

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 2011 – OPERATIONS OVERVIEW AND PRODUCTION STATISTICS

	1Q	2Q	3Q	4Q	1Q	FULL	FULL
						YEAR	YEAR
	2010	2010	2010	2010	2011	2009	2010
Palabora mine							
Tonnes hoisted ('000 tonnes)	2,839	2,748	2,812	2,838	2,601	11,538	11,236
Ore treated ('000 tonnes)	2,783	2,861	2,887	3,126	2,845	11,330	11,657
Average ore grade: copper (%)	0.66	0.64	0.64	0.63	0.66	0.67	0.64
Copper concentrates produced ('000 tonnes)	61.8	57.9	61.1	65.2	58.4	270.8	246
Average concentrate grade: copper (%)	29.8	31.1	31	29.5	29.5	30.5	30.3
Copper in concentrates ('000 tonnes)	18.4	18	18.9	19.3	17.3	82.6	74.6
Palabora smelter/refinery							
New concentrate smelted on site ('000 tonnes)	57.7	59.6	61.4	62.1	62.3	266.6	240.8
New copper anodes produced ('000 tonnes)	12.4	14.6	14.3	14.4	14.7	65.9	55.7
Refined new copper produced ('000 tonnes)	12	13.8	14.7	17.5	14.8	69.4	58
Joint product:							
Magnetite concentrate ('000 tonnes)	754	780	764	695	880	2,845	2,993
By-products:							
Nickel contained in products (tonnes)	18	15	15	24	27	95	72
Copper sold as concentrate ('000 tonnes)	2.5	2.6	0.5	4.3	1.3	17.5	9.9
Vermiculite plant							
Vermiculite produced ('000 tonnes)	54	46	51	45	43	196	196

Palabora, 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, mines and exports magnetite and operates a vermiculite mining and processing facility.

Daily ore hoisted from the underground mine averaged 28 903 tonnes for the quarter ended 31 March 2011, 8% lower than the previous quarter and the corresponding period in 2010. A total of 2 601kt of ore was hoisted during the quarter with a copper grade of 0.66%. Production during the quarter was impacted by winder slowdowns in January to prevent further damage until both winder drums are replaced. The replacement of the north winder drum occurred in February, one month ahead of schedule. The south winder drum will be replaced during April. Ore hoisting rates are expected to improve over the remainder of the year from May once the south winder drum is replaced and commissioned.

Ore treated was 2 845kt, 9% lower than the previous quarter and 2% higher than the corresponding period in 2010. The ore treated was in line with mill supply which was affected by the winder slowdowns and February north winder drum replacement.

Copper concentrate production was 58.4kt, 10% lower than the previous quarter and 6% lower than the corresponding period in 2010. The decrease was due to the primary crusher failure following fuse damage which reduced slag processing and was in conjunction with lower material from the underground due to the winder drum replacement. One week's slag processing was lost as a result of the crusher failure.

Copper in concentrate production was 17.3kt, 10% lower than the previous quarter and 6% lower than the corresponding period in 2010. The reduction from the previous quarter was due to processing lower grade slag and lower material throughput whilst the decrease from the corresponding quarter was due to the planned absence of low grade concentrate pond reclamation.

New concentrate smelted was 62.3kt and new anode production was 14.7kt. New concentrate and anode production remained in line with the previous quarter and was 8% and 19% higher, respectively, than the corresponding period in 2010. Production in the corresponding quarter was affected by Wolff cranes availability and acid plant challenges.

Refined copper production was 14.8kt and in line with anode supply but 15% lower than the previous quarter due to utilisation of inventory in the previous quarter. Refined copper production was 23% higher than the corresponding period in 2010 in line with higher anode supply. The refinery operated an average of 11.4 sections for the quarter ended 31 March 2011 compared to 12.7 in the previous quarter and 9 sections in the corresponding period in 2010.

Magnetite

Magnetite production was 880kt and 27% higher than the previous quarter following the reopening of the Brakspruit Bridge. Production was 17% higher than the corresponding period in 2010 as a result of improved magnetite reclaim and processing rates.

Vermiculite Operations

Production was 43kt and 4% lower than the previous quarter and 20% lower than the corresponding period in 2010 as a result of wet feed due to wet weather. A complete load and haul shutdown to address minor safety issues relating to mining activities and minor processing challenges had a minor impact on production.

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

Phalaborwa
12 April 2011

Sponsor: Barnard Jacobs Mellet Corporate Finance (Proprietary) Limited