

APPENDIX 6 PROPOSAL ON PROMOTION OF LOCAL BUSINESS DEVELOPMENT

To further promote local economic development the Ruida Investments Ltd will evaluate and assess local business opportunities for each contract including the possibility of cooperation between local and foreign manufacturers. In addition, the Company will publish and distribute information explaining procedures on how to tender for and conduct business with the Company.

Encouraging and assisting the individuals concerned to establish their own commercial enterprises will assist the local communities. The Company recognises that a thriving community is vital to the well-being of the mining operation and will therefore give preference to local suppliers of services provided quality and cost objectives are met. Where contractors from outside of the immediate environs of the mine are engaged they will be encouraged to employ members of the local communities where possible.

This will form part of the selection criteria for engagement of such service providers.

The Company does not wish to prescribe areas of business opportunities in which local residents may be interested however, there are a number of areas in which the Company may be able to actively create opportunities so as to concentrate on the core business of mining as much as possible. These may include:

- Light vehicle maintenance. The maintenance of the Company's vehicles is an area which could be sub-contracted, provided quality and cost objectives are met. It is also an area where there is a large client base outside the Company.
- Property Maintenance. There are many areas relating to property maintenance that lend themselves to subcontract by suitably qualified people or businesses. These include: painting (internal, external and roofs), plastering and bricklaying, plumbing, electrical work, garden services, etc. Potential customers for these services could also include: house owners, absentee landlords, businesses and municipalities, as well as social and sporting clubs.

- Bussing and Taxi Services. Small vehicles are possibly in the price range of certain people within and around the Project Area. This service has a relatively low entry threshold, but critically requires the highest possible standards of operating and maintenance.
- Workshop Services. There are existing engineering and fabricating enterprises in the region. If possible, these will be encouraged to develop expertise in services and techniques the mining industry requires.

Further assistance to entrepreneurs

There are a number of external factors that could limit the successful implementation of the Local Business Development Programme, these include:

- Lack of access to capital. The Company may offer to improve individual access to capital from third party financial institutions.
- Lack of working capital. Certain candidates for the Local Business Development Programme may have difficulties with sufficient working capital. In cases where the Company deems it prudent, the Company will assist in the supply of work-in-progress stocks and possibly abbreviated payment terms.
- Lack of Recognition. Wherever a candidate for the Local Business Development Programme or their company is able to provide a competitive service (in terms of price, quality, quantity, professionalism and service) the Company will, all other things being equal, have a policy to support such an enterprise.
- The Company will designate a nominee to be the responsible person to facilitate the success of the Local Business Development Programme and to liaise with government officials on the progress made in the implementation of the Local Business Development Programme.