



**SEBILO RESOURCES:  
SOCIAL AND LABOUR PLAN  
2019- 2023**

## **HOW THIS DOCUMENT IS ARRANGED**

The organisation of this document follows the sequence of Regulation 46 of the regulations of the Mineral and Petroleum Resources Development Act (2002), which outlines the required contents of the social and labour plan.

This document is also aligned to satisfy the requirements of the Mining Charter.

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## 1. ABBREVIATIONS & ACRONYMS

ABBREVIATION	EXPLANATION
<b>ABET</b>	Adult basic education
<b>AIDS</b>	Acquired Immune Deficiency Syndrome
<b>ATR</b>	Annual Training Report
<b>BBBEE</b>	Broad-based black economic empowerment
<b>BCEA</b>	Basic Conditions of Employment Act 1997
<b>CETA</b>	Construction education and training authority
<b>DMR</b>	Department of Mineral Resources
<b>DGDS</b>	District Growth & Development Strategy
<b>EE</b>	Employment equity
<b>EMPR</b>	Environmental management programme report
<b>ETDP</b>	Education and training development practitioner
<b>EPWP</b>	Extended Public Works Programme
<b>FBT</b>	Fringe Benefit Tax
<b>FRL</b>	Full range leadership
<b>HDSA</b>	Historically disadvantaged South African
<b>HRD</b>	Human resource development
<b>IDP</b>	Integrated development plan
<b>ISO</b>	International Standards Organisation
<b>JLM</b>	Joe Morolong Local Municipality
<b>JTG</b>	John Taolo Gaetsewe District Municipality
<b>JIPSA</b>	Joint Initiative for Priority Skills Acquisition
<b>LOM</b>	Life-of-mine
<b>LED</b>	Local economic development
<b>LRA</b>	Labour Relations Act 1995
<b>MPRDA</b>	Mineral and Petroleum Resources Development Act, No 28 of 2002
<b>MQA</b>	Mining Qualifications Authority

ABBREVIATION	EXPLANATION
<b>NDP</b>	National Development Plan
<b>NCMPI</b>	Northern Cape mining procurement initiative
<b>NSDS</b>	National skills development strategy
<b>NPO</b>	Non Profit Organization
<b>OCA</b>	Organisational culture analysis
<b>PD</b>	Personnel development
<b>PGDS</b>	Provincial Growth & Development Strategy
<b>POE</b>	Portfolio of evidence
<b>PIT</b>	Professionals in Training
<b>PRAXIS</b>	Name of a database system
<b>QMS</b>	Quality management system
<b>RPL</b>	Recognition of prior learning
<b>SAQA</b>	South African Qualifications Authority
<b>SCD</b>	Social and Community Development
<b>SETA</b>	Sectoral education and training authority
<b>SIA</b>	Social impact assessment
<b>SLP</b>	Social and labour plan
<b>SME</b>	Subject matter expert
<b>SMME</b>	Small, medium or micro enterprise



## 2. TERMS & DEFINITIONS

TERM	DEFINITION
<p><b>“Broad-based socio-economic empowerment”</b></p>	<p>Social or economic strategy, plan, principle, approach or act aimed at:</p> <ul style="list-style-type: none"> <li>• Redressing the results of past or present discrimination based on race, gender or other disability of historically disadvantaged persons in the minerals and petroleum industry, related industries and in the value chain of such industries.</li> <li>• Transforming such industries to assist in, provide for, initiate or facilitate: <ul style="list-style-type: none"> <li>– The ownership, participation in or benefit from existing or future mining, prospecting, exploration or production operations.</li> <li>– The participation in or control of management of such operations</li> <li>– The development of management, scientific, engineering or other skills in historically disadvantaged persons</li> <li>– The involvement of or participation in the procurement chains of the operations</li> <li>– The ownership of and participation in the beneficiation of the proceeds of the operations or other upstream or downstream value chain in such industries</li> <li>– The socio-economic development of communities immediately hosting mines, affected by supplying labour to the operations</li> <li>– The socio-economic development of all historically disadvantaged South Africans from the proceeds or activities of such operations.</li> </ul> </li> </ul>
<p><b>“Community-based organisations”</b></p>	<p>Organisations that are established by and draw from community representatives.</p>
<p><b>“Community social investments”</b></p>	<p>Contributions (monetary, staff time or gifts in kind) that are made to stakeholders associated with an operation, which bring benefits over and above the core activities of any mine. The beneficiaries may range from local stakeholders to national and international ones. These investments are generally aimed at addressing needs within the selected target community. The scope of these activities range from donations to charities to those that tie in with business needs (e.g. capacity building among local residents for employment purposes).</p>
<p><b>“Contractors”</b></p>	<p>Companies that supply the mine with workers who will not be employed under Sebilo Resources’ conditions of service and labour.</p>
<p><b>“Employee”</b></p>	<p>Any person excluding Independent Contractor ,who works for Sebilo Resources and who receives , or is entitled to receive any remuneration under the Sebilo Resources conditions of service.</p>
<p><b>“Historically disadvantaged South African” (HDSA)</b></p>	<ul style="list-style-type: none"> <li>• any person, category of person or community, disadvantaged by unfair discrimination before the Constitution of the Republic of South Africa (Act No 200 of 1993) took effect;</li> <li>• any association, a majority of whose members are persons contemplated in paragraph above;</li> <li>• a juristic person other than an association, which – <ul style="list-style-type: none"> <li>is managed and controlled by a person contemplated in paragraph 1 above and that the person collectively or as a group own and control a majority of the issued share capital or members’ interest and are able to control a majority of the</li> </ul> </li> </ul>

	<p>members' votes; or,</p> <ul style="list-style-type: none"> <li>• is a subsidiary , as defined in the section 1 ( e) of the Companies Act, 1973 (as amended) as a juristic person who is a historically disadvantaged person by virtue of paragraph 1 above.</li> </ul>
<b>“HDSA company”</b>	A company that is owned or controlled by historically disadvantaged South Africans.
<b>“Integrated development plan” (IDP)</b>	The Municipal Systems Act requires every municipality to develop an IDP as a tool to plan and co-ordinate development within its areas of jurisdiction. This tool is meant to assist municipalities to involve all stakeholders in the planning and delivery of services and enhance the chances of sustainable development in their areas.
<b>“Labour-sending area”</b>	A labour area is defined as the place (local municipality) that the labourer regards as his or her hometown.
<b>“Local communities”</b>	Host communities, i.e. those who live in the same local municipality as that in which the mine is located.
<b>“Major labour-sending areas”</b>	Areas from which a significant number of mineworkers are or have been recruited.
<b>“Migrant labour”</b>	Employees from neighbouring countries who have retained their non-permanent resident status in South Africa while working at Sebilo operations.
<b>“Mine management”</b>	For the purposes of this report, managers are on Patterson Grade D and above.
<b>“Mining charter”</b>	The broad-based socio-economic empowerment charter for the South African mining industry.
<b>“Scorecard”</b>	The scorecard or way of measuring the implementation, commitment and achievement of the targets set out in the broad-based socio-economic empowerment charter for the South African mining industry.
<b>“Sebilo Resources”</b>	Here reference is made in terms of the holder of the mining right to which this SLP applies
<b>“SMMEs”</b>	Small, medium and micro enterprises, a business that has a gross asset value of less than R50 million and/or employs less than 200 employees.
<b>“Social impact assessment”</b>	A method of identifying, analysing and evaluating the impacts/actions may have on social aspects of the environment.

### 3. LEGISLATION AND REGULATIONS

#### **The Following Legislation and Regulations are Relevant to the Social and Labour Plan:**

- Mineral and Petroleum Resources Development Act and Regulations Act No 28 of 2002.
- DMR Guidelines for Social and Labour Plans.
- Broad-based Socio-Economic Empowerment Charter for the South African Mining Industry, also known as the Mining Charter Scorecard.
- Skills Development Act No 97 of 1998.

- Employment Equity Act No 55 of 1998.
  - Labour Relations Act of 1995.
  - Basic Conditions of Employment Act of 1997.
  - Broad-based Black Economic Empowerment Act No 53 of 2003
- The aforementioned as amended from time to time

#### **4. ASSOCIATED DOCUMENTS**

##### **Guided Documents Related to the Social and Labour Plan are:**

- Sebilo Resources Social Impact Assessment Report
- Workplace Skills Plan
- Employment Equity Plan
- Recruitment Plan (working document)
- Integrated Development Plans for the Joe Morolong Local Municipality and John Taolo Gaetsewe District
- Sebilo's policies and procedures related to:
  - Employment Equity Policy
  - Human Resource Development Policy
  - Retrenchment Policy
  - BEE Specification Policy
  - Preferential Procurement Principles Policy
  - Learnership Procedure
  - Mentorship Procedure

## 5. ANNEXURES

Annexure A : Letter of Support from Joe Morolong Local Municipality

Annexure B : Form T Procurement Q4 2018

Annexure C : Engagement attendance register

Annexure D : Form T Procurement 2018

## SECTION 6

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### 6. PREAMBLE

In compliance with Regulation 46(a)  
of the Mineral and Petroleum Resources Development Act

#### 6.1 Objectives of the Social and Labour Plan

This social and labour plan substitutes the social and labour plan approved under and annexed to Sebilo's mining right 30/5/1/2/2/10004 and covers the period 2019 to 2023

The objectives of the proposed Sebilo Resources social and labour plan as stated in the MPRDA are to consider the operations of the mine in the context of generally recognised standards of sustainable development by integrating the social, economic and environmental factors in planning mining operations throughout the life of the mine. This will be accomplished by:

- Promoting employment and advancing the social and economic welfare of the people of the John Taolo Gaetsewe District Municipality with focus on the Joe Morolong Local Municipality.
- Contributing to the transformation of the mining industry and extending Sebilo's contribution to the socio-economic development of the John Taolo Gaetsewe District Municipality with focus on the Joe Morolong Local Municipality.
- Alignment and adherence to all the requirements of the MPRDA social and labour plan objectives and the principles of the mining charter to the mining right.

#### 6.2 Reg 46 (a) Background Information on the Mine

Sebilo Resources is the holder of a mining right granted in terms of Sec 23 of the MPRDA and registered in Mineral and Petroleum Titles Registration Office .The mine has been in operation since 2011. Sebilo Resources is a majority black-owned junior mining company based in the Joe Morolong local Municipality hosted by the John Taolo Gaetsewe District Municipality. Sebilo Resources has been in operation since 2013 and produces about 480kt of medium grade lumpy manganese and about 120kt of low grade fines ore for the export market.The Company's shareholding is broad-based and represents a group of local empowerment parties that includes the Batlharo Ba Ga Toto Traditional Authority, Gweba Trading (Pty) Ltd, Agang bo-Kamoso Mining Enterprise CC, Tlhama CC and Aquarella Investment 99 (Pty) Ltd.

The full particulars of the applicant are as follows:

<b>Name of mine:</b>	Sebilo Resources Pty Ltd
<b>Registration Number</b>	2004/005362/07
<b>Extent</b>	159 hectares
<b>Contact Person</b>	Name : John Rutiri Email : john@sebiloresources.co.za
<b>Physical Address</b>	121 Mendelssohn street Roosevelt Park Johannesburg
<b>Postal Address</b>	P.O.Box 48477 Roosevelt Park 2129
<b>Municipal Authorities</b>	Joe Morolong Local Municipality
<b>Location</b>	The property may be accessed via the R31 tar road from the town of Kuruman and is located approximately 10 km south of the mining town of Hotazel, Northern Cape.
<b>Life of Mine</b>	8 years (Remaining)
<b>Commodity Mined</b>	Manganese Ore
<b>Size of Workforce (as August 2018)</b>	62 permanent employees, 154 core contractor employees
<b>Financial Year</b>	June - May

The remaining LOM is expected to be 8 years, based on current business and LOM plans. The production of the mine will average between 480 and 600 thousand tons per annum by open cast mining. Below table summarizes the projected LOM plan for the next five year cycle.

<b>Production</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Ore</b>	693000	668000	650000	650000	650000
<b>Waste</b>	4487220	4325343	4208792	4208792	4208792
<b>Product Tons</b>	554400	534400	520000	520000	520000

### 6.3 Profile of Workforce

As at January 2019, Sebilo Resources has employed 62 permanent employees, whereas the majority of same originates from the Northern Cape.

The tables below summarises the employee profile of employees at Sebilo Resources:

Employee Category	Total
Permanent	62
Consultants	7
Apprentices	2
Contractor employees	154
Total	225

*Table 1: Employee profile of employees at Sebilo Resources:*

Recruiting of staff is executed as follows:

- 71% from the Northern Cape area (the remaining 25% will, due to the current skills shortage being experienced in the Northern Cape of senior management, professionally qualified people, skilled technical people and academic qualified people, be recruited from elsewhere in South Africa)
- HDSA management target of 40% ('management' being the equivalent of Patterson Grade D and above) and non-management target of 60%;
- 10% of management positions filled by women; and
- 10% of women in mining (the core business of mining)

Sebilo Resources continuously aims to recruit more than 70% of its employees from the Northern Cape but with focus on the John Taolo Gaetsewe Municipal jurisdiction. The distribution of employees by place of residence will be reported on in the annual report which is submitted 3 months after the end of every financial year.

The following table provides an indication of the difference between permanent employees and independent contractor jobs:

PERMANENT EMPLOYEES	INDEPENDENT CONTRACTORS
<p>“Permanent employee” means for this purpose a person who for remuneration, enters into a contract of employment with an employer until his/her prescribed retirement date, in terms of which that person places his/her productive capacity at the disposal of the employer.</p>	<p>“Independent contractor” or “contractor” means a person or entity who is contracted by a customer to either personally or through others, perform a specific work or produce a specific result in accordance with the terms and conditions set out in a contract concluded between the contractor and the customer.</p> <p>Sebilo Resources will engage with all independent contractors to ensure compliance with the requirements of regulation 46 of the MPRDA.</p>

*Table 2: Definitions of Permanent and Independent Contractor*

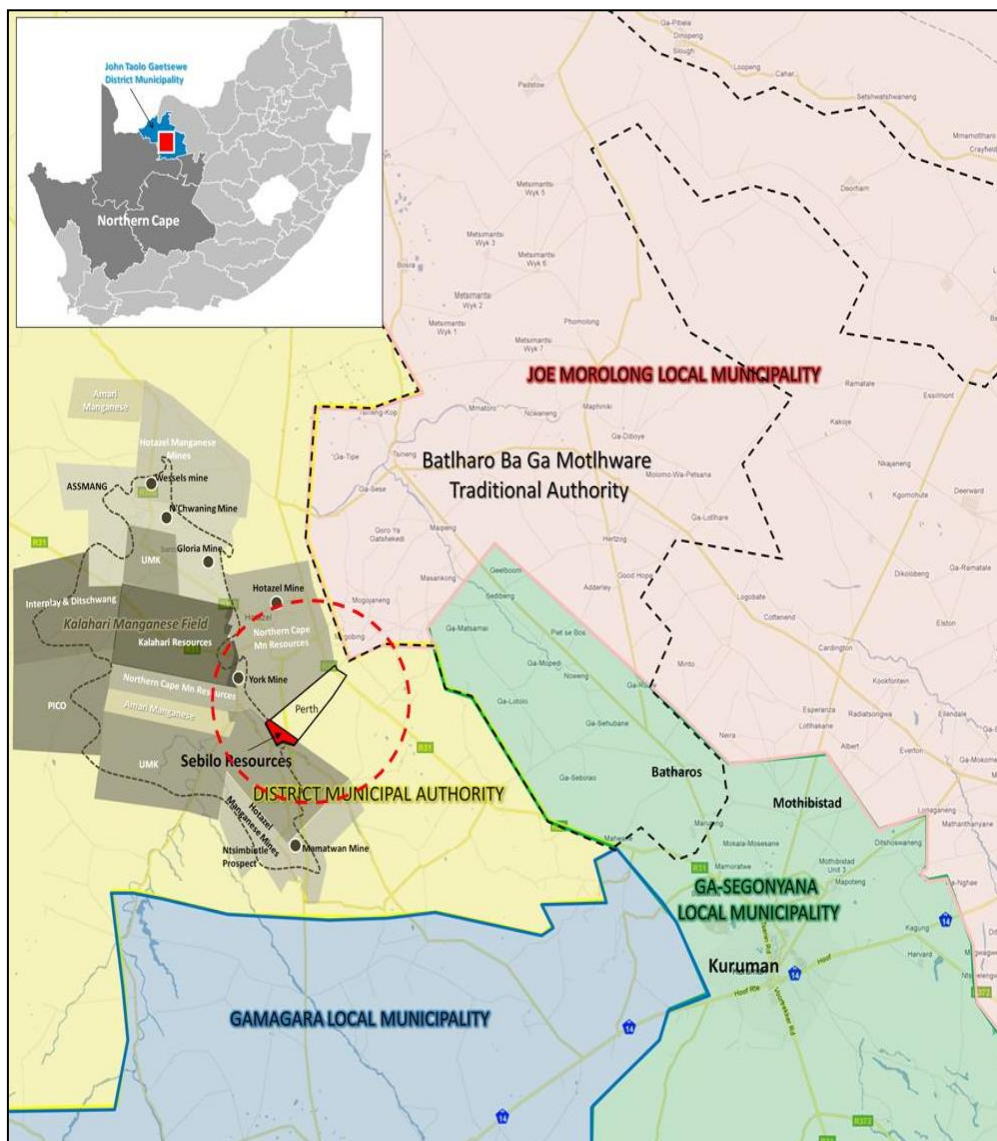
Area	% per area
Joe Morolong	29%
Gasegonyana & Gamagara	38%
Other in Northern Cape	4%
Total Northern Cape	71%
Outside Northern Cape	29%
<b>Permanent Employees</b>	

*Table 3: Labour Sending Areas*



The mining operation is situated in the District Management Area (DMA) which is situated in the John Taolo Gaetsewe (JTG) District Municipality, Northern Cape about 10 km south of Hotazel. The area is in the jurisdiction of the Joe Morolong Local Municipality. Joe Morolong Municipal area (NC) consists of 15 wards and 29 democratically elected councillors (15 ward councillors and 14 PR councillor). The Churchill village is the administrative centre of the Joe Morolong Local Municipality. The location of the mine is depicted in the plan below:

**Table 4: Locality Plan**



## SECTION 7

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### 7. HUMAN RESOURCES DEVELOPMENT PROGRAMME

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

#### 7.1 Reg 46 (b) HUMAN RESOURCE DEVELOPMENT (HRD) PROGRAMME

In accordance with Regulation 46(b) (i) to (v) of the Minerals and Petroleum Resource Development Act, 2002:

Sebilo Resources human resource management strategy is focused on maximizing return on investment in the organization's human capital and to minimise financial risk. This will be achieved by aligning the supply of skilled and qualified individuals with the capabilities of the current workforce and requirements to maximize return on investment and secure future survival and success. In ensuring such objectives are achieved, the human resource function strives to implement the organizations human resource requirements effectively in a legal, ethical and sustainable manner to retain the respect and support of its workforce. The primary objective of this Human Resource Development Programme is to not only ensure the availability of mining-operation-specific skills and competencies of the workforce, but also to equip HDSA employees to reach management positions.

Another objective is the skilling of employees with non-mining related portable skills that can be used by the employees outside the mining industry. The objective is to minimise the dependency on mining as mining resources have a finite life. Sebilo further identified the disciplines for which learnerships will be granted. The Sebilo Resources skills development plan will encourage and build skills, which are recognized under the National Qualifications Framework (NQF) and which are portable outside the worker's current employment. The success of this plan relies on both Sebilo Resources and the employees taking responsibility for their wellbeing and energetically pursuing the opportunities, which may be available to each individual to ensure that his or her full potential is reached. Sebilo Resources fully subscribes to the principles of the Mining Charter and the undertaking by regarding the empowerment and employment of historically disadvantaged South Africans, including women in mining in order to achieve the representative targets.

## **7.2 Reg 46 (b) (i) Skills Development Plan**

An integral part of developing and transforming the mining industry is the development of Historically Disadvantaged South Africans (HDSA). Three priorities in this respect are recognized in the Charter on Broad Based Black Economic Empowerment for the mining industry and these are: ensuring that all mine workers are functionally literate and numerate, creating skills development plans which are part of the career-path objectives and mentoring employees. Sebilo will therefore build capacity and ensure that all its employees have access to the greatest range of skills development opportunities available.

The primary objective of the Human Resource Development Programme is to not only ensure the availability of mining operations specific skills and competencies of the workforce, but also to equip HDSA employees to reach managerial positions. An additional objective is the skilling of employees with non-mining related portable skills that can be used by the employees outside the mining industry. Sebilo further identified the discipline for which learnerships will be granted as and when required.

### **7.2.1 Philosophy**

Through Sebilo's Human Resource Development Policy, aims to:

- Develop and sustain core competencies and to optimise its human resources in order to meet its strategic objectives and to improve its operational performance;
- Create a learning culture by assisting and facilitating the process whereby employees and their dependants take responsibility to improve their own educational and competency levels, to the mutual benefit of the individual and the organisation;
- Ensure integration and uniformity in all learning and development processes through the leverage of technologies;
- Support and reinforce, through the various learning and development endeavours, the values of the Company;
- Ensure that learning and development initiatives are career focused and aligned with business objectives; and
- Establish life – long learning as the major thrust of learning and development.

### **7.2.2 Strategic focus**

Sebilo's Human Resources Development strategy is aimed at the development of individuals, individuals within teams, teams themselves and the organisation as a whole through:

- The continuous improvement of competencies of all employees through training, development and educational assistance so that all employees can reach their full potential in the work environment;
- Organisation development interventions and programmes to help align Sebilo Resources to a continuously changing environment; and
- Accelerated development opportunities in line with employment equity strategies and targets.

It is an essential output for Sebilo Resources to develop members from the surrounding communities in relevant skills and education to facilitate the process of having community members more employable.

### **7.2.3 Financial commitment**

In order to develop and sustain the necessary core competencies, and thus the competitive edge of Sebilo Resources, the company will commit an amount of at least **5%** per annum of its total payroll for the human resource development of its permanent employees, fixed term employees and community members enrolled at skills development programmes. Specific focus of human resources development programmes are predominately aimed at historically disadvantaged South Africans.

### **7.2.4 Skills Development Facilitator**

Sebilo Resources has appointed a full time skills development facilitator. The details of the registered Skills Development Facilitator (SDF) are:

**Name:** Didimalang Ledwaba  
**Tel:** 011 782 4322  
**Fax:** 011 782 3401  
**Email:** didi@sebiloresources.co.za  
**Date of Registration:** 23 April 2015

### **7.2.5 Facilities**

Sebilo Resources has in its own scope extended training facilities and resources where all training is provided to employees and other independent contractor employees. The following training and development interventions are offered at these facilities, namely: operator training, Safety Health Environment and Quality (SHEQ) training, ABET, Basic computer, management and leadership training

## **7.2.6 Number and Educational Level of Employees**

Table 5 indicates the number and education level of employees at Sebilo Resources as at January 2019, as per Form Q in Annexure II of the MPRDA Regulations.

The details of the Skills Development is set out from paragraphs 7.2.7 until 7.4.3

Band	NQF Level	Classification system	Male				Female				Total	
			A	C	I	W	A	C	I	W	Male	Female
General education and training		No Schooling										
		Grade 0										
		Grade 1										
		Grade 2	2								2	
		Grade 3/Std 1/ABET 1	1								1	
		Grade 4/Std 2	3								3	
		Grade 5/Std 3/ABET/2	1								1	
		Grade 6/Std 4										
		Grade 7/Std 5/ABET 3	1				1				1	1
		Grade 8/Std 6	2								2	
		1 Grade 9/Std 7/ABET 4				1					1	
Further Education & FET Training	2	Grade 10/Std 8/N1	9								9	
	3	Grade 11/Std 9/N2	7				1			7	1	
	4	Grade 12/Std 10/N3	10				6			10	6	
	5	Certificates	2	1			5			3	5	
	6	First Degree/Diploma	7				5			1	7	6
Higher Education and Training (HET)	7	Honours/Higher Diploma	1							1		
	8	Masters/Doctorate	2							2		
	<b>Total</b>		48	1		1	18			1	50	19

*Table 5: Number and Education Level of Employees, as per Form Q in Annexure II of the MPRDA Regulation:*

### 7.2.7 Adult Basic Education and Training (Abet)

The scorecard requirement is to offer every employee the training opportunity to become functionally literate and numerate. Functional literacy and numeracy has been defined by the Department of Minerals and Energy (DMR) as ABET Level 4 or higher. The Company is aware of the fact that encouraging and maintaining levels of interest in ABET participation often remains a challenge as many employees are unwilling to participate in such programmes for a variety of reasons. Participation will therefore be encouraged by comprehensive communication that will emphasize the link between literacy competence and the career paths as well as the individual career progression plans. The career planning process will be used to inform and motivate employees to enrol and remain on the programme.

Sebilo Resources aims to recruit employees with a minimum educational level of grade 10. There are no prescribed minimum qualification requirements for contractors but Sebilo Resources prefer that the minimum qualification for contractors should be grade 9. Sebilo Resources will offers ABET to its employees and contractors who indicated that they want to do ABET. Sebilo Resources will continue to provide the ABET facility for the development of contractors and employees without any cost.

The following targets provide for a learner to pass two ABET levels in one year.

	2019	2020	2021	2022	2023
Abet Targets	10	10	10	10	10
Financial Provision	100000.00	100000.00	100000.00	100000.00	100000.00

*Table 6: Target for Abet Learnerships*

The Company recognises the needs for skills development and training in order to create a well-balanced workforce. The Company will offer employees a variety of training programmes that are not only beneficial to the employer but also will train and skill the employee to find work and re-enter the labour market should they be retrenched or the mine closes down. Sebilo Resources recognises the national shortage of skilled citizens and the focus on skills development. Therefore is the objective to utilize Sebilo's training infrastructure optimally to benefit the company, community, Northern Cape Province and the country. The annual intakes of learners in Learnerships and Skills programmes are in line with learner equity targets.

The table 7 below shows the 5 year plan for learnerships, portable skills and community skills training (such as electrical engineering, boilermaker, commerce, environmental science as well as portable skills and community skills training in welding and carpentry).

Discipline	2018	2019	2020	2021	2022	2023
<b>Learnership &amp; Internship</b>						
Electrical Engineering	2	2	1	1	1	1
Mechanical Engineering	1	1	1	1	1	1
Boilermaker	1	1	1	1	1	1
Organisational Psychology	1	0	0	0	0	0
Commerce & HR	2	2	1	1	1	1
Environmental & Safety management	2	2	1	1	1	1
Mining Engineering	2	2	1	1	1	1
<b>Total</b>	<b>11</b>	<b>10</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Financial Provision</b>	<b>580000.00</b>	<b>620000.00</b>	<b>700000.00</b>	<b>700000.00</b>	<b>700000.00</b>	<b>700000.00</b>

Table 7: Five year Learnership, and Community Training Plan

### **7.2.8 Managerial and functional training**

Sebilo Resources offers managerial and functional training to all employees based on the needs identified from a variety of sources such as; job requirements, competency gaps, performance measurements, Sebilo's strategies, surveys and legal requirements. Based on the needs identified, employees are then subjected to various development interventions. These development actions are part of Sebilo's philosophy to develop its people to their full potential in their positions.

### **7.2.9 Plan for the Provision of Portable Skills for Post-Mining Employment**

Sebilo Resources is committed to provide portable skills development to employees with skills that they can apply outside of the mining environment, taking into account their age profile and the area from which they originate and would therefore probably return to. These opportunities are available to employees who wish to acquire these additional skills at no cost. On-going, on-the-job training is available for all employees when it is necessary to upgrade and enhance their mine-relevant skills while at Sebilo Resources. Table 8 below illustrates the numbers committed to portable skills and community skills training which forms part of Sebilo's five year skills training plan.



Portable Skill	Forecast				
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Agricultural skills	-	1	1	1	1
Boilermaking	-	1	1	1	1
Fitting Aide	-	1	1	1	1
Electrical Aide	-	1	1	1	1
Construction	-	1	1	1	1
<b>Total</b>	-	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>Budget</b>	-	<b>47 000</b>	<b>51700</b>	<b>56850</b>	<b>62535</b>

Table 8: Five year Portable Skills Training Plan

Action step	Target date
Develop portable skills strategy and methodology	1 <sup>st</sup> Q 2020
Consult with employees through Future Forum and use socio-economic baseline to establish portable skills requirement	3 <sup>rd</sup> Q 2020
Review five year portable skills plan with targets, budgets and training schedules	4 <sup>th</sup> Q 2020
Identify service providers, facilities and resources	1 <sup>st</sup> Q 2021
Commence with training	2 <sup>nd</sup> Q 2021
Annual assessment and revision of the implementation programme	4 <sup>th</sup> Q ANNUALLY

### 7.2.10 Workplace Skills Plan and Annual Training Report

Sebilo Resources Human Resources Department adheres to the proposed Workplace Skills Plan submitted to the Mining Qualifications Authority (MQA). The Workplace Skills Plans and Annual Training Reports are developed, completed and submitted annually according to requirements and target dates set by the MQA. Sebilo Resources (PTY) Ltd levy number is **L760774549** and skills levy payments are made to the South African Revenue Services.

### **7.2.11 Hard to fill vacancies**

Currently most hard to fill vacancies have been filled. Any hard to fill vacancies which will become vacant or being required will be set out in Sebilo Resources' Annual Progress and Future Activity reports in terms of Sec 25 (2) h , Sec 28 (2) c of the MPRDA and Clause 18.1 of the Sebilo Resource Mining Right. Sebilo Resource will on a year on year basis identify the applicable Hard to Fill vacancies and make provision for the filling of these vacancies based on succession planning initiatives.

## **7.3 Reg 46 (b) (ii) Career Progression and Mentorship Plans**

### **7.3.1 Career progression plan**

As a learning organisation, employee development and the investment in people is key to the success of the organisation. Sebilo Resources has identified the following mechanisms as means to develop employees in ways that allow individual/s to progress within their careers in the organisation:

- Identification of the capacity pool;
- Accelerated development of the capacity pool;
- Use of formal succession planning and individual development plans for all management and professional categories.

In respect to the above mentioned mechanisms due consideration is granted to HDSA employees.

### **7.3.2 Career progression, succession planning and fast-tracking**

The development of appropriate succession plans and fast-tracking programmes at Sebilo Resources are:

- Derived from its employment equity plan;
- Linked to the succession plan in the case of managerial candidates;
- Focused on formal learnerships and a fast-tracking programme in the case of negotiation category employees;
- Focused on the capacity pool, individuals with leadership potential;

The capacity pool is identified according to criteria which consist of various factors and assessments, and rates individuals according to their performance and readiness for promotion. Succession to a higher position is thus transparent and sequential.

At Sebilo Resources the capacity pool for the managerial group of employees is primarily managed by means of the Succession Planning System. All employees in this group are rated in terms of their performance and potential and the information is captured on a succession planning matrix.

Their contracted individual development plans are captured on the People Performance Programme and dealt with according to individual needs. Tracking is also done through the same programme ,and is formally captured twice per annum.

For employees within the bargaining category, the two main components of capacity pool management are learnerships, of which a variety is based on job specific requirement and a fast – tracking programme to prepare employees for supervisory positions.

Employees are all encouraged to further their studies, or obtain new qualifications, and those studying in their own time have the option to apply for financial assistance according to the official study assistance policy.

A detailed Career Progression Plan with targets and timeframes in line with the skills development plan and the employment equity plan will be developed as per the Action Plan below. Job profiles and detailed career paths will be developed per discipline indicating educational requirements and experience. These career paths will be implemented at the Mine Operation.

Action step	Target date
Provide a list of the job categories as well as competency requirements per job category	1 <sup>st</sup> Q 2019
Outline role descriptions, showing the minimum job-entry requirements, desirable qualifications, relevant courses and recommended career path for each position.	1 <sup>st</sup> Q 2019
Conduct individual assessments, through an employee skills survey, to determine employees' aspirations and potential	1 <sup>st</sup> Q 2019
A detailed five-year career progression plan for talented employees	2 <sup>nd</sup> Q 2019
Implement formal career planning for those candidates identified to have potential through individual career progression plans	2 <sup>nd</sup> Q 2019
A detailed five-year career progression plan for lower level employees to ensure competency development and career progression	3 <sup>rd</sup> Q 2019
Communicate the Career Paths and career management plan to all employees	4 <sup>th</sup> Q 2019
Develop fast-tracking plans for those HDSA employees identified as having significant potential to progress to managerial roles	1 <sup>st</sup> Q 2020
Annual assessment and revision of the implementation programme	4 <sup>th</sup> Q ANNUALLY

Table 9: Career Progression Action Plan

As the Company has yet to develop A Career Progression Plan and associated policies and procedures, the above table provides a **preliminary indication** how the current employees will be assisted to progress along a career path that will be beneficial to the proposed mine.

### 7.3.3 Reg 46 (b) (iii) Mentorship

Mentoring is a process that Sebilo will use to nurture and grow its employees and its empowerment partners from whom it procures services and products. The company will develop a mentorship plan in line with Sebilo’s employment policies and practices, as well as the Skills Development and Employment Equity Acts.

Sebilo Resources operates both a formal mentorship programme and an informal coaching system. Employees with the specific focus towards HDSA employees identified through career progression processes, and that are part of a capacity pool or high performance individual are subjected to a mentorship and coaching programme.

### 7.3.4 Formal mentorship programme

The formal mentorship process comprises mentoring by identified line managers to mentees, with a formal contract between both parties, linked to the performance system. Line managers are provided with the necessary skills to act as mentors. Mentees are matched with mentors to ensure maximum benefit. Mentees and mentors are selected through career progression and succession plans. It is expected that the number of employees, who will undergo the formal mentorship programme over the next five years, will be as follows:

Category	2018	2019	2020	2021	2022	2023
Mentees	6	6	6	6	6	6
Mentors	4	4	4	4	4	4
Total	10	10	10	10	10	10
Financial Provision	720000.00	720000.00	720000.00	720000.00	720000.00	720000.00

*Table 10: Employees on formal mentorship programme*

### 7.3.5 Informal coaching

All employees of Sebilo Resources are coached by their immediate line managers, in a process known as “on the job coaching”. This process aims to ensure that each employee is equipped with the necessary skills for their jobs , and supported in their career aspirations.

### 7.3.6 Career progression through generic career paths

<b>Engineering:</b>	Maintenance operator to Artisan Apprentice to artisan
<b>Mining:</b>	Pit Superintendent/Geologist to Mine Manager
<b>Support Services:</b>	Environmental trainee to Environmental Officer HR administrator to Industrial Relations Officer

*Table 11: Career progression through generic career paths*

## 7.4 Reg 46 (b) (iv) Bursaries, Internships and Scholarships

### 7.4.1 Bursaries

Sebilo Resources is committed to ensure a steady supply of suitably qualified professionals for the need of the company. In order to provide resources for the company Sebilo Resources will continue to fund bursaries in boiler making, millwright, environmental science, human resources, finance, etc. as the need arises. The focus for recruitment will be the Northern Cape. The administration of the bursary scheme is coordinated centrally by our Head Office. After graduation, young professionals in training (PIT) are taken through a structured internship for at least 24 months, ensuring thorough training and development in the respective fields of study. During this period, the young professionals are properly mentored and coached.

The intake of bursaries will be according to the employment equity targets of the organisation.

Category	2019	2020	2021	2022	2023
<b>Bursars</b>	2	2	2	2	2
<b>PIT's</b>	2	2	2	2	2
<b>Total</b>	4	4	4	4	4
<b>Financial Provision</b>	<b>800000.00</b>	<b>800000.00</b>	<b>800000.00</b>	<b>800000.00</b>	<b>800000.00</b>

*Table 12: Number of bursaries and PIT's offered by Sebilo Resources per Annum*

### 7.4.2 Other internships

The Sebilo Internship programme will be developed in conjunction with the Skills Development Plan. Sebilo Resources will make internships available to local community members who need work experience in the mining industry in order to complete their degrees /diplomas. Some of the experiential programmes will be aimed at the development of potential employees. This programme is offered to qualifying interns at no cost and all resources required for the learning

opportunity will be provided by the organisation. In addition, an allowance will be applicable for the duration of the internship.

Category	2019	2020	2021	2022	2023
Internships	3	3	3	3	3
Budget	174000	174000	174000	174000	174000

*Table 13: Number of Internships offered by Sebilo Resources per Annum*

## 7.5 Reg 46 (b) (v) Employment Equity

### 7.5.1 Status

Sebilo Resources is committed to Employment Equity (EE) throughout its HR Strategy. Accordingly, its EE policy and plans are developed in order to eliminate discriminatory practices and, through affirmative action, to ensure the number of employees at senior levels improve over time to truly reflect the demographics of the South African population. In addition to complying with the Mining Charter targets regarding HDSAs in management and women in mining, Sebilo Resources is aiming to achieve the corporate target of 1% disabled on the mine. The Mine's current Employment Equity status is indicated in Form S, further below. Sebilo Resources EE policy has been designed with the aim of addressing the following aspects:

- a) Compliance to the Employment Equity Act;
- b) Participation and Consultation;
- c) Equality and Equal Opportunities;
- d) Diversity in the workplace;
- e) Recruitment Policy;
- f) Organizational Culture;
- g) Employee Development;
- h) Succession Planning and Capacity Building; and
- i) Harassment in the Workplace.

The Senior Management is committed to the elimination of any form of direct or indirect unfair harassment in the workplace. This includes any acts or threats that interfere with the performance at work of any individual or group on account of race, gender, sex, pregnancy, marital status, family responsibility, ethnic or social origin, HIV/Aids status, sexual orientation, age, disability, religion, conscience, belief, political opinion, culture, language or birth.

## **7.5.2 Employment Equity Plan**

Sebilo Resources is committed to the socio-economic empowerment of people who were previously disadvantaged and believes that Gender Equity is critical to economic growth and wealth creation in South Africa. Further, the Company's Employment Equity policy will be an integral part of the Mine's commitment to building an effective and representative workforce, to ensuring equality for all employees and it will form an essential element of the Company's Human Resources Strategy. Particularly in an effort which will be directed at identifying HDSA's with talent and providing accelerated training and development initiatives to assist their progression.

An effort is made at Sebilo Resources to ensure that a minimum of 25% women are employed at its Perth operation over the next five years – see Table 14 below. Hence, the Mine endeavours to comply with the revised Mining Charter targets in terms of 50% HDSA in management over the next five years

Occupational Level	Paterson Band	Male				Female				Total	Disabled	
		African	Coloured	Indian	White	African	Coloured	Indian	White		Male	Female
Top management	F	1								1		
Senior management	E	1								1		
Professionally qualified and experienced specialists and mid-management	D	3				1			1	5		
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	C	7	1		1	2				11		
Semi-skilled and discretionary decision-making	B	10				10				20		
Unskilled and defined decision-making	A	26				5				31		
<b>Total Permanent Employees</b>		<b>39</b>	<b>1</b>			<b>16</b>				<b>56</b>		
Core Contractors												
<b>Total Employees</b>		<b>48</b>	<b>1</b>		<b>1</b>	<b>18</b>			<b>1</b>			

Table 14: Current Employment Equity Statistics, as per Form S in Annexure II of the MPRDA Regulations



Employment Equity Targets for a 5 year period.

Target in Numbers					
	2019	2020	2021	2022	2023
Senior (Women in Mining E )	20	22	24	26	28
Total Management	5	6	7	7	7
Total	20	22	24	26	28

*Table 15: Women In Core Mining*

Target in Numbers					
	2019	2020	2021	2022	2023
HDSA	8	10	10	10	10
Total Management	2	2	2	2	2
Total	8	10	10	10	10

*Table 16: HDSA targets*

### 7.5.3 Women in Mining

Sebilo Resources is committed to the socio economic empowerment of people who were previously disadvantaged and believes that Gender Equity is critical to economic growth and wealth creation in South Africa. The Company will make every effort to ensure that a minimum of 10% women are employed in mining at the operation. A women in mining structure with the terms of reference has been established in 2018. The objective of this committee is to ensure the following:

- Ensure facilities available for women on the mine including separate change rooms and ablution facilities.
- Identify the training and technical needs of women and organise the resources required to meet these needs.
- Develop and implement appropriate policies geared at facilitating the retention of women

#### **7.5.4 Migrant labour**

Sebilo Resources is committed to comply fully with the spirit and requirements of Government and industry agreements to ensure non-discrimination against foreign migrant labour.

**The following goals are ascribed to, in pursuit of the above:**

- Maintaining fair and non-discriminatory practices for all the employees and those seeking employment.
- Creating a working environment where all can work together in a peaceful and harmonious manner.
- Contributing towards the democratic practices of our country's society by creating an environment where people from different backgrounds better understand one another.

**The following principles are also adhered to on a continuous basis:**

- Maintaining the same employment conditions for all employees regardless of origin.
- Uplifting the spirit of the code of good conduct by creating and treating all employees the same, including those from outside South Africa. This is evident in its employment contracts and working conditions which are fair to all.
- The employment of foreign personnel is conducted in accordance with the guidelines of South African immigration laws regarding employment of foreigners.

## SECTION 8

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### 8. LOCAL ECONOMIC DEVELOPMENT PROGRAMME

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

#### 8.1 Reg 46(c): Introduction

In compliance with the mining charter, this section addresses interventions which Sebilo Resources intends to implement in the local municipal area. These interventions will focus on three areas, namely community development, infrastructure and local economic development (LED). The intention is to adhere to the following:

- Co-operation with local government in formulating and assisting with the implementation of integrated development plans for surrounding communities where Sebilo Resources mining activities will take place.
- Regular engagements with host communities.
- Contribute significantly to addressing poverty eradication and uplift of host communities.
- Identifying and engaging with key stakeholders in existing and emerging forums.

#### 8.2 SLP Framework against which SLP 2 consultations were held

The Sebilo Resources SLP consultation process has started with the JLM to agree between the two parties new commitments for the next five years as part of Sebilo's new plan.

Reflecting on the first SLP which was agreed many leanings can be taken away from the plan. The mine is currently wrapping up the commitments of the first SLP and in process of drafting and finalising its reports to the Department of Mineral Resources Northern Cape Region.

##### a) Key Learnings from SLP 1

- Projects submitted did not all speak to priorities as per the IDP.
- Gaps in the IDP in terms of project consultations.
- IDP projects committed to were mostly all in concept phase.
- No feasibility studies and business plans was available to back up projects committed to and this cost had to be carried as part of the financial commitment.

- Commitments were not aligned strategically to the local area keeping in mind current situations and future analysis.
- Resource and capacity challenges at the local municipality forced the mine to take ownership and accountability greater than what was anticipated.
- Sectorial projects did not enjoy the support from the municipality and had to be driven under sector departments.
- Not enough frequent report back or communication plans to Council on progress on projects to inform community. Poor engagement and communication structures.
- Defining the role of officials and politicians in project management and execution.
- The capacity and capability of local BEE service providers not at a stable level.

#### **b) Guidelines for new 5 year SLP**

- Based on the aforesaid strategic focus should be placed on O&M of existing infrastructure to support improved service delivery and access to basic services.
- Projects for SLP 2 should strategically be focussed on infrastructure development to be defined from the SDF, IDP and Master plans.
- In the interest of adding maximum value through the SLP 2 investment, poverty alleviation projects set up as cooperatives leads to non-value adding expenditure and not aligned to priorities of current town needs.
- Sectorial projects will be considered in alignment with sector priorities in Education, Skills, Healthcare, and Social Development.
- All projects agreed must be proven feasible and have clear scope of works.
- Projects identified but in concept phase are undertaken as high risk and municipality to provide study costs.
- Economic Development Projects must be aligned with Enterprise Development Strategies where Public and Private Sector have common objectives to promote job creation.
- Projects agreed upon must have a feasible business plan to ensure all funds committed add maximum value.
- Projects must be aligned to the IDP priorities.

#### **c) Governance Framework for SLP 2 commitments**

- Engagement between two parties on the framework for SLP 2 commitments to give guidance and supported outcomes linked to municipality developmental needs.
- Consultation takes place with management and political leadership of the current IDP priorities.
- Delegated officials to be identified to drive process by municipality.
- Sebilo Resources to communicate its mandate on approval gained from its management on the financial commitment.

- Service Level Agreements to be signed to govern project implementation between the two parties.
- Municipality and Sebilo Resources agree on new commitments after consultation workshops.
- Sebilo Resources engages the DMR on the process and proposed projects.
- Sebilo Resources physically lodges new commitments to DMR.
- DMR to do final approvals on new five year commitments.

### **8.3 Reg 46 (c) (i): Social and Economic Background of the Area in Which the Mine Operates**

#### **8.3.1 Northern Cape Province**

The Northern Cape Province occupies 363 389km<sup>2</sup> or 29% of South Africa's land mass and is the largest of the nine Provinces, although sparsely distributed with a total population of 1 058 060. It is situated in the north-western portion of the country and is bordered by Namibia and Botswana to the north, the North-West and Free State Provinces to the east, the Eastern Cape and Western Cape Provinces to the south and the Atlantic Ocean to the west. The international boundaries are formed by the Orange River (Namibia) and Molopo (Botswana) River bed. The Province comprised of five District Municipalities namely; Frances Baard, John Taolo Gaetsewe, Namakwa, Pixley ka Seme and ZF Mgcawu. Although the District Municipalities are made up of a number of local municipalities, these are not "wall-to-wall" municipalities, as large areas of the Province have been designated District Management Areas (DMAs) due to their extremely low populations. As required by the MPRDA, Sebilo's LED programme's statutory interaction for the Integrated Development Plans will be with the Joe Morolong Local Municipality under the jurisdiction of the John Taolo Gaetsewe District Municipality.

#### **8.3.2 Socio-economic profile of the District Municipality**

John Taolo Gaetsewe (JTG) District Municipality, is the second smallest district in the Northern Cape, occupying only 6% of the Province (27 322 km<sup>2</sup>). The District Municipality, which comprises three local municipalities, was officially renamed after John Taolo Gaetsewe, the late freedom fighter and trade unionist on 6 December 2008. The three local municipalities are: Gamagara, Ga-Segonyana and Joe Morolong.

The area is largely rural with an annual rainfall from 500mm in the east to 300mm in the west, which is below the generally accepted average of 500mm for dry land cropping. Rainfall occurs mainly during late summer (February) and can be highly erratic. The JTG has both rural and peri-urban features and comprise of 186 settlements with 80% of these villages located in Joe Morolong.

The area is characterised by a mixture of land uses of which agriculture and mining are dominant. Ga-Segonyana and Joe Morolong consist mainly of residential areas with Gamagara comprising of predominantly commercial farms and mining activity. Poverty is widespread in the area and more concentrated in the rural areas with an estimated 83.7% of the people living below the poverty line.

The majority of the people residing in JTG are South Africans, with a small percentage of immigrants from SADC countries and Asia working in the mines and as traders. Africans constitutes 87.5% of the population followed by Coloureds at 7.24%, Whites 5.15% and Indians 0.06% respectively. The area is also characterised by poor infrastructure, a result of inadequate resources, poor skills, knowledge and weak professional base.

Sebilo Resources has undertaken several baseline studies to determine the socio-economic conditions in the area. Together with this identify who its key stakeholders are and what the key issues are related to their specific interest in to the mining operations. Sebilo Resources operates in the Joe Morolong Local Municipal area which is also its host community and Gasegonyana Local Municipality as its Labour sourcing area. The local municipality falls within the JTG District Municipality situated in Kuruman Town. The jurisdiction area of Joe Morolong municipality is located in the Northern Cape Province in John Taolo District Municipality. The municipal area is approximately 5 813 km<sup>2</sup> in size. This area is characterised by rural establishments made up of 187 villages of different sizes and numerous scattered villages connected by gravel and dirt roads. Various Tribal authorities exist with nine paramount chiefs within this municipal boundary with 15 wards and the municipality is entirely a communal land. It has a population of 107 103 with 187 villages 20 647 households, 168 schools the number of schools is affected as a result of some schools are merging , 3 police stations, 24 clinics and 2 community health centres.

Only 43, 98% of individuals are employed and most of them only earn between R100.000 and R180.000.00 per annum. Most are depended on government grants. Subsistence farming is the main economic activity. Although mining is the second largest industry the majority of employees are either involved in elementary occupations or in craft/trade occupations. Only 2.56% of the population is involved in senior management and only further 18, 08% are professionals in their fields. Only 24, 47% of individuals in the area successfully completed their Grade 12, but 28.43% of individuals received no education at all. The majority of households only have access to public taps as means of water. Most still only have access to pit latrine and some still have no access to sanitation at all. The structure and form of Joe Morolong Municipality generate movement, at great cost in terms of infrastructure, energy consumption and public finance. Public transportation is inefficient and expensive and it is often difficult to switch from one mode of transport to another. Limited vehicle routes restrict access to certain areas within the municipality .Each area within the municipality is, of necessity, functionally discrete and inwardly focussed.

Community facilities and services are embedded in rural villages and access to the latter is therefore, very difficult for anyone from outside the area. The utilisation of the facilities and services

are restricted to the communities in the vicinity. The national environment of Joe Morolong Municipal area is degraded in the north-east, mainly due to degraded land. (Thicket and bush land and unimproved grassland)The long-term cost of such trends to the economy of the area will be significant. The municipality is busy developing the new SDF. Inadequate shelter, homelessness and insufficient access to basic services, are growing challenges. In short, the quality of life for most people in the Joe Morolong Local Municipal area is poor, a lot has been done but there is still a lot more to be done.

#### **8.4 Key Impacts and issues identified in the baseline study conducted by Sebilo Resources in 2012/2013**

Sebilo Resources delivers a Socio-Economic Assessment Report which looks at the areas of interests and larger where intense literature review was consulted to determine their key issues and impacts which guides the mine to respond to these through putting together a Social Management Plan.

Issues and Impacts identified related to socio-economic development raised by our stakeholders -

- Local procurement opportunities
- Local employment opportunities
- Lack of development in the area despite the economic activities happening in the area

#### **8.5 Government Long Term Strategy**

In putting forward its commitments for the next five years it is of utmost importance that Sebilo Resources works hand in hand with government to achieve through collaboration and partnership the objectives as set out in government's long terms strategy. The projects adapted and put forward in SLP 2 speaks to the high level priorities of government. In the commitments undertaken Sebilo Resources ensured that it is linked to milestones of the National Development Plan as well as the IDP. The objectives of the NDP are set out in the section below:

### **NATIONAL DEVELOPMENT PLAN**

#### **Introduction**

The National Development Plan aims to eliminate poverty and reduce inequality by 2030. South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society.

## **By 2030 – The NDP in brief**

Eliminate income poverty – Reduce the proportion of households with a monthly income below R419 per person (in 2009 prices) from 39 percent to zero.

Reduce inequality – The Gini coefficient should fall from 0.69 to 0.6.

### **Enabling milestones**

- Increase employment from 13 million in 2010 to 24 million in 2030.
- Raise per capita income from R50 000 in 2010 to R120 000 by 2030
- Increase the share of national income of the bottom 40 percent from 6 percent to 10 percent.
- Establish a competitive base of infrastructure, human resources and regulatory frameworks.
- Ensure that skilled, technical, professional and managerial posts better reflect the country's racial, gender and disability makeup.
- Broaden ownership of assets to historically disadvantaged groups.
- Increase the quality of education so that all children have at least two years of preschool education and all children in grade 3 can read and write.
- Provide affordable access to quality health care while promoting health and wellbeing.
- Establish effective, safe and affordable public transport.
- Produce sufficient energy to support industry at competitive prices, ensuring access for poor households, while reducing carbon emissions per unit of power by about one-third.
- Ensure that all South Africans have access to clean running water in their homes
- Make high-speed broadband internet universally available at competitive prices.
- Realise a food trade surplus, with one-third produced by small-scale farmers or households.
- Ensure household food and nutrition security.
- Entrench a social security system covering all working people, with social protection for the poor and other groups in need, such as children and people with disabilities.
- Realise a developmental, capable and ethical state that treats citizens with dignity.
- Ensure that all people live safely, with an independent and fair criminal justice system.
- Broaden social cohesion and unity while redressing the inequities of the past.
- Play a leading role in continental development, economic integration and human rights.

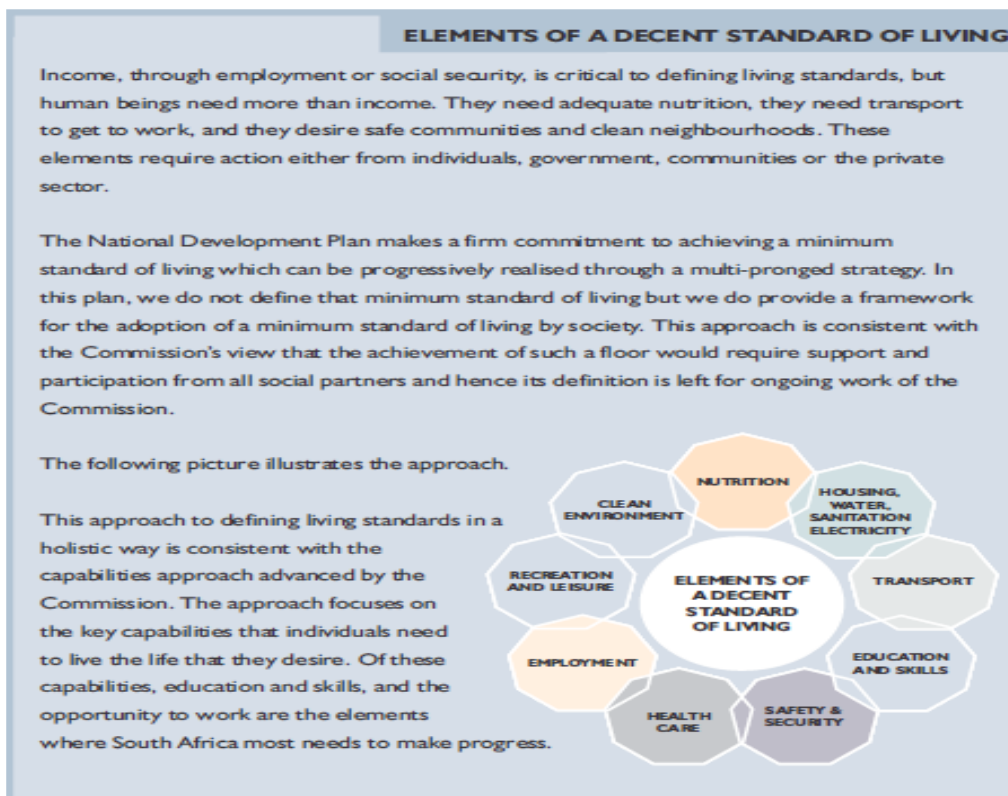
### **Critical actions**

- A social compact study to reduce poverty and inequality, and increase employment and investment.
- A strategy to address poverty and its impacts by broadening access to employment, strengthening the social wage, improving public transport and raising rural incomes.



- Steps by the state to professionalise the public service, strengthen accountability, improve coordination and prosecute corruption.
- Boost private investment in labour-intensive areas, competitiveness and exports, with adjustments to lower the risk of hiring younger workers.
- An education accountability chain, with lines of responsibility from state to classroom.
- Phase in national health insurance, with a focus on upgrading public health facilities, producing more health professionals and reducing the relative cost of private health care.
- Public infrastructure investment at 10 percent of gross domestic product (GDP) financed through tariffs, public-private partnerships, taxes and loans and focused on transport, energy and water.
- Interventions to ensure environmental sustainability and resilience to future shocks.
- New spatial norms and standards – densifying cities, improving transport, locating jobs where people live, upgrading informal settlements and fixing housing market gaps.
- Reduce crime by strengthening criminal justice and improving community.

**Approach:**



*Table 17: Approach*

## **8.6 Stakeholders**

### **8.6.1 Stakeholder engagement**

During the SIA, various stakeholders were engaged in identifying impacts from the mine's activities, as well as potential areas for local economic development, community development and infrastructure development.

### **8.6.2 Stakeholder needs analysis**

#### **a) Purpose of undertaking stakeholder needs analysis**

The purpose is to obtain an independent view of what stakeholders need and to convey these needs to Sebilo Resources. The responsibility of addressing needs vests with Sebilo Resources through the development of appropriate strategies. These strategies are incorporated into the Social Plan of the mine.

#### **b) Stakeholder identification**

Sebilo Resources identified key stakeholders, interested and affected parties as well as community groups guided by MPRDA regulations. These regulations stipulate that a mine has to engage stakeholders (communities in particular) in its labour areas, as well as relevant local authorities (to promote local economic development).

The following section highlights some key stakeholders for Sebilo Resources in the Joe Morolong area and surroundings. This information will be updated regularly through continuous identification of other stakeholders.

### **8.6.3 Sebilo Resources Community Strategy 2018 and beyond**

In 2018 Sebilo Resources embarked on formulating its Community Strategy as part of the bigger objectives and strongly linked to governments objectives as set out in the National Development Plan. The Strategy is intended to support the developmental agenda of government in communities impacted by mining operations, host municipalities, labour sending areas and strategic areas of focus.

The vision of the Community Strategy is to be the leading value-adding partner of choice to its host communities and the Mission for SED is a company making a difference in a community sustaining that difference. The strategy is based on the Local Municipality IDP, the NDP, and Sebilo 2012 Socio Economic Impact Assessment Report as a guide. The focus areas are infrastructure, enterprise development, education and youth development, as a strategic priority area. Identified projects are strongly linked with the government priorities (local and national) as well as speaking to the risks identified in the SEIA report.

In the Community development strategy, the importance of fostering the spirit of cooperation and partnership with other industry leaders as far as Social and Community Development is concerned is highlighted.

This is in order to:

- achieve greater economies of scale,
- optimize the impact and
- Make corporate South Africa's contribution towards social and economic development meaningful.

Focus Areas	Health Support	Social Development	Education Improvement	Skills Development	Youth Development	Infrastructure Development & Municipal Support
<b>Objective</b>	To support access to quality health care services to host communities partnering with Government to contribute to a healthcare system that builds a healthy population.	Social Partner of Choice that makes a positive impact, uplifting the community, focusing on the vulnerable groups	Improve education system to create an enabling learning environment throughout the education pipeline into higher learning in partnership with key education stakeholders.	To foster a skilled environment by providing access to appropriate skills development programmes that feed into the labour market.	To empower the youth by creating access to opportunities aimed at holistic development in order to sustain themselves and positively contribute to society	To support municipal IDP infrastructure development projects, and assisting municipality in service delivery through O&M support
<b>Goals</b>	<ul style="list-style-type: none"> <li>Improvement in available hospital secondary services for all</li> <li>Support existing PHC services to render quality healthcare</li> </ul>	<ul style="list-style-type: none"> <li>Decrease the % of contributing factors leading to social ills</li> <li>A well strengthened civil society community to act as enablers</li> <li>Build and establish social partnerships with other key role-players towards poverty reduction.</li> </ul>	<ul style="list-style-type: none"> <li>School improvement programme that support attractive and conducive learning environments</li> </ul>	<ul style="list-style-type: none"> <li>Develop skills programme based on the local needs/environment</li> <li>Support access to centres for learning</li> <li>Promote broad opportunities within the local labour market</li> </ul>	<ul style="list-style-type: none"> <li>Provide access to information and opportunities to enhance themselves to build towards sustainable livelihoods.</li> <li>To equip youth in school with the relevant tools to improve responsible citizenship in society</li> </ul>	<ul style="list-style-type: none"> <li>Improved infrastructure development</li> <li>Improved access to municipal services (refuse management, water supply and sanitation)</li> </ul>
<b>Key performance areas</b>	<ul style="list-style-type: none"> <li>Partnerships</li> <li>Primary Health Care</li> </ul>	<ul style="list-style-type: none"> <li>Partnerships</li> <li>Civil Society</li> <li>Social Ills</li> <li>Services</li> </ul>	<ul style="list-style-type: none"> <li>Partnerships</li> <li>Learner support</li> <li>Governance</li> </ul>	<ul style="list-style-type: none"> <li>Bursaries</li> <li>Employability</li> <li>Partnerships</li> </ul>	<ul style="list-style-type: none"> <li>Reproductive health</li> <li>Sports and recreation</li> <li>Arts and culture</li> <li>Skills development</li> <li>Operation and maintenance of recreational facilities</li> <li>Partnerships</li> <li>Governance</li> </ul>	<ul style="list-style-type: none"> <li>Infrastructure</li> <li>Bulk services</li> <li>Institutional capacity</li> </ul>

<p><b>Key performance indicators</b></p>	<ul style="list-style-type: none"> <li>• Improvement in healthcare services through support provided – improvement in statistics of compliance report</li> <li>• Improved access to healthcare services - nr of patients treated</li> <li>• Improved turnaround times for emergencies</li> </ul>	<ul style="list-style-type: none"> <li>• Address social ills by mitigating negative impacts through support of awareness campaigns.</li> <li>• Empowered civil society organizations</li> <li>• Improved access to services through marketing of services</li> </ul>	<ul style="list-style-type: none"> <li>• Improved learner passing rates</li> <li>• Reduced learner drop out ratio</li> <li>• Strengthened school governing bodies</li> </ul>	<ul style="list-style-type: none"> <li>• Increase local skilled database</li> <li>• Increased employment of local people</li> <li>• Alignment of community skills courses with local economic drivers</li> <li>• Improvement of partnerships</li> </ul>	<ul style="list-style-type: none"> <li>• Nr of youth engaged in different programmes</li> <li>• Improved employability through life skills development.</li> <li>• Increased access to information</li> </ul>	<ul style="list-style-type: none"> <li>• Enforcement of SLA terms</li> <li>• Monitoring and Evaluation as per agreement terms</li> <li>• Exit strategies on agreements</li> </ul>
<p><b>Role players</b></p>	<ul style="list-style-type: none"> <li>• Department of Health</li> <li>• Local Municipality</li> </ul>	<ul style="list-style-type: none"> <li>• Department of Social Development</li> <li>• Local Municipality</li> <li>• Other civil organizations</li> <li>• NDA</li> </ul>	<ul style="list-style-type: none"> <li>• School governing bodies</li> <li>• Department of Education</li> <li>• District office</li> <li>• Provincial office</li> <li>• Department of Higher Education</li> <li>• Local Municipality</li> <li>• Teacher association bodies</li> </ul>	<ul style="list-style-type: none"> <li>• SETA's</li> <li>• Sebilo HR</li> <li>• Department of Higher Education</li> <li>• Local Municipality</li> <li>• DMR</li> </ul>	<ul style="list-style-type: none"> <li>• Joe Morolong Local Municipality</li> <li>• Local youth organisations</li> <li>• Love Life Foundation</li> <li>• Local sport fraternities</li> <li>• Local schools</li> <li>• NYDA</li> </ul>	<ul style="list-style-type: none"> <li>• Joe morolong Local Municipality</li> <li>• Local Mine Houses</li> <li>• SALGA</li> <li>• CHOGSTA</li> <li>• Public Works</li> <li>• Local Businesses</li> </ul>

*Table 18: Sebilo Resources Community Strategy 2019 - 2023*

## **8.7 Process for Identifying Beneficiaries**

Beneficiaries will be identified in consultation with the Local Municipality.

In the case of Infrastructure Projects where it is labour intensive through EPWP principles, a project steering committee is appointed with various representatives whom will identify the relevant beneficiaries. The selection of beneficiaries is a transparent process to ensure that no ambiguity exist should it be questioned by any party. In terms of investment in socio-economic development beneficiaries in projects are guided by the local municipality based on those aimed to benefit or improve certain communities.

Projects which do not prescribe to a beneficiary process will have a normal application and assessment criteria. Example in the case of a community development projects like skill training an individual will have to apply and pass minimum entry level criteria. Emphasis will remain on giving the local community primary focus but local does still encompass the entire Northern Cape province.

## **8.8 Reg 46 (c) (iii): Sebilo Resources 5 Year LED Programme Aligned to Mineral Regulation Requirements**

Sebilo Resources, by conforming to the guidelines of the social and labour plan as measured in the mining charter scorecard, presents its five-year local economic development programme; by compiling this programme, key Sebilo Resources stakeholders (primarily Joe Morolong local municipality) have been thoroughly engaged. The programme aligns itself to the following requirements:

- Consultation and co-operation in formulating integrated development plans.
- Co-operating with government in implementing these plans for the Joe Morolong community and other identified communities.
- Engage the local mine community

Sebilo Resources primary objective of the LED programme is to ensure poverty eradication and community uplift in the Joe Morolong area and those most vulnerable communities in neighbouring municipalities.

The Sebilo Resources local economic development programme includes sustainable projects which the mine will financially support and implementation is done in conjunction with the key role-players like the municipality, sector departments or civil society organisation

Through various consultations, the LED programme is fully aligned with the IDP of Joe Morolong Local Municipality and the goals of the NDP which speaks to the priorities of sector departments. (These consultations and engagements are fully supported by those key stakeholders (refer to enclosed minutes of consultation workshops held)

**8.9 Sebilu Resources 5 Year LED Plan Commitments 2018 – 2023** (Table 25. Commitments 5 Years)

<b>Infrastructure Project</b>	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Construction of a community hall at Permoutjie	1,500,000				
Refurbishment of existing water infrastructure at Goodhope	1,500,000	1,500,000			
Refurbishment of existing water infrastructure at Vanzylsrus	500,000	1,000,000	500,000		
<b>Socio Economic Development Projects</b>					
Establishment of a tourism centre ( revenue generating project)	Feasibility study	500,000	1,500,000		
Enterprise and Social Development project	300,000	300,000	300,000	300,000	300,000

*Table 19: Sebilu Resources LED Projects 2019 – 2023*

## 8.10 LED Financial Provision

Sebilo Resources will make financial provision on an annual basis to fund its LED Programme as mandated by senior management to deliver on the commitments it made in the SLP 2.

A breakdown of financial commitments is as follows and is subject to change year on year depending on the pace of progress made during the implementation of projects. Should the flow of funds not happened as planned; it will be reported in the Regional Office on an annual basis based on Sec 25 (2) (h), Sec 28 (2), Reg 45 of the MPRDA and Clause 18.2 of the Sebilo Resources Mining Right .

Breakdown is as follow as at submission of SLP 2

Type	Year 1	Year 2	Year 3	Year 4	Year 5
Infrastructure Development	3,500,000	2,500,000	500,000		
Socio Economic Development (Education, Health & Poverty Alleviation)	300,000	800,000	1,800,00	300,000	300,00
<b>Total R' m</b>	<b>3,800,000</b>	<b>3,300,000</b>	<b>2,300,00</b>	<b>300,000</b>	<b>300,000</b>

*Table 20: LED Financial Provision*



## **8.11 Reg 46 (c) (iv) HOUSING AND LIVING CONDITIONS**

### **8.11.1 Sebilo Resources housing and living conditions regulated by mining legislation**

Housing is mostly located on tribal land and in Joe Morolong's case it is 100%. A large number of the population (83%) own their homes with only 7% renting. The majority of the houses are brick and mortar with Joe Morolong having a large number (vggf%) of traditional houses made out of mud. The JTG District Municipality seems to be one of the districts with the smallest percentage of informal dwellings in South Africa, having only 2% of all dwellings in this category.

According to the latest IDP a backlog in the provision of housing existed:

- a) Gamagara: 4 290 houses required within the municipal area (Olifantshoek, Kathu, Deben)
- b) Joe Morolong: 1 000 houses required within the municipal area
- c) Ga-Segonyana: 4 500 houses required within the municipal area

A significant number of mining rights have been awarded in the District Municipality which will have an impact on the availability of housing and on the provision of services in Hotazel, Kuruman and Kathu.

### **8.11.2 Hostels**

Sebilo Resources does not and will not have any hostels nor promote hostel living structures. The primary objective is to move away from old mine traditions of setting up hostels for mine employees. Instead, Sebilo Resources is facilitating the process of employees being housed in the nearest sustainable community system.

#### **8.11.2.1 Home ownership**

Home ownership is the core of Sebilo Resources housing strategy which is in process and is anticipated to be completed by 2019/2020. A task team has been established to investigate an appropriate module to address home ownership.

## **8.12 Reg 46 (c) (vi): Measures to address nutrition of the mine employees**

As per the mineral regulations, the following sections address and substantiate nutrition for Sebilo Resources, i.e. where Sebilo may have to provide nutrition, measures will be established to ensure satisfactory nutrition of mine employees. Sebilo Resources plans to address nutrition

Sebilo Resources is providing supplements to employees. However, to ensure employees are familiar with the advantages of a balanced diet, the following actions have been and will continuously considered:

NO	ACTION	TIMELINE
1	Nutrition awareness will be promoted through a wellness programme.	ongoing
2	Nutritional requirements have been assessed by a specialist to maintain nutritional needs for employees.	continue

*Table 28: Nutrition awareness*

## SECTION 9

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### 9. PROCUREMENT PROGRESSION PLAN

In compliance with Regulation 46(c) (vi)  
of the Mineral and Petroleum Resources Development Act

#### 9.1 Introduction

- Sebilo Resources aims at maximising purchasing from Black Economic Empowered (BEE) and historically disadvantaged (HDSA) suppliers whether are they large, medium or small. The Sebilo Resources Preferential Procurement Policy further aims to promote entrepreneurship in HDSA communities and to give BEE businesses in the local area in order to afford them access to the mainstream of business opportunities. While supporting BEE/HDSA suppliers in any sector of the economy, Sebilo Resources will concentrate its procurement efforts on businesses which have a black empowered shareholding, and are also based in the local area.
- The Preferential Procurement Principles shall be applied and implemented in the procurement activities of the mine, to ensure alignment of BEE Strategic Objectives throughout

#### 9.2 Procurement objectives aligning to mining legislative requirements

- The Sebilo Resources procurement plan is guided by legislation and is committed to the preferential purchasing and procurement objectives of the Revised Mining Charter. The purpose of this plan is to complement the current initiatives aimed at enhancing HDSA procurement. Sebilo Resources has recognised the need to participate meaningfully in the

broad based socio-economic (BBSE) transformation of South Africa and is accordingly a participating member of the Northern Cape Mine Managers Preferential Procurement Forum (NCMMPPF).

- Sebilo Resources took a decision to also measure the procurement impact that we have in our local communities, beyond the Mining Charter targets. Sebilo Resources has adopted its own definition of local procurement, which is that a company must be Black Owned or Empowered and have an office within a 100km radius of the mine.

### 9.3 Targets and compliance beyond 2018

CATEGORY	2018	2019	2020	2021	2022	2023
Procurement of capital goods	74	75	76	77	78	79
Procurement of services	90	91	92	93	94	95
Procurement of consumables	87	88	89	90	91	92

*Table 21: Mining Charter targets*

Note: The current targets in terms of the Mining Charter will increase by 1% year on year for the next 5 years until the current Mining Charter targets are revised by governmental legislation.

- Sebilo Resources is committed to maintaining and exceeding the current Mining Charter BEE Procurement targets. We further commit to conforming to any future changes in legislation with regards to Mining Charter compliance beyond the current 2018 targets, being 40% Capital, 50% Consumables and 70% Services.
- The Northern Cape Department of Minerals and Resources together with the Department of Economic Affairs and Tourism has developed a Northern Cape Procurement Charter which aims at having a coordinated approach to achieve economic growth and to support a sustainable development strategy for the Northern Cape. Sebilo Resources will be part of the drafting process of the charter and will be committed to achieving all the targets as outlined in the charter.

## **9.4 Northern Cape Mine Managers Preferential Procurement Forum**

As part of its commitment to transformation, the Northern Cape Provincial Government, Sebilo Resources and other mines in the Northern Cape Province have embarked on a forum to formalise a co-operative preferential procurement approach.

Sebilo Resources is a participating member of the Northern Cape Mine Managers Preferential Procurement Forum. This forum aims to integrate the principles expressed in the Revised Mining Charter into the procurement operations of mining companies, thereby demonstrating a measurable commitment to develop and enhance procurement processes, policies and procedures that will increase access to business opportunities for HDSA's.

## **9.2 Actions to achieve procurement targets**

### **9.2.1 Qualitative Steps to be taken to achieve targets**

- Interactions with local HDSA suppliers: The Procurement team to have regular information sessions with HDSA suppliers whereby procurement processes and procedures are explained to them in an effort to develop and support HDSA's.
- Create enabling conditions which includes:
  - Ensuring accessibility and visibility through preferential procurement and partnering with others.
  - Integrating global suppliers and local suppliers by incorporating local procurement in the supplier relationship management process with strategic partner organizations.
  - Inclusion of HDSA supplier subcontracting in strategic/ bottle neck contracts
- Developing supplier capacity and capability through:
  - Developing existing local companies to meet Sebilo's standards and other customer's requirements and expectations through mentoring and participation of the supplier development program which will be developed for the mine.
  - Supporting the development of new, sustainable business in the communities in which we operate on through enterprise development linkages with other mines.
- Vendor master database management: Ensure that current supplier information on the vendor database is correct to support transformation and to have a holistic view by managing it from Head Office.

- Identification of new suppliers : Actively identify new HDSA suppliers in the supply environment by aligning procurement strategy actions with local economic development objectives; by establishing, promoting and empowering SMME development in local and surrounding communities and using the mining preferential procurement portal
- Information sharing :Sebilo Resources shall engage and develop HDSA suppliers by regularly convening supplier open days, enterprise development summits to collaborate with the local municipality in creating effective communication channels to enable information flows
- Management of supply: regular analysis to determine services and consumables that can be diverted from large national suppliers and be allocated to local HDSA suppliers through sub-contracting, joint venture opportunities,
- Assist identified HDSA's to become fully independent and competent business entities that can compete in the local market. Implement a policy to encourage existing suppliers to embark on transformation process requirements whereby they create appropriate shareholding in their ownership structure or enter into joint ventures to transfer skills, particularly in the case of foreign vendors through the supplier development program.
- Communicate information regarding successful HDSA suppliers to the surrounding businesses and through forums like the NCMMA and the local municipality
- Engage with socio economic development section on a regular basis to discuss the supplier development program and enterprise development opportunities.
- Preferential procurement policy : using the policy to transform the current supplier base in enhancing HDSA opportunities and BEE suppliers
- High spend strategic and leverage suppliers: Identifying those suppliers that are dependent on supply to Sebilo Resources and determine their intentions of transformation in terms of the revised Mining Charter definition of BEE compliant supplier. Focus to transform the suppliers that can be leveraged to transform through the impact of Sebilo Resources procurement with such suppliers;
- Suppliers providing routine commodities: Identify the potential to replace untransformed suppliers, without BEE compliance, with compliant suppliers.

### 9.5.2. Quantitative Steps to be taken to achieve targets

- Set aside core and non-core mining products and/or services opportunities to the local, regional and provincial, BEE suppliers over the next 5 years

- Comply with revised mining charter targets and enquired reporting (see attached hereto Annexure B the current Mining Charter figures) and the 2018 Mining Charter report as Annexure D)
- Transform the current supply database to ensure that from a strategic base 2 suppliers are transformed; leverage base 1 supplier is transformed and from a routine perspective at least 2 suppliers are transformed during 2019/ 2020 financial year.

## SECTION 10

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### 10. MANAGEMENT OF DOWNSCALING AND RETRENCHMENT

In compliance with Regulation 46 (d)  
of the Mineral and Petroleum Resources Development Act

#### 10.1 Processes Pertaining To the Management of Downscaling and Retrenchment

Guided by current legislation and aligned with workplace forum agreements (in accordance with retrenchment policy), Sebilo Resources will enter into an agreement with the relevant employee representatives on managing retrenchment and downscaling at Perth operations. The parties will agree to the following:

- Prevent job losses and a decline in employment through turnaround or redeployment strategies, and seek alternative solutions to threats to job security and potential measures to prevent a decline in employment.
- Promote a new culture of self-employment and self-maintenance, aimed at improving access to employment opportunities for those who are unemployed.
- Seek to improve the quality of life of all retrenched employees and affected communities.
- Promote ongoing discussions between Sebilo Resources, employee representatives and other relevant parties on any problems and challenges experienced by any of the parties, and possible alternative job-creation projects.
- Jointly and openly discuss issues that concern employees' futures, and jointly structure and implement potential solutions to job losses.
- Jointly engage in strategic planning, deployment or other appropriate strategies that affect jobs, and evaluate progress at regular intervals.

In relation to its practices of good faith, by aligning itself with the guidelines of the social and labour plan, and requirements of the mining charter, Sebilo Resources will adhere to regulations set out below.

##### 10.1.1 Reg 46 (d) (i) : Establishment of Future Forum

In conjunction with all affected stakeholders, Sebilo Resources has established the Future Forum within the first SLP cycle of commissioning of the mine. The forum is consisting of representatives of employees, both directly employed and employed by contractors, and Sebilo Resources management. The Future Forum is facilitated by the General Manager to ensure objectivity during processes of negotiation.

The forum's aim is to ensure an enduring dialogue between the workforce and management on the mining operation and factors affecting the mine's viability. Its duties will include ongoing consultation between workers and management on matters affecting the mine, such as:

- Solutions to identified problems and challenges facing the mining operation, its employees and the communities affected by the mine
- Assistance in developing appropriate redeployment strategies
- Implementing solutions agreed by both employer and worker representatives
- The forum will meet at least quarterly or as regularly as members may decide. When closure of the mine is imminent, the forum will meet at least monthly. In establishing the forum, matters of jurisdiction will all be addressed in its constitution.
- The Future Forum will consist out of the parties as set out in the Sebilu Resources Future Forum Constitution.



### 10.1.2 Reg 46 (d) (ii) : Mechanisms to Save Jobs and Avoid Job Losses and a Decline in Employment

During Sebilo Resources planned LOM, all efforts will be made to prevent job losses. Initiatives will include:

NO	ACTIONS	TIMELINE
1.	Suspension on external appointments	2 years before downscaling
2.	Moratorium on all new and/or renewal of contracts with external contractors	2 years before downscaling
3.	Suspension of employment of temporary staff where permanent jobs can be prolonged	2 years before downscaling
4.	Involvement of key stakeholders to look at ways and strategies to eliminate working cost (excl. labour) to ease financial burden on operation	2 years before downscaling
5.	Offering voluntary separation packages to those employees who wish to do so and feel secure to seek alternative employment or means of income in the area or elsewhere	2 years before downscaling
6.	Offering early retirement packages to employees with long service and who are near the retirement age range	2 years before downscaling
7.	Limiting excessive overtime	2 years before downscaling
8.	Revision of shift configurations, e.g. continuous operations	2 years before downscaling
9.	Eliminate or reduce work outsourced to contractors on site where it can be performed by full-time employees	2 years before downscaling
10.	Creation of post-mine employment where job losses cannot be avoided by ensuring social and economic aspects are fully considered through the implementation of a comprehensive local economic development programme	2 years before downscaling
11.	Offering portable skills training during employment to diversify the skills base of employees. Refer to portable skills training which shall include but not be limited to welding, carpentry, masonry, etc.	Continuous during employment and predominantly 2 yrs. prior to downscaling

*Table 22: Initiatives to prevent job losses*

Sebilo Resources will implement these initiatives through the Future Forum and in consultation with or with assistance from the appropriate local municipal representative body (such as the local economic development forum, the IDP representative forum), and all other appropriate forums that may exist at that point. The applicable provincial and/or national government department(s) will also co-operate to develop infrastructure and provide assistance in establishing an appropriate environment to enable employees to create or access post-mine employment.

#### 10.1.2.1 Consultations

When an employer contemplates dismissing any employee(s) for reasons based on the employer's operational requirements, the employer will consult with representatives/employees as required by section 189 of the Labour Relations Act (66) of 1995, as amended (LRA).

In carrying out constructive consultation, Sebilo Resources undertakes to:

- Consult with all parties as required by workplace forum agreements.
- Consult with affected employees or groups.
- Seek and attempt to reach consensus with consulting parties on appropriate measures to avoid dismissals, minimise dismissals, and change timing of dismissals and to mitigate the adverse effects of dismissals.
- Seek and attempt to reach consensus with consulting parties on the method for selecting employees to be dismissed and the severance packages for those employees.
- Provide consulting parties with written information as per the requirements of the LRA.

#### **10.1.2.2 Legislative compliance implementing section 189 of the labour relations act, 1995**

In the event of downscaling and retrenchments occurring, consultation with employees will be effected in accordance with section 189 of the LRA and any collective agreement that exists (refer to section on consultation process).

There are agreements in place between Sebilo Resources and employee representative. Notification to the Minister. The Minister will be notified as required by Section 52 of the Act, where retrenchment of 15 employees or 20% of the labour force, whichever is lesser, is to take place in any 12-month period; and to the Minister of Labour if retrenchment of employees or 20% of the workforce, whichever is greater, is contemplated. Ministerial directives will be complied with. Should the Minister impose a legitimate directive, Sebilo Resources will comply with the said directive and confirm in writing that corrective measures have been applied

#### **10.1.2.3 Complying with ministerial directive**

The company is committed to complying with the provisions of the Labour Relations Act of 1995 as amended and Codes of Good Practices on dismissal based on operational requirements whenever retrenchments of employees are contemplated. In compliance with the Minister's directive, the following legislative processes will be taken:

- When initiating a retrenchment process, the parties will jointly notify the Board of the situation at the mine, and Sebilo Resources will provide the required information to this board.
- Sebilo Resources and/or all affected parties will comply with the ministerial directive that may be issued in respect of this process.
- Section 189 of the Labour Relations Act will regulate retrenchment processes to be followed.

### **10.1.3 Reg 46 (d) (iii) : Mechanisms to Provide Alternative Solutions and Procedures for Creating Job Security where job losses cannot be avoided**

#### **10.1.3.1 Consultations**

When an employer contemplates dismissing any employee(s) for reasons based on the employer's operational requirements, the employer will consult with representatives/employees as required by section 189(1) of the LRA.

In carrying out constructive consultation, Sebilo Resources undertakes to:

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

#### **10.1.4 Communicating possible retrenchments**

Through Sebilo Resources Communications and Industrial Relations Departments, a strategy to address diverse means of internal and external communications exists to address:

- Informing employees of possible retrenchments.
- Employees will be notified through levels of effective sessions by senior management.
- Continuous information sessions will be in place to address employees when potential retrenchments might come into effect, recognising the sensitivity of these issues.
- Informing other affected parties (labour-sending areas, municipalities, etc.) of possible retrenchments at the operation.
- These parties will be addressed through the Future Forum in line with Sebilo's external communication strategies being put in place.
- Informing outside parties (media, etc.) of possible retrenchments at the operation.
- These parties will be addressed through Sebilo Resources headquarters in line with company protocol at higher levels of management; and in line with Sebilo Resources external communication strategies being put in place.

## **10.1.5 Reg 46 (d) (iv): Mechanisms to ameliorate social and economic impact on individuals, regions and economies where retrenchment or closure of the mine is certain**

### **10.1.5.1 Assessment and counselling service consultations**

Sebilo Resources understands that any process of retrenchment has adverse effects on employees and their extended households. To offer support to affected employees, Sebilo Resources will implement employee assistance programmes (EAPs). Employees who are retrenched by the company will, where possible, practically and reasonably be offered basic life skills, financial life skills and counselling services to ameliorate the effects of retrenchments.

Training and other services will be provided by a nominated service provider. All these services will be available for a period set by the Company and are completely voluntary. Sebilo Resources will bear all costs of training and counselling services to remove the financial burden on affected employees.

In addition and in consultation with the relevant stakeholders, Sebilo Resources will implement:

- Psychological counselling and financial services
- Portable skills training interventions
- Comprehensive self-employment programmes
- In conjunction with the Department of Labour, facilitate the completion of UIF claim forms at mine premises.

### **10.1.5.2 Comprehensive self-employment training programmes**

Sebilo Resources will consider various interventions for employees to mitigate the effects of any retrenchments which shall include but not be limited to the following:

- a) Through successful implementation of its human resources development practices (particularly portable skills), ensure that all employees are equipped with appropriate skills to empower them to seek and be favoured for alternative employment.
  - Conduct a comprehensive skills audit of affected employees.
  - Align training offered to employees that is relevant.
- b) Develop learnership programmes aligned to the interests of affected employees as well as current and forecast skills requirements for the region.
  - Implement accredited learnership programs.
  - Liaise with other companies on their own employment opportunities through the relevant stakeholders and other active forums like the Northern Cape Mine Managers Association, which currently consists of large mining representation from:

- UMK Mine
  - Kalagadi Mine
  - Tshipi e Ntle
  - South 32
  - Kudumane Mine
  - Black Rock
- Mechanisms and procedures for skills training on retrenchment:
    - Employees to be retrenched will, apart from portable skills training received during their employment, be offered any other requested portable skills training, basic life skills, financial skills and SMME training:
  - Training will be limited to the relevant disciplines available for a limited period and to a limited amount, to be determined by the employer in consultation with the consulting parties/affected employees after the date of retrenchment.
  - Training will be provided by an external service provider (preferably a BEE company).
  - Costs of training will be paid directly to the applicable service provider.
  - The value that the employer is prepared to pay towards training (2006 terms) is R4 000 per employee, including any Department of Labour grants that may be available for re-skilling. This amount forms part of the consultation process and is adjusted accordingly. (Is the amount still relevant now?)
    - The aim of such training is to provide employees with the necessary skill to ensure a steady livelihood after downscaling.
  - Affected employees will be remunerated in line with Sebilo Resources wage agreements and retrenchment policy. This includes severance packages, outstanding leave pay, retirement funds and all outstanding amounts due to the employee. This should ensure that employees have some financial assurance in the case of downscaling.
  - This process will ensure that retrenched employees are more marketable and can capitalise on current and emerging employment or business opportunities that exist in the local labour and business environment.

### **10.1.5.3 Remuneration**

All affected employees will be remunerated with all the relevant monies agreed on by employee representative bodies and in good faith under the Basic Conditions of Employment Act.

This includes severance packages, outstanding leave pay and retirement funds. This should ensure that employees have some financial assurance in the case of downscaling.

#### **a) Outstanding Staff Debt**

Assistance to affected employees will be provided through the Employee Assistance Program (EAP).

- The assistance will include, but not be limited to, financial planning.
- The employer does not provide staff loans but where loans were taken through an approved payroll third party; representatives from such an institution will be requested to be available to assist employees.

#### **10.1.5.4 Comprehensive training and re-employment programmes**

Sebilo Resources aims to ensure that through the effective implementation of its HRD plan, appropriate systems for creating employee mobility will be in place. In addition to these plans, to avoid and lessen the effects of job losses Sebilo Resources will make the utmost attempts to ensure that retrenchments are the last resort in any downscaling of operational activities. These efforts and initiatives will include:

- Where job losses cannot be avoided, the skills base of retrenched employees will be further diversified.
- Comprehensive training plans and strategies as discussed herein; and other strategies to mitigate job losses during the LOM.
- The resource information based on the mine works programme indicates that Sebilo Resources has a remaining 8-year operational life span. This downscaling is associated with the reduction in operational activities as the economically viable resource diminishes.
- Assuming that no additional economically viable resources are available, Sebilo Resources will implement the necessary mechanisms to ameliorate the social and economic impacts on employees and local communities as outlined in the table below.

MAIN ACTIVITIES	INDICATOR	TIMELINE
<b>SEBIL0 RESOURCSE WILL ASSIST AFFECTED EMPLOYEES THROUGH:</b>		
<ul style="list-style-type: none"> <li>Alternative employment</li> </ul>	Number of jobs saved	2 years in advance of predicted downscaling
<p>Should alternative employment at a level (one level/grade) lower be available, the employer may protect the salary and conditions of the affected employee or redeployment within the Sebilo Resources</p> <p>Selection criteria will be consulted with parties as prescribed by law. The criteria will be objective and fair and applied in all cases of retrenchment. The criteria may include: length of service, skills, qualifications, performance, attendance, experience, succession planning and disciplinary records</p>	Number of affected employees not retrenched and still in the employ of the company	
<ul style="list-style-type: none"> <li>Time off to seek alternative employment</li> </ul>	Number employees finding alternate employment	
<p>An affected employee may be given paid time off, where possible, to find alternative employment if the employee cannot be released in the final month of service</p>		
<p>Retrenched employees will be given first preference where there are employment opportunities within the first 12 months of retrenchment.</p>		

*Table 23: Employee assistance*

<b>TO STIMULATE JOB CREATION FOR LOCAL AND PROVINCIAL AREAS, SEBIL0 RESOURCSE WILL:</b>		
<p>Consider the feasibility of initiation or expansion of rural development schemes and local development interventions which foster job creation or economic activity at Sebilo Resources and surrounding communities</p>	Number of employees employed in local communities	2 years in advance of predicted downscaling
<p>Consider the particular socio-economic circumstances of Sebilo Resources and its surrounding communities in all relevant decisions concerning the short and long-term future of the mine.</p>	Number of employees in alternative employment	
<p>If Sebilo Resources is to close, the following additional options will be considered:</p>		
<ul style="list-style-type: none"> <li>Sebilo Resources, in consultation with the relevant stakeholders, will evaluate the viability of transferring ownership of any outstanding initiatives to retrenches or local authorities or any other responsible body in terms of the principles and procedures agreed or reasonably established by the enterprise.</li> </ul>		
<ul style="list-style-type: none"> <li>Sebilo Resources, in consultation with relevant stakeholders, will consider the financial feasibility of transferring particular amenities, land and buildings and other resources to retrenches or the community on beneficial terms, especially where the market value of the resources does not justify open-market disposal and the beneficiaries are able to maintain and make active use of them.</li> </ul>	Number of employees economically active	

*Table 24: Job creation stimulation*

**MINE CLOSURE OBJECTIVES AND ALTERNATIVE USE OF INFRASTRUCTURE AND LAND FOR SUSTAINABLE COMMUNITY DEVELOPMENT**

<p>At closure, the land on which the mine is located will be rehabilitated and made suitable for agricultural activities:</p>	<p>Active use of mine resources for alternative local economic development, community development</p>	<p>2 years in advance of predicted downscaling and post mine closure</p>
<ul style="list-style-type: none"> <li>In partnership with the local municipality, projects will be set up prior to closure that will ensure optimal, sustainable, land use. In partnership with the local municipality, projects will be set up prior to closure that will ensure optimal, sustainable land use.</li> </ul>		
<ul style="list-style-type: none"> <li>This will benefit both employees and community members to ensure that the area stays open to economic activity</li> </ul>		
<ul style="list-style-type: none"> <li>Discussions will be held with the local municipality to establish the best use for infrastructure following closure, to ensure buildings that could be used, for example, to house SMME projects, are not simply demolished.</li> </ul>		

*Table 25: Mine Closure Objectives*

**10.1.6 External factors**

There is global and macro factors which might have an impact on Sebilo Resources such as fluctuating Manganese Ore prices on the global market. Fluctuations are observed based on several reasons which can result to downscaling.



# SECTION 11

## 11. OWNERSHIP

In compliance with Regulations as stipulated in the Broad Based Black Economic Empowerment Charter for the Mining Industry (Mining Charter)

### 11.1 Company Structure

Sebilo Resources presents its HDSA participation in terms of ownership for equity prescribing to the requirements of the BBBEE Charter for the Mining Industry.

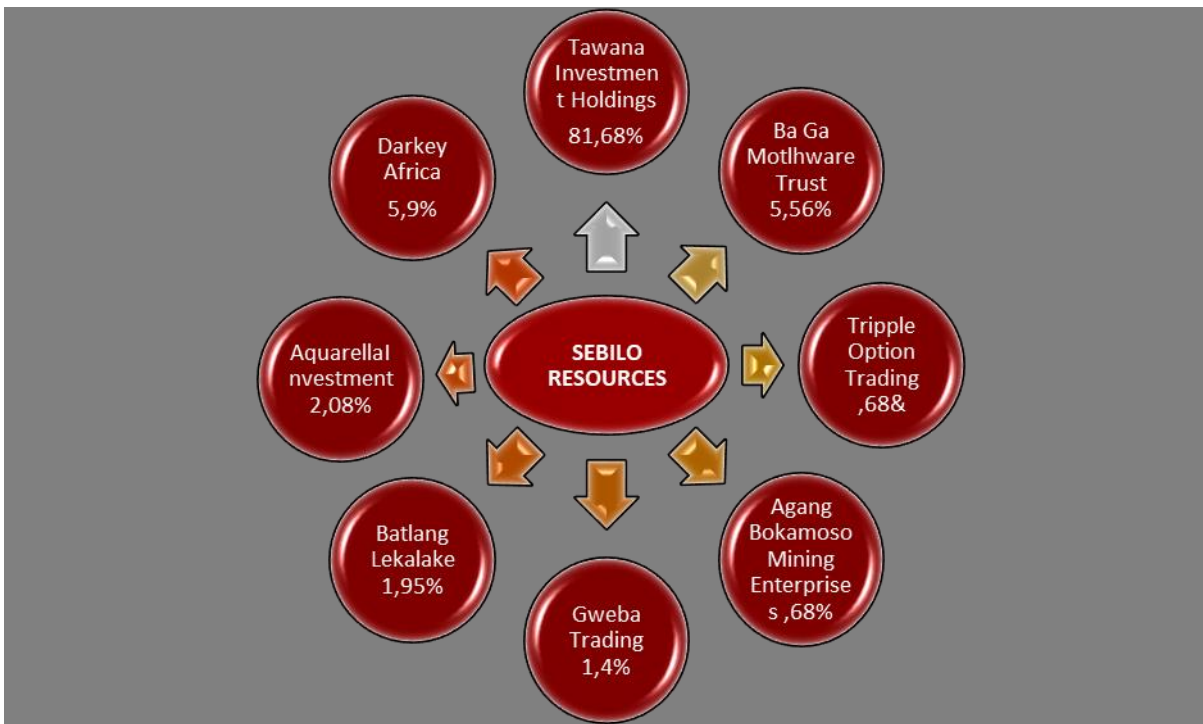


Table 26: Company Structure

## SECTION 12

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### 12. FINANCIAL PROVISION

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

#### 12.1 Financial Provision

To provide financially for the implementation of the Social and Labour Plan in terms of the implementation of the Human Resources Development programme, the Local Economic Development programme, and the processes to manage downscaling and retrenchment; Sebilo Resources will ensure that all programmes identified through the Social & Labour Plan is financed by the operation itself.

#### 12.2 Human Resource Development programme

Sebilo Resources Mine committed to a 5% HRD spending on total payroll, as required by the Mining Charter which is in addition to the 1% skills levy, for the development of its permanent employees, contractors and community members enrolled on skills development programmes.

#### 12.3 Local Economic Development Programme

The table below demonstrates the LED programme over the next 5 years in ZAR million:

YEAR	COMMITTMENT
2019	3,8m
2020	3,3m
2021	2,3m
2022	,3m
2023	,3m

*Table 27: LED projects budget*

## SECTION 13

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### 13. UNDERTAKING BY THE HOLDER OF THE MINING RIGHTS

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

An undertaking by the holder of the mining right to ensure compliance with the Social and Labour Plan and to make it known to employees and relevant stakeholders

I, **John Rutiri** undersigned and duly authorised thereto by Sebilo Resources (Pty) Ltd undertake to adhere to the information, requirements, commitments and conditions as set out in this social and labour plan.

Signed at 276 Farm Perth on the 24 day of January 2019

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**John Rutiri**

**General Manager for the mining operation, Perth**

I, **Tebogo Louw** undersigned and duly authorised thereto by Sebilo Resources (Pty) Ltd undertake to adhere to the information, requirements, commitments and conditions as set out in this social and labour plan.

Signed at Roosevelt Park on the 24 day of January 2019



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**Tebogo Louw**

**Chief Executive Officer- Sebilo Resources (Pty)Ltd**