

"PML19"

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ATHA-AFRICA VENTURES (Pty)Ltd

Registration No. 2004/020746/07

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THE CHIEF DIRECTOR: LEGAL SERVICES
Department of Mineral Resources
Private Bag X 59
Arcadia
0007

Date: 24 April, 2015

FOR ATTENTION: Mrs. Audrey Ratlou

PER E-MAIL: audrey.ratlou@dmr.gov.za

Dear Madam,

RE: RESPONSE TO THE NOTICE OF APPEAL AND REQUEST TO SUSPEND THE MINING RIGHT PENDING THE OUTCOME OF THE APPEAL, SUBMITTED BY CER IN RESPECT OF THE GRANTING OF A MINING RIGHT (MP30/5/1/2/2/10069MR) TO AAV ON VARIOUS PROPERTIES SITUATED IN THE MAGISTERIAL DISTRICT OF WAKKERSTROOM: MPUMALANGA PROVINCE.

The recent meeting between yourself and representatives of Africa Ventures Proprietary Limited ("AAV"), as well as the letter signed by the Director General: Department of Mineral Resources ("DMR"), dated 02 April 2015, but only received by Atha Africa Ventures Proprietary Limited ("AAV"), on the 20th of April 2015, in respect of the abovementioned matter, refer.

As per our discussion with you on the 21st of April 2015, we informed you that AAV cannot submit a formal response (as per your request of 2 April 2015) to the Notice of Appeal and request to suspend the Mining Right pending the outcome of the Appeal, submitted by the Centre for Environmental Rights ("CER") in respect of the granting of a Mining Right (MP 30/5/1/2/2/10069 MR) to AAV for the following reasons:

1. On 12 November 2014, AAV received a letter from the Regional Manager: Mpumalanga Region, DMR, with an attached letter dated 19 September 2014 ("the First Granting Letter"), signed by the Director-General: Department of Mineral Resources, granting, subject to certain conditions, a Mining Right to AAV.
2. The First Granting Letter, provided that the Director-General could be approached by AAV, should AAV have any queries regarding the conditions relevant to the granting of the Mining Right, and if affirmative, subsequently required any amendment to such conditions.



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3. On the 19th of November 2014, AAV sent a formal request, including a detailed motivation, to amend the conditions of the First Granting Letter, to the DMR. (Please find attached hereto the relevant motivation letter as Annexure – 1).
4. As a starting point to the above-mentioned letter, AAV expressed its commitment to adhere to all conditions listed in the First Granting Letter, except for some of the conditions imposed under paragraph 6 of the First Granting Letter.
5. In the ensuing paragraphs of the relevant letter, AAV provided the DMR with a detailed motivation as to why certain of the conditions in the First Granting Letter, notably the conditions imposed under paragraphs 6(i) and 6(ii) of this Letter, would be impossible to abide by, should AAV be forced to adhere to the strict interpretation of the wording used in the relevant paragraphs.
6. Following the motivation, AAV requested the DMR to give due consideration to amending paragraphs 6(i) and 6(ii) of the conditions in the First Granting Letter.
7. Subsequent to the submission of the abovementioned *"request for amendment of the conditions of the First Granting Letter"*, AAV was informed that the Regional Manager, after given his due considering to the relevant request for amendment of the conditions, forwarded his recommendation to the Director-General's office for review and further recommendation, and thereafter the Director-General forwarded the final recommendation to the Minister for the final consideration and decision.
8. AAV only received a response to AAV's initial *"request for amendment of the conditions of the First Granting Letter"*, on the 14th of April 2015, via a letter from the Office of the Minister: Mineral Resources, which letter (*"the Second Granting Letter"*) stated that, after due consideration, the Honourable Minister decided to amend the conditions of the First Granting Letter, which ultimately resulted in the issuing of the Second Granting Letter. (Please find attached hereto the *"the second granting letter"* as Annexure – 2).
9. On the 20th of April 2015, via Post Office Mail, AAV received a letter (signed on the 2nd of April 2015) from the Director General: Department of Mineral Resources (*"DMR"*), informing AAV that the CER had submitted a Notice of Appeal and request to suspend the Mining Right pending the outcome of the Appeal (*"the Notice"*), in respect of the granting of a Mining Right (MP 30/5/1/2/2/10069 MR) to AAV (i.e. the Notice was submitted in terms of the First Granting Letter).

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10. AAV immediately convened a meeting with you, Mrs Ratlou, (the meeting of 21st April 2015) to inform you that AAV submitted its "request for amendment of the conditions of the First Granting Letter" as far back as 19 November 2014. Furthermore, AAV once informed by you of the Notice submitted by CER, immediately engaged with you.

11. In light of the above-mentioned, AAV herewith, formally request that the relevant office within the DMR, informs the CER that the Second (FINAL) Granting Letter was issued to AAV on the 14th of April 2015, and as a result the First Granting Letter became *Null and Void*. Naturally following from the annulment of the First Granting Letter, no Appeals can be entertained by the DMR in respect of the First Granting Letter.

We trust that you will find the above in order and look forward to your acknowledgement of receipt of this letter and any reply, should you have any further inquiries.

Yours sincerely,

MORGAM MUNSAMY
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