

PROSPECTING WORK PROGRAMME

**SUBMITTED FOR A PROSPECTING RIGHT APPLICATION WITH
BULK SAMPLING**



mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA

Name of Applicant:

PGL BOERDERY (PTY) LTD

REGISTRATION NR: 1997/011045/07

**The remaining extent of portion 23 of the farm Mimosa
61 HO**

**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)**

1. REGULATION 7.1 (a)

FULL PARTICULARS OF THE APPLICANT

Table 1: Applicant's Contact Details

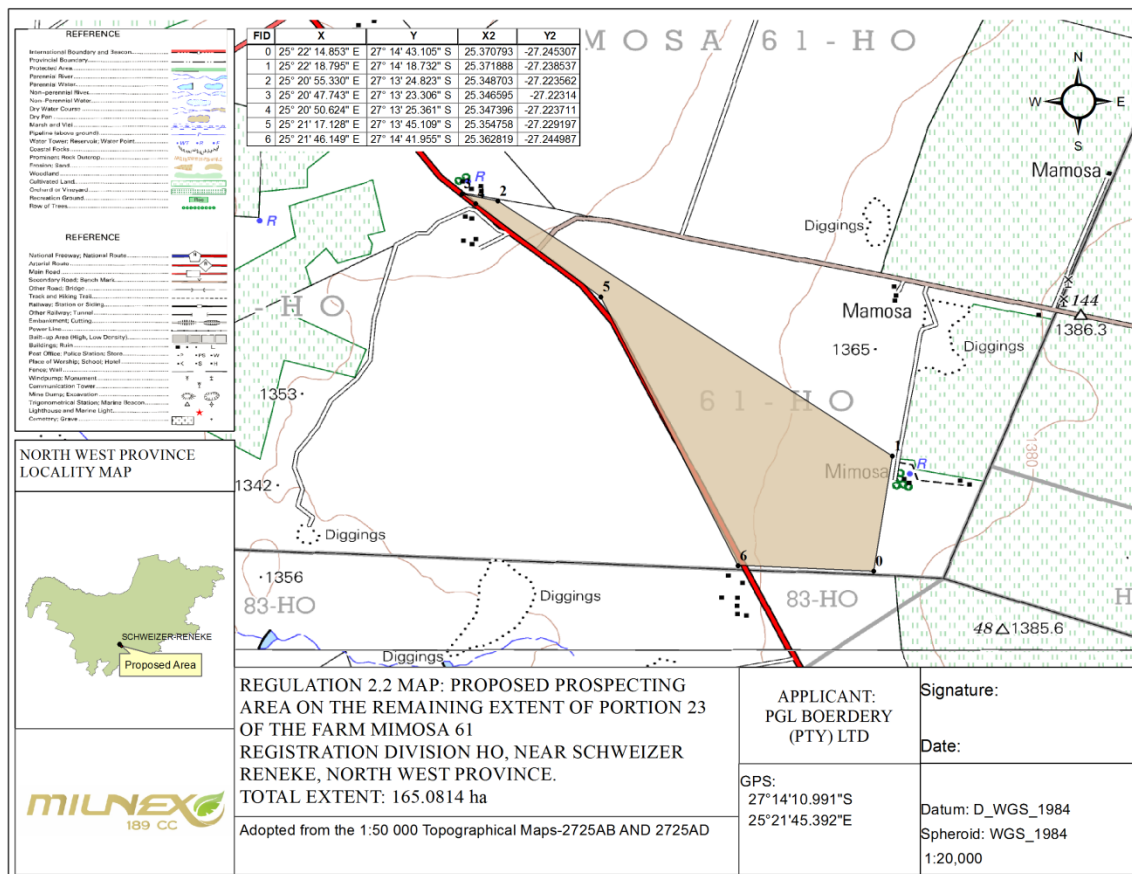
ITEM	COMPANY CONTACT DETAILS
Name	PGL Boerdery (Pty) Ltd
Tel no	053 963 1997
Fax no	053 963 2009
Cellular no	082 496 9644
Email address	pieter@pglb.co.za
Postal address	P.O. Box 583 p/a LJ Landgoed CC Botha Street 2 Schweizer-Reneke 2780

Table 2: Consultant's Details

ITEM	CONSULTANT CONTACT DETAILS (If applicable)
Name	Japie van Zyl Attorneys
Tel no	053 963 2008
Fax no	053 963 2009
Cellular no	082 924 6687
Email address	japie@japievzylprok.co.za
Postal address	P.O. Box 960 Schweizer-Reneke 2780

2. REGULATION 7(1)(b)

PLAN CONTEMPLATED IN REGULATION 2(2) SHOWING THE LAND TO WHICH THE APPLICATION RELATES



3. REGULATION 7(1)(c)

THE REGISTERED DESCRIPTION OF THE LAND TO WHICH THE APPLICATION RELATES

1. The remaining extent of portion 23 of the farm Mimosa 61
Registration Division: HO
Extent: 165.0814 Hectares
Title Deed: T64365/2014
Province: North West

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 (DA) Diamonds General (D)
Locality (Direction and distance from nearest town)	The property is located approximately 4.45 km South East of Schweizer-Reneke town
Extent of the area required for prospecting	165.0814 Hectares
Geological formation	Ventersdorp Supergroup Allanridge Formation and; Kalahari Group Gordonia Formation

5. 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)

According to the Council of Geosciences, Alluvial mining in the area started in the early 19th century. Renewed interest in the mining of alluvial diamonds was generated by the El Niño related drought of 1974 when many farmers turned to diamond mining. Much larger volumes of gravel could be moved and greater depths of gravel were reached owing to modern earth moving and sorting equipment.

Diamondiferous gravels in the North West Province are distributed predominantly in three major areas, namely the area underlain by dolomite from the east of Ventersdorp towards Lichtenburg

and Bakerville and beyond (VLB), the Lichtenburg–Delareyville–Bloemhof–Klerksdorp–Lichtenburg area (LDBKL), which is mostly underlain by Ventersdorp Supergroup basalt and Dwyka Group tillite and the area associated with the Vaal River terraces and gravels. Diamondiferous gravels are concentrated along straight and meandering runs, sinkholes and dolines in the VLB area. In the LDBKL area, the diamonds are present in ancient and current river channels, terraces or banks and as elluvial and colluvial deposits. Along the Vaal River, the diamonds occur along the gravels of the current river and along the older gravels present along ancient terraces.

There are various operational alluvial diamond mines adjacent to these properties such as on which applications for prospecting rights have been lodged (See Figure 4.1). In house information exist which substantiate the reasons for this application.

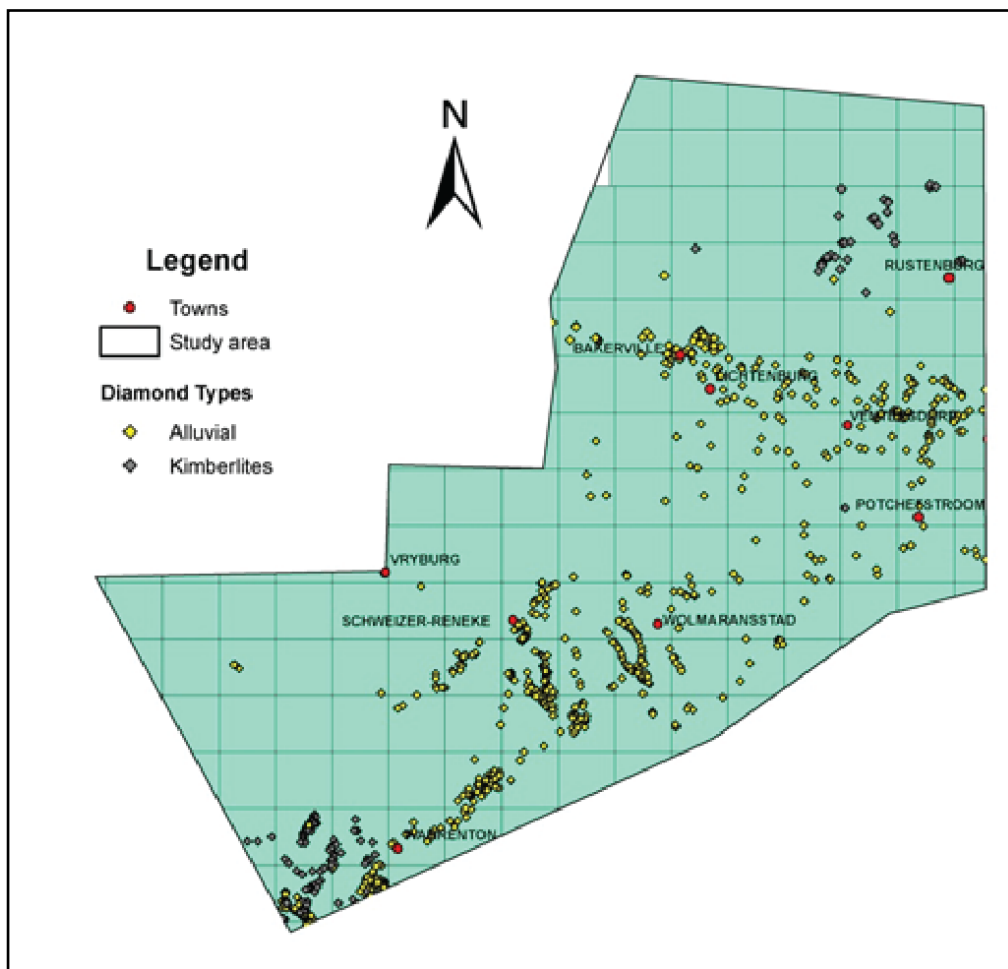


Figure 4.1. Map showing diamond occurrences in North West province

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

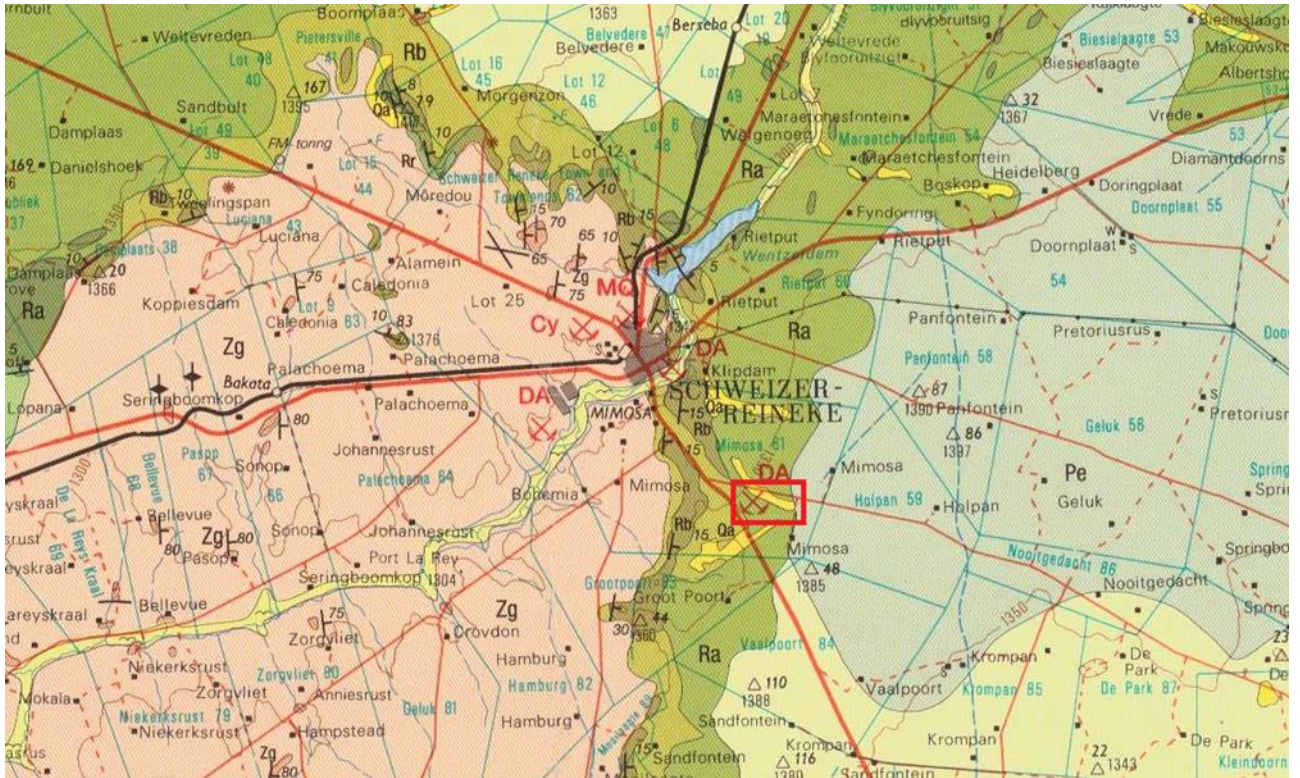
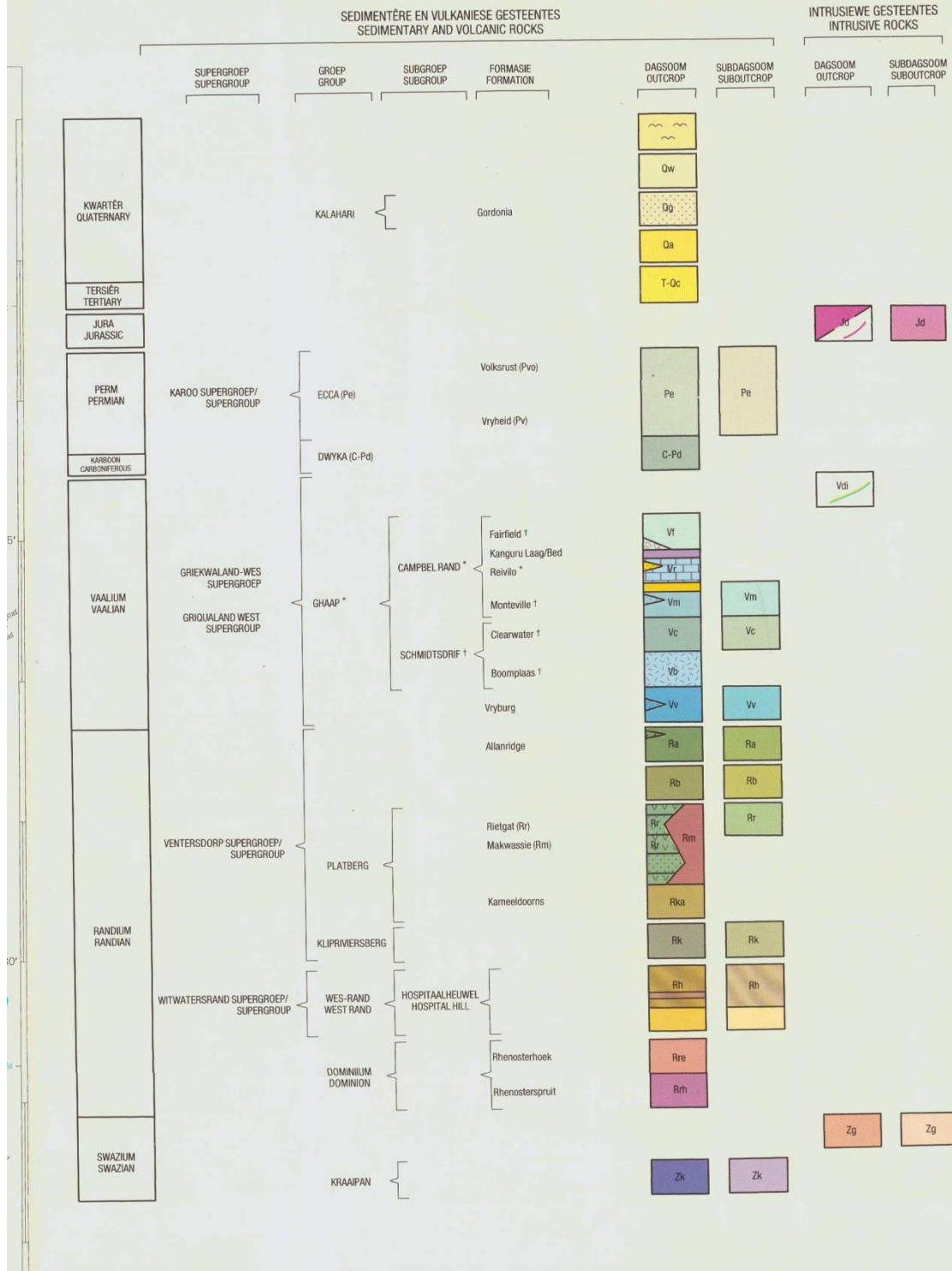


Figure 4.3.1. Extract from 1: 250 000 geological map 2724 Christiana (Council for Geoscience, Pretoria) showing the geology of the prospecting area outlined in red. (Geological legend and the lithologies attached below)

GEOLOGIESE LEGENDE

GEOLOGICAL LEGEND



LITOLOGIE
LITHOLOGY

~	Alluvium Alluvium				
Qa	Rivierterrasgruis; diamanthoudend op plekke River-terrace gravel; diamondiferous in places				
Qg	Roelbruin tot vleeskleurige eoliese sand Red-brown to flesh-coloured aeolian sand			* Nog nie deur SAKS goedgekeur nie. * Not yet approved by SACS.	
Qw	Eoliese sand Aeolian sand			† Verandering in rang nog nie deur SAKS goedgekeur nie. † Change in rank not yet approved by SACS.	
T-Qc	Kalkkreet Calcrete				
Jd	Doleriet Dolerite				
Pe	Sandsteen en skalie Sandstone and shale	Pv0	Skalie en ondergeskikte sandsteen Shale and subordinate sandstone	Pv	Sandsteen en ondergeskikte skalie Sandstone and subordinate shale
C-Pd	Tilliet, moddersteen, skalie, rolblokskalie en sandsteen Tillite, mudstone, shale, boulder shale and sandstone				
Vb	Oölitiese en stromatolitiese dolomiet; tussengelaagde kwartsiet, skalie en plaveisteen Oolitic and stromatolitic dolomite; interbedded quartzite, shale and flagstone				
Vc	Skalie, siltsteen met tussengelaagde dolomiet Shale, siltstone with interbedded dolomite				
Vdi	Diabaas Diabase				
Vf	Grofkristallyne herkristalliseerde dolomiet met tussengelaagde chert; prominente chert aan basis Coarse-crystalline recrystallised dolomite with interbedded chert; prominent chert at base				
Vm	Dolomiet met stromatolitiese kalksteen; tussengelaagde skalie; kwartsietmerker aan bokant Dolomite with stromatolitic limestone; interbedded shale; quartzite marker at top				
Vr	Dolomiet, kalksteen en chert; tussengelaagde skalie; gestreepte ystersteenmerker aan bokant Dolomite, limestone and chert; interbedded shale; banded ironstone marker at top				
Vv	Kwartziet, plaveisteen, konglomeeraat, dolomiet en skalie; andesitiese lava Quartzite, flagstone, conglomerate, dolomite and shale; andesitic lava				
Ra	Tholeiitiese en kalk-alkaliese basalt en andesiet; tuf en piroklastiese breksie Tholeiitic and calc-alkaline basalt and andesite; tuff and pyroclastic breccia				
Rb	Kwartziet, grintsteen, konglomeeraat; piroklastiese breksie, tufagtige sedimente, plek-plek chertagtig of kalkhoudend Quartzite, grit, conglomerate; pyroclastic breccia, tuffaceous sediments, cherty or calcareous in places				
Rh	Rooi ysterryke skalie; magnetiese skalie; kwartsiet en skalie Red iron-rich shale; magnetic shale; quartzite and shale				
Rk	Liggroen amandelhoudende en nie-amandelhouende lava Light-green amygdaloidal and non-amygdaloidal lava				
Rka	Konglomeeraat, growwak, kalksteen, chert, chertagtige skalie en granietrobblokkonglomeeraat Conglomerate, greywacke, limestone, chert, cherty shale and granite-boulder conglomerate				
Rm	Kwartzporfier, veldspaatporfier en rioliet Quartz porphyry, feldspar porphyry and rhyolite				
Rr	Liggroen tholeiitiese en kalk-alkaliese basalt en andesiet; tuf, piroklastiese breksie, karbonaatgesteentes met chertlae, konglomeeraat, sandsteen en tufagtige sedimente Light-green tholeiitic and calc-alkaline basalt and andesite; tuff, pyroclastic breccia, carbonate rocks with chert layers, conglomerate, sandstone and tuffaceous sediments				
Rre	Andesitiese lava, tuf en skalie Andesitic lava, tuff and shale				
Rrh	Kwartziet, konglomeeraat, skalie en tussengelaagde lava Quartzite, conglomerate, shale and interbedded lava				
Zg	Ligkleurige fyn- tot middelkorrelrige graniet; gneis Light-coloured fine- to medium-grained granite; gneiss				
Zk	Gestreepte ystersteen, chert, kwartsiet, growwak, grint en skis; amfiboliet; andesitiese en riolitiese lava, tuf en piroklastiese breksie Banded ironstone, chert, quartzite, greywacke, grit and schist; amphibolite; andesitic and rhyolitic lava, tuff and pyroclastic breccia				

STRUKTUURSIMBOLE
STRUCTURE SYMBOLS

	Verskuiwing Fault
	Bedekte of afgeleide verskuiwing Concealed or inferred fault
	Lineêre verskynsel (LANDSAT) Linear feature (LANDSAT)
	Lineament afgelei vanaf lugfoto's Lineament inferred from aerial photographs
	Lineament afgelei vanaf lugmagnetiese data Lineament inferred from aeromagnetic data
	Horisontale laag Horizontal bed
	Fossielvindplek Fossil locality
	Strekking en helling van laag; helling in grade Strike and dip of bed; dip in degrees
	Vertikale foliasievlak Vertical foliation plane
	As van antiklien Axis of anticline
	Gletserskrappe met rigting van beweging aangedui Glacial striae showing direction of movement
	Subdagsroom van eenheid B onder eenheid A Suboutcrop of unit B below unit A

6. REGULATION 7(1) (f)

A DESCRIPTION OF HOW THE MINERAL RESOURCE AND MINERAL DISTRIBUTION OF THE PROSPECTING AREA WILL BE DETERMINED

5.1 SITE VISIT

The applicant will appoint Dr Deon Tobias Vermaak as the project geologist to conduct the site visit with him. It is foreseen that more than one site visit will be conducted. The purpose of the site visit shall be to familiarize the parties of the areas including the topography and the general geology before the invasive prospecting activities commence.

During the site visit, the applicant shall assess the roads, the infrastructure that may be used and if it will be necessary to construct any needed for the prospecting activities. From a site visit much more details shall be obtained about the process to be followed to properly conduct the prospecting activities than from near desktop studies.

Site visit shall assist the applicant to make a better assessment of the prospecting work to be done during the respective phases where the prospecting work shall be commenced with and what additional equipment may be required to properly conduct the prospecting activities.

The site visit shall also assist the applicant to assess prospecting information of earlier prospecting activities. During this process the applicant shall also review all documentation that has received in relation to the geology of the area.

A site visit will be done within 90 days after the prospecting right was executed.

5.2. DESKTOP STUDIES

Desktops studies would be undertaken after the site visit was done to determine the target areas including the identification of any infrastructure to be built and any potential problems that may need to be addressed during the prospecting activities.

Both these two phases will be Non-Invasive and restricted to a desktop study which will include literature survey, Interpretation of aerial photographs, satellite images and ground validation of targets.

During the desktop studies the applicant with the appointed geologist shall study all available geological information and historical data about the previous prospecting and mining activities.

It is hope that for the desktop studies, a preliminary analysis of the operating environment shall be obtained. The desktop studies may improve in project efficiency and reduced the cost by providing a clearer understanding of the challenges the prospecting activities may entail.

The desktop studies shall be finalized by the compilation and the analysis of pre-existing relevant data. The preliminary operating areas shall be identified for these studies. A working document shall be drafted by the geologist after the finalization of the desktop studies.

5.3 PITTING

These pits will be positioned as determined by the geologist and after the geologist has assessed information obtained from the earlier prospecting activities.

A trial pit / test pit or inspection pit investigation is a highly effective way of obtaining data on the sub surface soil and rock conditions which underlie a prospecting sight. It allows for the various soils and rock types to be locked, the soil to be sampled and a preliminary assessment to be made.

Pits shall be dug, locked, sampled and backfilled.

To dig the pits, the applicant shall make use of the systems of Dr Deon Tobias Vermaakt, the appointed project geologist.

The applicant shall at the end of the pitting process have locked the pits with the following information:

- A description of the soil and rock types from ground level to the base of the pits;
- Record of rock head depth and refusal depth, a list of where the samples will be taken, a record of where ground water seepage will be recorded;
- A general note of the geologist and conditions in the vicinity of the test pits

5.4. TRENCHES

Due to nature of the alluvial diamond deposit, samples are not taken for assay as would be normal practice to evaluate hard rock precious or base-metal prospects. The diamond distribution pattern grade of alluvial diamonds is also of such a nature that there is no repeatability of sample results, even from adjacent samples.

Bulk samples shall have to be taken to determine the average sample grade.

By taking of the bulk samples, the applicant foresees to determine the grade of the diamond deposits as the number of carats contained in 100 tons (cpht) of gravel and to determine the average diamond sizes.

The applicant has extensive experience in conducting prospecting and mining activities. During these activities the applicant will then find out the size of valued distribution from stone to stone is erratic and is possible that the majority of the value of a parcel as mined is tribute to a single stone. Diamond distribution patterns of alluvial deposits varies to such a nature that there is no repeatability of sample results even from adjacent samples.

Alluvial diamond deposits can only be sampled through bulk sampling comprising thousands of cubic meters of gravel.

The applicant shall after the pitting exercise commence with bulk sampling activities. Given the extent of the area and the grades expected to be very low, the applicant shall have to process bulk samples of approximately 24 750 tons.

The appointed geologist shall advise where the samples shall be taken. Bulk samples shall not be taken along a systematic grid as in the case of drilling.

As the anticipated mining plan for the properties will be based on high volumes (low grades), the bulk samples shall have to address average recovery.

As indicated, the bulk sampling exercise has to be conducted to determine the grades (cpht), the diamond size distribution and thereafter to sell the diamonds to determine the diamond values.

The plant/ bulk sampling technique shall be that of a typical South African alluvial diamond mining operation. The method is a strip mining process with oversize material and tailings recovered from the plant will be used as backfill material prior to final rehabilitation. Gravels are excavated, loaded and transported to the treatment facility using dump trucks.

The bulk sampling operation will be conducted using a fleet of conventional open pit mining equipment comprising of dump trucks supported by appropriate excavators and front-end- loaders. All equipment is planned to be diesel driven.

Before excavation commences vegetation shall be cleared from the proposed bulk sampling block. These shall be done as per environmental regulations. Top soil will then be removed and stored separately for later used for rehabilitation.

The bulk samples will be made in the form of box cuts the dimensions of these individual box cuts will on average be 20m wide x 30m long. It is estimated that the bulk samples will be 1.5 m in depth.

Gravel will be removed by excavators and will be loaded directly into dump trucks. Ore will be hauled to the screening plant. The material will be screened where after the screened material will be moved to the processing plant where the gravel will be processed. Concentrate will be moved to the sorting plant where the concentrate will be sorted.

It is estimated that the bulk sampling shall take approximately 12 months.

The screened gravel will be concentrated to eliminate oversize and undersize clasts as well as material which are too light or too heavy to contain diamonds. This will be followed by a physical separation of diamonds.

Screening plants to be employed shall either be static or vibrating single or double deck systems to remove oversize and undersize material to allow a sized material stream to be fed to the processing and the concentration plant.

5.5 CONSOLIDATION AND INTERPRETATION OF RESULTS DATA

The prospecting activities will be conducted to determine an inferred diamond resource and an indicated diamond resource. An inferred diamond resource has a lower level of confidence than that applying to an indicated diamond resource. The inferred resource indication shall be where the geological and or grade continuity could not be confidently interpreted. It cannot be assumed that an inferred resource will necessarily be upgraded to an indicated resource. Such a resource is normally also not sufficient to enable an evaluation of economic viability.

To obtain an indicated resource the confidence level of information obtained from the prospecting will have to be sufficient for the information to be applied to mine design, mine planning to enable an evaluation of economic viability.

The project geologist, Dr Deon Tobias Vermaak, shall monitor the program and consolidate and process the data and amend the program depending on the results received after each phase of prospecting. The DMR shall be updated of any

amendments made. This shall be a continuous process throughout the prospecting work program.

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

A GIS data base will be constructed capturing all the exploration data.

All data shall be consolidated and processed to determine the diamond bearing resource on the property.

REGULATION 7(1)(h)

ALL PLANNED PROSPECTING ACTIVITIES MUST BE CONDUCTED IN PHASES AND WITHIN SPECIFIC TIMEFRAMES

- **PHASE 1: SITE VISIT**
Duration: 3 Months
- **PHASE 2: DESKTOP STUDIES**
Duration: 3 Months
- **PHASE 3: PITTING**
Duration: 12 Months
- **PHASE 4: TRENCHES / BULK SAMPLES**
Duration: 12 months
- **PHASE 5: CONSOLIDATION & INTERPRETATION**
Duration: 6 Months

REGULATION 7(1)(i)

TECHNICAL DATA DETAILING THE PROSPECTING METHOD OR METHODS TO BE IMPLEMENTED AND THE MINE REQUIRED FOR EACH PHASE OF THE PROPOSED PROSPECTING OPERATION

PHASE 1 – SITE VISIT

GENERAL	A site visit will be done after the prospecting right is executed.
TIMEFRAME	0-3 months
COSTS	R2 000
TECHNICAL SUPPORT	Environmental Consultant – Milnex 189 CC Geologist – Dr Deon Tobias Vermaakt Lukas Johannes Raulenbach as Mine Manager

PHASE 2– DESKTOP STUDIES

GENERAL	Desktops studies will be done after the site visit to determine the target areas. After the desktop studies the applicant shall commence with pitting.
TIMEFRAME	3 months (month 4 – month 6)
COSTS	R 2 000
TECHNICAL SUPPORT	Environmental Consultant – Milnex 189 CC Geologist – Dr Deon Tobias Vermaakt Lukas Johannes Raulenbach as Mine Manager

PHASE 3 – PITTING

TIMEFRAME	12 months (month 6 -18)
NUMBER OF PITS	50 pits
EXTENT	3m x 2m x 2m
COSTS	R40 000.00
TECHNICAL SUPPORT	Environmental Consultant – Milnex 189 CC

Geologist – Dr Deon Tobias Vermaakt

Lukas Johannes Raulenbach as Mine Manager

1 x Hitachi 30 Ton Backactor

2 X Bell Front End Loaders

PHASE 4 – TRENCHES / BULK SAMPLES

TIMEFRAME 12 months (month 18 - 30)

NUMBER OF TRENCHES 25 trenches

EXTENT 30m x 20m x 1.5 m

COSTS R 200 000.00

TECHNICAL SUPPORT : Environmental Consultant – Milnex 189 CC

Geologist – Dr Deon Tobias Vermaakt

Lukas Johannes Raulenbach as Mine Manager

1 x Excavator

TONS TO BE WASHED 24 750 tons

PHASE 5 – CONSOLIDATION AND INTERPRETATION

TIMEFRAME 6 months (month 30 - 36)

COSTS R 10 000.00

TECHNICAL SUPPORT Geologist - Dr Deon Tobias Vermaakt

Lukas Johannes Raulenbach as Mine Manager

Table 5.1 The table below incorporates the information required in respect of Regulations 7(1)(f), 7(1)(h) and 7(1)(i):

Phase	Activity	Skill(s) required	Timeframe	Outcome	Timeframe for outcome	What technical expert will sign off on the outcome?
One	Non-Invasive Prospecting Site Visit	Environmental Consultant, geologist	Month 0 - 3	The purpose of the site visit shall be to familiarize the parties of the area including the topography and the general geology before invasive prospecting activities shall be commenced with	Month 3	Environmental Consultant – Milnex 189 CC Geologist – Dr Deon Tobias Vermaak Lukas Johannes Raulenbach as Mine Manager
Two	Non-Invasive Prospecting Desktop Studies	Environmental Consultant, geologist	Month 4 - 6	Desktop study will include literature survey, Interpretation of aerial photographs, satellite images and ground validation of targets. Obtain preliminary analysis of the operating environment	Month 6	Environmental Consultant – Milnex 189 CC Geologist – Dr Deon Tobias Vermaak Lukas Johannes Raulenbach as Mine Manager
Three	Invasive Prospecting Pitting	Environmental Consultant, geologist	Month 6 - 18	A trial pit / test pit or inspection pit investigation is a highly effective way of obtaining data on the sub surface soil and rock conditions which underline a prospecting sight. Pits shall be dug, locked, sampled and backfilled.	Month 18	Environmental Consultant – Milnex 189 CC Geologist – Dr Deon Tobias Vermaak Lukas Johannes Raulenbach as Mine Manager
Four	Invasive Prospecting Trenches	Environmental Consultant, Machine Operators, Pan Operators,	Month 18 - 30	To determine average samples grade. To determine diamond size distributions.	Month 30	Environmental Consultant – Milnex 189 CC Geologist – Dr Deon Tobias Vermaak

		Mine Health and Safety, Environmental		To determine average diamond sizes. To determine the number of carats contained in hundred tons of gravel. To prepare and anticipated mining plan; To determine average recovery; To determine the prices for which the diamonds will be sold.		Lukas Johannes Raulenbach as Mine Manager
Five	Non-Invasive Prospecting Consolidation and interpretation of results	Environmental Consultant, geologist	Month 30 – 36	The extent of the resource, The life of mine	Month 36	Geologist - Deon Tobias Vermaakt Lukas Johannes Raulenbach as Mine Manager

6 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)

1. Site Visit (Phase 1)

During the site visit, the applicant shall assess the roads, the infrastructure that may be used and if it will be necessary to construct any infrastructure needed for the prospecting activities. From a site visit much more details shall be obtained about the process to be followed to properly conduct the prospecting activities than from near desktop studies.

Site visit shall assist the applicant to make a better assessment of the prospecting work to be done during the respective phases where the prospecting work shall be commenced with and what additional equipment may be required to properly conduct the prospecting activities.

The site visit shall also assist the applicant to assess prospecting information of earlier prospecting activities. During this process the applicant shall also review all documentation that has received in relation to the geology of the area.

2. Desktop Studies (Phase 2)

Desktops studies would be undertaken after the site visit is done to determine the target areas including the identification of any infrastructure to be built and any potential problems that may need to be addressed during the prospecting activities.

During the desktop studies the applicant with the appointed geologist shall study all available geological information and historical data about the previous prospecting and mining activities.

It is hope that for the desktop studies, a preliminary analysis of the operating environment shall be obtained. The desktop studies may improve in project efficiency and reduced the cost by providing a clearer understanding of the challenges the prospecting activities may entail.

The desktop studies shall be finalized by the compilation and the analysis of pre-existing relevant data. The preliminary operating areas shall be identified for these studies. A working document shall be drafted by the geologist after the finalization of the desktop studies.

(ii) DESCRIPTION OF PLANNED INVASIVE ACTIVITIES:

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

1. Pitting (Phase 3)

A trial pit / test pit or inspection pit investigation is a highly effective way of obtaining data on the sub surface soil and rock conditions which underlie a prospecting sight. It allows for the various soils and rock types to be locked, the soil to be sampled and a preliminary assessment to be made.

Pits shall be dug, locked, sampled and backfilled. To dig the pits, the applicant shall make use of the systems of Dr Deon Tobias Vermaakt, the appointed project geologist.

The applicant shall at the end of the pitting process have locked the pits with the following information:

- A description of the soil and rock types from ground level to the base of the pits;
- Record of rock head depth and refusal depth, a list of where the samples will be taken, a record of where ground water seepage will be recorded;
- A general note of the geologist and conditions in the vicinity of the test pit.

It is planned that 50 pits will be dug (it may be less depending on the results) at an extent of 3m (length) x 2m (breadth) x 2m (depth).

2. Trenches (Phase 4)

The plant/ bulk sampling technique shall be that of a typical South African alluvial diamond mining operation. The method is a strip mining process with oversize material and tailings recovered from the plant will be used as backfill material prior to final rehabilitation. Gravels are excavated, loaded and transported to the treatment facility using dump trucks.

The bulk sampling operation will be conducted using a fleet of conventional open pit mining equipment comprising of dump trucks supported by appropriate back actor and front-end- loaders. All equipment is planned to be diesel driven.

Before excavation commences vegetation shall be cleared from the proposed bulk sampling block. These shall be done as per environmental regulations. Top soil will then be removed and stored separately for later used for rehabilitation. The bulk samples will be made in the form of box cuts whereby the dimensions of these individual box cuts on average are to be 20 m wide x 30 m long x 1.5 m deep.

Gravel will be removed by excavators and will be loaded directly into dump trucks. Ore will be hauled to the screening plant. The material will be screened where after the screened material will be moved to the processing plant where the gravel will be processed. Concentrate will be moved to the sorting plant were the concentrate will be sorted. It is estimated that the bulk sampling shall take approximately 12 months consisting of about 25 trenches to be excavated.

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 Program 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 Program.

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 Program.

Commitment to provide addendums in respect of additional prospecting activities

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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 Program.

ACCEPT	X
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(iii) DESCRIPTION OF PRE-FEASIBILITY STUDIES

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

Phase 6: Consolidation and interpretation of results data

The prospecting activities will be conducted to determine an inferred diamond resource and an indicated diamond resource. An inferred diamond resource has a lower level of confidence than that applying to an indicated diamond resource. The inferred resource indication shall be where the geological and or grade continuity could not be confidently interpreted. It cannot be assumed that an inferred resource will necessarily be upgraded to an indicated resource. Such a resource is normally also not sufficient to enable an evaluation of economic viability.

To obtain an indicated resource the confidence level of information obtained from the prospecting will have to be sufficient for the information to be applied to mine design, mine planning to enable an evaluation of economic viability.

The project geologist, Dr Deon Tobias Vermaakt, shall monitor the program and consolidate and process the data and amend the program depending on the results received after each phase of prospecting. The DMR shall be updated of any amendments made. This shall be a continuous process throughout the prospecting work program. Each physical phase of prospecting shall be followed by desktop studies involving interpretation and modeling of all data gathered. These studies will determine the manner in which the work programme is to be proceeded with in terms of the activity, quantity, resources, expenditure and duration.

A GIS data base will be constructed capturing all the exploration data then all data shall be consolidated and processed to determine the diamond bearing resource on the property.

(iv) DESCRIPTION OF BULK SAMPLING ACTIVITIES

This activity requires that an application in terms of Section 20 of the Act is specifically included in your application for a prospecting right and cannot be proceeded with if such permission is not specifically granted.

It is foreseen that a 24 750 ton bulk sample will be taken. The bulk sample will be taken in accordance with the process as stipulated in paragraph 5.

See annexure “D” for an application in terms of Section 20 of the Act

Table 6.1: Bulk Sampling Activities

ACTIVITY		DETAILS		
Number of pits/trenches planned		50 Pits ; 25 Trenches		
Dimensions of pits/trenches, per pit/trench	Number of pits/trenches	Length	Width	Depth
	50 pits	3m	x 2m	x 2m
	25 trenches	30m	x 20m	x 1.5m
Locality		The locality of the trenches will be determined by the geologist after he has evaluated and assessed the		

	prospecting information derived from the earliest prospecting activities
Volume Overburden (Waste)	30m x 20m x 0.75 m x 25 = 11 250 m ³
Volume Ore	30m x 20m x 0.75 m x 25 = 11 250 m ³
Density Overburden	1.5
Density Ore	2.2
Phase(s) when bulk sampling will be required	Phase 4
Timeframe(s)	Pitting: 12 months Trenches: 12 months

Commitment to provide for an addendum in respect of additional bulk sampling activities

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

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
Mine Manager
Equipment Manager
Safety Officer
Electricians
Operators
Environmental Consultants
Geologist

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

CONFIRMED	X
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7.2 List of Appropriate equipment at your disposal (If applicable)

Table D: Appropriate Equipment available

1 x 16 feet Washing Pan 1 x John Deere Powerplant 150 kw 2 x Bell Front End Loaders 3 x Dezzi Dumpers 1 x Hitachi 30 ton Backactor Pipes and borehole equipment Office, Storeroom, mobile ablution houses
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7.3 Technical skills provided Free of Charge

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

- Environmental Consultants – attached
- CV'S of workers – attached
- Geologist – Deon Tobias Vermaakt - attached
- Lukas Johannes Raulenbach as Mine Manager - attached

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

- Environmental Consultants – attached
- CV'S of workers – attached
- Geologist – Deon Tobias Vermaakt – attached
- Lukas Johannes Raulenbach as Mine Manager - attached

7.3.3 All other evidence of Technical Ability

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

As proof of the applicant's financial ability or access thereto, the following documents are annexed:

- Letter of undertaking – attached

➤ Bank Statement – attached

9 REGULATION 7 (1)(k)

A COST ESTIMATE OF THE EXPENDITURE TO BE INCURRED FOR EACH PHASE OF THE PROPOSED PROSPECTING OPERATION

Table 9.1

ACTIVITY	YEAR 1 Expenditure	YEAR 2 Expenditure	YEAR 3 Expenditure
PHASE 1			
Site Visit	R2 000.00	-	-
PHASE 2			
Desktop Studies	R2 000.00	-	-
PHASE 3			
Pitting	R 20 000.00	R 20 000.00	
PHASE 4			
Trenches		R 100 000.00	R 100 000.00
PHASE 5			
Pre-Feasibility	-	-	-
Other Costs			
Prospecting fees	R 1000.00	R 1100.00	R 1200.00
Labour	R10 000.00	R20 000.00	R30 000.00
Rehabilitation	-	R10 000.00	R20 000.00
Diesel & Maintenance	R10 000.00	R15 000.00	R20 000.00
Annual Total	R 45 000.00	R 166 100.00	R 171 200.00
		Total Budget	R 382 300.00

10 FINANCIAL ABILITY TO GIVE EFFECT TO THE WORK PROGRAMME

10.1 The amount required to finance the Work Program

From the proposed budget it can be assumed that the amount of R 382 300.00 would be required to finance the Work Program.

10.2 Detail regarding the financing arrangements

- Letter of undertaking – attached
- Bank Statement – attached

10.3 Confirmation of supporting evidence appended

- Bank Statement – attached

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

- Financial Statements – attached

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

CONFIRMED	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

Herewith I, the person whose name and identity number is stated below, confirm that I am the Applicant or the person authorized to act as representative of the Applicant in terms of the resolution submitted with the application, and undertake to implement this prospecting work program and adhere to the proposals set out herein.	
Full Names and Surname	Mr Pieter Gideon Van Zyl
Identity Number	620624 5054 009
Date	18 JULY 2017

ANNEXURE C

APPLICATION IN TERMS OF SECTION 20 (2) PERMISSION TO REMOVE AND DISPOSE OF MINERALS

Name of applicant: PIETER GIDEON VAN ZYL
Registration no: 1997/011045/07
Postal address: P.O. Box 583
Schweizer Reneke
2780
Telephone number: 082 496 9644
Fax number: 053 963 2009

Description of area applied for:

1. The remaining extent of portion 23 of the farm Mimosa 61
Registration Division: HO
Extent: 165.0814 Hectares
Title Deed: T64365/2014
Province: North West

The applicant hereby applies for permission to remove and dispose for own account of bulk samples of alluvial diamonds and diamonds general found on the above mentioned area.

Signed at Schweizer-Reneke on the ___ of _____ 2017.

APPLICANT

ANNEXURE G: UNDERTAKING

UNDERTAKING OF PGL BOERDERY (PTY) LTD

PGL Boerdery (Pty) Ltd hereby undertakes to fund the application for a prospecting right in terms of Sections 16 and 17 of the Mineral and Petroleum Resources Development Act and to prospect for diamonds on:

1. The remaining extent of portion 23 of the farm Mimosa 61

Registration Division: HO

Extent: 165.0814 Hectares

Title Deed: T64365/2014

Province: North West

It is confirmed that there are funds available for conducting of the prospecting activities. These funds will be made solely available for the conducting of the prospecting activities.

Please see recent bank statements of PGL Boerdery (Pty) Ltd attached to the application as proof of availability of funding.

Signed at Schweizer-Reneke on the ___ of _____ 2017.

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APPLICANT