Blue Banjo 3 (Pty) Ltd

MULTI-MINERAL PROSPECTING AND MINING PROJECT NEAR TAUNG (NWP)

PRELIMINARY RESOURCE ESTIMATE AND BUDGET PROJECTION

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1. INTRODUCTION AND BACKGROUND.

Blue Banjo 3 (Pty) Ltd is a 100% HDSA owned company.

Prospecting Right Licence (NW 30/5/1/1/3/2/1 (11393) PR) was granted for diamonds in July 2015. In March 2017 the licence was amended to include zirconium ore, gold ore, sand (general) and aggregate (crusher stone).

The license has been renewed, DMRE fees are paid yearly and current validity is up to 2027.

During the first two years bulk sampling for diamonds took place in two open pits.

Relatively low diamond recoveries resulted in contractor's leaving the project.

No proper sampling for gold took place so far.

However analysis of a sample from gravel stockpile (<100 mm) confirmed Au grade at 0.22 g/ton. Size distribution of the gold particles showed that > 50% of grains do report to <0.5 mm size fraction and >37% to <0.025 mm fraction.

The above presumably explains why gold testing was not carried out so far. Overall fine and super fine gold particle sizes require specialized gold plant design.

Licence holder decided to proceed with the project development without contractors and spent circa R 22,500 ,000 up to date mostly on the recovery plant site , which is ~ 90% ready for operation launch.

Decision was made to seek for a JV partner capable to unlock this mining opportunity and bring operation to full capacity as soon as possible.

Given report provides outline of the geological setting, preliminary resource estimate and projected budget of the Project.

2. BRIEF PROJECT SUMMARY.

Location: Vicinity of Taung in the Harts River valley and on adjacent plateaux.

Ownership: Baga-Phuduhucwana Tribal Authority

Administration: Vryburg Magisterial District.

Extent: Two blocks totalling **1,311.1** Ha (Eastern ~ 385 Ha and Western ~930 Ha).

Permit Holder/Applicant: Blue Banjo 3 (Pty) Ltd, 100% HDSA owned company (BB3 hereafter).

Existing Permit Type: Prospecting Right (NW 30/5/1/1/3/2/1 (11393) PR).

Target mineral(s): Diamond, gold, zirconium ore, sand, aggregate stone.

Resources: Only preliminary estimate of resource is done at this stage. Total gravel resource is estimated as at least 30 million tons with potential diamond and gold value over 8 billion rand . Building sand and aggregate stone have estimated value of > 1.5 billion rand at current market price.

After mining land use. Land usage after mining is foreseen as agricultural projects. Detailed plan for after-mining land use will be prepared as part of the Mining Right application process[1].

[1] One of the team members is expert in modern agricultural techniques and relevant projects management.

3. LICENCE LOCATION.

The block under application is located in the Vryburg Administrative District on the Farm Taung 894 (Figures 1 and 2).

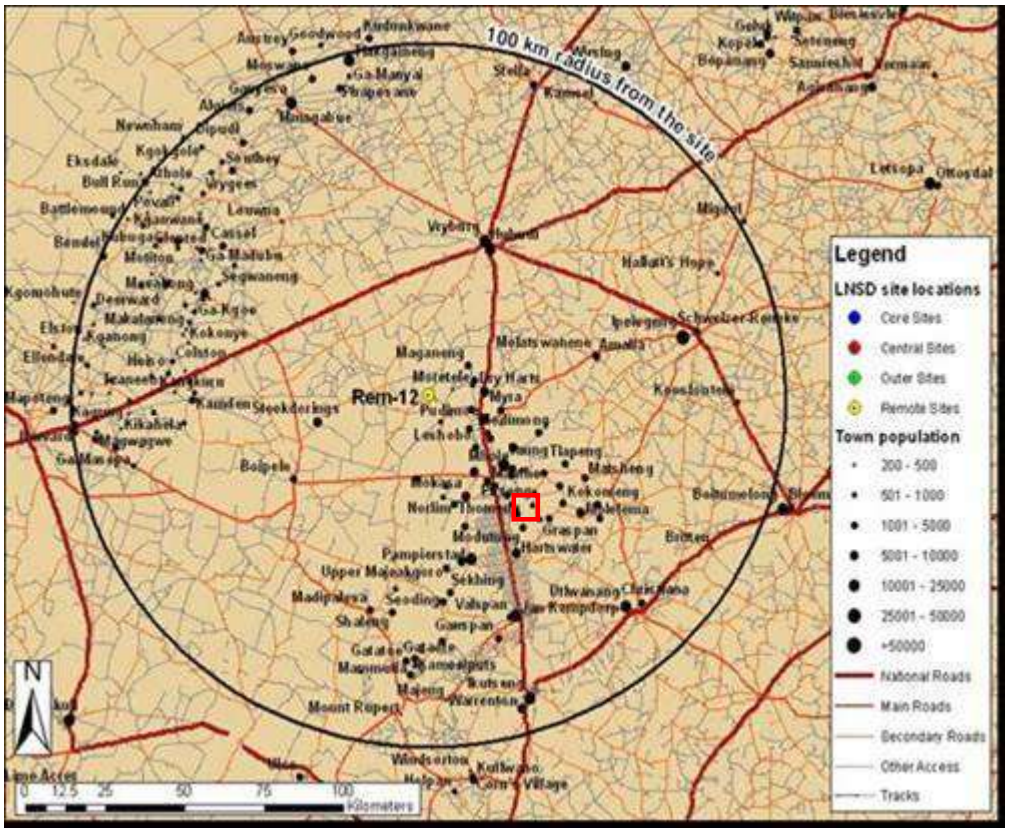

Figure 1. Site location relative to Vryburg (red rectangle).

The land owner is Baga-Phuduhucwana Tribal Authority (Taung). Administratively the land falls under Naledi Local Municipality (Vryburg, Municipal District level) and Greater Taung Local Municipality (Taung).

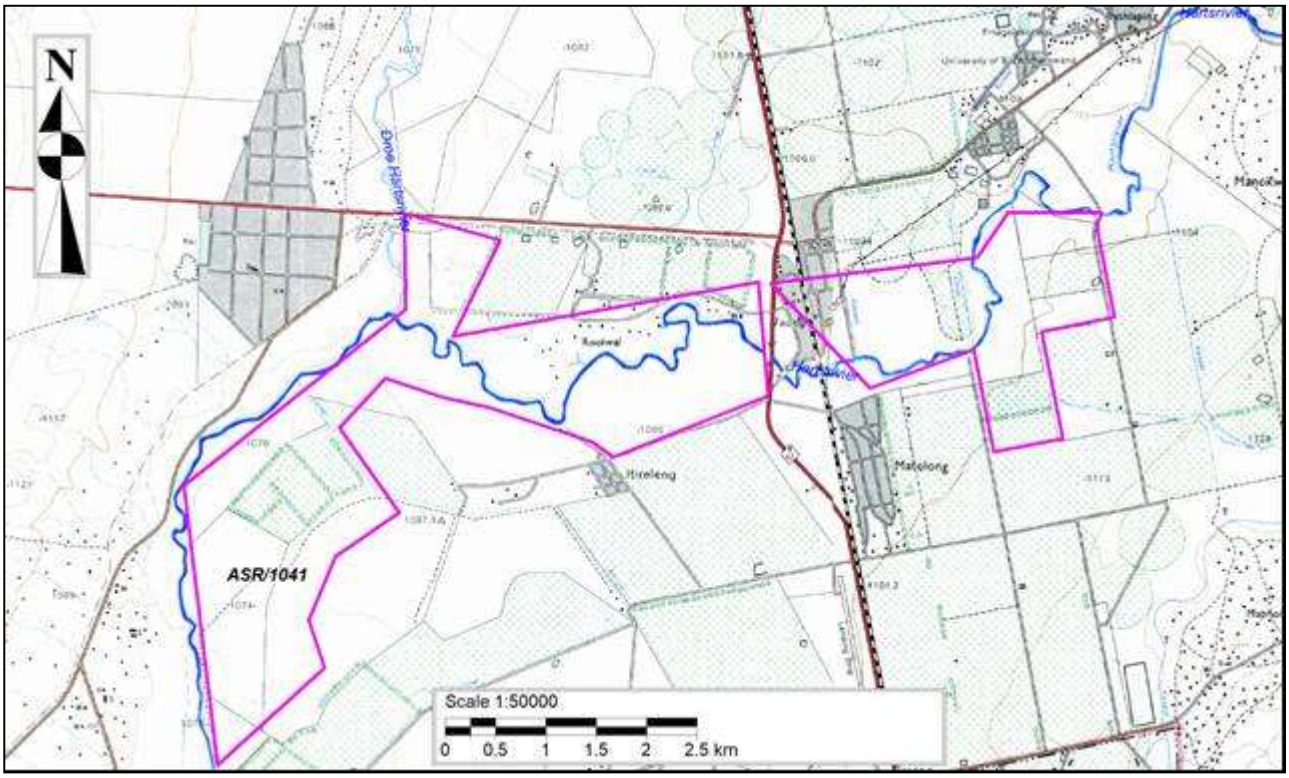

Figure 2. Locality Map.

As one can see from the Locality Map (Figure 2), there are a number of residential areas falling within the blocks under application.

This is done with blessing and support of the tribal community. They are prepared to negotiate relocation of any structure(s) if prospecting and following up mining exercise would indicate a significant reserve located under such structures and/or crops/grazing land.

4. GEOLOGY.

General geology is presented on the following extraction from the geological map (1:250,000 2724 Christiana – not to scale).

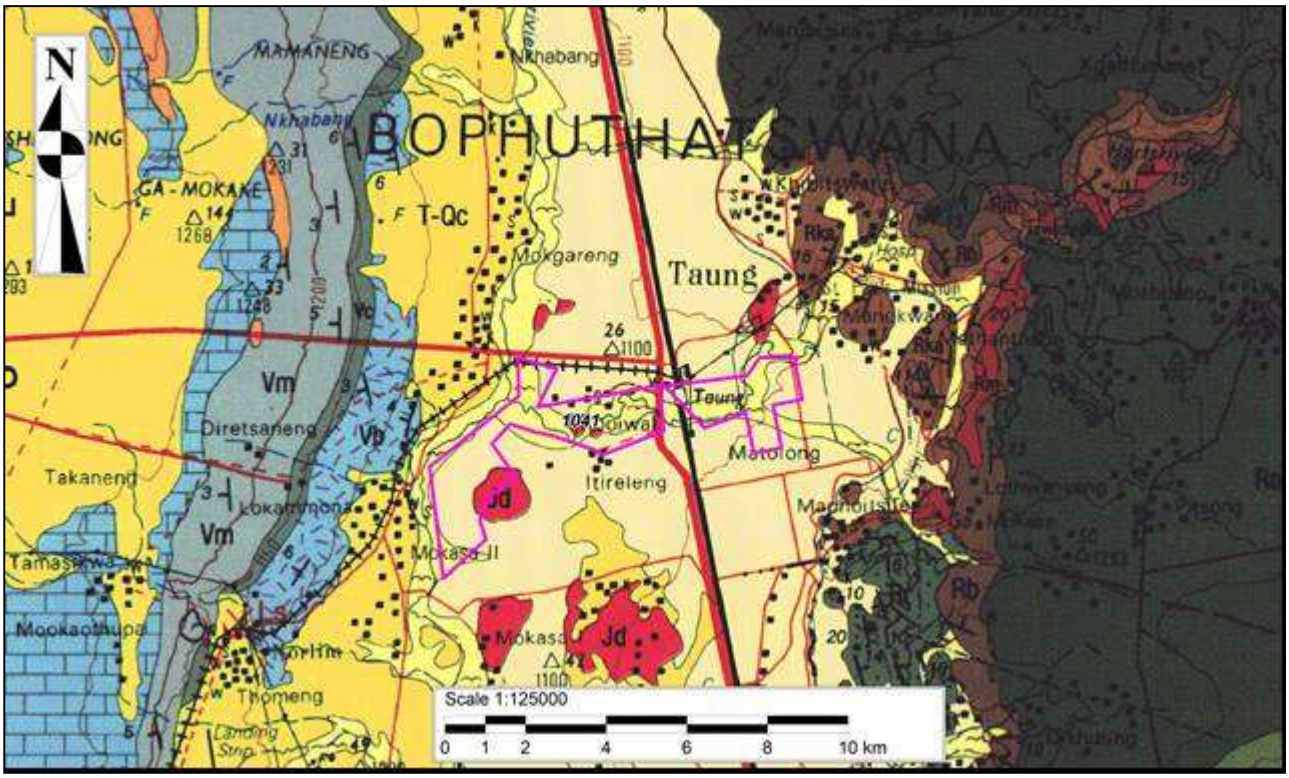

Figure 3. Extraction from Geological Map 1:250,000 (2427 Christiana, not to scale). *Licence borders - magenta.*

Regionally the area under application is located within Kapvaal (Transvaal-Rodesian – old name) craton. Map on the Figure 3 shows that at smaller scale it is on sub meridianal contact between Ventersdorp Supergroup (Randian Age) rocks (volcanogenic and volcanogenic sedimentary) at surface and Griqualand Supergroup (Vaalian Age) rocks, predominantly dolomites, composing Ghaap Plato.

Most of the area is covered by aeolian sands.

Bedrock observed in several pits in the Project area was composed of shale, chert and Ventersdorp lava.

5. SUMMARY OF IMPLEMENTED PROSPECTING WORK.

5.1. DIAMONDS.

During the prospecting works of the first period of licence validity bulk sampling and some prospecting pitting concentrated in two sections in the Eastern block (Figure 4).

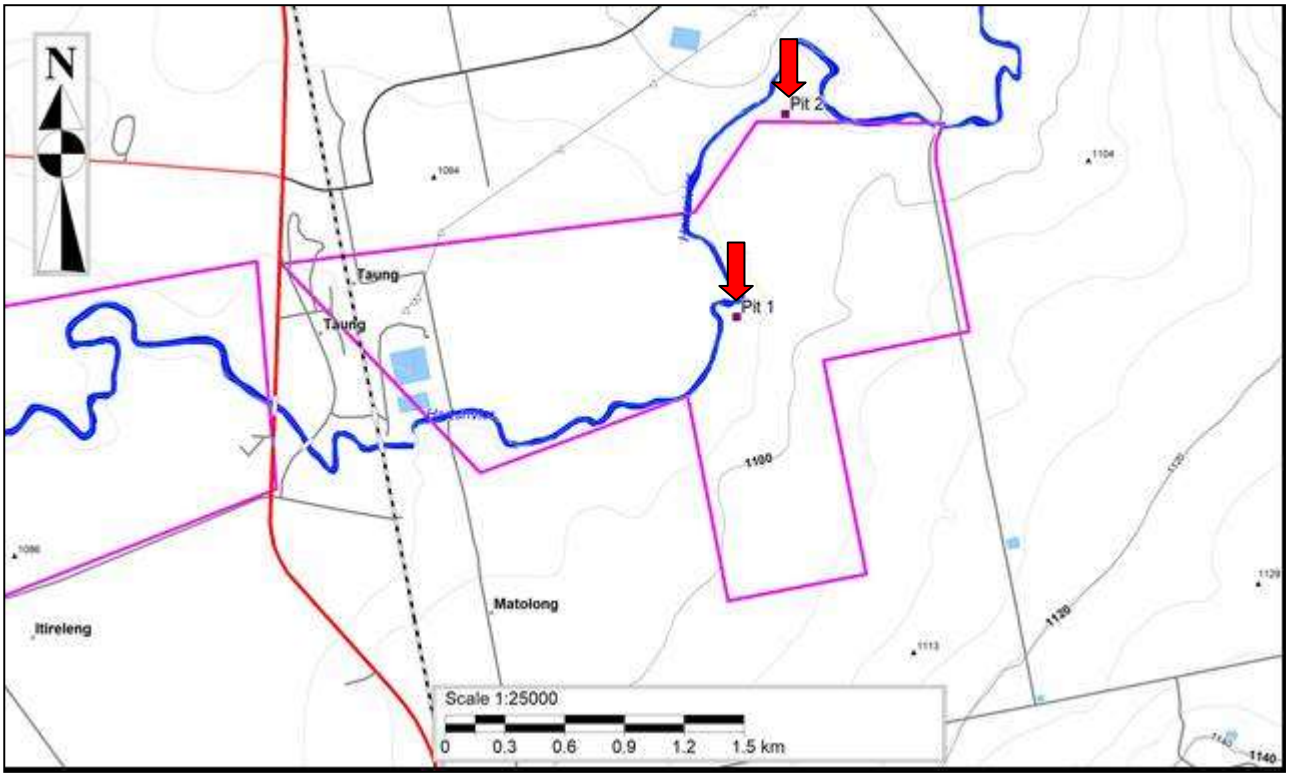

Figure 4. Two previous sampling pits (red arrows).

Unfortunately BB3 could not present diamond recovery and sales records.

ASR acted as Geology Consultant at 2 diamond prospecting and pilot mining operations, which took place in the Harts River valley in 2006-2008 and has copies of recovery and sales records.

On the block immediately downstream from the Taung Dam (Taung Giant Diamond Mining Licence) diamond grade fluctuated between ~ 0.51Cpht up to ~ 2.4Cpht and averaged at ~1.65 Cpht.

On the next downstream block [2] (Teehmaneh Trading and Investments (Pty) Ltd Licence) recorded grades averaged at 0.74 Cpht.

[2] This block is partly overlapping with the licence under review.

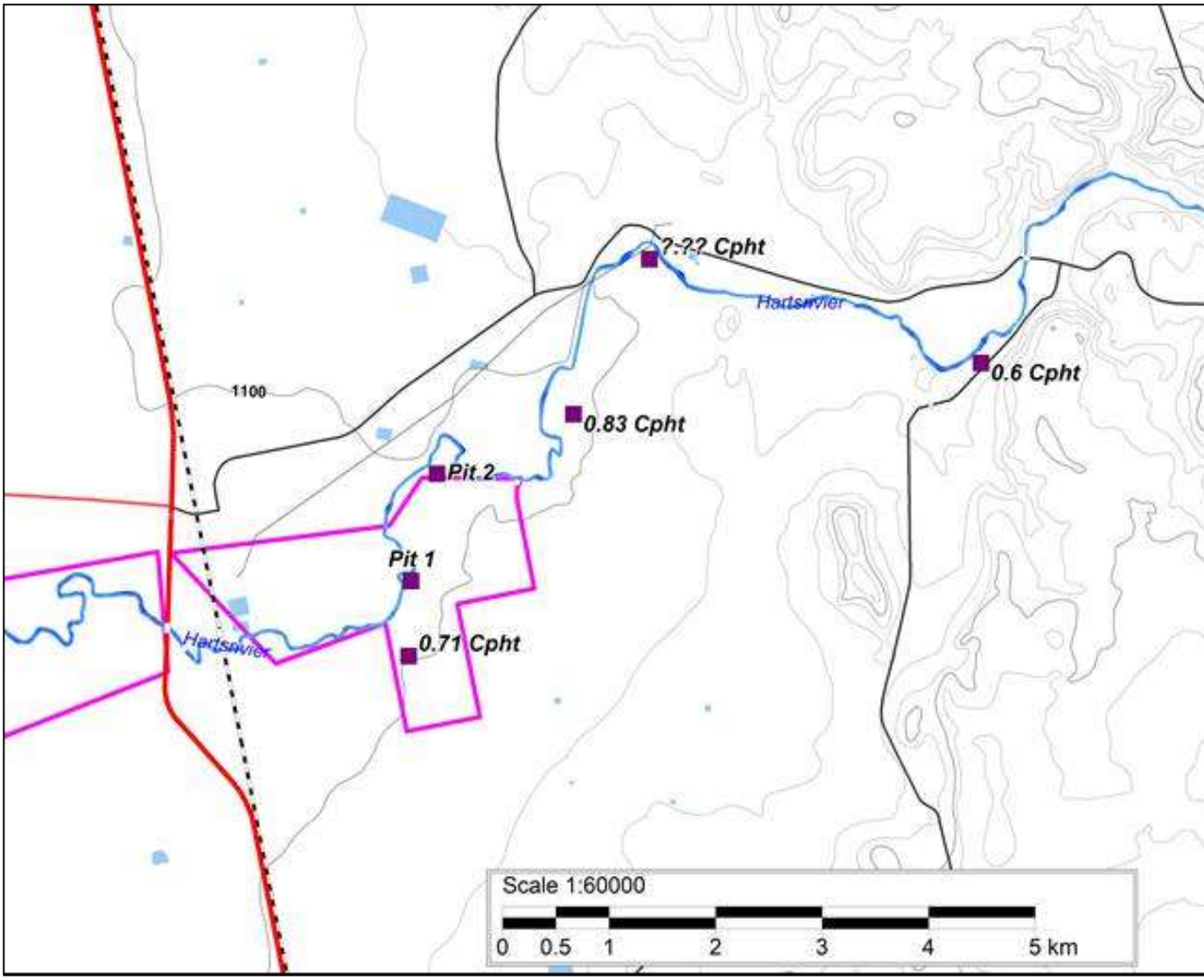

Figure 5. Documented diamond grades (bulk sampling).

Spatial distribution of the grades is shown on Figure 5.

One of the reasons for the lower diamond grades recorded within this block is that all three subcontractors operating here used scrubbers of capacity lower than required by high clay content in the Harts River gravels.

It is also worth to note that the lowest grade of 0.6 Cpht was reported for the smallest bulk sample (subcontractor – Mr J. Crause), where only one 14 carats stone was recovered.

Taung area diamonds are well known for their high quality, though findings > 25-30 carats are quite rare (Photo 1). Average selling price of stones recovered from the TGDM licence was ~ 770-800 USD/carat, when large scale operation at Sydney-on-Vaal had average selling price ~ 550 USD/carat at the same time.

Diamonds from Dry Harts River gravels[3] had average selling price of just below 1,200 USD/carat at the same time, i.e. almost on par with outstanding Orange River diamonds.

[3] A block of Dry Harts 1st terrace gravels occur in the Western Block of the Project.

Photo 1. A parcel recovered from TGDM licence (Block below Taung Dam). *Largest stone is just less than 15 carats. Average stone weight is ~ 1.2 carats.*

5.2. GOLD.

No proper testing/sampling for gold was carried out.

A 10 kg sample collected from the stockpile of gravels derived from Pit 2 (<100 mm) has been submitted to Maelgwyn Mineral Services for analysis and study.

Lab reports are attached in Appendix 1.

The most important findings of this study are:

1. Feed grade is measured as 0.22 g/ton (fire assay);
2. Almost 70% of particles are smaller than 0.5 mm;
3. 37% of particles are smaller than 0.025 mm;

4. Knelson concentrator managed to “catch” only 3.65% of the gold, when 96.49% reported to tailings.

The recovery result is worth than specifications of Knelson, which claims 90% recovery of grains >0.10 mm.

Verbal explanation that most of the gold might be refractory and “locked” in sulphides is not consistent with study of several tens of panning concentrate samples under binocular microscope.

Pyrite (FeS_2) grains are very scarce in the studied concentrates. Few grains of chalcopyrite ($CuFeS_2$) were observed in 2 pan samples near Taung Dam.

Moreover pyrite, which is the most common host for the refractory gold, has SG=5.01 and should also report to the gravity concentrate.

During end of 2007 to April 2008 ASR started pan testing of <3 mm concentrates screened at the sorting house on the TGDM block.

Free gold was observed in every sample (e.g. Photo 2) and visual grade estimate recalculated to the virgin base gravels was ~ 0.4 g/ton (0.84 g/m^3).

Photo 2. Au grains collected from rotary pan concentrate (TGDM licence).

Unfortunately this diamond mining operation was closed shortly after ITOMAK 2 ton/hour centrifugal concentrator was purchased for bulk tests for gold.

During 2010 six bucket size samples were collected from slimes dam at site operated by J. Crause.

Grades measured at a small refinery in Johannesburg resulted in one barren test and 2.0-8.0 g/ton for remaining five samples averaging circa 4.0 g/ton.

Accepting same model size distribution, i.e. 15% of <2 mm fraction, virgin gravel grade is estimated as 0.6 g/ton (1.26 g/m^3).

Hand panning of several ~ 7-8 litres samples from different spots within BB3 Project resulted in observations of 2-5 micro-specks of free gold per pan sample. They were too small for transfer from the pan for drying and further study under binocular microscope. They presumably did float away during pan rinsing with clean water.

One larger grain (~0.2-0.3 mm) remainedin the dried concentrate (Sample BB/07, Western block) – see Photo 3.

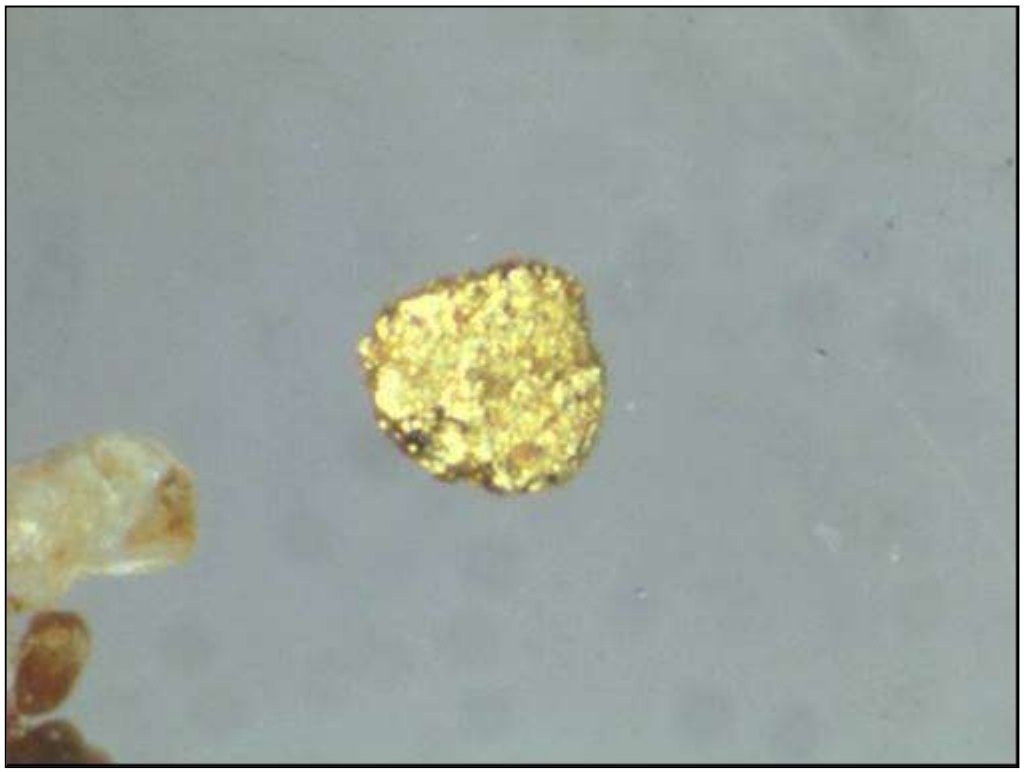

Photo 3. Au grain ~ 0.2-0.3 mm, sample BB/07.

If we accept the lab analysis as a reference point, 0.22 g/ton in <100 mm size fraction recalculates to 0.143 g/ton in the virgin gravels or 0.30 g/m^3.

The last value[4] was used for the gold resource estimate and budget projection.

[4] Cubic meters are used in resource estimate and budget projection hereafter.

This is the lowest value of all other estimates and seems to be reasonably conservative.

The following Figure 6 shows spatial distribution of the above testing points and formally mapped Au occurrences within Harts-Dry Harts drainage basin.

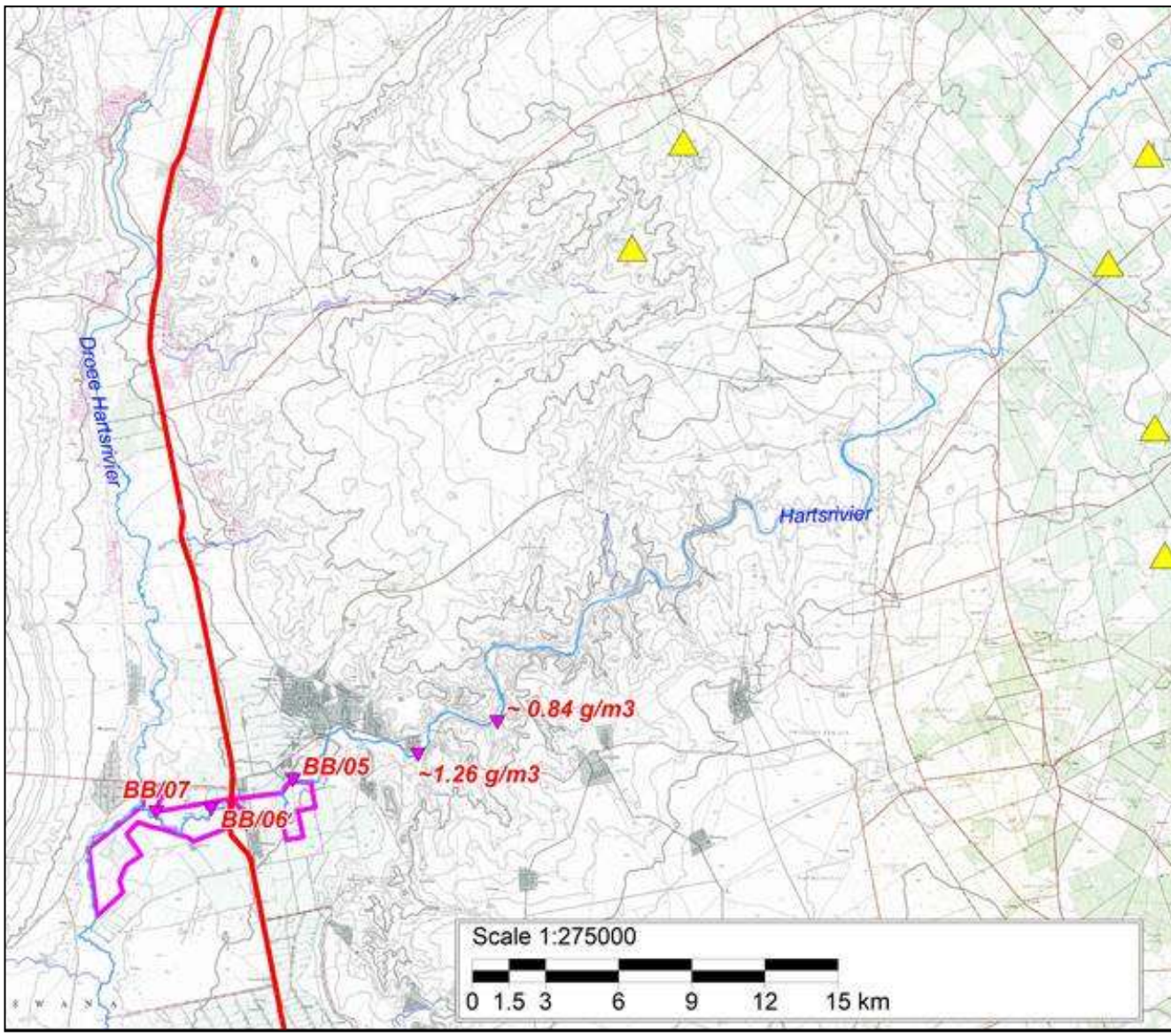

Figure 6. Known Au deposits (yellow triangles) and sampling points.

5.3. OTHER TARGET MINERALS.

Presence of sand and cobbles (to be crushed as aggregate stone product) in the Harts River gravels does not require prospecting. They are major constituencies of the gravel bodies.

Bulk sampling will allow adjusting size distribution model used in the resource estimate and product output projections within first 1-2 weeks after operation launching.

The initial size distribution model applied hereafter is shown in Table 1. The model is more or less average for Vaal and Harts River gravels, though the latter have somewhat higher clay content.

Table 1. Model size and precious mineral grades distribution

Fraction	%	Au, g/T	Au, g/m3	Diamond, Cpht	Diamond, Cphm^3
Virgin	100%	0.143	0.30	0.74	1.56
>100	35%	0	0	0	0
-100+32	25%	0	0	0	0
-32+2	25%	0.10	0.20	2.97	6.23
-2+0.05[5]	9%	0.86	1.80	0.15	0.31
<0.05	6%			0	0

Zirconium ore was included as a target mineral in the application for amendment of the prospecting licence.

During microscopic study of the concentrate samples very few zircon (major source of zirconium) grains were noted.

Motivation for inclusion of zirconium ore as a target mineral is not clear and ASR would like to have access to the amendment application file, which was not provided as yet.

[5] It is assumed that 5% of the diamonds do report to this size fraction – still has to be verified.

6. GRAVEL CROSS SECTION OBSERVATIONS.

The following set of photos shows cross-sections of gravels observed at different spots of the Harts and Dry Harts River valleys, which were used for the model resource calculation hereafter.

Photo 4. Non-rehabilitated pit by J. Crause. *Overburden ~ 2 m, Gravel thickness ~ 2 m.*

Photo 5. Another pit in the same section. *Overburden ~ 15-20 cm, gavel > 2m.*

Photo 6. Northern bank of Harts River. *Overburden ~ 1.0 m, gravel > 2m.*

Photo 7. Not backfilled quarry left by Mr. J. Du Plooy. *Overburden (soil, silty sand) ~ 2 m, gravel ~ 2.5 m.*

Photo 8. Pit 2 (border of BB3 Project). *Overburden ~ 2 m, gravel ~ 3 m.*

Photo 9. Flooded pit used as water source for BB3 operation. *Overburden ~ 0.5 m, gravels ~ 3.5 m.*

Photo 10. Old trench by unknown operator immediately downstream from the Eastern block of BB3 Project. *Overburden ~ 0.5 m, Gravel > 2 m. Note that gravel has appearance resembling both channel and Rooikoppie gravels.*

Photo 11. Western block, Harts River bank. *Overburden ~ 3.5 m, gravel > 2m.*

Photo 12. Artisanal digging upstream from confluence of the two Harts rivers (Near sampling point BB/07 - Figure 7). *Overburden ~ 1 m; gravel > 2m. Note ~ 0.5 m layer of Rooikoppie gravel (arrow).*

Photo 13. Bags filled with sieved gravel to be transported to the river for washing.

Photo 14. Harts River bank below confluence with Dry Harts. *Overburden ~ 4 m, gravel > 3 m.*

The following Figure 7 shows locations of the above photos.

Photo 15. Harts River bank just outside of the outmost SW corner of BB3 project area. *Overburden ~ 5 m ~ 1 m of channel gravel is underlain by silty sand. Similar intercalation of gravel and silty sand lenses is typical for low Harts River near confluence with Vaal River. Total gravel/sand band thickness is expected to be ~ 4-6 m.*

Photo 16. Same as above, close up view of the suspended gravel layer (arrow).

Photo 17. Pangea's bulk sampling site (Middelrand 820 HN) on Dry Harts terrace. *Calcreted silt overburden ~ 1.5 m, poorly calcreted gravel ~ 2 m. Pangea reported second layer of gravels ~ 2 m thick near bedrock.*

Though the latest photo point as far to the North (~ 27 km) from BB3 project, it is the only available photo of Dry Harts terrace gravels at the moment.

7. PRELIMINARY MINERAL RESOURCE ESTIMATE.

Summarising observations documented on the above photos, we can confidently accept average gravel thickness as 2.0 m

8. MINING WORK PROGRAM.

The permit holder took a decision to upgrade the licence to the Mining Right status and proceed with more organised and systematic approach.

The mining operation (Figure 6) will be carried out by a conventional set up for similar operations.

The earthmoving equipment[6] will comprise an excavator (45 T), 2x Bell tipper trucks and 2x Hitachi front-end-loaders. The recovery plant operating on a closed water cycle will comprise two 16' rotary pans with scrubbers, conveyers etc. A diesel generator will provide power drive for the plant initially. Application for Escom connection will be submitted within first few weeks of operation, which will make it more environment-friendly and more economical.

The Licence will be mined sequentially in blocks, approximately 1-2 Ha each. The exact blocks layout and sequence will be defined as an outcome of the exploration sampling (see further in the text).

After putting aside the topsoil and excavating the gravels from Block 1, the hole will be used for the slime dumping.

The topsoil (up to 50 cm) from each block will be put aside on the nearest block. Block 2 will be rehabilitated, when the excavations will start on the Block 3. Tailings, oversize rocks and finally topsoil will be used for filling the excavations.

When the works on the last block will start, the plant shall be relocated on already rehabilitated and settled ground of Block 2 or Block 3 to prepare the remaining area (plant site) for excavation.

An application for water pumping from Harts River shall be made in parallel with the Mining Right application.

The principle layout of the Plant site is shown on Figure 6.

Considering the scale of the Project, the scale of operation will be increased in stages with a target to achieve full capacity of 16 x 16' pans by year 5 (Table 3 below).

[6] This is immediately available by one of the potential Contractors (negotiations in progress), but can be replaced by similar equipment, if another party will be appointed.

Table 2. Increase of the operation scale (planned)

Year	N pans	Capacity T/hour
1	2	130
2	4	260
3	8	520
4	12	780
5	16	1040

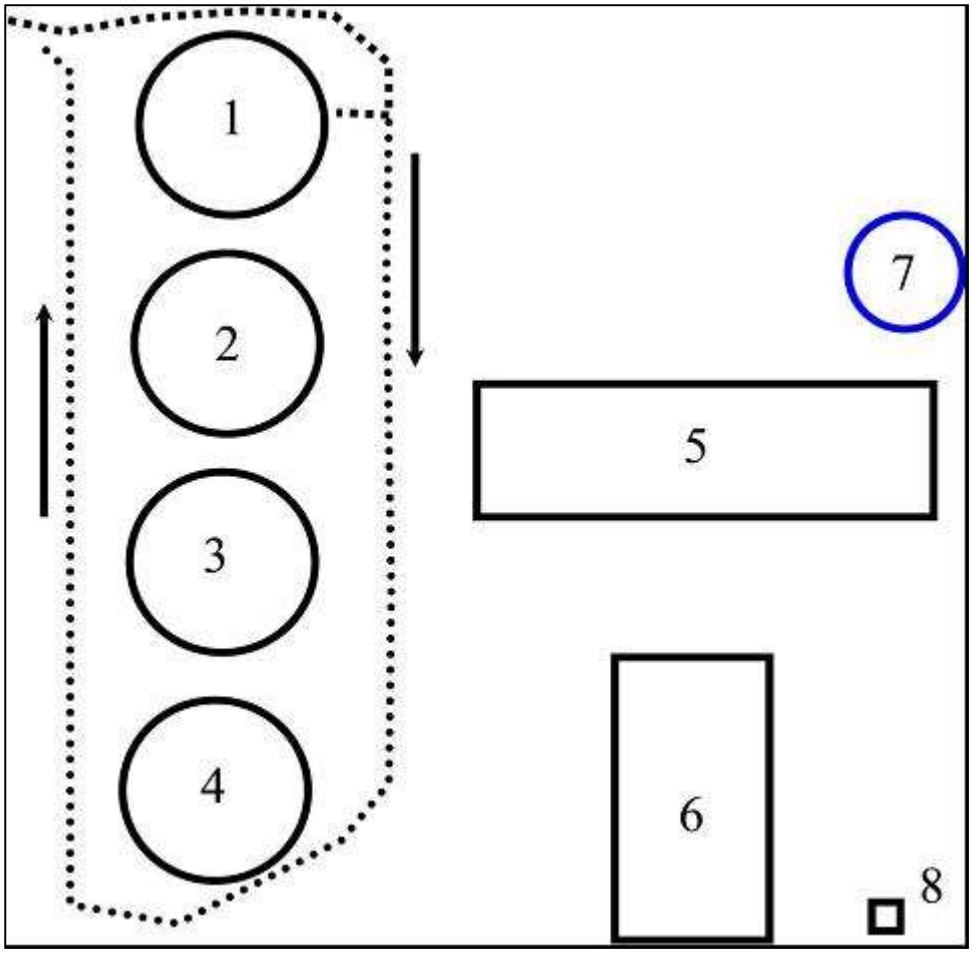

Figure 7. Plant layout scheme. *Dotted line – dump trucks road, arrows indicate direction of movement. Material will be loaded for backfilling from 2 to 4 dumps. 1 – Stockpile; 2 – Oversize, 3 – Undersize (slimes); 4 – Tailings; 5 Pans with screening and dewatering units; 6 – Sorting house (fenced); 7- Emergency water reserve tank; 8 – Toilet.*

Gold recovery will be implemented using equipment manufactured by CJSC ITOMAK (Russia). The core unit will be x2 centrifugal concentrators ITOMAK-KGM2-20,0 with capacity 20 ton/hour each (Photo 10).

Agreement with RSA registered company ITOMAK SA Mining is in place. ITOMAK SA Mining undertakes to supply the complete set of gold recovery equipment (up to smelting of dory bars – Photo 11) and provide training of local operators.

The concentrators will treat only – 3 mm size fraction, which commonly is discharged directly to slime dams.

The ITOMAK equipment uses only gravitational and magnetic separation, which makes it environmentally friendly. No chemicals are used.

Photo 18. ITOMAK-KGM2-20,0 *Centrifugal concentrator (20 ton/hour).*

Photo 19. Gold bars – final product produced by ITOMAK recovery plant.

The work program will comprise:

1. Pitting on a grid of ~ 200 by 200 m with at least 10 pits per month (individual pit shall be ~ 2x5 m in plan and excavated to the depth of the bedrock, which averages at about 4 metres;
2. Based on the outcome of this stage, additional mining block(s) shall be added to the ore body model as an inferred reserve and adjustments to the planning for the next quarter mining program put in place;

3. Where the prospecting pits did not intercept the diamondiferous gravels, they should be closed immediately; otherwise they will be used as a “seedling point” for expansion up to a size of a small quarry, averaging ~ 50x50 m in plan;
4. Rehabilitation/back filling of these quarries will run in parallel with the mining process. It is envisaged that a maximum of three quarries will be open at a time (different stages of development) along with ~ 5 to ten prospecting pits;
5. The blocks, where no gravels are found, along with the mined out blocks, shall be rehabilitated and commissioned as reduction of the overall Mining Right back to the local authorities and communities for agricultural use as per existing agreement and Social and Labour Development Plan (see on the file). This procedure shall have place at least every twelve months;
6. The additional advantage of granting the Right to Teehmaneh Trading and Investments (Pty) Ltd is the fact that Mr. Baisitse – one of the principal shareholders, has cutting works and jewellery workshop in Cape Town. This should allow beneficiating of at least a portion of the recovered diamonds and gold up to the final product level. This is in compliance with the National policies and in particular with the Beneficiation Strategy, which is about to be promulgated.
7. Considering the size of the licence, decision is made to combine own operation with up to several contractors to be given an opportunity to develop certain sections of the Project area under control and close monitoring of the Applicant;
8. An option to “marry” a single large-scale mining operator is also not excluded.
9. Intention to increase the operation scale will be duly reported to DMR as addendum to EMP and appropriate adjustment of the rehabilitation deposit will be negotiated and arranged.

9. FINANCIAL ANALYSIS

Based on the prospecting results, the following parameters were used for the financial analysis:

1. Average diamond grade 0.7 Cpht;
2. Average selling price/carat 700 USD;
3. Average Au grade (in virgin gravels) 0.3 g/ton;
4. Au selling price 1300 USD/troy ounce
5. – 3 mm fraction 15% vol;
6. Oversize (+ 50 mm) 60% vol.

USD/ZAR exchange rate was applied at 6.70.

To feed the two sixteen feet rotary pans at optimum capacity, i.e. at 65 T/hour, one has excavate at least 325 T/hour of the virgin gravels.

Combining the above assumptions with downscaling coefficient of 30% (“inefficiency and losses factor”) the following recovery can be projected (Table 5).

Table 3. Projected recovery with 30% downscaling (@ 8-hours shift per day)

Parameter	Hour	Day	Month
T	228	1820	40,040
Ct (diam)	1.6	12.7	280.3
g (Au)	68.3	546.0	12,012
T.o. (Au)	2.19	17.55	386.2

Applying the above selling prices and exchange rate the following Table 6 can be derived:

Table 4. Projected sales

Parameter	Hour	Day	Month	Month (R)
Diamonds	$1,114.8	$ 8,918.0	$ 196,196.0	R 1,314,513
Au	$2,852.6	$22,820.9	$ 502,060.9	R 3,363,808
TOTAL	$3,967.4	$ 31,739	**$ 698,257**	**R 4,678,321**

The following Tables reflect Budget estimate. Although it is assumed that the Contractor will have most of the equipment already purchased, such exercise essential for analysis of the mine economy.

Table 5. CAPEX estimate.

Equipment

No	*Position*	*Unit Price*	*Units*	*Total*
1	Excavator (40 T)	R 2,500,000	1	R 2,500,000
2	Haul Truck (Bell, 35 T)	R 1,500,000	3	R 4,500,000
3	Front-End-Loader (Cat 950)	R 2,000,000	2	R 4,000,000
4	Generator (Cat 120 kVA Genset)	R 750,000	1	R 750,000
5	Gold recovery plant complete	R 2,800,000	1	R 2,800,000
6	Rotary pan 16' complete	R 850,000	2	R 1,700,000
7	Scrubber 100 t/hour	R 1,000,000	1	R 1,000,000
8	Sorting house	R 600,000	1	R 600,000
9	Camp (containers, tools, caravan, etc.)	R 350,000	1	R 350,000
10	Sundry @ 5%	R 910,000.00	1	R 910,000
Subtotal				**R 19,110,000**

Start-up Costs (miscellaneous)

1	Steel, Springs, Cables, Piping, etc.	R 300,000	1	R 300,000
2	Office setup (PC, printer, etc.)	R 30,000	1	R 30,000
3	Camp set up	R 200,000	1	R 200,000
4	Transportation	R 300,000	1	R 300,000
Subtotal				**R 830,000**
GROSS INVESTMENT				**R 19,940,000**

Table 6. Running costs estimate

Expendables

1	Diesel & Oils	R 300,000	1	R 300,000
2	Water bill	R 10,000	1	R 10,000
3	Insurance & Security, Loss Control	R 25,000	1	R 25,000
4	Communication	R 5,000	1	R 5,000
5	Travelling	R 10,000	1	R 10,000
6	Spares and Maintenance	R 75,000	1	R 75,000
7	Office expenses (stationary etc)	R 2,000	1	R 2,000
8	Meals	R 35,000	1	R 35,000
9	Training program	R 5,000	1	R 5,000
10	Unexpected expenses	R 5,000	1	R 5,000
Subtotal				**R 472,000**

Wages

1	Mine Manager	R 35,000	1	R 35,000

2	Foreman	R	8,000	2	R	16,000
3	Plant manager	R	30,000	1	R	30,000
4	Mechanic	R	15,000	1	R	15,000
5	Electrician	R	15,000	1	R	15,000
6	Boiler-maker	R	10,000	1	R	10,000
7	Geologist (retainer)	R	25,000	1	R	25,000
8	Safety and Loss Control Officer	R	5,000	1	R	5,000
9	Operators/Drivers	R	4,500	11	R	49,500
10	Labour	R	1,800	12	R	21,600
11	Security	R	1,800	4	R	7,200
Subtotal				**36**	**R**	**229,300**
GROSS RUNNING COSTS					**R**	**701,300**

Combining all the above, the projected cash flow is presented in the following Table 9.

The cash flow is made for eighteen months only, since increase of operation scale is envisaged at approximately that period.

As another conservative precaution, it was assumed that the 1st month will achieve 25% of the capacity, 2nd month – 50% and only from the third month the mine will run at full production.

Table 7. 18 MONTHS CASH FLOW PROJECTION.

Position	Month1	Month2	Month3	Month4
Income				
Sales	R 1,169,580.30	R 2,339,160.60	R 4,678,321.19	R 4,678,321.19
MONTH BALANCE (Sales-Costs)	**R -18,641,719.70**	**R 1,954,360.60**	**R 4,293,521.19**	**R 4,293,521.19**
Expenditures				
Capital Investments				
Excavator (40 T)	R 2,500,000	R -	R -	R -
Haul Truck (Bell, 35 T)	R 4,500,000	R -	R -	R -
Front-End-Loader (Cat 950)	R 4,000,000	R -	R -	R -
Generator (Cat 120 kVA Genset)	R 750,000	R -	R -	R -
Gold recovery plant complete	R 2,800,000	R -	R -	R -
Rotary pan 16' complete	R 1,700,000	R -	R -	R -
Scrubber 100 t/hour	R 1,000,000	R -	R -	R -
Sorting house	R 600,000	R -	R -	R -
Camp Icontainers, tools, caravan, etc.)	R 350,000	R -	R -	R -
Sundry @ 5%	R 910,000	R -	R -	R -
Subtotal	**R 19,110,000.00**	**R -**	**R -**	**R -**
Running Costs				
Wages	R 229,300.00	R 229,300.00	R 229,300.00	R 229,300.00
Diesel & Oils	R 300,000	R 60,000	R 60,000	R 60,000
Water bill	R 10,000	R 3,500	R 3,500	R 3,500
Insurance & Security, Loss Control	R 25,000	R 30,000	R 30,000	R 30,000
Communication	R 5,000	R 2,500	R 2,500	R 2,500
Travelling	R 10,000	R 10,000	R 10,000	R 10,000
Spares and Maintenance	R 75,000	R 25,000	R 25,000	R 25,000
Office expenses (stationary etc)	R 2,000	R 15,000	R 15,000	R 15,000
Meals	R 35,000	R 2,000	R 2,000	R 2,000
Training program	R 5,000	R 3,000	R 3,000	R 3,000
Unexpected expenses	R 5,000	R 4,500	R 4,500	R 4,500
TOTAL EXPENDITURES	**R 701,300.00**	**R 384,800.00**	**R 384,800.00**	**R 384,800.00**
Deductions				
Diamond tax 5%	R -58,479.01	R -116,958.03	R -233,916.06	R -233,916.06
Community development (@ 3%)	R -35,087.41	R -70,174.82	R -140,349.64	R -140,349.64
Mine closure fund @1 %	R 0.00	R 0.00	R 0.00	R 0.00
NET BALANCE	**R -18,735,286.13**	**R 1,767,227.75**	**R 3,919,255.50**	**R 3,919,255.50**
Accumulating balance	**R -18,735,286.13**	**R -16,968,058.38**	**R -13,048,802.88**	**R -9,129,547.38**

Month5	Month6	Month7	Month8	Month9	Month10
R 4,678,321.19	R 4,678,321.19	R 4,678,321.19	R 4,678,321.19	R 4,678,321.19	R 4,678,321.19
R 4,293,521.19	**R 4,293,521.19**	**R 4,293,521.19**	**R 4,293,521.19**	**R 4,293,521.19**	**R 4,293,521.19**

R -	R -	R -	R -	R -	R -
R -	R -	R -	R -	R -	R -
R -	R -	R -	R -	R -	R -
R -	R -	R -	R -	R -	R -
R -	R -	R -	R -	R -	R -
R -	R -	R -	R -	R -	R -
R -	R -	R -	R -	R -	R -
R -	R -	R -	R -	R -	R -
R -	R -	R -	R -	R -	R -
R -	R -	R -	R -	R -	R -
R -	**R -**	**R -**	**R -**	**R -**	**R -**

R 229,300.00	R 229,300.00	R 229,300.00	R 229,300.00	R 229,300.00	R 229,300.00
R 60,000	R 60,000	R 60,000	R 60,000	R 60,000	R 60,000
R 3,500	R 3,500	R 3,500	R 3,500	R 3,500	R 3,500
R 30,000	R 30,000	R 30,000	R 30,000	R 30,000	R 30,000
R 2,500	R 2,500	R 2,500	R 2,500	R 2,500	R 2,500
R 10,000	R 10,000	R 10,000	R 10,000	R 10,000	R 10,000
R 25,000	R 25,000	R 25,000	R 25,000	R 25,000	R 25,000

R 15,000	R 15,000	R 15,000	R 15,000	R 15,000	R 15,000
R 2,000	R 2,000	R 2,000	R 2,000	R 2,000	R 2,000
R 3,000	R 3,000	R 3,000	R 3,000	R 3,000	R 3,000
R 4,500	R 4,500	R 4,500	R 4,500	R 4,500	R 4,500
R 384,800.00	**R 384,800.00**	**R 384,800.00**	**R 384,800.00**	**R 384,800.00**	**R 384,800.00**

R -233,916.06	R -233,916.06	R -233,916.06	R -233,916.06	R -233,916.06	R -233,916.06
R -140,349.64	R -140,349.64	R -140,349.64	R -140,349.64	R -140,349.64	R -140,349.64
R 0.00	R 0.00	R -42,935.21	R -42,935.21	R -42,935.21	R -42,935.21
R 3,919,255.50	**R 3,919,255.50**	**R 3,876,320.29**	**R 3,876,320.29**	**R 3,876,320.29**	**R 3,876,320.29**
R -5,210,291.88	**R -1,291,036.39**	**R 2,585,283.90**	**R 6,461,604.18**	**R 10,337,924.47**	**R 14,214,244.75**

Month11	**Month12**	**Month13**	**Month14**	**Month15**
R 4,678,321.19	R 4,678,321.19	R 4,678,321.19	R 4,678,321.19	R 4,678,321.19
R 4,293,521.19	**R 4,064,221.19**	**R 4,293,521.19**	**R 4,293,521.19**	**R 4,293,521.19**

R -	R -	R -	R -	R -
R -	R -	R -	R -	R -
R -	R -	R -	R -	R -
R -	R -	R -	R -	R -
R -	R -	R -	R -	R -
R -	R -	R -	R -	R -

R -	R -	R -	R -	R -
R -	R -	R -	R -	R -
R -	R -	R -	R -	R -
R -	R -	R -	R -	R -
R -	**R -**	**R -**	**R -**	**R -**

R 229,300.00	R 458,600.00	R 229,300.00	R 229,300.00	R 229,300.00
R 60,000	R 60,000	R 60,000	R 60,000	R 60,000
R 3,500	R 3,500	R 3,500	R 3,500	R 3,500
R 30,000	R 30,000	R 30,000	R 30,000	R 30,000
R 2,500	R 2,500	R 2,500	R 2,500	R 2,500
R 10,000	R 10,000	R 10,000	R 10,000	R 10,000
R 25,000	R 25,000	R 25,000	R 25,000	R 25,000
R 15,000	R 15,000	R 15,000	R 15,000	R 15,000
R 2,000	R 2,000	R 2,000	R 2,000	R 2,000
R 3,000	R 3,000	R 3,000	R 3,000	R 3,000
R 4,500	R 4,500	R 4,500	R 4,500	R 4,500
R 384,800.00	**R 614,100.00**	**R 384,800.00**	**R 384,800.00**	**R 384,800.00**

R -233,916.06	R -233,916.06	R -233,916.06	R -233,916.06	R -233,916.06
R -140,349.64	R -140,349.64	R -140,349.64	R -140,349.64	R -140,349.64
R -42,935.21	R -40,642.21	R -42,935.21	R -42,935.21	R -42,935.21
R 3,876,320.29	**R 3,649,313.29**	**R 3,876,320.29**	**R 3,876,320.29**	**R 3,876,320.29**
R 18,090,565.04	**R 21,739,878.33**	**R 25,616,198.61**	**R 29,492,518.90**	**R 33,368,839.18**

Month16	Month17	Month18	TOTAL
R 4,678,321.19	R 4,678,321.19	R 4,678,321.19	**R 78,361,879.98**
R 4,293,521.19	**R 4,293,521.19**	**R 4,293,521.19**	**R 51,779,679.98**
R -	R -	R -	**R 2,500,000.00**
R -	R -	R -	**R 4,500,000.00**
R -	R -	R -	**R 4,000,000.00**
R -	R -	R -	**R 750,000.00**
R -	R -	R -	**R 2,800,000.00**
R -	R -	R -	**R 1,700,000.00**
R -	R -	R -	
R -	R -	R -	
R -	R -	R -	
R -	R -	R -	
R -	**R -**	**R -**	**R 19,110,000.00**
R 229,300.00	R 229,300.00	R 229,300.00	**R 4,356,700.00**
R 60,000	R 60,000	R 60,000	**R 1,320,000.00**
R 3,500	R 3,500	R 3,500	**R 69,500.00**
R 30,000	R 30,000	R 30,000	**R 535,000.00**
R 2,500	R 2,500	R 2,500	**R 47,500.00**
R 10,000	R 10,000	R 10,000	**R 180,000.00**
R 25,000	R 25,000	R 25,000	**R 500,000.00**
R 15,000	R 15,000	R 15,000	**R 257,000.00**
R 2,000	R 2,000	R 2,000	**R 69,000.00**
R 3,000	R 3,000	R 3,000	**R 56,000.00**
R 4,500	R 4,500	R 4,500	**R 81,500.00**
R 384,800.00	**R 384,800.00**	**R 384,800.00**	**R 7,472,200.00**
R -233,916.06	R -233,916.06	R -233,916.06	**R -3,918,094.00**
R -140,349.64	R -140,349.64	R -140,349.64	**R -2,350,856.40**
R -42,935.21	R -42,935.21	R -42,935.21	**R -512,929.54**
R 3,876,320.29	**R 3,876,320.29**	**R 3,876,320.29**	**R 44,997,800.04**
R 37,245,159.47	**R 41,121,479.75**	**R 44,997,800.04**	

10. CONCLUSIONS AND RECOMMENDATIONS.

Both prospecting results and the analysis of the economy of the potential new mine indicate that Project represents an attractive opportunity and can be profitable venture.

This is primarily the result of the planned deeper processing of the diamondiferous gravels and extraction of the identified accompanying gold.

Dr. Alexander S. Rodionov

Diamond Geology Consultant
Prof. Nat. Sci., Reg. No 400018/2000
Geol. Soc (RSA), Min Soc. (Rus)

04 August 2023

11. INTRODUCTION.

11.1. COMPETENT PERSON STATEMENT.

The Author of this Report, Dr A.S. Rodionov, has almost 40 years of professional experience in the field of diamond geology. This includes 21 years of work in the Russian Academy of Science (latest position – Senior Researcher), ~ 8 years at De Beers' GeoScience Centre (latest position – Principal Geologist) and 10 years of independent consulting work as ASR Geology Consulting and Mineralogical Services.

Dr. A.S. Rodionov solely and as Associate of Venmyn Rand (Pty) Ltd consulting Company took part in evaluation of numerous mineral deposits worldwide.

Professional experience combined with registration as Professional Natural Scientist (South African Council for Natural Scientific Professions Reg. No 400018/2000) makes reports prepared by ASR recognisable as Competent Person's Reports in Europe, UK, Canada, Australia, and other countries.

Complete CV is attached to this report as Appendix 1.

11.2. DISCLAIMER.

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Draft copies of the Report have been reviewed for factual errors by the Client. Any changes made as a result of these reviews did not involve any alteration to the conclusions made. Hence, the statements and opinions expressed in this document are given in good faith and in the belief that such statements and opinions are not false and misleading at the date of this Report.

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Geol. Soc (RSA), Min Soc. (Rus) 02
August 2023