



mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA

NAME OF APPLICANT: Starcrow 125 CC

Reg. No. 2007/037265/23

PROSPECTING WORK PROGRAMME

SUBMITTED FOR A PROSPECTING RIGHT APPLICATION WITH BULK SAMPLING

**AS REQUIRED IN TERMS OF SECTION 16 READ TOGETHER WITH
REGULATION 7(1) OF THE MINERAL AND PETROLEUM RESOURCES
DEVELOPMENT ACT (ACT 28 of 2002)**

STANDARD DIRECTIVE

All applicants for mining rights are herewith, in terms of the provisions of Section 16 and in terms of Regulation 7(1) of the Mineral and Petroleum Resources Development Act, directed to submit a Prospecting Work Programme, strictly under the following headings and in the following format together with the application for a prospecting right.

1. REGULATION 7.1.(a): FULL PARTICULARS OF THE APPLICANT

Table 1: Applicant's Contact Details

ITEM	COMPANY CONTACT DETAILS
Name	Johannes Christiaan Kotze
Tel no	027 2171727
Fax no:	027 2171727
Cellular no	083 2352729
E-mail address	renay@mylan.co.za
Postal address	PO. Box 226 Lutzville, 8165

Table 2: Consultant's Details

ITEM	CONSULTANT CONTACT DETAILS (If applicable)
Name	NA
Tel no	
Fax no:	
Cellular no	
E-mail address	
Postal address	

2. REGULATION 7(1)(b): PLAN CONTEMPLATED IN REGULATION 2(2) SHOWING THE LAND TO WHICH THE APPLICATION RELATE

Diagram 1: Locality of prospecting areas

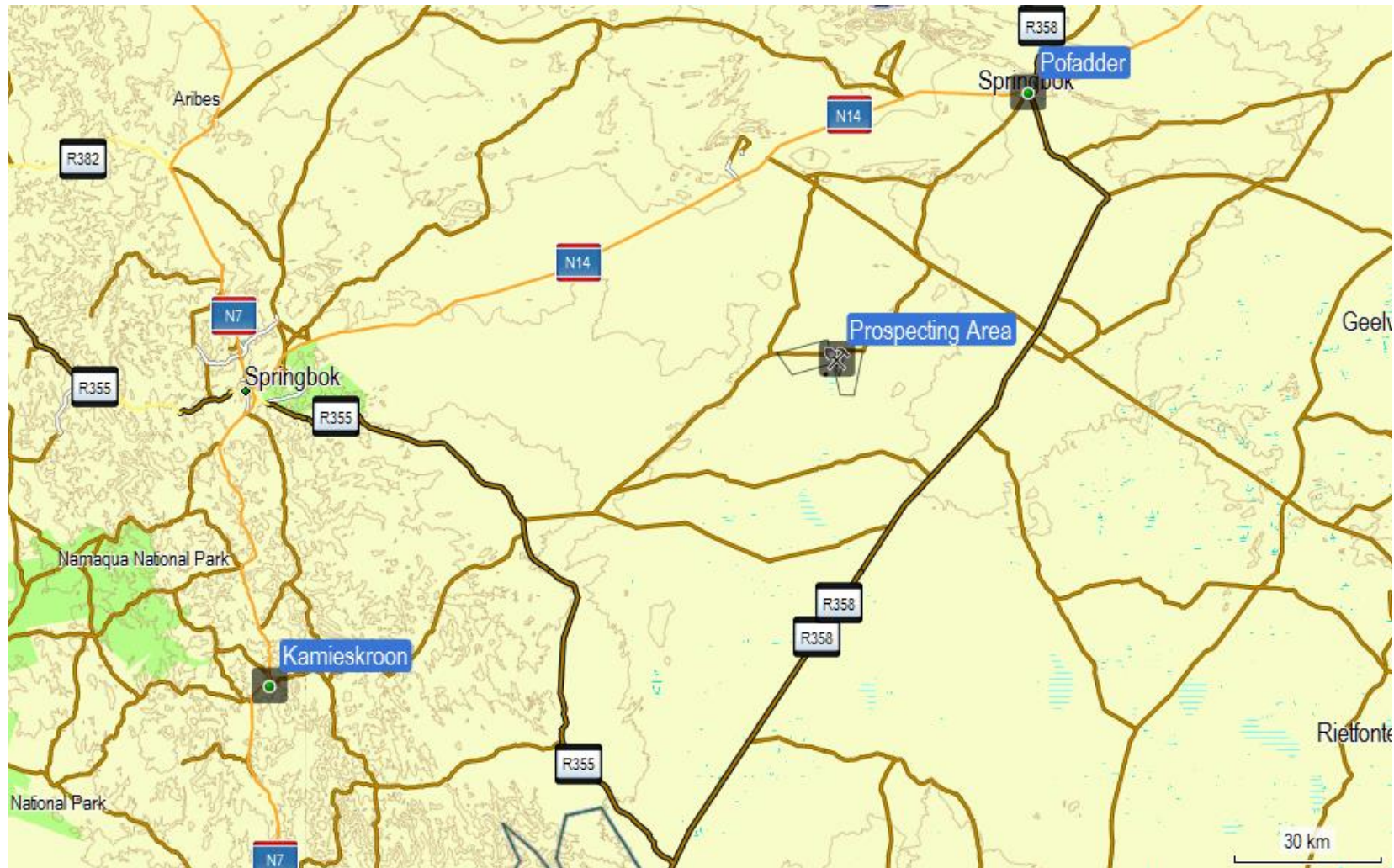


Diagram 2: Properties to be prospected

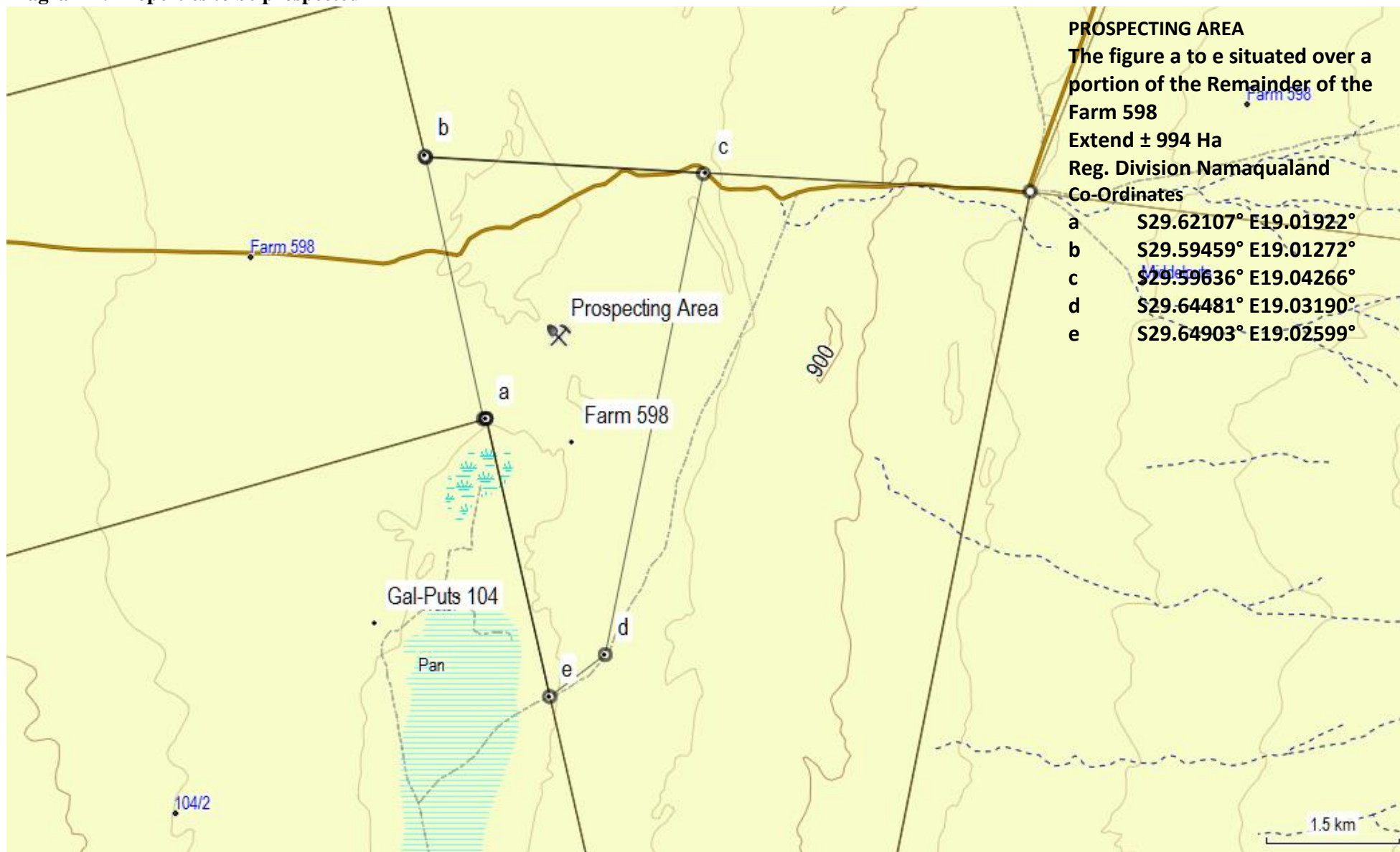
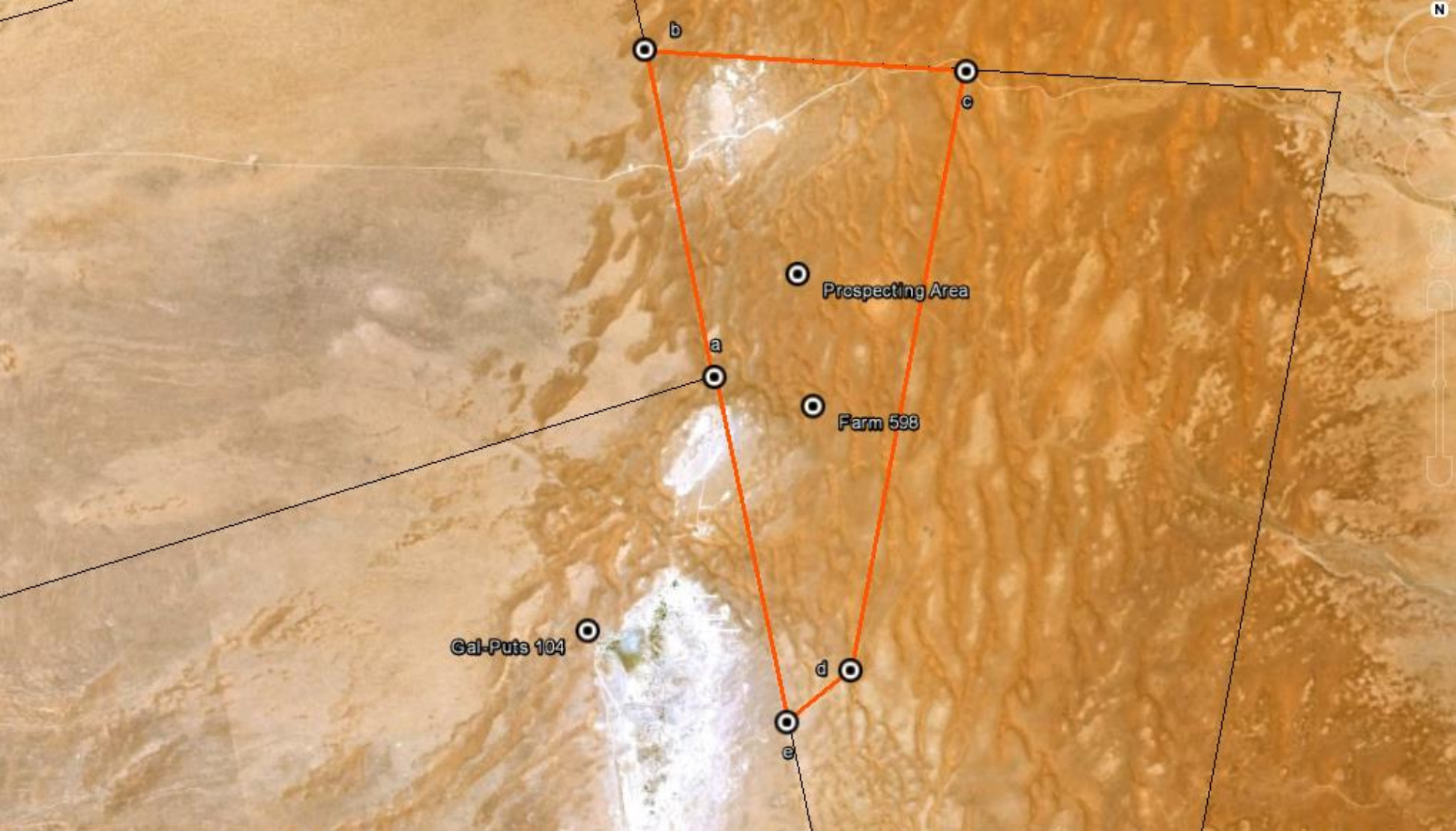


Diagram 3: Landscape of proposed prospecting area



3. REGULATION 7(1)(c): THE REGISTERED DESCRIPTION OF THE LAND TO WHICH THE APPLICATION RELATES

Property 1

Portion of Farm 598 No. 598. The property is registered in the name of Albertus Johannes van Zyl by virtue of Title deed T38484/1987.

LPI Code C05300000000059800000 Magisterial District of Namaqualand, Northern Cape

4. REGULATION 7(1)(d) and (e): THE MINERAL OR MINERALS TO BE PROSPECTED FOR

Table 4.1: Minerals to be prospected for

ITEM	DETAIL
Type of mineral(s)	Diamonds Alluvial
Locality	108 km East of Springbok
Extent of the area required for prospecting	994 Ha
Geological formation	The area is underlain by the Namaqua Metamorphic Complex which comprises hybrid migmatites, granites and granodiorites, mafic intrusives with granite and granitoid emplacements, and an abundance of metamorphosed schists and phyllites.

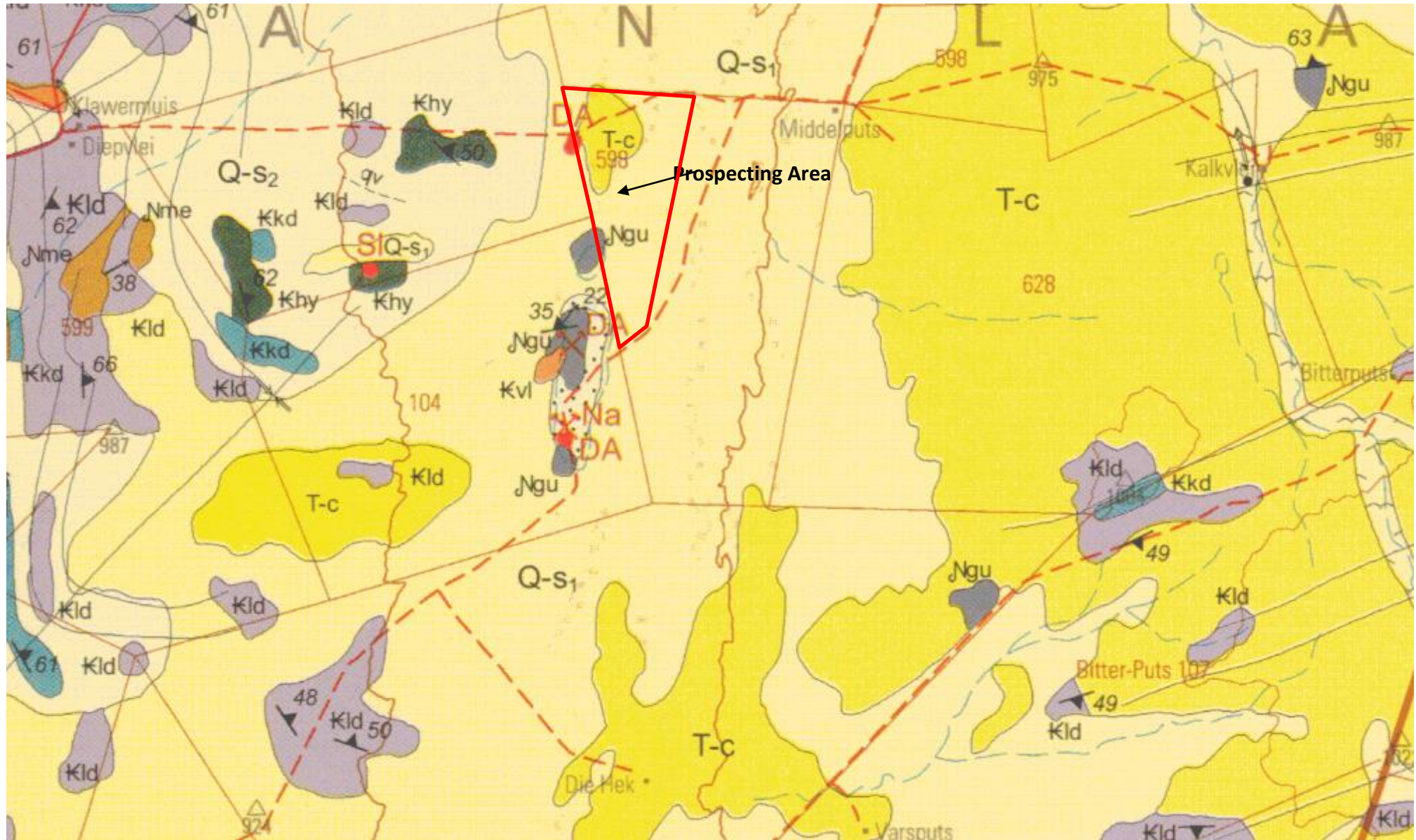
4.2 Description why the Geological formation substantiates the minerals to be prospected for

There are 3 pans (Galputs se Pan, Bitterputs se Pan and Bosluispan) lying roughly in a north-south orientation in the present day valley of the Koa River. The river no longer flows. Diamonds have been discovered in all 3 pans and it is reasonably expected that channel gravels of the palaeo Koa River that connected the pans will also carry diamonds. However, the locality and extent of these gravels is unknown and the purpose of prospecting is to find these channels gravels as they leave Bitterputs se Pan northwards towards Galputs se Pan with the final objective being the mining of such gravels under the dunes which separate the Pans.

The ancestral Orange River and related systems exhibit a complex geological history with the first economically significant occurrence of diamonds relating to palaeo-drainage evolving in the Early to Middle Cretaceous (120-100Ma). Re-use of these fluvial conduits has occurred during the Late Miocene (Proto deposits) and again in the Plio-Pleistocene and Quaternary eras (Meso deposits), culminating in the modern Orange River. These later events exploited the 'median' channel of this remnant drainage basin, which now represents an entrenched transverse (east west trending) master stream consequent. In each case, previous valley fills have been exhumed and replaced by successive cycles of aggradation and degradation, resulting in stepped terraces of remnant older (higher elevation) Cretaceous and younger Miocene deposits (middle elevation) that are blanketed in Meso gravel bars (lowest elevation). The entrenched modern river represents the last Meso phase (of 3 recognisable phases) and is 6-8m below a set of distinctive paired terraces (second Meso phase) fringing the modern river valley.

In each instance, the base of these successive fills is floored by a basal unconformity upon which lies a fining upwards sequence of gravels, grits and coarse sands of varying maturity, terminating in an aggradational valley-flooding sequence of silts and clays.

4.3 Geological map indicating potential mineral deposits



5. REGULATION 7(1)(f): A DESCRIPTION OF HOW THE MINERAL RESOURCE AND MINERAL DISTRIBUTION OF THE PROSPECTING AREA WILL BE DETERMINED

AND

REGULATION 7(1)(h): ALL PLANNED PROSPECTING ACTIVITIES MUST BE CONDUCTED IN PHASES AND WITHIN SPECIFIC TIMEFRAMES

AND

REGULATION 7(1)(i): TECHNICAL DATA DETAILING THE PROSPECTING METHOD OR METHODS TO BE IMPLEMENTED AND THE TIME REQUIRED FOR EACH PHASE OF THE PROPOSED PROSPECTING OPERATION

The table below incorporates the information required in respect of Regulations 7(1)(f), 7(1)(h) and 7(1)(i):

Table 5.1

Phase	Activity	Skill(s) required	Timeframe	Outcome	Timeframe for outcome	What technical expert will sign off on the outcome?
1	Non-invasive Literature Study Imagery Analysis Geological Mapping Geophysical Survey	Geologist Project Manager	Month 1-12	Maps, plan & report on previous work	Month 12	Geologist
2	Invasive Prospecting Scout Prospecting Pits	Project Manager	Month 13-24	Trench logs, Map & Report	Month 30	Project manager
3	Bulk sampling Box cut	Geologist Mining engineer	Month 25-48	Diamond Ore Characterization (DOC) study for metallurgical purposes and to allow the sufficient recovery of diamonds for evaluation and foot printing purposes.	Month 50	Geologist Mining engineer
4	Final analysis, quality control, database update and first stage of resource estimation	Geologist Economist	Month 49-54	Feasibility study and decision making if results prove negative then decommissioning and closure if results prove positive then continue with bulk sampling	Month 54	Project Manager
5	Application for mining right or decommissioning and closure	Project Manager	Month 55-60	Mining right or Closure certificate	Month 60	Project Manager

6. REGULATION 7(1)(g): A DESCRIPTION OF THE PROSPECTING METHOD OR METHODS TO BE IMPLEMENTED

The following factors have an important bearing on the nature of the planned prospecting:

- The pan floor is subject to periodic inundation. Recent times have been very wet and working within the pan is difficult.
- The pan is surrounded by a thin layer ($\pm 1-2\text{m}$ deep) of sand which is inundated under severely wet conditions.
- The aerial photo shows an east west foliation in the exposed basement granites in the northern edge of the pan. This indicates that the palaeo river flow was in a south north direction.
- Deeper overburden is located east and west of the northern extension of the pan floor.

The above factors result in invasive prospecting consisting of 2 phases:

The first is the prospecting of the shallower overburden by means of prospecting pits across the surmised palaeo river flow direction to determine the extent of the channel extending northwards from Galputs.

Once the direction of the gravels (and grade) has been determined then a bulk sample programme will be conducted to do a Diamond Ore Characterization (DOC) study for metallurgical purposes and to allow the sufficient recovery of diamonds for evaluation and foot printing purposes.

(i) DESCRIPTION OF PLANNED NON-INVASIVE ACTIVITIES:

PHASE 1 Desktop studies

Literature Study

In order to direct the exploration programme in an efficient manner, there will be a review of all information and data gathered by previous exploration in the surrounding area. A desktop study will also be undertaken of the diamond potential of the area. A site investigation of the target areas will be undertaken to identify infrastructure and determine any potential problems that may need to be addressed.

Imagery Analysis

Aerial photographs and satellite images will be studied to ascertain additional target areas for possible gravel deposits. The aerial photographs will also be used to structurally and geologically map the area.

Geological Mapping

Any anomalous features identified from the air will be mapped in detail. The various rock types and their contacts will also be mapped.

Geophysical Survey

A 5 line kilometre magnetic survey may be undertaken using a proton-5- magnetometer. This study will result in identifying potential cross-cutting dykes where diamonds could be trapped.

Geological mapping and grab sampling will also be carried out to narrow down the area for prospecting pits. This will result in defining target areas for pitting and reduce the total number of pits to be excavated.

The model for mineralisation in the area of interest is that of diamondiferous paleo channels and traps. Samples recovered from prospecting pits in the general area have shown good prospects to host economic diamond deposits.

It was further concluded by previous operators that potential exists to discover new paleo channels and traps in the area. The company's exploration programs are aimed at (i) discovering previously unknown paleo channels and traps (ii) evaluating the economic potential of potential gravel deposits.

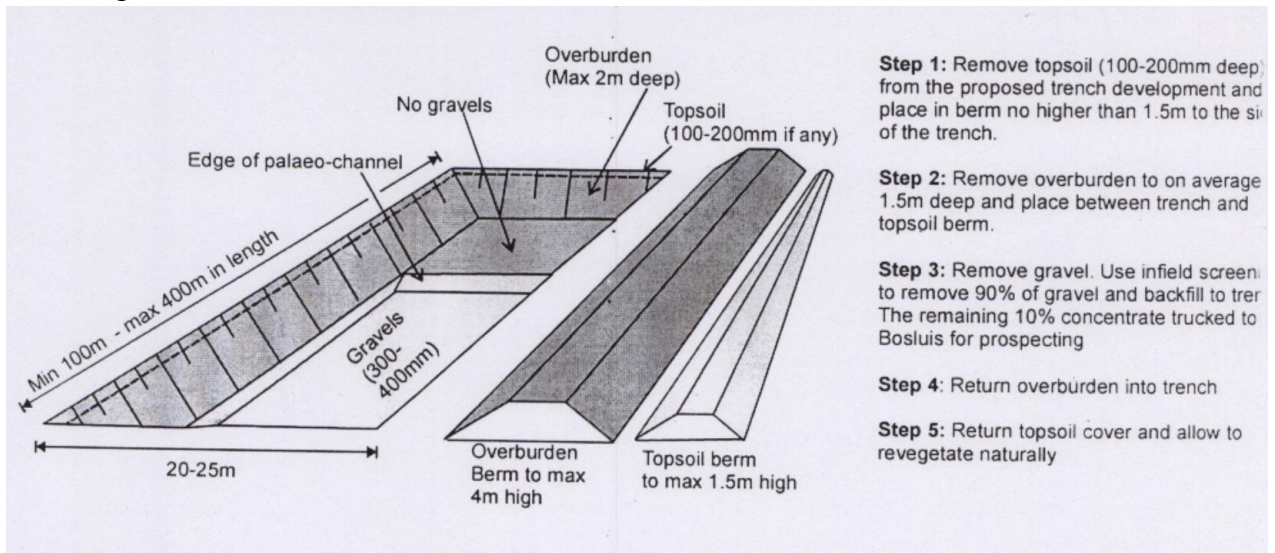
(ii) DESCRIPTION OF PLANNED INVASIVE ACTIVITIES:

Invasive prospecting consists of prospecting trenches followed by a percussion drilling programme.

PHASE 2 Prospecting Trenches

The prospecting pitting programme will consist of approximately 6 pits to the north of the pan (Refer figure 4). The pits will be developed in an area of very shallow overburden (approximately 1 -2m deep) above the 300-400mm thick gravels. The pits will be developed to 20-25m long x 20-25m wide. Assuming an average overburden depth of 1.5m, then each pit will require the handling of some 1 000m³ overburden and topsoil.

Such pit development will be the same as for trench development as shown in the diagram below but on a much smaller scale:



Apart from gravel resources calculations the information will be used to construct gravel thickness, overburden thickness and bedrock elevation contour plans. The trenches will be backfilled if results are unfavourable or left open for the purpose of continued bulk sampling by means of box cuts. The holes will be filled with overburden and covered with topsoil.

(iii) DESCRIPTION OF PRE-/FEASIBILITY STUDIES

PHASE 4 Resource Estimation

The project manager monitors the programme, consolidates and processes the data and amends the programme depending on the results. This is a continuous process throughout the programme and continues even when no prospecting is done on the ground.

Each physical phase of prospecting is followed by desktop studies involving interpretation and modelling of all data gathered. These studies will determine the manner in which the work programme is to proceed in terms of activity, quantity, resources, expenditure and duration.

(iv) DESCRIPTION OF BULK SAMPLING ACTIVITIES

PHASE 3

After prospecting pits has delineated alluvial traps and or paleo channels, a decision will be made whether to proceed to Bulk Sampling.

A bulk sample will consist of a box cut excavated perpendicularly to the paleo channel. The footprint of the proposed box cuts will be 70 X 70 meters (0.5Ha). There will only ever be one box cut open at any given time and it is anticipated that no more than 2 such cuts will be developed.

Bulk sampling will consist of the following procedures:

- Remove topsoil to either side of the eventual box cut lateral extension. Note that the upper 30cm will be treated as topsoil as it contains a seed bank. Say $5\,000\text{m}^2 \times 0.3 = 1500\text{m}^3$
- Then remove the overburden average 1 meter below the "topsoil" cover to a separate stockpile berm. Say $5\,000\text{m}^2 \times 1\text{m} = 5\,000\text{m}^3$
- Extract alluvial material to a depth of 1.5m. Say $5\,000\text{m}^2 \times 1.5\text{m} = 7500\text{m}^3$ alluvial gravel
- From 2 pits 3000m^3 alluvial gravel will be extracted or 1150 tonnes at an SG of 2.6.
- An average of 500 tonnes could then be processed from each of the two potential gravel deposits.

The removed gravel will be sent through an in-field screening plant and only the concentrate will be trucked to the processing plant.

The applicant requires 250tonnes of concentrate product to obtain a representative sample for sufficient statistical analysis. 250tonnes of concentrate represents 50% of the ore therefore 50% will be backfilled through infield screening. When bulk sampling has been completed, then the entire excavation must be backfilled with the removed material in reverse order (starting with the in-field screened gravel).

Diagram 4: Landscape with positions for prospecting pits

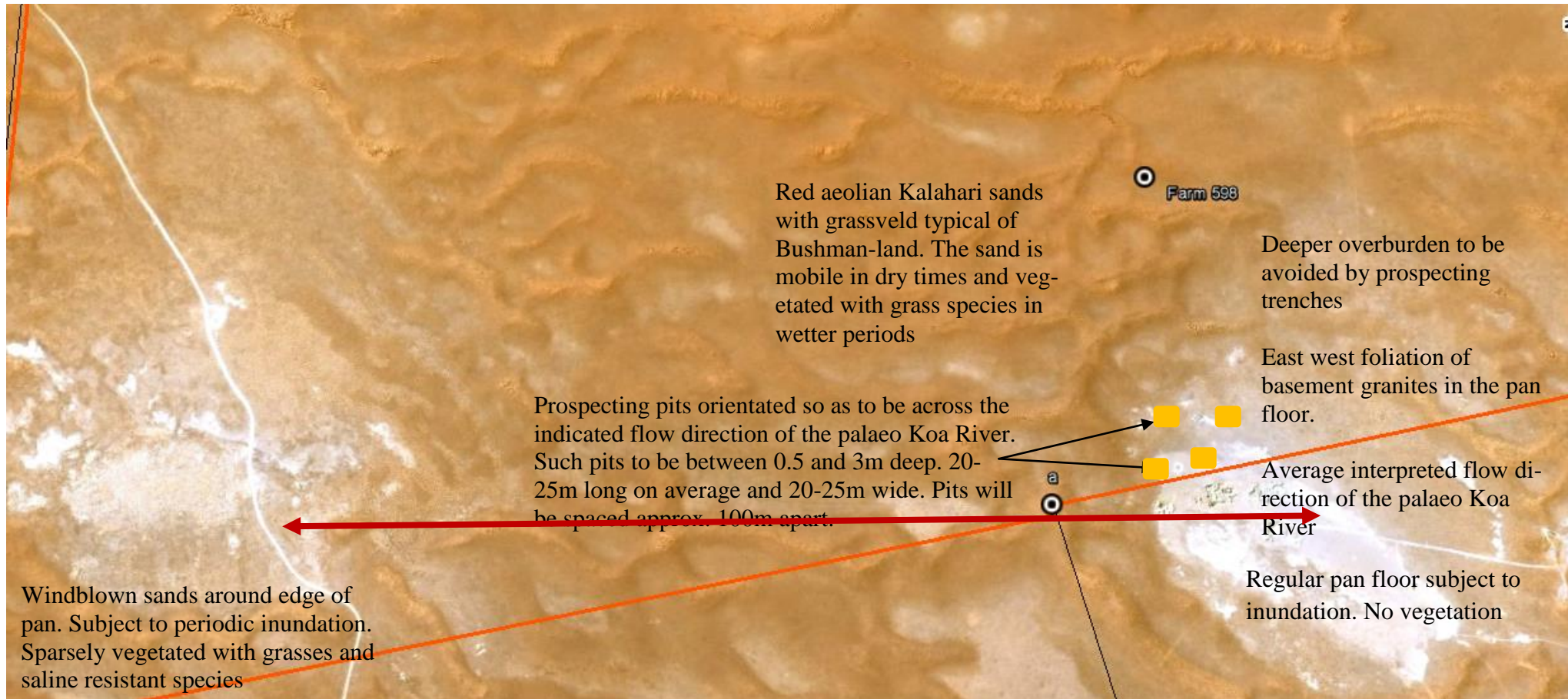


Table 6.1: Bulk Sampling Activities

ACTIVITY		DETAILS		
Number of pits/trenches planned		Maximum 2 box cuts		
Dimensions of pits/trenches, per pit	Number of pits	Length	Breadth	Depth
	1	50m	50m	1.5m
	2	50m	50m	1.5m
Locality		Perpendicularly to any paleo channels or gravel traps identified by prospecting trenches Guestimate of locality 1 29°37'27.30"S 19° 1'13.46"E 2 29°35'49.57"S 19° 1'14.89"E		
Volume Overburden (Waste)		Topsoil	1500m ³	
		Overburden	5000 ³	
Volume Ore		1500m ³		
Density Overburden		SG of 1.7		
Density Ore		SG of 2.6		
Phase(s) when bulk sampling will be required		3		
Timeframe(s)		Month 36 to 60 Year 3 to 5		

NOTE: Detailed description of the required costs MUST be indicated in the cost estimate as per Regulation 7(1) (k)

Commitment to provide addendums in respect of additional bulk sampling

I herewith commit to provide the Department of Mineral Resources with an addendum to the Prospecting Work Programme, and an Environmental Management programme for approval prior to undertaking any future bulk sampling activities not described above.

ACCEPT Mark with X	X
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7. REGULATION 7(1)(j)(i):DETAILS WITH DOCUMENTARY PROOF OF THE APPLICANT'S TECHNICAL ABILITY OR ACCESS THERETO TO CONDUCT THE PROPOSED PROSPECTING OPERATION

7.1 Competencies to be employed in terms of the Mine Health and Safety Act

COMPETENCIES TO BE EMPLOYED (List the legal appointments that will be made in terms of the Mine Health and Safety Act, appropriate for the type of operation)

1. A mine health and safety consultant will be appointed to manage general administration and monitoring hazard identification and risk assessment.
2. Specialist will be appointed as consultants for compilation of any COP's required
3. Security staff will be deployed on site during the bulk sampling phase

I herewith confirm that I, in Table 9.1 have budgeted and financially provided for the required skills listed above.

CONFIRMED (Mark with an X)	X
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7.2 List of Appropriate equipment at your disposal (If Applicable)

Table D: Appropriate Equipment Available

Small tools and Excavator for earth moving
In-field screening plant
Mobile processing plant

7.3 Technical skills provided Free of Charge

7.3.1 Information (CV's) in respect of skills already acquired (append)

Starcrow 125 CC is a newly established BEE company aimed at diamond prospecting and mining through labour intensive practises to promote job creation.

Project management will be overseen by Johannes Christiaan Kotze refer appendix A1 for CV.

The Geophysical work of the Project will be sub contracted to a geo-consultant the company profile is attached as part of appendix A1.

The company will also be supported by members of the local community with regard to unskilled labour.

7.3.2 Copy of the relevant contractual agreements between the service provider and the applicant relative to the duration of the planned prospecting period, where applicable (append)

Only the Geophysical work of the Project will be sub contracted to a geo-consultant the company profile is attached as part of appendix A1. Financial provision for the contractors is made as part of the operational cost.

7.3.3 ALL other evidence of Technical Ability (append)

NA

8. REGULATION 7(1)(j)(ii):DETAILS WITH DOCUMENTARY PROOF OF A BUDGET AND DOCUMENTARY PROOF OF THE APPLICANT'S FINANCIAL ABILITY OR ACCESS THERETO

AND

9. REGULATION 7(1)(k) A COST ESTIMATE OF THE EXPENDITURE TO BE INCURRED FOR EACH PHASE OF THE PROPOSED PROSPECTING OPERATION (remember to also include prospecting fees)

ACTIVITY	YEAR 1 Expend. (R')	YEAR 2 Expend. (R')	YEAR 3 Expend. (R')	YEAR 4 Expend. (R')	YEAR 5 Expend. (R')
PHASE 1 (12 months)					
Prospecting fees < 1000Ha	1000	0	0	0	0
Literature Study	5000	0	0	0	0
Imagery Analysis	5000	0	0	0	0
Geological Mapping	10000	0	0	0	0
Geophysical Survey	10000	0	0	0	0
Update layout plans & financial provision, Performance ass.	5 000	0	0	0	0
PHASE 2 (24 months)					
Prospecting fees < 1000Ha	0	1100	1200	0	0
Excavation of maximum 10 000 m ³	0	30000	30 000	0	0
Geological services	0	5 000	5 000		
Rehabilitation of prospecting pits.	0	10 000	10 000	0	0
Update layout plans & financial provision, Performance ass.	0	10 000	10 000	0	0
Analysis of results to determine future options	0	0	1 000	0	0
PHASE 3 (12 months)					
Prospecting fees < 1000Ha	0	0	0	1300	0
Demarcation of bulk sampling sites.	0	0	0	700	0
Locate and mark access routes to the bulk sample sites	0	0	0	500	0
Educate, train staff in environmental issues	0	0	0	500	0
Construct mobile processing plant & associated infrastructure	0	0	0	50 000	0
Update layout plans & financial provision, Performance ass.	0	0	0	5 000	0
Excavation of 2 pits 5000m ³	0	0	0	100 000	0
Analyzing and treatment of gravel 1 500m ³	0	0	0	50 000	0
Geological services	0	0	0	20 000	0
PHASE 4 (12 months)					
Prospecting fees < 1000Ha	0	0	0	0	1 400
Final analysis of results to determine future options	0	0	0	0	5 000
Application for mining right/rehabilitation and closure	0	0	0	0	80 000
Annual Total	36 000	56 100	57 200	228 000	86 400
Total					463 700

10. FINANCIAL ABILITY TO GIVE EFFECT TO THE WORK PROGRAMME

10.1 The amount required to finance the Work Programme.
R463 700.00

10.2 Detail regarding the financing arrangements
Starcrow 125 CC will be supported by Mr. Johannes Christiaan Kotze one of the members with regard to financial resources. A resolution to this regard and proof of access to the necessary funds is attached as appendix A2.

10.3 Confirmation of supporting evidence appended
Proof of financial access to the necessary funds to implement the proposed prospecting work program is attached in the form of a report from a recognised financial institution as part of appendix A2.

11 Confirmation of the availability of funds to implement the proposed project.

Proof of financial access to the necessary funds to implement the proposed prospecting work program is attached in the form of a report from a recognised financial institution as part of appendix A2.

12 I herewith confirm that I have budgeted and financially provided for the total budget as identified in Regulation 7(1)(k).

Confirmed (Mark with an X)	<input checked="" type="checkbox"/>
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13 REGULATION 7(1) (m): UNDERTAKING, SIGNED BY THE APPLICANT, TO ADHERE TO THE PROPOSALS AS SET OUT IN THE PROSPECTING WORK PROGRAMME

Table: 13.1

Herewith I, the person whose name and identity number is stated below, confirm that I am the Applicant or the person authorised to act as representative of the Applicant in terms of the resolution submitted with the application, and undertake to implement this prospecting work programme and adhere to the proposals set out herein.	
Full Names and Surname	Johannes Christiaan Kotze
Identity Number	6306055184084

END