SOCIAL AND LABOUR PLAN

Ergo Mining (Pty) Ltd
2023 – 2027

Prepared for Mining Right:
Consolidated Main Reef (CMR) MINE (GP186MR)

SLP APPROVED ON 10 JULY 2026

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

ABBREVIATIONS AND ACRONYMS

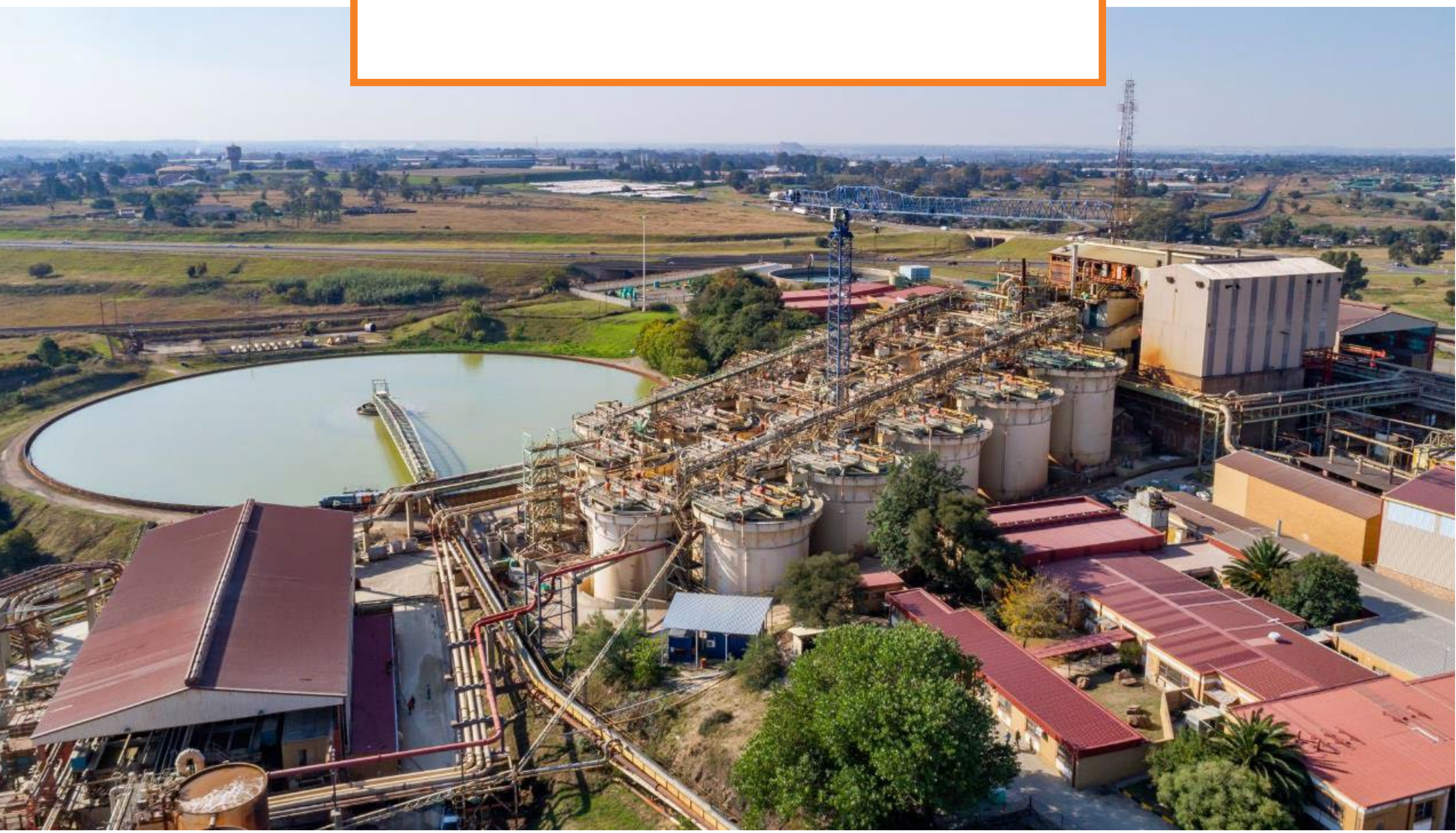
ABBREVIATION	DESCRIPTION
AET	Adult Education and Training
ATR	Annual Training Report
B-BBEE	Broad-Based Black Economic Empowerment
CoE	City of Ekurhuleni Metropolitan Municipality
CoJ	City of Joburg Metropolitan Municipality
DMPR	Department of Mineral and Petroleum Resources
DoL	Department of Labour
EE	Employment Equity
FET	Further Education and Training
FF	Future Forum
HDPs	Historically Disadvantaged Persons
HET	Higher Education and Training
HLC	Housing and Living Conditions
HR	Human Resources
HRD	Human Resources Development
IDPs	Integrated Development Plans
LED	Local Economic Development
MCIII	Mining Charter III (2018)
MHSA	Mining Health Safety Act
MOU	Memorandum of Understanding
MPRDA	Mineral and Petroleum Resources Development Act, 2002
MQA	Mining Qualifications Authority
MRD	Draft Minerals Resources Development (MRD) Bill, 2025
NQF	National Qualifications Framework
PESD	Procurement, Enterprise and Supplier Development
RDP	Reconstruction and Development Programme
SEBS	Socio-Economic Baseline Study
SETA	Sector Education and Training Authority
SHEQ	Safety, Health, Environment, and Quality
SLP	Social and Labour Plan
WSP	Workplace Skills Plan

SECTION 1

PREAMBLE:

INTRODUCTION AND BACKGROUND TO THE OPERATION

MPRDA REGULATION 46 (A)



1 INTRODUCTION AND BACKGROUND INFORMATION

1.1 Introduction to Ergo Mining Proprietary Limited Company and Operations

Ergo Mining Proprietary Limited (Ergo Mining/the Company) is a wholly owned subsidiary of DRDGold Limited, a company that is listed on both the Johannesburg Stock Exchange (JSE: DRD) and the New York Stock Exchange (NYSE: DRD).

1.2 Critical Context and Principles Relevant for this SLP

The business of Ergo Mining is the reclamation and retreatment of gold from Tailings Storage Facilities (TSFs) and sand dumps. By undertaking such reclamation, Ergo Mining rehabilitates the environment by removing material from TSFs and sand dumps and also recovers land and releases it back to the greater Johannesburg and Ekurhuleni areas for redevelopment purposes. Ergo Mining's operations extend over a vast footprint in Gauteng, which span the municipalities of Johannesburg and Ekurhuleni. Ergo Mining's main operations (depicted below) include Knights, Crown Mines, Consolidated Main Reef (CMR), ERGO and City Deep, all of which operations are interlinked. (Figure 1 below).

Ergo Mining operates using a shared-service business model, thereby enabling economies of scale, reducing costs and making mining of this nature feasible from an economic perspective.

The implication for each of its Mining Rights is that functions such as Procurement, Finance, Human Resources, Human Resources Development, Stakeholder Engagement and Mine Community Development operate to service all Mining Rights on behalf of the company, Ergo Mining.

In preparation of this submission of a Social and Labour Plan for this Mining Right (GP186MR) the following principles have been applied:

- **General:** All Ergo Mining operations are managed on an integrated globular level based on a "single mining complex" principle. For the purposes of this individual Mining Right's SLP, the relevant information has been unbundled, split and ring-fenced. The programmes of this Mining Right's SLP do not stand alone but are interdependent on the other Mining Rights and managed through the Ergo Mining as shared services.
- **Human Resources Development:** Although senior management, permanent workforce (employees) and contractors are managed in a centralised manner and one payroll and supply management system, through the Ergo Mining, these have been split and ring-fenced for this Mining Right's SLP, as best as possible.
- **Employment Equity:** Employment equity is managed and reported to the Department of Labour for the Ergo mining operations on an integrated basis. For purposes of this Mining Right's SLP it has been split and ring-fenced, as best as possible.

- **Procurement:** Procurement programmes are managed in a centralised and integrated manner by Ergo Mining. For purposes of this Mining Right's SLP it has been split and ring-fenced, as best as possible.
- **Stakeholder Relations:** Stakeholder management and community engagement processes are managed by Ergo Mining for all Mining Rights, SLPs, and related communities.
- **Local Economic Development (LED):** LED priority needs and Projects have been identified based on the outcomes of in-depth broad-based consultation processes with stakeholders and communities located across Ergo Mining operations for all its Mining Rights and SLPs, including this Mining Right. This is supported by Socio-Economic Baseline Studies, detailed on-going engagement with relevant government authorities and stakeholders, endorsement processes, memorandums of understanding, and letters of commitment.
- **Financial Provision:** The financial provision for Ergo Mining's SLPs is calculated on a globular integrated level based on the "single mine complex". For purposes of this Mining Right's SLP it has been split and ring-fenced as best as possible, based on the following principles:
  - The Mining Right's financial revenue model and contribution towards Ergo Mining's integrated operations.
  - The point within life cycle of the Mining Right I.e. ramp-up phase, full-scale production, ramp-down phase, care & maintenance.
  - The location of key communities impacted by the Ergo Mining operations adjacent to individual Mining Rights.
  - The common zone of socio-community footprint / impact shared by more than one Mining Right.
  - Focussing financial expenditure on projects and programmes that will the greatest possible socio-economic impact for communities.

1.3 Mineral Rights and Ownership

Ergo Mining is the owner of each of the following Mining Rights, of which the localities are addressed in Figure 1 below:

- City Deep (City Deep or GP 185 MR);
- Crown (Crown or GP 184 MR);
- CMR (CMR or GP 186 MR);
- Ergo (Ergo or GP 158 MR); and
- Knights (Knights or GP 187 MR).

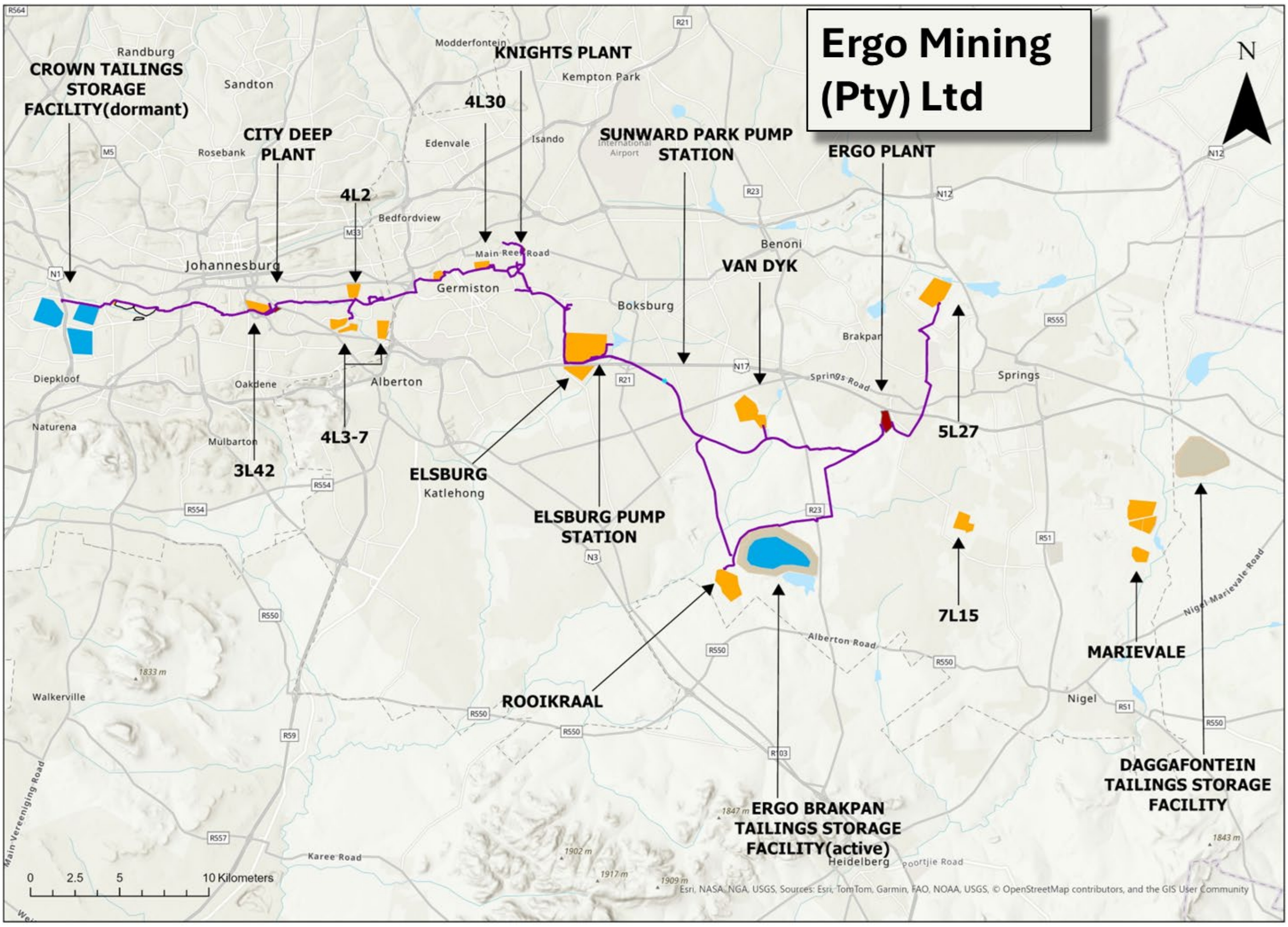


Figure 1: Ergo Mining's Mining Rights

1.4 Introduction To Consolidated Main Reef Mines And Estate Limited (GP186MR)

The Consolidated Main Reef Mines and Estate Limited (herein referred to as "CMR") Mining Right provides rights for the mining of gold, uranium, silver, nickel, pyrite, and associated minerals from surface sources (TSFs and dumps) within the mining area. These deposits represent legacy waste material from historical mining activity and offer an opportunity for resource recovery using modern, low-impact technologies.

1.4.1 Locality

These properties lie within an established mining zone and are accessible via major urban routes, including Main Reef Road, which historically served the gold mining belt across the Witwatersrand.

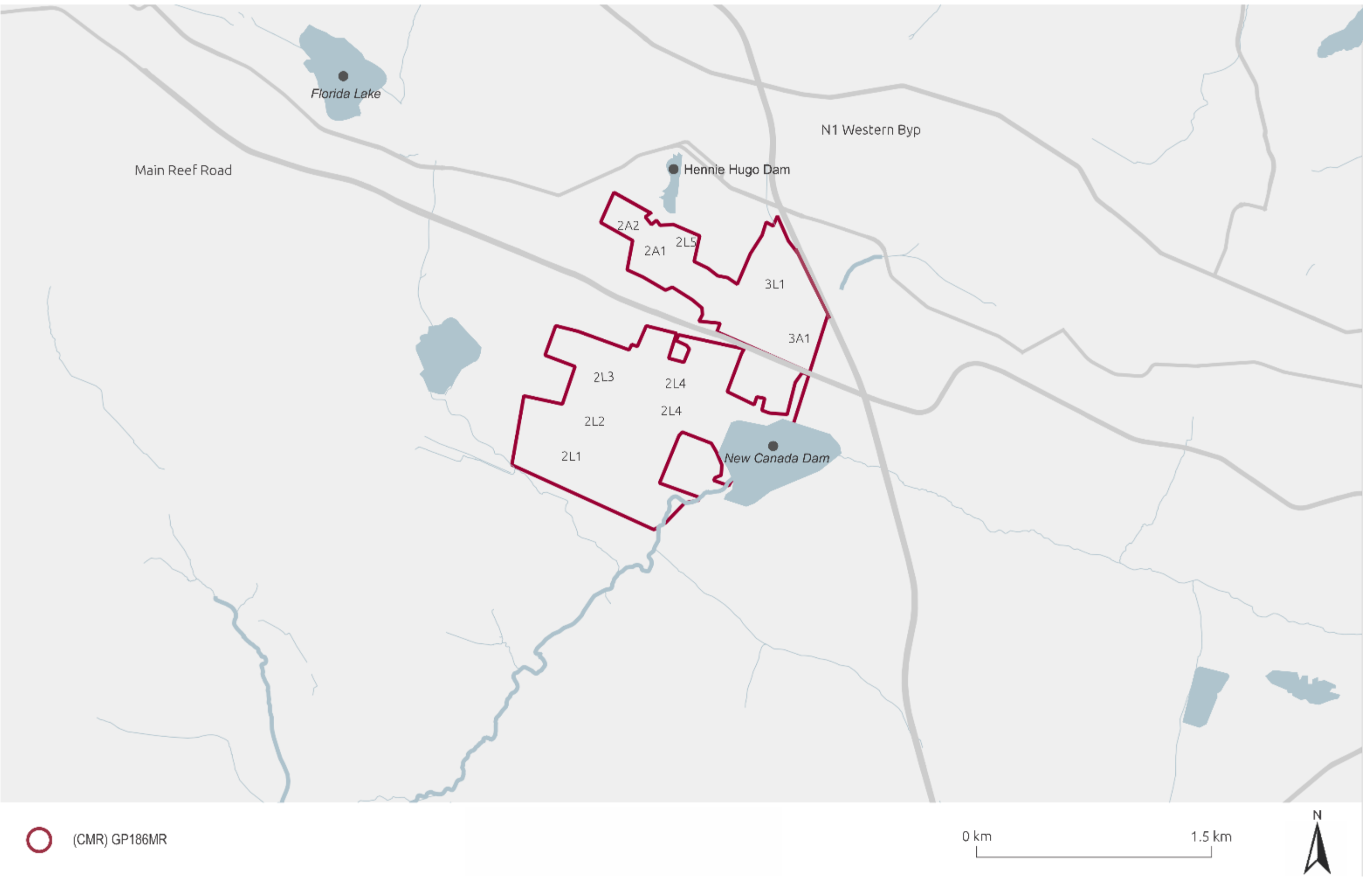


Figure 2: Locality of the CMR Operation

1.4.2 Particulars of the Operation

Table 1: Company Details

Company Name	Ergo Mining (Pty) Ltd.
Operation and Mining Right Number	Consolidated Main Reef (CMR) GP186MR
Physical Address	Ergo Mining (Pty) Ltd. Vlakfontein Road Vulcania Brakpan
Postal Address	P.O. Box 12442 Selcourt Springs 1567
Responsible person	Wayne Swanepoel: GM HR
Telephone & Fax	T: 011 742 1003 F: 086 695 7457
Commodity	Gold
Life of Mine	7 years
Breakdown of Employees per Sending Area	Available in section 1.3.5
Financial Year End	30 June

1.4.3 Operational Phases and Anticipated Timelines

The following indicative high-level timeline provides context to the Operational phase of the CMR operation:

Table 2: CMR Operational Phases and Timelines

Start-Up	2023 - 2029
Pre-Construction	2030 - 2032
Construction	2033 - 2034
Ramp-Up	2035 - 2036
Steady State Production	2037 - 2040
Ramp-Down	2041

The current activities undertaken by CMR during this start-up phase include the following:

- Feasibility studies;
- Fund raising; and
- Investment into the communities

In terms of SLP design principles, the below table details which elements are applicable to CMR Operation for this SLP cycle, given the current phase of the Operation.

Table 3: CMR SLP Applicability

Current Operational Phase	Start-up
Human Resources Development	Applicable (No employees will be recruited for this SLP cycle, Commitments for Community Members 18.2 and On-site Contractors have been made)
Employment Equity Plan	Not applicable (No employees will be recruited for this SLP cycle)
Local Economic Development	Applicable
Housing and Living Conditions Plan	Not applicable (No employees will be recruited for this SLP cycle)
Procurement	Not applicable (No procurement has taken place or is planned for this SLP cycle)
Enterprise and Supplier Development	Applicable
Downscaling and Retrenchment	Not applicable (No employees will be recruited for this SLP cycle, and therefore no Downscaling and Retrenchment commitments can be made)

1.4.4 Total Employees Forecast for the 2023 - 2027 SLP Period

CMR current has no permanent employees and 45 On-site Contractors. Recruitment and appointment of service providers is only expected from 2035, upon the commencement of the ramp-up phase.

Table 4: CMR Employee and Contractor Forecast

Years	Current	2023	2024	2025	2026	2027
Permanent employees	No recruitment of employees has been planned for this SLP cycle					
Contractors	45	35	35	45	45	45

1.4.5 Breakdown of Employees per Labour Sending Area

CMR current has no permanent employees. Recruitment and appointment of service providers is only expected from 2035, upon the commencement of the ramp-up phase.

Table 5: Labour Sending Areas of the On-site Contractors

Province	No. of Contractor Employees	Percentage
Eastern Cape	0	**0,0%**
Free State	1	**2,2%**
Gauteng	**31**	**68,9%**
City of Johannesburg	*7*	*22,6%*
Ekurhuleni Metropolitan Municipality	*1*	*3,2%*
West Rand District Municipality	*10*	*32,3%*
Sedibeng District Municipality	*1*	*3,2%*
Tshwane Metropolitan Municipality	*12*	*38,7%*
KwaZulu-Natal	0	**0,0%**
Limpopo	2	**4,4%**
Mpumalanga	9	**20,0%**
North West	2	**4,4%**
Northern Cape	0	**0,0%**
Western Cape	0	**0,0%**
Non-South Africans	0	**0,0%**
Total	**45**	**100,0%**

1.4.6 Local Recruitment

Upon the commencement of recruitment in 2035, CMR will strive for 100% local recruitment within the Johannesburg Metropolitan Municipalities, and minority Ekurhuleni Metropolitan recruitment.

SECTION 2

HUMAN RESOURCES DEVELOPMENT PROGRAMME

MPRDA REGULATION 46 (B)

2 HUMAN RESOURCES DEVELOPMENT PROGRAMME

2.1 Introduction

This section will outline CMR's Human Resource Development (HRD) Programmes as required by Regulation 46 of the Mineral and Petroleum Resources Development Regulations, 2004 (Regulations to the MPRDA). Ergo Mining takes full cognisance of the provisions of section 101 of the MPRDA to include Core-Contractors (where applicable) as part of the workforce. As mentioned in the Preamble Section, **CMR currently has no permanent employees, there are on-site contractors responsible for loading and hauling of material. Recruitment and appointment of service providers is only expected from 2035, upon the commencement of the ramp-up phase. Commitments for HRD have been made exclusively for External (18.2) Community Members and on-site contractors.**

2.2 Compliance with Skills Development Legislation

CMR Mine will comply with the requirements of the Skills Development Act (No 97 of 1998) and will submit Workplace Skills Plans (WSP) and annual training reports to the Mining Qualifications Authority (MQA) at the end of April each year as per the requirements of Regulation 46 (b) (i). **Table 6** shows the SETA registration details. The policy is also integrated with the paying and claiming of levies and grants with the MQA.

Table 6: Details of SETA registration

Name of SETA	Mining Qualifications Authority
Registration number with the relevant SETA	L280767049
Has your company appointed a Skills Development facilitator? If yes provide name	Adelaide Ngubeni
Proof of submission (Date of last submission of WSP)	April 2022

2.3 Education Levels of Workforce

CMR current has no permanent employees. Recruitment and appointment of service providers is only expected from 2035, upon the commencement of the ramp-up phase. The form Q will be submitted in the SLP and its implementation plans when it becomes relevant.

CMR currently have appointed 45 on-site contractors, the following table depicts the education levels for the on-site contractors:

2.4 Education Levels of Workforce

CMR current has no permanent employees. Recruitment and appointment of service providers is only expected from 2035, upon the commencement of the ramp-up phase. The form Q will be submitted in the SLP and its implementation plans when it becomes relevant.

CMR currently have appointed 45 on-site contractors, the following table depicts the education levels for the on-site contractors:

Table 7: Form Q Functional Literacy and Numeracy: CMR On-site Contractors

Band	**NQF Level**	**Educational Classification**	**MALE**				**FEMALE**				**Total**	
			African	Coloured	Indian	White	African	Coloured	Indian	White	M	F
General Education & Training (GET)	Below NQF 1	No Schooling										
		Pre-ABET										
		ABET 1										
		ABET 2/Std 3, Grade 5										
		ABET 3/Std 4, Grade 7	1								**1**	
	1	ABET 4/Std 7 Grade 9	1								**1**	
Further Education & Training (FET)	2	Std 8/Grade 10, NATED 1/NCV Level 1	5			2					**7**	
	3	Std 9/Grade 11, NATED 1NCV Level 2	17			2					**19**	
	4	Std 10/Grade 12, NATED 1/NCV Level 3	14			1					**15**	
Higher Education & Training (HET)	5	National/Higher Certificate	1			1					**2**	
	6	National Certificate/Diploma/Advanced Certificate										
	7	National Certificate/Advanced Diploma//B Tech Degree/Bachelor's Degree										
	8	Bachelor Honour's Degree/ Post Graduate Diploma/ Bachelor's Degree (480 credits										
	9	National Certificate/ Master's Degree/ Master's Diploma										
	10	Doctoral Degree & Post- Graduate Degree										
Total			**39**	**0**	**0**	**6**	**0**	**0**	**0**	**0**	**45**	**0**

2.5 Adult Education and Training (AET)

Crown will assist in improving the foundations for Skills Development by increasing literacy rates through participation in AET. In addition to advertising AET in the surrounding communities.

Table 8: AET Targets: Community Members (18.2)

AET Level	2023	2024	2025	2026	2027	5 Year Totals
	Target	Target	Target	Target	Target	Target
AET Level 2	1					**1**
AET Level 3		1	1			**2**
AET Level 4		1	1	1	1	**4**
TOTAL	**1**	**2**	**2**	**1**	**1**	**7**
Budget/ Spend	**R53 429**	**R106 858**	**R106 858**	**R53 429**	**R53 429**	**R374 004**

2.6 Operational (Core Business) Skills Training

CMR Mine will actively promote education and skills training opportunities among its community members. The table below provides a set of action plans for this.

- Skills development Programmes will be offered to community members at a training centre with accredited external service providers where required.
- The currently available and required skills will be determined through a skills assessment. The training Programme will then be refined to address any shortcomings.

Table 9: Core Skills: Contractors (Internal 18.1)

Type/Area of Training	Duration	2023		2024		2025		2026		2027		TOTAL	
		Target	Financial Commitment	Target	Financial Commitment	Target	Financial Commitment	Target	Financial Commitment	Target	Financial Commitment	Target	Financial Commitment
Lock out / Tag out	2 days	5	R9 055	5	R9 055	5	R9 055	5	R9 055	5	R9 055	**25**	**R45 275**
Basic Fire Fighting	1 day	20	R37 716	20	R37 716	0	R0	0	R0	20	R37 716	**60**	**R113 148**
Basic First Aid	2 Days	20	R50 000	20	R50 000	0	R0	0	R0	20	R50 000	**60**	**R150 000**
SHE Rep	5 days	1	R2 500	1	R2 500	1	R2 500	1	R2 500	1	R2 500	**5**	**R12 500**
Hazard Identification Risk Assessment (HIRA)	3 Weeks	10	R18 000	10	R18 000	10	R18 000	10	R18 000	0	R0	**40**	**R72 000**
Basic Supervision	5 days	1	R1 004	1	R1 004	1	R1 004	1	R1 004	1	R1 004	**5**	**R5 020**
Advanced Supervision	5 days	1	R7 000	1	R7 000	1	R7 000	1	R7 000	1	R7 000	**5**	**R35 000**
Operator Training and Licencing	5 days	3	R12 501	3	R12 501	3	R12 501	3	R12 501	3	R12 501	**15**	**R62 505**
TOTAL		**61**	**R137 776**	**61**	**R137 776**	**21**	**R50 060**	**21**	**R50 060**	**51**	**R119 776**	**215**	**R495 448**

2.7 Learnerships

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

CMR undertakes to provide Learnership opportunities to community members (18.2). The 5-year targets which indicate the new enrolments and roll-over per annum, as the learnerships run over 3 years are indicated in the table below.

Table 10: Learnerships: Community (External 18.2)

Type/Area of Training	Duration	2023		2024		2025		2026		2027		5 Year Totals	
		New	Cont.	New	Cont.	New	Cont.	New	Cont.	New	Cont.	New	Cont.

Mining Technical (Engineering)	36 Months	1			1		1					**1**	**2**
Support Services	12 Months	1						1		1		**3**	**0**
TOTAL		**2**	**0**	**0**	**1**	**0**	**1**	**1**	**0**	**1**	**0**	**6**	
Mining Technical (Engineering)		R66 667		R66 667		R66 667		R0		R0		**R200 000**	
Support Services		R100 000		R0		R0		R100 000		R100 000		**R300 000**	
Budget/ Spend		**R166 667**		**R66 667**		**R66 667**		**R100 000**		**R100 000**		**R500 000**	

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

With reference to the Preamble, CMR have no employees and thus no specific Career Progression targets can been established for this SLP cycle.

2.9 Portable skills Programmes

Table 11: Portable Skills: Community (External 18.2)

Type/Area of Training	Duration	2023	2024	2025	2026	2027	TOTAL
		Target	Target	Target	Target	Target	Target
Plumbing	3 Months	1	1	1	1	1	**5**
Carpentry	3 Months	1	1	1	1	1	**5**
TOTAL		**2**	**2**	**2**	**2**	**2**	**10**
Plumbing		R100 000	R100 000	R100 000	R100 000	R100 000	**R500 000**
Carpentry		R100 000	R100 000	R100 000	R100 000	R100 000	**R500 000**
TOTAL		**R200 000**	**R200 000**	**R200 000**	**R200 000**	**R200 000**	**R1 000 000**

2.10 Hard-to-fill vacancies

Hard-to-fill vacancies represent both currently filled and vacant positions that are difficult to satisfy due to the limited availability of relating skills.

Table 12: Hard-to-fill Vacancies as per Annexure II of the MPRDA regulations

Occupational level	Job title of vacancy	Main reason for inability to fill when vacant
Top Management	None	N/A
Senior Management	None	N/A
Skilled technical and academically qualified workers, junior management, supervisors	None	N/A
Semi-skilled and discretionary decision making	None	N/A
Unskilled and defined decision-making	None	N/A

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

With reference to the Preamble, CMR have no employees and thus no specific Mentorship targets have been established for this SLP cycle.

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

Table 13: Bursaries: Community (External 18.2)

Type/Area of Training	2023		2024		2025		2026		2027		5 Year Totals	
	New	Cont.	New	Cont.	New	Cont.	New	Cont.	New	Cont.	New	Cont.
Engineering	1	0	0	1	0	1	0	1	0	0	**1**	**3**
TOTAL	**1**	**0**	**0**	**1**	**0**	**1**	**0**	**1**	**0**	**0**	**4**	
Budget/ Spend	**R190 826**		**R59 254**		**R100 000**		**R100 000**		**R0**		**R450 080**	

Table 14: Bursaries Action Plan

ACTION	RESPONSIBLE PERSON
Determine business needs in terms of internship and bursary requirements for the future.	HR Manager
Upgrade the implementation Programme for internships and bursaries.	HR Manager
Develop and implement an awareness Programme with employees and local communities for internship and bursary opportunities at Crown Mine.	HR Manager
Annual assessment and revision of the implementation Programme	HR Manager

Table 15: Internships: Community (External 18.2)

Type/Area of Training	2023	2024	2025	2026	2027	5 Year Totals

	New	Cont.	New	Cont.	New	Cont.	New	Cont.	New	Cont.	New	Cont.
Engineering Graduate	1	0	0	1	0	1	0	0	0	0	**1**	**2**
TOTAL	**1**	**0**	**0**	**1**	**0**	**1**	**0**	**0**	**0**	**0**	**3**	
Budget/ Spend	**R408 000**		**R408 000**		**R408 000**		**R0**		**R0**		**R1 224 000**	

2.13 Human Resources Development Summary Commitments - Targets

Table 16: Total HRD Headcount Targets (2023 - 2027) – New and Continuous

Description	2023	2024	2025	2026	2027	Total
	Target	Target	Target	Target	Target	Target
AET Targets: Community Members (18.2)	1	2	2	1	1	**7**
Portable Skills: Community (External 18.2)	2	2	2	2	2	**10**
Core Skills: Contractors (Internal 18.1)	61	61	21	21	51	**215**
Learnerships: Community (External 18.2)	2	1	1	1	1	**6**
Bursaries: Community (External 18.2)	1	1	1	1	0	**4**
Internships: Community (External 18.2)	1	1	1	0	0	**3**
TOTAL	**68**	**68**	**28**	**26**	**55**	**245**

2.14 Human Resources Development Summary Commitments – Financial Provision

Table 17: Total HRD Financial Provisions (2023 - 2027)

Description	2023	2024	2025	2026	2027	Total
	Target	Target	Target	Target	Target	Target
AET Targets: Community Members (18.2)	R53 429	R106 858	R106 858	R53 429	R53 429	**R374 004**
Portable Skills: Community (External 18.2)	R200 000	R200 000	R200 000	R200 000	R200 000	**R1 000 000**
Core Skills: Contractors (Internal 18.1)	R137 776	R137 776	R50 060	R50 060	R119 776	**R495 448**
Learnerships: Community (External 18.2)	R166 667	R66 667	R66 667	R100 000	R100 000	**R500 000**
Bursaries: Community (External 18.2)	R190 826	R59 254	R100 000	R100 000	R0	**R450 080**
Internships: Community (External 18.2)	R408 000	R408 000	R408 000	R0	R0	**R1 224 000**
TOTAL	**R1 156 698**	**R978 555**	**R931 585**	**R503 489**	**R473 205**	**R4 043 532**

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

2.15.1 Introduction

All Ergo Mining operations fully subscribe to the principles of the Mining Charter and strives to achieve more than the minimum requirements. The Company believes that Employment Equity is an integral part of building an effective and representative workforce to ensure equality among its employees. Particular effort will be directed to identify those HDPs with talent and to then provide accelerated training and development initiatives to assist their progression.

2.15.2 Employment Equity Baseline

CMR current has no permanent employees. Recruitment and appointment of service providers is only expected from 2035, upon the commencement of the ramp-up phase. Therefore, CMR does not have a Form S (EE Baseline) and will submit this in the relevant SLP and implementation plans.

2.15.3 Employment Equity Targets

Table 18: CMR Mine Employment Equity Targets (When it becomes applicable)

Levels	When recruitment commences (not in this SLP cycle)	
	HDP Target	Female Target
Board		
Executive Management		
Senior Management	50%	25%
Middle Management	60%	25%
Junior Management	80%	30%
Core & critical Skills	60%	10%
Disability	1.5%	

2.15.4 Employment Equity Action plan (When it becomes applicable)

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

Table 19: Strategic Action Plan for the Implementation of EE at CMR Mine Mining (Pty) Ltd

ACTION	RESPONSIBLE PERSON
Establish the EE Plan and report on progress on meeting commitments to the Department of Mineral Resources (DMPR)	HR Manager
Communicate the details of the Mine's EE Report to all Mine employees. A copy of the report will also be made available to employees for copying and consultation.	HR Manager
Ensure visible support and commitment of managers to the EE process.	HR Manager
Develop fast-tracking procedure for HDPs.	HR Manager
Allocate specific mentors and coaches to HDP individuals exhibiting potential and aspiration for management positions.	HR Manager

2.15.4.1 The Participation of Historically Disadvantaged Persons

The following is relevant to the participation of HDPs:

- CMR Mine will continue to strive towards ensuring that targets as prescribed in the prevailing Mining Charter at the time, in each level of management is composed of HDPs. However, the Company will develop their own employees to fill these quotas where possible. To achieve this the Company will adhere to the following:
  - i. Selecting, training and empowering candidates at lower levels from within the organisation to progress, where possible, into position that may arises. This would be the preferred first option;
  - ii. Recruiting candidates from outside of the Company, only as a last resort, after every effort has been made by CMR Mine to implement above step without success.
- This mechanism will result in "true" empowerment of individuals and contribute more to transformation of the mining industry than "poaching" would.
- CMR Mine will implement the following action plan in **Table 20** to create opportunities for the participation of HDPs on a managerial level, which will be updated annually.

Table 20: Participation of HDPs in Management Action Plan

ACTION	RESPONSIBLE PERSON
Determine Employment Equity needs and aggregate positions in management in terms of the requirements of the MPRDA.	HR Manager
Assess the internal CMR Mine Talent Pool of employees for potential HDP candidates that can fill higher level positions should vacancies occur (based on competence and commitment, in line with the Career Progression and Skills Development Plans).	HR Manager
Implement a formal career planning system for HDP employees at CMR Mine.	HR Manager

Ergo Mining will implement the following mechanisms to encourage the participation of HDPs in higher skills and managerial levels:

- Using the Employment Equity report to accurately determine the existing racial and gender mix at the Mine;
- Assess the findings of the Employment Equity Reports regarding the participation of HDPs;
- Providing preference to HDPs for skilled and management positions, should they meet the job requirements;
- Using recruitment strategies for importing suitably qualified HDPs only as a last resort.
- Use Succession planning, career development, and performance management systems to facilitate the development of HDPs into management positions;
- Job opportunities within CMR will be communicated.
- Continue sensitising and educating employees with regard to issues involving gender, race, and diversity in order to promote a non-discriminatory culture;
- Allocation of specific mentors and coaches to HDP individuals in the talent pool exhibiting potential and aspiration for higher skilled and management positions. In this way they will be sufficiently trained to become more likely candidates for promotion.

2.15.4.2 Participation of HDP Females

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

- In order to address the historical issues of South Africa (which resulted in the majority of South Africans, especially women, being excluded from participating in the mainstream economy), CMR Mine will aim to represent women in positions that were traditionally considered “male only”, on the Mine.
- With reference to the employee empowerment Programme, CMR Mine does not favour a policy of recruiting externally but will rather develop their internal labour resources as far as possible.
- In compliance with the spirit of the MPRDA, CMR Mine will continue to strive to increase the participation of black women in managerial, professional and core mining related positions:
- An **Action Plan** to increase the participation of Female HDP’s is provided in **Table 21.**

- Progress against these plans will be reported annually in accordance with the requirements of the DoL and the DMPR.
- The above-mentioned Tables will be updated annually.

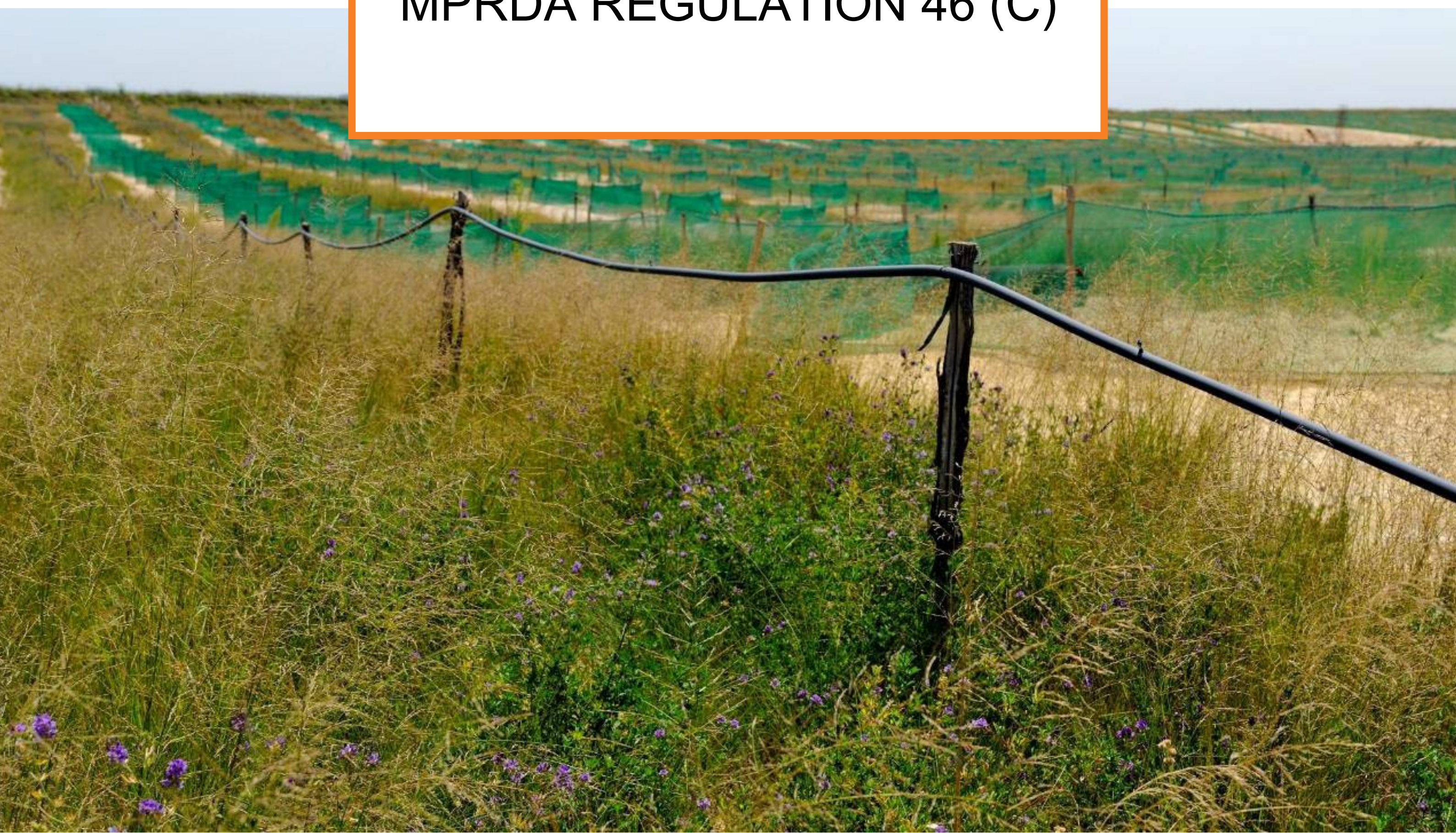
Table 21: Action Plan for the Participation of Female HDP's

ACTION	RESPONSIBLE PERSON
Discussion and brain-storming of the issues, problems and compliance gaps in terms of Female HDP's at the woman's forum. Discussion of issues relating to: • Devising measures to address the potential issues/obstacles preventing the successful integration and retention of women; • Devising measures to change the physical mining environment and adapting the technical equipment to be women-friendly; and • Implementing awareness Programmes to sensitize the perceptions of men towards women.	HR Manager
Ongoing monitoring of the women in mining implementation Programme in line with the Employment Equity Plan.	HR Manager

SECTION 3

LOCAL ECONOMIC DEVELOPMENT PROGRAMME:

MPRDA REGULATION 46 (C)



3 LOCAL ECONOMIC DEVELOPMENT

3.1 Process Followed for the Identification and Selection of LED Programmes

A robust process with key input outcomes were considered in the identification, selection and development of the CMR LED programmes, namely:

- Socio-Economic Baseline Analysis (***Section 3.2 below***)
- Broad-Based Consultation Process and Analysis thereof (***Section 3.3 below***)
- Alignment with Municipal Development Plans and Priorities (***Section3.4 below***)
- CMR LED Goals, Principles and Design Criteria (***Section 0 below***)

3.2 Socio-Economic Baseline Analysis

3.2.1 Background Information

As one of the key inputs into the design of the Local Economic Development programmes, a desktop Socio-Economic Baseline Study was conducted in order for CMR to understand the baseline statistics within South Africa, within the Gauteng province, within the affected District, Local and Metropolitan Municipalities, as well as its broader communities.

The section below contains the high-level findings of this baseline study, which is more detailed in **Annexure 1** to this document.

Ergo Mining (Pty) Limited was established in 2000 and holds various Rights in Gauteng Province. It is the controlling company for various other companies conducting tailings reclamation operations on the Witwatersrand, located within the City of Ekurhuleni Metropolitan Municipality (CoE) and the City of Johannesburg Metropolitan Municipality (CoJ).

GP186MR (CMR) is situated in the west of Johannesburg adjacent to the N1 Western Bypass. The Figure below highlights the geographic context of all Ergo Mining operations. GP186MR is depicted in orange.

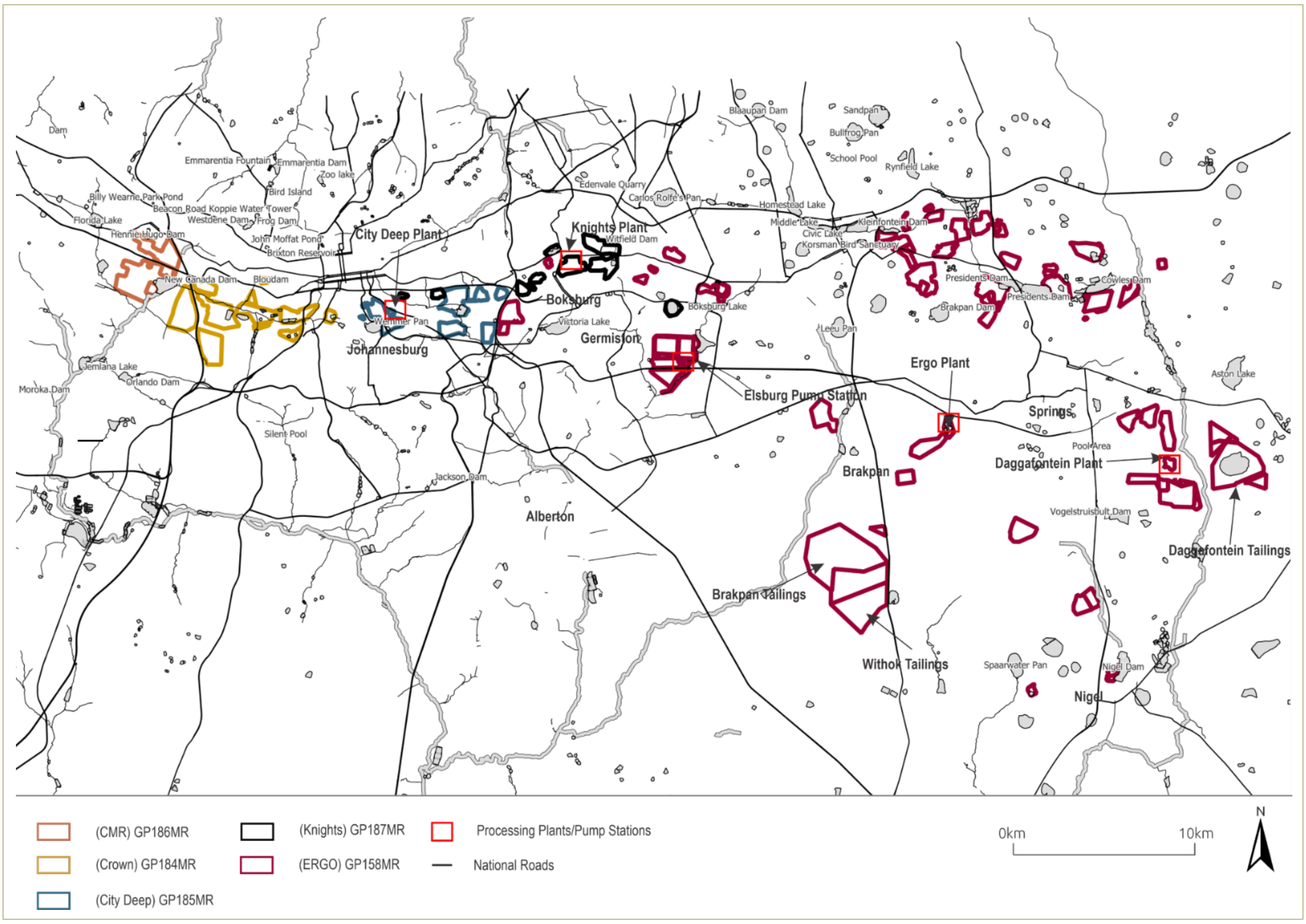


Figure 3: Location of all Ergo Mining's Mining Rights across City of Johannesburg from the West to City of Ekurhuleni on the East.

3.2.2 Relevant Findings of the SEBS

Geographically, Gauteng is the smallest of South Africa's nine administrative provinces; it accounts for only 1.5% (18 176 km²) of the country's land area. Administratively, Gauteng is subdivided into five district municipalities: City of Johannesburg (CoJ) Metropolitan Municipality, City of Tshwane (CoT) Metropolitan Municipality, Ekurhuleni Metropolitan Municipality (CoE), Sedibeng District Municipality (SDM), and West Rand District Municipality (WRDM).

The table below summarises the key baseline indicators, comparing National, Provincial and Metropolitan Municipalities relevant to CMR footprint.

Table 22: Socio-economic Baseline Indicators

Key Indicator		SA	Gauteng	CoJ MM
1. Demographics				
1.1 Gross Population		55 653 654	13 399 724	4 949 346
		100%	24%	9%
1.2 Population by gender	1.2.1 Female	51%	49,6%	49,9%
	1.2.2 Male	49%	50,4%	50,1%
	1.2.3 Other	0%	0%	0%
2. Social				
2.1 Households headed by	2.1.1 Females	38.9%	35,9%	37,7%
	2.1.2 Children	0.23%	0,11%	0,10%
2.2 Highest level of education	2.2.1 None	8.7%	3,9%	5,7%
	2.2.2 Primary	13,2%	9%	8,9%
	2.2.3 Some secondary	33,1%	30,2%	30,7%
	2.2.4 Matric	32,6%	37,7%	38,2%
	2.2.5 Post-secondary certificate or diploma	5%	5,6%	6%
	2.2.6 Undergraduate degree	4%	6,5%	6,4%
	2.2.7 Post graduate degree	1,7%	2,2%	2,6%
	2.2.8 Doctorate	0.2%	0,2%	0,3%
3. Economic				
3.1 Main economic drivers		Hospitality (28%)	[1]Community Services (22,9%)	[2]Finance (28,1%)
		Tertiary Services (25%)	Mining (17,7%)	Community Service (24,7%
		Mining (22%)	Trade (16,8%)	Trade (14,7%)
		Agriculture (18%)	Financial Services (11,1%)	(Manufacturing 11%)

[1] Gauteng Province Socio-Economic Review and Outlook (SERO) 2021
[2] City of Johannesburg (2020)

Key Indicator		SA	Gauteng	CoJ MM
3.2 Annual economic growth (last 10 years)		5%	1,9%	[3]1,72%
3.3 Contribution to GDP		100%	[4]35,6%	14%
3.4 Average incomes		30 000	57 500	57 500
4. **Housing and Living Conditions**				
4.1 Households living in	4.1.1 Formal housing	87.2%	82,3	82
	4.1.2 Owned housing	69.4%	55%	51,7
4.2 Households with access to	4.2.1 Electricity	86.3%	93%	93,6
	4.2.2 Piped water in the house	45.3%	63.5%	64.8%
	4.2.3 Piped water within the plot	34.3%	28.2%	29.4%
	4.2.4 Reticulated flush toilet	65.7%	86%	90.2%
	4.2.5 Formal waste removal services	85.1%	85%	87%
	4.2.6 The Internet	15,4%	12%	15%

Source: Community Survey 2016

3 City of Johannesburg GAU (202)

4 Gauteng increase contribution to South Africa's and Africa's gross domestic product | South African Government (www.gov.za)

3.2.3 The Impact of Mining

Mining impacts local communities both positively and negatively. **Table 17** provides an overview of the impact of associated with all Ergo Mining's operations on the local economy and immediate communities, as well as at a macro-economic level. Positive impacts, especially if they are long lasting or sustainable, are desirable.

Table 23: CMR's Impacts relating to Local Economic Development

Issue	Impact	
	Positive	**Negative**
1. Microeconomic contribution	• Indirect business activities e.g., lodges, food industry, etc. • Increased local sending • Local circulation of income	• Perceived discrimination of locals • Hostility towards the mine • Deepening socio-economic inequalities within the communities • Resentment of and hostility towards outsiders (including people from other districts and provinces)
2. Macroeconomic contribution	• Contribution to the provincial and national Gross Domestic Product • Economic development and growth • Stimulation of business activities outside of the area of operation • Investment attraction and retention • Contribution to the fiscus • Contribution to the socio-economic objectives of government	
3. In-migration	• Development of new and upmarket housing stock for the high-income groups • High demand and rentals for rental stock • High competition for jobs, housing, and basic services	• Housing poverty and poor living conditions for low-earning and indigent residents • Increase in informal housing stock (both new settlements and backyard structures) • Poverty and desperation • Perceived exclusionary practices, e.g., unemployment of those with qualifications and exclusions of companies that do not participate in corrupt activities • Social/community unrest • Cultural disintegration and social ills, such as prostitution, crime, substance abuse, etc.
4. Procurement	• Building of capacity of local businesses (SMMEs)	• Perceived and allegations of corruption • Establishment and contestations for recognitions and relevance amongst business forums • Demand for ring-fenced procurement to local businesses
5. Social investment and benefit sharing	• Building of local assets especially social and economic infrastructure	• Perceived discrimination of locals • Hostility towards the mine • Deepening socio-economic inequalities within the communities

6. Environmental quality and health	• Growing awareness of the need to conserve ecological and other forms of the environment • Implementation of different measures that are part of the Environmental Management Plans	• Environmental contamination, that is, dust, water contamination, contamination of grazing and farming land
7. Safety	• Employment as a result of the growth of the security sector	• Insecurity and fear (lack of personal, community and business security) • High cost of doing business

3.3 Broad-Based Engagement Process

3.3.1 Process Undertaken and Consultations Held

The Broad-Based Black Economic Empowerment Charter for the Mining Industry (Mining Charter 2018) stipulates that Mines, "in consultation with relevant municipalities, mine communities, traditional authorities and affected stakeholders, identify developmental priorities of mine communities", for inclusion into the Social and Labour Plan.

The process of engagement that has been undertaken for the development of this SLP was aimed to be as broad in reach, and as inclusive, as possible in order to accommodate concerns, suggestions/inputs and needs of the affected and interested communities and stakeholders representing them.

Note: Detailed attendance registers and meeting outcomes can be found in the Portfolio of Evidence.

All Ergo Mining operations undertook the following consultations in compliance with the MCIII requirement. Below is the methodology/approach/process flow used to undertake the process.

- **Classification and Clustering of External Stakeholders**: CMR clustered its external stakeholders according to groups;

  a) Municipal cluster (CoJ and CoE); their responsibility was to provide the overall Local Economic Development strategy of the area.
  b) Community Leaders cluster (Ward Governance, Ward Councillors, and Social Partners); their role was to Assist with mobilising broad-based stakeholders, and to input into the local economic development priorities of represented constituents.
  c) Broad-Based Community cluster (Communities); Their role was to input into the local economic development priorities of represented constituents.

- **Public Notice:** CMR advertised notice on local newspaper of both CoJ and EMM for Broad-Based consultations on the new generation SLP 2023-2027.

- **Invitation Letters:** CMR disseminated meeting invitation letters to both CoJ and EMM municipalities, Social partners, and community stakeholders to inform them of the SLP consultation. CMR used its existing External stakeholder database.
- **Facilitation of meetings:** CMR presented the SLP overview and process followed. external stakeholders were offered the opportunity to then input on the new SLP LED programme.
- **Meeting outcomes**: External stakeholders inputs and suggestions were recorded on minutes of the meetings.
- **Portfolio of evidence**: Stakeholder database, Meeting registers, meeting invitations, meeting agenda, meeting minutes, meeting presentation are found in the Portfolio of evidence.

Note: All meeting correspondences and meeting outcomes can be found in the Portfolio of Evidence.

Table 24 below shows a summary of all meetings held with CMR internal and external stakeholders.

Table 24: Broad-based Engagements with respect to GP186MR– CMR

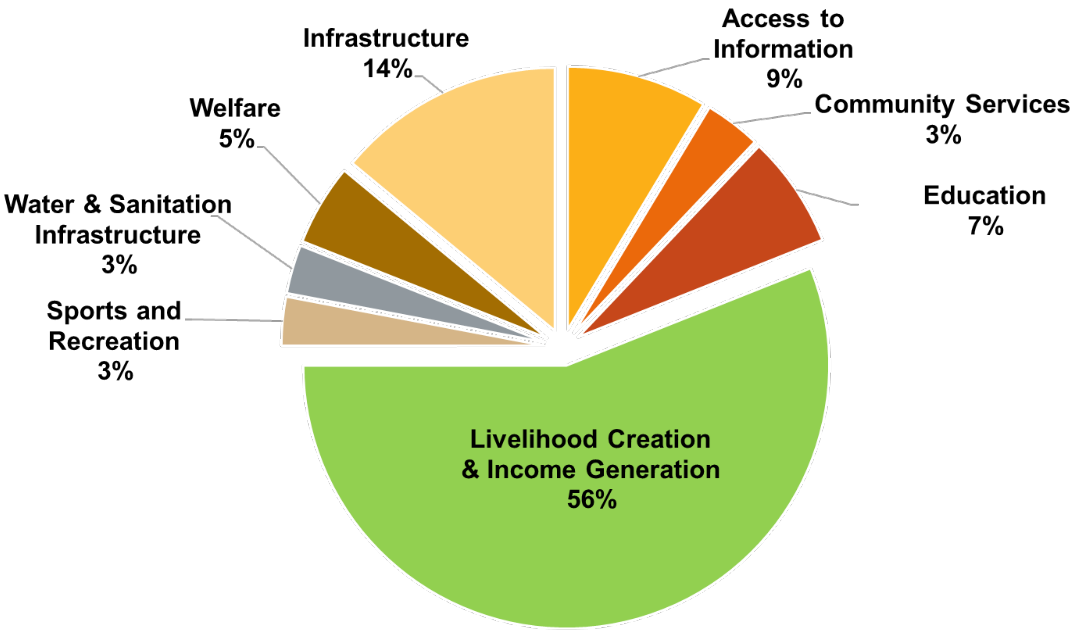
Stakeholder Grouping	Stakeholder	Community /Area	Dates (YYYY/MM/DD)
City of Johannesburg Metropolitan Municipality (External Stakeholders)	City of Johannesburg Metropolitan Municipality (External Stakeholders)	Region (City of Johannesburg)	2024/09/26
	City of Johannesburg Office of Economic Development	Region (City of Johannesburg)	2023/11/22
	CoJ Economic Development and Regional CRUMs	Region (City of Johannesburg)	2022/09/23
	CoJ Region B- Ward 68 Councillor	Riverlea, Riverlea Ext. 1 , Riverlea Ext. 2, Riverlea Ext. 5, Riverlea Ext.9, Riverlea Ext. 10	2023/02/14
	CoJ Region D - Regional Director	Diepkloof, Orlando, Noordgesig	2022/10/26
Community Beneficiaries (Focus Groups)	Diepkloof Zones 6 community beneficiaries	Diepkloof Zones 6	2023/02/09
	Naledi Community Beneficiaries	Naledi	2023/02/09
Sector Departments (Provincial and Local Sector Departments)	Department of Agriculture	Region (City of Johannesburg)	2023/10/18
		Provincial	2024/01/24
	Department of Economic Development – The Innovation Hub	Provincial	2023/11/03
			2024/01/19
			2024/01/24
	Department Of Education	Provincial	2023/11/29
			2024/11/20
			2024/11/26
	Department of Mineral Resources and Energy	Provincial	2023/11/16
		Provincial	2025/02/24
	Gauteng Department of Education	Provincial	2023/09/28
			2023/10/23
			2023/11/07
			2023/11/29

Stakeholder Grouping	Stakeholder	Community /Area	Dates (YYYY/MM/DD)
			2024/01/02
	Gauteng Department of Social Development (GDSD)	Provincial	2025/04/30
	GDE Ergo Mining Partners	Provincial	2024/08/26
	GDSD - Substance Abuse Prevention, Treatment and Rehabilitation	Provincial	2024/09/04
			2025/03/24
			2025/05/14
	MEC Gauteng Department: Social Development	Provincial	2024/03/12
Social Partners & Community Structures	JMEEF, Meadowlands Community Structures	Meadowlands	2022/11/24
	Johannesburg Mining Environmental & Economic Forum (JMEEF)	Meadowlands	2022/11/03
	Pennyville Community Structures & Riverlea Structures	Pennyville, Riverlea	2022/11/28
	Pennyville Forum	Noordgesig, Noordgesig Ext, Pennyville phase 3, Mlamlankunzi, Part of Orlando East, Diepkloof Zones 3	2022/11/11
	Region D - Diepkloof Community Structures (Ward 26 & 27)	Diepkloof	2022/11/25
	Region D - Orlando Community Structures (Ward 28 & 29)	Orlando	2022/11/28
	Region D Communities (Diepkloof, Orlando, Noordgesig)	Diepkloof, Orlando, Noordgesig	2023/02/17
	Region D Ward Councillors (Ward 26, 27, 28 & 29)	Diepkloof Zones 6, part of Zones 5, Zones 2 & Zones 1, Diepkloof Ext phase 1,2,3, part of Zones 4 & Zones 5, Zones 1 & part of Zones 2	2022/11/07
	Riverlea Community Structures	Riverlea	2022/11/23
	Riverlea Secondary School		2025/01/23
	SANCO: CoJ	Region (City of Johannesburg)	2023/12/04

3.3.2 Outcomes of Broad-Based Consultations Held

CMR employed a scientific approach to analyse the data obtained during the Broad-Based Consultation process. Inputs we categorised into themes and summarised.

The themes identified through the broad-based engagement process are contained in the graph below:



3.4 Alignment with Municipal Development Plans and Priorities

3.4.1 Acknowledging the Role of Municipalities in Local Economic Development

Local economic development and better municipal service delivery are vital in the fight against poverty. Municipalities are constitutionally mandated to drive and manage local development. The Municipal Systems Act 32 of 2000 (Act 32 of 2000) requires municipal planning to be developmentally oriented, and that municipalities undertake an integrated development planning process to produce IDPs to (i) achieve the objectives of local government as set out in Section 152 of the Constitution; and (ii) give effect to its developmental duties as required by Section 153 of the Constitution. The Constitution in Section 151 states that developmental local government should make provision for a democratic and accountable government for communities. It also encourages municipalities to ensure the provision of services to communities in a sustainable manner to promote social and economic development. Local government must promote a safe and healthy environment and encourage community involvement in matters of local government. Section 153 of the Constitution further states that "each municipality should structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of those communities".

Municipalities have various instruments which are meant to assist them in the discharge of their mandate. These include integrated development plans (IDP), spatial development frameworks (SDF), local economic development (LED) strategies, and local by-laws and regulations. Ideally, the IDP must highlight the municipality's alignment to and contribution towards national and provincial planning frameworks and directives, regional, continental, and international development priorities.

The strategic posture of IDPs, which is the pre-eminent tool for guiding overall development management for the metro is reviewed underneath.

3.4.1.1 City of Johannesburg Metropolitan Municipality

The City of Johannesburg is a category A Metropolitan Municipality which is the biggest of the three Metros of the Gauteng Province and is one of the eight in South Africa. Johannesburg is one of the most advanced commercial cities in Africa, and the mainstay of the South African and regional economy. The urban conglomerate takes the lion's share in terms of population size: it accounts for approximately 36% of Gauteng's population and 9% of South Africa's population. With a 14.9% share of contribution to the national Gross Domestic Product (2018), it can be said that Johannesburg is the engine room to South Africa's economy.

The City of Johannesburg is faced with a plethora of challenges facing Johannesburg, which are as follows:

1. Growing inability of the city to adequately service informal settlements with adequate water, sanitation, and hygiene services.
2. Dilapidated infrastructure which is not in keeping with the metro's burgeoning population and economic growth. The Apartheid urban structure is a major driver of inequality and poverty in the metro. Most of the urban poor do not only live in deplorable conditions, they are also far removed from their places of work, leading in part to the sprouting of informal settlements not far off, and even in close proximity, to what ideally should be "blue chip" land use zones.
3. Growing concerns about food insecurity.
4. Increasing crime rates, particularly in the last decade with kidnappings, abductions and digital crime becoming a menace.
5. Relatively low literacy level:
    - 30,7% of the population has some secondary education with no Matric
    - Only a small percentage, that is 6% of the population has some (non-degree level) tertiary education
    - Almost 6% of the population has no formal education
6. Unemployment: Unemployment rate (official) increased from 28,8% in the 1st quarter of 2018 to 32,7% in the 1st quarter of 2020.
7. Severe pressure is put on municipal resources due to demands for services to a poverty-stricken population. Approximately 8% people of the metro's population had zero income in 2016. Economic dependence on the state welfare system is high; almost 1 in 10 of community members are unable to pay for basic services.
8. Heightened vulnerability of women and children in Johannesburg's households because of Covid-19.

The COVID pandemic compounded the above challenges and further highlighted the interrelationship between the economy and livelihoods. Most households could not cope up within the first month of the lockdown, putting a spotlight on socio-economic resilience of most of the city's population.
Therefore, it became apparent that the city needs to prioritise fostering resilience at the individual, institutional, and community levels. **"Rebuilding a resilient Joburg"** is the rallying strategic thrust which aptly defines its "2040 Paradigm" as per the Figure below.

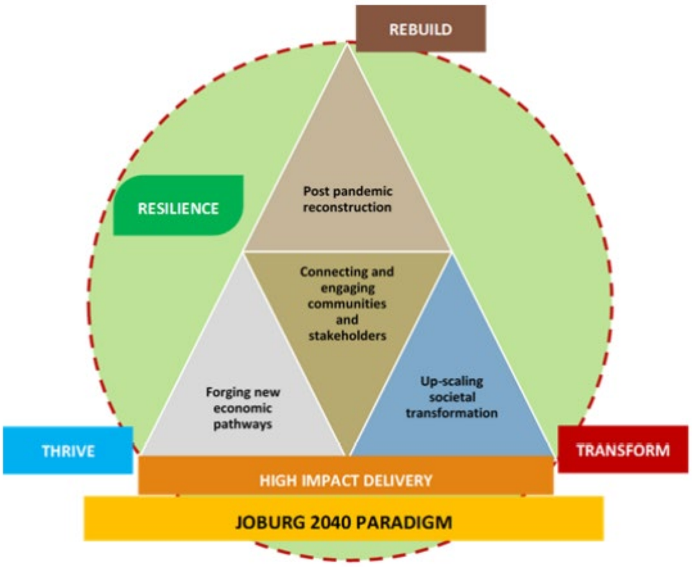


Figure 4: Johannesburg 2040 Paradigm
Source: *City of Johannesburg Integrated Development Plan; 2021-26*

The Figure's depiction of the city's development paradigm encapsulates Johannesburg's strategic posture, which consists of four interlinked themes:

1. Post-pandemic reconstruction (focus on infrastructure, health, food and safety);
2. Forging new economic pathways (4IR, conducive environment, employment creation, support to enterprises);
3. Up-scaling societal transformation (addressing poverty, inequality, access, housing, transport); and
4. Connecting and engaging communities and stakeholders

Informed by the cited development paradigm, the City of Johannesburg has formulated the following strategic objectives:

- Strategic Objective 1: A city that gets the basics right
- Strategic Objective 2: A safe and secure city
- Strategic Objective 3: A caring city
- Strategic Objective 4: A business-friendly city
- Strategic Objective 5: An inclusive city
- Strategic Objective 6: A well-run city

- Strategic Objective 7: A smart city

3.5 CMR LED Principles and Design Criteria

The following design criteria and principles have guided the identification and selection of LED programmes for the CMR SLP:

- **Implement in partnerships**: As evidenced in the socio-economic baseline assessment (See Annexure 1) CMR mining communities are exposed to the various socio-economic challenges. The combination of social, economic, and environmental vulnerabilities creates a situation where local institutions do not have the resources to respond effectively to threats, nor the capacity to act pre-emptively to reduce those vulnerabilities. **These complex challenges can only be dealt with through a partnership approach, embedded in meaningful participation and empowerment of local communities in both Johannesburg and Ekurhuleni.** CMR, in partnership with other mines, local government, and civic society, can help to alleviate poverty and build a solid base for sustainable communities by strategically investing in relation to, and across, the thematic areas identified. The analysis has confirmed that skills, entrepreneurship, and social cohesion are key drivers of growth, and are essential for effective local economic development.
- **Programmes that impact the masses** due to the widespread and large number of communities that would need to be reached by CMR 's LED initiatives, where small projects that do not reach broadly won't achieve the desired impact.
- **Analysis of the practical application of the mine's previous SLP**, taking into account successes and lessons learned on business building in economically depressed periods and areas.
- **Scalability of interventions** to support business building from micro-enterprises into a small enterprise and laying the foundations for further enterprise growth.
- **Close alignment with the Integrated Development Plans (IDP)** of the City of Johannesburg Integrated Development Plan; 2021-2026.
- Priority needs identified during the **Broad-Based Stakeholder Consultation process**.

3.6 Regulation 46 (c) (iii) Infrastructure and Poverty Eradication Projects

Table 25: Project Plan for Project 1: Riverlea Secondary School Renovations and Upgrade

Project Name	**Riverlea Secondary School Renovations and Upgrade**	**Classification of Project/ Type of Project**	**Infrastructure**
Project Background	<u>**Identified need:**</u> **Riverlea Secondary School Overview and Infrastructure Challenges** Riverlea Secondary School serves as the primary secondary educational institution for learners from Soweto, Riverlea, Ennerdale, Fleurhof and adjacent communities in Johannesburg. The school currently enrols 720 learners within a facility designed to accommodate nearly 1,000 learners, but deteriorated infrastructure prevents full capacity utilization. Critical facilities including classrooms, the administrative block, ablution facilities, assembly hall, and security perimeter require comprehensive rehabilitation, with several classrooms deemed unsafe for educational use. This has resulted in classroom shortages necessitating rotating schedules and repurposing of administrative spaces for instruction. A recent fire incident and compromised perimeter security have further exacerbated these challenges through additional facility damage and ongoing vandalism. The planned Department of Education infrastructure upgrade was suspended due to budgetary constraints, with no definitive timeline for future implementation. **Educational Excellence and Environmental Context** Despite substantial infrastructure limitations, the school demonstrates remarkable academic performance under dedicated leadership, with matriculation pass rates increasing from 80% to 87% in the previous year and projections indicating potential achievement of 90% for 2025. The school operates within an environment affected by legacy mining activities, specifically gold tailings dumps contributing to environmental pollution and health concerns. DRDGOLD Ergo Mining has been conducting comprehensive reclamation operations in this region for three decades, continuing environmental rehabilitation under Crown Mines and CMR mining rights. <u>**Motivation for project based on:**</u> 1. Multiple Meetings with the relevant **Department of Education** district authorities have identified the urgent need for assistance to improve accessibility and quality of education related to IT and Fourth Industrial Revolution skills. 2. **Alignment with City of Johannesburg** strategic objective to create an enabling environment for inclusive (economic) growth and job creation and key priority in the Municipal Ten-Point Plan. City of Johannesburg aims to deliver an enabling environment for its young people to actively participate as drivers of change. The evolution towards a Smart City must therefore create future industries, businesses, and opportunities for young people to find employment and career paths within the technology, innovation and other 4th Industrial sectors. 3. **Strategic LED Investment Opportunity**: The school and community is situated amidst large gold tailings dumps left behind from a century of mining in this region and causes environmental pollution and dust. Ergo Mining has been undertaking reclamation operations of these dumps and valleys over the last 30 years and will continue cleaning up and reclamation these dumps under the Crown Mines, City Deep and CMR mining rights. Ergo Mining sees this as a legacy project to refurbish the Riverlea Secondary School and improve the access, quality and infrastructure of the education environment in order to provide the best education to		

<table>
<tr><td></td><td colspan="2">the feeder communities of the school. Given that the school is located in the centre of its mining reclamation operations in this region, there is no better opportunity for the Company to provide beneficial social and economic impact to the surrounding communities than this project, which will provide an excellent educational environment for generations of youth to come. It is the aim that this refurbishment project will lead to generations of youth having the best foundation education to further their educational careers at University and become the best professionals and leaders in various fields within the economy.

<u>Identified Need:</u>

The following critical needs were identified through site visits by engineering and architectural specialists and confirmed by school and Gauteng Department of Education stakeholders

• Structural damage resulting from multiple fire incidents
• Vandalism affecting numerous buildings
• Reduction in classroom capacity (loss of ±10 rooms)
• Deterioration of internal building finishes and services
• Compromised site security due to damaged perimeter fencing
• Aging water and sewer reticulation
• Non-compliance with safety and operational requirements</td></tr>
<tr><td>Project Description</td><td colspan="2">At a minimum this project will deliver the following:

1. Demolition of fire-damaged buildings which are currently a health, safety and security risk
2. Construction of a minimum of 10 new classrooms on the same footprint of the demolished site
3. Construction of ablution facilities to service the learners
4. Refurbishment of the current fire-damaged school hall (interior and roofing)
5. Improvement of the office administration facilities to allow good management of the school;
6. Generalised electrical upgrades to ensure compliance with safety standards
7. Generalised water and sewer upgrades to damaged, aging and non-compliant infrastructure
8. Perimeter fencing and security.</td></tr>
<tr><td></td><td>Key Performance Areas</td><td>Key Performance Indicators</td></tr>
</table>

<table>
<tr><td rowspan="3">Output</td><td colspan="2">KPA 1: Stakeholder Engagement and Legal Compliance</td><td colspan="7">KPI 1.1: 100% completion of stakeholder engagements (Riverlea High School executive, SGB, Ward Councillor, Gauteng Department of Education) by October 2025
KPI 1.2: 100% of Memorandums of Agreement, endorsements, and approval processes finalized and legally executed by December 2026</td></tr>
<tr><td colspan="2">KPA 2: Technical Planning and Procurement Excellence</td><td colspan="7">KPI 2.1: Detailed engineering and architectural assessment completed by December 2026 with full bill of quantities and scope of work documentation
KPI 2.2: Tender process completed within scheduled timeframe (3 months) with minimum 3 qualified local contractor submissions
KPI 2.3: Contractor appointment finalized by February 2027, with contract value within approved budget parameters
KPI 2.4: Majority of appointed sub-contractors sourced from surrounding communities</td></tr>
<tr><td colspan="2">KPA 3: Project Delivery and Quality Assurance</td><td colspan="7">KPI 3.1: Construction refurbishment completed within scheduled timeframe (by end November 2027) with zero critical delays
KPI 3.2: 95% quality compliance achieved during final monitoring and evaluation, with all identified snags resolved by February 2028
KPI 3.3: Formal handover ceremony successfully executed in March 2028 with attendance of key stakeholders (DMPR, Department of Education, Ward Councillor, and community representatives)
KPI 3.4: Project delivered within approved budget with cost variance not exceeding ±5% underbudget.</td></tr>
<tr><td rowspan="3">Geographical Location of Project</td><td colspan="2">District Municipality</td><td colspan="7">City of Johannesburg</td></tr>
<tr><td colspan="2">Local Municipality</td><td colspan="7">City of Johannesburg</td></tr>
<tr><td colspan="2">Village/ Community Name</td><td colspan="7">Riverlea</td></tr>
<tr><td>Targeted Beneficiaries</td><td colspan="5">Current and future learners (estimated over 10 years) based on Riverlea Secondary having 720 learners in 2025 = an estimation of 7 200 - 10 000 beneficiaries over 10 years.</td><td colspan="2">Responsible Entity (Inclusive of all roles)</td><td colspan="2">Ergo Mining and Department of Education (relevant district department)</td></tr>
<tr><td>Classification of Jobs:</td><td>Male Adults</td><td>Female Adults</td><td>Male Youths</td><td>Female Youths</td><td>Total No. of Jobs Created</td><td rowspan="2">Project Start Date</td><td rowspan="2">April 2026</td><td rowspan="2">Project end Date</td><td rowspan="2">Construction by Dec 2027</td></tr>
<tr><td>Short Term</td><td>10</td><td>10</td><td>5</td><td>5</td><td>30</td></tr>
</table>

<table>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>Final inspections and Handover by March 2028</td></tr>
<tr><td>Medium Term</td><td></td><td></td><td></td><td></td><td>0</td><td colspan="4">Total 5-Year Budget Commitment</td></tr>
<tr><td>Long Term</td><td></td><td></td><td></td><td></td><td>0</td><td colspan="4">R5 million (Five Million Rand) contribution from the CMR Mining Right towards a R15 million (Fifteen Million Rand) project budget, co-funded from other Mining Rights in the same region, held by Ergo Mining.</td></tr>
<tr><td colspan="10">Timeline and Annual Implementation Activities</td></tr>
<tr><td colspan="2">YEAR</td><td colspan="2">QUARTER 1</td><td colspan="2">QUARTER 2</td><td colspan="2">QUARTER 3</td><td colspan="2">QUARTER 4</td></tr>
<tr><td colspan="2">2023</td><td colspan="2">N/A</td><td colspan="2">N/A</td><td colspan="2">N/A</td><td colspan="2">N/A</td></tr>
<tr><td colspan="2">2024</td><td colspan="2">N/A</td><td colspan="2">N/A</td><td colspan="2">N/A</td><td colspan="2">N/A</td></tr>
<tr><td colspan="2">2025</td><td colspan="2">N/A</td><td colspan="2">N/A</td><td colspan="2">N/A</td><td colspan="2">Awaiting final DMPR approval</td></tr>
<tr><td colspan="2">2026</td><td colspan="2">Awaiting final DMPR approval</td><td>Conclude engagements with the Riverlea High School executive, the SGB, the Ward Councillor, and the Gauteng Department of Education.</td><td>Finalise Memorandums of Agreement, Endorsements, and related Approval Processes by December 2026.</td><td colspan="4">Undertake detailed engineering and architectural assessment of the refurbishment of the school, compile bill of quantities, and compile a scope of work by middle by December 2026

Appoint main contractor by December 2026.</td></tr>
<tr><td colspan="2">2027</td><td colspan="6">Undertake the construction and refurbishment of the school from January 2027 – October 2027 (10 months).</td><td colspan="2">1) Final monitoring, evaluation and snags in Dec 2027 – Jan 2028.

2) Formal ceremony of the refurbishment of the Riverlea High School in March 2028 with the Department of Mineral and Petroleum Resources, the</td></tr>
</table>

		Department of Education, the Riverlea Ward Councillor, the Community and other dignitaries.
Completion Date and Exit Strategy		
Handover of the Riverlea High School to the School executive staff, the SGB, and the Gauteng Department of Education for good upkeep and maintenance of the refurbished facilities in March 2028. Clear requirement for maintenance and upkeep of the facility will be captured into the Memorandum of Understanding between Ergo Mining and Gauteng Department of Education.		

Figure 5: View 1 - Riverlea Secondary School Site Layout

Figure 6: View 2 - Architectural Design for Riverlea Secondary School

Figure 7: View 3 - Architectural Design for Riverlea Secondary School

Table 26: Project Plan for Project 2: School Science Lab Installation at Mokgome Secondary School

Project Name	School Science Labs Installation at Mokogome Secondary School (City of Johannesburg)	Classification of Project/ Type of Project	Infrastructure and Equipment
Project Background	**<u>Identified need:</u>** A science laboratory is essential at the secondary school level because it transforms abstract concepts into tangible learning experiences that students can see, touch, and manipulate. Laboratory work develops critical thinking skills as students form hypotheses, conduct controlled experiments, analyse results, and draw evidence-based conclusions. Beyond academic learning, lab experiences prepare students for potential STEM careers by teaching proper safety protocols, equipment handling, and collaborative research methods. **Mokgome Secondary School** (within Ergo Mining's western footprint) **does not have a functional Science Laboratory**. Learners at this school are deprived of the opportunity to learn fundamental scientific skills, opportunities to perform experiments, and develop critical thinking skills required for scientific enquiry. **<u>Motivation for project based on</u>** 1. Multiple meetings with the relent **Department of Education** district authorities have identified the urgent need for assistance to improve accessibility and quality of education related to STEM (science, technology, engineering and maths) subjects. 2. **Alignment with City of Johannesburg strategic objective** to create an enabling environment for inclusive (economic) growth and job creation and key priority in the Municipal Ten-Point Plan. City of Johannesburg aims to deliver an enabling environment for its young people to actively participate as drivers of change. The evolution towards a Smart City must therefore create future industries, businesses, and opportunities for young people to find employment and career paths within the STEM (science, technology, engineering and maths) sectors. 3. **Findings and Outcomes from the Broad-Based Consultations Process**: Skills and capacity development remains a top priority for communities as they are eager to pursue opportunities that will help them improve their quality of life and be active participants in the economy. Direct requests to improve facilities as schools were received. Detailed reports and proposals were received from Principals requesting installation of Science Laboratories.		
Project Description	An existing classroom at Mokgome Secondary School has been identified to be converted to a fully functional Science laboratory. **At a minimum this project will deliver:** • Adaptation of that classroom to suit the purpose (key modifications to physical layout, adaption of electrical and networking infrastructure) • Improved security measures • Provision of furniture, storage areas and chemical storage fridges and • Provision of science laboratory equipment to accommodate **approximately 40 learners** at one time (according to specification provided by Department of Education)		

<table>
<tr><td></td><td colspan="5">Key Performance Areas</td><td colspan="4">Key Performance Indicators</td></tr>
<tr><td>Output</td><td colspan="5">KPA 1: Infrastructure Modification and Upgrade

KPA 2: Fully equipped Science Laboratory</td><td colspan="4">KPI 1: 100% completion of classroom modifications by end of December 2026

KPI 2: All necessary infrastructure, furniture, equipment and materials supplied and installed, and ready for use by end of December 2026.</td></tr>
<tr><td rowspan="3">Geographical Location of Project</td><td colspan="2">District Municipality</td><td colspan="7">City of Johannesburg</td></tr>
<tr><td colspan="2">Local Municipality</td><td colspan="7">City of Johannesburg</td></tr>
<tr><td colspan="2">Village/ Community Name</td><td colspan="7">Soweto</td></tr>
<tr><td>Targeted Beneficiaries</td><td colspan="5">Current and future learners (estimated over 5 years) based on Mokgome Secondary having 750 learners in 2025 = 3 750 beneficiaries over 5 years.</td><td colspan="2">Responsible Entity (Inclusive of all roles)</td><td colspan="2">Ergo Mining and Department of Education (relevant district department)</td></tr>
<tr><td>Classification of Jobs:</td><td>Male Adults</td><td>Female Adults</td><td>Male Youths</td><td>Female Youths</td><td>Total No. of Jobs Created</td><td rowspan="2">Project Start Date</td><td rowspan="2">April 2026</td><td rowspan="2">Project end Date</td><td rowspan="2">December 2026</td></tr>
<tr><td>Short Term</td><td>4</td><td>0</td><td>2</td><td>2</td><td>8</td></tr>
<tr><td>Medium Term</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td colspan="4">Total 5-Year Budget Commitment</td></tr>
<tr><td>Long Term</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td colspan="4">R1 500 000 (One Million Five Hundred Thousand Rand)</td></tr>
<tr><td colspan="10">Timeline and Annual Implementation Activities</td></tr>
<tr><td colspan="2">YEAR</td><td colspan="2">QUARTER 1</td><td colspan="2">QUARTER 2</td><td colspan="2">QUARTER 3</td><td colspan="2">QUARTER 4</td></tr>
<tr><td colspan="2">2023</td><td colspan="2">N/A</td><td colspan="2">N/A</td><td colspan="2">N/A</td><td colspan="2">N/A</td></tr>
<tr><td colspan="2">2024</td><td colspan="2">N/A</td><td colspan="2">N/A</td><td colspan="2">N/A</td><td colspan="2">N/A</td></tr>
</table>

2025	*N/A*	*N/A*	*N/A*	*Awaiting DMPR Approval*
2026	*Awaiting DMPR Approval*	*Detailed Scope of Works developed (aligned to DBE norms and standards)* *Tender process (focus on sourcing local suppliers)* *Establish Project Steering Committee (comprising appropriate-level Management from Dept of Education, SGB, Principal, Ergo Mining, Representatives of Service Providers)* *Appointment of Service Providers*	*Commencement of Scope of Work* *Regular progress reporting and tracking with the Project Steering Committee*	*Finalisation of Scope of Works* *Regular progress reporting and tracking with the Project Steering Committee* *Formal Handover to Department of Education*
2027	*N/A*	*N/A*	*N/A*	*N/A*
Completion Date and Exit Strategy				
The target completion date is September 2026 with a formal handover to the Department of Education. A Memorandum of Understanding (MoU) will be signed by Department of Education and Ergo Mining. This will stipulate the Roles and Responsibilities of both the DoE and Ergo Mining for the duration of the Project and a clear maintenance plan of be implemented by DoE commencing at Handover.				

3.7 Summary of LED Programmes

Table 27: Summary of LED Programmes

Project Number	Project Name	Description	Beneficiaries	Total LED Budget	Implementation Year
PROJECT 1	Riverlea Secondary School Renovations and Upgrade	Ergo Mining is partnering with Riverlea High School and key stakeholders to refurbish classrooms, ablutions, security, offices, and the hall, improving learning conditions while creating local business and job opportunities for the surrounding community..	Current and future learners - estimated 7 200 - 10 000 beneficiaries over 10 years.	R 5 000 000	2026 - 2027
PROJECT 2	School Science Labs Installation (City of Johannesburg)	An existing classroom at Mokgome Secondary School will be converted into a fully functional science lab with layout modifications, electrification, plumbing, enhanced security, lab furniture, IT equipment, storage, chemical equipment, and a fridge, accommodating about 40 learners.	Current and future learners - estimated 3 750 beneficiaries over 5 years	R 1 500 000	2026
			Total LED budget	**R 6 500 000**	

3.8 Measures to address Housing, Living Conditions and Nutrition – Regulation 46 (c) (iv)

CMR current has no permanent employees. Recruitment and appointment of service providers is only expected from 2035, upon the commencement of the ramp-up phase. Therefore, the Housing and Living Conditions section is not applicable, but rather, the Ergo Mining initiatives have been detailed in this section, which will become applicable once the Operation commences with recruitment.

In line with the implementation of CMR Mine's Housing and Living Conditions Plan, the following initiatives are currently being implemented and will be reported on annually.

- During 2016 all Ergo Mining operations, in consultation with organised labour, agreed upon setting aside R12,000,000 to establish an employee home ownership scheme. This scheme allows first time homeowners who qualify for a bond through a recognised bank to qualify for a R75 000 purchase price discounted home loan from the Company. Since inception 18 applicants have received bond approval and purchased new homes.
- All Ergo Mining operations' employees receive a Living Out Allowance of R3000 per month.
- Housing Steering Committee has been reinitiated to address engage labour to assist employees to access sustainable and affordable housing.
- At the request and in Consultation with organised labour during 2018 all Ergo Mining operations have implemented an IEMAS pension-fund backed home loan scheme.

3.9 Health Care and Nutrition

Regulation 46 (c) (v) requires that mines put measures in place to ensure that employees have adequate access to a well-balanced diet and meals. CMR Mine does not provide an explicit nutrition programme for its employees in that it does not have hostels, single quarters, or controlled catering environments for its staff. Regulation 46 (c) (v) requires that mines put measures in place to ensure that employees have adequate access to a well-balanced diet and meals. CMR Mine does not provide any meals for its employees as it does not have hostels, single quarters, or controlled catering environments for its staff. As an empowerment initiative however, canteens have been established where employees are able to purchase meals.

3.10 Procurement, Enterprise and Supplier Development – Regulation 46 (c) (vi)

3.10.1 Introduction

The Broad-Based Black Economic Empowerment Charter for the Mining Industry ("Mining Charter") was amended and released by the Department of Mineral and Petroleum Resources (DMPR) in September 2018. The Mining Charter 2018 requires that mining companies submit a new five-year Procurement plan, indicating annual targets which progressively increase towards complying with the new procurement targets of the Mining Charter 2018.

According to the Mining Charter, Local Procurement, Supplier Development and Enterprise Development are one of the key instruments to achieve both competitiveness and transformation in the mining industry.

3.10.2 Procurement Baseline

The table below reflects the baseline for Procurement as at 31st December 2022.

There is currently no procurement taking place at CMR, and no Procurement has been planned for this SLP cycle. Upon the commencement of Procurement, CMR will provide the baseline information within the relevant SLP and its implementation plans.

3.10.3 Procurement Targets (When it becomes relevant)

The following targets are committed to by CMR for when Procurement is planned to commence. These targets have been based on both the baseline for CMR procurement and the Mining Charter requirements.

Table 28: CMR Five Year Targets for Procurement

MEASURE	Only when Procurement commences (Not planned for this SLP cycle)
Mining Goods	**66%**
HDP owned & controlled companies	**19%**
Woman &/or Youth owned & controlled companies	**5%**
BEE compliant companies	**42%**
Services	**48%**
HDP owned & controlled companies	**22%**
Woman owned & controlled companies	**15%**
Youth owned & controlled companies	**1%**
BEE compliant companies	**10%**
Research and Development	**100%**
South African based research & development entities.	**100%**
Sample Analysis	**100%**
South African based facilities or companies.	**100%**

3.10.4 Procurement Implementation Plan (When it becomes relevant)

Table 29: Procurement Implementation Plan

ACTION	RESPONSIBLE PERSON
Develop and implement a strategy, policy and procedure for the tracking and reporting of procurement against set targets	Procurement Manager
Implement enterprise and supplier development for the achievement of procurement targets	Procurement Manager
Ensure that procurement compliance requirements are communicated to core contractors through the on-boarding process	Procurement Manager
Capacity building of information owners and core contractors on procurement compliance requirements	Procurement Manager

CMR will be implementing various initiatives as part of its effort to complying with the procurement targets that have been committed to. These initiatives are listed below:

1. Identify and ring-fence a percentage of specific services and goods, which will be phased in over a period of 3 years, given that new entrants need to be identified and onboarded.
2. A detailed strategy will be implemented for non-compliant companies that may encompass the following measures following a spend analysis:
   - Have concrete and measurable plans in place for the suppliers to reach an acceptable level of compliance
   - Identify non-core spend that can be allocated to alternative, compliant suppliers
   - Encourage use of compliant sub-contractors to enable skill transfer
3. Continue to rely on the validity and credibility of officially issued BEE certificates by approved verification agencies. In addition to this, a small number of verifications will be performed on certain high spend compliant suppliers.

3.10.5 Enterprise and Supplier Development Programme

Enterprise and supplier development is done through the implementation of the following:

- Communicate development opportunities, orientation to the process of selecting suppliers for development and to capacitate regarding procurement target and criteria
- Establishing a procedure for the evaluation of suppliers and enterprises for the identification of potential development
- Ensure that the required Enterprise/ Supplier development contracts are in place

Interventions planned to be implemented by CMR within this 5-year SLP period include the following:

- Identification of a suitable business development organisation that can provide the necessary training, networking opportunities and financial education and assistance to the SMMEs as part of the envisioned ESD program.
- Actively engaging with our host communities and have established communication channels

CMR is committed to providing opportunities for local businesses to participate in the Enterprise and Supplier Development value chain. Participation by local community businesses is one way of contributing to the economic development of communities around our mining operations.

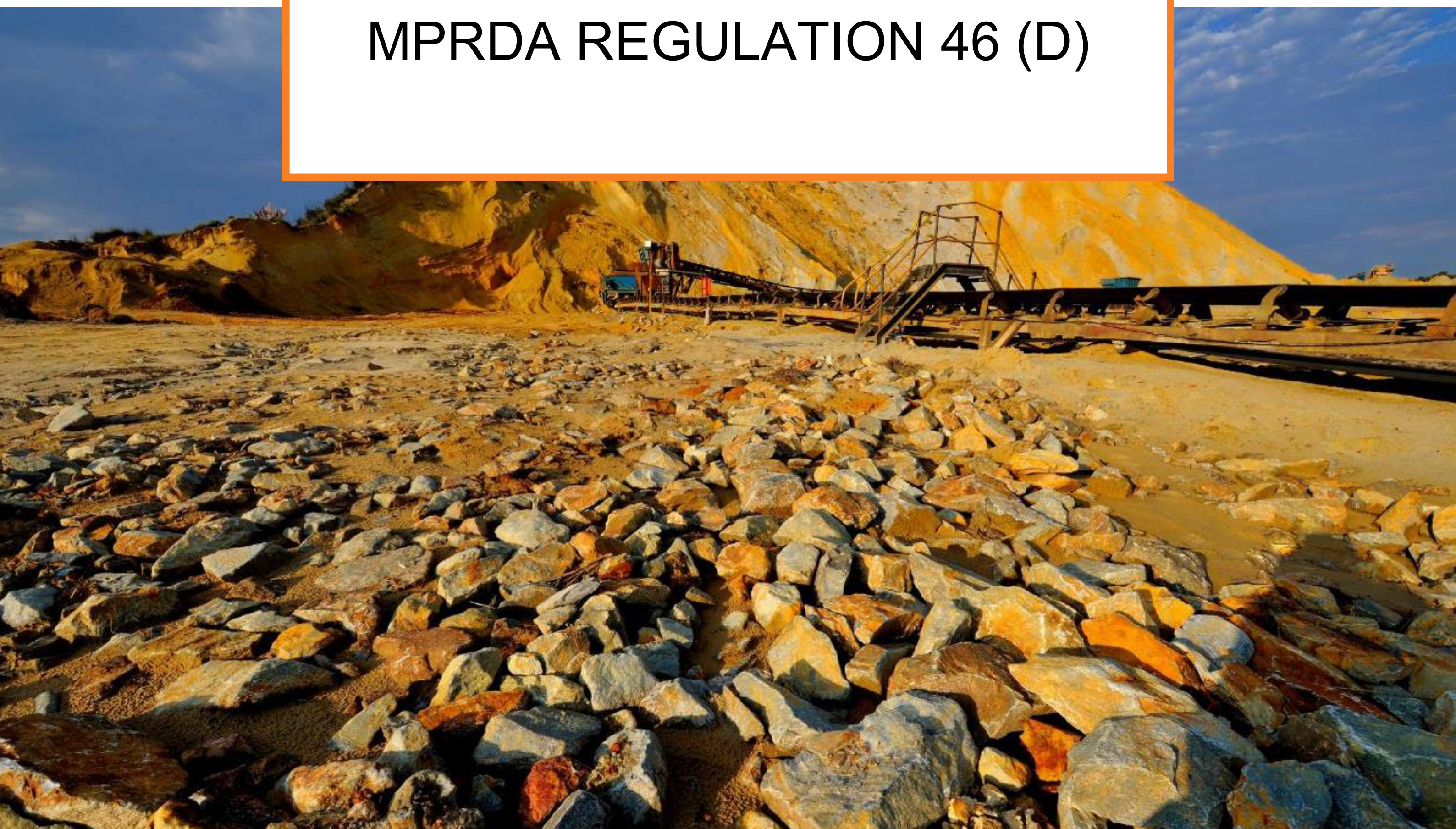
Through supporting and developing SME Enterprises owned by our host communities, CMR aims to positively impact the successful transformation of the South African society, through:

- Providing local SMEs an opportunity to participate in our procurement activities
- Produce sustainable local SMEs through Enterprise and Supplier Development
- Create job opportunities through procurement
- Support local SMEs to become sustainable beyond our mining activities

SECTION 4

PROGRAMME FOR MANAGING DOWNSCALING AND RETRENCHMENT:

MPRDA REGULATION 46 (D)



4 PROGRAMME FOR MANAGING DOWNSCALING AND RETRENCHMENT – REGULATION 46 (D)

Downscaling and retrenchment at CMR will be in full consultation with recognised organised labour when it gets to that point. The sections which follow represent a detailed downscaling and retrenchment plan for the operation. CMR will follow the procedures for downscaling and retrenchment as set out by the DoL and the Labour Relations Act.

The calculation of the figures described below is based on the downscaling and retrenchment policy, which allows for employees to be paid out four weeks for the first year of service and thereafter two weeks for each completed year thereafter the employee has worked for CMR. This amount is available at any given time to ensure that sufficient provision in the event of unforeseen closure or downscaling.

All Ergo Mining operations have an established Future Forum that has a constitution signed by all parties. The forum meets regularly and involves representatives from CMR's management and employees and serves to promote ongoing consultation between employees and management.

All contractors and service providers for the company are required to comply with the commitments and procedures outlined in this section. The following activities are in the process of being undertaken with regards to downscaling and retrenchment.

4.1 Establishing a Future Forum - Regulation 46 (d) (i)

The establishment of a Future Forum (FF) is required under Regulation 46 (d) (i) of the MPRDA. A FF is a labour management body that will focus on the implementation and monitoring of the SLP. The purpose is to provide a formal vehicle, where all affected parties can discuss challenges and possible solutions to problems facing the Mine that may have the potential of leading to possible retrenchments in the future.

Ergo Mining established a consolidated (representing all the Ergo Mining Operations) Future Forum in 2014 with the National Union of Mineworkers and the United Association of South Africa and more recently with the Recognition of AMCU have established their participation in this forum. The core functions of the Future Forum are summarized as follow:

- promote on-going discussions between the union(s) and CMR regarding the future of the Company;
- proactively identify problems, challenges and possible solutions with regards to productivity and employment;
- identify production and employment turn-around strategies; and
- implement strategies agreed between the parties.

4.2 Mechanisms to Save Jobs and Alternatives to Avoid Decline in Employment - Regulation 46 (d) (ii and iii)

The company has developed and will implement turnaround strategies and mechanisms to save jobs, prevent unemployment and avoid downscaling through:

- Consulting with the DoL, the DMPR, and surrounding mining companies to assess any potential opportunities to mitigate the effects of retrenchment or closure;
- Liaising with the Productivity South Africa to identify other economic sectors or ventures where employees could be absorbed;
- The established Social Plan Technical Support Facility will be called upon to assist with reaching solutions to issues relating to downscaling and retrenchment, and
- Absorbing employees into the sustainable LED projects being implemented by the mine, as described in previous sections.

When CMR approaches a downscaling phase, or is considering likely large-scale retrenchments, notification will be given to the following government authorities as stated in **Table 30.**

Table 30: Notification Process for Downscaling and Closure

Notification to the Chairperson of the Minerals and Mining Development Board	Notification to the Minister of Labour
Where the operation foresees a physical depletion of the mineral being mined and/or becomes marginal where the profit/revenue ratio is less than 10%	Where the operation contemplates or intends large scale retrenchments (10% or more OR cumulatively more than 500 people of the workforce, whichever is less)
Where the operation contemplates or intends large scale retrenchments (10% or more OR cumulatively more than 500 people of the workforce, whichever is less) in a period of one year	

In addition to these authorities, the following additional interested parties will also be notified:

- The Future Forum for the operation
- The DoL's Rapid Response Team
- The DoL's Labour Centres
- The DTI's projects aimed at the development of SMMEs
- Any community liaison structures established by the company
- Tertiary institutions
- Funding organisations
- Local recruitment agencies and any relevant employer organisations

The purpose of such broad notification is to call upon these interested parties to provide support and assistance through early involvement in downscaling.

4.3 Regulation 46 (d) (iv) Socio Economic Impact of the Downscaling and Closure.

Where retrenchments are unavoidable, CMR will follow the procedures for downscaling and retrenchment as set out by the DoL and Labour Relations Act.

The following plan will be implemented to manage the downscaling and retrenchment process:

- Managing unavoidable retrenchments humanely, i.e. through the formulation of an appropriate retrenchment proposal in consultation with the relevant parties;
- Establishing strong lines of communication with affected employees to ensure proper understanding of the process. Accurate, updated and consistent information with regard to retrenchments or downscaling will be issued to employees on a regular basis;
- Providing affected employees with standardised information relating to the severance packages, retirement funds, and other support mechanisms and services that will be available to them;
- Managing employee morale to prevent adverse spin-off effects within the operation;
- Providing employees with assistance regarding the receipt of retrenchment packages and other employee benefits such as UIF, etc.;
- Calling on the assistance of the established Retrenchment Response Team (RRT), which will liaise with the Future Forum on issues relating to downscaling; and,

Consulting the DoL's Labour Centres to provide:

- Financial counselling;
- Psychological counselling;
- Entrepreneurial development and training; and
- Job search coaching

4.4 Mechanisms to Ameliorate Social and Economic Impact on Individual Regions and Economies where Retrenchment or Closure is certain.

CMR will assist affected employees in finding alternative forms of employment or sustainable livelihoods. This will be done where employees cannot be integrated or redeployed to other plants, and where they are not of retirement age. This phase is managed jointly by the company in partnership with the Department of Provincial and Local Government. The focus of this phase will be re-skilling of the workforce (through the HRD Programme) which will equip them for alternative employment after the closure of the mine.

CMR has formulated an integrated HRD Programme (**Section 2**), which will be implemented throughout the remaining life of the operation and will attempt to enable employees to access alternative livelihood opportunities after closure. These programmes will be linked to the IDP, i.e. the paths of development identified for the Ekurhuleni and Johannesburg Metropolitan Municipalities.

The following action plan will be implemented during this phase:

- Establishing a retrenched employee database including information regarding existing skills, experience, and expertise. This database will be used to identify potential employment opportunities within or outside of the company;
- Identifying appropriate people from the retrenched pool to be considered for potential SMME opportunities within the company and the DTI;
- Appropriately train and re-skill retrenchees in order to find alternative employment within the company, or in the open job market;
- Educating affected employees with regard to sustainable means by which to utilise their retrenchment packages. This will include education on investment opportunities that may be available;
- Implementing a Job Advice Centre to counsel retrenchees and assist them in locating alternative employment or income generating opportunities, once retrenchment has taken place and
- Establishing a "job-help" facility to assist employees in seeking alternative employment after decommissioning, e.g. through formulating employee CVs, interaction with potential employers and other opportunities, training in interview techniques, etc.

CMR is not actively planning for its closure at present. It is also acknowledged that when this becomes necessary the unions, who are the recognised representatives of employees, will be consulted at all necessary instances during the phase of the SLP.

4.5 Implementing mechanism for the SLP

4.5.1 Communication Process

CMR will continue to implement a consistent SLP communication process, which strives for active participation of; employees, affected communities, Government authorities, and other stakeholders. Consultation with key stakeholders will take place by means of consultative forums and committees. All Ergo Mining operations will establish and implement the following forums:

- ***Future Forum.*** A Future Forum (Section 4.1) was established for all Ergo Mining operations and provides an opportunity for managers, unions, and employees to meet and discuss issues related to the SLP. The Forum attempts to formulate solutions to challenges and issues that arise from time to time.
- ***Local Economic Development Forum***. CMR will interact with the LED Forum for the City of Johannesburg and Ekurhuleni once this has been fully established.
- ***Monthly Forum.*** This forum involves management, employee representatives and unions and discusses issues related to health and safety, financials and business issues and housing.
- ***Employment Equity (EE) Forum***. The EE Forum for all Ergo Mining operations involves representatives from management and employees. Key issues revolve around the implementation of

HRD programmes (skills development etc.) and also progress towards meeting HDP and targets for females within the workforce.

- ***Career Development Forum***. A career development forum has been established. In this forum, managers meet to discuss progress with regard to individual career paths and the achievement of HDP targets.

The operation of these forums ensures that the workforce is kept fully informed of all changes at the operation and will ensure that the proper mechanisms are available for the implementation of the SLP.

4.6 Responsibility and Accountability

The Managing Director of Ergo Mining will be held *accountable* to the DMPR for the implementation of the CMR Social and Labour Plan, while the Human Resources Manager of Ergo Mining Operations will be held responsible and will report to the Managing Director for the undertaking of operation-specific programmes and initiatives.

4.7 Financial Provision for Downscaling and Retrenchments

CMR current has no permanent employees. Recruitment and appointment of service providers is only expected from 2035, upon the commencement of the ramp-up phase.

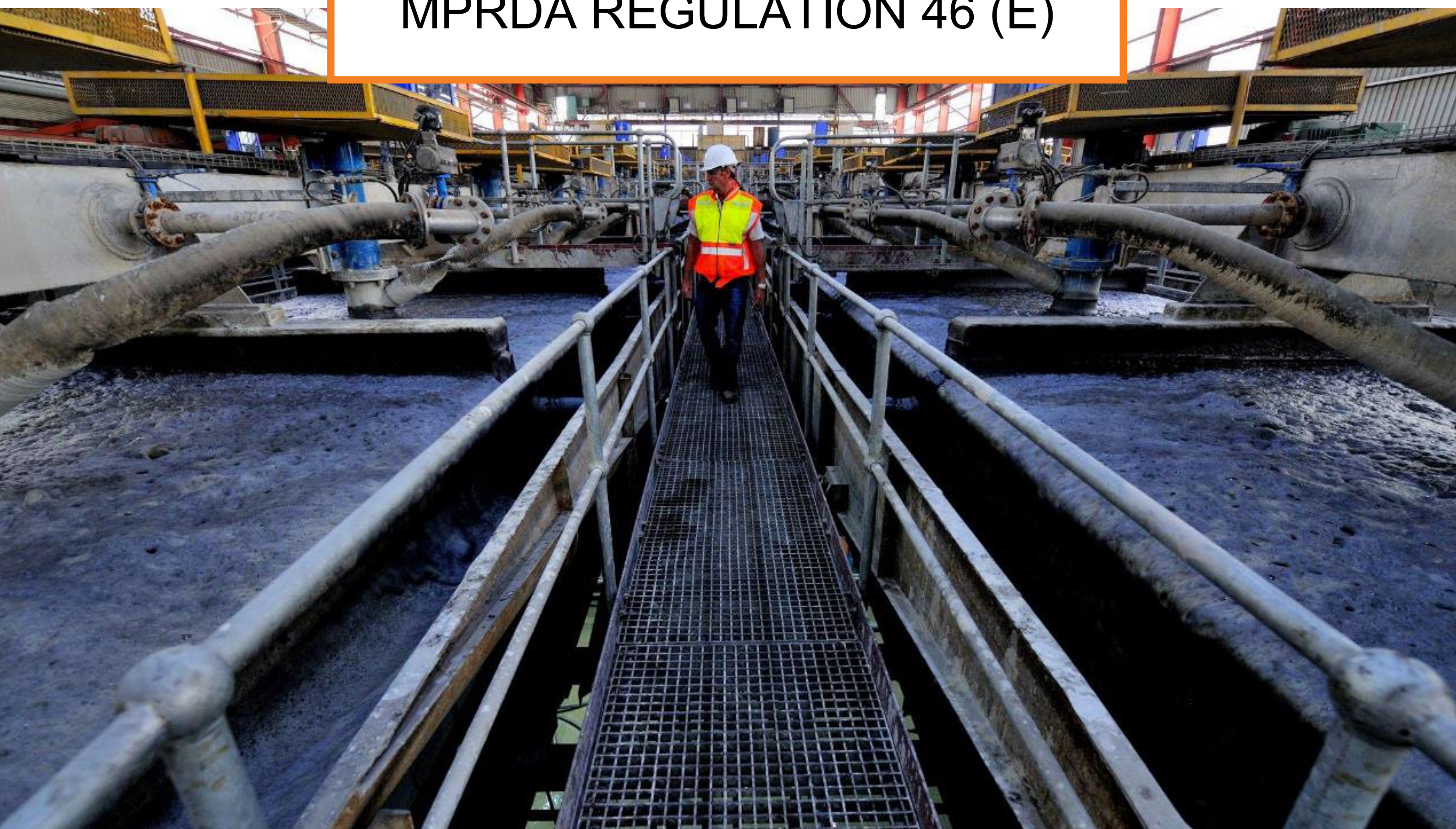
Table 31: CMR Downscaling & Retrenchments Financial Provision

Downscaling And Retrenchments	2023	2024	2025	2026	2027	TOTAL
						R0

SECTION 5

FINANCIAL PROVISION FOR IMPLEMENTING THE SOCIAL AND LABOUR PLAN

MPRDA REGULATION 46 (E)



5 FINANCIAL PROVISION FOR IMPLEMENTING THE SLP (REGULATION 46 (E))

Section 23(1)(e) of the MPRDA state that “The Minister must grant a Mining Right if the applicant has provided financially and otherwise for the prescribed social and labour plan.” CMR has made financial provision for each component of the SLP as described.

The table below presents a summary of the financial commitment by CMR to each element of the SLP for the five (5) year period.

Table 32: CMR SLP Financial Provision Summary for the total SLP

SLP Elements	5 Year Financial Provision
Total Human Resource Development	**R4 043 532**
Total Local Economic Development	**R6 500 000**
Total Downscaling & Retrenchments	**R0**
Total SLP Provision	**R10 543 532**