Mining Work Programme

Rheebok Employee Trust

Lodgement for a mining right

(Lodgement for a mining right in terms of the Mineral And Petroleum Resources Development Act, (Act 28 Of 2002)

In terms of regulation 11

The Mining of Clay on Portion 16 of the Farm Rheeboksfontein 142 in the Magisterial district of Mossel Bay.

Prepared by

frank@femcotech.co.za  072 600 2048
Table of Contents

A.  Full Particulars of Applicant ................................................................................................................................................. 3
B.  Land & Mining Area Regulation 2 (2) ........................................................................................................................................ 1
C.  Registered Description of the Land/Area .............................................................................................................................. 1
D.  Detailed description of the identified Mineral Deposit ........................................................................................................ 1
    1. Mineral to be mined ......................................................................................................................................................... 1
    2. Location of the Deposit ....................................................................................................................................................... 2
        2.1 GEOLOGICAL STRUCTURE, SIZE AND DEPTH DEPOSIT ........................................................................... 2
        2.2 SIZE AND DEPTH OF THE DEPOSIT ......................................................................................................................... 3
    3. Resources/Reserves .............................................................................................................................................................. 1
E.  Details of the Market for, the market requirements & pricing in respect of the mineral ................................................................. 1
F.  Time frames & scheduling of implementation phases, technically .......................................................................................... 2
G.  Finance Plan ............................................................................................................................................................................ 3
    i. Regulation 11 (1) (g) (i) details & costing of the mining technique, ................................................................................... 3
        3.1 MINING TECHNIQUE .................................................................................................................................................. 3
        3.2 MINING TECHNOLOGY ................................................................................................................................................ 4
        3.3 PRODUCTION RATES .................................................................................................................................................... 7
    ii. Regulation 11 (1) (g) (ii) Detail of The Technological Process Of “Extraction” ................................................................. 1
        3.4 THE BENEFICIATION PROCESS .................................................................................................................................... 1
    iii. Regulation 11 (1) (g) (iii) Costing Of The Technical Skills And Expertise ................................................................. 1
        3.5 TECHNICAL SKILLS AND EXPERTISE ........................................................................................................................... 1
    iv.  Regulation 11 (1) (g) (iv) Details and costing of regulatory requirements ........................................................................... 3
    v.   Regulation 11 (1) (g) (v) Details regarding other relevant costing, capital ................................................................. 3
        3.6 Capital Expenditure ............................................................................................................................................................ 3
    vi.  Regulation 11 (1) (g) (vi) A detailed cash flow forecast and valuation, ................................................................................ 4
        3.7 CASH FLOW FORECAST .................................................................................................................................................. 4
        3.8 ROYALTY PAYMENTS ....................................................................................................................................................... 4
        3.9 SOCIAL RESPONSIBILITY (SOCIAL AND LABOUR PLAN) ................................................................................................. 5
    3.10 ENVIRONMENTAL IMPACT ASSESSMENT ....................................................................................................................... 5
    3.11 ENVIRONMENTAL MANAGEMENT PROGRAMMES (REHABILITATION) ........................................................................ 5
    3.12 OTHER REGULATORY COSTS ........................................................................................................................................... 6
    3.13 MEETING MINING CHARTER AND BEE REQUIREMENTS ............................................................................................... 6
    3.14 EXPECTED ANNUAL REVENUE FROM THE OPERATION ................................................................................................. 6
    vii. Regulation 11 (1) (g) (vii) Details regarding the applicant’s resources or ............................................................................ 6
        3.15 MECHANISMS AND RESOURCES TO FINANCE MINING OPERATION ........................................................................ 6
    viii. Regulation 11 (1) (g) (viii) Provision For The Execution Of The Social And Labour Plan ................................................ 7
H.  Undertaking to adhere to the proposals set out in the mining work programme ................................................................. 8
Annexures

Annexure A I Cash Flow Analysis.
Annexure B I Rheebok Employees Trust Deed.
Annexure C I Take off agreement between Rheebok Holdings (PTY)
           & Rheebok Employee Trust
Annexure D I Clay Resources/Reserves
Annexure E I Mining production schedules.

Figures

Figure 1: Co-ordinated plan i.t.o Regulation 2 (2) .............................................................. 1
Figure 2: Locality Plan ............................................................................................................. 2
Figure 3: Regional Geological Map .......................................................................................... 3
Figure 4: Aerial photograph of the intended mining site............................................................... 1
Figure 5: Mineral Resource Plan ................................................................................................ 1
Figure 6: Mining Layout Plan ..................................................................................................... 1
Figure 7: Technical Skills & Expertise .......................................................................................... 2

Photos

Photo 1: Bench mining methodology ........................................................................................ 4
Photo 2: Stockpiling of overburden ............................................................................................. 4
Photo 3: Mining Method. Ripping of clay and Laterite footwall .................................................... 5
Photo 4: Mining Method: Down dip scraping of Clay and Laterite at 20 – 25 degrees .................. 5
Photo 5: Mining Method; Loading of Clay and Laterite and transporting to stockpile ..................... 6
Photo 6: Overall view of proposed mining with concurrent rehabilitation .................................... 6
Foreword to the Mining Work Programme

As it is required by the Act to prepare and present the Mining Work Programme at the beginning of the application process, together with the application, this programme has covered all aspects required of it by the Act and Regulation 11(1).

As such, the Mining Work Programme illustrates the extent, nature and methodology of the intended work but the applicant is aware that the programme will be further informed during the application process by the following:

- Environment assessment of the site based on the recommendations of the Environmental audit.
- Any further requests which the DME may wish to set or further detail that the DME may want to have contained within the Mining Work Programme during its incorporation with the Environmental Management Programme.

The applicant is therefore committed to incorporating such changes and details as may be required prior to granting of the mining right, in response to the natural environment, the community and the further requests of the DME.

While the applicant and compilers of the Mining Work Programme trust that the requirements of the “Guideline for Compilation of a Mining Work Programme” have been covered, we request the DME to liaise with us in the further refinement of the Mining Work Programme.

It is of utmost importance that we understand Rheebok Employees Trust will be implementing a Mining Work Programme to the extent that is ECONOMICALLY viable.

Rheebok Holdings (Pty) Ltd has a take off agreement with Rheebok Employees Trust who will buy their Clay production. Rheebok Employees Trust will deliver the Clay for the purpose of stockpiling the material in required quantities to manufacture claybricks at the Rheebok Holdings (PTY) Ltd brickmaking facility.

It is estimated that the eleven outsourced employees will spend only eleven months per year in total on the premises during the year. The rest of their time will be spend at Rheebok Holdings (PTY) LTD where they will be taught additional skills.

A. Full Particulars of Applicant
1. Applicant I Rheebok Employees Trust

2. Registration No I Reg No. IT980/2009

3. Postal Address I P O Box 241, Great Brak River, 6525

Note: Please direct all correspondence to FEMCO Technical Services
Frank Mcalister, who is managing the application on behalf of the applicant.

Postal Address: I P O Box 1901, Rant en Dal, Krugersdorp, 1751
Tel: I 011 954 4102
Cellular: I 072 600 2048
Fax: I 086 663 8421
Email address: I frank@femcotech.co.za
B. Land & Mining Area Regulation 2 (2)

Figure 1: Co-ordinated plan i.t.o Regulation 2 (2)
C. Registered Description of the Land/Area

The Mining of Clay on Portion 20, a Portion of Portion 16 of the Farm Rheeboksfontein 142 in the Magisterial district of Mossel bay A certified copy of the Surface rental agreement as well as the SG diagram is attached.

REFER TO ANNEXURE B: COPY OF THE TITLE DEEDS AND THE SG DIAGRAM.

D. Detailed description of the identified Mineral Deposit

1. Mineral to be mined

The mineral to be mined is kaolinitic Clay. The material from this site will be sold to Rheebok Holdings (PTY) LTD in terms of a take off agreement.

REFER TO ANNEXURE C - TAKE OFF AGREEMENT BETWEEN RHEEBOBOK HOLDINGS (PTY) LTD AND RHEEBOK EMPLOYEE TRUST

Clay is used for a wide variety of purposes. The term “Clay” as used in the context of mineralogy are, in the main, hydrated aluminium silicates. However it is seldom that a Clay deposit consists of a single pure species but is generally a mixture of several kaolinitic Clay minerals.

In South Africa the bulk of Clay produced are used in the ceramics industry for the manufacture of bricks, tiles, pipes, refractories, porcelain, pottery, etc.
2. Location of the Deposit

The site is located on Portion 20, a Portion of Portion 16 of the Farm Rheeboksfontein 142 in the Magisterial district of Mosselbay.

2.1 GEOLOGICAL STRUCTURE, SIZE AND DEPTH DEPOSIT

The Geology forms part of the Phanerozoic phase ageing between 570 000 and 250 000 years. It forms part of the Paleozoic zone and comprises predominantly of Sedimentary rocks.

The sedimentary rocks are derived from pre existing rocks which are broken down by the agents of geologic denudation. It has been laid down in layers, beds or strats and have been consolidated by pressure due to the weight of the overlying burden or by cementation whereby fragments are bound together by the deposition or a cementing material such as silica, calcium carbonate or iron oxide.

The lithology at Rheebok Employees Trust comprises of topsoil (1m) Clay (1-30m). Tests carried out on the material indicates the presence of Silica (71%), Alumina (15%) and Iron Oxide (2%).

The analysis and tests done confirms the quality for selling the material to Brickmaking facilities for the production of good quality clay bricks.
2.2 SIZE AND DEPTH OF THE DEPOSIT.

Mining of Clay has been done at Rheebok Holdings (Pty) Ltd since 1977 and is still ongoing. The total area of 44,407 Ha’s is underlain by Clay. The surface contours and current excavations indicate the depth to be well in excess of 30m. The vertical sections as required in terms of the Regulations for Prescribed plans also confirms the above.

Figure 3: Regional Geological Map

The above is an extract of the information made available to us from the Council of Geo – Science in Cape Town and the Department of Environmental Affairs and Tourism.
3. Resources/Reserves

REFER TO FIGURE 5: MINERAL RESOURCE PLAN

*Figure 4: Aerial photograph of the intended mining site*
Clay is not a precious or base mineral however the Reserves are classified in terms of the SAMREC code based on availability and mining sequence.

The term “Measured Reserve” has been applied to the Rheebok Employees Trust resources. The reason being as follows:

Production commenced in 1971 at Rheebok holdings (PTY ) LTD, the adjoining property, and is still ongoing at present. Based on inspection of their faces, floors and benches exposed in existing excavations at the current depth of 18m on the property of Rheebok Holdings (PTY) LTD.

Table 1: Summary of resources/reserves

<table>
<thead>
<tr>
<th>Mining Section</th>
<th>Area M2</th>
<th>Measured Reserve M3</th>
<th>Proven Reserve M3</th>
<th>TOTAL M3</th>
<th>LOM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1</td>
<td>21 300</td>
<td>745 500</td>
<td></td>
<td>745 500</td>
<td>6.6 years</td>
</tr>
<tr>
<td>Phase 2</td>
<td>21 300</td>
<td></td>
<td>745 500</td>
<td>745 500</td>
<td>6.6 years</td>
</tr>
<tr>
<td>Phase 3</td>
<td>21 300</td>
<td></td>
<td>2 271 000</td>
<td>2 271 000</td>
<td>19.9 years</td>
</tr>
</tbody>
</table>

(Note: 90% recovery to allow 10% loss due to haul roads, safety berms and stormwater management systems.)

The life of Mine is 30 years at various depths depending on the surface contours. Economies of scale and prevailing commodity prices will determine the final depth of the opencast operations.

The application therefore is for the maximum period of 30 years.
Figure 5: Mineral Resource Plan
E. Details of the Market for, the market requirements & pricing in respect of the mineral

The main factor responsible for the growth can be attributed to the increase in demand for clay bricks and the associated increase in demand for housing and industrial development.

Within the overall national demand for clay bricks, there are however major fluctuations in demand and related prices for Clay suitable for the manufacturing of claybricks.

Rheebok Holdings (Pty) Ltd has a take off agreement with Rheeboks Employees Trust. The entire production of Clay will be sold to Rheeboks Employees Trust at a price of R24.92/m3 for the first year whereafter the price will escalate annually based on the CPI Index which is 4.85% at present.

REFER TO ANNEXURE C - TAKE OFF AGREEMENT BETWEEN RHEEBOK HOLDINGS (PTY) LTD AND RHEEBOKS EMPLOYEES TRUST

**Regulation 11 (1) (g) (vi) Cash flow refer to Item 2 - “Sales” motivation.**

With reference to ANNEXURE A – Cash flow forecast, Item 2 “Sales” refers to the commodity price of R41.64/m3 for the Clay. The price has been inflated by the current CPI Index of 4.85% from year 2 to year 9 and will be revised on an annual basis.

**Additional background information pertaining to the market relative to Rheebok Employee Employees Trust (PTY) LTD.**

Mr. N Van Wyk appointed Mine Manager of Rheebok Employees Trust has been involved in the mining of Clay and the manufacture of bricks all his life. He has firm contacts with all the relevant markets. He is also a major player in the local clay brick industry.

The clay production will be sold to Rheebok Holdings (PTY) LTD who produces about 4 000 000 million bricks per month. The total production of bricks for 20010/11 was 26 600 000 bricks. The total revenue for bricks sold in 2010/11 amounts to R30 150 162. The price for bricks vary from R1160 to R1390 per 1000 bricks depending on the brick type and whether the client collects or have the bricks delivered.
F. Time frames & scheduling of implementation phases, technically justified estimate of the period for the mineral deposit

The mining operations are current at the property of Rheebok Holdings (Pty) Ltd. The mining will be phased in so as to extend the mining operations and life of Rheebok Holdings (Pty) Ltd. in the following manner:

Table 2: Clay Resources

<table>
<thead>
<tr>
<th>Mining Section</th>
<th>Area M2</th>
<th>Measured Reserve M3</th>
<th>Proven Reserve M3</th>
<th>TOTAL M3</th>
<th>LOM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1</td>
<td>21 300</td>
<td>745 500</td>
<td></td>
<td>745 500</td>
<td>6.6 years</td>
</tr>
<tr>
<td>Phase 2</td>
<td>21 300</td>
<td>745 500</td>
<td></td>
<td>745 500</td>
<td>6.6 years</td>
</tr>
<tr>
<td>Phase 3</td>
<td>21 300</td>
<td>2 271 000</td>
<td></td>
<td>2 271 000</td>
<td>19.9 years</td>
</tr>
</tbody>
</table>

REFER TO FIGURE 4 – MINERAL RESOURCES PLAN.

The Resources/Reserves as shown in the above tabulation already incorporates losses as described in Section 2.2.
G. Finance Plan

i. Regulation 11 (1) (g) (i) details & costing of the mining technique, mining technology and production rates

3.1 MINING TECHNIQUE

Mining will be carried out by Rheebok Employees Trust. The technique is down-dip mining by means of dozing and ripping which have proven to be successful since 1971.

The mining technique can be described as follows:

Topsoil or overburden is removed by dozing and stockpiled for future rehabilitation purposes.

A D5 Caterpillar dozer is used to rip the footwall where required and the Clay is dozed at a decline of between 20 and 30 degrees to the bottom of the pit or alternatively 1.5m bench heights are cut at a width of 5m wide.

Mechanical shovels i.e. front end loaders loads the Clay onto the hauler which transports the Clay to stockpiles and where the material is left to dry and utilised in the brick manufacturing process

Table 3: Detailed list of equipment to be utilized on site

<table>
<thead>
<tr>
<th>QUANTITY</th>
<th>DESCRIPTION</th>
<th>Hired From</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Excavator Caterpillar 320</td>
<td>Rheebok Brick Holdings (Pty) LTD</td>
</tr>
<tr>
<td>1</td>
<td>Caterpillar Excavator</td>
<td>Rheebok Brick Holdings (Pty) LTD</td>
</tr>
<tr>
<td>3</td>
<td>Ford Louisville tipper trucks with operators</td>
<td>Rheebok Brick Holdings (Pty) LTD</td>
</tr>
</tbody>
</table>

Regulation 11 (1) (g) (i) Cash flow refer to Item 4 – “Mining cost” motivation.

The mining technique has proved to be cost effective and the costs under this item were derived from the following:

1. The suite of equipment was evaluated and only the maintenance and fuel costs were incorporated to calculate the cost of R 3.71 /m3.
2. The equipment has a rental cost and the costs have been derived in the following manner: Hourly rate of equipment * 8Hr/day * 20days/month * 11 months mining.
3.2 MINING TECHNOLOGY

As far as the technology is concerned, it will only apply to the mining process. Rheebok Employees Trust will not be involved in any beneficiation or brickmanufacturing process. The writer has removed the section on brickmaking intended for information purposes to avoid any misinterpretation.

Photo 1: Bench mining methodology

Photo 2: Stockpiling of overburden
Photo 3: Mining Method. Ripping of clay footwall

Photo 4: Mining Method: Down dip scraping of Clay at 20 – 25 degrees
Photo 5: Mining Method; Loading of Clay and transporting to stockpile

Photo 6: Overall view of proposed mining with concurrent rehabilitation
3.3 PRODUCTION RATES.

REFER TO ANNEXURE F “PRODUCTION SCHEDULES” PAGES

The attached mining schedules shows the mining layout and its associated production scheduling per pit. It is important to note that mining will only be done as and when Rheebok Holdings (PTY) LTD requires Clay for their stockpile at the brickmaking facility.

The availability of equipment, skills and expertise enables the mine to commence full production from month 1 and continue mining the Resources/Reserves for thirty years.

In terms of the take off agreement between the parties, Rheebok Employees Trust must supply Rheeboks Holdings (PTY) LTD with the following m$^3$ of Clay per annum.

Table 4: Supply the following m$^3$ of Clay per annum

<table>
<thead>
<tr>
<th></th>
<th>Required m$^3$ per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1 – Year 1 – Year 5</td>
<td>114 000</td>
</tr>
<tr>
<td>Phase 2 – Year 6 – Year 30</td>
<td>114 000</td>
</tr>
</tbody>
</table>

The full portion of the mineable area taking boundary fences, servitudes, haul roads, berms, stormwater ditches and regulations into consideration will be mined to a depth of up to 25m depending on the surface contours, continuing in its present position and then moving onto other areas that is logistically the most appropriate.
Figure 6: Mining Layout Plan
ii. Regulation 11 (1) (g) (ii) Detail of The Technological Process Of “Extraction” (Beneficiation) Of The Material To Comply With The Market Requirements.

3.4 THE BENEFICIATION PROCESS.

No beneficiation process will take place at Rheebok Employees Trust.

Regulation 11 (1) (g) (ii) Cash flow refer to Item 5 – “Technology cost” motivation.

There will be no beneficiation or brickmaking at Rheebok Employee Trust (PTY) LTD. The cashflow depicts a zero cost for this item.

iii. Regulation 11 (1) (g) (iii) Costing Of The Technical Skills And Expertise And Associated Labour Requirements

3.5 TECHNICAL SKILLS AND EXPERTISE.

Management, technical skills and expertise will be provided by Mr Nicky Van Wyk the Mine Manager of Rheebok Holdings (Pty) Ltd. He will also assume the Section 3.1 appointment for Rheebok Employees Trust. He has extensive knowledge and experience in all matters relating to the day-to-day operations of clay quarry mining.

The staff component will be outsource from Rheebok Labour PTY limited. Mr N Van Wyk is the only employee from Rheebok Employees Trust.
A total of eleven people will be employed in the mining operations. During the duration of the application they will be working at Rheebok Holdings (Pty) Ltd. They have all been interviewed and are currently employed.

Table 5: Salaries and wages budget for the first year of operations

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>SALARY</th>
<th>SKILLS LEVEL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mine Manager</td>
<td>R25 000</td>
<td>management</td>
</tr>
<tr>
<td>Financial Manager</td>
<td>R7 000</td>
<td>management</td>
</tr>
<tr>
<td>Front end loader operator</td>
<td>R 4 700</td>
<td>skilled</td>
</tr>
<tr>
<td>Excavator operator</td>
<td>R7 000</td>
<td>skilled</td>
</tr>
<tr>
<td>Hauler drivers (3)</td>
<td>R 18 000</td>
<td>skilled</td>
</tr>
<tr>
<td>Water Bowzer</td>
<td>R 3 000</td>
<td>skilled</td>
</tr>
<tr>
<td>General Admin clerk</td>
<td>R 2 700</td>
<td>unskilled</td>
</tr>
</tbody>
</table>

It should be noted that all labour is sourced from within the local community.
Regulation 11 (1) (g) (iii) Cash flow refer to Item 6 – “Technical skills cost” motivation.

The technical skills costs were derived from the partial salary based on time to be spent by the MineManager at Rheebok Holdings (PTY) LTD. The skilled labour costs were derived from their monthly salaries as listed above. Additional skills training and associated costs have been provided for in the Social and Labour plan.

iv. Regulation 11 (1) (g) (iv) Details and costing of regulatory requirements in terms of the act and applicable law.

v. Regulation 11 (1) (g) (v) Details regarding other relevant costing, capital expenditure requirements, and expected revenue applicable to the proposed mining operation.

3.6 Capital Expenditure

No capital expenditure is required. The equipment required on site is listed below and costed at its book value to a total of R2 370 000. All of the mining equipment forms part of a contracted mining contract with Rheebok Holdings Pty LTD.

<table>
<thead>
<tr>
<th>Capital goods</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excavator 30ton</td>
<td>R850 000</td>
</tr>
<tr>
<td>Ford Louisville</td>
<td>R1 140 000</td>
</tr>
<tr>
<td>Front end loader Bell</td>
<td>R250 000</td>
</tr>
<tr>
<td>Tractor</td>
<td>R130 000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>R2 370 000.00</strong></td>
</tr>
</tbody>
</table>

Regulation 11 (1) (g) (iv) Refer to Item 7 of Annexure A.

Other costs will be the cost of rehabilitation. Rehabilitation will be done concurrently with the mining where practical so as to protect the slopes from erosion during the rainy seasons.

In addition, a provision of R12/m3 mined will be saved in a Rehabilitation account for future rehabilitation. Proof of this fund will be provided once the Mining Right has been approved and mining has commenced.
Regulation 11 (1) (g) (v) Refer to Item 8 of Annexure A.

No capital is required. The company will outsource all mining to SBC Plant Rental CC.

Regulation 11 (1) (g) (vi) Cash flow refer to Item 2 - “Sales” motivation.

With reference to ANNEXURE A – Cash flow forecast, Item 2 “Sales” refers to the commodity price of R 47.17/m³ for the Clay. The price has been inflated by the current CPI Index of 4.85% from year 2 to year 30 and will be revised on an annual basis.

vi. Regulation 11 (1) (g) (vi) A detailed cash flow forecast and valuation, excluding financing of the proposed mining operation, which forecast must also clearly indicate how the applicable regulatory costs will be accommodated therein.

3.7 CASH FLOW FORECAST

The detailed cash flow forecast and Income Statement for year 1 to year 10 are shown.

REFER TO ANNEXURE A – CASH FLOW ANALYSIS

The predicted cash flow assumes a production rate of 114 000 m³/yr for year 1-30 respectively. Annual operating expenses have been increased at an average inflation rate of 5%.

Detail and Costing Of The Regulatory Requirements

Reference is made to the attached ANNEXURE A enclosed Cash flow provision in respect of the following:

3.8 ROYALTY PAYMENTS

No royalty payments is required at present.

(Provision for a future royalty payable to the state will be provided for once this figure is determined by the Act.)
3.9  SOCIAL RESPONSIBILITY (SOCIAL AND LABOUR PLAN)

Refer to the Social and Labour Plan. In the cash flow analysis the Social and Labour provision is set out in detail under the cashflow for Rheebok Employees Trust.

REFER TO ANNEXURE A – CASH FLOW ANALYSIS

Table 7: Regulation 11 (1) (g) (viii) Social & Labour Cost

"Social and Labour Plan costs" includes Human resource development, Mentorship, ABET training, Local economic development, Downscaling and retrenchment and a internship subsidy.

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human resource development</td>
<td>R 16,000.00</td>
</tr>
<tr>
<td>Mentorship plan</td>
<td>R 12,000.00</td>
</tr>
<tr>
<td>ABET</td>
<td>R 12,000.00</td>
</tr>
<tr>
<td>Local Economic development</td>
<td>R 60,000.00</td>
</tr>
<tr>
<td>Downscaling and retrenchment</td>
<td>R 12,000.00</td>
</tr>
<tr>
<td>Bursary and Internship subsidy</td>
<td>R 5,000.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>R 117,000.00</strong></td>
</tr>
</tbody>
</table>

3.10  ENVIRONMENTAL IMPACT ASSESSMENT

Allocations have already been made for an Environmental Audits with provision for R 3000/m in the cash flow under Regulatory costs by Rheebok Employees Trust

3.11  ENVIRONMENTAL MANAGEMENT PROGRAMMES (REHABILITATION)

The cash flow analysis provides for a provision of R36 000 per year.
3.12 OTHER REGULATORY COSTS

Other regulatory costs i.e. RSC levies, Mining Charter requirements, Skills Development Levy, UIF, Rates and Taxes, Surveying and Mine Health and Safety has been fully provided for in the cash flow forecast.

Regulation 11 (1) (g) (vi) Cash flow refer to Items 1-11.

With reference to ANNEXURE A – Cash flow forecast, Item 1-11. The details as required in the Regulations

3.13 MEETING MINING CHARTER AND BEE REQUIREMENTS

Rheebok Employees Trust has appointed a Director, a Trustee, nominated by the other beneficiaries and allocated xxx % shares in the Trust. Rheebok Employees Trust herewith undertakes to comply with all the necessary requirements and associated timeframes.

3.14 EXPECTED ANNUAL REVENUE FROM THE OPERATION

As per the cash flow forecast, expected annual revenue is R383 400 year 1 after tax (see cash flow for revenue figures)

Regulation 11 (1) (g) (vi) “Cash flow “refer to ANNEXURE A. The Cashflow comprise of explanatory notes to the reader listed under Items 1-11. Further to this the costs as required by Regulations are listed against these Items. Costs have been escalated by 5% and other contractual requirements by the current CPI Index of 4.85 %. This will be revised on an annual basis. agreements.

vii. Regulation 11 (1) (g) (viii) Details regarding the applicant’s resources or proposed mechanisms to finance the proposed mining operation, and details regarding the impact of such financing on the cash flow forecast.

3.15 MECHANISMS AND RESOURCES TO FINANCE MINING OPERATION

Financial statements of Rheebok Holdings (Pty) LTD who will provide the financial guarantee for the whole operation are attached hereto as proof of access to financial resources.
viii. **Regulation 11 (1) (g) (viii) Provision For The Execution Of The Social And Labour Plan**

The financial provision for the execution of the social and labour plan is contained in the cash flow analysis. This figure provides for the financial request of the Social and Labour Plan, which is costed to show the following:

**Regulation 11 (1) (g) (viii) Social and Labour cost**

"Social and Labour Plan costs" includes Human resource development, Mentorship, ABET training, Local economic development, Downscaling and retrenchment and a Internship subsidy.

**Table 8: Regulation 11 (1) (g) (viii) Social & Labour Cost**

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human resource development</td>
<td>R 16,000.00</td>
</tr>
<tr>
<td>Mentorship plan</td>
<td>R 12,000.00</td>
</tr>
<tr>
<td>ABET</td>
<td>R 12,000.00</td>
</tr>
<tr>
<td>Local Economic development</td>
<td>R 60,000.00</td>
</tr>
<tr>
<td>Downscaling and retrenchment</td>
<td>R 12,000.00</td>
</tr>
<tr>
<td>Bursary and Internship subsidy</td>
<td>R 5,000.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>R 117,000.00</strong></td>
</tr>
</tbody>
</table>

This figure will be adapted to match the refined costing within the social and labour plan once such plan is approved by the DMR (as will the provision for rehabilitation cost after costing during the EIA process) and its subsequent approval by DMR.
H. **Undertaking to adhere to the proposals set out in the mining work programme**

I, Nicholaas Johannes van Wyk, the undersigned and duly authorized thereto by Rheebok Brick Employees Trust, have studied and understand the contents of this Mining Work Programme and duly undertake to adhere to the conditions as set out herein, unless specifically otherwise agreed to or as officially amended during the course of the approval process.

Signed at Rheebok on this 26th day of November 2012.

Signature of responsible person: ..................................................

Designation: .............................................................................