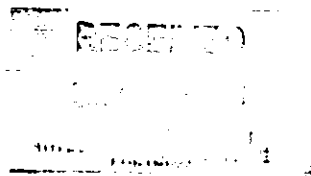




**DEPARTMENT: MINERAL RESOURCES  
REPUBLIC OF SOUTH AFRICA**

**MINING RIGHT**

Granted in terms of section 23(1) of the Mineral and Petroleum Resources Development Act, 2002  
(Act No. 28 of 2002)



*Handwritten signatures and initials:*  
A. by [signature]  
M.M.  
N.C.

## Definitions

In this mining right, the following words and expressions shall have the meanings assigned to them:

'**Act**' means the Mineral and Petroleum Resources Development Act, 2002 (Act 28 of 2002) and includes the Regulations, guidelines, circulars, directives and orders made in terms of that Act;

'**Effective date**' means 13 day of **November** in the year **2013** (being the date on which the environmental management programme is approved in terms of section 39(4) of the Act);

'**Environmental Management Programme**' is as defined in the Act and includes any other Environmental Management Programme approved in terms of the previous mining legislation;

'**Financial year**' means a complete financial year of the Holder which, at the time of the granting of this mining right, commences on **1<sup>st</sup>** day of **March** in the year **2013**; and ends on **28** day of **February** in the year **2014**;

'**Holder**' is as defined in the Act, and specifically in relation to this right, it means **Belfast Silica Mine (Pty) Ltd**, Registration No/Identification No **200801253007**;

'**Mineral**' is as defined in the Act, and specifically in relation to this right means **Silica Sand**;

'**Mining Area**' is as defined in the Act and includes any additional area of environmental liability as may be reflected on the Environmental Management Programme relating to this right;

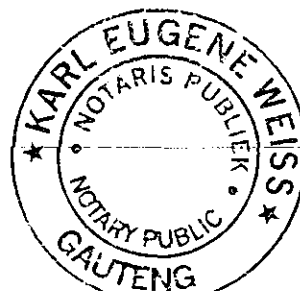
'**Mining right**' is as defined in the Act and includes all the Annexures to it, agreements and inclusions by reference;

'**Mining Work Programme**' is as defined in the Act and as reflected in the attached **Annexure B** to this mining right;

'**Minister**' means the Minister of Mineral Resources and includes the successors in title, the assignee or any person duly authorised to act in the Minister's place and stead;

'**Regional Manager**' is as defined in the Act and specifically in relation to this right means the Regional Manager for the **Mpumalanga** Region of the Department of Mineral Resources; and

'**Social and Labour Plan**', is as contemplated in regulation 46 of the Regulations to the Act and is as reflected in the attached **Annexure C** to this mining right.



Handwritten signatures and initials, including 'B 10/11/13', 'A.', and 'N/C'.

## 1. Description of the Mining Area

The Mining Area shall comprise the following:

Certain: **The Remaining Extent of Portion 1 of the farm Klipfontein 385 JS, (but subject to Regulation 17 of the Mine Health and Safety Act, excluding any area within 100 metres of any public road, railway, cemetery, residential area or public area),**

Situated: **Mpumalanga Magisterial/Administrative District of Belfast**

Measuring: **19.19 hectares in extent.**

(In the case of various farms being involved, a list can be attached and referred to as **Annexure** );

Which Mining Area is described in detail on the attached Diagram/plan marked **Annexure A.**

## 2. Granting of Mining Right

Without detracting from the provisions of sections 5 and 25 of the Act, the Minister grants to the Holder the sole and exclusive right to mine, and recover the mineral/s in, on and under the mining area for the Holder's own benefit and account, and to deal with, remove and sell or otherwise dispose of the mineral/s, subject to the terms and conditions of this mining right, the provisions of the Act and any other relevant law in force for the duration of this right.

## 3. Commencement, Duration and Renewal

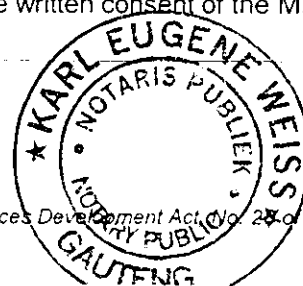
3.1. This mining right shall commence on **13 November 2013** and, unless cancelled or suspended in terms of this clause 13 of this right and or section 47 of the Act, will continue to be in force for a period of **30 (thirty) years** ending on **12 November 2043.**

3.2. The Holder must commence with the mining operations within a year from the date on which the mining right becomes effective in terms of section 23 (5) of the Act, or any later date as may, upon a written request by the Holder, be authorised in writing by the Minister in terms of the Act, failing which this right may be cancelled or suspended.

3.3. Any application for renewal must be submitted to the Regional Manger not later than 60 working days prior to the date of expiry of this right.

## 4. Amendments, Variation and Abandonment

4.1. The terms of this right (including by extension of the area covered by it or by the addition of minerals or a share or shares or seams, mineralized bodies, or strata, which are not at the time the subject thereof) may not be amended or varied without the written consent of the Minister.



4.2. The Holder shall be entitled to abandon or relinquish the right or the area covered by the right entirely or in part. Upon abandonment or relinquishment of the mining area or any portion thereof, the Holder must:

4.2.1. Furnish the Regional Manager with all prospecting and /or mining results and/or information, as well as the general evaluation of the geological, geophysical and borehole data in respect of such abandoned area in so far as it applies to the mineral or any other mineral/s obtained in respect of this right and,

4.2.2. Apply for a closure certificate in terms of section 43 (3) of the Act.

4.3. With effect from the date the Holder has abandoned or relinquished a portion or portions of the mining area, and subject to section 43 of the Act, the Minister is entitled to grant any right, permit, or permission referred to in the Act in, on, or under the portion/s, so abandoned or relinquished, to any person/s.

## 5. Payment of Royalties

5.1. The Holder shall as contemplated in section 25 (2) (g) pay to the State throughout the duration of this mining right, royalties payable in terms of any Act or Amendment to an Act of Parliament implemented.

## 6. Payment of Interest

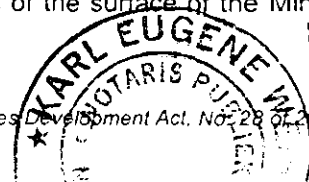
If mining fees, any fees, any levy, royalties or consideration referred to in clause 5 are not paid punctually, the Holder shall be in mora and shall pay interest thereon at the rate prescribed in terms of section 80 of the Public Finance Management Act, 1999(Act 1 of 1999) reckoned from the date on which payment is due and payable, to the date of actual payment.

## 7. Restrictions and Obligations Imposed on the Holder

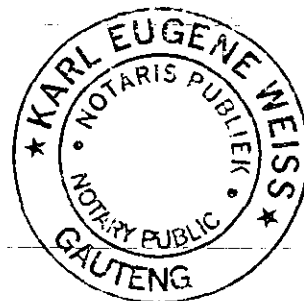
7.1. The Holder is entitled to the rights referred to in section 5(2), (3) and section 25 of the Act, and such other rights as may be contained in this mining right or such other right as may be granted to, acquired by or conferred upon the Holder by any other applicable law.

7.2. Mining operations in the mining area must be conducted in accordance with the Mining Work Programme and any amendment to such Mining Work Programme and an approved Environmental Management Plan.

7.3. The Holder shall not trespass or enter into any homestead, house or its curtilage nor interfere with or prejudice the interests of the occupiers and/or owners of the surface of the Mining Area



except to the extent to which such interference or prejudice is necessary for the purposes of enabling the Holder to properly exercise the Holder's rights under this mining right.



*[Handwritten signatures and initials]*

## 8. Conditions on disposal of Minerals and/ or Products Derived from Mining

It is a condition of the granting of this mining right that the Holder shall dispose of all minerals and/ or products derived from the exploitation of the mineral at competitive market prices which shall mean in all cases, non-discriminatory prices or non-export parity prices. If the minerals are sold to any entity, which is an affiliate or non-affiliated agent or subsidiary of the Holder, or is directly or indirectly controlled by the Holder, such purchaser must unconditionally undertake in writing to dispose of the minerals and any products produced from the minerals, at competitive market prices.

## 9. Mortgage, Cession, Transfer, Alienation

9.1 This mining right, a shareholding, an equity, an interest or participation in the right or joint venture, or a controlling interest in a company, close corporation or joint venture, may not be encumbered, ceded, transferred, mortgaged, let, sublet, assigned, alienated or otherwise disposed of without the written consent of the Minister, except in the case of a change of controlling interest in listed companies.

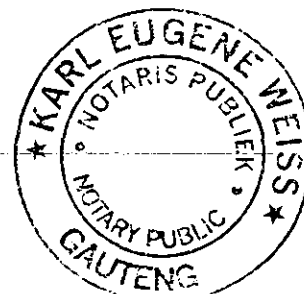
9.2 Any transfer, encumbrance, cession, letting, sub-letting, assignment, alienation or disposal of this right or any interest therein or any share or any interest in the Holder, without the consent of the Minister referred to in section 11(1) is of no force, no effect and is invalid.

## 10. Protection of Boreholes, Shafts, Edits and Openings.

All boreholes, shafts, edits, excavations, and openings sunk or made, by the Holder during the currency of this mining right shall be sealed, closed, fenced, made safe by the Holder in accordance with the approved Environmental Management Programme, the Mine Health and Safety Act, 1996 or any other applicable laws and Regulations.

## 11. Holder's liability for payment of Compensation for Loss or Damage

11.1 Subject to section 43 of the Act, the Holder shall, during the tenure of this right while carrying out the mining operations under this right, take all such necessary and reasonable steps to adequately safeguard and protect the environment, the mining area and any person/s using or entitled to use the surface of the mining area from any possible damage or injury associated with any activities on the mining area.



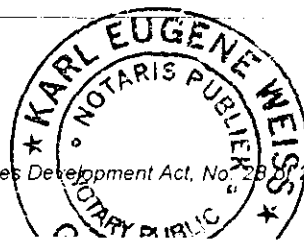
- 11.2. Should the holder fail to take reasonable steps referred to above, and to the extent that there is legal liability, the holder shall compensate such person or persons for any damage or losses, including but not limited to damage to the surface, to any crops or improvements, which such person or persons may suffer as a result of, arising from or in connection with the exercise of his/her rights under this mining right or of any act or omission in connection therewith.

## 12. Inspection of Mining Area

The Minister and/or any person duly authorised thereto in writing by the Minister shall be entitled to inspect the mining area, the Holder's mining operations and the execution of the approved Environmental Management Programme on the Mining Area as provided for in the Act, and any instruction conveyed in writing by the Minister to the Holder requiring the proper performance by the Holder of the Holder's obligations under this mining right shall be put into effect by the Holder in terms of the Act.

## 13. Cancellation or Suspension

- 13.1 Subject to section 47 of the Act, this mining right may be cancelled or suspended if the Holder:
- 13.1.1 Submits inaccurate, incorrect and or misleading information in connection with any matter required to be submitted under the Act;
- 13.1.2 Fails to honour or carry out any agreement, arrangement, or undertaking, including the undertaking made by the Holder in terms of the Broad Based Socio Economic Empowerment Charter and Social and Labour plan, on which the Minister relied for the granting of this right;
- 13.1.3 Breaches any material term and condition of this mining right;
- 13.1.4 Conducts mining operations in contravention of the provisions of the Act;
- 13.1.5 Contravenes the requirement of the approved Environmental Management Programme; or
- 13.1.6 Contravenes any provisions of this Act in any other manner.
- 13.2 Before the Minister cancels or suspends this right, the Minister shall:
- 13.2.1 Give written notice to the Holder indicating the intention to suspend or cancel this right;
- 13.2.2 Give reason/s why the Minister is considering the suspension or cancellation of this right;
- 13.2.3 Give the Holder 30 days to show reasons why the right should not be suspended or cancelled;
- 13.2.4 Notify, the mortgagee [if any], of the intention to suspend or cancel this right; and
- 13.2.5 Direct the Holder, where it is possible to remedy any contravention, breach or failure, to comply or to take such specified measures to remedy any contravention, breach or failure to comply.
- 13.3 If the Holder does not take the measures as specified by the Minister to remedy a contravention, breach or failure, the Minister may cancel or suspend this right after considering representations made by the Holder in terms of clause 13.2.3.



#### 14. Records and Returns

- 14.1. The Holder shall maintain all such books, plans and records in regard to mining on the Mining Area as may be required by the Act and shall furnish to the office of the Regional Manager such reports and documents as may be relevant under this right.
- 14.2. The Holder shall furnish to the Regional Manager all such monthly returns contemplated in section 28 (2) A of the Act not later than the 15<sup>th</sup> day of the month following the month in respect of which it was reported.
- 14.3. The Holder shall furthermore at the end of each year following commencement of this mining right, inform the Regional Manager in writing of any new developments and of the future mining activities planned in connection with the exploitation/mining of the minerals on the Mining Area.

#### 15. Minister's liability for Compensation

The Minister shall not at any time be liable or responsible for the payment of compensation of whatever nature to the Holder, the Holder's successors-in-title or assignee, or any person whomsoever as a result of the granting of this right.

#### 16. Compliance with the Laws of the Republic

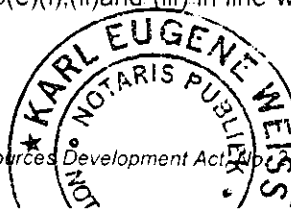
The granting of this Right, does not exempt the Holder and its successors in title and/or assigns from complying with the relevant provisions of the Mine Health and Safety Act, (Act No.29 of 1996) and any other law in force in the Republic of South Africa.

#### 17. Provisions relating to section 2(d) and (f) of the Act

In the furthering of the objects of this Act, the Holder is bound by the provisions of an agreement or arrangement dated **27 November 2008** entered into between the Holder/ empowering partner and **Ca Wessels, G Stoltz, TJ Schoeman and SAB&T Mineral Resources (Pty) Ltd** (the empowerment partner) which agreement or arrangement was taken into consideration for purposes of compliance with the requirements of the Act and or Broad Based Economic Empowerment Charter developed in terms of the Act and such agreement shall form part of this right.

#### 18. Social and Labour Plan

- 18.1. The holder must annually, not later than three months before the end of its financial year, submit detailed implementation plan to give effect to Regulation 46(e)(i),(ii) and (iii) in line with the Social and Labour Plan.



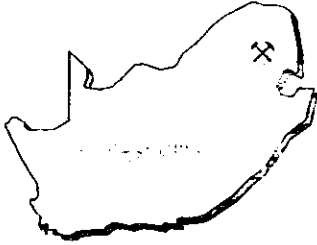


Notary Public



*[Handwritten signature]*  
2017  
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**BELFAST SILICA MINE (Pty) Ltd**

REG 2000/037706/23 / VAT Nr 486035631

P.O. Box 1014

Belfast, 1100

Farm Klipfontein, Leeuwklip,

Belfast

Tel 082 904 6332/48

E-mail: info@belfastsilica.co.za

082 465 6152 / 013 656 1448

Dept of Minerals and Energy  
Private Bag X7279  
Witbank  
1035

Attention: Adv E Senyola

6 May 2010

Sir,

2008-05-06

**Application for the extension of the mining area of the existing Mining Rights/Permit in terms of Section 102 of the Mineral and Petroleum Resources Development Act 202 (Act 28 of 2002) in respect of Portion 1 of the Farm Klipfontein 385 JS, Magisterial District of Belfast.**

**Background**

- Approval is being awaited for the conversion of the old order mining right Licence No 2/2004 ref OT 5/3/2/610 into a new order mining right in terms of item 7(2), schedule II, of the above act on Portion 1 of the Farm Klipfontein 385 JS, Ref MP 30/5/1/2/2/38 & W&R
- Approval is also awaited of an application by Four Rivers Trading 179 (Pty) Ltd for a Mining Permit, in terms of section 27(1) of the above act, in respect of Portion 1 of the Farm Klipfontein 385 JS. (Ref MP 30/5/1/3/2/605) W&R

Portion 1 of the Farm Klipfontein 385 JS is registered in the name of Four Rivers Trading 179 (Pty) Ltd. The company is owned by the majority shareholders (56,2%) of Belfast Silica Mine. The approval for utilizing the farm for mining purposes by the shareholders of Four Rivers Trading 179 (Pty) Ltd is attached.

**Motivation**

- The extended portion of the mining area is within the borders of Portion 1 of the Farm Klipfontein 385 JS
- The same mineral (Silica) will be mined.
- Extending the mine area will facilitate a more efficient mine plan.
- The original approved Environmental Management Program (EMP) will not be influenced by the extension and could even lower the costs of final rehabilitation.

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Directors: B Adam; TJ Schoeman; G Stoltz(Managing); CA Wessels (Executive Chairman)

R [Redacted]

013 6903288

[Redacted]

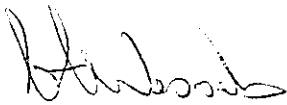
013 6903288

Request

Your are kindly requested to:

- incorporate the extended mining area, as shown on the attached sketch plan compiled in accordance with chapter 33 of the minerals Act, in the new order mining license currently considered by the Department and
- withdraw the application for the Mining Permit or if has been processed already to cede it to Belfast silica Mine (Pty) Ltd.

Yours sincerely,



C A Wessels Pr Eng

id. 0826545402

Encl.

## BELFAST SILICA MINE (Pty) Ltd

REG 2008/012530/07



P.O. Box 1014  
Belfast  
1100  
Farm Klipfontein,  
Leeuwklip, Belfast.

Tel: 082 904 6332 / 6348  
Fax: 086 521 7310  
E-mail: info@belfastsilica.co.za  
www.belfastsilicamine.co.za  
Vat no. 48 60 23 56 31

S 25 38.560 E 29 58.267

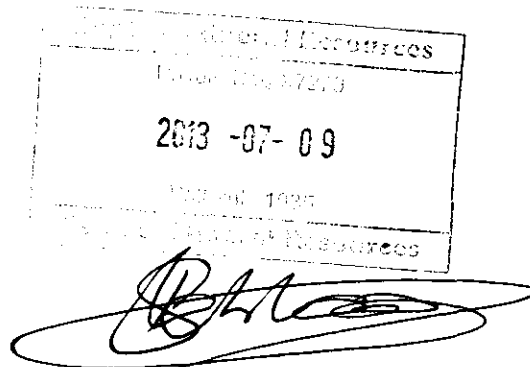
B-BBEE Level 2

Department of Mineral Resources  
Private Bag X7279  
Emalahlene  
1035

Attention: Me Scapei Sekgetho

3 July 2013

Madam,



**Revival of Application for the extension of the mining area of the existing Mining Rights/Permit in terms of Section 102 of the Mineral and Petroleum Resources Development Act 202 (Act 28 of 2002) in respect of Portion 1 of the Farm Klipfontein 385 JS, Magisterial District of Belfast.**

### Background

- An application for the extension of the mining area was lodged on 6 May 2010. (Copy attached for easy reference). The Department advised at that stage that the application be resubmitted after approval of the New Order Mining License.
- The conversion of License No 2/2004 ref OT 5/3/2/610 to a new order mining right in terms of item 7(2), schedule II, of the above act on Portion 1 of the Farm Klipfontein 385 JS. Ref MP 30/5/1/2/2/388MR has now been approved.(See attached letter from DMR dated 21 June 2013)
- Mining Permit no 50/2011 (Ref MP 30/5/1/3/2/605) for a 1,5 ha extension of the mining area has in the meantime been granted to Four Rivers Trading 179 (Pty) Ltd (owner of the farm).

Portion 1 of the Farm Klipfontein 385 JS is registered in the name of Four Rivers Trading 179 (Pty) Ltd. The company is owned by a majority of shareholders (56,2%) of Belfast Silica Mine(Pty) Ltd.. The approval for utilizing the farm for mining purposes by the shareholders of Four Rivers Trading 179 (Pty) Ltd is attached.

### Motivation

- The extended portion of the mining area is within the borders of Portion 1 of the Farm Klipfontein 385 JS
- The same mineral (Silica) will be mined.
- Extending the mine area will facilitate a more efficient mine plan.
- The updated Environmental Management Program (EMP) includes the extended area.

### Request

You are kindly requested to:

- extend the mining area of the new order Mining Right as shown on the attached sketch plan compiled in accordance with chapter 33 of the minerals Act,
- Incorporate Mining Permit no. 50/2011 in the Mining Right.

I kindly request your urgent consideration of this application as further delays can have a serious impact on the further development of the existing mine.

Yours sincerely,



C A Wessels Pr Eng

### Enclosures

1. Application dated 6 May 2010
2. Sketch plan compiled in accordance with chapter 33 of the minerals act.
3. Fax from DMR received on 21 June 2013



**mineral resources**

Department  
Mineral Resources  
REPUBLIC OF SOUTH AFRICA

OMR 10

Private Bag X7279, Witbank, 1035, Tel: (013) 653 0500, Fax (013) 690 3288  
Province Building, Cnr Botha Avenue & Paul Kruger Street, Witbank, 1035

Enquiries: Ms. N. Ramunulu Ref No: MP 30/5/1/2/2/388MR  
Sub-directorate: Mine Environmental Management

**REGISTERED MAIL**

The Directors  
Belfast Silica Mine (Pty) Ltd  
P.O. Box 13307  
HATFIELD  
0028

Dear Sir/Madam

**RE: APPLICATION FOR A CONSENT IN TERMS OF SECTION 102 OF THE  
MINERAL AND PETROLEUM RESOURCES DEVELOPMENT ACT, 2002  
(ACT 28 OF 2002): THE REMAINING EXTENT OF PORTION 1 OF THE  
FARM KLIPFONTEIN 385 JS SITUATED IN THE MAGISTERIAL DISTRICT  
OF BELFAST.**

Your application in the above regard refers.

The Department confirms the receipt of the above application, therefore  
Department request Six (6) copies of the Scoping Report which will be followed  
by the EMP.

Yours faithfully

**REGIONAL MANAGER  
MPUMALANGA REGION**

DATE: 26/05/2014