mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA

NAME OF APPLICANT: Ecowa Quarry (Pty) Ltd

REFERENCE NUMBER: To be received

FINANCIAL AND TECHNICAL COMPETENCE REPORT

SUBMITTED FOR A MINING PERMIT APPLICATION

AS REQUIRED IN TERMS OF ITEM B OF FORM F, ANNEXURE I OF THE REGULATIONS FOR THE MINERAL AND PETROLEUM RESOURCES DEVELOPMENT ACT (ACT 28 of 2002), AND IN ACCORDANCE WITH THE STANDARD DIRECTIVE FOR THE COMPILATION THEREOF AS PUBLISHED ON THE OFFICIAL WEBSITE OF THE DEPARTMENT OF MINERAL RESOURCES.

STANDARD DIRECTIVE

All applicants for mining permits are herewith, in terms of the provisions of Section 29 (a) of the Mineral and Petroleum Resources Development Act, directed to submit a report strictly in accordance with the following format, and as informed by the guideline posted on the Departments Official Website, together with an application for a mining permit.

1. TECHNICAL COMPETENCE

1.1 Complete the table below regarding the technical competence forecast.

TABLE 1

TECHNICAL COMPETENCE COST FORECAST										
SKILLS CATEGORY			**STATE THE ESTIMATED QUARTERLY EXPENDITURE ON EACH EMPLOYMENT CATEGORY, SUBCONTRACTOR, OR SERVICE PROVIDER AS SHOWN BELOW**								
List all the job categories that will be employed on the mine, from the mine manager to the unskilled labourers, including those of subcontractors and service providers.	**State the qualifications required for each job category**	**State Part time or Full time**	**Qtr1 (R'000)**	**Qtr2 (R0'00)**	**Qtr3 (R'000)**	**Qtr4 (R'000)**	**Qtr5 (R'000)**	**Qtr6 (R'000)**	**Qtr7 (R'000)**	**Qtr8 (R'000)**	**TOTAL FOR TWO YEARS**
MINE MANAGER		Full Time	66 000	66 000	66 000	66 000	66 000	66 000	66 000	66 000	528 000
ASSISTANT MINE MANAGER		Full time	54 000	54 000	54 000	54 000	54 000	54 000	54 000	54 000	432 000
WEIGHBRIDGE OPERATOR	SAFETY & FIRST AID	Full time	18 000	18 000	18 000	18 000	18 000	18 000	18 000	18 000	144 000
EXCAVATOR OPERATOR		Full time	27 000	27 000	27 000	27 000	27 000	27 000	27 000	27 000	216 000
DUMPER OPERATOR		Full time	21 000	21 000	21 000	21 000	21 000	21 000	21 000	21 000	168 000
LOADER OPERATOR		Full time	21 000	21 000	21 000	21 000	21 000	21 000	21 000	21 000	168 000
TRUCK DRIVER		Full time	30 000	30 000	30 000	30 000	30 000	30 000	30 000	30 000	240 000
CRUSHER OPERATOR		Full time	54 000	54 000	54 000	54 000	54 000	54 000	54 000	54 000	432 000
CRUSHER OPERATOR		Full time	54 000	54 000	54 000	54 000	54 000	54 000	54 000	54 000	432 000
CRUSHER OPERATOR		Full time	54 000	54 000	54 000	54 000	54 000	54 000	54 000	54 000	432 000
BOILER MAKER	WELDING	Full time	54 000	54 000	54 000	54 000	54 000	54 000	54 000	54 000	432 000
ADMIN CLERK		Full time	36 000	36 000	36 000	36 000	36 000	36 000	36 000	36 000	288 000
SECURITY (OUTSOURCED)		Full time	60 000	60 000	60 000	60 000	60 000	60 000	60 000	60 000	480 000
TOTAL ESTIMATED EXPENDITURE			528 000	528 000	528 000	528 000	528 000	528 000	528 000	528 000	4 224 000

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.

2. ABILITY TO MANAGE AND REHABILITATE RELEVANT ENVIRONMENTAL IMPACTS

TABLE 2 Environmental cost estimate.

ACTIVITY Mark with X which activities are applicable		POTENTIAL IMPACT	MITIGATION MEASURE	STATE QUARTERLY COST OF MITIGATION MEASURES IN THE AVAILABLE SPACE BELOW, IN RANDS	STATE THE ESTIMATED REHABILITATION COST RELATED TO THE ACTIVITY IN THE AVAILABLE SPACE BELOW, IN RANDS
Excavating	X	Surface disturbance	Rehabilitation		R150 000
		Dust	Dust control measures	R5 000	
		Noise	Noise control measures	R5 000	
		Contaminated Drainage	Storm water system	R5 000	
Blasting	X	Fly Rock	Access control measures	R5 000	
Stockpiles	X	Surface disturbance	Rehabilitation		R30 000
		Dust	Dust Control Measures	R3 000	
		Contaminated Drainage	Storm water system	R3 000	
Discard dumps or dams	-	Surface Disturbance	Rehabilitation		N/A
		Dust	Dust control Measures	N/A	
		Contaminated Drainage	Storm water system	N/A	
Loading, hauling and transport	X	Noise	Noise control measures	R3 000	
		Dust	Dust control Measures	R3 000	
Water supply dams and boreholes.	-	Surface disturbance	Rehabilitation		N/A
Accommodation, offices, ablution, stores, workshops etc.	X	Surface disturbance	Rehabilitation		R 500
Processing Plant	X	Noise	Noise control measures	R10 000	
		Dust	Dust control Measures	R10 000	
		Contaminated Drainage	Storm water system	R5 000	
		Surface disturbance	Rehabilitation		R20 000
			TOTAL	R77 000	R200 500.00

3. FINANCIAL COMPETENCE

TABLE 3.1 : Financial implications of the project

CASH FLOW FORECAST (Complete the quarterly information and totals as specified by the "ITEM" column below)									
ITEM	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Quarter 5**	**Quarter 6**	**Quarter 7**	**Quarter 8**	**TOTAL**
PRODUCTION The mass or volume of the product to be produced in each quarter, either in tons, m^3, grams, carats, etc., whichever is applicable.	12 000 TONS	12 000 TONS	12 000 TONS	12 000 TONS	12 000 TONS	12 000 TONS	12 000 TONS	12 000 TONS	96 000 TONS
ITEM	**Quarter 1 R'000**	**Quarter 2 R'000**	**Quarter 3 R'000**	**Quarter 4 R'000**	**Quarter 5 R'000**	**Quarter 6 R'000**	**Quarter 7 R'000**	**Quarter 8 R'000**	**TOTAL R'000**
PRICE The expected price that will be received for the abovementioned product	R220	R220	R220	R220	R220	R220	R220	R220	-
REVENUE The mass or volume of production multiplied by the price	R2 640 000	R2 640 000	R2 640 000	R2 640 000	R2 640 000	R2 640 000	R2 640 000	R2 640 000	R21 120 000
OPERATING COST Estimated quarterly operating cost (as shown in table 4.2 herein) of stores, materials, electricity, water, fuel and other (Excluding labour and environmental cost)	R816 000	R816 000	R816 000	R816 000	R816 000	R816 000	R816 000	R816 000	R 6 528 000
TECHNICAL COMPETENCE COST TO BE PROVIDED FOR Estimated quarterly cost shown in table 1 above, i.e. salaries, wages, labour, service providers, subcontractors, etc.	R 540 000	R 540 000	R 540 000	R 540 000	R 540 000	R 540 000	R 540 000	R 540 000	R4 320 000
ENVIRONMENTAL COST Estimated quarterly cost shown in table 2 above and divide the total rehabilitation cost among the quarters. The total of the environmental cost must equal all the quarterly environmental costs and the total rehabilitation cost combined.	R120 000	R120 000	R120 000	R120 000	R120 000	R120 000	R120 000	R120 000	R960 000
CAPITAL AND OTHER The cost (as shown in table 4.1 herein) of land, machinery, the plant, buildings and infrastructure and any other costs.	R1 044 000	R1 044 000	R1 044 000	R1 044 000	R1 044 000	R1 044 000	R1 044 000	R1 044 000	R8 352 000
WORKING PROFIT / LOSS The revenue minus all the costs listed above	R120 000	R120 000	R120 000	R120 000	R120 000	R120 000	R120 000	R120 000	R960 000

NOTE! If the total is a working loss, then it means that the applicant cannot provide for the technical ability or mine the mineral optimally in a period of two years.

TABLE 3.2– FINANCING THE PROJECT

CATEGORY	AMOUNT	SUPPORTING INFORMATION
State the amount required to fund the project	R 350 000	
State the amount the applicant has available to fund the project	R 150 000	**Attach documentary proof that the amount is available in the form of a bank statement.**
State the outstanding amount required to fund the project	R 200 000	

CATEGORY	DESCRIPTION	SUPPORTING INFORMATION
State how the outstanding amount will be financed, e.g. Loan, investor, etc.	LOAN	**Attach documentary proof of any financing agreement, or other relevant evidence**

NOTE ! If the applicant does not have sufficient financial resources readily available (or cannot provide) for the working losses, and for the operating, technical competence and working cost of the first quarter stated in the cash flow forecast above, it cannot be concluded that the applicant has or can provide for the necessary financial resources to carry out the mining activities and to mitigate and rehabilitate relevant environmental impacts.

4. SUPPORTING INFORMATION

TABLE 4.1- CAPITAL COST ESTIMATE: Complete the information required in the table below

COST CATEGORY	QUARTERLY RENTAL WHERE APPLICABLE R'000	OUTRIGHT PURCHASE AMOUNT
Land	R120 000	N/A
Buildings and infrastructure	R24 000	R75 000
Processing plant	R540 000	R28 000 000.00
Machinery	R360 000	10 000 000.00
Other (specify)	0	
TOTAL (to be reflected in the cash flow forecast in table 3.1 above)	R1 044 000	R38 075 000.00

TABLE 4.2- OPERATING COSTS: Complete the information below:-

COST CATEGORY	Quarterly cost R'000
Fuel	R 732 000
Electricity	R 60 000
Water	R 24 000
Stores and materials	N/A
Other (specify)	N/A
TOTAL QUARTERLY COST (must be reflected in the cash flow forecast in table 3.1 above)	R816 000

TABLE 4.3– BACKGROUND TO OPERATING COSTS: Complete the information below:

CATEGORY	REQUIREMENT	COMPLETE THIS COLUMN
MINERAL	State the mineral to be mined	DOLORILE
FUEL	State volume or tonnage of earth to be excavated per quarter	12 000 TONS
	State number of excavators to be used	1
	State number of loaders to be used	1
	State number of trucks to be used	3
ELECTRICITY	State volume or tonnage of material to be processed in the plant	12 000
	List plant or equipment that requires electricity	CRUSHING PLANT JAW ,CONE,2X SCREENS + VSI ALL CONVAYORS GENERATOR 1
WATER	State volume of water to be used	5000L DAILY
	Where will the water be obtained?	QUARRY PIT
OTHER	Describe other operating costs to be incurred, if applicable	PUMP FOR WATER

5. IDENTIFICATION OF THE REPORT

Herewith I, the person whose name and identity number is stated below, confirm that I am the person authorised to act as representative of the applicant in terms of the resolution submitted with the application, and confirm that the above report and appendices comprise the details and documentary proof of the Financial and Technical ability required to be submitted with this application in terms of form F, annexure I of the MPRDA Regulations.	
Full Names and Surname	JASON COLIN KASCHULA
Identity Number	8907285122089

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