

Appendix 2

PROPOSED PROGRAMME FOR MINING OPERATIONS

Accompanying Application for Large Scale Mining Licence (LML)

Over

Area under Prospecting Licence No. 19622-HQ-LPL at Mwachilinga, Shantumbu
Area, Kafue District.

By

Lu Hang Stone Mining Company Limited
Plot No.2440, Chipwenupwenu Road, Makeni,
P.O. Box 33612,

LUSAKA

2.0 PROPOSED PROGRAMME OF OPERATIONS

2.1 Introduction

Lu Hang Stone Mining Company Limited is a Zambian registered company under the Company Registration Act. The company has a dedicated team of Director and Shareholders with vast experience in quarry operations. Through its sister companies in China, Lu Hang Stone Mining Company Limited is actively involved in construction and civil engineering works with a dedicated and experienced team of directors. Recently, Lu Hang Stone Mining Company Limited was awarded a number of construction and civil works contracts in Zambia, a number of which are within Lusaka. To meet the contractual obligations, the company would require large volumes of quarry products.

It is from this background that the company herein applies for a Large Scale Mining Licence over the area covered by its Prospecting Licence No. 19622-HQ-LPL.

Upon grant of Large Scale Mining Licence, Lu Hang Stone Mining Company Limited intend to start quarrying operations at the identified dolomitic / Limestone hill within the tenement. The company will invest an initial sum of more than **USD 5.5 million** on Capex, infrastructure and operations over an initial 5 year period. The quarry operations will run on minimal mechanization, whilst utilizing locally available skilled and unskilled human resource as much as practically possible. As a matter of policy, and as part of its corporate social responsibility, Lu Hang Stone Mining Company Limited will be committed to contributing positively to the local and regional economic growth through the quarrying project at Mwachilinga / Shantumbu Area in Kafue District.

With increasing demand on quarry aggregates, the company plans to run the quarry throughout the year while maintaining sufficient stock piles to cover up for the planned plant maintenance period.

In as much as practically possible, the company will remain committed to the Environmental Management Plan (EMP) herein outline.

2.2 SUMMARY OF PROGRAMME OF OPERATION

No.	Activity Description	Period		Estimated Cost (USD)	Comments
		Start	End		
2.2.1	Prospecting works			20,000	Works completed for PHASE I Quarrying, works for PHASE II to be commenced as soon as LML is granted.
2.2.2	Mobilisation			12,000	Mobilisation for Quarrying operations commenced during Prospecting.

2.2.3	Procurement of Plant & Equipment	5,000	Commenced during Prospecting. About 90% Plant and Equipment procured.
2.2.4	Consultative meetings with stakeholders	3,500	Meeting conducted with stakeholders; Ministry of Mines, Energy & Water Development, ZEMA, Kafue District Council, Ministry of Land, Chief's Representative, Local Community.
2.2.5	Identification of effected households for possible relocation.	2,000	No household was affected.
2.2.6	Survey of tenement and pegging	2,500	Survey of tenement carried out; pegging certificate issued.
2.2.7	Environmental Project Brief (EPB); General mining area	3,000	EPB for Quarrying operation was prepared by consultant and submitted to ZEMA. Decision Letter awaited.
2.2.8	Casting of Crusher foundation and crushing plant assembly, Clearing of stock piling area & Construction of slab.	150,000	Crusher foundation constructed; Crushing plant being assembled. All Crushing Plant components delivered.
2.2.9	Construction and civil works; Office block, Workshop & Wash bay, Storerooms, Ablution block, First-Aid Clinic, Weigh Bridge, Fuel Station & Gen-Set room, Security fence & Gate.	350,000	Construction of all civil works in progress.
2.2.10	Over Burden Over Burden Removal		Not required for Phase I; Quarrying the identified dolomitic /