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SPHK Kundalila Pty) Ltd  
Registration Number 1949/033856/06  
PO Box 257  
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7435

13 September 2018

Attention: Mr. Jeremy Petter-Bowyer

**RE: QUARRY AGREEMENT IN TERMS OF THE MINING PERMIT APPLICATION ON A PORTION OF PORTION 2 (REMAINING EXTENT) OF THE FARM AROAMS 57, REGISTRATION DIVISION OF NAMAQUALAND RD, NORTHERN CAPE PROVINCE (REF NO: NC 30/5/1/3/2/10714MP)**

Lime Sales Limited (Pty) Ltd has applied for a mining permit for the mining of aggregate on a portion of Portion 2 (Remaining Extent) of the farm Aroams 57, Registration Division of Namaqualand RD, Northern Cape (Reference: NC 30/5/1/3/2/10714MP).

The Department of Mineral Resources requires technical arrangements be made for the co-existence of holders and applicants for permits for minerals on the same land. SPH Kundalila (Pty) Ltd (SPHK) hold a mining permit (MP 003/2015) for the mining of aggregate on the above mentioned property that Lime Sales Limited has recently applied on.

**Purpose:**

The signing of an agreement between SPHK and Lime Sales for the shared use of Portion 2 (Remaining Extent) of the farm Aroams 57 for the purpose of aggregate mining.

**Technical Arrangements:**

1. Area of Responsibility:

- SPHK holds responsibility for their 5 ha mining area approved under permit number MP 003/2015, which falls within the following GPS coordinates:

- |    |             |             |
|----|-------------|-------------|
| A. | 29.169553°S | 18.992846°E |
| B. | 29.169052°S | 18.993908°E |
| C. | 29.169579°S | 18.995679°E |



- D. 29.16989°S      18.99388°E
- E. 29.17065°S      18.9941°E
- F. 29.170568°S      18.995545°E
- G. 29.171142°S      18.995961°E
- H. 29.171835°S      18.992985°E

- Lime Sales will be responsible for the 5 ha mining area, should it be approved, which falls within the following GPS coordinates:

Decimal Degrees	Degrees; Minutes: Seconds
▣ A – 29.169714°S; 18.991503°E	▣ A 29°10'10.97"S 18°59'29.41"E
▣ B – 29.169424°S; 18.993927°E	▣ B 29°10'9.93"S 18°59'38.14"E
▣ C – 29.169963°S; 18.993924°E	▣ C 29°10'11.87"S 18°59'38.13"E
▣ D – 29.169816°S; 18.994834°E	▣ D 29°10'11.34"S 18°59'41.40"E
▣ E - 29.170214°S; 18.994001°E	▣ E 29°10'12.77"S 18°59'38.40"E
▣ F - 29.170657°S; 18.994091°E	▣ F 29°10'14.37"S 18°59'38.73"E
▣ G - 29.170624°S; 18.994532°E	▣ G 29°10'14.25"S 18°59'40.31"E
▣ H - 29.171368°S; 18.994995°E	▣ H 29°10'16.92"S 18°59'41.98"E
▣ I - 29.171830°S; 18.992989°E	▣ I 29°10'18.59"S 18°59'34.76"E
▣ A – 29.169714°S; 18.991503°E	▣ A 29°10'10.97"S 18°59'29.41"E

- Beacons will be placed on the corners of the approved mining areas of both SPHK and Lime Sales to ensure all parties on site are aware of the areas of responsibilities.

2. Access to site:

- Both SPHK and Lime Sales will make use of the existing access road to the mining area.
- SPHK will be responsible to maintain the access road and do dust suppression on the road when necessary.
- The contractors of both parties will be responsible to keep the farm gates of the landowner closed at all times.

3. Stockpile area:

- The existing stockpile and processing area at the site is currently utilized by SPHK for the storage of their material.
- Lime Sales will use the same stockpile and processing area.

4. Mining infrastructure:

- The mining infrastructure including, but not limited to, the crusher plants, containers for office and storage purposes and mining vehicles of Lime Sales will operate and be stored within the boundaries of their current processing area.

- Lime Sales will establish their crusher and screen plants, offices and parking area within the boundaries of their current processing area.
5. Dust suppression:
- Both parties will be responsible for the implementation of dust suppression measures within their approved mining areas.
  - Lime Sales will be responsible for the dust suppression measures on the access road to the site.
6. Noise management:
- Both parties will be responsible to ensure that employees and staff conduct themselves in a respectable manner while on site.
  - All mining vehicles will be equipped with silencers and maintained in a road worthy condition in terms of the Road Transport Act.
7. Blasting:
- Both parties undertake to inform the other at least a week in advance of each blasting event.
  - The blasting notification will be in writing and receipt must be acknowledged by the other party.
  - Both mining areas that of SPHK and Lime Sales will be evacuated prior to a blast and staff will only return to their work once the area has been declared safe by the blaster.
8. Fencing:
- Should any fencing be removed the party that wish to remove or alter the fence will first obtain approval from both the landowner as well as the other mining company.
9. Water use:
- SPHK currently obtains process water from a borehole on the farm that is stored in reservoirs.
  - Lime Sales will also obtain the process water needed for their mining activities from these reservoirs.
  - The borehole has a pump with meter. SPHK and Lime Sales will establish a water tally sheet to record the water amounts extracted from the borehole.
10. Rehabilitation:

- Both parties will be responsible to fully rehabilitate their respective mining areas as stipulated in the approved EMP's of the sites.

**Timeframe:**

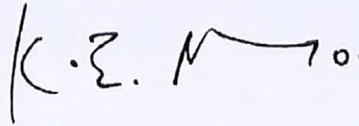
This agreement is valid for a period of five years from the approval of the mining permit (Reference: NC 30/5/1/3/2/10714MP) of Lime Sales on the property.

SIGNED at SPH ..... on the 11th day of December ..... 2018

AS WITNESSES

1. 

2. ....

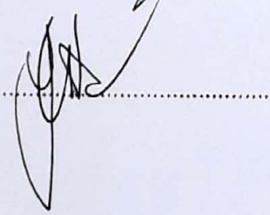


\_\_\_\_\_  
Lime Sales Limited

SIGNED at SPH ..... on the 10 day of January ..... 2018<sup>9</sup>

AS WITNESSES

1. 

2. 



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SPH Kundallia (Pty) Ltd