

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 2010 – OPERATIONS OVERVIEW AND PRODUCTION STATISTICS

	4Q	1Q	2Q	3Q	4Q	FULL	FULL
	2009	2010	2010	2010	2010	YEAR	YEAR
						2009	2010
<b>Palabora mine</b>							
Tonnes hoisted ('000 tonnes)	2,585	2,839	2,748	2,812	<b>2,838</b>	<b>11,538</b>	<b>11,236</b>
Ore treated ('000 tonnes)	2,809	2,783	2,861	2,887	<b>3,126</b>	11,330	<b>11,657</b>
Average ore grade: copper (%)	0.67	0.66	0.64	0.64	<b>0.63</b>	0.67	<b>0.64</b>
Copper concentrates produced ('000 tonnes)	65.8	61.8	57.9	61.1	<b>65.2</b>	270.8	<b>246.0</b>
Average concentrate grade: copper (%)	30.5	29.8	31.1	31.0	<b>29.5</b>	30.5	<b>30.3</b>
Copper in concentrates ('000 tonnes)	20.1	18.4	18.0	18.9	<b>19.3</b>	82.6	<b>74.6</b>
<b>Palabora smelter/refinery</b>							
New concentrate smelted on site ('000 tonnes)	67.3	57.7	59.6	61.4	<b>62.1</b>	266.6	<b>240.8</b>
New copper anodes produced ('000 tonnes)	14.3	12.4	14.6	14.3	<b>14.4</b>	65.9	<b>55.7</b>
Refined new copper produced ('000 tonnes)	15.1	12.0	13.8	14.7	<b>17.5</b>	69.4	<b>58.0</b>
<b>By-products:</b>							
Magnetite concentrate ('000 tonnes)	697	754	780	764	<b>695</b>	2,845	<b>2,993</b>
Nickel contained in products (tonnes)	11	18	15	15	<b>24</b>	95	<b>72</b>
Copper sold as concentrate ('000 tonnes)	4.5	2.5	2.6	0.5	<b>4.3</b>	<b>17.5</b>	<b>9.9</b>
<b>Vermiculite plant</b>							
Vermiculite produced ('000 tonnes)	50	54	46	51	<b>45</b>	196	<b>196</b>

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.

Daily production from the underground mine averaged 30,853 tonnes for the quarter ended 31 December 2010. The production during the quarter was 1% higher than the previous quarter and 10% higher than the corresponding period in 2009. In total, 2,838,502 tonnes of ore were hoisted during the quarter with a copper grade of 0.63%, and 11,236,484 for the full year of 2010 at an average grade of 0.64%. Production during the quarter and the 12 months to 31 December 2010 has been impacted by winder breakdowns. The North and South winder drums are expected to be replaced in March and April of 2011.

Ore treated was 8% higher than the previous quarter and 11% higher than the corresponding period in 2009. The increased performance during the quarter is largely due to improved mill run rates as a result of throughput improvement initiatives.

The copper concentrate production was 7% higher than the previous quarter due to increased processing of high grade slag.

The copper in concentrate production was 2% higher than the previous quarter due to increased slag processing and 4% lower than the corresponding period in 2009 due to the processing of non-copper bearing ore in the toll milling circuit. 2010 copper in concentrate production was 10% lower at 74.6kt compared to 2009 due to toll milling of non-copper bearing material. Toll milling of low head grade copper material ceased in the second quarter in 2010.

The new concentrate smelted was 1% higher than the previous quarter but 8% lower than the corresponding period in 2009.

New anode production was slightly higher than the previous quarter and the corresponding period in 2009 respectively. New anode production for 2010 was 8% lower than 2009 at 55.7kt due to Wolff crane availability issues earlier in the year as well as on-going smelter maintenance associated with the acid plant shut down and the reverb bath rebuild in July.

Refined copper production was 19% higher than the previous quarter and 16% higher than corresponding period in 2009 due to utilisation of anode inventory from the previous quarter. Refined copper production was 16% lower at 58kt for 2010 compared to 2009 due to the smelter issues but in line with anode supply from the smelter.

### **Magnetite**

Total magnetite production was 10% below the previous quarter due to lower reclamation feed rates and lower feed in the magnetite separation plant following the Brakspruit rail bridge collapse which adversely impacted sales. Production was 5% above the full year of 2009 at 3mt due to increased feed in the magnetite separation plant and increased reclamation rates.

### **Vermiculite Operations**

Production was 11% below the previous quarter as a result of wet feed ore due to rainy weather and overruns on plant maintenance during the planned annual shutdown. Production for the full year at 196kt was consistent with 2009.

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

Phalaborwa  
17 January 2011

**Sponsor:**  
Barnard Jacobs Mellet Corporate Finance (Proprietary) Limited