

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”)

FIRST QUARTER 2008 – OPERATIONS OVERVIEW AND PRODUCTION STATISTICS

	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	FULL YEAR 2007
Palabora mine						
Tonnes hoisted ('000 tonnes)	2,917	3,065	3,041	2,822	2,699	11,846
Ore treated ('000 tonnes)	2,886	3,025	3,046	3,958	3,181	12,915
Average ore grade: copper (%)	0.71	0.70	0.68	0.69	0.71	0.70
Copper concentrates produced ('000 tonnes)	82.1	56.0	48.6	52.5	73.9	239.2
Average concentrate grade: copper (%)	27.4	31.5	31.0	30.7	29.9	29.8
Copper in concentrates ('000 tonnes)	22.5	17.6	15.0	16.1	22.1	71.4
Palabora smelter/refinery						
New concentrate smelted on site ('000 tonnes)	73.6	74.2	73.9	74.1	66.4	295.8
New copper anodes produced ('000 tonnes)	21.2	22.9	24.0	22.7	18.1	90.7
Refined new copper produced ('000 tonnes)	20.8	22.9	24.0	24.0	18.3	91.7
By-products:						
Magnetite concentrate ('000 tonnes)	262	321	361	363	446	1,306
Nickel contained (tonnes)	5	12	43	45	42	96
Copper sold as concentrate ('000 tonnes)	9	1	-	0.7	1.8	11
Vermiculite plant						
Vermiculite produced ('000 tonnes)	50	50	50	50	50	200

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 29,657 tonnes for the quarter. In total, 2,698,821 tonnes of ore were hoisted during the quarter with a copper grade of 0.71%, marginally higher than the previous quarter's grade. Total tonnes of ore were 7.5% lower compared with the first quarter of 2007 and 4% sequentially mostly due to load shedding.

Production volumes were affected in all areas of copper production line by the power shortages in January and February. Palabora's power supply has been restored to 95%, the underground production and the attendant processes are operating as planned.

Ore treated increased by 10% year on year in line with improved mine output and 20% lower sequentially mainly due to a combination of load shedding and exclusion of oxide ore.

Copper concentrate tonnage was 10% lower than the corresponding period in 2007 mainly due the transfer of less low-grade stock (14,863) from the concentrator to the smelter for sale and 41% higher for the quarter compared with the fourth quarter of 2007 due to reprocessed reverberatory furnace bottoms material which contributed additional 14,400 tonnes of concentrate and transfer of 13,560 tonnes of low-grade concentrate from 2007 paddock inventory to smelter. These contributions offset the impact of power supply disruptions in January.

Copper in concentrate was 2% lower than the corresponding period in 2007 and increased by 37% in the quarter compared with the fourth quarter of 2007. This was mainly driven by additional 4,366 tonnes of copper from reprocessed reverberatory furnace bottoms material and 2,897 tonnes of copper from 2007 low grade stocks transferred to the smelter.

New anode production was 15% lower than the corresponding period in 2007 and 20% lower sequentially due to load shedding.

The refined new copper produced was in line with smelter output (new copper anodes produced).

Magnetite

Coarse export magnetite volumes increased by 38% due to increased railing capacity to Maputo.

Vermiculite Operations

Vermiculite production was consistent during February and March. The production short fall due to power supply disruptions and heavy rains in January has been recovered. There was a 2% increase in production at the end of March.

Phalaborwa
16 April 2008

Sponsor:
Barnard Jacobs Mellet Corporate Finance (Pty) Limited