

# PRESENTATION

De Beers Consolidated Mines Limited  
Prospecting Right Application  
Stakeholder Engagement  
Northern Cape

November 2014

**DE BEERS**  
GROUP OF COMPANIES

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# Introduction

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Applicant is De Beers Consolidated Mines  
Kimberley Head Office – Anette Basson

Supported by De Beers Group Services  
Group Exploration – Gabisile Simelane

Please provide your contact details on the forms sent out with the letters, and in the  
meeting register

# Application Process

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Applications accepted by DMR: September 2014 and ongoing  
For prospecting ONLY, for diamonds ONLY

## Consultation:

Continuous two-way process between De Beers & surface owners / occupiers, other interested and affected parties

From application, to operations (if granted), to closure  
Initial comments / objections required by DMR within 30 days  
of acceptance (see contact details at end of presentation)

# Environmental Management Plan

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Standard format as required by MPRDA

Draft due after 60 days

Input from surface owners to allow concerns to be addressed

Later more detailed EIA required for specific activities at specific sites

DMR then considers application, comments, objections and input from other government departments

Decision expected March 2015 or later

Prospecting must commence within 120 days from signature

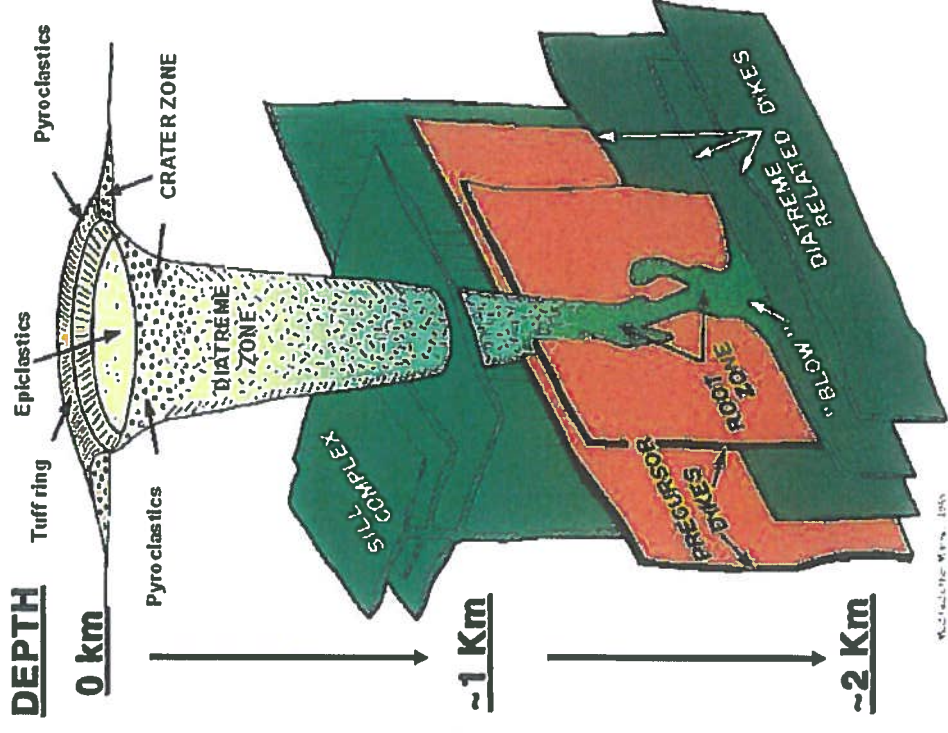
## Purpose of Application

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- To locate and assess economic potential of diamond deposits – or apply for closure
- To do so in a responsible manner
- Carried out in phases, depending on results
- Ultimately aim to determine the value of a diamond deposit based on:
  - Size (volume, tonnage) to certain depth
  - Diamond content (grade) to certain size
  - Diamond quality (value)

# Phases and Methods

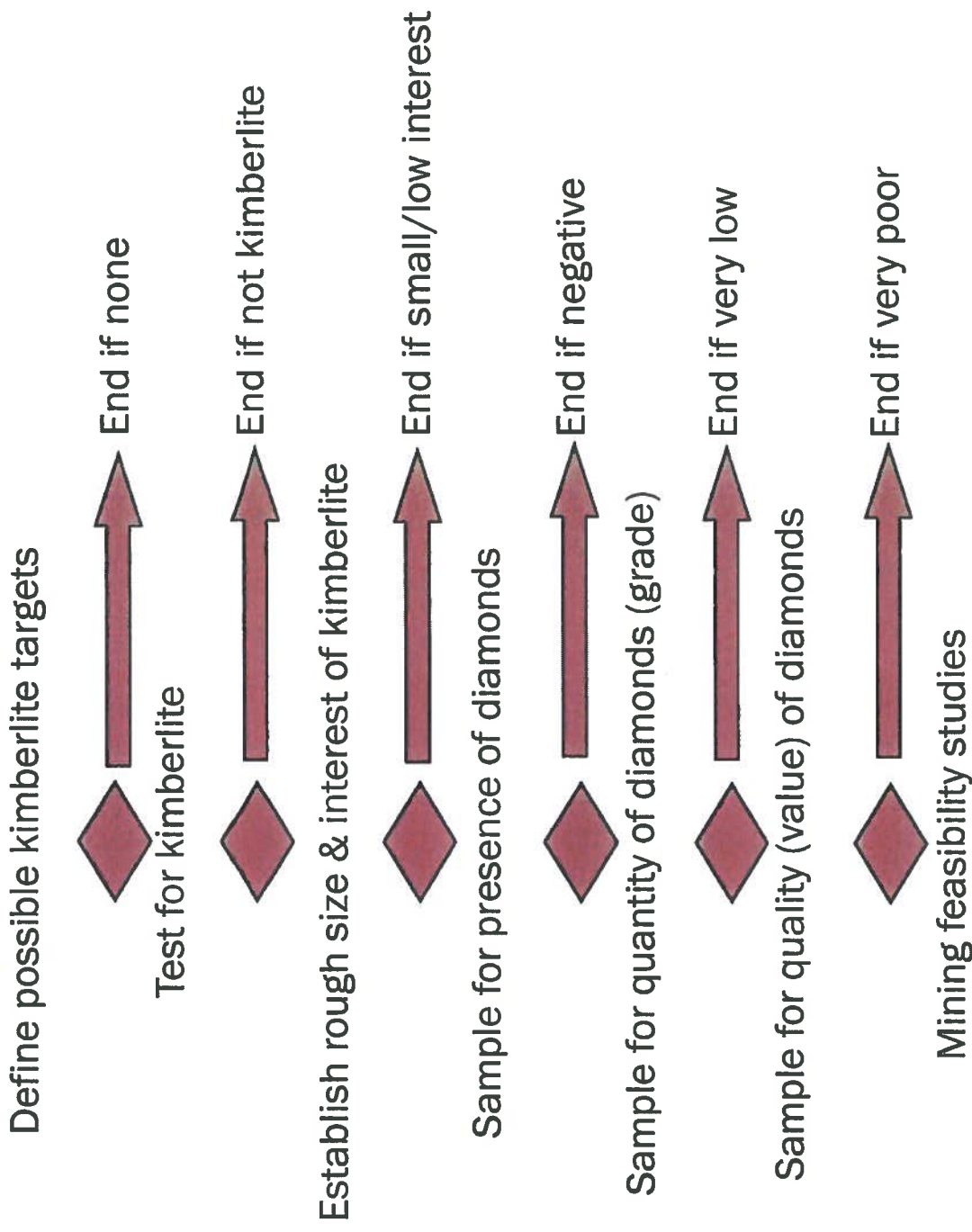
- The first main step in primary diamond exploration is to locate diamondiferous kimberlites
- Kimberlite is a volcanic rock which occurs randomly
- Kimberlites transport diamonds from their place of formation at great depths (+150km) below the surface of the Earth.
- Have certain physical, mineral and chemical characteristics that are used to locate them
- Second main step is to determine the quantity & quality of diamonds





# Phases and Methods

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# Desktop Studies

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- Office based interpretation of :
  - Available geological data
  - Geophysical survey work
  - Sampling and drilling results
- Carried out before each phase of field work to decide on exact scope and extent of work
- Review of results from each phase of work after completion, to decide whether to continue or not

# Defining Targets

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## Geophysical



Sampling – stream or soil



## Testing Targets, Establishing Size & Interest

### Small diameter drilling

- Core
- Diameter ~ 63.5mm
- Depth to maximum ~400m



Supplemented by more geophysics and geochemical sampling



## Sample for presence of diamonds

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- Drill samples collected in previous phases
- Samples processed for micro-diamonds ( $< 0.5$  mm)
- Require at least 600 kg per kimberlite
- Some additional core drilling may be required



## Sample for quantity of diamonds (grade)

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- Large Diameter Drilling
- Up to 24" diameter
- Collect at least 200 tonnes per kimberlite
- Approx 2 holes to 400m
- Require small diameter pilot holes (core)
- Temporary access track
- Water supply & sump
- Sample treated off site



# Sample for quality of diamonds (value)

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## Large Diameter Drilling

- Up to 24" diameter
- Collect at least 1000 tonnes per kimberlite
- Approx 10 holes to 200 m
- Temporary access tracks
- Plant required in area
- Water supply & large sumps





# Mining Feasibility Studies

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- Detailed design and studies by multi-disciplinary teams
- Socio-economic & environmental impact studies
- Assessment of economic viability
- Detailed drilling for micro- and macro-diamond sampling, geological modeling, geotechnical & metallurgical studies





## On completion of prospecting

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If kimberlite(s) are of economic interest:

Apply for mining right

Sell if not suitable for De Beers

OR

Stop work on prospecting right

Monitor rehabilitation, take corrective action if required

Apply for closure certificate

## Initial Work Programme

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- Start with geophysical survey blocks – on foot
- Small diameter drilling within some of these – one or two holes per block
- Aim to complete this within first year
- No accommodation on site, no structures on site
- Further work depends on results: e.g. further survey work (ground or airborne), drilling, sampling

# Conduct on prospecting rights

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## Safety and security

- De Beers staff & contractors must adhere to:
- Mine Health and Safety Act
- AGRI SA Farm Protocol
- Internal procedures – including risk assessments
- Requirements for staff induction / training

De Beers will continue to consult with the surface owner/occupier in order to:

- Agree on access arrangements for staff & contractors
- Agree on access routes, status of gates
- Agree on approach to recruiting of local casual staff
- Deal with any other concerns

# Environmental

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Prospecting does have an impact on the environment; the aim is to minimise this and avoid any significant, lasting impacts

Initial phases of work have minimal impact; this increases in later phases, but is restricted to specific sites

De Beers staff & contractors must adhere to:

- Mineral & Petroleum Resources Development Act
- Other legislation (waste, environmental, water etc)
- Approved Environmental Management Plan
- Internal procedures (ISO 14000 compliant EMS) – includes avoidance of fire, littering, oil spills, rehabilitation requirements etc.

## Compensation / payments

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De Beers will compensate surface owners for:

- Damage to property – by replacement or payment
- Loss directly caused by prospecting e.g. to crops, grazing land
- Based on market rates
- De Beers will pay rental for extended use of surface areas e.g. for plants (IF agreed to be located on a farm, with a formal rental agreement)
- De Beers will pay for bulk water sourced from a farm (IF agreed on by surface owner AND approved by Department of Water Affairs & DMR)
- If a mine were to be developed in future, purchase or lease of land, water rights etc. would have to be negotiated.

# Comments/ Objections to be sent to:

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The Regional Manager: Mineral Regulation

Northern Cape Region

Fax: 053 832 5631

Street: 29-31 Curry Street, Kimberley, 8301

Post: Private Bag X6093, Kimberley, 8300

OR ....

Aletta Dreyer/Anette Basson

De Beers Consolidated Mines Limited

Fax: 053 839 4250 / 4880

Street: 36 Stockdale Street, Kimberley, 8301

Post: PO Box 616, Kimberley, 8300

E-mail: [prospecting.rights@debeersgroup.com](mailto:prospecting.rights@debeersgroup.com)

Please include reference number and contact details as per letter

## Contacts at De Beers

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Aletta Dreyer or Anette Basson

De Beers Consolidated Mines Limited

Phone: 053 839 4248 / 4243

Fax: 053 839 4250 / 4880

Post: PO Box 616, Kimberley, 8300

E-mail: [prospecting.rights@debeersgroup.com](mailto:prospecting.rights@debeersgroup.com)

OR

Gabisile Simelane

De Beers Group Exploration

Phone: 011 309 3945


Cell: 072 483 3335

Fax: 011 309 3003

E-mail: [gabisile.simelane@debeersgroup.com](mailto:gabisile.simelane@debeersgroup.com)

# QUESTIONS?

Be Passionate



diamondream *we are.*

Build Trust

We will always believe that there are no perfect people, only perfect relationships.



diamondream *we are.*

Pull Together



diamondream *we are.*

Shape the Future


We will lead our way, for we are demanding, unapologetic and bold. We will shape our future through our own actions.



diamondream *we are.*

Show We Care

The people who live the world's most responsible reputations are the ones who care. An amazing story is told through the passion of what we do. It is the contribution of the world's most caring and resilient people.



diamondream *we are.*



# MINUTES OF MEETING

**CONSOLIDATED MINUTES OF CONSULTATION MEETINGS**

Held on 13<sup>th</sup> November 2014 at 9:00am at the Ulco Boere Hall  
Held on 13<sup>th</sup> November 2014 at 2:00pm at De Beers Head Office  
Held on 13<sup>th</sup> November 2014 at 4:00pm at the offices of Van de Wall and partners  
Held on 14<sup>th</sup> November 2014 at 9:00am at the Bennie Pieterse Hall in Hopetown

**BETWEEN DE BEERS CONSOLIDATED MINES PROPRIETARY LIMITED AND AFFECTED FARMERS**

**APOLOGIES:**

N.B. Jansen	Aasvogel Pan 141 (2)
D. Joubert - SANPARKS	Zoutfontein 166 (2)
Dr. GDJ Scholtz	Zoutfontein 166 (4)

**PRESENT PER APPLICATION:**

Gabisile Simelane	Exploration Programmes Manager RSA Exploration – DBGS
Anette Basson	Exploration Administrator – DBCM
Santie Britz	Exploration Office Administrator - DBCM
NC 30/5/1/1/2/11453 PR	
Representatives of	Karolusdrift 219 Harrisdale 226
NC 30/5/1/1/2/11436 PR	
Representatives of	Biessie Laage 96 (RE) Aasvogel Pan 141 (2)
NC 30/5/1/1/2/11437 PR	
Representatives of	Roscommon 206 (1) Roscommon 206 (RE)
NC 30/5/1/1/2/11438 PR	
Representatives of	The Grange 208 (1)
NC 30/5/1/1/2/11445 PR	
Representatives of	Scholtzfontein South 165 (6)
NC 30/5/1/1/2/11446 PR	
Representatives of	Scholtzfontein South 165 (RE) Zoutfontein 166 (2)
NC 30/5/1/1/2/11447 PR	
Representatives of	Enslin West Cons 134 (RE)
NC 30/5/1/1/2/11448 PR	
Representatives of	Klipjes Pan 145
NC 30/5/1/1/2/11449 PR	
Representatives of	Farm 236 Farm 237 Farm 238
NC 30/5/1/1/2/11453 PR	
Representatives of	Likatlong 317 (RE) Likatlong 317 (1)

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**DE BEERS CONSOLIDATED MINES PROPRIETARY LIMITED**

36 Stockdale Street Kimberley 8301 PO Box 616 Kimberley 8300 South Africa  
Tel +27 (0)53 839 4111 | Fax +27 (0)53 839 4210 | [www.debeersgroup.com](http://www.debeersgroup.com)  
Incorporated in the Republic of South Africa | Registration number 1888/000007/07

A member of the Anglo American plc group

Directors: B Petersen (Chairman), E M Dipico (Deputy Chairman), A P Barton (Chief Executive Officer),  
Ms CA Carolus, B A Cleaver, P A J Lowery, P J C Mellier (French), G Mostyn (British), Ms N D Zikalala

	Likatlong 317 (RE of ptn 2) Karolusdrift 219
NC 30/5/1/1/2/11454 PR Representatives of	Platfontein 68 (ptn of farm)
NC 30/5/1/1/2/11455 PR Representatives of	Wolwedam 87 (RE of ptn 1)
NC 30/5/1/1/2/11480 PR Representatives of	Harrisdale 226 (ptn of RE)
NC 30/5/1/1/2/11482 PR Representatives of	Ferny Hoek Flat 108 (ptn of ptn2)
NC 30/5/1/1/2/11484 PR Representatives of	Farm 90 (2)
NC 30/5/1/1/2/11508 PR Representatives of	Middeldam 88 (ptn of farm)

**ABBREVIATIONS**

De Beers	= De Beers Consolidated Mines Proprietary Limited
DMR	= Department Mineral Resources
MPRDA	= Mineral and Petroleum Resources Development Act
EMP	= Environmental Management Plan

Meeting was held in Afrikaans on request.

After the standard presentation, the following issues were addressed:

- Q1: What is the remuneration when prospecting on a farm?  
A1: When the geo-physics exercise is done, no remuneration is involved. As soon as the drilling starts, the farmer will be compensated at a rate of R10 000 per month for the drill period. Water will be bought from the farmer at local municipal rates. Should the drilling or prospecting activities interfere with normal activities, i.e. on field where crops are growing, the farmer will be compensated according to market related tariffs.
- Q2: Will De Beers notify a farmer if alluvial diamond deposits are found?  
A2: Should farmers enquire about the deposit findings, it can be made available. All results must be sent to the DMR and the DMR in turn sends the data to the Geophysics Council. It can also be obtained from either of these bodies; however, De Beers considers the interpretation of data as intellectual property and will not divulge it.
- Q3: The 'small' farmer is up against a 'big' company. How will issues be addressed without the farmer having to face huge legal litigation costs?  
A3: De Beers is pro-negotiating issues until a solution can be found that will be in the interest of both parties. Prospecting is supported by a wide range of acts to protect both the interest of the applicant and the farmer. The environmental management

plan addresses most of the issues relevant in a prospecting application and an agreement is also signed which is legally binding.

Q4: Can De Beers confirm that no one will stay over on the farm?

A4: According to the standard agreements, the following is not allowed:

- No one will stay on the property after working hours
- No collection of fire wood
- No authorised personnel allowed on the farm
- No fire or pollution

De Beers' personnel and contract personnel must adhere to the following:

- MPRDA
- Agri SA's farm protocol
- Other legislation regarding waste, environment, water, etc.
- Approved Environmental Management Plan
- ISO 14000 requirements
- Security clearance for each person working on the site
- Only day light hours allowed to work

Should the farmers require the working personnel's identification details, it can be arranged prior to accessing the farm.

Q5: If Kimberlite is not found, or the Kimberlite found is not economically viable for De Beers, will De Beers sell the information?

A5: Should the information show that it can be economically viable for another company, De Beers can sell the interpreted data; however, the next applicant will have to go through the same application and consulting processes and must prove that they are technically competent and financially able to fulfill the DMR's requirements. De Beers cannot prevent the acquisition of information from the DMR or the Geophysics Council.

Q6: How much water is used in the prospecting process?

A6: Between 30kl and 55kl can be used. The water is treated and re-used to ensure optimal use. Water is bought from the farmer at normal municipal tariffs. If the farmer does not have water or refuses to sell water, water is bought from the local municipality.

Q7: If water is found with the prospecting process, may the farmer keep the hole?

A7: Yes. De Beers will leave the casing and the farmer will sign an agreement whereby he will take responsibility of the hole and the registering of it.

Q8: Should the prospecting results in mining activity, does the farmer have to sell the farm?

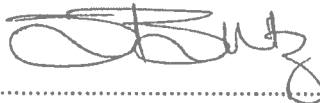
A8: No one can be forced to sell or to rent. De Beers will negotiate with the farmer. Negotiations are handled on individual basis.

Q9: How does the pending prospecting process affect the farming activities?

- A9: Farmers are encouraged to carry on with normal farm activities. Initially the impact will be minimal to none. The geophysics survey is done by foot to determine the density of the geology. As soon as spots are identified, De Beers will discuss it with the farmer to ensure that the farming activities are not disrupted. De Beers, with the help of experts, will plan the prospecting activities should it require the movement of wild life or livestock.
- Q10: Costs?  
A10: Should it require that herds be moved to other enclosures or it requires invasion of crops, De Beers will compensate the farmer accordingly.
- Q11: Where exactly on the farm will be drilled?  
A11: De Beers is applying for the whole farm or in some cases, portions of farms. Only after the geophysical survey will the exact locations be known.
- Q12: What about sensitive areas? i.e. pans, big trees, endangered plant species, etc.  
A12: There will be looked at the areas where the anomalies occur and a deviation can be made to ensure that it will not be disturbed.
- Q13: How often will visits to the farm take place?  
A13: As soon as the permit is granted, the activities have to start within 120 days. It starts with the geophysical survey, which is done on foot (20m apart). Depending on the area that needs to be surveyed, it should be done within  $\pm 2$  weeks. After that desk studies will take place to evaluate and interpret the data. The drilling process will commence within  $\pm 6$  months after that. After each process, the data is re-evaluated and if the forecast is promising, they will proceed to the next phase. Results are reviewed from phase to phase to decide whether to continue or apply for closure.
- Q13: Farmers are worried that in water-scarce areas water will flow into cracks and newly drilled holes and will influence their current water pressure.  
A13: Holes can be plugged to reduce the risk of water soaking away. To mitigate the risk, experts can be consulted to advise.
- Q14: Farmers are worried that un-used granted rights will result in 'fly-by-nights' accessing the property for prospecting.  
A14: Any other applicant, like De Beers, has to follow the correct procedures, adhere to the same standards, prove the same technical competency and give the same financial guarantees, before they can enter the property to execute the right.
- Q15: How is accessing to farm managed?  
A15: To access a farm, prior arrangements must be made with the owner or tenant of the farm. If the timing does not suit the owner/tenant, arrangements must be made for a more appropriate time (i.e. hunting season, harvest time, etc.)
- Q16: What is De Beers looking at when flying over a farm?

- A16: Aerial surveys are performed to plot the magnetic fields and the geophysical survey is done to establish the density of the geology.
- Q17: For some farms, farmers are concerned over the safety of workers due to dangerous animals roaming the farm. How will that be handled?
- A17: De Beers will consult with farmers to find a solution to ensure the safety of all working on the farm. If this results in costs for the farmer, De Beers will carry the cost. As soon as application is granted, the areas can be revealed to the farmers to establish which areas will be involved and if it additional measures are necessary.
- Q18: What is the time of a prospecting right?
- A18: De Beers applied for 5 years, but as soon as the prospecting has been completed, De Beers will apply for closure. It is difficult to know how long the DMR will take to complete the closure.

Meeting adjourned.



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DE BEERS CONSOLIDATED MINES (PTY) LIMITED

17 NOV 2014

.....  
Date

.....  
FARMER

.....  
Date

NORTHERN CAPE PROSPECTING RIGHT APPLICATIONS





DATE: 13 NOVEMBER 2014 TIME: 09:30  
 DATE: 13<sup>e</sup> NOVEMBER 2014 TIME: 14:00  
 DATE: 14<sup>e</sup> NOVEMBER 2014 TIME: 09:00  
 DATE: 13<sup>e</sup> NOVEMBER 2014 TIME: 16:00

VENUE ULCO Boeselaar  
 VENUE DE BEERS  
 VENUE HOPETOWN - BENNIE PIETER  
 VENUE Van de Walt - Offices

Application Name	Application Nr	Farm Name	PTN	Surface owner	Address	Telephone/Fax	e-mail	Signature	Comment
Blesslaagte	11436PR	BIESSIE LAAGTE 96	RE	MEMAPA TRUST 85/2006 Paul Petrus van Niekerk 5609245067007 JEC van Niekerk 570519 0063 080	P. O. BOX 171 HOPETOWN 8750	W 0532038055 0824145815	paulp@lus1@gmail.com		Kaart
Blesslaagte	11436PR	AASVOGEL PAN 141	2 (RE) Aasvogel Pan Zuid	NICOLAAS BESTER JANSEN 5303275031006	4 WITBOSKRAAI PELLISSIER 9301	H 0514224129 0828256522	besterjan@netkom.co.za		Kaart - Verstoring
Blesslaagte	11436PR	AASVOGEL PAN 141	6 PTN OF 2	SMIT MARTINUS CORNELIUS 5602275062089	P. O. Box 157 HOPETOWN 8750 Tienie Smit	H 0532038061 W 0532030053 0827848828	jsmit@cnetx.co.za		
Roscommon	11437PR	ROSCOMMON 206	1 Weirvlend	BESELAAR PAULUS PHILIPPUS 5706275011085	P O BOX 196. HOPETOWN, 8750	Updated info: Tel: 0532040057 Fax: 0532040057 0727820057	fllobesselaar@gmail.com gandepan@netkom.co.za		Kaart
Roscommon	11437PR	ROSCOMMON 206	RE	JOHANNES JACOBUS PIENAAR 5401195096008 57 PETRONELLA JACOMINA PIENAAR 5607100023008	P O BOX 3512 DIAMOND 8305	0799946507 H 0532040057 0828296192	jinie@absamail.co.za		Kaart

54011950960081



INC PROSPECTING RIGHT MEETING

Application Name	Application Nr	Farm Name	PTN	Surface owner	Address	Telephony/Fax	e-mail	Signature	Comment
The Grange	1143BPR	THE GRANGE 208	1 Ptn of Ptn 7	W A S BASSON TRUST IT80/2002 AJ BASSON 5802265102081 S ROODT 6507031030870 <b>650703103087</b>	AJB: P O BOX 6003, HADISON PARK, B306 SR: HALKETT WEG 75, KIMBERLEY, B301	Workers on farm :0532040129 AJ Basson resident on farm 0827862402 for access to farm SR details: Tel: 0538332036 0822025220	sa@trioplus.co.za		
Machorogan	11441PR	MACHORGAN 106	13 (Ptn of Ptn 2)	ANDRIES JOHANNES BURGER 6904035235081	P. O. Box 29 DELPORTSHOOP B377 Address and email confirmed	Fax: 0866343416 0827701427	branus@vodamail.co.za		
Amotsdale	11445PR	ZOUTFONTEIN 166	4	ARNOTSDALE BOERDERY CC SCHOLTZ, GERT DANIEL JACOBUS aka Gerrie Scholtz	POSBUS 358, HOPETOWN, B750	H/W 0532038298 C 0836336006	esblin@nashualse.co.za		Apolog. Will not attend.
Amotsdale	11445PR	SCHOLTZFONTEIN SOUTH 165	6 VAALBOSCHLA AGTE Ptn of ptn 2	JOHANN SONNEKUS KINDERTRUST IT279/1998 Johann Wilhelm Sonnekus Frans Jacobus Lubbe Norma Stephine Sonnekus	Posbus 5 Belmont	0833143641	iwanssonnekus@webmail.co.za		
Amotsdale	11445PR	ARNOTS DALE 175	FARM	ARNOTSDALE BOERDERY CC 199703586923 No Director, but trustee SCHOLTZ, GERT DANIEL JACOBUS 7509215106082	POSBUS 358, HOPETOWN, B750	H/W 0532038298 C 0836336006	esblin@nashualse.co.za		
Scholtzfontein	11446PR	SCHOLTZFONTEIN SOUTH 165	RE	JOHANN SONNEKUS KINDERTRUST IT279/1998 Johann Wilhelm Sonnekus Frans Jacobus Lubbe Norma Stephine Sonnekus	Posbus 5 Belmont	Fax/Tel: 0532040024 0833143641	iwanssonnekus@webmail.co.za		
Scholtzfontein	11446PR	ZOUTFONTEIN 166	2	CIENDO 44 PTY LTD 201301369807 WIAAN VAN DER LINDE 7203285023084 0	P. O. Box 134, Modderivier B700	Owner Wiaan 0824545325 W 0532040042 - office Wintershoek Safaris Johnny 0824903332 Strauss 0824122106	wiaan@wintershoek.com		

Apolog; DEON JOUBERT  
MOKALA NATIONAL PARK



NC PROSPECTING RIGHT MEETING

Application Name	Application Nr	Farm Name	PTN	Surface owner	Address	Telephone/Fax	e-mail	Signature	Comment
Schollfontein	11446PR	ZOUTFONTEIN 166	3	KLEINBOERE VERENIGING TRUST IT 247/2001	I G Swiegers - currently renting the farm. Include Dahlia 509 Steynville Hopetown 8750	Include Mr Swiegers in invitation to meeting: 0828215797 0781225487 - Abram Visagie	igz@vodiamail.co.za		
Enslin West	11447PR	ENSLIN WEST CONSOLIDATED 134	RE	CIENDO 44 PTY LTD 201301369807 WIAAN VAN DER LINDE 7203285023084 0	P. O. Box 134, Modderivier 8700	W 0532040042 - office Wintershoek Safari's Johnny 0824903332 Siraus 0824122106	wiaan@wintershoek.co.za		
Klipjes Pan	11448PR	KLIPIES PAN 145	FARM	STILLEWONING FAMILIETRUST 1136/2007 Transfer Schutte Prokureurs Hopetown (Marthinus Bekker Schutte) POSBUS 137, HOPETOWN, 8750 053 203 0264 CJ Louw AP Louw	Posbus 147 Hopetown 8750	0822950218 - CJ Louw (Wife) 0828022400 - AP Louw (Husband)	ablouw@telkomsa.net	 Voodsikon Konsent Wiaan waan ADDRESS FOR YOU	
Farm 236, 7, 7 & 274	11449PR	PLAAS 236	FARM	EDWARD CHARLES LOCKYEAR 4512285028080 FORD SISTERS TRUST T301 Brian Turner 053 831 7136 - Preece & Associates - only works to 12 am Hennie Venter of Duncan & Rothman	P O BOX 10241 BEACONSFIELD 8315	H & W 0538322697 0832852360	ledlock@mti.co.za		Present at meeting with vld Hall en Venole
Farm 236, 7, 7 & 275	11449PR	PLAAS 237	FARM		PO BOX 245 Kimberley 8300	0538317136 087?	preece@kimberley.co.za		Present at meeting with vld Hall en Venole

NC PROSPECTING RIGHT MEETING

Application Name	Application Nr.	Application Farm Name	PTN	Surface owner	Address	Telephone/Fax	e-mail	Signature	Comment
Farm 236, 7, 7 & 276	11449PR	PLAAS 238	FARM	ARTHUR JAMES KENSINGTON FORD 7604155087085	P O BOX 387 BARKLY WEST B375 p/a Schietpen Farm Koopmansfontein Post Agency M. A. J. Langeveld Koopmansfontein Centra Dikgatlong Rural Northern Cape, South Africa	0828090484	0828090484 Foidpalming@ naishuense.co.za		Present at meeting with Vld Wall en Van etc.
Farm 236, 7, 7 & 277	11449PR	FARM 274	1	New Owners: JOHN ARTHUR TAPUCH Info@hardrockhunting.co.za	PO BOX 213 ULCO 8390	082 554 5910 082 55 00 914	info@hardrockhunting g.co.za		
Wolwedam	11452PR	WOLWEDAM 87	PORTION OF RE	MARAIS JOHANNES PETRUS 59030805043081	No postal address	Tenant: Frans Louw 0828046680 - contact owner for access. Owner: 0832617176	frmarais@mweb.co.za		
Wolwedam	11452PR	MIDDELDAM 88	PORTION OF FARM	ADAM JOHANNES BEKKER 4301015009002	P O BOX 3314 KIMBERLEY 8300 Pleas Vaalbos	H 0538315126 Mev Bekker 0848131778 Send email to Ds Danlelo Stolz or 0844444417	danielos@vodamall co.za		
Wolwedam	11452PR	SECRETARIS 89	PORTION OF 3	M W DE JAGER KINDER TRUST ITS9/1995	Postnet P/Bag X2 Suite Diamond 8305	MW de Jager 0824926881	mwdeljager@landelien lodig.co.za		
Likatloung	11453PR	LIKATLONG 317	RE	CENTWISE 11 CC 2001/066426/23 Representative Trustee found GREYLING, DANIEL CORNELIUS NAUDE 6603045017089	POSBUS 110008, HADISON PARK, 8306	H 0538317186 W 0538331893 C 0827752010	heid@helcom.co.za	<i>Heidi</i>	
Likatloung	11453PR	LIKATLONG 317	1	CENTWISE 11 CC 2001/066426/23 Representative Trustee found GREYLING, DANIEL CORNELIUS NAUDE 6603045017089	POSBUS 110008, HADISON PARK, 8306	H 0538317186 W 0538331893 C 0827752010	heid@helcom.co.za	<i>Heidi</i>	

NC PROSPECTING RIGHT MEETING

Application Name	Application Nr.	Farm Name	PTN	Surface owner	Address	Telephone/Fax	e-mail	Signature	Comment
Likalong	11453PR	LIKALONG 317	RE OF PORTION 2	CENTWISE 11 CC 2001/066426/23 Representative Trustee found GREYLING, DANIEL CORNELIUS NAUDE 6603045017089	POSBUS 110008, HADISON PARK, 8306	H 0538317186 W 0538331893 C 0827752010	heldi@helcon.co.za		
Likalong	11453PR	KAROLUSDRIFT 219	FARM	BAREND JACOBUS LIEBENBERG 6906045080084 (BJ Liebenberg Boerdery)	P O BOX 68 DELPORTSHOOP 8377	H/W 0535610844x Cell: 0823732169	0820920003@woda mail.co.za		WIM BOSSON IS CONTACT
Likalong	11453PR	TOWN OF DELPORTSHOOP	Town	The Municipal Manager Dikgatong Local Municipality Att: Harold Robertson AND Department of Land Affairs Att: Obed Mvula	Private Bag X5, BARKLY WEST, 8375 New Public Building, 6th Floor, Cnr Knights and Stead Street, KIMBERLEY, 8301 Confirmed	simone@dikgatong.co.za 053 531 0671 and Cell: 0824405032 Owners' letters to Municipality AND land affairs. They must state if it is unalienated state land.	OBMVULA@ruraldeve lopment.gov.za		
Pniel	11454PR	PNIEL 2B1	PORTION OF RE	National Government Of The Republic Of South Africa (Land Affairs)	New Public Building, 6th Floor, Cnr Knights and Stead Street, KIMBERLEY, 8301	No response from rural development (Kagiso) OBMVULA@ruraldevelo pment.gov.za	OBMVULA@ruraldeve lopment.gov.za		
Pniel	11454PR	NOOTGEDACHT 66	PORTION OF RE	Hail Michael Patrick	P O BOX 175 BARKLY WEST 8375	H 0538337053 C 0836464411	nooitgedacht@gmail. com		
Pniel	11454PR	PLATFONTEIN 6B	PORTION OF FARM	Uxu & Khwe Vereniging Vir Gemeenskaplike Etendom	Mario Mahonyo No address information 0828271586		nooitgedacht@gmail. com		
Welgevonden	11455PR	WELGEVONDEN B4	PORTION OF RE	ANTHONY FREDERICK MICHAEL VIGNE 3307285039000	P O BOX 11102 KIMBERLEY 8300	0832615767Wife (Jackie) -vignejackie@gmail.com 0834599142	vignem@gmail.com		


NC PROSPECTING RIGHT MEETING

Application Name	Application Nr.	Farm Name	PTN	Surface owner	Address	Telephone/Fax	e-mail	Signature	Comment
Weigevonden	11455PR	VAALBOSCH HOEK 85	PORTION OF RE	ANTHONY FREDERICK MICHAEL VIGNE 3307285039000	P O BOX 11102 KIMBERLEY 8300	0832615767Wife (Jackie) - vignejackie@gmail.com 0834599142	vignem@gmail.com		
Weigevonden	11455PR	WOLVEDAM 87	RE OF PORTION 1	TREVOR DATNOW 6002285058087	P O BOX 3565 DIAMOND KIMBERLEY 8305	H 0533735000 W 0538337004 C 0838499964	trevor@mandelsaarl.com hdatonow@gmail.com	<i>HDatonow</i>	
Farm 277, 293 & 294	11477PR	FARM 277	FARM	Dikgatong Local Municipality	Municipal Manager Mr Harold Robertson PO BOX 8375 Barkly West 8375	Tel: 053 531 0671 Fax: 053 531 0624	simons@dikgatong.co.za		
Farm 277, 293 & 295	11477PR	FARM 293	1	Dikgatong Local Municipality	Municipal Manager Mr Harold Robertson PO BOX 8375 Barkly West 8375	Tel: 053 531 0671 Fax: 053 531 0624	simons@dikgatong.co.za		
Farm 277, 293 & 296	11477PR	FARM 294	1 De Wig	Dikgatong Local Municipality	Municipal Manager Mr Harold Robertson PO BOX 8375 Barkly West 8375	Tel: 053 531 0671 Fax: 053 531 0624	simons@dikgatong.co.za		
Farm 87/88	11479PR	PLAAS 87	RE	NATIONAL GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA  Send letter to land affairs.	New Public Building, 6th Floor, Chr Knights and Stead Street, KIMBERLEY, 8301				
Farm 87/89	11479PR	PLAAS 88	RE	NATIONAL GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA  Send letter to land affairs.	New Public Building, 6th Floor, Chr Knights and Stead Street, KIMBERLEY, 8302				
Harrisdale	11480PR	HARRISDALE 226	PORTION OF RE	SPRINGFT ESTATES 1974/003208/07 SNYMAN, ABRAHAM ADRIAAN 4211305017088 SNYMAN, FREDERIK PIETER MATTHEUS 3901015013085 SNYMAN, JOHANNES HENDRIK 4707095017089 SNYMAN, WILLEM VENTER 4811265018081	Co. Address: POSBUS 19, BARKLY WES, 8375	Dir tel no: H: 0535310732 W: 0535310185 C: 0826505911 Abraham 0834117620	rinahanshamon@gmail.com	<i>Wim Basson</i> IS CONTACT.  <i>harrisdaleboerdery@gmail.com</i>	

NE PROSPECTING RIGHT MEETING

Application Name	Application Nr	Farm Name	FTN	Storboos owner	Address	Telephone/Fax	e-mail	Signature	Comment
Greiffpous	11481PR	CONSOLIDATED FARM GREIFFPUTS 169	A PORTION OF RE	ZELPY 2648 PTY LTD 200402076907 VAN ZYL, MARIA MAGDALENA 7807150026087 VAN ZYL, WILLEM SYBRAND 7303265208083	Co/Dir Address: P O BOX 32 BARKLY WEST 8375	Min. 083 627 3147 Mev 082 822 6561 H 0535610014 0761508054	bradlevrouters@gmail.com		
Greiffpous	11481PR	FARM 172	A PORTION OF RE	VAN DER WESTHUIZEN ESTATES PTY LTD 196200282607 JOHANNES BENJAMIN 5107145034003 VAN DER WESTHUIZEN, LUKAS PETRUS 7804205109083	Dir Address: P O BOX 3535 DIAMOND 8305	H 0538334414 W 0538322427 C 0834524010	anzel@westhuizen.co.za juan@westhuizen.co.za		
Greiffpous	11481PR	FARM 173	A PORTION OF FARM	NATIONAL GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA (To Land Affairs)	New Public Building, 6th Floor, Cnr Knights and Stead Street, KIMBERLEY, 8301	(Fax: 0538328137);	OBMVULA@ouraldevz@opment.gov.za		
Ferry Hoek Flat	11482PR	FERRY HOEK FLAT 108	PORTION OF THE REMAINING EXTENT OF PORTION 1	GROOTDAM TRUST					
Ferry Hoek Flat	11482PR		PORTION OF PORTION 2 (OF PORTION 1)	EUNELL TRUST IT1110/1996	P.O. Box 118 SEGUNDA 2303 eunell@telkomsa.net Owner Derek Potgieter	Mrs Jooste C: 27829674282	eunell@telkomsa.net		
Farm 233	11483PR	FARM 233	RE	ERINDALE TRUST IT125/2005 4202245020084					
Spitskop	11484PR	SPITSKOP 91	1	BAREND JOHANNES BASSON 4709305016083					
Spitskop	11484PR		11 (RE)	TWO COUSINS TRUST IT949/2011					
Spitskop	11484PR		18 (of ptn 11)	HENK VORSTER FAMILIE TRUST IT121/97					
Spitskop	11484PR		19 (of ptn 11)	HENK VORSTER FAMILIE TRUST IT121/97					
Spitskop	11484PR		10 (RE)	JOHANNES ZACHEUS GEORG BOTES 6701105024084					

NC PROSPECTING RIGHT MEETING

Application Name	Application No	Farm Name	PTN	Surface owner	Address	Telephone/Fax	e-mail	Signature	Comment
Spitskop	11484PR		RE	VREDERUS TRUST 17253/2006					
Spitskop	11484PR	FARM 90	2 NOOTGEDAG	MARBLE AUTO ELECTRIC CC 81989/037303/23 MARIUS JOHAN STASSEN 59122125120008 PHILIPUS JACOBUS STASSEN 5608295109008	Cc: POSBUS 533, MARBLE HALL, 0450 PJ: P O BOX 495 JAN KEMPOORP 8550 Members POSBUS 790, MARBLE HALL, 0450	P: H/W 0534010772 0845805985	admin@sunfox73.co.za	 S.W. J. Jacobs attorney for OWILCOF.	
Spitskop	11484PR	FARM 90	3 SO-VER	DANIEL JOHANNES SWAN 5812125169089	P O BOX 135 BARKLY WEST 8375	H 0532981536 W 0535510276 0829482190	diamond@vodamail.co.za		
Spitskop	11484PR	SPTSOP 91	2(RE)	DANIEL JOHANNES SWAN 5812125169089	P O BOX 135 BARKLY WEST 8375	H 0532981536 W 0535510276 0829482190	diamond@vodamail.co.za		
Pniel X508	11485PR	PNIEL 281	PORTION OF RE	National Government Of The Republic Of South Africa	New Public Building, 6th Floor, Chr Knights and Stead Street, KIMBERLEY, 8301	Waiting response van rural development (Kagiso)	OBMVL@ruraldevle goment1607.za		
Pniel X512	11486PR	PNIEL 281	PORTION OF RE	National Government Of The Republic Of South Africa		Waiting response van rural development (Kagiso)			

W. Basson. Kabales Duij. 0786103569. South Lemas basson.marby5@gmail.com.  
A.J. Bekker Vaalbos 0848131778 Posbus 3314 Diamant Kimberley tel./faks 0533315126

F

# Introduction to Diamond exploration

## DE BEERS CONSOLIDATED MINES LIMITED

### AN INTRODUCTION TO DIAMOND EXPLORATION

Diamond exploration is conducted in accordance with a structured work programme, the objective of which is to locate and assess diamond deposits. All personnel are fully trained and have wide experience of their duties. All work is undertaken in accordance with the ISO 14001 certification De Beers RSA Exploration has held for its Environmental Management System since April 2001 and in compliance with the company's Environmental, Community, Occupation Health and Safety policies and procedures, as well as relevant legislation. Work is further regulated by the legally binding approved Environmental Management Plan which is specific to each area of land being explored. To ensure that land owners / occupiers are fully informed of the scope of work to be undertaken, they must be consulted prior to and during each phase of physical prospecting and access arrangements agreed upon.

Kimberlite, the primary host rock of diamond, is a volcanic rock, which occurs randomly and is not specific to any discrete host (country) rock lithology. Furthermore, because of erosion, kimberlites may have no surface expression and in many instances are hidden beneath surficial cover (e.g. sand, scree and calcrete) which can reach many meters in thickness. Consequently, exploration programmes must be structured accordingly and commence with a reconnaissance phase involving geophysical surveying and/or sampling of surface material.

Prospecting for kimberlite is a dynamic, results driven operation which proceeds in phases, the outcome of which cannot be predicted or predetermined. Except for the reconnaissance phase, the execution and scope of each subsequent phase is dependent on the results of earlier phases. The results of the reconnaissance work will indicate the areas over which the subsequent phases of more detailed work are required. These subsequent (follow-up) phases can include further soil sampling, geophysical surveys, pitting/trenching and/or drilling.

If kimberlite is found and appears of interest in terms of its size and potential diamond content, this initial work is followed by first stage bulk sampling as well as activities such as detailed drilling and further bulk sampling (pitting/trenching and/or drilling) to gather the additional information required in support of mining feasibility studies. The sites for the follow-up phases of work cannot be identified in advance nor can the phases be quantified in advance.

Because of the time required to treat samples and to interpret their results, as well as to plan, schedule and resource the follow-up phases of work required, the phases of work will not follow directly after one another.

If required, soil samples will be collected within a 30m radius per sample from areas not drained by streams, with up to 30 litres of both surface and sub-surface material (to 20 cm depth for geochemical samples) collected. Vehicle access is limited and most of the sample sites are accessed on foot by 2 man sampling teams. Soil samples are normally spaced on a 1 km to 500m grid for reconnaissance work, but the grid might have to be reduced to between 300m and 50m for any follow-up work. Minimal, temporary, disturbance is caused to the environment by soil sampling and there are no lasting impacts.

Reconnaissance stream samples will be collected from sections of streams known as trap sites which may comprise boulders, rock barriers, potholes etc that have the ability to slow down and



trap heavy minerals. The volume of the sample is dependent on the catchment area. The sites are dug to depths of not more than 1 m to access any heavy minerals that might have settled to the bottom of the trap site. The field teams (of 2 to 4 persons), will rehabilitate all stream sample sites after collecting the samples and equilibrium is restored by the natural water flow. Minimal, temporary, disturbance is caused to the environment by stream sampling and there are no lasting impacts.

Any rocks that are suspected to be kimberlite will be collected alongside stream and soil samples for petrographic studies. These samples will normally be collected by using geological hammers and would not exceed 2kg in mass. The process has no significant impact on the natural environment.

The processing of soil and stream samples will have no impact on the natural environment as it is performed off site at a centralised facility located in Johannesburg, where the samples are concentrated and the resulting heavy mineral concentrate acid-cleaned. This facilitates visual sorting of the concentrates to pick any kimberlitic indicator minerals present at De Beers' heavy mineral sorting laboratory in Johannesburg. Geochemical samples are analysed at a commercial laboratory.

Geological mapping of possible areas of interest is carried out in conjunction with ground geophysical surveys (e.g. magnetometry, electro-magnetic methods, and gravity). Geological mapping has no impact on the natural environment.

Geophysical surveys may be conducted by air (using light aircraft or helicopters) or on the ground. Before airborne surveys are flown, surface owners & occupiers will be informed through local radio stations, police stations and other available channels of survey area(s) and specifications. Contact information will be provided in the event surface owners have any queries or to lodge complaints.

Methods of ground geophysical survey site marking shall be by means of temporary wooden pegs, which are to be removed once the survey has been completed. Occasionally, a single semi-permanent marker will be required to mark the position of a survey for future reference. A single steel fence dropper, cemented in the ground, will be used for this purpose. Survey areas will vary between 500m X 500m to 4km X 4km depending on the inferred size of any target. Survey lines will be spaced at a maximum of 100m and readings will be taken at a minimum of 5m intervals along the lines. Geophysical surveys are carried out on foot, usually by teams consisting of 2 persons. All geophysical instruments are powered by re-chargeable batteries. Geophysical surveying has minimal impact on the natural environment.

Should the prospecting techniques described above indicate that there are possibly kimberlites on the property, pitting/trenching and/or small diameter drilling (e.g. 165mm) will be conducted to test for their presence and economic potential. Excavations (trenches and pits) will be sited on a practical basis, in consultation with the land owner/occupier. The dimensions of such trenches and pits shall be limited to the minimum required to achieve the desired results and within regulated specifications/standards. Trenching and/or pitting are suited to resolving of any shallow targets that might be identified and for extracting bulk samples from kimberlites discovered under shallow cover. Pitting and/or trenching for the purposes described may be created manually or using light earthmoving equipment. All sites are fenced prior to the start of excavation work. The fencing remains in place until the sites have been successfully rehabilitated. Impact is limited to the immediate natural environment and is temporary.

Percussion drilling will be carried out on indicator mineral or geophysical anomalies to test for the presence of kimberlite where overburden thickness or local conditions make pitting and/or trenching impractical. The holes may be vertical or inclined, usually at a maximum angle of 60 degrees to the horizontal. The borehole depth will be determined by the geologist and will depend on the type of anomaly and the geological conditions, including overburden.

Core drilling will usually only be conducted if kimberlite is discovered. The diameter of core drilled does not usually exceed 120mm and is determined by such factors as cost, proposed core sampling and purpose. Core holes might be used as pilots for large diameter holes. Core holes allow more accurate determination of the geology of the kimberlite.

Small diameter percussion and core drilling normally uses a truck or trailer mounted rig and compressor, each with its own diesel generated power. No local power source is used. Small diameter percussion drilling is short term, and drilling at any anomaly is usually completed in 2 weeks or less, with core drilling taking up to 2 months, but this is target dependent.

Small diameter drilling has no lasting impact on the natural environment; disturbance is restricted to small, localized, areas. Drill holes containing water can be left open for the benefit of the land owner/occupier provided a form indemnifying the Company is signed by the land owner/occupier.

Large diameter drilling (LDD) up to 600mm diameter, is used for bulk sampling and is the preferred method when there is the need to sample deeper than is practical by means of pitting and/or trenching. The diameter and depth of the boreholes drilled will be determined by such factors as cost, proposed bulk sampling, availability of drilling machines, and the volume of sample required. LDD will take place after small diameter drilling.

LDD rigs and compressors are truck mounted, each with its own diesel generated power. Samples generated (drill chips) are de-slimed on site using a mobile screen and the resultant product discharged directly into bulk bags for transport to a sampling plant either at a central facility in Johannesburg or at a nearby site, dependent on the amount of sample processing to be carried out. Water used in the de-sliming process is recycled using a system of plastic lined earth dams and/or 'portapools'. No local power source is used.

LDD is short term, drilling on any kimberlite is usually completed in 3 months or less but is dependent on the size and morphology of the kimberlite and weight of samples required. LDD has no lasting impact on the natural environment; disturbance is restricted to localized areas, but is greater than that of small diameter drilling.

G

Access and Use agreement

**RIGHT OF ACCESS, USE AND COMPENSATION  
AGREEMENT FOR PROSPECTING**

between

\_\_\_\_\_

Identification No. \_\_\_\_\_ / Registration No. \_\_\_\_\_

(hereinafter referred to as "**the Surface Owner**")

represented by \_\_\_\_\_ in his capacity as \_\_\_\_\_, having been duly  
authorised thereto by virtue of \_\_\_\_\_

(in the case of companies, trusts and close corporations)

and

**DE BEERS CONSOLIDATED MINES PROPRIETARY LIMITED**

Registration No. 1888/000007/07

(hereinafter referred to as "**De Beers**")

Represented by \_\_\_\_\_ and \_\_\_\_\_ in

their respective capacities as a Director and a nominee of the Secretaries (De Beers Group  
Services Proprietary Limited) of De Beers and duly authorised thereto by virtue of a  
resolution dated 2 August 2004

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## NOW THEREFORE IT IS AGREED AS FOLLOWS:

### 1. Introduction

The parties record the following:

- 1.1 The Surface Owner is the registered owner of \_\_\_\_\_ situated within the district of \_\_\_\_\_ of the \_\_\_\_\_ Province (hereinafter referred to as "**the Property**").
- 1.2 De Beers has applied to the Department of Minerals Resources (hereinafter referred to as the "**DMR**") for a prospecting right, in terms of Section 16 of the Mineral and Petroleum Resources Development Act No. 28 of 2002 (hereinafter referred to as the "**MPRDA**"), for diamonds (Kimberlite, Alluvial, General) over the Property under application number \_\_\_\_\_ PR.

### 2. Access

- 2.1 The Surface Owner of the Property undertakes to grant De Beers access to the Property, subject to the following conditions:
  - 2.1.1 that De Beers undertakes to limit its prospecting operations in respect of such areas that the Parties may agree to; and
  - 2.1.2 that De Beers undertakes to timeously consult with Surface Owner and complete its prospecting operations in every respect within the duration of the prospecting right and any extension thereof and in accordance with its approved Prospecting Work Programme, and the further terms and conditions of this Agreement.

### 3. Primary Obligations

- 3.1 De Beers agrees to at all times comply with all applicable laws and regulations, (including but not limited to Section 38 of the MPRDA and any amendment thereof) with the conditions to which any prospecting right in respect of the Property may be subject, with the directions of any competent statutory authority and with the provisions of the approved Environmental Management Plan

(hereinafter referred to as the "EMP").

- 3.2 De Beers must minimise disturbances of the environment (especially vegetation), domestic and wild animals on the Property and of the farming operations on the Property and, where necessary, unavoidable impacts must be mitigated as far as possible.
- 3.3 De Beers must ensure that all sumps and boreholes are dealt with in accordance with the EMP. If during prospecting operations any sumps and / or boreholes are left open, De Beers will at its own cost ensure that they are securely fenced off to the satisfaction of the Surface Owner, to prevent injuries to persons and animals.
- 3.4 De Beers shall make available a copy of its annual performance assessment of the EMP ("the Assessment Report") to the Surface Owner on request, and only after the Assessment Report has been submitted to the DMR.
- 3.5 On completion of prospecting De Beers shall ensure that surface disturbances on the Property are rehabilitated in accordance with the provisions of this Agreement, the EMP, the directions of any competent statutory authority and all relevant statutory requirements.
- 3.6 A closure certificate (referred to in Section 43 and Regulation 57 of the MPRDA) must be applied for by De Beers within One Hundred and Eighty (180) days following the lapsing, abandonment, cancellation, cessation, relinquishment or completion of the prospecting right.
- 3.7 Appropriate arrangements must be provided by De Beers to the Surface Owner to regulate the impact of prospecting operations on the Surface Owner's farming operations.

#### **4. Scope of Work**

- 4.1 The scope of work shall be in accordance with the initial work programme and EMP. The Surface Owner will receive a copy of the EMP.
- 4.2 Under no circumstances will any work which goes beyond the above scope be conducted until an appropriate written amendment of this Agreement has been

concluded.

- 4.3 All operations must be carried out by De Beers in accordance with generally accepted standards of efficiency and safety for operations of a similar nature.

## **5. Compensation**

- 5.1 In respect of each calendar month, or part thereof, during which De Beers is actually on the Property with its employees, vehicles, machines and equipment to materially carry out its operations upon the surface of the property (and which exclude the functions referred to in clause 5.2 below) De Beers shall within 30 (THIRTY) days after delivery of accurate tax invoices, pay to the Surface Owner an amount equal to R10 000.00 (TEN THOUSAND RAND) plus VAT, in full and final compensation to the Surface Owner for all disturbances by De Beers, which shall include:

- 5.1.1 the temporary loss of use of that portion of the Property on which De Beers' work is performed;

- 5.1.2 for the destruction of vegetation on the Property which may be reasonably derived from De Beers' operations;

- 5.1.3 the use of existing roads and tracks on the Property as well as for new tracks, reasonably required for the purposes of its functions by De Beers on the Property, which may be routed;

- 5.1.4 for the inconvenience and disruption of normal farming activities the Surface Owner may suffer, and for any incidental expenses that the Surface Owner may incur in connection therewith.

- 5.2 Under no circumstances shall the compensation mentioned in 5.1 to the Surface Owner refer to calendar months during which only surveys in the air above the Property and/or geophysical and other surface surveys on the Property in accordance with generally accepted procedures for such surveys (including the use vehicles) be payable, as such functions will cause no significant disturbance of the surface of the Property.



- 5.3 In addition to the compensation mentioned in 5.1, De Beers will compensate the Surface owner for any damage caused by an act or omission on the part of De Beers which may be caused to any fixed improvements or movable property of the Surface Owner on the Property.
- 5.4 De Beers will not be obliged to pay any compensation to the Surface Owner until the Surface Owner has completed and handed over to De Beers a copy of the form, attached to this Agreement marked Annexure "A".
- 5.5 Any compensation payable by De Beers to the Surface Owner shall be paid by Electronic Funds Transfer to an account to be designated by the Surface Owner at the time.

## **6. Vehicles**

Any vehicles or equipment that break down on the Property must be within a reasonable time, repaired or removed from the Property.

## **7. Roads, Fences and Gates**

- 7.1 Existing roads and tracks must be used wherever possible.
- 7.2 Where no tracks are available, off-road driving must be kept to a minimum and the same track must be used for entering and leaving prospecting sites.
- 7.3 Access to the Property must be through the existing gates in the boundary fences and no additional means of access to the Property through the boundary fences may be made by De Beers unless agreed to by the Surface Owner.
- 7.4 De Beers may install, at its cost, permanent standard livestock-proof gates in the internal fences on the Property in accordance with good farm gate and fencing practice, provided that the location of each such gate shall be determined by De Beers after consultation with the Surface Owner.
- 7.5 Vehicles must be restricted to specific turning circles and passing areas, which must be kept to a minimum, particularly at drilling sites.
- 7.6 Vehicle routes must where practicably possible avoid sensitive areas such as

drainage lines and sandy slopes.

7.7 Access gates will always be left in their original open or closed positions.

## 8. Drilling

8.1 Clearing of vegetation must be kept to a minimum and low vegetation must be cut with a blade above ground to retain topsoil and root stock.

8.2 Designated turning circles and sample batching stations must be established and restricted to the minimum.

8.3 If borehole samples are to be collected for logging these must be placed directly into polythene bags.

8.4 On completion of the drilling programme all samples must be removed.

8.5 All open boreholes left unattended must be temporarily covered in a manner that will eliminate any danger to animals or people.

8.6 De Beers must immediately notify the Surface Owner of the location of any borehole that in the opinion of De Beers is sufficiently water-bearing so as to be of possible use to the Surface Owner.

8.6.1 Provided that the requirements of the Surface Owner for water on the Property shall at all times take precedence and provided that De Beers has first obtained the necessary statutory authority to do so, De Beers may extract water from such borehole for use in connection with De Beers' prospecting programme; and

8.6.2 If requested to do so by the Surface Owner, De Beers must leave such borehole intact and the Surface Owner shall bear the responsibility of capping or otherwise making such borehole safe, provided that the Surface Owner signs a copy of the indemnity form required by the DMR.

8.7 On completion of drilling, but subject to clause 8.6, each borehole must be backfilled with the excavated material.

- 8.8 In cases where a borehole is not to be left open:
- 8.8.1 De Beers must cap the borehole with a steel plate or concrete slab at least 500mm below surface and the previously stored topsoil must be reinstated; and
  - 8.8.2 the drill chips and other excavated material must be buried by De Beers and covered with topsoil to a depth of at least 200 mm.
- 8.9 Water coming out of the hole whilst drilling will be directed away from the rig and left to flow in a controlled manner into the veld.
- 8.10 All drilling fluids or additives must be bio-degradable.
- 8.11 Precautions must be taken to avoid pollution by fuel, hydraulic oils and transmission fluids.
- 8.12 The waste management procedures for campsites must be applied.

## **9. No Campsite**

No person may be accommodated on the Property by De Beers.

## **10. Fire**

- 10.1 The burning-off of any grass or vegetation is strictly prohibited.
- 10.2 All necessary precautions must be taken against the outbreak of fire.
- 10.3 De Beers must provide all De Beers' domestic fuel requirements and the cutting or gathering of firewood is strictly prohibited.
- 10.4 No fires may be made on the Property by De Beers (either for domestic or for any other purposes).
- 10.5 De Beers hereby indemnifies the Surface Owner against all damage and loss that

they may suffer and against all claims that may be made by any person against the Surface Owner for any loss or damage sustained:

- 10.5.1 as a result of fire caused by De Beers or any employee or representative approaching or entering the Property by virtue of De Beers' presence on the Property (excluding the Surface Owner); or
- 10.5.2 as a result of the spread of any fire referred to in clause 10.5.1 from the Property onto any other properties.

## **11. Pollution control**

- 11.1 Environmentally friendly agents will be used in the chemical toilet (specified in the EMP for use during drilling) to biodegrade the waste material. Contents of the toilet will be disposed of in a pit when the drill site is vacated (final depth of 50cm) with sufficient agents to complete biodegradation, or removed from site for disposal at an approved sewerage facility. Topsoil and subsoil will be kept and replaced into the pit separately.
- 11.2 Except for De Beers' drilling rig and associated equipment, the servicing of vehicles on the Property is prohibited.
- 11.3 Precautions must be taken to avoid the spillage of fuel and oils or any other form of soil contamination or pollution (for example, through the use of drip trays).
- 11.4 All general waste, industrial waste, used oil and similar products arising out of the necessary servicing of equipment (other than vehicles) on the Property must be collected and removed from the Property to a recognised disposal facility and under no circumstances may any rubbish, oil, fuel, waste or effluent from equipment be disposed of on the Property.
- 11.5 Any hydrocarbon and other chemical spills must be contained and must be dealt with immediately either by cleaning or by removal of the contaminated ground from the Property for disposal by De Beers at a certified hazardous waste disposal site.
- 11.6 Littering of any kind is strictly prohibited.

- 11.7 All vehicles, equipment and other assets belonging to De Beers must be removed from the Property upon completion of the operations.

## **12. Water**

De Beers may use municipal water provided by itself in a bowser for drinking and sample washing purposes or De Beers may, as indicated in the EMP and if approved by the relevant statutory authorities, draw ground water from the Property if agreed to by the Surface Owner. If the Surface Owner has approved such use, then De Beers shall compensate the Surface Owner at a cost of R25.00 plus VAT per cubic meter as drawn by De Beers.

## **13. Employees and Contractors**

- 13.1 If requested to do so by the Surface Owner, De Beers must furnish the full names, identity number and residential address of each person who will be involved in the prospecting operations on the Property.
- 13.2 All employees and any other persons brought by De Beers onto the Property must at all times be kept under proper supervision.
- 13.3 No casual visitors or persons not directly concerned with De Beers' *bona fide* prospecting operations on the Property will be permitted to enter the Property.
- 13.4 No employees, representatives or contractors of De Beers shall wander about on the Property or do anything on the Property not directly connected with the proper conduct of De Beers' operations.
- 13.5 No cats or dogs or other domestic or exotic animals, birds or reptiles, or any exotic plants, may be brought onto the Property.
- 13.6 The hunting or snaring or disturbance of livestock or wild animals, birds or reptiles is strictly prohibited and no plant of any kind may be removed from the Property.
- 13.7 De Beers must thoroughly brief employees on all the requirements of this Agreement before the commencement of operations on the Property.

## 14. Inspection

- 14.1 The Surface Owner will at all times be entitled to inspect the operations on the Property in order to ensure compliance with this Agreement. In view of the fact that the prospecting activities contemplated in this Agreement will be governed by the MPRDA and its regulations as well as the Mine Health and Safety Act, 1996 and its regulations, all persons visiting the sites at which prospecting activities are being conducted will be required to adhere to such regulations in every respect.
- 14.2 Any party to this Agreement shall be provided with at least 14 (FOURTEEN) days prior written notice of a request to a site meeting.
- 14.3 The site meeting referred to in 14.2 to discuss any aspect of the De Beers prospecting shall be a *bona fide* attempt to resolve any conflict between the parties.

## 15. Indemnity

- 15.1 De Beers will enter the Property and conduct the prospecting operations at De Beers' sole risk.
- 15.2 De Beers hereby indemnifies the Surface Owner against and undertakes to compensate him/her for:
- 15.2.1 All loss, liability, damage and expense which the Surface Owner may suffer as a result of any wilful or negligent act or omission on the part of De Beers or any person (other than the Surface Owner) approaching or entering the Property by reason of De Beers' presence on the Property; and
- 15.2.2 All claims against the Surface Owner as a result of damage to or the loss of any assets or the injury or death of any person caused by any wilful or negligent act or omission on the part of De Beers or any person (other than the Surface Owner) approaching or entering the Property by reason of De Beers' presence on the Property.

## 16. Dispute Resolution/Arbitration

Should any dispute arise in respect of this Agreement it must be referred to an adjudicator agreed on by the **Parties**. If the **Parties** fail to agree upon an adjudicator they must request the Secretary of the Arbitration Foundation of Southern Africa to nominate an adjudicator who will act as an arbitrator.

**17. General**

- 17.1 Nothing in this Agreement will prejudice the rights that the Surface Owner may have or acquire as landowner under the provisions of any statute.
- 17.2 Nothing in this Agreement will prejudice the rights that De Beers may have or acquire as prospecting right holder under the provisions of any statute.
- 17.3 No amendment or cancellation of this agreement and no waiver by the Surface Owner of any rights under this agreement will be valid unless reduced to writing and signed by both parties.
- 17.4 No indulgence or concession shall be allowed by either party to the other party, unless reduced to a further signed written agreement.
- 17.5 The clause headings are for convenience only and must not be used in the interpretation of the agreement.

**18. Domicilium and Contact Addresses**

- 18.1 All notices to be addressed to the Surface Owner and De Beers in connection with this Agreement must be addressed to:

**The Surface Owner:** .....

.....

.....

**De Beers:** .....

.....

.....

where the parties choose *domicilium citandi et executandi* for all notices and legal

process in connection with this Agreement.

18.2 All such written notices will in the absence of proof to the contrary be deemed to have been received by the addressee within six (6) days after the date of posting thereof.

18.3 A notice to any Party which is delivered to the Party by hand at that address shall be deemed to have been received on the day of delivery.

18.4 For ease of communication between the parties, their relevant telephone and postal addresses are as follows:

**The Surface Owner:** Telephone: .....  
 Cell: .....  
 Fax: .....  
 Postal Address: .....  
 .....  
 .....  
 e-mail address: .....

**De Beers:** Telephone: 053 839 4243  
 Cell: .....  
 Fax: 053 839 4250.  
 Postal Address: P O Box 616  
 Kimberley  
 8300  
 e-mail address:  
 prospecting.rights@debeersgroup.com

18.5 The parties hereto may change their *domicilium* from time to time, provided that any new *domicilium* selected by them must be situated in the Republic of South Africa, and any such change will only be effective upon receipt of notice in writing by the other party of such change.



18.6 Notwithstanding anything to the contrary in this agreement, any notice actually received by one of the parties from the other will be an adequate notice of communication to such party notwithstanding that it was not sent or delivered at the party's chosen *domicilium citandi et executandi*.

SIGNED at \_\_\_\_\_ on \_\_\_\_\_ 2014

AS WITNESSES:

Surface owner

1. \_\_\_\_\_

2. \_\_\_\_\_

Name printed \_\_\_\_\_

SIGNED at \_\_\_\_\_ on \_\_\_\_\_ 2014

AS WITNESSES: for DE BEERS CONSOLIDATED MINES PROPRIETARY LIMITED

1. \_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_  
**DIRECTOR**

\_\_\_\_\_  
**NOMINEE OF THE SECRETARIES**

**De Beers Group Services (Pty) Ltd**