

Introducing Vision 2025

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A reflection on safety in 2018 01

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Platreef Project turnaround 06

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Bigger and better things on the horizon: The new LEAP 4 school being built in Diepsloot 10

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Key safety learnings that are shared in our weekly safety campaigns are an important enabler to effective safety communication which drives a proactive safety culture across our operations.

Our year end safety campaigns focus largely on two key aspects: **Employee fatigue** and **Complacency**.

Fatigue, or burnout, is a common problem as we approach the end of the year. Employees who are fatigued are less likely to be able to respond effectively and quickly to unusual or emergency situations. Fatigued employees could be a danger to themselves and to others.

Whether you are suffering from sleep deprivation or not, your attitude is something you can control in the execution of your work. The trick is to recognise if your poor attitude is making your feelings of burnout worse or whether you have a poor attitude because you are feeling burnt out. Either way, the only thing you can do is make a change and ensure that you are well rested before coming to work.

Complacency on the other hand is about being satisfied with how things are and not wanting to make them better. Complacency can be extremely dangerous in the workplace. We get so used to things being done the same way that we do not always look at the hazards in our surroundings.

We may also underestimate the risk in tasks that we perform regularly or fail to notice a change in our environment when we become complacent in our daily routines.

We must continue to **PAUSE** and **REFLECT** on how our thoughts and attitudes drive the desired safety behaviour, which in turn drives the eventual safety outcomes that we want to achieve. 'Home without Harm, Everyone, Everyday' is our safety vision and this must become a way of life for all of us.

Being safe on the roads these holidays

Our key focus for the holidays is around road safety. There are nearly 10 times more road deaths each year than there are workplace fatalities. It is important that we all become safe road users.

By taking precautions you drastically lower your chances of becoming a road-accident statistic



Adopt sensible driving habits

- Always stick to the speed limit and drive slower in poor conditions.
- Maintain a sensible following distance so that you have space and time to react.
- Stay visible by driving with your headlights on at all times.
- Drive defensively and be aware of hazards such as parked vehicles, people exiting buses or taxis, cattle, and children playing on the side of the road.
- Always buckle up and ensure passengers do the same, including children.

Driver fatigue is involved in many fatal accidents

- Ensure that you get a good night's sleep before traveling.
- Take a break from driving at least every two hours.
- Share the driving, and make sure that you rest when you are not driving.
- Pull over whenever you feel tired.
- Never drive under the influence of alcohol or drugs.

Pedestrians also have a responsibility for their safety

- Be clearly visible at all times and walk on pavements or established paths.
- Never cross a road without looking both ways to check that there is no traffic.
- Never assume that you have been seen. Be wary. Make eye contact to be sure motorists have seen you!
- Avoid distractions such as cell phones while walking.

Let's all enjoy our festive break safely. Be alert, be cautious, be vigilant. Don't become a statistic.

MD's Message



Dear Colleagues

It has been a busy year, both at Group level and within our mining business. It has also been a tough year operationally. In fact, I can say with certainty that it has probably been one of the worst years that we have experienced in the past decade thanks to several internal and external factors.

Broadly, the general downturn in commodities markets has resulted in a lack of investment by mining companies, which has impacted negatively on our ability to find new business. However, there are a number of internal issues that required immediate attention and we have acted quickly to address these to limit further impact on our financial performance.

There were two main reasons for our poor results in FY2018: three underperforming contracts and the significant unforeseen costs that were incurred when a large portion of our fleet was recommissioned after standing idle for a long time. This was an exceptional situation where, for the first time, around 40% of our fleet had been idle and we underestimated the impact of this as well as the cost of getting the equipment up to standard again.

What have we done to ensure this does not happen again?

We reassessed the three loss-making contracts and were able to successfully exit one, renegotiate a new contract on the second and we were able to end the third contract when the mine was placed on care and maintenance. Going forward, we have the leadership resolve to ensure that our contracts are performing optimally.

We have done a lot of work around our asset health and we have taken a lot of lessons from this exercise. We have put our 'Engineering 2020 Strategy' in place to ensure that we have an appropriate recapitalisation programme that matches our growth aspirations to our cashflow. We will be sharing more on this in the months to come.

I am pleased to see that we have not dropped the ball on safety, with a few significant safety achievements in the past year. Thank you for your ensuring that safety remains our core value. There can be no compromise on our goal of 'Home Without Harm, Everyone, Everyday'.

Operationally there have been inconsistencies where we have not performed according to plan at some sites. I don't believe that we are performing to our full potential and the high-performance culture which has been the foundation of our success in the past has slipped. We need to reenergise our team and instil that sense of pride in our business once again. In the year ahead, we will be focused on rebuilding that high-performance culture and creating an enabling environment where all employees understand our goals, how we plan to achieve them and what role they play in this journey.

Our management team has been strengthened with two key appointments. Engineering Executive, Deon Rajoo, has significant industry experience, especially in owning and operating heavy earthmoving equipment. We also welcome Dawn Earp who has joined us temporarily as acting finance director.

Following the strategic review of the Aveng Group late last year, Aveng Mining and McConnell Dowell were identified as being the core businesses that support the Group's long-term strategy of becoming an international infrastructure and resources group with a footprint in developing and fast-growing regions. This has presented us with an exciting opportunity to revisit our own business plans.

Very soon we will be engaging with employees around our new strategy. **Vision 2025** is aimed at positioning our business as the leading international mining contractor of choice. To achieve this, the 2025 strategy will be implemented over four phases: **Reset**, the first phase, will be completed in FY2019; **Consolidation and optimisation** by the end of 2021; **Performance enhancements** by the end of 2023; and **Accelerated growth** by the end of 2025.

A key part of developing the strategy has been unpacking who we are.

Moolmans is one of the largest surface mining contractors in Africa, moving over 20 million tons of material each month across 13 projects in eight African countries. We are proud of our ability to mobilise quickly, arriving on site with the appropriate resources to establish and develop operations for our clients. In addition, we are also recognised as a leader in the fields of shaft sinking and underground mining, with the ability to sink and equip both vertical and decline shafts through all types of rock formations.

We believe that as we face this next chapter of the business, it is important to build on what has made us great in the past. That is why we have made the decision to leverage off the strong Moolmans brand and reputation which has been built over more than 60 years in the industry. Going forward, we will incorporate the Shafts & Underground capabilities into the Moolmans brand, creating one entity that can offer a broader range of services to our clients under one respected and well-known name. Also, with a new identity, Shafts & Underground has great potential to grow in carefully selected markets.

This is indeed an exciting development in the progression of our company and we look forward to engaging employees in the coming months as we roll out new values and create the "Moolmans Way" that will assist in rebuilding our high-performance culture.

Communication is an important part of our strategy as we look to include all our stakeholders on this exciting new journey. We especially want to hear from our employees and we will be embarking on a roadshow to our operations in the new year. Also, we hope to collaborate more closely with our clients in the future to ensure we make a real and lasting difference in the communities in which we operate.

Lastly, I would like to take this opportunity to thank you for your dedication and team work that has made Moolmans the mining partner of choice for our clients. On behalf of the executive committee, we wish you all the very best over the festive season. If you are travelling, be safe on the roads. We look forward to your return in the New Year, well rested and ready to embark on the next exciting leg of our journey.

Best wishes
Stuart White

STRATEGY

Introducing Vision 2025

2025
VISION

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2019 is going to be an exciting year because it's the year we lay the foundation to drive value, growth and our international footprint. And it involves every single member of the Moolmans team.

Moolmans has a long and distinguished history in the mining industry and as we gear up to enter our seventh decade in the industry, we're getting ready to take the company to the next level. We are therefore very proud to introduce VISION 2025, a bold and innovative plan to build on our core strengths and grow our business to become the international mining partner, employer and contractor of choice. We have a very clear roadmap of how to achieve this based on four key steps, starting with a basic reset of who we are, what we do and how we do it.

This 'Reset, Reframe, Reposition and Restructure' phase kicks off in 2019 and is the first step to returning the company to profitability. During this phase, we must strive for maximum efficiency. As a basic starting point we need to ensure we have the right equipment, operated by the right people, with the right support. You can read more about the engineering team's plans to tackle this in a future issue of the newsletter.

The next phase will be to deliver and prepare for future growth. This is the exciting phase where we can look forward to reaping the rewards of a job well done in Phase 1: a balanced portfolio, improved operational and financial performance, as well as a growing awareness of the Moolmans brand and an environment in which we can operate with a relatively high degree of certainty.

Phase 3 brings consistent growth and profitability where the high-performance culture that got us to this point is now firmly embedded in our DNA.

Phase 4 sees Moolmans achieve extended growth and sustained profitability by the year 2025 – the sweet spot where all the strands of the previous steps have knitted together. We have a sustainable international business comprising happy customers who value

their relationship with us and a hard-won reputation for being respected, innovative solutions providers.

There are many levels and layers to this strategy which will be rolled out in the new year. As part of our new strategy we will be enhancing our employee engagement so that everyone at Moolmans is aligned to the vision, mission and purpose of the business, the role that you play in achieving this and the values that underpin the way we operate.

This is our opportunity to build a company in which "The Moolmans Way" is synonymous with best-in-breed: an opportunity to contribute positively to the development of the countries in which we operate and a chance to improve the quality of life and bring economic benefit to all stakeholders, including employees.

It's our opportunity to build a safe, ethical and enjoyable work environment where we can develop and grow as a team and build a successful company that is acknowledged globally as one of the best of its kind in the world. That is surely a goal worth striving for.

Vision 2025 strategy



2025
VISION

MOOLMANS REBRAND

New Year; New Path; New Look

Moolmans has been a respected player in the mining solutions industry for 68 years and our logo has grown and adapted with us over the years.

Aveng's mining business has undergone a number of changes in the last six years. In 2012, Shafts & Underground was moved from Aveng Grinaker-LTA and clustered with Moolmans because of their shared focus on the mining industry. In 2015, the two businesses were integrated under one management team and a collective Aveng Mining brand.

Following the Aveng strategic review which identified Aveng Mining as one of two core businesses for the Group going forward, we have a new opportunity on our doorstep to focus the business. We have made the strategic decision to leverage the value that exists in the well-known Moolmans brand and we will

be merging our two mining businesses to trade under one name.

These are exciting times. The rebranding is aligned to our **VISION 2025** strategy and is a fresh start after a really difficult period in our recent history. More importantly, it is an opportunity for us to work together as one united family with a common vision, a plan to turn the business around and sound values that will underpin the Moolmans Way. It's therefore only fitting that we are kicking off **VISION 2025** with a re-energised, sleeker and more contemporary logo that speaks to the future but still has its roots in the past.

Moolmans will rebrand and focus on its 68 year old brand equity

Evolution of the brand

1950 to 2010



2000 to 2006



2006 to 2012



2010 to 2012



2012 to 2015



REBRANDING TO:



LONG SERVICE AWARDS

Moolmans celebrates its employees' long service milestones

Moolmans hosted its 2017 Long Service Awards earlier this year at Summer Place in Boksburg. At the ceremony, 77 employees were recognised for their service to the company which, in many cases, spanned several decades.

Long Service Award recipients per region:

Country	10 Years	15 Years	20 Years	25 Years	35 Years	Grand Total
South Africa	12	4	3	1	3	23
Botswana (Karowe)	1	1				2
Namibia (Langer Heinrich)	4					4
Mali (Sadiola)	9	33	6			48
Grand Total	26	38	9	1	3	77

One of the three employees who proudly received their 35-years Long Service Awards was Stuart White, Managing Director of Moolmans. In his keynote speech, Stuart acknowledged all the recipients and thanked them for their dedication in diligently serving the company through the years and encouraged other members of the team to strive for similar achievements at Moolmans.

Jordan Zillen, Technical Manager at Moolmans' Nkomati project, spoke on behalf of the recipients and thanked Moolmans management for their support and motivation over the years. We look forward to celebrating the 2018 awards with the next batch of proud recipients in the coming months.



OPERATIONS

Platreef Project turnaround

The Platreef Project has been almost two years in the making and has showcased our team's commitment to providing exceptional service when it comes to safety and production. Aveng management paid tribute to the Moolmans team who has worked so hard to make this challenging project a success: "We'd like to take this opportunity to thank each and every employee working on Platreef. Your dedication, perseverance and hard work has made it one of the best shaft-sinking projects in South Africa."

Moolmans was awarded the shaft sinking contract for Platreef Shaft 1 (including box cut, pre-sinking activities and development of four access stations) and began with full shaft sinking in the third quarter of 2016. The client, IvanPlats, selected to partner with us based on our cost-effective tender submission, our extensive sinking experience, our track record, and the availability of the necessary equipment to complete this project safely and within budget.

Despite some challenges at the start of the project, the Moolmans team excelled on safety and development metres, averaging around 50m/ month, with a record monthly shaft-sinking rate of 54m achieved in March 2018. The shaft sinking advanced from 234m in February 2017 to 800m by mid-October 2018. In addition, we were able to develop the two mine access stations at 450m and 750m. This was considered as a major achievement, while also moving to a continuous operations model with 330 permanent employees and 50 subcontractors.

These stations – which were completed on time and within budget – are important as they provide the initial underground infrastructure and access to the high grade Platreef ore body. This will make it possible for mine development to continue during the construction of Shaft 2, which will become the mine's main production shaft.

The shaft sinking safety statistics are equally impressive with the Platreef team achieving 166 days without a single lost-time injury at the end of October 2018.

One of the most notable features of this project was the decision by the team to switch from a conventional sinking approach to a two kibble-loading system, which meant that employees would no longer be at the shaft bottom during lashing operations, enhancing safety for employees.

This proved to be a major success, so warm congratulations to everyone who was involved in this complex engineering and change-management process.



OPERATIONS

Innovation through partnerships

As one of the largest surface mining contractors in Africa, Moolmans has a long history of working closely with companies at the cutting edge of design and technology. Most recently, Moolmans collaborated with Sandvik Mining and Rock Technology Southern Africa (Sandvik), one of the R&D leaders in the sector. We purchased the first ever intelligent down-the-hole (DTH) surface drill rig - the Leopard DI650i - for use at our Gamsberg operation in the Northern Cape.

Designed for DTH blast hole drilling, the Leopard DI650i is Sandvik's answer to the industry's increasing demand for technologically advanced 'intelligent' equipment. The Leopard is intended for demanding, high-capacity production drilling applications in surface mining, as well as large-scale quarry applications. The state-of-the-art machine comprises a diesel-powered, self-contained, crawler-mounted drilling rig equipped with an operator's cabin, fixed boom, dry dust collector and drill pipe changer.

According to Sandvik, trials conducted in Europe demonstrated that the DI650i exceeded the benchmark criteria against the competition and we are all excited to see how this machine will perform on site at Gamsberg.



New work

- **Platreef Project:**
The contract was extended to deepen the shaft to 840m and complete the 850m shaft station. Negotiations are well-advanced to take the shaft to the 980m level.
- **Klipspruit:**
Two-year contract awarded to move 24 million cubic metres of material. Team is currently mobilising.
- **Nkomati:**
Negotiating an extension to the existing contract.
- **Kolomela:**
Six months extension to the current contract has been awarded.



Kolomela



Platreef



Nkomati



CSI

LEAP learners

Making a difference in our communities



Aveng and Kutlwanong officials at awards ceremony for 2017 matrics

The Aveng Community Investment Trust, which drives the Group's socio-economic development (SED) activities and to which we contribute, has two flagship projects, both of which focus on enhancing the performance of high school maths and science learners from disadvantaged areas.

The Aveng-sponsored LEAP 4 Science and Maths School has provided quality high school education to learners from the disadvantaged Diepsloot township since 2011. The LEAP school model concentrates on the last four years of high school (Grades 9 to 12) and focuses on whole learner development and rigorous academic training. Presently, LEAP has six schools across the country.

The school has been the top performer in the Diepsloot area for the past two years. Dedication from teachers and pupils has seen this young school perform well above the average matric results for the greater Gauteng area. The matric class of 2017 was the first class at LEAP 4 to achieve a 100% pass rate, and one of only two schools to do so in Diepsloot. A total of 26 distinctions was achieved, with 18 learners awarded Bachelor passes and three Diploma passes, meaning all 21 students qualified to apply for tertiary study.

The Aveng Kutlwanong Maths and Science Centre in Glencowie, Limpopo, is one of the top performers among the 21 Kutlwanong centres across the country.

The Aveng-sponsored centre provides tuition to 480 learners from 22 feeder schools and includes a teacher training programme. The centre has produced consistently good results during the seven years Aveng has provided funding and has become an iconic centre of educational excellence in Limpopo. Of the 139 learners who wrote matric in 2017, 123 (83%) achieved Bachelor passes, 43 achieved distinctions in maths and 52 in physical science. Two learners scored full marks in maths and another two in science.

Over the past two years Aveng has awarded bursaries to 10 students from the centre to study engineering at tertiary level.

Bigger and better things on the horizon:

The new LEAP 4 school being built in Diepsloot

The LEAP 4 school currently rents a converted warehouse which is shared with a primary school. Conditions do not allow for quality learning. Noise levels are high as there are no ceilings or proper room dividers. The classrooms are also very hot in summer and cold in winter, making it difficult for learners to concentrate.

The Aveng Community Investment Trust, along with several co-sponsors, is constructing a new school building that will accommodate 300 students.

The new facility, which will be adjacent to the current school building, will be approximately 3 000m² and will include amenities such as a staff and administration block, 12 classrooms, a community hall, a library, a meeting centre, a learning centre, ablution blocks and an amphitheatre.

A key element of the construction has been the rammed earth building technique, using natural materials from the earth, such as soil and gravel, mixed with cement, to construct the foundation, floors and walls of the building. This allows the structure to maintain heat on colder days and keeps the classrooms cooler on hot summer days.

While the technique is labour intensive, it is also relatively simple to train, which means that the project has been able to provide employment to local community members, with preference given to parents of children at the school.

These individuals have been trained, upskilled and empowered with CETA-accredited training in bricklaying, carpentry, glazing, electrical and business acumen skills through Aveng's enterprise development and supplier development initiatives. "The business training will provide these individuals with the skills and qualifications to possibly start their own small businesses once the school building project has been completed," explains Vincent Matlala, Moolmans' HR Executive and Trustee of the Aveng Community Investment Trust.

What should we name it?

Your Moolmans newsletter needs a name and we want you to suggest what it should be! All Moolmans employees are eligible to submit one entry and the person who submits the winning name will receive a voucher to the value of R2 000.

Please send your suggestions to Newsletter@moolmans.com or drop them into the suggestion boxes on each site.

The final decision rests with the Exco and, if more than one employee submits the name selected by the committee, the winner will be chosen through a random draw. The deadline for submissions is 31 January 2019.

Moolmans is ISO 9001: 2015, ISO 14001: 2015 and OSHAS 18001:2007 certified and is a certified Level 2 BBBEE service provider

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