

- To develop the competencies and education levels of employees in order for them to fill key positions (for example management, diesel mechanics, production foreman, fitter and turners and plant operators).

- To give opportunities to Historically Disadvantaged South Africans (HDSAs) and to progress towards Employment Equity (EE) targets.

### **Table 2.7 Five Year Career Progression Plans**

See Table 2.7 attached for an indication of the Training and Development in respect to the current identified employees over a five-year period. This proposed plan will be used for updating future progress in this regard.

In the event that new employees are appointed after approval of this SLP such employees will be incorporated into the subsequent Career Progression Plans. The Career Progression Plan set out in Table 2.7 below is a provisional plan and is subject to change depending on the actual operational requirements of the mine. The implementation of this Career Progression Plan will be reported on annually.

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**Table 2.6: Five Year Career Progression Plan of current employees**

Name	ID	Age	Position	Occupational level	Ethnic	Gender	Educational Level	Induction training	Year 1	Year 2	Year 3	Year 4	Year 5
Bryn Werth	4112185148086	80	Lab Manager	Skilled	White	Male	Tertiary Qualification	ALL EMPLOYEES					
Subcontractor employees													
Polony Magwala	7103046149089	50	Bulldozer operator	Semi - Skilled	African	Male	Grade 4						
Vuyo Nqowana	8511126113081	36	Truck assistant	Unskilled	African	Male	Grade 7						
Freddy Gongqobe	7606075639085	45	Truck operator	Semi - Skilled	African	Male	Grade 10						
Jeffrey Mali	6802035408080	53	Front end loader	Semi - Skilled	African	Male	Grade 8						
Khayaletu Nzuzo	6103115593085	60	Truck operator	Semi - Skilled	African	Male	Grade 3						

Mentorship Green

As mentioned earlier, the subcontractor’s employees stated that they do not wish to participate in any sort of training that the SLP has to offer. They were informed of all the benefits and training initiatives to enhance their skill set and provide opportunities to progress with their career, but they still wished not to participate. Please find training refusal attached as Appendix A.

## 2.5. MENTORSHIP PLAN (REGULATION 46(B)(III))

Makhanda Mining regards mentorship as helping people realising their potential and maximising their potential through learning and skills development. Mentoring will be a joint venture between the mentor and the mentee whereby the mentor will guide the mentee in terms of personal and career development.

Makhanda Mining intends to implement a mentorship plan through the action plan listed below, which constitutes the provisional mentorship plan, for the time being.

### Action plan:

- Makhanda Mining will undertake a survey during the first year of this SLP implementation (foreseen to be 2024) to identify both potential mentors and mentees to take part in the mentorship programme. Additional annual surveys will be conducted as part of the mentorship plan, to ensure that mentors and mentees are identified appropriately.
- Mentors will need to be experienced senior employees who have a personal trait which is conducive to the contribution of their knowledge and acting as a role model.
- Mentees will have to be junior employees who have demonstrated high potential and interests to develop their careers within Makhanda Mining.
- To develop a strategy for implementing a mentorship programme. The strategy should provide guidance on the reasonable expectations of both the mentor and mentee.
- To assign mentees to mentors. This must be done considering the personalities of both the mentor and mentee. Mentees will be either male or female, depending on the workforce profile of the mine at that stage.
- To implement the mentorship programme. Each mentorship programme is to run for a minimum period of one year, depending on the circumstances of each mentorship program.
- Once per annum the mentor is to provide feedback to the mentee on performance and strengths and weaknesses and if the mentorship requires a longer period, the mentorship will go on for a longer period, dependent on individual requirements.
- At the end of the mentorship programme the mentee must provide feedback on the success of the mentorship.
- The mentorship programme must be evaluated annually and improved upon, based on the feedback of the mentors and mentees.
- Table 2.8 provides an indication of the number of employees that Makhanda Mining intends to have within the mentorship programme, which is a provisional forecast.

The following mentees could be assigned to the mentors described above:

**Table 2.7: Mentorship plan targets**

MENTORING PROGRAMME	MENTOR NAME	MENTEE NAME	TARGET			GENDER	
			DURATION	HDSA	NON-HDSA	FEMALE	MALE
Machine Operating	Freddy Gongqobe	Vuyo Nqowane	6 Months	Yes			Yes

**Responsibility of a Mentor:**

- To act as a role-model for the mentee;
- Provide advice in terms of skills development;
- Provide advice on career development;
- To provide practical training concerning on the job skills;
- To provide encouragement to the mentee.

**2.6. BURSARY AND INTERNSHIP PLAN (REGULATION 46(B)(IV))****APPENDIX 2.6.1 and 2.6.2****2.6.1. Internal Bursaries**

Due to the foreseen operational constraints in terms of the number of identified employees, internal bursaries will not be made available to employees at this stage. Makhanda Mining will actively optimise on the utilisation of skills, abilities and efforts of all its employees, therefore all employees will be afforded the opportunity to apply for the external bursary option, together with external applicants.

The company will however promote, within budget, additional employee applications for study assistance aligned to the operation's needs, provided the following basic principles are adhered to:

- Studies must be job specific and company related.
- The employee must provide Makhanda Mining with proof of the cost of the course as well as cost of the course material.
- The employee must provide Makhanda Mining with a motivation as to the reason why the employee's course will benefit the operation.
- Studies (which courses must preferably be accredited by SAQA) and educational institutions must be approved in advance by Makhanda Mining.
- Once the financial abilities and the workforce the company increases, the internal bursary option will once again be made available to employees, with a committed allocated budget and field of training.

**2.6.2. External Bursary Plan****Table 2.8: Tertiary Learnership Targets – External Bursary**

Bursary field	Targets and timelines								
	Year 1	Year 2		Year 3		Year 4		Year 5	Total Budget
	New	New	Cont.	New	Cont.	New	Cont.	New	
Any field of study	1	0	1	0	1	0	1	0	1
<b>Total No</b>	1	0	1	0	1	0	1	0	1
<b>Budget</b>	<b>R15 000</b>	<b>0</b>	<b>R15 000</b>	<b>0</b>	<b>R15 000</b>	<b>0</b>	<b>R15 000</b>	<b>R15 000</b>	<b>R75 000</b>

## Makhanda Mining - Social and Labour Plan (2024 – 2029)

Makhanda Mining will collaborate with the EAST CAPE MIDLANDS COLLEGE for the implementation of the external bursary field. Aspiring students from the Makana Local Municipal area will be furnished with the opportunity to study Mechanical or Mine Engineering, or any other field of study that will benefit both the student and the operation, at the EAST CAPE MIDLANDS COLLEGE, which field of study must be pre-approved by the operation. Makhanda Mining will:

- Fund the tertiary course in part, depending on the facts and circumstances relevant to each particular student and field (internal and external); or
- Fund the learning material in part, dependent on the circumstances; or
- Fund the student accommodation in part, dependent on the circumstances; and
- In the event that funds are remaining, the operation will contribute to the student's living costs.

The student will be required to enter into an agreement with Makhanda Mining for the total duration of the bursary in terms of which they *inter alia* agree to apply themselves and dedicate his/her best efforts to achieve a pass in each year of study. The abovementioned agreement will contain the obligations of Makhanda Mining as well as the obligations of the student in terms of this bursary programme.

In the event that it becomes clear to Makhanda Mining that any student is not fully committed to his/her studies, Makhanda Mining reserves the right to terminate that particular student's bursary and offer the bursary to another student.

Makhanda Mining will make payment of all the applicable fees directly to the relevant educational institution and/or service provider. The student will be responsible to provide the mine with his/her academic records each semester of the academic year.

### 2.6.3. Internship plan (Regulation 46(b)(iv))

#### APPENDIX 2.6.3

**Table 2.9: Internship targets**

Internship field	Targets and timelines									
	Year 1		Year 2		Year 3		Year 4		Year 5	
	New	New	Cont.	New	Cont.	New	Cont.	New	Cont.	
Mining related	0	0	0	1	0	0	1	1	0	
<b>Total No</b>	0	0	0	1	0	0	1	1	0	
<b>Budget</b>	<b>R2 000</b>	<b>0</b>	<b>R2 000</b>	<b>0</b>	<b>R2 000</b>	<b>0</b>	<b>R2 000</b>	<b>R2 000</b>	<b>0</b>	<b>R10 000</b>

The internship plan will target HDSA students within the local community, who are in the process of completing their diploma or degree. This internship programme can go hand in hand with the external bursary programme set out more fully in paragraph 2.6.2. above, in terms of accommodating the student taking part in the external bursary programme and to expose said student to the mining industry.

The internship will be offered to 1 student per year during tertiary institution holiday periods (where possible) in order to accommodate the student. Makhanda Mining will ensure that the students have been properly selected prior to the commencement date and will ensure that they are notified of the commencement date not less than 3 weeks prior thereto. The intern will receive a stipend for each month of the programme for the duration of the internship.

The internship will be aimed at exposing tertiary student(s) studying towards a mining related field to the mining industry.

## 2.7. EMPLOYMENT EQUITY PLAN (REGULATION 46(B)(V))

### APPENDIX 2.7.1

Refer to Form S, Annexure 3 attached hereto.

#### Objective and purpose of employment equity plan

The objective of the Employment Equity Act 55 of 1998 is to create equity in the workplace by the furtherance of opportunities and fair labour practices.

#### Historically Disadvantaged South Africans (HDSA) in management

Makhanda Mining intends to have the following management positions, once mining operations commence:

- Boards
- Core & Critical Skills

The targets for HDSA in management have been set out in Table 2.11 below as from 2024, which is the foreseen commencement date of the mining operation, dependant on when the mining right approval is granted. In the event that some management positions set out more fully above do not exist or change, this will be reported on accordingly.

**Table 2.10: Targets for HDSA participation in management**

Occupation levels	Year 1	Min progress to achieve	Year 2	Min progress to achieve	Year 3	Min progress to be achieved	Year 4	Min progress to be achieved	Year 5	Compliance Target
<b>BOARD 50% (Foreseen to be 50% upon commencement)</b>										
HDSA Male	50%	0%	50%	0%	50%	0%	50%	0%	50%	50%
<b>JUNIOR MANAGEMENT 100% (Foreseen to be 100% upon commencement)</b>										
HDSA Male	100%	0%	100%	0%	100%	0%	100%	0%	100%	100%
<b>CORE AND CRITICAL SKILLS 70% (Foreseen to be 100% upon commencement)</b>										
HDSA	100%	0%	100%	0%	100%	0%	100%	0%	100%	100%

#### Women in Mining

Makhanda Mining intends to employ women in accordance to the provisions of the Employment Equity Act, in line with the Mining Charter provisions. The mine foresees to employ 1 woman over the SLP period, constituting 10% of the total workforce.

Makhanda Mining will implement the following action plan in order to maintain and/or increase the women in mining targets:

- Women employed by the mine will be trained in terms of the mining environment and will form part of the mine's skills development plan.
- Makhanda Mining will consider suitably qualified women for vacant employment positions as and when new positions become available.
- Makhanda Mining recognises that one of the roles that would suit women is as a vehicle operator, weighbridge operator, engineer or administrator in the mining environment.

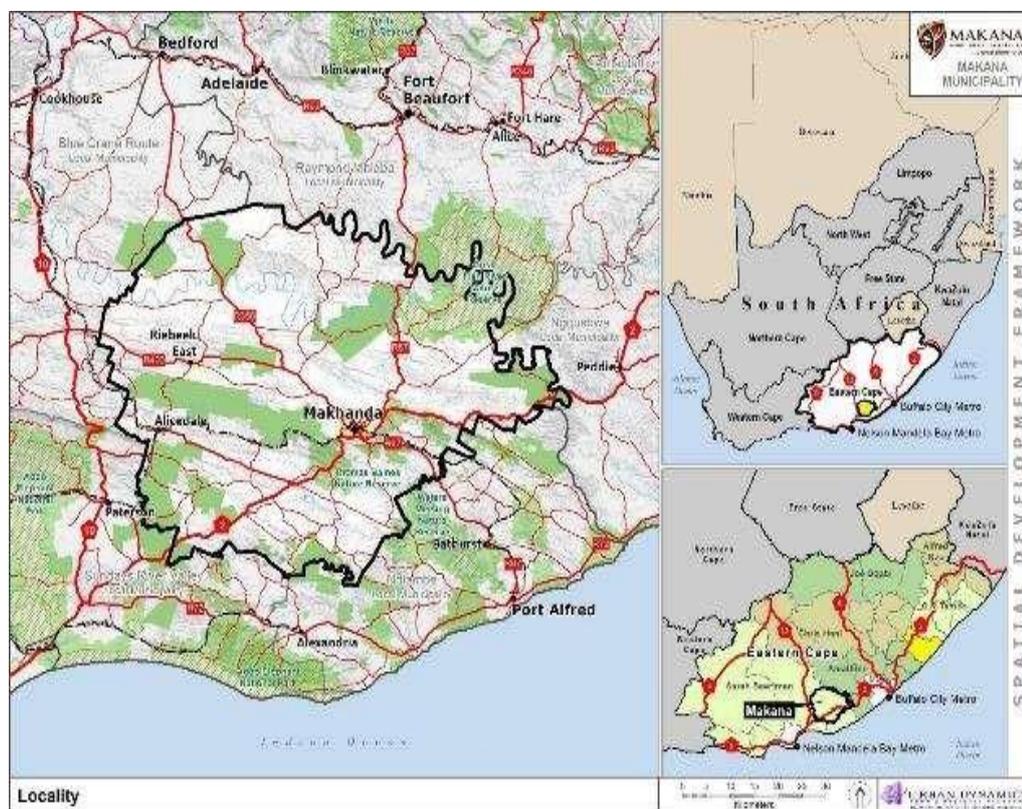
### 3. MINE COMMUNITY ECONOMIC DEVELOPMENT (REGULATION 46(C))

#### 3.1. SOCIAL AND ECONOMIC BACKGROUND INFORMATION (REGULATION 46(C)(I)) (SOURCE: FINAL-INTEGRATED-DEVELOPMENT-PLAN-SECOND-EDITION-2023-24)

##### APPENDIX 3.1

#### 3.1.1 Background

Makana Local Municipality (Makana) is a category B Municipality approximately halfway between East London and Port Elizabeth that forms part of the seven local municipalities of the Sarah Baartman (formerly Cacadu) District Municipality in the Eastern Cape Province. Makana's area is bordered in the north-east by Amathole District Municipality with the cities of Port Elizabeth 120km to the west and East London 180 km to east, north-west by Blue Crane Route Local Municipality, in the south by Ndlambe Local Municipality and in the south-west by the Sundays River Valley Local Municipality. In 2011 the Municipality was delimited into fourteen wards.



Map: Location of the municipality within a provincial context

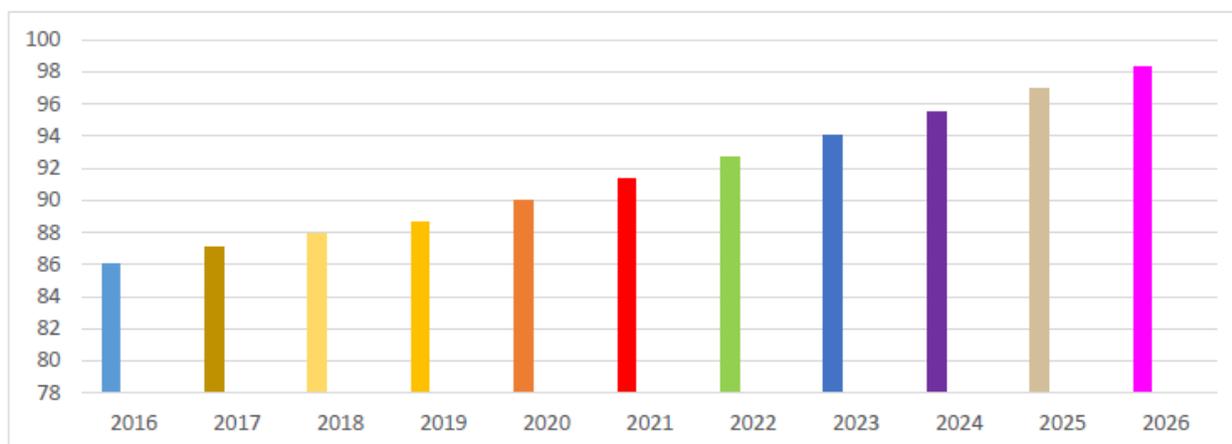
Source: Makana Final IDP: 2021/2022

#### 3.1.2 Total Population:

The population is the number of individuals who live within a specified area. The Makana Municipality had a population size of 86 068 people in 2016. The total population for the Sarah Baartman Municipality is estimated to increase to 98 356 by 2026, growing at an average annual rate of 0.39%.

Makana Population 2016 - 2026

## Makhanda Mining - Social and Labour Plan (2024 – 2029)



Source: Quantec2020

### 3.1.3 Population projections

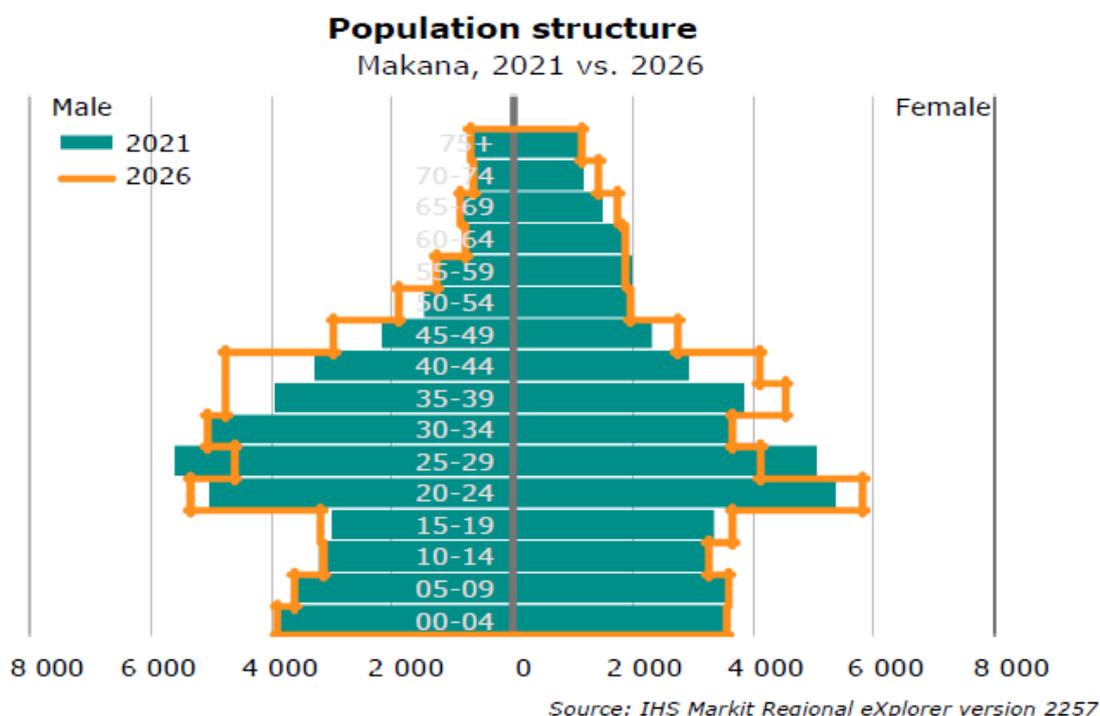
Based on the present age-gender structure and the present fertility, mortality and migration rates, Makana's population is projected to grow at an average annual rate of 1.0% from 91 400 in 2020 to 96 000 in 2025.

**TABLE: POPULATION PROJECTIONS - MAKANA, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2020-2025 [NUMBERS PERCENTAGE]**

Year	Makana	Sarah Baartman	Eastern Cape	National Total	Makana as % of District	Makana as % of Province	Makana as % of National
2021	91,200	536,000	7,400,000	60,300,000	17.0%	1.23%	0.15%
2022	92,100	543,000	7,470,000	61,100,000	17.0%	1.23%	0.15%
2023	93,100	549,000	7,550,000	61,900,000	17.0%	1.23%	0.15%
2024	94,200	556,000	7,630,000	62,700,000	16.9%	1.24%	0.15%
2025	95,400	563,000	7,710,000	63,500,000	17.0%	1.24%	0.15%
2026	96,600	570,000	7,780,000	64,300,000	17.0%	1.24%	0.15%
<b>AVERAGE ANNUAL GROWTH</b>							
2021-2026	1.17%	1.21%	1.02%	1.29%			

The population projection of Makana Local Municipality shows an estimated average annual growth rate of 1.2% between 2021 and 2026. The average annual growth rate in the population over the projection period for Sarah Baartman District Municipality, Eastern Cape Province and South Africa is 1.2%, 1.0% and 1.3% respectively. The Eastern Cape Province is estimated to have an average growth rate of 1.0% which is very similar than that of the Makana Local Municipality. The South Africa as a whole is estimated to have an average annual growth rate of 1.3% which is very similar than that of Makana's projected growth rate..

### POPULATION PYRAMID - MAKANA LOCAL MUNICIPALITY, 2020 VS. 2025 [PERCENTAGE]



The population pyramid reflects a projected change in the structure of the population from 2021 and 2026. The differences can be explained as follows:

- In 2021, there is a significantly larger share of young working age people between 20 and 34 (32.7%), compared to what is estimated in 2026 (29.6%). This age category of young working age population will decrease over time.
- The fertility rate in 2026 is estimated to be slightly higher compared to that experienced in 2021.
- The share of children between the ages of 0 to 14 years is projected to be significant smaller (21.8%) in 2026 when compared to 2021 (23.2%).

In 2021, the female population for the 20 to 34 years age group amounts to 15.6% of the total female population while the male population group for the same age amounts to 17.2% of the total male population. In 2026, the male working age population at 15.5% still exceeds that of the female population working age population at 14.1%, although both are at a lower level compared to 2021.

### 3.1.6 Economic Profile

The Makana Local Municipality does not function in isolation from Sarah Baartman, Eastern Cape Province, South Africa, and the world and now, more than ever, it is crucial to have reliable information on its economy for effective planning. Information is needed that will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality respectively.

#### 3.1.6.1 Gross Domestic Product by Region (GDP-R)

The Gross Domestic Product (GDP), an important indicator of economic performance, is used to compare economies and economic states.

## Makhanda Mining - Social and Labour Plan (2024 – 2029)

GDP-R can be measured using either current or constant prices, where the current prices measure the economy in actual Rand, and constant prices measures the economy by removing the effect of inflation, and therefore captures the real growth in volumes, as if prices were fixed in a given base year.

Year	Makana	Sarah Baartman	Eastern Cape	National Total	Makana as % of District	Makana as % of Province	Makana as % of National
2011	4.6	25.8	255.4	3,327.0	17.8%	1.80%	0.14%
2012	5.1	28.9	283.4	3,566.4	17.7%	1.81%	0.14%
2013	5.5	31.5	305.7	3,868.6	17.4%	1.79%	0.14%
2014	5.9	33.8	326.3	4,133.9	17.4%	1.80%	0.14%
2015	6.4	36.6	352.9	4,420.8	17.4%	1.80%	0.14%
2016	6.7	38.9	373.2	4,759.6	17.3%	1.80%	0.14%
2017	7.2	41.7	400.4	5,078.2	17.3%	1.80%	0.14%
2018	7.6	43.5	420.2	5,348.6	17.4%	1.80%	0.14%
2019	7.8	44.8	436.0	5,613.7	17.5%	1.79%	0.14%
2020	7.7	44.0	426.6	5,556.9	17.6%	1.81%	0.14%
2021	8.5	48.5	473.5	6,225.4	17.6%	1.80%	0.14%

Source: IHS Markit Regional eXplorer version 2257

Source: IHS Markit Regional eXplorer version 2112

With a GDP of R 8.52 billion in 2021 (up from R 4.59 billion in 2011), the Makana Local Municipality contributed 17.57% to the Sarah Baartman District Municipality GDP of R 48.5 billion in 2021 increasing in the share of the Sarah Baartman from 17.84% in 2011. The Makana Local Municipality contributes 1.80% to the GDP of Eastern Cape Province and 0.14% the GDP of South Africa which had a total GDP of R 6.23 trillion in 2021 (as measured in nominal or current prices). It's contribution to the national economy stayed similar in importance from 2011 when it contributed 0.14% to South Africa, but it is lower than the peak of 0.14% in 2015.

In 2021, the Makana Local Municipality achieved an annual growth rate of 5.13% which is a significant lower GDP growth than the Eastern Cape Province's 5.79%, but is higher than that of South Africa, where the 2021 GDP growth rate was 4.91%. Contrary to the short-term growth rate of 2021, the longer-term average growth rate for Makana (0.85%) is very similar than that of South Africa (0.95%).

### 3.1.6.2 Economic Growth Forecast

The GVA forecasts are based on forecasted growth rates derived from two sources: historical growth rate estimates and national level industry forecasts. The projections are therefore partly based on the notion that regions that have performed well in the recent past are likely to continue performing well (and vice versa) and partly on the notion that those regions that have prominent sectors that are forecast to grow rapidly in the national economy (e.g. finance and telecommunications) are likely to perform well (and vice versa). As the target year moves further from the base year (2010) so the emphasis moves from historical growth rates to national-level industry growth rates..

## Makhanda Mining - Social and Labour Plan (2024 – 2029)

Sector	2021	2022	2023	2024	2025	2026	Average Annual growth
Agriculture	200.5	199.4	199.7	201.1	205.0	207.9	0.73%
Mining	2.6	2.6	2.3	2.3	2.2	2.2	-3.16%
Manufacturing	265.6	273.4	277.2	280.7	284.3	287.8	1.63%
Electricity	54.3	55.3	56.0	56.4	57.7	59.2	1.74%
Construction	129.4	133.8	138.5	142.1	145.6	149.4	2.92%
Trade	770.9	788.8	800.7	815.3	828.2	842.3	1.79%
Transport	281.8	286.3	290.3	295.3	301.6	309.1	1.87%
Finance	1,437.5	1,473.2	1,496.1	1,527.3	1,564.6	1,603.8	2.21%
Community services	2,720.3	2,738.9	2,723.9	2,737.8	2,770.7	2,813.4	0.68%
Total Industries	5,862.8	5,951.8	5,984.8	6,058.3	6,159.9	6,275.2	1.37%

The construction sector is expected to grow fastest at an average of 2.92% annually from R 129 million in Makana Local Municipality to R 149 million in 2026. The community services sector is estimated to be the largest sector within the Makana Local Municipality in 2026, with a total share of 44.8% of the total GVA (as measured in current prices), growing at an average annual rate of 0.7%. The sector that is estimated to grow the slowest is the mining sector with an average annual growth rate of -3.16%. The Primary sector is expected to grow at an average annual rate of 0.69% between 2021 and 2026, with the Secondary sector growing at 2.02% on average annually. The Tertiary sector is expected to grow at an average annual rate of 1.34% for the same period.

#### Historical Economic Growth

For the period 2021 and 2011, the GVA in the agriculture sector had the highest average annual growth rate in Makana at 2.00%. The industry with the second highest average annual growth rate is the finance sector averaging at 1.97% per year. The electricity sector had an average annual growth rate of -2.18%, while the construction sector had the lowest average annual growth of -2.42%. Overall a positive growth existed for all the industries in 2021 with an annual growth rate of 4.86% since 2020.

**TABLE: GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - MAKANA LOCAL MUNICIPALITY, 2011, 2016 and 2021.**

## Makhanda Mining - Social and Labour Plan (2024 – 2029)

Sector	2011	2016	2021	Average annually
Agriculture	164.5	163.9	200.5	2.00%
Mining	2.5	1.9	2.6	0.02%
Manufacturing	264.6	267.7	265.6	0.04%
Electricity	67.7	60.2	54.3	-2.18%
Construction	165.3	179.5	129.4	-2.42%
Trade	776.4	841.3	770.9	-0.07%
Transport	264.3	302.7	281.8	0.64%
Finance	1,182.6	1,308.9	1,437.5	1.97%
Community services	2,455.8	2,594.6	2,720.3	1.03%
<b>Total Industries</b>	<b>5,343.7</b>	<b>5,720.7</b>	<b>5,862.8</b>	<b>0.93%</b>

Source: IHS Markit Regional eExplorer version 2257

The tertiary sector contributes the most to the Gross Value Added within the Makana Local Municipality at 88.0%. This is significantly higher than the national economy (70.0%). The secondary sector contributed a total of 8.3% (ranking second), while the primary sector contributed the least at 3.7%. The following is a breakdown of the Gross Value Added (GVA) by aggregated sector:

### 3.2.1 Primary Sector

The primary sector consists of two broad economic sectors namely the mining and the agricultural sector. The following chart represents the average growth rate in the GVA for both sectors in Makana Local Municipality from 2011 to 2021. Between 2011 and 2021, the agriculture sector experienced the highest growth in 2017 with an average growth rate of 17.2%. The mining sector reached its highest point of growth of 13.5% in 2021. The agricultural sector experienced the lowest growth for the period during 2016 at -11.5%, while the mining sector reaching its lowest point of growth in 2011 at -7.1%. Both the agriculture and mining sectors are generally characterised by volatility in growth over the period.

### 3.2.2 Secondary Sector

The secondary sector consists of three broad economic sectors namely the manufacturing, electricity and the construction sector. The following chart represents the average growth rates in the GVA for these sectors in Makana Local Municipality from 2011 to 2021.

Between 2011 and 2021, the manufacturing sector experienced the highest growth in 2021 with a growth rate of 11.3%. The construction sector reached its highest growth in 2013 at 5.3%. The manufacturing sector experienced its lowest growth in 2020 of -11.9%, while construction sector also had the lowest growth rate in 2020 and it experiences a negative growth rate of -19.0% which is higher growth rate than that of the manufacturing sector. The electricity sector experienced the highest growth in 2012 at 1.9%, while it recorded the lowest growth of -6.7% in 2020.

### 3.2.3 Tertiary Sector

The tertiary sector consists of four broad economic sectors namely the trade, transport, finance and the community services sector. The following chart represents the average growth rates in the GVA for these sectors in Makana Local Municipality from 2011 to 2021. The trade sector experienced the highest growth in 2021 with a growth rate of 7.0%. It is evident for the transport sector that the highest growth rate also existed in 2021 at 6.5% which is lower than that of the manufacturing sector. The finance sector experienced the highest growth rate in 2021 when it grew by 4.4% and recorded the lowest growth rate

## Makhanda Mining - Social and Labour Plan (2024 – 2029)

in 2020 at -1.6%. The Trade sector also had the lowest growth rate in 2020 at -13.0%. The community services sector, which largely consists of government, experienced its highest growth in 2021 with 3.7% and the lowest growth rate in 2020 with -1.7%.

### 3.2.6 Labour Force

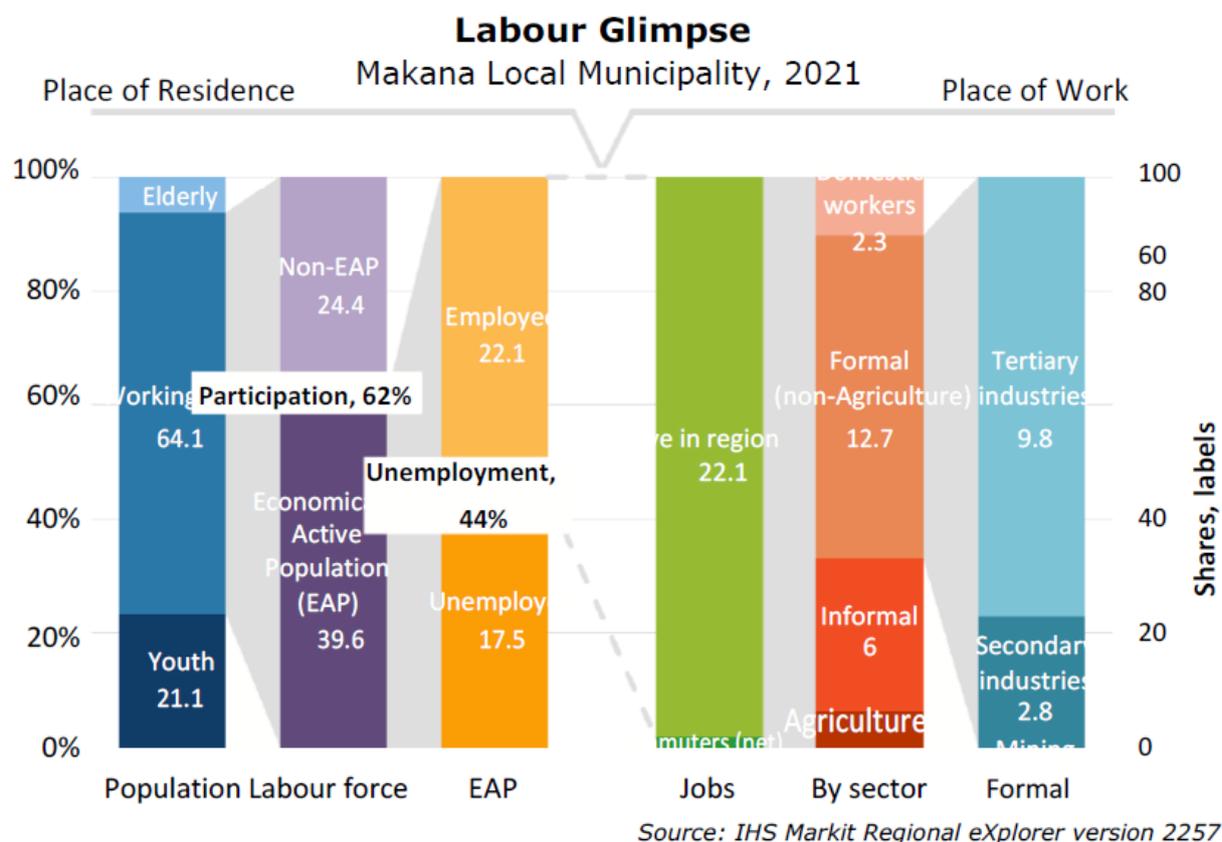
The labour force of a country consists of everyone of working age (above a certain age and below retirement) that are participating as workers, i.e. people who are actively employed or seeking employment. This is also called the economically active population (EAP). People not included are students, retired people, stay-at-home parents, people in prisons or similar institutions, people employed in jobs or professions with unreported income, as well as discouraged workers who cannot find work.

**Table: Working age population in Makana, Sarah Baartman, Eastern Cape and National Total 2011 and 2021:**

Year	Makana		Sarah Baartman		Eastern Cape		National Total	
	2011	2021	2011	2021	2011	2021	2011	2021
15-19	8,030	6,360	39,500	35,600	782,000	673,000	5,120,000	4,880,000
20-24	11,900	10,400	49,500	43,200	750,000	602,000	5,410,000	4,650,000
25-29	9,150	10,700	46,500	54,600	607,000	704,000	5,020,000	5,330,000
30-34	5,930	8,760	34,100	52,300	414,000	673,000	4,050,000	5,610,000
35-39	4,640	7,790	28,200	46,300	312,000	546,000	3,420,000	5,010,000
40-44	4,310	6,230	25,100	35,200	269,000	375,000	2,870,000	3,870,000
45-49	4,170	4,500	23,900	26,400	271,000	283,000	2,550,000	3,170,000
50-54	3,820	3,440	21,400	21,500	269,000	245,000	2,200,000	2,630,000
55-59	3,040	3,260	17,800	19,900	228,000	244,000	1,800,000	2,290,000
60-64	2,310	2,740	14,900	17,800	192,000	237,000	1,450,000	1,930,000
<b>Total</b>	<b>57,300</b>	<b>64,100</b>	<b>301,000</b>	<b>353,000</b>	<b>4,090,000</b>	<b>4,580,000</b>	<b>33,900,000</b>	<b>39,400,000</b>

The working age population in Makana in 2021 was 64 200, increasing at an average annual rate of 1.14% since 2011. For the same period the working age population for Sarah Baartman District Municipality increased at 1.61% annually, while that of Eastern Cape Province increased at 1.14% annually. South Africa's working age population has increased annually by 1.51% from 33.9 million in 2011 to 39.4 million in 2021.

The graph below combines all the facets of the labour force in the Makana Local Municipality into one compact view. The chart is divided into "place of residence" on the left, which is measured from the population side, and "place of work" on the right, which is measured from the business side.

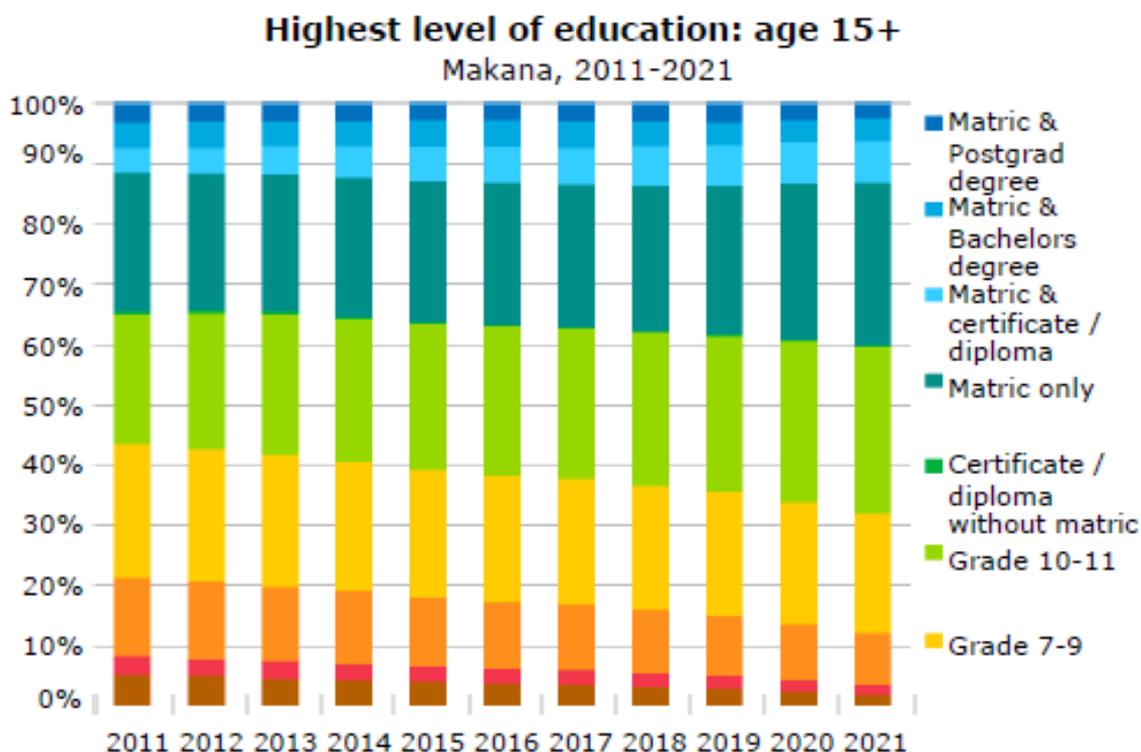


Reading the chart from the left-most bar, breaking down the total population of the Makana Local Municipality (91 200) into working age and non-working age, the number of people that are of working age is about 64 200. As per definition, those that are of age 0 - 19 (youth) or age 65 and up (pensioners) are part of the non-working age population. Out of the working age group, 61.8% are participating in the labour force, meaning 39 600 residents of the local municipality forms currently part of the economically active population (EAP). Comparing this with the non-economically active population (NEAP) of the local municipality: fulltime students at tertiary institutions, disabled people, and those choosing not to work, sum to 24 500 people. Out of the economically active population, there are 17 500 that are unemployed, or when expressed as a percentage, an unemployment rate of 44.2%. Up to here all the statistics are measured at the place of residence. On the far right we have the formal non-Agriculture jobs in Makana, broken down by the primary (mining), secondary and tertiary industries. Most of the formal employment lies in the Tertiary industry, with 9 840 jobs. When including the informal, agricultural and domestic workers, we have a total number of 22 500 jobs in the area. Formal jobs make up 56.7% of all jobs in the Makana Local Municipality. The difference between the employment measured at the place of work, and the people employed living in the area can be explained by the net commuters that commute every day into the local municipality.

## Education

Educating is important to the economic growth in a country and the development of its industries, providing a trained workforce and skilled professionals required. The education measure represents the highest level of education of an individual, using the 15 years and older age category. (According to the United Nations definition of education, one is an adult when 15 years or older. IHS uses this cut-off point to allow for cross-country comparisons. Furthermore, the age of 15 is also the legal age at which

children may leave school in South Africa).



Source: IHS Markit Regional eXplorer version 2257

Within Makana Local Municipality, the number of people without any schooling decreased from 2011 to 2021 with an average annual rate of -7.57%, while the number of people within the 'matric only' category, increased from 12,600 to 17,200. The number of people with 'matric and a certificate/diploma' increased with an average annual rate of 7.11%, with the number of people with a 'matric and a Bachelor's' degree increasing with an average annual rate of 0.04%. Overall improvement in the level of education is visible with an increase in the number of people with 'matric' or higher education.

**3.2. NEGATIVE IMPACT OF THE MINING OPERATION**

	Yes	No	If yes, how will this be addressed
Relocation of people		x	
Exhumation of graves		x	
Influx of people		x	
Other		x	

**3.3. INFRASTRUCTURE AND POVERTY ERADICATION PROJECTS - NEEDS OF AREA (REGULATION 46(c)(iv))****Table 3.1: Needs of the Area**

General	Specific	Type of need	Municipality
TBC	TBC	TBC	Makana

**3.4. Project plan format (Regulation 46(c)(iii))**

See table 3.2 below.

**Type of project and locality**

Makhanda Mining is in the process of liaising with the Makana local municipality in terms of the identification and allocation of an LED project.

**3.4.1. Stakeholder's involved in the project**

The primary stakeholders involved in the project are *inter alia* the following:-

- Makhanda Mining;
- The local authority;
- The local community;
- SMME suppliers and local labour;
- The Department of Mineral Resources and Energy.

**3.4.2. Sustainability of the project**

To be confirmed once the LED project has been identified and allocated.

**3.4.3. Financial provision over a 5-year timeframe**

Makhanda Mining is able to contribute a total amount of R50 000 (Fifty Thousand Rand) in terms of Local Economic Development for the 5-year duration of this SLP.

The expenditure per year will be as follows:

- Year 1 - R 10 000
- Year 2 - R 10 000
- Year 3 - R 10 000
- Year 4 - R 10 000
- Year 5 - R 10 000

- Total R 50 000

#### **3.4.4. Company's exit strategy after implementation**

Makhanda Mining will request the local authority and the DMRE to provide Makhanda Mining with written confirmation which confirms that the Mine has fulfilled its obligations in respect of the project.

## Makhanda Mining - Social and Labour Plan (2024 – 2029)

Table 3.2: Project Plan

Project Name	TBC		Classification of project	TBC				
Background	To be confirmed once a project has been approved by the local municipality.							
Timeframe								
Geographical Location	District Municipality	Local Municipality	Village / Town		Project Start Date		Project End Date	
Eastern Cape	Sarah Baartman	Makana	Makhanda		± 2024		± 2029	
Output	Key performance indicators	Responsible Entity	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Infrastructure	Community Consultation & local authority	Applicant and local authority	R10 000	R10 000	R10 000	R10 000	R10 000	R50 000
Type of jobs	No of jobs	Male adults	Female adults	Youth	Total	Comment		
Short-term	TBC	TBC	TBC	TBC	TBC	See above		
Medium term	TBC	TBC	TBC	TBC	TBC	See above		
Long term	TBC	TBC	TBC	TBC	TBC	See above		
Completion	± 2029	Exit strategy	Upon confirmation from local authority			<b>Total: R50 000</b>		

**3.5. MEASURES TO ADDRESS HOUSING AND LIVING CONDITIONS (REGULATION 46(c)(IV))****3.5.1. Current status of available dwelling for employees –****Table 3.3: Status of available dwellings for employees**

	Mark (x) where appropriate	Percentage
Hostels	N/A	
Own home	N/A	
Rentals	N/A	
Other (employees will live off site in their own homes within the local community)	X	100%

**3.5.2. Preferred requirements for housing and living conditions of the workforce**

See paragraph 3.4 below. Housing will not be required having regard to the distance of the mine from the local community. Furthermore, where possible, employees have been sourced from the local community and all employees currently have their own existing housing. Future employees will also be sourced from within the local community, where possible, whom will most likely already have their own existing housing or rental agreements in place. In the event that an employee does not reside within the Makana Local Municipality and has to work away from home, the employee will be paid a living out allowance until such time as the employee relocates to the local municipality, at which time the employee will be provided with a once-off relocation allowance.

**3.5.3. Housing and living conditions plan over a five-year period -****Table 3.4: Housing and living conditions**

Type of accommodation	Year 1 Baseline	Year2 25%	Year 3 50%	Year 4 75%	Year 5 100%
Home ownership					
Family units					
Single quarters					
Intended employees are foreseen to have already established households within the local community which they either rent or own off site	Will remain	Will remain	Will remain	Will remain	Will remain

Please refer to paragraph 3.8.3 above.

The underlying principles of the housing strategy are to promote a socially stable community through housing and improved living conditions, which is supported by the following approach:

- A focus on local recruitment. 100% of the employees of Makhanda Mining will reside within the local Makana Municipality.
- Makhanda Mining will support the Infrastructure and Basic Services projects identified, which will provide skills, finance and encouragement for the development of community related infrastructure.
- Active promotion of home ownership through annual awareness campaigns and continuous consultations with worker representatives, as well as the local authority.

Makhanda Mining also intends to implement regular awareness programmes to inform all employees of the benefits of good nutrition, balanced diets, correct method of food preparation to maximize nutritional benefits of food as well as Water and Sanitation guidelines when preparing food, including the use of nutritional diets in the management of HIV/Aids and Tuberculosis.

The employees will also undergo annual medical examinations, at the expense of Makhanda Mining.

The DMRE procurement reporting tool is attached as Form T, Annexure 4.

Makhanda Mining undertakes to do the following in order to facilitate procurement progression: -

- **STEP 1:** Makhanda Mining will ensure that where possible all suppliers of goods and services will be BEE compliant entities, or BEE entities being either HDP, women or youth owned;
- **STEP 2:** Submit a list of the needs of Makhanda Mining to the local authority, as well as request for local SMME and BEE supplier list, after which the local authority will be able to provide the relevant information contained on their database;
- **STEP 3:** Makhanda Mining will investigate each supplier taking *inter alia* the following into account namely: -
  - Quality of the product and service;
  - Price of the product and service;
  - Availability of the product and service;
  - Makhanda Mining's needs.
- **STEP 4:** Makhanda Mining will select the most suitable SMME/BEE suppliers (if any) where possible and make contact with each supplier in order to obtain a quotation. Should the quotation be acceptable to Makhanda Mining the supplier will be selected. It must be pointed out that if there is no suitable SMME/BEE supplier for a specific product or service, Makhanda Mining may make use of an alternate suitable supplier which may or may not have a poor BEE rating/no BEE rating;
- **STEP 5:** Facilitate the efficient transition from the old supplier to the new SMME/BEE supplier (where required) and ensure that procurement from SMME/BEE suppliers is upheld and where possible improved upon.

The aforesaid process will be implemented and upheld for the 5-year duration of the social and labour plan.

#### **4. PROCESSES PERTAINING TO MANAGEMENT OF DOWNSCALING AND RETRENCHMENT (REGULATION 46(D))**

##### **4.1. THE ESTABLISHMENT OF THE FUTURE FORUM (REGULATION 46(D)(I))**

**Makhanda Mining will establish a future forum within 6 (six) months from date of commencement of the mining right.**

The function of the Future Forum will be to:

- Promote discussions between the company and the employees.
- To jointly debate potential solutions to any potential job losses.
- To jointly engage in strategic planning to avoid / minimise any job losses.
- To initiate turnaround and / or redeployment or other appropriate strategies to minimise job losses.
- To jointly structure and implement solutions to prevent job losses.

The Future Forum will meet a minimum of **three times annually** to discuss the following issues, if applicable at that time:

- Problems or challenges,
- Possible solutions to the problems and challenges, and
- The future of the mine.

If there is the potential for downscaling or retrenchments, members of the Future Forum will be called to a meeting immediately. Possible solutions or alternative to downscaling and retrenchment will be discussed with all present.

##### **4.2. JOB LOSS PREVENTION AND**

##### **4.3. MANAGEMENT OF RETRENCHMENTS (REGULATION 46(D)(II))**

###### **Consultation with the Department of Labour**

The mine will contact the Department of Labour and inform them of the intention to downscale and / or retrench. Should the Department of Labour feel that it is necessary to be involved in the process, the mine will either meet with them to discuss the alternative or they can send a representative to the meeting outlined below.

###### **Consultation with Staff and Representatives**

The process described below has been developed to include the procedures outlined in Section 52 of the Minerals and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002) and Section 189 of the Labour Relations Act, 1995 (Act No. 66 of 1995).

- Call a meeting with the future forum to discuss the potential downscaling as a result of the economic conditions. When calling this meeting, ensure that the following person(s) have been invited:
  - any person whom the employer is required to consult in terms of a collective agreement,

## Makhanda Mining - Social and Labour Plan (2024 – 2029)

- if there is no collective agreement that requires consultation, a workplace forum, if the employees likely to be affected by the proposed dismissals are employed in a workplace in respect of which there is a workplace forum;
  - if there is no workplace forum in the workplace in which the employees likely to be affected by the proposed dismissals are employed, any registered trade union whose members are likely to be affected by the proposed dismissals, or
  - if there is no such trade union, the employees likely to be affected by the proposed dismissals or their representatives nominated for that purpose.
- At the meeting, the employer must disclose, in writing:
    - the reasons for the proposed dismissals,
    - alternatives considered before proposing the dismissals, and the reasons for rejecting alternatives,
    - the employee/s likely to be affected and the job category in which he/she/they are employed,
    - the proposed method for selecting which employee/s to dismiss,
    - the time period during which the dismissals are likely to take effect,
    - the severance pays proposed,
    - any assistance that the employer proposes to offer to the employee likely to be dismissed, and
    - the possibility of the future re-employment of the employee/s who is/are dismissed.
  - The group must discuss the information presented by the employer and either accept what the employer proposes or suggest alternatives.
  - The consultation process during the meeting must ensure:
    - The employer allows the other consulting party an opportunity to make representations about any matter on which they are consulting.
    - The employer must consider and respond to the representations made by the other consulting party and, if the employer does not agree with them, the employer must state the reasons for disagreeing.
  - Subject to the restrictions listed below, an employer must disclose all relevant information to a trade union representative, if any, in order for the representative to
    - perform their functions as outlined in Section 14(4) of the Labour Relations Act, 1995:
      - that is legally privileged,
      - that the employer cannot disclose without contravening a prohibition imposed on the employer by any law or order of any court,
      - that is confidential and, if disclosed, may cause substantial harm to an employee or the employer, or
      - that is private personal information relating to an employee, unless that employee consents to the disclosure of that information.
  - All issues must be resolved by the end of the meeting.

- With particular reference to selecting employees for dismissal, the employer must make the selection according to selection criteria:
  - that have been agreed to by the consulting parties, or
  - if no criteria have been agreed, criteria that is fair and objective.
- Minutes of the meeting must be taken.

**Mechanisms to provide alternative solutions and procedures for creating job security where job losses cannot be avoided (*Regulation 46(d)(iii)*)**

Where retrenchment or closure of the mine is unavoidable the mine will consider the following measures to assist the employee/s who will be affected, inclusive of but not limited to:-

- Determine whether there is a suitable position available at a different site owned and operated by Makhanda Mining or any of its contractors;
- Assist the employee in obtaining UIF benefits;
- Provide the employee with a certificate of service confirming the employee's retrenchment;
- In the event that Makhanda Mining would be able to re-employ in the future (at the mine or at any other site), the employee will be offered the position first.

**4.4. MECHANISMS TO AMELIORATE THE SOCIAL AND ECONOMIC IMPACT ON INDIVIDUALS, REGIONS AND ECONOMIES WHERE RETRENCHMENT OR CLOSURE OF THE MINE IS CERTAIN (*REGULATION 46(D)(IV)*)**

The impact on the region and local economy should the mine shut down may be significant due to the high percentage of unemployment within the Makana municipality, keeping in mind that mining is one of the biggest contributors to the GDP of the district municipality.

**4.4.1. Management of Retrenchments**

**APPENDIX 4.4.1**

In the event that dismissals ensue as a direct result of the mine's operational requirements, Makhanda Mining will ensure that consultations take place with the affected employee/s alternatively his/her/their representative (if any) as required by section 189(1) of the Labour Relations Act 66 of 1995.

Makhanda Mining will ensure that it complies with its obligations in terms of the Labour Relations Act in so far as severance pay is concerned.

The Department of Labour offers a number of services and skills programmes and information for employees who are about to be retrenched. Makhanda Mining will inform the affected employee/s of the existence of these services and skills programmes.

Makhanda Mining will together with a suitably qualified person in the field of labour law ensure that the affected employee/s receives substantial information and advice regarding *inter alia* the following:-

- Appropriate centres able to assist the employee such as Social Plan Centres, Job Advice Centres, Labour Centres etc.;
- Counselling for the employee to promote their absorption into the labour market;
- How to cope with retrenchment;
- How to draw on support of the community, friends and family;



**6. UNDERTAKING (REGULATION 46(F))**

	<p><b>Herewith I, the person whose name and identity number is stated below, confirm that I am the Applicant or the person authorised to act as representative of the Applicant in terms of the resolution submitted with the application, and undertake to implement this Social and Labour Plan and adhere to the proposals set forth herein.</b></p>
<b>Full name(s) and surname</b>	Mr Colin Meyer
<b>Identity number</b>	631120 5033 08 2
<b>Signature</b>	

## Makhanda Mining - Social and Labour Plan (2024 – 2029)

## 7. ANNEXURES

## 7.1. Annexure 1: Form Q (DME 327)



DEPARTMENT: MINERALS AND ENERGY  
**PROPOSED EMPLOYEES –September 2023**  
 Petroleum Resources Development Act, 2002 (Act No. 28 of 2002)]

REPUBLIC OF SOUTH AFRICA - THE NUMBER AND EDUCATION LEVELS OF  
 [in terms of regulation 46(b)(i)(aa) of the Social and Labour Plan of the Mineral and

BAND	NQF LEVEL	OLD SYSTEM	Male				Female				Total	
			African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female
General Education and Training (GET)	1	No schooling / Unknown										
		Grade 0 / Pre										
		Grade 1 / Sub A										
		Grade 2 / Sub B										
		Grade 3 / Std 1 / ABET 1	1								1	
		Grade 4 / Std 2	1								1	
		Grade 5 / Std 3 / ABET 2										
		Grade 6 / Std 4										
		Grade 7 / Std 5 / ABET 3	1								1	
		Grade 8 / Std 6	1								1	
Further Education and Training (FET)	2	Grade 9 / Std 7 / ABET 4										
		Grade 10 / Std 8 / N1	1							1		
		Grade 11 / Std 9 / N2										
Higher Education and Training (HET)	3	Grade 12 / Std 10 / N3										
		Diplomas / Certificates										
		4	First degrees / higher diplomas				1				1	
		5	Honours / Master's degrees									
TOTAL	8	Doctorates										
		TOTAL	5			1				6		

## Makhanda Mining - Social and Labour Plan (2024 – 2029)

## 7.2. Annexure 2: Form R (DME 328)



**DEPARTMENT: MINERALS AND ENERGY  
REPUBLIC OF SOUTH AFRICA**

**HARD-TO-FILL VACANCIES AS AT SEPTEMBER 2023**

[in terms of regulation 46(b)(i)(bb) of the Social and Labour Plan of the Mineral and Petroleum Resources Development Act, 2002  
(Act No. 28 of 2002)]

**INSTRUCTIONS:**

1. For any enquiries, contact the relevant Regional office or designated agency during office hours (refer to List 1).
2. Complete the form in block letters and in black pen.
3. Complete the form in English and do not use abbreviations (e.g. Street not St).

<b>Occupational Level</b>	<b>Job title of Vacancy</b>	<b>Main Reason for being unable to fill the vacancy</b>
Top Management	None	None
Senior Management	None	None
Professionally qualified and experienced specialists and mid-management	None	None
	None	None
	None	None
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	None	None
	None	None
	None	None
	None	None
Semi-skilled and discretionary decision making	None	None
	None	None
	None	None
	None	None
Unskilled and defined decision making	None	None
	None	None
	None	None

## Makhanda Mining - Social and Labour Plan (2024 – 2029)

## 7.3. ANNEXURE 3: FORM S (DME 325)



**DEPARTMENT: MINERALS AND ENERGY  
REPUBLIC OF SOUTH AFRICA**

**PROPOSED EMPLOYMENT EQUITY STATISTICS AS AT SEPTEMBER 2023**

[in terms of regulation 46(b)(v) of the Social and Labour Plan of the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002)]

OCCUPATIONAL LEVELS	Male				Female				TOTAL	Disabled	
	African	Coloured	Indian	White	African	Coloured	Indian	White		Male	Female
Top Management											
Senior Management				1					1		
Professionally qualified and experienced specialist and mid-management											
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents											
Semi-skilled and discretionary decision making.											
Unskilled and defined decision making											
<b>TOTAL PERMANENT</b>											
Non-permanent employees	5								5		
<b>TOTAL</b>	5			1					6		

## Makhanda Mining - Social and Labour Plan (2024 – 2029)

## 7.4. ANNEXURE 4: FORM T (DME 326)



**DEPARTMENT: MINERALS AND ENERGY**  
**REPUBLIC OF SOUTH AFRICA**  
**PROCUREMENT AS AT SEPTEMBER 2023**

[in terms of regulation 46(c) (vi) of the Social and Labour Plan of the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002)]

CAPITAL GOODS			SERVICES			CONSUMABLES		
Provider and Address	Percentage of total capital goods procurement	HDSA Composition	Provider and Address	Percentage of total services procurement	HDSA Composition	Provider and Address	Percentage of total consumables procurement	HDSA Composition
<b># The below is an example of how the procurement reporting will be done in future, as currently there is no operations under the mining right.</b>								
SPH Kundalila	80.3%	41.61%	Eskom		Level 8	Bearings Distributors		Level 2
Blasting & Excavation	13.3%	60%	Pulse trading		non	Saldanha Steel and Tool supply		Level 2
Raubex	6.3%	41.61%	FJS boerdery		non	PPC cement		Level 3
				<b>Service</b>	<b>Capital</b>	<b>Consumables</b>		
				Total Expenditure	R 4 970 187.39	R32 738 716.00	R643 358.70	
				BEE compliant expenditure	R2 092 427.64	R32 738 716.00	R622 030.70	
				BEE owned (>51%) expenditure	R416 828.40	R4 362 087.69	R556 506.30	
				Percentage BEE owned expenditure	8%	13%	86%	
				Percentage BEE compliant expenditure	42%	100%	97%	

## Makhanda Mine - Social and Labour Plan (2024 – 2029)

## 7.5. ANNEXURE 5: QUESTIONNAIRE

<b>SOCIAL AND LABOUR PLAN QUESTIONNAIRE FOR MAKHANDA MINING EMPLOYEES</b>				
<b>“PLEASE COMPLETE AND RETURN TO THE TEAM LEADER”</b>				
<b>BACK GROUND INFORMATION</b>				
NAME:		IDENTITY NUMBER:		GENDER (M OR F):
POSITION:		RESPONSIBILITIES		
RACE:	<b>African:</b>	<b>Coloured:</b>	<b>Indian:</b>	<b>White:</b>
HOME ADDRESS: <i>(Family)</i>			WORK ADDRESS: <i>(Only required if different to family address)</i>	
NUMBER OF DEPENDENTS: <i>(How many people do you support with your salary?)</i>				
WHAT PROBLEMS DO YOU THINK NEEDS TO BE ADDRESSED IN THE COMMUNITY WHERE <b>YOUR FAMILY LIVES?</b>				

## Makhanda Mine - Social and Labour Plan (2024 – 2029)

<b>EDUCATION AND TRAINING</b>	
WHAT IS YOUR HIGHEST SCHOOLING LEVEL?	
DO YOU HAVE A TERTIARY EDUCATIONAL QUALIFICATION, IF YES WHAT?	
DO YOU HAVE ANY OTHER QUALIFICATIONS AND IF YES, WHAT?	
WHAT TRAINING COURSES HAVE YOU DONE IN THE LAST 2 YEAR?	
<b>WORK SKILLS NEEDS ANALYSES</b>	
WHAT ADDITIONAL WORK SKILLS DO YOU THINK WOULD BE USEFUL FOR YOU TO PERFORM YOUR JOB?	
WHAT IS YOUR WORKING AMBITION IN THE NEXT 5 YEARS?	
WHAT IS YOUR IDEAL JOB AT THE MINE?	
<b>PORTABLE SKILLS NEEDS ANALYSES</b>	
IF YOU WERE <b>NOT</b> WORKING AT THE MINE, WHAT WORK WOULD YOU <b>WANT</b> TO DO?	
IF YOU WERE <b>NOT</b> WORKING AT THE MINE, WHAT WORK DO YOU <b>THINK</b> YOU COULD DO?	

**7.6. ANNEXURE 6: LOCAL ECONOMIC DEVELOPMENT PROJECT – COMMUNICATION BETWEEN MUNICIPALITY AND COMPANY**

## Zoe Norval

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**From:** Lunga Twaku <lunga@makana-brick.co.za>  
**Sent:** Wednesday, 27 September 2023 15:18  
**To:** Sinaye Jonas  
**Cc:** Zoe Norval  
**Subject:** LED Projects

Good day Ma'am

Hope you are well.

This is a kind reminder about subject as discussed with myself and the DMRE last week. Looking forward to hearing from you.

*Regards* 



**Lunga Twaku**  
Human Resource Manager

Tel: 046 603 6300  
Cell: 082 924 3465  
Fax: 086 544 8782  
Email: lunga@makana-brick.co.za  
[www.makanabrick.co.za](http://www.makanabrick.co.za)

**MAKANA BRICK**  
BUILDING TODAY FOR TOMORROW

Beaconsfield Farm P.O. Box 7068,  
Grahamstown North 6148

# Appendix A

## Employee's training refusal





## Social and Labour Plan – Makhanda Mining

We the undersigned have been approached by the management about possible benefits in the company / mine SLP which should be made available to us / employees.

The mine representative approached and explained to us the process of:

- ABET, Core business skills and portable skills
- Measures to address Housing and Living conditions
- Management of downscaling
- Bursary

We had ample time to think about the interventions brought forth by the employer and have decided not to be a part of it.

We have various reasons why we have decided not to accept the employer proposal and chief among those, that we are not really interested in the proposals. Some of us are just too old to consider the proposals.

Khayaletu Nzuzo

  
.....

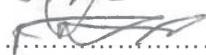
Vuyo Nqowana

  
.....

Jeffrey Mali

  
.....

Freddy Gongqobe

  
.....

Polony Magwala

  
.....

Date:

.....

