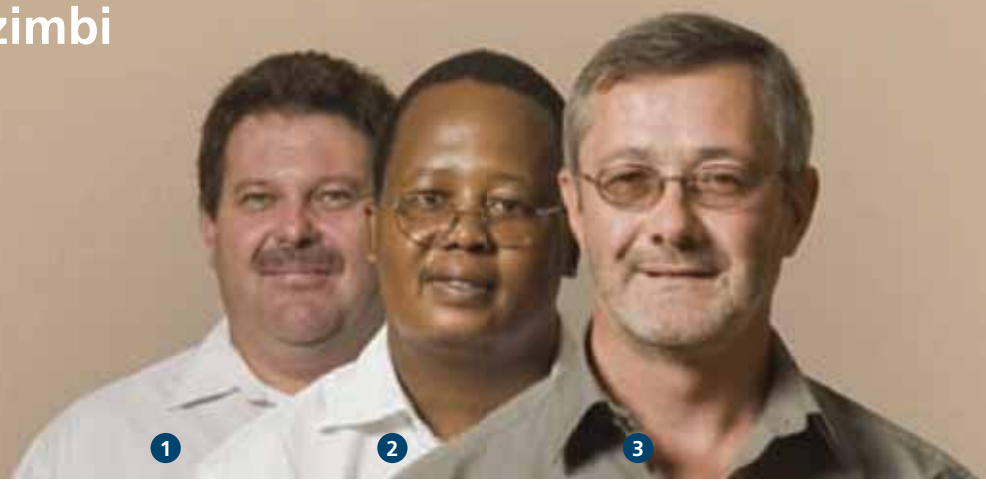
Thabazimbi Mine



(Mt)	2007	2006	2005
Production	**2.7**	2.4	2.5
Overburden mined	**16.7**	18.6	25.0
Run-of-mine pit production	**3.4**	3.1	2.8
Stripping ratio	**5.2**	6.4	8.8
Run-of-mine plant feed	**3.2**	2.9	3.0
Plant yield (%)	**84**	82	83
Sales to ArcelorMittal			
Total	**2.4**	2.4	2.5
Cost per tonne			
Total cost (R)	**204.87**	188.02	175.10
Safety Lost-time injury frequency rate per 200 ,000 hours	**0.12**	0.31	–
Fatalities	**–**	–	–

Operational activities

At current production levels of 2.7Mtpa, Thabazimbi Mine has an estimated life of seven years with present resources. The mine's total production is sold to ArcelorMittal at cost of production plus a margin of 3% on a free-on-rail basis.

Thabazimbi Mine's stringent focus on safety has produced an exemplary record with only two lost-time injuries during the year to achieve a lost-time injury frequency rate of 0.12, down from 0.31 in 2006.

Sales volumes of final product were maintained at 2.4Mt. With a stripping ratio of 5.2, the mine delivered 2.7Mt of run-of-mine ore to the plant, yielding 84% of final product.

By including reserves now considered economical to mine given stronger iron ore prices, Thabazimbi Mine's life has been extended to 2014.

Sustainability

Thabazimbi Mine employs only 3% of the local populace. While Kumba is evaluating alternatives to closure, plans for mine closure such as what to do with facilities, and what plans are in place for the workforce post closure (pp71 and 88) are being refined.

Despite Thabazimbi Mine being a small operation, it faces several environmental challenges due to steep slopes after mining. These include water management, rehabilitation and vegetation establishment.

The following table summarises key environmental and socio-economic issues at Thabazimbi Mine, as well as the progress it has made in environmental management and socio-economic development.

Challenges	Management intervention
Environmental:	
Rehabilitation	The mine is awaiting results of experiments at Sishen Mine to determine the feasibility of vegetating steep slopes. Depending on the success of the trials, consultation with the DME on approval of the preferred option and updated mine closure cost estimates related to the physical environment will begin during 2008.
Surface water management	Bio-monitoring is conducted seasonally to determine the environmental impact.
Resource use and efficiency	Projects are ongoing to further improve resource consumption efficiency.
Socio-economic:	
Lack of skilled artisans	A skills development and retention strategy is in place. Training includes learnership programmes and training of maintenance operators.
Mine closure	A gap analysis of the mine closure plan was completed in 2007. The physical component of the mine closure plan with cost estimates was updated; the socio-economic impacts and bio-physical components will be addressed in 2008. Life-of-mine has been extended to 2014 and all feasible alternatives to closure are being considered.
Home ownership	New developments include evaluating affordability and employee assistance programmes to promote home ownership. The upgrade of nine blocks into family units was completed with another six to be finalised.
Local economic development	Ongoing consultation with local and district municipalities to support integrated development plans. Community development projects are continually identified, and form part of the mine's social and labour plan, which is aligned to the integrated development plan and local economic development strategy of local government.

Management team

1 **Gerhard Brand**
Manager mining (42)
BSc (Mech Engineering)

2 **Lesego Mataboge**
Manager human resources (36)
BA, Dip Human Resources

3 **Aart van den Brink**
General manager (46)
MSc (Engineering)

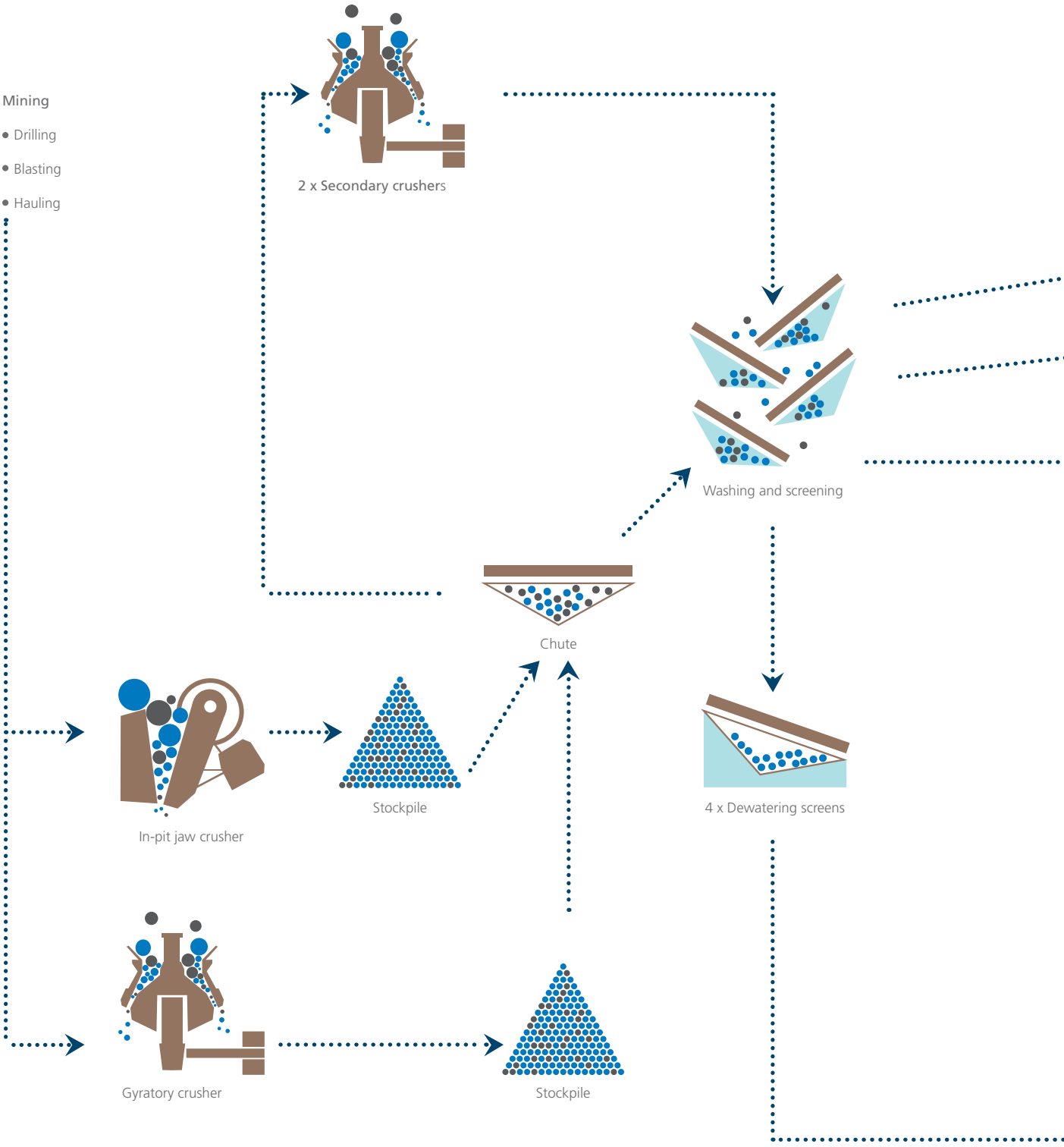
4 **Henk Storm**
Manager materials management (52)
NDip (Eng Industrial), BCom, MBA

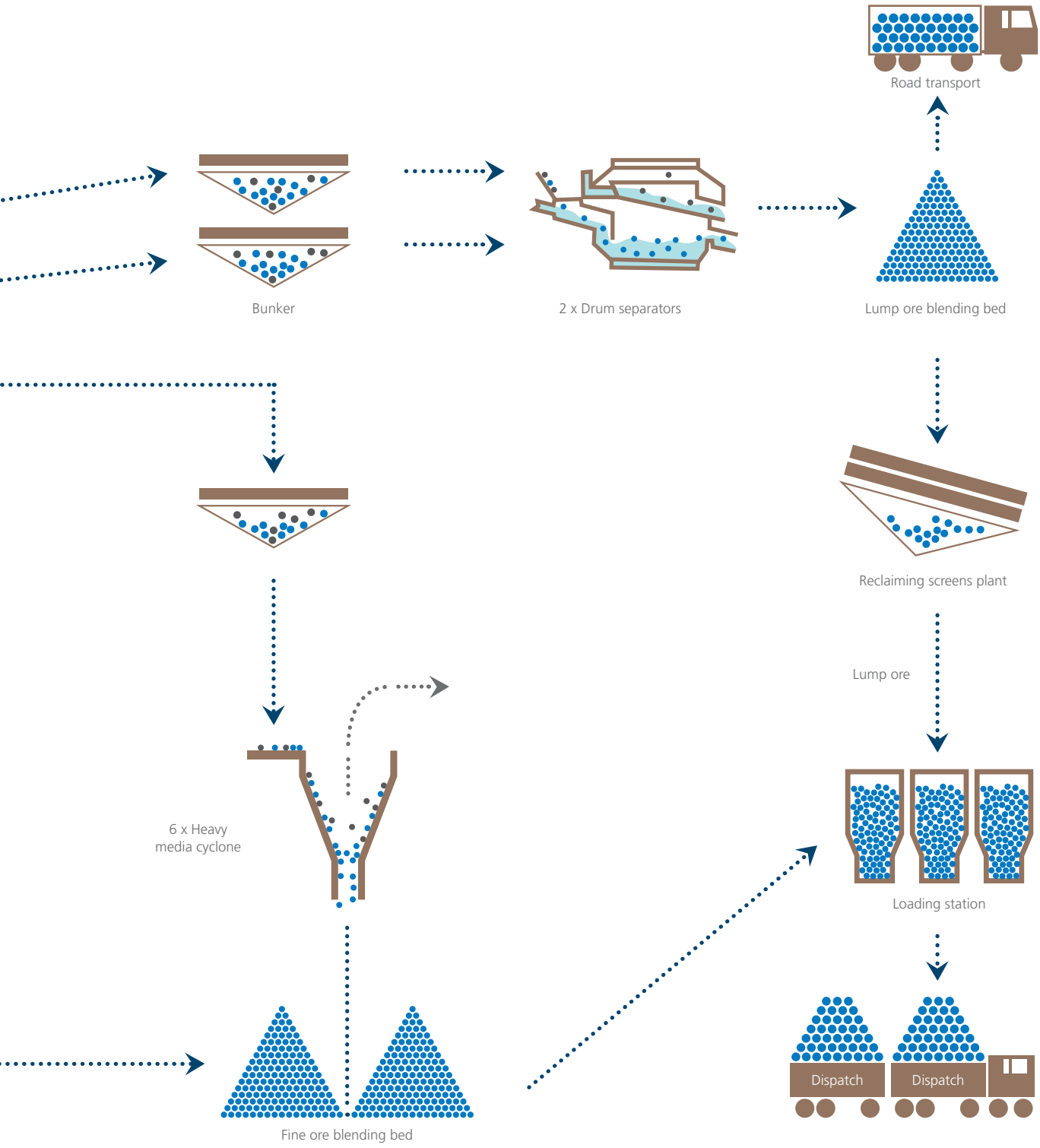
5 **Sabelo Gumede**
Manager safety, health and environment (36)
BSc (hons)

6 **Dries Burger**
Manager finance (54)
BCom, NDip Management

7 **Cornelia Holtzhausen**
Manager plant (35)
BSc (Metallurgical Engineering), MBA

Thabazimbi Mine's beneficiation process flow




Road transport
Bunker
2 x Drum separators
Lump ore blending bed
Reclaiming screens plant
Lump ore
6 x Heavy
media cyclone
Loading station
Dispatch
Dispatch
Fine ore blending bed