

ZAC 2020 REVIEW



Zululand Anthracite Colliery

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FROM THE COO'S DESK

Last year was a very challenging year for all of us at ZAC.

We faced extraordinary tough choices immediately when our customers closed their businesses because of COVID-19 local and global lockdowns in March 2020. As Menar Group Management, we took the difficult, but necessary decision to meet our legal obligations to all our employees in terms of paying what was due to them for service rendered over the years, and stop incurring further costs. This option allowed us to preserve ZAC with a few employees and to restart operations when the market allowed.

I want to thank the whole care and maintenance team for all their hard work in ensuring the mine assets were maintained and that ZAC is in the position to ramp-up to full productions in the course of the next few months.

COVID-19 has taken a very heavy toll on the lives and livelihoods of millions of South Africans. Included in those who lost their lives was our own co-workers Happy Twala and Sabelo Ngema. We therefore, convey our deepest condolences to all those who lost loved ones due to this terrible pandemic.

However, looking ahead the market indications are positive. It is for this reason that we are restarting ZAC. The prices are not yet at where we would like them, but from our side as long as we can work hard and cost effectively, our anthracite will still be needed. The South African market is dependent on us. There are not many anthracite producers. Therefore, if we can start the operation and produce at a competitive price, we can make sure that large producers like Russia - our competitor - are not a challenge. We also have a plan to start new greenfield projects, if demand and market conditions are favourable.

We organised a small function at the end of the year to thank all those, who have stuck with us during this turbulent period and reflect on the year and look forward to a better year in 2021. We also took up the #Jerusalemchallenge which saw colleagues dancing – well some better than other – to “Jerusalem”, a song by South African DJ and record producer Master KG., which has become a global video sensation.

We at ZAC took part in this challenge to promote teamwork, as we closed off 2020 with celebrations and hope for a good New Year in 2021. Teamwork is going to be critically important to restart activities at ZAC, which many people are heavily dependent upon especially local communities.

Wishing you all a Safe, Healthy and Happy New Year!

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KEEPING AN EVER-WATCHFUL EYE OVER ZAC



Security Manager, Charles Mngomezulu has been with ZAC for over 33 years. He is responsible for ensuring the safety of colleagues and mine assets. He started off as a regular security officer at ZAC and has over the years worked himself up the ranks.

Securing the ZAC premises is no easy task with the mining area stretching tens of kilometres between shafts, the plant, the discard dumps and across all sections of the property. However, this 24/7/365 day a year job is crucial to ensuring the security of employees, contractors, mine assets and community members.

The mine works closely with local police stations in Mahlabathini and Nongoma as well as South African Police Service's (SAPS) Cluster Unit (Crime Intelligence and Public Ordering Police) in Ulundi. "If we ever have problems that are beyond our capabilities to handle on our own, I contact them and they send officers to assist us," he says.

Sharing information and working closely with the local authorities and the Community Policing Forum has not only ensured safety on the mine, but has also aided in driving down crime in the area. In January 2020, Charles received a certificate from the Mahlabathini SAPS in recognition of ZAC's efforts as a valuable community stakeholder for its efforts to combat crime in the area.

"By coming together and sharing knowledge and resources, we have been able to create a stable and safer environment for everyone and I look forward to doing so, with the help of our local community partners for years to come" Charles concludes.

THANKS TO ZAC FROM STAFF

Environmental Intern, Ayanda Khumalo and Ngcebo Sibiya, Learner Electrician gave the following thank you address at the ZAC year-end function:

We would like to thank ZAC management for giving us the opportunity to have a day of remembrance to think back on the difficult year of 2020. It has not been an easy year, COVID-19 caused the closure of ZAC, which resulted in the loss of a number of our co-workers owing to the mine having to undertake a retrenchment process.

"COVID-19 also took the lives of many South Africans including our co-worker Happy Twala. We therefore, convey our deepest condolences to all those who lost loved ones due to this terrible pandemic."

On a happier note, an internet rage that occurred during lockdown has been the #Jerusalemchallenge which saw people from around the world dancing to Jerusalem, a song by South African DJ and record producer Master KG. September 24 is celebrated in South Africa as Heritage Day and ahead of it, President Cyril Ramaphosa urged people to take up this challenge and show the world what South Africans are capable of.

We at ZAC have decided to take part in this challenge and promote teamwork, as we close off 2020 with celebrations and hope for a good New Year in 2021. It is critical that we all work together to restart the operation as many people are dependent on ZAC.

In the spirit of optimism and togetherness we would like to put out the challenge to our colleagues throughout the Menar group to come together and build team spirit.

We issue the #Jerusalemchallenge to our colleagues at Menar head office, Canyon Coal's Khanye Colliery and Phalanndwa Colliery, East Manganese and Kangra.

ZAC NEARING 4 500 FATALITY FREE SHIFT MILESTONE

*Tragically, Sabelo Ngema passed away prior to the publication of this newsletter. Sabelo was a loyal and dedicated member of the ZAC family for over 35 years and will be deeply missed by all those who had the honour and pleasure of knowing and working with him. May His Dearly Departed Soul Rest in Eternal Peace.



*ZAC Chief Safety Officer Sabelo Ngema

As at 15 December 2020, ZAC has achieved 4 474 fatality free shifts and has gone 16 months without recording a lost time injury with the last recorded lost time injury having occurred in June 2019. These are great achievements which were achieved by: working together as a team, sharing ideas and information, enforcing self-discipline and compliance.

Sadly our colleague, Mining Shift Leader Happy Twala, sadly passed away owing to COVID-19 complications. We convey our heartfelt condolences to his family.

ZAC Chief Safety Officer Sabelo Ngema is proud to be part of the ZAC team. He has been with ZAC since 1985 and has seen the mine go through many ups and downs, noting that 2020 has been the toughest year the mine has ever experienced during his tenure.

He notes that it has been important to continuously emphasize that all colleagues adhere to COVID-19 protocols, which in the main means to wearing their masks correctly (fully covering the mouth and nose), washing their hands regularly, maintaining physical distances of 1.5 meters wherever possible and temperature screening, regularly cleaning of work areas and vehicles.

"We also urged all our colleagues to avoid going to large gatherings over the Christmas period and practice extreme caution when meeting with loved ones over the festive period. It is crucial to remain vigilant and avoid close contact as the risk of contracting COVID-19 is still very real.

"There will be an extensive screening process when colleagues return to work in January to mitigate against colleagues falling ill at ZAC on their return. The ZAC clinic is ready to assist all staff with their medical needs and attend to anyone who shows symptoms, including the utilising of a dedicated isolation room," Sabelo states.

ZAC RESTART BRINGS JOY TO COLLEAGUES



Millwright Robert Craig

Millwright Robert Craig says ZAC is in his blood! Robert has been at ZAC for over 23 years. "We all look out for one another here at ZAC, I've learnt a fortune about my colleagues' cultures over the years. We really are a family."

He started his career at ZAC as an artisan working underground in the shafts but in the past 8 years has been based at the workshop and around the mine, where you will find him installing, dismantling, repairing, reassembling, and moving machinery about. He also assists the community with projects that require his artisanal expertise. Robert has been part of the care and maintenance team, who returned to the mine in May 2020. "It is amazing to be back and I'm very hopeful for a successful and easy restart of the mine and the reuniting of the ZAC family," he enthuses.

Mahlabathini-local, Process Administrator Sinothile Mkhize has been working at ZAC since 2016. Sinothile returned to ZAC in May 2020 as part of the care and maintenance team for the mine.

She says that it has been a difficult year with the closure of the mine and the loss of colleagues due to the need to retrench a number of staff members to preserve the operation, while it has been under care and maintenance.

In her position Sinothile is responsible for compiling reports on how much has been mined, processed and sold. She has already noticed improvement in sales volumes as customer demand gradually picks up.

"We are all hoping for a much better year where market prices improve significantly, paving the way for a strong restart at ZAC.

"What I like about ZAC is that it takes care of the community. We have a local community Recruitment Committee that assist ZAC in recruiting locals, whenever possible, to work at the mine. For ZAC, community always comes first," she highlights.

Sinothile points out that even the coal haulage companies that transport the coal from the plant to the siding are locals.

"I enjoy working for ZAC because it does its most to support locals by recruiting locals and using local businesses. It gives community members the opportunity to benefit from the mine directly. 2020 was an extremely challenging year for everyone, but we've all learnt important lessons and God willing this will put us in good stead for the future," Sinothile remarks.



Process Administrator Sinothile Mkhize

THROUGH THE EYES OF OUR INTERNS AND LEARNERS

Even though ZAC was placed on care and maintenance in March 2020 it has been unwavering in its continued commitment and support to provide young people with technical training through its internship and learnership programmes. A few interns and learners share their experiences in brief below.



Environmental Intern Ayanda Khumalo

Ulundi-born Environmental Intern Ayanda Khumalo (24), who is supervised by Environmental Manager Niketiwe Dlamini commenced her internship at ZAC in November 2020. An Environmental Sciences graduate from the University of KwaZulu-Natal, Ayanda says her aims for coming to the mine were to learn and to gain exposure to the environment for what it is. "At university we are taught the theory, but now I am seeing for myself the impact that mining can have on the environment and surrounding communities. For example, I have been to different sites to do inspections and we got to understand how to mitigate environmental harm. It has only been a few months but I've learnt a great deal in this time and I'm looking forward to learning so much more."



Electrical Engineering Intern Phindile Xulu

Nhlangwane-born Phindile Xulu (27) is an Electrical Engineering Intern who began her internship at ZAC in November 2020. She studied Electrical Engineering at Mangosuthu University of Technology. She works in the Engineering Department and her supervisor is Engineering Manager Leon Grobbelaar. "It has been an amazing experience working at ZAC and getting to learn so much about engineering and the mining industry. I also get to work with people that come from very diverse backgrounds which is also very important. Currently, I am mostly working in the Stores Area which is interesting, as we work with customers who come to collect materials from underground, while others are taking materials to the plant. However, as the mine enters ramp-up, I will spend more time working at the plant and rotating between different parts of the operation. I'm really excited to grow and learn and see what 2021 has in store."



Learner Electrician Ncebo Sibiya

Nongoma-local Learner Electrician Ncebo Sibiya (27), is a graduate of Mthashana TVET College and his supervisor is electrician Sizwe Mbatha. He started his learnership at ZAC in November 2019. While the lockdown and placement of ZAC on care and maintenance has disrupted his learnership timetable, Ncebo was fortunate to be part of the care and maintenance team, which has managed and maintained the site in preparation for its reopening. "It's been a challenging time returning to site and having to adhere to strict COVID-19 protocols, but I have learnt a great deal from the experience and looking forward to getting the mine back to full capacity as we ramp up the operation."



Finance Intern Thokozani Mncube

Thokozani Mncube (23) is a Finance Intern, who started his internship at ZAC in November 2020. He attained an Advanced Diploma in Finance from the University of Johannesburg and will start his honours degree in 2021. He says he is enjoying entering real life work and is handling the pressure well. ZAC Finance Manager Chris Khoza is his supervisor and Thokozani is looking forward to putting his studies to use in a work setting and learning about the intricacies of the mining sector. "I am excited about what 2021 holds for me at ZAC".