

Mining Lease Application Form (Issue/Renewal)

This application is in terms of Section 32 of the Mines and minerals Act

(attach additional sheets or documents where necessary)

1. Name of applicant (attach copy of certificate of incorporation)	Address in Lesotho
2. Full name (s) of Directors	Nationalities
3. Authorised share capital and issued capital	
4. Name (s) of Shareholders who is a beneficial owner of more than 5% of the issued Capital.	
5. Details of Financial Status (attach supporting documents, Bankers reference and most recent financial statements)	
6. Technical Competence (established mining track record is an advantage but not essential)	
7. Prospecting/mining lease/number	
8. Description of area applied for (attach plan and coordinates)	
9. Name (s) of mineral which it is intended to mine	
10. Period for which lease/renewal is sought	
11. Attach parent company guarantee as in annexure 1	
12. Furnish copy of feasibility study as prescribed including (a) to (h) below	
(a) Details of mineral deposit (including all known, proven, indicated, inferred ore reserves and mining conditions)	
(b) Technical report on mining and treatment possibilities and the applicant's intention in relation thereto	
(c) Proposed programme of mining operations including	
(i) Establish date by which applicant intends to work for profit	
(ii) Establish recovery rates(s)	
(iii) Nature of product	
(iv) Envisaged marketing arrangements for sale of mineral product(s)	
(v) Environmental impact assessment study	
(vi) Environmental management programme	
(d) Forecast of capital investment, cash flow and details of anticipated financing plan	
(e) Outline of proposed employment level and training program	
(f) Outline of proposed sources of goods and services	
(g) Details of expected infrastructure requirements	
(h) Attach audited statement of relevant exploration and arms length acquisition expenditure incurred prior to this application on the area applied for	
13. Disclose any other information material to this application.	
14. I being duly authorized, declare that the application and its partners/directors/members/shareholders are persons qualified in terms of Section 5 of the Mines and Minerals Act to hold a mining lease and that the information contained herein is true and correct.	
Signed	
Date.....	
Capacity	
Place.....	

Annexure 1

PARENT COMPANY GUARANTEE

WHEREAS X Ltd a company duly organized and existing under the laws of having its registered office at (hereafter referred to as “the guarantor” which expression shall include its successors and permitted assignees) holds directly or indirectly a controlling interest in Y Ltd, a company duly incorporated and registered in Lesotho, with its registered office at (with company, including its successors and permitted assignees, is referred to hereafter as “the company”):

AND WHEREAS the company is the applicant for/holder of a mining Lease pursuant to the Mines and Minerals Act of Lesotho, by the Government of Lesotho represented by the Minister of Natural Resources (hereafter referred to as “the Government”) in favour of the said company;

AND WHEREAS the grantor agrees to guarantee the performance of the obligations of the company under the lease and its compliance with the Act;

NOW THEREFORE this Deed hereby provides as follows:

1. The guarantor hereby unconditionally and irrevocably guarantees to the Government that it will make available, or cause to be made available, to the company or its permitted assignees, such as financial, technical, managerial and other resources as are required to ensure that the company and/or any such assignee is able to carry out the obligations of the company or any permitted assignee as set forth in the lease and under the Act.
2. The guarantor further unconditionally and irrevocably guarantees to the Government the due and punctual compliance with or performance by the company or its permitted assignees, of any obligations of the company or any permitted assignees under the lease and the Act.
3. The guarantor hereby undertakes to the Government that if the company, or any permitted assignees, shall in any respect, fail to perform its obligations under the licence or commits any breach of such obligations under the lease or the Act, then the guarantor shall fulfill or cause to be fulfilled the said obligations in place of the company or any permitted assignees, and will indemnify the Government against all losses, damages, costs, expenses or otherwise which may result directly from such failure to perform or breach on the part of the company or any permitted assignees.
4. This guarantee shall take effect from the date of issue of the lease and shall remain in full force and effect for the duration of the said lease and any renewal thereof and thereafter until no obligation remains outstanding and no sum remains payable by the company, or its permitted assignees, under the lease or the Act as a result of any decision or award made in any arbitration thereunder.
5. This guarantee shall not be affected by any change in the Articles of Association and byelaws or any change in the ownership or control of the company or the guarantor.
6. The liabilities of the guarantor shall not be discharged or affected by:

- (a) Any time indulgence, waiver or consent given to the company;
- (b) Any amendment to the lease or the Act to any security or other guarantee or indemnity to which the company has agreed;
- (c) The enforcement or waiver of any terms of the lease or the provisions of the Act or of any security, other guarantee or indemnity; or
- (d) The dissolution, amalgamation, reconstruction or reorganizing of the company.

7. This guarantee shall be governed by and constructed in accordance with the laws of Lesotho.

The seal of X Ltd was hereto duly affixed by in accordance with its articles thisday ofin the yearin accordance with its byelaws and this guarantee was duly signed byandas required by the said byelaws, they being duly authorized to represent X Ltd.

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Secretary

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Chairman and Director

.....
Witness