



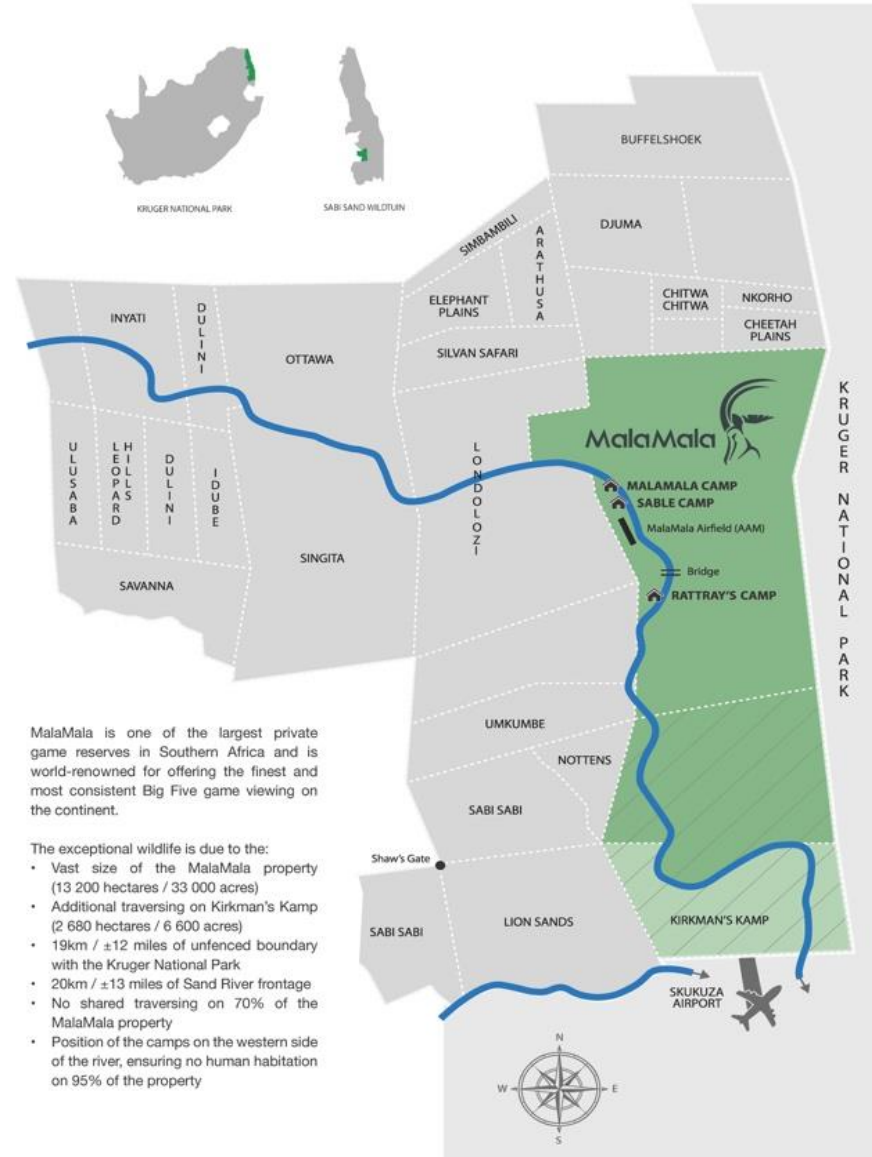
Presentation of the N'wandlamharhi CPA to the Parliamentary
Portfolio RDLR Committee

Background to MalaMala land restitution

- Government purchased land from previous landowners in October 2013
- Property registered in the name of N'wandlamharhi Communal Property Association (NCPA)
- New company created as MalaMala Game Reserve (Pty) Ltd Land leased back to MalaMala

Eyrefield	2976 ha
MalaMala 341	1873 ha
MalaMala 359	1277 ha
Flockfield	3042 ha
Charleston	3602 ha
Toulon	412 ha

THE MALAMALA GAME RESERVE

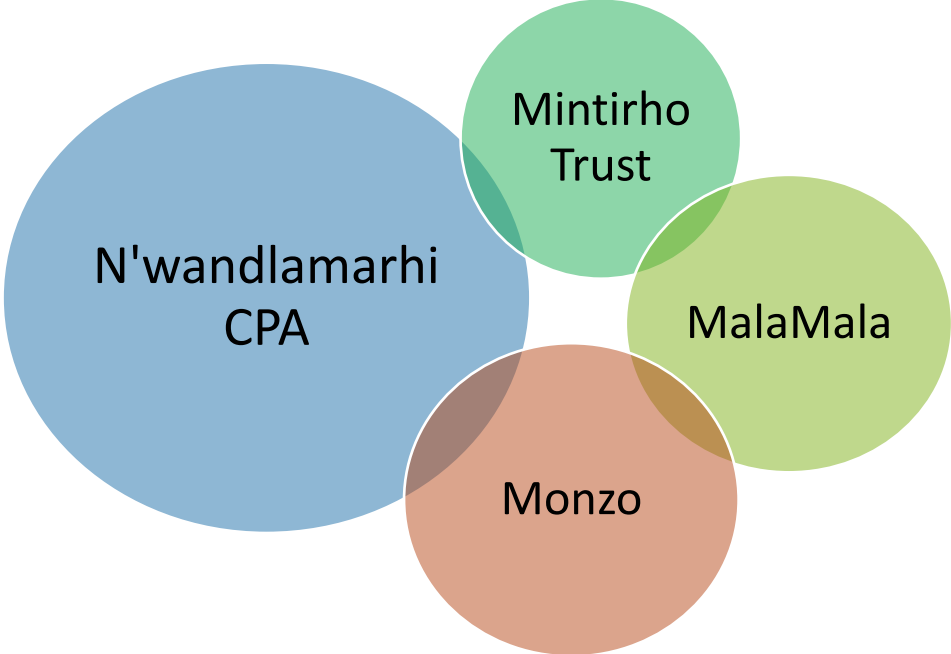


MalaMala is one of the largest private game reserves in Southern Africa and is world-renowned for offering the finest and most consistent Big Five game viewing on the continent.

The exceptional wildlife is due to the:

- Vast size of the MalaMala property (13 200 hectares / 33 000 acres)
- Additional traversing on Kirkman's Kamp (2 680 hectares / 6 600 acres)
- 19km / ±12 miles of unfenced boundary with the Kruger National Park
- 20km / ±13 miles of Sand River frontage
- No shared traversing on 70% of the MalaMala property
- Position of the camps on the western side of the river, ensuring no human habitation on 95% of the property

The key institutions involved in MalaMala



N'wandlamharhi CPA

- NCPA is the owner of the property and leases the land to MalaMala Game Reserve.
- Members are families who lived on the property known as Mala Mala and Sabi Sands with the exclusion of the farms Willingford and Exeter.



NCPA Strategic Goals

- NCPA executive committee consists of duly elected community representatives
- Strategic goals
 - Manage the land in transparent and profitable manner;
 - Build effective and sustainable organisation
 - Develop the capacity of the association, its leadership and members;
 - Improve economic self-reliance and cultural and social wellbeing of members
 - Community projects that benefit NCPA members and broader community;
 - Effective information and communication

NCPA - Benefits

Approximately R40 million distributed to beneficiaries, verified in 2009 by DRDLR

2015: R10 000 per household for 250 households

2016: R60 000 per household for 250 households

2017: R30 000 per household for 250 households

2018: R60 000 per household for 250 households

NCPA office and community hall

Construction of Community hall
and CPA office



Mintirho Community Development Trust

- Established in 2017, main purpose to receive the tourism levies and to invest it into community development
 - education and development,
 - women and youth empowerment,
 - cultural advancement
- Five trustees, one of which is appointed by MalaMala.
- Beneficiaries: CPA members, families and residents of the 11 villages in the vicinity of MalaMala.



Mintirho Development Trust

- While the trust is fairly new it has already made significant good progress.
- Education
 - successfully implemented a bursary programme in 2018 with 14 students funded and graduated in accredited hospitality and tourism courses.
 - 2019: 20 students
 - Additional students are expected to be recruited in the second half of the year.
- Small Business Development Programme in pipeline to support small business initiatives, e.g. vegetable gardens, craft market projects and technical skills.
- Access to Water: Plans to drill boreholes and install communal water points in the community

Mondzo

- Mondzo represents NCPA and is 30% shareholder with Ratters Proprietary Limited (Ratters) holding 70% in MalaMala Game Reserve
- The income must be used to the benefit of the members of the NCPA.
- The community shareholding in respect of the Mala Mala Game Reserve
 - Years 1-5: Ratters 70% and Mondzo 30%
 - Years 6-10 : Ratters 60% and Mondzo 40%
 - 11 years onwards: Ratters 50% and Mondzo 50%
- Mondzo represented on Mala Mala Board
 - Years 1 to 5: 2 board members
 - Year 6 and beyond: 3 board members

Mondzo

- MalaMala pay annual dividends of 50% of operating profit. 30% of the dividend paid to Mondzo.
- In its first year, the MalaMala paid a dividend of R40-million, equivalent to 83% of the 2017 financial year's after tax profit.
 - R12-million (30%) paid to Mondzo.
 - Mondzo transferred R6-million to the CPA in 2016/2017
 - R10 200 000 received 2017/2018
 - Held in Section 78 trust account at the firm Gilfillan Du Plessis Inc.

MalaMala Game Reserve



- Management company leasing land from NCPA and operating the eco-tourism business at MalaMala,
- Duties include to manage, market, operate and maintain the improvements within the MalaMala Game Reserve.
- Must employ NCPA community members and do skills training
- Currently, 84 community members employed at MalaMala.

Lease rights

- **Two aspects to lease agreement:**
- Mala Mala Exclusive Use area: existing facilities at Mala Mala, who has exclusive rights to rehabilitate, develop, operate, market and maintain existing tourism infrastructure and facilities (approximately 9,169Ha) and to increase tourist beds in from 68 to 90
- Charleston undeveloped area: MalaMala has right and obligation to develop at least 42 tourist beds of accommodation and to develop, operate, market and maintain the area (approximately 4,014Ha)

Lease periods and fees

- Lease periods
 - effectively for 20 years but Charleston lease commences from the time the business is developed
 - MalaMala Exclusive Use Area: 20 years (10 plus 10) provided R20 million investment
 - Charleston Exclusive Use Area: 20 years
- Lease fees
 - MalaMala EUA: higher of a Minimum Lease Fee (R450 000 p/m) or a Variable Lease Fee to the CPA
 - Charleston EUA will come into effect once the area has been developed: higher of a Minimum Lease Fee (R200 000 p/m) or a Variable Lease Fee to the CPA

Challenges

- Litigation
 - NCPA sued by investment company, matter settled
 - Application to place NCPA under administration, judgment pending
 - Land claim, technically still in CC
- Mavhuraka membership dispute
 - Mavhuraka community claim the right to become members of the NCPA
 - NCPA resolution NOT to include Mavhuraka community
 - Verification: RLCC appointed Mr Silinda to do verification of both groups, final report in March 2019

Mavhuraka membership dispute

- Mavhuraka community claim the right to become members of the NCPA
- NCPA resolution NOT to include Mavhuraka community because they never had a claim on the land known as Mala Mala.
- Verification: RLCC appointed Mr Silinda to do verification of both groups, final report in March 2019
- NCPA requested RLCC to find amicable solution and sought legal advise if issue is not resolved - likely to request Constitutional Court to refer the case back to Land Claims Court for a decision.

Environmental management

The environmental management and inclusion of MalaMala as a declared protected area under consideration by NCPA. **Three broad options:**

1. to join Sabie Sand Wildtuin Association, either as full member or through a co-management arrangement;
2. to declare MalaMala as a separate nature reserve with its own management authority; or
3. to enter into a Contractual Park Agreement with SANParks

To explore the full **implications, advantages** and **disadvantages** the CPA held extensive consultations with Sabie Sand, MalaMala, SANParks and government departments.

On Saturday, 23 February the CPA explained the three options to the community. While the CPA is pursuing **further discussions** with SANParks in this regard, a final decision has not yet been taken.

NCPA stakeholder engagement

Sept–Nov 2018	NCPA Strategic planning
20 Oct 2018	Sabi Sand Wildtuin Association
20 Oct 2018	MalaMala Ranch (Pty) Ltd
9 Nov 2018	Meeting with SANParks, DEA and MTPA
19 Nov 2018	MalaMala Management
1 Dec 2018	NCPA Strategy workshop
26 Jan 2019	N'wandlamharhi Elders
8 Feb 2019	SANParks
23 Feb 2019	Community consultations and feedback