MOTUOANE ENERGY (PTY) LTD

SOCIAL AND LABOUR PLAN SUBMISSION

Submitted in accordance with section 46 of the Mineral and Petroleum Resources Development Act (Act No 28 of 2002)

Submission to DMR No.	:	01
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GLOSSARY OF TERMS

ABBREVIATION	MEANING
AET	Adult Basic Education and Training
ASX	Australian Security Exchange
ATR	Annual Training Report
BEE	Black Economic Empowerment
CPP	Career Progression Plans
DMR	Department of Mineral Resources
DoL	Department of Labour
EE	Employment Equity
FY	Financial Year
HDSAs	Historically Disadvantaged South Africans
HRD	Human Resources Development
HRDP	Human Resources Development Programme
IDPs	Integrated Development Plans
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
LRA	Labour Relations Act 66 of 1995
MEPL	Motuoane Energy Proprietary Limited (MEPL)
MPRDA	Minerals and Petroleum Resources Development Act of 2002 (No. 28 of 2002)
MRTO	Mineral and Petroleum Titles Registration Office
MQA	Mining Qualifications Authority
NQF	National Qualifications Framework
PASA	Petroleum Agency of South Africa (SOC) Limited (Petroleum Agency)
RSA	Republic of South Africa
SDF	Skills Development Facilitator
SETA	Sector Education and Training Authority
SLP	Social and Labour Plan
SMMEs	Small, Medium and Micro Enterprises
WIM	Women in Mining
WSP	Workplace Skills Plan

SECTION 1: INTRODUCTION AND PREAMBLE (Reg. 41 (a to c))

1.1 Introduction

This Social and Labour Plan (SLP) for Motuoane Energy (Pty) Ltd (MEPL) is a new submission in terms of the requirements of the Mineral and Petroleum Resources Development Act (Act No. 28 of 2002) (MRPDA) for PASA Reference Numbers: ER 12/3/315/1B. The development and submission of the SLP is a requirement of the MRPDA and sets out the social and labour programmes to be in place for the life of every production right[1]. The main regulatory bodies responsible for overseeing upstream oil and gas operations are DMR, the Petroleum Agency of South Africa (SOC) Limited (Petroleum Agency) and the Mineral and Petroleum Titles Registration Office (MPTRO).

The objectives of the SLP (section 41 of the Regulations) are to:

- Promote economic growth and mineral and petroleum resources development in the Republic (Section 2 (e) of the (MPRDA).
- Promote employment and advance the social and economic welfare of all South Africans (Section 2 (f) of the MPRDA).
- Ensure that holders of mining or production rights contribute towards the socio-economic development of the areas in which they are operating as well as the areas from which the majority of the workforce is sourced (Section 2 (i) of the (MPRDA); and
- To utilise and expand the existing skills base for the empowerment of HDSA and to serve the community.

This Social and Labour Plan design has been based on information available at the time of compilation. When greater clarity on the proposed production detail becomes available, the SLP's relevant commitments, targets, and plans will be updated and submitted to PASA and DMR.

As per the requirement of Section 101 of the MPRDA, the production operation will ensure through a contractual agreement that any appointments of core business contractors must comply with the MPRDA and associated MPRDA Regulations including reporting progress achieved against the commitments made in the SLP for Annual SLP Reports to the DMR.

The following section provides the method to be used for the production of methane gas and helium. Once several wells are established in an area (at least five (5) or more), the plan is to tie these together by poly pipe which may lead to a small compressor/dehydration station where long connection distances are required. From that point, the gas will be moved through the pipeline system to a processing plant. At least in the beginning stages of the development

[1] The SLP is applicable until the closure certificate (under section 43 of the Mineral and Petroleum Resources Development Act (2002)) has been issued.

and producing program, it is anticipated that the gas will be processed in a separation plant located on the project area to separate both helium and methane gas from the gas stream. It is planned that numerous wells will feed the separation plant. The plant will use Membrane and/or Pressure Swing Adsorption (PSA) technology.

Membranes are based on hollow fiber technology for the recovery of helium from natural gas. Hollow fiber membranes provide the most efficient means of selectively separating gases due to the high surface area available for gas permeation per unit volume. In a raw gas feed stream typically consisting of methane and other hydrocarbons, nitrogen, other impurities and helium, helium's very simple atomic structure allows it to selectively permeate and enrich in concentration much faster than the other components. When a natural gas stream containing helium is fed at pressure to a hollow fiber membrane, helium is selectively concentrated in the permeate stream, leaving a helium-depleted methane-rich stream as the residue stream.

Pressure swing adsorption (PSA) is a technique used to separate some gas species from a mixture of gases under pressure according to the species' molecular characteristics and affinity for an adsorbent material. It operates at near-ambient temperature and significantly differs from the cryogenic distillation commonly used to separate gases. Selective adsorbent materials (e.g., zeolites, (aka molecular sieves), activated carbon, etc.) are used as trapping material, preferentially adsorbing the target gas species at high pressure. The process then swings to low pressure to desorb the adsorbed gas.

Aside from their ability to discriminate between different gases, adsorbents for PSA systems are usually very porous materials chosen because of their large specific surface areas. Typical adsorbents are zeolite, activated carbon, silica gel, alumina, or synthetic resins. Though the gas adsorbed on these surfaces may consist of a layer only one or at most a few molecules thickness, surface areas of several hundred square meters per gram enable the adsorption of a large portion of the adsorbent's weight in gas. In addition to their affinity for different gases, zeolites and some types of activated carbon may utilize their molecular sieve characteristics to exclude some gas molecules from their structure based on the size and shape of the molecules, thereby restricting the ability of the larger molecules to be adsorbed.

The separated helium and methane gas can be sold in either a compressed gaseous state such as CNG or can be sold as a liquified product such as LNG. The processing plant will have the option to add equipment required to liquefy the helium or methane either when the initial plant is constructed or later in the Production Right life.

Summary of planned production operation: Currently, the methane and helium that are currently produced in the Free State of South Africa are mostly produced from fault and fracture systems within the Ventersdorp and Witwatersrand Supergroups. These fault and

fracture systems are currently identified using geological mapping. It is anticipated that seismic surveys will greatly aid in the identification of these fault and fracture zones.

Methane extraction will be accomplished by drilling to the base of the Karoo sediments, setting casing, then continuing to drill through the Ventersdorp Supergroup and likely terminating in the Witwatersrand Supergroup. If successful in locating gas bearing features, the company will immediately install a well head to prevent gas from escaping into the atmosphere. Gas flow will then be measured, and the gas will be tested for methane and helium content.

Motuoane Energy (Pty) Ltd has 100% interest on ER315, ER386, TCP258, TCP259 and TCP260 project. D3 Energy Limited in turn holds 100% of the issued share capital in Motuoane Energy (Pty) Ltd.

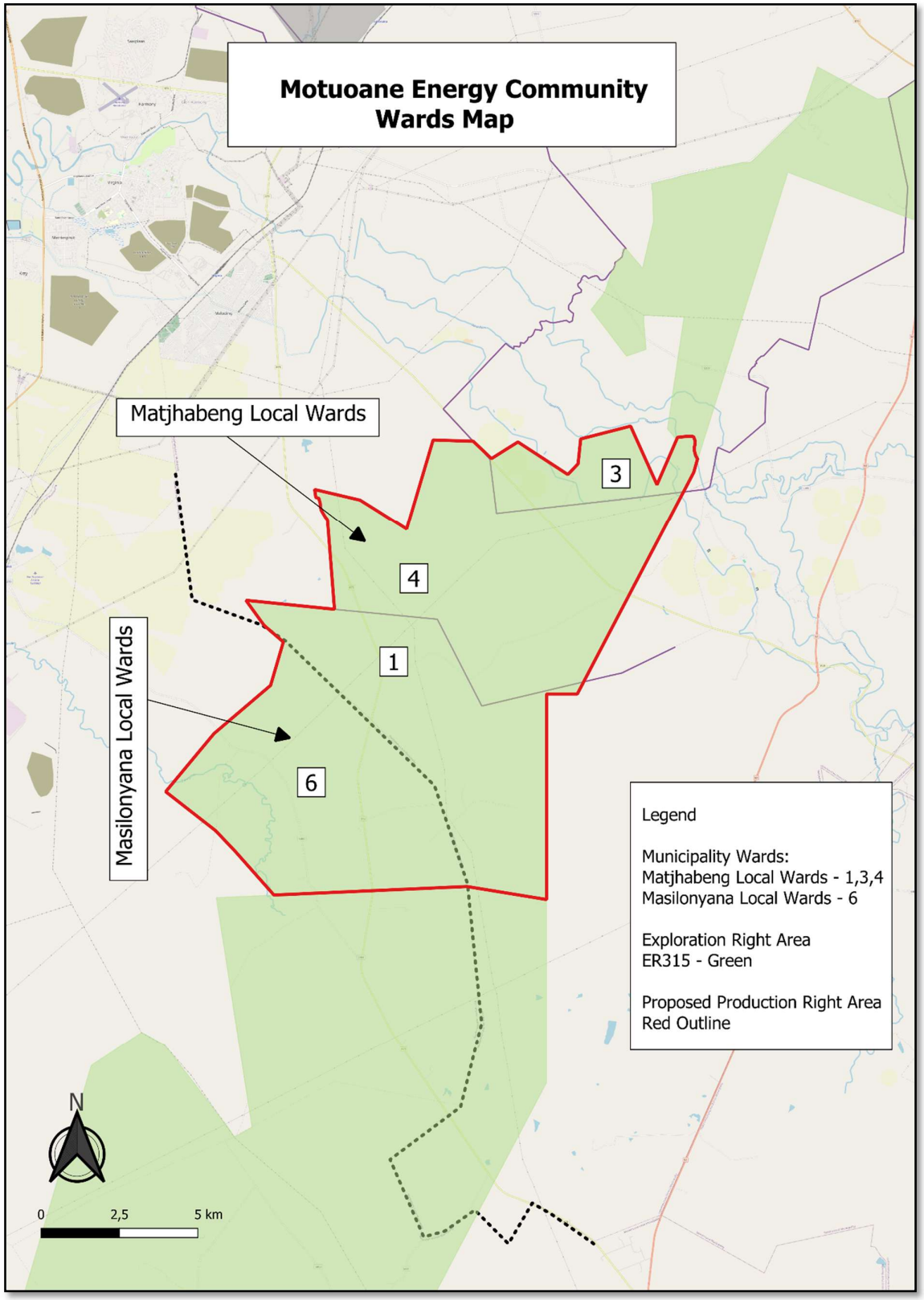
Within two (2) years from the signature date of the Motuoane Energy ER315, or such longer period of time as permitted by the Grantor, a suitable holder who is a Historically Disadvantaged South African (HDSA), and that is technically, legally, and financially qualified to hold a participating interest will be identified. Such holder shall be entitled to hold a participating interest up to but not greater than 10% as a HDSA, obtained at fair market value price. The HDSA, upon taking up such participating interest, shall become a party to the relevant joint operating agreement and shall be responsible for its participating interest share of MEPL's financial and other obligations under the MEPL ER315 and/or any production right arising from the MEPL ER315.

1.2 Preamble

Name of Company:	Motuoane Energy (Pty) Ltd.
Name of Production Operation:	Free State Gas Field
Registered Physical Address:	21 Woodlands Drive Country Club Estate Woodmead, Gauteng, 2191
Registered Postal Address:	21 Woodlands Drive Country Club Estate Woodmead, Gauteng, 2191
Telephone Number:	+27 82 441 5793 (company representative)
Fax Number:	N/A
Responsible Person:	Daphne Mentor
Email Address:	daphne@d3energy.com.au
Location of Production Operation:	Free State, northeast, east and southeast of Welkom
Life of Production Operation:	20 years+
Commodity:	Methane and Helium
Production Right Duration:	30 years
Financial Year End:	31 May
SLP Reporting Period:	1 January to 31 December

Figure 1 provides a locality map of the proposed Production Right Application area.

Figure 1: Locality Map of Proposed Production Right Application Area



1.3 Projected Workforce Requirements

Motuoane Energy will operate the production operation according to the Production Works Programme for the proposed production operation including the production operation's design, production methods and production rates. The planned workforce requirements for the next five (5) years are included in Table 1 below. Recruitment strategies will be in accordance with the company's recruitment policy and to meet the position's criteria.

Table 1: Projected Workforce (Years 1 to 5)

Occupational Level	Year 1	Year 2	Year 3	Year 4	Year 5
Top management (F-Band)	1	1	1	1	1
Senior management (E-Band)	2	2	2	2	2
Professionally qualified and experienced specialists and middle management (D-Band)	0	0	1	1	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (C-Band)	1	1	1	1	1
Semi-skilled and discretionary decisions making (B-Band)	2	2	2	2	3
Unskilled and defined decision making (A-Band)	1	1	1	1	2
TOTAL PERMANENT	**7**	**7**	**8**	**8**	**10**
Non- permanent employees	0	0	0	0	0
TOTAL	**7**	**7**	**8**	**8**	**10**

SECTION 2: HUMAN RESOURCES DEVELOPMENT PROGRAMMES (Reg. 46 (b))

Section 2 outlines the Human Resources Development (HRD) programmes to be implemented by Motuoane Energy. Motuoane Energy established its budget allocation for HRD based on the 5% of the annual wage bill principle, excluding Skills Development Levies (SDL), as contained in the Mining Charter 2018. Table 2 reflects the HRD budget for the SLP, based on the wage bill forecast for the next five (5) years.

Table 2: HRD Budget Calculation (Years 1 to 5)

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Annual Wage Bill Forecast (Excluding 1% SDL)	R1 000 000	R1 000 000	R2 000 000	R2 000 000	R2 500 000	R8 500 000
HRD Budget (5% of Annual Wage Bill) Spend Requirement	R50 000	R50 000	R100 000	R100 000	R125 000	R425 000

2.1 Skills Development Plan (Reg. 46 (b))

The company will register with the MQA SETA once Production Right has been issued. A Skills Development Facilitator (SDF) will be appointed, and Workplace Skills Plans (WSPs)/Annual Training Reports (ATRs) will be submitted annually as required. The operation's commitment is to ensure compliance with the Human Resource Development (HRD) requirements is achieved as envisaged in this SLP as well as in all the relevant labour legislation. This legislation includes, but is not limited to, the following:

- The Labour Relations Act No. 66 of 1995.
- The Basic Conditions of Employment Act No.75 of 1997.
- The Skills Development Act No. 97 of 1998.
- The Skills Development Levies Act No. 9 of 1999.
- The Employment Equity Act No. 55 of 1998.
- The Occupational Health and Safety Act No. 85 of 1993.

Table 3: Compliance with Skills Development Legislation

Name of SETA	Mining Qualifications Authority (MQA)
Registration number with SETA	To be submitted to PASA and DMRE once received.
Confirmation of having appointed a Skills Development Facilitator	Skills Development Facilitator to be appointed once Production Right has been issued.
Proof of submission of Workplace Skills Plan and date of submission	To be submitted as an addendum in the first Annual SLP Report.

Table 4 to follow provides the Skills Development Implementation Plan for Motuoane Energy.

Table 4: Compliance with Skills Development Legislation

Undertaking Summary	The company commits to investing in skills development of both the employees and the community to ensure availability of qualified candidates for future employment.	
Responsible Position	**Strategic Plan**	**Timeframe**
Human Resources Department	Register with the MQA SETA.	Pending Approval of Production Right Application
Accounting Department	Register with SARS for Skills Development Levies.	Pending Approval of Production Right Application
Human Resources Department	The company to identify skills gaps through assessment of highest qualifications and work experience during recruitment phase.	During recruitment phase
Human Resources Department	The company and its Core Business Contractors will participate in programmes such as AET, Learnerships, Bursaries and Internships to develop its employees and host communities.	Annually
Human Resources Department	Submit Annual Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs) to the Department of Labour (DoL) and include proof of submissions annually to DMRE in the prescribed Annual SLP and Mining Charter Reports.	Annually

2.1.1 Adult Education and Training (AET) Programme

Adult Education Training (AET) will be provided by Motuoane Energy to increase the local community's literacy and numeracy levels. Those engaged in AET will be offered the opportunity to progress into advanced skills training programs leading to the attainment of registered qualifications and access to career paths, thus creating an opportunity for the full potential of individuals to be realized in terms of career advancement and life-long learning.

AET levels are offered and interpreted as follows:

- AET level 1 (Equivalent to grade 3).
- AET level 2 (Equivalent to grade 5).
- AET level 3 (Equivalent to grade 7). and
- AET level 4 (Equivalent to grade 9).

Learners who successfully complete AET level 4 receive an NQF level 1 qualification and are therefore able to proceed to NQF level 2 programme. The learning areas in the level focus on the following:

- Levels 1 to 3 (communication in English and numeracy); and
- Level 4 (communication in English, numeracy, 3 core life orientation, natural sciences, technology) and 1 elective (either economic management science or human economic sciences).

Table 5 to follow provides the AET Community targets.

Table 5: Community AET Training Targets (Years 1 to 5)

Community AET Programme Targets	Year 1	Year 2	Year 3	Year 4	Year 5	Total
AET Level 1	1	1	1			3
AET Level 2		1	2	1		4
AET Level 3			1	2	1	4
AET Level 4				1	2	3
Total No. of AET Enrolments	**1**	**2**	**4**	**4**	**3**	**14**
Budget Allocation (p/FY):	**R1 800**	**R3 816**	**R7 500**	**R7 488**	**R5 616**	**R26 220**

Table 6 reflects the procedure that will be followed in order to enroll community members in the ABET programme.

Table 6: Community ABET Programme Implementation Plan

Action	Timeframe
Identify local service provider and venue for ABET Community Programme.	Year 1

Action	Timeframe
Advertise Community ABET programme on the Notice Board at the local Community Hall and through the established Production Operation Community Engagement Forum.	November (Annually)
Conduct AET Placement Assessment on interested community members to determine current educational levels.	November (Annually)
Enroll students within the respective ABET levels.	January (Annually)
Part Time ABET classes commence.	January (Annually)
Report to DMR the results and expenditure.	31 January (Annually)

Table 7 to follow will be completed on an annual basis to inform literacy and numeracy educational levels of the workforce based on their highest qualifications.

Table 7: Form Q – Functional Literacy and Numeracy Levels of Workforce (Regulation 46 (b)(i)(aa))

BAND	NQF LEVEL	OLD SYSTEM	Male				Female				Total	
			African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female
General Education and Training GET)		No Schooling										
		Grade 0 / Pre										
		Grade 1/ Sub A										
		Grade2/ Sub B										
		Grade 3/ Std1/AET 1										
		Grade4/ Std 2										
		Grade 5/ Std 3/ AET 2										
		Grade 6/ Std 4										
		Grade 7/Std 5/AET 3										
		Grade 8/ Std 6										
	1	Grade 9 /Std 7/ AET 4										
Further Education and Training (FET)	**2**	Grade 10/Std 8										
	3	Grade 11/Std 9										
	4	Grade 12 / NSC										
Higher Education and Training (HET)	**5**	Higher Certificate										
	6	Advanced Certificate /National Diploma										
	7	Bachelor's Degree/Advanced Diploma										
	8	Honour's Degree										
	9	Master's Degree										
	10	Doctorate Degree										
TOTAL												

2.1.2 Core Business Skills Training Programme

Motuoane Energy will ensure all employees are fully equipped and competent to carry out the fundamental tasks and core business of the production operation through the facilitation of Core Business Skills training. Motuoane Energy will further offer refresher training over periods of time and re-certification of operating licenses to ensure all employees are fully knowledgeable and acquire the necessary experience to do their job. The Core Business Skills training offered will depend on the core skills needs at the production operation at a given time. The number of employees trained within the various areas will be reported in the Annual SLP Report. The targets and budget allocation for core business skills training for the next five (5) years are presented in Table 8.

Table 8: Core Business Skills Training Targets (Years 1 to 5)

Core Business Skills Training Programme Targets	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Safety Training	1		1		1	**3**
Technical Skills	1				1	**2**
Supervisory Skills		1		1	1	**3**
Data Analysis				1	2	**3**
Management			1			**1**
Total No. of Employees to be Trained:	**2**	**1**	**2**	**2**	**5**	**12**
Budget Allocation (p/Annum):	**R40 000**	**R15 000**	**R30 000**	**R40 000**	**R50 000**	**R175 000**

The core business skills training programmes will be implemented in line with the production operation's core business skills requirements for years 1 to 5 (refer to Table 8 above). The training offered will be accredited training courses presented by external service providers. Progress achieved on core business skills training will be reported to the DMR annually.

Table 9 to follow provides the implementation plan for the Core Business Skills Training Programme at the production operation.

Table 9: Core Business Skills Training Programme Implementation Plan

Action	Timeframe
Identify Core Business Skills training needs aligned to Skills Matrix requirements.	November (Annually)
Enrolment of employees within Core Business Skills programmes.	Annually
Report on progress achieved within Core Business Skills training annually to DMR through the prescribed Annual SLP Report.	31 January (Annually)

2.1.3 Learnership Programme

The Learnership contract enables the learner to register for a programme that will include theory and practical, which is assessed by a registered moderator or assessor who is registered with a recognized Sectional Educational and Training Authority (SETA). Opportunities will be communicated to the community for Learnerships as and when they arise throughout the Life of the production operation. The types of Learnership programmes Motuoane Energy will offer will be within scarce and critical skills areas existing within the industry (as published on the Energy and Water (EW) SETA website).

The production operation commits to enrolling three (3) new learnerships over the five (5) years as set out in Table 10 below.

Table 10: Learnership Programme Targets (Years 1 to 5)

Learnership Programme Targets	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Engineering		1 (New)	1 (Cont.)	1 (Cont.)		1
Technical Trade			1 (New)	1 (Cont.)	1 (Cont.)	1
Administrator					1 (New)	1
Total:	**0**	**1**	**2**	**2**	**2**	**3**
Budget:	**R0**	**R55 000**	**R110 000**	**R110 000**	**R110 000**	**R385 000**

The Learnership Programme Implementation Plan to achieve the above targets is set out in Table 11 to follow.

Table 11: Learnership Programme Implementation Plan

Action	Timeframe
Assess scarce skills requirements in WSP, business plan and Sector Skills Audit.	Annually
Advertise Section 18.2 Learnership programme on the Notice Board at the local Community Hall and through an established Production Operation Community Engagement Forum.	October (Annually)
Interviews with prospective 18.2 learners identified from the local community.	October (Annually)
Engage qualified suitable candidates and sign Learnership agreements.	November (Annually)
Enroll learners into respective Learnership programmes.	January (Annually)
Identify suitable mentors and sign mentorship agreements.	January (Annually)
Tracking learner progress throughout the Learnership Programme.	As and when
Report progress to DMR through the prescribed Annual SLP Report.	31 January (Annually)

2.1.4 Portable Skills Training Programmes

The purpose of portable skills training is to provide employees with an opportunity to attain skills that are not mining industry specific. Motuoane Energy commits to equipping the workforce with portable skills to enable them to earn a living in the event of downscaling, retrenchment and/or closure of the production operation. Portable skills training programmes will be identified in consultation with the workforce to determine their needs and interests. The SLP makes provision to provide the portable skills training to employees as set out in Table 12 to follow.

Table 12: Portable Skills Training Targets (Years 1 to 5)

Training Programme	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Basic IT Computer Skills	1				2	**3**
Communication and Negotiation		1	1			**2**
Financial Literacy				3		**3**
Project Management & Planning			1	1		**2**
Interviewing		1				**1**
Leadership & Management Skills			2	1		**3**
No. of Employees to be Trained:	**1**	**2**	**4**	**5**	**2**	**14**
Budget:	**R7 000**	**R15 000**	**R40 000**	**R45 000**	**R15 000**	**R122 000**

Table 13 provides the production operation's strategy to implement portable skills training courses at the production operation.

Table 13: Portable Skills Training Programme Implementation Plan

Action	Timeframe
Conduct a workforce survey to determine the types of portable skills training programmes (not mining sector relevant) will be of interest to and assist in securing a job should downscaling or retrenchments occur at the production operation.	Year 1 (Survey to be conducted every five (5) years for the life of production operation to ensure skills remain relevant)
Utilize workforce survey results to determine the types of portable skills training programmes to implement at the production operation for the next five (5) years.	Year 1
Enroll employees (who have shown interest in studying portable skills related course) in portable skills training courses offered by accredited service providers.	Years 1 to 5

Report to DMR on progress achieved with the implementation of the Portable Skills Training Programme.	31 January (Annually)

2.2 Hard-to-Fill Vacancies (Regulation 46 (b)(i)(bb))

Motuoane Energy will report on any vacancies (defined as "Hard-to-Fill") the production operation was unable to fill for a period of twelve (12) months or longer. If any such vacancies arise in the future, Motuoane Energy and the appointed core business contractor will report on those vacancies within the DMR prescribed Form R template (refer to Table 14 below).

Table 14: Form R Annexure II of the Regulations to the MPRDA – Hard to fill vacancies

Occupational level	Job Tile of Vacancy	Main reason for being unable to fill the vacancy
Top Management (Paterson F)		
Senior Management (Paterson E)		
Professionally qualified and experienced specialists and mid management (Paterson D)		
Skilled technical and academically qualified workers, junior management supervisors, foremen (Paterson C)		
Semi-skilled and discretionary decision-making (Paterson B)		
Unskilled and defined decision-making (Paterson A)		

2.3 Career Progression Plan (Reg. 46 (b) (ii))

The overall objective of the Career Progression Plan is to ensure that all managerial and any other key positions within the organization will at all times be filled by competent incumbents. The availability of the appropriate people to achieve strategic objectives is central to this objective.

Table 15: Action Plan for Career Progression Implementation

Action	Timeframe
Identify employees to be placed on career development in line with business/operational requirements.	Year 2 and Annually Thereafter
Draft Individual Development Plan (IDP) for each employee to inform career path development and progression requirements.	Following identification of employees to be placed on career development
Draft Mentorship Contract for each career progression candidate requiring internal mentoring assistance as part of their IDP.	As required
Annual reviews will be conducted with the Mentor and Mentee to ensure the mentorship contract deliverables are maintained.	Annually

Action	Timeframe
Report on progress achieved within the career development programme to DMR.	Annually

2.4 Mentorship Plan (Reg. 46 (b) (iii))

2.4.1 Mentorship of Employees

Motuoane Energy defines mentoring as the transfer of experience and attributes from a mentor (an experienced, more senior employee) to a protégé (junior employee with less experience in the relevant field of expertise) with the intention of improving the competencies of the protégé to meet the current and future job requirements.

The mentorship of employees will commence once the Individual Development Plans (IDPs) have been compiled for each identified employee for career progression at the production operation. Annual progress achieved in the mentorship programme will be reported on to the DMR within the Annual SLP Report. The Mentorship Programme Implementation Plan is presented in Table 16 to follow.

Table 16: Mentorship Implementation Plan

Actions	Timeframe
Compile Mentorship Programme to include the required knowledge and training elements of the position.	Year 2
Identify employee (Mentee) to be mentored based on the experience and educational requirements of the position.	Year 3
Identify suitable trained Mentor with required knowledge and experience.	Year 3
Consult and sign Mentorship Agreement with Mentor and Mentee.	Year 3
Implement Mentorship Programme.	Year 3
Conduct Training as required.	Year 3 to 5
Complete Mentorship Programme.	Year 3 to 5
Report on progress achieved with Mentorship Program to the DMR.	Annually

2.4.2 Mentorship of Empowerment Partners

Motuoane Energy's empowerment partners comprise of professionals with experience in the mining industry and the broader business world. Should it be identified that any mentoring assistance is required for the members of the consortium during the life of the production operation, suitable assistance will be provided.

2.5 Bursary & Internship Programmes (Regulation 46 (b) (iv))

2.5.1 Bursary Programme

Motuoane Energy is committed to the implementation of a Bursary Programme as per the requirements of Section 46 (b) (iv). As mentioned within this section, employees are encouraged to further their education and employees will be eligible to apply for financial assistance to meet the cost of their studies including all fees and examination fees, and any materials required (e.g. scientific courses) as well as the cost for textbooks. If the programme is not a General Education and Training (GET) programme, the further studies field must have a direct relevance to the current position or earmarked position.

The bursary will pay for cost of post school qualifications, such as certificate, diploma or degree courses with an accredited institution. The bursary will be paid directly to the institution. The bursar will be required to work for a full year at Motuoane Energy following his/her studies. The year the bursar will be required to work at Motuoane Energy will form part of the Internship programme. The company will undertake to provide the student with all costs related to their studies and accommodation.

The targets and budget for the External Bursary programme (refer to Table 17) have been included below. The Bursars will be enrolled within an accredited tertiary education institution.

Table 17: Bursary Programme Targets (Years 1 to 5)

Bursary Programme	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Engineering		1 (New)	1 (Cont.)	1 (Cont.)	1 (Cont.)	1
Geologist			1 (New)	1 (Cont.)	1 (Cont.)	1
IT				1 (New)	1 (Cont.)	1
Total number of beneficiaries:	**0**	**1**	**2**	**3**	**3**	**3**
Budget Allocation (p/a):	**R0**	**R45 000**	**R100 000**	**R150 000**	**R150 000**	**R265 000**

To implement the bursary programme at the production operation, key actions have been included in Table 17 to ensure successful implementation of the bursary programme.

Table 18: Bursary Programme Implementation Plan

Action	Timeframe
Advertise external bursary opportunity at Community Hall Notice Board, Local High Schools and Universities.	October (Annually)
Identify external local suitable candidate for enrolment within external bursary programme.	November (Annually)
Register/Apply Bursar at Institution in Degree programme.	November (Annually)
Enroll bursar at Institution in Degree programme.	February (Annually)
Report on progress achieved within the External Bursary Programme annually to DMR.	31 January (Annually)

2.5.2 Internship Programme

Motuoane Energy is committed to the implementation of an Internship Programme as per the requirements of Section 46 (b)(iv). Tables 19 and 20 detail the strategic plan to implement the Internship Programme at Motuoane Energy.

Table 19: Internship Programme Targets (Years 1 to 5)

Internship Programme Targets	Year 1	Year 2	Year 3	Year 4	Year 5	Total
IT Intern		1		1	1	**3**
Office Admin	1		1		1	**3**
Engineering Student			1		1	**2**
Geologist	1			1		**2**
Total number of beneficiaries:	**2**	**1**	**2**	**2**	**3**	**10**
Budget Allocation (p/a):	**R126 000**	**R48 000**	**R126 000**	**R132 000**	**R174 000**	**R606 000**

To implement the internship programme at the production operation, steps have been included in Table 20 to implement the bursary programme at the production operation.

Table 20: Internship Programme Implementation Plan

Action	Timeframe
Graduate candidate contract to be drafted for Internship Programme.	Year 2 (Annually
Commence Internship Programme.	Thereafter)
Report on progress achieved within Internship Programme annually to DMR.	Year 2 (Annually

2.6 Employment Equity Plan (Reg. 46 (b) (v))

In line with the intentions of the Employment Equity Act, Motuoane Energy, as a responsible employer is committed to the strategic objectives that include having individuals from previously disadvantaged groups (including women) represented in all positions of skills, responsibility and at all levels within the next five (5) year period. This is essential if Motuoane Energy is to achieve the following objectives:

a. **Ensure the workplace is free of discrimination:**
    - To eliminate all forms of unfair discrimination in the employment and advancement of employees;
    - To accommodate the designated groups where possible;
    - To eliminate all forms of sexual and racial harassment;
    - To respect diversity and at the same time encourage teamwork, mutual acceptance and social interaction; and
    - To regularly review, analyse and identify all forms of unfair discrimination in policy practices and procedures and to plan the elimination of such barriers.
b. **Ensure and promote employment equity:**
    - Transform Motuoane Energy's employee profile through implementing affirmative action measures by removing barriers to equal employment opportunities and to train and develop designated groups within the scope of the company;
    - Create a culture of equity that values diversity and facilitates the implementation of affirmative action;
    - Institute measures designed to create equal opportunity without adversely affecting the broader career opportunities for current employees within the organisation; and
    - Create a pool of skills and competencies to meet the business needs.

Form S below (refer to Table 21), the Employment Equity statistics for Motuoane Energy will be completed and annually submitted to the DMR as part of the Annual SLP Report.

Table 21: Form S: Employment Equity Statistics

OCCUPATIONAL LEVELS	Male				Female				TOTAL	DISABLED	
	African	Coloured	Indian	White	African	Coloured	Indian	White		Male	Female
Executive Management (Board)											
Senior Management (EXCO)											
Middle Management											
Junior Management											
Employees with Disabilities											
Core and Critical Skills											
Total Permanent											

Table 21 provides the targets for equitable representation within the workforce aligned to the Business Plan of Motuoane Energy.

Table 22: Equitable Representation Targets for Motuoane Energy (Years 1 to 5)

Element Description	Measure	Compliance Target (%)
Board	Historically Disadvantaged Persons	50%
	Of which must be women	20%
Executive Management	Historically Disadvantaged Persons	50%
	Of which must be women	20%
Senior Management	Historically Disadvantaged Persons	60%
	Of which must be women	25%
Middle Management	Historically Disadvantaged Persons	60%
	Of which must be women	25%
Junior Management	Historically Disadvantaged Persons	70%
	Of which must be women	30%
Employees with disabilities	Employees with disabilities as a percentage of all employees	1.5%
Core and critical skills	Historically Disadvantaged Persons	60%

The production operation will, through the recruitment process, recruit at least 70:30 male to female ratio into management and core occupations to ensure annual compliance targets, as set forth in the MPRDA and Mining Charter, will be met. Preference will be afforded to designated females as and when new vacancies arise at the production operation as per the production operation's Employment Equity Policy.

Section 3 to follow provides the strategic plans the company will undertake to promote local economic development locally and within the regional context.

SECTION 3: LOCAL ECONOMIC DEVELOPMENT PROGRAMMES (Reg. 46 (c))

This section focuses on strategic programmes that will cover the Local and Regional priorities of economic development, poverty alleviation, community upliftment and the improvement of the people's lives and long-term sustainability beyond the life of the production operation.

The closest towns (catchment area) to Motuoane Energy are Virginia, Henneman, Odensdaalrus, Welkom, Theunnisen, Winburg, Steynsrus, Ventersburg, Kroonstad and Allenridge. The listed towns are all situated in the Free State province. The qualification criteria for local economic development project proposals should be focused on poverty alleviation and/or infrastructure development. The municipalities to be consulted to identify suitable projects for the proposed production operation are: as follows:

Local Municipality	District Municipality
Masilonyana (FS181)	Lejweleputswa (DC18)
Setsoto (FS191)	Thabo Mofutsanyane (DC19)
Matjhabeng (FS184)	Lejweleputswa (DC18)
Moqhaka (FS201)	Fezile Dabi (DC20)

For the first five (5) year SLP, Masilonyana and Matjhabeng Local Municipalities' will be consulted to identify a suitable LED project the operation can support. The following wards situated within our SLP planning (1-5 years) have been identified for consultation to identify a suitable LED project Motuoane Energy can support for the next five (5) years (refer to section 3.4 in preceding section):

1. Matjabeng Local Municipality: Wards 1, 4, 10 and 35 (Ward 4 – Virginia and Meloding Township will be a focus area as the town and township are located 8km from the main production area); and
2. Masilonyana Local Municipality: Ward 6.

3.1 Socio-Economic Background Information (Reg. 46 (c) (i))

The socio-economic desktop study has been derived from Statistics SA (Stats SA) National Census 2011 Database and the Census 2011 Municipal report, Free State, Report 03-01-52. The National Census 2022 results will only be published in April 2023 hence the use of 2011 statistical data.

Table 23: Socio-Economic Profile of Surrounding Region – Gender

Gender Profile Indicators	Free State Province	Lejveleputswa District Municipality	Thabo Mofutsanyane District Municipality	Fezile Dabi District Municipality	Matjabeng Local Municipality	Masilonyana Local Municipality	Setsoto Local Municipality	Moqhaka Local Municipality	Virginia	Henneman	Odensdaalrus	Welkom	Theunnisen	Winburg	Steynsrus	Ventersburg	Kroonstad	Allenridge
Male	48%	49%	47%	50%	49%	50%	47%	50%	49%	53%	49%	52%	47%	51%	48%	57%	52%	51%
Female	52%	51%	53%	50%	51%	50%	53%	50%	51%	47%	51%	48%	53%	49%	52%	43%	48%	49%
Brief Analysis	The average male to female distribution across provincial, district and local levels are 1:1. The concentration of the population are aged between 0 to 55 years (male and female age profiles for Free State Province) which are indicative of a young population profile. Job opportunities within the host area (at District and Local levels and key major-labour-sending areas) will be crucial for growth stimulation within the local economy. It is necessary to determine the key industry drivers in the host and major-labour sending areas to ensure appropriate skills development and job creation (employees and host community) opportunities are identified and focused training are in place to address such scarce skills. This in turn will ensure community upliftment throughout the life of production operation.																	

Table 24 to follow provides the latest labour force survey results published by Statistics South Africa (StatsSA)[2] for the third quarter of 2022 as published on 29 November 2022. The table below provides the labour force characteristics for Free State province.

[2] P0211 - Quarterly Labour Force Survey (QLFS), 3rd Quarter 2022

Table 24: Socio-Economic Profile of Surrounding Region – Free State Province Labour Force Characteristics

Labour Force Indicator	Free State Province (Metro) Actual
Population 15 to 64 years	1 929 000
Labour Force	1 205 000
Employed	798 000
Unemployed	407 000
Not Economically Active[3]	724 000
Discouraged Work-Seekers[4]	111 000
Other	613 000
Unemployment Rate (%)[5]	**33,8**
Employed/Population Ratio (Absorption)[6]	**41,3**
Labour Force Participation Rate[7]	**62,5**
Brief Analysis	The unemployment rate for the working-age population in the Free State province is at 33,8% which is higher than the national unemployment rate of 32,9%. Unemployed persons according to the Expanded definition are those (aged 15–64 years) who: a) Fall under official unemployment (searched and available); and b) Were available to work but are/or: ✓ Discouraged work-seekers; or ✓ Have other reasons for not searching. It should be noted, if we look at the year-on-year statistics, the unemployment rate for Free State is decreasing by 4,3% and the job absorption rate increasing by 3,8% to 41,3%. Job creation, skills development and enterprise development will be key to further increase the labour force absorption rate for the working age population in the province and host communities.

[3] Not economically active persons are those who did not work in the reference week because they either did not look for work or start a business in the four weeks preceding the survey or were not available to start work or a business in the reference week. The not economically active is composed of two groups namely discouraged work-seekers and other (not economically active, as described above).

[4] Discouraged work-seekers are persons who wanted to work but did not try to find work or start a business because they believed that there were no jobs available in their area or were unable to find jobs requiring their skills, or they had lost hope of finding any kind of work.

[5] Unemployment rate is the proportion of the labour force that is unemployed.

[6] Employment-to-population ratio (labour absorption rate) is the proportion of the working-age population that is employed.

[7] The labour force comprises all persons who are employed, plus all persons who are unemployed.

Table 25: Socio-Economic Profile of Surrounding Region – Dependency Ratios

Dependency Ratio Indicators	Free State Province	Lejveleputswa District Municipality	Thabo Mofutsanyane District Municipality	Fezile Dabi District Municipality	Matjabeng Local Municipality	Masilonyana Local Municipality	Setsoto Local Municipality	Moqhaka Local Municipality	Virginia	Henneman	Odensdaalrus	Welkom	Theunnisen	Winburg	Steynsrus	Ventersburg	Kroonstad	Allenridge
Young (0-14)	29%	29%	32%	28%	27%	30%	23%	27%	23%	16%	20%	22%	20%	18%	15%	14%	18%	24%
Working Age (15-64)	65%	66%	63%	66%	68%	64%	76%	66%	73%	69%	73%	73%	63%	69%	69%	70%	72%	67%
Elderly (65+)	6%	5%	6%	6%	5%	6%	2%	7%	5%	16%	7%	5%	17%	13%	16%	16%	10%	10%
Dependency Ratio	**52,9**	**51,4**	**59,6**	**51,9**	**46,9**	**55,3**	**32,1**	**50,5**	**37,6**	**45,6**	**36,6**	**37,2**	**58,2**	**45,9**	**46,0**	**42,1**	**38,9**	**50,0**
Brief Analysis	The lower dependency ratio means the working-age group population (15–64 years) is more than the not economically active population (0–14 and 65+ years) in the area. According to Stats SA results, Free State province and the host area population are very young thus the provision of employment to youth will be crucial as the region has the potential to grow economically due to its young population. The average household size within the Free State province and host area are three (3) persons per household as captured within the Census 2011 Municipal report, Free State, Report 03-01-52 . The majority of the residents (68%) are between the ages of 15 to 65 years which is indicative of a young population profile. The need for job creation and skills development within the local municipal areas are considered high and consideration should be taken during recruitment strategies to absorb local residents for employment opportunities where feasible. Upskilling of workforce and host communities will further aid in improving the literacy rate of local residents. Start-up businesses through enterprise or supplier development will further stimulate the job market.																	

Table 26: Socio-Economic Profile of Surrounding Region – HIV Prevalence South Africa

HIV Prevalence Age Profile Indicators	South Africa
Women 15 to 49 years	24,10%
Adults 15 to 49 years	19,63%
Youth 15 to 24 years	5,79%
Total Population	13,94%
Brief Analysis	The prevalence of HIV within South Africa is at 13,9% (latest statistics derived from mid-year population statistics 2022). Women between 15 to 49 years of age are most vulnerable to contract HIV (24%). It is clear that the COVID-19 pandemic has to some extent, interrupted HIV prevention and treatment programmes in South Africa as it did globally. Data from public and private hospitals in South Africa indicate that the case fatality rate (CFR) was higher for HIV infected persons (20,9%) when compared to non-HIV infected persons (18,9%) (NICD, 2021a). The presence of a competing pandemic such as COVID-19 in South Africa does present challenges that are likely to hamper progress to reach annual targets and goals set by the country and international organizations concerned with the eradication of HIV and AIDS.

Table 27: Socio-Economic Profile of Surrounding Region – Educational Levels

Educational Profile Indicators	Free State Province	Lejveleputswa District Municipality	Thabo Mofutsanyane District Municipality	Fezile Dabi District Municipality	Matjabeng Local Municipality	Masilonyana Local Municipality	Setsoto Local Municipality	Moqhaka Local Municipality	Virginia	Henneman	Odensdaalrus	Welkom	Theunnisen	Winburg	Steynsrus	Ventersburg	Kroonstad	Allenridge
No Schooling	7%	7%	9%	7%	4%	4%	4%	3%	3%	1%	2%	2%	4%	3%	1%	2%	1%	1%
Some Primary	16%	17%	18%	16%	38%	43%	44%	41%	7%	3%	6%	7%	3%	4%	6%	3%	5%	7%
Completed Primary	5%	6%	5%	5%	6%	7%	6%	6%	4%	2%	3%	3%	2%	2%	3%	2%	2%	4%
Some Secondary	35%	37%	35%	35%	35%	32%	33%	31%	34%	35%	35%	31%	37%	29%	41%	40%	27%	44%
Completed Secondary	27%	26%	25%	28%	14%	10%	10%	12%	37%	44%	38%	39%	35%	42%	29%	38%	43%	31%
Higher Education	10%	8%	8%	9%	2%	1%	1%	1%	15%	15%	17%	18%	20%	20%	20%	15%	21%	13%
Not Applicable	0%	0%	0%	0%	2%	4%	1%	6%	3%	1%	0%	0%	0%	0%	0%	0%	0%	0%
Brief Analysis	Education, unemployment levels, household incomes and the over-reliance of communities on social grants and free government services are among the key indicators used to measure poverty and inequality in the municipality areas. The host communities of Virginia, Henneman, Odensdaalrus, Welkom, Theunnisen, Winburg, Steynsrus, Venterburg, Kroonstad and Allenridge shown a higher formal educated population (matric or higher qualification) in relation to the local and district municipal areas as well as Free State province. Kroonstad has the highest educated population with 65% of residents achieving a matric or higher educational qualification. Steynsrus (51%) and Allenridge (56%) had the highest concentration of residents with a below a matric qualification. As such, skills development requirements will vary from town to town based on educational profile of the town's local residents. ABET (internal) and community based will be required for residents below a matric qualification if recruited for positions at the production operation or within enterprise or supplier development initiatives to ensure further skills development within workforce and broader sectors. Community learnerships for trade positions will be considered for future labour needs as well as bursaries for specialized technical, IT (robotics, programming, project management) or managerial skills. Specialised skills may need to be sourced inter provincial if not available for immediate recruitment opportunities. Career Progression and upskilling will address the skills scarcities within the more senior technical vacancies. Given the low percentage of residents in host area and province with higher educational qualifications, this may be very likely.																	

Table 28: Socio-Economic Profile of Surrounding Region – Employment Status (aged 15 to 64 years)

Employment Profile Indicators	Free State Province	Lejveleputswa District Municipality	Thabo Mofutsanyane District Municipality	Fezile Dabi District Municipality	Matjabeng Local Municipality	Masilonyana Local Municipality	Setsoto Local Municipality	Moqhaka Local Municipality	Virginia	Henneman	Odensdaalrus	Welkom	Theunnisen	Winburg	Steynsrus	Ventersburg	Kroonstad	Allenridge
Employed	36%	35%	16%	37%	36%	28%	31%	34%	Not available from StatsSA									
Unemployed	17%	20%	8%	19%	21%	18%	17%	18%										
Discouraged Work Seeker	0%	0%	26%	0%	5%	7%	8%	4%										
Not Economically Active	46%	46%	50%	45%	38%	48%	45%	44%										
Brief Analysis	Thabo Mofutsanyane District Municipality's residents surveyed during 2011 shown only 16% of the district's population of working-age are employed in comparison to the other two (2) host community districts with 35% and 36% respectively. Of great concern is the high percentage of residents at provincial, district and local levels who cited to be either unemployed, discouraged job seekers or not economically active as this is indicative of a high dependency ratio as is evident in Table 23 above. The highest unemployment rate recorded within the catchment area in Matjabeng local municipality with a total of 21% of residents unemployed. Thabo Mofutsanyane district have 50% of residents citing to be not economically active. Agriculture dominates the Free State landscape. Cultivated land covering 32,000 square kilometers, and natural veld and grazing a further 87,000 square kilometers of the province. It is also South Africa's leader in the production of biofuels, or fuel from agricultural crops, with a number of ethanol plants under construction in the grain-producing western region. South Africa is one of the top ten Maize producers in the world whereby all of the crops come from the Free State. The Free State is well known for its *Mielielande* (corn-fields; the former term is in Afrikaans). Maize was introduced to South Africa in 1655 and has since become one of South Africa's most important food crops, accounting for roughly two thirds of the country's commercial area under field crops. The NDP has set out a goal of full employment by 2030. This would mean the official unemployment rate falls to 6,5% and the labour force participation rate rises from 54% to 65%, requiring an average annual GDP[8] growth rate of 5%; and a creation of **11 million** net new jobs over a 20-year period. Median monthly earnings of employees increased from R3 100 in 2015 to R4 000 in 2020. Gender, population group and age continue to be drivers of the earnings' inequalities. In 2020, the highest median monthly earnings were recorded among employees in Mining (R10 000) and Utilities (R8 500) industries. The median monthly earnings increased in all industries between the period 2015 and 2020. Median monthly earnings were highest in Gauteng (R5 200), North West (R4 800) and Western Cape (R4 000), while the largest increase over the period between 2015 and 2020 was in North West (R1 800 up from R3 000) and Limpopo and Free State (R1 300 up from R2 300 and R2 500 respectively). Median job tenure increased from 44 months in 2015 to 49 months in 2020. The median job																	

[8] Gross Domestic Products

	tenure for women and men increased to 51 and 48 months in 2020. Job tenure was higher in the formal sector, amongst the white population group, highly skilled occupations and industries such as Utilities, Mining and Community and Social Services and amongst adults. Job creation, enterprise/supplier development and skills development will be crucial to the upliftment of the local area and to overall improvement of livelihoods of local residents and employees sourced locally. Careful planning needs to be considered for the production operation's workforce downscaling and closure plans in respect of future skills requirements within the province, job opportunities in Manufacturing, IT, Agriculture and Tourism.

Table 29: Socio-Economic Profile of Surrounding Region – Household Income

Household Income Profile Indicators	Free State Province	Lejweleputswa District Municipality	Thabo Mofutsanyane District Municipality	Fezile Dabi District Municipality	Matjabeng Local Municipality	Masilonyana Local Municipality	Setsoto Local Municipality	Moqhaka Local Municipality	Virginia	Henneman	Odensdaalrus	Welkom	Theunnisen	Winburg	Steynsrus	Ventersburg	Kroonstad	Allenridge
No income	12%	19%	11%	12%	16%	15%	13%	8%	10%	6%	9%	10%	9%	8%	6%	8%	7%	10%
R1 – R9,600	14%	17%	19%	13%	13%	15%	18%	12%	5%	1%	3%	6%	2%	2%	4%	3%	5%	6%
R9,601 – R19,600	21%	25%	24%	21%	17%	23%	25%	23%	9%	10%	8%	9%	7%	17%	9%	14%	9%	9%
R19,601 – R38,200	21%	18%	23%	22%	18%	22%	22%	24%	11%	13%	13%	12%	13%	13%	19%	17%	12%	18%
R38,201 – R76,400	13%	11%	11%	13%	15%	13%	10%	14%	20%	19%	22%	16%	24%	18%	23%	20%	16%	18%
R76,401 >	19%	11%	13%	19%	20%	12%	12%	19%	46%	52%	46%	47%	45%	42%	38%	39%	51%	39%
Brief Analysis	On average, 10% of residents located within the catchment area cited to have no household income. A further 9% on average of residents earn below R9 600 household income. 49% of households cited to earn between R9 601 to R76 400 a month and 32% of households in general earning in excess of R76 401. Economic growth, job creation and skills development initiatives is much needed to stimulate the local economy to improve the livelihoods of households within the catchment area. The high illiteracy rate within the local host communities will further impact recruitment strategies for the production operation whereas local labour is to be used or sourced. Community ABET training up to Level 4 and bridging courses up to a matric/Grade 12 national qualification will be essential for further skills development (either as potential employee, future skills or for procurement opportunities.																	

Table 30: Socio-Economic Profile of Surrounding Region – Basic Infrastructure

Basic Infrastructure Profile Indicators	Free State Province	Lejveleputswa District Municipality	Thabo Mofutsanyane District Municipality	Fezile Dabi District Municipality	Matjabeng Local Municipality	Masilonyana Local Municipality	Setsoto Local Municipality	Moqhaka Local Municipality	Virginia	Henneman	Odensdaalrus	Welkom	Theunnisen	Winburg	Steynsrus	Ventersburg	Kroonstad	Allenridge
Electricity for lighting	91%	92%	88%	91%	91%	93%	89%	93%	77%	76%	97%	96%	98%	100%	100%	97%	96%	92%
Regional/Local water scheme (operated by municipality or other water services provider)	98%	98%	87%	92%	95%	89%	88%	87%	98%	96%	83%	85%	94%	82%	93%	94%	86%	97%
Flush toilet (connected to sewerage system)	68%	78%	53%	80%	81%	71%	57%	86%	99%	99%	98%	96%	99%	98%	100%	97%	93%	99%
Refuse removed by local authority/private company at least once a week	73%	82%	50%	83%	86%	54%	55%	85%	97%	98%	93%	95%	94%	79%	97%	94%	91%	98%
Brief Analysis	Basic infrastructure provision in the Free State province, districts and local municipal areas seemed formalized in 2011 and should be even more developed in 2023 in respect of basic services provision by local authorities. Infrastructure development will remain a contentious and important issue in South Africa due to the mismanagement of funds in municipalities across South Africa and Eskom's inability to provide continuous electricity supply to the country. Future planning of basic services provision will be key to our country and host communities alike to ensure viable alternative sources are identified and considered. If new houses are constructed, solar panels for electricity, green toilets and Jojo tanks or similar to capture water for home use and garden should be considered especially in the township and town areas. Replacement of formal/informal accommodation should take into consideration the current basic services provision within the immediate host community (local), at district and provincial level.																	

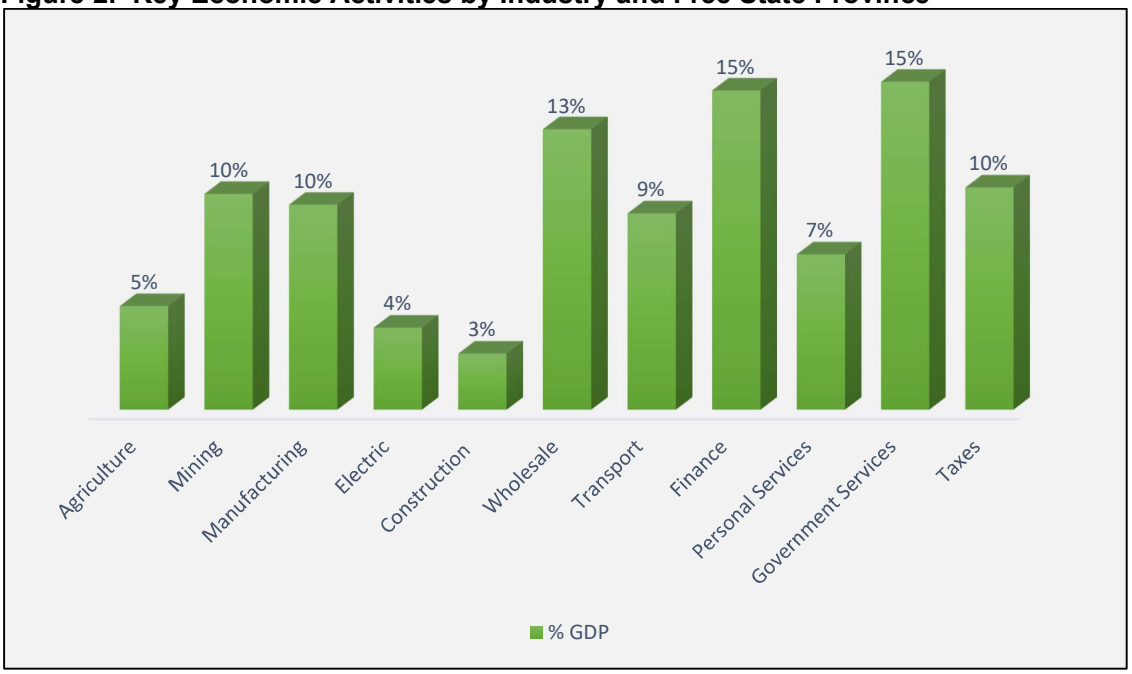
Table 31: Socio-Economic Profile of Surrounding Region – Settlement Type

Settlement Type Indicators	Free State Province	Lejveleputswa District Municipality	Thabo Mofutsanyane District Municipality	Fezile Dabi District Municipality	Matjabeng Local Municipality	Masilonyana Local Municipality	Setsoto Local Municipality	Moqhaka Local Municipality	Virginia	Henneman	Odensdaalrus	Welkom	Theunnisen	Winburg	Steynsrus	Ventersburg	Kroonstad	Allenridge
Urban	82%	79%	77%	83%	98%	88%	89%	87%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Tribal/Traditional	2%	0%	7%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Farm	16%	19%	15%	15%	2%	12%	11%	13%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Brief Analysis	Majority of the residents within the catchment area cited to either be settled within an urban area or farm. The minority of local residents are still located in tribal/traditional areas. Consultation with the Department of Housing and Infrastructure development of all local municipal/district areas will be required prior to workforce recruitment to ensure adequate housing stock is available for either ownership or rental purposes for workforce due to the locality of the operation. The Housing and Living Conditions Standards for the mining sector should be adhered to during the planning phases.																	

Section 3.2 provide the key economic activities as per Regulation 46 (c)(ii) requirements by industry and district.

3.2 Key Economic Activities (Reg. 46 (c)(ii))

Figure 2: Key Economic Activities by Industry and Free State Province



As is evident from Figure 2 above, the Finance and Government Services' sectors remain the key economic activities in Free State Province. Wholesale, Mining and Manufacturing all contributed 10% or more to the province's GDP. In recent years the contribution of mining in Free State's economy has been declining due to a number of reasons and recently the effect of lower world commodity prices fueled the decline of the sector. Immediate skills forecast development, enterprise development and supplier development should be focused on wholesaling, mining, manufacturing and agriculture.

Since 1989, the Free State economy has moved from dependence on primary sectors such as mining and agriculture to an economy increasingly oriented towards manufacturing and export. Some 14% of the province's manufacturing is classified as being in high-technology industries – the highest of all provincial economies[9]. Skills development and enterprise development initiatives should focus on technological industries for future job prospects within the province. Robotics, digital programming (web, phone, tablet, etc.), IT Security and Artificial Intelligence (AI) will become the future sought after job opportunities for our youth in order to stay relevant with the first world countries. Data Analysts and IT security services will also be highly sought after in the years to come.

[9] https://en.wikipedia.org/wiki/Free_State_(province)

3.3 Impact of the Production Operation (Reg. 46 (c)(iii))

The proposed production operation will have minimal impact on the environment as the scale of the production operation is small due to the type of production method used (extraction through a hole of about 30cm in diameter). Limited jobs are expected to be created by the production operation as it is not a labour-intensive operation (only 7 people will be employed within the first five (5) years of production). The more senior positions will be highly specialised and qualified local personnel may not be readily available. Future community training should be focussed on skills requirements of this type of production operation. The Local Economic Development (LED) project to be identified (refer to section 3.4) for the first five (5) years will be aligned to the relevant local municipalities Integrated Development Plans (IDPs) and a suitable project will be submitted for inclusion within this SLP. The LED project will either address infrastructure or poverty alleviation initiatives in line with current/future community needs.

3.4 Infrastructure and Poverty Eradication Projects (Reg. 46 (c)(iv))

To inform the type of Local Economic Development (LED) project to be identified, an analysis of three (3) district municipalities and four (4) local municipalities have been included within this SLP and summarised in the ensuing sections 3.4.1 to 3.4.7.

Suitable LED project(s) will be identified through the Public Participation Process (PPP) and in consultation with the local municipality. The LED project budget will be based on the 1% Net Profit after Tax (NPAT) calculation spend requirement for years 1 to 5. All related documentation and LED project sheet(s) will be submitted to the Regulator for approval and progress will be reported annually within the prescribed Annual SLP and Mining Charter reports. Meetings with the LED project stakeholders will take place at least three (3) times per year and the project(s) implementation status will be assessed on a monthly basis to ensure viability of the project.

To date letters of intent were submitted to each district and local municipality situated within the determined host community area (refer to Appendix A). Following our meeting requests, an initial consultation took place during 18th and 19th of September 2023 to introduce Motuoane Energy and to discuss the planned production operation and intent pertaining to Community Engagement consultation processes for the Public Participation Process as well as to determine ring-fenced area for the LED project identification process due to the extent of the host community area.

For the first five (5) year SLP, Masilonyana and Matjhabeng Local Municipalities' will be consulted to identify a suitable LED project the operation can support. The following wards

situated within our SLP planning (1-5 years) have been identified for consultation to identify a suitable LED project Motuoane Energy can support for the next five (5) years:

1. Matjabeng Local Municipality: Wards 1, 4, 10 and 35 (Ward 4 – Virginia and Meloding Township will be a focus area as the town and township are located 8km from the main production area); and
2. Masilonyana Local Municipality: Ward 6.

The LED project identification process is ongoing. Motuoane Energy will submit the nominated LED project the production operation will sponsor (in line with Matjabeng & Masilonyana Local Municipalities latest IDPs) within hundred and eighty (180) days following granting of Production Right.

The following 1% NPAT projection will be in place for the first five (5) years of this SLP and will inform the LED Project identification process:

Table 32: SLP LED Project Budget (Years 1 to 5)

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Total Projected Budget
	Construction	Construction	Operational	Operational	Operational	
1% Net Profit After Tax Projection	R60 000	R80 000	R135 000	R170 000	R205 000	R650 000

The initial introductory meetings have been conducted with each municipality and attendance registers and associated correspondence have been included as Appendix B to this SLP.

To follow, the analysis of the identified district and local municipalities' Integrated Development Plans (IDPs) to inform the public consultation processes (short to long term SLP planning).

3.4.1 Lejweleputswa District Municipality (DC18)

The Lejweleputswa District Municipality is one (1) of the four (4) district municipalities located in the Free State province. The other three (3) districts are Thabo Mofutsanyane to the north east; Fezile Dabi to the north and Xhariep to the south east. There is one (1) Metropolitan Municipality, Mangaung, located southeast.

The area of jurisdiction of Lejweleputswa District Municipality includes the following five (5) local municipalities:

- **Masilonyana (host area)**;
- Tokologo;
- Tswelopele;

- **Matjhabeng (host area)**; and
- Nala.

The Free State is considered the breadbasket of South Africa supplying a considerable portion of the agricultural produce. Maize is the main product of Lejweleputswa, and the region is known as the maize capital of South Africa although the municipality is diverse in farming activities. The agriculture industry is important for a number of reasons, namely food security, employment opportunities, the economy, and provides a good foundation for rural development and it is therefore important to protect agricultural land from being transformed into urban related areas. Irrigation schemes play a crucial role in agriculture as they prove to yield more compared to crops harvested on dry land. The Free State is mostly characterized by subsistence and large-scale commercial farming.

The following agricultural areas sub categories exist within the district:

1. **Extensive Agricultural Areas:**
   Agricultural areas covered with natural vegetation, used for extensive agricultural enterprises, e.g. indigenous plant harvesting, extensive stock-farming, game-farming, eco-tourism.
   a. Extensive agriculture is practiced throughout the entire district municipality mainly in the form of stock-farming. This includes beef cattle, sheep, and pigs.
   b. Game farming is most present in Tokologo Local Municipality.

2. **Intensive Agricultural Areas:**
   Agricultural areas used for intensive agricultural practices, e.g. crop cultivation, citrus, lucerne, dates, vineyards, and intensive stock farming on pastures.
   1. Intensive agriculture is also practiced throughout the municipality and is more predominant compared to extensive agriculture. This category primarily produces crop production including maize, grain, wheat, potatoes, soya beans, cabbage, ground nuts, carrots, ground nuts, lucerne, sunflower, and pumpkins.

3. **Link with the Free State Growth and Development Strategy (2012):**
   Pillar 1: Inclusive economic growth and sustainable job creation

   Driver 1: Diversify and expand agricultural development and food security

   - Expand and diversify sustainable agriculture production and food security
   - Accelerate post settlement support programs for emerging farmers.
   - Strengthen agricultural research, knowledge and skills.
   - Improve and maintain agro logistics.
   - Establish and fast track value adding agro processing.
   - Strengthen rural security of farm communities.
   - Extend social service delivery to farm-worker communities.

Economic development opportunities are the key factor of the settlement patterns and also the distribution pattern of industrial areas in the district. Economic development typically responds to the availability of environmental capital (e.g. water, suitable agricultural soil, mining resources, etc.) and infrastructural capital (e.g. roads, electricity, bulk engineering services, etc.)

3.4.2 Masilonyana Local Municipality (FS181)

Masilonyana Local Municipality covering an area of 679 725 ha forms part of Lejweleputswa District Municipality which comprises of other municipalities namely Matjhabeng, Nala, Tokologo and Tswelopele. It is bordered by Mantsopa and Setsoto Local municipalities to the east, Mangaung Metropolitan Municipality to the south, Tokologo and Tswelopele Local Municipalities to the west and Matjhabeng Local Municipality to the north. The municipality comprises of four (4) towns namely **Theunissen** (**Host Area**), Brandfort, Winburg, and Verkeerdevlei and consists of ten (10) wards.

The towns of Theunissen and Masilo falls within wards 6, 7, 8, and 9 in Masilonyana Local Municipality. One of the major connecting roads, the R30, traverses the town in a north-south direction that links North West province with Bloemfontein through Welkom. Theunissen are surrounded by wards 5, 6 and 9. The town serves as the employment hub for some of the local residents. Most importantly, this urban centre consists of two (2) major rural towns, namely Theunissen and the Masilo townships.

The following priorities exist within Ward 6 (Theunissen and Masilo):

1. **Water:** Continuous water supply.
2. **Electricity:** High-Mast Lights.
3. **Roads and Stormwater:**
    a. Resealing, patching, paving and re-gravelling of roads.
    b. Erection of modern taxi rank in Theunissen.
    c. 2nd and 3rd Phase of paving around Masilo, Taxi/Bus route.
4. **Human Settlement:** Allocation of sites.
5. **Community Facilities:**
    a. Erection of sports and recreational facilities.
    b. Erection of robots at Caltex/Bimbos intersection.

Section 3.4.3 to follow provides the analysis of Matjabeng Local Municipality's IDP.

3.4.3 Matjabeng Local Municipality (FS184)

Due to economic factors a number of towns originated as service centers for the surrounding farming community of the town resulting in a fast-growing city where economies of scale

started to play a role. The Matjhabeng Municipal area, previously known as the Free State Goldfields, consists of the following towns:

• **Welkom/Thabong (Host Area);**

• **Allanridge/Nyakallong (Host Area);**

• **Odendaalsrus/Kutloanong (Host Area);**

• **Hennenman/Phomolong (Host Area);**

• **Ventersburg/Mmamahabane (Host Area); and**

• **Virginia/Meloding (Host Area).**

The mining sector has been in a process of restructuring for some years and is still retrenching staff, which is particularly affecting the mining towns of Welkom, Virginia, Odendaalsrus and Allanridge. The sudden surge in petrol price) nationwide would indeed exacerbate the already negative economic growth in the area in terms of employment opportunities. It is also estimated that most of the retrenched labour, mainly unskilled, remains in the region and adds to the social problems associated with declining economic conditions.

The following consolidated community priorities were recorded within the IDP during the community engagement sessions:

- **Water:**
  - The most fundamental challenges experienced by the community ranged from continuous pipe bursts, water scarcity, replacement of water meters, connection to individual dwellings and communal taps for informal settlements due to aging water infrastructure and the asbestos pipes within the municipality.
  - The billing system and discrepancies on estimates applied in billing and turnaround time for correction of the same (higher concern in suburbs).
- **Sanitation:**
  - The municipality is experiencing various challenges such as theft and vandalism, illegal mining activities, misuse of sewer, aging infrastructure, illegal mining, etc.
  - The main concern under sanitation is overall collapse of sewer lines, sewer spillages, sewer pumped into stormwater channels/canals contaminating the environment.
  - Eradication of the bucket system to avoid further air quality contamination around informal settlements.

- **Electricity:**
  - Electrification of newly formalized settlements.
  - Fixing of street lights.
  - Erection of high mast lights and maintenance of the existing ones.
  - Combating cable theft to reduce the effect on communities.

- The municipality needs to increase substations (already at a maximum).

- **Roads and Stormwater:**
  - Challenges range from potholes, resealing of roads, need for paving, tarred roads, blading and gravelling of streets.
  - Naming and renaming of streets.
  - Water and sewer spillages affecting the quality and durability of roads.
  - Need for replacement of stolen stormwater lids.
  - Increasing need for stormwater canal/drainages.
- **Waste Management:**
  - Inconsistent collection of waste resulting in illegal dumping and need to have specialised trucks for waste management.
  - Communities encouraged to have trucks for each town to ensure backlog is addressed urgently.
  - Municipality to improve on management of landfill sites to ensure compliance with all environmental laws.
- **Human Settlements:**
  - Formalizing of informal settlements, land grabs, title deeds, and the need for RDP housing.
  - Pressing need for de-registration and registration of sites and availing sites.
  - Development of gap market housing and mixed development as well as rental stock.
  - Student accommodation.
- **Local Economic Development:**
  - Support, training and funding of SMMEs.
  - Need for Social and Labour Plans.
  - Creating and environment for investor confidence.
  - Need for business sites, food security, food gardens, job creation shopping complexes or centres.
  - Need for operational stalls for small businesses around the CBD and township economy.
  - Reviving of Phakisa Raceway and associated LED spinoff opportunities.
  - Increasing unemployment rate due to mine closures and need to create new industries for job creation.
- **Education:**
  - Requirement for more TVET colleges in the municipality's towns, experiential training, bursaries.
  - Diversifying mechanisms for education by building empowerment centres to provide training, rehabilitation, and skilling of different sectors in communities.
- **Health:**
  - Refurbishment and expansion of Regional Hospital and access to 24-hour service clinics.
  - Erection of new health facilities.
  - Improved access to health care facilities by expanding service hours for all clinics and employment of more staff to manage the considerable number of people utilizing the public health system.
- **Community Facilities:**
  - Establishment of multi-purpose centres, church facilities, sport facilities and community halls.

- Maintenance of existing community halls.
- Appointment of security officers to guard existing and new facilities against vandalism and to improve on maintenance.

- **Safety and Security:**
  - Visible policing and new police stations to cate for the growing developments in various towns and the enforcement of by-Laws.
  - Prioritize guarding of key infrastructure against vandalism and theft.
  - Cleaning of open spaces and renovation of abandoned buildings to reduce crime as they are used as a haven for thugs and drug syndicates.

3.4.4 Thabo Mofutsanyane District Municipality (DC19)

The Thabo Mofutsanyana District Municipality is responsible for drafting the District Integrated Development Framework, a mechanism to ensure alignment and integration between the IDPs of the district and the following local municipalities:

- Dihlabeng;
- Mantsopa;
- Maluti-a-Phofung;
- Nketoana;
- Phumelela; and
- **Setsoto (Host Area)**.

The Thabo Mofutsanyane District Municipality forms the north eastern part of the Free State province and is one (1) of four (4) district municipalities in the Free State. Topographically the district is bordered for most of its eastern border by the Maluti and Drakensberg mountains. Hydrologically the district is located between the Vaal River to the north, Orange River to the south with rivers within the district draining towards these rivers. To the northwest, Thabo Mofutsanyana shares its boundaries with Fezile Dabi District Municipality, Lejweleputswa District to its west and Mangaung metro to its southwest. To its southeast, Thabo Mofutsanyana shares a boundary with the province of KwaZulu-Natal and Mpumalanga to its northeast. The district shares a border with Lesotho to its south. The district is named after Edwin Thabo Mofutsanyana, a stalwart of the communist party. The eastern parts of Free State are a scenic area, well known for the several tourist attractions and features a variety of annual festivals. The biggest tourist attraction is the Golden Gate Highlands National Park which is home to a variety of animals (wildebeest, eland, blesbok, oribi and springbok).

Thabo Mofutsanyana District Municipality enjoys high levels of connectivity to other districts and provinces in South Africa, as well as to airports and harbors.

The focal economic sectors and geographical areas for promotion are as follows:

- Tourism (Eco Tourism): Clarens, Qwa-Qwa, Bethlehem, Ficksburg, Fouriesburg, Harrismith, Kestell, Reitz and Mernel;

- Agriculture (products and agri-businesses): Whole are of Thabo Mofutsanyana;
- Fruit Production: Ficksburg;
- Horticulture: Reitz, Bethlehem and Clarens;
- Agro-Packaging: Reitz; and
- Land Reform: major economic sectors to address ownership (land tenure) with focus on poverty alleviation and gender sensitivity.

3.4.5 Setsoto Local Municipality

Setsoto Local Municipality is an administrative area in the Thabo Mofutsanyana District Municipality of the Free State in South Africa. The name is a Sesotho word meaning “beauty”. The municipality is headed by Ficksburg, Caledon Park and Meqheleng, followed by Senekal and Matwabeng, Clocolan and Hlohlolwane, Marquard and Moemaneng. It is the gateway municipality to the Kingdom of Lesotho through Ficksburg and Clocolan at Ficksburg Bridge and Peka Bridge respectively. Setsoto is rich in agriculture as well as producing cherries. The local municipality area measures 5 948.35 km^2 in extent.

The municipality forms part of the most fertile agricultural areas in the Free State due to the soil quality and wonderful climate. Although all types of different farming activities occur throughout the area, it appears as if livestock farming is more evident in the central and western parts of the municipal area, whereas crop farming is more prevalent in the northern and eastern parts. No formal small-scale farming development has taken place although some planning has been conducted for intensive horticulture and dairy farming. A need for small-scale farming opportunities exists within the municipality and opportunities need to be created to assist the community with skills, training and funding. The farm lands within the municipal area are mainly used for commercial farming practices. Different farming types are found throughout the area, namely:

- Crop farming; and
- Stock farming.

3.4.6 Fezile Dabi District Municipality (DC20)

The Fezile Dabi District Municipality is a Category C municipality, formerly known as the Northern Free State District Municipality, situated in the north of the Free State. It is bordered by the North West, Gauteng and Mpumalanga Provinces to the north, Thabo Mofutsanyana District to the south, and Lejweleputswa District to the west. The municipality is the smallest district in the province, making up 16% of its geographical area. It consists of four (4) local municipalities: Moqhaka, Metsimaholo, Ngwathe and Mafube. The main attraction site, the Vredefort Dome, being the third-largest meteorite site in the world, is located within the district.

The following towns are situated in the district: Sasolburg, Deneysville, Edenville, Frankfort, Heilbron, Koppies, Kroonstad, Oranjeville, Parys, Tweeling, Viljoenskroon, Villiers and Vredefort and majority (approximately 74.7%) of the population speak Sesotho. Job creation is key in the area as well as skills development.

The municipality conducted a needs assessment within the four (4) local municipalities and the following needs have been identified:

1. **Roads:**

- Road issues continued to reappear within the District Municipality.
- Request for road maintenance
- Roads in bad conditions with potholes
- Request for bridges
- Upgrading of bridges
- Request for installation of speed humps
- Request for pavement of roads (Moqhaka LM: between smith four way to Nala farms; Phofolo street& Ntsane street, Matsiki street; Motsepe public School towards old Constitution Shopping Centre; Steenbok Street (ward 17); ward 12; ward 8)

2. **Electricity:**

- Undisrupted Electricity supply
- Electricity meters for RDP houses
- The maintenance and installation of high mass lights were continually emphasized across all four (4) local municipalities. This seems to be a District wide problem.

3. **Human Settlement:**

- People are still waiting for houses after applications
- Stands
- Need for new residential area to be allocated empty spaces in the District
- Provision of RDP houses
- Empty stands require attention (Grass cutting etc.)

4. **Water and Sanitation:**

- Creation of water channels
- Improve quality of water provided and tap water supply
- Fixing of water pipes
- Water purification
- Building of additional water reservoirs
- Request for provision toilets
- Request for pit toilets to be eradicated in Moqhaka
- Maintenance of sewerage system and draining system

5. **Health:**

- Request for hospital in the area

- Clinics to operate 24 hours a day
- Building of additional clinics

6. Education:

- Request for assistance with bursary and registration fees
- Skills training centres
- Higher level education facilities (FET college)
- Building of schools and Special Needs Schools
- Free Education
- Libraries

7. Environmental Health and Emergency Services:

- Maintenance and Cleaning of cemeteries (ward 4)
- Fencing of cemeteries
- Request for Fire fighters & fire Station in the area (ward 4, ward 3)
- Maintenance and regulation of landfill sites
- Grass cutting
- Landfill sites near area
- Provision of rubbish bins
- Ambulance stationed in Cornelia
- Cleaning of illegal dumping sites

8. Others:

- The main recurring themes from the community needs assessment sheets have been identified and analysed extensively above. However, the Fezile Dabi District wishes to further communicate the inputs that occurred in the gathered dataset.
- Sports and recreational facilities formed part of the emerging themes in our data, community members across all four local municipalities requested for sports facilities to be revamped, maintained and upgraded.
- Wi-Fi Sports were also an emerging pattern in the data, the community mentioned that these WIFI Sports would help the youth.
- A request for Jobs was predominately identified within the District.
- A request for Public Service Departments emerged in the data wherein community members requested for these departments to be made available near them (SASSA, Home Affairs, Police Station). In addition to this a large part of the community requested ATM facilities near them.

3.4.7 Moqhaka Local Municipality (FS201)

Moqhaka Municipality is a category B municipality – comprising **Kroonstad (Host Area)**, Maokeng, Viljoenskroon, Rammulotsi, **Steynsrus (Host Area)**, Matlwangtlwang in the Fezile Dabi District. The area of jurisdiction of the Moqhaka Local Municipality is situated in the southern part of the Fezile Dabi District Municipality. The former Kroonstad, Steynsrus and Viljoenskroon Transitional Local Councils and sections of the Riemland, Kroonkop and Koepel Transitional Rural Councils are included in the Moqhaka Local Municipality.

The Greater Kroonstad is the centre of a large agriculture community that plays an important role in the economy of the district. Industrial activities subsequently contribute significantly to the district's economy. Kroonstad has of late become a distinguished holiday destination due to the ultra-modern and popular holiday resort of Kroonpark, adjacent to the Vaal River. The urban area is situated adjacent the N1 National Road and located adjacent to one of the largest and most important four-way railway junctions in South Africa.

The Steynsrus/Matlwangtlwang urban area is situated approximately 45km east of Kroonstad, 92km west of Bethlehem. The major link road between Bethlehem and Kroonstad stretches adjacent to the urban area. The area is located in an area of agricultural significance and mainly provides services in this regard to the surrounding rural areas. Apart from the dominant role agriculture plays in the region, no other significant economic activity exists. The Moqhaka area, like the rest of the Fezile Dabi District, is not considered as a primary tourist destination, although the area is increasingly becoming a favourite weekend destination. The hunting and guesthouse industries displayed an exceedingly rapid growth over the past few years. Recreation areas and facilities are predominantly confined to the urban areas. The Kroonpark recreation and holiday resort in Kroonstad attracts interest throughout the region.

Employment opportunities will mainly be created in Kroonstad as a continuous growth point, whilst opportunities in the other smaller towns will remain limited and agricultural orientated.

The agricultural potential of the municipality to develop and sustain enterprises cannot be underestimated given potential in the following:

1. Perennial crops:
    a) Almonds
    b) Asparagus
    c) Cactus pear fruit
    d) Cape gooseberry
    e) Kiwi fruit
    f) Olives
    g) Pecan Nut
    h) Persimmon
    i) Pomegranate
    j) Walnut

2. Vegetables and melons:
    a) Carrots & beetroot
    b) Cabbage
    c) Garlic
    d) Green beans, spinach and Lettuce
    e) Onions
    f) Potatoes
    g) Squashes and pumpkins
    h) Watermelons

3. Grain, protein and oil seeds:
    a) Canola
    b) Ground nuts
    c) Maize
    d) Sunflower
    e) Sorghum
    f) Wheat
    g) Soya
    h) Barley

4. Industrial crops:
    a) Biofuel sweeteners
    b) Hemp

5. Pasture and fodder crops:
    a) Cactus pear
    b) Digitaria eriantha
    c) Eragrotis curvula
    d) Labla purpureus
    e) Lucerne
    f) Sorghum

6. Livestock:
    a) Beef cattle
    b) Milk cow (dairying)
    c) Sheep
    d) Goat milk
    e) Piggeries
    f) Broilers
    g) Bird layer unit
    h) Game

The following factors influence economic development and growth in the area:

- ***Road Infrastructure*:** An effective primary road network exists in the study area. The secondary road network provides effective access to the above primary road network.
- ***Strategic Location*:** The study area is situated strategically in close proximity to the Gauteng and North West Provinces.
- ***Tourism Potential*:** The study area has a significant weekend related tourism potential that could, in future, contribute to the GGP of the district and should be further exploited.
- ***Agricultural Sector*:** The agricultural sector of certain areas in the district is extremely prominent and contributes largely to the GGP of the Fezile Dabi District, which emphasise the agricultural significance of this district. The latter results to industrial development that is agricultural orientated.
- ***AIDS*:** The impact of AIDS on economic growth patterns is still largely an unknown entity. An increase in mortality will, however, place a large burden on health services and the cost thereof that will influence future economic growth.

- ***COVID-19:*** COVID-19 has been declared a pandemic by the World Health Organisation so has the South African government and its impact on our daily lives has been enormous. Our economy has been hardest hit, and we could not realise the planned growth but instead we witnessed job losses, negative growth in our economy and most devastating loss of life.

- ***Competition*****:** The impact of international trade and competition in agricultural products might result that the agricultural sector is internationally less competitive. The latter implies a negative effect on economic growth leading to a possible loss in employment.

3.5 Housing Programme

Motuoane Energy recognises the importance of ensuring that all employees reside in safe, acceptable, and sustainable housing environments. Given the nature and scale of the production operation in the Free State, as well as the intention to recruit primarily from local communities and nearby labour-sending areas, Motuoane Energy will not provide employees with accommodation or company-owned housing or hostels. Most of the employees will already be living in a house of their choice and in a sustainable environment. The company will implement a Living-Out Allowance Programme to support employees in accessing and maintaining appropriate housing.

A survey of all employees' standard of housing will be conducted during the recruitment phase to determine current employee housing standards and living conditions. This will form the basis of an awareness campaign and training to improve employees' understanding and knowledge of healthy living conditions and housing standards.

The objective is to meet the Mining Charter's requirements to allow employees to live in an acceptable and sustainable housing environment. It also will assist in maintaining sustainable housing standards in the integrated municipal infrastructure framework. In the longer term it will assist with the social and economic sustainability of living standards in the community.

Key guiding principles informing the production operation's plan for workforce housing include:

- ❖ The production operation will pay all eligible employees a living out allowance (to commence once production commences, which should be adequate to provide for suitable accommodation near the production site..

- ❖ Encourage employees to find suitable accommodation in close proximity of the operation.

- ❖ The production operation will evaluate housing conditions on an annual basis to assess the workforce's housing conditions and may provide training on the benefits of good living conditions as part of a Life Skills Programme.

- ❖ If housing should be identified as a limiting factor for the new workforce, the production operation will consider dialogue with relevant municipalities, housing

department and interested groups to facilitate sustainable housing developments in the local communities as part of infrastructure development initiatives.

- The production operation will maintain records of the employee homeowner and accommodation statistics and include results in Annual SLP and Mining Charter Reports.

3.6 Nutrition & Wellness Programme

Motuoane Energy is committed to promoting the health and well-being of its workforce. While the company will not be providing food directly to employees, it recognises the critical role that nutrition and wellness plays in supporting a productive and healthy workforce.The company will implement an awareness program to inform workers of the benefits of good nutrition, balanced diets, and correct method of food preparation to maximize nutritional benefits of food, as well as the use of nutritional diets in the management of HIV/AIDS and Tuberculosis (TB).

The following mechanisms will be implemented to address employees' wellness and nutrition:

- HIV/Aids Awareness Programme;
- TB Awareness Programme; and
- Wellness Programme.

Notice boards will be utilised to disseminate information.

3.7 Procurement Progression Programme

Motuoane Energy supports the transformation and alignment of the procurement requirements as set out in the MPRDA and the Broad-Based Socio-Economic Empowerment Charter for the South African mining industry. The purpose of the Procurement Progression Plan for the Motuoane Energy is to ensure the identification, and subsequent management of suppliers conforming to HDP status. The net result of this initiative will be to drive greater levels of spending within HDP suppliers. A vital component of this plan will be to ensure HDP procurement spend in the local communities is maximized.

Motuoane Energy is committed to the preferential purchasing and procurement objectives of the Mining Charter. The purpose of the Procurement Progression Plan for Motuoane Energy is to ensure the identification, and subsequent management of suppliers conforming to HDP status. Motuoane Energy is also committed to the establishment and growth of SMMEs with a focus on Black Women Owned and Youth Owned supplier ownership statuses.

The following local spend targets within Mining Goods and Services will be applicable when sourcing products/services for the production operation. Table 33 provides the HDP spend

targets for Mining Goods and Table 34 for Services and are aligned to the Mining Charter targets to be achieved by 2023 and thereafter maintained.

Table 33: Discretionary Spend Targets for Mining Goods (Years 1 to 5)

Calendar Year	Ownership		BBBEE Compliant Company with 25% +1 HDP Ownership Status
	HDP (51%)	Women and Youth (51%) Youth (18 to 35 years)	
Year 1 to 5	21%	5%	44%

Table 34: Discretionary Spend Targets for Services (Years 1 to 5)

Calendar Year	Ownership			BBBEE Compliant Company with 25% +1 HDP Ownership Status
	HDP (51%)	Women (51%)	Youth (51%) Youth (18 to 35 years)	
Year 1 to 5	50%	15%	5%	10%

3.8 Enterprise Development and HDP SMME Development

Motuoane Energy will, in conjunction with stakeholders in the local communities' support HDP SMME/supplier development by procuring capital goods, consumables and services from the local communities where feasible.

SECTION 4: PROCESSES PERTAINING TO MANAGEMENT OF DOWNSCALING AND RETRENCHMENT (Reg. 46 (d))

4.1 Introduction

This section deals with the management of downsizing and retrenchments. It is Motuoane Energy intention to abide by the guidelines as set out in the Labour Relations Act. The applicable authorities and employees will be notified of any planned retrenchments in accordance with legislative requirements. Negotiations with regards to retrenchment packages will be carried out in line with applicable legislation. Provisions for downscaling and retrenchment will be finalized in the Future Forum when the need arises.

4.2 Establishment of a Future Forum (Reg. 46 (d) (i))

The Future Forum Structure will be in place after two (2) years of granting Motuoane Energy's new production right. The objectives of Motuoane Energy Future Forum structure will be:

1. To promote on-going discussions between the worker representatives and production operation management regarding the future of the operation as well as the following:
    a. The Social and Labour Plan;
    b. The Workplace Skills Plan;
    c. Employment Equity; and
    d. Labour related topics.
2. Anticipate, forecast and identify problems, challenges and possible solutions with regard to productivity and employment;
3. Generate awareness of the Social and Labour Plan as and when required;
4. Identify production and employment turn-around strategies;
5. To attempt to identify problems, challenges and solutions with regards to employment;
6. Implement strategies and policies agreed upon by both parties;
7. Negotiate and take measures to avoid job losses;
8. Envisage possible future job losses and implement contingency plans;
9. Notify employees when a retrenchment is made of 10% or more of the workforce;
10. Implement strategies agreed upon by both employer and worker representatives;
11. Consult and attempt to reach consensus on appropriate strategies to promote productivity, save jobs and ensure fair business practices; and
12. Implementation of early warning systems.

4.3 Mechanisms to Save Jobs and avoid Job Losses and a Decline in Employment (Reg. 46 (d) (ii))

Section 52(1) of the MPRDA requires a holder of a mining right, after consultation with any registered trade union or affected employees or their nominated representatives where there is no such trade union, to notify the Minister in the 'prescribed manner' where:

- Prevailing economic conditions cause the profit to revenue ratio of the relevant operation to be less than six (6) per cent on average for a continuous period of 12 months; or
- If any mining operation is to be scaled down or to cease with the possible effect that 10% or more of the labour force or more than 500 employees, whichever is the lesser, are likely to be retrenched in any 12-month period.

The production right holder will submit a notice contemplated in section 52(1) of the MPRDA to the Minister after consultations with registered trade union/s, affected employees or their nominated beneficiaries are concluded. The notice will contain details of prior consultations with registered trade unions, affected employees or their nominated representatives as contemplated in section 52(1) of the MPRDA.

The details of prior consultations will include dates, times, attendance registers, minutes, considerations, proposals, resolutions, agreements, recommendations, reports and records relating to consultations held with registered trade unions, affected employees or their nominated representatives before the notice is submitted to the Minister. The notice will also be accompanied by an affidavit by the holder of the production right, confirming that the factors contemplated in section 51(1) or (2) of the MPRDA exist.

Nonetheless, planning for downscaling and/or retrenchment will be undertaken in terms of the SLP and the associated workforce planning process that will be in place for the life of the production operation. As part of this process, every effort will be made to promote security of employment through sound management of the operation.

In circumstances where Motuoane Energy is of the opinion that retrenchments are unavoidable, it will embark on a proper consultation process with all interested and affected parties, as envisaged in terms of Section 189 of the Labour Relations Act, No. 66 of 1995 (LRA).

Table 35: Implementation Action Plan of Workforce Planning in Respect of Downscaling and Retrenchment

Downscaling and Retrenchment Programme Strategic Action Plan	Responsible Position	Timeframe
On-going discussion with Future Forum members.	Director	When required
Consultations with the worker representatives and employees are likely to be affected by the retrenchment.	Director	When required
Applying creative mechanisms to avoid or minimize retrenchments.	Director	When required

Where it is appropriate, the following alternatives may be considered along with any other proposals advanced by the employee:

- Reducing staff numbers through natural attrition;
- Temporarily suspending recruitment (i.e. while the redeployment of permanent employees is necessary to avoid retrenchment);
- The working of short time at correspondingly reduced salary levels;
- Temporary layoffs with or without employment benefits or remuneration;
- On the job training, external courses and/or in-house training courses (where feasible and, subject to reasonable time and cost limits, and where an employee on the redeployment list has the potential to fill a certain vacancy);
- Internal transfers to suitable vacancies, not necessarily at the same job/salary level;
- Voluntary retrenchments and early retirement subject to the retention of key employees based on considerations similar to those identified in section 5 below;
- Reasonable time off work will be permitted in the notice period to seek alternative employment; and
- The company will provide staff to be retrenched with assistance in preparing CVs. If requested to do so by the staff members, the company will also circulate the CVs to local recruitment agencies.

4.4 Mechanisms to Provide Alternative Solutions and Procedures for Creating Job Security where Job Losses cannot be avoided (Reg. 46 (d)(iii))

Motuoane Energy undertakes to inform, in line with Section 52(1) of the MPRDA, the Minerals and Mining Development Board of any possible retrenchments as and when required during the life of the operation and within three (3) to five (5) years prior to the end of the life of the production operation. Such a notice will include the timeframes for the closure process and issues discussed at the Future Forum. Other interested parties that would be informed would be the DoL, the Local Municipality and the relevant authorities of any major sending areas as determined by the production operation's labour-sending area records. As outlined above in

Section 4.3, a comprehensive consultation process in terms Section 189 of the LRA will also be initiated.

Subject to the resources thereto being available, Motuoane Energy will assist affected employees through offering a variety of mechanisms including those outlined in Table 36.

Table 36: Mechanisms to be Available to Employees Affected by Retrenchment

	Mechanisms
1.	Assistance, prior to retrenchment date, with retraining, entrepreneurship training and other courses to enhance further employment practices.
2.	Informing neighboring production operations of the retrenchment process and ascertaining the availability of any job vacancies.
3.	Assistance in registering as a job seeker with the relevant DoL and/or employment agencies.
4.	Assistance with accessing outplacement and/or career transition counselling from relevant consultancies or job advice centers in the community.
5.	Assistance with completing job application and other relevant forms.
6.	Financial planning advice as well as advice and support in accessing pension/provident fund pay-outs and UIF claims or other state assistance.

4.5 Mechanisms to Ameliorate the Social and Economic Impact on Individuals, Regions and Economies Where Retrenchment or Closure of the Operation is Certain (Reg. 46 (d)(iv))

Downscaling and retrenchment at the operation has the potential to affect not only employees but also surrounding businesses and communities. Thus, careful planning is imperative to limit the potential fallout of such an event. A major objective of the HRD and the LED Programmes as outlined in Sections 2 and 3 is to facilitate sustainable social and economic growth in the local communities during the life of the production operation. This will need to be supplemented by additional measures to manage the impact of the production operation closure on both the surrounding communities and those communities from which labour is sourced.

The Future Forum will assess in advance the impact that will be caused by the retrenchment and/or closure of its operations. This will be communicated to the affected individuals and communities involved so as to make all affected parties aware of what the outcome of the retrenchment and/or closure will be. Proposals to lessen the impact on the socio-economic situation of the area concerned will be considered. In order to assess this impact a socio-economic impact analysis (SEIA) will be carried out by specialist consultants prior to the

development of detailed closure management plans. Such an impact assessment will incorporate interaction with both the Future Forum and relevant community structures.

The plans to manage the socio-economic impact of retrenchments and/or the production operation closure must be comprehensive and will include a variety of strategies. The principles underlying the development and implementation of production operation closure strategies are outlined in Table 37 below.

Table 37: Development and Implementation of Closure Strategies

Closure Programme Strategic Action Plan	Responsible Position	Timeframe
Comprehensive and sensitive consultation with stakeholder groups from the local communities, government departments and other identified groups.	Director	When required
Comprehensive and sensitive consultation with local businesses that are reliant on the production operation and those who are independent thereof.	Director	When required
Capacity building to assist retrenched employees to set up their own businesses or assist local business to expand their operations including but not limited to: • Making available support, guidance and assistance to relevant parties during the life of the production operation and at the time of retrenchment; • Fostering a spirit of entrepreneurship among local businesses and interested employees; and • Providing support to local businesses and entrepreneurs through supportive ad-hoc mentoring mechanisms grounded in the needs of the protégés;	Director	When required
Continued mentorship of empowerment groups and local community structures started during the life of the production operation in line with the needs of these groups/structures using ad-hoc mechanisms already in place.	Director	To be in place during the life of the operation
Development support for empowerment groups and local community structures through experiential learning that focuses providing competencies to meet identifiable needs and building on existing skills and knowledge.	Director	When required
Provision of portable skills to employees facing retrenchment (in addition to those provided during the life of the production operation in accordance with the skills development plans and workforce planning outlined in Section 2) particularly non-mining related skills. Such portable skills must have an impact beyond the company and provide for sustained employability and will, wherever feasible:	Director	To be in place during the life of the operation
• Build on employees' existing skills and be recognised nationally;		

Closure Programme Strategic Action Plan	Responsible Position	Timeframe
• Enable employees to manage their careers by addressing identified skills gaps; and		
• Supplement existing skills with business-related training where appropriate.		

Section 5 to follow provides Motuoane Energy's financial provision for this five (5) year SLP.

SECTION 5: FINANCIAL UNDERTAKING (Reg. 46 (e))

Section 23(1) (e) of the MPRDA states that "The Minister must grant a mining right if the applicant has provided financial provisions for the prescribed Social and Labour Plan". Motuoane Energy will ensure financial provision for each component of the SLP as required.

Table 38 presents a summary of the financial commitment by Motuoane Energy to each element of the SLP for a five (5) year period commencing once approval of SLP by DMR has been obtained.

Table 38: Summary of Financial Undertakings in respect of Motuoane Energy SLP Programmes (Years 1 to 5)

SLP Programme	Year 1	Year 2	Year 3	Year 4	Year 5	Total Budget (Year 1 to 5)
HRD Programme	R174 800	R181 816	R413 500	R484 488	R504 616	**R1 759 220**
LED Programme	R80 000	R100 000	R165 000	R205 000	R240 000	**R790 000**
Total SLP Budget	**R254 800**	**R281 816**	**R578 500**	**R689 488**	**R744 616**	**R2 549 220**
Closure and Retrenchment Management Programme	R30 000	R80 000	R100 000	R115 000	R150 000	**R445 000**

The above commitments are based on the current business plan. Where changes are required to the above, a formal section 102 application will be submitted to reflect changes in this SLP document. Actual expenditure in each of the three (3) elements of the SLP will also be reported annually to PASA and DMR within the prescribed Annual SLP Report.

5.1 Human Resources Development Programmes (Reg. 46 (e)(i))

Section 2 outlines the Human Resources Development (HRD) Programmes to be implemented by Motuoane Energy. However, based on current planning, Motuoane Energy has provided for 5% of the total expected wage bill (excluding Mandatory Skills Development Levies) per annum for expenditure on HRD programmes (refer to Table 38 below).

Table 39: Summary of Financial Undertakings in respect of the Motuoane Energy's Human Resources Development Programmes (Years 1 to 5)

HRD Programmes	Year 1	Year 2	Year 3	Year 4	Year 5	Total Budget (Year 1 to 5)
AET Community	R1 800	R3 816	R7 500	R7 488	R5 616	**R26 220**
Core Business Skills	R40 000	R15 000	R30 000	R40 000	R50 000	**R175 000**
Section 18.2 Learnership	R0	R55 000	R110 000	R110 000	R110 000	**R385 000**
Portable Skills	R7 000	R15 000	R40 000	R45 000	R15 000	**R122 000**
Bursaries (External)	R0	R45 000	R100 000	R150 000	R150 000	**R445 000**
Internship	R126 000	R48 000	R126 000	R132 000	R174 000	**R606 000**
Total SLP:	**R174 800**	**R181 816**	**R413 500**	**R484 488**	**R504 616**	**R1 759 220**
Projected Annual Wage Bill:	**R1 000 000**	**R1 000 000**	**R2 000 000**	**R2 000 000**	**R2 500 000**	**R8 500 000**
Annual Wage Bill (5% Spend Requirement)	**R50 000**	**R50 000**	**R100 000**	**R100 000**	**R125 000**	**R425 000**

5.2 Local Economic Development Programmes (Reg. 46 (e)(ii))

Section 3 details the integrated LED programme initiated by Motuoane Energy. Table 39 provides a summary of the financial provision for LED programmes for the first five (5) years following approval of production right.

Table 40: Summary of Financial Undertakings in respect of the Motuoane Energy's Local Development Programmes (Years 1 to 5)

Local Economic Development Programme	Year 1	Year 2	Year 3	Year 4	Year 5	Total Budget (Year 1 to 5)
LED Projects	R60 000	R80 000	R135 000	R170 000	R205 000	**R650 000**
Housing Programme	R10 000	R10 000	R20 000	R25 000	R25 000	**R90 000**
Nutrition Programme	R10 000	R10 000	R10 000	R10 000	R10 000	**R50 000**
Total:	**R80 000**	**R100 000**	**R165 000**	**R205 000**	**R240 000**	**R790 000**

5.3 Management of Downscaling and Retrenchment Management Programmes (Reg. 46 (e)(iii))

The on-going investment in HRD Programme and facilitation of training during the life of Motuoane Energy are intended to support the acquisition of skills that will provide employability to the workforce beyond the life of the operations.

Negotiations with regard to retrenchment packages will be carried out at the time these take place. Such negotiations and consultation will be in line with prevailing legislation and best practice. Provision for downscaling and retrenchments is included within Table 41.

Table 41: Summary of Financial Undertakings in respect of the Motuoane Energy's Closure and Retrenchment Management Programmes (Years 1 to 5)

Closure and Retrenchment Management	Year 1	Year 2	Year 3	Year 4	Year 5	Total Budget (Year 1 to 5)
LED Projects	R30 000	R80 000	R100 000	R115 000	R150 000	**R445 000**

SECTION 6: STATEMENT OF UNDERTAKING AND SLP COMMUNICATION PLAN

6.1 Submission

Exploration Right:	PASA reference number: ER 12/3/315/1B
1st Generation Social and Labour Plan	Years 1 to 5
Submission date:	22 August 2025
Designation of Signatory:	General Manager
Name of Signatory:	Daphne Mentor
Signature:	D.J. Mentor
Contact e-mail:	daphne@d3energy.com.au

6.2 DMRE Submission Receipt

Submission date:	
1st Generation Social and Labour Plan	First Draft to PASA. Excluding LED Project. Mine Community Forum to be formed with Municipal Managers and community representatives
Designation of Signatory:	
Name of Signatory:	
Signature:	
Contact e-mail:	

This SLP is submitted in accordance with the templates as required by the Mineral and Petroleum Resources Development Act, 2002 and the associated SLP Implementation Guidelines.

6.2 Communication of the Social and Labour Plan to Motuoane Energy Workforce (Reg. 46 (f))

In order to comply with the requirements of the MPRDA (specifically regulation 46(f)), Motuoane Energy will continue ensure that each employee is informed about the provisions set out in the company's SLP as well as progress in achieving the objectives on an annual basis. In order to communicate the information effectively, the following process will be followed as detailed in Table 42 below.

Table 42: SLP Communication Process Implementation Action Plan

Strategic Action Plan	Responsible	Timeframe
The company will communicate the SLP to all its employees through established SLP communication structures.	Motuoane Energy	Upon SLP approval through line management.
The feedback is presented in an appropriate format to be understood by all employees and may be communicated verbally, face to face and with the help of interpreters.	Motuoane Energy	Upon SLP approval through line management.
The Future Forum discusses and communicates SLP issues during the life of the operations, as well as issues pertaining to downscaling and retrenchment should these arise.	Motuoane Energy	To be in place within two (2) years of receipt of Mining Right
The applicant must within 180 days from the date of receiving approval for this SLP, consult meaningfully with communities and interested and affected persons on the contents of the Social and Labour Plan to ensure that it addresses the relevant needs and is aligned to the updated IDPs.	Motuoane Energy	Within 6 months of approved SLP
Meaningful consultation process on the contents of the SLP shall be conducted in terms of public participation.	Motuoane Energy	Within 6 months of approved SLP
A mining right holder must publish the approved SLP in English and Sesotho.	Motuoane Energy	Within 30 days of approval of SLP
An approved hard copy SLP must be placed at municipal offices, company website and the mine's offices.	Motuoane Energy	Within 30 days of approval of SLP

APPENDIX A: MUNICIPAL LETTERS – LED PROJECT IDENTIFICATION PROCESS BOUNDARY DETERMINATION

APPENDIX B: INITIAL MUNICIPAL CONSULTATIONS – ATTENDANCE REGISTERS, MEETING SUMMARIES & CORRESPONDENCE