



SOCIAL AND LABOUR PLAN

FOR

DE PUNT MINE



Moonstone Diamond Marketing (Pty) Limited
Registration No. 1968/012100/07
P.O. Box 723
Parow 7499

Area Description	Original Ref. No.	Renewal Ref. No.
Farm 423 and Surf Zone	WC 047 MR	WC 10134 MR
Strykloof	WC 317 MR	WC 10137 MR
Papendorp	WC 316 MR	WC 10136 MR
Hollebaksfontein	WC 318 MR	WC 10135 MR
De Punt	WC 314 MR	WC 10133 MR
Bethel	WC 315 MR	WC 10132 MR
Weskus	WC 319 MR	WC 10138 MR
11a	WC 112 MR	WC 10066 MR
12a	WC 321 MR	WC 10130 MR
13a	WC 320 MR	WC 10131 MR

NOVEMBER 2020



Executive Summary

This Social and Labour Plan (SLP) has been developed in consultation with a range of stakeholders, including local government, community representatives and employees (including contractor employees).

The SLP centres on the following key areas:

- Human Resources Development (“HRD”), including:
 - ❖ Education, training and development of employees;
 - ❖ Measures aimed at promoting the portability of skills; and
 - ❖ Employment equity imperatives, including the development of women.
- Sustainable local economic development (LED) programmes, with the emphasis on addressing the Integrated Development Programmes (IDP’s) of local government and meeting the needs of those Communities most directly impacted by mining operations, including:
 - ❖ Infrastructure development projects such as housing;
 - ❖ Creation and support of Small, Medium and Micro Enterprises (SMMEs); and
 - ❖ The alleviation of poverty.
- Plans relating to the management of downscaling, closure and retrenchments.

The expected financial commitments for funding the HRD and LED programmes and projects to be implemented in terms of this SLP are summarized in the Table below.

These programmes and financial commitments will promote employment and advance the social and economic welfare of the people of the Matzikama Local Municipality. They will contribute to the transformation of the mining industry and to the socio-economic development of the broader West Coast Region.

SUMMARY OF SLP FINANCIAL EXPENDITURE AND COMMITMENTS

	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	Total Financial Commitment (2020-2025)
Human Resource Development Programmes (Section 2.5)	R 500 000	R 500 000	R 500 000	R 450 000	R 450 000	R 2 400 000
Total LED Budget (Section 3.2)	R 500 000	R 500 000	R 500 000	R 500 000	R 500 000	R 2 500 000
Closure and Retrenchment Management Programmes (Section 4)	Part of HRD & LED Budget	Part of HRD & LED Budget	Part of HRD & LED Budget	Part of HRD & LED Budget	Part of HRD & LED Budget	Part of HRD & LED Budget
TOTAL	R1 000 000	R1 000 000	R1 000 000	R 950 000	R 950 000	R 4 900 000



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List of Abbreviations

ABET	Adult Based Education and Training
ATR	Annual Training Report
BBBEE	Broad Based Black Economic Empowerment
BEE	Black Economic Empowerment
CPDC	Central Negotiating Committee
DMRE	Department of Mineral Resources and Energy
DoL	Department of Labour
ETQA	Education & Training Quality Assurance
FET	Further Education and Training
GDP	Gross Domestic Product
HDSAs	Historically Disadvantaged South African(s)
HET	Higher Education and Training
HRD	Human Resource Development Programme
IDP	Integrated Development Plan
KPA	Key Performance Areas
LED	Local Economic Development
LRA	Labour Relations Act
MC	Mining Charter
MLM	Matzikama Local Municipality
MPRDA	Mineral and Petroleum Resources Development Act
MQA	Mining Qualifications Authority
NQF	National Qualifications Framework
SEIA	Socio-Economic Impact Analysis
SETA	Sector Education Training Authority
SLP	Social and Labour Plan
SMME	Small Medium Micro Enterprise
SPTSF	Social Plan Technical Support Facility
MDM	Moonstone Diamond Marketing (Pty) Ltd
UIF	Unemployment Insurance Fund
WCDM	West Coast District Municipality
WSP	Workplace Skills Plan



SECTION 1: PREAMBLE AND OVERVIEW

1.1 PREAMBLE (REGULATION 46(A))

MDM's De Punt Mine consists of contractor-driven mining operations and a processing plant at the De Punt farm in the Western Cape Province of the Republic of South Africa.

MDM holds approximately 11300km² of marine concession areas off the west coast of South Africa and mining is conducted by independent contractors via conventional beach mining, shore-based units and vessels.

The De Punt Mine is located within the Matzikama Local Municipality ("MLM") in the West Coast District Municipality of the Western Cape (see Figure 1.1 for location of De Punt Mine).

With the weather and other conditions having a significant impact on the mine's ability to operate consistently, the Mine remains a marginal operation. The effect of climate change has significantly reduced the number of mining days ("Seadays"). The large amount of time during which the mine remains inactive due to non- Seadays has an obvious impact on the number of carats that can be produced within a specific period.

Background Information – De Punt

Legal Entity of Mining Right Holder	Moonstone Diamond Marketing (Pty) Ltd
Name of Mine	De Punt Mine
Physical Address	Farm De Punt Lutzville 8165
Postal Address	PO Box 163 Lutzville 8165
Telephone Number	027 217-1157
Fax Number	027 217-1500
Location of the Mine	Farm De Punt, 62km west of Vredendal
Province	Western Cape
Commodity	Alluvial Diamonds
Life of Mine	10 years
Financial Year	January - December

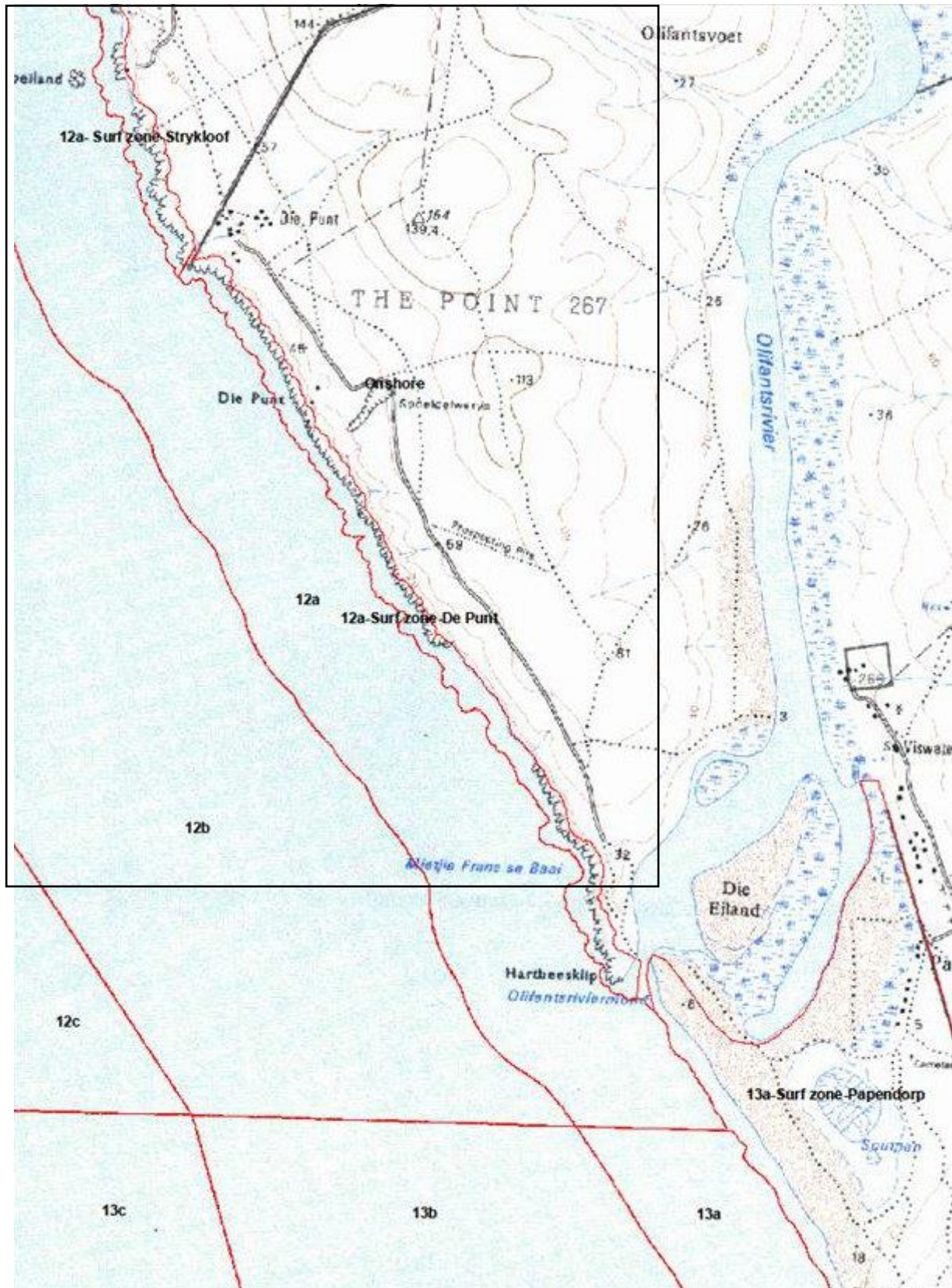


Figure 1: Location of De Punt Operations



1.2 OVERVIEW

During 2008 MDM submitted its First Generation SLP as part of the application for the conversion of their old order mining rights to new order mining rights in terms of the requirements of the MPRDA and this SLP was approved in 2009. This First Generation SLP expired in 2015.

This Second Generation SLP commenced implementation in 2015 and expired in September 2020.

This is the Third Generation SLP ("this SLP") and is intended to cover the five-year period ending 2025.

The objective of this SLP, as determined by the MPRDA, is to outline MDM's programmes in respect of:

- Promoting employment and advancing the social and economic welfare of the people of the Matzikama Local Municipality area;
- Contributing to the general transformation of the mining industry; and
- Furthering the socio-economic development of the broader West Coast Region.

1.3 APPLICABILITY

This SLP applies to all MDM employees (including Head Office based staff and Contractors), the Matzikama communities and all relevant stakeholders as covered in the document.

This SLP is designed to meet the needs of the Western Cape as defined by the Provincial Government and has a particular focus on the Matzikama region due to the geographical location of the Mine.

1.4 REPORTING

Progress on the implementation of each project contained in this document will be reported to the directors of MDM, the MLM, and the affected community. In addition, progress in meeting the commitments set out in the programmes outlined in this SLP with regard to Human Resource Development, Local Economic Development and the Management of Downscaling and Retrenchment will be reported in Annual SLP Reports and submitted to the Western Cape Regional Department of Mineral Resources and Energy (DMRE).

In line with the above, the development and submission of an SLP is a requirement of the MPRDA and sets out the social and labour programmes to be in place for the life of every mining right¹.

The objectives of the SLP (section 41 of the Regulations) are to:

- Promote employment and advance the social and economic welfare of all South Africans
- Contribute to the transformation of the mining industry
- Ensure that holders of mining rights contribute towards the socio-economic development of the areas in which they operate.

¹ The SLP is applicable until the closure certificate (under section 43 of the Mineral and Petroleum Resources Development Act (2002)) has been issued.



1.5 MOONSTONE DIAMOND MARKETING (PTY) LTD

1.5.1 Corporate Structure

The mining, exploration and marketing of high-quality alluvial diamonds are the core business activities of MDM and its indirect holding company Trans Hex Group (Proprietary) Limited (“THG”) – the pursuit of which has seen the company achieve on unequalled standing in alluvial mining.

On 30 December 1963 THG was incorporated in South Africa as Buffelsbank Diamante Limited and subsequently appointed as contractor to the Small Business Development Corporation to prospect for diamonds in the Namaqualand region of the country.

Various acquisitions followed which significantly increased its diamond mining assets and led up to the establishment of the THG as the holding company.

Extensive land mining rights were held over a number of highly prospective areas. These included properties adjacent to the Orange River – both on the border of Namibia and further inland in the Saxendrift area – between Douglas and Prieska.

MDM holds numerous sea concessions off the South African west coast totalling more than 11300km² in area.

MDM is renowned for consistently producing the highest quality diamonds available in the South African market and its rough production is sold into the open market through the Diamond Exchange and Export Centre (“DEEC”) of the South African Diamond and Precious Metals Regulator (“SADPMR”).

In keeping with the company's commitment to safeguard the credibility of the industry in the international field, particular care is taken to ensure that diamonds from conflict areas do not enter the company's marketing channels.

1.5.2 Black Economic Empowerment

MDM is committed to meeting the Mining Charter requirements with regard to Broad Based Black Economic Empowerment (BBBEE) and ownership by historically disadvantaged persons (HDPs). As at 30 September 2020, the Company's total HDSA ownership in terms of the Mining Charter scorecard amounted to 64.74%.

1.6 BREAKDOWN OF EMPLOYEES

MDM has 12 direct employees, 6 are based at Head Office whilst the other 6 are at the Mine. The Mine currently contracts its mining operations to a variety of contractors to mine on its behalf. These contractors – there are currently thirteen (13) of them– undertake shallow water mining from vessels off-shore or undertake beach mining services to the Mine. Combined, MDM and the contractors employ a total of one hundred and thirteen (113) people.

Given the nature of these mining operations each contractor employs on average 8 people (the smallest number of contractor employees is two and the largest number is sixteen). Mining on behalf of MDM forms a small part of the business operations of each contractor. Weather and other conditions do not allow for mining to take place on a daily basis and the contractors devote their time and energies to other diverse alternative business ventures. The employees involved in mining activities may be required to undertake a variety of non-mining work on behalf of their contracting employer during those times when they are not utilised on the mine.

MDM acknowledges that the MPRDA places a responsibility on the holder of a mining right to ensure that any person who employs contractors to perform any work on the mine complies with this Act.



The mine, in turn, incorporates in its reports to the respective state institutions an assessment report on the contractors' performance in this regard. The Mine works with the contractors who perform any work on the mine to facilitate their compliance with the provision of the MPRDA, the Mining Charter and its accompanying Scorecard.

For the purpose of this SLP, any reference to "employees" shall mean both MDM and contractors employees combined.

Weather and other conditions have a significant impact on the mine's ability to operate. A further constraining factor is the number of employees with each contractor. As can be seen from Table 1 below, none of the contractors employed on the mine has more than 16 employees who may only be occupied with mining activities for less than half the month.

Table 1 below sets out the number of staff employed by MDM while Figure 2 shows the labour sending areas (by Province) for the staff at De Punt Mine:

Table 1 - Breakdown of staff at De Punt as at 30 September 2020

Name of Company/Contractor	Actual Number of Employees
Owner: MDM	12
Contractor: De Punt Mining Co	7
Contractor: Offshore Mining	8
Contractor: Surf Mining	10
Contractor: Monster X	8
Contractor: Matzikhoi Mining	3
Contractor: Mkuze Mining	7
Contractor: Manie Louw	5
Contractor: Macla Mining	16
Contractor: HWT Mining	13
Contractor: JJ Diamonds	9
Contractor: Godwana Capital	8
Contractor: Coastal Jet Pumps	2
Contractor: Retief Coastal Diving	5
TOTAL – DE PUNT	113

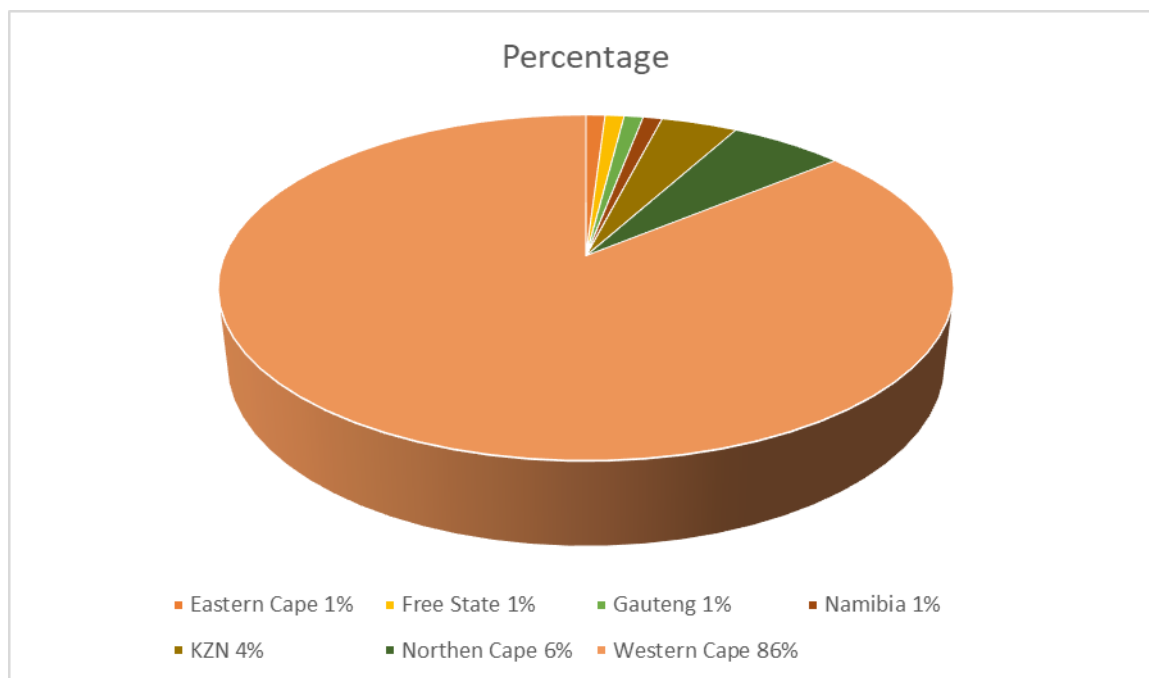


Figure 2: Labour Sending Areas (by Province) for staff at De Punt as at 30 September 2020

1.6.1 Tenders: Transformation requirements to be met by prospective contractors

All prospective contractors will be required to submit the following documentation as proof of compliance with all transformation-related legislation such as the Employment Equity Act, the Skills Development Act, the MPRDA and the BEE Act:

- The latest Workplace Skills Plan as submitted to the relevant SETA;
- The latest Annual Training Report as submitted to the relevant SETA;
- The latest Employment Equity Report (EEA2 and EEA4) as submitted to the Department of Labour, if designated as per the Employment Equity Act; and
- A five-year forward-looking Employment Plan.

Should the prospective contractor not have complied with these legislative requirements before tendering for the contract, the prospective contractor must submit a detailed plan on how he/she plans to achieve compliance within one year of being awarded the contract. Tenders will also require that contractor employers give undertakings that they will comply with the MPRDA, the Mining Charter and its accompanying Scorecard.

1.6.2 Current contractors: Transformation requirements to be met

Contractors already doing business and employing fifty (50) or more employees on the mine will be expected to submit to mine management evidence of compliance in the form of:

- The latest Workplace Skills Plan as submitted to the relevant SETA;
- The latest Annual Training Report as submitted to the relevant SETA;
- The latest Employment Equity Report (EEA2 and EEA4) as submitted to the Department of Labour, if designated as per the Employment Equity Act; and
- A five-year forward-looking Employment Plan.



Should the contractor not have complied with these legislative requirements before January 2021, the contractor must submit a detailed plan on how he/she plans to achieve compliance within one year from 1 January 2021. Failure to comply with these requirements will lead to the contract not being renewed or even to being cancelled. Discussion between mine management and the long-term contractors aimed at assisting the contractors to embrace the spirit of transformation and at the same time comply with legislative requirements will take place on a bi-monthly basis until the contractor has put in place mechanisms that will facilitate transformation and the meeting of all of the requirements as detailed above. Thereafter, the normal auditing, monitoring and reporting processes will commence.

1.6.3 Auditing and monitoring

For contractors employing fifty (50) or more employees on the mine the Human Resources Manager will:

- Conduct quarterly qualitative audits of the contractors' Employment Equity targets and provide advice on best practice;
- The Human Resources Manager will conduct quarterly qualitative audits of the contractors' HDSA management representation targets and women in mining targets as well as action plans to achieve targets and provide advice on best practice HRD and talent management strategies.

Such contractors will be required to report

- To the Mine Management on an annual basis;
- To the Department of Labour annually, if designated as per the EE Act; and
- To the relevant SETA as per the SETA's reporting schedule.

The contractor will be expected to submit to mine management signed copies of all the reports the contractor submits to the relevant state institutions. Letters of acknowledgement by the respective state institutions must accompany such reports.



Section 2 Human Resource Development Programme

2.1 INTRODUCTION

MDM maintains that the successful implementation of a SLP is heavily reliant on the successful implementation of a Human Resources Development (HRD) programme.

The objective of MDM's HRD Programme is to develop and transform its South African mining industry, with the specific requirement being to fast-track the development of Historically Disadvantaged Persons (HDPs) in conjunction with the implementation of a comprehensive SLP.

The HRD-related objectives of the Mining Charter are:

- To utilise and expand the existing skills base for the empowerment of HDPs;
- To promote employment and advance the social and economic welfare of South Africans so as to achieve social cohesion;
- Promote sustainable growth and competitiveness of the mining industry.

2.2 CURRENT POLICIES, PROCEDURES AND PRACTICES

As an established mine De Punt has a stable workforce. However, the number and nature of the contracting companies may change from time to time as may the workforce employed by these contractors.

The mine's approach to human resource development is an integrated one where each element of the HRD programme forms a key component of the overall process. Each element is based on philosophies and principles that supports best practice but also contribute to the overall success of MDM strategic intent.

Error! Reference source not found. illustrates how each of these components/processes contributes to the overall implementation of the HRD programmes.

Apart from developing employees for current position requirements, the Strategic Human Resources approach provides a foundation for reducing the impact of retrenchment exercises i.e. job losses can be managed more effectively by developing employees based on specific skills requirements and supporting the notion of portability of these skills before the life of the mine expires.

All positions within MDM have job descriptions. These provide the foundation for all skills analysis and skills planning.

The skills auditing process consists of two key steps - evaluating what skills are required and what skills are available based on current employees.

The analysis of skills requirements provides input into the compilation of a comprehensive manpower plan that:

- Estimates future demands for employees both in quality and quantity
- Compares expected demands with the current work force
- Determines employee shortages or surpluses based on the organizations strategies and objectives
- Ensures the right employees in the right jobs through recruitment, transfer and promotion processes



The results of the analysis identify the gap between what is required and what is available to ensure the mine performs optimally.

The analysis of the available skills provides input for establishing career planning processes which:

- Provides information to each employee in terms of their own career development and the career paths that could be followed
- Forms the basis of compiling individual progression plans for employees (where this is appropriate)

Based on the above, MDM is in a position to utilize the information to undertake comprehensive skills development planning. This development planning process incorporates learning initiatives and programmes including:

- ABET
- Core skills training (technical and non-technical skills)
- Bursaries
- Mentorship and coaching programmes

The manpower planning, career progression planning and skills development planning are key contributors to providing quality input into the Employment Equity Plan and to support the achievement of Employment Equity.

2.3 SKILLS DEVELOPMENT PLANNING

Skills Development Planning is integral to the development of the Workplace Skills Plan (WSP) and is the basis for De Punt Mine's reporting to the MQA on an annual basis as well as reporting in the Annual Training Report (ATR) what has taken place. The ATR is submitted to the MQA by the 30th of April each year.

All skills development information is submitted to the MQA under the auspices of MDM as follows:

Table 2: Skills Development Legislative Compliance

Name of SETA	Mining Qualifications Authority (MQA)
Registration number with the SETA	L790702205
Confirmation of having appointed a Skills Development Facilitator	
Proof of submission of workplace skills plan and date of submission	

2.4 SKILLS DEVELOPMENT PLAN (REGULATION 46 (B)(I))

2.4.1 Introduction

MDM recognizes the growing shortage of critical skills in the mining industry in South Africa.

The development of future HDP's leadership is a key strategic focus area. HRD is managed across all levels of employment at De Punt Mine and is seen as a critical component in achieving the mine's employment equity and gender equity targets.



The mine's HRD plans are being continuously aligned with the WSP and integrated with the long-term business plan. In terms of this process, HRD plans are constantly assessed, reviewed and revised to cover the organization's short-term, medium-term and long-term human capital development requirements. Thus, MDM, through its Human Resource Development Policy, aims to:

- Develop and sustain core competencies and to maximize 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 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, where applicable, customer focused and aligned with business objectives; and
- Establish life-long learning as the major thrust of learning and development.

Internal human resource development is, from a business and strategic point of view, the primary focus of De Punt Mine's learning and development effort. This entails strategies aimed at the development of individuals and the organisation through;

- The continuous improvement of the competencies (as expressed through expertise, skills and knowledge) of 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 De Punt Mine to a continuously changing environment; and
- Accelerated development opportunities in line with employment equity strategies.

All training and development within MDM is based on a thorough needs analysis, taking cognisance of identified skills deficiencies via the Performance Management process, Succession Planning, Employee Career Pathing and the relevant Employment Equity Plans, and supports and enhances the achievement of the Company's strategic objectives. In addition, specific strategies are designed to ensure the accelerated learning and development of black people, women and employees with disabilities. Such strategies include the following, where appropriate:

- Fast tracking of employees with management potential;
- Accelerated development in terms of job-specific skills;
- Adult Basic Education;
- Life Skills programmes;
- Educational leave and targeted financial assistance.

2.4.2 Portable Skills

A key aspect of designing and implementing skills training is that the skills obtained by employees should be portable. In this respect it serves little purpose if employees receive extensive and successful training but are unable to benefit from such skills if they opt to leave the Company or should the mine close and they find themselves unemployable. In this respect MDM focuses on:

- Sound basic education including reading, writing, and maths;
- Ensuring that employees are multi-tasked;
- Ensuring that courses offered to employees are properly accredited.



Skills development planning at De Punt Mine encompasses training and development that support the current position requirements. However, many of the skills that will be provided to employees as a core business competence will be transferable to other mining operations and beyond the mining industry.

Special emphasis is placed on firefighting, welding, bricklaying, plumbing, carpentry, business management, diving, learner and driving licence training to employees, in particular, contractor employees. All of these skills are in short supply in South Africa and are portable. The focus of these skills is to meet some or all of the following objectives:

- Enhance employee potential that will lead to placement in alternative employments;
- Support income generating activities beyond De Punt Mine;
- Provide skills that can be utilized not only in the formal sector but in the informal sector as well (this will especially become the focus of the mine closer the end of the life of the mine).

These above aspects will be allocated funding and will be explored in detail during the Future Forum discussion.

De Punt will, therefore, implement portable skills training in accordance with the following principles:

- Training to be aligned to the National Qualifications Framework (NQF) where applicable and practicable. This requires a focus on outcomes-based training and linking achievement of unit standards and/or a formal qualification;
- Where training is linked to unit standards, resulting qualifications will be recognized nationally;
- Current skills levels of employees will be evaluated to determine a baseline for further development and linking this to their identified career progression plans;
- The skills provided will support employees in remaining economically active following a retrenchment/downscaling exercise or if the mine closes down;
- Socially responsible retrenchment support given in terms of additional training and development in line with identified skills needs with the source labour communities and/or the local communities surrounding the mine.

The progress of the implementation of the portable skills being part of the skills development strategy will be planned for as part of skills development and reported in the Annual SLP report.

2.4.3 Career Progression Plans (Regulation 46 (b) (ii))

Career Progression Planning at MDM is driven through a system of career management that supports the development of current and future skills to ensure that the mine can meet its strategic objectives.

The principles underlying the system include:

- The active participation of employees to ensure they know where their careers are headed and what is required to acquire the necessary competencies in relation to their current and potential future positions;
- Open communication channels between employees and management through discussions that clearly outline job requirements and responsibilities;
- An environment that allows for realistic feedback to employees with regard to their career aspirations, eliminating unrealistic expectations and disappointments in terms of career growth and promotion;
- Providing organisational career information as well as the support processes and resources required including on-the-job experience, training, education and mentoring;



- Maintaining a stringent record system that provides accurate information in terms of employee development and progress thereof;
- Updating career progression plans on a continuous basis as specific goals have been reached or when promotions take place;
- The notion of “acting” which is a core element of career management and provides for employees to spend substantial periods of time learning the requirements of a job while filling in for positions that are temporarily vacant due to leave or other reasons.

Career Pathing at MDM consists of the following:

- Identifying the core skills requirements of the mining and exploration operations;
- Providing employees (and new recruits) with information about designated career paths;
- Ensuring that mechanisms are in place for employees to move up career paths or change from one role or position to another within a specific discipline. The movement could either be to a position on the same level or a position on a higher level.

2.4.4 Learning Initiatives

The career progression planning phase clearly identifies which employees require development. As indicated, this links not only to current needs but future considerations as well. At MDM these developmental areas could be addressed through various learning initiatives i.e.

- ABET
- Skills Development Programmes (Core and Non-Core Skills Training)
- Bursaries
- Internships

2.5.5 ABET

ABET development is a key focus area for MDM as it provides the foundation for any further development. It contributes to not only improving the employees' numeracy and literacy levels but also improves employability and prospects for further development within the mine's hierarchy. This creates a pool from which talent can be sourced as well as improving the welfare of employees.

- The ABET programme includes the following 4 levels of training:
 - ❖ ABET level 1: Mother tongue
 - ❖ ABET level 2: Literacy, Numeracy and Communication
 - ❖ ABET level 3: Advanced Literacy, Numeracy and Communication
 - ❖ ABET level 4: Communication, Natural Science and Mathematics

ABET is a voluntary process and open to all employees as well as interested members of the local communities. MDM is in discussions with various service providers to find a suitable arrangement given its operational model and dynamics.

The need for a flexible service provider is advised by the low numbers of staff requiring ABET within each contractor and the remoteness of the mine from other communities where ABET could be offered.

The educational levels and qualifications are shown in Form Q for MDM and Contractors employees (Table 3 to Table 10).



Table 3 - Form Q: Functional literacy among MDM employees at HO and De Punt Mine as at 30 September 2020

Band	10 Point Scale- NQF Level	Education Classification System Interim	African		Coloured		Indian		White		Total	
			M	F	M	F	M	F	M	F	M	F
General Education & Training (GET)	Below NQF 1	No Schooling									0	0
		Pre- ABET									0	0
		ABET 1									0	0
		ABET 2/Std 3, Grade 5									0	0
		ABET 3/Std 5 ,Grade 7									0	0
1		ABET 4/ Std 7, Grade 9								0	0	
Further Education & Training (FET)	2	Std 8/Grade 10, NATED 1/ NCV Level 1									0	0
	3	Std 9/Grade 11, NATED 1/ NCV Level 2			2						2	0
	4	Std 10/Grade 12, NATED 1/ NCV Level 3			3						3	0
Higher Education & Training (HET)	5	National/Higher Certificate									0	0
	6	National Certificate/Diploma/Advanced Certificate							2		0	2
	7	National Certificate/Advanced Diploma/B Tech Degree/Bachelor's Degree							1		1	
	8	Bachelor Honour's Degree/Postgraduate Diploma/Bachelor's Degree (480 credits)			1				3		4	0
	9	National Certificate/Master's Degree/Master's Diploma									0	0
	10	Doctoral Degree & Post-Doctoral Degree									0	0
		Undefined								0	0	
Total			0	0	6	0	0	0	4	2	10	2
Grand Total											12	



Table 4 - Form Q: Functional literacy among De Punt Mining Co employees at De Punt Mine as at 30 September 2020

Band	10 Point Scale-NQF Level	Education Classification System Interim	African		Coloured		Indian		White		Total	
			M	F	M	F	M	F	M	F	M	F
General Education & Training (GET)	Below NQF 1	No Schooling			1						1	0
		Pre- ABET									0	0
		ABET 1									0	0
		ABET 2/Std 3, Grade 5									0	0
		ABET 3/Std 5 ,Grade 7									0	0
1		ABET 4/ Std 7, Grade 9			1					1	0	
Further Education & Training (FET)	2	Std 8/Grade 10, NATED 1/ NCV Level 1	1		1				1	1	3	1
	3	Std 9/Grade 11, NATED 1/ NCV Level 2									0	0
	4	Std 10/Grade 12, NATED 1/ NCV Level 3									0	0
Higher Education & Training (HET)	5	National/Higher Certificate									0	0
	6	National Certificate/Diploma/Advanced Certificate									0	0
	7	National Certificate/Advanced Diploma/B Tech Degree/Bachelor's Degree									0	0
	8	Bachelor Honour's Degree/Postgraduate Diploma/Bachelor's Degree (480 credits)							1		1	0
	9	National Certificate/Master's Degree/Master's Diploma									0	0
	10	Doctoral Degree & Post-Doctoral Degree									0	0
		Undefined									0	0
Total			1	0	3	0	0	0	2	1	6	1
Grand Total											7	



Table 5 - Form Q: Functional literacy among Offshore Mining employees at De Punt Mine as at 30 September 2020

Band	10 Point Scale-NQF Level	Education Classification System Interim	African		Coloured		Indian		White		Total	
			M	F	M	F	M	F	M	F	M	F
General Education & Training (GET)	Below NQF 1	No Schooling			1						1	0
		Pre- ABET									0	0
		ABET 1									0	0
		ABET 2/Std 3, Grade 5									0	0
		ABET 3/Std 5 ,Grade 7									0	0
1		ABET 4/ Std 7, Grade 9			2					2	0	
Further Education & Training (FET)	2	Std 8/Grade 10, NATED 1/ NCV Level 1									0	0
	3	Std 9/Grade 11, NATED 1/ NCV Level 2									0	0
	4	Std 10/Grade 12, NATED 1/ NCV Level 3							4	1	4	1
Higher Education & Training (HET)	5	National/Higher Certificate									0	0
	6	National Certificate/Diploma/Advanced Certificate									0	0
	7	National Certificate/Advanced Diploma/B Tech Degree/Bachelor's Degree									0	0
	8	Bachelor Honour's Degree/Postgraduate Diploma/Bachelor's Degree (480 credits)									0	0
	9	National Certificate/Master's Degree/Master's Diploma									0	0
	10	Doctoral Degree & Post-Doctoral Degree									0	0
		Undefined									0	0
Total			0	0	2	0	0	0	4	1	7	1
Grand Total											8	



Table 6 - Form Q: Functional literacy among Surf Mining employees at De Punt Mine as at 30 September 2020

Band	10 Point Scale-NQF Level	Education Classification System Interim	African		Coloured		Indian		White		Total	
			M	F	M	F	M	F	M	F	M	F
General Education & Training (GET)	Below NQF 1	No Schooling									0	0
		Pre- ABET									0	0
		ABET 1									0	0
		ABET 2/Std 3, Grade 5									0	0
		ABET 3/Std 5 ,Grade 7			2						2	0
1	ABET 4/ Std 7, Grade 9			3						3	0	
Further Education & Training (FET)	2	Std 8/Grade 10, NATED 1/ NCV Level 1			1						1	0
	3	Std 9/Grade 11, NATED 1/ NCV Level 2									0	0
	4	Std 10/Grade 12, NATED 1/ NCV Level 3	1								1	0
Higher Education & Training (HET)	5	National/Higher Certificate									0	0
	6	National Certificate/Diploma/Advanced Certificate							1		1	0
	7	National Certificate/Advanced Diploma/B Tech Degree/Bachelor's Degree									0	0
	8	Bachelor Honour's Degree/Postgraduate Diploma/Bachelor's Degree (480 credits)							2		2	0
	9	National Certificate/Master's Degree/Master's Diploma									0	0
	10	Doctoral Degree & Post-Doctoral Degree									0	0
		Undefined									0	0
Total			1	0	6	0	0	0	3	0	10	0
Grand Total											10	



Table 7 - Form Q: Functional literacy among Monster X employees at De Punt Mine as at 30 September 2020

Band	10 Point Scale-NQF Level	Education Classification System Interim	African		Coloured		Indian		White		Total	
			M	F	M	F	M	F	M	F	M	F
General Education & Training (GET)	Below NQF 1	No Schooling			1						1	0
		Pre- ABET									0	0
		ABET 1									0	0
		ABET 2/Std 3, Grade 5									0	0
		ABET 3/Std 5 ,Grade 7									0	0
1		ABET 4/ Std 7, Grade 9			3				2	5	0	
Further Education & Training (FET)	2	Std 8/Grade 10, NATED 1/ NCV Level 1			1					1	0	
	3	Std 9/Grade 11, NATED 1/ NCV Level 2								0	0	
	4	Std 10/Grade 12, NATED 1/ NCV Level 3						1		1	0	
Higher Education & Training (HET)	5	National/Higher Certificate								0	0	
	6	National Certificate/Diploma/Advanced Certificate								0	0	
	7	National Certificate/Advanced Diploma/B Tech Degree/Bachelor's Degree								0	0	
	8	Bachelor Honour's Degree/Postgraduate Diploma/Bachelor's Degree (480 credits)								0	0	
	9	National Certificate/Master's Degree/Master's Diploma								0	0	
	10	Doctoral Degree & Post-Doctoral Degree								0	0	
		Undefined								0	0	
Total			0	0	5	0	0	0	3	0	8	0
Grand Total											8	



Table 8 - Form Q: Functional literacy among Matzikhoi Mining employees at De Punt Mine as at 30 September 2020

Band	10 Point Scale-NQF Level	Education Classification System Interim	African		Coloured		Indian		White		Total	
			M	F	M	F	M	F	M	F	M	F
General Education & Training (GET)	Below NQF 1	No Schooling									0	0
		Pre- ABET									0	0
		ABET 1									0	0
		ABET 2/Std 3, Grade 5									0	0
		ABET 3/Std 5 ,Grade 7									0	0
1		ABET 4/ Std 7, Grade 9								0	0	
Further Education & Training (FET)	2	Std 8/Grade 10, NATED 1/ NCV Level 1			2						2	0
	3	Std 9/Grade 11, NATED 1/ NCV Level 2									0	0
	4	Std 10/Grade 12, NATED 1/ NCV Level 3			1						1	0
Higher Education & Training (HET)	5	National/Higher Certificate									0	0
	6	National Certificate/Diploma/Advanced Certificate									0	0
	7	National Certificate/Advanced Diploma/B Tech Degree/Bachelor's Degree									0	0
	8	Bachelor Honour's Degree/Postgraduate Diploma/Bachelor's Degree (480 credits)									0	0
	9	National Certificate/Master's Degree/Master's Diploma									0	0
	10	Doctoral Degree & Post-Doctoral Degree									0	0
		Undefined									0	0
Total			0	0	3	0	0	0	0	0	3	0
Grand Total											3	



Table 9 - Form Q: Functional literacy among JJ Diamonds employees at De Punt Mine as at 30 September 2020

10 Point Scale-NQF Level	Education Classification System Interim	African		Coloured		Indian		White		Total	
		M	F	M	F	M	F	M	F	M	F
Below NQF 1	No Schooling									0	0
	Pre- ABET									0	0
	ABET 1									0	0
	ABET 2/Std 3, Grade 5									0	0
	ABET 3/Std 5 ,Grade 7			2						2	0
1	ABET 4/ Std 7, Grade 9									0	0
2	Std 8/Grade 10, NATED 1/ NCV Level 1			2						2	0
3	Std 9/Grade 11, NATED 1/ NCV Level 2									0	0
4	Std 10/Grade 12, NATED 1/ NCV Level 3			2				3		5	0
5	National/Higher Certificate									0	0
6	National Certificate/Diploma/Advanced Certificate									0	0
7	National Certificate/Advanced Diploma/B Tech Degree/Bachelor's Degree									0	0
8	Bachelor Honour's Degree/Postgraduate Diploma/Bachelor's Degree (480 credits)									0	0
9	National Certificate/Master's Degree/Master's Diploma									0	0
10	Doctoral Degree & Post-Doctoral Degree									0	0
	Undefined									0	0
		0	0	6	0	0	0	3	0	9	0
										9	



Table 3: Form Q: Functional literacy among Mkuze Mining employees at De Punt Mine as at 30 September 2020

	10 Point Scale- NQF Level	Education Classification System Interim	African		Coloured		Indian		White		Total	
			M	F	M	F	M	F	M	F	M	F
	Below NQF 1	No Schooling									0	0
		Pre- ABET									0	0
		ABET 1									0	0
		ABET 2/Std 3, Grade 5									0	0
		ABET 3/Std 5 ,Grade 7									2	0
1		ABET 4/ Std 7, Grade 9								0	0	
	2	Std 8/Grade 10, NATED 1/ NCV Level 1									2	0
	3	Std 9/Grade 11, NATED 1/ NCV Level 2									0	0
	4	Std 10/Grade 12, NATED 1/ NCV Level 3	1						5		6	0
	5	National/Higher Certificate									0	0
	6	National Certificate/Diploma/Advanced Certificate							1		1	0
	7	National Certificate/Advanced Diploma/B Tech Degree/Bachelor's Degree									0	0
	8	Bachelor Honour's Degree/Postgraduate Diploma/Bachelor's Degree (480 credits)									0	0
	9	National Certificate/Master's Degree/Master's Diploma									0	0
	10	Doctoral Degree & Post-Doctoral Degree									0	0
		Undefined									0	0
			1	0	6	0	0	0	6	0	7	0
											7	



Table 4 - Form Q: Functional literacy among Manie Louw employees at De Punt Mine as at 30 September 2020

Band	10 Point Scale-NQF Level	Education Classification System Interim	African		Coloured		Indian		White		Total	
			M	F	M	F	M	F	M	F	M	F
General Education & Training (GET)	Below NQF 1	No Schooling									0	0
		Pre- ABET									0	0
		ABET 1									0	0
		ABET 2/Std 3, Grade 5	1								1	0
		ABET 3/Std 5 ,Grade 7									0	0
1		ABET 4/ Std 7, Grade 9								0	0	
Further Education & Training (FET)	2	Std 8/Grade 10, NATED 1/ NCV Level 1							1		1	0
	3	Std 9/Grade 11, NATED 1/ NCV Level 2									0	0
	4	Std 10/Grade 12, NATED 1/ NCV Level 3							3		3	0
Higher Education & Training (HET)	5	National/Higher Certificate									0	0
	6	National Certificate/Diploma/Advanced Certificate									0	0
	7	National Certificate/Advanced Diploma/B Tech Degree/Bachelor's Degree									0	0
	8	Bachelor Honour's Degree/Postgraduate Diploma/Bachelor's Degree (480 credits)									0	0
	9	National Certificate/Master's Degree/Master's Diploma									0	0
	10	Doctoral Degree & Post-Doctoral Degree									0	0
		Undefined									0	0
Total			1	0	0	0	0	0	4	0	5	0
Grand Total											5	



Table 5 - Form Q: Functional literacy among Macla Mining employees at De Punt Mine as at 30 September 2020

Band	10 Point Scale-NQF Level	Education Classification System Interim	African		Coloured		Indian		White		Total	
			M	F	M	F	M	F	M	F	M	F
General Education & Training (GET)	Below NQF 1	No Schooling									0	0
		Pre- ABET									0	0
		ABET 1									0	0
		ABET 2/Std 3, Grade 5	1								1	0
		ABET 3/Std 5 ,Grade 7	1								1	0
1		ABET 4/ Std 7, Grade 9	1							1	0	
Further Education & Training (FET)	2	Std 8/Grade 10, NATED 1/ NCV Level 1	1								1	0
	3	Std 9/Grade 11, NATED 1/ NCV Level 2			2						2	0
	4	Std 10/Grade 12, NATED 1/ NCV Level 3	1						3		4	0
Higher Education & Training (HET)	5	National/Higher Certificate	1						1		2	0
	6	National Certificate/Diploma/Advanced Certificate							1		1	0
	7	National Certificate/Advanced Diploma/B Tech Degree/Bachelor's Degree							3		3	0
	8	Bachelor Honour's Degree/Postgraduate Diploma/Bachelor's Degree (480 credits)									0	0
	9	National Certificate/Master's Degree/Master's Diploma									0	0
	10	Doctoral Degree & Post-Doctoral Degree									0	0
		Undefined									0	0
Total			6	0	2	0	0	0	8	0	16	0
Grand Total											16	



Table 6 - Form Q: Functional literacy among HWT Mining employees at De Punt Mine as at 30 September 2020

Band	10 Point Scale-NQF Level	Education Classification System Interim	African		Coloured		Indian		White		Total	
			M	F	M	F	M	F	M	F	M	F
General Education & Training (GET)	Below NQF 1	No Schooling									0	0
		Pre- ABET									0	0
		ABET 1									0	0
		ABET 2/Std 3, Grade 5			3						3	0
		ABET 3/Std 5 ,Grade 7			3						3	0
1		ABET 4/ Std 7, Grade 9			1					1	0	
Further Education & Training (FET)	2	Std 8/Grade 10, NATED 1/ NCV Level 1			2						2	0
	3	Std 9/Grade 11, NATED 1/ NCV Level 2									0	0
	4	Std 10/Grade 12, NATED 1/ NCV Level 3						4			4	0
Higher Education & Training (HET)	5	National/Higher Certificate									0	0
	6	National Certificate/Diploma/Advanced Certificate									0	0
	7	National Certificate/Advanced Diploma/B Tech Degree/Bachelor's Degree									0	0
	8	Bachelor Honour's Degree/Postgraduate Diploma/Bachelor's Degree (480 credits)									0	0
	9	National Certificate/Master's Degree/Master's Diploma									0	0
	10	Doctoral Degree & Post-Doctoral Degree									0	0
		Undefined									0	0
Total			0	0	9	0	0	0	4	0	13	0
Grand Total											13	



Table 7 - Form Q: Functional literacy among Godwana Capital employees at De Punt Mine as at 30 September 2020

Band	10 Point Scale-NQF Level	Education Classification System Interim	African		Coloured		Indian		White		Total	
			M	F	M	F	M	F	M	F	M	F
General Education & Training (GET)	Below NQF 1	No Schooling									0	0
		Pre- ABET									0	0
		ABET 1									0	0
		ABET 2/Std 3, Grade 5									0	0
		ABET 3/Std 5 ,Grade 7									0	0
	1	ABET 4/ Std 7, Grade 9									0	0
Further Education & Training (FET)	2	Std 8/Grade 10, NATED 1/ NCV Level 1									0	0
	3	Std 9/Grade 11, NATED 1/ NCV Level 2									0	0
	4	Std 10/Grade 12, NATED 1/ NCV Level 3			4				4		8	0
Higher Education & Training (HET)	5	National/Higher Certificate									0	0
	6	National Certificate/Diploma/Advanced Certificate									0	0
	7	National Certificate/Advanced Diploma/B Tech Degree/Bachelor's Degree									0	0
	8	Bachelor Honour's Degree/Postgraduate Diploma/Bachelor's Degree (480 credits)									0	0
	9	National Certificate/Master's Degree/Master's Diploma									0	0
	10	Doctoral Degree & Post-Doctoral Degree									0	0
		Undefined									0	0
Total			0	0	4	0	0	0	4	0	8	0
Grand Total											8	



Table 8 - Form Q: Functional literacy among Coastal J Pumps employees at De Punt Mine as at 30 September 2020

Band	10 Point Scale- NQF Level	Education Classification System Interim	African		Coloured		Indian		White		Total	
			M	F	M	F	M	F	M	F	M	F
General Education & Training (GET)	Below NQF 1	No Schooling									0	0
		Pre- ABET									0	0
		ABET 1									0	0
		ABET 2/Std 3, Grade 5									0	0
		ABET 3/Std 5 ,Grade 7									0	0
1		ABET 4/ Std 7, Grade 9								0	0	
Further Education & Training (FET)	2	Std 8/Grade 10, NATED 1/ NCV Level 1									0	0
	3	Std 9/Grade 11, NATED 1/ NCV Level 2									0	0
	4	Std 10/Grade 12, NATED 1/ NCV Level 3						2			2	0
Higher Education & Training (HET)	5	National/Higher Certificate									0	0
	6	National Certificate/Diploma/Advanced Certificate									0	0
	7	National Certificate/Advanced Diploma/B Tech Degree/Bachelor's Degree									0	0
	8	Bachelor Honour's Degree/Postgraduate Diploma/Bachelor's Degree (480 credits)									0	0
	9	National Certificate/Master's Degree/Master's Diploma									0	0
	10	Doctoral Degree & Post-Doctoral Degree									0	0
		Undefined								0	0	
Total			0	0	0	0	0	0	2	0	2	0
Grand Total											2	



Table 9 - Form Q: Functional literacy among Retief Mining employees at De Punt Mine as at 30 September 2020

Band	10 Point Scale-NQF Level	Education Classification System Interim	African		Coloured		Indian		White		Total	
			M	F	M	F	M	F	M	F	M	F
General Education & Training (GET)	Below NQF 1	No Schooling									0	0
		Pre- ABET									0	0
		ABET 1									0	0
		ABET 2/Std 3, Grade 5									0	0
		ABET 3/Std 5 ,Grade 7			1							1
1		ABET 4/ Std 7, Grade 9								0	0	
Further Education & Training (FET)	2	Std 8/Grade 10, NATED 1/ NCV Level 1									0	0
	3	Std 9/Grade 11, NATED 1/ NCV Level 2			1						1	0
	4	Std 10/Grade 12, NATED 1/ NCV Level 3						3			3	0
Higher Education & Training (HET)	5	National/Higher Certificate									0	0
	6	National Certificate/Diploma/Advanced Certificate									0	0
	7	National Certificate/Advanced Diploma/B Tech Degree/Bachelor's Degree									0	0
	8	Bachelor Honour's Degree/Postgraduate Diploma/Bachelor's Degree (480 credits)									0	0
	9	National Certificate/Master's Degree/Master's Diploma									0	0
	10	Doctoral Degree & Post-Doctoral Degree									0	0
		Undefined									0	0
Total			0	0	2	0	0	0	3	0	5	0
Grand Total											5	



Table 10 - Form Q: Functional literacy among all MDM employees at HO and De Punt Mine as at 30 September 2020

Band	10 Point Scale-NQF Level	Education Classification System Interim	African		Coloured		Indian		White		Total	
			M	F	M	F	M	F	M	F	M	F
General Education & Training (GET)	Below NQF 1	No Schooling			2						2	0
		Pre- ABET									0	0
		ABET 1									0	0
		ABET 2/Std 3, Grade 5			2						2	0
		ABET 3/Std 5 ,Grade 7	2		7						9	0
1		ABET 4/ Std 7, Grade 9	1		12				2	15	0	
Further Education & Training (FET)	2	Std 8/Grade 10, NATED 1/ NCV Level 1	2		9				4	1	15	1
	3	Std 9/Grade 11, NATED 1/ NCV Level 2			3				1		4	0
	4	Std 10/Grade 12, NATED 1/ NCV Level 3	3		10				31	3	44	3
Higher Education & Training (HET)	5	National/Higher Certificate	1						1		2	0
	6	National Certificate/Diploma/Advanced Certificate			1				2		3	0
	7	National Certificate/Advanced Diploma/B Tech Degree/Bachelor's Degree	1						6		7	0
	8	Bachelor Honour's Degree/Postgraduate Diploma/Bachelor's Degree (480 credits)			1				4		5	0
	9	National Certificate/Master's Degree/Master's Diploma									0	0
	10	Doctoral Degree & Post-Doctoral Degree									0	0
		Undefined							1		1	0
Total			10	0	47	0	0	0	54	4	109	4
Grand Total											113	



As can be noted from the data (see Table 10) 28 out of the total of 113 employees have education levels lower than ABET4/NQF 1. These 28 employees all have education levels equal to or below ABET 3 as shown in Table 11 below.

Table 11 – ABET training needs amongst employees as at 30 September 2020

ABET Level	No. of Employees
Pre-ABET	2
ABET 1	0
ABET 2	2
ABET 3	9
ABET 4	15
TOTAL	28

Because of the low numbers of staff requiring ABET and the remoteness of the mine from other communities where ABET could be offered, there is no full-time ABET facilitator available.

As potential solution, MDM is committed to working with other mining companies in the area to find a permanent solution.

2.4.6 Learnerships

No Learnerships are undertaken at the mine.

Contractor driven mining operations are extremely small and have no capacity to implement learnerships.

2.4.7 Core Skills and Non-Core Skills Training

MDM's skills development plan includes training in both core and non-core skills. MDM skills development process not only supports current skills development requirements but also takes cognisance of the needs of potential future job requirements. Training is not only focused on meeting the mine's objectives but also considering the employability and portability of skills for the employee.

Current financial constraints at the mine have significantly curtailed plans for non-essential training and development.



Table 19: Skills Development Targets at De Punt for 2020/2021 to 2024/2025

SKILLS PROGRAMME	ANTICIPATED NUMBER OF LEARNERS				
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Firefighting	2	2	2	2	2
Bricklaying	2	2	2	2	2
Plumbing	2	2	2	2	2
Carpentry	2	2	2	2	2
Business Management & ICT	4	4	4	4	4
First Aid	2	2	2	2	2
Plant Supervision	4	4	3	2	1
Learners Licence	5	5	0	0	0
Drivers Licence	5	5	0	0	0
Welding & Cutting	1	1	2	1	2
Operator Training	10	10	10	10	10
Commercial Diver Class 4	3	3	3	3	3
Commercial Diver Class 3	2	2	2	2	2
TOTAL	44	44	43	42	42
BUDGET	250 000	250 000	250 000	250 000	250 000

2.5 MENTORSHIP AND COACHING (REGULATION 46 (B)(III))

2.5.1 Mentoring of Employees

Mentorship plays an essential role in the MDM environment and supports the successes the mine achieves with the development of its employees. It links the various components of the strategic human resources programme with specific reference to:

- Skills Development Planning
- Career Progression Planning
- Employment Equity

While mentorship is an essential element in sustaining learning initiatives it must be supported by coaching. Together these contribute to:

- Improving competencies (knowledge, skill, attitude) to meet the current and future job demands
- Growth of employees into new roles
- Improvement in performance
- Maximizing potential
- Developing skills and employees in taking ownership of their own development

Within the MDM environment all employees undertaking any form of skills development will receive coaching. Learnership candidates will be mentored on a quarterly basis as will employees who are identified for fast tracking. In addition, students undertaking experiential training will receive mentoring.



MDM regards a mentor as an individual who will facilitate the transfer of knowledge and experience based on shared values in confidence through networking, advising, coaching, directing and counselling. The mentor guides the mentee in reaching his or her full potential.

In its mentorship policy, MDM draws a distinction between mentorship and coaching:

- **Mentorship** refers to a process enabling individuals to develop and acquire knowledge and experience informally or via a formal development programme. A competent mentor will guide the mentee in a multi-faceted manner. Mentorship refers to a relationship between a mentor and mentee in which the maximum potential of the mentee is unlocked through an influencing process which is mutually beneficial to the mentee, company and mentor; and
- **Coaching** is specifically directed at job-related performance. Effective leaders who act as coaches should actively provide instruction, guidance, advice and encouragement to assist subordinates to improve their performance in current jobs. Coaching is aimed at translating operational theory into practice

Mentorship and coaching programmes are implemented based on the following principles:

Coaching

- Coaching will be focussed on specific on-the-job development which will be participative, interactive and day-to-day
- A safe environment is established which will allow employees to find/explore their own solutions to problems and/or scenarios, implement actions and change behaviour
- Coaching supports the notion that employees take ownership for their own development
- The approach leads to an increase of learner confidence and performance
- Coaches would, in most instances, be the direct supervisor of an employee
- Coaching will be guided by the development areas documented in the Career Development Plans
- The progress of the coaching programme will be reported on an annual basis in the SLP submission.

Mentoring

- Mentorship will focus on a broader development goal which will increase the employees' professional development and further his/her education
 - Employees will be supported to manage their own learning
 - Appropriate mentorship has the objective of achieving accelerated competency in line with current and future job requirements
 - Reporting on mentored candidate progress will be done on a quarterly basis
 - Mentors will be experienced individuals with an interest and willingness to develop employees
 - The mentorship programme will be structured and allow sufficient/proper opportunities for learning and exposure
 - The mentorship programme will be guided by the development areas documented in the Career Development Plans
- The progress of the mentorship programme will be reported on an annual basis in the SLP submission

The notion of "acting" which is a core element of career management and provides for employees to spend substantial periods of time learning the requirements of a job while filling in for positions that are temporarily vacant due to leave or other reasons. It is also during this time that employees are coached and mentored to prepare them to take on the role on a permanent basis at a later stage.



Because of the size of the operation much of the mentoring is undertaken by managers from outside De Punt Mine. In this regard MDM will cooperate with related mining companies for exchange programmes.

2.5.2 Mentoring of Empowerment Groups and BEE Companies

MDM is committed to establishing sustainable and value-adding relationships with the relevant and credible BEE companies in pursuit of economic development with the following objectives:

- Ensuring meaningful participation of HDP Owned and Controlled Companies (HDPOCC) in future projects in order to achieve sustainable development and prosperity.
- Pursuing strategic alliances and build long term supplier relationships with HDPOCC that will enhance the company's future growth.
- Increasing HDPOCC procurement in line with our set targets over a five-year period.
- Helping to create and promote black partners in mining by way of joint ventures and equity stakeholding / shareholding.
- Encouraging the establishment of small, medium and informal business.

As one of the pillars of economic empowerment, MDM sees the need to provide purposeful training where there is a lack of skills in order to ensure that the company's black entrepreneurs possess the necessary business management skills. This is being done to empower entrepreneurs in the areas of:

- Financial skills
- Budgeting requirements
- Tender procedures and process
- Business acumen and marketing skills

MDM is proud of its involvement in the development of local SMME's and empowering local entrepreneurs. The SMMEs have potential and are sustainable. The company is providing support with the aim of ensuring sustainable development.

MDM also supports social programmes and training within its communities including supporting skills development in the following areas:

- Entrepreneurship
- Tourism
- Agriculture

MDM is committed to continuing its work in this arena both to address the skills deficiencies occasioned by our past as well as in support of sustainable development in the area which will mitigate the impact of downscaling and mine closure on the local communities when this occurs.

2.6 BURSARY PLAN (REGULATION 46 (B)IV)

The bursary plan implemented by MDM is a critical component in capacity building with regard to critical and scarce skills in the industry.

MDM recognizes the need to nurture and develop potential at an early stage, develop skills relevant to the mining industry as well as to consider portability to other sectors.



The principles underlying the MDM approach to Bursaries include:

- **HDP Targets:** Supports the achievement of the HDP targets and targets for women in mining
- **Vacancy Placements:** Become a substitute to permanent placements in areas where there are hard to fill vacancies and provide potential successors for management positions
- **Work related Experience:** Provides work related experiences specifically through Internships and through this prepare learners for the world of work
- **Potential Identification:** Allows the identification of potential at an early stage so that this can be nurtured in order to support future skills requirements
- **Learning opportunities:** Support initiatives to make the sector more competitive and representative of South Africa's demographics by providing learning opportunities to previously disadvantaged individuals
- **Value-add learners:** Employees/learners recognize that the business is committed to their development and as a result are more likely to make a value-added contribution.
- **Value Chain Exposure:** Provide students with an opportunity to gain exposure of the mines full value chain process and allow greater flexibility in terms of later placement in the mine

2.6.1 Employee Bursaries

The scheme is targeting employees wishing to study towards a bachelor's degree or national diploma at an accredited tertiary institution in South Africa. The scheme has never been used for the past ten years precisely because of the work demands of contractor employees and their working dynamics.

In terms of this SLP, a commitment is hereby made to extend this scheme to dependents (immediate family members) of contractor employees based on academic merits. The scheme would be extended to those individuals regardless of subject or career choice.

The table below sets out the Bursary Targets for De Punt Mine over the next 5 years

Table 12: Targets for Bursaries at De Punt Mine – 2020/2021 to 2024/2025

	ANTICIPATED NUMBER OF EMPLOYEES/LEARNERS				
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Any Discipline	1	1	1	-	-
Any Discipline	1	1	1	-	-
Any Discipline	1	1	1	1	1
TOTAL	3	3	3	1	1
BUDGET	R 125 000	R 125 000	R 125 000	R 100 000	R 100 000

2.6.2 External Bursaries (Community)

The scheme awards bursaries to successful applicants from local communities towards full-time study at an accredited tertiary institution in South Africa. The scheme provides for financial assistance towards tuition, prescribed textbooks and accommodation costs. A financial pool has been created which will provide bursaries in any field which will be beneficial to the community. Such bursaries are not linked to any work commitment.



Table 21 sets out the Bursary Targets for the community over the next five years.

Table 21: Targets for Bursaries at De Punt – 2020/2021 to 2024/2025

	ANTICIPATED NUMBER OF LEARNERS				
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Any Discipline	1	1	1	-	-
Any Discipline	1	1	1	-	-
Any Discipline	1	1	1	1	1
TOTAL	3	3	3	1	1
BUDGET	R 125 000	R 125 000	R 125 000	R 100 000	R 100 000

2.7 EMPLOYMENT EQUITY (REGULATION 46 (B)(V))

MDM believes that the achievement of world-class standards and global competitiveness will require that the skills of every individual will have to be tapped and developed. Furthermore, the company recognizes that sustainable business performance relies largely on the effective and equitable utilization of human resources. In order to ensure this, MDM has embarked on a process of social transformation to remove the barriers to the employment and advancement of all South Africans and to accelerate the training and promotion of individuals from historically disadvantaged groups (blacks, women and people with disabilities).

In accordance with Government's policy, MDM applies social fairness in all its employment practices. It recruits and develops employees from historically disadvantaged groups who can play a significant role in the mine's future success and attention is be paid to the employment of persons from socially, economically and educationally disadvantaged families. Employees and applicants are advised of the company's policy of non-discrimination and active elimination of discrimination and no employee of the company will have their employment terminated solely to further the company's Employment Equity plan.

Through the implementation of Employment Equity programmes, MDM creates an environment of sustainable diversity as its competitive advantage for the future.

The goals of MDM Employment Equity process include:

- No discriminatory practices, implicit or explicit, to exist anywhere in the organisation.
- All forms of sexual and racial harassment to be eliminated.
- No barriers to exist in the workplace that unfairly restrict employment and promotion opportunities of any person.
- An enhanced representation of currently underrepresented categories of people, with the emphasis on black people, women and people with disabilities at all levels in the organisation, focused on the long-term objective of reflecting the demographics of the various regions in which MDM operates.
- An organisational culture in which diversity is encouraged and valued while focusing on share values and trust in order to develop team spirit, promoting mutual understanding, optimising potential and achieving organisational goals in serving the community.



Table 22 to Table 39 – Form S below set out the current employment equity demographics for De Punt Mine.

Table 22 - Form S – Employment Equity Distribution of MDM employees at HO and De Punt Mine as at 30 September 2020

Occupational Levels	Male				Female				Foreign Nationals		Total
	African	Coloureds	Indians	Whites	African	Coloureds	Indians	Whites	Male	Female	
Top management				3							3
Senior management		1		1							2
Professionally qualified and experienced specialists and mid-management											
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents											
Semi-skilled and discretionary decision making		4						2			6
Unskilled and defined decision making		1									1
TOTAL PERMANENT	0	6	0	4	0	0	0	2	0	0	12
Temporary employees											0
GRAND TOTAL	0	6	0	4	0	0	0	2	0	0	12



Table 23 - Form S – Employment Equity Distribution of De Punt Mining Co employees at De Punt Mine as at 30 September 2020

Occupational Levels	Male				Female				Foreign Nationals		Total
	African	Coloureds	Indians	Whites	African	Coloureds	Indians	Whites	Male	Female	
Top management											0
Senior management											0
Professionally qualified and experienced specialists and mid-management		1									1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents											0
Semi-skilled and discretionary decision making											0
Unskilled and defined decision making	1	2		2				1			6
TOTAL PERMANENT	1	3	0	2	0	0	0	1	0	0	7
Temporary employees											0
GRAND TOTAL	1	3	0	2	0	0	0	1	0	0	7



Table 24 - Form S – Employment Equity Distribution of Off Shore Mining employees at De Punt Mine as at 30 September 2020

Occupational Levels	Male				Female				Foreign Nationals		Total
	African	Coloureds	Indians	Whites	African	Coloureds	Indians	Whites	Male	Female	
Top management											0
Senior management											0
Professionally qualified and experienced specialists and mid-management				1							1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents				3							3
Semi-skilled and discretionary decision making				1							1
Unskilled and defined decision making		3									3
TOTAL PERMANENT	0	3	0	5	0	0	0	0	0	0	8
Temporary employees											0
GRAND TOTAL	0	3	0	5	0	0	0	0	0	0	8



Table 25 - Form S – Employment Equity Distribution of Surf Mining employees at De Punt Mine as at 30 September 2020

Occupational Levels	Male				Female				Foreign Nationals		Total
	African	Coloureds	Indians	Whites	African	Coloureds	Indians	Whites	Male	Female	
Top management											0
Senior management											0
Professionally qualified and experienced specialists and mid-management				1							1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents				2							2
Semi-skilled and discretionary decision making	1										1
Unskilled and defined decision making		6									6
TOTAL PERMANENT	1	6	0	3	0	0	0	0	0	0	10
Temporary employees											0
GRAND TOTAL	1	6	0	3	0	0	0	0	0	0	10



Table 26 - Form S – Employment Equity Distribution of Monster X Mining employees at De Punt Mine as at 30 September 2020

Occupational Levels	Male				Female				Foreign Nationals		Total
	African	Coloureds	Indians	Whites	African	Coloureds	Indians	Whites	Male	Female	
Top management											0
Senior management											0
Professionally qualified and experienced specialists and mid-management				1							1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents											0
Semi-skilled and discretionary decision making											0
Unskilled and defined decision making		5		2							7
TOTAL PERMANENT	0	5	0	3	0	0	0	0	0	0	8
Temporary employees											0
GRAND TOTAL	0	5	0	3	0	0	0	0	0	0	8



Table 27 - Form S – Employment Equity Distribution of Matzikhoi Mining employees at De Punt Mine as at 30 September 2020

Occupational Levels	Male				Female				Foreign Nationals		Total
	African	Coloureds	Indians	Whites	African	Coloureds	Indians	Whites	Male	Female	
Top management											0
Senior management											0
Professionally qualified and experienced specialists and mid-management		1									1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents		1									1
Semi-skilled and discretionary decision making											0
Unskilled and defined decision making		1									1
TOTAL PERMANENT	0	3	0	0	0	0	0	0	0	0	3
Temporary employees											0
GRAND TOTAL	0	3	0	0	0	0	0	0	0	0	3



Table 28 - Form S – Employment Equity Distribution of Mkuze Mining employees at De Punt Mine as at 30 September 2020

Occupational Levels	Male				Female				Foreign Nationals		Total
	African	Coloureds	Indians	Whites	African	Coloureds	Indians	Whites	Male	Female	
Top management											0
Senior management											0
Professionally qualified and experienced specialists and mid-management				1							1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents				3							3
Semi-skilled and discretionary decision making				3							3
Unskilled and defined decision making											0
TOTAL PERMANENT	0	0	0	7	0	0	0	0	0	0	7
Temporary employees											0
GRAND TOTAL	0	0	0	7	0	0	0	0	0	0	7



Table 29 - Form S – Employment Equity Distribution of Manie Louw employees at De Punt Mine as at 30 September 2020

Occupational Levels	Male				Female				Foreign Nationals		Total
	African	Coloureds	Indians	Whites	African	Coloureds	Indians	Whites	Male	Female	
Top management											0
Senior management											0
Professionally qualified and experienced specialists and mid-management				1							1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents				1							1
Semi-skilled and discretionary decision making				2							2
Unskilled and defined decision making		1									1
TOTAL PERMANENT	0	1	0	4	0	0	0	0	0	0	5
Temporary employees											
GRAND TOTAL	0	1	0	4	0	0	0	0	0	0	5



Table 30 - Form S – Employment Equity Distribution of Macla employees at De Punt Mine as at 30 September 2020

Occupational Levels	Male				Female				Foreign Nationals		Total
	African	Coloureds	Indians	Whites	African	Coloureds	Indians	Whites	Male	Female	
Top management											0
Senior management											0
Professionally qualified and experienced specialists and mid-management				1							1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	1										1
Semi-skilled and discretionary decision making	2			6							8
Unskilled and defined decision making	4	2									6
TOTAL PERMANENT	7	2	0	7	0	0	0	0	0	0	16
Temporary employees											0
GRAND TOTAL	7	2	0	7	0	0	0	0	0	0	16



Table 31 - Form S – Employment Equity Distribution of HWT Diamonds employees at De Punt Mine as at 30 September 2020

Occupational Levels	Male				Female				Foreign Nationals		Total
	African	Coloureds	Indians	Whites	African	Coloureds	Indians	Whites	Male	Female	
Top management											0
Senior management											0
Professionally qualified and experienced specialists and mid-management				1							1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents				1							1
Semi-skilled and discretionary decision making		1		2				1			4
Unskilled and defined decision making		7									7
TOTAL PERMANENT	0	8	0	4	0	0	0	1	0	0	13
Temporary employees											0
GRAND TOTAL	0	8	0	4	0	0	0	1	0	0	13



Table 32 - Form S – Employment Equity Distribution of JJ Diamonds employees at De Punt Mine as at 30 September 2020

Occupational Levels	Male				Female				Foreign Nationals		Total
	African	Coloureds	Indians	Whites	African	Coloureds	Indians	Whites	Male	Female	
Top management											0
Senior management											0
Professionally qualified and experienced specialists and mid-management				1							1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents		1		1							2
Semi-skilled and discretionary decision making		1		1							2
Unskilled and defined decision making		4									4
TOTAL PERMANENT	0	6	0	3	0	0	0	0	0	0	9
Temporary employees											0
GRAND TOTAL	0	6	0	3	0	0	0	0	0	0	9



Table 33 - Form S – Employment Equity Distribution of Godwana Mining employees at De Punt Mine as at 30 September 2020

Occupational Levels	Male				Female				Foreign Nationals		Total
	African	Coloureds	Indians	Whites	African	Coloureds	Indians	Whites	Male	Female	
Top management											0
Senior management											0
Professionally qualified and experienced specialists and mid-management				1							1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents				1							1
Semi-skilled and discretionary decision making		4		2							6
Unskilled and defined decision making											0
TOTAL PERMANENT	0	4	0	4	0	0	0	0	0	0	8
Temporary employees											0
GRAND TOTAL	0	4	0	4	0	0	0	0	0	0	8



Table 34 - Form S – Employment Equity Distribution of Coastal Jet Pumps employees at De Punt Mine as at 30 September 2020

Occupational Levels	Male				Female				Foreign Nationals		Total
	African	Coloureds	Indians	Whites	African	Coloureds	Indians	Whites	Male	Female	
Top management											0
Senior management											0
Professionally qualified and experienced specialists and mid-management				1							1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents											0
Semi-skilled and discretionary decision making				1							1
Unskilled and defined decision making											0
TOTAL PERMANENT	0	0	0	2	0	0	0	0	0	0	2
Temporary employees											0
GRAND TOTAL	0	0	0	2	0	0	0	0	0	0	2



Table 35 - Form S – Employment Equity Distribution of Retief Coastal Diving employees at De Punt Mine as at 30 September 2020

Occupational Levels	Male				Female				Foreign Nationals		Total
	African	Coloureds	Indians	Whites	African	Coloureds	Indians	Whites	Male	Female	
Top management											0
Senior management											0
Professionally qualified and experienced specialists and mid-management				1							1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents		1									1
Semi-skilled and discretionary decision making		1									1
Unskilled and defined decision making	1	1									2
TOTAL PERMANENT	1	3	0	1	0	0	0	0	0	0	5
Temporary employees											0
GRAND TOTAL	1	3	0	1	0	0	0	0	0	0	5



Table 36 - Form S – Employment Equity Distribution of all employees at HO and De Punt Mine as at 30 September 2020

Occupational Levels	Male				Female				Foreign Nationals		Total
	African	Coloureds	Indians	Whites	African	Coloureds	Indians	Whites	Male	Female	
Top management				3							3
Senior management				2							2
Professionally qualified and experienced specialists and mid-management		2		12							14
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	1	3		11							15
Semi-skilled and discretionary decision making	4	11		19				3			37
Unskilled and defined decision making	5	31		5				1			42
TOTAL PERMANENT	10	47		52	0	0	0	4	0	0	113
Temporary employees	0	0		0	0	0	0	0	0	0	0
GRAND TOTAL	10	47	0	52	0	0	0	4	0	0	113



Table 37 – Employment Equity Targets for De Punt Mine – 2020/2021 – 2024/2025

Period		African		Coloured		Indian		White		Total
		Male	Female	Male	Female	Male	Female	Males	Female	
2020/2021	Top Management (Board level)							3		3
	Senior Management (EXCO/Board Level)			1				1		2
	Middle Management			2				12		14
	Junior Management	1		3				11		15
	Total Management	1	0	6	0	0	0	27	0	34
	% HDSAs in Management	3%	0%	18%	0%	0%	0%	79%	0%	100%
	Core Skills	9	0	42	0	0	0	24	4	79
	% HDSAs in Core Skills	11%	0%	53%	0%	0%	0%	31%	5%	100%
2021/2022	Top Management (Board level)	1						2		3
	Senior Management (EXCO/Board Level)			1				1		2
	Middle Management	2		2				10		14
	Junior Management	1	1	3	1			9		15
	Total Management	4	1	6	1	0	0	22	0	34
	% HDSAs in Management	12%	3%	18%	3%	0%	0%	64%	0%	100%
	Core Skills	8	0	41	0	0	0	26	4	79
	% HDSAs in Core Skills	10%	0%	52%	0%	0%	0%	33%	5%	100%



Period		African		Coloured		Indian		White		Total
		Male	Female	Male	Female	Male	Female	Males	Female	
2022/2023	Top Management (Board level)	1						2		3
	Senior Management (EXCO/Board Level)	1		1				1		3
	Middle Management	2		2				9		13
	Junior Management	1	1	3	1			9		15
	Total Management	5	1	6	1	0	0	21	0	34
	% HDSAs in Management	14%	3%	18%	3%	0%	0%	62%	0%	100%
	Core Skills	8	0	41	0	0	0	26	4	79
	% HDSAs in Core Skills	10%	0%	52%	0%	0%	0%	33%	5%	100%
2023/2024	Top Management (Board level)	1						2		3
	Senior Management (EXCO/Board Level)	1		1				1		3
	Middle Management	2		2				9		13
	Junior Management	1	1	3	1			9		15
	Total Management	5	1	6	1	0	0	21	0	34
	% HDSAs in Management	14%	3%	18%	3%	0%	0%	62%	0%	100%
	Core Skills	8	0	41	0	0	0	26	4	79
	% HDSAs in Core Skills	10%	0%	52%	0%	0%	0%	33%	5%	100%



Period		African		Coloured		Indian		White		Total
		Male	Female	Male	Female	Male	Female	Males	Female	
2024/2025	Top Management (Board level)	1						2		3
	Senior Management (EXCO/Board Level)	1		1				1		3
	Middle Management	2		2				9		13
	Junior Management	1	1	3	1			9		15
	Total Management	5	1	6	1	0	0	21	0	34
	% HDSAs in Management	14%	3%	18%	3%	0%	0%	62%	0%	100%
	Core Skills	8	0	41	0	0	0	26	4	79
	% HDSAs in Core Skills	10%	0%	52%	0%	0%	0%	33%	5%	100%

As can be seen from **Table 34 - Form S – Employment Equity Distribution of Coastal Jet Pumps employees at De Punt Mine as at 30 September 2020**

Occupational Levels	Male				Female				Foreign Nationals		Total
	African	Coloureds	Indians	Whites	African	Coloureds	Indians	Whites	Male	Female	
Top management											0
Senior management											0
Professionally qualified and experienced specialists and mid-management				1							1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents											0
Semi-skilled and discretionary decision making				1							1
Unskilled and defined decision making											0
TOTAL PERMANENT	0	0	0	2	0	0	0	0	0	0	2
Temporary employees											0
GRAND TOTAL	0	0	0	2	0	0	0	0	0	0	2



Table 35 - Form S – Employment Equity Distribution of Retief Coastal Diving employees at De Punt Mine as at 30 September 2020

Occupational Levels	Male				Female				Foreign Nationals		Total
	African	Coloureds	Indians	Whites	African	Coloureds	Indians	Whites	Male	Female	
Top management											0
Senior management											0
Professionally qualified and experienced specialists and mid-management				1							1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents		1									1
Semi-skilled and discretionary decision making		1									1
Unskilled and defined decision making	1	1									2
TOTAL PERMANENT	1	3	0	1	0	0	0	0	0	0	5
Temporary employees											0
GRAND TOTAL	1	3	0	1	0	0	0	0	0	0	5



Table above, the majority of management positions (79%) are held by white males. As has been mentioned before, the contractor companies have extremely small numbers of employees and can be termed micro-enterprises. They are all owner-managed entities which accounts for the high proportion of middle and junior management positions. There are very few other management positions within their structures. Efforts can be made to transform top and senior management to neutralise this impasse from year 2022.

With regard to the core staff, almost 59% of the positions are held by HDPs. Unfortunately, the few women who are employed by the contractors are employed in administrative functions.

Under the current structure, MDM does comply with the employment equity legislation. As shown in

Table below, the Company is struggling to achieve minimum HDP representation across all its occupational levels in terms of the Mining Charter 2018 scorecard.

The development of HDPs, especially women, remains a key focus area. MDM has developed a number of strategies to enhance their representation. These efforts include:

- identifying positions in the mines that could be filled by HDPs;
- identifying and developing HDPs who show potential for fast-track career advancement;
- recruiting externally for qualified employees and trainees; and
- creating an environment conducive to the empowerment of HDPs.

MDM submits its annual Employment Equity Report to the Department of Labour each year.



Table 38 - Form S – Employment Equity Distribution of employees at MDM as at 30 September 2020

Occupational Levels	Male				Female				Total	Actual % at 30 Sept 2020	
	African	Coloureds	Indians	Whites	African	Coloureds	Indians	Whites		Non-designated	Designated
Top management	0	0	0	3	0	0	0	0	3	100	0
Senior management	0	1	0	1	0	0	0	0	2	50	50
Professionally qualified and experienced specialists and mid-management	0	2	0	12	0	0	0	0	14	86	14
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	0	3	0	11	0	0	0	0	15	73	27
Semi-skilled and discretionary decision making	4	11	0	19	0	0	0	3	37	59	41
Unskilled and defined decision making	5	31	0	5	0	0	0	1	42	14	86
TOTAL PERMANENT	9	48	0	53	0	0	0	4	113		



SECTION 3 LOCAL ECONOMIC DEVELOPMENT PLAN

3.1 SOCIO-ECONOMIC BACKGROUND AND KEY ECONOMIC ACTIVITIES IN THE REGION SURROUNDING THE MINE

3.1.1 Background to the Matzikama Local Municipality:

The Matzikama Local Municipality is a category B municipality proclaimed in terms of Provincial Notice No 41/2000 of September 2000. The municipal area comprises 17 towns and or villages that are divided into 8 wards. These towns and villages include Doringbay, Strandfontein, Papendorp, Ebenaeser, Lutzville--West, Lutzville, Koekenaap, Vredendal, Klawer, Vanrhynsdorp, Nuwerus, Biaerfontein, Kliprand, Put--se--Kloof, Rietpoort, Molsvlei and Stobraal.

Matzikama is characterized by an arid environment but is served by a life--giving arterial namely the Olifants River. The river with its associated canal systems supports the agricultural sector that is mainly built on viniculture. Apart from the newly incorporated area to the north as well as the towns of Doringbay, Strandfontein and Vanrhynsdorp the rest of the population is concentrated along the river and canal system.

Unless otherwise stated, all the information in table 39 to 43 is taken from Statistics SA Census 2011

Table 39: Socio-Economic Profile of Surrounding Region – Population

Socio-Economic Indicator	Western Cape	West Coast District Municipality	Matzikama Local Municipality	Cape Town Metropolitan Municipality
Total No. of People	5 728 765	388 669	66 255	3 667 842
Males	49.1%	49.7%	50.1%	48.9%
Females	50.9%	50.3%	49.9%	51.1%
Black Africans	33,4%	16,5%	8,6%	39,4%
Coloureds	49,6%	67,1%	75,7%	49,6%
Indian/Asian	1,1%	0,6%	0,6%	1,1%
White	16,0%	15,8%	15,0%	16,0%
Brief Analysis	According to statistics, the population of the Western Cape is slightly dominated by females with a total percentage of 50.5% as compared the 49.50% of the males. It is evident from the statistics that with regard to the racial make-up of the population, Coloureds dominate the province with over 60% overall and Indians/Asians are the least of the population with only 3.4%.			



Table 40: Socio-Economic Profile of Surrounding Region – Housing

Socio-Economic Indicator	Western Cape	West Coast District Municipality	Matzikama Local Municipality	Cape Town Metropolitan Municipality
Formal Dwelling	80,4%	88,0%	88,4%	78,3%
Traditional dwellings	0,5%	0,6%	0,5%	0,4%
Informal settlements (separate stands and backyard dwellings)	18,1%	10,3%	9,6%	20,5%
Flush toilet	95,5%	93,8%	85,9%	96,6%
Pit latrine	1,3%	1,5%	3,0%	0,4%
No access to any toilet facilities	3,3%	4,6%	11,1%	2,9%
Regional/Local Water Scheme	93,5%	79,4%	81,0%	98,4%
Borehole	2,6%	10,3%	4,1%	0,5%
Other (spring, rain water tank, dam/ pool/ stagnant water, river/ stream or water vendor)	4,%	10,3%	14,9%	1,1%
Electricity (Lighting)	97,5%	96,%	90,2%	98,4%
Candles (Lighting)	2,5%	4,0%	9,8%	1,6%
Refuse removed by local authority at least once a week	90,4%	77,3%	69,4%	94,5%
Communal refuse dump	2,8%	2,5%	2,3%	2,8%
Own refuse dump	4,6%	17,2%	24,1%	1,4%
No rubbish disposal	1,0%	1,2%	2,5%	0,7%
Brief Analysis	<p>The housing profile at the various geographical levels appears to be formalised. However, MLM has 9.6% of people living in informal settlements. This is slightly lower than the figure for the district municipality but significantly lower than the province.</p> <p>Sanitation usage at local municipal levels indicates a lower percentage of the population having access to flush toilets (85.9%) in comparison to 95.5% of the provincial population and 93.8% of the population in the WCDM. In excess of 90%</p>			



Socio-Economic Indicator	Western Cape	West Coast District Municipality	Matzikama Local Municipality	Cape Town Metropolitan Municipality
	<p>of households within the province were connected to a regional/local water scheme during the time the census was conducted in 2011 but only 81% of the MLM were connected. The figure for the district municipality lower at 79.4%.</p> <p>Electricity supply for lighting purposes proves to be formalised with over 90% of the population in at all levels having access to electricity for lighting. Again, the infrastructure in the MLM appears to be lower than at provincial and district municipality levels.</p> <p>Refuse disposal by households is also formalised. Yet again, the population in the MLM fares lower than the population in the WCDM and the province with 69.4% in the MLM having their refuse removed by the local authority at least once a week. The figures for the province and the WCDM are 90.4% and 77.3% respectively.</p>			



Tabl4 41: Socio-Economic Profile of Surrounding Region – Education²

Socio-Economic Indicator	Western Cape	West Coast District Municipality	Matzikama Local Municipality	Cape Town Metropolitan Municipality
No or limited primary education	22,5%	28,5%	31,8%	19,4%
Completed primary education	5,3%	6,9%	7,6%	4,6%
Completed some secondary education	31,4%	29,6%	30,5%	31,9%
Completed secondary education	19,7%	15,8%	13,4%	21,2%
Higher education	9,1%	4,7%	4,0%	10,4%
Brief Analysis	<p>The education profile across the various geographical levels during 2011 reflects that between 30% and 32% of the population has at least some secondary schooling. However, between 20% and 32% of adults in the all geographical areas have limited or no primary schooling or have completed primary schooling. The MLM appears to be better placed as far as schooling is concerned because the statistics reflect that between 13% of the population completed secondary education and this has translated into better statistics for higher education.</p> <p>Education remains an important corner stone in the development of any country as individuals are prepared for future absorption into the labour market. Government has introduced measures to address the low educational profile of the country by introducing initiatives such as compulsory school attendance for children aged between seven (7) and fifteen (15) years, infrastructure upgrades to schools, etc.</p> <p>In terms of the available skills within all industries in the provincial economy, continued finance for the extension of education and training will be essential to provide the skills required for a growing regional economy.</p>			

² The educational profile across the various geographical areas has been based on persons twenty (20) years and older.



Table 4213: Socio-Economic Profile of Surrounding Region – Employment³

Socio-Economic Indicator	Western Cape	West Coast District Municipality	Matzikama Local Municipality	Cape Town Metropolitan Municipality
Employment rate	50,1%	52,6%	53,0%	49,7%
Unemployment rate	13,8%	9,0%	8,7%	15,6%
Discouraged work seekers	3,1%	2,1%	2,9%	3,1%
Economically not active ⁴	33,1%	30,4%	35,5%	31,6%
Brief Analysis	Western Cape has an average employment percentage which is above 50%. The WCDM and MLM have a slightly higher employment rate at 52.6% and 53.0% respectively. This difference is also reflected in the unemployment rate which is lower in these municipal areas than in the province as a whole.			

Table 43: Socio-Economic Profile of Surrounding Region – Household Income⁵

Socio-Economic Indicator	Western Cape	West Coast District Municipality	Matzikama Local Municipality	Cape Town Metropolitan Municipality
No income	13,60%	10,90%	8,30%	14,10%
R1 to R19 600 per annum	16,10%	17,40%	15,00%	16,10%
R19 600 to R76 400 per annum	34,20%	41,60%	43,40%	34,20%
R76 400 to R614 400 per annum	31,80%	28,20%	25,20%	34,50%
R614 400 and above	4,10%	1,90%	1,70%	5,10%
Brief Analysis	Over 60% of all households have an income of less than R76400 which equates to less than R6360 per month. Of this number approximately a 15% - 20% of the households at all levels have an income of R19600 per annum or less. This equates to a monthly household income of R1630 or less.			

³ Working Age Population according to Stats SA is between the ages of fifteen (15) and sixty-five (65) years old and therefore the Employment Profile has been based on Stats SA's statistics although the minimum age requirement for employment within the mining sector is eighteen (18).

⁴ Economically Not Active population includes scholars/students, homemakers, pensioners, the terminally ill or disabled and seasonal workers not employed during the 2011 Census.

⁵ Household Income includes income derived from government grants, pensions and informal employment.



3.1.2 Key Economic Activities

As indicated within Table below, Agriculture is the key employers in the MLM and also within the WCDM which is only slightly lower than the Transport Industry. The mining sector contributes only 8.0% of employment in the Matzikama Local Municipality.

According to the MLM IDP 2015, with a GDP of R 3.24 billion in 2012 (up from R 1.29 billion in 2002) MLM contributed 16.14% to the WCDM GDP of R 20.1 billion in 2012. The MLM contributes 0.72% to the GDP of Western Cape Province and 0.10% the GDP of South Africa which had a total GDP of R 3.16 trillion at current prices in 2012.

In 2012, the MLM had an annual growth rate of 0.49% in GDP which is lower than the WCDM with GDP growth of 1.08%. The MLM has lower GDP growth than Western Cape Province's 2.85%, but is lower than that of South Africa as a whole, where the 2012 GDP growth rate is 2.55% in constant 2005 prices.

Table 44: Sectoral Employment Statistics in the West Coast District Municipality - 2017

Sector	Matzikama Local Municipality	Cederberg Local Municipality	Bergrivier Local Municipality	Saldanha Bay Local Municipality	Swartland Local Municipality	Total West Coast
Agriculture	36.3%	41.2%	43.7%	4.4%	21.3%	20.3%
Mining	1.14%	0.1%	0.0%	0.1%	0.2%	1.6%
Manufacturing	6.4%	5.2%	8.0%	14.5%	21.0%	12.5%
Electricity	0.4%	0.1%	0.2%	0.1%	1.1%	0.4%
Construction	4.8%	3.9%	3.2%	6.3%	6.0%	5.3%
Trade	19.3%	21.5%	15.4%	11.1%	15.9%	14.6%
Transport	2.8%	2.1%	3.4%	46.9%	3.4%	22.9%
Finance	7.0%	5.5%	4.3%	4.1%	6.8%	4.9%
Community Services	11.7%	15.3%	17.0%	10.8%	18.1%	13.9%
Households	5.8%	5.1%	4.8%	1.7%	6.2%	3.8%

3.1.3 Impact of the Mine in Local and Labour Sending Communities

Table 45 presents a summary of the envisaged socio-economic impacts derived from the alluvial diamond mine.



Table 45: Summary of Socio-Economic Impacts

Description of Identified Impact	Recommendations for Enhancement or Mitigation Measures
<p>Positive socio-economic impact: Significant contribution to national, provincial and local economies through:</p> <ul style="list-style-type: none"> ■ payment of taxes and levies to national and provincial governments; ■ indirect economic contribution to national, provincial and local economies through company payroll; ■ economic multiplier effect through the creation and support of service sector businesses and jobs; and ■ procurement of consumables and outsourcing of service provision to local providers. 	<ul style="list-style-type: none"> ■ MDM's participation in Local Economic Development Programmes, as outlined within the mine's SLP, to enhance the mine's economic contribution to its surrounding region.
<p>Job Creation:</p> <ul style="list-style-type: none"> • The total number of permanent employees at the mine is 113 of which 86% come from the Western Cape mainly from the towns in the MLM. 	<ul style="list-style-type: none"> • Mine to focus on local recruitment radius of the mining operations • Suitable skills development initiatives for the employees as well as bursary programmes for children of employees will enhance employability of workforce beyond the life of mine
<p>Procurement Spend:</p> <ul style="list-style-type: none"> • Because of the current financial situation of the mine and the need to curtail costs, procurement spend has been drastically reduced. As a result, the mines economic impact from procurement within the local municipality, the district, the province and nationally is significantly reduced. • The major contribution comes in the form of payments to mining contractors. However, because of the significant constraints on mining operations and the reduced number of days of mining, these payments have been reduced. 	<ul style="list-style-type: none"> • Continual review of mine's financial position • Research and development projects to seek ways to increase production at the mine.
<p>Damage to Sensitive Sites</p> <ul style="list-style-type: none"> • Mining activity has damaged the landscape and ecologically sensitive sites, resulting in visual scars of the topography 	<ul style="list-style-type: none"> • Educate mine/workforce with regards to the value of conservation and the potential for alternative income generation projects through tourism
<p>Social Infrastructure:</p> <ul style="list-style-type: none"> • From time to time the mine maintains the West Coast road between de Punt, Koekenaap, Seal Island and Skaapvlei and will continue to assist the local municipality to maintain this road 	<ul style="list-style-type: none"> • The mine assists the municipality in the maintenance of such infrastructure and the community benefits from this arrangement free of cost.



3.1.4 Integrated Development Planning – Matzikama Local Municipality

In its IDP the MLM recognizes the need for interventions that will earnestly impact on the challenges faced by stakeholders in the area of poverty and unemployment. As a result, the following projects are earmarked to receive the necessary attention to develop to a level where it will create jobs, reduce poverty, provide opportunities for BBBEE, diversify the economy and promote social capital. To help the process of identifying high impact socio-economic development projects the MLM with the help of the Centre for Local Economic Development (CENLED) used the Participatory Appraisal for Competitive Advantage (PACA) economic development instrument to select the following projects for development.

Table 4614: High Impact Socio-Economic Development Projects Identified by the MLM

PROJECTS	SOCIO-ECONOMIC IMPACT
<p>Bitterfontein Wool Project:</p> <ul style="list-style-type: none"> ▪ A total of 10 000 sheep needed for the project. ▪ Supply 10 farmers with R100 000 each to get 1 000 sheep. ▪ Build a successful growth strategy and understand where the markets are growing. ▪ Support emerging farmers to graduate from subsistence farming to micro-scale commercial farmers 	<p>This economic development initiative has the potential to create in excess of 100 seasonal jobs, create opportunities for black emerging farmers and small business development of which will ultimately reduce poverty and diversify the local economy</p>
<p>Revival of Papendorp Guesthouse:</p> <ul style="list-style-type: none"> ▪ To be managed by women community members. 	<p>This economic development initiative has the potential to bring tourism to Papendorp and will create 4 permanent jobs all of which will eventually result in reducing poverty.</p>
<p>Doringbaai Bulk Infrastructure:</p> <ul style="list-style-type: none"> ▪ There is massive need for housing in Doringbaai. But first, 282 residential stands need to be serviced. Installation of bulk infrastructure to ensure provision of basic services prior to erecting top structures. ▪ Short-term jobs will be created during the implementation phase of the project. 	<p>This initiative has the potential to create 50 short-term jobs immediately and more jobs on completion. The project will also develop new infrastructure, help with the development of a better environment all of which will ultimately reduce poverty</p>



3.2 INFRASTRUCTURE AND POVERTY ERADICATION PROJECTS IN THE LOCAL AND LABOUR SENDING AREAS (REGULATION 46 (C)(III))

3.2.1 Overview of Strategic LED Needs in Matzikama Local Municipality

De Punt Mine is an isolated area with no community or infrastructure other than the mining operation. Therefore, development initiatives should focus on surrounding areas including Ebenhaeser, Doringbaai, Lutzville, Vredendal and Papendorp. Challenges facing the MLM include the prevalence of poverty in area with low wages and seasonal worker phenomena, the access to services in 'rural' areas, the future development within the Olifants River corridor, dealing with transport of people over long distances, the maintenance and upgrade of the road network, providing bulk services to support housing provision, addressing the housing backlog and providing sports facilities.

To follow (Table) is a summary of the proposed LED projects emanating from MLM IDP which will be funded by MDM. The projected budgets included in this summary, as well as the specific LED project plans indicate the financial provision by the mine for infrastructure development and poverty alleviation projects during the next five (5) years



Table 47: Summary of Infrastructure Development and Job Creation/Enterprise Development Projects to be undertaken by De Punt Mine (FY 2020/2021 – 2024/2025)

Nature of Project	Project Name	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	Total Financial Contribution (2021-2025)
Infrastructure Development	Housing Bulk Infrastructure - Doringbay	500 000	500 000				1 000 000
Job Creation / Enterprise Development / Poverty Alleviation	Township Economy - Lutzville			500 000	500 000	500 000	1 500 000
Total Financial Contribution by Mine for Committed Projects (FY 2020/2021 to 2024/2025):		500 000	500 000	500 000	500 000	500 000	2 500 000



3.2.2 Infrastructure Development Projects

The importance of sustainable integrated development throughout the MLM is recognised. In a country in which financial resources are in short supply, it is even more important to ensure that development is both properly integrated and optimised.

Housing is the central constituent of this integrated development. It does not only provide physical shelter, “roof over one’s head”, but how and where people are housed is part to many facets of individual social, economic and wellbeing. Lack of adequate housing not only jeopardizes development, but it also creates social and economic challenges.

The South African Constitution stipulates that everyone has the right to have access to adequate housing. The government must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right.

MLM is not immune to challenges faced by many municipalities.

In particular, the challenges faced by MLM to realise this important milestone (making better the lives of its residents are):

- Availability of land suitable for housing development
- Costs associated with bulk infrastructure installations

MLM has identified and secured the land suitable for housing development, the remaining challenge is the securing funding for the installation of bulk infrastructure.

3.2.3 Enterprise Development/Job Creation/Poverty Alleviation Projects

Poverty and unemployment remain key concerns of the South African economy and social landscape and are prevalent in the Western Cape, including in those areas in which MDM operates.

The company is committed to addressing and eradicating poverty and unemployment wherever it operates. To achieve this, it has undertaken consultation with the MLM to develop and support small and medium enterprises (SMME) projects that will assist in creating jobs and alleviating poverty.

Within every municipal area, there is significant spatial inequality in the spread of economic opportunity, with townships often marginalised from the benefits of growth in the wider town area as well as constrained in their ability to contribute to growth. MLM is no exception to this fact. This arises from a number of linked apartheid legacies, often compounded by current planning choices, that have the effect of concentrating unemployment and poverty within townships.

A ‘township’ can be defined as a dense urban settlement usually built at a distance from centres of commercial and industrial activity. In the apartheid era, this was by design: with townships established as dormitory towns for black workers, with no internal economic logic and limited social services. In the post-apartheid period, this pattern has often been reproduced, because large-scale housing projects have been built on cheap land, which is typically far from economic opportunities in the core economy. Townships have the following common features:

- The quality of socio-economic infrastructure
- Their distance from industrial and commercial areas
- The level of income differentiation
- The nature of the available skills set
- The extent and character of existing economic activity.
- The nature of tenure arrangements and the scale of informal housing.

To achieve change, then we need a systems-level rigid implementation of “township economy”.



Table 48: Infrastructure Development/Poverty Alleviation Project: Housing Bulk Infrastructure - Doringbaai

Project Name	HOUSING BULK INFRASTRUCTURE – DORINGBAAI					Classification of project					
						Infrastructure Development/Poverty Alleviation					
Background	Doringbaai, previously known as Thornbay, is a small fishing village. The main economic activity is the packaging and export of crayfish. There is a massive housing backlog. MLM has secured the land for 50 stands. Land for a further 282 stands has been identified and secured by MLM. Funding needed for bulk infrastructure installations to ensure provision of basic services. Short-term jobs will be created during the implementation phase where community members will be given the opportunity to develop their skills for this type of project.										
Objectives	To fund for the installation of bulk infrastructure for 20 of the 50 stands.										
Geographical Location of the Project	District Municipality		Local Municipality		Village Name		Project Start Date		Project End Date		
	West Coast District Municipality		Matzikama Local Municipality		Doringbaai		January 2021		December 2022		
Output	Key Performance Area	Key Performance Indicator			Responsible Entity	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/2025	Budget
	Preparing for water, sanitation and refuse	1. Secure funding for other 30 stands 2. Identify local service providers 3. Identify additional service providers where local providers not available			De Punt Mine / MLM	R500 000	R500 000	-	-	-	R1 000 000
BUDGET						R500 000	R500 000	-	-	-	R1 000 000
No. of Jobs to be Created	Male Adults	Female Adults	Male Youth	Female Youth	Total	Comments					
Short Term	5	3	5	7	20	No medium to long-term jobs will be created.					
Medium Term	-	-	-	-	-						
Long Term	-	-	-	-	-						
Completion Date and Exit Strategy	The mine will hand over to the MLM for the building of top structures (houses).										



Table 4915: Infrastructure Development/Poverty Alleviation Project: Township Economy – Lutzville

Project Name	TOWNSHIP ECONOMY - LUTZVILLE					Classification of project					
						Infrastructure Development /Poverty Alleviation/Job Creation					
Background	<p>Lutzville is a settlement in West Coast District Municipality in the Western Cape province of South Africa. It resides under the Matzikama Local Municipality. Village 22 km north-west of Vredendal and 45 km west of Vanrhynsdorp.</p> <p>The role played by small businesses is being increasingly recognized all-over the world. The perceived potential of small businesses to create employment has caused governments in many countries to pay the small business sector more attention. Although, almost everywhere, results have not matched expectations, available evidence indicates that the sector contributes meaningfully to economic growth, social development, and employment provision.</p> <p>Short, medium long-term jobs will be created during the building phase and post completion.</p>										
Objectives	Development of business hub using steel containers to accommodate SMME businesses and ignite the township economy e.g. chisa nyama, beauty salon, cell phone repair etc.										
Geographical Location of the Project	District Municipality		Local Municipality		Village Name		Project Start Date		Project End Date		
	West Coast District Municipality		Matzikama Local Municipality		Lutzville		January 2024		December 2025		
Output	Key Performance Area	Key Performance Indicator			Responsible Entity	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/2025	Budget
	Business Hub	1. Identify suitable location for the project 2. Engage stakeholders 3. Finalise sketch plans and specs 4. Identify local service providers 5. Identify additional service providers where local providers not available			De Punt Mine / MLM			R500 000	R500 000	R500 000	R 1 500 000
No. of Jobs to be Created	Male Adults	Female Adults	Male Youth	Female Youth	Total	Comments					
	2	2	5	5	14	Short, medium long-term jobs will be created during the building phase and post completion.					
	1	-	1	-	2						
	-	-	4	6	10						
Completion Date and Exit Strategy	The mine will hand over the project once these have been completed.										



3.3 HOUSING PLAN

The Mine recognizes the importance of individual home ownership to ensure a socially stable community and healthy living environment within the areas of operation. As the mining operation is fairly isolated from established infrastructure, the mine provides employees with appropriate accommodation at their operations at De Punt Mine. The Mine provides family accommodation in houses for up to eight (8) employees.

3.4 PROCUREMENT PROGRESSION PLAN

In November of 2002 MDM introduced a formal BEE Procurement Strategy that would serve to guide its respective South African Mining Operations throughout the Group in the procurement of goods and services from HDP/BEE companies. The objective is to promote through the Broad Based Black Economic Empowerment (BBBEE) focus, entrepreneurship in communities in which MDM operates and, to give Black businesses access to the mainstream of business opportunities.

Table 5016 below sets out the preferential procurement that De Punt Mine has undertaken in FY 2019.

Table 5016 – Preferential Procurement from BEE Entities at De Punt Mine FY 2019

Supplier Name	Amount Spent During Financial Period	Size	Value Adding Supplier	Black Owned (>50%)	Black Women Owned (>30%)
Thorburn Security Solutions	R 1 214 619	Medium	Yes	75.80%	39.40%
Total South Africa (Pty) Ltd	R 414 760	Large	Yes	51.04%	14.67%
W Box	R 199 664	Small	Yes	100%	0%
Afrox Oxygen (Ltd)	R 8 466	Small	Yes	38.68%	1.78%
TOTAL SPEND	R 1 837 509				



Section 4: Processes Pertaining to Management of Downscaling and Retrenchment

4.1 INTRODUCTION

Although not currently planned for downscaling of staff, closure of the mine can take place during the life of the mine as a result of a number of factors including but not limited to:

- Changes to the mine's strategic business plan
- External market issues causing reduced profitability
- Global and/or local competitiveness
- Implementation of technical innovation

MDM acknowledges this reality and commits to addressing the impact of such downscaling/closure pro-actively and implementing processes that minimize unemployment and job losses.

As part of this MDM recognizes the importance of notifying the Minerals and Mining Development Board (in terms of Section 56(1) of the MPRDA) if the following occurs within the mining environment during the life of the mine and 3 – 5 years prior to the end of the life of the mine:

- Where the prevailing economic conditions cause the profit to revenue ratio of the mine to be less than six percent (6%) for a continuous period of twelve (12) months; or
- If any mining operation is to be scaled down or to cease with the possible effect that ten percent (10%) or more of the workforce or more than 500 employees, whichever is the lesser, are likely to be retrenched in any twelve (12) month period.

The mine also undertakes to comply with any ministerial directive in line with the requirements set out in Section 52 of the MPRDA arising from such a retrenchment exercise.

Notwithstanding the above, MDM remains committed to planning pro-actively in terms of the SLP requirements, and to ensuring that all efforts are made to minimise job losses and/or an increase in unemployment.

4.2 ESTABLISHMENT OF A FUTURE FORUM (REGULATION 46 (D)(I))

The establishment of a Future Forum is required under Regulation 46 (d)(i) of the regulations of the MPRDA. In addition to the main points listed below, it is also proposed that the Future Forum will assist the mine with the implementation and monitoring of the SLP. This is an important component of the Mine's SLP.

A Future Forum will be established by De Punt Mine with the following objectives:

- Negotiate and take measures to avoid large-scale job losses;
- Ameliorate the social and economic impact of job losses;
- Anticipate the possibility of job losses and implement contingency plans;
- Give timely warning to affected individuals to improve their chances of finding alternative employment;
- Provide employees who are affected with assistance;



- Promote portability of skills through the effective implementation of training initiatives that will lead to up-skilling of the development of additional skills that may be applied inside or outside the mining industry;
- Inform and ensure continuous communication with the workforce on all SLP matters;
- Discuss industry trends and challenges on an ongoing basis; and
- Notify the Department of Labour of plans if more than ten percent (10%) of the workforce could be retrenched in one year.

The overall effectiveness of the Future Forum will arise from timely analysis of problems because this will make it possible to explore and implement appropriate solutions in a structured manner. In addition, the Future Forum will be the liaison between the Department of Labour, De Punt management and all other affected parties.

The Department of Labour will establish a Social Plan Technical Support Facility (SPTSF) to support and guide the Future Forum with technical assistance in the analysis of problems facing the mine. The services of the SPTSF will be available to the mine, worker representatives and affected communities at times of major, large-scale retrenchment.

4.3 MECHANISMS TO AVOID JOB LOSSES (REGULATION 46 (D)(II))

De Punt Mine commits to making every effort that will promote security of employment through sound management of the operations for the entire existence of the life of the mine. In addition, the mine and MDM endorse a policy that focuses on retaining skills rather than losing them during retrenchment exercise.

In order to avoid or limit retrenchments the following alternatives will be explored and/or implemented where applicable:

- Recruitment of new employees will only take place when the mine has attempted to fill vacant positions from internal sources;
- Terminating the services of contractors where the contractor does not perform specialized work or in cases where this is not economically feasible;
- Voluntary retrenchments whereby regard shall be given to the mine's operational requirements and the need for the retention of skills and experience;
- If vacancies at the same job grade level or lower grade jobs are available at other mines in the Group, surplus employees will be offered transfers
- Should no vacancies at the same or lower levels be available within the Group, the mine will endeavour to find positions for surplus employees amongst other businesses in the immediate vicinity

In addition, in terms of the company's skills development strategy, there is a focus on the provision of portable skills within the workforce throughout the life of the mine. These skills should support those employees who either do not wish to be transferred or who cannot be accommodated in other operations in remaining economically active when downscaling and/or retrenchments are unavoidable.



4.4 MECHANISMS TO PROVIDE ALTERNATIVE SOLUTIONS WHERE RETRENCHMENT UNAVOIDABLE (REGULATION 46 (D)(III))

4.4.1 Consultation Mechanisms

In circumstances where De Punt Mine is of the opinion that retrenchments are unavoidable, it will embark on a comprehensive consultation process with all interested and affected parties, as prescribed in terms of Section 189 of the Labour Relations Act (LRA).and any collective agreement in force at the time.

Consultation will take place based on the following principles:

- The employees will be notified in writing with a minimum of two calendar months prior to the intended date of retrenchment
- The notice will include:
 - ❖ Reasons for the contemplated retrenchment
 - ❖ Number likely to be affected
 - ❖ Period during which the retrenchments are likely to be carried out
 - ❖ Steps that will be taken by the company to avoid the retrenchments
 - ❖ Assessment of the duration of its inability to provide work for employees
- Discussions with the Future Forum will continue on an ongoing basis
- Retrenchment principles as set out in any prevailing collective agreement will be applied
- Information will be shared with the Future Forum members, unions and employee representatives. This information will be based on the Financial and Operational status of the mine
- Proposals presented by the union and employee representatives will be considered in a serious fashion
- Creative initiatives / mechanisms will be applied / implemented to minimize the retrenchments.

4.4.2 Notification of all relevant parties

As indicated in Section 4.1, De Punt Mine will be required to provide the Minerals and Mining Development Board with sufficient notification of retrenchments during the life of the mine and 3 – 5 years prior to the end of the life of the mine. The additional parties that will require notices with specific time frames are the:

- Future Forum
- Department of Labour (DoL)
- Matzikama Local Municipality
- Employees

4.4.3 Support Mechanism for affected employees

The Future Forum will also be responsible for coordinating or requesting the services offered by the Department of Labour should De Punt Mine need to retrench more than ten percent (10%) of its workforce. These services include:

- Setting up Retrenchment Response Teams competent in employment services, human resources development and the Unemployment Insurance Fund (UIF);
- Forming a committee to determine the type and standard of services to be provided to the retrenches, the financial resources that are needed to cover these additional services and the extent of the resource allocation from each partner; and
- Establishing a Job Advice Centre in or near the major sending areas.



In addition, the Future Forum will consult with the Department of Labour over further services, on the basis of specific agreements between the department and representatives of management and workers at De Punt Mine. Funding of the services will have to be jointly agreed by the parties.

The Future Forum will also ensure that adequate attention is paid to the provision of retrenchment packages.

In addition, assistance will be provided in the form of:

- Liaison with other companies advising them of surplus manpower available and affording interested employers interviewing facilities at the mine's premises;
- Giving affected employees reasonable opportunity during the notice period to seek alternative employment elsewhere and to attend interviews;
- Permitting affected employees who occupy company accommodation/housing to continue occupation for a period of three (3) months while the employee seeks alternative employment or attends vocational skills training courses/programmes;
- Paying the costs of furniture removal and travel for employees transferred to any of the Group's other operations
- Bearing actual and agreed relocation costs of retrenched/married members who have been allocated company accommodation/housing to the place of recruitment.

4.4.4 Mechanisms to Ameliorate the Socio-Economic Impact of Retrenchment or Mine Closure (Regulation 46 (d)(iv))

The majority of the mining within De Punt takes place off-shore or at De Punt Mine which is an undeveloped location and has no local community. However, the potential of large-scale downscaling and retrenchment exercises will have an impact both on De Punt and the businesses and communities from which goods and services are procured. The Future Forum will have to conduct careful planning and assessments of this in advance to evaluate the potential impact. Mechanisms will be implemented to reduce the social and economic impact that a retrenchment exercise has on individuals, regions, and economies.

In addition to the above, additional measures may be needed to support and manage the impact of the mine closure on those communities from which labour is sourced. Such measures will include the following:

Communication: Communication will be at the forefront of the process by making all affected parties aware of the downscaling/retrenchment exercise and the effect it will have on the community. They will receive feedback and consider proposals on how to minimize the impact on the socio-economic circumstances of the area.

Mine Closure strategies: The plans to manage the socio-economic impact of retrenchments and/or the mine closure must be both comprehensive and will include a variety of strategies. These strategies will be guided by the following principles:

Consultation – Conducting comprehensive and sensitive consultation with:

- Local Communities
- Government Departments
- Other relevant parties identified
- Local businesses (those reliant on the mine and those that are independent)

Capacity Building - Assisting retrenched employees to set up own business and local business to expand their operations:

- Support and guidance provided during life of mine and at time of retrenchment
- Encouraging entrepreneurial initiatives with local business and interested employees



Mentorship - Utilizing mentorship structures that started during the life of the mine and in line with the needs of the groups/structures during the retrenchments:

- Continued mentorship of empowerment groups and local community structures
- Ad hoc mentoring for entrepreneurs as required based on projects

Skills Portability – Conducting skills development for those employees facing retrenchment in support of and in addition to skills development initiatives that take place during the life of the mine. It will not only focus on mine related skills training but provide the opportunity to transfer to other industries and promote employability:

- Build on skills that will be recognized nationally
- Build on existing skills of employees
- Address skills gaps and through these enable employees to manage their own careers
- Provide business related training where applicable



Section 5: Financial Provisions

5.1 INTRODUCTION

Section 23(1) (e) of the MPRDA states that “The Minister must grant a mining right if the applicant has provided financially and otherwise for the prescribed SLP.”

MDM will make financial provision for each component of the SLP as required. Table 5.1 presents a summary of the financial commitment by the mine to each element of the SLP for a five (5) year period from 2020/2021 to 2024/2025.

Progress in meeting these commitments will be reported in the Annual SLP Report. Actual expenditure in each of the three (3) elements of the SLP will also be reported annually.

Table 51: Financial Undertakings in respect of De Punt Mine

	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	Total Financial Commitment (2020-2025)
Human Resource Development Programmes (Section 2.5)	R 500 000	R 500 000	R 500 000	R 450 000	R 450 000	R 2 400 000
Total LED Budget (Section 3.2)	R 500 000	R 500 000	R 500 000	R 500 000	R 500 000	R 2 500 000
Closure and Retrenchment Management Programmes (Section 4)	Part of HRD & LED Budget	Part of HRD & LED Budget	Part of HRD & LED Budget	Part of HRD & LED Budget	Part of HRD & LED Budget	Part of HRD & LED Budget
TOTAL	R1 000 000	R1 000 000	R1 000 000	R 950 000	R 950 000	R 4 900 000

5.2 SKILLS DEVELOPMENT PROGRAMME (REGULATION 46 (E)(I))

Section 2 outlines the Human Resource Development Programmes to be adopted by the mine. The exact breakdown of the financial provision for the Human Resource Development Programmes, as outlined in Section 2, may change according to company needs and the evolving business plan during the life of the mine. In addition to the direct commitment by De Punt Mine for the training of its staff, additional financial contribution is made by MDM through bursaries for employees and for members of the community.



5.3 LOCAL ECONOMIC DEVELOPMENT PROGRAMME (REGULATION 46 (E)(II))

In order to meet the scope of the Infrastructure Development and Poverty Alleviation Programmes as outlined in Section 3.2, De Punt Mine undertook to assist the local municipality with infrastructure development in the installation of bulk infrastructure in Doringbaai and building of a business hub in Lutzville.

5.4 THE MANAGEMENT OF DOWNSCALING AND RETRENCHMENTS (REGULATION 46 (E) (III))

The on-going investment in Human Resource Development Programmes and facilitation of training during the life of the mine is intended to support the acquisition of skills that will provide employability to the workforce beyond the life of the mine.



Section 6: Undertaking

6.1 UNDERTAKING (REGULATION 46 (F))

I, **IAN PETER HESTERMANN**, the undersigned and duly authorized thereto by **MOONSTONE DIAMOND MARKETING (PTY) LIMITED** undertake to adhere to the information, requirements, commitments and conditions as set out in the social and labour plan.

Signed at **PAROW** on this day of **30 NOVEMBER 2020**

Ian Hestermann
Director

Contact Details: Tel: 021 937 2000

e-mail: ianh@transhex.co.za

Approved

Signed at Cape Town on 30 November 2020.