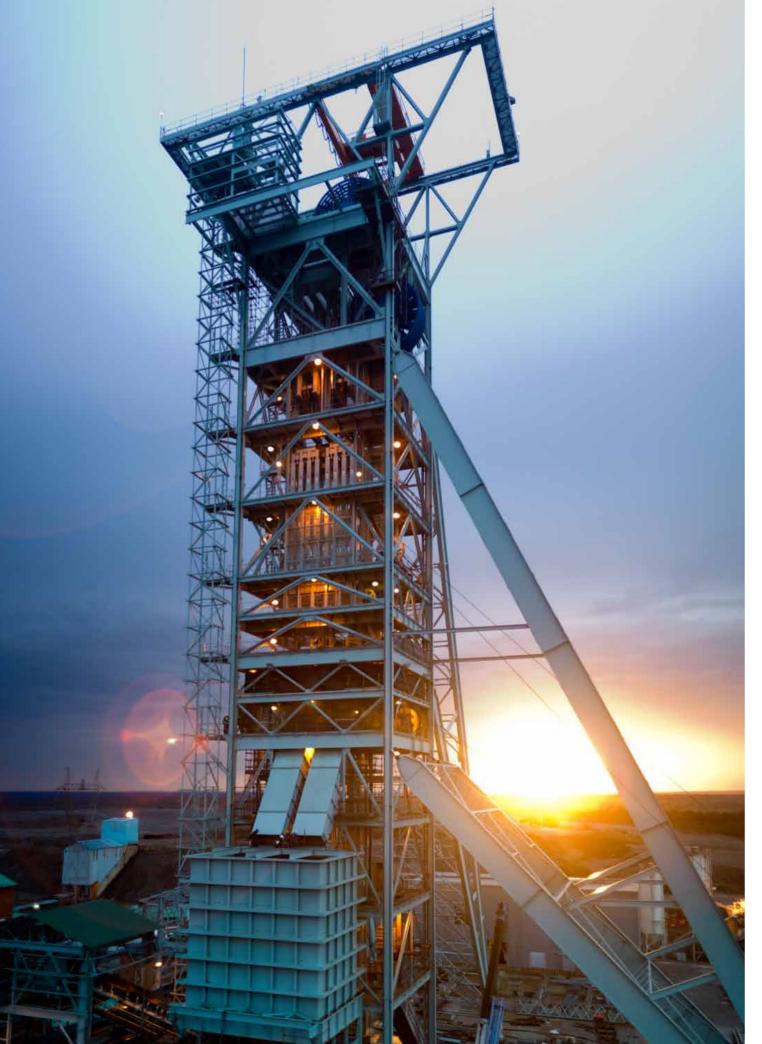


KONKOLA COPPER MINES (KCM) DELVING DEEPER



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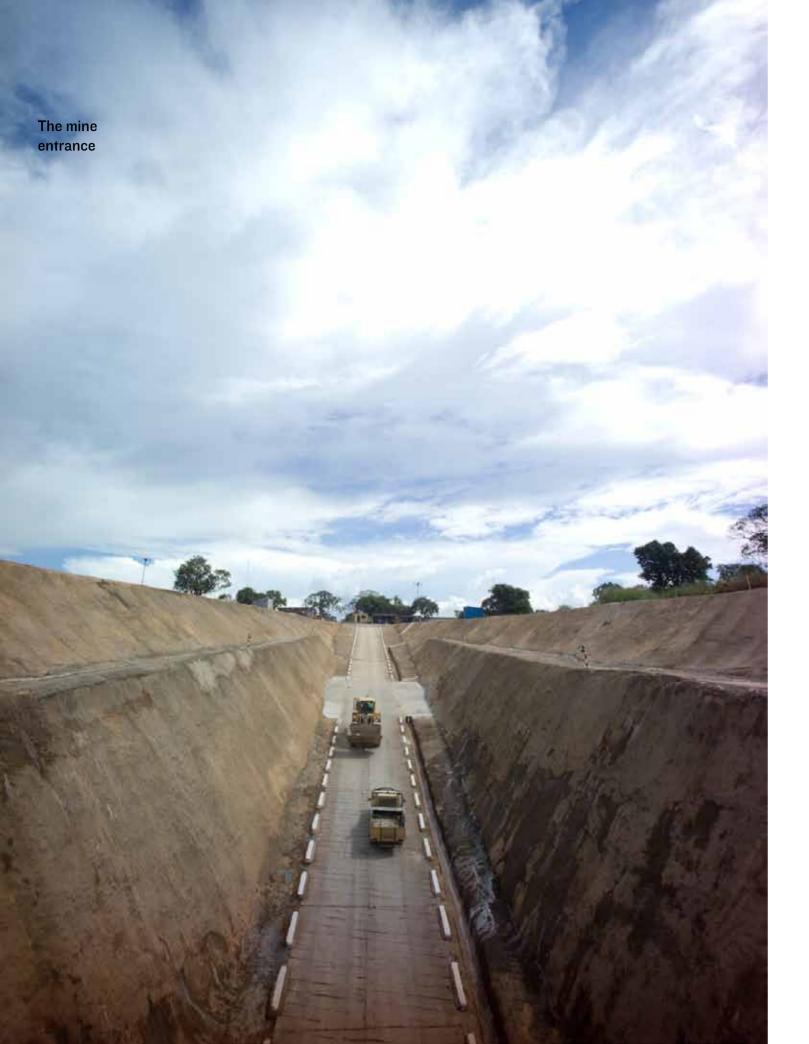
DELVING DEEPER

As Konkola Copper Mines (KCM) embarks on its complex Konkola Deep Mining Project (KDMP) it has never been a more important time for the company to demonstrate its commitment to sustainable development

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KONKOLA COPPER MINES (KCM)





ince the early 1930s the mining industry has been the economic and social backbone of Zambia. In the decades since the country's economy has been heavily reliant on the mining of copper and cobalt. Today the country is internationally recognised as a premier producer of these products, and is ranked as the world's seventh largest producer of copper, generating 3.3 percent of the western world's total production.

Konkola Copper Mines (KCM) is a major integrated copper producer in Zambia, primarily engaged in the exploration for,

mining, production and sale of copper and copper by-products. A subsidiary of Vedanta Resources, a London-listed diversified FTSE 100 metals and mining group with operations in India, Australia, South Africa, Namibia, Zambia & Ireland, KCM's primary aim

is to establish itself as an over 400,000 tonnes per annum finished copper producer and among the top biggest copper mining companies in the world.

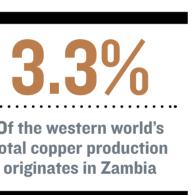
KCM's fully integrated copper operations include a number of open pit mines, a large underground mine, leaching plant, a state of the art new flash smelter, modernised concentrators, a modernised refinery and a sulphuric acid plant.

One of the company's most significant advantages is its location within one of the highest-grade copper seams in the world. Initially owned by Anglo American KCM holds the distinction of being Zambia's

Of the western world's total copper production

Corporation and Roan Selection Trust, the mines were nationalised in the early 1970s with their ownership restricted several times before Zambia became a multi-party state in 1991.

By March 2000 the privatisation programme of the largest mining assets was completed, with Anglo American reacquiring a 51 percent stake in Konkola Copper Mines which comprised mining operations in Chingola and Konkola, and smelting and refining operations at Nkana. It was in November 2004 that Vedanta Resources become KCM's majority shareholder,



increasing its holding to 79.4 percent in 2008. Since its original acquisition Vedanta has invested over \$2.5 billion to upgrade equipment, build new facilities and expand capacity. The investments have increased reserves & resources and increased the life of the mines.

KCM operates two mines at Nchanga, comprising an underground mine and four open pits, the Nchanga Smelter, Konkola Mine, Nkana Refinery and the Nampundwe pyrite mine. KCM's operations are primarily classified into the four categories of mining process plants, marketing, human resources and logistics. The process plants process raw ore into high grade copper, while the company's dedicated marketing team is tasked with the selling of KCM's products to various clients in Africa and other continents. From a human resources perspective

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KDMP has been a key installation for Trident with the purchase of 16 20ton "Big Mamma" locomotives; this is Africa's single largest installation of large Battery and Electric Locomotives. Key to the success of this project was Tridents team of dedicated industry professionals and the management team at KDMP namely Praveen Sharma and Barry Hodgekinson, who together had the vision and the tenacity to make this project a success.

Trident SA provides technical, parts and reconditioning support to 180 locomotives in the Zambian market and besides Locomotives also sells a range of Rockershovels (Eimco and Atlas Copco) and Trident Winches. www.tridentsa.co.za



KONKOLA COPPER MINES (KCM)

largest private sector employer with nearly 22,000 permanent and contractor employees, meanwhile, with Zambia being a land-locked country, logistics plays a hugely important role in the transportation of finished products to Johannesburg and Cape Town in South Africa. From here the products are then sent to their respective destinations.

In recent years KCM has invested heavily in establishing state-of-the-art mining operations across its mines and in key projects that are designed to extend the life of its assets and increase overall copper production. One of its largest and most important undertakings currently on-going is the Konkola Deep Mining Project (KDMP). This involves expanding the production of copper ore at the Konkola mine from two million tonnes per annum to 7.5 million tonnes per annum by accessing the rich ore body that lies beneath what the current operations are exploiting. In order to achieve this the company is in the process of sinking a new mine shaft to the depth of

22,00Number of permanent and contractor employees working for KCM

approximately 1,500 metres, making it the deepest new shaft sinking project occurring on the continent.

In addition to this the project involves the deepening of existing shafts, the sinking of three new ventilation shafts, one new dewatering shaft and the construction of a new pump chamber. Phase one of the project has been successfully launched, with midshaft loading currently underway.

Alongside the KDMP, a modern concentrator is being built to handle the additional ore that will be produced at Konkola. The Company believes the KDMP represents the largest investment by a Zambian mining company in a shaft-sinking operation since the late 1950s and expects it to bring significant short and long-term benefits to the Zambian economy. The KDMP also includes the commissioning of a six metric tonnes per annum concentrator at Konkola to enhance mining output, improve recovery and improve the concentrate grade of its copper.

While the term "sustainable development" is very much a buzz-phrase throughout the mining industry these days, it is something that KCM takes extremely seriously when it comes to all of its operations, including the KDMP. As part of its corporate social responsibility programme it aims to give



back and support the community in which its mines and process plants operate.

Among its chief activities KCM is working to rebuild the lives of KCM employees by providing them with alternative employment opportunities, educating the children of KCM employees in its own schools, providing medical care in purpose built clinics and hospitals, and raising public awareness of malaria and AIDS.

"KCM'S PRIMARY AIM IS TO ESTABLISH ITSELF AS BEING AMONG THE TOP BIGGEST COPPER MINING COMPANIES IN THE WORLD"

As part of its safety, health and environment programme KCM enacts the highest of safety measures and regulations in each of its mines and process plants. Each and every one of its employees is provided with regular training, which helps them to work efficiently while minimising risk. Regular audits are conducted to ensure that all safety measures are being complied with, while regular health check-ups are conducted and medical treatment is able to be provided to employees who fall ill.

KCM has also made concerted efforts to ensure that its processes are fine-tuned to ensure minimal environmental pollution is emitted. The company plants saplings to create fruit orchards to maintain the greenery

Overview of the plant site

and protect the ecological balance and water conservation is also an important issue that KCM highlights through awareness programs. When one couples the extensive work being undertaken to improve its existing mine operations, thus inevitably creating more jobs and contributing more to Zambia's economic growth, and the work it is doing to achieve sustainable development, it is clear that KCM is doing everything in its power to make the future bright for itself and the communities around which it operates. **B**

For more information about Konkola Copper Mines (KCM) visit: www.kcm.co.zm



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