

APPENDIX P

Cost of Proposed Development

(Rehabilitation costing; Financial and Technical
Competence Report)

Breakdown of rehabilitation cost for the proposed Sand Borrow Pit, Alheidt, Kakamas

No	Description	Unit	Quantity	Rate per unit	Amount
1.	Rehabilitation of access road	m2	2400	R5,50	R13 200,00
2.	General surface rehabilitation and landscaping and shaping the slope	ha	4,25	R23 500,00	R99 875,00
				Sub total 1	R113 075,00
				VAT (15%)	R130 036,25



mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA

NAME OF APPLICANT: The Verneujk Pan Trust

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.

TOTAL ESTIMATED EXPENDITURE										

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 RANDB	STATE THE ESTIMATED REHABILITATION COST RELATED TO THE ACTIVITY IN THE AVAILABLE SPACE BELOW, IN RANDB
Excavating	X Surface disturbance	Rehabilitation		
	Dust	Dust control measures	not known	
	Noise	Noise control measures	0	
	Contaminated Drainage	Storm water system	R16,500	
Blasting	Fly Rock	Access control measures		
Stockpiles	Surface disturbance	Rehabilitation		
	Dust	Dust Control Measures		
	Contaminated Drainage	Storm water system		
	Surface Disturbance	Rehabilitation		
Discard dumps or dams	Dust	Dust control Measures		
	Contaminated Drainage	Storm water system		
	Noise	Noise control measures	0	
Loading, hauling and transport	Dust	Dust control Measures	0	
	Surface disturbance	Rehabilitation		
Water supply dams and boreholes.	Surface disturbance	Rehabilitation		
Accommodation, offices, abluotion, stores, workshops etc.	Surface disturbance	Rehabilitation		
	Noise	Noise control measures		
	Dust	Dust control Measures		
	Contaminated Drainage	Storm water system		
Processing Plant	Surface disturbance	Rehabilitation		
	Surface disturbance	Rehabilitation		
TOTAL			R16,500	

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.	90250 ton	90250 ton	90250 ton	90250 ton	90250 ton	90250 ton	90250 ton	90250 ton	722000 ton
PRICE The expected price that will be received for the abovementioned product	Quarter 1 R'000 R35.00/ton	Quarter 2 R'000 R35.00/ton	Quarter 3 R'000 R35.00/ton	Quarter 4 R'000 R35.00/ton	Quarter 5 R'000 R35.00/ton	Quarter 6 R'000 R35.00/ton	Quarter 7 R'000 R35.00/ton	Quarter 8 R'000 R35.00/ton	TOTAL R'000 R35.00/ton
REVENUE The mass or volume of production multiplied by the price	3159	3159	3159	3159	3159	3159	3159	3159	25270
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)	0	0	0	0	0	0	0	0	0
TECHNICAL COMPETENCE COST TO BE PROVIDED FOR Estimated quarterly cost shown in table 1 above, i.e. salaries, wages, labour, service providers, subcontractors, etc.	38	38	38	38	38	38	38	38	300
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.	17	17	17	17	17	17	17	17	136
CAPITAL AND OTHER The cost (as shown in table 4.1 herein) of land, machinery, the plant, buildings and infrastructure and any other costs.	437	437	437	437	437	437	437	437	3496
WORKING PROFIT / LOSS The revenue minus all the costs listed above	266	266	266	266	266	266	266	266	213

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	R3,930,276	
State the amount the applicant has available to fund the project	R4,000,000	Attach documentary proof that the amount is available in the form of a bank statement.
State the outstanding amount required to fund the project	0	

CATEGORY	DESCRIPTION	SUPPORTING INFORMATION
State how the outstanding amount will be financed, e.g. Loan, investor, etc.	Not applicable	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		R3,500,000
Buildings and infrastructure	None	None
Processing plant	None	None
Machinery	None	None
Other (specify)		
TOTAL (to be reflected in the cash flow forecast in table 3.1 above)		R3,500,000

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

COST CATEGORY		Quarterly cost R'000
Fuel		
Electricity		
Water		
Stores and materials		
Other (specify)	Equipment operator salaries (R37,530 per quarter for three operators)	38
TOTAL QUARTERLY COST (must be reflected in the cash flow forecast in table 3.1 above)		38

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

CATEGORY	REQUIREMENT	COMPLETE THIS COLUMN
MINERAL	State the mineral to be mined	Sand
	State volume or tonnage of earth to be excavated per quarter	90250 ton
	State number of excavators to be used	1-2
	State number of loaders to be used	0
ELECTRICITY	State number of trucks to be used	1-2
	State volume or tonnage of material to be processed in the plant	0
	List plant or equipment that requires electricity	0
WATER	State volume of water to be used	Potable water in tanks for drinking only
	Where will the water be obtained?	Supplied via bottled water/in a tank
OTHER	Describe other operating costs to be incurred, if applicable	Equipment operators - R4170 monthly salary = R37,530 per quarter for three operators

i. 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	Chanel Andries Bruwer
Identity Number	5612225047084



.....END.....