

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 2006 – OPERATIONS OVERVIEW AND PRODUCTION STATISTICS

	1Q 2005	2Q 2005	3Q 2005	4Q 2005	1Q 2006	FULL YEAR 2005
<b>Palabora mine</b>						
Tonnes hoisted ('000 tonnes)	2,335	2,620	2,677	2,400	<b>2,743</b>	<b>10,033</b>
Ore treated ('000 tonnes)	2,156	2,459	2,572	2,349	<b>2,646</b>	9,536
Average ore grade: copper (%)	0.72	0.71	0.71	0.72	<b>0.71</b>	0.72
Copper concentrates produced ('000 tonnes)	48.0	48.4	52.9	47.8	<b>51.5</b>	197.1
Average concentrate grade: copper (%)	29.3	32.2	31.3	31.2	<b>29.9</b>	31.0
Copper in concentrates ('000 tonnes)	14.1	15.6	16.6	14.9	<b>15.4</b>	61.2
<b>Palabora smelter/refinery</b>						
New concentrate smelted on site ('000 tonnes)	75.2	71.7	75.2	82.2	<b>42.0</b>	304.4
New copper anodes produced ('000 tonnes)	20.0	19.4	22.7	22.4	<b>10.0</b>	84.5
Refined new copper produced ('000 tonnes)	18.7	19.0	22.1	20.6	<b>14.3</b>	80.3
<b>By-products:</b>						
Magnetite concentrate ('000 tonnes)	201	189	267	231	<b>251</b>	888
Refined nickel sulphate (tonnes)	34	57	37	57	<b>35</b>	186
<b>Vermiculite plant</b>						
Vermiculite produced ('000 tonnes)	48	54	53	55	<b>48</b>	210

Palabora, situated in the Ba-Phalaborwa area of Limpopo, operates South Africa's largest copper mine. After 40 years of mining from a large, open-pit operation, the ore is now extracted in an underground operation located immediately below the open pit. Overall copper production is supplemented by imported copper concentrates from Zambia.

Daily production from the underground mine improved averaging 30,473 tonnes, 14% higher than the prior quarter and 15% higher than the corresponding period in 2005. In total, 2,742,572 tonnes of ore were hoisted in the quarter with a copper grade of 0.71%, marginally lower than the previous quarter.

Ore milled in the quarter was 13% above the fourth quarter of 2005, in line with improved mine output. The ore grade was 2% below the previous quarter, but improved steadily from 0.68% in January to 0.70% in February and 0.74% in March 2006. Concentrate grade was adversely impacted by copper mineralogy in January, but the grade improved from 29% to 31% during the quarter. Copper in concentrates increased by 3% over the previous quarter, with gains in contained copper being partly offset by increased dewatering process inventory.

The smelter underwent a planned 40 days shut down to rebuild the reverberatory furnace. The furnace was successfully re-commissioned in March. This impacted on concentrate smelted, anode production and copper output. Sections in the refinery were reduced to ensure that minimum production levels were maintained through the duration of the smelter shutdown.

### **Vermiculite Operations**

Vermiculite production in the quarter was in line with plan and equal to the corresponding quarter for 2005. The review of the mining sequence to enhance recoveries of coarser grades has yielded improvements on coarser grade production. The improved recoveries achieved during 2005 have been maintained during the first quarter of 2006 with additional incremental improvements on Micron grade. The strong market demand for the coarser grades continues to exceed production in all market segments. Superfine continues to be stockpiled on site following a slow down in the market demand for finer grades.

### **Magnetite**

Sales of fine coal washery magnetite were reduced by 25% from the previous quarter due to flooding of customers coal workings. Deferrals of a 45 kt shipment from the first quarter to the second quarter of 2006 resulted in only a 20% increase in coarse export magnetite volumes. Overall magnetite shipments were 9% higher than the previous quarter.

### **General**

During April the underground mine experienced two shaft issues which have reduced mine output. This will not impact copper production due to adequate availability of concentrate inventory.

For further information please contact the Managing Director, Keith Marshall, on +27 (0) 15 780 2271.

Phalaborwa  
19 April 2006

Sponsor:  
Barnard Jacobs Mellet Corporate Finance (Pty) Limited