mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA

NAME OF APPLICANT: Helen Claire Harley

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 (R0'00)**	**Qtr3 (R'000)**	**Qtr4 (R'000)**	**Qtr5 (R'000)**	**Qtr6 (R'000)**	**Qtr7 (R'000)**	**Qtr8 (R'000)**	**TOTAL FOR TWO YEARS**
Credit controller	Matric/ Backround in accounting	Full time	40000	40000	40000	40000	40000	40000	40000	40000	320000
Accounting	Account degree	Full time	10000	10000	10000	10000	10000	10000	10000	10000	80000
Mine Manager	Matric/10yrs Experience	Full time	45000	45000	45000	45000	45000	45000	45000	45000	360000
Mechanic	Trade test diesel mechanic	Ful timel	30000	30000	30000	30000	30000	30000	30000	30000	240000
Admin manager	Matric	Full time	20000	20000	20000	20000	20000	20000	20000	20000	160000
Machine opperator	Matric/ experience	Full time	24000	24000	24000	24000	24000	24000	24000	24000	192000
Security	Matric/ Related security training	full time	20000	20000	20000	20000	20000	20000	20000	20000	160000
Volvo sub-contractor		Part time	12000	12000	12000	12000	12000	12000	12000	12000	96000

TOTAL ESTIMATED EXPENDITURE											1608000

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		18000
		Dust	Dust control measures		
		Noise	Noise control measures		
		Contaminated Drainage	Storm water system		
Blasting		Fly Rock	Access control measures		
Stockpiles	x	Surface disturbance	Rehabilitation		18000
		Dust	Dust Control Measures		
		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		Noise	Noise control measures		
		Dust	Dust control Measures		
Water supply dams and boreholes.		Surface disturbance	Rehabilitation		
Accommodation, offices, ablution, stores, workshops etc.	x	Surface disturbance	Rehabilitation		6000
Processing Plant		Noise	Noise control measures		
		Dust	Dust control Measures		
		Contaminated Drainage	Storm water system		
		Surface disturbance	Rehabilitation		
			TOTAL		35000

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.	8000 cubes	6600 cubes	5900 cubes	8500 cubes	7400 cubes	8100 cubes	6000 cubes	3900 cubes	54400 cubes
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	R70	R70	R70	R70	R75	R75	R75	R75	
REVENUE The mass or volume of production multiplied by the price	560000	462000	413000	595000	555000	607500	450000	292500	3935000
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)	156000	156000	156000	156000	156000	156000	156000	156000	1248000
TECHNICAL COMPETENCE COST TO BE PROVIDED FOR Estimated quarterly cost shown in table 1 above, i.e. salaries, wages, labour, service providers, subcontractors, etc.	201000	201000	201000	201000	201000	201000	201000	201000	1608000
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.	2125	2125	2125	2125	2125	2125	2125	2125	35000
CAPITAL AND OTHER The cost (as shown in table 4.1 herein) of land, machinery, the plant, buildings and infrastructure and any other costs.	64000	64000	64000	64000	64000	64000	64000	64000	512000
WORKING PROFIT / LOSS The revenue minus all the costs listed above	66500	66500	66500	66500	66500	66500	66500	66500	532000

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	750000	
State the amount the applicant has available to fund the project	300000	**Attach documentary proof that the amount is available in the form of a bank statement,.**
State the outstanding amount required to fund the project	450000	

CATEGORY	DESCRIPTION	SUPPORTING INFORMATION
State how the outstanding amount will be financed, e.g. Loan, investor, etc.	Loan FNB	**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	NA	
Buildings and infrastructure	NA	
Processing plant	NA	
Machinery	64000	750000
Other (specify)		
TOTAL (to be reflected in the cash flow forecast in table 3.1 above)	64000	750000

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

COST CATEGORY		Quarterly cost R'000
Fuel		96000
Electricity		NA
Water		NA
Stores and materials		40000
Other (specify)	R&M	20000
TOTAL QUARTERLY COST (must be reflected in the cash flow forecast in table 3.1 above)		156000

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

CATEGORY	REQUIREMENT	COMPLETE THIS COLUMN
MINERAL	State the mineral to be mined	Silica Sand
FUEL	State volume or tonnage of earth to be excavated per quarter	6800
	State number of excavators to be used	NA
	State number of loaders to be used	2
	State number of trucks to be used	NA
ELECTRICITY	State volume or tonnage of material to be processed in the plant	NA
	List plant or equipment that requires electricity	NA
WATER	State volume of water to be used	NA
	Where will the water be obtained?	NA
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	Scott Raymond Harley
Identity Number	7803135088086

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