

Monte Cristo Commercial Park (Proprietary) Ltd

Registration Number 2008/005305/07

Social and Labour Plan

Year 1 – Year 5

**Submitted as an Annexure as contemplated in Regulation 46 of the
Mineral and Petroleum Resources Development Regulations under the
Mineral and Petroleum Resources Development Act, 2002
(Act No. 28 of 2002)**

Mining Right Application

**FS 30/5/1/2/2/10048 MR – WELKOM DMR
PURE SOURCE MINE**

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Abbreviations

AET	Adult Education and Training
BEE	Black Economic Empowerment
DM	District Municipality
DMR	Department of Mineral Resources
DoL	Department of Labour
EAP	Employee Assistance Programme
FDDM	Fezile Dabi District Municipality
HDSA	Historically Disadvantaged South African
HRDP	Human Resources Development Programme
IDP	Integrated Development Plan
LED	Local Economic Development
LM	Local Municipality
MPRDA	Mineral and Petroleum Resources Development Act
MQA	Mining Qualifications Authority
NQF	National Qualifications Framework
NLM	Ngwathe Local Municipality
PP	Public Participation
SETA	Sectoral Education and Training Authority
SLP	Social and Labour Plan
SMME	Small, Medium or Micro Enterprise
WSP	Workplace Skills Plan
Pure Source	Pure Source Mine
MCCP	Monte Cristo Commercial Park Proprietary Ltd

SECTION ONE

PREAMBLE

Introduction and Background Information

**In compliance with Regulation 46 (a)
Of the Mineral and Petroleum Resources Development Regulations**

1 Introduction

1.1 Overview and Undertaking

The objectives of the Mineral and Petroleum Resources Development Act, Act 28 of 2002 ("MPRDA") entrenched in section 2(f) and (i) of the MPRDA are *inter alia* to:

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

In terms of the provisions of the MPRDA is that the mineral resources are the common heritage of all the people of South Africa hence the Minister must ensure the sustainable development of South African's resources whilst promoting economic and social development.

The economic and social development is illustrated in the Mining Charter in accordance with section 100 of the MPRDA. The Mining Charter sets out the framework, targets and time table to affecting the entry of historically disadvantaged South Africans ("HDSA") into the industry and allow South Africans to benefit from the exploitation of mining and mineral resources.

The elements and objectives of the MPRDA and the Mining Charter should be addressed in the Social and Labour Plan as required by Regulation 46 of the MPRDA.

The objective of the SLP (Regulation 41 of the MPRDA) is to:

- Promote employment;
- Contribute to the transformation of the mining industry;
- Ensure that holders of mining rights contribute towards the socioeconomic development of the areas in which they are operating.

For the Minister to grant a mining right, the company must prove that:

- the right shall be used to contribute towards the development and the social upliftment of the community concerned:
- the company submits a development plan, indicating the way such right is going to be exercised;
- the envisaged benefits of the mining project will accrue to the community; and
- the company has access to technical and financial resources to exercise such right.

1.2 Background Information

Name of the company/applicant	Monte Cristo Commercial Park Proprietary Ltd (“MCCP”)
Registration Number	2008/005305/07
Name of mine/ production operation (Trading Name)	Pure Source Mine situated at Goosebay Farm, to be operated in terms of a Mining Right applied for by Monte Cristo Commercial Park Proprietary Ltd Trading as: PURE SOURCE MINE
Physical Address	Remaining Extent of Portion 1 of the farm Woodlands 407; the Remainder (of portion 1) of farm Woodlands 407; Portion 3 of the farm Woodlands 407.
Postal Address	PO Box 17736 Sunward Park 1470
Responsible Person	Adv M Van Wyk / Mr R Schimpers
Telephone Number	+2711 913 1719
Cell Number	+27 83 449 3581
E-mail Address	info@vldc.co.za
Fax Number	+2711 913 2868
Location of mine or production operation	The location of the proposed mine is on the following portions of the farm Woodlands 407: * Remaining Extent of Portion 1 of the farm Woodlands 407; * the Remainder (of portion 1) of farm Woodlands 407; * Portion 3 of the farm Woodlands 407. The site is located in the Free State Province within the Ngwathe Local Municipality near the town of Parys.
Commodities Mined	Silica Sand, Aggregates and Alluvial Diamonds
Life of Mine	30 years
Financial Year	March to February
Reporting Year	March to February
(a) Mine Community	Vanderbijlpark, Parys and Vredefort lie within the 45km radius from the mine. A further 3 towns located within 120km radius from the mine are likely to also form part of the labour sending areas. These are; Koppies, Heilbron and Edenville.

1.3 Locality

Pure Source Mine (figure 1) is located approximately 15 km northwest of the town of Sasolburg in the Free State Province, South Africa in Ngwathe Local Municipality (NLM) within the Fezile Dabi District Municipality (FDDM).

Figure 1: Locality Map of Pure Source Mine

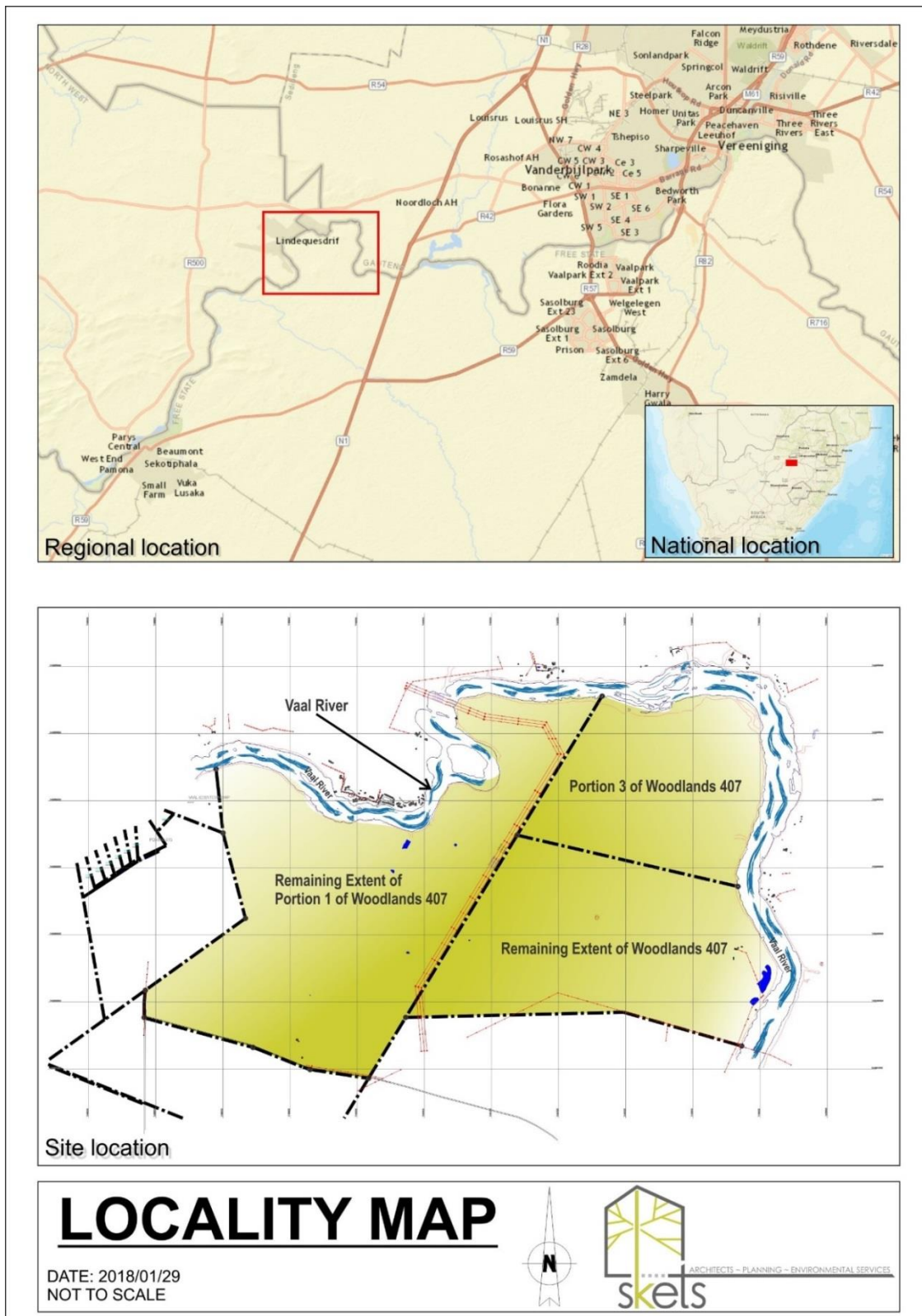
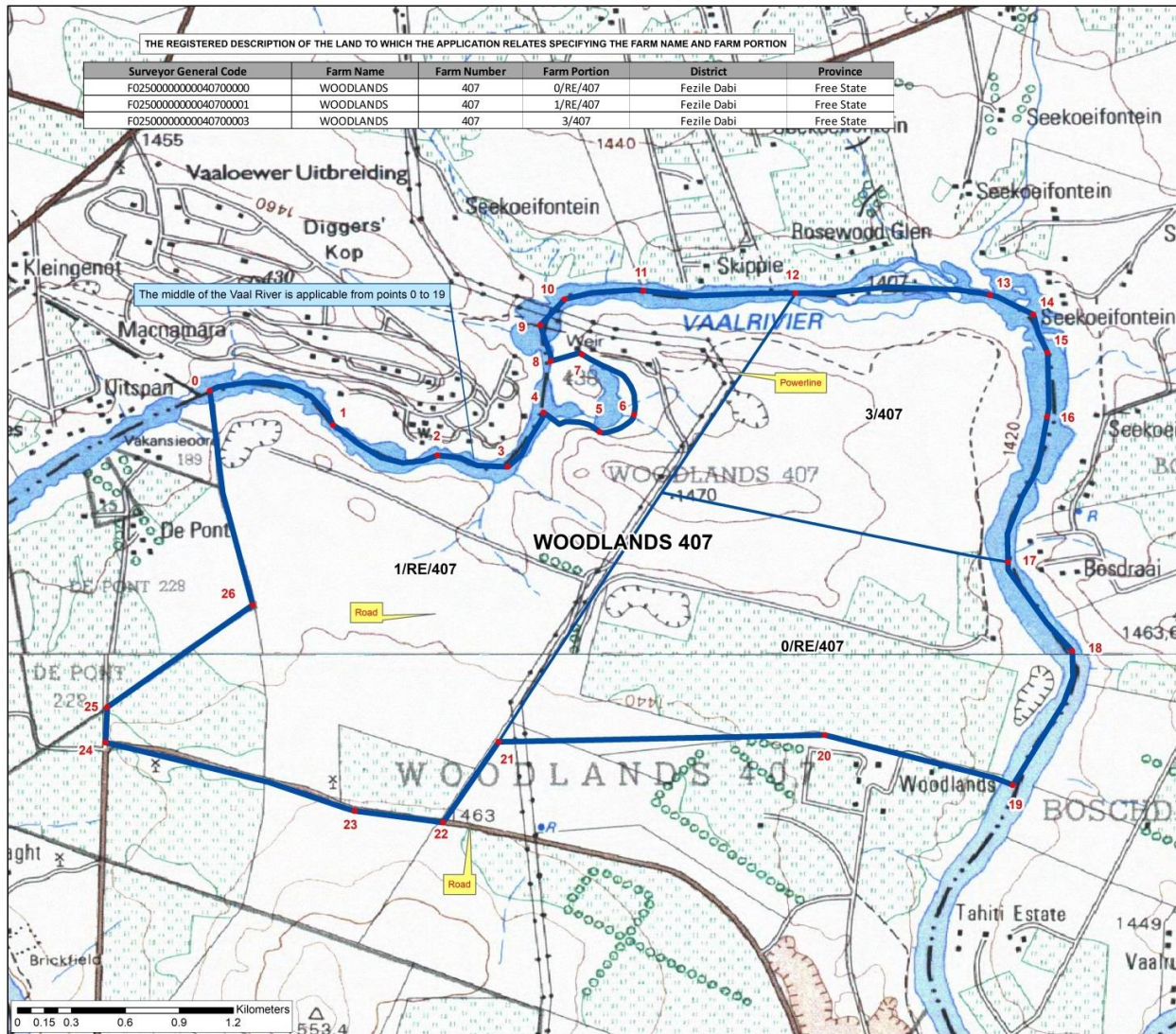


Figure 2: Plan required in terms of Regulation 2(2)



Plan 2(2)
Goosebay Project
 In the district of Fezile Dabi
 Project Extent: 858.5825Ha
 After 1:50 000 Topo Sheet
 2627 DA & DC
 WGS84/Hartebeeshoek

● Prospect Area
 Parent Farm
 Farm Portions

Servitudes according to the Title Deeds and SG Diagrams

WGS84 COORDINATES

Points	X	Y
0	27.59245	-26.737431
1	27.59861	-26.739145
2	27.603828	-26.740661
3	27.607333	-26.741231
4	27.609124	-26.73852
5	27.611927	-26.739487
6	27.613653	-26.738627
7	27.618941	-26.735613
8	27.629488	-26.735986
9	27.620864	-26.734147
10	27.610187	-26.73285
11	27.614112	-26.732428
12	27.621722	-26.732555
13	27.631442	-26.732649
14	27.638819	-26.733622
15	27.634319	-26.735518
16	27.634298	-26.738725
17	27.632335	-26.745997
18	27.635551	-26.750432
19	27.632578	-26.757133
20	27.623184	-26.754639
21	27.606884	-26.754978
22	27.604101	-26.75901
23	27.59969	-26.758428
24	27.587227	-26.759007
25	27.587319	-26.753242
26	27.594591	-26.748131

Applicant's Signature _____
 Date _____

Prepared by:

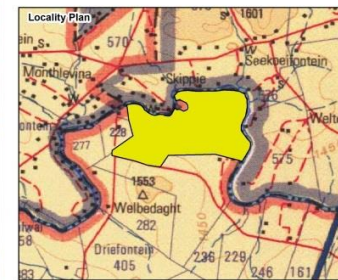
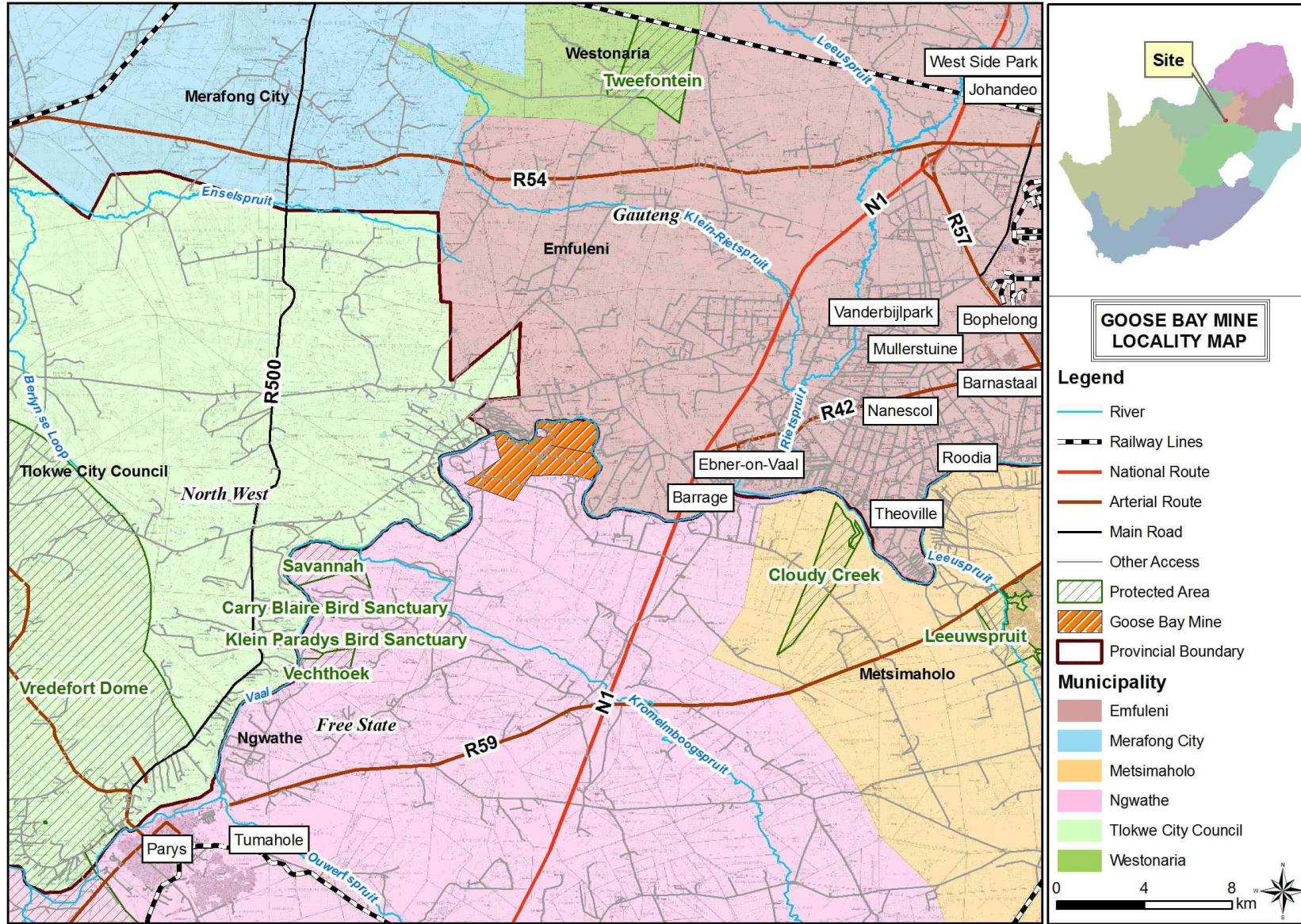


Figure 3: Locality map of Pure Source Mine



1.4 Mine Works Plan: Silica Sand, Aggregate and Alluvial Diamonds Mining

Project Description and Scope of Proposed Activity

Mining under the Mining Right will be undertaken by a “truck and shovel” method utilising suitably sized diesel driven equipment. A **363.5 ha area** (to be revised during EIA phase) will be demarcated for **phased open pit mining and associated infrastructure**.

The area containing the **sand deposit** will be mined in portions of on **average 6.8 ha each year** (in most years, however, the area to be mined will not exceed 5 ha) (to be revised during EIA phase), with **continuous roll-over rehabilitation**.

The area containing the **aggregate resource** will be mined in portions of on **average 4.6 ha, per year** (in most years, however, the area to be mined will not exceed 4 ha) (to be revised during EIA phase).

The planned open pit mine will comprise **three distinct areas for the silica sand** (main pit, north pit and east pit) and four areas for the aggregate (northern pit, central pit, south eastern pit and south western pit). Each area considers an estimated maximum depth of 12 m but may exceed a depth of 12 m in certain areas. The entire application area could have potential for diamond bearing gravels.

The anticipated **life of the mine is 30 years**.

Figure 4: Specialised Sand Processing Graphic

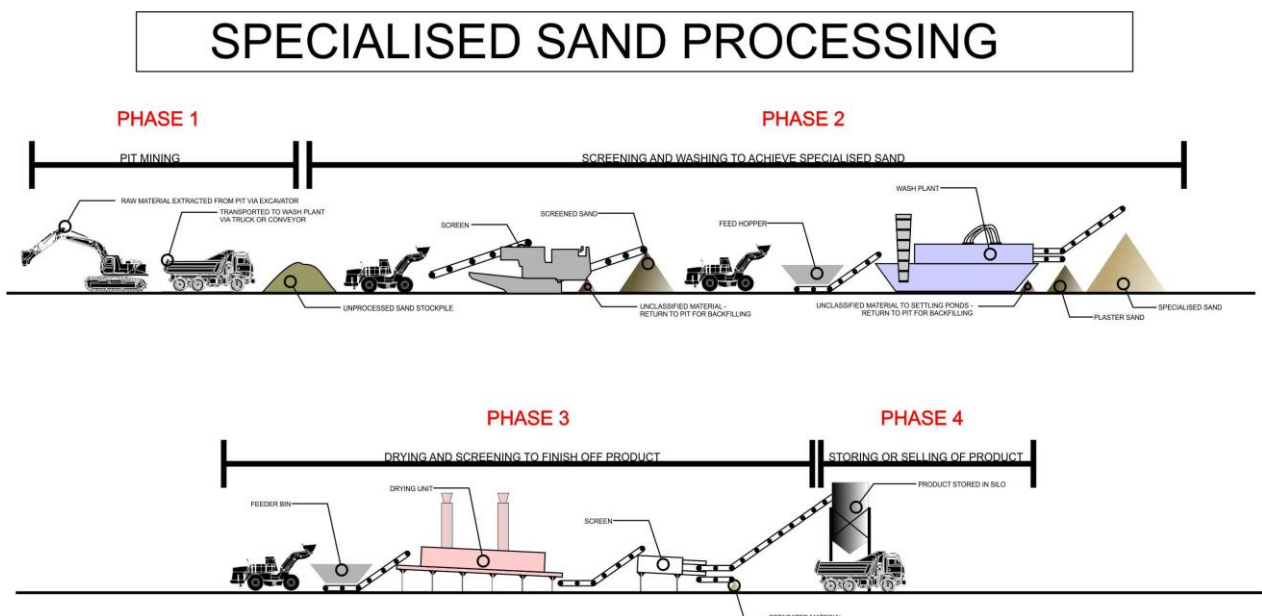
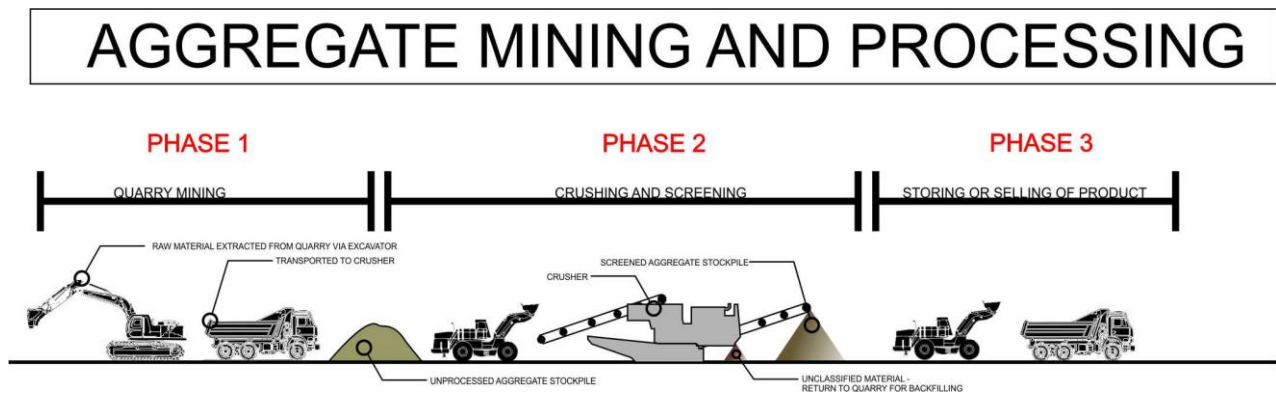


Figure 5: Aggregate Mining and Processing Graphic



1.5 Methods to Facilitate SLP Implementation

MCCP will use the SLP implementation lifecycle and the following methods to ensure the successful and appropriate implementation of the SLP:

1. Establish a governance framework which will ensure that the SLP importance is acknowledged by all individuals in management, and that the roles of the relevant individuals are determined;
2. Draft the SLP and policies, procedures and strategy framework;
3. Implement the targets and commitments stated within the SLP;
4. Monitor and evaluate the level of implementation against the commitments and targets stated in the SLP as well as report on these findings;
5. Acknowledge areas where commitments were not achieved and make improvements through strategic measures and improvement plans; and
6. Communicate the findings and share knowledge regarding the SLP.

SECTION TWO

HUMAN RESOURCES DEVELOPMENT PROGRAMME

**In compliance with Regulation 46(b)
of the Mineral and Petroleum Resources Development Regulations**

2 Human Resources Development Programme

2.1 Introduction

This section will outline the Mine's Human Resource Development (HRD) Programmes as required by Section 46 of the Regulations to the MPRDA. The primary objective of the human resources development programme is to ensure the development and availability of operation specific skills and competencies of the work force and skilling of employees for portable skills that the employees can utilise outside the life of mine. MCCP takes full cognisance of the provisions of Section 101 of the MPRDA to include Core-Contractors as part of the workforce. The targets and provision of the HRD Programme outlined in this section will apply to MCCP's permanent workforce and core contractors. For proper implementation of the HRD Programme, MCCP will utilise accredited providers, where necessary, for their training needs. This will ensure the ongoing facilitation of transferable, accredited skills amongst employees.

2.2 Compliance with Skills Development Legislation

MCCP will comply with the requirements of the Skills Development Act (No 97 of 1998) and will submit Workplace Skills Plans (WSP) and annual training reports to the Mining Qualifications Authority (MQA) at the end of June each year as per the requirements of Regulation 46 (b) (i). Table 1 shows the SETA registration status. The policy is also integrated with paying and claiming of levies and grants with the MQA.

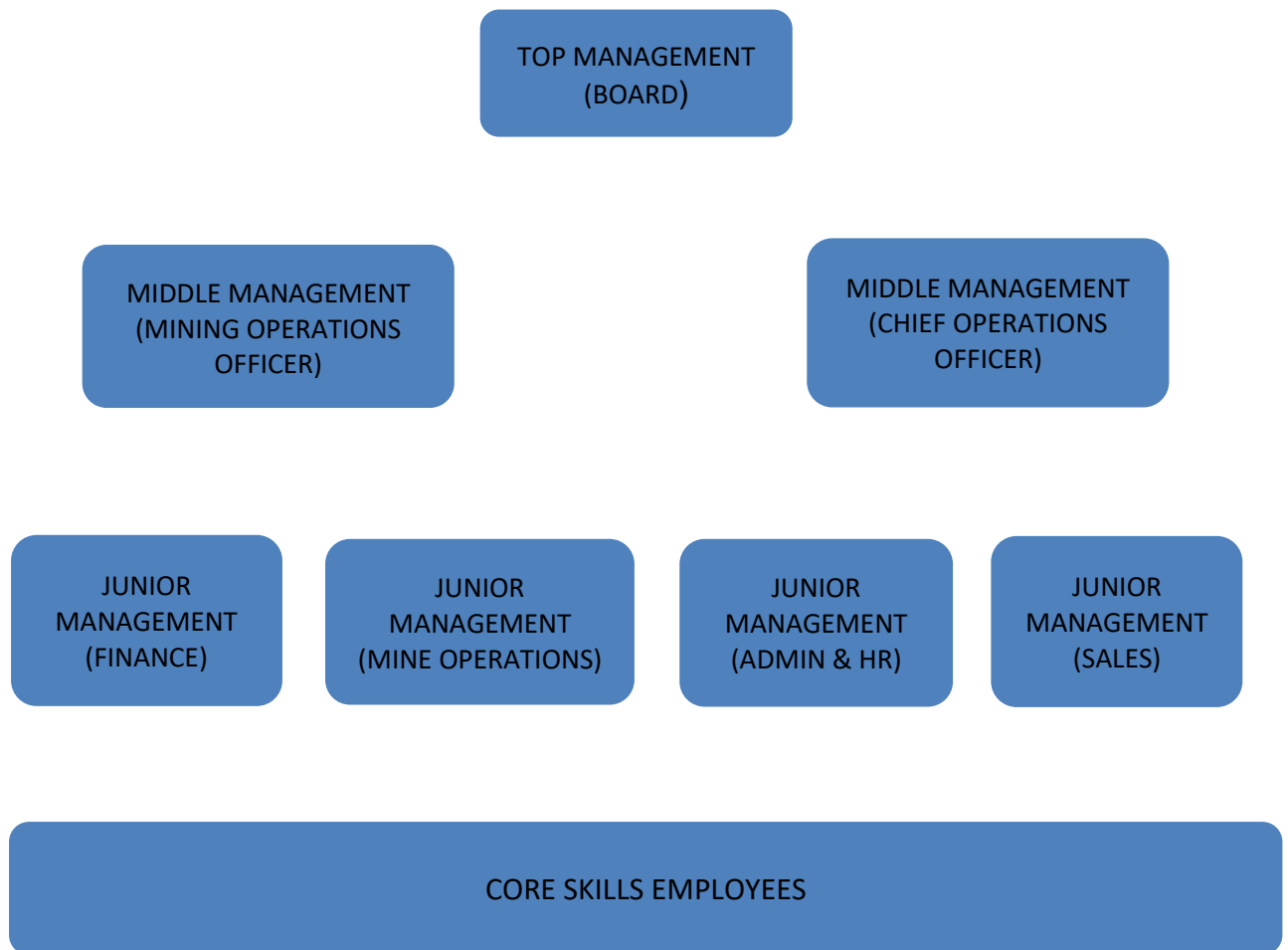
Table 1: Compliance with Skills Development Legislation

Name of SETA	Mining Qualifications Authority
Registration number with the relevant SETA	To be registered
Has your company appointed a Skills Development Facilitator? If yes provide name	To be appointed
To which institution have you submitted your workplace skills plan? (i) Department of Labour (ii) Mining Qualifications Authority (iii) Mine Health and Safety	WSP will be submitted to the MQA once the workforce has been employed.

2.3 Operational layout

The simplified organisational chart **Error! Reference source not found.** below indicates the Mine's anticipated labour force in terms of the predicted positions and hierarchy within the MCCP organisation. No Senior Management level (as **per Mining Charter 2018**) is anticipated.

Figure 6: MCCP Mine Organogram



2.4 Skills Development Plan (Regulation 46 (b) (i))

2.4.1 Introduction

MCCP will implement a Skills Development plan that focuses on equipping employees with the skills to enhance their progression and development in the mining industry.

The objectives for Skills Development to be implemented by MCCP at Pure Source Mine are to:

- improve the quality of life of employees;
- expand employees' prospects for work enhancement at Pure Source Mine;
- enhance safety, productivity and the competitiveness of the employees;
- improve the levels of return on the investment in education and training;
- encourage the use of the workplace as an active learning environment;
- allow new employees to gain relevant work experience;
- advance the employment prospects of employees through education and training; and
- utilise the Workplace Skills Plan as a vehicle to align skills development with both business growth strategies and employment equity plans.

The MCCP Skills Development Plan links with Skills Development legislation and includes the annual submissions of a Workplace Skills Plan (WSP) and Annual Training Reports (ATR) including payment of Skills Development levies to relevant authorities.

Table 2 (Form Q) contains the educational levels of current and envisioned MCCP workforce. The form will be updated once the workforce is established.

Table 2: Form Q- Number and Education Level of all MCCP Employees as per Form Q, Regulation 46 (b) (i) (to be submitted once workforce has been employed)

Band	NQF Level	Planned as per envisaged organogram	Male				Female				Total	
			African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female
General Education and Training (GET)	1	Individuals who did not respond to survey										
		Grade 0 / Pre										
		Grade 1 / Sub A										
		Grade 2 / Sub B										
		Grade 3 / Std 1 / AET 1										
		Grade 4 / Std 2										
		Grade 5 / Std 3 / AET 2										
		Grade 6 / Std 4										
		Grade 7 / Std 5 / AET 3										
		Grade 8 / Std 6										
		Grade 9 / Std 7 / AET 4	7								7	
			9			1					9	1
Further Education and Training (FET)	2	Grade 10 / Std 8 / N1	18			1	1			2	19	3
	3	Grade 11 / Std 9 / N2					2				0	2
	4	Grade 12 / Std 10 / N3	2			1	1				3	1
Higher Education and Training (HET)	5	Higher Certificates and Advanced										
	6	Diploma and Advanced Certificates										
	7	Bachelor's Degree and Advanced Diplomas				1					1	0
	8	Honours Degree, Postgraduate Diploma and Professional Qualifications				1					1	
	9	Master's Degree							1			1
	10	Doctoral Degree										
		Total	36	0	0	4	5	0	1	2	40	8

2.4.2 Recruitment

Recruitment of labour will be guided by M CCP recruitment policies which promote the employment of local labour by the mine as well as by any appointed contractors. A local employment procedure and recruitment process will be developed in consultation with local authorities and representatives. M CCP will ensure that a transparent process of employment will be followed to limit opportunities for conflict that may arise.

M CCP will use recruitment to meet the targets as set forth in this Social and Labour Plan. Positions will be reserved and earmarked for both Historically Disadvantage Persons (HDPs) or Historically Disadvantage People (HDP) (as per Mining Charter 2018) and women in mining to ensure that the targets of Mining Charter 2018 of women and HDSAs/HDPs in all management levels are met.

2.4.3 Principal HRD commitments and timeframes

Table 3 contains a checklist of primary Skills Development plans commitments, activities and timeframes for implementation by M CCP. Specific projects and timeframes described within the supporting plans will be added as and when they are initiated.

Table 3: Checklist for Primary SLP Commitments, Activities and Timeframes for Implementation

Activity	Commencement	Complete
Human Resources Development		
Undertaking of employee skills and aspirations survey	3 months after the identification of a workforce	2 months thereafter
AET Level 1	Within 3 months of completion of employee skills / aspiration surveys	3 months thereafter
AET Level 2	As above	A year later
AET Level 3	As above	A year later
AET Level 4	As above	A year later
Workplace Skills Plan	Mine Production ("MP")	3 months thereafter
Skills Development Plan	MP	3 months thereafter
Submission of Form Q	Establishment of workforce	1 month after completion of employee survey
Submission of Form R	Establishment of workforce	2 months after completion of employee survey
Submission of Form S	Establishment of workforce	1 month after completion of employee survey
Mentorship plan	MP	A year thereafter
Internship and bursary plan	MP	A year thereafter
Employment Equity Plan	MP	3 months thereafter
Career Development and progression plan	MP	6 months thereafter
Downscaling and Retrenchment		
Downscaling and retrenchment strategy	MP	3 months thereafter
Establishment of a Future Forum	6 months after MP	Mine Closure
Financial Provision		
Implementation of funding for Human Resources Development Program	Within 4 months of MP	Mine Closure
Establishment of funds for managing downscaling and retrenchment	Incorporated into mining costs	Mine Closure

2.5 Skills Development Programme

2.5.1 Introduction

Technical knowledge (skills) is acquired academically (education) and practical knowledge (skills) is obtained from the work environment (on-site training). This can be complemented by formal training courses. Competence will be a product of academic and practical learning. Ideally this requires relevant education requirements and development of technical, administrative and managerial skills at the workplace. In this way, an individual develops a career path through employment for life.

MCCP will implement a Skills Development Plan that focuses on equipping employees with the skills to enhance their progression and development in the mining industry.

The objectives for Skills Development at MCCP are to:

- improve the quality of life of employees;
- expand employees' prospects for work enhancement at Pure Source Mine;
- enhance safety, productivity and the competitiveness of the employee;
- improve the levels of return on the investment in education and training;
- encourage the use of the workplace as an active learning environment;
- allow new employees to gain relevant work experience;
- advance the employment prospects of employees through education and training; and
- utilise the Workplace Skills Plan as a vehicle to align skills development with both business growth strategies and employment equity plans.

To ensure that the above-mentioned objectives are achieved, MCCP will submit a workforce skills plan and an annual training report as per the SETA requirements for the mine Project each year after granting of the mining right.

MCCP will also submit an application for the workplace skills plan grant every year. The following are some of the purposes of the abovementioned act that form part of the skills development plan:

- To develop the skills of the South African Workforce;
- To improve the quality of life of the workers, their prospect of work and labour mobility;
- To improve productivity in the workplace and the competitiveness of the company;
- To promote self-employment;
- To increase the levels of investment in education and training in the labour market and to improve the return on that investment;
- To encourage employees to participate in learnerships and other training programs; and

- Pure Source Mine will prioritise the following programmes:
 - Recruitment;
 - Talent Management;
 - Learnerships; and
 - Literacy and Numeracy Training.

Pure Source mine will formulate and implement a Skills Development Plan which will focus on the transfer of skills to employees, to further their capacity in the mining industry, and equip them with alternative skills for after mine closure. The skills development plan will be used to assess and formally document the levels of skills and education of all employees to adequately base the Human Resources related planning.

Skills development will address any skills and competency gaps that may arise and provide for the training needs of HDSA's, the fast tracking of individuals within the talent pool, and the various career-pathing and mentoring programmes.

2.5.2 Recruitment

Recruitment of labour will be guided by Pure Source mine's recruitment policies which promote the employment of local labour by the mine as well as by any appointed contractors. A local employment procedure and recruitment process will be developed in consultation with local authorities and representatives. Pure Source mine will ensure that a transparent process of employment will be followed to limit opportunities for conflict that may arise.

Pure Source mine will use recruitment to meet the targets as set forth in this Social and Labour Plan. Positions will be reserved and earmarked for both HDSA's and women in mining to ensure that the targets of 10% of women in mining and 40% of HDSA in all management levels are met.

2.5.3 Principal commitments and timeframes

The following table (**Table 4**) contains a checklist of primary Skills Development plans commitments, activities and timeframes for implementation by Pure Source. Specific projects and timeframes described within the supporting plans will be added as and when they are initiated.

Table 4: Primary SLP Commitments, Activities and Timeframes

Category	Action plan	Timeframe
Skills development	Conduct skills audit within surrounding local communities to develop an analysis and understanding of the skills that can be obtained	A month before becoming fully operational
	Determine the availability and accessibility of training facilities and plan accordingly	Within 2 months
	Use Business Plan to identify workforce profiles and job requirements	Within 3 months
	Assess employees in terms of skills and competencies gaps	Within 4 months
	Update skills training plan with targets, budgets and timeframes	Within 6 months
	Appoint and confirm Skills Development Facilitator to the Mining Qualifications Authority.	Within 6 months
	Use Business Plan to identify workforce profiles and minimum job requirements	Within 6 months
	Refine AET policy, strategies and procedures for employees as well as local communities	Within 6 months
	Identify service provider to conduct assessments and to train employees	Within 5 months
	Assess employees in terms of skills and competencies gaps once in full-time employment	Within 6 months
AET	Determine capacity and resources requirements	Within 6 months
	Secure commitment and buy in from employees and management	Within 7 months
	Initiate training within 6 months of establishing workforce
Learnerships	Advertise and promote learnerships amongst local communities	Within 3 months
	Determine the availability and accessibility of training facilities and plan accordingly	Within 3 months
	Re-evaluate the future skills needs of the mine	Within 4 months
	Use skills assessment tests to determine further development requirements	Within 5 months
Portable skills	Develop three-year portable skills plans and training schedules	Within 6 months
Hard to fill vacancies	Complete Hard to Fill Form during recruitment process and align needs with proposed development and training initiatives	Within 12 months

Career Progression	Design role descriptions, indicating minimum job-entry requirements, desirable qualifications, applicable courses and recommended career path for each position	Within 4 months
	Conduct gap analysis per employee versus job competency profile	Within 4 months
	Develop detailed five-year career progression plan for talented lower level employees	Within 6 months
	Organize meetings between employee and supervisor to sign agreement on development path	Within 7 months
	Report on quarterly progression of skills development in line with development paths	On-going
	Research framework and methodology for formal mentoring
	Develop a standard contract between mentor and mentee	Within 4 months
	Identify mentors and mentees	Within 5 months
	Sign contract / agreement with identified mentors and mentees	Within 5 months
	Identify service provider to present formal training for mentors and mentees participating in the programme	Within 5 months
	Develop a mentoring plan	Within 6 months
	Develop a measurement system to measure the effectiveness of the mentoring process	Within 6 months
Mentorships	Monthly / annual reporting on progress of mentees from mentors as well as process	On-going
Internships and Bursaries	Develop bursary policy and procedures	
	Develop a plan	Once feasibility completed and final employee figures confirmed
	Align bursary requirements with skills gaps and potential as identified in community skills audit	Within 8 months
	Advertise locally for bursary candidates, visit schools and other local training institutions	Within 12 months

2.5.4 Adult Educational and Training (AET)

The AET programme will be offered to employees as part of the Pure Source Human Resource Development. AET for the community will be prioritised by Pure Source and will ensure that the employees and communities are offered the opportunity to become functionally literate and numerate.

2.5.5 Strategy

The objectives of Pure Source are to:

- build capacity to address sustainable development;
- increase the employee's strength, effectiveness and having skilled labour would yield to the increase of productivity in the mine;
- build expertise, share skills in administration, professional, technical, management, finance and operations; and
- ensure skills development enable employees participate in decision making and control over their lives.

2.5.6 Training programme

AET programme will be offered on a full-time and part-time basis to accommodate employees who work certain shifts. All venues will be accredited by MQA and programmes will be approved by Education and Training Development SETA.

The following programmes will be offered:

- AET – LEVEL 1
- AET – LEVEL 2
- AET – LEVEL 3
- AET – LEVEL 4

The following is the five-year targets plan:

2.5.6.1 AET Targets

The Mine is committed to the development and transformation of its employees as well as the affected communities within which they are operating. **Table 5 and Table 6** provide five-year plans detailing targets for AET for Pure Source employees as well as the surrounding communities.

Table 5: Five Year Targets for AET Training - 18.1

Programme Level	Year 1	Year 2	Year 3	Year 4	Year 5	Total
AET 1	0	1	0	0	0	1
AET 2	0	0	1	0	0	1
AET 3	0	0	0	1	0	1
AET 4	0	0	0	0	1	1
TOTAL Number	0	1	1	1	1	4
Financial Provision1	0	R12 000,00	R12 000,00	R12 000,00	R12 000,00	R48 000,00

Table 6: AET Targets for Community Members (External) 18.2

Programme Level	Year 1	Year 2	Year 3	Year 4	Year 5	Total
AET 1	0	1	0	0	0	1
AET 2	0	0	1	0	0	1
AET 3	0	0	0	1	0	1
AET 4	0	0	0	0	1	1
TOTAL Number	0	1	1	1	1	4
Financial Provision2	0	R12 000,00	R12 000,00	R12 000,00	R12 000,00	R48 000,00

** Note that these anticipated targets will be reviewed once illiterate employees have been identified and assessed.*

All AET facilitators will be qualified trainers in their respective fields and qualified assessors registered with MQA. They will also be expected to comply with ISO 9000 requirements.

When the employee completes AET, he/she would receive a certificate endorsed by the Department of Education as well as MQA and would thereafter embark on other skills and Learnership programmes.

2.5.6.2 AET Action Plan

The following table (**Table 7**) contains the Action plan for the AET Programme at Pure Source. The actual enrolments might differ from the targets, depending on the participation of employees or community members.

Table 7: Action Plan for AET

ACTION	DELIVERABLES
Review and assess the future AET programme in terms of potentially improving: <ol style="list-style-type: none"> 1. Appropriateness of current education programmes. 2. Access to education and training for employees. 3. Awareness of employees to programmes and the benefits of higher education. 4. Communication plan of education and training opportunities for employees. 5. AET programmes, courses, facilitators, location and times. 	A report containing the findings of the assessment exercise and recommendations on the types of programmes to be implemented at Pure Source in the future.
Discussions with the Training Committee about their perceptions of the proposed AET Programme.	Meetings with the Training Committee and recording their perceptions and suggestions.
Implement education and training programmes with revised targets and action steps.	Implementation Report.
Annual assessments and revision of the implementation programme.	A new action plan table for the next reporting period.

2.5.7 Operational (Core Business) Skills Training

The purpose of core skills programme is to equip employees with the required skills and competencies to successfully implement their employment responsibilities. These Programmes are also designed to equip employees with the required capacity and skills to progress to higher levels of employment within Pure Source.

2.5.7.1 The Baseline Situation

A detailed breakdown of the 5-year training Programme targets for Pure Source are provided in **Table 8**. This excludes induction training done with all employees which will be done on an annual basis. The primary focus of the skills Programmes is on training individuals in skills required by the Mine, to enable employees' individual Career Progression and to ensure safe and productive operations.

2.5.7.2 Action plan

Pure Source will actively promote education and skills training opportunities among its employees as well as reassess and refine the Mine's Skills Development Programme. **Table 9** provides a set of action plans for this.

1. Skills development Programmes will be offered to employees through accredited external service providers where required.
2. The training Programme will then be refined to address any shortcomings.
3. The Skills Development Programme will link with the Career Progression Plan, Mentorship Plan, Internship and Bursary Plan and Employment Equity Plan.

Table 8: Projected Core Business Skills Training Targets at Pure Source Mine

Type/Area of Training	Year 1		Year 2		Year 3		Year 4		Year 5		Totals	
	Number	Financial Provision	Number	Financial Provision	Number	Financial Provision	Number	Financial Provision	Number	Financial Provision	Number	Financial Provision
Mineral Processing	1	R15 000	1	R15 000	1	R15 000	1	R15 000	1	R15 000	5	R75 000
Technical Skills	1	R3 000	1	R3 000	1	R3 000	1	R3 000	1	R3 000	5	R15 000
TOTAL Number	2		2		2		2		2		10	
Financial Provision	R18 000,00		R18 000,00		R18 000,00		R18 000,00		R18 000,00		R90 000,00	

Table 9: Action Plan for Skills Programmes

ACTION	DELIVERABLES
Conduct a Skills Audit to identify training needs aligned to the core business functions.	Skills Audit Report
Verify and record all qualifications of employees.	Qualification list
Develop a comprehensive skills training plan with targets, budgets and timeframes (in line with commitments made in the SLP and the business plan).	Skills Training Plan and/or Training Matrix
Compile findings and include them into Workplace Skills Plan.	Workplace Skills Plan
Provide training and education in accordance with specified guidelines, skills gaps and in line with HDSA in management targets.	Training Report

2.5.8 Learnerships

A Learnership is a registered and accredited learning programme that includes practical work experience, as well as theoretical studies, thereby integrating both workplace and institutional learning. Through a learnership, people are able work towards a qualification whilst employed. It provides both vertical and horizontal articulation within the qualifications framework and produces meaningful competencies for productive work. The structured learning part of the learnerships will include the unit- standard categories required to make up a qualification, i.e. fundamental learning, core learning and specialisation. Work experience must relate to structured learning and prepare learners for competence assessment.

Pure Source undertakes to provide Learnership opportunities to both employees (18.1) as well as non-employees (18.2). Placement of learners, particularly 18.2's will be determined by the existence of employment opportunities at the time of their completion.

2.5.8.1 Learnership Targets

The 5-year targets which indicate the new enrolments and roll-over per annum, as the learnerships run over 2-3 years, are indicated in **Table 10 and Table 11**.

2.5.8.2 Learnership Action plan

Pure Source will continue to provide learnerships to equip employees with the necessary skills to improve efficiency in their work. **Table 12** highlights the Action plans Pure Source will take into consideration. The following will be taken into consideration when refining the learnership programmes:

- Offering learnerships registered by the MQA in terms of the Skills Development Act. The company will enter into learnership agreements with Learners in accordance with Sections 16, 17 and 18;
- Enabling the Learner to assume higher levels of responsibility within the workplace and in this way, develop intellectual, interpersonal and communicative skills;
- Providing the Learner with appropriate training in the working environment; and
- Facilitating access to appropriate learning facilities through Pure Source and independent training providers.

Table 10: Pure Source Five (5) year Learnership Commitments (Internal) 18.1

Type/Area of Training	Year 1	Year 2		Year 3		Year 4		Year 5		Total
	Intake	Intake	Continuing	Intake	Continuing	Intake	Continuing	Intake	Continuing	
Learnership	0	1	0	0	1	0	1	1	0	2
Total Learnership Enrolments		1						1		2
Financial Provision		R72 000,00		R72 000,00		R72 000,00		R72 000,00		R288 000,00

* Note: The year 5 intakes will be carried over into the new SLP commitment.

Table 11: Pure Source's Five (5) year Learnerships Commitments (External) 18.2

Type/Area of Training	Year 1	Year 2		Year 3		Year 4		Year 5		Total
	Intake	Intake	Continuing	Intake	Continuing	Intake	Continuing	Intake	Continuing	
Learnership	0	1	0	0	1	0	1	1	0	2
Total Learnership Enrolments		1				0		1		2
Financial Provision		R72 000,00		R72 000,00		R72 000,00		R72 000,00		R288 000,00

Table 12: Learnership Action Plan

ACTION	DELIVERABLES
Evaluate the future skills needs of Pure Source and the current workforce for potential candidates to be enrolled in Learnership Programmes.	List of future skills and positions. List of candidates to be offered the opportunity to be enrolled in the Learnership Programme
Consultation with the Training Committee on the proposed Learnership Programme.	Meetings and Agreement on the way forward with regards to the Learnership Programme
Provide the Learner with appropriate training in the working environment.	Record of training provided
Provide appropriate facilities to the Learners and provide adequate Learner supervision.	Training provider facilities and Pure Source facilities training
Conduct on-the-job assessment of Learners and provide records of learning.	Record of training provided and assessor signatures

2.6 Career Progression Plan - Regulation 4b (b) ii

2.6.1 Introduction

The Career Progression Plan aims to illustrate a career path for employees, indicating possible routes to move or change from one role or position to another within a specific discipline. This will be achieved through defining competencies, such as skills and experience required by the various job categories. The Mine's training and development Programme thus becomes a mechanism for developing employees' capabilities to progress to either a different post within their same level or higher. The path of Career Progression could also be applied during selection and recruitment, training and development and talent management.

2.6.2 Career Progression Targets

The 5-year targets for career progression are as indicated in **Table 13**.

2.6.3 Action plan

Pure Source will actively promote Career Progression and succession opportunities among its employees. Pure Source will refine the current Career Progression Programme, as indicated by the action plan in **Table 14**. The Career Progression Programme will be implemented by means of the following:

1. Pure Source will continue to implement a Career Progression policy, procedure and Programme, which recognises the mature state of the operation, is operation-specific and contextually relevant to the employment levels, organogram, workforce, skills needs, and Employment Equity needs of Pure Source;
2. The Career Progression Programme will be implemented for a five (5)-year period and will be reassessed every five (5) years;
3. Career progression should be used to improve the sustainability of the Company, its business efficiency, employee development, productivity, employee satisfaction and labour stability;
4. The Career Progression Programme will be linked to the Skills Development Programme, Learnership Programme, Internship and Bursary Programme, Mentorship Programme and Employment Equity Programme;
5. These must be closely aligned and linked to scarce skills needs, job-related skills and employee development/progression at Pure Source;
6. Mechanisms are in place for individuals to progress from lower-skilled working levels to higher-skilled working levels and management levels should job opportunities arise and positions become vacant;

7. The Career Progression Plan will ensure that the qualifications, aspirations, developmental needs, and potential capabilities of employees with potential are accounted for in line with the needs and capabilities of the Mine; and
8. Pure Source will identify those employees who demonstrate potential, and require further skills in their current position, as well as employees who need skills aimed at Career Progression to fill a future position.

Pure Source will use its Career Progression Programme as a primary mechanism to empower its employees with potential and meet the employment needs of the company.

Table 13: Pure Source’s Career Progression Targets

Training Programmes within Career Progression Paths	Position Starting from	Target Position Working Towards	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
Management Development	Junior Management	Middle Management	0	0	1	0	0	1
	Employee	Junior Management	0	0	0	1	0	1
	Middle Management	Senior Management	0	1	0	0	1	1
TOTAL			0	1	1	1	1	3
Financial Provision				R30 000,00	R30 000,00	R30 000,00	R30 000,00	R120 000,00

** The Career Progression Programme is based on the needs of the Company. Although Pure Source will strive to achieve these targets individuals will only be appointed into targeted positions should vacancies exist.*

Table 14: Action Plan for Career Progression Plans

ACTION	DELIVERABLES
Conduct regular individual assessments to enable feedback on performance and identify development needs.	Assessment Reports
Create career paths based on the individual assessments and the needs of the Mine. Communicate these to employees to guide them as to career directions.	Individual Development Plans
Describe and publish minimum requirements for employment positions.	Competency Profiles
Ensure that mentors are familiar with each employee’s career aspirations and well informed about development opportunities.	Mentorship Agreements

2.6.4 Portable skills Programmes

2.6.4.1 Introduction

Pure Source will continue offering skills training Programmes throughout the life of the Mine. A high level of focus will be when there is a possibility of retrenchment, downscaling and a possible closure of the mine. The aim of the programme is to equip employees with alternative skills to utilise outside the mining environment.

2.6.4.2 Portable Skills Targets

The 5-year targets set for portable skills training at Pure Source are reflected in **Table 15**. Employees will be given the opportunity to select from options provided in **Table 15**, a portable skills course to enrol into and complete. Additional courses will be considered as the need arise.

2.6.4.3 Action plan

The mine will be greatly focused on equipping its employees with suitable portable skills to enable them to find other forms of livelihood in other sectors of the economy. These skills Programmes will include, but are not limited to, the following: agriculture, computer courses, soft skills, craft making, financial literacy and other. The action plan is provided in **Table 16**.

Table 15: Portable Skills Training Non-Mining Fields

Portable Skills Programmes	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
Portable Skills Programmes (agriculture, computer courses, soft skills, craft making, financial literacy & other)	0	2	2	2	2	8
Total Number	0	2	2	2	2	8
Financial Provision	0	R20 000,00	R20 000,00	R20 000,00	R20 000,00	R80 000,00

Table 16: Portable Skills Training Programme Action Plan

ACTION	DELIVERABLES
Determine suitable economic opportunities/sectors outside of mining, through consultation with relevant stakeholders and review of the municipality's Integrated Development Plan.	Feedback report on suitable economic opportunities outside the mining sector
Conduct a survey to determine which portable skills are in demand by Mine employees.	Survey Results
Compile a detailed portable skills training Programme.	A detailed portable skills training Programme
Evaluate and appoint suitable training Service Providers as required.	A detailed list of training service providers

2.6.4.4 Hard-to-fill vacancies

Hard-to-fill vacancies represent both currently filled and vacant positions that are difficult to satisfy due to the limited availability of relating skills. This may represent future challenges for Pure Source to remain compliant in terms of its Employment Equity obligations in accordance with the Mining Charter. Currently, Pure Source’s hard-to-fill vacancies are highlighted in Form R (**Table 17**).

Table 17: Hard-to-fill Vacancies as per Annexure II of the MPRDA regulations

Occupational level	Job title of vacancy	Main reason for inability to fill when vacant
Top Management	None	
Senior Management	None	
Skilled technical and academically qualified workers, junior management, supervisors	Machine operators Safety & traffic control personnel Logistics management	High demand for machine operators. There is little supply of safety and traffic control personnel. High demand for logistics personnel.
Semi-skilled and discretionary decision making	None	
Unskilled and defined decision-making	None	

2.7 Mentorship Plan - Regulation 46 (b) (iii)

2.7.1 Introduction

Mentorship is a key process and tool in the support of people development, Employment Equity, HRD planning, and performance management. It is a formal relationship between a mentor and a mentee and is established to enhance the mentee's career by building skills and knowledge. This is a continuous process and ensures that the mentee's potential is unlocked, which benefits everyone, including the mine.

Internal mentorship refers to "in-house" mentorship whereby lower-level employees are paired with higher-level employees for a transfer of skills to take place.

External mentorship refers to the coaching of outside BEE companies who have an interest in being involved in mining.

Pure Source Mentorship Plan will represent a carefully planned and professional intervention to facilitate a larger initiative to support employee and Skills Development within the Operation.

2.7.2 Targets

- a) The Mentorship Plan focuses on mentoring the identified employees to progress into earmarked positions should they become available or to ensure competency in a specific skill;
- b) The Mentorship Plan is linked to Skills Training, Learnerships, Career Progression, Internships, and Employment Equity:
- c) The Mentorship Plan is based on both the aspirations of the employee and business requirements of the company.

Table 18 provides a summary of the mentorship targets for Pure Source for the next 5 years.

Table 18: Pure Source Mentorship Targets

Mentoring Programme	Duration	Year 1			Year 2			Year 3			Year 4			Year 5			Totals
		HDSA	NON-HDSA	Totals	HDSA	NON-HDSA	Totals	HDSA	NON-HDSA	Totals	HDSA	NON-HDSA	Totals	HDSA	NON-HDSA	Totals	
Welding	Ongoing	1	1	2	1	0	1	1	0	1	1	1	2	1	1	2	8
Grinding	Ongoing	1	1	2	1	0	1	1	0	1	1	1	2	1	1	2	8
Diesel engine maintenance & repair	Ongoing	1	1	2	1	1	2	1	0	1	1	0	1	1	1	2	8
Petrol engine maintenance & repair	Ongoing	1	1	2	1	1	2	1	0	1	1	0	1	1	1	2	8
Screen maintenance & repair	Ongoing	1	1	2	1	1	2	1	1	2	1	1	2	1	1	2	10
Wash plant maintenance & repair	Ongoing	0	0	0	0	0	0	1	1	2	1	1	2	1	1	2	6
Drying plant maintenance & repair	Ongoing	0	0	0	0	0	0	1	1	2	1	1	2	1	1	2	6
Crusher plant maintenance & repair	Ongoing	1	1	2	0	0	0	1	1	2	1	1	2	1	1	2	8
Admin	Ongoing	1	1	2	2	1	3	2	2	4	2	2	4	2	2	4	17

Junior management	Ongoing	1	1	2	2	2	4	2	2	4	2	2	4	1	1	2	16
Middle management	Ongoing	0	1	1	0	1	1	0	2	2	0	2	2	0	1	1	7
Senior management	Ongoing	1	1	2	1	2	3	1	2	3	1	2	3	1	1	2	13
TOTAL		9	10	19	10	9	19	13	12	25	13	14	27	12	13	25	115
Financial Provision		R15 390,00			R15 390,00			R20 250,00			R21 870,00			R20 250,00			R93 150,00

*The Pure Source mentorship program focuses developing individuals to advance into higher positions. These individuals however will stay on the program until such positions become available

2.7.3 Mentorship Plan

Pure Source promotes mentorship opportunities among its employees in the company's talent pool.

1. The Mentorship Programme focuses on mentoring and coaching employees into more specialised positions. This will be aligned with the skills and Employment Equity requirements of Pure Source.
2. The Mentorship Programme is linked to the Skills Development, Learnership, Career Progression, Internships, Bursary and Employment Equity Programmes.
3. An action plan for the implementation of the mentorship Programme is provided in **Table 19** and will be updated annually.

4. Pure Source will implement the following mechanisms for internal mentorship:
 - 4.1 Establish mentoring implementation structures within Pure Source;
 - 4.2 Identify mentors / mentees;
 - 4.3 Match mentors with suitable mentees;
 - 4.4 Set relationship goals and plans for learning Programmes; and
 - 4.5 Implement and monitor mentee’s progress and evaluate.

5. The mentorship plan will be implemented through the following steps:
 - 5.1 Transferring skills to the identified employees;
 - 5.2 Ensuring that mentors are sufficiently capacitated for their role;
 - 5.3 Ensuring that mentees are matched with suitable mentors in terms of personality type, etc; and
 - 5.4 Providing accelerated individualised development Programmes for those employees identified as having potential and aspiration.

Table 19: Mentorship Action Plan

ACTION	DELIVERABLES
Continue to implement the Mentorship programme each year according to the mentor/mentee agreements.	Individual Mentor/Mentee agreements (updated annually)
Annually review the current talent pool and assign mentors to new candidates.	Growing and evolving Talent Pool
Identify new potential mentors and arrange the necessary training for them.	Growing and evolving mentor pool as required
Annual assessment and revision of the implementation Programme.	Adjusting the Pure Source mentorship programme to address any changing needs

2.8 Internship and Bursary Plan – Regulation 46 (b) (iv)

2.8.1 Introduction

Pure Source is aware of the need not only to assist its own employees with development opportunities, but also members of the local community to access tertiary education (bursaries) and experiential work (internships). The bursary and internship plan help to develop individuals, thus supplying the operation with its required skills. Apart from business related qualifications, Pure Source is also aware of the need to develop qualified individuals from other sectors of the economy, whose communities will be affected by the mine.

2.8.2 Bursary Targets

Table 20, Table 21 and **Table 22** provide Pure Source's bursary and internship targets for Year 1 – Year 5. The Internship and Bursary Programme will be linked to the Employment Equity Programmes.

2.8.3 Action plan

Future bursaries will be awarded according to, and based on, professional qualifications required within the business. The number of opportunities offered will be subject to the financial situation and employment need of the Company. Internships will be offered to students who have completed their academic studies at higher education institutions. This applies to both bursary holders as well as individuals who did not receive Pure Source bursaries.

Pure Source will implement the following strategic actions regarding its internships and bursaries:

- i. Allowing individuals to work as apprentices to skilled people on the Mine;
- ii. Promoting accelerated and equitable access to bursary and internship opportunities;
- iii. Integrating the intern or bursar as an operating member of the company, should suitable vacancies exist;
- iv. Providing internship and bursary supervisors to function as educators and overseer of the programmes;
- v. Involving interns in diverse responsibilities and exposing them to a broad range of challenges;
- vi. Providing evaluation of each internship and bursary;
- vii. Exposing interns and bursars to the network of industry professionals;
- viii. Providing a bursary scheme to cater for learners who wish to pursue undergraduate or postgraduate studies in mining related sectors;
- ix. Appropriately advertising internship/bursary opportunities within Pure Source, as well as the necessary selection criteria thereof;
- x. Identifying selected learners at pre-tertiary level to nurture potential at an early stage. These learners will be provided with bursaries which are relevant to the current and future market needs of the mining sector and the company; and

- xi. Providing bursaries which cover fees for registration, tuition, accommodation, and learning materials.

This plan will be designed for a five (5)-year period and will be updated at the end of each period. An action plan has been developed for the compilation of an Internships and Bursaries Plan, as indicated in **Table 23**.

Table 20: Pure Source Bursary Targets External

Bursary Field	Year 1		Year 2		Year 3		Year 4		Year 5		Total
	Intake	Continuing	Intake	Continuing	Intake	Continuing	Intake	Continuing	Intake	Continuing	
Mining/Geology/Finance/ Legal/ Agriculture/Admin	0	0	1	0	0	1	0	1	0	1	1
Total Bursaries	0		1		0		0		0		1
Financial Provision	0		R30 000,00		R30 000,00		R30 000,00		R30 000,00		R120 00,00

Table 21: Pure Source Bursary Targets (Internal) Study Assistance

Bursary Field	Year 1		Year 2		Year 3		Year 4		Year 5		Total
	Intake	Continuing	Intake	Continuing	Intake	Continuing	Intake	Continuing	Intake	Continuing	
Tourism/Engineering/ Medicine/ Mining/ Legal/ Admin/ Finance	0	0	1	0	0	1	0	1	0	1	1
Total Bursaries	0		1		0		0		0		1
Financial Provision	0		R30 000,00		R30 000,00		R30 000,00		R30 000,00		R120 00,00

Table 22: Pure Source Internship Targets

Mentoring Programme	Year 1			Year 2			Year 3			Year 4			Year 5			Totals
	Male	Female	Totals	Male	Female	Totals	Male	Female	Totals	Male	Female	Totals	Male	Female	Totals	
Admin/ Finance/Other	0	0	0	0	1	1	1	0	1	0	1	1	1	0	1	4
Machine operators/ Welders/ grinders/ Diesel mechanics/ Logistics/ Traffic Controller	0	0	0	1	0	1	0	1	1	1	0	1	0	1	1	4
Totals	0	0	0	1	1	2	1	1	2	1	1	2	1	1	2	8
Financial Provision	0			R50 000,00			R50 000,00			R50 000,00			R50 000,00			R200 000,00

Table 23: Internships and Bursaries Action Plan

ACTION	DELIVERABLES
Determine business needs in terms of internship and bursary requirements for the future.	List of needs in terms of labour requirements, specifically those with higher education specifications.
Upgrade the implementation Programme for internships and bursaries.	Upgraded Internship and Bursaries Implementation Programme.
Develop and implement an awareness Programme with employees and local communities for internship and bursary opportunities at Pure Source.	Formulation and implementation of an awareness and communication Programme and implementation on an ongoing basis.

ACTION	DELIVERABLES
Provide annual assessment and revision of the implementation Programme.	A new action plan table for the next reporting period.

2.9 Employment Equity Plan – Regulation 46 (b) (v)

2.9.1 Introduction

Pure Source fully subscribes to the principles of the Mining Charter and strives to achieve more than the minimum requirements. The Company believes that Employment Equity is an integral part of building an effective and representative workforce to ensure equality among its employees. Effort will be directed to identify those HDSAs with talent, and then to provide accelerated training and development initiatives to assist their progression when suitable vacancies arise.

Transformation within Pure Source is guided by the South African Constitution and the MPRDA, which promotes equity and fairness, dignity, transparency and accountability. Importantly, the Constitution not only defines formal equality, but also permits the implementation of affirmative will be updated in **Form S (Table 24)** once the mine employs its workforce and **Table 25** indicate target percentages of HDSAs and women at the Operation. **Table 26** provides the EE Action Plan.

Pure Source EE Plan will continue to

- Ensure fair and non-discriminatory practices which respect the rights and dignity of all employees irrespective of colour, race, gender and disability;
- Ensure that staff at all levels are suitably qualified or have the potential to meet the intrinsic requirements of the job; and
- Ensure women are targeted for learnerships, bursaries, internships, career progression and in particular during the recruitment process, the company will take into consideration female representation.

Table 24: Form S Pure Source’s Employment Equity Statistics at full production

Occupational levels	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Board)	0	0	0	1	0	0	1	0	2
Senior Management (Exco)	0	0	0	0	0	0	0	0	0
Middle Management	0	0	0	1	1	0	0	0	2
Junior Management	2	0	0	2	2	0	0	1	7
Core Skills	34	0	0	0	2	0	0	1	37
Total number of Permanent Employees	36	0	0	4	5	0	1	2	48

NB. The organisational structure for the operation does not include a senior management level.

Table 25 Pure Source's HDSA in Management Five-Year Targets

	Headcount	Target	Year 1	Year 2	Year 3	Year 4	Year 5
BOARD							
HDPs	1	50%	50%	50%	50%	50%	50%
HDP (F)	1	20%	50%	50%	50%	50%	50%
EXECUTIVE MANAGEMENT³							
HDPs	n/a	50%	n/a	n/a	n/a	n/a	n/a
HDP (F)	n/a	20%	n/a	n/a	n/a	n/a	n/a
SENIOR MANAGEMENT⁴							
HDPs	n/a	60%	n/a	n/a	n/a	n/a	n/a
HDP (F)	n/a	25%	n/a	n/a	n/a	n/a	n/a
MIDDLE MANAGEMENT							
HDPs	1	60%	50%	50%	50%	50%	50%
HDP (F)	1	25%	50%	50%	50%	50%	50%
JUNIOR MANAGEMENT							
HDPs	5	70%	71%	71%	71%	71%	71%
HDP (F)	2	30%	29%	29%	29%	29%	29%
EMPLOYEES WITH DISABILITIES							
HDPs	1	1,5%	2%	2%	2%	2%	2%
CORE AND CRITICAL SKILLS							
HDPs	37	60%	74%	74%	74%	74%	74%

Table 26: Strategic Action Plan for the Implementation of EE at Pure Source Mine

ACTION	DELIVERABLES
1. Establish the EE Plan and report on progress on meeting commitments to the Department of Mineral Resources (DMR).	DMR report
2. A copy of the report will be made available to employees.	Communication
3. Ensure visible support and commitment of managers to the EE process.	Attendance of the meeting

³ Pure Source's organisational structure does not include an Executive Management level.

⁴ Pure Source's organisation structure does not include a Senior Management level.

ACTION	DELIVERABLES
4. Develop fast-tracking procedure for HDSAs.	Employment equity targets / Employment report
5. Allocate specific mentors and coaches to HDSA individuals exhibiting potential and aspiration for management positions.	Reports

2.9.2 Action plan

Pure Source will continue to maintain EE targets at a level not lower than those prescribed by the existing Mining Charter at any time.

2.9.2.1 The Participation of Historically Disadvantaged South Africans

The following is relevant to the participation of HDSAs:

1. Pure Source will strive towards ensuring that targets as prescribed in the prevailing Mining Charter at the time, in each level of management, are composed of HDSAs. However, the Company will develop their own employees to fill these quotas where possible. To achieve this the Company will adhere to the following:
 - i. Selecting, training and empowering candidates at lower levels from within the organisation to progress, where possible, into position that may arise. This would be the preferred first option;
 - ii. Recruiting candidates from outside of the company, only as a last resort, after every effort has been made by Pure Source to implement the above steps without success.
2. This mechanism will result in “true” empowerment of individuals and contribute more to transformation of the mining industry than “poaching” would;
3. Pure Source will implement the following action plan in **Table 27** to create opportunities for the participation of HDSAs on a managerial level, which will be updated annually.

Table 27: Participation of HDSAs in Management Action Plan

ACTION	DELIVERABLES
Determine Employment Equity needs and aggregate positions in management in terms of the requirements of the MPRDA.	List of positions and needs.
Assess the internal Pure Source Talent Pool of employees for potential HDSA candidates that can fill higher level positions should vacancies occur (based on competence and commitment, in line with the Career Progression and Skills Development Plans).	Identified HDSA and female candidates with potential.
Implement a formal career planning system for HDSA employees with potential at Pure Source.	General career planning system for HDSA employees.

Pure Source will implement the following mechanisms to encourage the participation of HDSAs in higher skills and managerial levels:

1. Use the Employment Equity report to accurately determine the existing racial and gender mix at the Mine;
2. Assess the findings of the Employment Equity Reports regarding the participation of HDSAs;
3. Provide preference to HDSAs for skilled and management positions, should they meet the job requirements;
4. Use recruitment strategies for importing suitably qualified HDSAs only as a last resort;
5. Use Succession planning, career development, and performance management systems to facilitate the development of HDSAs into management positions;
6. Communicate job opportunities within the Operation;
7. Continue sensitising and educating employees about issues involving gender, race, and diversity to promote a non-discriminatory culture; and
8. Allocate specific mentors and coaches to HDSA individuals in the talent pool exhibiting potential and aspiration for higher-skilled and management positions. In this way they will be sufficiently trained to become more likely candidates for promotion.

2.9.2.2 Participation of women

The following is relevant to the participation of women in mining:

1. In compliance with the spirit of the MPRDA, Pure Source will continue to strive to increase the participation of black women in managerial, professional and core mining related positions:
2. An **Action Plan** to increase the participation of women in mining is provided in **Table 28**.
3. Progress against these plans will be reported annually in accordance with the requirements of the DoL and the DMR.
4. The above-mentioned Tables will be updated annually.

Table 28: Action Plan for the Participation of Women in Mining

ACTION	DELIVERABLES
<p>Discussion and brain-storming of the issues, problems and compliance gaps in terms of Women in Mining at the woman’s forum relating to:</p> <ol style="list-style-type: none"> 1. Devising measures to address the potential issues/obstacles preventing the successful integration and retention of women; 2. Devising measures to change the physical mining environment and adapting the technical equipment to be women-friendly; and 	<p>Identification of the primary issues, challenges and solutions on the way forward to bring about meaningful change at Pure Source.</p>

ACTION	DELIVERABLES
3. Implementing awareness Programmes to sensitize the perceptions of men towards women.	
Ongoing monitoring of the women in mining implementation Programme in line with the Employment Equity Plan.	Ongoing monitoring of women in mining project Programme.

SECTION THREE

MINE COMMUNITY DEVELOPMENT

**In compliance with Regulation 46(c)
of the Mineral and Petroleum Resources Development Regulations**

3 LOCAL ECONOMIC DEVELOPMENT PROGRAMME (LEDP)

3.1 Approach

Pure Source mine intends to adhere to corporate responsibility principles, which include fulfilling responsibilities to the communities surrounding the mine and from their labour sending areas. This will be done through the Local Economic Development (LED) programmes, which are a requirement of an SLP for the approval of the DMR. This section primarily focuses on the LED Plan for the Pure Source mine's SLP.

The new Mining Charter (Charter3), requires the mine to channel resources to communities where mining takes place, major labour sending areas as well as in adjacent communities within local municipality, metropolitan municipality and/or district municipality. At the time of assessment, it was found that approximately 3 towns; Vanderbiljpark, Parys and Vredefort lie within the 45km radius from the mine. A further 3 towns located within 120km radius from the mine are likely to also form part of the labour sending areas. These are; Koppies, Heilbron and Edenville.

Pure Source has chosen to follow a "bottom-up" approach to Local Economic Development (LED), whereby projects are envisaged, initiated, and sustained by local community members. The project chosen has been designed in line with the Ngwathe Local Municipality's IDP priorities, and the project has been proposed on this basis. In this way, the community will build its own skills base and have ownership of the project from the onset. Pure Source thus aims to capacitate the community to achieve and continue its own development goals.

The LED plan for Pure Source will be updated on an annual basis to reflect changing priorities and objectives, and the results of studies that are undertaken with affected communities. The LED plan for Pure Source aims to promote development which:

- Integrates the mine's SLP into the Ngwathe Local Municipality 's IDP through serving on the local LED Forum and through consultation with the LED manager for the municipality;
- Assists in implementing LED projects and/or programmes identified in the IDPs, in partnership with local government, business and affected communities;
- Undertakes and support identified sustainable development initiatives in surrounding and affected communities;
- Provide HDSA's who possess the required technical ability with a preferred supplier status for the procurement categories of South African based companies for Mining Goods and Services.

3.2 Background Socio-economic Information

3.2.1 Introduction

Pure Source is located approximately 25km south-west of the town of Vanderbijlpark within the Ngwathe Local Municipality. NLM contributes to the Fezile Dabi District Municipality (FDDM) in the Free State Province of South Africa. FDDM is the smallest district among the 5 in the province. A desktop background socio-economic study on the immediate area of operation is provided in the Socio-Economic Analysis, below. Socio-economic data was sourced from the *2011 National Census* information, the final 2017/2018 – 2021/22 financial year, consolidated Ngwathe Local Municipality (NLM) IDP and the Fezile Dabi District Municipality (FDDM) 2017 – 2022 final IDP.

3.2.2 District and Local Socio-Economic Analysis

The data has been augmented with information from the 2017 -2022 IDP document for the FDDM and the NLM; 2017/2018 - 2021/2022. In this section, the socio-economic data from FDDM and NLM will be analysed. The objectives of the FDDM and NLM IDPs, relating to each aspect of the socio-economic environment of the municipality will also be explained.

3.2.2.1 Population

The Free State Province is the third largest province in South Africa and has the second smallest population (2.8 million) (community survey 2016). The majority of the population (2.6 million) of the people residing in Free State were born in that province. The province has an unemployment rate of 48%. The main economic activities are: agriculture, mining, floriculture, manufacturing, and tourism (Community survey 2016).

Most of the people in Ngwathe are from within Free State. This is an indication of a strong local labour force available in the area. According to **Table 29**, the majority of the population of NLM (88%) are black, followed by whites at 9.5%, then Indians at 2.6% and lastly coloureds, which constitute 0.05%

Table 29: Distribution of Population by population group

Black	White	Coloured	Indians
104 507	11 299	3 039	61
88%	9.5%	2.6%	0.05%

3.2.2.2 Population by Age Group

Error! Reference source not found.30 shows the composition of the population in FDDM and NLM by age group is 28.1% and 30.1% respectively of the young population (i.e. below the age of 15 years), which is

significant. The percentages of the economically active age groups (15 - 64 years) within both the district and local municipalities are 65.9% and 62.4% respectively.

This is likely to have a strong impact on the creation of employment opportunities for those below 15 years when they move into the economically active bracket. Unemployment may rise significantly if employment opportunities are not created. A young population also implies high dependency ratios and increased pressure on the portion of the population that is employed to support the dependent and unemployed people.

The focus during the implementation of SLP initiatives should, thus, be on job creation and skills development, to absorb the young people finishing school and the economically active but unemployed sector of the population.

Table 30: Population by Age group

AGE GROUPS	FDDM		NLM	
	Number	%	Number	%
0 – 14 years	137 160	28.1%	36 282	30,1
15 – 64 years	321 207	65.9%	75 242	62.4
65 years and over	29 669	6.08%	8 996	7.5
Total	488 036	100	120 520	100

Source: Stats SA 2011

3.2.2.3 Dependency

Age dependency ratios tell us how many young people (under 15 years of age) and older people (over 64 years of age) depend on the people of working age, classified as economically active (15 - 64 years). Approximately 137 160 (28.1%) people in FDDM are below the age of 15 years and 29 669 (6.08%) people are above the age of 64 years, while 321 207 (65.9%) are between the ages of 15 and 64. In the case of NLM, 36 282 (30.1%) people are below the age of 15 years and 8 996 (7.5%) people are above the age of 64 years, while 75 242 (62.4%) are between the ages 15 and 64. The high proportion of people below the age of 15 years in both FDDM and NLM is indicative of a high dependency burden on those people who are employed and economically active.

The age-dependency ratios for FDDM and NLM (refer to **Error! Reference source not found.31**) are respectively **51.9%** and **60.2%** people, who are dependent on every 100 people, classified as economically active.

Table 31: Dependency Ratios for FDDM and NLM

RATIO PER 100 PERSONS	FDDM	NLM
Age dependency ratio	51.9%	60.2%

Source: Stats SA 2011

3.2.2.3 Gender Composition

In terms of gender composition (**Table 32**), both the FDDM district (55%) and NLM (55%) municipalities have a higher percentage of women than men. As it can be assumed that unemployment and poverty is, therefore, higher amongst females, skills development and job creation strategies should especially focus on the empowerment of females.

Table 32: Gender Composition

GENDER	FDDM		NLM	
	Number	%	Number	%
Female	245 694	50.3	63 096	52.4
Male	242 342	49.7	57 424	47.6
Total	488 036	100	120 520	100

Source: Stats SA 2011

3.2.3.4 Language

Within the district and local municipalities, Sesotho is shown to be the dominant spoken language (**Table 33**) with 67.3% and 68.6 of the inhabitants speaking this language in FDDM and NLM, respectively. The high proportion of Sesotho speaking people implies that, for any development strategies within FDDM and NLM to succeed, they must be sensitive to the predominant cultural systems and social dynamics related to the Sesotho culture. Communication processes and material should take these findings into consideration and should be made available in the Sesotho language.

Table 33: Language

LANGUAGE	FDDM		NLM	
	Number	%	Number	%
Afrikaans	64 990	13.8%	15 918	13.4%
English	11 759	2.5%	2 251	1.9%
IsiNdebele	1 640	0.3%	388	0.3%
IsiXhosa	28 036	6%	10 152	8.5%
IsiZulu	26 497	5.6%	4 049	3.4%
Sepedi	2 986	0.6%	247	0.2%
Sesotho	316 408	67.3%	81 661	68.6%
Setswana	4 797	1%	1 251	1.1%
Sign language	6 695	1.4%	1 845	1.5%
SiSwati	570	0.1%	94	0.1%
Tshivenda	842	0.2%	110	0.1%
Xitsonga	1 427	0.3%	189	0.2%
Other	3 367	0.7%	925	0.8%
Not applicable	18 022	3.7%	1 440	1.2%
Total	488 036	100	120 520	100

Source: Stats SA 2011

3.2.2.5 Education

Educational trends between the district area and the local municipal area are similar. There is a significant percentage of people in both FDDM (15%) and NLM (11.7%) who have not received any formal education, which means the illiteracy rates in both areas are relatively prevalent. In FDDM and NLM, 9.5% and 13.6% respectively have obtained some form of primary education, while the majority in the area have some secondary education (70.9% for FDDM and 69.7% for NLM). Not many people in both FDDM (4.6%) and NLM (5%) areas have attained a tertiary qualification (**Table 34**).

Table 34: Education Levels of Adults Aged 20 and older

GROUP	FDDM		NLM	
	Number	%	Number	%
No schooling	21 576	15%	3 592	11.7%
Primary	13 621	9.5%	4 179	13.6%
Secondary	101 894	70.9%	21 370	69.7%
Higher	6 646	4.6%	1 536	5%
Total	143 737	100	30 677	100

Source: Community Survey 2016

The educational levels of the population in FDDM and NLM should be increased through Adult Education and Training (AET) programmes. If not, the unemployed population, who are most likely classified as poor, will be bypassed by employment opportunities due to a lack of capacity, and the unemployment rate may remain unchanged. Furthermore, the high proportion of the population that is currently school-going will need to be absorbed into the job market once they have completed their studies. The high level of economically dependent persons (children and pensioners), combined with the unemployed population, places increased levels of stress and dependency on those persons who are employed.

3.2.2.6 Employment and Occupation

FDDM and NLM have unemployment rates of approximately 33.9% and 48.3% respectively and an employment rate of 66.1% for FDDM and 51.7% for NLM (Table 35). According to these figures, there is a significant need, amongst the populations of both FDDM and NLM for LED projects that promote the creation of employment opportunities.

Table 35: Employment Level

UNEMPLOYMENT	FDDM		NLM	
	Number	%	Number	%
Employed	117 732	66.1	25 635	51.7
Unemployed	60 344	33.9	23 920	48.3
Total	178 076	100	49 555	100

Source: Stats SA 2011

3.2.2.7 Industry

In terms of occupation, the fact that most industries within the FDDM and NLM areas are elementary in nature means that most occupations are mainly in sectors such as community services, manual labour and agricultural, manufacturing and mining work. This fact is in line with the reported low higher education

levels of the area. The implementation of Pure Source SLP should, therefore, focus on providing employees with skills that would enable them to gain entry into higher levels of employment and other sectors of the economy. Within Pure Source this can only be achieved through a purposeful skills development programme, to develop capacities in line with needs as identified in the BSESS.

3.2.2.8 Household Income

As is evident in **Table 36**, a small portion of households do not receive any form of yearly income (11.5% for FDDM and 1.3% for NLM). Approximately 5.1% of households in FDDM and 5.5% of households in NLM earn between R1 and R4 800 a year, which translate to R400 or less per month. When one considers that the average household size is larger than 3 persons (**Table 37**), and that about 11.5% in FDDM and 1.3% in NLM of the population has no formal income and a further 5% that live on less than R130 a month per month.

Table 36: Yearly Household Income

HOUSEHOLD INCOME	FDDM		NLM	
	Number	%	Number	%
No income	16 737	11.5	4 831	1.3
R1 - R4 800	7 350	5.1	2 027	5.5
R4801 – R9600	11 377	7.8	3 303	8.9
R9601 - R 19 600	30 054	20.7	9 046	2.4
R19 601 - R 38 200	32 126	22.2	8 487	2.9
R38 201 – R7 6 400	19 190	13.2	4 275	11.5
R76 401 - R153 800	12 294	8.5	2 483	6.7
R153 801 – RR307 600	9 009	6.2	1 576	4.2
R307 601 – R614 400	4 783	3.3	767	2.1
R614 001 – R1 228 800	1 375	0.9	194	0.5
R1 228 801- R2 457 800	394	0.3	60	0.2
R2 457 801 and over	284	0.2	52	0.1
Total	144 977	100	37 101	100

Source: Stats SA 2011

According to the World Bank (<http://www.worldbank.org/en/publication/poverty-and-shared-prosperity>), households are regarded as living below the poverty line if they live on less than \$1.90 per day (i.e. at about R24.50 per day which is about R735 per month). According to (**Table 36**), about 45% of households in FDDM and 55% in NLM live below the poverty line. This considers the fact that the average household size is over 3 persons, and also the implication that, from a monthly income of R800, most of the population live on an income of about R260 per month, which translated to R8.67 per day per person.

The low levels of permanent and reliable income amongst the district and local population, coupled with the high levels of unemployment, are indicative of a limited base of income-earning opportunities in other sectors of the economy outside core; agriculture, mining, floriculture, manufacturing and tourism. This reinforces the need to increase the educational and skills levels of much of the population, who currently can perform only elementary or semi-skilled tasks, to support a strong local economic development drive focusing on enterprise creation and the development of sustainable livelihoods. However, given the low skills base and education levels of most people, skills development programmes must be implemented to allow impoverished households to have a chance to gain meaningful employment in the higher income earning sectors of the economy.

3.2.2.9 Household Size

Table 37: Household Size

FDDM		NLM	
Total Households	Size	Total Households	Size
144 980	3.4	37 102	3.2

3.2.2.10 Transportation

In the Free State province, 77% of primary and secondary roads are tarred and the remaining 23% are gravel roads. However, these figures exclude a number of tertiary gravel roads serving the farming community. It is important to highlight that the tarred road condition is deteriorating due to lack of maintenance. Road transport is the primary form of transportation both in FDDM and NLM. The district municipality has a fair network of roads throughout the district. The problem is that the quality of these roads is not of a high standard. In both FDDM and NLM people mostly use buses and mini taxis. Public transport is an essential link in the chain of services that interlink the various rural and urban regions.

3.2.2.11 Energy

In terms of source of energy for cooking, most households within FDDM (85.3%) and NLM (88.1%) (**Table 38**) have electricity connection. About 66.1% for FDDM and 69.3% (**Table 39**) for NLM have access to electricity for heating. Most of the households, 89.8% and 92% respectively have access to electricity for lighting (**Table 40**).

Table 38: Households Source of Energy for Cooking

Source of Energy	FDDM	NLM
	%	%
Electricity	85.3	88.1
Gas	3.7	2.4
Paraffin	6	5.2
Wood	2.9	2.5
Coal	1.3	0.9
Animal dung	0.4	0.4
Solar	0.2	0.2
Other	0.3	0.4
Total	100	100

Source: Stats SA 2011

Table 39: Households Source of Energy for Heating

Source of Energy	FDDM	NLM
	%	%
Electricity	66.1	69.3
Gas	1.5	1.7
Paraffin	5.5	2.7
Wood	6.7	6.1
Coal	6.5	8.0
Animal dung	0.5	0.6
Solar	0.2	0.2
Other	10.6	10.6
Total	100	100

Source: Stats SA 2011

Table 40: Households Source of Energy for Lighting

Source of Energy	FDDM	NLM
	%	%
Electricity	89.8	92
Gas	0.1	0.1
Paraffin	1.3	0.5
Candles	8.3	6.7
Solar	0.3	0.4
Other	0.2	0.2
Total	100	100

Source: Stats SA 2011

3.2.2.12 Sanitation and Waste Removal

The provision of adequate sanitation and formal waste removal is not adequate but is at reasonable levels in both FDDM and NLM municipalities. In FDDM, 80.3% of households have a flush/chemical toilet, whereas in NLM 77.1% of households have the same facility as indicated in **Table 41**. The ideal situation should be where every household has access to a flush toilet. Lack of proper sanitation poses a health risk to people through the spread of diseases, such as cholera and other communicable diseases.

Table 41: Percentage of Households by Type of Toilet Facility

	FDDM	NLM
	%	%
Flush toilet/Chemical toilet	80.3	77.1
Pit latrine	10.5	9.7
Bucket latrine	6.0	10.7
None	1.7	1.6
Other	1.5	0.8
Total	100	100

* Source: Stats SA 2011

Over 20% of the population have undignified sanitation service to none. The majority of that 20%+ are still making use of the pit latrine/bucket system. This is one indicator of poverty and a low level of access to basic services. This represents an LED need within these areas and a priority issue to be addressed in the respective IDPs.

In terms of waste removal, it can be seen (**Table 42**) that in both FDDM and NLM that over 80% of households have their rubbish removed weekly by the local authority.

Table 42: Percentage of Households by type of Refuse Removal

	FDDM	NLM
	%	%
Removed by local authority at least weekly	81.7	81.9
Removed by local authority less often	1.4	2.6
Communal refuse dump	1.7	1.3
Own refuse dump	11.3	10.6
No rubbish disposal	3.3	3.0
Other	0.6	0.6
Total	100	100

* Source: Stats SA 2011

With reference to waste removal within FDDM and NLM, over 10% of households have own refuse dumps and about 3% do not have rubbish disposal facilities.

3.2.2.13 Water Supply

Legislative standards require that communities have at least 20 – 30 litres of clean safe water per person per day, within 200 metres of their household. **Table 43** reveals that the majority of the FDDM population and NLM have access to a piped water inside their dwelling. A further 7.3% in FDDM and 11.9% in NLM have access to piped water outside their dwelling. A minute percentage (FDDM, 1.1% and NLM, 0.9%).

Table 43: Piped Water Provision

Water Access	FDDM	NLM
	%	%
Piped water inside dwelling/yard	91.6	87.2
Piped water outside the yard	7.3	11.9
No Access to Piped water	1.1	0.9
Total	100	100

Source: Stats SA 2011

3.2.3 Socio Economic Impact of Operation - Regulation 46 (c) (ii) (b)

During the operation of a mine, local communities are provided with jobs and input services to the mining operation. They also benefit from direct and indirect spending by the mine. Pure Source will have a beneficial socio-economic impact on the region and the local communities once established. The following is a summary of key contributions that will be made by the company.

3.2.1.1 Job Creation, employees and their households

Pure Source workforce is currently unknown as the mine is in the start-up phase. Once the mine becomes operational the employment of a local workforce, will translate into many more individuals being impacted through direct and indirect income from bread winner support. These employees and their households are impacted positively from salaries and other employment benefits.

3.2.1.2 Surrounding and labour sending communities

As noted, Pure Source's workforce would come primarily from the local areas. The future incomes earned by these employees will translate into spending power, benefiting businesses and entrepreneurs not only in the area surrounding the operation where the employees spend their working week, but also in those economies further away. Pure Source's spending on goods and services will also contribute to the local economy (refer to Procurement Section 3.6).

3.2.1.3 Small, Medium and Micro Enterprises (SMMEs) and Local Contractors

Pure Source will establish an Enterprise Development Strategy (see Section 3.4.4), whereby preferred supplier status will be given to local SMMEs, HDSA entrepreneurs and local service providers. This will focus on the provision of mining goods and service delivery. This programme aims to empower these parties to partake in the business opportunities available through Pure Source, as well as via other big enterprises in the area.

3.2.1.4 Poverty eradication

Besides the positive impact Pure Source will have on the livelihoods of the households of their employees in the neighbouring and labour sending communities, the company will contribute to the upliftment of the local communities through their LED initiatives to bring about true local economic development and sustainable change. In addition to the contribution to the economy, Pure Source will also pay significant amounts in annual taxes. These will be utilised by Government for many purposes; one being for the distribution of wealth, which alleviates poverty within the poorer communities.

3.3 Infrastructure Development, Poverty Eradication and Welfare creation Projects

3.3.1 Approach

LED is an approach towards economic development which allows and encourages local communities, government and the private sector to work together to achieve sustainable economic growth and development, thereby promoting economic benefits and improved quality of life for all residents in the local municipal area. Pure Source aims to assist local government and community structures to implement their own development priorities and realise new economic opportunities through the profitable operation of Pure Source within the NLM and FDDM.

3.3.2 Baseline situation

Pure Source will continually assess the projected IDP and LED projects/initiatives in FDDM and NLM. At the end of each five (5) year period, the LED Plan will be reviewed, and a new five-year plan compiled.

When considering LED projects in the future, Pure Source will use the following questions to guide the selection and formulation of projects:

- How does the project integrate with local, regional and governmental IDP or LED initiatives?
- How will the project eradicate poverty and uplift the community, i.e. who and how many beneficiaries are there?
- Does the project assist in the provision of infrastructure development?
- Does the project assist in the provision of basic services and social welfare projects?

Pure Source will use the “**Filter Criteria**” in the LED project sub-plan to select projects. The Pure Source LED project sub-plan will focus on implementing the following mechanisms:

- Integration of Pure Source’s SLP activities into the NLM and FDDM IDPs and the established LED Forum;
- Assisting in implementing LED projects and/or programmes identified in the FDDM and NLM IDPs, in partnership with local government, business and affected communities;
- Implementing selected poverty eradication, infrastructure development and welfare creation projects that meet the criteria of the company;
- Undertaking and supporting identified SMME creation initiatives in surrounding and affected communities, where these are feasible and appropriate;
- Providing HDSAs, who possess the required technical know-how or ability, with a preferred supplier status within the categories of mining goods and services;
- Implementing a portable skills programme that could contribute to the empowerment of employee household members to achieve sustainable development;
- Developing a health care strategy with the aim to promote accesses to health care for employees;
- Reviewing of LED activities on an annual basis and the formulation of Five (5) Year Plans;
- Implementing **action steps** as indicated in **Table 44**; and
- Implementing the **LED Projects** in section **Pure Source LED Project**.

Table 44: Action plan for the implementation of LED projects

ACTION	DELIVERABLES
Continued implementation of the LED project and regular consultation with representatives of the NLM, DMR, community representatives and other stakeholders.	LED project implementation. Regular minutes of meetings.
Annual review and monitoring of the implementation of SLP.	Review and monitoring.
Recording progress made on the implementation of the LED project.	Progress reporting.
Compile new LED project “action plans” table for the next reporting period.	New LED projects “action plans” table for the next reporting period.
Implementation of the LED project.	Performance indicators as per the individual projects.

3.3.3 Stakeholder Engagement

Pure Source conducted stakeholder engagement in Ngwathe Local Municipality. Three communities were identified to be within the 45km radius of the mine, and most affected by the mining activities include Vaalower and the informal settlements within the town of Parys, and neighbouring town of Vanderbijlpark.

Mining Charter 2018 places emphasis on community consultations in the life cycle of the SLP. Pure Source therefore commits to a stakeholder engagement programme which seeks to consult with all relevant stakeholders related to the mining operation on a regular basis. This includes the Local Ngwathe Municipality, ward councillors, community residents’ forums, environmental interest groups, traditional leaders and the Department of Mineral Resources.

As per Mining Charter 2018, the approved SLP will be made available in English and Sesotho.

Table 45 gives a summary of the stakeholder engagements that took place prior to compilation of this SLP.

Table 45: LED Project – Summary of Stakeholder Engagements

Who	When	Officials	Outcomes
Ngwathe Local Municipality (Local Economic Development Department)	10 July 2018	Collen Pule Irene Mfelang	<ul style="list-style-type: none"> • Successful introductory meeting. Requested a site visit for the purpose of ascertaining the location of Goosebay farm (where the Pure Source project is to be located) as well as activities currently underway at the farm (date to be confirmed); • NLM Expressed a need for funding partners for poverty alleviation projects, not infrastructure; and • NLM agreed to provide a list of community priority needs or projects to be discussed and considered into the Pure Source SLP, LED section.
Ngwathe Local Municipality (Local Economic Development Department)	1 August 2018	Collen Pule MJ van den Berg MS Cocks RP Schimpers S Weise	<ul style="list-style-type: none"> • Introductory meeting between Ngwathe Local municipality and Pure Source Mine. <p>Outcomes of the meeting:</p> <p>The municipality appreciated the invitation to the site visit.</p> <ul style="list-style-type: none"> • The municipality is satisfied with all the processes that are being followed on the applications by Pure Source Mine. • The municipality requested that Pure Source Mine continue to consult with them on a regular basis.

			<ul style="list-style-type: none"> • The municipality will share By-Laws documents with Pure Source Mine • The municipality will provide a copy of their latest municipal IDP, as well as a list of the SMMes projects lined up for implementation. • The municipality will share a list of local newspapers and contacts in preparations to the Public Participation (PP) meetings. • Pure Source will share a copy of the Mine SLP once it has been reviewed and signed-off.
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Based on the engagements with the municipality and information in the IDP, Pure Source has identified a road maintenance project that can be implemented in communities of operation and the surrounding. Pure Source awaits the endorsement letter of the project from the municipality.

3.3.4 Pure Source LED Project

The project that has been identified for implementation by Pure Source is a poverty alleviation project that will lead to a reduction of unemployment and creation of income. The Free State province has an unemployment rate of 48%, FDDM, 33.9% and NLM, 48.3%. Taking into consideration the unemployment dynamics, an income generation project will be a viable option for Pure Source to pursue. The Mine has identified a small business opportunity for road maintenance and filling of potholes. Pure Source will play a major role in building the capacity of the enterprise (black-owned), from a technical and business management perspective. The small enterprise has the potential to grow in size and profitability, and provide jobs for local residents, as the enterprise grows.

Mining Charter 2018 stipulates that a mine contribute 1% of its Net Profit After Tax (NPAT) towards mine community development.

As proof of Pure Source’s commitment to local economic development, the mine commits to spending 2% NPAT annually on LED projects.

The Enterprise Development LED project is summarised in Table 46.

Table 46: LED Project – Road Maintenance Income Generating Project

Classification	SMME Development and Income Generation.
Location	Ngwathe Local Municipality
Responsible Entity	Pure Source Mine
Role Players	Implementing company, Ngwathe Local Municipality
Project Background	<p>Pure Source recognises that entrepreneurship is a strong and viable strategy to overcome unemployment, poverty and social exclusion. The Ngwathe Local Municipality has a database of SMMEs in the area.</p> <p>One of the SMMEs in the database has a vision of being experts in the maintenance of roads, with a particular focus in pothole filing. However, this enterprise lacks skills and resources. With proper upskilling and guidance of the individuals involved in this enterprise, there is great potential for the enterprise to succeed and become self-reliant outside of Pure Source mine and after the life of the SLP. Pure Source mine has skilled personnel and machinery for pothole filing. The mine has therefore identified this LED project opportunity to upskill, equip and mentor a local enterprise, and to facilitate further development opportunities with Sector Education and Training Authority (SEDA) and National Youth Development Agency (NYDA).</p> <p>Throughout the programme, the Pure Source team will continue to engage with the stakeholders and also provide mentoring and monitoring of the enterprise, so that in future implementation of similar projects outside Pure Source become feasible. Pure Source will facilitate the enterprise to grow its own networks for information sharing, support, suppliers and markets as a means of working towards sustainability.</p>
Deliverables	<ol style="list-style-type: none"> 1. Identification and engagement with all relevant role players and stakeholders for endorsement and support. 2. Presentation of technical and business skills training, with specific follow-up actions in response to the needs of the entrepreneurs, covering aspects such as: <ol style="list-style-type: none"> a. Machinery used in pothole filling; b. Process followed in filing a pothole and maintenance thereafter; and c. budget planning and business income targets.

	<ol style="list-style-type: none"> 3. Provision of “learning opportunities” by allowing the enterprise to upskill while repairing the Mine’s internal roads 4. Establishment of support and future opportunity networks (e.g. peer to peer support groups, business network circles). 5. Provision of ongoing monitoring and mentoring of the SMME for the duration of the SLP 				
Outcomes/KPAs/KPIs	<ul style="list-style-type: none"> • Establishment of a new SMME for the purpose of road maintenance and pothole filling • Development of technical and business management skills by participants • Establishment of strategies for growth, profitability, management and sustainability of the SMME businesses. • Local businesses (no matter how small) contribute to the local economy, replacing the need for importing service providers from outside the community, thereby growing the local economy. 				
Classification of jobs	<ul style="list-style-type: none"> • Road maintenance and road construction. 				
Exit Strategy	<p>Pure Source will support the enterprise for 5 years. Pure Source aims to develop the SMME to a level where it is able to bid for similar jobs in the local municipality, district municipality and within the province. Options such a “Letters of support” issued by Pure Source attesting to the enterprise’s capacity and competence, will be considered to support them in the tender process. The exit strategy will be communicated and agreed upon by both Pure Source and the enterprise.</p>				
Years	Year 1	Year 2	Year 3	Year 4	Year 5
Annual Financial Contribution	R70 000.00	R60 000.00	R20 000.00	R10 000.00	R4 000.00
Total Financial Contribution	R 164 000.00				

3.4 Measures to address housing, living conditions and nutrition: Regulation 46 (c)(iv)

3.4.1 Introduction

Historically, the workforce in the South African mining industry has been housed in single-sex mining compounds. Unfortunately to a large degree this is still the case in mines around South Africa. Pure Source believes that its workforce (including that of its contractors) has the right to reside in decent housing, which is of an adequate size and serviced with basic infrastructure in terms of water, sanitation and electricity, in line with the Constitution of South Africa.

In compliance with Mining Charter 2018 Pure Source acknowledges its responsibilities in this regard and will implement the following requirements in the mine's Housing and Living Conditions (HLC) plan:

- As per the Housing and Living Conditions Standard 2019, Pure Source will, within a period of 12 months from the date of publication of the standard, consult with organized labour, relevant municipalities and the Department of Human Settlements and enter into a housing and living conditions agreement with organized labour regarding its mine employee housing and living conditions;
- Furthermore, Pure Source will draft and finalise a Housing and Living Condition (HLC) plan outlining the commitments to comply and implement the Housing and living Conditions principles and;
- Pure Source will foster the development of an HLC agreement and Employer Assisted Housing Scheme. Upon reaching an agreement with organized labour Pure Source will develop such a scheme. The scheme will outline various housing options offered. Furthermore, when the scheme is signed by Pure Source and organized labour, the scheme will be submitted to the department within 21 days from the date of signing.

3.4.2 Measures to address the nutrition of mine employees

Pure Source is committed to contributing to a healthy, productive and motivated workforce. No hostels are planned. The provision of food to employees is not envisaged. The Mine will address nutrition through awareness and education programme, offered to help employees and their families to eat healthy, nutritionally balanced diets.

3.5 The Procurement Progression Plan and its Implementation for HDSA Companies in terms Mining Goods and Services

3.5.1 Objective

Pure Source is aware that affirmative procurement is an ideal mechanism for the economic empowerment of HDSAs. Pure Source is committed also to procure locally and to assist potential HDSA suppliers, through mentoring, to become part of the mine's supply chain. Through its proposed mining operation, Pure Source will have the ability to create an enabling environment for the empowerment of HDSAs within the surrounding areas. Pure Source will provide preferred supplier status to HDSAs through implementation of the following measures:

- Forming of partnerships with suppliers;
- Encourage procurement suppliers to form partnerships or joint ventures with HDSA companies, where there is no HDSA company tendering to supply the required goods or services;
- Identifying products which could be supplied by local suppliers; and
- Identifying prospective procurement suppliers from employees / surrounding communities, by means of the LED Forum.
- During the life of the mine, HDSAs will be awarded preferred supplier status, taking into consideration both price and quality of deliverables. Initial assistance will, therefore, be given to HDSA suppliers in the setting up and winning of contracts. The future levels of HDSA procurement for Pure Source will be reported through the submission of Form T (this form will be submitted annually to the DMR and within a year of the granting of the mining right).

The company will also encourage in its tender process the following from suppliers:

- The promotion of SMMEs;
- The creation of new jobs; and
- The upliftment of communities.

Table 47 Procurement Transitional Arrangements

ELEMENT	MEASURE	Target	Year 1	Year 2	Year 3	Year 4	Year 5
Procure 70% locally manufactured mining goods with a 60% local content	21% of total mining goods procurement budget must be spent on South African manufactured goods produced by Historically Disadvantaged Persons owned and controlled company	21%					
	5% of total mining goods procurement budget must be spent on South African manufactured goods produced by women owned and controlled company or youth owned and controlled company	5%	10%	20%	35%	50%	70%
	44% of total mining goods procurement budget must be spent on South African manufactured goods produced by BEE compliant company	44%					
Total procurement for Pure Source		70%	10,00%	20,00%	35,00%	50,00%	708000%
80% Services	50% of total services budget must be spent on services supplied by Historically Disadvantaged Persons	50%					
	15% of total services budget must be spent on services supplied by women owned and controlled companies	15%	70%	80%	80%	80%	80%
	5% of total services budget must be spent on services supplied by women owned and controlled companies	5%					
	10% of total services budget must be spent on services supplied by a BEE compliant company	10%					
Total Procurement for Pure Source			70,00%	80,00%	80,00%	80,00%	80,00%

3.6 Procurement progression plan

Pure Source Mine aims to maximize the value of cost effective and reliable Procurement of Mining Goods, and Services from Companies owned and controlled by Historically Disadvantaged South African's (HDSA's) of the affected communities from the areas in which we operate. The mine's procurement progression plan is guided by legislation; its commitment to preferential purchasing as well as the procurement objectives of the Mining Charter.

The broad objectives of the plan will be to:

- Ensure that all procurement and supply chain processes are accessible, fair, inclusive and feasible.
- Prioritise suppliers (discretionary spend) that comply with the principles and legislation underpinning BBEEE.
- Promote accelerated transformation by setting annual preferential procurement spend targets. Accelerated transformation will further be promoted by including preferential procurement as an element in the performance management systems for all managers.
- Promote local spend within the communities in which the mine operates by setting, pursuing and tracking annual local procurement spent targets.

Due to the fact that the Pure Source Mine is a new operation, no current procurement data is available. It is envisaged that the operational procurement contracts will be established during the initiation phase of the mine.

As such Form T could not be completed at this point in time but will be submitted to the Department with the first annual compliance report.

3.7 SMME Development Opportunities

Pure Source recognises that the number of jobs on offer by the mining operation will be limited, and will not make a substantial difference to the unemployment levels in the local municipal area. Pure Source will therefore also make use of the Enterprise and Supplier Development programmes to bring about poverty alleviation through facilitating entrepreneurship opportunities.

From a Supplier Development perspective, Pure Source will aim to procure from local service providers in the area. Various procurement outsourcing services will be investigated that could benefit the wider community such as:

- Food – catering;
- Construction – building material and building;
- Transportation – for samples, material, waste and workers;
- Garden services – upkeep of the mining facilities;

- General maintenance of grounds, plumbing, electricity;
- Laundry for mining clothing;
- Scrap yard for old worn out equipment (salvaging);
- Recycling;
- PPE overalls – dress makers;
- Security services;
- Water treatment;
- Water recycling; and
- Equipment renting and maintenance.

A further SMME development opportunity to be investigated is the possibility of a tree-felling requirement, which could be performed by a start-up enterprise, with support from an established enterprise. This mentorship arrangement could be facilitated by Pure Source. This opportunity may have further downstream livelihood opportunities in the provision of wood chips for sale back to the Mine, and further commercial or domestic uses for the wood.

A comprehensive strategy and action plan in this regard will be developed after the Feasibility Study has been completed.

SECTION FOUR

PROGRAMME FOR MANAGING OF DOWNSCALING AND RETRENCHMENT

**In Compliance with
Regulation 46 (d)**

4 PROCESS PERTAINING TO MANAGEMENT OF DOWNSCALING & RETRENCHMENT

4.1 Overview and objectives

A fundamental principle behind both its Human Resources Development Programme (guiding the Portable Skills Training, AET, Learnership programmes etc.) and Local Economic Development Programme (informing the sustainable development interventions, housing policies etc.) is job creation within Pure Source's SLP. Clearly however, at mine closure, be it inevitable or unexpected, the main outcome is the loss of employment opportunities. Consequently, a key element of the SLP is to develop mechanisms and strategies to prevent job losses or where these cannot be avoided to implement appropriate plans to ameliorate the social and economic impact that downscaling of the operations and/or closure may have on employees, communities and the economy.

The fundamental objectives of the plan to be in place for the life of the mine are in line with the ethos of the Department Labour's "Social Plan" as well as the Act and include:

- Where job losses are unavoidable to minimize the extent of the job losses resulting from major restructuring or retrenchment exercises;
- To facilitate, as far as practically possible, access to alternative employment opportunities within the company;
- To facilitate through on-going core business training and the non-mining related portable skills training plan access to suitable training programmes to enable affected employees to remain economically active either within or outside the company or industry;
- To avoid, mitigate or minimise any possible negative social and economic impacts on employees, communities, local and regional economics and labour-sending areas should retrenchment or closure be required through local economic development programmes as outlined in the Plan;
- To ensure the relevant processes for effective closure management are in place some four (4) or five (5) years prior to planned mine closure; and
- To effectively communicate and consult as well as discuss and develop joint strategies and plans with key stakeholders, through the mechanism of the Future Forum, throughout the life of the mine on the issues outlined above.

4.1.1 Future Forum

Pure Source in conjunction with recognised trade unions/ associations will establish a future forum, within six (6) months following receipt of the new order mining right to address issues that may impact on the operation. The Future Forum will be constituted as follows:

- Representatives from all recognised trade unions or associations;

- Senior management representatives as determined by the Executive Director: Operations; and
- Representatives of Community Groups with established communication channels with the mine.

The Future Forum will meet on a regular basis, either quarterly or as agreed on throughout the life of the operations to develop, implement and communicate strategies and plans to prevent or otherwise deal with major downscaling or closure of the operations. The frequency of meetings will be increased if there are critical issues that need to be addressed urgently. The agenda for the Future Forums will include but not be limited to:

- Identification and analysis of problems and challenges facing the operations particularly where these may lead to downscaling and/or closure of the operations;
- Development of strategies and plans to deal with identified problems and challenges;
- Development of strategies and plans to prevent job losses if possible;
- Development of strategies and plans to minimise job losses and mitigate adverse effects that downscaling, and closure may have on employees, communities and the economy;
- Implementation of agreed strategies and action plans;
- Review of portable skills training and local economic development programmes;
- Communication strategies to ensure that all employees and other stakeholders are regularly updated on forum decisions, strategies and action plans; and
- Assessment of and reporting on, through Pure Source's Annual SLP Reports, the success and progress of all job loss management and retrenchment management programmes planned for and implemented during the times of downscaling, closure or for an appropriate post-closure period.

4.2 Mechanisms to Save Jobs and avoid Job Losses and a Decline in Employment

4.2.1 Undertaking

In compliance with Section 52 (1) of the Act, on identifying the need to curtail mining operations at Pure Source should the profit revenue ratio of the relevant operation be less than six percent on average for a continuous period of twelve (12) months or should ten percent (10%) or have to be retrenched, a comprehensive consultation process will be undertaken with the Future Forum, and Section 189 of the Labour Relations Act will be implemented, The Minerals and Mining Development Board will be notified and any Ministerial Directive will be complied with.

4.2.2 Strategic Plan

Should the mine be required to commence with a downscaling or closure process (in line with the undertaking above) the following plan will be implemented:

- a) *Communication and Planning through the Future Forums*

- It is envisaged that any potential downscaling or closure requirement will be identified during the ongoing consultations, discussions and deliberations at the regular Future Forum meetings;
- All strategic plans identified by the Future Forum will be implemented with a view to avoiding job losses. Plans and strategies will be continuously assessed to ensure that they are relevant to the prevailing conditions at the time that closure or downscaling is envisaged;
- The Future Forum will assess the economic conditions and the number of employees that are likely to be affected by downscaling or closure;
- The Future Forum will discuss and agree on strategies and action plans that will be implemented to avoid job losses.

b) Potential Strategies and plans to avoid job losses

Job losses and plans will include but not be limited to:

- Voluntary early retirement for employees who qualify in terms of relevant provident funds, etc.;
- Suspension of overtime, job-sharing schemes, short and extended leave;
- Where relevant and viable, cease the employment of temporary employees and/or contractors;
- Where closure or downscaling is envisaged every position that becomes vacant through resignation, retirement, death or dismissal, in the period up to the downscaling or closure will be critically reviewed before the position is filled to allow for natural attrition of employees thereby avoiding unnecessary **job** losses and entrenchment;
- During the life of the operations there will be ongoing accredited mining related training and non-mining portable skills training programmes to equip employees with alternate skills to remain economically active in the event of retrenchment;
- During the life of the mine, operations and refineries will continually seek to ensure its sustainability through the constant revision of its business plans and capital project investments in line with the economic environment and market-related dimensions in which it operates. The on-going business development process will directly assist job security for the workforce at the operations; and
- In addition, Pure Source's on-going support of sustainable development projects, through its Local Economic Development programmes, within the labour source communities will further assist in both the creation of job opportunities and securing their long-term sustainability. Efforts to procure locally where possible combined with the associated business training and provision of alternative skills for local entrepreneurs will further lessen the insecurity within employment in the local workforce.

c) Implementing section 189 of the Labour Relations Act 1995 (as amended)

The implementation of Section 189 and 189 (A) of the Labour Relations Act or where there are existing collective agreements between the trade unions and management that override the provisions of the

Labour Relations Act, the processes outlined in these collective agreements will be followed. The following issues are relevant to the consultation process that will be undertaken with the relevant trade unions / employee representatives:

- Ensure subscription to the universally accepted principles of fair retrenchment, incorporating consultation and negotiations with the elected worker representatives at the mine;
- Compliance with collective agreements between organised labour and the company;
- Disclosure of all relevant information; and
- Measures to avoid or minimise dismissals as set out in the collective agreement.

d) Notification to Government Authorities.

After consultations through the Future Forums and with recognised trade unions and where it becomes apparent that strategies and plans are not successful in avoiding job losses, the company will notify the Minerals and Mining Development Board in accordance with Section 52(1) (a) of the MPRDA of the need for downscaling / closure as and when required during the life of the mine and some four (4) to five (5) years prior to the end of the life of the mine. The government authorities will be given notice of the time-frame for the closure and/or downscaling process, ongoing consultation, strategic initiatives and plans as discussed through the Future Forums. Regular progress reports will subsequently be distributed to the necessary departments, including the Social Plan and Productivity Advisory council and the Department of Provincial and Local Government. Compliance to the Board's directive will be adhered to in order to meet the corrective measures as stipulated by the Board.

e) Compliance with Ministerial Directive

The company will comply with any corrective measures and terms and conditions as the Minister may determine. The company will confirm in writing that it has complied with the directive and has undertaken the corrective measures determined by the Minister. Regular progress reports on compliance will be provided.

4.3 Mechanisms to Provide Alternative Solutions and Procedures for Creating Job Security where Job Losses cannot be avoided

4.3.1 Undertaking

In compliance with Section 52(1) of the Act, should the profit revenue ratio of the relevant operation be less than 6% on average for a continuous period of twelve (12) months or should 10% or more of the workforce (or more than five hundred (500) employees) have to be retrenched, on identifying the need to

scale down or cease mining operations at the mine and where job losses are likely to result from these processes a comprehensive consultation process will be undertaken at the Future Forums, Section 189 and 189(A) will be complied with to deal with retrenchment details, the Minerals and Mining Development Board will be notified and any corrective measures and directives as determined by the Minister will be complied with.

4.3.2 Strategic Plan

a) An extensive consultation process will be undertaken through the Future Forum

Forum structures where strategic initiatives and plans implemented by the Forum are not successful in avoiding job losses. Where job losses cannot be avoided the Future Forum will discuss and implement strategic plans to examine and implement alternative solutions and to create job security for affected employees. The Future Forum will assess the economic and other conditions that could result in job losses and determine the number of employees that are likely to be affected by the downscaling or closure and discuss and agree on strategies and action plans that will be implemented to create security for employees likely to be affected by job losses.

b) Alternative solutions and strategies to create job security

Potential alternative solutions and strategies to create job security to be considered by the Future Forums may include but not limited to:

- Ways to minimise the number of employees who are likely to be affected by the contemplated retrenchment;
- The number of employees to be trained will increase in line with the number of employees who are likely retrenched. The content of the training will be determined after extensive analysis of skills needed within operational area. This will ensure that employees receive training in areas where they are likely to secure employment if retrenched. The fundamental objective is to ensure that retrenched employees are provided with the necessary training to remain economically active if retrenched;
- Where closure or downscaling is envisaged every position that becomes vacant through resignation, retirement, death or dismissal, in the period leading up to the downscaling or closure will be critically reviewed before the position is filled to allow for natural attrition of employees thereby minimising job losses and retrenchment;
- The Local Economic Development programmes which are to be implemented as part of the SLP (Section 3) are designed to create long term and sustainable businesses and economic activities which are not reliant on mining activities. These LED initiatives may therefore create employment opportunities for employees who are likely to be retrenched. Employees who are likely to be

retrenched will be given priority for employment opportunities that arise through the LED programmes initiated by the company; and

- The company will liaise with the Department of Labour, other employers in the operational area and labour sending areas to identify all possible employment opportunities and vacancies. Affected employees will be provided with updated information on a regular basis and will be provided with the necessary assistance to apply for vacant positions.

c) Implementing Section 189 of the Labour Relations Act 1995 (as amended)

If discussions within Future Forums have been exhausted and job losses cannot be avoided provisions of Section 189 and 189(A) of the Labour Relations Act as well as the provisions of the existing collective agreement will be implemented. A consultation process will be initiated with the relevant employee representatives and will encompass all areas identified in the LRA and the collective agreements. Issues such as ways to minimise retrenchment, the timing of the retrenchments and severance pay will be discussed by the company and the employee representatives. All plans and other issues agreed on during this consultation process will be implemented.

d) Notification to the Board

After consultation through the Future Forums and with recognised trade unions and where it becomes apparent that strategies and plans are not successful in avoiding job losses, the company will notify the Minerals and Mining Development Board in accordance with Section 52(1) of the MPRDA if the profit revenue ratio of the relevant operation is less than 6% on average for a continuous period of twelve (12) months or should 10% have to be retrenched. Such notifications will be provided as and when required during the life of the mine and some four (4) or five (5) years prior to the end of the life of the mine. The government authorities will be given notice of the time-frame for the closure and/or downscaling process, ongoing consultation, strategic initiatives and plans as discussed through the Future Forums. Regular progress reports will subsequently be distributed to the necessary departments. Compliance to the Board's directive will be adhered to in order to meet the corrective measures as stipulated by the Board.

e) Communicating Possible Retrenchments

Where all avenues to avoid job, losses have been exhausted and it is contemplated that retrenchments are likely to take place an extensive communication strategy and plan will be implemented after discussion and agreement at the Future Forums. Communication of issues discussed at the Future Forums, strategic plans and the implementation thereof will form part of the Agenda for regular Future Forum meetings. After each Future Forum meeting all employees will be briefed on issues discussed and the strategic plans that will be implemented by the Future Forums.

Where retrenchments are inevitable the following channels will be used to ensure effective communication to all employees: management briefs, communication forums and workshops. The trade union representatives will also communicate issues arising from the Future Forum discussions during their own Branch and Committee meetings as well as mass meetings with employees. Issues to be communicated where possible retrenchments are contemplated will include but not be limited to:

- The reasons for the contemplated retrenchment;
- Strategic plans implemented by the Future Forum to avoid and minimise job losses;
- The number of employees likely to be affected by the retrenchments;
- Details of the expanded portable skills training programmes and how these can be accessed;
- LED programmes and the opportunities available to employees who may be retrenched;
- Alternate employment opportunities available to employees who may be retrenched;
- The timing of the retrenchment and the severance packages that will be paid to employees;
- Assistance that will be provided to employees and their families to deal with the emotional impact of retrenchment; and
- Any additional assistance that will be provided to employees.

It is envisaged that the local councils will be represented on and participate in the Future Forum structures and will therefore be fully briefed about all retrenchments that are likely to take place.

Face to face communication will be conducted with parties that do not form part of the Future Forum i.e. local government representatives from the operational areas and labour sending areas, national government departments, other businesses that are reliant on the mining industry as well as any other parties who are likely to have an interest in or be affected by the contemplated retrenchments. In addition to face-face communication, written notification will be given to all the parties listed above as well as any other party identified by the Future Forums.

4.4 Mechanisms to Ameliorate the Social and Economic Impact on Individuals, Regions and Economics where Retrenchment or Closure of the Operation is certain

4.4.1 Undertaking

Whilst the Human Resources and Local Economic Development programmes outlined in previous chapters have been developed and planned to be implemented to facilitate sustainable social and economic growth in local communities throughout the life of operation, measures for managing the impact on the local community and labour source communities at times of downscaling and closure will still be required.

This section outlines the mechanisms that will be utilised to mitigate, as far as possible, the social and economic impact of closure and retrenchment on individuals, regions and economies. The detailed

planning that will take place in conjunction with the affected stakeholders and the relevant government departments will be required some four (4) or five (5) years prior to mine closure. As such this chapter cannot provide the ultimate closure or post closure plan for the operations in terms of the socio-economic impact. The very nature of low-income communities, dependent on the operations for a substantial period necessitates flexible and appropriate closure planning utilising those community structures that exist at the time of closure. Knowledge of the socio-economic circumstances in the area at the time of closure is therefore currently impossible to predict.

4.4.2 Strategic Plans

a) Socio-Economic Impact Study of closure

b) Communication with stakeholders

The development of the closure plan will place great emphasis on comprehensive and sensitive consultation with all stakeholders. Objection management is likely among stakeholders, such as local business, who have understandable fears and concerns with regards to closure. Consultation and communication with stakeholder groups from local communities, relevant government departments and local business forums will also be carried out. These stakeholders may participate on the established Future Forums or sub-committees thereof and facilitate discussions on priorities for local economic development within the closure planning framework and ensure community interventions are sustainable during closure and post-closure.

c) Strategic Plans for Managing the Social and Economic Impact

As with the Human Resource Development Programme at the mine, the Local Economic Development Programme will be implemented throughout the life of the operations with a key objective of ensuring any corporate social intervention and LED assistance provided, will be sustainable, and will benefit the target communities long past closure.

d) Post-Closure Planning

Management strategies for the post-closure period will also be developed with local stakeholders within the closure planning process. Strategies that avoid dependency amongst the social intervention beneficiaries and promote independence amongst individuals and businesses in the community will be developed to ensure post-closure sustainability. Ongoing consultation and advisory roles potentially facilitated through the Future Forum structures or its relevant sub-committees will be utilised to ensure that the programmes and plans continue to deliver sustainable and effective benefits. The continued contribution and on-going management role of local government in this respect will be essential in this post-closure management process.

SECTION FIVE

FINANCIAL PROVISION

**In compliance with Regulation 46(e)
of the Mineral and Petroleum Resources Development Regulations**

5 FINANCIAL PROVISION

Section 23 (1) (e) of the MPRDA state that “The Minister must grant a mining right if the applicant has provided financially and otherwise for the prescribed social and labour”. Table 47 presents a summary of the financial commitment by the Mine to each element of the SLP for the 5-year period.

Table 48: Summary of Financial Provisions for Key Elements of Pure Source's SLP for five (5) Years

COMPONENT	Year 1	Year 2	Year 3	Year 4	Year 5	Total
HUMAN RESOURCE DEVELOPMENT						
AET – Internal	0	R 12 000,00	R 12 000,00	R 12 000,00	R 12 000,00	R48 000,00
AET – External	0	R 12 000,00	R 12 000,00	R 12 000,00	R 12 000,00	R48 000,00
Core Business Training	R18 000,00	R18 000,00	R18 000,00	R18 000,00	R18 000,00	R90 000,00
Learnerships – Internal (18.1)	0	R 72 000,00	R 72 000,00	R 72 000,00	R 72 000,00	R288 000,00
Learnerships – External (18.2)	0	R 72 000,00	R 72 000,00	R 72 000,00	R 72 000,00	R288 000,00
Career Progression	0	R30 000,00	R30 000,00	30 000,00	R30 000,00	R120 000,00
Mentorships	R15 390,00	R 15 390,00	R20 250,00	R21 870,00	R20 250,00	R93 150,00
Bursaries – Internal	0	R30 000,00	R30 000,00	30 000,00	R30 000,00	R120 000,00
Bursaries – External	0	R30 000,00	R30 000,00	30 000,00	R30 000,00	R120 000,00
Internships	0	R50 000,00	R50 000,00	R50 000,00	R50 000,00	R200 000,00
Portable Skills	0	R20 000,00	R20 000,00	R20 000,00	R20 000,00	R80 000,00
HRDP TOTAL	R33 390,00	R361 390,00	R366 250,00	R367 870,00	R366 250,00	R1 495 150,00
LOCAL ECONOMIC DEVELOPMENT						
SMME Development Programme	R70 000,00	R60 000,00	R20 000,00	R10 000,00	R4 000,00	R164 000,00
LED TOTAL	R70 000,00	R60 000,00	R20 000,00	R10 000,00	R4 000,00	R164 000,00
DOWNSCALING & RETRENCHMENT						
Provision for Downscaling & Retrenchment	R264 000,00	R300 000,00	R576 000,00	R576 000,00	R576 000,00	R2 292 000,00
SLP TOTAL	R367 390,00	R721 390,00	R962 250,00	R953 870,00	R946 250,00	R3 951 150,00

SECTION SIX

UNDERTAKING

**In compliance with Regulation 46(f)
of the Mineral and Petroleum Resources Development Regulations**

6 UNDERTAKING

I, **Mark van Wyk** the undersigned and duly authorised thereto by **Monte Cristo Commercial Park (Pty) Ltd** (Company) undertake to adhere to the information, requirements, commitments and conditions as set out in the social and labour plan.

Signed at **Boksburg** on this **30th** day of **November 2020**

Signature of responsible person:

A handwritten signature in black ink, appearing to read 'Mark van Wyk', written on a light-colored background.

Designation: **Managing Director**

Approved

Signed at **Boksburg** on this **30th** day of **November 2020**

Signature:

A handwritten signature in black ink, appearing to read 'Mark van Wyk', written on a light-colored background.

Designation: **Managing Director**