



THIRD ADDENDUM TO THE CONTRACT FOR LOCAL ENTERPRISE DEVELOPMENT LOADING/HAULING OF
COAL AND ROAD MAINTENANCE

BETWEEN

KANGRA COAL (PTY) LTD
Registration number 2001/003104/07
("Principal")

AND

DDK LOGISTICS
Registration number 2019/512022/07
("Contractor")

SR A handwritten signature consisting of the letters "SR" followed by a stylized, cursive signature.

INTERPRETATION

In this Third Addendum, the following expressions shall, unless otherwise stated or inconsistent with the context in which they appear, bear the following meanings and cognate expressions shall bear corresponding meanings –

"Third Addendum" - this Third addendum to the Main Agreement, including all schedules and annexures hereto, as varied or amended from time to time;

"Second Addendum" - the Second addendum to the Main Agreement, including all schedules and annexures hereto, as varied or amended from time to time;

"First Addendum" - the First addendum to the Main Agreement, including all schedules and annexures hereto, as varied or amended from time to time;

"Main Agreement" - the Contract for Local Development Loading /Hauling of Coal and Road Maintenance concluded between the Parties

AMENDMENT OF THE MAIN; FIRST AND SECOND AGREEMENT

1. This Third Addendum and the Main Agreement shall be read and construed together and be deemed to constitute one and the same agreement. With effect from the 1 November 2022, the Parties agree to amend the Main Agreement in the following manner:
 - 1.1. This third agreement overwrites First & Second Addendum to the Main Agreement
 - 1.2. For the purpose of supplier development, due to production related delays with various reasons, it was decided to re-start the contractual development period referred to in clause 3.2 of the Main Agreement to start 1 November 2022 as year one for a period of 5 years. This is should all terms and conditions be strictly met and services are still required by the principal and unless terminated earlier in accordance with the provisions of the Main Agreement with the expected ramp up to be as per **Annex B**
 - 1.3. The Rates schedule, routes and equipment will be amended as per **Annex A**
 - 1.4. Annual increase will be applicable 1 August annually as per terms of main agreement.
 - 1.5. The major amendment from the Main agreement is Ownership of vehicles. Each company will own the vehicles and should be registered in the name of the company. They may not be owned by Individuals. By the end of year two this should be in place.
 - 1.6. Clause 7.4 of the Main Agreement will replace PPI (Producer Price Index) with CPI (Consumer Price Index as of 2023 annual increase.
 - 1.7. Marshals will be required in the local areas and will be for the cost of the contractor
 - 1.8. Employment for Tarpaulin Covers will be required and included under the contractor's cost
 - 1.9. Diesel will be purchased by the mine and offset to the contractor. The contractor will manage their own Diesel and request orders 48 hours in advance

- 1.10. Quarterly / monthly progress meetings will be set up by the contract manager to monitor development agreement progress
- 1.11. Safety features for protection of the load will be a requirement on request.
- 1.12. No rental vehicles will be allowed as part of the contract. The vehicle needs to be owned by the company. Should the vehicle be purchased on a rent to own basis, the contract has to stipulate that ownership will pass to the lessee once instalments are complete. No vehicles with rental branding will be allowed.
- 1.13. Should the quota of trucks required on the contract not be met by either of the local suppliers, it will be requested that the lead contractor bring in additional trucks until the situation is remedied.

CONTINUATION OF MAIN AGREEMENT

2. Save for the provisions contained herein, all of the remaining terms of the Main Agreement shall remain of full force and effect and shall be binding on the parties.
3. In the event of conflict between the provisions contained in this Addendum and the Main Agreement, the provision contained in this Addendum shall prevail.

COSTS

4. Each Party shall pay its own costs in the preparation, negotiation and finalisation of this Addendum.

Signed at Kangra on 19 October 2022



For: Kangra Coal (Pty) Ltd

Witness



Signed at Kangra coal on 19 - october 2022



For: DDK Logistics

Witness



Annex A: Base Rates

Kangra ROM tonnage production 2022	NEW BASE RATE: Increased with 10.9% on 57% Variable rate		Excluding Rise & Fall		Increased with 10.9% on 57% Variable rate + July Rise & Fall of R 24.91		ESTIMATED: Excluding Rise & Fall Future	
	BASE Rate		Total		Rate @ July R24.91 Diesel		Rate	
	TONS	Current	Increased	Current	Increased	Current	Total	Current
Udumo Shaft : 70 000 tons	70000	R 24.76	R 27.84	R 1 733 200.00	R 1 948 800.00	R 31.58	R 33.12	R 2 210 600.00
Balgarten Shaft : 30 000 tons	30000	R 46.10	R 51.83	R 1 383 000.00	R 1 554 900.00	R 58.79	R 61.66	R 1 763 700.00
Total per month : 100 000 tons	100000				R -	R -	R -	R 1 849 800.00
Discard to dump : 31 500 tons	31500	R 16.80	R 18.89	R 529 200.00	R 595 035.00	R 21.43	R 22.47	R 675 045.00
Enprote to dump : 3500 tons	3500	R 16.80	R 18.89	R 58 800.00	R 66 115.00	R 21.43	R 22.47	R 75 005.00
Plant to Siding short route	35000	R 40.02	R 44.99	R 1 400 700.00	R 1 574 650.00	R 51.04	R 53.52	R 1 786 400.00
LED Kangra 0.50	100000	R 0.50	R 0.50	R 50 000.00	R 50 000.00	R 0.50	R 0.50	R 50 000.00
Total Estimated Tons Value Hauled Per Month				R 5 104 900.00	R 5 789 500.00		R 6 510 750.00	R 6 877 850.00
Annual Estimated Haulage over 12 months	12			R 61 258 800.00	R 69 474 000.00		R 78 129 000.00	R 82 534 200.00
Yield at a ratio of 65% : 65 000 tons of product	65000							
<i>Different haulage routes</i>								
1. Udumo to West plant								
2. Balgarten to Maquasa East plant , distance of 24 km's at a rate of R55,00 per ton (current rates from Anadani)								
3. Plant to discard dump								
4. Plant to siding of which is only about 25 000 to 35 000 tons from total product produced for the month								
Rate per ton Richards Bay		30000	R 440.00	R 13 200 000.00				

[Handwritten signature]



KANGA
COAL

new base

increased
+10.3% 57%

Item	Routes	Km's	Average tons per month	Additional information	Base Rate		July 2022		Jul'22				
					Current Rate	Base Rate	Fixed 10%	Variable 57%	Diesel 33%	Total 100%	Annual PPI	New rate at 10.9% - 2022	10.9%
1	Maquasa East to Panbuilt short route	29			R 40.02	4.002	22.814	13.2086		40.02	2.49	R 42.51	
2	Maquasa East to Panbuilt long route	51.4			R 69.03	6.903	39.3471	22.7799		69.03	4.29	R 73.32	
3	Underground HBlock to West	4.6			R 19.80	1.98	11.286	6.534		19.8	1.23	R 21.03	
4	Underground HBlock to East	11.2			R 26.74	2.674	15.2418	8.8242		26.74	1.66	R 28.40	
5	Opencast Pit F Block to Maquasa West	2.6			R 13.81	1.381	7.8717	4.5573		13.81	0.86	R 14.67	
6	Opencast Pit F Block to Maquasa East	9.3			R 23.47	2.347	13.3779	7.7751		23.47	1.46	R 24.93	
7	Maquasa East to Discard Dump	3.5			R 16.80	1.68	9.576	5.544		16.8	1.04	R 17.84	
8	AD HOC loading only. Rate per ton	0			R 3.55	0.355	2.0235	1.1715		3.55	0.22	R 3.77	
9	Twyfelhoek opencast pit G1 to Maq West :	5			R 19.99	1.999	11.3943	6.5967		19.99	1.24	R 21.23	
10	Block G1 stockpile to Maquasa West	4.5			R 19.39	1.9385	11.04945	6.39705		19.39	1.20	R 21.20	
11	Twyfelhoek to West	10			R 24.76	2.476	14.1132	8.1708		24.76	1.54	R 26.30	
12	Belgathen	24			R 38.55	3.855	21.9735	12.7215		38.55	2.40	R 40.95	
Machines				Est hours per month	total								
FEL - fixed rate	7	400	R 900 000.00	fixed up to 400hrs	R 201 060.54	201060.54	114604.5078	66349.9782	201060.54	12 491.89	R 213 552.43	R 213 552.43	
Road Maintenance													
W/Articulated truck	3	168			R 123 716.69	12371.69	70518.5133	40826.5077	123716.69	7 686.52	R 131 403.21	R 166 465.38	
Grader	2	168	R 650 000.00		R 157 019.99	15701.99	89501.3943	51816.5967	157019.99	9 755.65	R 166 775.64	R 210 007.01	
Roller	2	16			R 88 528.64	88528.64	50461.3248	29214.4512	88528.64	5 500.28	R 94 028.92	R 118 402.98	
Dust Suppression Product	unlimited	R 300 000.00	Fixed cost unlimited	R 300 000.00	300000	0	0	0	0	0	TBA		

Annex B – Ramp up Plan and Contract Truck quantity ownership

Ramp up Plan original Plan

		Year 1		Year 2		Year 3			
%	Number	%	Number	%	Number	%	Number		
Andani MS	69%	25	53	19	49%	17			
DDK	31%	6	33	12	23%	8			
DMP		4	13	5	28%	10			
	100%	35	100%	35	100%	35			

New proposed Ramp up Plan

		Year 0		Year 1		Year 2		Year 3		Year 4		Year 5	
%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number
Andani MS	0.69	16	53	12	0.43	10	0.31	7	0.15	3	0.00	0	
DDK	0.31	7	33	8	0.35	8	0.345	8	0.43	10	0.43	10	
DMP			13	3	0.22	5	0.345	8	0.43	10	0.57	13	
1	<u>23</u>		<u>23</u>	<u>1.00</u>	<u>23</u>	<u>1</u>	<u>23</u>	<u>1.00</u>	<u>23</u>	<u>1.00</u>	<u>23</u>	<u>1.00</u>	<u>23</u>