

PALABORA MINING COMPANY LIMITED
(Incorporated in the Republic of South Africa)
Registration number – 1956/002134/06
JSE Code: PAM ISIN: ZAE000005245
(“Palabora” or “the Company”)

FOURTH QUARTER 2008 – OPERATIONS OVERVIEW AND PRODUCTION STATISTICS

	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	FULL YEAR 2007	FULL YEAR 2008
Palabora mine							
Tonnes hoisted ('000 tonnes)	2,822	2,699	3,026	3,086	3,019	11,846	11,830
Ore treated ('000 tonnes)	3,958	3,181	3,027	3,096	3,150	12,915	12,454
Average ore grade: copper (%)	0.69	0.71	0.71	0.66	0.67	0.70	0.69
Copper concentrates produced ('000 tonnes)	52.5	73.9	89.4	56.5	66.7	239.2	286.5
Average concentrate grade: copper (%)	30.7	29.9	29.2	30.3	29.6	29.8	29.7
Copper in concentrates ('000 tonnes)	16.1	22.1	26.1	17.1	19.7	71.4	85.1
Palabora smelter/refinery							
New concentrate smelted on site ('000 tonnes)	74.1	66.4	72.3	52.5	70.0	295.8	261.3
New copper anodes produced ('000 tonnes)	22.7	18.1	22.3	14.9	20.7	90.7	75.9
Refined new copper produced ('000 tonnes)	24.0	18.3	21.6	17.0	19.1	91.7	75.9
By-products:							
Magnetite concentrate ('000 tonnes)	363	446	475	562	469	1,306	1,951
Nickel contained (tonnes)	45	42	26	13	19.3	96	100
Copper sold as concentrate ('000 tonnes)	0.7	1.8	3.2	1	4.5	11	10.5
Vermiculite plant							
Vermiculite produced ('000 tonnes)	50	50	50	50	49	200	199

Palabora Mining Company, a member of the Rio Tinto Group of Companies, situated in the Ba-Phalaborwa area of Limpopo, operates a large block cave copper mine and smelter complex.

Daily production from the underground mine averaged 32,816 tonnes for the quarter. The production during the quarter was 2% lower than the previous quarter but 7% higher than the corresponding period in 2007. In total, 3,019,151 tonnes of ore were hoisted during the quarter with a copper grade of 0.67%. Overall 2008 mine production remained at similar levels to those of 2007 hoisting 11,830,413 tonnes at a grade of 0.69%.

Ore treated was 1.8% higher sequentially in line with improved mine hoisting rate, but 4% lower year on year mainly due to not processing oxide ore as was the case in 2007.

Copper concentrate production was 18% higher sequentially and 20% higher year on year mainly due to a combination of the reclaiming and transferring of 9,300 tonnes of low grade concentrate from pond inventory for sale and an increased rate of re-processing of smelter secondary material.

Copper in concentrate produced was 16% higher sequentially and 20% higher year on year mainly due to aforementioned reasons.

Concentrate smelting rates and anode production recovered to almost normal levels in this quarter, following the previous quarter's outages (both planned and unplanned) in the acid plant, reverb, and waste heat boiler. Continued emphasis was placed on concentrate production for sale in the quarter as was the case in the previous quarter. The refined copper produced was in-line with the smelter output (new copper and anodes production).

The commissioning of the new nickel sulphate refining process commenced during the third quarter. Contained nickel has increased as ramp-up of the plant was realised.

Magnetite

Magnetite production was 16.5% lower than the previous quarter mainly due to the depletion of infill dam (upgraded) stockpile material and the commissioning of the new reclaim circuit. However, the production was 49% higher year on year.

Vermiculite Operations

Vermiculite production was consistent with the previous quarter and when compared with the corresponding period in 2007.

The above information has not been reviewed or reported on by the company's auditors.

Phalaborwa
14 January 2008

Sponsor:
Barnard Jacobs Mellet Corporate Finance (Pty) Limited