



mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA

NAME OF APPLICANT:

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	Summer Season Trading 41 (Pty) Limited
Tel no	011 492 3065
Fax no:	
Cellular no	082 330 1640
E-mail address	salto@veneziano.co.za
Postal address	Private Bag X1028, Lyttelton, 0140

Table 2: Consultant's Details

ITEM	CONSULTANT CONTACT DETAILS (If applicable)
Name	Dr Louis Nel
Tel no	
Fax no:	
Cellular no	083 631 4205
E-mail address	
Postal address	

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

See attached Plan, Appendix A and Local Setting Plan, Appendix A1

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

Remaining Extent of the farm Slypsteen 41, Magisterial District of Hopetown, measuring 1208.84 hectares

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
Type of minerals continued	Alluvial, Kimberlite and General
Type of minerals continued	
Locality (Direction and distance from nearest town)	42 km north west from Hopetown
Extent of the area required for prospecting	+/- 1 200 ha (+/- 48 ha for bulk sampling)
Geological formation	Ventersdorp Supergroup and Karoo Supergroup with Alluvial Gravel Deposits

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)

See attached Geological Report, Appendix B

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.

See Plan, Appendix C

- 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

PHASE	ACTIVITY <small>(what are the activities that are planned to achieve optimal prospecting)</small>	SKILL(S) REQUIRED <small>(refers to the competent personnel that will be employed to achieve the required results)</small>	PLANNED TIMEFRAME <small>(in months) for the activity</small>	OUTCOME <small>(what is the expected deliverable)</small>	OUTCOME TIMEFRAME <small>(deadline for the expected outcome to be delivered)</small>	QAUALIFIED SIGNATORY <small>What technical expert will sign off on the outcome?(eg. geologists, mining engineers, surveyors, etc)</small>
e.g.1	Non-Invasive Prospecting Geophysical Survey	Geologist / Mineral economist	Month 1 – 6	Flight Plans, Flight Line and Traverse Lines Digital Data gathered	Month 6	Geophysicist
	Non-Invasive Prospecting Literature Survey	Geologist	Month 1 – 6	Maps or Plans and detailed report on results	Month 6	Geologist
	Invasive prospecting Boreholes,	Geologist	Month 6-24	Borehole core data	Month 24	Geologist
e.g.2	Trenches and/	Geologist	Month 7- 24	Detailed report on sidewall profiles, volumes, average grades, locality	Month 24	Geologist
e.g.3	Excavations	Works foreman / labourers / drilling con.	Month 7- 24	sidewall mapping, lithological profiles	Month 24	Geologist
e.g.4	Non-Invasive prospecting Analytical Desktop Studies	Mine Economist / Geologist	Month 24-36	Geological or pre-feasibility Reports Resource Statements, Geological Maps/Plans	Month 36	Geologist / Mineral Economist (professionally Qualified Persons)

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 (what are the activities that are planned to achieve optimal prospecting)	Skill(s) required (refers to the competent personnel that will be employed to achieve the required results)	Timeframe (in months) for the activity)	Outcome (What is the expected deliverable, e.g. Geological report, analytical results, feasibility study, etc.)	Timeframe for outcome (deadline for the expected outcome to be delivered)	What technical expert will sign off on the outcome? (e.g. geologist, mining engineer, surveyor, economist, etc)
A	Drilling and trenching as per original PWP	Geologist, crew, as per original PWP	36	Geological report and model	end of month 34	Geologist
B	Bulk sampling:-					
1	Site establishment	Leburu Diamonds (contractor) staff	two months	erection of processing plant	September 2014	Site manager
2	Excavations, sampling and processing	Leburu contractor, consulting geologist	30 months	Analytical results	March 2017	Consulting geologist
3	Financial feasibility study	Leburu, geologist and	4 months	Report on Head Grade and	June 2017	Consulting geologist, Applicant

		Applicant Technical Manager		Recovery, Feasibility study		Technical 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)

See original Prospecting Work Programme filed with Notarial Prospecting Right NC 423 PR for non-invasive work originally planned

Feasibility Study at end of Bulk Sampling Programme

(ii) DESCRIPTION OF PLANNED INVASIVE ACTIVITIES:

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

Boreholes and trenching as described in original PWP; see slatches attached as Appendices A2 and A3

Bulk sampling: 3 excavations 400 m x 400 m; see Appendix A4

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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(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)

Mapping, resource determination based on headgrade determination and economic modelling for feasibility study

(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.

(Bulk sampling is a sampling technique ONLY- it cannot be used to conduct mining operations. The following table must be completed for Bulk Sampling)

Table 6.1: Bulk Sampling Activities

ACTIVITY		DETAILS		
Number of pits/trenches planned		3		
Dimensions of pits/trenches, per pit/trench	Number of pits/trenches	Length	Breadth	Depth
	3	400 m by 400 m by 2 m deep		
Locality				
Volume Overburden (Waste)		Not applicable: sample will extract diamondiferous gravels for assessment		
Volume Ore		To be determined		
Density Overburden		N/A		
Density Ore		Gravel density 2.2 tonnes/cubic m		
Phase(s) when bulk sampling will be required		Years 1 - 3		
Timeframe(s)		30 months		

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

**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 Programme, and an Environmental Management programme for approval prior to undertaking any future bulk sampling activities not described above.

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)
The prospecting and bulk sampling activities will be carried out by Leburu Diamonds (Pty) Limited, which has all professional staff, equipment and machinery required. A Company Profile for Leburu Diamonds is attached as Appendix D
The Applicant has appointed Dr Leon Nel as Consulting Geologist - see CV attached as Appendix E

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

Mobile processing plant, excavators, front end loaders and trucks
Technical resources to be provided by Leburu Diamonds (see Appendix D)

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 Expenditure (R')	YEAR 2 Expenditure (R')	YEAR 3 Expenditure (R')	YEAR 4 Expenditure (R')	YEAR 5 Expenditure (R')
PHASE 1 (e.g. 12 months)					
	200 000				
PHASE 2 (e.g. 24 months)	2 000 k	2 400 k	800 000		
	100 000 (rehab)	150 000 (rehab)	100 000 (rehab)		
PHASE 3 (e.g. 12 months)			100 000		
Annual Total	1 300 k	1 350 k	1 000 k	0	0
				Total Budget	3 650 000

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)

R 6 600 000

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 Applicant has entered into a participation agreement with Leburu Diamonds (Pty) Limited in terms of which Leburu will undertake all technical operations and provide all equipment and finance required for the prospecting and bulk sampling. See Appendix D attached

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).

Leburu has the required funding available; see Appendix F attached

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

The Applicant confirms that the required funding is available; see Appendix F attached

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

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	SALVATORE VENEZIANO
Identity Number	681229 5007 084

END