

FOR IMMEDIATE RELEASE

H.E. President Cyril Ramaphosa opens Vedanta's Gamsberg mine

Aggeneys, 28 February 2019: President Cyril Ramaphosa today officially opened Vedanta Zinc International's (VZI) Gamsberg mine, outside Aggeneys in South Africa's Northern Cape Province.

President Ramaphosa was joined by Minister of Mineral Resources Mr Gwede Mantashe, Northern Cape Premier Mrs Sylvia Lucas, and hosted by Vedanta Chairman Mr Anil Agarwal, Vedanta CEO Mr Srinivasan Venkatakrisnan, and VZI CEO, Deshnee Naidoo.

The Gamsberg zinc resource, though discovered more than 40 years ago, had been held undeveloped in the portfolios of various South African mining companies until Vedanta acquired it in 2011, as part of the Black Mountain Mining complex. Vedanta gave the project the go-ahead in 2014, and the first blast occurred in mid-2015 just eight months later.

Gamsberg has a reserve and resource of more than 214Mt with a grade of between 6% and 6.5% zinc and an estimated life of mine (LoM) of 30+ years.

Phase 1 of Gamsberg, celebrated today, represents a US\$400 million investment by Vedanta in South Africa. It has a LoM of 13 years and will see 4tpa of ore produced from the open pit and 250,000tpa of concentrate from its concentrator plant.

Investigations into Phase 2 and 3 are underway and will see ore mined increase to 4mtpa and production of zinc-in-concentrate to 450,000tpa, and in a modular fashion ultimately, to 600,000tpa. It will reflect an additional investment of US\$350 to US\$400 million.

Vedanta is simultaneously pursuing a feasibility study into the development and construction of a smelter-refinery complex, which speaks to both Vedanta and Government's commitment to local metal beneficiation.

PROUDLY PART OF VZI



Over 3,000 people were employed during the construction of Phase 1 - more than half of whom were recruited from the Northern Cape, with over 25% from local communities. When in full production Gamsberg will employ 800-850 people.

Northern Cape Premier Sylvia Lucas opened proceedings, noting that “the Northern Cape is a province that has enormous potential for investment opportunities. What is critical to such few people living in such an enormous land space is the ability of the people of the province, all levels of government and investors to strive together to usher in lasting prosperity for the Province, and the country”.

Vedanta’s CEO, Mr Srinivasan Venkatakrishnan reflected on his time in the South African mining industry, and the pride he felt as President Ramaphosa opened Gamsberg. He also highlighted Vedanta’s local procurement and CSR spend, noting that “Local procurement is critical to economic development. More than 90% of our US\$400 million investment at Gamsberg has been spent in South Africa. Our expenditure with local enterprises was around R77.5 million in 2018, while we invested more than R44.6 million in 2018 on training and social projects aimed at skills development, education, health, enterprise development and municipal infrastructure support. And this was before the mine had made a single cent.”

Speaking on behalf of Vedanta, Chairman Mr Anil Agarwal emphasised his commitment to South Africa, and his belief in the future of the South African mining industry. Mr Agarwal also noted his and Vedanta’s support for President Ramaphosa’s immediate vision for the industry. He reiterated the commitment made by Vedanta to South Africa’s investment drive.

VZI’s CEO, Deshnee Naidoo, noted that “For us at Vedanta, Gamsberg is so much more than a mine. It is an employer and job creator, an enabler of development and growth, a good neighbour and citizen, and a fervent supporter of the Northern Cape and South Africa. And it can be more - Gamsberg has the potential to be a catalyst for a new wave of industrial and economic development in the Northern Cape.” She emphasised that the opening of the first phase of Gamsberg was the result of the combined efforts of several thousand people, all of whom are due thanks today.

Minister Gwede Mantashe told the gathering that “Investing in South Africa today is the correct decision, and we are happy that Vedanta has expressed its confidence in the South African economy with this investment. Mining is also the anchor of the 4th industrial revolution and that’s why we hold the view that it is a sunrise industry.”

Delivering the keynote address, President Cyril Ramaphosa said:

“The Vedanta Gamsberg project is an important step in our shared journey to revive our mining industry. It confirms our view that with an effective regulatory framework, improved collaboration between all stakeholders and sustained investment, mining has the potential to be a sunrise industry. South Africa has vast undeveloped mineral deposits that we have the opportunity to exploit for the benefit of all the people of this country.

“We welcome this substantial investment by Vedanta, which not only deepens South Africa’s relationship with India but also signals Vedanta’s confidence in the future of South Africa’s mining industry. We welcome Vedanta as a partner that is committed to help us achieve our development goals in a manner that is sustainable, transformative and inclusive. And we pay tribute to the people and leadership of this region who joined hands with Vedanta to secure a better future for all.”

More about Gamsberg

Gamsberg is located in the ecologically sensitive Succulent Karoo Biome - one of the world’s 35 “biodiversity hotspots”. VZI’s biodiversity action plan includes the preservation of plants and seeds for post-mining replanting, and a biodiversity offset programme involving the purchase of 12,500ha of land.

Gamsberg is one of the most digitally advanced greenfields mining projects in South Africa. Digitalisation at Gamsberg includes Smart Ore Movement, Spatial Risk Monitoring and Management and Collision Avoidance Systems.

Vedanta is committed to local economic development in Khai-Ma and the Northern Cape. Spend towards local enterprises increased from R25 million in the 2016/17 financial year to R77.5 million for the 2017/18 year. From a CSR perspective, Vedanta has invested more than R44.6 million for the 2017/18 financial year on training and social projects aimed at skills development, education, health, enterprise development and municipal infrastructure support.

For more detailed information please visit www.vedanta-zincinternational.com

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