



mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA

NAME OF APPLICANT: WESTERN ALLEN RIDGE GOLD MINES (Pty) Ltd

REFERENCE NUMBER: (FS) 30/5/1/1/2/10489 PR

PROSPECTING WORK PROGRAMME

**SUBMITTED FOR A PROSPECTING RIGHT
APPLICATION WITHOUT 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

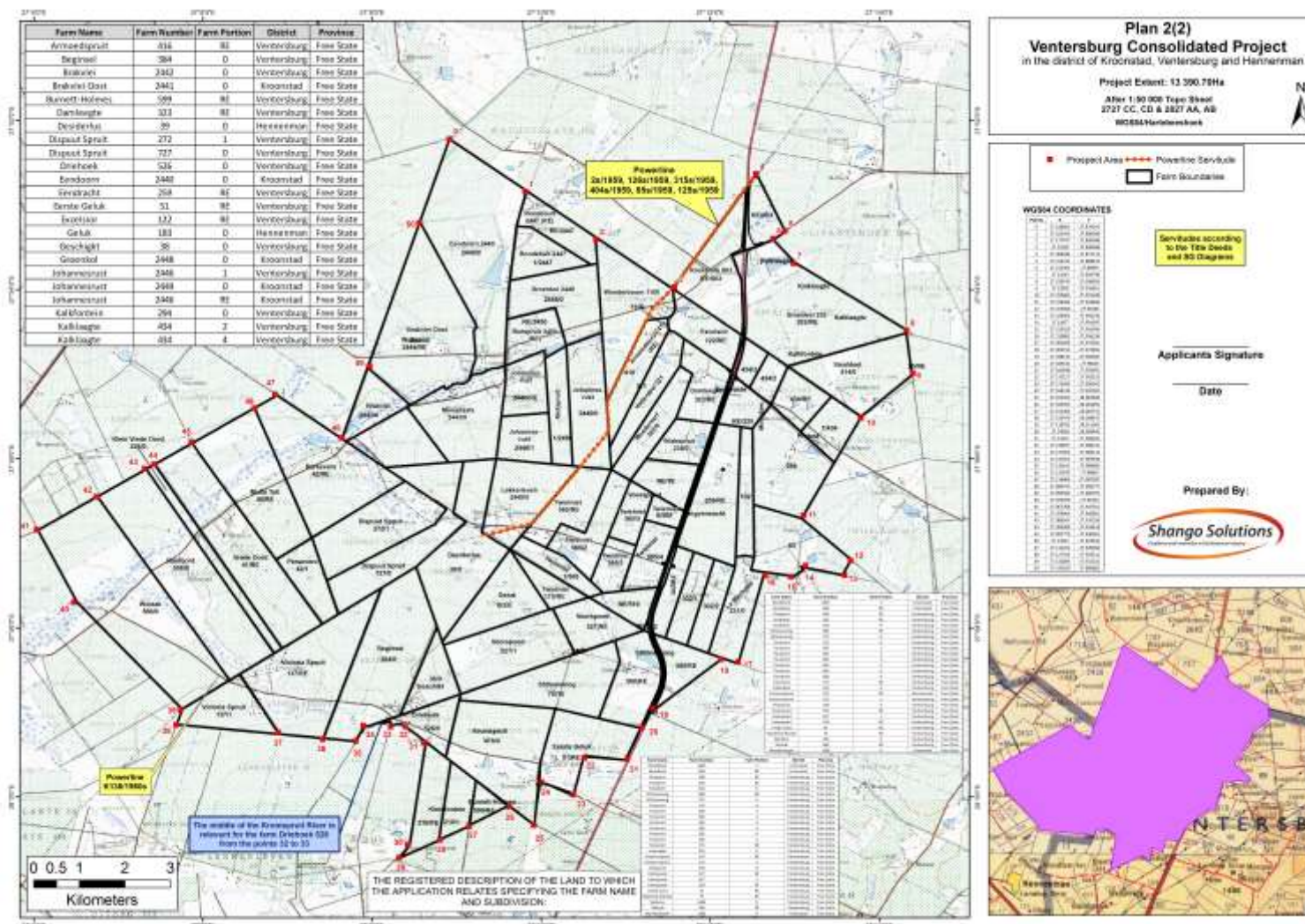
Table 1: Applicant's Contact Details

ITEM	COMPANY CONTACT DETAILS
Name	Western Allen Ridge Gold Mines (Pty) Ltd.
Tel no	011 431 1191
Fax no:	011 431 1193 / 086 661 9323
Cellular no	079 881 9323
E-mail address	info@westernallenridge.co.za
Postal address	P.O. Box 2591 Cresta 2118

Table 2: Consultant's Details

ITEM	CONSULTANT CONTACT DETAILS (If applicable)
Name	Dunrose Trading 186 (Pty) Ltd t/a Shango Solutions
Tel no	011 678 6504
Fax no:	011 678 9731
E-mail address	info@shango.co.za
Postal address	P.O. Box 2591 Cresta Gauteng

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



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

Farm Name	Farm Number	Farm Portion	District	Province
Smaldeel	202	RE	Ventersburg	Free State
Kalklaagte	434	3	Ventersburg	Free State
Kalklaagte	434	5	Ventersburg	Free State
Rosebank	903	RE	Kroonstad	Free State
Wonderboom	1100	0	Ventersburg	Free State
Eendoorn	2440	0	Ventersburg	Free State
Brakvlei Oost	2441	0	Ventersburg	Free State
Brakvlei	2442	0	Ventersburg	Free State
Mooiplaats	2443	0	Ventersburg	Free State
Welkom	2444		Ventersburg	Free State
Lekkerleven	2445	0	Kroonstad	Free State
Johannesrust	2446	RE	Ventersburg	Free State
Johannesrust	2446	1	Ventersburg	Free State
Rondebult	2447	RE	Ventersburg	Free State
Rondebult	2447	1	Ventersburg	Free State
Groenkol	2448	0	Ventersburg	Free State
Johannesrust	2449	0	Hennenman	Free State
Rietspruit	2450	RE	Ventersburg	Free State
Rietspruit	2450	1	Hennenman	Free State
Geschigkt	38	0	Ventersburg	Free State
Desiderlus	39	0	Ventersburg	Free State
Multa Tuli	40	RE	Ventersburg	Free State
Vrede oord	41	RE	Ventersburg	Free State
Persevero	42		Ventersburg	Free State
Persevero	42	1	Ventersburg	Free State
Eerste Geluk	51	RE	Ventersburg	Free State
Protest	63	0	Ventersburg	Free State
Wachteenbeetje	76	1	Hennenman	Free State
Styns Rust	82	0	Ventersburg	Free State
Moodam	102	0	Ventersburg	Free State
Excelsior	122	0	Ventersburg	Free State
Victoria Spruit	137	RE	Ventersburg	Free State
Victoria Spruit	137	1	Ventersburg	Free State
Twistniet	175	0	Ventersburg	Free State
Geluk	183	0	Ventersburg	Free State
Kleinfontein	210	RE	Ventersburg	Free State
Kleinfontein	210	1	Ventersburg	Free State
Lan Kuil	225	RE	Kroonstad	Free State
Klein Vrede Oord	228	0	Ventersburg	Free State

La Rochette	231	0	Kroonstad	Free State
Vlakspruit	234	0	Ventersburg	Free State
Eendracht	259	RE	Ventersburg	Free State
Dispuut Spruit	272	1	Ventersburg	Free State
Kalkfontein	294	0	Kroonstad	Free State
Langverwacht	302	RE	Ventersburg	Free State
Langverwacht	302	1	Kroonstad	Free State
Langverwacht	302	2	Kroonstad	Free State
Vaderdeel	321	0	Ventersburg	Free State
Moederserf	322	0	Ventersburg	Free State
Damleegte	323	0	Kroonstad	Free State
Beginsel	384	0	Ventersburg	Free State
Smaldeel	414	0	Ventersburg	Free State
Armoedspruit	416	RE	Ventersburg	Free State
Kalklaagte	434	RE	Ventersburg	Free State
Kalklaagte	434	1	Ventersburg	Free State
Kalklaagte	434	2	Ventersburg	Free State
Kalklaagte	434	4	Ventersburg	Free State
Kromspruit	476	0	Ventersburg	Free State
Rustoord	508	RE	Ventersburg	Free State
Driehoek	526	0	Ventersburg	Free State
Voorspoed	527	RE	Ventersburg	Free State
Voorspoed	527	1	Ventersburg	Free State
Twistniet	565	RE	Ventersburg	Free State
Twistniet	565	1	Ventersburg	Free State
Twistniet	565	2	Ventersburg	Free State
Twistniet	565	3	Ventersburg	Free State
Twistniet	565	5	Kroonstad	Free State
Twistniet	565	6	Kroonstad	Free State
Wolzak	566	RE	Ventersburg	Free State
Stillewoning	580	RE	Ventersburg	Free State
Burnett-Holmes	599	RE	Ventersburg	Free State
Dispuut Spruit	727	0	Ventersburg	Free State
Moederseel	739	0	Ventersburg	Free State
Stillewoning	757	0	Ventersburg	Free State

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)	Silver Ore, Gold Ore, Cobalt, Copper Ore, Diamond (Alluvial), Iron Ore, Manganese Ore, Molybdenum Ore, Nickel Ore, Lead, Platinum Group Metals, Rare Earths, Sulphur, Uranium Ore, Tungsten Ore, Zinc Ore and Coal
Locality (Direction and distance from nearest town)	14 km north-northeast of Ventersburg
Extent of the area required for prospecting	13 390.70 ha
Geological formation	Witwatersrand, Ventersdorp and Karoo Supergroups

4.2 Description why the Geological formation substantiates the minerals to be prospected for (provide a justification as to why the geological formation supports the possibility that the minerals applied for could be found therein)

Welkom, the largest town in the Free State Goldfield, is situated nearly 270km towards the southwest of Johannesburg, about 1 370m above mean sea level. The area is typically flat, represented by treeless grassland, where farming is prominent. Annual rainfall is around 550mm and drainage occurs into small Karoo pans. Infra-structure is well developed.

The Witwatersrand Supergroup which hosts gold, is generally overlain by 500m of Karoo Supergroup strata (Figure 1a), predominantly horizontally bedded sandstones and shales of the Eccca Group. The Eccca Group contains coal at shallow depths which might be exploitable.

The Welkom Goldfield hosted eleven mines in the triangle between Allanridge, Welkom and Virginia, 270km southwest of Johannesburg. Historically, these mines have collectively produced in excess of 9.6 Million kg Au (gold). In addition to gold, the primary exploration target, silver, uranium, sulphur, diamonds, rare earths and platinum group metals are currently and have been historically, extracted as by-products of gold. Base metals (cobalt, copper, manganese, molybdenum, nickel, lead, tungsten and zinc) could potentially be present in mafic intrusions.

Pretorius (1964) published a map showing the distribution of Witwatersrand rocks below the Karoo cover rocks (Figure 1b).

4.3 Attach a geological map that justifies the description why there is a possibility that the minerals applied for could occur on the land concerned

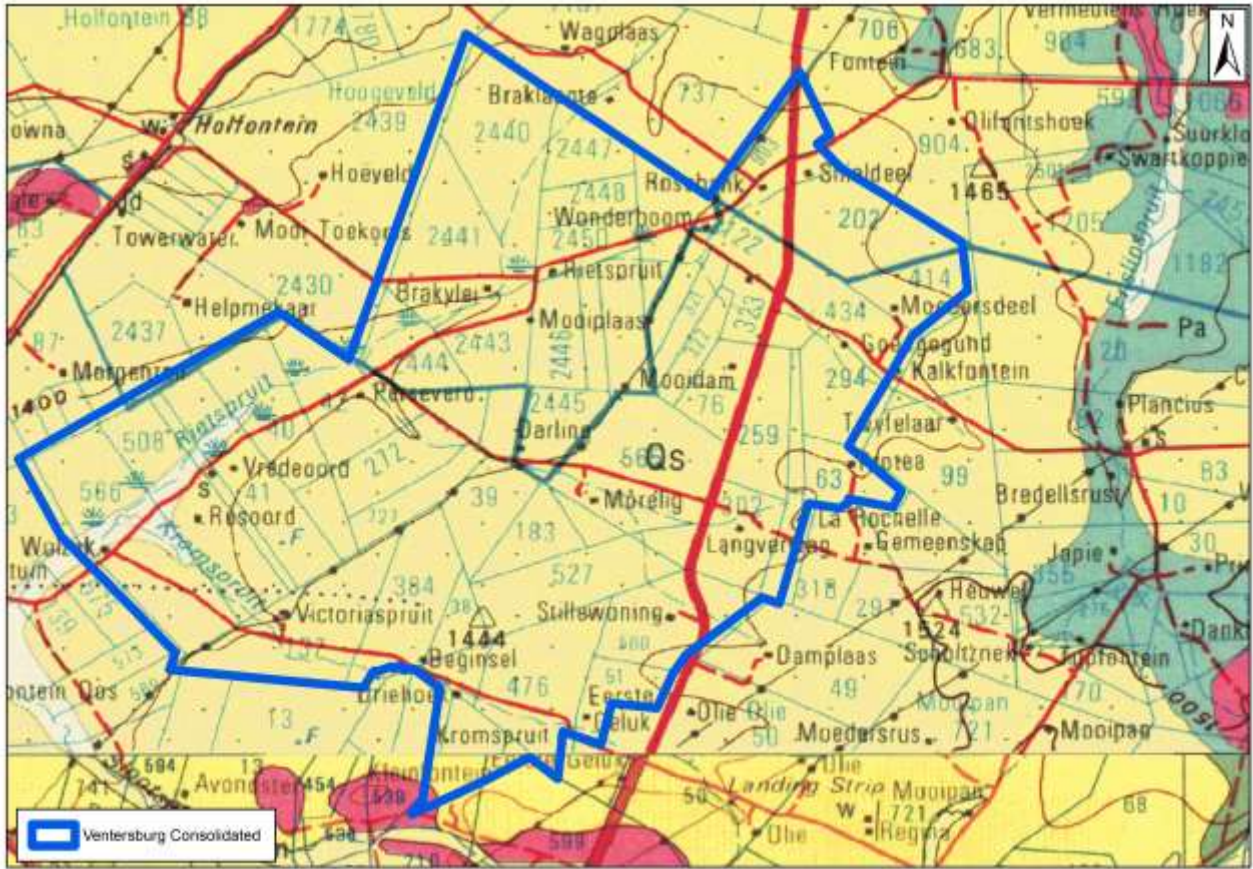


Figure 1a: Surface geological map with applied farm boundaries superimposed (Qs and Qc= Quaternary cover, Jd = Karoo Dolerite Suite, Pa = sedimentary rocks of the Karoo Supergroup). Geological map taken from the Council for Geosciences 1:250 000 geological series.

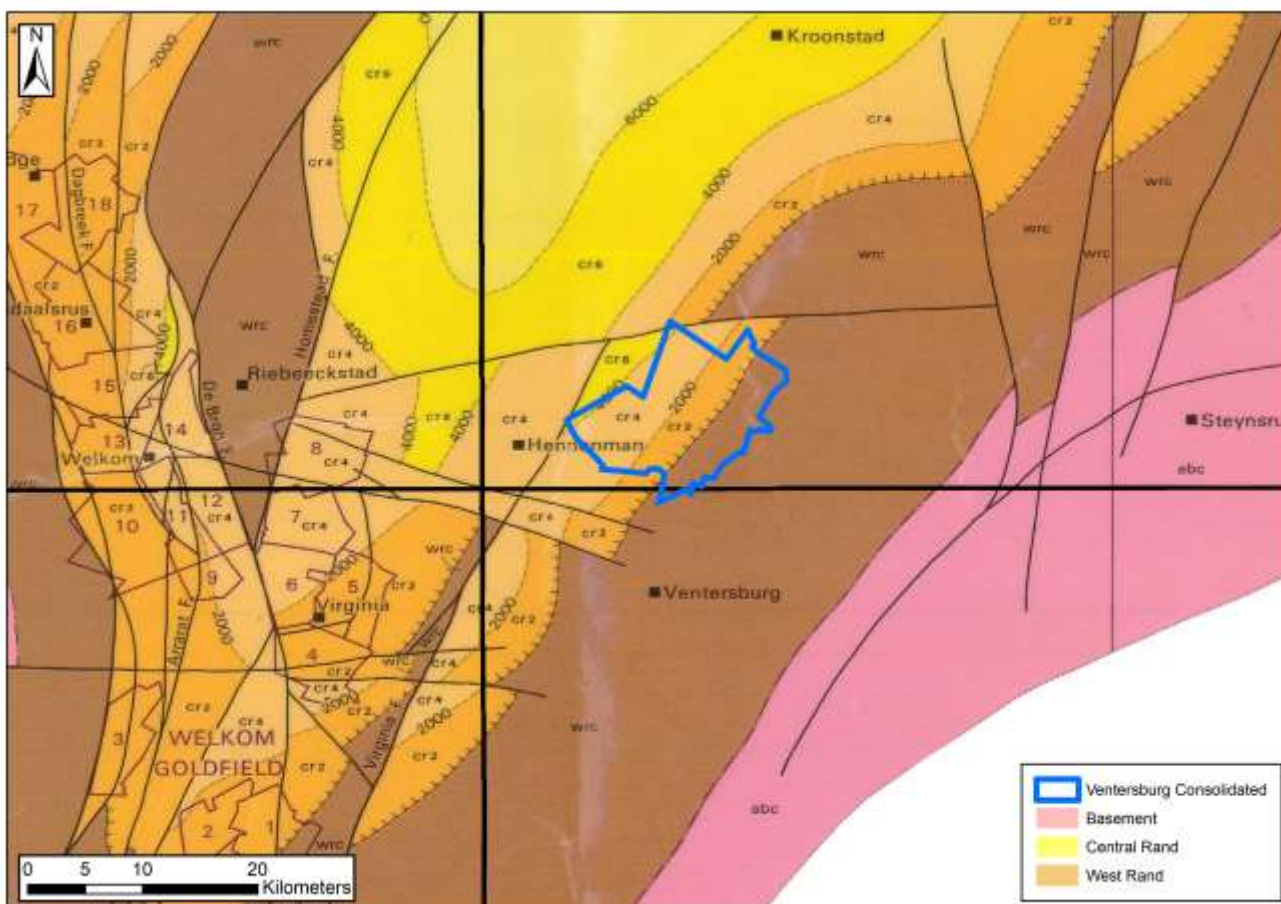


Figure 1b: Pretorius (1964) map of the Witwatersrand Basin, together with depths to the Central Rand Group.

The Free State Goldfield was discovered by geophysical means during the 1930's, when Dr. R Krahnemann delineated the edge of the Witwatersrand Basin by mapping magnetic shales of the West Rand Group with a magnetometer. This was followed by extensive diamond exploration drilling, which intersected the auriferous conglomerates of the Central Rand Group (Figure 2). As a result, one of the major goldfields on Earth was developed.

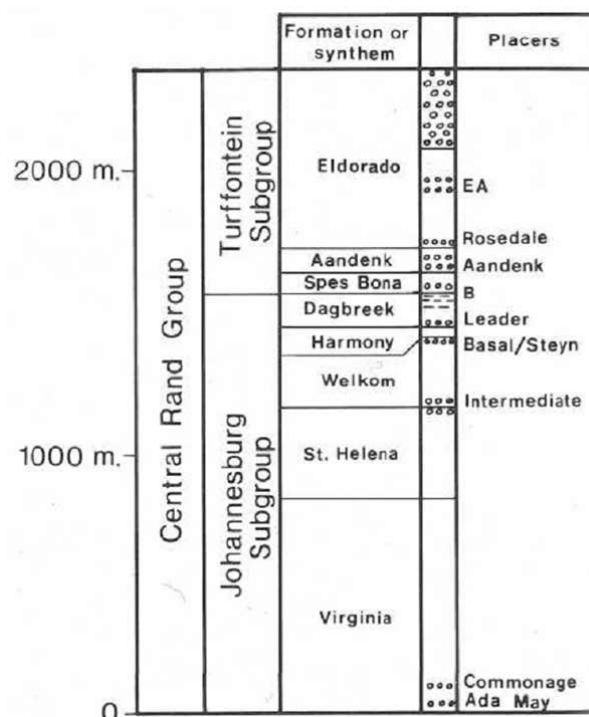


Figure 2: Simplified stratigraphic column of the Central Rand Group as preserved in the Free State Goldfield (Minter et al. 1986).

Mining in the Free State Goldfield concentrated on the extraction of the Basal, Steyn, Saaiplaas and Leader reefs of the Central Rand Group. Several other ore bodies were extracted, also belonging to the Kimberley and Elsburg formations. Formations are generally marked by angular, erosional unconformities, which are onlapping towards the edge of the Witwatersrand Basin (Figure 3).

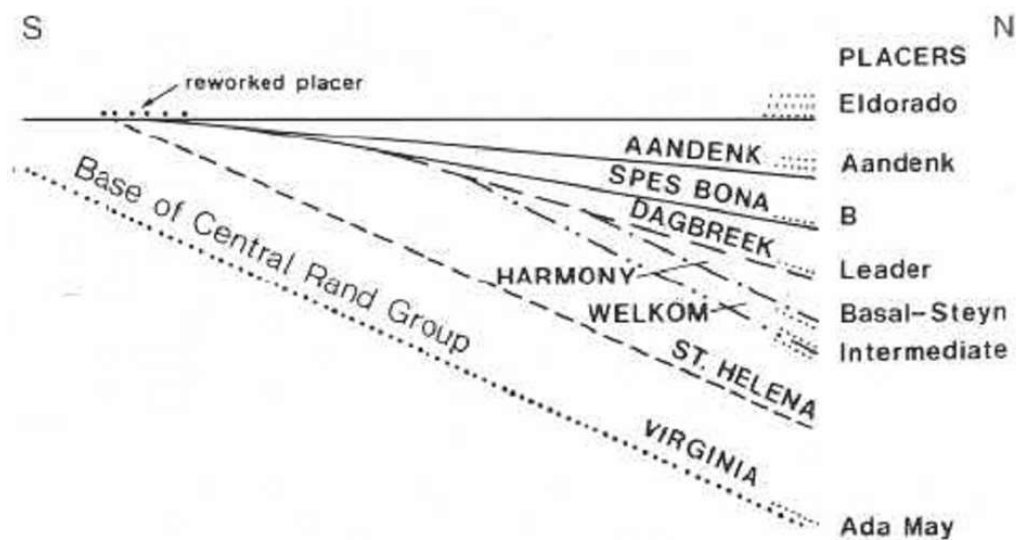


Figure 3: North – south section through the Central Rand Group of the Free State Goldfield, also depicting the onlapping nature of the strata (Minter et al. 1986).

Major structural displacements, several hundreds of metres in magnitude, are encountered in the Free State Goldfield (Figures 4 and 5). Faulting, but also folding, predominantly occurred during extrusion of the Ventersdorp Supergroup flood basalts.

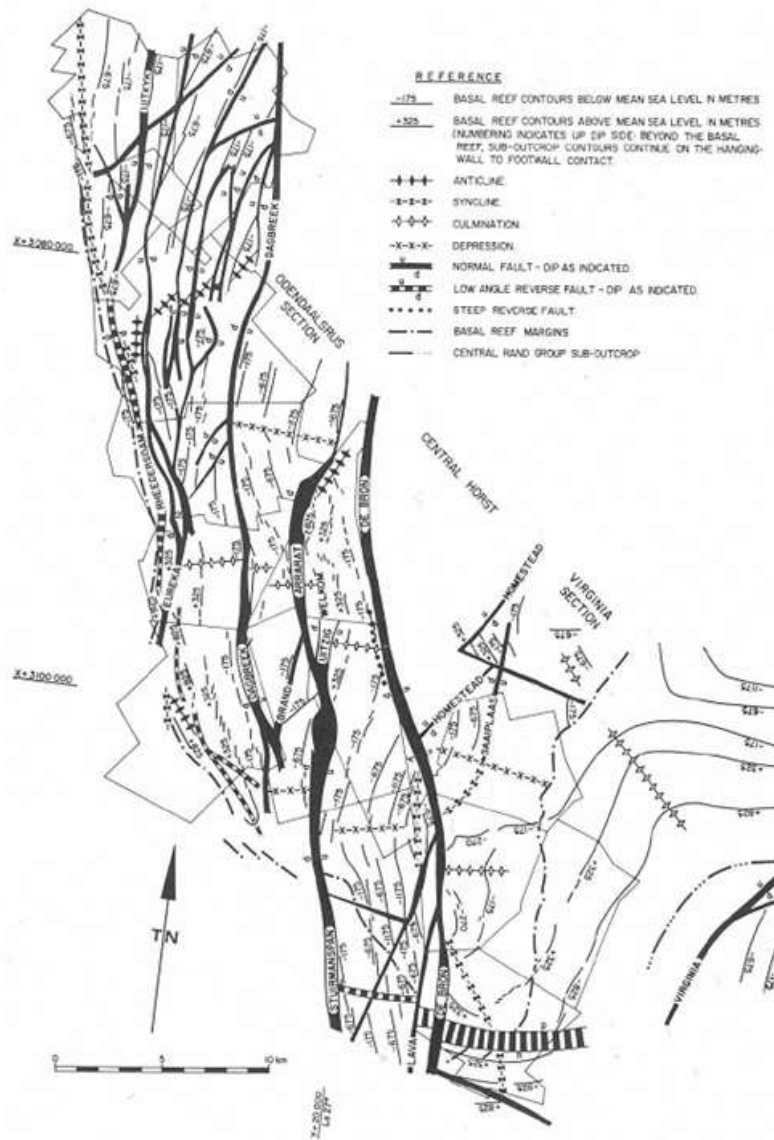


Figure 4: Structural plan of the Free State Goldfield. Also shown are depth contours for the Basal and Steyn reefs and faults that affect the reef plane (Minter et al. 1986).

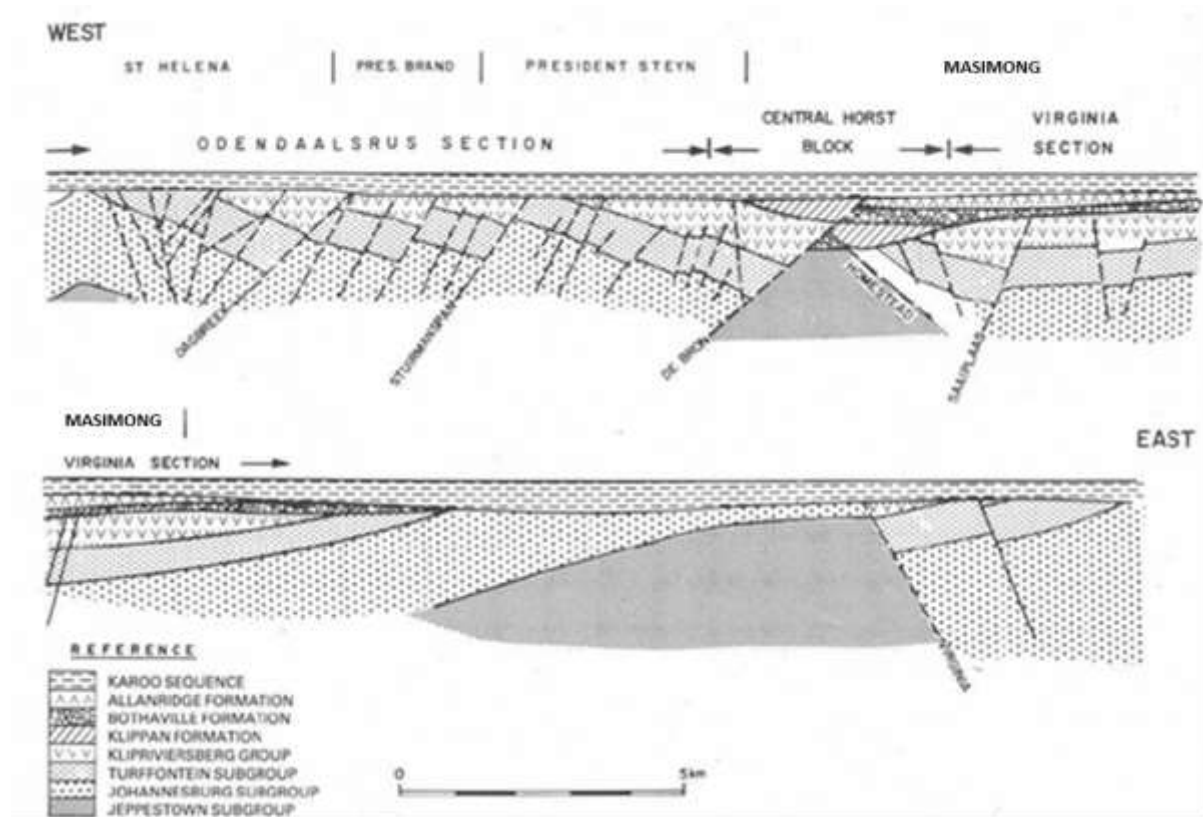


Figure 5: East – west structural section through the Free State Goldfield (Minter et al. 1986).

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?
	(what are the activities that are planned to achieve optimal prospecting)	(refers to the competent personnel that will be employed to achieve the required results)	(in months) for the activity	(What is the expected deliverable, e.g. Geological report, analytical results, feasibility study, etc.)	(deadline for the expected outcome to be delivered)	(e.g. geologist, mining engineer, surveyor, economist, etc.)
1	Non-invasive Prospecting	Qualified geologists (B.Sc. (Hons.) a minimum qualification)	6 months	Establishment of historical data inventory	Month 12	Principal Geologist
	Investigate possible sources for historical data			Database of historical data		
	Obtain relevant historical data		6 months	Characterisation of geological features on the project area and surrounds		
2	Non-invasive Prospecting	Qualified geologists (B.Sc. Hons. a minimum qualification)	12 months	Complete, detailed database of historic exploration activities and results	Month 24	Senior Geologist
	Inventorise, capture and QA/QC historical data					
	Data synthesis and database creation			Definition of regional geological characteristics		
3	Non-invasive Prospecting	Qualified geologists (B.Sc. Hons. a minimum qualification)	12 months	Initial geological model	Month 36	Principal Geologist
	Generate the initial geological model					

	Location of key historic borehole core, if available			Report detailing the availability of the historical borehole core		
	Re-log and resampling of historic core			Resampled core for QA/QC and confidence for resource estimation		
4	Invasive Prospecting	Qualified geologists (B.Sc. Hons. a minimum qualification)	4 months	Borehole core	Month 48	Senior Geologist
	Drilling of 2 diamond drill holes to a depth of 500m					
	Non-invasive Prospecting					
	Logging and sampling of new boreholes					
	Revise geological model		4 months	Refined geological model		
5	Invasive Prospecting	Qualified geologists (B.Sc. Hons. a minimum qualification)	12 months	Borehole core	Month 60	Senior Geologist
	Drilling of 4 diamond drill holes to a depth of 500m					
	Non-invasive Prospecting					
	Logging and sampling of new boreholes					
		Finalisation of 3D geological model		Final geological model		
	Resource estimation	Qualified resource geologist		Resource estimate		Principal Geologist, Resource Geologist

Activities for each subsequent year are dependent on the outcome of exploration results from the preceding year. Should the proposed exploration activity change, this will be indicated in the form of a S102 application together with the proposed revised prospecting plan

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

(i) DESCRIPTION OF PLANNED NON-INVASIVE ACTIVITIES:

(These activities do not disturb the land where prospecting will take place e.g. aerial photography, desktop studies, aeromagnetic surveys, etc)

Phase 1:

1.1 Investigate all sources for historical data

[Year 1: 6 months]

Prospecting for gold in the Free State area started in the 1930's resulting in nearly 90 years' worth of exploration in the area. Hence, there exists a significant amount of historical exploration data in the Free State and over the project area. Obtaining and analysing this historical data will allow the fast-tracking of prospecting activities. Heavy mineral sands can also be investigated as a potential resource and as an aid to the development of the geological model.

1.2 Obtain all relevant historical data

[Year 1: 6 months]

Historical data detailing the position and economic potential of the target horizons will be identified for potential acquisition. The data obtained is anticipated to be in the form of historical borehole information, cadastral maps, geological maps, geophysical surveys (including existing published gravimetric, radiometric, magnetic, seismic and remote sensing data), as well as any information pertaining to previous exploration or mining will be consulted and integrated. The data will be scrutinised and verified (QA/QC procedure).

Data acquisition will begin with commercial negotiations to allow Western Allen Ridge to gain access to the boreholes for use in the desktop study, geological model and potential resource estimate.

1.3 Desktop study

[Year 1: 6 months]

A desktop study will be performed utilising all the historical reports obtained during Step 1.2.

Phase 2:

2.1 Inventorise, capture and QA/QC all available historical data

[Year 2: 5 months]

The data located and acquired during Year One will be inventorised in Microsoft Access databases for future reference and ease of access to relevant information. The capturing of data will transform hard copy information into an electronic format, creating a powerful tool for use in 3 dimensional geological modelling and efficient resource estimation.

2.2 Data synthesis and database creation

[Year 2: 5 months]

The above data will be compiled into a geological database, which will be utilised to present the relevant data in useable Geographic Information System (GIS) digital map format. The different data sets will be plotted on a base map of the project and surrounding areas in order to develop a geological model. This model will be used to further refine the exploration programme for the target area.

2.3 Definition of regional geological characteristics

[Year 2: 2 months]

With the improved geological and geophysical datasets it will be possible to increase the confidence in the basic sedimentological and structural geological models and identify areas where the initial geological model should be created.

Phase 3:**3.1 Generate the initial geological model****[Year 3: 6 months]**

Utilising the historical data, a preliminary 3D geological model will be developed. This model will be employed to further refine the exploration programme for the prospect area.

3.2 Location of key historic borehole core, if available**[Year 3: 6 months]**

Based on the initial geological model, specific key boreholes previously drilled in the area will be identified and negotiations with the owners undertaken to obtain access to the core.

3.3 Re-logging and re-sampling of historical boreholes**[Year 3: 6 months]**

Once access to the historical core is obtained, the core will be re-logged and, if necessary, re-sampled. This activity will allow verification of the historical borehole logs and consequently increase confidence in the data underpinning the geological model.

Phase 4:**4.1 Drilling (see invasive activities) *****4.2 Logging and sampling of drillholes****[Year 4: 4 months]**

Once the holes are drilled, logging and sampling will be performed to capture the drillhole information into the database.

4.3 Refinement of geological model**[Year 4: 3 months]**

The data obtained from the drilling and logging of the holes will be integrated into the geological model to confirm the geology and refine the future drilling targets. The updated geological model will be utilised to site the drillholes planned during the Year 5 drilling programme.

Phase 5:**5.1 Drilling (see invasive activities) *****5.2 Logging and sampling of drillholes****[Year 5: 4 months]**

Once the holes are drilled, logging and sampling will be performed to capture the drillhole information into the database.

5.3 Finalisation of 3D geological model**[Year 5: 4 months]**

Based on the re-logging and re-sampling of the historical core, the 3D geological model will be updated and finalised for use during resource estimation.

5.4 Resource estimation**[Year 5: 2 months]**

Utilising the finalised geological model together with historical assay results and any results from re-sampling, a resource estimate will be performed.

(ii) *DESCRIPTION OF PLANNED INVASIVE ACTIVITIES:

(These activities result in land disturbances e.g. sampling, drilling, bulk sampling, etc)

Invasive prospecting will take the form of diamond drilling and will occur in Years 4 and 5 under Phases 4 and 5, respectively. This information will then be integrated into the geological model to further define the orebodies, which when combined with the assay information will be utilised to define a resource.

Phase 4:**4.1 Drilling of 2 diamond drill holes to a depth of 500m****[Year 4: 5 months]**

Description equivalent to 5.1 with drilling of two drillholes.

Phase 5:**5.1 Drilling of 4 diamond drill holes to a depth of 500m****[Year 5: 7 months]**

Depending on the initial geological model established, a diamond drilling programme comprising of four boreholes will be undertaken. Should the drilling programme prove to be successful, additional holes will be considered. This will be indicated in the form of a S102 application together with the proposed revised prospecting plan and EMP.

Drilling will be conducted in a competent and environmentally responsible manner including rehabilitation of the drill sites to their original state. Plastic lining will be placed underneath the rig motors to prevent oil seepage. It is noted that no drilling fluids other than water for dust suppression, will be utilised in the case of diamond drilling. Environmental rehabilitation measures will be included in the contract with the drilling company and environmental rehabilitation costs will be included in the drilling costs.

The drilling process will be managed in a competent manner and will involve the following actions:

- Call for drill tenders
- Review the registration, incorporation, employment equity and BEE of the drilling company
- Confirm the good financial standing of the drilling company
- Establishment of confidentiality agreements and management of conflicts of interest that the drilling company may have
- Review the drilling company's approach to Mines, Health and Safety issues
- Compile a preliminary analysis report
- Select drilling company
- Award of the drilling contract
- Obtain permission to access the property
- Submit information of planned drilling to Mines, Health and Safety at DMR
- Forward special instructions to the drilling company regarding power, water, environmental, safety and security
- Preliminary analysis report on notifications e.g. Eskom, Telkom, etc.

- Finalise the initial borehole positions
- Plan access roads, crew accommodation and site security
- Environmental assessment of drill sites
- Preparation of drilling sites
- Establish water source for drilling
- Plan health and safety issues and establish a safe working code specific to the area
- Perform the necessary risk assessments and Planned Task Observations (PTO)
- Monitor and control the drilling process
- Ensure secure core storage and sampling facilities
- Set QA/QC sampling procedures in place and insert proper reference material as samples
- Undertake site rehabilitation
- Take pictures before and after rehabilitation
- Compile preliminary analysis report on the start date of the drilling programme
- Plan additional infill borehole sites

A strict QA/QC programme will be conducted by the internal Qualified Person (QP)/Exploration Manager:

- Quality of drilling programme
- Survey of borehole collars utilising a GPS
- Sample management (weighing, splitting, transport)
- Logging and mineralisation/reef identification
- Sampling procedures
- Chain of custody of transport of samples to laboratory
- Laboratories utilised
- Quality control of standards, blanks and duplicates to ensure accurate assay methods and grades from laboratory
- Applicable assay method utilised for style of mineralisation
- QA/QC on lab results including check assaying at an umpire laboratory
- Database management
- External audits by Qualified Persons

(iii) DESCRIPTION OF PRE-/FEASIBILITY STUDIES

(Activities in this section includes but are not limited to: initial, geological modelling, resource determination, possible future funding models, etc)

The geological model and resource determination conducted in the previous phases will be incorporated into a financial model of a potential future mine in a pre-feasibility study. At this stage, future funding for a feasibility study and possible resource exploitation will be considered.

**Commitment to provide addendums in respect of
additional prospecting activities**

I herewith commit to provide the Department of Mineral Resources with an addendum in respect of both the EM Plan and Prospecting Work Programme regarding any future in-fill prospecting required but not described above, prior to undertaking such activities. The addendum will cover all the Regulations as per the Prospecting Work Programme.

I agree that the addendums will provide for similar activities only and if the scope changes I would be required to apply in terms of Section 102 of the MPRDA for an amendment of the Prospecting Work Programme

Mark with X

ACCEPT	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)

Dunrose Trading 186 (Pty) Ltd t/a Shango Solutions will be appointed as geological consultants. All relevant geological reports and resource determinations will be signed off by qualified and registered geo-scientists employed or contracted by them.

An independent environmental consultant will be appointed prior to any invasive prospecting.

A Mine Health and Safety Officer will be appointed to oversee any and all field work.

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

<i>Not Applicable</i>

7.3 Technical skills provided Free of Charge

- 7.3.1** Information (CV's) in respect of skills already acquired (append)
- 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)
- 7.3.3** ALL other evidence of Technical Ability (append)

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)**

Table 9.1

ACTIVITY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	Expenditure (R')	Expenditure (R')	Expenditure (R')	Expenditure (R')	Expenditure (R')
PHASE 1 (12 months)					
Investigate possible sources for historical data	80 000				
Obtain relevant historical data	180 000				
Desktop studies	100 000				
Prospecting fees	13 390				
PHASE 2 (12 months)					
Inventorise, capture and QA/QC historical data		300 000			
Data synthesis and database creation		150 000			
Definition of regional geological characteristics		175 000			
Prospecting fees		20 085			
PHASE 3 (12 months)					
Generate the initial geological model			375 000		
Location of key historic borehole core, if available			180 000		
Re-log and resampling of historic core			125 000		
Prospecting fee			26 780		
PHASE 4 (12 months)					
Drilling of 2 diamond drill holes to a depth of 500m				1 500 000	
Logging and sampling of new boreholes				300 000	
Revise geological model				100 000	
Prospecting fees				33 475	
PHASE 5 (12 months)					
Drilling of 4 diamond drill holes to a depth of 500m					3 000 000
Logging and sampling of new boreholes					600 000
Finalisation of 3D geological model					80 000
Resource estimation					150 000
Prospecting fees					40 170
Annual Total	373 390	645 085	706 780	1 933 475	3 870 170
				Total Budget	7 528 900

NOTE! If any person (including the applicant) provides services in any job or skills category at a reduced rate or free of charge, then such person's Curriculum Vitae (CV) must be attached as documentary proof of the technical ability available to the applicant.

10 FINANCIAL ABILITY TO GIVE EFFECT TO THE WORK PROGRAMME

10.1 The amount required to finance the Work Programme.

(State the amount required to complete the work)

An amount of R 7 528 900 will be required to finance the Work Programme.

The above cost estimate depicts an exploration budget planned in phases of exploration that naturally follow each other assuming the success of the previous phase. At any one point in time the scope and money allocated to a follow-up phase could be affected by success or failure to delineate the mineralisation in the previous stage. The above exploration budget could therefore change dramatically during the exploration process.

10.2 Detail regarding the financing arrangements

(Elaborate on the financing arrangements, in terms of where the finance will be sourced, extent to which the financing has been finalized and on the level of certainty that such financing can be secured.)

The Creasy Group of companies has committed to finance the exploration costs for Western Allen Ridge Gold Mines (Pty) Ltd, as detailed in this application (Appendix 1). This Group is a long standing investor into the South African minerals industry.

10.3 Confirmation of supporting evidence appended

(Attach evidence of available funding and or financing arrangements such as balance sheets, agreements with financial institutions, underwriting agreements, etc. and **specifically confirm** in this regard what documentation has been attached as appendices).

The Creasy Group has approved funding to the tune of 12.8 Mill. Australian dollars (Appendix 1).

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

Please refer to Macquarie Bank letter, Appendix 1

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)	X
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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

<p>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.</p>	
<p>Full Names and Surname</p>	<p>Cornelius Theodorus Pieters</p>
<p>Identity Number</p>	<p>6509265009088</p>

END

References

Minter, W.E.L., Hill, W.C.N., Kidger, R.J., Kingsley, C.S. and Snowden, P.A. (1986) The Welkom Goldfield. In: C.R. Anhaeusser and S. Maske (Eds), Mineral Deposits of Southern Africa, The Geological Society of South Africa, 497-539.

Pretorius, D.A. (1964). The goldfields of the Witwatersrand Basin. In Anhaeusser, C.R. and Maske, S. (Eds), Mineral Deposits of Southern Africa, Vol 1, Geological Society of South Africa, 1986, 489 – 494.