



mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA

NAME OF APPLICANT: Matolo Trade and Investment (Pty) Ltd (Reg:
2005/013260/07)

REFERENCE NUMBER: (NC)

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	Matolo Trade and Investment Pty ltd
Tel no	
Fax no:	
Cellular no	081 392 3214
E-mail address	mzambia@karibuniss.co.za
Postal address	10 Cecil Sussman Road, Kimberley, South Africa, 8301

Table 2: Consultant's Details

ITEM	CONSULTANT CONTACT DETAILS (If applicable)
Name	Milnex 189 CC - Danie Labuschagne
Tel no	018 011 1925
Fax no:	087 231 7021
Cellular no	
E-mail address	danie@milnex-sa.co.za
Postal address	PO Box 1086 Schweizer-Reneke 2780

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

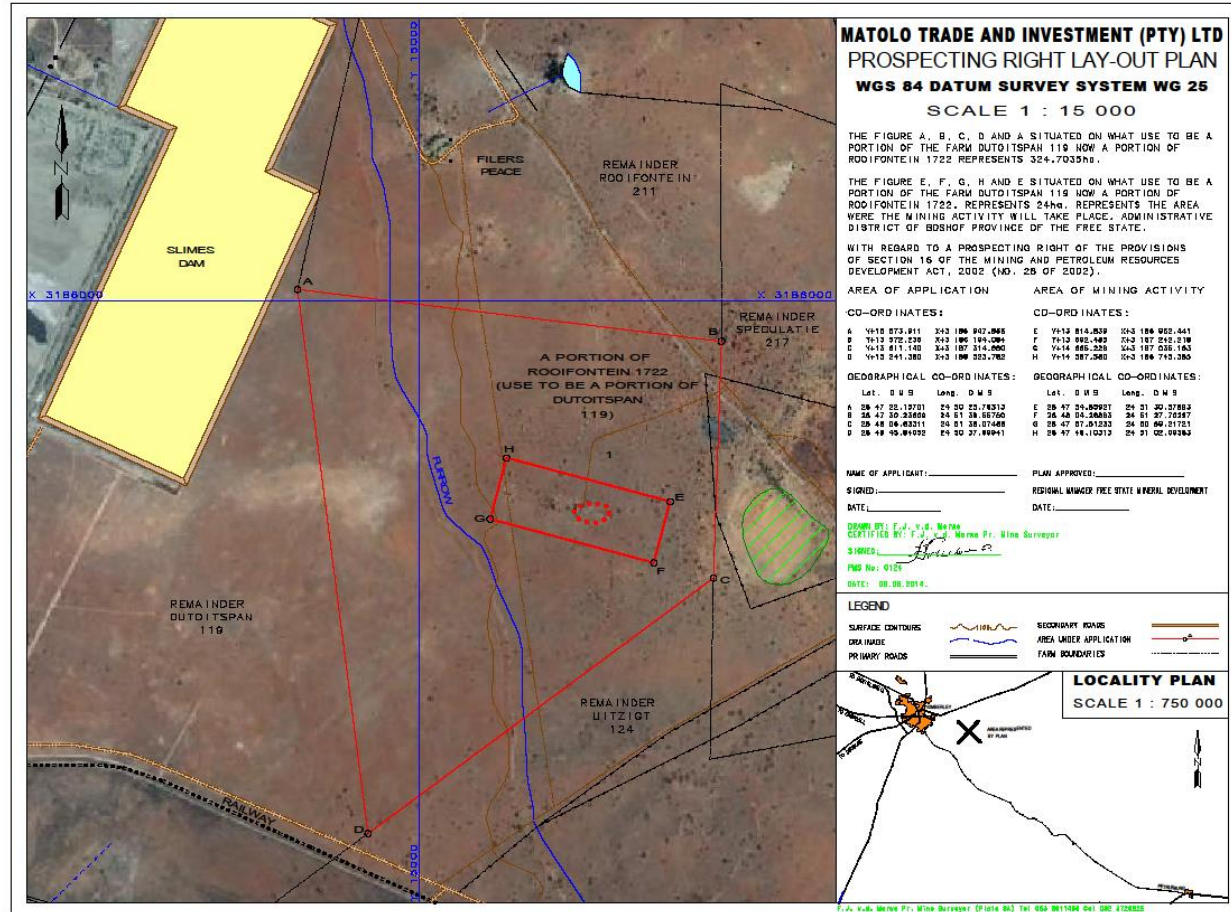


Figure 1: Plan of the application area map.

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

Farm No: 1722

Farm Name: Dutoitspan 119 now a portion of Rooifontein 1722 Magisterial

District: Boshof

Province: Free State

Title Deed No: T 14819/2013

Area: 324.7035 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)	D Diamond (general)-Alluvial and Kimberlites.
Type of minerals continued	
Locality (Direction and distance from nearest town)	The proposed prospecting area is situated South East of De Beers Kimberley Mines not so far from the Slimes dam. The city of Kimberley lies ±9 km to the South East of the proposed prospecting area.
Extent of the area required for prospecting	Portion of Farm Dutoitspan 119 now a portion of Rooifontein 1722: 324.7035 hectares (Three hundred and Twenty Four comma Seven Zero Three Five hectares.)
Geological formation	The proposed prospecting area is

	<p>located on a flat Plateau with an average altitude of just over 1 200 m above mean sea level. The area around Greenpoint is therefore relatively flat due to the nature of the underlying strata.</p> <p>The basement rocks consist of Andesitic Ventersdorp lavas and related pyroclastics overlying the Witwatersrand Strata. These lavas are covered by younger shale of the Eccca group of the Karoo Supergroup.</p>
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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)

Regional Geology

The proposed prospecting area is situated South East of De Beers Kimberley Mines not so far from the Slimes dam. The city of Kimberley lies ± 9 km to the South East of the proposed prospecting area.

The proposed prospecting area is located on a flat Plateau with an average altitude of just over 1 200 m above mean sea level. The area around Greenpoint is therefore relatively flat due to the nature of the underlying strata.

Kimberlite could be seen in historical workings at the sites of the blows, but these had been fully exposed, and there are accessible reports of them in the literature. The south-western blow was however investigated by De Beers in the 1980s and

found to be lamproite, or lamproitic kimberlite (P. Zweistra pers. comm.). The fact that it is lamproite, rather than true kimberlite, now appears to be quite generally known among miners and prospectors in the area.

Local Geology

The basement rocks consist of Andesitic Ventersdorp lavas and related pyroclastics overlying the Witwatersrand Strata. These lavas are covered by younger shale of the Eccca group of the Karoo Supergroup. These lavas are covered by younger shale of the Eccca group of the Karoo Supergroup. A thin layer of less than 5 m of red soils and calcrete is present on the immediate surface.

The proposed prospecting area is underlain by rocks of the Karoo Supergroup, with a sequence comprising of a sedimentary succession of mainly Karoo shales and dolerite. These successions vary between 10 – 125 m. The sedimentary succession overlies a sequence of Ventersdorp lavas and quartzites, which vary in thickness from \pm 900 m below surface at Wesselton Mine to \pm 500 m below surface at Joint Shaft and De Beers Mine. The Ventersdorp rock overlies the basement granite gneisses with amphibolites and schists in varying amounts.

Kimberlite tailings resources are located in many locations over the surrounding area mining property of De Beers and are likely to influence water quality due to the high sodium and sulphate content and the high silt load contained in the runoff water. An assessment on groundwater impacts was conducted by Golder Associates Africa (Pty) Ltd. The results of this assessment were documented in the report titled “De Beers Kimberley Mines, Assessment of groundwater impacts from tailings storage facilities and proposed backfilling of open pits.

The shale overlies the late Archaean Ventersdorp Lavas. This unit is dominantly hard grey-green amygdaloidal lava. The historical mining of the kimberlite dykes

around this area passed downwards from shale to lava country rock, and it is estimated that the shale may be around 200 – 300 m thick.

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.

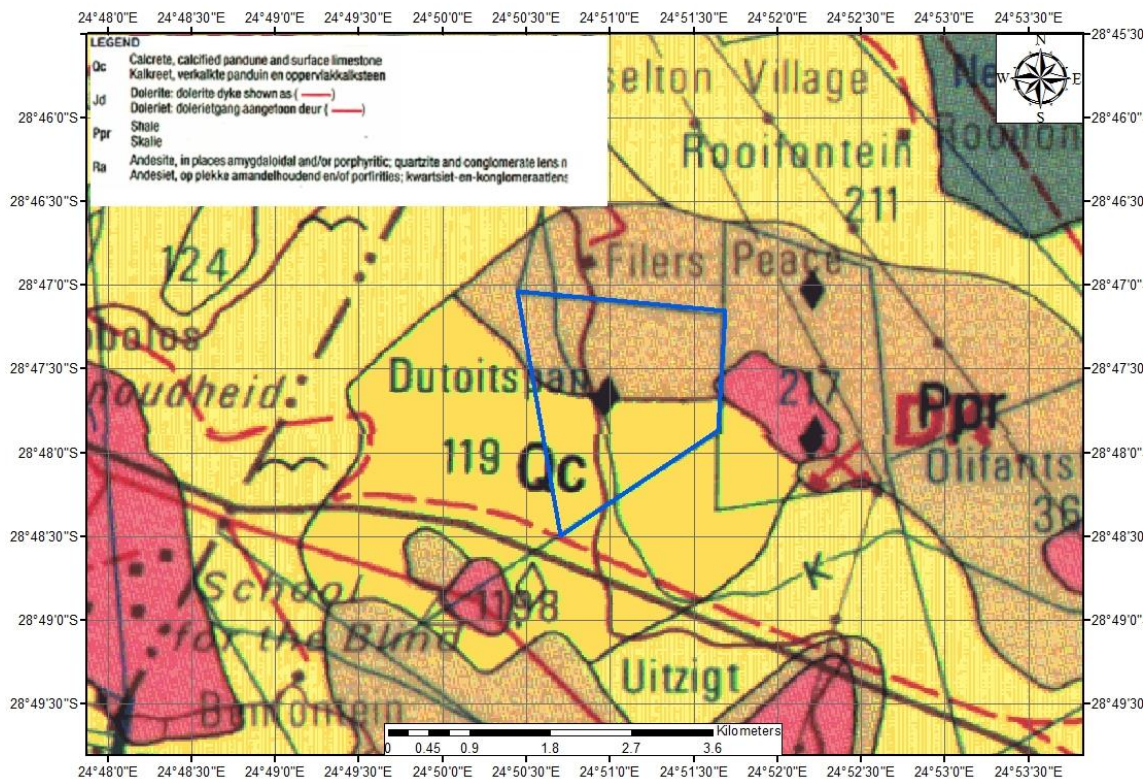


Figure 2 : Extract from 1:250 000 geological map 2824 Kimberley (Council for Geoscience, Pretoria) showing project area.

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

The entire proposed prospecting area will be conducted in four phases as described below over a period of 36 months. This prospecting will consist of non-invasive and invasive (Bulk Sampling) activities. The review of available information that exists over the area of interest will be undertaken by means of conducting a literature review from satellite images and other available information.

AND

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

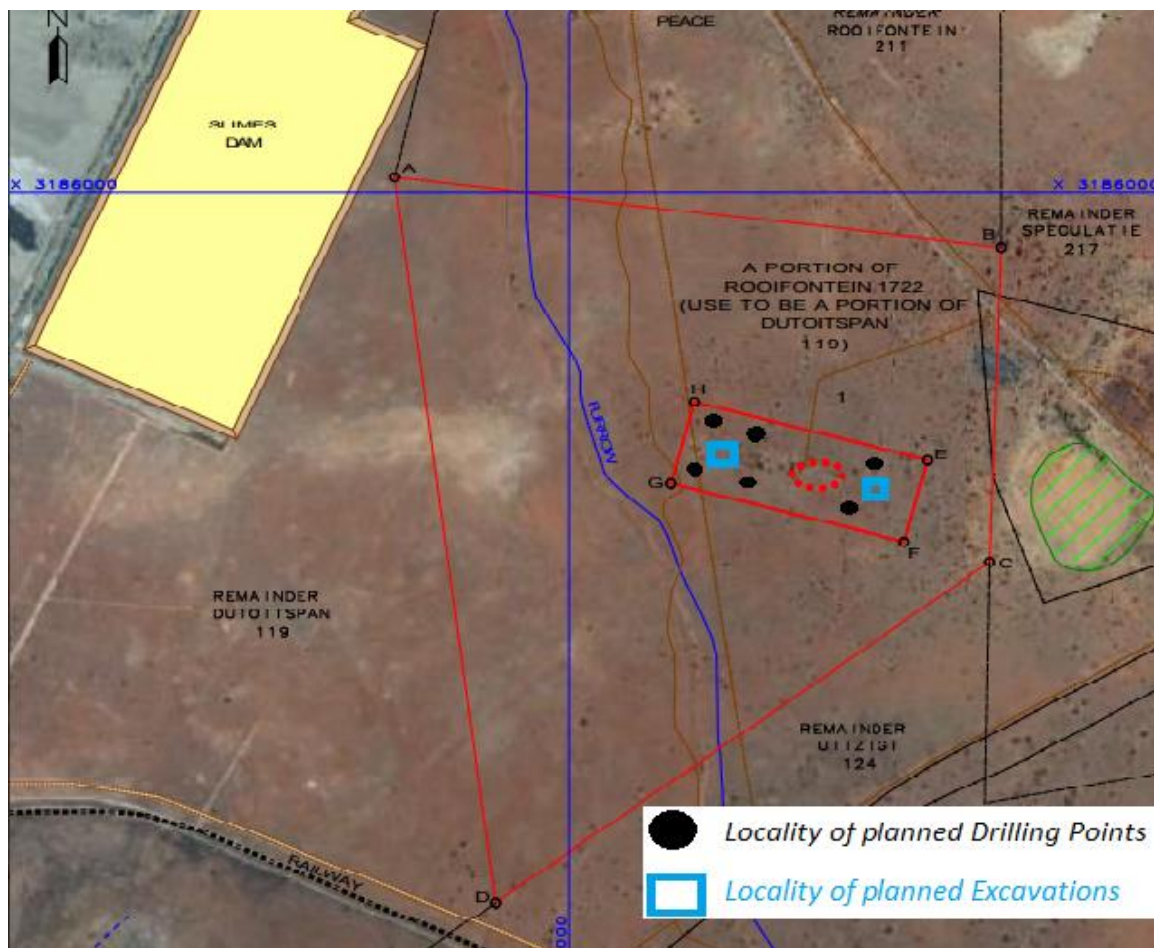


Figure 3 – Locality of planned Excavations and Drilling Points

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 (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)
1	Non-invasive: Literature Review Geological mapping Progress report	Geologist Geologist Geologist	Month 1-2 Month 3-5 Month 6-7	Data acquisition from government or private sources. Geological maps/plans of the property. Detailed progress report.	Month 2 Month 5 Month 7	Geologist Geologist Geologist
2	Invasive: Boreholes Excavations/Pitting Progress report	Geologist /Contractor Geologist and Operations Manager Geologist	Month 8-11 Month 12-17 Month 18-19	Borehole chips data Delineate deposit. Plan, Detailed progress report.	Month 11 Month 17 Month 19	Geologist Geologist, Operations Manager Geologist
3	Invasive: Bulk Sampling	Operations Manager	Month 12-31	Outcome of trenching/diamond grade results.	Month 31	Geologist
4	Non-invasive: Analytical Desktop studies/ including decision Making	Geologist	Month 32-36	Maps, Resource statement and final report	Month 36	Competent Person's Report (CPR)

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)

PHASE 1

Literature Review (Month 1-2)

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

Literature review of all available data for the area will be performed in order to accumulate as much regional and historical data around the area as possible. This includes published geological reports, infrastructure mapping, satellite imagery and existing geophysical information if available, both primary (Kimberlite or Lamproite) and secondary (alluvial) diamond deposits will be targeted.

Imagery Analysis & Geological Mapping (Month 3-5)

High-resolution satellite images will be studied and used to geologically map the application area. Contacts between various lithologies will be mapped and specific attention will be given to delineate and define areas underlain by alluvial gravels and kimberlite.

A. Progress report (Month 6-7)

When the literature review, geological mapping survey is complete, comprehensive report will be drafted as part of the annual report for the Department of Mineral and Resource plus the shareholders.

(ii) DESCRIPTION OF PLANNED INVASIVE ACTIVITIES:

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

PHASE 2

Invasive Prospecting Drilling and excavations (Month 8-17)

Invasive Prospecting boreholes is estimated to be positioned within the 20 ha region marked as mining area on the image listed below on Fig. 3.

Reverse or Percussion circulation drill holes (usually up to 165mm in diameter) will be positioned at targets identified during geological mapping and geophysical survey.

The exact location of the boreholes to be drilled is unknown since this stage is controlled by information from phase 1.

The first phase of drilling will require the drilling of approximately 6 boreholes to be drilled within the prospecting area. Drilling program will be put into practice where the grid spacing will be set to 50 M x 50 M with an average depth of 100 m, followed by a second round of infill drilling as to whether to continue with the prospecting programme or not. The collar position of all boreholes will be surveyed.

During this drilling programme samples are collected every meter and logging will be done by a qualified geologist who will record the lithology. Apart from ore resources calculations the drilling information will be used to construct ore thickness, overburden thickness and basement elevation contour plans.

Each drill borehole and sample site will be rehabilitated as prospecting proceeds.

Invasive Prospecting excavations will be positioned in the region of the blue square shape as estimated on the image listed above on Fig. 3.

6 boreholes X 100m X R450/m

= 600 x 450/m

= 270 000

PHASE 3

Bulk Sampling (Month 12-31)

Should delineation and initial evaluation of the deposit indicate a sufficient size and grade to warrant further evaluation, an appropriate bulk sampling program will be undertaken in order to establish grade and confirm its viability for mining.

Refer to **Table 6.1: Bulk Sampling Activities**

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)

PHASE 4

Analytical Desktop Study

The project geologist 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.

A GIS based database will be constructed capturing all exploration data.

(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		2 Pits/Trenches		
	Number of pits/trenches	Length	Breadth	Depth
	2	100m	50m	+/_ 50m
Locality		See figure 3 (estimated)		
Volume Overburden (Waste)		+/_ 50 000 m3		
Volume Ore		+/_ 450 000m3		
Density Overburden				
Density Ore				
Phase(s) when bulk sampling will be required		Phase 3		
Timeframe(s)		From time-to-time during Months 12 to 31		

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)
Mine Health and Safety
Project Geology
Manager

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

The proposed prospecting operations will be undertaken by the available contractors. The equipment to be used will involve that of the drilling, geologist, surveyor, Front-end-loaders, Articulated dump truck , Excavator, Generator, pumps, pipes, tools, a number of vehicles & diesel trailers, and one foot pan etc., and it will be that of the contractors. All the equipment should they be needed will be that of the contractors.

Processing Plant will include

Name of Activity	Aerial Extent of the Activity
Processing of the old dumps	
Processing Plant	500m3
Loading and Hauling	0,01ha
Slime (30mx20m)s Dam Area	0,06ha
Water Storage	2000m3
2 x Ablution Facilities	0,0012ha
Sort House/Mobile Container	Inc Plant
400 kva Generator on Cement Slab	0,0006ha
Existing Access Road Will Be Used	
Mobile Office	0,0025ha
Temporary Topsoil Storage Area	0,0025ha
2 x Tool Storages	0,015ha
1 x 12Foot Pan (-40)	
1 x 10 Foot Pan (-25)	
1 x 10 Foot Pan (-16)	

7.3 Technical skills provided Free of Charge

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

Environmental Consultants – see annexure “ “

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)

Technical skills will be in the form of qualified personnel. The contractors with certified professionals will carry out the task at hand. The contracts will be appointed and signed as soon as proof of an issued right is available.

7.3.3 ALL other evidence of Technical Ability (append) – CV's of is hereto Appended.

Technical skills will be in the form of qualified personnel. The contractors with certified professionals will carry out the task at hand. The contracts will be appointed and signed as soon as proof of an issued right is available.

Drilling operations will be outsourced to an experienced exploration drilling contractor, under the supervision of Matolo Trade (Pty) Ltd.

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

The amount required to cover the prospecting operation is anticipated to be R 1 215 958.00 at this stage. Work will be carried out by the contractors and consultant and the costs are included on estimate given on table 9.1.

The financial provision quantum guarantee will be paid at the DMR rehabilitation account to cover the rehabilitation and/or management of negative environmental impacts.

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 (months 1-7)					
Literature Review	50 000				
Geological mapping	70 000				
PHASE 2 (months 8-19)					
Boreholes		135 000	135 000		
Excavations/Pitting			200 000		
PHASE 3 (months 20-31)					
Bulk sampling			1 300 000		
PHASE 4 (months 32-36)					
Analytical desktop study			200 000		
EMP & REHABILITATION FEES			120 000		
PROSPECTING FEES	1800	1980	2178		
LABOUR	Work will be carried out by the contractors and consultant included on estimate given above.				
CONSULTANT					
Annual Total	R 121 800.00	R 136 980.00	R 957 178.00		
				Total Budget	R 1 215 958.00

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)

The amount required to cover the prospecting operation is anticipated to be R 2 215 958.00 at this stage. Work will be carried out by the contractors and consultant and the costs are included on estimate given on table 9.1.

The financial provision quantum guarantee will be paid at the DMR rehabilitation account to cover the rehabilitation and/or management of negative environmental impacts.

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.)

Matolo Trade and Investment (Pty) Ltd will fund the operation. Kindly see their Three months bank statements to undertake prospecting operations.

Please see attached letter of undertaking in which Matolo Trade and Investment (Pty) Ltd undertakes to fund the operations and to manage the operations.

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).

Kindly see attached letter of undertaking by Matolo Trade and Investment (Pty) Ltd to finance and manage the prospecting operation.

Three months bank statements of Matolo Trade and Investment (Pty) Ltd.

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

Matolo Trade and Investment (Pty) Ltd will fund the planned prospecting programme on Farm Dutoitspan 119 now a portion of Rooifontein 1722. The planned prospecting programme has an expected cost of R 2 215 958.00. Matolo Trade and Investment (Pty) Ltd has the necessary funds available as shown in their bank statements.

- 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	Motsamai Petrus Rantho
Identity Number	

END