



mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA

NAME OF APPLICANT: CZ Sand Mine (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 Site	10	10	10	10	10	10	10	10	80
Professionally Qualified/Specialist 1x Site / Site Manager	Engineering diploma with 5 years experience or 10 years experience in industry. Blasting Certificate.	Full time 100% of time on Site	120	120	120	120	120	120	120	120	960
1x General Foreman	Years Experience & Training	100% of time on Site	90	90	90	90	90	90	90	90	720
Skilled Technical Mechanic	Qualified Mechanic with min of 5 years experience	Full Time	80	80	80	80	85	85	85	85	660

Semi-skilled 1x Site Administrator	Internally Trained with at least 2 years tertiary training in admin and accounting	Full Time	60	60	60	60	75	75	75	75	540
Semi-skilled 6x Mobile Plant Operators	Training Certificates and 2 Years Experience	Full Time	360	360	360	360	400	400	400	400	3040
TOTAL ESTIMATED EXPENDITURE			710	710	710	710	780	780	780	780	5960

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		250 000
		Dust	Dust control measures	80 000	
		Noise	Noise control measures	15000	
		Contaminated Drainage	Storm water system	5000	
Blasting	X	Fly Rock	Access control measures	0	
Stockpiles	X	Surface disturbance	Rehabilitation		50 000
		Dust	Dust Control Measures	20 000	
		Contaminated Drainage	Storm water system	15000	
Discard dumps or dams		Surface Disturbance	Rehabilitation		0
		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	50 000	
Water supply dams and boreholes.	X	Surface disturbance	Rehabilitation		
Accommodation, offices, ablution, stores, workshops etc.		Surface disturbance	Rehabilitation		10 000
Processing Plant	X	Noise	Noise control measures	10 000	
		Dust	Dust control Measures	10 000	
		Contaminated Drainage	Storm water system		
		Surface disturbance	Rehabilitation		25 000
			TOTAL	205 000	335 000

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	150	150	150	150	150	150	150	150	1200
REVENUE The mass or volume of production multiplied by the price	13500	13500	13500	13500	13500	13500	13500	13500	108000
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)	3450	3450	3450	3450	3450	3450	3450	3450	27600
TECHNICAL COMPETENCE COST TO BE PROVIDED FOR Estimated quarterly cost shown in table 1 above, i.e. salaries, wages, labour, service providers, subcontractors, etc.	710	710	710	710	780	780	780	780	5960
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.	205	205	205	205	205	205	205	205	1640
CAPITAL AND OTHER The cost (as shown in table 4.1 herein) of land, machinery, the plant, buildings and infrastructure and any other costs.	6220	6220	6220	6220	6220	6220	6220	6220	49760
WORKING PROFIT / LOSS The revenue minus all the costs listed above	2915	2915	2915	2915	2845	2845	2845	2845	23040

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	200 000	
State the amount the applicant has available to fund the project	200 000	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	80	
Processing plant	3400	
Machinery	2500	
Other (specify) <input type="text"/>		
TOTAL (to be reflected in the cash flow forecast in table 3.1 above)	6220	

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

COST CATEGORY		Quarterly cost R'000
Fuel		2600
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)		3450

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

CATEGORY	REQUIREMENT	COMPLETE THIS COLUMN
MINERAL	State the mineral to be mined	SAND
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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