

MCLNEWS

A publication of Maamba Collieries Limited

Issue No. 002 Volume 001 May 2012

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Message from the RD

We are very delighted to have launched the first publication of the MCL News in October 2011. by the MCL Board Chairman.

This marks the beginning of one way of communicating the activities at the mine. It is our hope that the Newsletter is achieving its intended purpose. A lot of events have taken place since the last publication and we hope to share these events once again through this newsletter. We have over the past few months embarked upon a massive manpower recruitment drive from within Zambia which has seen a rise in the skill levels at our mine. This included recruiting best students in Engineering from the University of Zambia who have commenced their internship with

The Mining Contractor GRN Construction (Zambia) limited is already in full scale operations. The Coal Handling and process Plant was officially commissioned on 12th May 2012. On the same day, we witnessed the weighing of the first truck load of coal from the Plant.. The ground breaking for the construction of the Thermal Power Plant also took place at site on the same day, 12th May 2012.

Our focus on environmental controls is on course and we have covered a lot in terms of quenching fires arising from spontaneous combustion of ore.

All in all operations are on course and we expect a lot of exciting times in months to come.

I would like to thank all that contributed to the success of the first publication of MCL News and would like to encourage others to participate in ensuring that we keep up with the sprit of reaching out to the community and the rest of

Zambia about the happenings at Maamba Collieries limited.

So keep those articles rolling in. We hope you enjoy this edition.

Maamba Mine on schedule

By Ernest K Kapula

Anyone who last visited Maamba Mine some 12 months or more ago can see the visible changes that have taken place in the past few months.

It is not uncommon to see heavy trucks carrying large mechanical components heading towards the mine. Indeed it is not uncommon to see many people of different nationalities in Maamba and they are not tourists coming to the tourist resorts by Lake Kariba but are part of the many Zambian and foreign companies that have been engaged to be part of the revival plan of MCL.

The welcome sound of a siren signifying the commencement of blasting was heard after many years of dormancy in the month of September 2011.

Former Republican President Mr. Rupiah Banda graced the ground breaking ceremony on 8th July 2011. The site of the ground breaking ceremony has been transformed by the mining activities that has since commenced and the landscape is difficult to recognize.

The new Coal Handling & Processing Plant which was officially

commissioned on Saturday, 12th May 2012 is another marvel to watch as the new look is simply breath-taking.

The ground breaking ceremony for the construction of the 300MW Thermal Power Plant was successfully held on Saturday, 12th May 2012.

There is a lot of excitement in Maamba as you see scores of young men waiting for their chance to be hired for the jobs that have been created during construction works.

We are all excited about the unfolding events at Zambia's largest Coal mine and the reality of resumption of operations which is bringing back life to the Maamba community. Construction of the first phase of the 300 MW Thermo Power Plant will commence within the month of May 2012. Close to 500 jobs mostly from within Maamba are expected to be created during the construction phase of the Power Plant

Left, the first truck loaded with coal from the newly commissioned Coal Handling and Processing Plant leaves the weigh-bridge after taking the weight. This was on 12th May 2012., the same day the Plant was officially commissioned.

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THE COAL HANDLING & PROCESSING PLANT COMMISSIONED

The new Coal Handling & Processing Plant (CHPP) at Maamba Mine was commissioned on Saturday, 12th May 2012.

Construction of the Plant started in April 2011.

The Plant is situated in the area where the old Plant was.

Construction started off by demolishing the old plant. This was followed by civil works done by a Zambian Construction company called Wade Adams.

During construction phase well over 700 workers were employed.

The main contractor for the design and actual erection of the plant was EPE of South Africa.

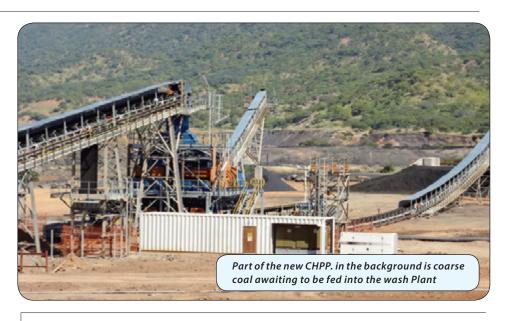
The Plant comprises four sections namely the Front end- for size reduction of the coal ,Screening-for size classification, Plant services- water re-cycling through clarification and thickening of the slurries, Washing- for the actual processing of the coal to achieve the clean coal and discards and finally the products handling.

The plant has a capacity of 400 tons per of run of mine feed with 200 tons being the nominal feed into the wash module respectively. After the size reduction the coal is divided into coarse coal (10-50mm), fines (0.5-10 mm) and slurries (minus 0.5 mm) which proceed into the thickener and later to the disposal confined site for future storage and reclamation as feed to the thermal plant.

The coarse coal undergoes processing in a dense media cyclone using a suspension of magnetite to achieve separation at a pre-determined relative density of coal and the discards .The discard coal is stockpiled separately as feed to the Thermal Power Plant .

The clean coal is further screened into two sizes of peas (10-20 mm) and nuts (20 – 50 mm), to which separate reservoirs (silos) exist for the products.

The clean products are stockpiled on either sides of the stacker car awaiting dispatch to the would be customer. Similarly the fines are also stockpiled separately at the other end



HIS ROYAL HIGHNESS CHIEF SINAZONGWE, SINAZONGWE MP AND SINAZONGWE DC GRACE CHPP COMMISSIONING

Saturday, 12th May 2012 will go down in history as a very significant day for Maamba Collieries Limited. This is the day when the new Coal Handling and Processing Plant was officially commissioned.

The first test run of the new CHPP was done on Monday, 23rd April 2012. The test run went successfully and everyone present was left speechless upon seeing the first coal being tipped at the tipping point and the subsequent welcome sound of machines producing the noise typical of a processing plant which followed.

The simple but very colourful ceremony was attended by His Royal Highness Chief Sinazongwe, Area MP Hon, Richwell Siamunene, Sinazongwe District Commissioner, Mr. Dodo Sindaza, MCL Resident Director Mr. Ashwin Devineni , Village Headmen and several other important dignitaries. The plant boasts of environmental friendly features and has been constructed at a total cost of more than US\$23m.





On the to right (top) His Royal Highness Chief Sinazongwe and (bottom) MP for Sinazongwe, Hon. Richwell Siamunene cut the ribbons ROM Feeder and at the Wash Pant, respectively during commissioning

FOCUS ON THE PLANNED COAL FIRED THERMAL POWER PLANT

Maamba collieries Limited (MCL) proposes to set up a coal fired thermal power plant with an ultimate capacity of 600 MW, within the premises of MCL in two phases as given below:

Phase-I:

300 MW with 2X150 MW capacity units

Phase-II:

300 MW with 2X150 MW capacity units

POWER GENERATION PROCESS

The power generation facility uses the most commonly encountered Rankine based Thermodynamic Cycle. This facility generates electricity by producing steam in a steam generator and expanding the steam through a turbine that is coupled to a generator. The steam is then condensed in a condenser and the condensed steam is heated again in the steam generator.

The coal handling system receives the coal from the mine, stacks, reclaims, crushes the coal to fine powder and conveys the same to the coal bunkers near the steam generator. Coal is fed from the coal bunkers to the steam generator, Within the steam generator, the crushed coal is mixed with air and

combusted and the combustion energy produces steam. The steam turbine converts the thermal energy of steam to rotating mechanical energy and the generator, which is coupled to the steam turbine, converts the mechanical energy to electrical energy.

POLLUTION CONTROL:

Several technologies are incorporated onto the process depending on the area so as to control the pollution viz CFBC technology in Boilers, using Electristatic precipitators, suitably designed chimneys, dust extraction and suppression systems and Effluent treatment plant etc,

Below, the MCL JCB excavator breaks the ground at the site where Turbo Generator of the Thermal Power Plant will be located.



THERMAL POWER PLANT GROUND BREAKING CEREMONY HELD AT MAAMBA

The contract to construct Zambia's first coal fired Thermal Power Plant at Maamba within the Mine License area of Maamba Collieries Limited had been awarded to SEPCO Limited, a Chinese Company.

The ground breaking ceremony to signify the commencement of the Plant was held on Saturday, 12th May 2012 at the site opposite the old weigh bridge. The ground breaking ceremony was attended by His Royal Highness Chief Sinazongwe, the SEPCO Chairman, MCL Resident Director, Sinazongwe District Commissioner, Sinazongwe area Member of Parliament, village headmen and several other government HODs.

In his speech at the ceremony the SEPCO Chairman Mr. Ling –Fang Wang stated that "The Maamba Coal Fired Power Plant will be the biggest coal fired power plant currently in Zambia. The project will release the tense situation of Zambian power consumption at utmost and improve the single mode which has relied on hydroelectricity. The project construction will effectively

benefit the locals, providing more business opportunities for farm produce and promoting the development of of local technology and employment".

At the same function area MP Hon. Siamunene stated that Nava Bharat had revived the lost glory of the people of Sinazongwe and assured Nava Bharat of his unreserved support. He further said that the people of Sinazongwe had opened their books of hope in terms of employment, full package of social amenities and hence improved standard of living.

Sinazongwe District Commissioner Mr. Dodo Sindaza assured the gathering that the Government will always provide checks and balances in MCL operations since it has a 35% stake in the mine.

He also expressed delight at MCL's involvement of community leaders in resolving community issues. He said that such an approach reduces tension and promotes sense of ownership of the investment by the community,

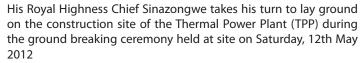


Top Mweemba Royal Establishment Chairman, Mr. Gilbert Nkamu shovels ground onto the TTP site while below Mr. Dodo Sindaza does the same symbolic of commencement of construction of the thermal Power Plant on Saturday, 12th May 2012 in Maamba



MORE THERMAL POWER PLANT GROUND BREAKING PICTURES







Sinazongwe Member of Parliament Honourable Richwell Siamunene also lays ground at the TPP construction site on 12th May 2012

MCL SIGNS NEW COLLECTIVE AGREEMENT WITH THE MINE WORKERS UNION OF ZAMBIA

By Ernest K Kapula

Maamba Collieries Limited and the Mine Workers Union of Zambia renewed their relationship to new levels by signing a new Collective Agreement which saw the basic salary for the lowest paid employee increased by just over 100%. The negotiations involved four (4) meetings. The last Agreement between the parties expired in December 2010. The new Collective Agreement will run for a period of 12 months from 1st January 2012 up to 31st December 2012.. Speaking after the signing of the new Collective Agreement, Union President, the late Oswell Munyenyembe thanked MCL Management for the new conditions of service and also called on the branch Executive members to encourage members to work hard and ensure that the spirit of success at the mine was implemented. He re-iterated the theme from the Resident Director Mr. Ashwin Devineni who during the opening of the talks encouraged the Union to embrace the "success of Maamba" theme and use it as a basis for all future transactions. The Agreement was signed on 14th January 2012



Above, MCL Management and officials of the Mine Workers Union of Zambia sign the Collective Agreement in Maamba on 14th January 2012. Leading the MUZ delegation was the late Oswell Munyenyembe in striped blue T-shirt

MINING PRODUCTION HIGHEST EVER

By Richard Nalucha

Maamba has attained the highest levels of production of coal extracted from its mining operations in Izuma Pit "B".

This level of production is the highest ever achieved in the history of Maamba Mine

MCL has outsourced the mining operations to GRN Construction (Zambia) limited, an international mining company.

The Contractor has so far extracted 3,316,515.33 BCMs of material from the mine as at end of May 2012

This translates into 915,152.80 tons of low grade coal which is being stockpiled for use in the Thermal Power Plant and 25,772 tons of high grade coal which is fed into the Coal Handling & Processing Plant (CHPP)

With this level of production MCL is able

to satisfy the local and regional market of sellable high grade coal at 100 000 tons per month.

In the last seven (7) months, the mine has managed to complete all development works which include road construction, old dumps rehabilitation and the establishment of new dumps...

In terms of environmental controls, the mining team has implemented measures which include blanketing, leveling and compacting in order to control spontaneous combustion in the old dumps at Izuma Pits "A" and "B".

In order to control the quality of water being discharged from pit dewatering operations, the mine, settling ponds have been established for clarification of water before final discharge into the natural water bodies. Dust suppression has also intensified by deploying an adequate number of water bowsers in all the shifts of mine operation.

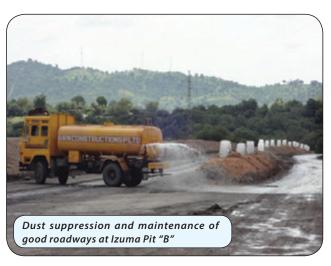
The current equipment fleet is capable of satisfying the high grade coal market as well as the CHPP capacity of One Million (1m) tons of sellable coal output.

The Three (3) year mine plan has been developed which is concentrated at extracting coal reserves from Izuma Pit "B".

Future mine plans for MCL will depend on and will be synchronized with the requirements of the Thermal Power Plant as forecasts for high grade coal requirements are not high.

Therefore, mining activities will be aligning and planned in accordance with the thermal power plant feed requirements.









SUCCESSFUL PUBLIC HEARING ON ENVIRONMENTAL IMPACT ASSESSMENT HELD FOR MCL

By Jethro Sikalunda

On 3rd February 2012, Maamba Collieries Limited held a successful Environmental Impact Assessment (EIA) public hearing meeting at Maamba High School. Stakeholders from all walks of life within and outside the district convened at the school to have their concerns addressed. Notable attendees were His Royal Highness Chief Singani, Sinazongwe District Commissioner, Chief Sinazongwe's representative and several headmen.

The deliberations revealed that the proposed Thermal Power Plant had created a lot of anxiety in peoples' minds. Stakeholders wanted to know the effect of such a project to

the natural environment, the community and more importantly the type of compensation and benefits to the families that would be affected by the project.

Maamba Collieries Management assembled a team of technical experts to address concerns from the stakeholders. Thanks to the team for convincingly addressing all the issues raised during the event which was organized by the Zambia Environmental Management Agency (ZEMA). The EIA public hearing was a great success. It gave Maamba Collieries Limited the much needed approval to embark on this massive project that would change the lives of many people in and around Maamba and Zambia as a whole. Well done MCL and the community!





Top right, part of the stakeholders that filled the School hall at the Maamba High School to capacity while to the right almost 100% of the delegates raise their hands in support of the project.

SIMUUSA COMMISSIONS FOOT BRIDGE

By Jethro Sikalunda

On 30th January 2012, former Minster of Mines Honorable Wilbur Simuusa paid an official visit to Maamba Collieries. After the tour of Mine, Hon Simuusa commissioned a footbridge on the Kanzinze stream near Maamba main market. Kanzinze stream is famous for notorious flush floods which cause a serious danger during the rainy season. The bridge was constructed at a cost of US\$25 0000 and was handed over by the Resident Director Mr. Ashwin Devineni, to the former Hon. Minister of Mines who expressed gratitude as he handed the bridge to the Maamba community. At the same function former Sinazongwe District Commissioner Mr. Francis Makasa said, "this is a greater gesture by MCL management and could not have come at a better time than now. This kind gesture will go a long way in helping the community. The floods were a great inconvenience to the public".

Right, Hon Simuusa cuts the ribbon at the Maamba Market foot bridge. Next to the Minister is Deputy Minister Hon Mwale as MCL Resident Director Mr. Ashwin Devineni looks on.



MCL PUTS UP INFRASTRUCTURE OF INTERNATIONAL STANDARDS

MCL is nearing completion of major rehabilitation works on its infrastructure which has brought a new look to the old dilapidated buildings but at the Mine and in the community.

The company has spent close to US\$3m in the rehabilitation works so far.

One such notable infrastructural transformation is the Golf Club which has also been transformed into a modern structure gobbling over US\$290,000.

The Golf Club house, on the right, (2) will provide recreation facilities to MCL employees and the community. It will have a bar, res-

taurant, a gymnasium, pool tables, table tennis and badminton court to name a few. The picture on the left (1) shows the Golf Club House before renovation.

Admission to new refurbished facility will be by membership.

The heavy Equipment Workshop is also undergoing rehabilitation and will cost almost US\$1.2m once completed. The workshop will be the centre of all major heavy equipment works which can be done internally.

The administration offices have also received a major facelift and have been completely transformed from (3) to the new look (4) at a total cost of US\$780,000.









Headmen, Maamba Community stakeholders tour Maamba Mine and agree on the Alternative Route through the Mine

Masuku community lies about 14 kilometers from Maamba Mine. The distance between these stations is a rugged terrain posing a serious challenge to both motorists and those that cover this distance on foot. It is difficult to believe that the only motor vehicle fit for this terrain is a well serviced 4 by 4 with a very qualified driver. It calls for extra courage to cover this distance on a vehicle no matter how courageous you might be!

From time immemorial the plateau people of Masuku community depended on the inhabitants of the Zambezi valley for trade. The coming of Maamba Coal mine in the late sixties increased business opportunities for Masuku community that also took advantage of the Ropeway road. It is a common phenomenon to see traders of all age groups carrying various goodies or driving heavily loaded donkeys trooping along the Ropeway and across the mine to the market almost throughout the day as can be seen in the picture below.

With revitalized mining operations, the trend of unauthorized people passing through an active mine is not only a violation of Mining Regulations but a very high risk and dangerous exercise hence the need for an alternative route for the affected people. It has been a daunt-

ing task for mine management to convince people that have been using this route from time immemorial.

On 21st January 2012, the Chief Operating Officer (Mr. GVN) invited all stakeholders to discuss the alternative route. He explained the mine plan to stakeholders and later led them onto a tour of the Coal Preparation and Handling Plant and the Thermal Power Plant (TPP) construction sites and the haulage routes. The stakeholders appreciated the level of development the mine had achieved and realized that it was no longer safe for people to continue crossing into the mine area. The meeting unanimously agreed to view the alternative route. (see picture below).

It is quite gratifying that the community appreciates the investment, and for its sake, the people have given away the route that that was charted by their forefathers. This level of understanding from the community, is a sure sign that the investment is welcome and will always be supported. Management is determined to maintain the route by putting culverts and bridges and regularly dozing it to ensure that it is passable at all times.

Below, stakeholders take a bus ride on a conducted tour of the MCL mine operations. Further below (2) the stakeholders take a walk on the new haulage route.

Chief Operating Officer, GVN, leads a group of Community Leaders





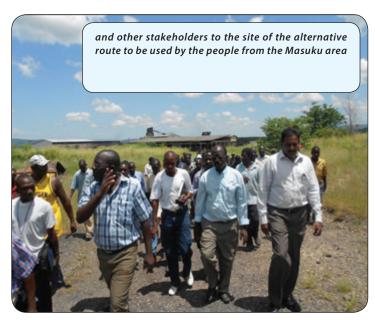




PHOTO SUPPLEMENT COMMUNITY NEWS











- Head Industrial Relations Mr. Jethro Sikalunda poses for a photo in front of construction site of the new CHPP with Village Headmen when the Community Leaders were taken on a conducted tour of the Mine on 21 January 2012.
- 2. His Royal Highness Chief Singani, dressed in his royal regalia pose for a photo with MCL Chief Operating Officer, GVN when the latter paid a courtesy call at the palace of His Royal Highness on 19th November 2011
- **3.** Members of the Maamba Community jostle to have a hand shake with the former Minister of Mines Hon. Wilbur Simuusa (encircled) before the Minister officially commissioned the Maamba Market Foot Bridge on 30 January 2012
- **4.** MCL Management officials pose for a photograph with members of the Mweemba Royal Establishment after a meeting at Kanchindu Basic School on 16th August 2011
- 5. MCL held an end of year party at the Maamba Golf Club at which eminent people were invited. From Right to left; His Royal Highness Chief Sinazongwe, his wife, Mrs. Makasa, (Former DC's wife), former DC Mr. Francis Makasa, His Royal Highness Chief Singani and MCL Chief Operating Officer, GVN

MAAMBA SPORTS NEWS

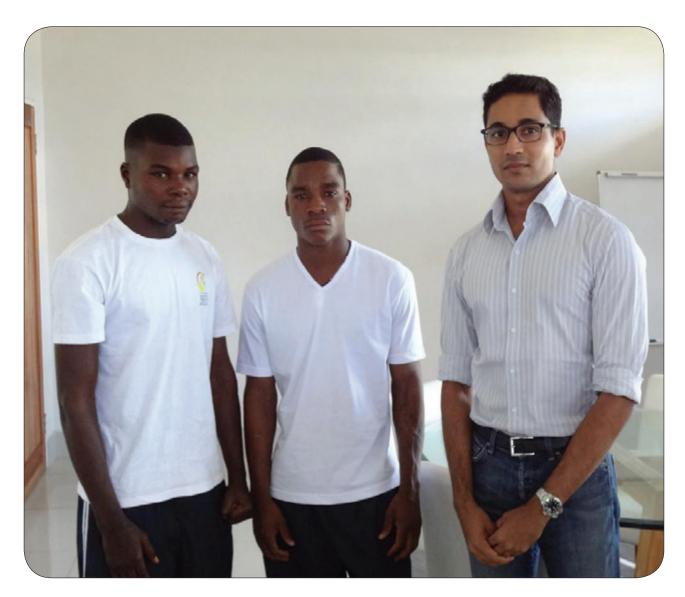
Maamba Collieries Limited actively sponsors three major sporting activities; Football (Zamcoal Diggers Football Club), Boxing (Maamba Boxing Club) and Golf (Maamba Golf Club) through the Maamba Development Trust.

In the pictures (top-left), Chief Finance Officer, V Lakshmi Narayana kicks the ball symbolizing the start of the 2012 soccer season, while Zamcoal Diggers team Chairman Jethro Sikalunda and Maamba Boxing Club patron Pavan Kumar look on. On the top right, the four members of the Maamba Golf Club who participated in the African Diplomatic International Women's Golf Tournament on 13th May 2012 at the Lusaka Golf Club. The four golfers are from right to left, Gustav Shakantu, Jaco Jourbert (MCL Materials Manager), Paul Andries Ras the MCL SHEQ Manager and Billy Hamalala.





GILBERT CHOOMBE QUALIFIES TO **LONDON 2012 OLYMPIC GAMES**



Gilbert Choombe has brought good news to Maamba by being one of the five athletes to qualify for the Olympics games which will be held in London in July 2012.

Gilbert Choombe is in fact the only boxer from the Zambian team to achieve this feat. He is sponsored by the Maamba Development Trust (MDT), a Trust established to take care of non-core functions of Maamba Collieries Limited.

Gilbert had the rare privilege of meeting the Resident Director of MCL, Mr. Ashwin Devineni who congratulated him for the achievement.

Mr. Devineni told Gilbert that the MCL family had been following with great interest the performance of the boxers sponsored by MDT and that Gilbert had brought a lot of joy to Maamba.

Gilbert was accompanied to the Director's office by the Human Resources Manager, Ernest Kapula, Head—Industrial Relations, Jethro Sikalunda and Maamba Boxing Patron Pavan Kumar.

In the picture, Gilbert (left) posses for a photo with the Resident Director (right) and Mumbela Mukuni another boxer sponsored by MDT