

13.	M. NTHAPELANG ID NR: 6610155814080	STD 5
14.	L.J. MOGOPODI ID NR: 6706066017084	STD 5
15.	E. OLIFANT ID NR: 8506095291082	STD 8
16.	D.M. TSHABILE ID NR: 590616 6198088	STD 6
17.	E.I. BOY ID NR: 4511015461082	STD 5

5. HUMAN RESOURCE DEVELOPMENT PROGRAMME

The primary objective of human resource development program is to ensure the availability of mining specific skills and competencies of the workforce, and skilling of employees for portable skills utilizable by the employees outside the life of the mine. The following plans, as contained in this document and supporting forms are submitted:

1. A skills development plan that outlines how the Mine intends to offer employees the opportunities to be functionally literate and numerate, to offer employees learner ships.
2. A skills program, to offer portable skills and other training. The skills development program outline how the applicant would participate with the processes of skills development legislation including developing and submitting of workplace skills plans, annual training reporting, paying and claiming of levy and grants with the SETA(s) within which the Mine is registered.
3. Form Q, as contained in the regulations, is annexed hereto to provide the number and education levels of the entire workforce. (Form Q, Annexure II).
4. Form R is annexed hereto to provide the vacancies, if any, that the Mine has been unable to fill for a period longer than 12 months despite concerted effort to recruit suitable candidates. (Form R, Annexure II).
5. A career progression (path) plan, which is in line with the skills development plan on how the Mine would progress the employees through the employment levels.
6. A mentorship plan for the employees and empowerment groups, which is in line with the skills development plan and how the plan would be implemented.
7. An internship and bursary plan, which is in line with the skills development plan and how the plan would be implemented.



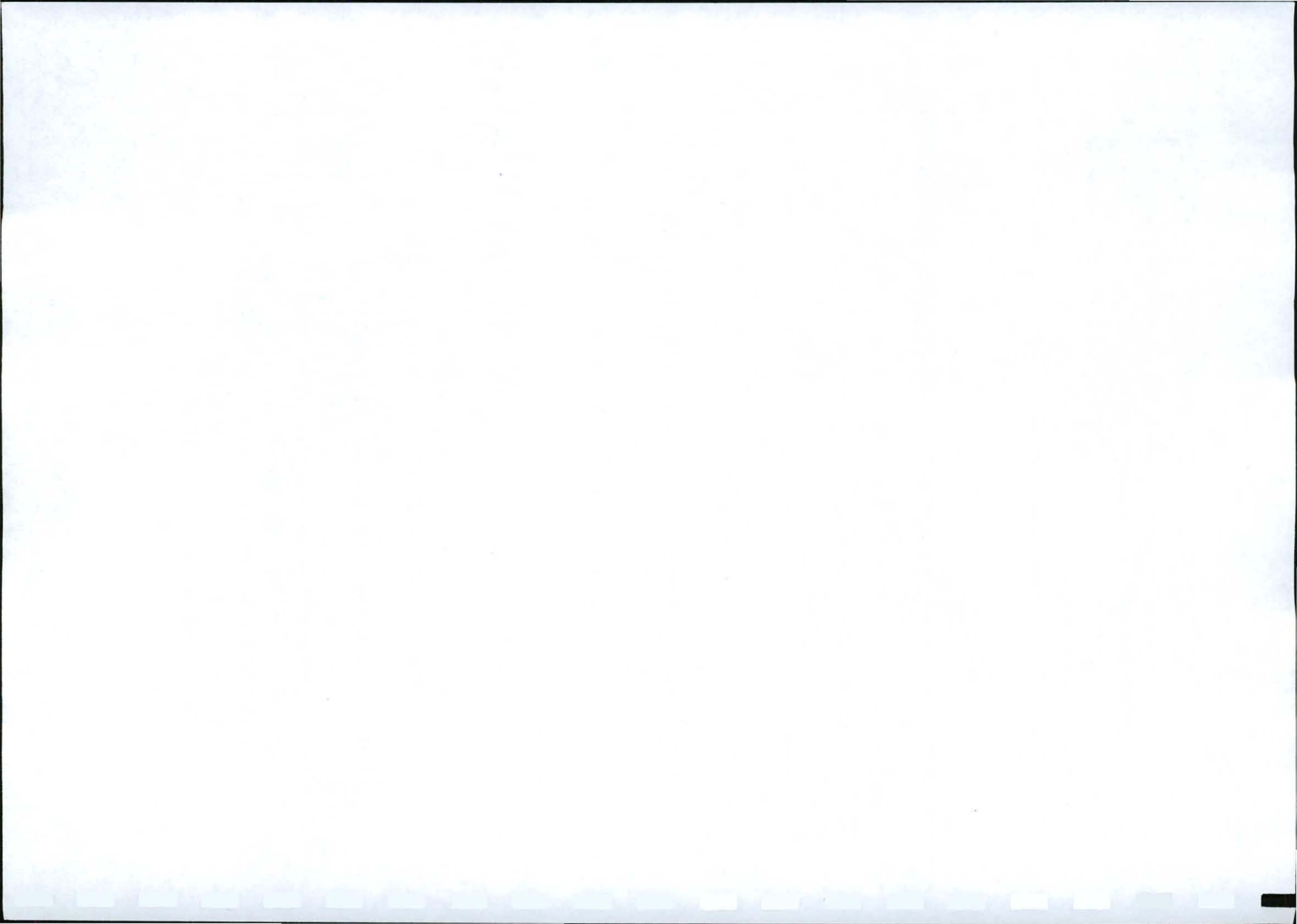
8. The employment equity statistics of the applicant as completed in Form S, Annexure II and an employment equity plan. The plan contains how the mine would achieve the ten percent (10%) women participation in mining and the forty percent (40%) HDSA participation in management within 5 years from the commencement of the MRPDA. The employment equity plan is annexed hereto.
9. A plan that outlines how the talent pool that has been identified and how it would be fast tracked.

In the scorecard of the Charter there are 3 aspects that are defined under human resource development. These will be considered in the human resources development plan. These are the following:

Notes	Description	5-Year Target	10-Year Target
	<u>Human Resource Development</u>	<u>Yes / No</u>	<u>Yes / No</u>
1.	Has the Company offered every employee the opportunity to be functionally literate and numerate by the year 2005 and are employees being trained?		
2.	Has the Company implemented career paths for HDSA employees including skills development plans?		
3.	Has the Company developed systems through which empowerment groups can be mentored?		

Although the South African labour market does not produce enough of the skills required by some of the bigger mining houses in the mining industry, most of the skills required by workers in the alluvial diamond mining sector are available in the local labour markets of the so-called mining communities, especially in those of Barkley West, Kimberley, Delportshoop and Longlands. There are however skills gap that can be addressed, and which will form part of the Social and Labour plan of the applicant. For this applicant considers to:

- interface with statutory bodies such as the Mines Qualifications Authority (MQA) and/or Seesa Skills CC and/or other authorities to formulate comprehensive skills development strategies that include a skills audit;
- where possible to interface with the education authorities and to provide scholarships to promote mining related educational advancement, especially in the fields of mathematics and science at the school level;



- provide skills training opportunities to miners during their employment in order to improve their income earning capacity after mine closure.

The applicant thus undertakes:

- To offer employees the opportunity to become functionally literate and numerate in consultation with the relevant parties;
- To implement career paths in the mine of the applicant to provide opportunities for his HDSA employees to progress in their chosen careers; and
- To develop systems through which empowerment groups can be mentored as a means of capacity building.

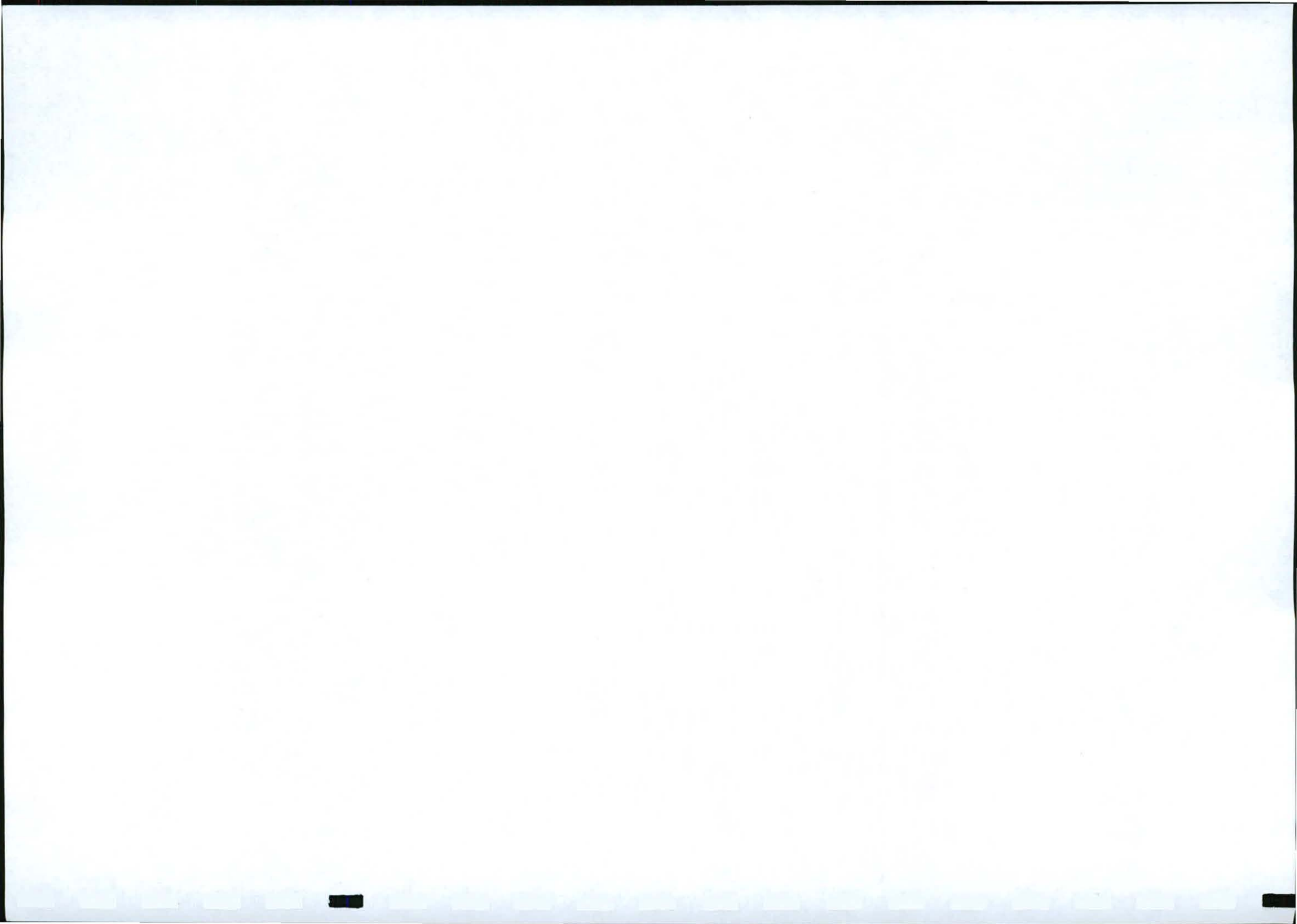
6. HUMAN RESOURCE DEVELOPMENT PROGRAMME / PLAN – IN HOUSE TRAINING

- Commit to R30 000-00 in three years to the training of diesel mechanics and a welder.
- One mechanic and two welders will be trained.
- To address illiteracy and numeracy we will engage abet. We will spend R10 000-00 a year.
- We will further train 3 assistant machine operators to progress to being a supervisor. – R6 000-00 over 3 years.
- For portable skills 6 employees will be trained a year for computer entrepreneurship. R6 000-00 over 6 years.
- For further portable skills development 3 employees will be trained to farm with cattle and irrigation. – R10 000 over 10 years.
- Brick making business will be explored. Once it found to be viable further skills training will be conducted to make provision therefore.
- 1 x Workshop artisans and 1 x workshop assistant will be trained. The training will be in house and R4000 will be spent. Two years.

7. CURRENT SKILLS SHORTAGES (HARD TO FILL VACANCIES)

Regarding general workers on the mine and operators on the machinery there is no current skill shortages of men for the prospecting and mining for diamonds. There is a skills shortage of woman to do these jobs. General management and financial skills are identified as current skills shortages of HDSA. Further skills shortages are:

- Health and safety skills



- Environmental skills
- Project management skills
- Exploration skills

To address the above mentioned shortages we are going to train;

- 1 health and safety manager and 4 employees to be trained in general health and safety skills. The training will be done over a period of 4 years. R12 000-00 will be spent.
- The applicant has already started with training of some of their employees. The first of these training were done by Swezko Executive Risk.
- 1 project manager which will include training of exploration skills. Training will be conducted in house for 5 years. R10 000 will be spent;
- 1 environmental manager. Milnex 189 CC will conduct the training. Time spent will be 6 months. Costs = R3000.

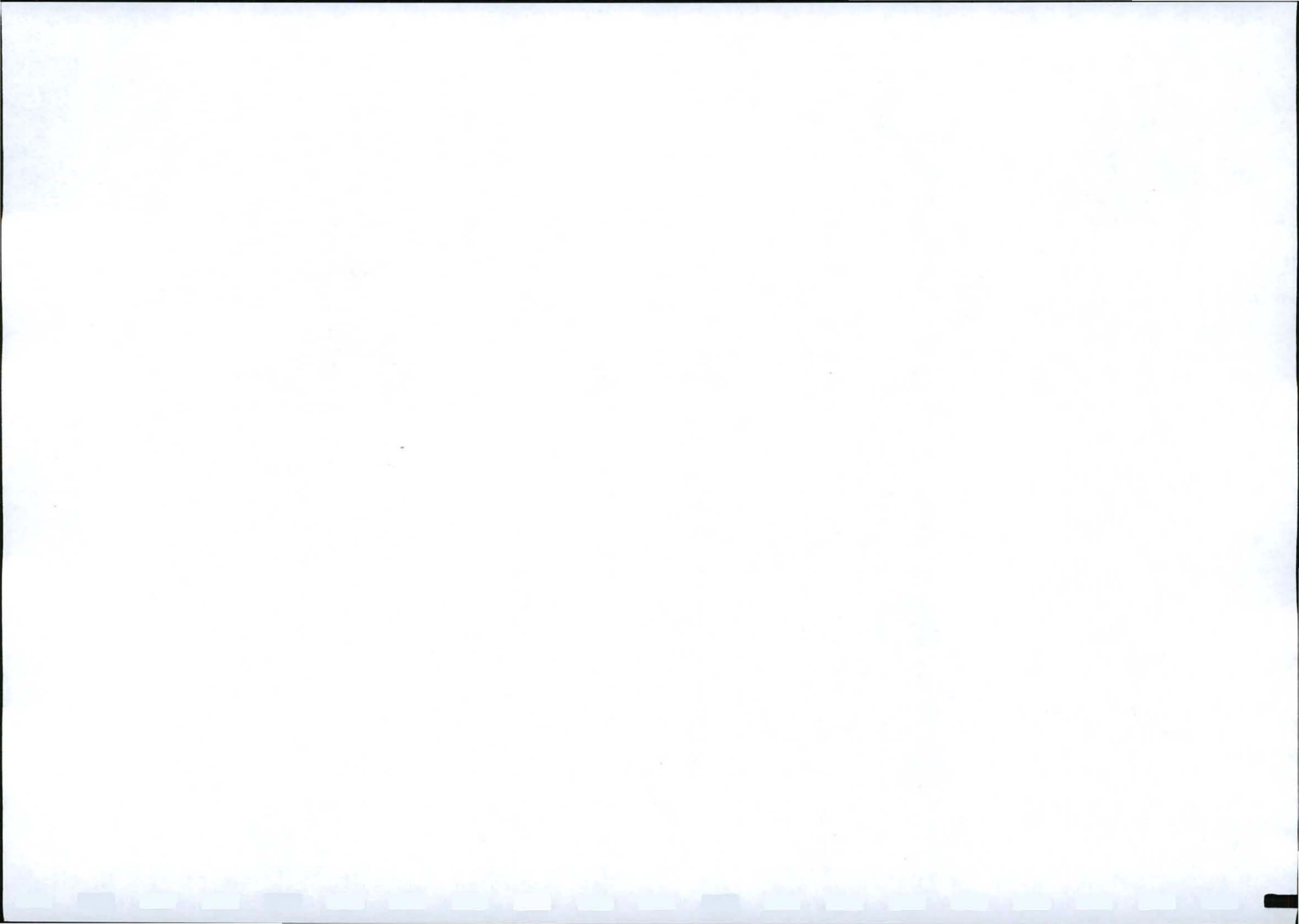
At the moment there is no hard to fill vacancies at the mine.

8. ANTICIPATED FUTURE SKILLS

- Management skills
- Human Resources Development skills
- Literacy
- Numeracy
- Machine operators (woman)
- Health and safety skills
- Environmental skills
- Basic business skills
- Project management skills
- Exploration skills
- General operators (woman)

9. GENERAL PROPOSED STRATEGIC PLAN

The MQA has identified some of the critical areas in which skills are needed in the mining sector. The applicant has identified more or less the same skills priorities. They are the following:



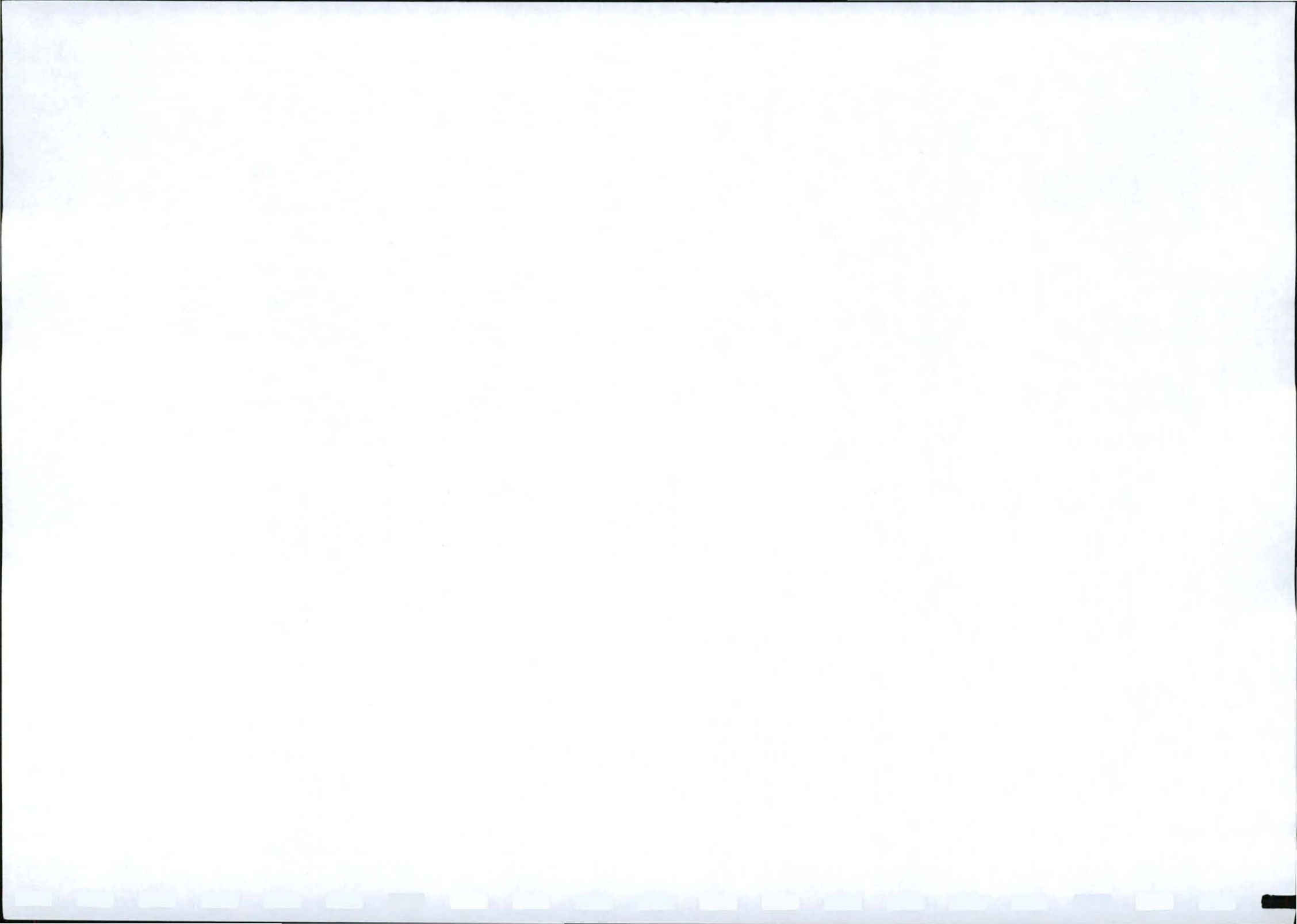
- Health and safety skills
- Environmental skills
- Skills to improve business process
- Basic understanding of legislation
- Basic business skills
- Project management skills
- Exploration skills

The applicant intends to plan its training around these skills training priorities. The skills of the workers must be developed by the training of employees. The following training opportunities will be made available and presented to the employees to develop their skills:

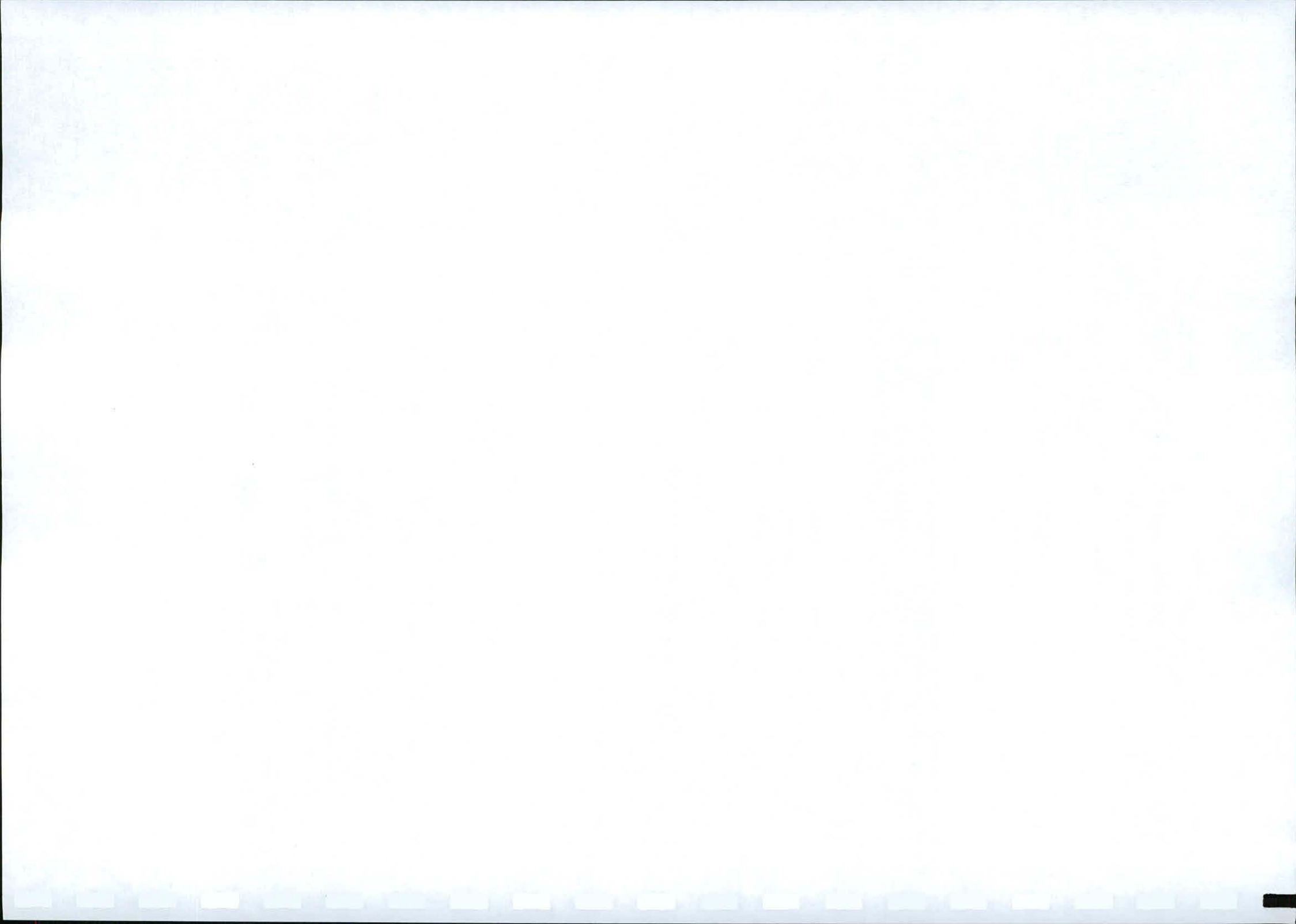
- Short courses
- Workshops
- Seminars
- Guest lectures
- In house courses
- Mentoring schemes
- External training provider courses

The following general strategy to develop the skills are proposed:

DESCRIPTION	ENABLING OBJECTIVES	STRATEGY
The opportunity to be functionally literate and numerate by the year 2011	<p>Identify the qualifications of all the workers.</p> <p>Start by identifying and training people who have qualifications less than NQF 1</p> <p>Identify the qualifications as set by the DME which regards ABET level 4 (Grade 9; Standard 7) as functionally literate and numerate</p>	<p>To start with the illiterate workers to give all the workers the opportunity to have a level One qualification on the National Qualifications Framework.</p> <p>To identify the workers who can be trained to obtain the qualifications as set by the DME which regards ABET level 4 (Grade 9; Standard 7) as functionally literate and numerate.</p> <p>Liaise with Education Authorities to facilitate this education.</p>



<p>The training of the employees</p>	<p>The following training are considered to be done: disciplinary procedures and hearings; basic practical course for occupational health and safety; introduction to the labour relations act; life skills program; cultural diversity awareness; basic business principals; professional excellence in communication; basic mechanical training for maintenance on machinery; training in business skills for the sales of the diamonds; environmental skills training; Exploration skills training.</p>	<p>To identify the in house experienced people to do the training to secure that most of the training will be done by in house expertise. Where additional training are required the applicant will consult with the relevant Seta. Negotiations are being conducted between Seesa Skills CC and the MQA for these trainings. At least two training modules will be done a year.</p>
<p>The career paths implemented for HDSA employees?</p>	<p>This is a very difficult task for the applicant. The business structure of the applicant is as such to only accommodate general workers, general plant managers and owner managers. Two career paths for general plant managers are envisaged. Jewellery manufacturing; General Exploration manager.</p>	<p>HDSA will be trained to be accommodated as plant managers in case of any vacancies. HDSA will be trained to be accommodated as general managers in case of any vacancies.</p>
<p>The skills development plans to be implemented?</p>	<p>The following training will be done: disciplinary procedures and hearings; basic practical course for</p>	<p>Most of the training will be done by in house expertise. Where additional training are required the applicant will consult with relevant Seta. Negotiations are</p>



	occupational health and safety; introduction to the labour relations act; life skills program; cultural diversity awareness; basic business principals; professional excellence in communication; basic mechanical training for maintenance on machinery; training in business skills for the sales of the diamonds.	being conducted between Seesa Skills CC and the MQA for these trainings. At least two training modules will be done a year.
The systems developed through which empowerment groups can be mentored	To promote equitable access to the mining sector.	The applicant will make all his in house expertise available to empowerment groups. These expertise will be used for training of empowerment groups.
Employment Equity	To promote employment equity in the workplace	An Employment Equity Plan has been drafted and is submitted with this application.

10. SUMMARY ON HUMAN RESOURCE DEVELOPMENT

ACTION AND DESCRIPTION	2010	2011
<u>Participation in skills register</u>	X	
Register with relevant authorities		X
<u>Literacy & Numeracy</u>		
Literacy and Numeracy level	All the employees (17)	
Accreditation &	X	



venue arrangement	Venue at Kimberley and Barkley West	
Arrangement of opportunity for ABET level 1-4 available to employees	5	5
<u>Portable Skills</u>		
Acquire drivers licenses – Code ED	X 2	X 2
Life skills for Employees	X 17	X 17
HIV/AIDS awareness training	X 17	X 17
Contribution for training of Operators and Welders and of Hard to fill vacancies		X 3
Workshop artisans		X 2
Workshop attendant		X 1
Safety	X 17	X 17
Farming skills	X 2	X 2
<u>Skills program</u>		
Skills audit register	X At Pretoria	X
Socio-economic assessment of Employees	X	
Machine operators	X 4	X 4
Management	X	X



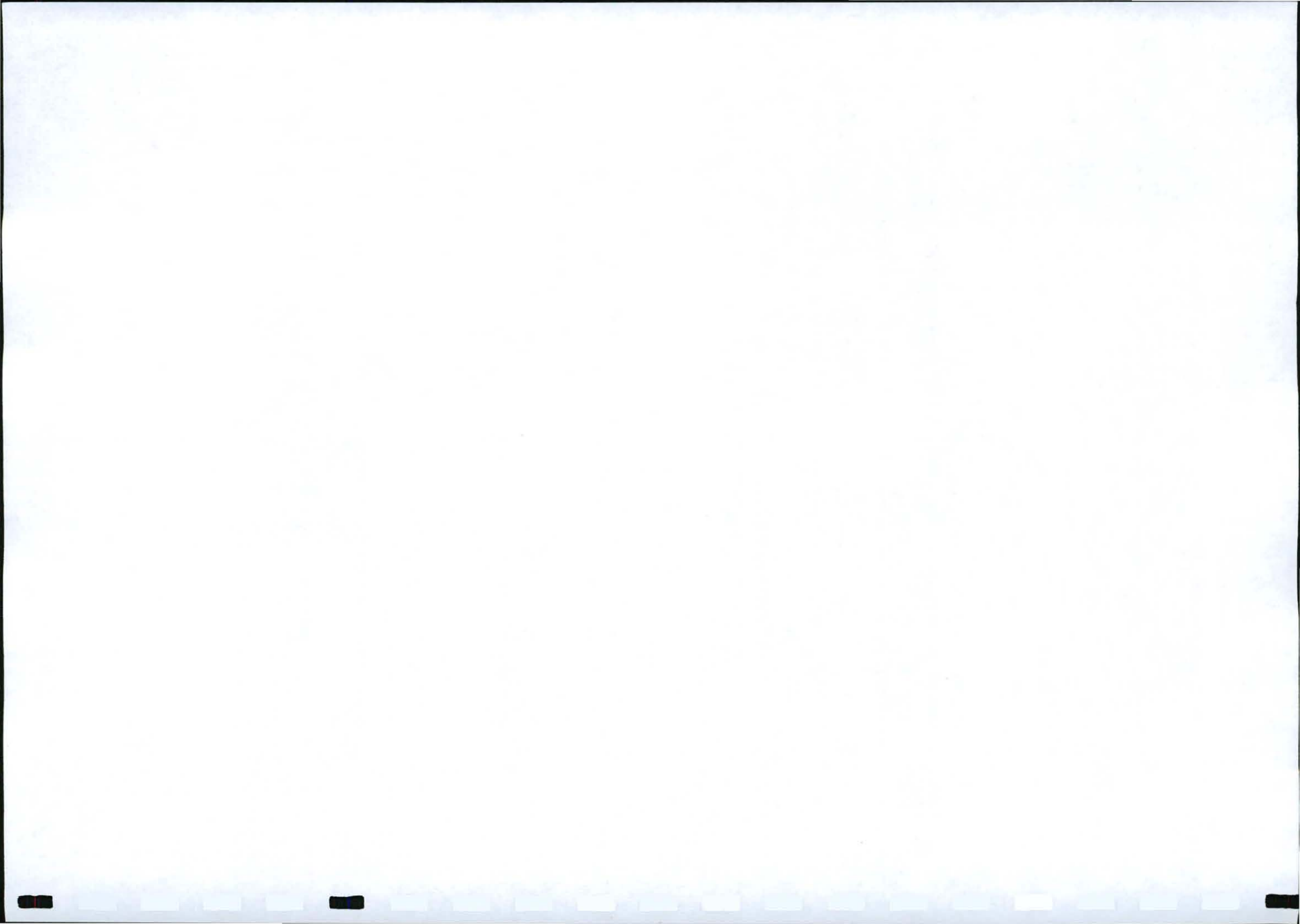
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A. TARGETS

- By 2011 at least 50% of the workers to have the opportunity to be functionally literate and numerate;
- By March 2011, a minimum of 30% of workers to have embarked on a structured short course skills development program, of whom at least 50% have completed their program satisfactorily;
- That the workers take part in viable social development programs from time to time.

B. GENERAL ACTION

- Determine number of learners. Set-up RPL assessment. Develop career path. Facilitate Instructional Design Report. Set-up structure to develop Curriculum. Identify Learner needs and interests. Prepare agreements/contracts. Obtain Job Descriptions. Obtain Learner profiles. Organize meetings with trainers. Determine constraints. Identify high-level probability risk factors. Determine duration = resources = people;
- Facilitate training for 20 learners per year;
- Identify Skills programs;
- Determine career paths;
- Assessors training;
- Assess Job Descriptions. Assess Learner profiles / RPL process. Time management structures. Record-keeping on database. Set up guidelines for follow-up processes. Determine unit credits of skills programs. Involvement of other SETA's;
- Workplace organizational structure. Identify roll-players;
- Math/science improvement projects;
- Identify national Social Development programs at Provincial and rural levels. Assist with pilot programs. Identify learning materials/resources & culture. Investigate Stakeholder participation. Identify the learners. Research Provincial needs and interests. Ascertain workplace placements. Identify Skills development initiatives.
- Assess budget and Business Plans.



11. CAREER PROGRESSION PLAN

The applicant has identified career opportunities in the alluvial mining sector in the following sectors:

- Engineering;
- Diamond processing;
- Jewellery manufacturing;
- Geology;
- Mineral Surveying;
- Mining and Minerals Industry.

Although the applicant will strive on the long term to provide career opportunities in each of these sectors, the only opportunities in the initial phase of the mine will be in the mining and minerals sector. The opportunities will be provided in terms of the skills development plan. In this sector the occupational categories will be expanded to consist of, senior officials, managers, clerks, service workers, plant operators, machine operators and plant assemblers. The career progression will be planned from initial plant operators and machine operators to mine managers.

Manager



Technical skills training – Modules will include the following:

- Basic Geology understanding (Sample trial audits, exploration program planning, optimization and management)
- Basic Engineering skills (Project risk assessment, environmental requirement, mine optimization and design, Health & Safety)
- Mine Management (basic procurement, human resource management, legislation, governance)
- Overall understanding of specific operation requirements.



Training in life skills, with modules such as:

- Introduction and Background to Corporate Governance
- Personal Identity & Family unit (value system)
- Functional skills
- Community skills



- Workplace / Careers & Entrepreneurial skills
- Country and Society
- Synthesis skills (financial, budgeting, personal development plan)

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Establish a selection criteria, evaluate employees and select. Selection criteria include:

- Metric Certificate
- Supervisor level
- Experience in mining
- Trustworthy
- Drivers license (Code 8)
- Healthy
- Equity

Supervisors

Figure 1: Career progression plan 1 – Supervisors to Managers

Machine Operator

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Technical skills training – Modules will include the following:

- Machine operation (on-the-job training with certificate)
- Health and Safety
- Environmental sensitivity

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Training in life skills, with modules such as:

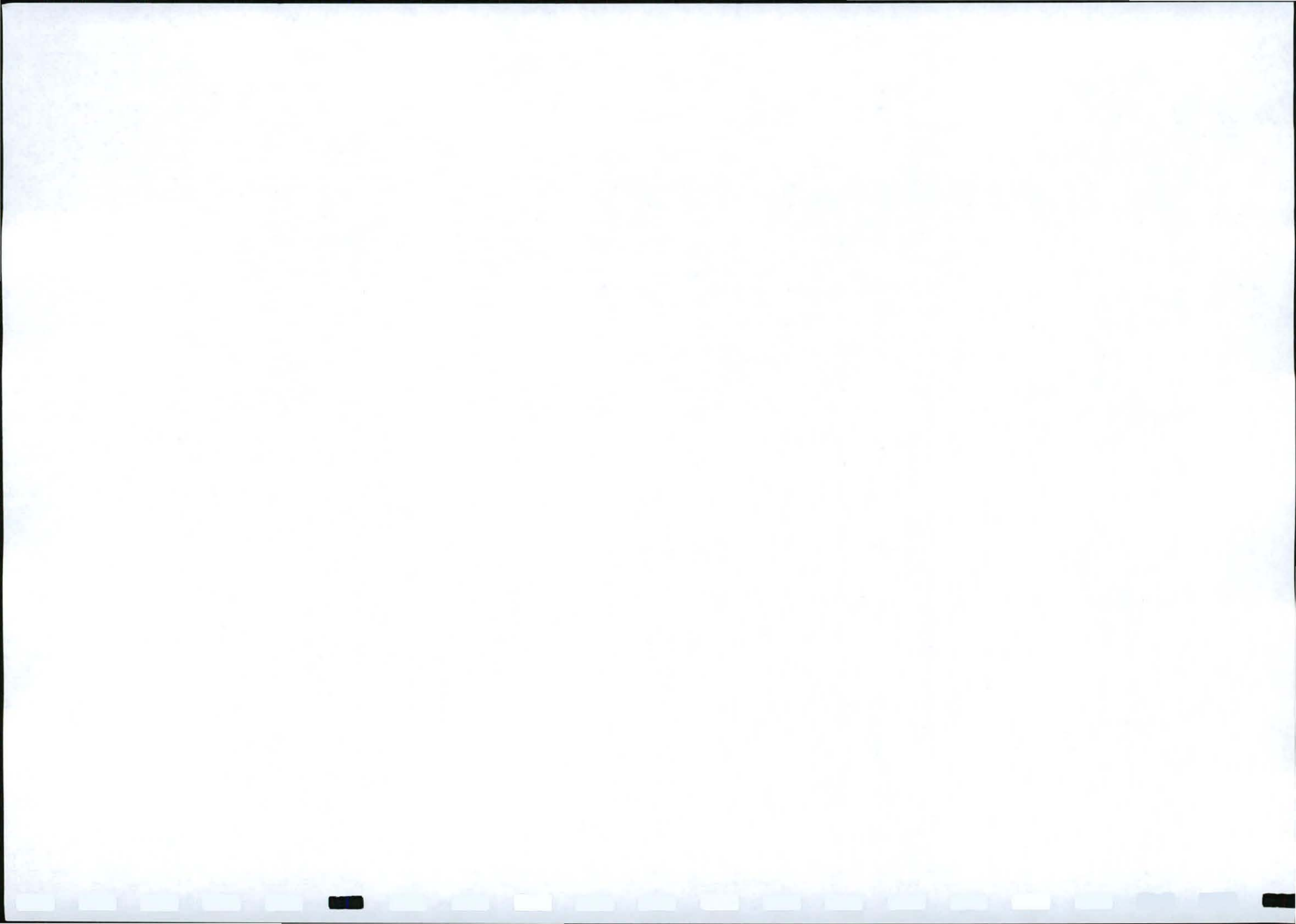
- Introduction and Background to Corporate Governance
- Personal identity & Family unit (value system)
- Functional skills
- Workplace / Career & Entrepreneurial skills
- Country & Society
- Synthesis skills (financial, budgeting, personal development plan)

↑

Establish a selection criteria, evaluate employees and select

Selection Criteria to include:

- ABET level 3
- Existing level: Pan operator
- Employee for 2 years in business / 2 years experience with reference



- Trustworthy
- Driver License (Code 14)
- Healthy
- Equity



Pan operator

Figure 2: Career progression plan – Pan operator to Machine operator

12. MENTORSHIP PLAN

As a mentorship structure the employer will:

- provide the employee with appropriate training in the work environment;
- provide appropriate facilities to train the employee in accordance with the workplace component of learning;
- provide the employee with adequate supervision at work;
- release the employee during normal working hours to attend off-the-job education and training required;
- conduct on-the-job assessment, or cause it to be conducted;
- keep up to date records of learning and periodically discuss progress with the employee;
- provide or cause it to provide education and training;
- record, monitor and retain details of training provided;

For this to succeed it is necessary for the employee to:

- Work for the employer as part of the learning process;
- be available for and participate in all learning and work experience required by the employer;
- comply with workplace policies and procedures;
- attend to study and theoretical learning sessions with the Training Provider and undertake all learning conscientiously.

Existing employees will be mentored through internal training and guidance. External mentorship will also be available. It is anticipated that the Mentorship program will be implemented over a period of five years. The program will however be updated on a regular



basis to ensure alignment with company needs. The ultimate goal of this Development Program is to develop the staff to the mutual benefit of the mine.

The Company will test Employees for their learning potential, the results of which will be used to identify those employees within talent pools who can be fast-tracked. The employees identified should at least have completed the relevant ABET Level 3 unit standards. The mentorship program will be divided into three outcome categories (as according to the guidelines of MQA), which will include:

Fundamental modules:

- Communicate a variety of ways
- Use mathematics in real life situations

Core modules:

- Demonstrate basic knowledge and understanding of scientific concepts.
- Demonstrate knowledge and awareness of issues related to work/life orientation.
- Show a basic understanding of Occupational Health & Safety issues.
- Show knowledge and understanding of employment relations.
- Demonstrate a basic understanding of an overview of the Mining and Minerals Sector.

Elective Modules:

- Demonstrate basic knowledge and understanding of engineering Technology and the principals of basic drawings.
- Demonstrate basic understanding of mining terminology and process.
- Demonstrate basic understanding of relevant small-scale mining operations.
- Demonstrate basic understanding of the diamond processing industry.
- Demonstrate basic understanding and knowledge of plant operation theories.

An amount of R5000-00 is budgeted a year to spent on the mentorship plan.

13.1 BURSARY PLAN

The applicant is going to provide a bursary for 1 kid of the local school. The bursaries will be provided for A needing child. The bursary will be provided for a child who finished his matric. The school principal will be consulted with to identify the kid. The amount for the bursary will



be limited to R24 000-00 for the studies over three years. R8000 will be spent a year. The following will be used as criteria in the selection of the kid:

- Metric exemption
- Distinctions
- Math and Science
- Acceptance by institution for the course
- Equity

13.2 INTERNSHIP

2 interns a year will be accommodated.

They will be accommodated during two holidays for the year.

Interns will only come during holidays. The Company will spend R1500-00 a holiday per child.

An amount of R3000-00 is budgeted a year to spend on the internship plan.

The Company will register with MQA and the relevant Labour Departments to reclaim the money spent.

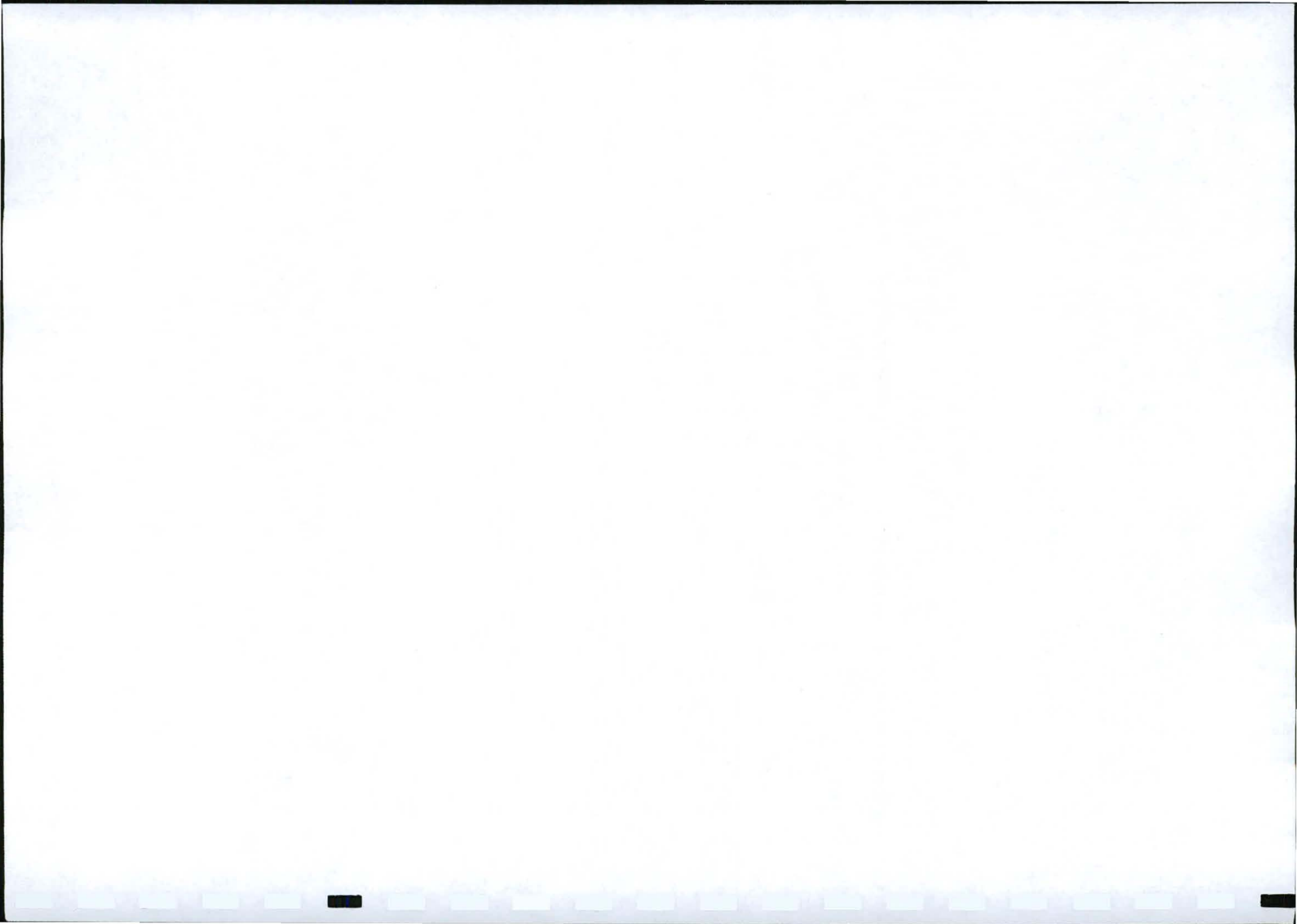
14. EMPLOYMENT EQUITY PLAN

14.1 Management - Current

	Black	Coloured	White	Indian
Senior	1	0	2	0
Middle	0	1	2	0
Junior	1	1	0	0

14.2 Woman Management - Current

	Black	Coloured	White	Indian
Senior	0	0	0	0
Middle	0	0	0	0
Junior	0	0	0	0



14.3 Management Plan - HDSA - 2011

	Black	Coloured	White	Indian
Senior	1	1	2	0
Middle	1	1	2	0
Junior	1	1	0	0

14.4 Management Plan - HDSA - 2011 and further

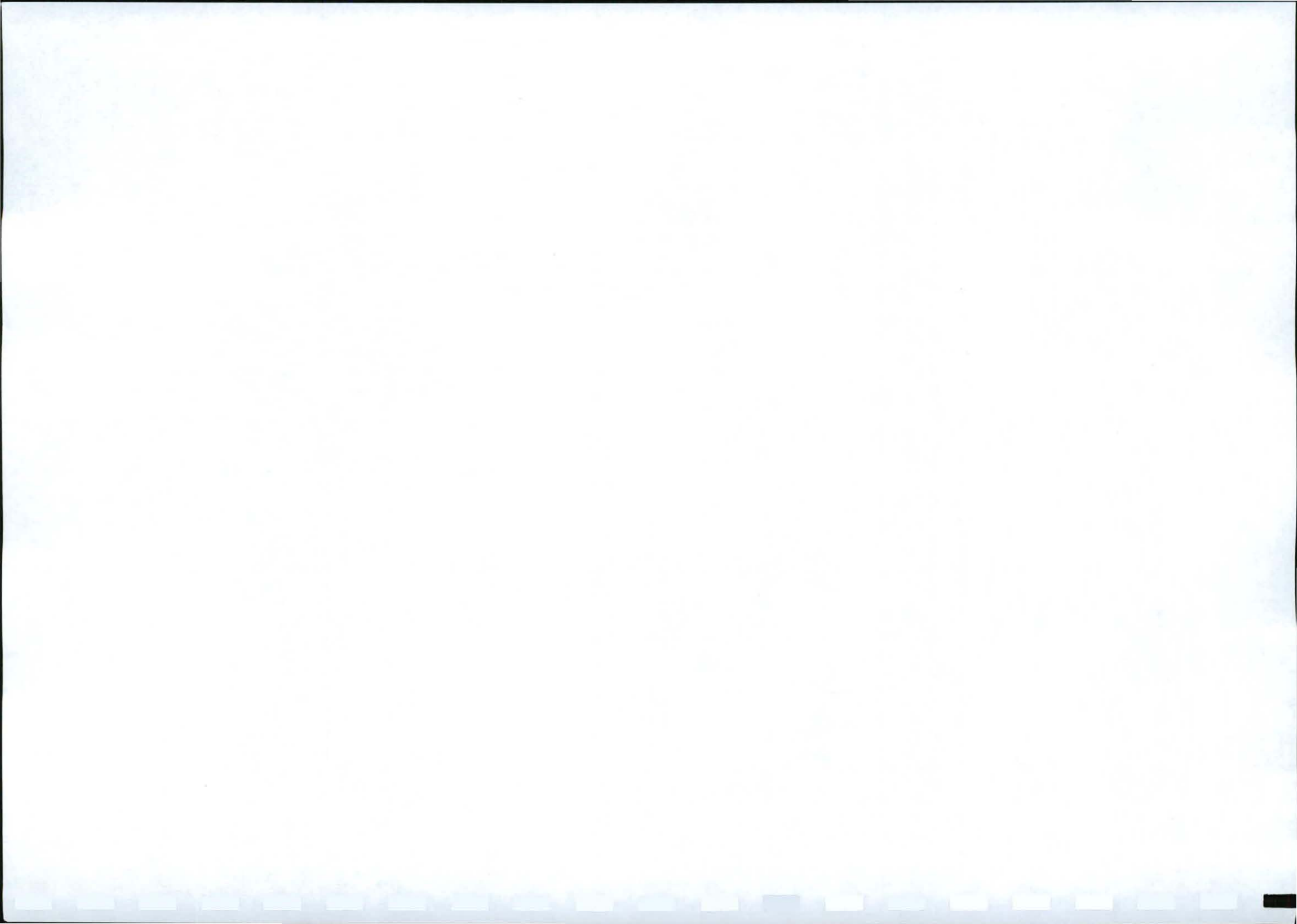
	Black	Coloured	White	Indian
Senior	1	1	2	0
Middle	2	2	2	0
Junior	2	2	0	0

14.5 Management Plan - HDSA (Woman) - 2011 and further

	Black	Coloured	White	Indian
Senior	0	0	0	0
Middle	1	1	1	0
Junior	1	1	1	0

15. MIGRANT LABOUR

The applicant will not employ migrant labourers.

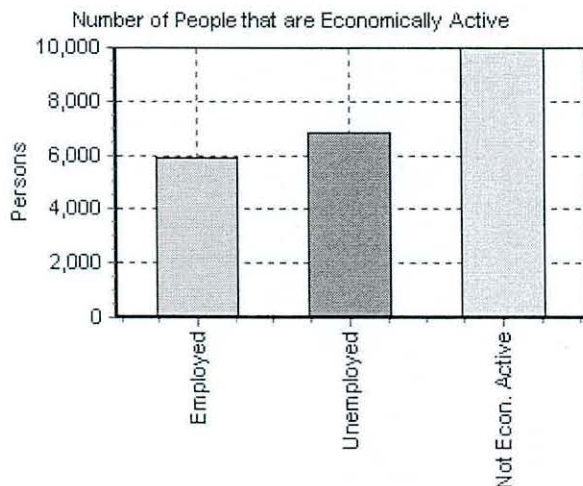


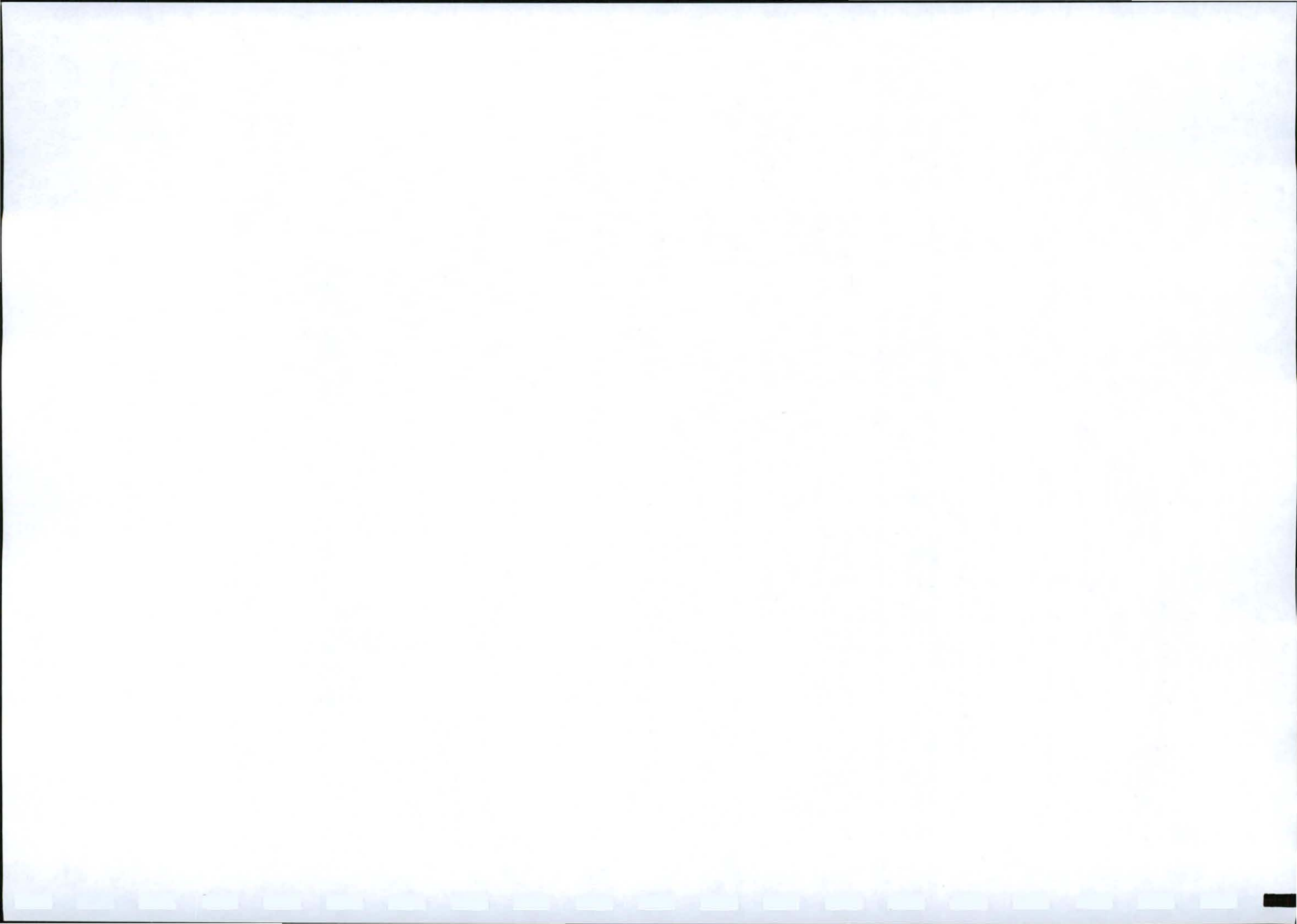
LOCAL ECONOMIC DEVELOPMENT PLAN

1. INTRODUCTION

The primary objective of local economic development (LED) program is to help with poverty eradication and community upliftment in the area within which mining operations take place and in areas from which the majority of the workforce is being sourced. The local economic development program includes sustainable projects which the mine will initiate, implement and support financially or otherwise. The mine will co-operate with the formulation of the integrated development plans of the areas within which they operate; and with government in the implementation of the integrated development plans for communities where the operation takes place and for major labour sending areas. All these will be done in accordance with the local economic development program. For this the mine will, through consultations with communities and relevant authorities, and participation in existing and emerging development structures/forums, provide local economic development programs in line with the integrated development plan of the district municipality within which the operation takes place. Regarding procurement the current level of procurement from HDSA companies are indicated with the breakdown of allocation in percentage of the total procurement for HDSA companies in Form T, Annexure II.

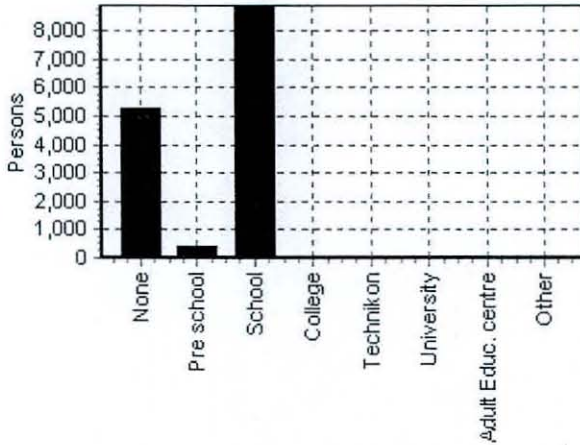
2. THE SOCIAL AND ECONOMIC BACKGROUND OF THE AREA IN WHICH THE MINE OPERATES



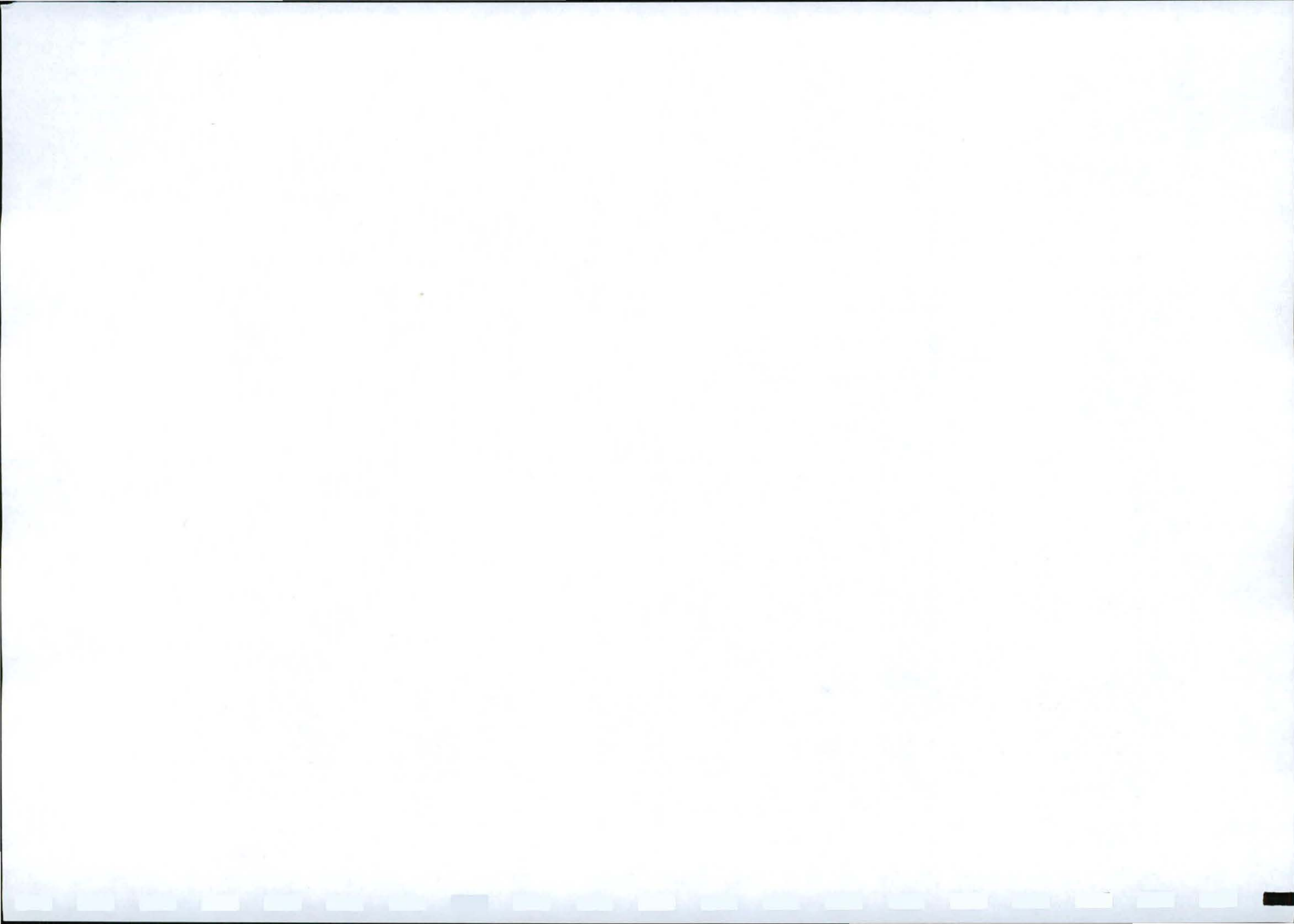


Labour Marker Status	Persons
Employed	5923
Unemployed	5576
Not economically Active	11251
Total Labour Force	11499

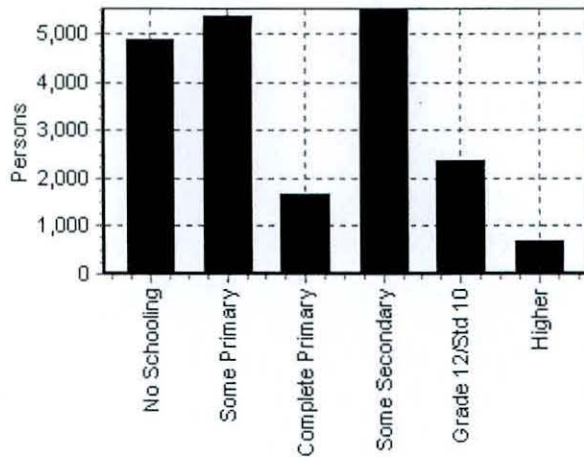
Education Institution being Attended by 5 to 24 year olds



Institution being attended	Persons
None	5254
Pre-school	431
School	8909
College	47
Technikon	16
University	11
Adult Education Centre	4
Other	19



Highest Level of Education of Over 20 year olds



Highest Level of Education	Persons
No Schooling	4885
Some Primary	5366
Complete Primary	1663
Some Secondary	5541
Grade 12 / Standard 10	2372
Higher / Tertiary Education	708

3. THE IMPACT OF THE MINE ON THE LOCAL AND SENDING COMMUNITIES

The mine of the applicant will have a big economic and social impact on the Community. The community is currently struck by poverty and partial famine. New jobs will be created by the mine for the people of the Community. The mine of the applicant will stimulate the economy of the district. The mine is too small to solely lead to the development of enterprises but it can be assumed that the mine of the applicant will contribute with the rest of the alluvial mining industry in the region and in the district so that the industry as a whole will stimulate the growth and development of small, micro and medium enterprises.

ACTION AND DESCRIPTION	2010	2011	2012	2013
Number of jobs created	5	10		
(SMME) Development			1 projects	1 project
Support of HDSA suppliers of	1	2	3	3

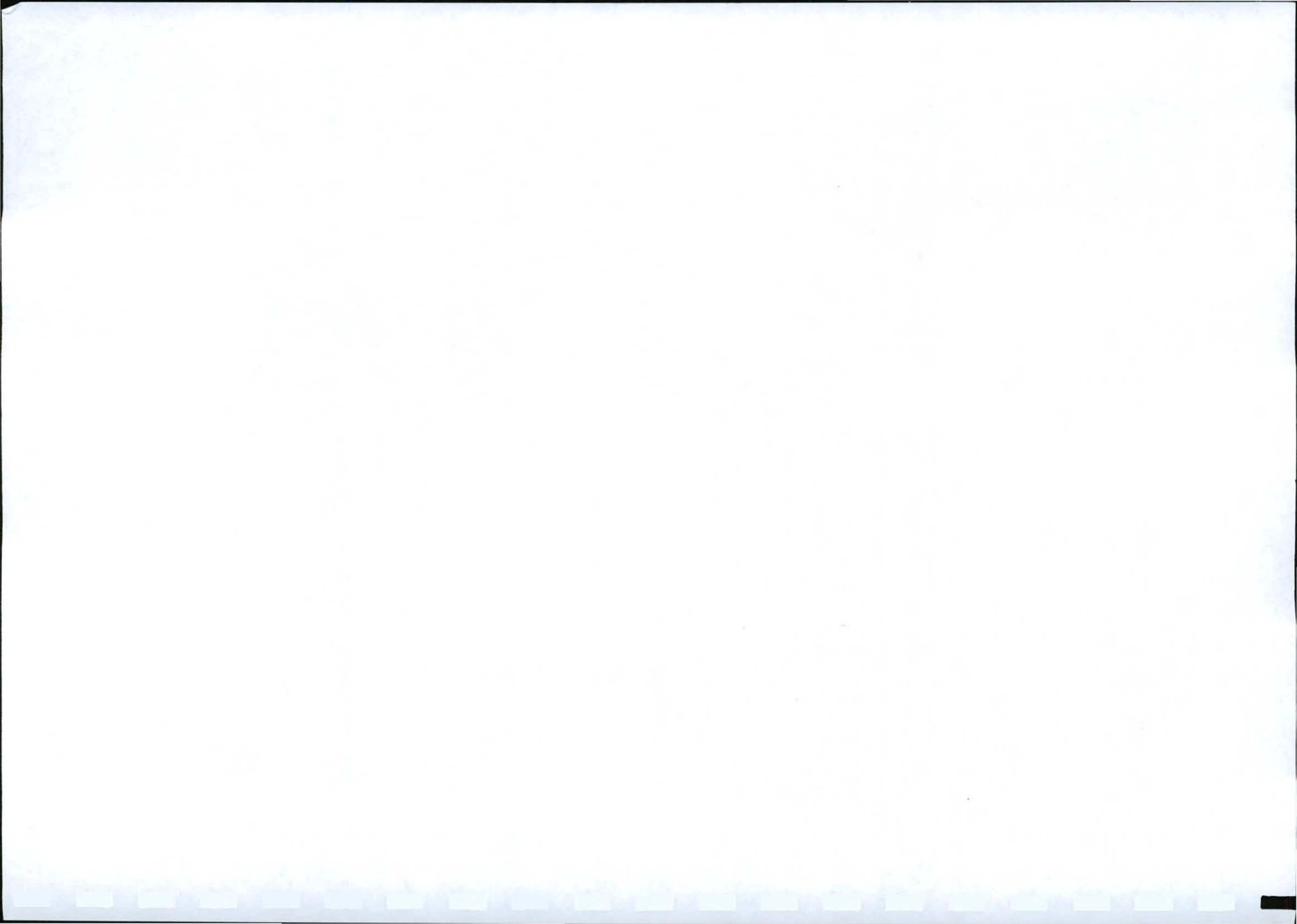


equipment and commodities				
Infrastructure development		LED And IDP 1 project	LED And IDP 2 projects	LED And IDP 2 projects
Community Development / Empowerment				
Aids awareness project to the LED of Barkley West	1 R85 000	1 R85 000	1 R85 000	1 R85 000
Poverty eradication (Contribute towards a farming project)	1 R100 000 90% of the money will be used to purchase cattle. There is an existing infrastructure that will be used. Rental is only going to be asked once the project is feasible.	1 R60 000	1 R60 000	

4. POVERTY ERADICATION PROJECTS OF THE MINE

The applicant undertakes to co-operate in the formulation of an integrated development plan with the local municipality and with the Delpportshoop Community. The applicant will further co-operate with the government in the implementation of these projects. It is very difficult for the applicant to comply with these requirements before the mining rights have been issued. Once the mining right has been issued, the applicant will engage in negotiations with the Community and the local government to help with rural development. After these negotiations the applicant will formulate a plan which he will submit to the Department of Mineral and Energy Affairs within 6 months from the date of the granting of the right. The applicant nonetheless proposed the following:

- Contributing R100 000 for the establishment and running of small scale cattle farming project. The project will employ 20 unemployed women.



4.1 Infrastructure Development

In addition to the above mentioned the applicant will contribute an amount of R100 000-00 a year in the Dikgatlong Municipalities Community project. The identified project is water reticulation in Delpportshoop.

5. THE MEASURES TO ADDRESS THE HOUSING AND LIVING CONDITIONS OF THE MINE EMPLOYEES

The workers of the applicant stay in new hostels with all the necessary facilities to comply with this requirement. These facilities have warm water, toilets, beds etc. The applicant is also in a process to encourage and to help his workers to own their own houses.

ACTION AND DESCRIPTION	NUMBER OF PERSONS AND TIMEFRAME TARGETS									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Liaise with the local Municipality to access Housing Subsidies for employees residing within a town with sub-standard housing	Subsidise 3 worker s with R3000 in total a year	Subsidise 3 worker s with R3500 in total a year	Subsidise 3 worker s with R4000 in total a year	Subsidise 3 worker s with R4500 in total a year						

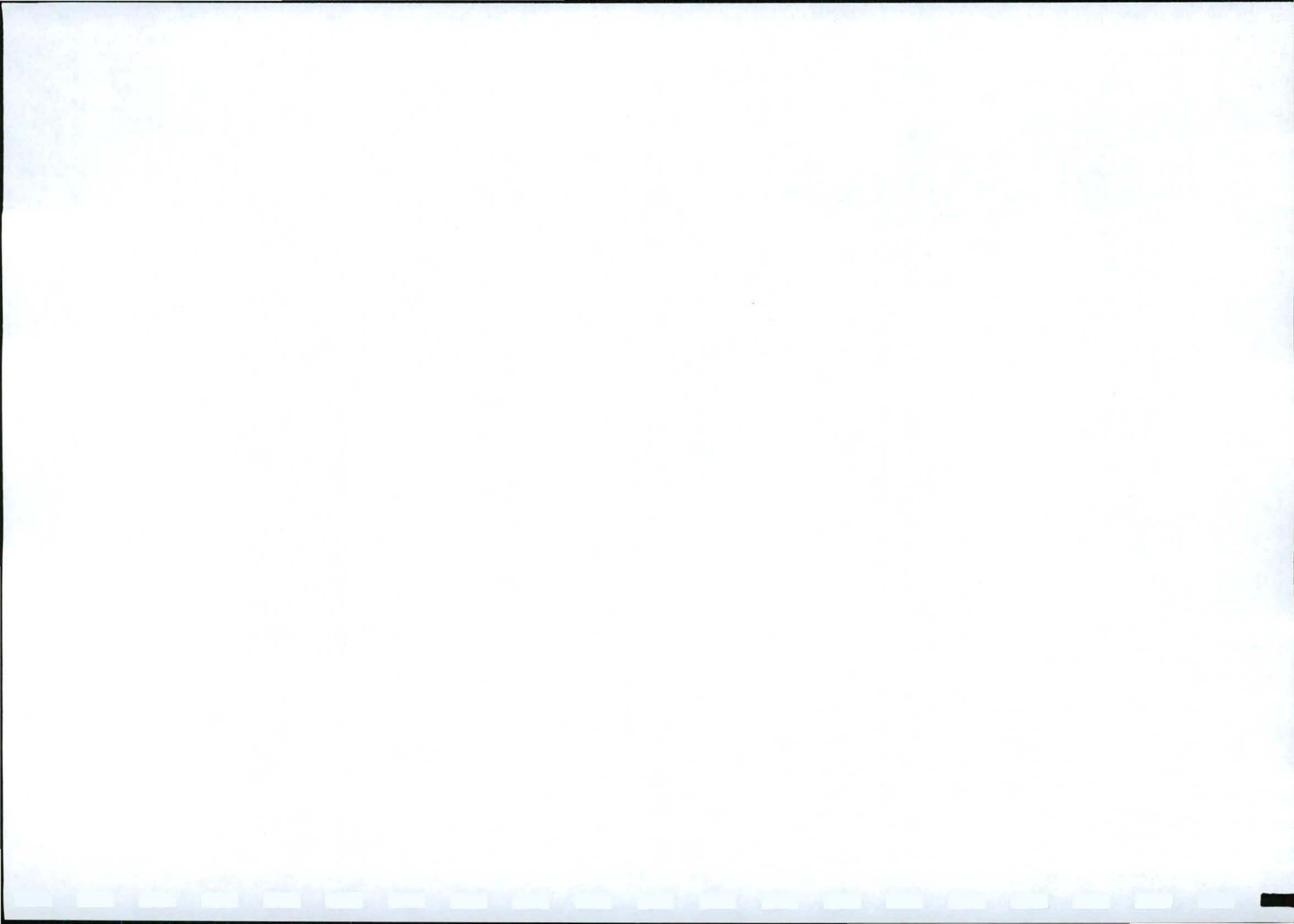
6. THE MEASURES TO ADDRESS THE NUTRITION OF THE MINE EMPLOYEES

The applicant will provide the employees with three meals a day. All of these meals will be decent meals for the employees. The meals will be free.

7. THE PROCUREMENT PROGRESSION PLAN

Scorecard Wording:

Notes	Description	5-Year Target		10-Year Target	
		Yes	No	No	Yes / No
	<u>Procurement</u>				
1.	Has the mining Company given HDSA's	Yes	No	No	Yes / No

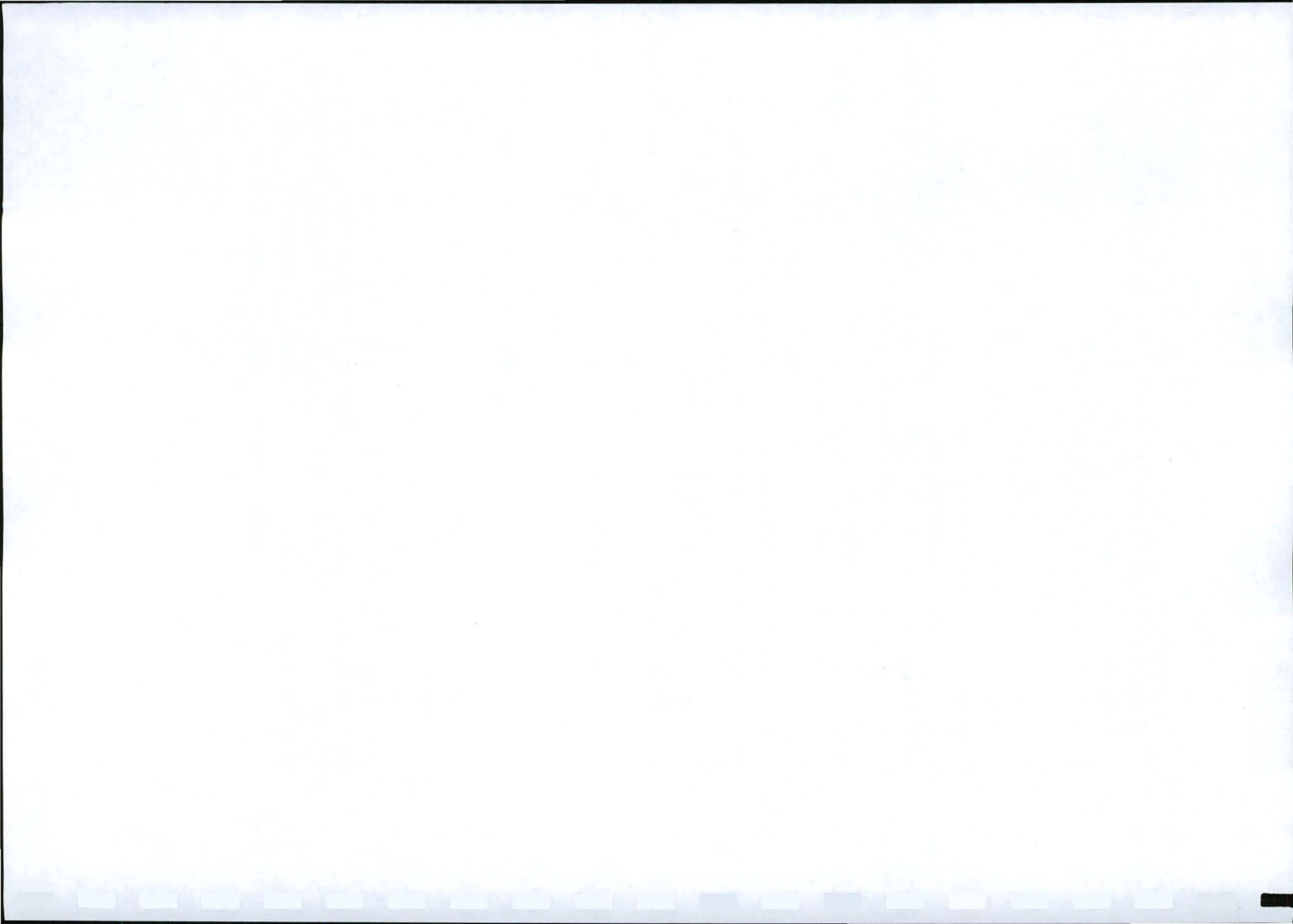


	preferred supplier status?				
2.	Has the mining company identified current level of procurement from HDSA companies in terms of capital goods, consumables and services?	Yes			
3.	Has the mining company indicated a commitment to a progression of procurement from HDSA companies over a 3 - 5 year timeframe in terms of capital goods, consumables and services and to what extent has the commitment been implemented?	Yes			

In terms of the Black Business Supplier Development Program (BBSDP) – the Department of Trade and Industry offers financial support to black-owned enterprises in S.A. by way of a 20 percent : 80 percent cost sharing cash grant incentive scheme that is designed to assist these firms to improve 'core competencies, upgrade managerial capabilities' and become more competitive. It is intended to complement current affirmative procurement programs and outsourcing initiatives of corporate and public sector enterprises. Mining companies could refer their suppliers to this program. The DME has indicated that the training of procurement companies would also be regarded favorably. The reason that procurement was split into 3 different categories namely capital goods, consumables and services was due to the differing levels of difficulty associated with HDSA involvement. In essence each applicant must identify where their current position is in relation to procurement from HDSA companies.

There are no minimum standards except that the applicant is required to indicate a commitment to a progression of procurement from HDSA in terms of the three categories alluded to above. This would be like an employment equity target, which is established by the applicant. There is no offset between the value of goods purchased from HDSA companies and any other Charter commitment.

The question has been raised as to what is considered to be an HDSA company for procurement purposes? There are various possibilities that the applicant will consider:



- An HDSA company could be defined as a company that has committed to a similar pattern of HDSA ownership as per the mining Charter, i.e. 15 percent HDSA owned in 5 years and 26 percent owned in 10 years.
- Another possibility is the definition in the Black Economic Empowerment Commission report (this definition to be further researched).
- The divergent definitions of HDSA companies as indicated in the definition sections above would also be relevant in this regard.
- Institutions such as the IDC and Eskom are not "HDSA companies".

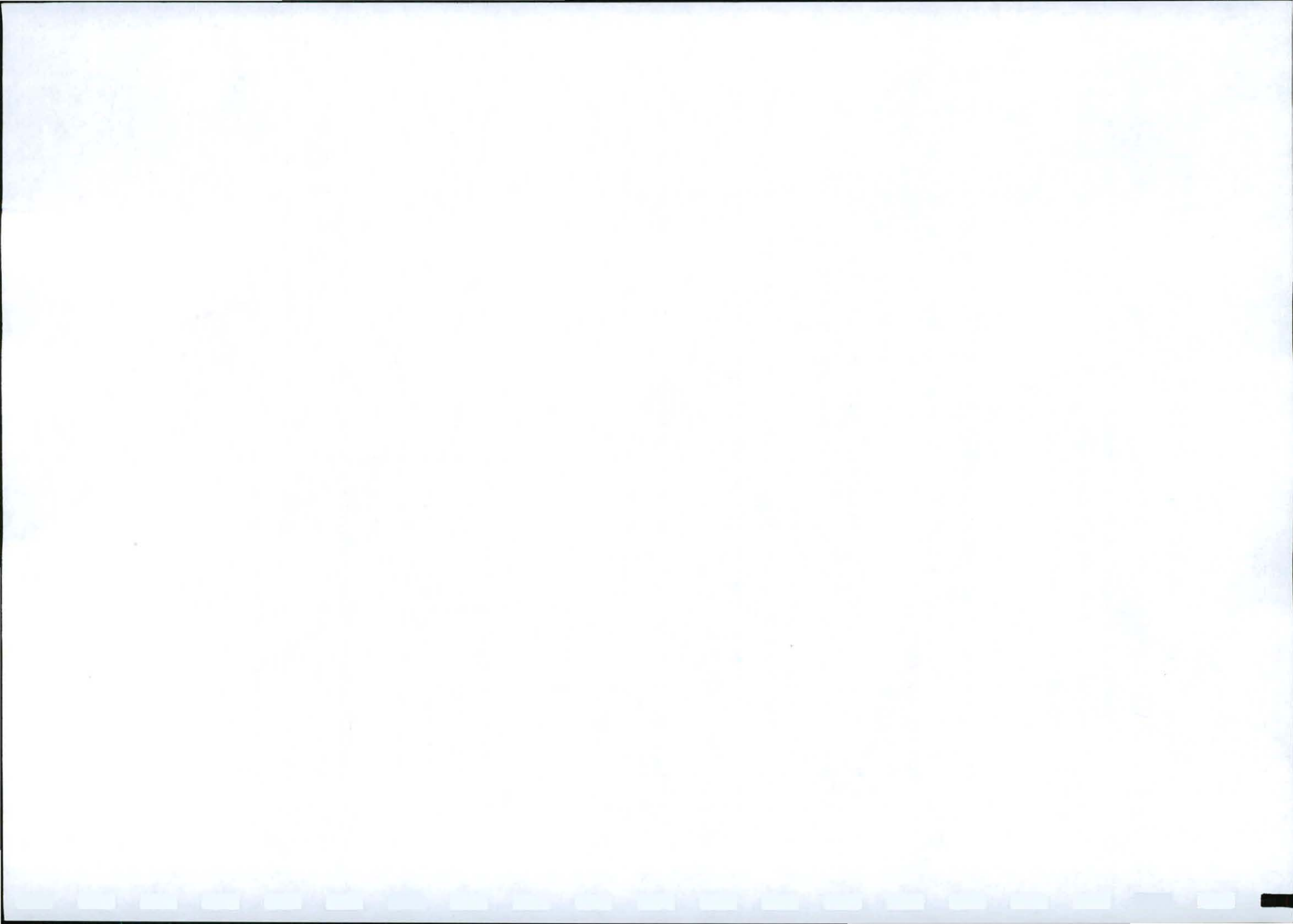
7.1 CAPITAL GOODS

At this moment the applicant does not intend to buy any capital goods. If the applicant considers buying capital goods at any later stage the applicant will do research in the market to determine the BEE companies who sell capital goods. These companies will be given a first opportunity to quote prices for the applicant. If another supplier gives a better quotation price the applicant will once again offer an opportunity to the BEE Company to quote a price. At the date of this document the applicant buys his goods from the under mentioned companies which has indicated to the applicant that they comply with the requirements of Black Economic Empowerment:

- Griekwaland Wes Co-operation
- Engen Petroleum
- One Stop Engineering (Pty) Ltd
- Molotek Kimberley
- Bearing Man Kimberley

7.2 SERVICES

Services will be rendered by companies which have already conformed or are in the process to conform to BEE. The only services that will be needed by the applicant at the moment are reparation services on the equipment of the applicant. The applicant has established his own mechanical workshop, as part of his skills development strategies to do these jobs.



7.3 CONSUMABLES

Market research need to be done to determine which supplier companies has complied with BEE prescriptions. The applicant undertakes to do all its consumable purchases from these companies, if they can supply the consumables at the same price as at which the applicant buys them. This process will be transparent and for a fair market price. In essence the applicants undertake to comply with the requirements as laid down in the Charter. The applicant will give HDSA's preferred supplier status. The applicant has identified his current level of procurement. The applicant commits himself further to a progression of procurement from HDSA companies.

	2010	2011	2012	2013
Identification of potential HDSA companies within the local area where procurement can be done (A Database will be formulated where all local companies will be listed)	5	5	5	5
Procurement from HDSA's	0%	10%	15%	20%

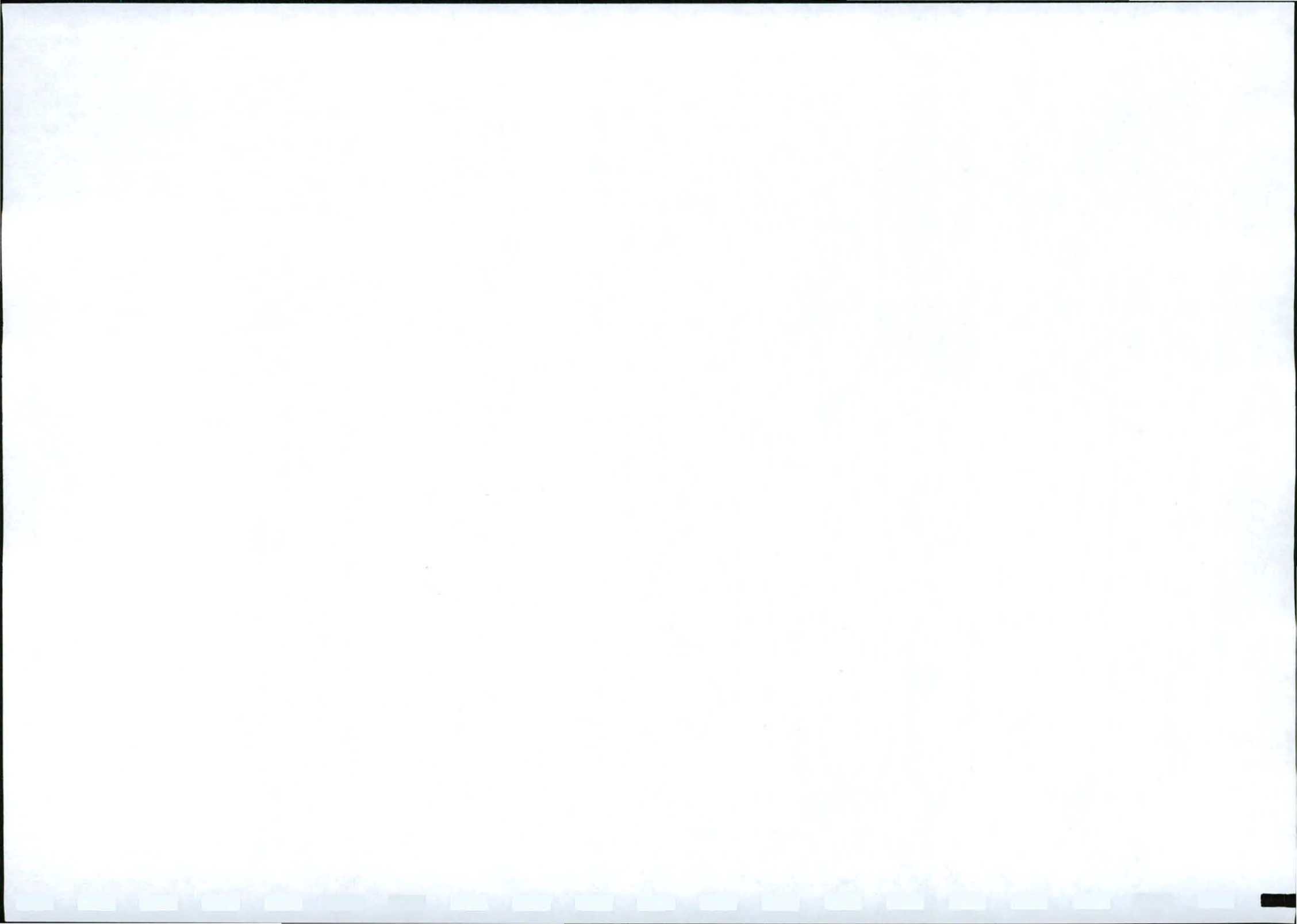
C. LABOUR PLAN (THE PROCESSES PERTAINING TO MANAGEMENT OF DOWNSCALING AND RETRENCHMENT)

1. INTRODUCTION

A detailed process, in conjunction with section 52 of the Act and regulation 46(e), for saving jobs, managing downscaling and regenerating local economies are developed for implementation at the time of such need in this section. This process will also be dealt with in line with the Department of Labour's Social Plan Guidelines.

2. THE ESTABLISHMENT OF A FUTURE FORUM

The applicant undertakes to establish a Future Forum within six months after the conversion of an old order mining right and two years after the new mining right has been granted. The Future Forum would comprise of management and workers or their representatives. The functions of the Future Forum will include but are not limited to:

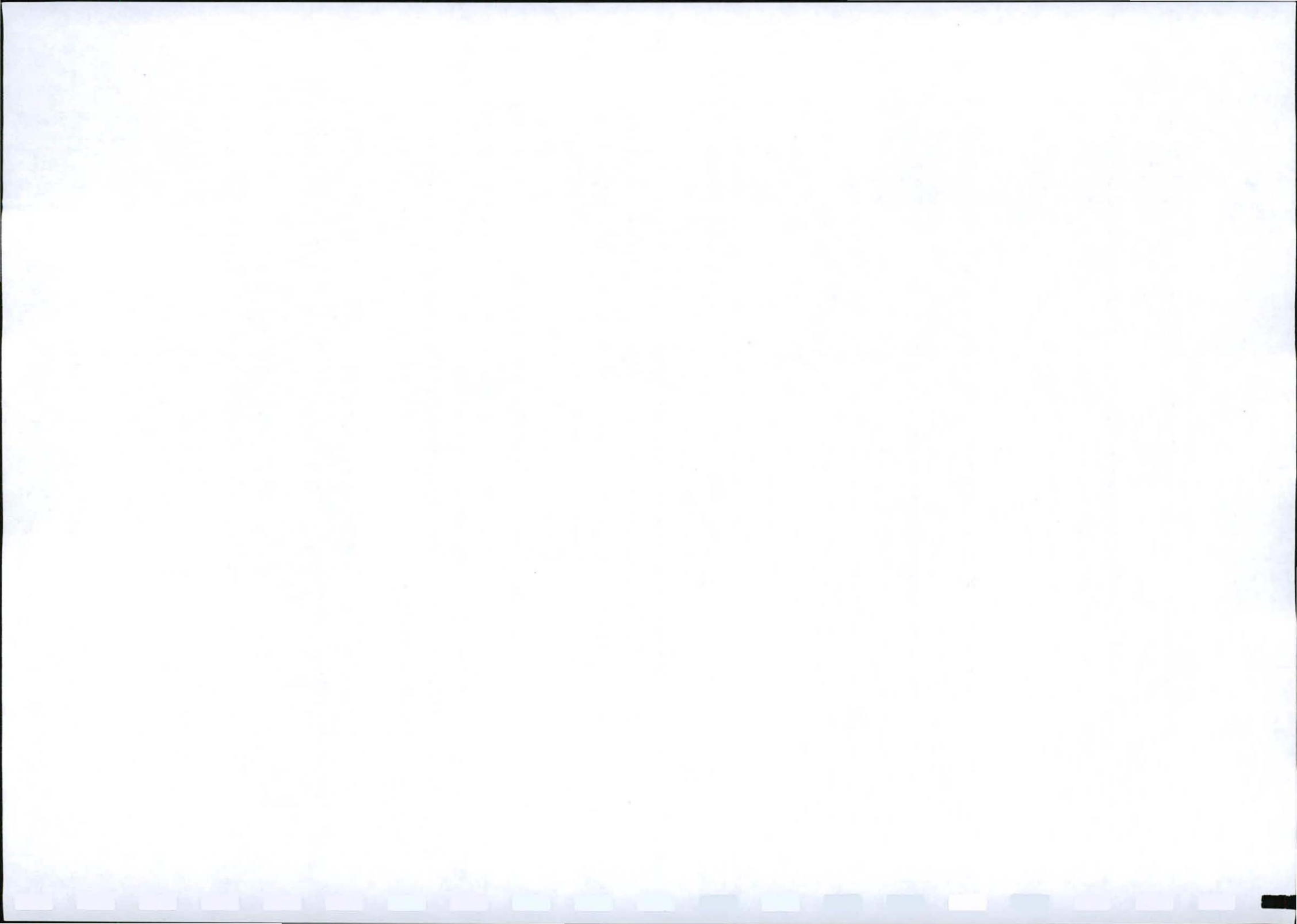


- Promote ongoing discussions between worker representatives and employers about the future of the mine;
- Look ahead to identify problems, challenges and possible solutions with regard to productivity and employment;
- Identify production and employment turnaround strategies; and
- Implement strategies agreed upon by both employer and worker parties.

The applicant will monitor the business and will notify the workers when the possibility of a retrenchment is foreseen. The applicant will then discuss any possible retrenchments with the effected parties. The proper consultation will be done in terms of section 189 of the Labour Relations Act. A Future Forum will be established within six months after the mining right has been granted. The Future Forum will comprise of management and workers or their representatives. A joint Constitution will be developed, with a set timeframe that will endure until the date of its termination to be agreed upon by the representative parties. The main objectives of the Future Forum will include:

- To promote discussion between the Owner and Employees in respect of any problems and challenges experienced by either the parties in respect of or relating to possible retrenchment or job losses by employees.
- Jointly debate potential solutions to job losses and taking account of the viability and operational requirements of the owner.
- Jointly engage in strategic planning to avoid or minimize retrenchment and job losses to promote business sustainability and growth, thereby preventing and averting future retrenchments and job losses.
- To initiate turnaround and/or redeployment strategy to prevent job losses whilst promoting business competitiveness and viability.
- Jointly structure and implement solutions to prevent job losses and retrenchments.
- To do all such other things that is incidental to and conclusive to the attainment of the foregoing objectives.

Funding for the future forum shall be jointly decided by the parties. The Forum shall elicit from the National Social Plan.



3. MECHANISMS TO SAVE JOBS AND MECHANISMS TO AVOID JOB LOSSES

The proposals will be considered while taking in consideration the nature of the business and after taking in consideration the economics of the business and the industry. A distinction must be drawn between the nature of the business of the applicant as an alluvial diamond miner for diamonds and the business of a big mining house like Anglo Gold or Anglo Platinum. The applicant will be in a better position as an owner operator to save jobs and to minimize the adverse effects of a possible retrenchment. The following will be considered depending on the circumstances:

- A Moratorium on the hiring of new employees;
- Short – time;
- Voluntary retrenchments;
- The transfer of affected employees to other jobs;
- Re-deploying the employees;
- Stopping of over-time work.

Further to the above will the applicant follow a process when prevailing economic conditions cause the profit revenue ratio of the relevant operation to be less than six percent on average for a continuous period of 12 months. The process to be followed will include:

Consultations – The consultation process in terms of Section 52 (1) of the Act will be followed.

The Implementation of section 189 of the Labour Relations Act, 1995 – The applicant will adhere strictly to process as stipulated in section 189 of the Labour Relations Act, 1995.

Notification to the Minerals and Mining Development Board (the Board) – The applicant will follow the notification process to the Board in terms of Section 52(1)(a) of the Act.

Complying with Ministerial directive – The applicant will comply with the Minister’s directive and confirming how corrective measures would have been taken.

Section 52 of the Act and regulation 46(e) addresses issues pertaining to the saving of jobs and the effective management of downscaling and the regeneration of local economies.

ACTION AND DESCRIPTION
The consultation process with Department of Minerals and Energy, Department of Labour and Employees
Implementing section 189 of the Labour Relations Act, 1995
Notification to the Mineral and Mining Development Board (the Board). The notification process to the board in terms of section 52(1)(a) of the Act. Notify both the Ministers of Minerals and Energy and



Labour. The Department on the other side will continuously monitor the impact of the economic factors on the mining operations

Promote dialogue between employer and employees on issues of concern that might compound into the need for downscaling and/or retrenchment

Identify risk factors relating to a fall in productivity and job loss

Identify possible remedial actions that could be taken in such cases

Implement such strategies with due diligence if required

4. MECHANISMS TO AVOID DECLINE IN EMPLOYMENT

The alluvial mining industry in the Northern Cape is currently under economic pressure. There are a few economical viable diamond deposits in the Northern Cape Province left. Alluvial diamond deposits are non-recoverable natural resources. Mine-closure is therefore a reality that can not be avoided. Until mine-closure, a decline in employment is highly unforeseeable. The same mechanisms as mentioned in paragraph two will be considered here.

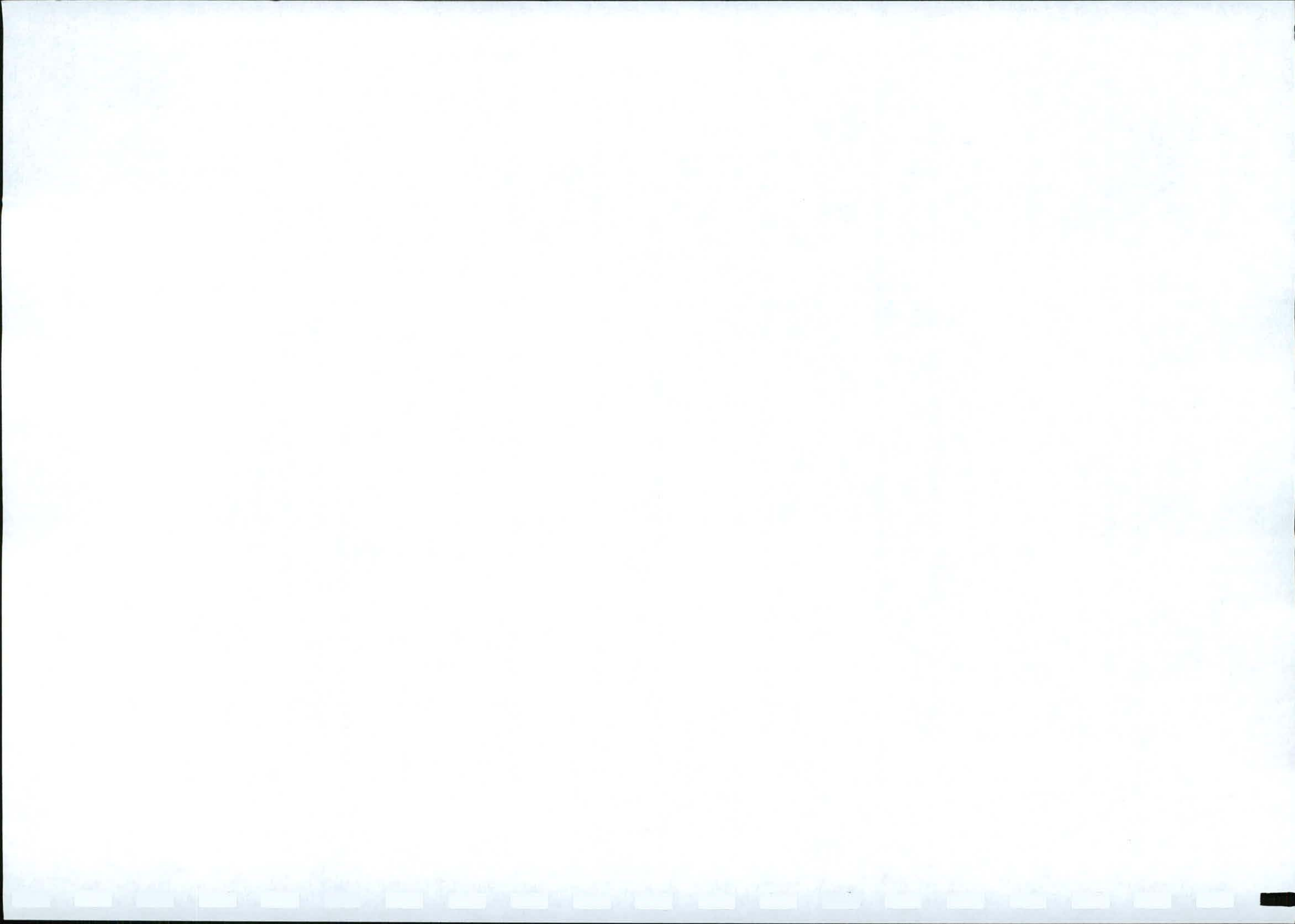
5. MECHANISMS TO PROVIDE ALTERNATIVE SOLUTIONS AND PROCEDURES FOR CREATING JOB SECURITY WHERE JOB LOSSES CANNOT BE AVOIDED

The skills development plan of the applicant which forms part of the Human Resources Development Plan is drafted in such a way to enable the workers of the applicant to require the necessary skills to find jobs outside the mining industry if the mine of the applicant closes down. Jobs can then be found in the agriculture or manufacturing industry of the region. Part of this the following can be considered:

- A moratorium on the hiring of new employees;
- Short – time;
- Voluntary retrenchments;
- The transfer of affected employees to other jobs;
- Re-deploying the employees

The process to be followed when the operation is to be scaled down or is to cease with the possible effect of job losses will include:

1. *Consultations* – The consultation process as in terms of Section 52 (1) of the Act.



2. *The implementation of Section 189 of the Labour Relations Act, 1995* – Section 189 of the Labour Relations Act, will be implemented to deal with possible retrenchment details.
3. *Notification to the Board* – The notification process to the Board in terms of Section 52(1)(b) of the Act will be followed.
4. *Communicating of possible retrenchments*

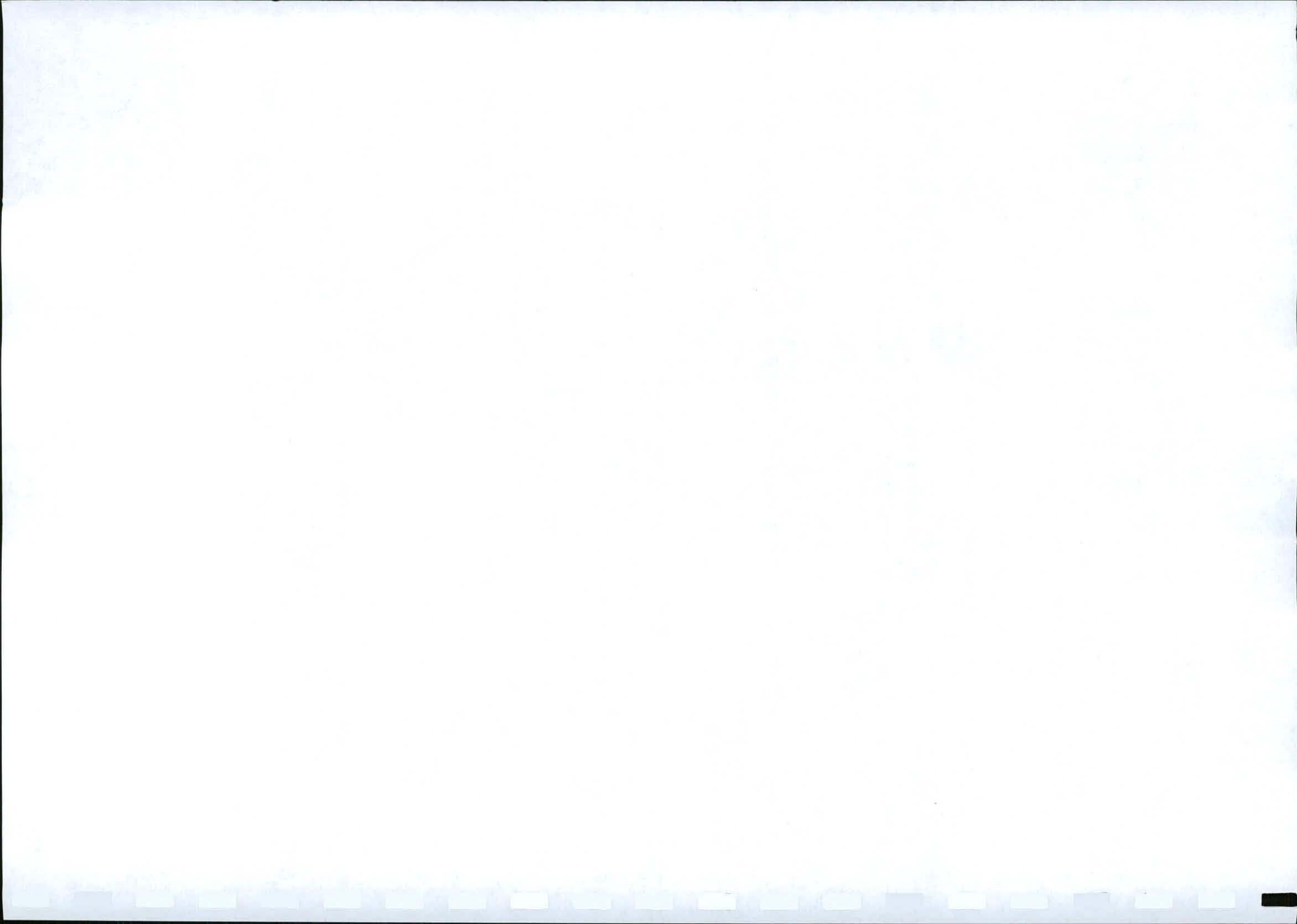
An effective communication strategy will be followed to:

- Inform employees of possible retrenchments;
- Inform other affected parties (sending areas, municipalities, etc.) of the possible retrenchments at the operation;
- Inform outside parties (media, etc.) of the possible retrenchments at the operation.

6. MECHANISMS TO AMELIORATE THE SOCIAL AND ECONOMIC IMPACT ON INDIVIDUALS, REGIONS AND ECONOMIES WHERE RETRENCHMENT OR CLOSURE OF THE MINE IS CERTAIN

The first measure will be to try to minimize the number of the dismissals. The timing of the dismissals will be negotiated with all the relevant parties to ameliorate the social and the economic impact of the dismissal. In a retrenchment it is very difficult to mitigate the adverse effect of the dismissal. It is even more difficult to make proposals in this regard if the employer/applicant did not have the opportunity to consult with the effected parties. The applicant will therefore give the affected parties and their representatives opportunity to make representatives on behalf of the individuals who may be hard-hit by retrenchment. The most important factor to mitigate the adverse effects is to enable the employees to improve their skills to be accommodated in different working sectors than the mining industry. It must further be considered that the applicant is not a big mining company where a lot of job losses will be created. The applicant will at most employ 30 workers at the mine. Some of them are already working for the applicant on his farm and will after closure of the mine still be working for the applicant. The process will further include:

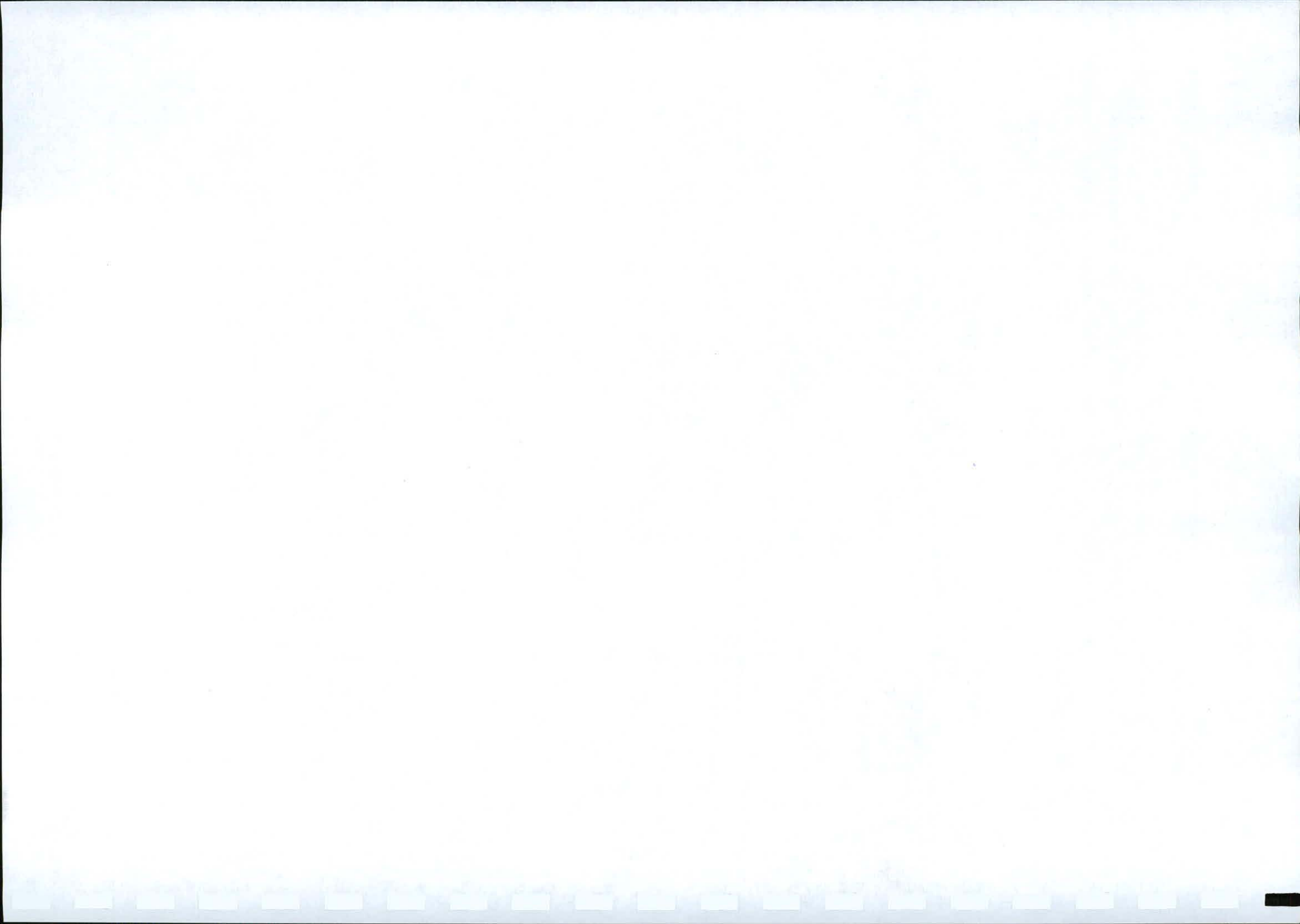
- Assessment and counseling services;
- Comprehensive self-employment training programs;
- Comprehensive training and re-employment programs.



D. FINANCIAL PROVISION

The applicant will use the amount of 1% [REDACTED], depending of his needs, of the proceeds of his gross diamond sales to provide for the Human Resources Development Plan and for the Local Economic Development Programs. A retrenchment is not foreseeable at the moment. Once the applicant foresee a possible retrenchment he will use an additional 1% of his gross diamond sales to provide for the processes to manage downscaling and retrenchments. Budgets are given under each section, but a **summary** of the budget will be as follows:

ITEMS	2010	2011	2012	2013 and further
SKILLS GENERAL				
Skills Development (HRD)	10 000	10 000	10 000	
Machine operators	2000	2000	2000	
Computer Training	1 000	1 000	1 000	2 000
Portable Skills	1000	1000	1000	
Artisan and Workshop Skills	1000	1000	2000	
Project manager	2000	2000	2000	
EMP Awareness	2 000			
Equity Employment	10 000	10 000	10 000	
Skills audit	2 000	2 000	2 000	
ABET				
ABET (Literacy)	10 000	10 000	10 000	
LED				
LED	100 000	100 000	80 000	
Farming – cattle training	100 000	1 000	1 000	1 000
Community project as per IDP	85 000	85 000	85 000	
Internship	5 000	5 000	5 000	
Bursaries	20 000	20 000	20 000	60 000



F. UNDERTAKING

I, J H Snyman the undersigned and duly authorized thereto by
DIMALA DIAMONDS CC (Company) undertake to adhere
to the information, requirements, commitments and conditions as set out in the Social and
Labour Plan.

Signed at Kimberley on this 14 day of JUNE 2010.

Signature of responsible person: _____

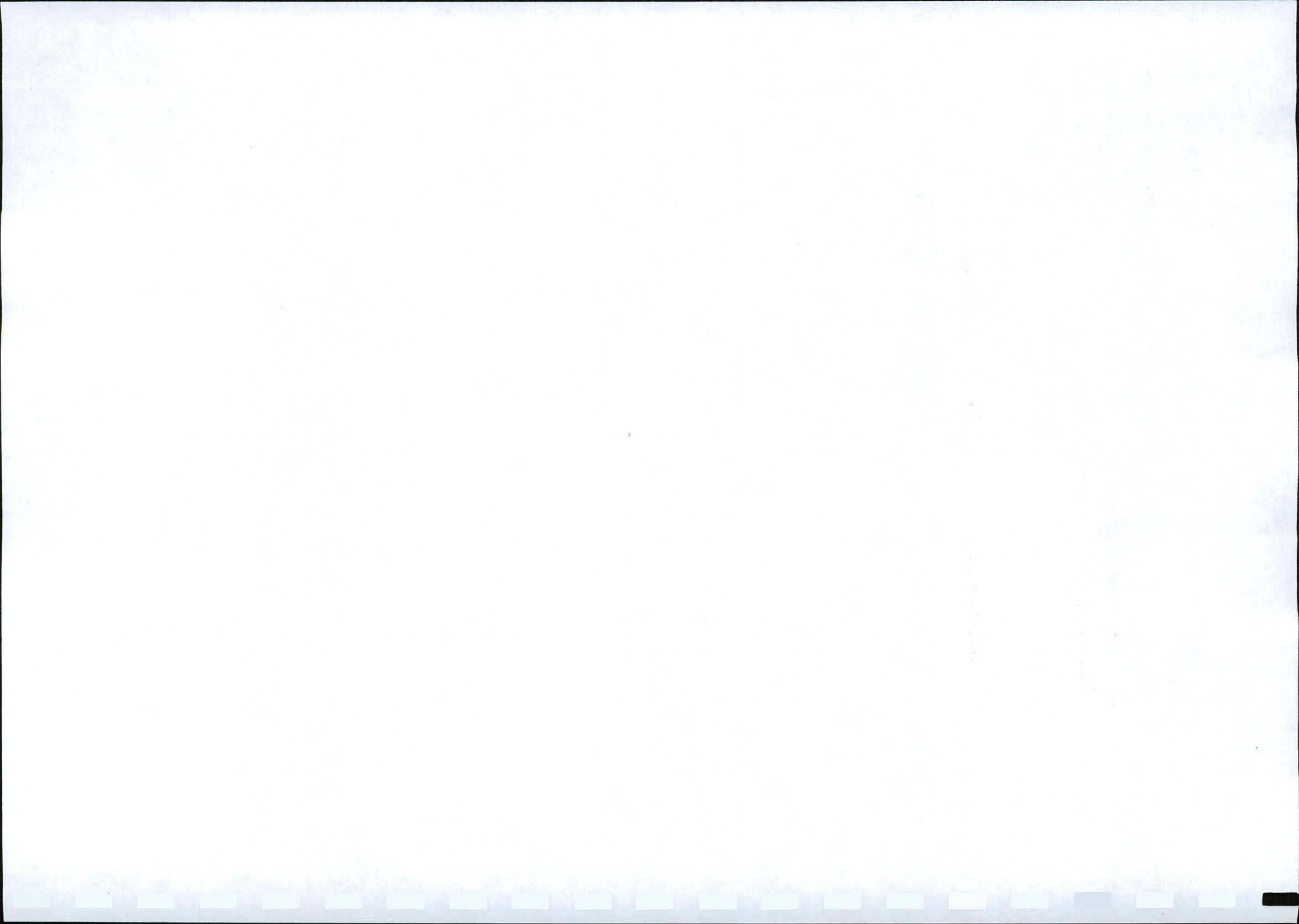
Designation: 

G. APPROVED

Signed at _____ on this _____ day of _____ 20____.

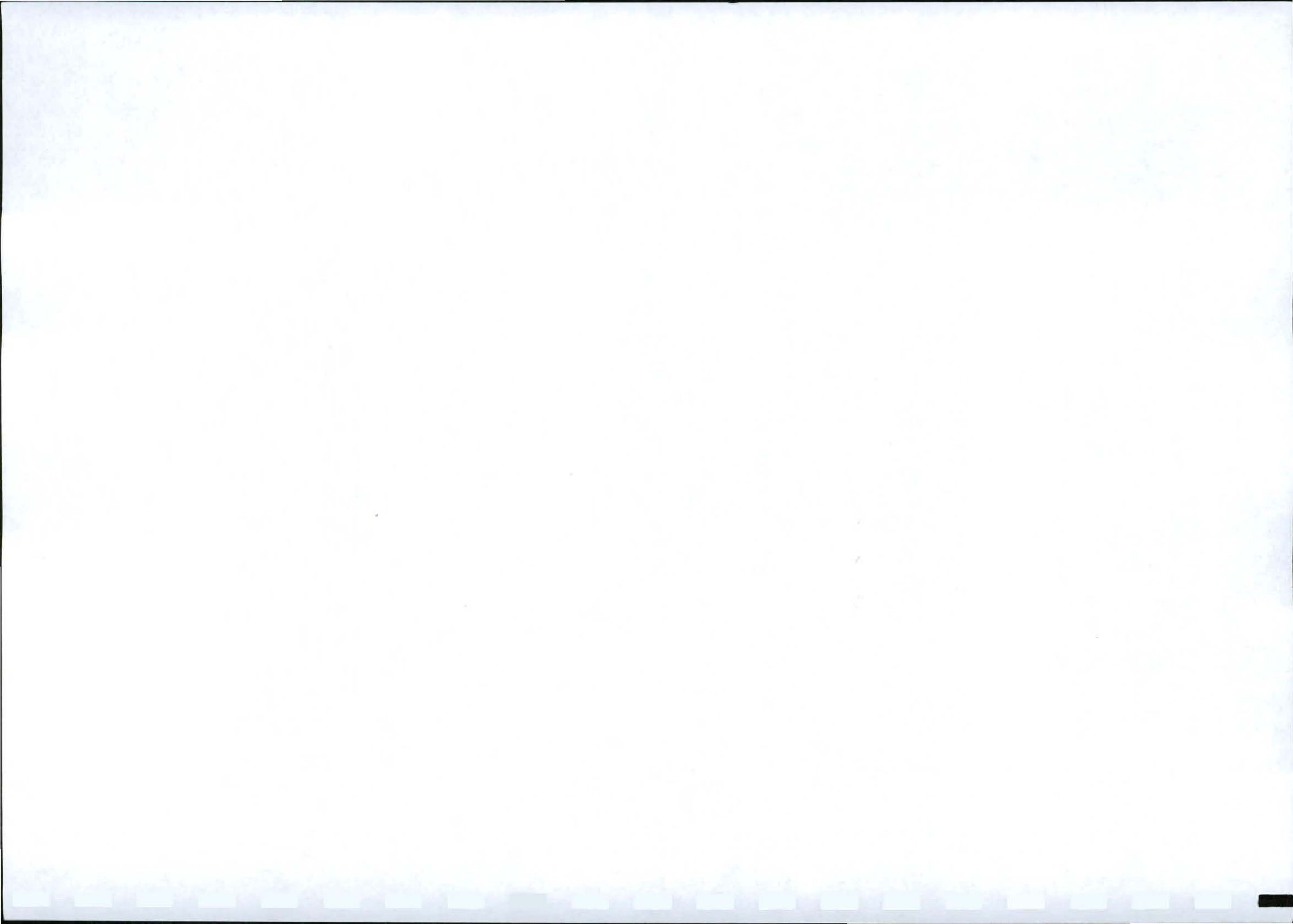
Signature: _____

Designation: _____



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Black Economic Empowerment



ASSOCIATION AGREEMENT

Made and entered into by and between

DIDIMALA DIAMONDS CC

herein represented by

ABRAHAM ADRIAAN SNYMAN

and

BOTHATA SIMON LEBONA

RUBEN MORAKE

SIBANE FRANS SELEKO

WILLEM VENTER SNYMAN

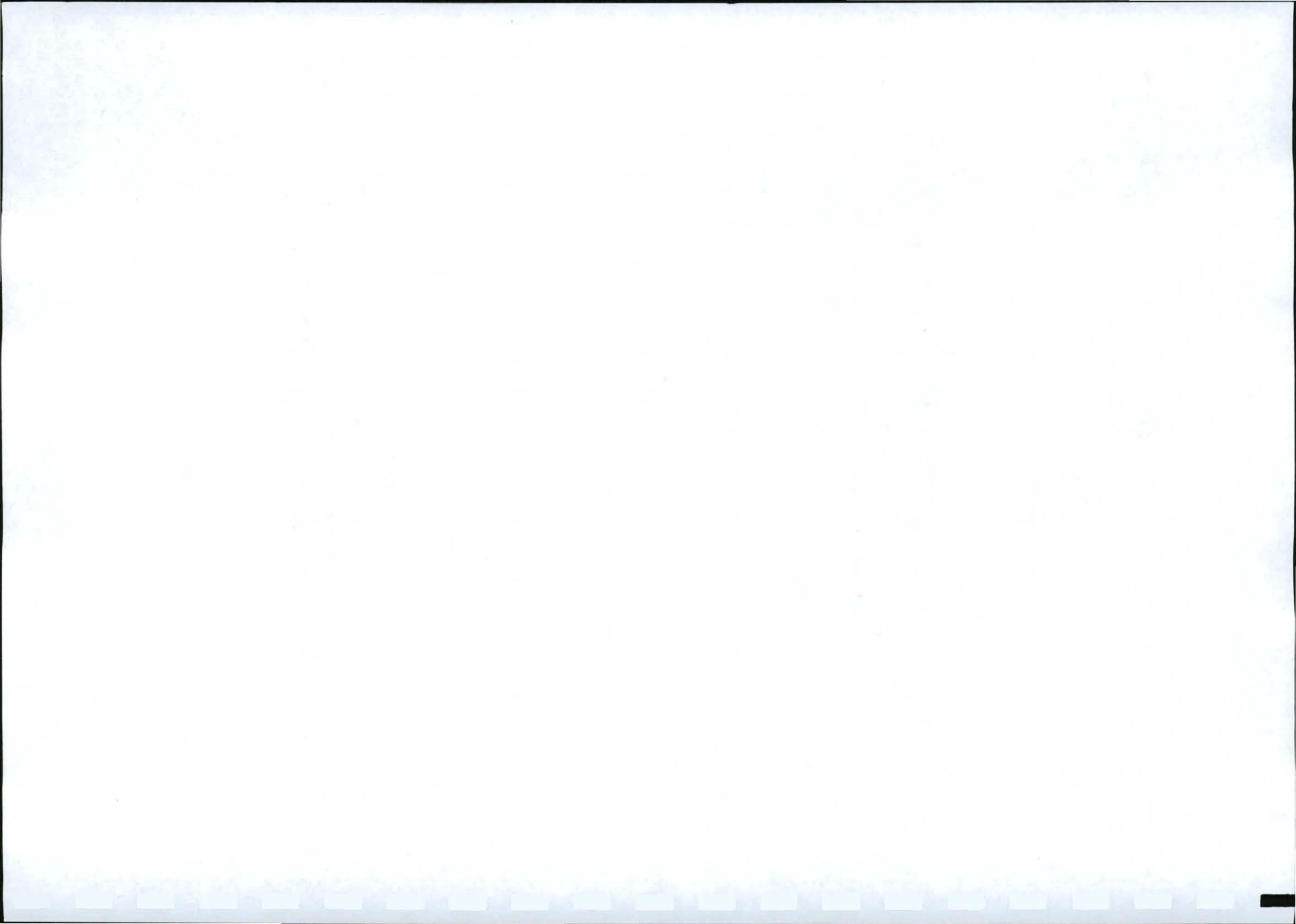
FREDERICK PIETER MATTHEUS SNYMAN

JOHANNES HENDRIK SNYMAN

ABRAHAM ADRIAAN SNYMAN

(jointly referred to as the members)

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1. DEFINITIONS

- 1.1 In this agreement, unless the context otherwise indicates, words and expressions
- 1.1.1 defined in the Close Corporations Act, 1984 (Act 69 of 1984) shall have the meanings as defined;
- 1.1.2 importing the singular shall include the plural and *vice versa*;
- 1.1.3 importing the masculine shall include the female and neutral genders; and
- 1.1.4 importing natural persons shall include juristic persons.
- 1.2 Unless the context otherwise indicates, the following words and expressions shall mean:
- the Act : The Close Corporations Act of 1984;
- the CC : DIDIMALA DIAMONDS CC
i.r.o. which the matters herein set out are regulated by this agreement;
- member : any one **member** of the CC;
- Registrar : the Registrar of Close Corporations.

2. BASIS OF AGREEMENT

- 2.1 The **members** between themselves and as between them and the CC and the CC as between it and the **members**, jointly and severally enter into and bind themselves i.t.o. this agreement in the manner and for the purposes as set out in the **Act** in regard to such other matters as herein set out.
- 2.2 In accordance with the provisions of Section 44 (5) of the **Act** a new **member** of the CC shall be bound by this agreement as if he has signed it as a party thereto.
- 2.3 Any amendment to or termination of this agreement may only be effected in writing signed by each **member**.

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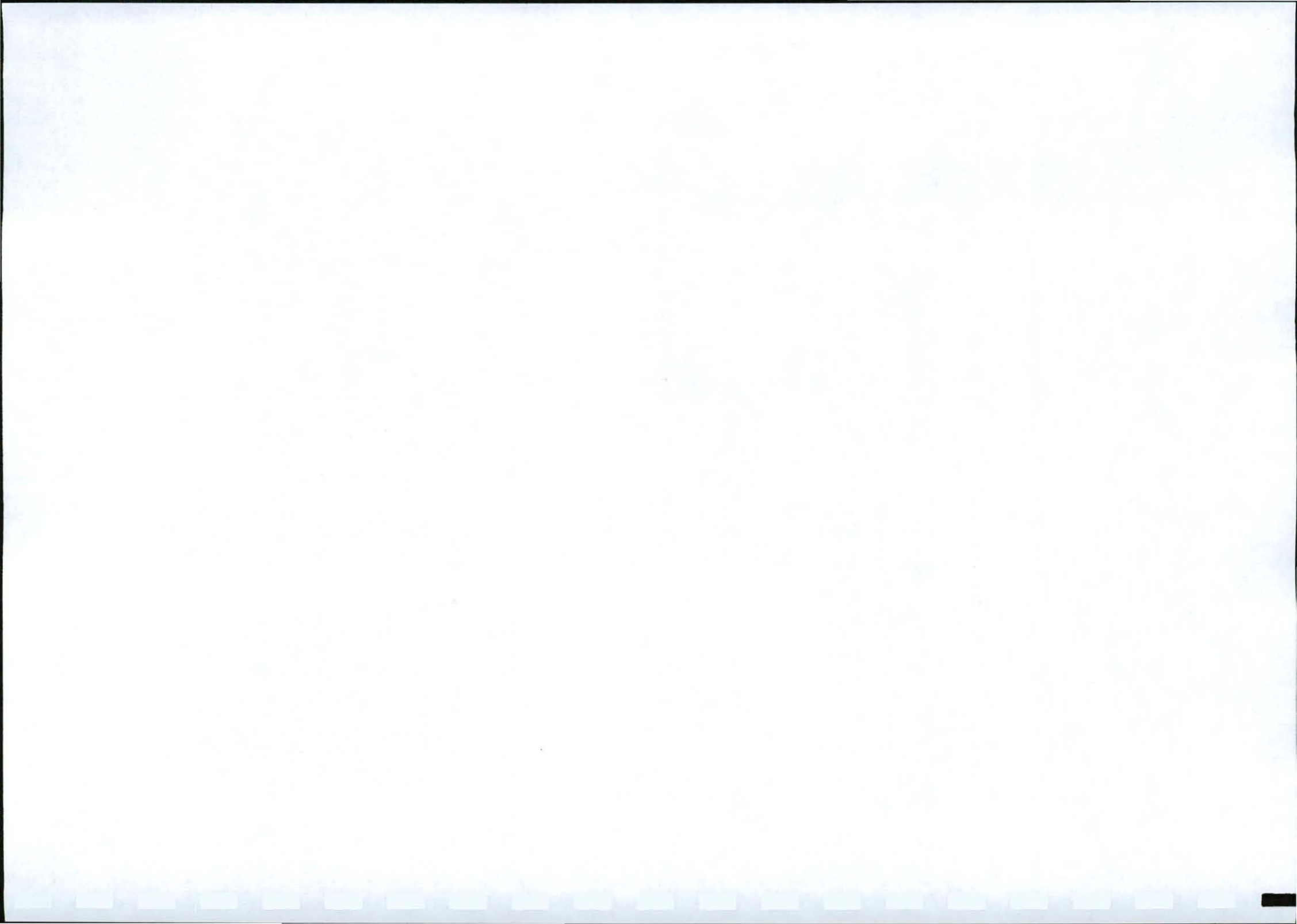
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- 2.4 The parties hereto bind themselves thereto not to disclose any of the contents of this agreement to any person who is not a **member** of the CC.

3. INTEREST AND CERTIFICATES OF INTEREST

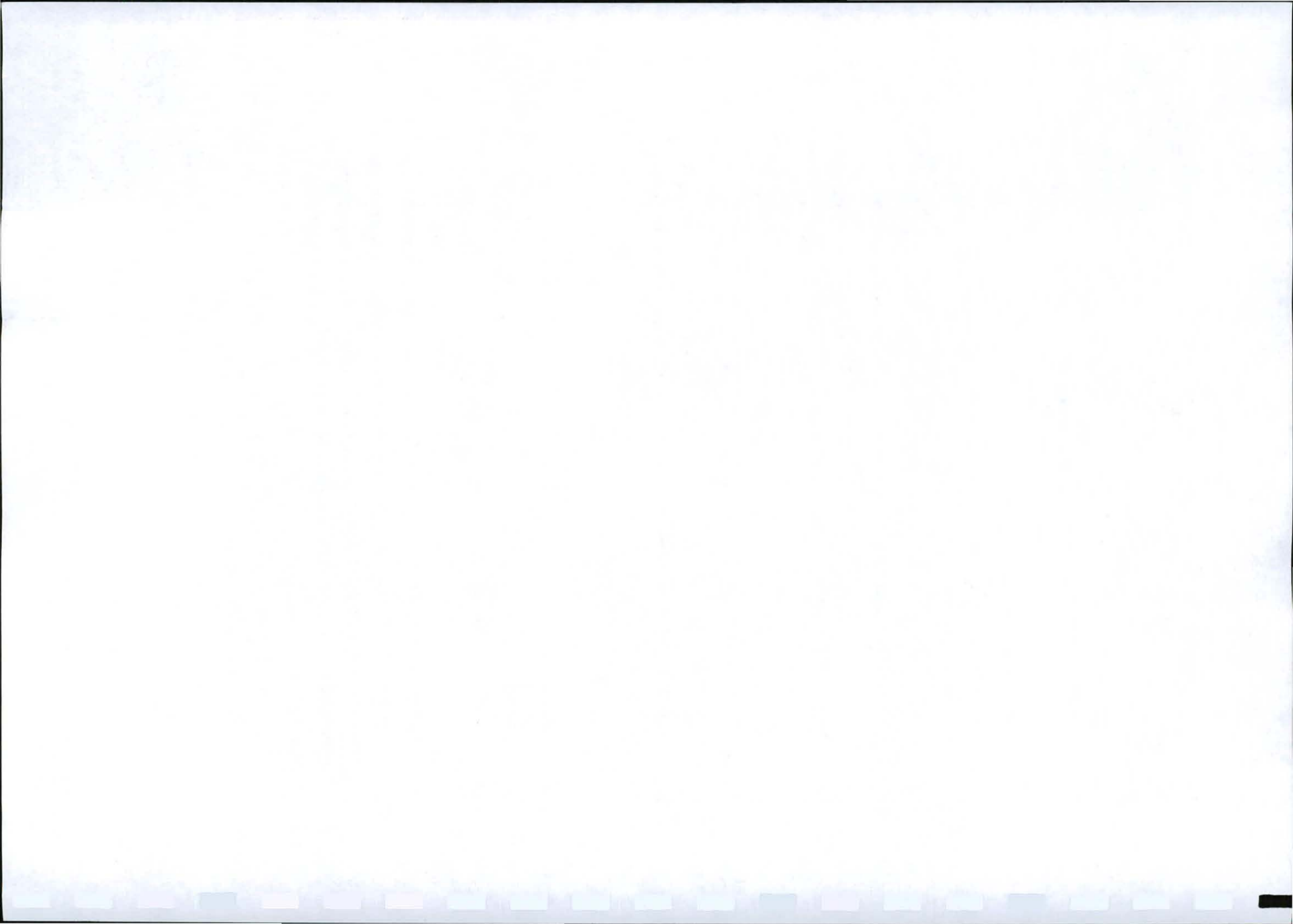
- 3.1 Every **member** of the CC on becoming a **member** shall, without payment, be entitled to a certificate signed by or on behalf of every **member** of the CC stating the percentage of such **member's** interest in the CC and to further certificates reflecting any subsequent changes in such interest.
- 3.2 If a certificate of interest is defaced, lost or destroyed, another certificate may be issued on payment of the amount determined by the CC from time to time on condition that the **member** applying therefor is able to produce proof to the satisfaction of the CC of such defacing, loss or destruction and indemnifies the CC against such claims as may arise in consequence of the issue of the further certificate.

4. LIEN

- 4.1 As from the moment a person becomes a **member**, the CC acquires and retains a *lien* over the interest of such **member** in the CC for all monies owing by such **member** to the CC, i.r.o. the debt, obligations or undertaking to the CC and irrespective of whether the time for payment, performance or execution has arrived or not. The *lien* referred to in this clause operates also as a *lien* over any payment payable by the CC to a **member** (other than in his capacity as creditor or as employee or officer of the CC).
- 4.2 The CC may realise, in such manner as it thinks fit, any interest over which the CC has a *lien* after 14 (fourteen) days notice in writing had been given to the

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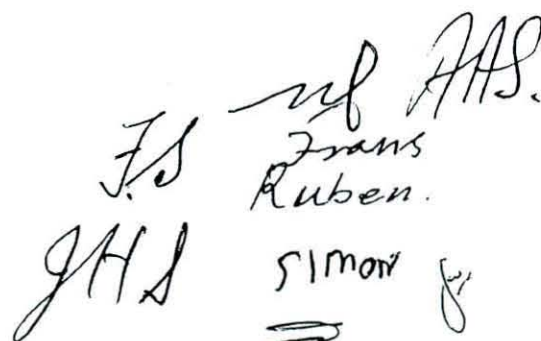
member holding such interest if payment is not made of the amount then payable before the expiration of that period.

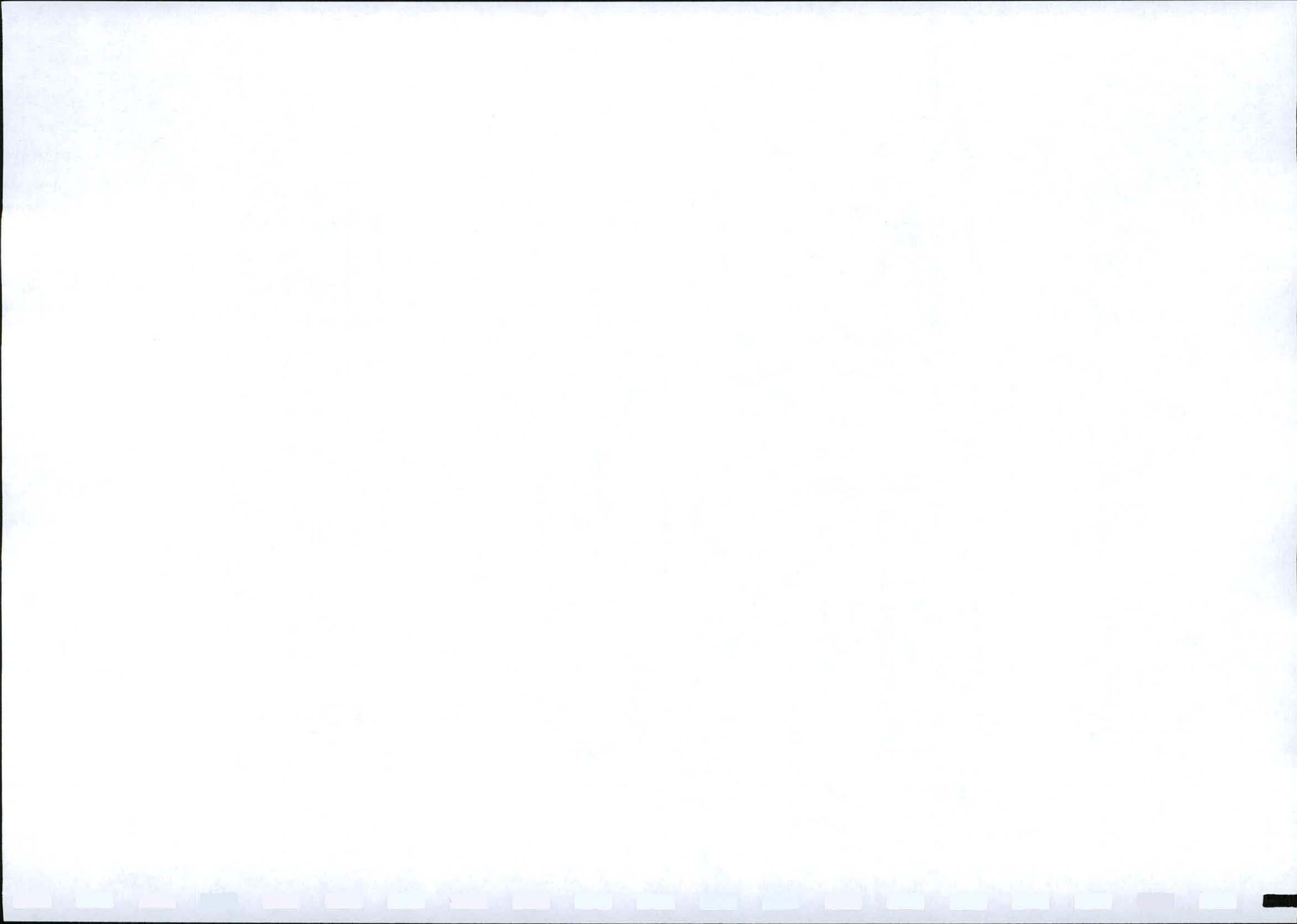
- 4.3 The nett proceeds of the sale of the interest, after deducting reasonable expenses, shall be applied in payment of the amounts then payable and the balance shall be paid to the person registered as **member** at the date of the sale.

5. TRANSFER OF INTEREST

A **member** shall not transfer an interest in the CC otherwise than in accordance with the following conditions:

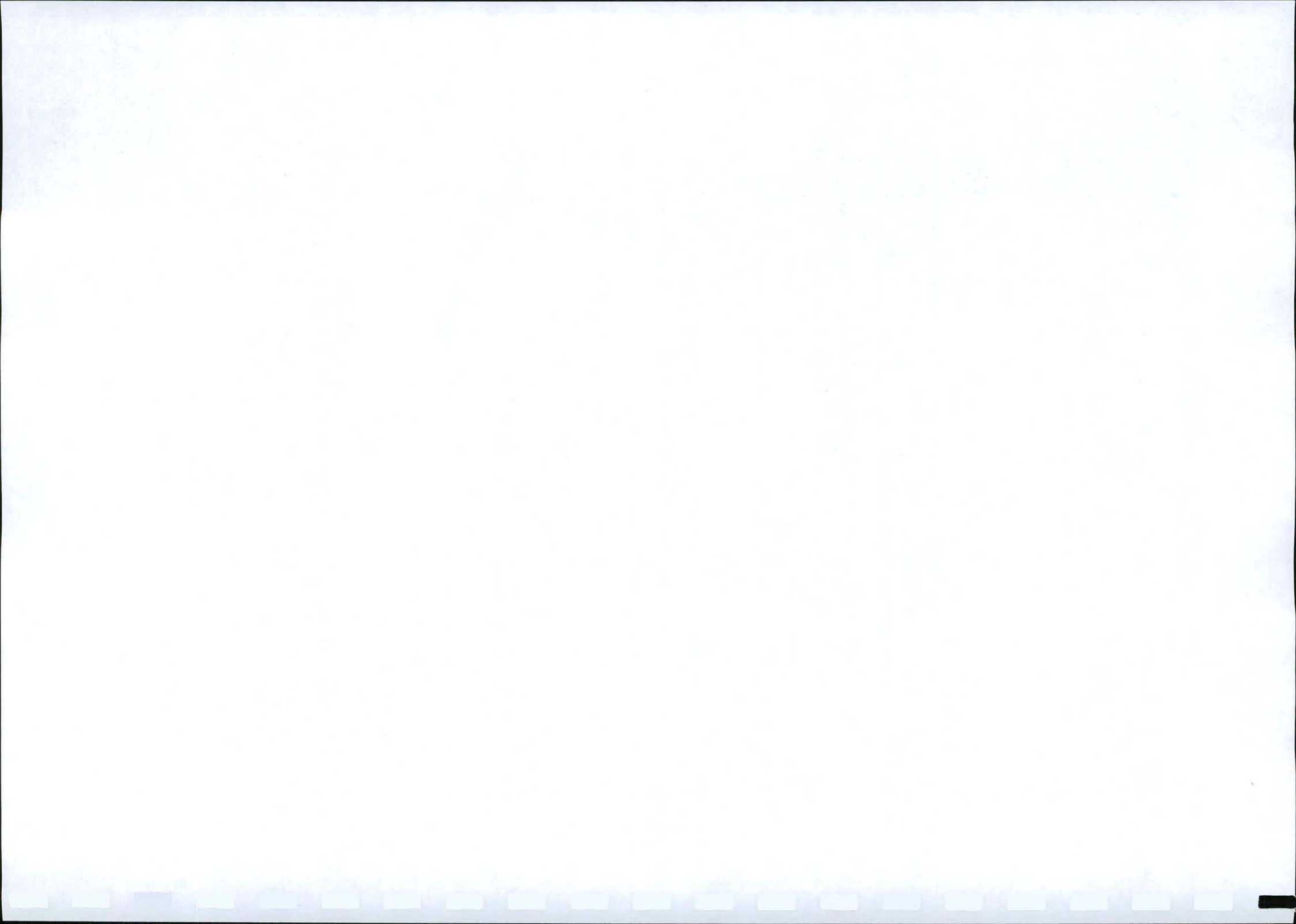
- 5.1 An interest in the CC may be transferred by a **member** to all **members** of the CC who are willing to purchase the particular interest, in which case the interest shall be allocated to such **members** in the manner set out in this clause. No interest may be transferred to any person not being a **member** of the CC as long as the CC itself on unanimous resolution of its **members** other than the **member** disposing of the interest or, failing that, any **member** or, failing that, any person nominated by the **members** other than the **member** disposing of the interest as being somebody who is to be recommended as a new **member**, is prepared to purchase the interest at the price to be determined in the manner herein set out.
- 5.2 In order to determine whether the CC or any **members** or persons to be nominated as contemplated in 5.1 are prepared to purchase the interest, the **member** who wants to transfer the interest (hereinafter referred to as the **seller**) shall give written notice (hereinafter referred to as a notice of transfer) to the CC that he intends transferring the interest. This notice of transfer shall authorise the CC to **Act** as agent of the **seller** to sell the interest in accordance herewith. The said authority may be revoked only if agreed to by all the **members**.


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- 5.3 The **seller** shall state in the notice of transfer the value which he places on the interest being the nett asset value of his interest in the **CC** plus only in the case of:
- 5.3.1 the interest of a deceased **member** or a **member** who has reached the retirement age set by the **CC**, if any, the full pro rata goodwill value attributable to such **member's** interest; or
- 5.3.2 the interest of a **member** who due to ill health or incapacity beyond his control, but not being induced by abuse of alcohol or of any other substance inhibiting his normal faculties, had not been able to attend to his duties in the **CC** for a total of 180 (one hundred and eighty) days in any one calendar year, 2/3 (two thirds) of the pro rata goodwill value attributable to such **member's** interest.
- 5.4 If the **members**, other than the **seller** are unanimously of the opinion that the value thus placed on the interest is too high, they must forthwith so inform the **seller**. If the other **members** and the **seller** cannot agree on the fair value of the interest within 14 (fourteen) days of the date on which notice of transfer was given to the **CC**, the **CC** shall forthwith instruct an independent accounting officer to place a value on the interest and the amount so determined shall be taken as the fair value of the interest. The **seller** shall be responsible for all expenses reasonably incurred by the **CC** as a result of the instruction to determine the fair value.
- 5.5 After determining the fair value of the interest in any of the ways referred to in the preceding sub-clause, the **CC** shall immediately take up the interest or, failing that, offer it at the fair value to all **members** of the **CC** other than the **seller** in proportion as nearly as the circumstances admit to the percentage interest held by the **members**.
- 5.6 If, within a period of 30 (thirty) days after the fair value had been determined, the **CC** had resolved to purchase the interest or had found **members** or other persons

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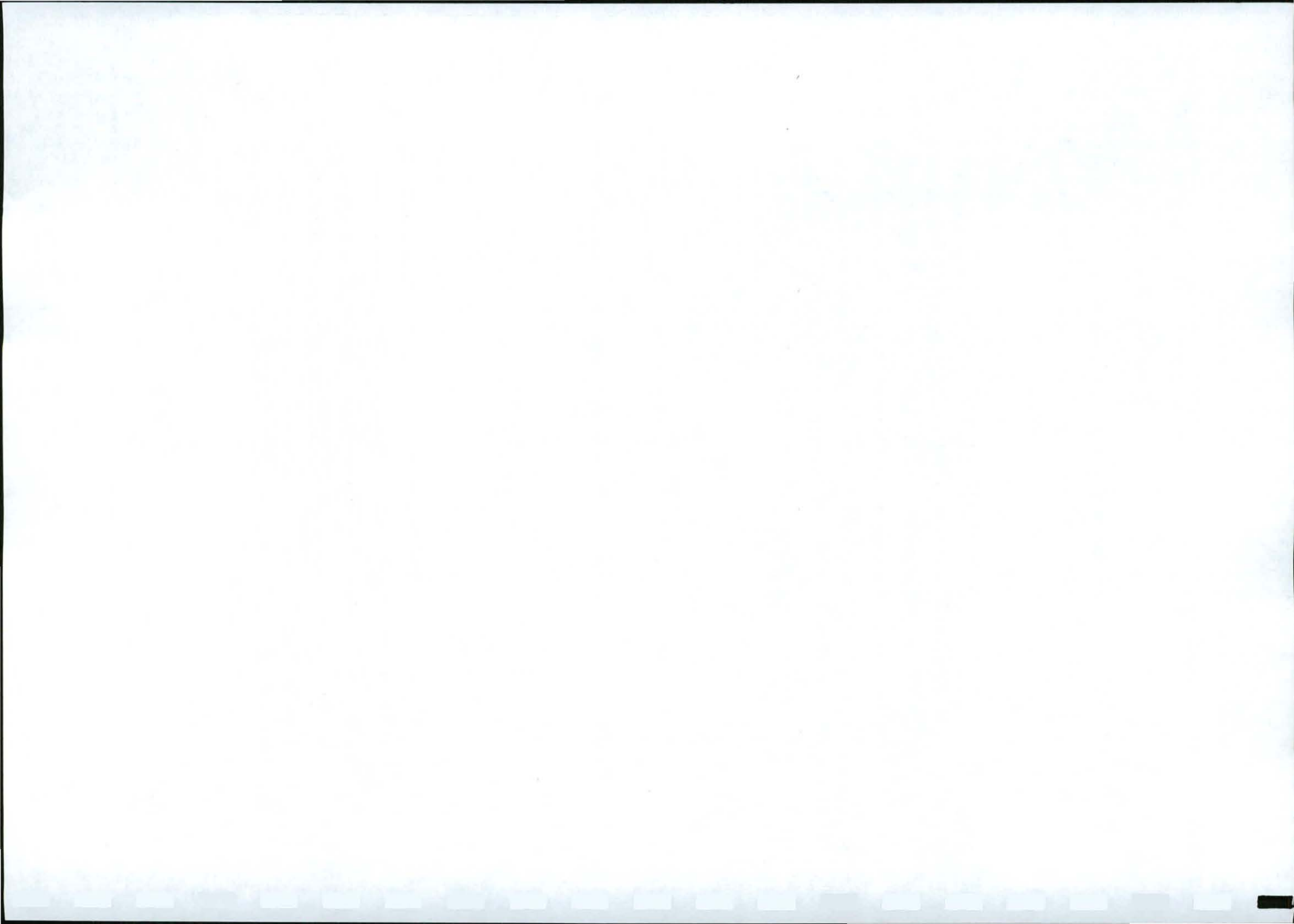
nominated by the **members** who are prepared to purchase the interest, the **CC** shall immediately notify the **seller** that the interest had been taken whereupon the **seller** shall be obliged against payment of the fair value to transfer the interest to the **CC** or the **members** or other persons concerned, as the case may be.

- 5.7 If, despite the aforesaid irrevocable authority by the **seller** to the **CC** to sell his interest, he fails to sign the Amended Founding Statement (CK2), the **CC** may record the resultant changes in the holding of interests, lodge the Amended Founding Statement signed by the **CC** on behalf of the **seller** with the **Registrar** and keep the purchase price of the interest in trust for the **seller**. Receipt by the **CC** of the purchase price shall discharge the purchaser of the duty to pay interest thereon.
- 5.8 In the event of the **CC** not being able, within 30 (thirty) days after the fair value of the interest had been determined, to purchase the interest itself or to find a **member** or other person who is willing to purchase the interest or if the **CC** failed to give notice to the **seller** to that effect, the **seller** shall be entitled for a period of 30 (thirty) days to sell at any price and to any person such interest and to give transfer of the interest to that person.
- 5.9 Notwithstanding anything to the contrary herein provided, the **members** may by unanimous consent in writing agree that some or all the foregoing provisions of this clause be waived and that such alternative procedure as may be decided on shall be followed.

6. TERMINATION

- 6.1 A **member** shall on his death cease to have any right to his interest in the **CC** and his executor shall be the only person recognised by the **CC** as having any title to such interest. The executor shall be obliged, notwithstanding the provisions of Section 35 of the **Act**, to offer such interest for sale in the manner provided for in

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the preceding clause failing which the CC may Act as if the executor had given the notice of transfer referred to therein.

- 6.2 A **member** who, due to ill health or incapacity beyond his control, had not been able to attend to his duties in the CC for a total of 180 (one hundred and eighty) days in any one calendar year or who as a result of abuse of alcohol or any other substance impairing his normal faculties has repeatedly and regularly been unable to give his normal attention to his duties in the CC or who is in persistent breach of the provisions of this agreement or who has been guilty of gross misconduct or neglect concerning any of the affairs of the CC, shall upon the unanimous resolution of the **members**, other than the **member** concerned, that the relevant state of affairs exist, cease to have any right to his interest in the CC other than to offer such interest for sale in the manner provided for in the preceding clause, failing which the CC may act as if such **member** had given the notice of transfer referred to therein.
- 6.3 A **member** whose interest has been attached or sold in execution shall cease to have any right to his interest other than to offer such interest for sale in the manner provided in the preceding clause failing which the CC may act as if such **member** or the person who had become entitled to such **member's** interest had given notice of transfer referred to therein.
- 6.4 A **member** who surrendered his estate or whose estate has been sequestrated, shall cease to have any right to his interest in the CC other than that his trustee may sell the interest in the manner provided for in Section 34 of the Act, or offer the interest for sale in the manner provided for in the preceding clause failing which the CC may act as if the trustee had given the notice of transfer referred to therein.

7. MEETINGS

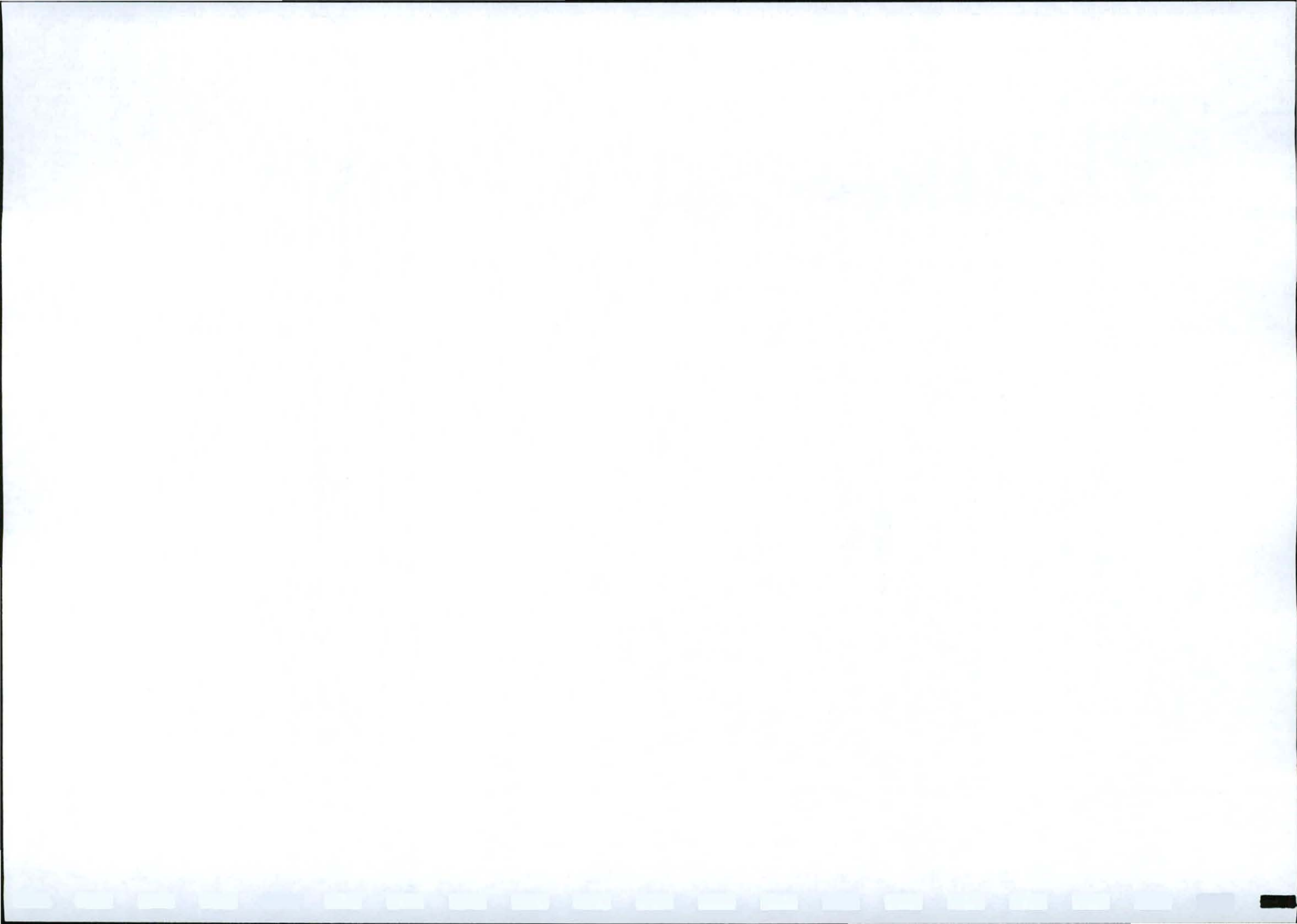
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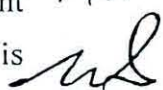

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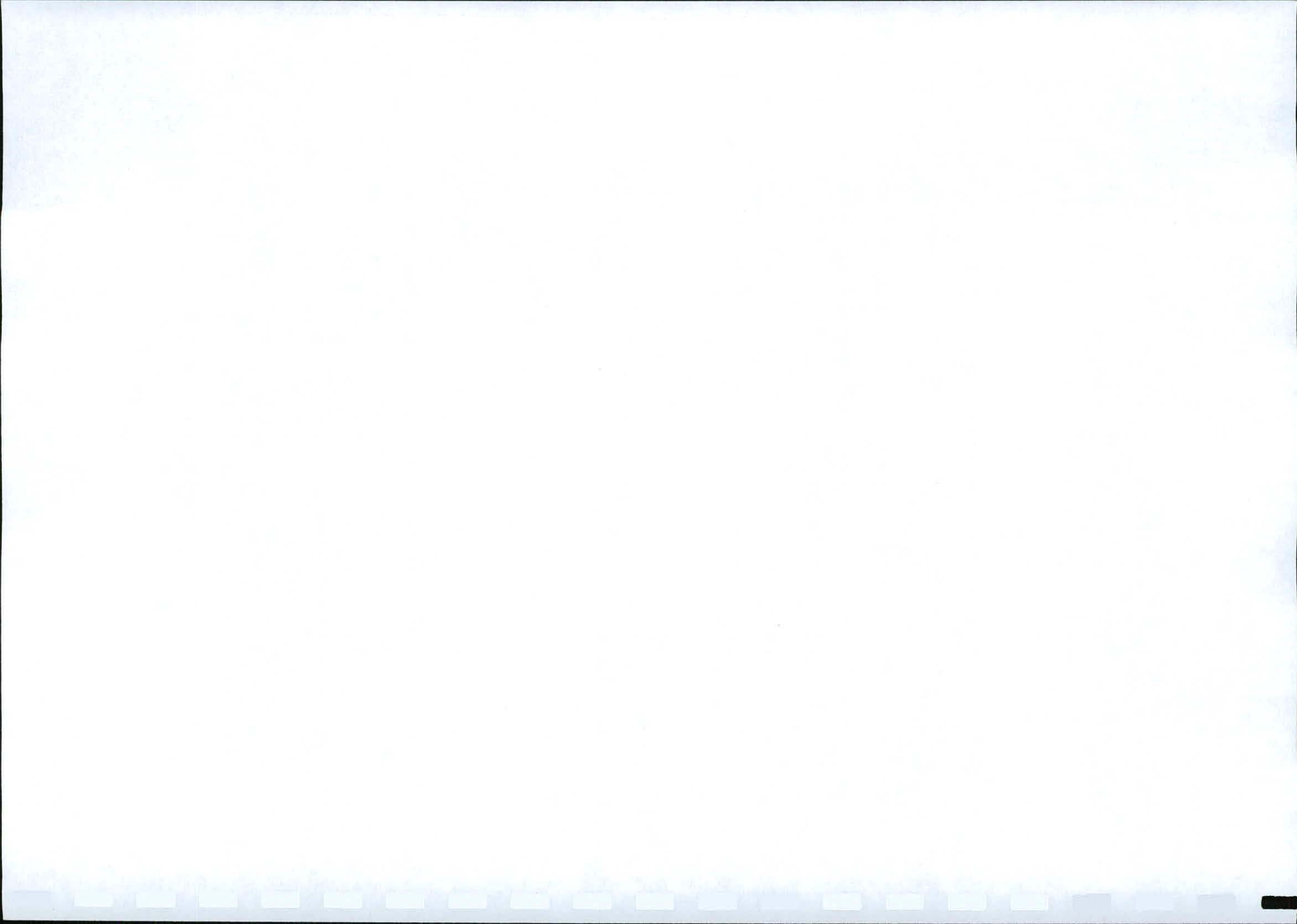
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- 7.1 A meeting of **members** shall be held at such regular intervals as the **members** may from time to time resolve, but a meeting of **members** shall be held to consider and approve the annual financial statements of the **CC** not later than 21 (twenty one) days after completion of the annual financial statements which the **CC** shall cause to be completed not later than 9 (nine) months after the end of its financial year.
- 7.2 A meeting of **members** may be convened i.t.o. any resolution by the **CC** or by any **member** by giving notice to every other **member** stating the purpose for such meeting.
- 7.3 The notice of a meeting of **members** shall state a reasonable place, time and date for the meeting.
- 7.4 No business shall be transacted at any meeting of **members** unless a quorum of **members** is present at the time when the meeting proceeds to business which shall not be less than 50% (fifty percent) plus 1 (one) of the **members** present in person or by proxy, except in regard to matters where the **Act** requires that a decision should be taken by a *quorum* consisting of more **members**.
- 7.5 If, within 15 (fifteen) minutes from the time appointed for the meeting a *quorum* is not present, the meeting shall stand adjourned to a day, 7 (seven) days after the date of the meeting. Notice of such adjournment shall be given forthwith by the **CC** to all **members** in the same manner as a notice of meetings are to be given. If, at such adjourned meeting a *quorum* is not present within 15 (fifteen) minutes from the time appointed for the meeting, the **members** present in person or by proxy shall be a *quorum*.
- 7.6 If a chairman has been appointed for meetings of the **CC**, he shall act as chairman at every meeting of the **CC**. If, at any meeting such chairman is not present within 10 (ten) minutes after the time appointed for holding the meeting or is

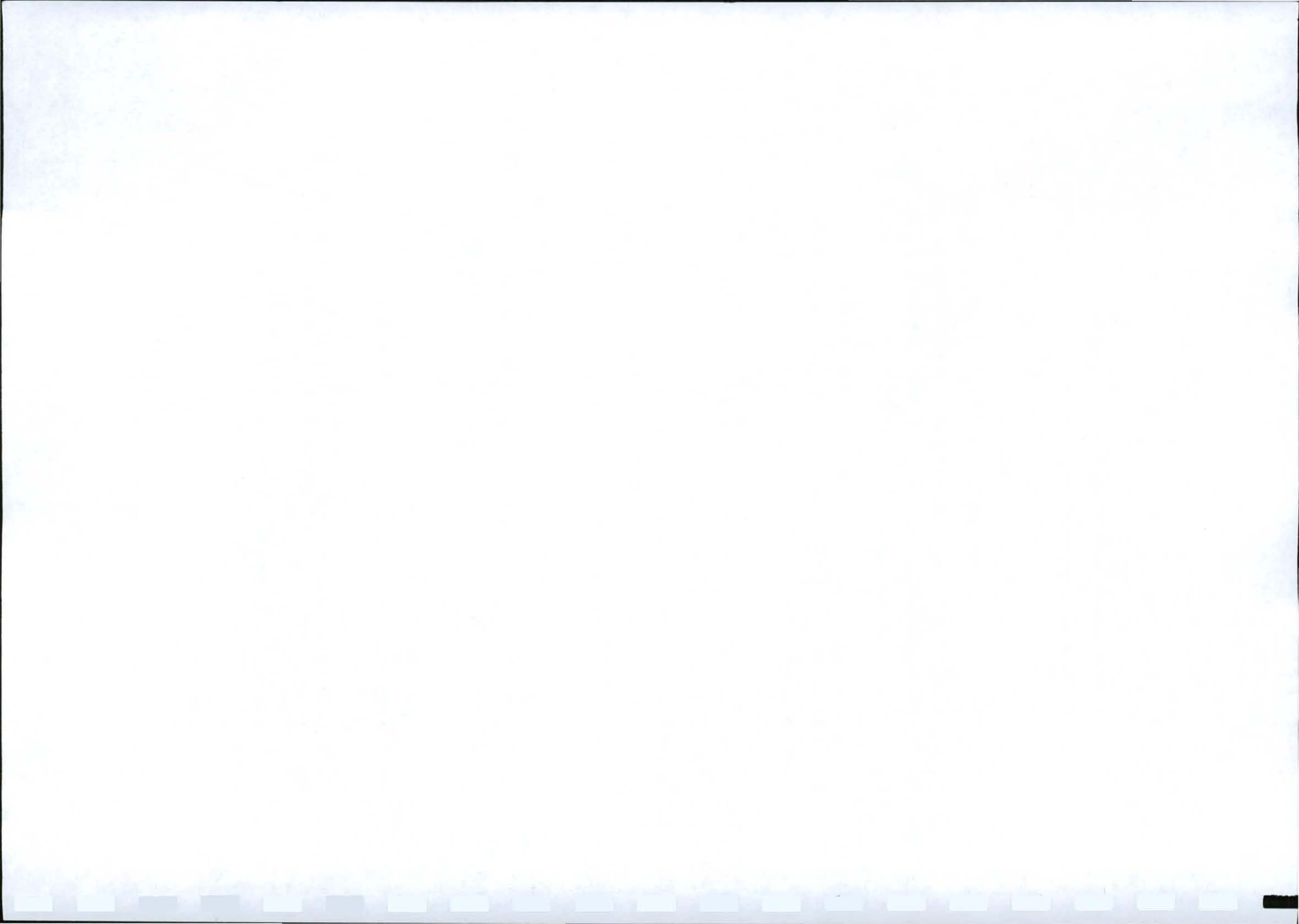


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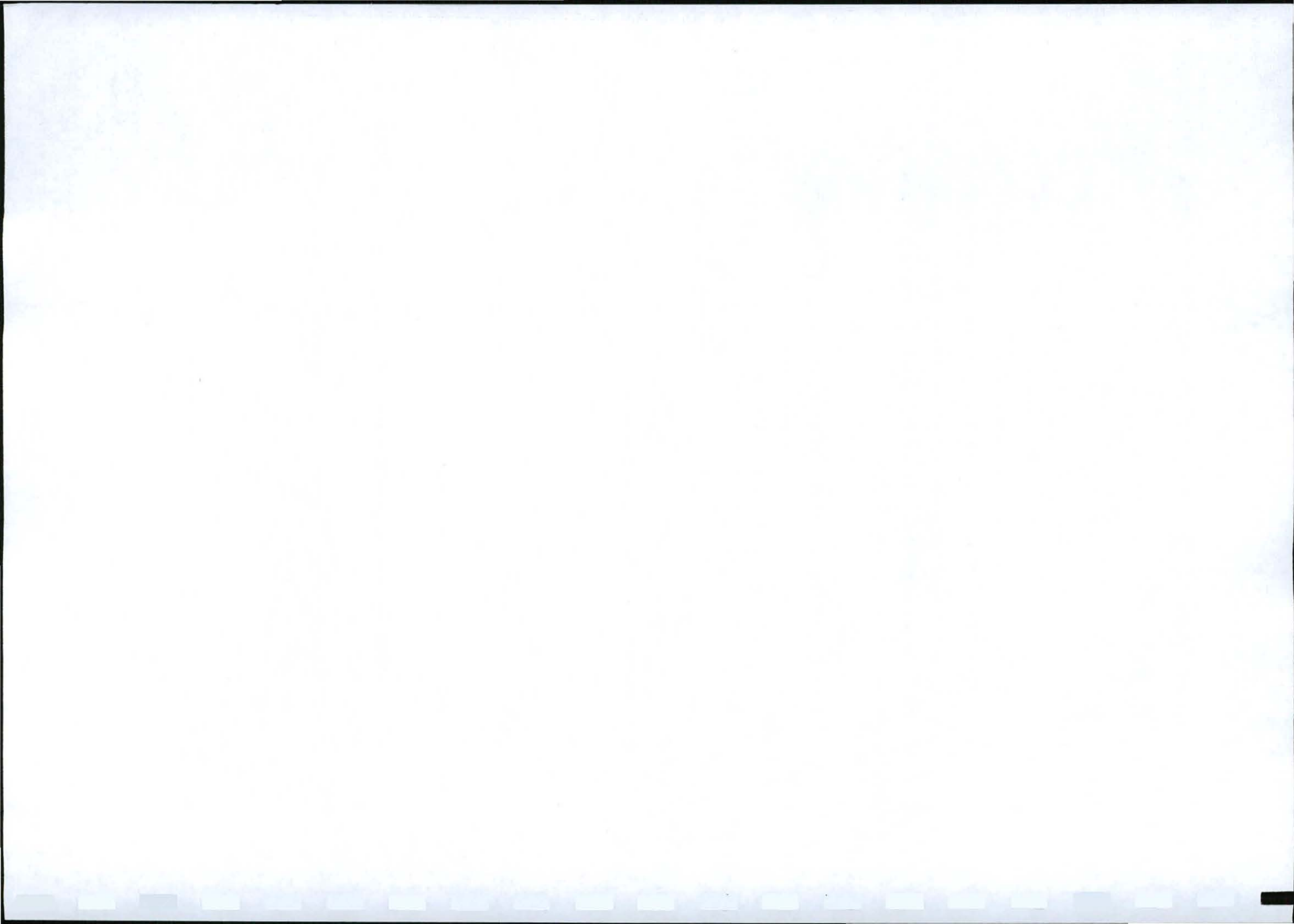


unwilling to act as chairman or if no such chairman is appointed, the **members** present shall elect one of their number to be chairman.

- 7.7 The chairman may, with the consent of a meeting, adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business unfinished at the meeting from which the adjournment took place.
- 7.8 At any meeting of **members** a motion put to the vote of the meeting, shall be decided on a show of hands. A declaration by the chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or defeated, and an entry to that effect in the minutes of the proceedings of the **CC**, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of, or against such resolution.
- 7.9 A resolution shall be passed on show of hands and on a poll if the majority percentage interest in the **CC** have voted in favour of the resolution.
- 7.10 A resolution may be adopted in writing in that the proposal reflecting the written resolution is confirmed by the signature of each **member** and is so recorded in the minute book of the **CC**.
- 7.11 On a vote being taken, the chairman shall at no time be entitled to a second or casting vote.
- 7.12 On a vote, votes may be given either personally or by proxy.
- 7.13 The instrument appointing a proxy shall be in writing under the hand of the appointer or of his agent, duly authorised in writing. A proxy need not be a **member** of the **CC** and a **member** may not appoint more than 1 (one) proxy.

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8. MINUTES

A report of the proceedings at a meeting of **members** and every resolution in writing signed by each **member** shall be recorded in a minute book, kept for that purpose at the registered office of the CC within 14 (fourteen) days or, in the case of a resolution in writing, within 14 (fourteen) days after the date on which the last **member** signed such resolution.

9. ADDITIONAL REMUNERATION AND EXPENSES

A **member** shall be compensated for all travelling and other expenses which he may have incurred properly and necessarily in connection with the affairs of the CC.

10. PAYMENTS TO MEMBERS AND RESERVES

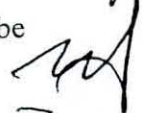


10.1 The **members** shall decide on the payments to **members** each year but may from time to time make such interim payments as appear to them to be justified by the profits of the CC.

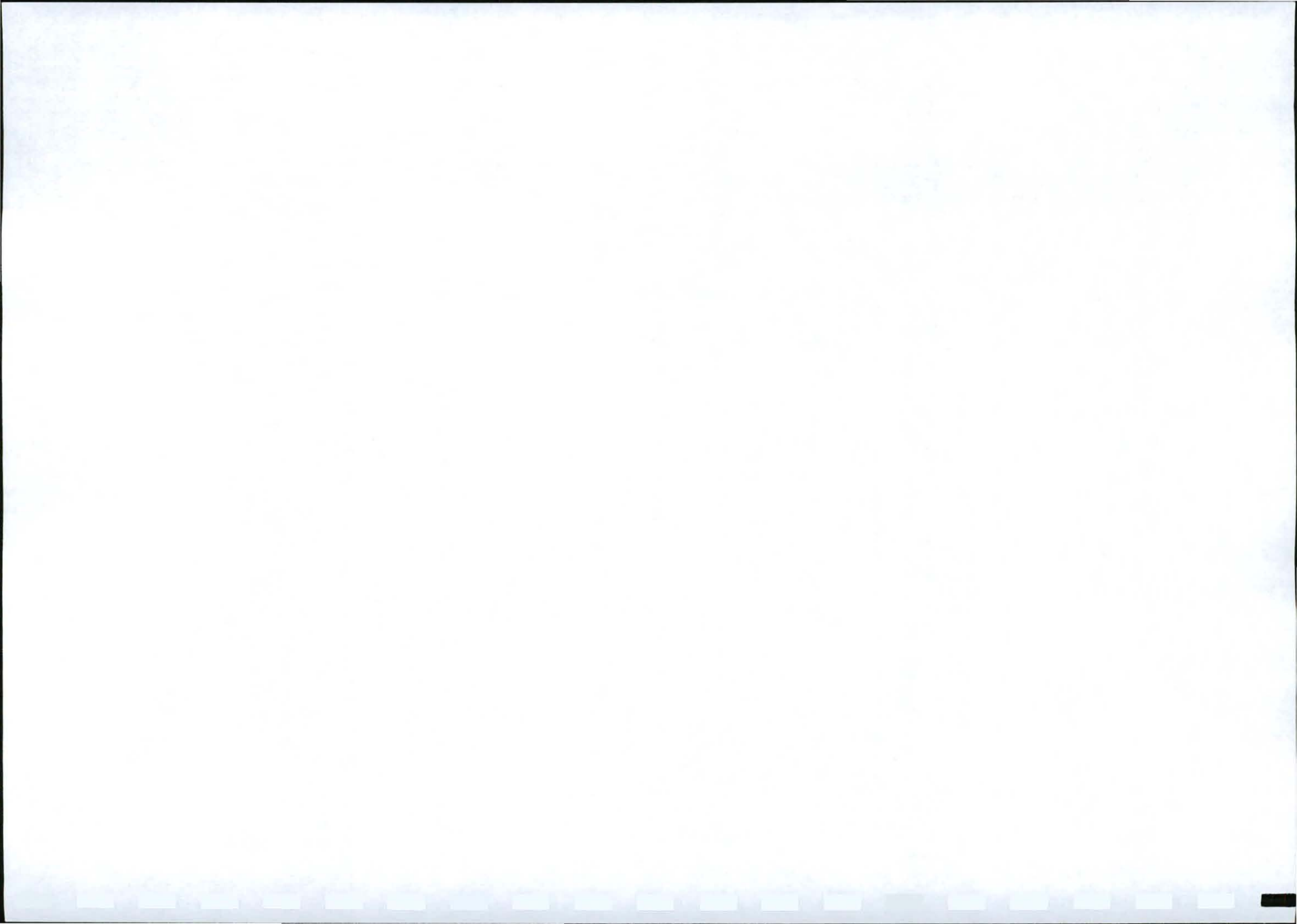
10.2 Payments to **members** may be made in no circumstances other than:

10.2.1 if, after such payments made, the CC's assets, fairly valued, will exceed all its liabilities;

10.2.2 if the CC is able to pay its debts as they become due in the ordinary course of its business; and

10.3 Any payment made to and received by a **member** in contravention of the provisions of the preceding sub-clause and of Section 51 of the Act shall be

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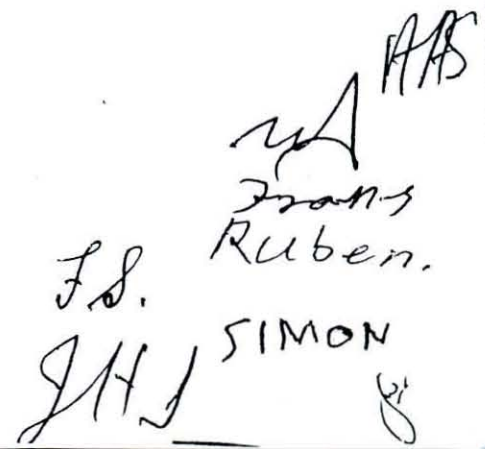


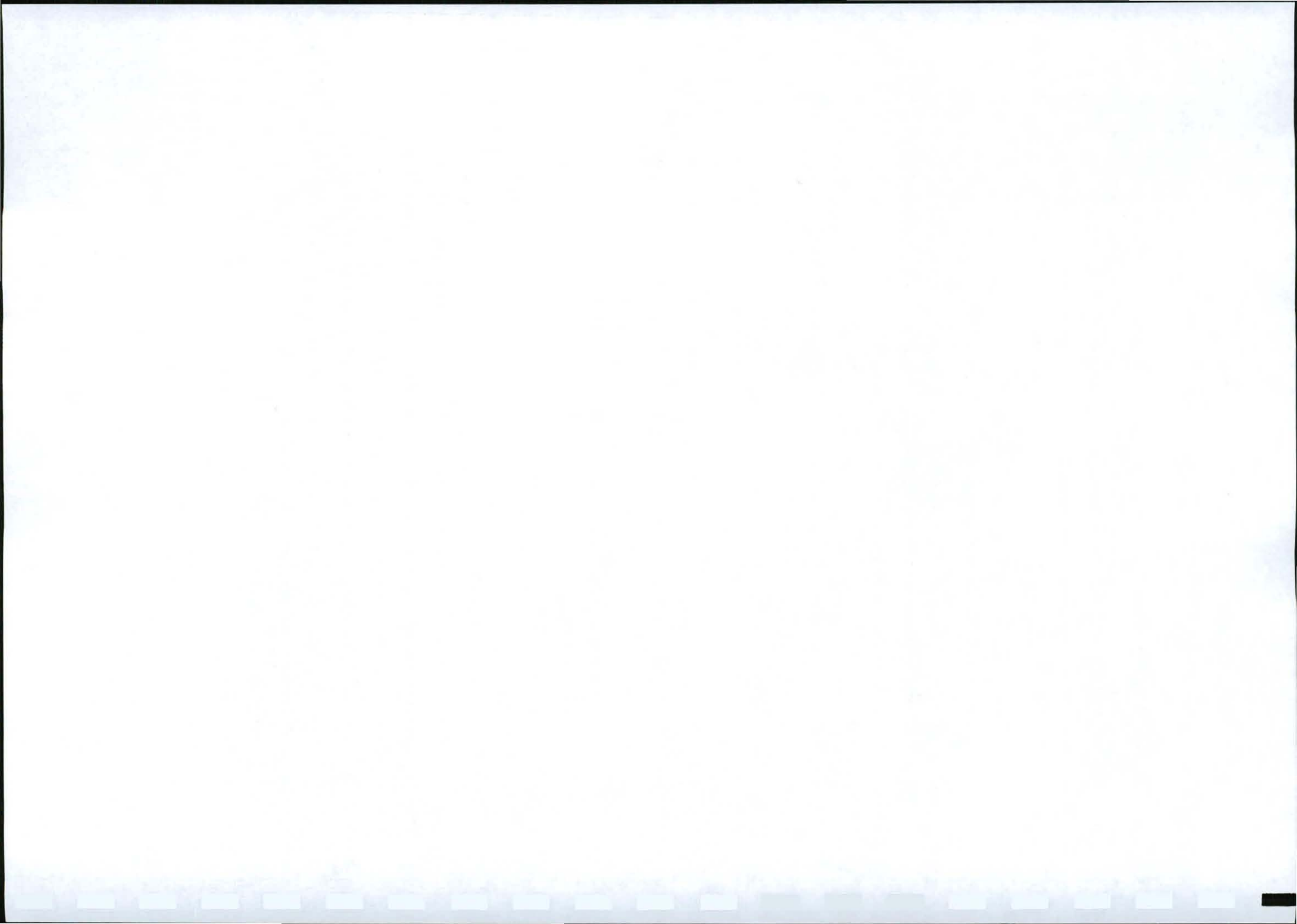
recoverable by and repayable to the **CC** as security for which the **CC** may invoke its lien over a **member's** interest in the **CC**.

- 10.4 Notice of any payment to **members** that may have been decided upon shall be given to those entitled to share therein.
- 10.5 The **members** entrusted with the management of the **CC** may deduct from the payments payable to any **member** all such claims or sums of money which may be due from time to time, to the **CC**. No payment to be made to **members** shall bear interest against the **CC**, and any payment remaining unclaimed for a period of 5 (five) years as from the resolution to make the payment, may be forfeited by resolution of the **members** for the benefit of the **CC**.
- 10.6 Every payment may be paid by cheque or otherwise as the **members** entrusted with the management of the **CC** may from time to time determine, and shall either be sent by post to the last registered address of the **member** entitled thereto or be given to him personally. The receipt of endorsement on the cheque or other instrument of payment by the **member** or his duly authorised agent shall be a good discharge as against the **CC** in respect thereof.
- 10.7 The **CC** shall not be responsible for the loss in transmission of any cheque or other instrument of payment sent through the post to the registered address of any **member**, whether or not it was so sent at his request.

11. ACCOUNTING RECORDS AND FINANCIAL STATEMENTS

- 11.1 The **members** shall cause such accounting records to be kept as are prescribed by Section 56 of the Act.


 The bottom right corner of the page contains several handwritten signatures and initials. At the top right, there is a signature that appears to be 'R.A.S.' or similar. Below it, the name 'Francis Ruben.' is written in a cursive hand. To the left of this, the initials 'F.S.' are written. At the bottom, the name 'SIMON' is written in capital letters, with a signature that looks like 'J.H.J.' written over it. There is also a small mark resembling a stylized 'S' or 'g' at the bottom right.



- 11.2 The accounting records shall be kept at the registered office of the **CC** or at such other place or places as the **members** may think fit, and shall at all times be open for inspection by every **member**.
- 11.3 The **members** shall within 9 (nine) months at the end of the **CC's** financial year, in accordance with Section 58 of the **Act**, cause to be completed and presented to and approved and signed by every **member** such annual financial statements as are referred to in that section.

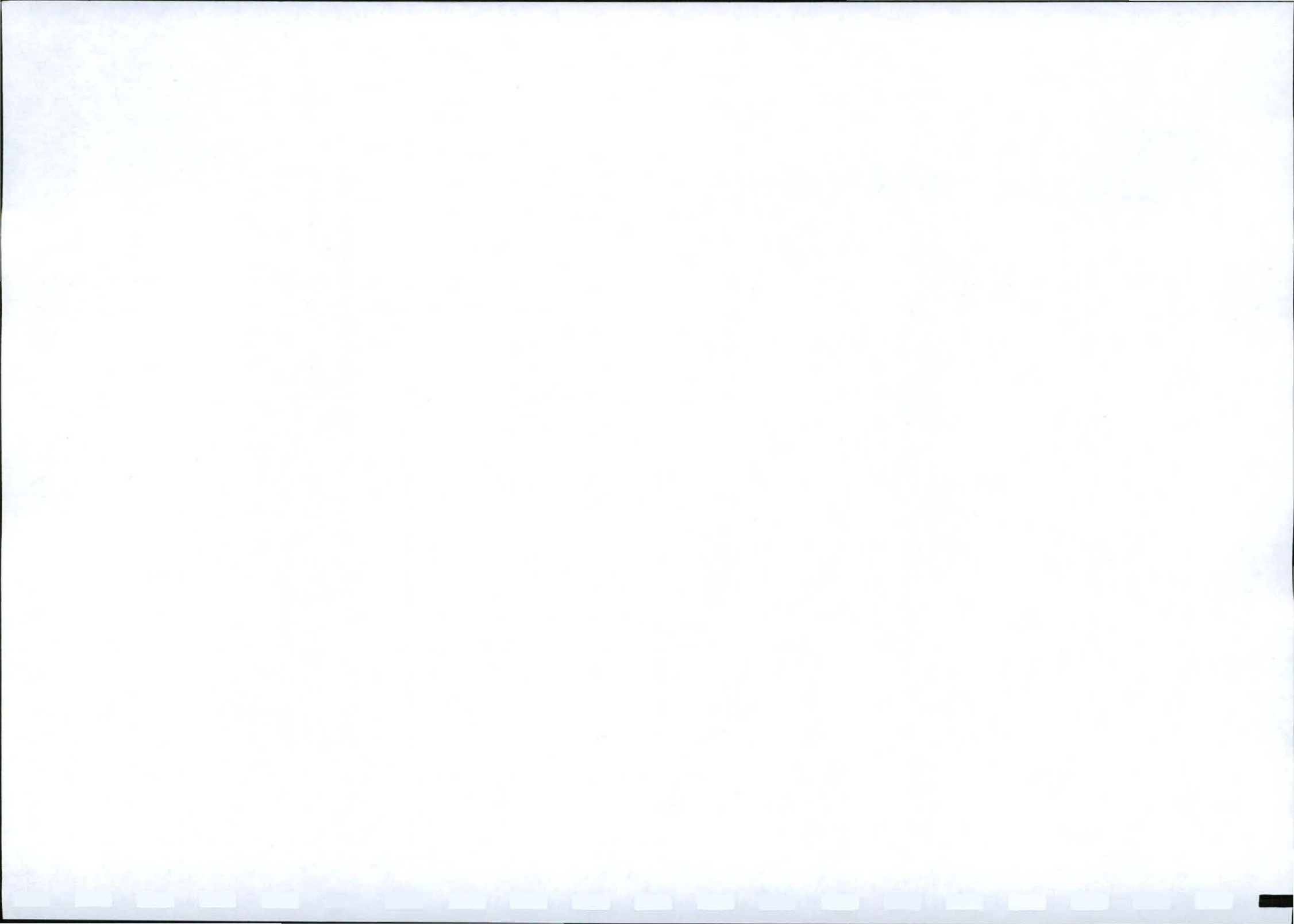
12. ACCOUNTING OFFICER

An accounting officer shall be appointed in accordance with Section 59 of the **Act**.

13. NOTICES

- 13.1 A notice by the **CC** may be given to a **member** either personally or by sending it through the post in a prepaid letter or by fax or telex addressed to the **member** at the address (if any) within South Africa supplied by him for this purpose.
- 13.2 Whenever a notice is to be given, the notice may be given by the **CC** to the persons entitled to an interest in consequence of the death or insolvency of a **member** by sending it through the post by prepaid letter or by fax or telex addressed to them in their official capacity at the address in South Africa supplied for that purpose by them. Until such address has been so supplied, notice may be given in any manner in which the same might have been given had the death or insolvency not occurred.
- 13.3 Notice of every meeting of **members** shall be given to:

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- 13.3.1 every **member** of the **CC**, except those **members** who have not supplied the **CC** with an address within South Africa for the giving of notices to them; and
- 13.3.2 every person entitled to an interest in consequence of the death or insolvency of a **member**; and
- 13.3.3 the accounting officer of the **CC**.

No other person is entitled to receive notice of meetings of **members**.

- 13.4 Any notice given by post, shall be deemed to have been served at the time when the letter containing the notice is posted.
- 13.5 A notice given to any **member** shall be binding on all persons claiming on his death or any transmission of his interest.

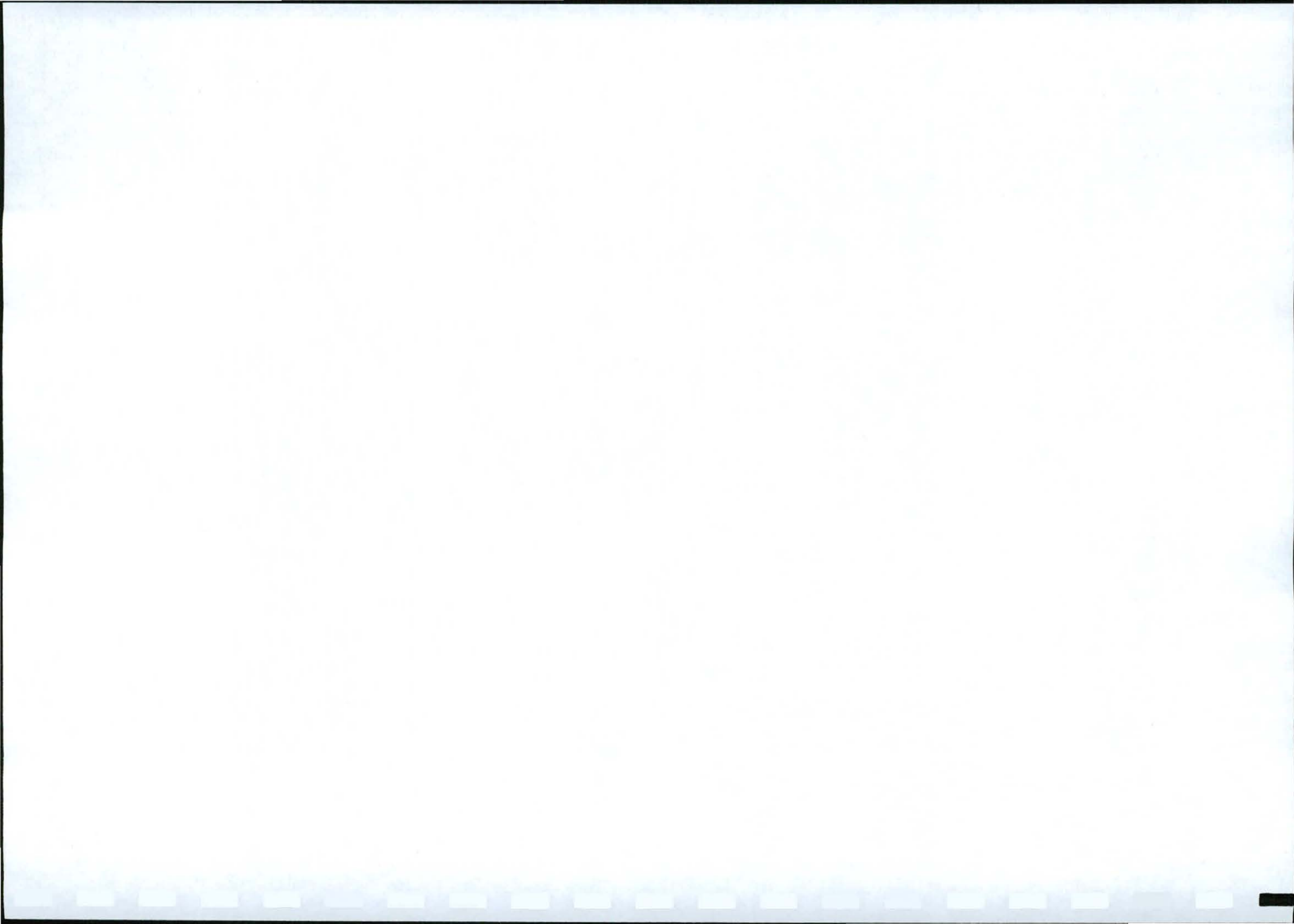
14. MANAGEMENT

- 14.1 Each **member** of the **CC** by law stands in a fiduciary relationship to the **CC** so that, without derogation from the generality of the duty thereby created, each **member** shall:

- 14.1.1 Act honestly and in good faith in relation to the **CC**;
- 14.1.2 avoid any material conflict between his own interests and those of the **CC** and in particular shall not, while a **member** or for a period of 2 (two) years after he ceased to be a **member**, compete in any way with the **CC** in its business activities whether in his own name or together with or as agent for any other person or as agent, director or **member** of any company, corporation, close corporation, society or any other body of persons.

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14.2 Subject to the provisions of Section 47 of the **Act** as to persons disqualified from managing the business of the **CC**, the business of the **CC** shall be managed:

14.2.1 by the **members** jointly;

14.3 Notwithstanding the provisions of the preceding sub-clause, the **members** may from time to time appoint one or more of their body or some other person to the office of manager or in an executive office for such period and with such powers and authorities to be exercised for such purposes and upon such terms and conditions and at such remuneration (whether by way of salary, or commission, or participation in profits, or partly in one way, and partly in another) as they may think fit, whether i.t.o. a written service agreement or not.

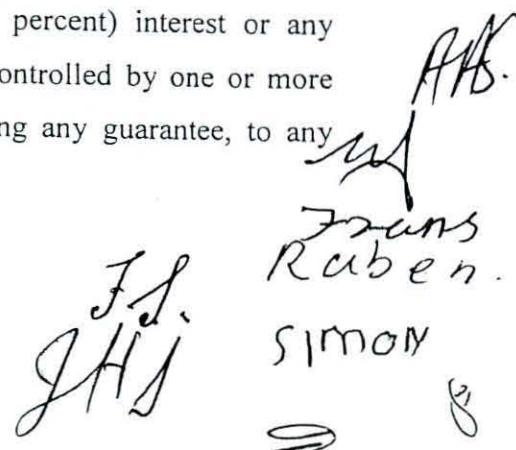
15. DUTIES AND PRIVILEGES

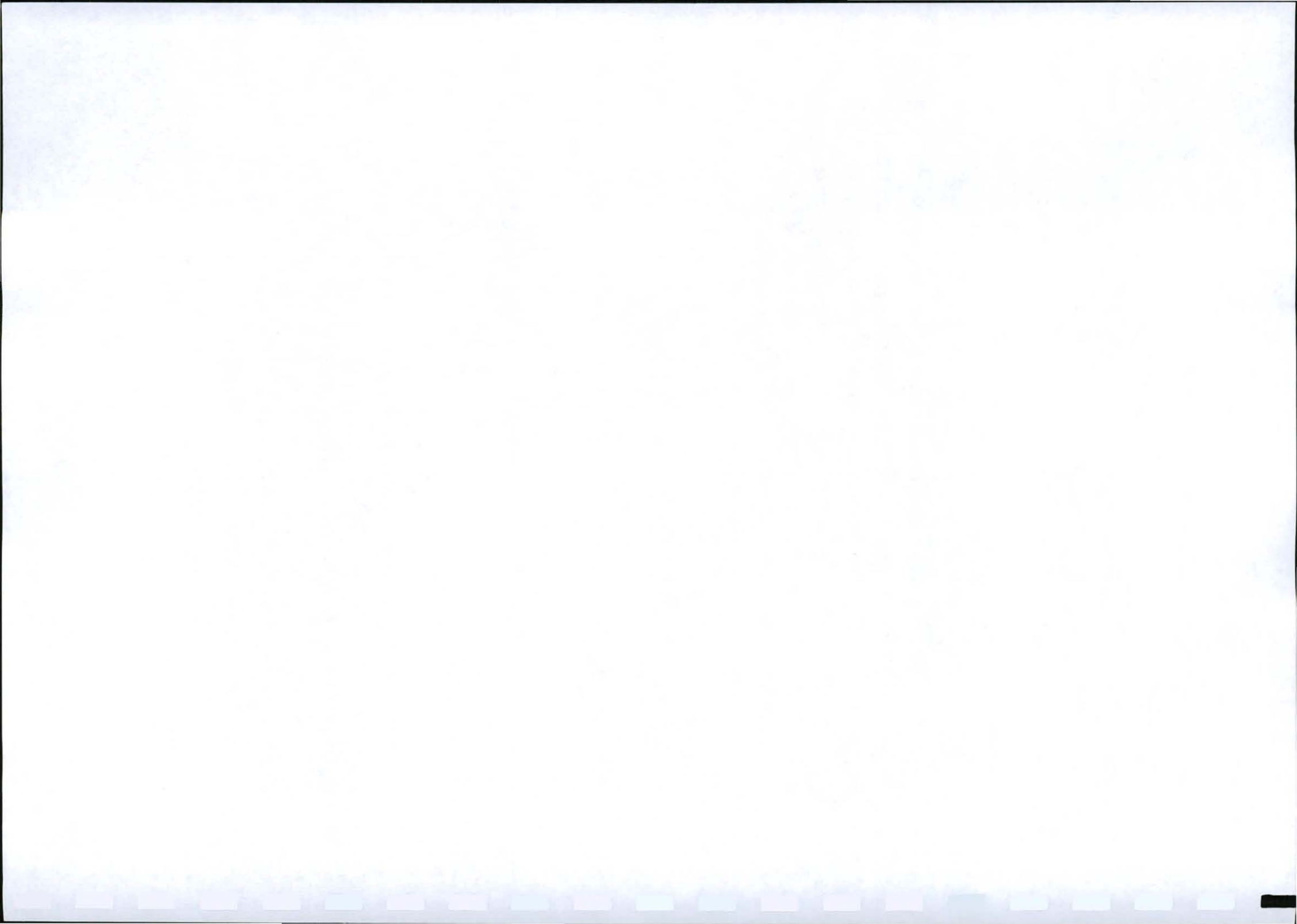
Only on the authority of a resolution by the **members** and subject to the provisions of this agreement may a **member**:

15.1 use money or assets of the **CC** or bind the credit of the **CC** or incur any debt for the account of the **CC** otherwise than in the ordinary course of business;

15.2 do anything whereby his interest in the **CC**, otherwise than in accordance with the provisions of this agreement, shall be alienated, pledged or encumbered.

16. In accordance with the provisions of Section 52 of the **Act** the **CC** shall not, directly or indirectly, make a loan to any **member**, any other **CC** in which one or more **members** together hold more than 50% (fifty percent) interest or any company of other juristic person (other than a **CC**) controlled by one or more **members** and shall not provide any security, including any guarantee, to any

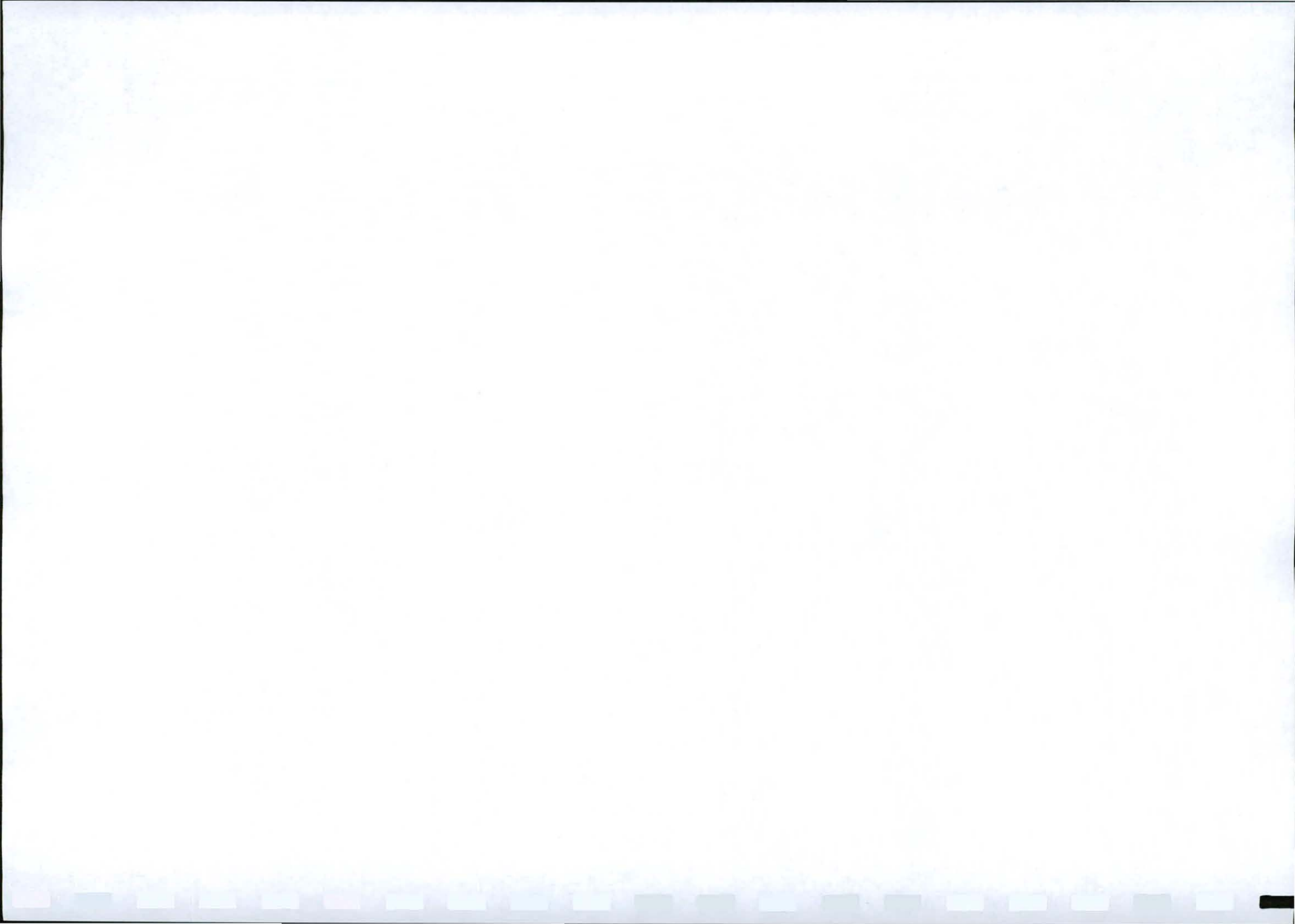

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person in connection with any obligation of any such **member**, other **CC**, company or juristic person.

17. Notwithstanding anything to the contrary herein contained, the **members** as between them and the **CC** shall, in the event of the death of a **member** or the ill health of a **member** in the sense contemplated in Clause 5.3.2 hereof, be obliged to take over the interest of such **member** in the **CC** at a fair market value (including any goodwill factor involved), provided that the amount so payable and any amount owing by the **CC** to such **member** of deceased **member**, as the case may be, shall be paid in full in not less than 4 (four) years by means of installments not more than 1 (one) year apart at a rate of not less than $\frac{1}{4}$ (one quarter) of the amount due per year; and which aforesaid amount will bear interest at a rate equivalent to the prime lending bank rate as applied by the **CC's** Bankers from time to time to be calculated on the balance of the said amount which may be outstanding from time to time.
- 18.1 Subject to provisions to the contrary herein or in any written agreement between the parties, each **member** shall:
- 18.1.1 advance funds to the **CC** pro rata to his interest in the **CC** to the extent determined by **members** holding at least 75% (seventy five percent) interest in the **CC**; and
- 18.1.2 provide such security for the due discharge of the commitments of the **CC** as may be required by the bankers or other creditors of the **CC** to the extent determined by **members** holding at least 75% (seventy five percent) interest in the **CC**.
- 18.2 If a **member** fails to observe the provisions of this clause, he shall be obliged, if so resolved by **members** holding not less than 75% (seventy five percent) interest in the **CC**, to offer his interest for sale in accordance with this agreement as a seller.

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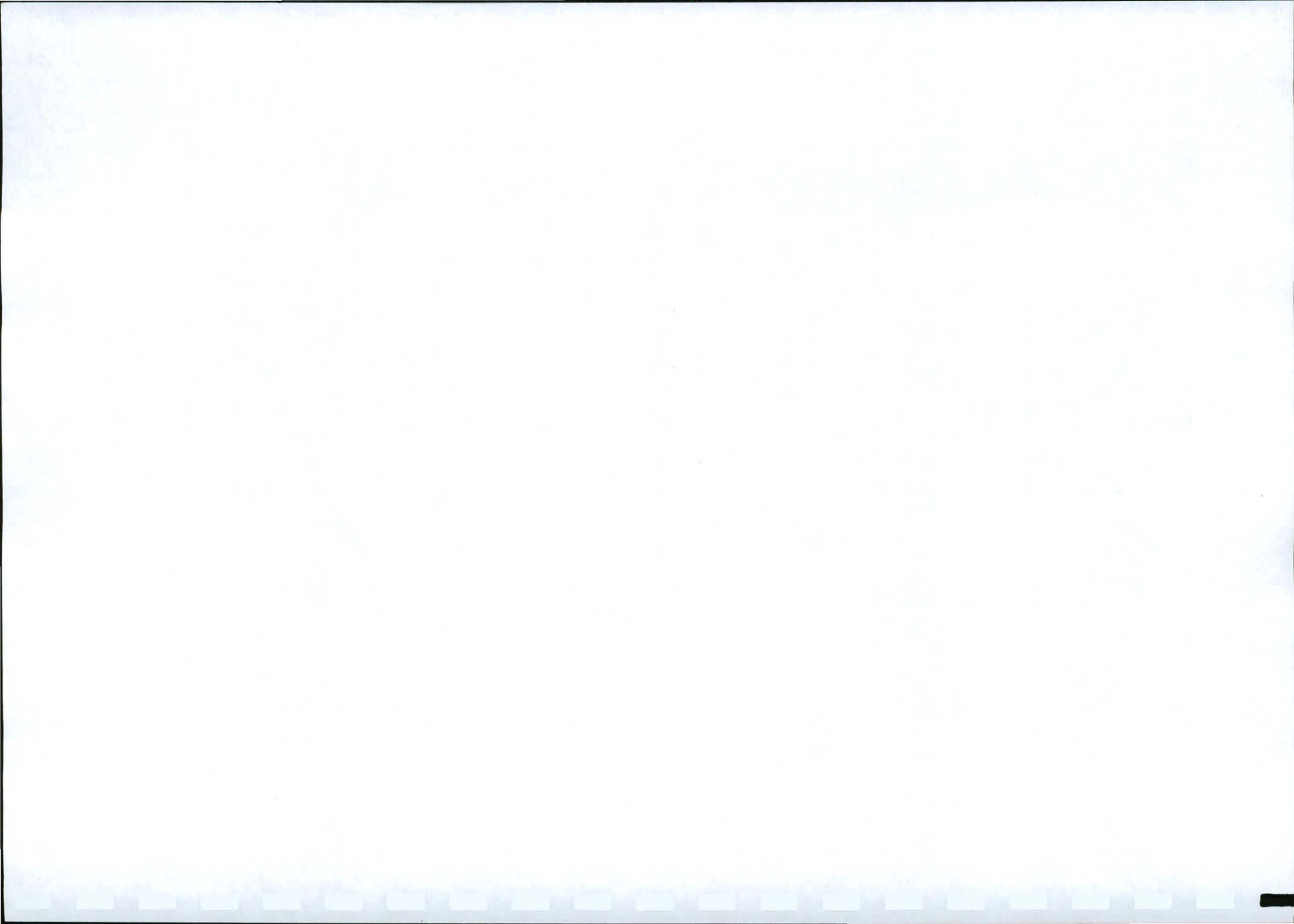
19. Management

- 19.1 The members agree to appoint Abraham Adriaan Snyman (ID No. 421130501708 8) as managing member and chief executive officer of the Corporation until such time as all the members unanimously agree to appoint one or more of the black members to take over such appointment from the said A A Snyman, provided that he/they have gained the required level of experience, expertise and management skills to fill the position of managing member and chief executive officer.
- 19.2 All the members will be obliged and entitled to undertake such training as may be deemed necessary in terms of the Mining Qualifications Authority's various programs provided that the Corporation does have sufficient funds to accommodate these expenses.
- 19.3 All expenses incurred for purposes of such training will be paid for by the Corporation.

20. Capitalization of Operations:

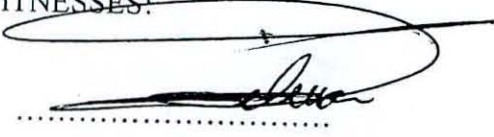
- 20.1 Notwithstanding anything stipulated to the contrary in this agreement, it is hereby agreed that each member will contribute the sum of R100 000,00 by way of loan to the Corporation to enable it to commence with the business of the Corporation; and that a member will not be entitled to take part in the management of the affairs of the Corporation, or to vote at any members' meeting of the Corporation until he has paid over the full amount of such loan to the Corporation.
- 20.2 The Corporation will be entitled to retain any amount due to a member as a dividend or share of profits from the income of the Corporation and to apply such retained amount as a credit to such member's loan account.

A.A.S.
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SIGNED at KIMBERLEY on this 29TH day of JUNE 2004.

AS WITNESSES:

1. 

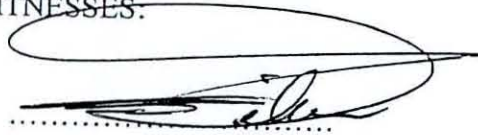
A. A. Guyana

for and on behalf of the
CLOSE CORPORATION

2. 

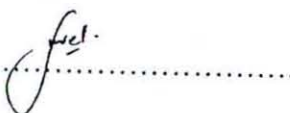
SIGNED at KIMBERLEY on this 29TH day of JUNE 2004.

AS WITNESSES:

1. 

BOTHATA SIMON LEBONA

BOTHATA SIMON LEBONA

2. 

Ruben. morake.

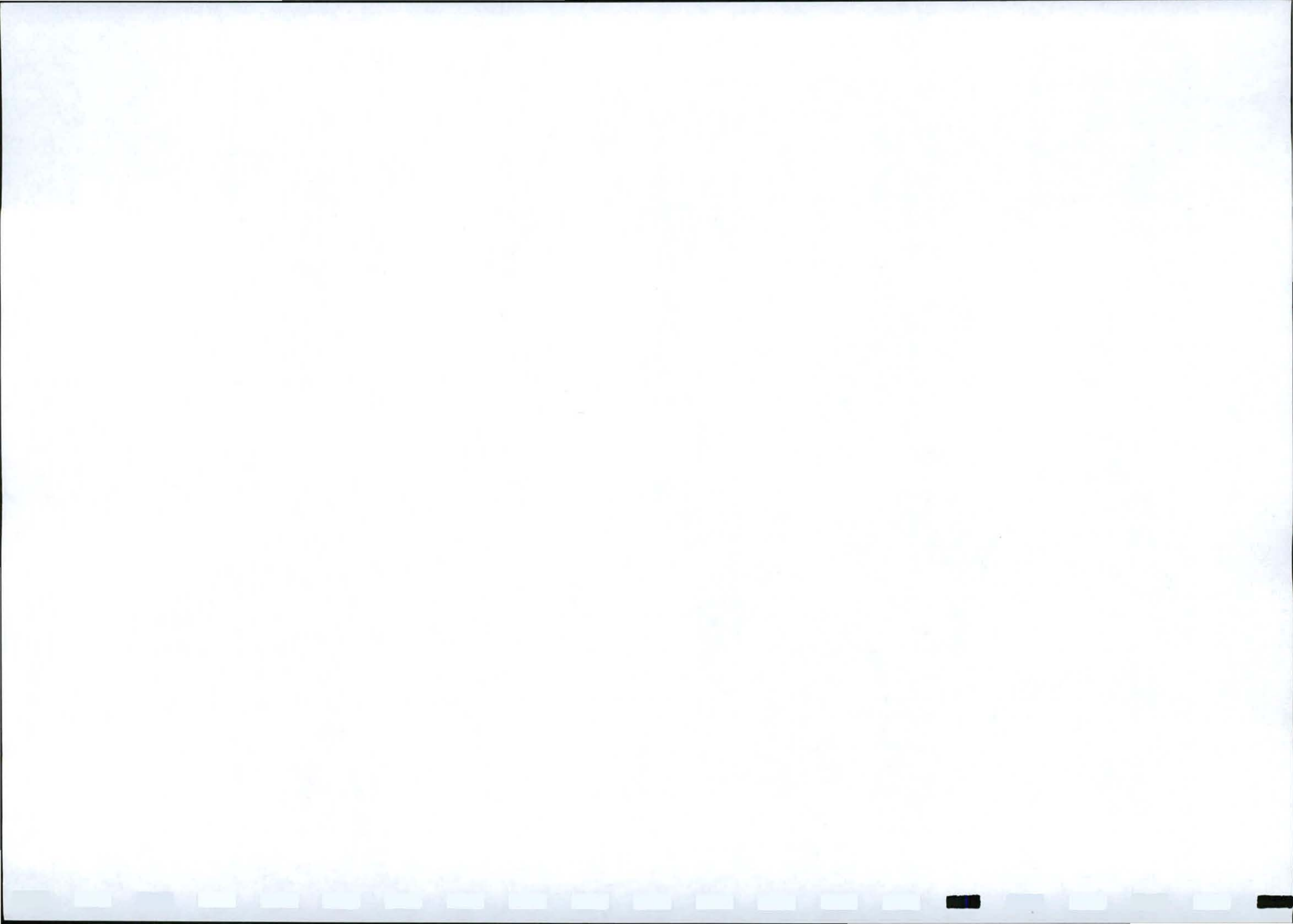
RUBEN MORAKE

Frans Seleko

SIBANE FRANS SELEKO

Willem Venter Snyman

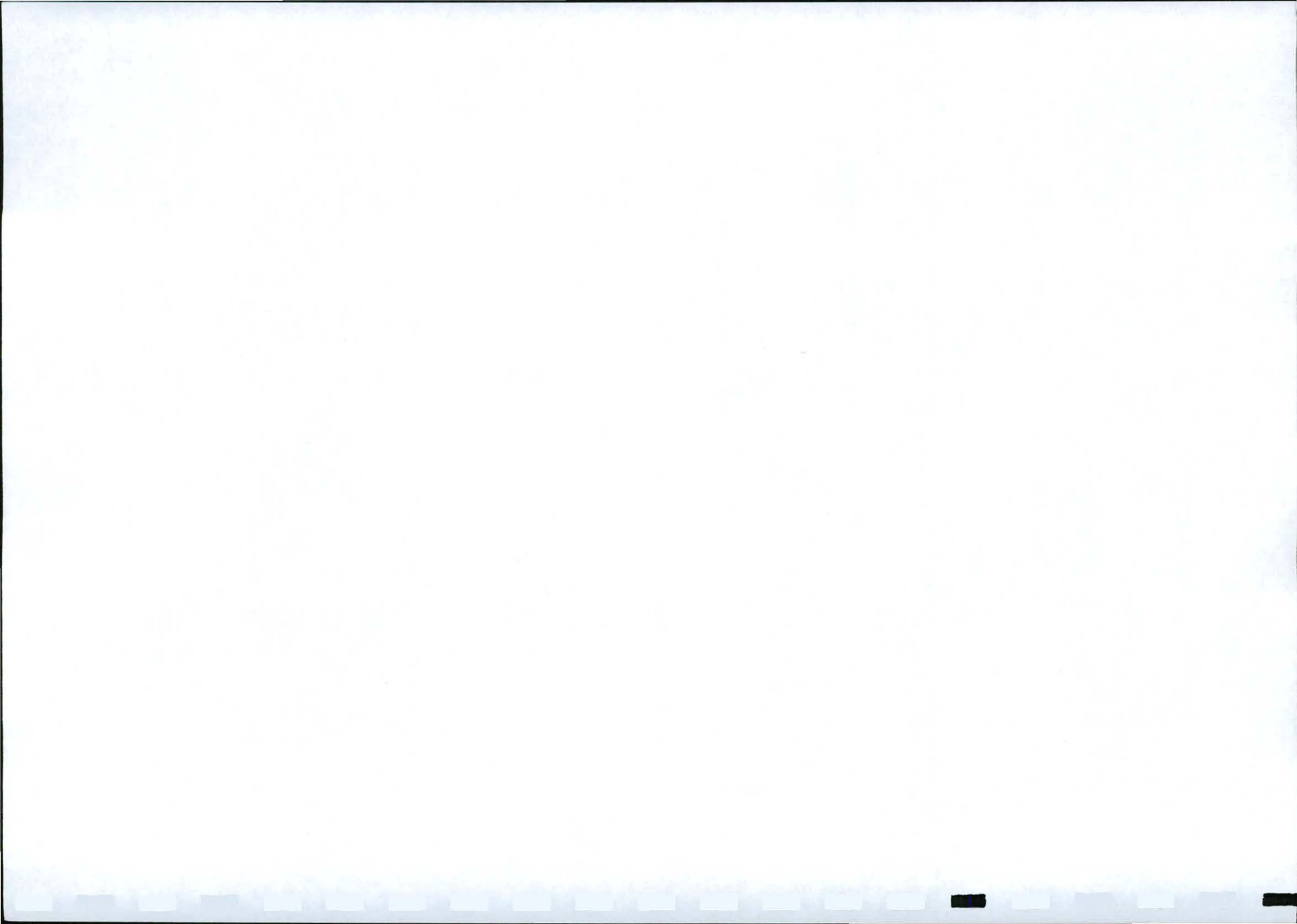
WILLEM VENTER SNYMAN



F.P.M. Snyman
.....
FREDERICK PIETER MATTHEUS
SNYMAN

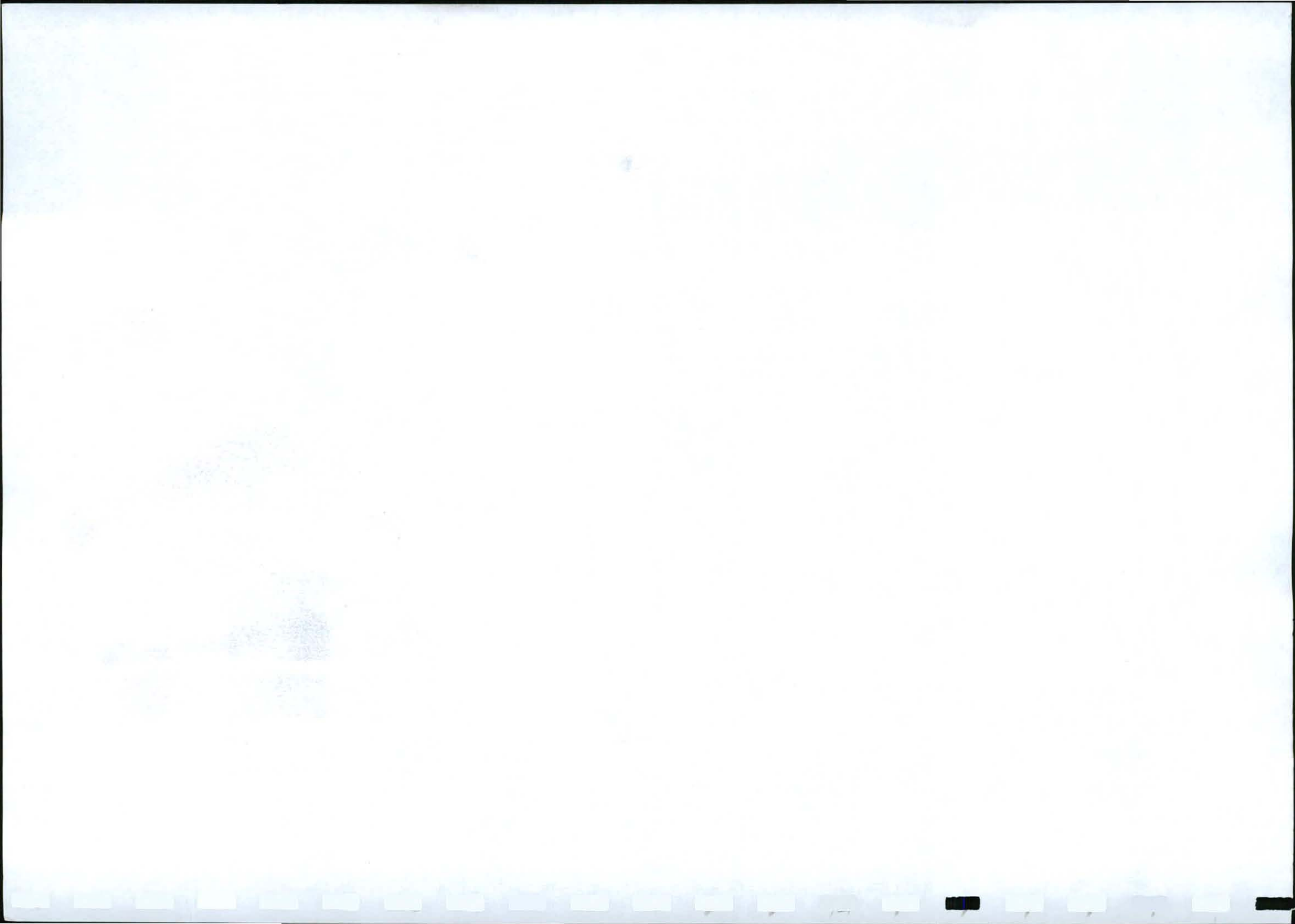
J.H. Snyman
.....
JOHANNES HENDRIK SNYMAN

A.A. Snyman
.....
ABRAHAM ADRIAAN SNYMAN



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Quantum of Financial Provision



CALCULATION OF THE QUANTUM

Applicant: DIDIMALA DIAMONDS CC
 HARRISDALE 226 - BARCLY WEST
 NC 30/5/1/2/2/264 MR

2010/06/09

No.	Description	Unit	A	B	C	D	E=A*B*C*D
			Quantity	Master Rate	Multiplication factor	Weighting factor 1	Amount (Rands)
1	Dismantling of processing plant and related structures (including overland conveyors and powerlines)	m3	500	6.82	1	1	3410
2 (A)	Demolition of steel buildings and structures	m2	40	95	1	1	3800
2(B)	Demolition of reinforced concrete buildings and structures	m2	0	140	1	1	0
3	Rehabilitation of access roads	m2	500.00	17	1	1	8500
4 (A)	Demolition and rehabilitation of electrified railway lines	m	0	165	1	1	0
4 (A)	Demolition and rehabilitation of non-electrified railway lines	m	0	90	1	1	0
5	Demolition of housing and/or administration facilities	m2	0	190	1	1	0
6	Opencast rehabilitation including final voids and ramps	ha	0.5	96700	0.52	1	25142
7	Sealing of shafts adits and inclines	m3	0	51	1	1	0
8 (A)	Rehabilitation of overburden and spoils	ha	0.3	64400	1	1	19320
8 (B)	Rehabilitation of processing waste deposits and evaporation ponds (non-polluting potential)	ha	0	82700	1	1	0
8 (C)	Rehabilitation of processing waste deposits and evaporation ponds (polluting potential)	ha	0	240200	1	1	0
9	Rehabilitation of subsided areas	ha	0.1	55600	1	1	5560
10	General surface rehabilitation	ha	0.3	52600	1	1	15780
11	River diversions	ha	0	52600	1	1	0
12	Fencing	m	0	60	1	1	0
13	Water management	ha	0		1	1	0
14	2 to 3 years of maintenance and aftercare	ha	0.1	7000	1	1	700
15 (A)	Specialist study	Sum	0			1	0
15 (B)	Specialist study	Sum				1	0
Sub Total 1							82212

1	Preliminary and General	9865.44	weighting factor 2		9865.44
			1		
2	Contingencies		8221.2		8221.2
Subtotal 2					100298.64
VAT (14%)					14041.81
Grand Total					114340

