



mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA

NAME OF APPLICANT: Otter Mist Trading 1057 (Pty) Ltd

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
Top Management 1x Projects / Operations Director	Engineering Diploma / Min of 15 Years Experience.	Part Time on Mine-Full Time in Employ 15% of time on Quarry	20	20	20	20	22	22	22	22	168
Professionally Qualified/Specialist 1x Site / Quarry Manager	Engineering diploma with 5 years experience or 10 years experience in industry. Blasting Certificate.	Full time 100% of time on Quarry	180	180	180	180	200	200	200	200	1520
1x General Foreman	Years Experience & Training	100% of time on Quarry	120	120	120	120	135	135	135	135	1020
Skilled Technical Mechanic	Qualified Mechanic with min of 5 years experience	Full Time	80	80	80	80	85	85	85	85	660

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	120 000	
		Noise	Noise control measures	30000	
		Contaminated Drainage	Storm water system	15000	
Blasting	X	Fly Rock	Access control measures	15000	
Stockpiles	X	Surface disturbance	Rehabilitation		150 000
		Dust	Dust Control Measures	40 000	
		Contaminated Drainage	Storm water system	15000	
Discard dumps or dams		Surface Disturbance	Rehabilitation		150 000
		Dust	Dust control Measures	0	
		Contaminated Drainage	Storm water system	0	
Loading, hauling and transport	X	Noise	Noise control measures	0	
		Dust	Dust control Measures	120 000	
Water supply dams and boreholes.	X	Surface disturbance	Rehabilitation		
Accommodation, offices, ablution, stores, workshops etc.		Surface disturbance	Rehabilitation		30 000
Processing Plant	X	Noise	Noise control measures	30 000	
		Dust	Dust control Measures	30 000	
		Contaminated Drainage	Storm water system		
		Surface disturbance	Rehabilitation		45 000
			TOTAL	415 000	1 225 000

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	130	130	130	130	145	145	145	145	1100
REVENUE The mass or volume of production multiplied by the price	11700	11700	11700	11700	13050	13050	13050	13050	99000
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)	3250	3250	3250	3250	3575	3575	3575	3575	27300
TECHNICAL COMPETENCE COST TO BE PROVIDED FOR Estimated quarterly cost shown in table 1 above, i.e. salaries, wages, labour, service providers, subcontractors, etc.	820	820	820	820	917	917	917	917	6948
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.	291.46	291.46	291.46	291.46	291.46	291.46	291.46	291.46	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.	4600	4600	4600	4600	4600	4600	4600	4600	36800
WORKING PROFIT / LOSS The revenue minus all the costs listed above	2738.5	2738.5	2738.5	2738.5	3666.5	3666.5	3666.5	3666.5	25620

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	2300	
Machinery	2000	
Other (specify)		
TOTAL (to be reflected in the cash flow forecast in table 3.1 above)	4600	

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

COST CATEGORY	Quarterly cost
	R'000
Fuel	2400
Electricity	30
Water	90
Stores and materials	180
Other (specify)	550
TOTAL QUARTERLY COST (must be reflected in the cash flow forecast in table 3.1 above)	3250

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	1
	State number of loaders to be used	0
	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 liters per day
	Where will the water be obtained?	
OTHER	Describe other operating costs to be incurred, if applicable	

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	Johan Marais
Identity Number	7011295026082

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