

MOGALAKWENA MINE

General update on
community issues
November 2009



This report provides Anglo Platinum's stakeholders with an update on issues pertinent to the:

- resettlement at Mogalakwena mine;
- alleged impact on water quality in Ga-Molekana community; and
- company's response to the South African Human Rights Commission's (SAHRC) recommendations that were included in a report released by the SAHRC entitled '*Mining-related observations and recommendations: Anglo Platinum, affected communities and other stakeholders in and around the PPL Mine, Limpopo*'.

The report is structured so as to provide:

- background information about Mogalakwena mine;
- history of the resettlement and what the current status is, including how the SAHRC's recommendations have been addressed;
- summary of the findings of the geo-hydrological investigations into the alleged water contamination at Ga-Molekana village; and
- complete update of the broader SAHRC recommendations that were not directly applicable to the resettlement.

MOGALAKWENA MINE

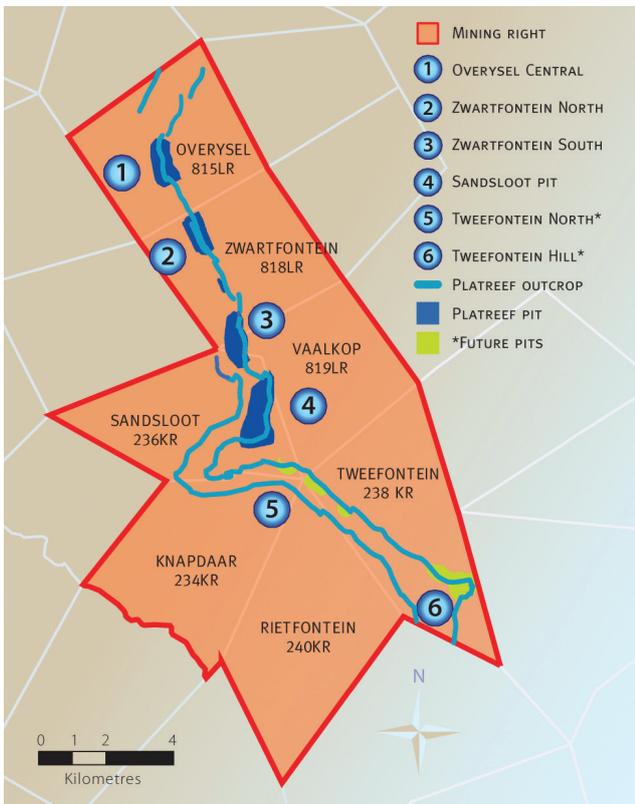
Mogalakwena mine (formally PPL mine) is located 20 km northwest of the town of Mokopane and falls within the Limpopo Province's Waterberg District (DC36) and Mogalakwena Local Municipalities (one of six local municipalities that make up the district). Adjacent local municipalities include Aganang, Polokwane and Lepele-Nkumpi municipalities. The estimated population in the municipality, which is made up of 31 wards, is 300 000 people with an unemployment rate of 48%.

The current mine opened in 1991. However, mining by the company Potgietersrust Platinum Limited first commenced in 1926 on the property Vaalkop and ceased four years later in 1930.

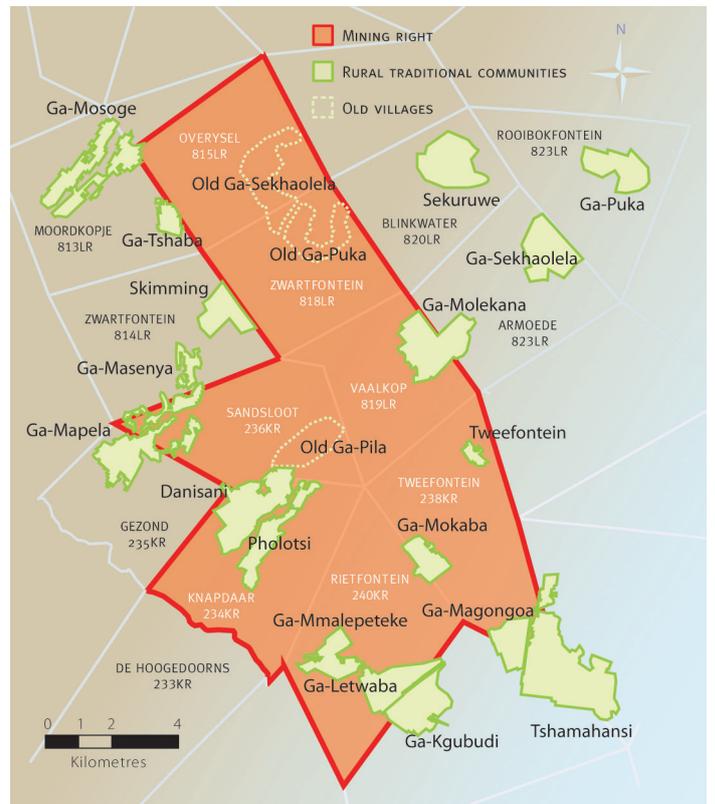
Anglo Platinum and its wholly owned subsidiaries hold the mining right over the area shown on page three.



Regional map showing the locality of Mogalakwena mine



Mining right area and location of open pits at Mogalakwena mine



Communities within the Mogalakwena mining rights area

Although Anglo Platinum holds the mining right over the area shown above left, it does not own the surface rights. The surface rights belong to the Mapela and Langa traditional authorities and are held in Trust by the state on behalf these authorities. Many communities live on the land within, or immediately adjacent to, the mining right area as shown in the map above right.

Farm name	Owner
Portion of Sandsloot 236 KR	State on behalf of Mapela traditional community
Portion of Vaalkop 819 LR	State on behalf of Langa traditional community
Portion of Zwartfontein 818 LR	Kgoshigadi holds the land in Trust
Portion of Overysel 815 LR	State on behalf of Langa traditional community
Portion of Vaalkop 819LR	State on behalf of Mapela traditional community
Portion of Blinkwater 244KR	State on behalf of Mapela traditional community

In order for the mine to gain access to the ore body, secure land for mining infrastructure and prevent safety and environmental impacts affecting the community, Anglo Platinum was required to relocate the Ga-Sekhaolela and Ga-Puka communities (collectively known as Motlhotlo). The next section of this report provides a background to the resettlement and provides an update of the current status of various issues surrounding the resettlement process.

MOTLHOTLO RESETTLEMENT

SUMMARY OVERVIEW OF THE RESETTLEMENT

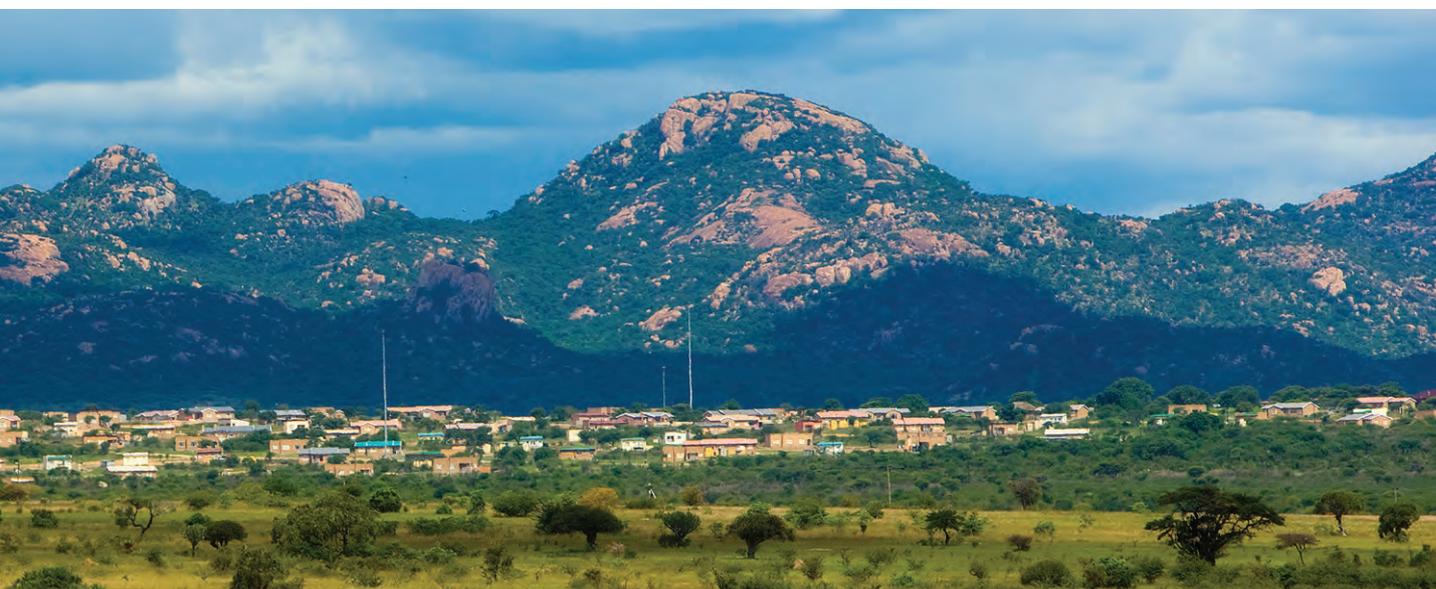
The list below provides a summary overview of what the Motlhotlo resettlement project has entailed and what Anglo Platinum has provided for as a means of setting the context for this document:

- extensive consultation with the affected communities (see page 6);
- the resettlement initiated with 100% homeowner sign-off in the form of one-on-one agreements;
- development of bulk and reticulated infrastructure in the new village in line with the Department of Water Affairs and Forestry's '*Water supply design guidelines*', Eskom's electrification standards and specifications and the requirements of the municipal engineers. Infrastructure included bulk/raw water, water supply reticulation, sanitation and solid waste, roads and storm water drains, structural design of house foundations, electrical distribution and reticulation and electrical services for buildings;
- the replacement principle was based on a 'like-for like' basis. As a minimum, however in most instances the replacement or compensation was a substantial improvement;
- two asset audits were done in the old villages to accurately determine what assets the individual households had, one in May 2002 and another September 2002 to do a final verification;
- development of 956 new houses to a minimum standard specified in the Department of Housing's '*Guidelines for Human Settlement, Planning and Design*';
- 25 community members were employed and trained as architectural assistance to assist in the process of explaining and signing off of home owner's packages;
- development of 61 other structures such as shops, schools and a clinic;



New Motlhotlo village

- compensation for loss of surface access to farmers;
- relocations of some 2,300 graves;
- financial compensation for immovable assets e.g. fruit trees;
- payment of R20 000 settling-in allowance per household was paid post relocation;
- a 'land for land' exchange and the donation of additional farms;
- development of 700 hectares of maize fields for use by the community;
- a brick making plant donated to community;
- R50 million will be contributed into two community trust funds (R25 million) per community over a period of 10 years;
- 30% of the new workforce should come from these affected communities;
- Throughout the project, Anglo Platinum paid for expenses incurred by the community as a result of the resettlement including the community's legal advisors fees; and stipends to the trustees of the Section 21 companies, operational teams and the community liaison officers;
- the company is to provide cost assistance for municipal services over a 3-year period diminishing from 100% to 70% to 50% before final hand over of services.
- the amount budget for the project was R675 million in nominal terms; and spent to date closer to R800 million
- all construction on the new villages was completed March 2009.



STAKEHOLDER CONSULTATION PROCESSES

PRIOR TO PROJECT APPROVAL

The resettlement consultation process which took place prior to the approval of the resettlement is summarized in the bulleted list below. This list represents the key consultations and clearly there were many more engagements that happened leading to these milestone engagements.

- **Initial contact with the community**
 - **During 1998** Anglo Platinum consulted the communities about the mine's expansion and possible need for resettlement. It was at this stage that the community formed the Relocation Committees.
 - **March 2002** The company appointed a team of specialists e.g. environmental and social to do impact assessments and engaged with the Relocation Committees.
 - **May 2002** Community meetings were held between the team of specialists, the Limpopo province Premier's office, municipality and company representatives to discuss the resettlement.
 - **End 2003** Governance and communication training was provided to the Section 21 companies that had been formed (See Agreements with community leadership below)

- **Site selection process with community leadership**
 - **May 2002** Community meetings with specialist team and relocation committees to agree on the preferred site location for the new village out of four options.

- **Consultation with the community during environmental impact assessment process**
 - **September 2002** Public participation meetings and key stakeholder workshops were held.
 - **2nd half 2002** Social impact assessment process required 12 focus group discussions to hear first hand the issues and to consult the community.

- **Community resolutions with individual home owners**
 - **October 2002** Land rights holders' community resolution signed off.
 - **July 2005** Relocation and donation agreements signed off.

Old village



KEY APPROVALS

During the project planning phase a number of key approvals were obtained from the community leadership and government. These are summarized below.

AGREEMENTS WITH COMMUNITY LEADERSHIP

Anglo Platinum reached agreement with the community leadership on key issues as follows:

- **1999** Ga-Puka relocation committee established and a legal representative appointed by the community.
- **2001** Ga-Sekhaolelo relocation committee established and a legal representative appointed.
- **2002** Both relocation committees were formalized into Section 21 companies under the guidance of their legal representative. More details of why the Section 21 companies were formed are provided in the text box.
- **May and September 2002** Asset audits sign-off by homeowners, headman, two community representatives and the surveyors.
- **October 2002** Land rights holder's community resolution signed off following agreement with traditional authority council and headman for each village.
- **May 2004** The town planning layout plans were signed by community leaders
- **June 2004** The process of obtaining individual homeowner sign off commenced
- **July 2005** Relocation and donation agreements signed off between Anglo Platinum and the community.
- **July 2007** Task team gave approval for resettlement to commence (see detail on page 14).

Signing of agreements with the community in 2005



FACTS ABOUT THE SECTION 21 COMPANIES

The two Section 21 companies set up for the relocation by the communities operate as independent entities, with a set of Memorandum and Articles of Association. The members of the Section 21 Companies appointed the initial Directors of the Section 21 Companies. The members may also appoint/remove Directors at a general meeting.

Any adult can become a member of the Section 21 Companies. The community members have similar rights to those of ordinary shareholders in an ordinary company with respect to the Board of Directors. The community is entitled to understand and assert its legal rights throughout the resettlement process and that is why the community had access to an independent legal advisor when the community relocation steering committees were first established in October 1998 and subsequently through to the establishment of Section 21 Companies. Anglo Platinum took a principled position to pay for all costs of consultants required by the community on all issues arising out of the relocation process. This includes legal consultants, environmental experts as well as blasting consultants. Members of the Section 21 companies received a stipend.

AGREEMENTS AND APPROVALS FROM GOVERNMENT

Anglo Platinum reached agreement with various government departments and agencies on different aspects of the resettlement as follows:

- **October 2002** The Department of Land Affairs facilitated and oversaw the process of signing off on the land holders' resolutions.
- **August 2003** The environmental impact assessment and management plan was submitted to the Department of Finance and Economic Development (DFED) of Limpopo province for approval following public and governmental stakeholder consultation and impact assessments.
- **March 2004** The DFED issued a positive record of decision on the scoping and EIA reports.
- **July 2004** The Department of Local Government and Housing approved the land use change application made under the Development Facilitation Act.
- **July 2004** Following extensive consultation between the municipality and the Section 21 companies, the service agreements were signed off by the Section 21 companies and Mogalakwena Municipality.
- **September 2005** Municipal engineers signed off on design and construction criteria for the new village.
- **August 2008** Construction of new village completed.

The list of key steps in the consultation processes listed above shows the extensiveness of consultation process followed for the resettlement. The construction of the new villages commenced in August 2005 once all the approvals listed above had been obtained from both the government and community.

CONSULTATION DURING THE PHYSICAL RESETTLEMENT

A number of consultation and grievance processes were put in place for the physical resettlement phase and these are summarized as follows:

- **Project executive committee established** A project executive committee was established as the highest level oversight body to review all aspects of the resettlement project. This committee met fortnightly and the community was represented on the executive committee through their legal advisors.
- **Community kgoros** Regular (weekly) updates of progress and issues were provided by the project team at meetings held by the community (kgoros). These typically took place on weekends.
- **Community liaison officers** Four community members were employed and trained as community liaison officers to ensure effective liaison with the households. The community liaison officers are the first point of contact for the homeowners to lodge complaints and disputes.
- **Operational teams** 14 community members were employed on the operational teams to assist the logistics of the resettlement e.g. scheduling moves and ensuring the removal trucks arrived at the correct house on time, to name but two examples.
- **Task team** A task team was established in June 2007 and included members from the Motlhotlo Development Committee, the relevant Section 21 companies and various government and non-government bodies under the leadership of the Limpopo Premier's office. This task team resolved issues that were preventing the start of the resettlement in May/June 2007. These issues were resolved by July and the resettlement commenced.



Community kgoro update on the resettlement

COMPENSATION TERMS AND PAYMENTS

COMPENSATION

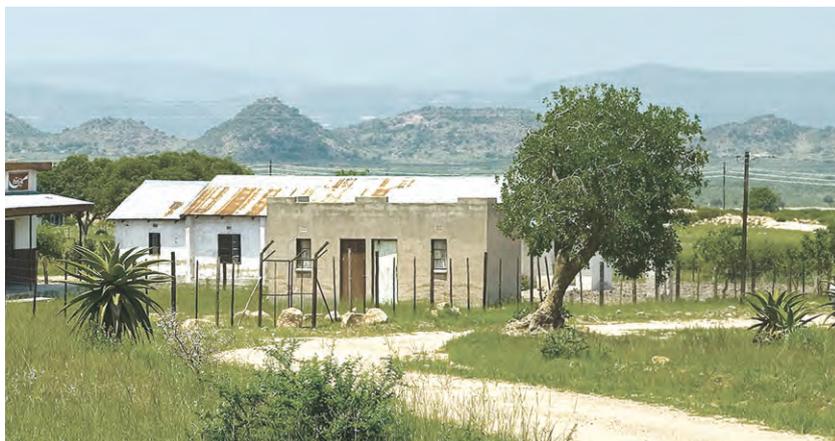
Over and above the improved modern housing, each household received R20 000 compensation as a settling in allowance. In addition compensation was paid for non-movable assets from the old property, for example, fruit trees and incomplete buildings. These non-removable assets were valued by a professional evaluator and compensation paid out according to these evaluations, which included a value for future benefits. Families were paid an amount of R1 500 per grave for a wake fee as part of the grave relocation process.

In addition to this, land was compensated for through a 'land for land' exchange to ensure individuals had the same access to land. Over and above the two resettlement farms, two substantial commercially viable farms have been set aside for the community. These farms are some distance, approximately 20 kilometers from the area the community chose for the new villages.

Anglo Platinum has also set R50 million aside in a trust for the Ga-Puka and Ga-Sekhaolelo communities to use for socio-economic projects in their area. This amount is structured as follows, an upfront payment of R10 million on completion of relocation (vacant occupation) plus R2 million to each of the two communities per year over a 10-year period.



New house in Ga-Puka



Old houses in Ga-Puka

INFRASTRUCTURE

The replacement principle used was based on a 'like-for like' basis as a minimum when it came to infrastructure. This table provides a breakdown of infrastructure.

Description	Ga-Puka	Ga-Sekhaolelo	Total
Residential Stands	495	461	956
Church	6	4	10
Crèche	1	1	2
Community Office	2	1	3
Clinic	1 Shared		1
Business	9	12	21
Primary School	1	1	2
Senior Primary School	1 Shared		1
Secondary School	1 Shared		1
Burial Society Building	4	9	13
Municipal Office	1 Shared		1
Graveyard	1	1	2
Waste Sites	1	1	2
Total	522	493	1015



New clinic in Ga-Puka



Cornelius Masebe Senior Primary School – old and new



Kids at play in the new village

Design criteria	Jacob-Puka Primary		Jan Malebana Primary		Cornelius Masebe Senior Primary		Mphunye Secondary	
	Old	New	Old	New	Old	New	Old	New
Number of pupils	306	306	285	285	402	402	500	500
Number of classrooms	6	8	6	8	16	16	15	22
Number of pupils per classroom	51	38	48	36	25	25	33	23
Number of teachers	6	6	6	6	15	15	20	20
Area of admin/lab block (m ²)	—	180	—	180	—	180	—	288
Offices	—	3	—	3	—	3	—	4
Staff room	—	1	—	1	—	1	—	1
Reception	—	1	—	1	—	1	—	1
Computer room	—	1	—	1	—	1	—	1
Store rooms	—	2	—	2	—	2	—	3
Science lab	—	—	—	—	—	—	—	1
Perimeter security fence (m)	298	797	—	803	294	878	286	878
Sports ground – netball field	1	1	1	1	1	1	2	2
Sports ground – soccer field	1	1	1	1	1	1	1	1
Sports ground – rugby field	—	—	—	—	—	—	—	1
Sports ground – cricket field	—	—	—	—	—	—	—	1
Water supply	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Pupil toilets (ratio of 1:20)	—	15	—	15	—	20	—	25
Staff toilets	—	4	—	4	—	4	—	4
Location	Ga-Puka		Ga-Sekhaolelo		Shared by both villages		Shared by both villages	



Playing netball

RESETTLEMENT PROGRESS AND CURRENT STATUS

SUMMARY UPDATE OF OVERALL STATUS OF THE RESETTLEMENT

The relocation initially started on 29 May 2007 once the new houses were completed. However, a faction led by the Motlhotlo Development Committee (MDC) blocked public roads with stones and a group of protestors. This prevented people from leaving or entering the village by vehicle – including those who wanted to go to work, school, as well as those who wished to relocate on that day. The police were called by members of the community who felt intimidated and restricted by this action. The police deemed this action to be unlawful.

When police proceeded into the village to unblock the roads they were assaulted by protestors who threw stones at them. The police responded to this violence by firing rubber bullets which led to the unfortunate injuries being sustained by some protestors. Anglo Platinum certainly does not support unprovoked or unwarranted and disproportionate police action. So as not to escalate the situation on the ground the police got agreement from all parties that the relocation would be suspended and that all parties would come to the table to discuss their differences. This was done and led to the formation of a Task Team which included members from the MDC, the relevant Section 21 company and various government and non-government bodies under the leadership of the Premier's Office.

The Task Team investigated various recorded grievances from the MDC, and once sufficient progress was deemed to have been made, the full Task Team, gave the go-ahead for voluntary relocation to commence on 11 July 2007.

Summary status of the resettlement as at mid September 2009

Aspect	Progress
Development of new village at Motlhotlo on the farms Armoede and Rooibokfontein	
Development and hand over of bulk and reticulated services (<i>development completed, but handover not completed</i>)	
Houses built to governed standards, floor area rounded up to next 5m ²	
R20 000 compensation paid to each homeowner who has moved	
Compensation payments made for areas inefficiencies	
Compensation payments made for incomplete structures and associated immovable assets	
Two farms to be donated to communities (<i>on completion of resettlement</i>)	
Compensation for 'wake fee' for grave relocation – R1 500 per grave	
R50 million committed by Anglo Platinum to the Ga-Puka and Ga-Sekhaolelo. Includes an upfront payment of R10 million on completion of relocation (vacant occupation) plus R2 million to each of the two communities per year over a 10-year period (<i>will be done on vacant occupation</i>)	
Twenty four student bursaries for tertiary studies	
30% preferential employment opportunities provided to affected communities (<i>new mine still ramping up</i>)	

 Completed

 In progress

To date (mid September 2009) 890 homeowners have relocated (93%), 458 from Ga-Sekhaolelo (99%) and 432 from Ga-Puka (87%). The remaining 13 % of residents at Ga-Puka are against the resettlement and are being represented through the Motlhotlo Relocation Resistance Committee (MRRC). Their main grievances and list of demands are summarized below:

- the 'agreements' under which the resettlement has been undertaken be renegotiated to include;
 - An equity stake in the mine;
 - more compensation for reviewed loss of land; and
 - would like preferential employment at the mine.
- disbanding of current engagement structures so that they can be formally recognized and new structures elected;
- an independent audit to be done on the socio-economic impact of mining activities;
- an audit be done of the Section 21 companies and traditional authorities;
- detailed disclosure of Anglo Platinum's social and labour plans; and
- additional compensation for loss of ploughing fields as well as supply of fodder and adequate water;
- guaranteed transportation of their children remaining in the old village to the new schools;
- a public apology from Anglo Platinum for harm caused by the resettlement and the mine; and
- all mining activities to be halted until a new agreement is reached.

MDC, which was the initial faction in the community opposed to the resettlement and is still active and continues to demand the following:

- to be formally recognized by the project and wants to be allocated offices;
- incorporated into all decision making processes;
- requires employment specifically for MDC members;
- replacement of the Enviroloo sanitation system in use in the new villages;
- election of the post relocation management committee; and
- wants all activities halted until the Minister of Mining returns to the area.

SUMMARY UPDATE ON PROGRESS IN ADDRESSING THE SAHRC RECOMMENDATIONS

The South African Human Rights Commission (SAHRC) made a number of recommendations in their report entitled “Mining-related observations and recommendations: Anglo Platinum, affected communities and other stakeholders in and around the PPL Mine, Limpopo” released in November 2008 that are relevant specifically to the resettlement. The table below provides a summary update of what Anglo Platinum is doing to address the recommendations.

SAHRC Recommendation	Current Status – September 2009	Status
WATER		
<ul style="list-style-type: none"> A bilateral engagement is developed between PPL and the Mogalakwena Municipality to ensure the continued access to water for all communities, both those that have relocated and those that are resisting relocation. Access to water must not depend on the community decision to relocate. 	<ul style="list-style-type: none"> Water continues to be supplied by the Company to the 66 families that are refusing to relocate, on a daily basis and the schedule is known. 	
<ul style="list-style-type: none"> PPL engage with the Mogalakwena Municipality to better understand their ability to undertake the services provided for under the relevant Service Level Agreements. 	<ul style="list-style-type: none"> There have been extensive on going engagements with the municipality in this regard, including meetings with the Municipality with the Acting Municipal Manager, the Technical Manager, the Water & Waste head, and the Roads and Storm water head. At these meetings that the aim was to advance the issue of handover of services by addressing issues including, resolution of the main access road defect, the Enviroloo problem, and water to the old Motlhotlo Village. At the earlier meetings the municipal officials indicated that their Portfolio Committee had decided that they should not take over services partially, and rather wait until the road and Enviroloo problems have been resolved. They then undertook to potentially take handover once the road defect issue has been fixed and they have agreed with the course of action for the Enviroloos – either contained or uncontained “VIP” pit toilets. In the meantime the Company’s project team is continuing to maintain and run the village at its expense. At the most recent meeting with the municipality on 2 September 2009 it was agreed that Anglo Platinum could install contained/lined VIP pit latrines to replace the Enviroloos. The municipality are however insisting that Anglo Platinum commit to installing a water-borne age system in future when additional water is brought to the area. This issue remains a point of dispute as it is the company’s view that this is a municipal function. The next handover meeting is scheduled for the latter part of October. 	 <i>Further action needed</i>
<ul style="list-style-type: none"> The water deliveries be made regularly and reliably and be made known to communities so that their own individual water usage can be planned and self regulated. This is not only necessary but also empowering. 	<ul style="list-style-type: none"> See first bullet above under Water – Current Status. 	

 Completed
  In progress

SAHRC Recommendation	Current Status – September 2009	Status
SANITATION		
<ul style="list-style-type: none"> PPL continues to make the process as participatory as possible and keeps affected members of the community updated on all stages of the development process. 	<ul style="list-style-type: none"> Engagement with all stakeholders in the area has been on going since the release of the SAHRC report and records of these engagements are kept on file as part of the Company's weekly project reports. In addition, ERM (global consultancy firm) have been commissioned to conduct a post resettlement review to amongst other things identify socio-economic opportunities. A report detailing the findings will be completed later in the year. The report will be made public to all stakeholders. 	 <p><i>A process in place</i></p>
<ul style="list-style-type: none"> Affected community members continue to report sanitation problems to PPL and take steps to learn how to use sanitation systems to ensure that they function effectively. 	<ul style="list-style-type: none"> There have been extensive consultations around the sanitation issues and the "Enviroloo" problems remain ongoing. The preferred solution is the RDP VIP pit toilets and agreement is now needed from DWAF and the municipality before conversion commences. 	 <p><i>Further action needed</i></p>
<ul style="list-style-type: none"> The Mogalakwena Municipality be engaged by PPL where the choice of sanitary system impacts upon the services which are required to be delivered by the Municipality and in order to determine the compatibility of the chosen system with municipal systems as well as the capacity of the Municipality to carry out the services requested. 	<ul style="list-style-type: none"> Engagement with the municipality on this issue has been on going. Anglo Platinum has met with DWAF Chief Director: Mr Alson Matukane, Waterberg District Executive Mayor: Erick Gwangwa, Premier: Cassel Mathale, Mogalakwena Municipal Mayor: Mr Bob Mmola. Also at the meetings have been the Municipalities' Mr Phillip Mashotja who assisted in implementing the RDP VIP toilets at new Motlhotlo for the 32 Host Community households. As mentioned earlier, at the most recent meeting with the municipality on 2/9/2009 it was agreed that Anglo Platinum could install contained/lined VIP pit latrines to replace the Enviroloos. The municipality are however insisting that Anglo Platinum commit to installing a water-borne sewage system in future when additional water is brought to the area. This issue remains a point of dispute as it is the company's view that this is a municipal function. 	 <p><i>Further action needed</i></p>

RESETTLEMENT PROGRESS AND CURRENT STATUS *continued*

SAHRC Recommendation	Current Status – September 2009	Status
<p>GRAVE REMOVALS</p> <ul style="list-style-type: none"> • In addition to the list of all graves relocated from the Sekuruwe area already provided to the SAHRC, that the accompanying consent forms signed by the next-of-kin or mandated representatives of those next-of-kin also be provided. • The community members of Sekuruwe present to PPL and SAHRA a list of graves which it believes to have been moved without consent. • PPL engage with civil society organisations defending the interests of the community over this issue. • PPL audit the practices of its appointed undertaker. • PPL consult sufficiently with the broader Sekuruwe community to more accurately determine the ages of the graves • Further information be provided by PPL concerning the precise nature of consultation between PPL and the affected communities relating to the removal of graves. • It be determined what processes are undertaken by Anglo Platinum or their subcontractors to ascertain the heritage status of graves. • It be determined whether communities were informed by Anglo Platinum or their subcontractors of any right to refuse consent to grave removal. • Grave sites be accurately mapped and removed graves accurately identified. • PPL continue to cooperate fully with SAHRA in any future enquires in this regard and communicate this openly to the community. • PPL engage with the community at Ga-Tshaba to better explain by what processes graves were relocated. 	<ul style="list-style-type: none"> • The Company commissioned an extensive review of the Sekuruwe grave relocation process, which included the full involvement of SAHRA. • Following Anglo Platinum's appointment onto the project of SAHRA's recommended forensic anthropologist, Professor Marina Steyn of University of Pretoria, SAHRA immediately issued (26 May 2009) the necessary permits for remedial work to continue on the 20 Sekuruwe-Blinkwater-SAHRA graves. Work commenced on site on 28 May 2009. • On 19 June 2009 – Anglo Platinum in conjunction with stakeholders put together a draft plan for rollout of the remedial works to all 149 Blinkwater graves • On 20 June 2009, representatives from SAHRA met with the Sekuruwe and surrounding communities to discuss the way forward with regard all the Blinkwater graves. Anglo Platinum committed to assess any issues with all 149 graves. • In July, premier and municipal approvals were obtained for the rollout of the remedial works to all graves. • On 13 July 2009, remedial works on the remaining 129 Blinkwater farm graves continued and is still currently on-going. 	<div data-bbox="1332 470 1412 548" style="text-align: center;"> </div> <p style="text-align: center;"><i>Further action needed</i></p>

SAHRC Recommendation	Current Status – September 2009	Status
AGRICULTURAL LAND AND FOOD SECURITY		
<ul style="list-style-type: none"> The issue of access to agricultural land be recognised within the context of subsistence farming and food security as well as being part of the culture of the affected communities. 	<ul style="list-style-type: none"> This was recognised as part of the EIA process and corrective measures were taken by the Company and compensation paid accordingly as per the recommendations of Golder and Associates. 	
<ul style="list-style-type: none"> At the time of consultation with affected communities, that it be more clearly and properly explained that there will or may be the possibility of a time delay between PPL's appropriation of agricultural land for mining purposes and the provision to communities of replacement agricultural land. This includes not only the provision of compensation, but the determination of the impact on food security of the affected communities given the traditional and partial reliance on subsistence farming and limited access to commercial food sources. 	<ul style="list-style-type: none"> This recommendation relates to possible future resettlements and will be implemented. 	
<ul style="list-style-type: none"> Taking into account the traditional and partial reliance on subsistence farming and the nature of traditional communal living, that Anglo Platinum more broadly consider adherence to IFC Performance Standard 5 which requires the compensation of economically displaced persons who do not have legally recognizable claims to land. 	<ul style="list-style-type: none"> The IFC standards have been reviewed and will be integrated into all future resettlement planning and implementation processes. The IFC standards were not published at the time this resettlement commenced and therefore could not have been used as the standard. 	
COMPENSATION		
<ul style="list-style-type: none"> PPL further engage with affected communities to clarify and outline the non-financial benefits of relocation. 	<ul style="list-style-type: none"> ERM is in the process of conducting a post resettlement review that will include a broader assessment of socio-economic opportunities. This report will be made available to all stakeholders during the later part of 2009. 	 <p><i>Further action needed</i></p>

RESETTLEMENT PROGRESS AND CURRENT STATUS *continued*

SAHRC Recommendation	Current Status – September 2009	Status
<p>TRANSPORTATION OF CHILDREN TO SCHOOL</p> <ul style="list-style-type: none"> PPL meet with the Municipality to determine what transportation will be provided for all children of all ages in households yet to relocate and those resistant to relocation. This is not simply a municipal responsibility and Anglo Platinum must take responsibility for the long term consequences of relocation, including the effects upon communities refusing to relocate. The Municipality may not be in a position financially, or as regards capacity, to provide for such transportation. The relocation would then have the effect of inhibiting those children's access to education if municipal resources are diverted to the new villages. Anglo Platinum should not divorce itself from these consequences or from the responsibility of determining and implementing sustainable solutions. 	<ul style="list-style-type: none"> Transport continues to be provided to the remaining families' children and we will do so until the end of 2009. The Company has engaged with the DOE regards the cessation of school bus transport in 2010. 	 <p><i>Further action needed</i></p>
<p>CONCRETE BATCH PLANT</p> <ul style="list-style-type: none"> PPL provide information to all key stakeholders indicating that remediation of the land is complete and its future intended use. 	<ul style="list-style-type: none"> The batch plant has been fully rehabilitated and the land has been handed over to the community. 	

UPDATE: GA-MOLEKANA WATER ISSUE

ActionAid, in a report entitled *"Precious Metal - the impact of Anglo Platinum on poor communities in Limpopo, South Africa"* released in March 2008 alleged that Anglo Platinum's Mogalakwena mine had contaminated the drinking water at two schools in the village of Ga-Molekana (see page three for location of Ga-Molekana). Since these allegations were made, Anglo Platinum immediately started supplying alternative water to the schools without prejudice. Thereafter, an independent groundwater review was commissioned by Anglo Platinum and conducted by one of South Africa's leading water quality research institutes, the Institute for Groundwater Studies (IGS) based at the University of the Free State, which commissioned independent isotope testing by the US Geological Survey's isotope research laboratory.

IGS researchers used several different scientific techniques to analyse the water samples taken, including sophisticated dual isotope testing of nitrates in the water carried out in the USA. "Based on the chemical, isotope and microbial results, the data shows that there is no direct link between nitrate at the mine and those measured at Ga-Molekana", according to Dr Brent H. Usher and Dr Jennifer A Pretorius, the IGS geohydrologists who conducted the independent study.

A summary of the IGS's findings are as follows:

- The elevated nitrate values at Ga-Molekana show no evidence that the mine is responsible for the elevated nitrate observed in this area.
- At the Podile Primary School very high nitrates were found that were far higher than measured near the tailings dam or return water system, and the N isotopic signature is vastly different to that of mining 'explosives' showing conclusively that the elevated nitrate values do not originate from the mine explosives nor mining activities. The borehole, which is not in use, contained no faecal microbial contamination.
- At the Langalibalele Secondary School, slightly elevated nitrate values were found that are within the range of normal background values. The N isotopic signature is vastly different from that of mining 'explosives' showing conclusively that the elevated nitrate values do not originate from the mine explosives nor mining activities. The borehole which is which is used for gardens only contained no faecal microbial contamination.
- At the Ga-Pila village elevated nitrate and sulphate was found. Both human activities as well as the activities of the mine are contributing to the groundwater. Remedial measures are being taken to address the findings.

The IGS's full technical report, which was internationally peer reviewed by Dr. David Kreamer, Department of Geoscience - University of Nevada and Dr. Allen M. Shapiro and U.S. Geological Survey, is available on the Anglo Platinum website.



Ga-Molekana learners in proximity to the groundwater supply

UPDATE ON SAHRC GENERAL RECOMMENDATIONS

The SAHRC made a number of recommendations that are relevant to other communities around Mogalakwena mine. The table below provides a summary of what Anglo Platinum is doing to address these recommendations (recommendations pertinent to the resettlement only have been included in the section dealing with Compensation terms and payments).

SAHRC Recommendation	Current Status – September 2009	Status
<p>WATER</p> <ul style="list-style-type: none"> The recommended actions for the way forward referred to in the IGS Report be discussed with all stakeholders, most importantly with affected communities, and that Anglo Platinum, the Municipality and the affected communities discuss and agree as to whether and how such measures can be implemented. The outstanding matters in the IGS Report be clarified and the complete investigation of all the water resources be undertaken as proposed in order to seek a more holistic solution within the area. 	<ul style="list-style-type: none"> The final IGS report has been circulated to all stakeholders. The report shows the mine was not the source of nitrate contamination at Ga-Molekana schools. There is possible impact on water at Ga-Pila and additional assessments are needed to determine the influence of mining. The Company will commission a PHD study in the area to determine the cause of elevated nitrates and to assess to what extent, if at all, the mine is contaminating the Ga-Pila seep. 	 <p><i>On going and will be completed mid 2010</i></p>

SAHRC Recommendation	Current Status – September 2009	Status
ENVIRONMENT (including mine blasting)		
<ul style="list-style-type: none"> PPL demonstrate its ability to constantly monitor the impacts of mining activities on surrounding communities and illustrate how this monitoring is used in conjunction with the grievance redress mechanism to ensure that any potentially negative impacts of the mine both from PPL's and the community's perspective are addressed promptly. 	<ul style="list-style-type: none"> The mine has a comprehensive water, dust, noise and biodiversity monitoring program and results from this are shared at community engagement meetings. A comprehensive grievance mechanism process is being established. 	 <p><i>Further work on grievance mechanisms needed</i></p>
<ul style="list-style-type: none"> PPL implement a process by which all community members are moved from the area during blasting to not only appease the potentially real risk posed to individuals from the blasting itself, but to address the perception of that risk felt in many communities in the area. Moving the community members at Ga-Tshaba during the blasting would also ensure that those community members no longer feel isolated from the protection, which PPL are demonstrably awarding members of surrounding communities. 	<ul style="list-style-type: none"> The mine will only evacuate those members of the community whose safety is potentially at risk due to blasting. The entire community will not be evacuated each time blasting occurs as this is simply not necessary, is disruptive to families and impractical every time the mine needs to blast. This process is in place. 	
<ul style="list-style-type: none"> PPL adhere to the Anglo Platinum commitment "to prevent or minimise adverse impacts arising from the Group's operations." 	<ul style="list-style-type: none"> This is done and commitments have been made to this affect in the mine's safety, health and environmental policy. The site remains ISO14001 certified. 	
<ul style="list-style-type: none"> PPL inform the communities as to their long term plans for mining in the area. It is an apparent commercial reality that mining is undertaken in phases which are determined at various points in time. However, the very real and disruptive impact of this phasing of activities on communities and the accompanying uncertainty with which these communities live must also be realised and addressed. 	<ul style="list-style-type: none"> The mine continues to engage the communities through its various community engagement structures and the mines life of mine plan are shared accordingly. This process is in place. 	
ELECTRICITY		
<ul style="list-style-type: none"> Stakeholders need to obtain a clear understanding of the needs of communities in terms of electricity. Both PPL and Mogalakwena Municipality should engage in bilateral discussions to ensure that the needs of the most vulnerable are being met. 	<ul style="list-style-type: none"> Electrification has been discussed with the municipality and this remains a municipal function. 	<p><i>No action needed</i></p>



Should you need additional information or have any queries related to this report please contact:

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