BARBERTON MINES

Mine office – Barberton
PO Box 121, Barberton, 1300, Mpumalanga, South Africa
Tel +27 13 712 8500
Fax +27 13 712 9116
tarryne@bmines.co.za

Corporate office – Johannesburg
The Firs Building, Office 204, 2nd Floor
Corner Cradock and Biermann Avenues, Rosebank, 2196
Tel +27 11 243 2900
info@paf.co.za

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OVERVIEW OF A STRATEGIC PARTNERSHIP OPPORTUNITY

1. PREAMBLE

Pan African Resources (PAR), a mid-tier gold mining company, who owns Barberton Mines and other mining assets in South Africa, recently purchased the unused Barberton Airport for operational reasons.

Adjacent to the Airport, is 29 Ha of pristine riverine area as well as arable land that can be utilized for a variety of uses. PAR is interested to engage with a strategic partner who is interested to develop this property in the best interest of the local stakeholders.

2. DESCRIPTION OF THE PROPERTY

The property is +/- 8 km from Barberton and less than 1 km from the R40, the main road to Mbombela, the capital of Mpumalanga only 35 km away. The intention is that the Airport will be upgraded and registered with the Airport Authorities to allow for the operations and support of small/medium sized fixed wing as well as rotary wing aircraft.

Refer to the image above. The main focus for the establishment of a strategic partnership (however, not exclusively) is on the remaining portion of the property. Portion 26/639, measuring +/-29 Ha is arable land which is currently overgrown bush, historically used for cattle grazing. There is a large/deep waterway that borders the airport area and the open uninhabited area that can be utilized for a range of activities.

The south-western boundary runs alongside the Snymansbult road with easy access. Currently there is gate and an agricultural fence on the perimeter of the property. The rest of the property is surrounded by commercial farmers.

There are no water rights associated with the property, albeit that a water diviner has identified an appropriate site to drill for water. The Airport property relies on borehole water from a borehole that delivers +/-5 000 Lt/hour.

A secondary Eskom power supply line runs through the property. Therefore, to equip any intended infrastructure with power from the grid will not be a problem.

3. DECISION STATEMENT

The owner of the above property (a subsidiary of Pan African Resources), wants to optimally utilize the above property to the benefit of all stakeholders.

4. DECISION CRITERIA FOR THE SELECTION OF A STRATEGIC PARTNER

a. The Airport buildings and landing strip will be utilised by PAR for its mining and associated business activities.
   i. A consideration could be to appoint an Airport Operator that manages the entire Airport with associated activities.
   ii. The relationship, terms, conditions, and commercial terms will be agreed between PAR and the Management Company.
   iii. This option could include or exclude the unused, Portion 26/639, subject to agreement.

b. With regards to the Portion 26/639 property, the criteria are as follows:
   i. Nothing should be conducted on this area that may conflict with the activities of the Airport business and/or its functionality.
   ii. The property owner's contribution to the intended land usage, is making the land available to the strategic partner. No financial contribution will be made from the property owner.
   iii. The potential strategic partner, should present the intended strategy before entering into an agreement with the property owner.
   iv. This plan will require firm undertakings with evidence of a budget with agreed time frames for the implementation.
   v. The property may be sold to a potential buyer, albeit an unlikely option.
   vi. The term of the lease agreement can be negotiated subject to the intended strategy as described in clause 4(b) iii. The owner's preference is a longer-term agreement with a sustainable land use strategy.
   vii. Once the strategy has been agreed, a legally binding lease agreement will be concluded as well as a Memorandum of Agreement for the use of the land.

5. **POTENTIAL OPPORTUNITIES**
    a. Regarding the Airport Management arrangement, we envisage the following:
        i. The Airport Management Company can enter into landing, fuelling, storage and hanger leasing options with the following stakeholders:
            1. The Agricultural Sector role players (Farmers & Others)
            2. Crop Sprayers
            3. Working for Fire (LEFPA)
            4. Working for Water
            5. Swaziland Flying Clubs & Operators
            6. Business Owners
            7. RSA Private Aeroplane Owners & Clubs
            8. Many More.

    b. Regarding the unused arable land, we envisage the following:
        i. Outright sale of the 29 Ha
        ii. Leasing the property subject to agreement on usage, which could be any of the below:
            1. Commercial/intensive farming
                a. Blue Berries
                b. Dragon Fruit
                c. Various Hydroponics possibilities
                d. Trees
                e. Cash Crops
            2. Residential Units
                a. Rental Units for targeted markets
            3. Tourism & Hospitality Products & Events
                a. 4 x 4 Excursions/Training
                b. Mountain bike trails
                c. Park Runs
                d. Walking Trails
                e. Horse livery
                f. Horse riding trails and lessons
                g. Bush Lodges & Bush (Lapa) Restaurant
                h. Special Events
                i. Educational Programmes for Children
                j. Others

6. **NEXT STEPS**
    a. This Potential Partnership Overview will be circulated to a targeted group of institutions/companies/individuals with the attached Expression of Interest to be completed by potential partners
    b. Suitable dates will be confirmed with interested parties to review and discuss possible strategies.
    c. Following careful consideration, an award will be made, terms and conditions will be agreed in binding agreements.
    d. The execution plan will be publicised
    e. The partners will execute according to the plan.
    f. Reviews shall be conducted as per agreement.

7. CONCLUSION

We are reminded of a quote by Wiseman Nkuhlu who said: “Whatever the reasons, history shows that no nation has ever developed without its members taking responsibility for their own development”

Pan African Resources is committed to actively participate and develop our social partners and communities in the areas where we operate. We look forward to creating a partnership that will support our values and develop sustainable opportunities in creative ways. We look forward to your proposals.

Interested parties are requested to complete the attached **Expression of Interest** and mail it to fortunaten@bmines.co.za. Or should you have any further queries, please send your questions to Ms. Fortunate Ngomane, ESG Manager – Barberton Mines at the above e-mail address.

Note: The closing date for submission of your Expression of Interest is 31 July 2023

ANNEXURE A

EXPRESSION OF INTEREST

STRATEGIC PARTNERSHIP OPPORTUNITY – BARBERTON AIRPORT PROPERTY

1. I, (Name & Surname) ____________________ representing (Institution Name) ________________ hereby acknowledge that I received and read the Opportunity Overview, as well as the decision criteria and wish to present my development initiatives.

2. I understand that Pan African Resources will not be making any financial contribution towards the project and that my initiative needs to be:
   a. Self-funded
   b. Set out with clear objectives, time frames and outcomes to be achieved
   c. Reduced to writing and to become a legally binding agreement

3. **A Brief overview of my strategy is as follows:** (Please describe in one paragraph)

4. **My Contact Details are as follows:**
   a. Name & Surname ____
   b. Institution ____
   c. Position/Title ____
   d. Telephone Contact ____
   e. E-Mail Address ____
   f. Any other information you may wish to add:

      ____
      ____
      ____
      ____
      ____

Certified Correct

Name & Surname **Date** **Signature**