



**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 

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

[Signature] [Signature]

For: Kangra Coal (Pty) Ltd Witness

Signed at KANGRA COAL on 19 - OCTOBER 2022

[Signature] [Signature]

For: DDK Logistics Witness



Annex A: Base Rates

Kangra ROM tonnage production 2022														
	TONS	BASE Rate Current	Rate Increased	Total Current	Total Increased	Rate @ July R24.91 Diesel Current	Rate Increased	Total Current	Increased with 10.9% on 57% Variable rate + July Rise & Fall of R 24.91	ESTIMATED: Excluding Rise & Fall future	ESTIMATED: Excluding Rise & Fall Future			
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	R 33.12	R 2 210 600.00	R 2 318 400.00			
Balgarthen 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	R 61.66	R 1 763 700.00	R 1 849 800.00			
Total per month : 100 000 tons	100000				R -			R -		R -	R -			
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	R 22.47	R 675 045.00	R 707 805.00			
Enprotec 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	R 22.47	R 75 005.00	R 78 645.00			
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	R 53.52	R 1 786 400.00	R 1 873 200.00			
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	R 0.50	R 50 000.00	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 6 510 750.00	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 78 129 000.00	R 82 534 200.00			
Yield at a ratio of 65% : 65 000 tons of product	65000													
Different haulage routes														
1. Udumo to West plant														
2. Balgarthen 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

R 13 200 000.00

Adhoc only when available

[Signature]

new base

increased
+10.9% 57%

33%													10.9% PPI				July 22 Diesel	
Current Base Rate 13.58 Rate Consists of 10% fixed 57% variable and 33% diesel													July 2022		Jul-22			
Item	Routes	Km's	Average tons per month	Additional information	Current Base Rate	Fixed 10%	Variable 57%	Diesel 33%	Total 100%	Annual PPI 10.9% -2022	New rate at 10.9%	Current Diesel R24.91						
1	Maquasa East to Panbult short route	29			R 40.02	4.002	22.8114	13.2066	40.02	2.49	R 42.51	0.61						
2	Maquasa East to Panbult long route	51.4			R 69.03	6.903	39.3471	22.7799	69.03	4.29	R 73.32	R						
3	Underground HBlock to West	4.6			R 19.80	1.98	11.286	6.534	19.8	1.23	R 21.03	R						
4	Underground HBlock to East	11.2			R 26.74	2.674	15.2418	8.8242	26.74	1.66	R 28.40	R						
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	R						
6	Opencast Pit F Block to Maquasa East	9.3			R 23.47	2.347	13.3779	7.7451	23.47	1.46	R 24.93	R						
7	Maquasa East to Discard Dump	3.5			R 16.80	1.68	9.576	5.544	16.8	1.04	R 17.84	R						
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	R						
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	R						
10	Block G1 stockpile to Maquasa West	4.5			R 19.39	1.9385	11.04945	6.39705		1.20	R 1.20	R						
11	Twyfelhoek to West	10			R 24.76	2.476	14.1132	8.1708	24.76	1.54	R 26.30	R						
12	Belgathen	24			R 38.55	3.855	21.9735	12.7215	38.55	2.40	R 40.95	R						
											R -							
Machines		QTY	Est hours per month	total		0	0	0	0	0								
FEL - fixed rate		7	400	R 900 000.00	fixed up to 400hrs	20106.054	114604.5078	66348.9782	201060.54	12 491.89	R 213 552.43	R						
Road Maintenance																		
Watertruck		3	168			12371.669	70518.5133	40826.5077	123716.69	7 686.52	R 131 403.21	R 165 465.38						
Grader		2	168	R 650 000.00		15701.999	89501.3943	51816.5967	157019.99	9 755.65	R 166 775.64	R 210 007.01						
Roller		2	16			8852.864	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	300000	0	0	0			R -						
				R 300 000.00					450000		TBA	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
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

10
33
57

Fixed
diesel
variable

New proposed Ramp up Plan

	Year 0		Year 1		Year 2		Year 3		Year 4		Year 5	
	%	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
	<u>1</u>	<u>23</u>	<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>