



mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA

NAME OF APPLICANT: Henred Trading (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 (R'000) | Qtr3 (R'000) | Qtr4 (R'000) | Qtr5 (R'000) | Qtr6 (R'000) | Qtr7 (R'000) | Qtr8 (R'000) | TOTAL FOR TWO YEARS |
| DIRECTOR | | Full Time | 174527 | 180812 | 180812 | 210947 | 184999 | 184999 | 184999 | 184999 | 1438102 |
| MINE MANAGER | | Full time | 184433 | 166213 | 166213 | 229780 | 195499 | 195499 | 195499 | 195499 | 1519728 |
| MANAGEMENT | | Full time | 68627 | 67861 | 68239 | 79406 | 72745 | 72745 | 72745 | 72745 | 565486 |
| ADMINISTRATION | | Full time | 66945 | 67262 | 67587 | 82404 | 70962 | 70962 | 70962 | 70962 | 551627 |
| BLOCKYARD | | Full time | 192807 | 214206 | 243828 | 228950 | 204375 | 204375 | 204375 | 204375 | 1588730 |
| CRUSHER | | Full time | 70058 | 74805 | 91029 | 108329 | 74261 | 74261 | 74261 | 74261 | 577278 |
| WORKSHOP | | Full time | 43549 | 45232 | 55780 | 65295 | 46162 | 46162 | 46162 | 46162 | 358844 |
| FORKLIFT | | Full time | 24363 | 26300 | 28552 | 32432 | 25825 | 25825 | 25825 | 25825 | 200751 |
| EXCAVATOR | | Full time | 53220 | 60786 | 71567 | 75918 | 56413 | 56413 | 56413 | 56413 | 438533 |
| PAYLOARDER | | Full time | 31629 | 33270 | 37400 | 44278 | 33527 | 33527 | 33527 | 33527 | 260623 |
| SECURITY | | Full time | 97219 | 81912 | 94186 | 97157 | 103052 | 103052 | 103052 | 103052 | 801085 |
| ADMIN ASSISTANT | | Full time | 14240 | 15700 | 18205 | 19517 | 15094 | 15094 | 15094 | 15094 | 117338 |
| HANDSTONE | | Full time | 45890 | 44161 | 144004 | 90551 | 108291 4 | 108291 4 | 108291 4 | 108291 4 | 8418124 |
| TOTAL ESTIMATED EXPENDITURE | | | 106750 7 | 107851 9 | 126740 0 | 136496 3 | 108291 4 | 108291 4 | 108291 4 | 108291 4 | 8418124 |

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 | | 850 000 |
| | | Dust | Dust control measures | 30 000 | |
| | | Noise | Noise control measures | | |
| | | Contaminated Drainage | Storm water system | | |
| Blasting | X | Fly Rock | Access control measures | | |
| Stockpiles | X | Surface disturbance | Rehabilitation | | 150 000 |
| | | Dust | Dust Control Measures | 40 000 | |
| | | Contaminated Drainage | Storm water system | | |
| Discard dumps or dams | - | Surface Disturbance | Rehabilitation | | |
| | | Dust | Dust control Measures | | |
| | | Contaminated Drainage | Storm water system | | |
| Loading, hauling and transport | X | Noise | Noise control measures | | |
| | | Dust | Dust control Measures | 40 000 | |
| Water supply dams and boreholes. | - | Surface disturbance | Rehabilitation | | |
| Accommodation, offices, ablution, stores, workshops etc. | X | Surface disturbance | Rehabilitation | | 30 000 |
| Processing Plant | X | Noise | Noise control measures | 10 000 | |
| | | Dust | Dust control Measures | 30 000 | |
| | | Contaminated Drainage | Storm water system | | |
| | | Surface disturbance | Rehabilitation | | 45 000 |
| | | | TOTAL | 140 000 | 1 075 000 |

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. | 90 000 | 90 000 | 90 000 | 90 000 | 90 000 | 90 000 | 90 000 | 90 000 | 720 000 |
| 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 | 110 | 110 | 110 | 110 | 110 | 110 | 110 | 110 | 880 000 |
| REVENUE The mass or volume of production multiplied by the price | 9900 | 9900 | 9900 | 9900 | 9900 | 9900 | 9900 | 9900 | 79 200 |
| 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) | 2680 | 2680 | 2680 | 2680 | 2680 | 2680 | 2680 | 2680 | 21440 |
| TECHNICAL COMPETENCE COST TO BE PROVIDED FOR Estimated quarterly cost shown in table 1 above, i.e. salaries, wages, labour, service providers, subcontractors, etc. | 1067 | 1078 | 1267 | 1364 | 1082 | 1082 | 1082 | 1082 | 8418 |
| 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. | 151.88 | 151.88 | 151.88 | 151.88 | 163.75 | 163.75 | 163.75 | 163.75 | 1310 |
| CAPITAL AND OTHER The cost (as shown in table 4.1 herein) of land, machinery, the plant, buildings and infrastructure and any other costs. | 3600 | 3600 | 3600 | 3600 | 3600 | 3600 | 3600 | 3600 | 28800 |
| WORKING PROFIT / LOSS The revenue minus all the costs listed above | 2840.1 | 2840.1 | 2840.1 | 2840.1 | 2787.3 | 2787.3 | 2787.3 | 2787.3 | 22 462 |

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 | 8 000 000 | |
| State the amount the applicant has available to fund the project | 8 000 000 | Attach documentary proof that the amount is available in the form of a bank statement. |
| State the outstanding amount required to fund the project | | |

| CATEGORY | DESCRIPTION | SUPPORTING INFORMATION |
|--|--|--|
| State how the outstanding amount will be financed, e.g. Loan, investor, etc. | Revenue received from the project as working capital | 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 | | 240 | |
| Buildings and infrastructure | | 60 | |
| Processing plant | | 1800 | |
| Machinery | | 1500 | |
| Other (specify) | | | |
| TOTAL (to be reflected in the cash flow forecast in table 3.1 above) | | 3600 | |

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

| COST CATEGORY | | Quarterly cost R'000 |
|--|--------|-------------------------|
| Fuel | | 2400 |
| Electricity | | 10 |
| Water | | 90 |
| Stores and materials | | 180 |
| Other (specify) | CEMENT | |
| TOTAL QUARTERLY COST (must be reflected in the cash flow forecast in table 3.1 above) | | 2680 |

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

| CATEGORY | REQUIREMENT | COMPLETE THIS COLUMN |
|-------------|--|-----------------------|
| MINERAL | State the mineral to be mined | Gravel |
| FUEL | State volume or tonnage of earth to be excavated per quarter | 90 000tons |
| | State number of excavators to be used | 2 |
| | State number of loaders to be used | 1 |
| | State number of trucks to be used | 2 |
| ELECTRICITY | State volume or tonnage of material to be processed in the plant | 0 |
| | List plant or equipment that requires electricity | Office & Weighbridge |
| WATER | State volume of water to be used | 30 000 litres per day |
| | Where will the water be obtained? | |
| OTHER | Describe other operating costs to be incurred, if applicable | |

5. IDENTIFICATION OF THE REPORT

| | |
|---|----------------------------|
| <p>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.</p> | |
| Full Names and Surname | James Roderick Todd Arthur |
| Identity Number | 5706185017081 |

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