

**MEDIA RELEASE**

## **De Beers receives eight mining rights in the Northern Cape**

*Johannesburg 30 October 2008* De Beers today announced the successful conversion of seven of its old order mining rights to new order rights under the provisions of the Minerals and Petroleum Resources Development Act no. 28 of 2002, and the Act's Regulations of 2004. De Beers lodged the old order rights for conversion, and also applied for, and received, a new order mining right over an area in Namaqualand, where it previously did not hold the right.

David Noko, De Beers Consolidated Mines (DBCM) managing director, said that the company was pleased that it had received the eight rights, and was encouraged by the assistance it had received from the Department of Minerals and Energy (DME), and their thorough administrative processing of conversions lodged and the application submitted. David Noko commented "The complexity and scope of the Act as an instrument to further social and economic development, and to foster transformation in the South African economy, and therefore in our society, is something often not fully appreciated. Regular engagement with the DME, and with the communities that surround our mines, has contributed to the successful conclusion of these conversions. The certainty the eight mining rights bring to a company and its employees is important, as mining is an industry of significant risk, and requires deep capital commitment over decades, and therefore long- term planning."

Elaborating on the underlying content of the conditions attached to all mining rights David Noko continued; "I am optimistic that these mining rights received for the Finsch and Namaqualand areas illustrate that the cooperative planning and discussion which has taken place between De Beers and communities, and with government at a local, provincial and national level has helped to build common purpose. To be awarded a mining right the company's social and labour plans for each area has to be agreed to by many parties, and we address the important environmental management issues in the mining areas, provide proof of financial and technical capacity to execute mining plans, and implement a range of empowerment initiatives addressing procurement, and community and skills development, as well as the proper and correct mine closure planning. This is something we approach as a way of life rather than as a regulatory requirement."

The licenses converted were for the Finsch Mine, and for the Buffels Marine, Buffels Inland, Dikgat, Brand-se-Baai, Koingnaas, and a new right application was granted for the Verdun area which forms a part of Namaqualand Mines in the Northern Cape. Conversions have also now been executed for Venetia Mine in the Limpopo Province.

De Beers acknowledged the assistance received and expertise of the DME Director-General, Advocate Sandile Nogxina, and Futhi Zikalala and Jacinto Rocha, Deputy Director Generals, their officials at the provincial and national levels of government, as well as local and provincial government officials who advised and helped with the underlying work necessary to issue the licences and thereby realize the economic and social intent of the Act.

Sakhile Ngcobo head of public affairs at De Beers said; "De Beers is confident that, due to the joint working approach we have with the DME, the parties have broadened one another's depth of

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experience and knowledge; thereby enabling the efficient execution of the conversions lodged, and new order right applied for. We are confident that the understanding gained will expedite the remaining work required for future conversions. The company has already received its mining right for its new billion Rand investment in the Voorspoed Mine in the Free State, which is scheduled to open next week, on 4th November.”

Ends

#### **Note on the company in South Africa**

De Beers Consolidated Mines (DBCM) has been an empowerment company owned since 2006 in a partnership by the De Beers Group and by Ponahalo Holdings. Ponahalo has a 26% shareholding in DBCM and represents a broadly based group of HDSA leaders in business, the communities around DBCM operations, women, people with disabilities as well as current DBCM employees and pensioners.

DBCM operates five mines in South Africa - Venetia Mine in the Limpopo Province, Voorspoed in The Free State; Kimberley, Finsch and Namaqualand Mines in the Northern Cape Province, as well as the 'Peace in Africa', a deep sea mining vessel off the Northern Cape Province coast. The company has sold a number of its marginal mines as going concerns to consortia with BEE credentials and expertise in mining marginal deposits thereby sustaining economic mining activities in communities for longer.

De Beers in South Africa employees over 4000 miners, technicians, scientists, rough diamond sorters, environmentalists and other specialists on its six mining operations, and in its offices and laboratories, research facilities and work shops in South Africa.

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