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VANRHYNSDORP STONE PROJECT

Western Cape, South Africa

Prospecting Work Programme (PWP)

For a Prospecting Rights (PR) Application

Version 6

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Prepared by: Minrom Consulting (Pty) Ltd | **Prepared for:** Paramon (Pty) Ltd

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1 INTRODUCTION

1.1 Purpose of this Report

Minrom Consulting (Pty) Ltd. has been appointed by Mr. Mike Cai of Paramon (Pty) Ltd to compile a Prospecting Work Programme (PWP) for the "BC Stone Project" located near Vanrhynsdorp in the Western Cape Province of RSA. The aim in compiling PWP is to provide a full description of the prospecting activities to be undertaken on the proposed license area(s) and their associated farms. This includes:

- Details of the Exclusive Prospecting License (EPL) owner
- Details of the land covered by the license, coordinates, and area extents
- Details of the mineral(s) to be prospected for
- Geology of the area
- Prospecting plan for the license area, and description for the prospecting methods
- Prospecting cost and timeframe estimates

This report therefore culminates in a Prospecting Work Programme for the project which can be submitted in the application for a Prospecting Rights (PR).

1.2 Exclusive Prospecting License (EPL) - Properties

The property for which the Prospecting Rights is required is located in the Western Cape Province, approximately 8 km south of the town of Vanrhynsdorp along the N7 national road. The property includes Portion 3 of the farm Welverdiend 511[1] - i.e., 3/511 (Figure 1). The property has a combined area of approximately 70 Hectares and excludes a 5-hectare portion within it. The coordinate points (in Geographic coordinates) of the application area have been tabulated below:

Table 1: Property Boundary Coordinates

LABEL	LONGITUDE	LATITUDE	LABEL	LONGITUDE	LATITUDE
A	18.7299	-31.6873	H	18.7383	-31.6797
B	18.7328	-31.6802	I	18.7403	-31.6800
C	18.7351	-31.6784	J	18.7387	-31.6848
D	18.7362	-31.6789	K	18.7328	-31.6906
E	18.7357	-31.6799	L	18.7300	-31.6905
F	18.7367	-31.6802			
G	18.7381	-31.6805			

[1] The farm name "Welverdiend 511" is provided in 1:50 000 topographical maps but this is not documented in any cadastre or GIS spatial data systems

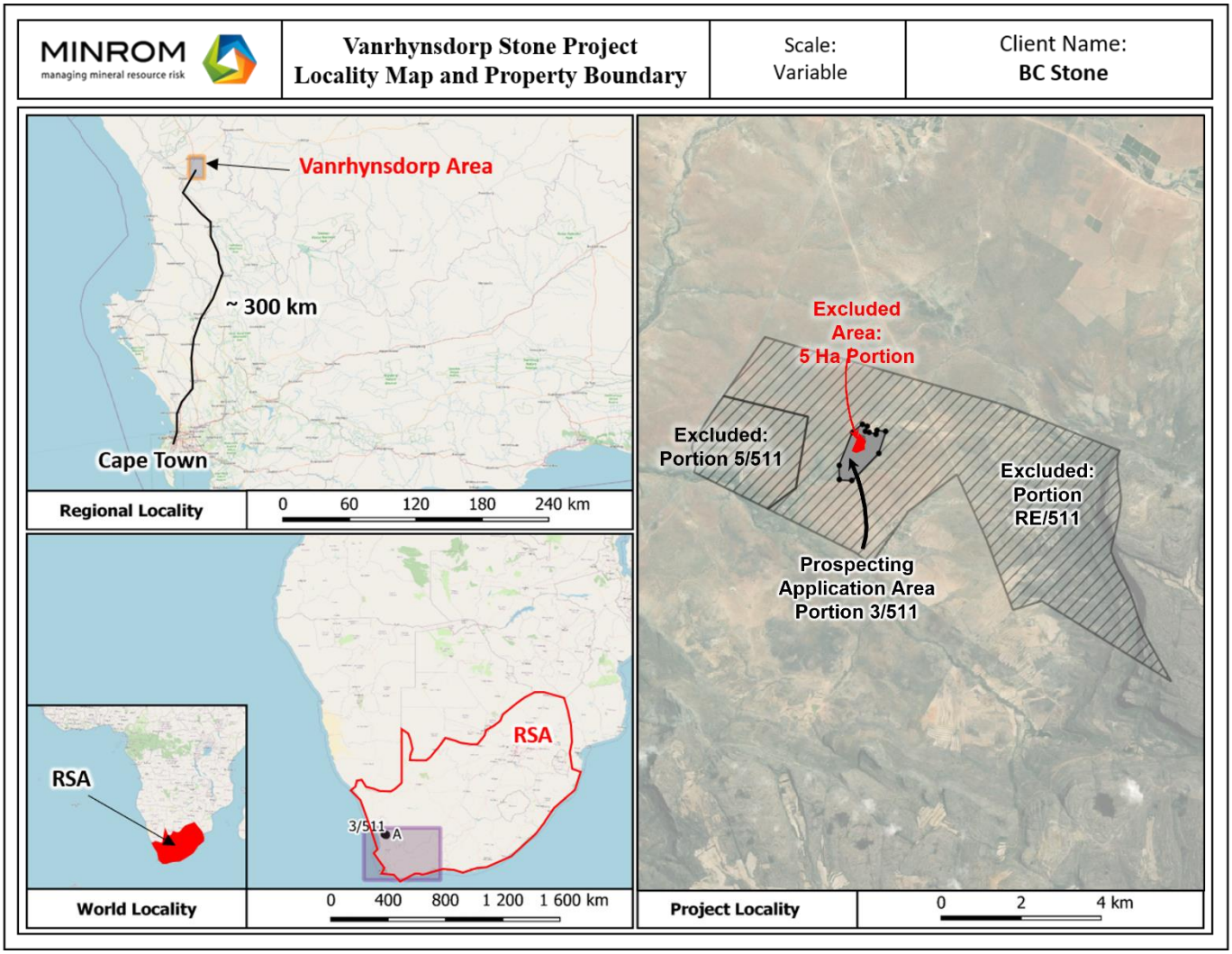

Figure 1: Project Location and Property Boundary

Note: Portion 5/511 and RE/511 is excluded, as well as a small area (5 Ha) within Portion 3/511

Excluded Area coordinates:

LABEL	LONGITUDE	LATITUDE
1	18.73463405	-31.68090923
2	18.73548888	-31.68105775
3	18.73556951	-31.68201846
4	18.73525287	-31.68264037
5	18.73515361	-31.68358612
6	18.73392223	-31.68432032
7	18.73305574	-31.68401916

1.3 Exclusive Prospecting License (EPL) Owners

The owners for the EPL are BC Stone. The details for the company are provided below in Table 2.

Table 2: EPL owner's contact details

Items	Company Contact Details
Name:	BC Stone (Pty) Ltd
Contact Person	Mr. Mike Cai
E-mail address:	btnnamibia@gmail.com
Postal address:	Walvis Bay, Namibia

The geological consultant appointed by the owner is Minrom Consulting (Table 3)

Table 3: Appointed Geological Consultant's Details

Items	Company Contact Details
Name:	Minrom Consulting (Pty) Ltd
Contact Person	Mr. Oscar van Antwerpen
Tel no:	(+27) 83 704 0243
Cellular:	(+27) 82 940 1583
E-mail address:	oscar@minrom.co.za
Postal address:	Destinata House 8 Fairways Office Park 5 Niblick Way Somerset West, 7130

1.4 Mineral(s) to be prospected for

Table 4: Details of Elements to be prospected for.

Item	Detail
Type of Mineral	All forms of Limestone $CaCO_3$ and $MgCO_3$ Dimension Stone and Marble
Mineralisation	The mineralisation to be prospected for is typically a relatively soft material, white in colour and with a carbonate chemistry.
Products & Market	The products for the dimension stone will typically be large quantity countertops for kitchens and other such uses. High purity limestone and marble countertops. The market for the material will typically be the South African household and consumer market. This is typically a local and national market.

2 GEOLOGY OF THE LICENSE AREA

2.1 Regional & Local Geology

The geology of the study area near Vanrhynsdorp is shown on the 1: 250 000 geology map 3118 Calvinia (Council for Geoscience, Pretoria) below in Figure 2. A comprehensive sheet explanation for this map has been published by De Beer et al. (2002).

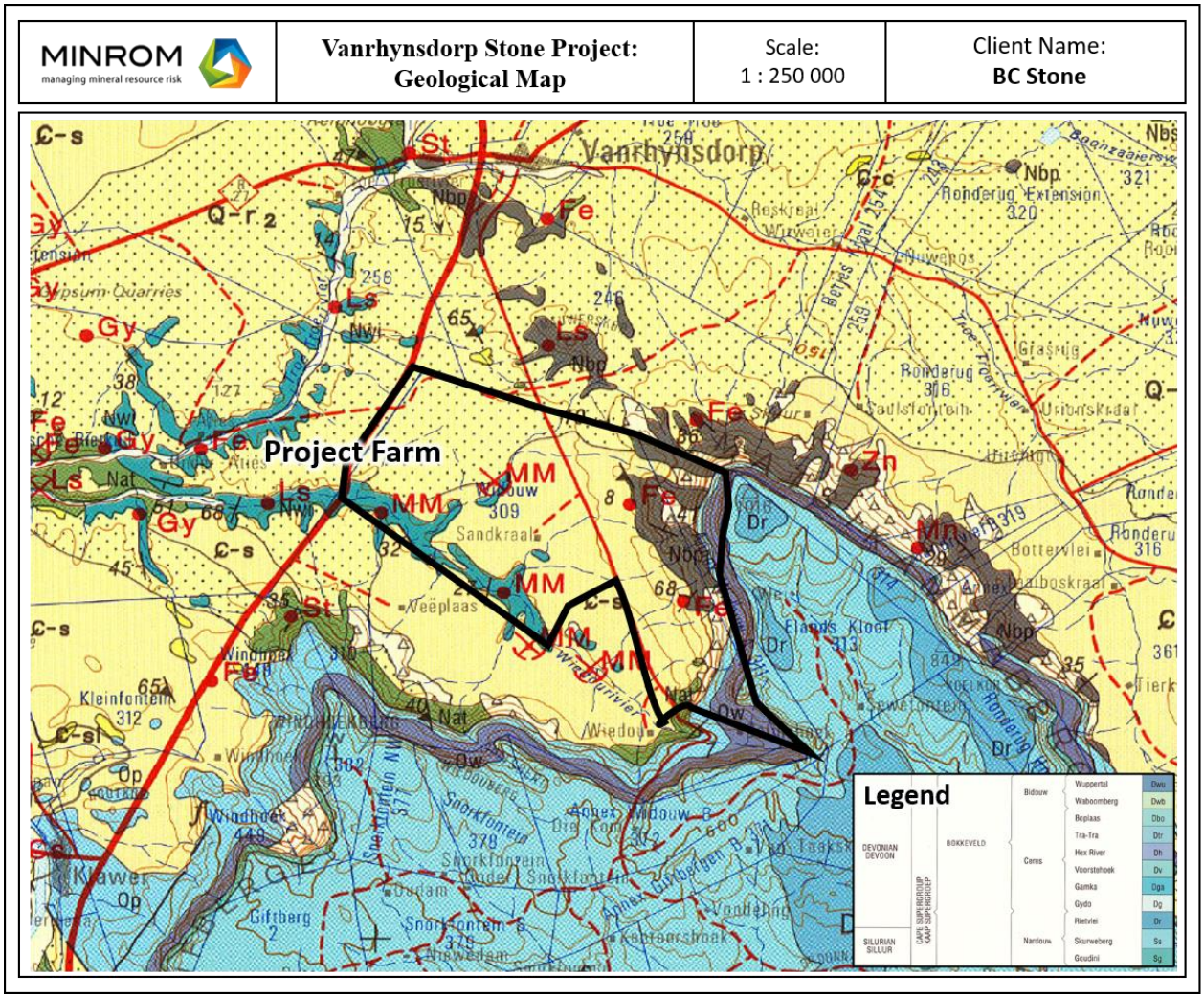

Figure 2: Geological Map

According to the 1: 250 000 geology map the project area is largely underlain by superficial sediments of Late Cenozoic age. The thickness of the superficial sediment overburden overlying Precambrian bedrocks here varies from between 0 – 2 meters. A small area in the east is covered by fine-grained aeolian sands (Q-s) that cover large portions of the coastal plain to the north and south of Vanrhynsdorp, where they are often underlain by older calcareous or loamy soils, and that often appear distinctly orange on satellite images. The reddish sands are derived from pale alluvial sands that were accumulated near the coast by the palaeo-Olifants River system and then blown

inland by prevailing south-westerly winds. They are mainly of Pleistocene to Recent age. The majority of the study area is mantled by calcareous and gypsiferous soils (Q-r2) that cover large areas of the Knersvlake region around Vanrhynsdorp and are often capped by a reddish, well-consolidated calcareous or siliceous hardpan or dorbank. The soils comprise a spectrum of gravally conglomerates, grit, sand and finer sediment showing a variable degree of calcretisation (i.e. pedogenic limestone formation typical of semi-arid climates). Pleistocene to Holocene alluvial deposits such as silts and gravels occur along the Widouw River but these are small in extent.

Late Precambrian metasediments of the Gifberg Group forming the Vredendal Inlier of the Neoproterozoic Gariep Supergroup crop out along the bed and banks of the Widouw River. Within the study area just to the east of the N7 these comprise metamorphosed, deformed carbonate and other metasedimentary rocks of the Widouw Formation (Nwi). The Widouw succession, here in its type area, mainly consists of recrystallized, greyish limestones (marbles) and dolostones but also includes subordinate bodies of meta-greywacke, quartzite and phyllite (De Beer et al., 2002, Gresse et al., 2006, Frimmel 2008).

The carbonate rocks can reach over 200m in thickness, but this has probably been exaggerated by tectonic reduplication. The target carbonate rock is likely a light grey, massive, fine- to medium/coarse-grained, crystalline, exceptionally homogenous, very high-grade calcium carbonate / marble rock. The “limestone” ore body at the site dips gently eastwards at between 5 and 15° and is overlain by schistose, often highly pyritic metasediments of the Aties Formation (Nat). The latter subunit of the Gifberg Group is not mapped at surface in the study area but is well exposed to the west of the N7 as well as in road cuts along the Olifants River Valley.

The following useful description of the Maskam limestone ore body has been extracted from an original report entitled “Geological Report of the Maskam Limestone Deposit on the farm Welverdiend 511 in the Vanrhynsdorp District” (DW Rees in July 2008). The ore is covered by 5 -20 m of overburden which comprises clay, silt and sand as well as hard silcrete bands. The sub-outcrop is uniformly flat with no karsts penetrating into the ore body. The body does not outcrop but on the central western side it lies 1 - 2m below the land surface. The entire western part of the body is overlain by low-grade carbonate-rich hanging wall rock which gradually deepens eastward. The body is underlain by siliceous graphitic and phyllitic waste rock and the contact between the body and foot-wall schist is sharp. The true thickness of the deposit varies between 20 m in the west and 66 m in the east. The ore body has been identified for 1000m along the strike. The southern part terminates in deep weathering adjacent to the Wiedou River but the body extends northwards along strike over its full width beyond the prospected area. No obvious faults, discontinuities or abnormalities were encountered. A unique feature of the deposit is the consistent high calcium carbonate values obtained in historical boreholes (no date) along strike, down-dip and in vertical depth from the sub-outcrop to the foot-wall contact. No lenses of dolomite or siliceous limestone were encountered in the any of the samples taken from the 39 boreholes which were drilled into the ore body. The overburden gradually increases in thickness in a northerly direction to 20m.

3 PROSPECTING ACTIVITIES

3.1 Planned Prospecting Activities

Prospecting of the proposed area will be performed over a period of one (1) week. The prospecting programme will consist of non-invasive surface exploration. The non-invasive prospecting activity is implemented to limit the environmental footprint experienced within the prospecting area and generally leaves little to no evidence of exploration activity. The non-invasive exploration programme will consist of a surface geotechnical mapping programme of around three (3) days geological field work.

3.1.1 Geological/Geotechnical Mapping & Verification (Non-invasive)

3.1.1.1 Description of the Activities

The mapping will consist of the following activities:

- Traversing the entire farm, and/or identified target areas on foot
- Geological mapping and characterisation of the surface material and mineralisation
- Geotechnical and structural orientation mapping
- Collection of rock samples (loose) which is representative of the mineralisation
- Verification of all relevant site, geological, hydrological, drilling and mining data

The aim of the exploration activity is to verify the geology, historical data and any and all site data for the project, as well as to produce a most up-to-date current surface geological and geotechnical map of the mineralised zone.

3.1.1.2 Land Access Requirements

The geological team will require full access to the property (portions RE/511 and 3/511) to perform the geological investigation and verify all site data. The land access and site visit will be communicated well beforehand. The investigation is likely to have a duration of around two (2) days travelling, three (3) days field work, and one (1) week reporting and client feedback. Therefore, in total, two (2) weeks.

3.1.1.3 Environmental Impact

The environmental impact for the investigation is non-existent. The environment will not be impacted in any way and/or form.

Table 5: Exploration Activities Planned

Activity (Activities planned	**Skill(s) required** (Competent personnel required)	**Timeframe (Days/Weeks)**	**Outcome** (Expected deliverable(s))	**Timeframe for outcome** (deadline for deliverable)	**What technical expert will sign off on the outcome**
Non-Invasive:					
Geotechnical Mapping	Geologist(s)	Week 1	Site Access and Geological Map	Week 1	Geologist/MRM
Reporting	Geologist(s)	Week 2	Scoping and Verification Report, Geological Field Report and Exploration Recommendations (Mineralisation Range analysis – if needed)	Week 2	Geologist/MRM

Figure 3: Satellite image of the historical quarry

3.2 Prospecting Timeframes & Timeframes

Geological/Geotechnical Mapping & Verification (Non-invasive)

This programme is expected to be reasonably short and is expected to be completed over a two (2) week period as shown in the figure below:

Vanrhynsdorp Project Schedule

Phase	Component	Week	Week 1							Week 2						
		Day	01	02	03	04	05	06	07	08	09	10	11	12	13	14
Phase 1	Mobilisation, Site Access & Verification							Weekend							Weekend	
	Geotechnical Mapping & Sampling															
	Demobilisation															
	Data Capture, Report Generation															
	Client Feedback															

3.3 *Prospecting Cost Estimate*

The following cost estimate is envisioned for the prospecting programme:

PHASE	Component	Details	Total Cost
Phase 1 (non-invasive)	**Project Management**	Administration, planning, logistics, PM	**R 11 452**
	Minrom Site Work Technical Fees	On-site geotechnical mapping, access, verification	**R 50 750**
	Minrom Site Work Disbursements	Accommodation & Sustenance	**R 9 250**
	Reporting	Data, GIS, and report compilation	**R 40 678**
TOTALS			**R 112 130 (excl. VAT)**

Following the exploration programme recommendations will be made on how to proceed, however since the area consists of a historical quarry it is envisioned that the project will contain sufficient data to proceed to a mining right application.

3.4 *Qualifications of Consultants*

The Minrom geologists that would be involved in the project have extensive experience in the mining and exploration industry and are members in good standing of appropriate professional institutions (Geological Society of South Africa (GSSA) and South African Council for Natural Scientific Professionals (SANCASP)).

Neither Minrom nor any personnel selected by Minrom would have any beneficial interest in the project. Minrom would be paid a fee for its services in accordance with normal professional consulting practice.