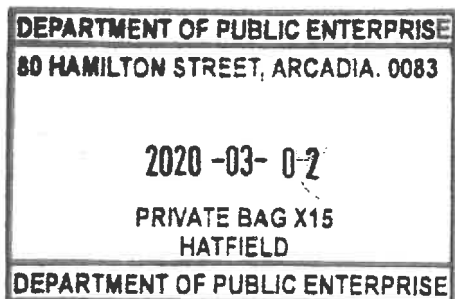




HANDOVER REPORT

Final Report to the Minister of Public Enterprises
February 2020



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1. PREAMBLE

The role of the Administrator for Alexkor came into effect on 12 September 2019 for a period of twelve (12) months and has expired on 28 February 2020. In this role the Administrator occupied the following roles:

- Executive Chairperson of Alexkor
- Chairperson of the Pooling and Sharing Joint Venture (PSJV)
- Chairperson of the Rehabilitation Trust

2. EXECUTIVE SUMMARY

The PSJV is an unincorporated joint venture between the Richtersveld Mining Company (RMC) and Alexkor, in which Alexkor holds 51% and the RMC 49%. Alexkor and the PSJV are in a precarious financial position. Alexkor does not directly contribute to the mining operations but manages and maintains the town of Alexander Bay. The PSJV will not be able to trade itself out of its current debts as the revenues generated are seasonal because of the lack of sea days during the winter months. Alexkor doesn't generate revenue other than the collection of rentals from the properties.

Mining at the PSJV was done on an inferred resource and ideally should be undertaken on an indicated resource. The mining is done by contractors who share in the revenue with the PSJV. The revenue split favours the contractors as they are taking the risk as a result of the lack of geological information. There are currently more than one hundred contractors and this takes up a lot of management time. There must be a focus to reduce the number of contractors to retain only the high performing contractors.

The PSJV is not appropriately staffed with the correct technical skills. The shortage of cash in the business has affected the PSJV's ability to attract the appropriate skills. Due to the lack of technical capacity, the operations are not being run as effectively as they should which results in unhappiness with the contractors.

The diamonds are currently marketed and sold by Alexander Bay Diamond Trading Company (ABDTC) (previously called SSI) in Johannesburg. The appointment of

ABDTC was irregular as the company does not have a diamond trading license. Alexkor has since applied for a diamond trading license with the South African Diamond and Precious Metals Regulator (SADPMR). The application is still in process with the SADPMR sending follow up questions.

Alexkor owns and maintains the town of Alexander Bay and owns properties in Port Nolloth. There should be a considerable effort made to have the town handed over to the Municipality as this is an unaffordable cost for Alexkor. The Johannesburg office of Alexkor must be closed and the workers at the mine that maintain the town should be kept until the town is handed over to the Municipality.

3. SCOPE

The scope of the role was mainly focused on the following:

- Undertake an extensive review and analysis of the contract mining and revenue sharing models between the Alexkor Richtersveld Mining Company (RMC) PSJV and the contractors and provide proposed solutions
- Review the Alexkor and the Alexkor RMC PSJV cost structure to ensure that procurement of goods and services is at fair value and warranted
- Remove the duplicate functions at Alexkor Head Office and Alexkor RMC PSJV with a particular focus on executive and overhead expenses as well as to identify and implement other remedial and cost reduction intervention plans and/or initiatives
- Launch an investigation into any contractual impropriety and if needs be terminate marketing and sales contract with Scarlet Sky Investments (SSI) and propose solutions/options for the establishment of own or State Diamond Trader related diamond marketing and sales channel
- Develop a revenue enhancing plan with emphasis on contracting for mid and deep-water mining operations
- Propose a right sizing model for Alexkor and Alexkor RMC PSJV in line with the income streams
- Manage the rooting out of corruption and State capture related practices and individuals at Alexkor and Alexkor RMC PSJV
- Optimal corporate structure
 - Determine the optimal shareholding structure of the state's marine diamond resources

- Incorporate the Alexkor RMC PSJV to ensure adherence to the Act and proper Corporate Governance provisions
 - Obtain in collaboration with the Department the support of the Richtersveld Communities and their appropriate entities into implementation of the Alexkor RMC PSJV restructuring interventions
- Develop in collaboration with the Department a Key Stakeholder Engagement Plan to ensure support for the implementation of the above plans

4. BACKGROUND

In 1998 the Richtersveld Community filed a land claim against the Government for dispossession of land under the guidance of the Restitution of Land Rights Act 22 of 1994. The land and mineral rights were awarded to the community and a Deed of Settlement was signed in 2007. The Government through Alexkor owns the Marine mining rights. Alexkor and the Richtersveld Mining Company (RMC) entered into a joint venture, the PSJV, with Alexkor being the 51% partner and the RMC the 49% partner. The mining rights of both Alexkor and the RMC is under the full control of a Joint Board of the PSJV. The PSJV is an Unincorporated Joint Venture and is governed by the Deed of Settlement (DoS) and the Unanimous Resolution (UR) which are an order of the Court and sets out the governance framework from an operational perspective.

Because the PSJV is an Unincorporated Joint Venture, it has significant governance challenges, as it does not have to comply with the Companies Act and/or the Public Finance Management Act (PFMA), neither has it adopted any of the best practices contained with either of the Acts mentioned above. The DoS and the UR creates further governance challenges, as an example, one of the clauses in the DoS stipulates that for the Joint Board to take a decision there must be a minimum of two Alexkor members and two RMC members. Because of this, disagreement around a decision results in a stalemate which negatively impacts operations. Certain clauses such as 8.3.13 within the DoS, which broadly states that the appointment of the mining contractors is a decision of the Executive Committee even if the Joint Board refuses such an appointment. These seem to be a hinderance to the effective operating of the mine and are being used by the current PSJV management to push back against any changes to the current structures and operations of the mine. Alexkor as the 51% shareholder has never been able to exercise its right as a majority shareholder.

The PSJV is facing serious financial challenges which can be attributed to the lack of governance, poor management and board decision making etc. The mine is currently

technically insolvent and is unable to pay its creditors as the debts fall due. Some of these outstanding debts are statutory payments to the South African Revenue Service (SARS), medical aid contributions and pension payments on behalf of the staff. The pension fund is a defined benefit.

Due to the precarious financial position and the lack of technical capacity, the PSJV has never done a comprehensive exploration programme to take the resource to measured or indicated levels. This is normal practice in any mining activity and is the cornerstone of mining projects throughout the world. It is this lack of geological data that has resulted in the PSJV entering into contracts that benefit the contractors more than the PSJV. This is a significant contributor to the current financial situation as the current revenue splits favour the contractors. A further contributor to the current financial situation is the lack of available sea days due to the changing weather patterns particularly during the winter months. Due to the lack of geological information the PSJV has been mining on an inferred resource which should not have been allowed particularly for an alluvial diamond mine as the viability of the resource is normally measured using carats per hundred tons (CPHT) and the dollar price per ton to de-risk the project. No bank will fund a mining project that is based on an inferred resource.

Geological Information

The land mining right area covers in excess of 865 374 520 m² with the coastal length of approximately 100km. There are twelve main concessions within the mining right. In April 2012, Z Star Mineral Resource Consultants was contracted to do a due diligence report for the onshore minerals. They were requested to use the base input from a 2004 estimation exercise. The due diligence exercise included a review of:

- The geological model
- The sampling data
- The estimation methodology and associated historical estimation reports
- The official Alexkor 2004 mineral resource figures
- The mineral resource classification

Note the following comments from the Z Star Mineral Resource Consultants' Report:

- The Alexkor diamonds are 95% gem quality and the stone sizes decrease in a northwards direction from the river mouth.

- Lack of prospecting activity resulting in the Mineral Resources Management (MRM) information not being updated. Vital MRM tools are depletion history, resource and reserve performance.
- Alexkor was mined on an inferred level of confidence – it should be measured or indicated, particularly for a diamond mine.

Z Star came to the following conclusion:

"The Alexkor 2004 Mineral Resource or any of its derivatives are not considered to be a fair reflection of the on-land Alexkor diamond asset as at April 2012. From the data and information provided, the Alexkor 2004 Mineral Resource appears significantly over-inflated."

They further state: *"Proceeding to a mining phase with the existing mineral resource is not a viable option"*.

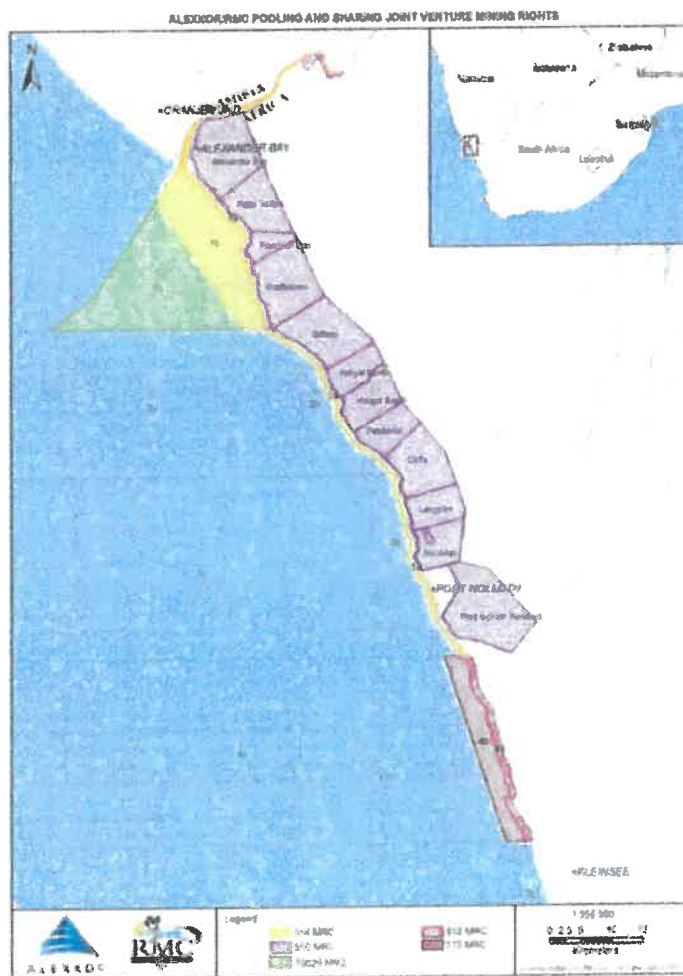


Figure 1 – PSJV Mining Rights

Contractor Mining:

After a retrenchment process, Alexkor started with contractor mining in 1999. Some of the employees were awarded with shallow water marine mining contracts. The current contracting model has resulted in disputes between the contractors and the management.

The conflict with the contractors started in 2004, when allegations were being made against the various Board's and Management of the PSJV. In a meeting held with this grouping, they indicated that they wanted 85% of the revenue and that 15% should be shared between Alexkor and the RMC. They further indicated that they wanted to control the entire value chain. I informed the Portfolio Committee of this as they had met the Portfolio Committee to state their side of the story.

During 2014, one of the contractors was found to be sorting diamond gravel on his vessel. This is a breach of the contract conditions and the contract was therefore cancelled and the contractor suspended from entering the mine area. After several years of engagement with the PSJV management, the said contractor was allowed back in the mining area as an employee of another contractor.

Some of the breaches committed by some of the contractors are:

- Not registering mining blocks

Clause 11.2.1 of the Shallow Water Marine Mining Agreement provide that "prior to conducting any mining operations, the Contractor must register with the PSJV the coordinates of each block in the mining area on which it wishes to excavate diamond gravels, subject to compliance to clause 11.2.7(particularly clause 11.2.7.2), if applicable, and clause 11.2.2. The Contractor shall not commence mining operations or in any manner excavate or remove any diamond gravel from the block, unless such block has been duly registered as provided above and authorized by the CEO or the duly authorized representative.

Clause 11.2.3 further provides "For the avoidance of doubt, the Contractor shall limit mining operations to the blocks duly registered and authorized in terms of this Agreement. All gravel mined outside of the authorized block will become the property of the PSJV".

- Going out to sea without a communication system being installed on the vessel
Clause 9.11.5, "the Contractor shall ensure that all boats and vessels used in the Mining Area (or entering the marine mining area of the PSJV) are equipped with:
9.11.5.1 a global positioning system (GPS);

- 9.11.5.2 a communication system, and
- 9.11.5.3 Automatic Identification System (AIS) transporter, as and when required by the PSJV;
- 9.11.5.4 a Marine VHF DSC (Digital Select Calling) enabled communication system approved by the PSJV in writing. The Contractor shall operate and maintain such GPS, communication system, AIS transporter in accordance the policies of the PSJV, and the directions and instructions given by the PSJV to the Contractor from time to time. In particular the Contractor shall ensure that the GPS, communications system and AIS transporter are functional, active and operating in a manner satisfactory to the PSJV at all times(i) during mining operations, and (ii) when the contractor is in the marine mining area of the PSJV.

- Being intoxicated at the Port Nolloth Harbour

Security Procedure 10 – Port Nolloth Harbour

1. "Introduction

The Port Nolloth harbour is used by De Beers Marine employees and Alexkor Marine Contractors. The premises at the harbour is being controlled and monitored by De Beers.

4. Procedure (As at the De Beers Marine)

No person will be allowed onto the jetty whilst under the influence of drugs or alcohol. This is in conformance to the National Port Authorities and De Beers Group Services Zero Tolerance policy

Some of the contractors who were tenants in Alexkor properties were found to have tampered with the electricity metres to by-pass it, thereby cheating Alexkor as the landlord of the property responsible for the utilities account.

Part of the problem with the contractors is the fact that the DPE was prepared to engage with them. The arrangement between the contractors and Alexkor/PSJV is an operational matter and should not concern the shareholder in exercising its oversight role of Alexkor. The contracts contain a dispute resolution mechanism.

Alexkor doesn't do its own mining and is totally dependent on contractors to mine on its behalf. This dependency on contractors and the lack of geological information has resulted in contracts being entered into that heavily favour the contractors.

The contracts are not standard with revenue splits varying from contract to contract and ranging from 85:15 to 50:50. These revenue splits have no scientific basis and is not calculated on break-even carat production. This has resulted in continuous unhappiness with the mine management. Of concern regarding the contracts, is that the contract miners are sharing a more significant portion of the revenue achieved. There is distrust between the contract miners and the PSJV management which results in continuous complaints to the Department and various other bodies.

A shortcoming in the current contracts with the miners is that they are not performance based, resulting in the miners not being efficient enough to achieve the necessary carats to make the mine sustainable.

There are currently around one hundred and seven (107) contractors. This is resulting in the management spending most of their time addressing contractor matters. A performance-based system will assist the PSJV to reduce the number of contractors so that there is focus on the top producing contractors. The 80/20 principle should be applied so that more focused effort is placed on the 20% of the contractors that provide 80% of the revenue. Currently management's focus is diluted.

Financial Position:

Alexkor is not a going concern and is trading recklessly in terms of Section 22 of the Companies Act. The company does not have the necessary funds to operate beyond March 2020. In the 2018/19 financial year Alexkor impaired a R200m loan that it provided to the PSJV as the PSJV is unable to repay the loan. A significant portion of Alexkor's monthly operational costs is related to the management of the town of Alexander Bay. Alexkor is responsible for the payment and provision of water and electricity and the maintenance of the town. To mitigate this risk going forward, it is important for the town to be handed over to the Municipality. A project manager should be hired to execute this.

The PSJV is technically insolvent and cannot trade itself out of its current financial position. Other than the loan from Alexkor which the PSJV is unable to repay, the PSJV incurred a further debt of around R126m. This debt includes outstanding PAYE and VAT payments to SARS, outstanding electricity payments to Eskom, payments to suppliers, pension contribution payments for the staff, medical aid contributions for the staff, etc. With focused

spending and a robust payment plan that was rigorously adhered to, it is forecasted that the PSJV will reduce this debt to around R45m at financial year end. When comparing the revenues generated during the summer period with that generated during the winter period, it is quite clear that Alexkor/PSJV is a "seasonal" business. The PSJV will run into financial difficulties during every winter period due to the lack of sea days that results in less diamonds being mined resulting in insufficient cash being generated from its operations. To mitigate this risk going forward, the PSJV will take a two week winter break that will result in a reduction in the leave liability. It should however be noted that the PSJV will not be able to operate sustainably without a cash injection.

Below is a graphic indicating the reduction in sea days.

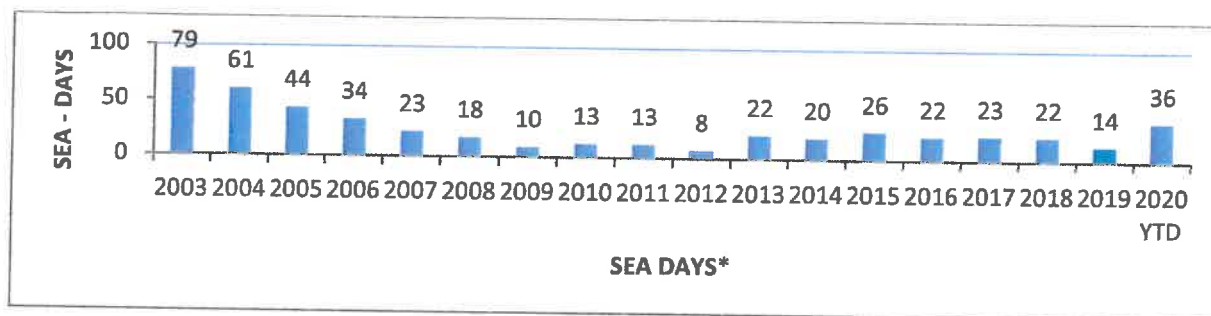


Figure 2 - *Sea days are when 10 or more vessels operate in block 60

The option of liquidation has been discussed with the Department's officials in a meeting on 23 January 2020. A takeaway from the meeting was to obtain a legal opinion on the closure of the PSJV operations. The legal opinion was shared with the Department's officials on 31 January 2020. They have undertaken to assess the legal opinion and to have a follow up meeting with the legal advisor to get an in-depth understanding of the potential legal implications. At the time of writing this report, I did not receive feedback from the Department regarding the legal opinion.

The shortage of available cash at the PSJV has resulted in the processing plant used to extract ore from the dumps and contract miners, unable to operate because of a shortage of processing materials, diesel and spares for repairs.

The PSJV Board signed a resolution allowing the PSJV Management to enter into a loan agreement with Scarlet Sky Investment (SSI), the company marketing the diamonds. The loan is for an amount of R13m drawn down in tranches and is payable in full by end March 2020. SSI is not a registered bank or a recognized borrower therefore the Board was not prudent in exercising their fiduciary responsibility. There was a raising fee of R650,000 payable and the loan is provided at an interest rate of prime plus two percent. The raising fee is 5% is extremely high when compared to commercial banks that charge 1 to 1.5%. This loan

was never disclosed in the quarterly reports and was first disclosed in the September 2019 quarterly report. The management has been borrowing from SSI since July 2018 and the Board passed a resolution for the loan in June 2019 and backdated it to January 2019. This action was reckless and irresponsible of the Board as SSI is not a registered lender and the PSJV did not submit a Borrowing Plan to the National Treasury and the Department.

This loan will be repaid at the end of March/April 2020.

Township Handover:

The town of Alexander Bay was established in 2013. In the past seven years hardly any progress has been made in handing over the town to the Municipality. Alexkor maintains the town at significant cost to the company and has 32 employees based in Alexander Bay for this purpose. There must be a concerted effort to hand over the services to the Municipality. Furthermore, Alexkor has a substantial property portfolio in Port Nolloth and Alexander Bay. The properties must be disposed of as the rent that is currently being collected is not economically feasible and those properties that must be transferred to the Municipality must be done. The current rent collected is around R3.6m per annum compared to the salary bill of the maintenance team which is around R7.5m per annum. Alexkor is also currently paying the water and electricity for the entire town which equates to approximately R6m a year and this expense is not recovered from the tenants as most of them do not pay for services.

See the property portfolio attached as Annexure 1

5. DISCUSSION

The section below will discuss in detail, the outcomes of the Terms of Reference agreed to between the Administrator and the Department.

Undertake an extensive review and analysis of the contract mining and revenue sharing models between the Alexkor RMC PSJV and the contractors and provide proposed solutions

Due to the lack of exploration information on the land and marine mining rights, the contractors are mining at risk (mining blindly). It is because of this lack of geological data that the revenue split between the PSJV and the contractors was always in favour of the contractors.

As mining operations are undertaken, the mining information can be used to establish a database of geological information. Unfortunately, due to the lack of technical capacity and experience at the PSJV, the mining data was never analysed to provide geological information.

I have instructed the PSJV to analyse the mining data that has been gathered over a period, to determine the revenue splits on a more scientific basis. In the past, the revenue splits were not based on any scientific method, hence the unhappiness amongst the contractors. The revenue splits going forward will be calculated in such a manner that will be more equitable to the PSJV and the contractors. All future contracts will have to be performance driven to ensure that the contractors mine regularly (weather permitting) and not as and when they feel like it.

See attached Revenue Split Proposal as Annexure 2

Review the Alexkor and the Alexkor RMC PSJV cost structure to ensure that procurement of goods and services is at fair value and warranted

Alexkor's Supply Chain Management policies comply with the Public Finance Management Act (PFMA). The PSJV's Supply Chain Management Policies largely comply with the PFMA. There are a few shortcomings, however, the discrepancies are not significant and could be overlooked because of the PSJV's geographical location. Furthermore, due to the financial situation at both the PSJV and Alexkor, there is not much procurement taking place unless something is necessary to keep the operations going. A focus area going forward should be the usage of fuel cards at the PSJV. The Acting Chief Financial Officer was tasked to monitor this expense going forward.

See Annexure attached Alexkor SCM Policy vs PSJV SCM Policy as Annexure 3

Remove the duplicate functions at Alexkor Head Office and Alexkor RMC PSJV with particular focus on executive and overhead expenses as well as to identify and implement other remedial cost reduction intervention plans and/or initiatives

The Alexkor office in Johannesburg does not add any direct value to the operations of the PSJV. The office is mainly involved in the maintenance of the town and the collection of rent from the properties. Therefore, the Johannesburg office should be closed, and the functions moved to the Department. It should be noted that the Johannesburg office was located in Rosebank and moved to Woodmead in or around 2014 and in the process incurred around R6m in Fruitless and Wasteful expenditure. At this point, the Department missed an opportunity to totally close the office and locate it at the mine.

The Johannesburg office has approximately 16 months left of its current lease agreement. In a meeting with the Managing Agent, they insisted that the contract will have to be honoured. The cancellation of the rental agreement will result in a penalty of approximately R2.3m, which is the rent for the remainder of the contract. In a meeting on 23 January 2020, the Department

officials (Kgathatso Tlhakudi, Acting Director General and Morongwa Mothengu, Director), undertook to meet with the Managing Agent to discuss a possible reduction in the penalty.

The staff at the Johannesburg office are all on fixed term contracts and have reported the potential retrenchments to the Council for Conciliation Mediation and Arbitration (CCMA). The initial hearing was held on 10 December 2019. The staff wants compensation for the remainder of their contracts. The Chief Financial Officer (CFO) and the Financial Manager (FM) resigned with immediate effect on 31 December 2019, citing constructive dismissal due to the lack of decision making regarding the future of Alexkor and the financial situation that the company is trading in, as they are both Chartered Accountants. They have reported the company to the CCMA and their hearings were on 5 and 12 January 2020. They wanted compensation for the remainder of their contracts, but we settled with a three (3) month salary payout for the CFO and one month for the FM.

Alexkor also has 32 employees at the mine whose main function is to oversee and maintain the properties. They will have to be compensated in terms of the Labour Relations Act (LRA).

A letter asking the Minister to approve a Section 189 process and the potential costs related thereto has been submitted to the Department on 5 February 2020. At the time of writing this report, a response to this letter has not been received. It should be noted that in terms of Section 52 of the Mineral and Petroleum Resources Development Act (MPRDA), the Minister of the Department of Minerals and Energy (DME) must be notified of the profitability and curtailment of mining operations affecting employment. The letter was sent to the DME on 5 February 2020. In a meeting on 23 January 2020 the Department's officials undertook to meet with their counterparts at the DME and the National Treasury to inform them of the pending retrenchments and the associated costs. The associated costs have been grouped into three potential scenarios as follows:

a. If the staff at the Johannesburg office settle for 6 months' salary:

Retrenchment costs	R4,187,080
Rent for the remainder of the contract	R2,300,000
Staff at the mine	R2,500,000
Total	R8,987,080

b. If the staff at the Johannesburg settle for 12 months' salary:

Retrenchment costs	R8,374,160
Rent for the remainder of the contract	R2,300,000
Staff at the mine	R2,500,000
Total	R13,174,160

- c. If the staff at the Johannesburg office must be paid out in full:

Retrenchment costs	R25,000,000
Rent for the remainder of the contract	R2,300,000
Staff at the mine	R2,500,000
Total	R29,800,000

Due to Alexkor still being responsible for the maintenance of the town, it would be strategic not to retrench the thirty two (32) workers at the mine as they would need to continue with the maintenance. The cost of keeping them will be R7.5m per annum at their current cost to company packages.

Launch an investigation into any contractual impropriety and if needs be terminate marketing and sales contract with Scarlet Sky Investments (SSI) and propose solutions/options for the establishment of own or State Diamond Trader related diamond marketing and sales channel

- The diamonds from the mine are marketed and sold in Johannesburg by Scarlett Sky Investments (SSI) on a monthly basis. The appointment of SSI to do the marketing and selling of the diamonds is questionable from a Governance perspective for the following reasons:

- An RFP was issued in November 2014. At the time that the Tender was issued, SSI was still a shelf company. SSI also didn't have the minimum contract requirements for the tender and should have been disqualified. This disqualification should have been as a result of the company not having a diamond trading license. The license being used is in the name of the Shareholder, Daniel Nathan, and it is not transferable to the company.

It also appears as if the company didn't have a bank account at the time as the tender fees of R1,000 was paid from the personal account of Daniel Nathan.

This tender was issued for a period of 3 years. The Chairman of the Alexkor Board, Mr Rafique Bagus, was one of the adjudicators in the awarding of the tender. This once again shows that the Board was not diligent in exercising its oversight role.

- During 2016, another tender was issued for the marketing and selling of the diamonds. This was 19 months after SSI was appointed in terms of the previous tender. In a meeting with IMDSA, they indicated that they will not allow the diamonds that they mine to be sold through SSI.
- SSI won the second tender that was issued in 2016 and was appointed as from 6 October 2016 for a period of 5 years. The first tender was for a period of 3 years

and the second for a period of 5 years. The Board did not consider the risk to the PSJV and Alexkor if SSI was not the successful bidder as there was still 19 months left on the previous tender.

Alexkor has applied to the South African Diamond and Precious Metals Regulator (SADPMR) for a diamond-trading license to enable the company to market and sell its own diamonds on various platforms and thus being able to cancel the SSI contract. It was anticipated that the license would be issued by the end of February 2020. This expectation was based on a meeting held with the SADPMR CEO. The following is required for the application of a diamond trading license:

- o Proof that the CEO had the necessary experience regarding the diamond industry – we wrote to the SADPMR providing them with the experience that the CEO gained during the time that he worked for De Beers
- o Proof of financial capacity – as a SOC we could provide the necessary proof
- o Proof of the Alexkor diamond cutting facility – Alexkor does not have one

There is a possibility that SSI as an aggrieved party, could challenge the cancellation of the contract which could result in a long and costly court battle with dire financial consequences for the PSJV as it will not derive any income for months. The result of such a scenario will destroy the PSJV as it will not be able to pay its contractors, electricity and salaries which are critical obligations to the future functioning of the mine.

Develop a revenue enhancing plan with emphasis on contracting for mid and deep-water mining operations

International Mining and Dredging South Africa (IMDSA) is currently contracted to mine the deep waters. The current revenue split with IMDSA is 85:15 in favour of IMDSA because of the risk taken by IMDSA to mine the deep waters without an understanding of the geology. After a meeting with IMDSA, they provided a proposal to do the exploration of both the land and the marine concessions.

The advantage of carrying out such an exploration programme, is that the mine will better understand its own resource. This will result in a mine plan being developed with the life of mine being determined. This information will be the cornerstone in negotiations with all future contractors. Understanding the geology is the starting point of any mining project. The execution of the proposal from IMDSA will cost approximately \$22.5m. The risks associated with exploration programmes, is that there is no guarantee of a sustainable resource after incurring the costs.

There should also be a commitment to using the bigger boats in the mid water as this will assist during the winter months when fewer sea days are available because of inclement weather.

De Beers was approached to provide the PSJV with the raw geophysical data for the off-shore mining right. They indicated that we should approach West Coast Resources as the sale of the mine included providing them with the raw data. West Coast Resources is currently under liquidation. It is believed that the Government owns 20% of West Coast Resources and we therefore approached the Department to request for this data to be made available to the PSJV. The Department indicated that we should make an offer for the raw data and the PSJV Board has mandated the Acting CEO to make an offer of up to R500m to the liquidators of West Coast Resources.

See attached IMDSA proposal as Annexure 4

Propose a right sizing model for Alexkor and Alexkor RMC PSJV in line with the income streams

This is dealt with under the section, "*Remove duplicate functions*" above. However, should the decision be taken to carry on with the mining operations at the PSJV, it will be important to adequately staff the PSJV from a Technical Governance perspective. A proposed structure was sent to the Minister on 17 December 2019. The PSJV currently only has one Geologist which is totally inadequate for a mining operation.

Manage the rooting out of corruption and State Capture related practices and individuals at Alexkor and Alexkor RMC PSJV

A legal firm has been engaged regarding the Gobodo report and charges have been formulated and presented to the CEO of the PSJV. A suspension letter with charges were sent to him on Friday 31 January 2020. The CEO has since reported his suspension to the CCMA for unfair labour practice and a conciliatory hearing has been scheduled for 11 March 2020. A disciplinary hearing will be scheduled after the CCMA process to ensure that the CEO does not continue to benefit from the PSJV while on suspension. The Department will be kept abreast of progress in this regard.

Vast Mineral Sands (VMS):

A company, Vast Mineral Sands (VMS), has applied and obtained an exploration permit to explore for Heavy Mineral Sands on the PSJV property. It applied for the exact property where the PSJV operates although there are vast tracts of sand on the entire West Coast. In a meeting held with the CEO of VMS, he indicated that his project was not financially viable without the income from the sale of the diamonds found during his sand mining. This raises the question of whether VMS is there to mine sand or diamonds.

In a meeting with VMS, the CEO, Mr Marius Pienaar indicated that VMS has applied for a mining right. It is worth mentioning that the PSJV entered into an agreement with VMS, to mine the slimes dam for sand knowing that VMS does not have a mining right. It is illegal to mine without a mining right. Alexkor will object to the mining right application during the public consultation process. Furthermore, if VMS recovers diamonds, the revenue split will be 70:30 in favour of VMS. This is highly questionable since there is no risk attached to the recovery of the diamonds as it is supposed to be a by-product of the sand mining operation. VMS could also not clearly explain who their BEE partners were and the percentage shareholding that they indicated did not make sense. When this was pointed out to them it was indicated that the information will be provided. This was not done.

See attached letter from VMS as Annexure 5

Optimal Corporate Structure

The following four options should be considered:

Liquidation:

Alexkor has funding until the end of March 2020 and should be placed under liquidation, as it cannot generate cash flows to continue operating. The company is currently trading recklessly in terms of Section 22 of the Companies Act, as it cannot meet its financial obligations.

The PSJV is technically insolvent and cannot trade itself out of its current financial situation. Alexkor impaired a R200m loan in the 2018/19 financial year that was provided to the PSJV. The PSJV currently has outstanding debts of approximately R100m which includes statutory payments such as PAYE, VAT and Pension Fund Contributions. This will be reduced to R45m by the financial year end but the PSJV will not be able to meet its financial obligations during the winter months when carat production is low.

After the liquidation process, a new corporatised and adequately recapitalised entity could be established.

- The staff at the Alexkor Head Office reported the company to the CCMA for unfair labour practice. The matter is still to be attended to at the CCMA but a date has not been set as yet. It will be in Alexkor's best interests to enter into a settlement agreement with the staff. A proposal of six months (6) salary was made to the Department. The company has no money to operate for the next financial year. The office must therefore be closed. The rental agreement with Growthpoint must be cancelled and the outstanding rent must be settled. A plan will have to be drafted for the disposal of the assets.
- The Rehabilitation Trust hasn't committed to any rehabilitation. It will be important to attend to this in the medium to short term. The Company Secretary at Alexkor and the Environmental Manager at the PSJV can be contacted for the latest developments in this regard.
- The CFO and FM resigned at the end of December 2019. Due to the lack of financial capacity at Alexkor, there will be audit findings by the auditor general. A temporary FM has been hired to assist with the financial year end. The CEO at Alexkor can be contacted in this regard.
- The town must be handed over to the Alexander Bay Municipality. While the town still belongs to Alexkor, Alexkor will be responsible for the maintenance of the town. There are thirty two (32) employees based in Alexander Bay who are responsible for the maintenance of the town. They cannot be retrenched until the town has been handed over to the Municipality. A budget of R7.5m per annum must be made available for their costs to company excluding the costs of maintaining the town.
- It will be prudent for the Department to obtain the services of a legal firm to advise on the conditions and stipulations of the DoS and the UR to ensure that the Department does not act *ultra vires* in terms of the conditions of the settlement contained in these two documents.
- If Government wants to assist this community, other options such as agriculture must be considered. It is worth noting, when traveling by road from Upington to Alexander Bay, there are agricultural farms for most of the way until the Richtersveld area. This is an indication that the land in that area is fertile and conducive to agriculture. The Agricultural Research Science Council (ARSC) can be engaged to do the necessary studies.

Recapitalise:

If the mine were to continue, it would need to be recapitalised. The budget required to do the exploration is approximately R400m. The debt excluding the loan to Alexkor is around R100m. Further funding will be required to adequately staff the mine with the correct levels of technical skills.

If a decision is taken to recapitalise the PSJV, the Deed of Settlement (DoS) and the Unanimous Resolution (UR) must be set aside by a court of law and a Partnership Agreement between Alexkor and the PSJV must be entered into.

Sale to Private Sector:

The marine mining right can be sold to the private sector to partner with the community. It will be a hard sell as the exploration has not been done and there is no tangible value in the mining right without understanding the resource.

Put Option:

Government can exercise its put option only when the Communal Property Association (CPA) is established.

6. OUTSTANDING ISSUES:

- The CEO of the PSJV is currently suspended for various charges related to the findings of the Gobodo Forensic Report. He has since reported the company to the CCMA for unfair labour practice and the first conciliatory meeting is scheduled for 11 March 2020 in Cape Town. A disciplinary hearing will be scheduled as soon as the CCMA process is concluded. Legal assistance in this matter is being provided by Mr Matlala of MSMM Attorneys. Contact number 087 232 1799
- The license application with the SADPMR is completed. The SADPMR had follow up questions to which we responded. The Alexkor Company Secretary is handling this matter

- Illegal mining has started on the PSJV license area and they illegal miners are armed and aggressive. A task team will need to be established to deal with this.

See attached report on illegal mining as Annexure 6

ANNEXURE 1

PROPERTY PORTFOLIO

RENTAL OF OTHER BUILDINGS OWNED BY ALEKOR SOC

1	RBUILD	RENTAL OF BUILDING JANUARY 2020	2 895,16	ONTSPANNINGSKLUB
2	RBUILD	RENTAL OF BUILDING JANUARY 2020	582,46	NAMA-KHOI HANDELSHUIS
3	RBUILD	RENTAL OF BUILDING JANUARY 2020	5 940,00	WESKUS SUPERMARK
4	RBUILD	RENTAL OF BUILDING JANUARY 2020	4 027,04	SL TRANSPORT
5	RBUILD	RENTAL OF BUILDING JANUARY 2020	1 114,11	RONDON ONS HANDELAARS
6	RBUILD	RENTAL OF BUILDING JANUARY 2020	390,88	LASER LOGISTICS (PTY) LTD.
7	RBUILD	RENTAL OF BUILDING 1 & 3 JANUARY 2020	413,68	OPPIE STOEP KOFFIEWINKEL
8	RBUILD	RENTAL OF BUILDING JANUARY 2020	831,04	DEPARTEMENT ONDERWYS
9	RBUILD	RENTAL OF BUILDING JANUARY 2020	960,00	SAVEMORE MINIMARK
10	RBUILD	RENTAL OF BUILDING JANUARY 2020	32 209,34	DIE STREEKSBESTUURDER
11	RBUILD	RENTAL OF BUILDING JANUARY 2020	661,33	DIE STREEKSBESTUURDER
12	RBUILD	RENTAL OF BUILDING ERF 611 JANUARY 2020	1 754,39	A.P. BRUWER
13	RBUILD	RENTAL OF BUILDING JANUARY 2020	680,00	DIETRICH VOIGT MIA (PTY) LTD.
14	RBUILD	RENTAL OF BUILDING JANUARY 2020	3 025,33	SA POSKANTOOR
15	RBUILD	RENTAL OF BUILDING 19 JANUARY 2020	226,73	DARKAR TOP SHOP
16	RBUILD	RENTAL OF BUILDING 2 JANUARY 2020	289,26	SALON LISA
17	RBUILD	RENTAL OF BUILDING JANUARY 2020	11 188,69	TELKOM SA SOC LTD
18	RBUILD	RENTAL OF BUILDING 13 JANUARY 2020	174,00	Mostert Begrafnisdienste
19	RBUILD	RENTAL OF BUILDING 18 JANUARY 2020	214,50	R.S. FARMER
20	RBUILD	RENTAL OF BUILDING 15 JANUARY 2020	221,18	SWIFT AIR INTERNATIONAL CC
21	RBUILD	RENTAL OF BUILDING DECEMBER 19	709,21	FENG LIN
22	RBUILD	RENTAL OF BUILDING JANUARY 2020	632,50	OCEAN DIGGERS CC
23	RBUILD	RENTAL OF BUILDING JANUARY 2020	62,24	NAMAKWA 4X4
24	RBUILD	RENTAL OF BUILDING JANUARY 2020	1 315,79	NAMAKWA BODYWORKS (Pty) Ltd
25	RBUILD	RENTAL OF BUILDING JANUARY 2020	432,17	KREATIV IMAGERY

70 951,03

RENTAL OF HOSTEL ROOMS & FLATS OWNED BY ALEKKOR SOC

1 RHOST	RENTAL OF HOSTEL ROOM BLOCK 2 ROOM 30 JANUARY 2020	300,00	SIKELELA DIAMONDS
2 RHOST	RENTAL OF HOSTEL ROOM BLOCK 1 ROOM 7 JANUARY 2020	300,00	RAPHAEL GERTSE
3 RHOST	RENTAL OF HOSTEL ROOM BLOCK 2 ROOM 35 JANUARY 2020	300,00	GULIY DIAMOND MINING (I)
4 RHOST	RENTAL OF HOSTEL ROOM BLOCK 2 ROOM 3 JANUARY 2020	300,00	SANDRA BURGESS
5 RHOST	RENTAL OF HOSTEL ROOM BLOCK 2 ROOM 37 JANUARY 2020	300,00	ELMO RUITERS
6 RHOST	RENTAL OF HOSTEL ROOM BLOCK 2 ROOM 29, 33, 43, 44 JANUARY 2020	1 200,00	JUDE DIAMANTE
7 RHOST	RENTAL OF HOSTEL ROOM BLOCK 2 ROOM .53 JANUARY 2020	300,00	DU PLESSIS MARINE (PTY) LTD.
8 RHOST	RENTAL OF HOSTEL ROOM BLOCK 2 ROOM 46 JANUARY 2020	300,00	RICHTERSVEID ENTERPRISE
9 RHOST	RENTAL OF HOSTEL ROOM BLOCK 2 ROOM 47, 49, 50 JANUARY 2020	900,00	ORANGE RIVER DIGGINGS
10 RHOST	RENTAL OF HOSTEL ROOM BLOCK 2 ROOM 51 JANUARY 2020	300,00	DU PLESSIS MARINE (PTY) LTD.
11 RHOST	RENTAL OF HOSTEL ROOM BLOCK 2 ROOM 48 JANUARY 2020	300,00	AGRESSO (PTY) LTD.
12 RHOST	RENTAL OF HOSTEL ROOM BLOCK 2 ROOM 52 JANUARY 2020	300,00	NAMAQUA BODYWORKS (Pty) Ltd
13 RHOST	RENTAL OF HOSTEL ROOM BLOCK 2 ROOM 55, 57 JANUARY 2020	600,00	ORANGE RIVER DIGGINGS
14 RHOST	RENTAL OF HOSTEL ROOM BLOCK 5 ROOM 9 JANUARY 2020	300,00	GRETCHEN FORTUIN
15 RHOST	RENTAL OF HOSTEL ROOM BLOCK 5 ROOM 10 JANUARY 2020	300,00	NAMA-KHOI HANDELSHUIS
16 RHOST	RENTAL OF HOSTEL ROOM BLOCK 6 ROOM 12 JANUARY 2020	300,00	FLORA DE WET
17 RHOST	RENTAL OF HOSTEL ROOM BLOCK 7 ROOM 13 JANUARY 2020	300,00	Hani van Rooyen
18 RHOST	RENTAL OF HOSTEL ROOM BLOCK 8 ROOM 15 JANUARY 2020	300,00	CECILIA CLOETE
19 RHOST	RENTAL OF HOSTEL ROOM BLOCK 9 ROOM 17 JANUARY 2020	300,00	MAGDA POOL
20 RHOST	RENTAL OF HOSTEL ROOM BLOCK 10 ROOM 20 JANUARY 2020	300,00	H. MUYONGO
21 RHOST	RENTAL FLAT 2 OU KONTROLE JANUARY 2020	297,00	LENCAVIC MARINE CC
22 RHOST	RENTAL FLAT 1 OU KONTROLE JANUARY 2020	576,00	DEPARTEMENT PUBLIC WORKS
23 RHOST	RENTAL FLAT 5 OU KONTROLE JANUARY 2020	348,00	DEPARTEMENT PUBLIC WORKS
24 RHOST	RENTAL FLAT GROOT LIEFLOT JANUARY 2020	165,00	A.I. JOSEPH
25 RHOST	RENTAL FLAT SSKV 1 JANUARY 2020	275,00	M.S. LINKS
26 RHOST	RENTAL FLAT SSKV 2 JANUARY 2020	275,00	NADIA DIERGARDT
27 RHOST	RENTAL FLAT SSKV 3 JANUARY 2020	462,00	L.K. OBIES
28 RHOST	RENTAL FLAT SSKV 4 JANUARY 2020	275,00	DEPARTEMENT GESONDHEID
29 RHOST	RENTAL FLAT SSKV 5 JANUARY 2020	352,00	MERCIA VAN WYK
30 RHOST	RENTAL FLAT PIONIERSWEG 1 JANUARY 2020	528,00	GOEIE HOOP VERNOER
31 RHOST	RENTAL FLAT PIONIERSWEG 4 JANUARY 2020	555,50	GAFIE MAREE LAERSKOOI
31 RHOST	SUBSIDIE	-353,50	GAFIE MAREE LAERSKOOI
32 RHOST	RENTAL FLAT PIONIERSWEG 5 JANUARY 2020	429,00	GAFIE MAREE LAERSKOOI
32 RHOST	SUBSIDIE	-273,00	GAFIE MAREE LAERSKOOI
33 RHOST	RENTAL FLAT PIONIERSWEG 6 JANUARY 2020	451,00	GAFIE MAREE LAERSKOOI
33 RHOST	SUBSIDIE	-287,00	GAFIE MAREE LAERSKOOI
34 RHOST	RENTAL OF HOSTEL ROOM BLOCK 1 ROOM 2 JANUARY 2020	300,00	MARIA CLOETE
35 RHOST	RENTAL OF HOSTEL ROOM BLOCK 9 ROOM 15 JANUARY 2020	300,00	ELSA DE WET
36 RHOST	RENTAL OF HOSTEL ROOM BLOCK 4, ROOM 1 & MOTEL *2 LADIES JANUARY 2020	900,00	G AND R OPERATIONS
37 RHOST	RENTAL OF HOSTEL ROOM 2* MANS ROOMS, 2* LADIES MOTEL JANUARY 2020	1 200,00	VANCIO MINING (PTY) LTD
38 RHOST	RENTAL FLAT SENIOR LADIES 2 JANUARY 2020	576,00	L JANUARIE

15 151,00

RENTAL OF GARAGES OWNED BY ALEKOR SOC

1	RGARAG	RENTAL OF GARAGES NO 189, 247, 250 JANUARY 2020	45,00	IZEMBI TRADING
2	RGARAG	RENTAL OF GARAGES NR. 18, 166, 167, 168, 169 JANUARY 2020	75,00	G.P. HUYSAMEN
3	RGARAG	RENTAL OF GARAGES JANUARY 2020	45,00	JOHAN VAN WYK
4	RGARAG	RENTAL OF GARAGES 136, 175, 197, 232 BUSTOP 1, 2 JANUARY 2020	90,00	H. NEL
5	RGARAG	RENTAL OF GARAGES 15, 128, 170, 190, 192, 193, 134, 172, 158, 159 JANUARY 2020	150,00	G.P. POTGIETER
6	RGARAG	RENTAL OF GARAGES NAMAKWULAN 1 JANUARY 2020	15,00	F.J. FOURIE
7	RGARAG	RENTAL OF GARAGES NAMAKWULAN 3 JANUARY 2020	15,00	ASTROSTONE 132 CC
8	RGARAG	RENTAL OF GARAGES NO 29, BUSTOP 3, 4, 5 JANUARY 2020	60,00	J.A. GOUWS
9	RGARAG	RENTAL OF GARAGES NO. 141, 174, 138 JANUARY 2020	60,00	GAFFIE MAREE LAERSKOOI
10	RGARAG	RENTAL OF GARAGES NR. 145 JANUARY 2020	15,00	HENGELKLUB
11	RGARAG	RENTAL OF GARAGES NR. 195 JANUARY 2020	15,00	JOHN MILFORD
12	RGARAG	RENTAL OF GARAGES NR. 249, 261, 262 JANUARY 2020	45,00	HOERSKOOI ALEXANDERBAAI
13	RGARAG	RENTAL OF GARAGES NR. 6, TARENTALLAAN, 24, 25 JANUARY 2020	60,00	OCEAN DIGGERS CC
14	RGARAG	RENTAL OF GARAGES OU MARK 1, 2 & 3 JANUARY 2020	45,00	ASTROSTONE 132 CC
15	RGARAG	RENTAL OF GARAGES NR. 23, 26, 30, OU VIDEO 4 JANUARY 2020	60,00	LENCASIC MARINE CC
16	RGARAG	RENTAL OF GARAGES NR. 7, 16, 137, 148 JANUARY 2020	60,00	G.B. PEDDIE
17	RGARAG	RENTAL OF GARAGES NR. 179 JANUARY 2020	15,00	GULLY DIAMOND MINING (!)
18	RGARAG	RENTAL OF GARAGES NR. 2, 4, 5 JANUARY 2020	45,00	RUDIE VAN EEDEN
19	RGARAG	RENTAL OF GARAGES NR. 126 JANUARY 2020	15,00	B. BASSON
20	RGARAG	RENTAL OF GARAGES NR. 203, 220, 222, 226 JANUARY 2020	60,00	WEST COAST BEACH MINING CC
21	RGARAG	RENTAL OF GARAGES NR. 12, 14, 182, 188 JANUARY 2020	60,00	WEST COAST BEACH MINING CC
22	RGARAG	RENTAL OF GARAGES NR. 263 JANUARY 2020	15,00	L.A. LOSPER
23	RGARAG	RENTAL OF GARAGES NR. 253, 9 JANUARY 2020	30,00	JOHAN TRUTER
24	RGARAG	RENTAL OF GARAGES NR. 260, 237 JANUARY 2020	30,00	J. LE GRANGE
25	RGARAG	RENTAL OF GARAGES JANUARY 2020	15,00	P.A. ENGELBRECHT
26	RGARAG	RENTAL OF GARAGES PORT NOLLOTH JANUARY 2020	30,00	H.F.S. COETZEE
27	RGARAG	RENTAL OF GARAGES NR. 197 JANUARY 2020	15,00	ASTROSTONE 132 CC
28	RGARAG	RENTAL OF GARAGES NR. 185, 186 JANUARY 2020	30,00	TAEWANE MINING
29	RGARAG	RENTAL OF GARAGES NR. 135, 187 JANUARY 2020	30,00	DEON MOSTERT

1 245,00

RENTAL OF HOUSES OWNED BY ALEKOR SOC

1 RHOUSE	RENTAL OF HOUSE AALWYNSTRAAT 1 JANUARY 2020	330,00	GAFFIE MAREE LAERSKOOL	60	GAFFIE MAREE LAERSKOOL
1 RHOUSE	SUBSIDY	-577,50	GAFFIE MAREE LAERSKOOL		GAFFIE MAREE LAERSKOOL
2 RHOUSE	RENTAL OF HOUSE AALWYNSTRAAT 2 JANUARY 2020	907,50	GAFFIE MAREE LAERSKOOL	165	GAFFIE MAREE LAERSKOOL
2 RHOUSE	SUBSIDY	-577,50	GAFFIE MAREE LAERSKOOL		GAFFIE MAREE LAERSKOOL
3 RHOUSE	RENTAL OF HOUSE AGAATSTEEG 1 JANUARY 2020	803,00	AMBIOR 200 CC	146	AMBIOR 200 (PTY) LTD.
4 RHOUSE	RENTAL OF HOUSE AGAATSTEEG 3 JANUARY 2020	660,00	ER WITBOOI	110	ER WITBOOI
4 RHOUSE	RENTAL OF HOUSE AGAATSTEEG 5 JANUARY 2020	484,00	ESTER LINKS	88	ESTER LINKS
5 RHOUSE	RENTAL OF HOUSE ALPHASTEEG 2 JANUARY 2020	566,50	PATRICK MKHITHIKA	103	PATRICK MKHITHIKA
6 RHOUSE	RENTAL OF HOUSE ALPHASTEEG 4 JANUARY 2020	467,50	ADAM JOSEPH	85	ADAM JOSEPH
7 RHOUSE	RENTAL OF HOUSE BANTOMSTRAAT 1 JANUARY 2020	467,50	PROTEA SECURITY SERVICES	85	REVERT
8 RHOUSE	RENTAL OF HOUSE BANTOMSTRAAT 12 JANUARY 2020	577,50	TAEMANE MINING	105	TAEMANE MINING
9 RHOUSE	RENTAL OF HOUSE BANTOMSTRAAT 13 JANUARY 2020	630,00	GI STRAUSS	105	GI STRAUSS
10 RHOUSE	RENTAL OF HOUSE BANTOMSTRAAT 14 JANUARY 2020	528,00	BDC DIAMONDS II	96	BDC DIAMONDS II
11 RHOUSE	RENTAL OF HOUSE BANTOMSTRAAT 2 JANUARY 2020	588,50	GERTRUUDA WATERBOER	107	GERTRU WATERBOER
12 RHOUSE	RENTAL OF HOUSE BANTOMSTRAAT 3 JANUARY 2020	528,00	J.N. CLOETE	96	J.N. CLOETE
13 RHOUSE	SUBSIDY	-336,00	J.N. CLOETE		J.N. CLOETE
14 RHOUSE	RENTAL OF HOUSE BANTOMSTRAAT 4 JANUARY 2020	660,00	VINCENT MATTHYS	120	WINSON MATTHYS
15 RHOUSE	RENTAL OF HOUSE BANTOMSTRAAT 5 JANUARY 2020	550,00	JBDE DIAMANTE	100	JBDE DIAMANTE
16 RHOUSE	RENTAL OF HOUSE BANTOMSTRAAT 6 JANUARY 2020	467,50	O.C. KGANYEGO	85	O.C. KGANYEGO
17 RHOUSE	RENTAL OF HOUSE BANTOMSTRAAT 7 JANUARY 2020	528,00	DOREEN CLOETE	96	DOREEN CLOETE
18 RHOUSE	RENTAL OF HOUSE BANTOMSTRAAT 8 JANUARY 2020	577,50	S.K. CLOETE	105	S.K. CLOETE
19 RHOUSE	RENTAL OF HOUSE BANTOMSTRAAT 9 JANUARY 2020	550,00	AMBIOR 200 CC	100	AMBIOR 200 (PTY) LTD.
20 RHOUSE	RENTAL OF HOUSE BANTOMSTRAAT 10 JANUARY 2020	577,50	RABSOI MARINE	105	RABSOI MARINE
21 RHOUSE	RENTAL OF HOUSE DIAMANTSTRAAT 1 JANUARY 2020	687,50	ANNEKE SAMSON	125	ANNEKE SAMSON
22 RHOUSE	RENTAL OF HOUSE DIAMANTSTRAAT 2 JANUARY 2020	605,00	BENJAMIN DICK	110	BENJAMIN DICK
23 RHOUSE	RENTAL OF HOUSE DIAMANTSTRAAT 11 JANUARY 2020	605,00	MALAKAZA DIAMONDS	90	MALAKAZA DIAMONDS
24 RHOUSE	RENTAL OF HOUSE DIAMANTSTRAAT 13 JANUARY 2020	495,00	TAEMANE MINING	90	TAEMANE MINING
25 RHOUSE	RENTAL OF HOUSE DIAMANTSTRAAT 14 JANUARY 2020	605,00	THOMAS CLOETE	110	ANNA SLANDER
26 RHOUSE	RENTAL OF HOUSE DIAMANTSTRAAT 3 JANUARY 2020	605,00	ANNA SLANDER	110	ANNA SLANDER
27 RHOUSE	RENTAL OF HOUSE DIAMANTSTRAAT 5 JANUARY 2020	605,00	SAUL DE WET	110	SAUL DE WET
28 RHOUSE	RENTAL OF HOUSE DIAMANTSTRAAT 6 JANUARY 2020	605,00	NETTY CUSTOM CLEARING AGENCY	110	NETTY CUSTOMS CLEARING AGENCY SA (PTY) LTD.
29 RHOUSE	RENTAL OF HOUSE DIAMANTSTRAAT 7 JANUARY 2020	605,00	OCEAN DIGGERS CC	110	OCEAN DIGGERS CC
30 RHOUSE	RENTAL OF HOUSE DIAMANTSTRAAT 8 JANUARY 2020	588,50	E BAILE	107	E BAILE
31 RHOUSE	RENTAL OF HOUSE DIE BULT NR. 1 JANUARY 2020	935,00	HOERSKOOL ALEXANDERBAAI	170	HOERSKOOL ALEXANDERBAAI
31 RHOUSE	SUBSIDY	-595,00	HOERSKOOL ALEXANDERBAAI		HOERSKOOL ALEXANDERBAAI
32 RHOUSE	RENTAL OF HOUSE DUIKERLAN 1 JANUARY 2020	935,00	B.J.C MICHAELS	170	B.J.C MICHAELS
33 RHOUSE	RENTAL OF HOUSE DUIKERLAN 5 JANUARY 2020	935,00	NG KERK ALEXANDERBAAI	170	NG KERK ALEXANDERBAAI
34 RHOUSE	RENTAL OF HOUSE DUIKERLAN 2 JANUARY 2020	-595,00	HOERSKOOL ALEXANDERBAAI	170	HOERSKOOL ALEXANDERBAAI
34 RHOUSE	SUBSIDY	935,00	GARIEP DIAMOND MINING (PTY) LTD.	170	GARIEP DIAMOND MINING (PTY) LTD.
35 RHOUSE	RENTAL OF HOUSE DUIKERLAN 6 JANUARY 2020	495,00	G.W. ORLAM	90	G.W. ORLAM
36 RHOUSE	RENTAL OF HOUSE FLAMINKLAN 5 JANUARY 2020	478,50	JOSEF SLANDER	87	JOSEF SLANDER
37 RHOUSE	RENTAL OF HOUSE FLAMINKLAN 7 JANUARY 2020	913,00	OCEAN DIGGERS CC	166	OCEAN DIGGERS CC
38 RHOUSE	RENTAL OF HOUSE GOUSLOMLAAN 1 JANUARY 2020	913,00	BARLOWORLD EQUIPMENT	166	BARLOWORLD EQUIPMENT
39 RHOUSE	RENTAL OF HOUSE GOUSLOMLAAN 2 JANUARY 2020	913,00	GULLY DIAMOND MINING (I)	166	GULLY DIAMOND MINING (I)
40 RHOUSE	RENTAL OF HOUSE GOUSLOMLAAN 4 JANUARY 2020	913,00	DAROHNE MINING	166	DAROHNE MINING
41 RHOUSE	RENTAL OF HOUSE GOUSLOMLAAN 6 JANUARY 2020	913,00	HEIDI DE JAGER	166	HEIDI DE JAGER
42 RHOUSE	RENTAL OF HOUSE GOUSLOMLAAN 7 JANUARY 2020	913,00	WEST COAST BEACH MINING CC	166	WEST COAST BEACH MINING CC
43 RHOUSE	RENTAL OF HOUSE GOUSLOMLAAN 8 JANUARY 2020	913,00	AMBIOR 200 CC		AMBIOR 200 (PTY) LTD.
44 RHOUSE	RENTAL OF HOUSE GUSLOMLAAN 9 JANUARY 2020	918,00	W. CLOETE	153	W. CLOETE
45 RHOUSE	RENTAL OF HOUSE GROBLERSTRAAT 1 JANUARY 2020	841,50	FRANCIS VAN WYK	153	FRANCIS VAN WYK
46 RHOUSE	RENTAL OF HOUSE GROBLERSTRAAT 2 JANUARY 2020	841,50	GLORIANA ZELDA J. BOOIS	153	GLORIANA ZELDA J. BOOIS
47 RHOUSE	RENTAL OF HOUSE GROBLERSTRAAT 3 JANUARY 2020	841,50	AMBIOR 200 (PTY) LTD.	153	AMBIOR 200 (PTY) LTD.
48 RHOUSE	RENTAL OF HOUSE GROBLERSTRAAT 4 JANUARY 2020	841,50	AMBIOR 200 CC	153	AMBIOR 200 (PTY) LTD.
49 RHOUSE	RENTAL OF HOUSE GROBLERSTRAAT 6 JANUARY 2020	588,00	GDSJ PAULUS	98	GDSJ PAULUS
50 RHOUSE	RENTAL OF HOUSE HARMONIESTRAAT 1 JANUARY 2020				

51 RHOUSE	RENTAL OF HOUSE HARMONIESTRAAT 2 JANUARY 2020	539,00	CAROLINE SAAL	98	CARELINE SAAL
52 RHOUSE	RENTAL OF HOUSE HARMONIESTRAAT 12 JANUARY 2020	500,50	KITTY OELOFSE	91	KITTY OELOFSE
53 RHOUSE	RENTAL OF HOUSE HARMONIESTRAAT 3 JANUARY 2020	500,50	MAGRIETA DAWIDS	91	MAGRIETA DAWIDS
54 RHOUSE	RENTAL OF HOUSE HARMONIESTRAAT 4 JANUARY 2020	500,50	J.I. MARITZ	91	J.I. MARITZ
55 RHOUSE	RENTAL OF HOUSE HARMONIESTRAAT 10 JANUARY 2020	539,00	E.A. MACKLEIN	98	E.A. MACKLEIN
56 RHOUSE	RENTAL OF HOUSE HARMONIESTRAAT 11 JANUARY 2020	500,50	HIRED UIS (PTY.) LTD.	91	HIRED UIS (PTY.) LTD.
57 RHOUSE	RENTAL OF HOUSE HARMONIESTRAAT 8 JANUARY 2020	500,50	C.P. DAMON	91	C.P. DAMON
58 RHOUSE	RENTAL OF HOUSE HOOFWEG 6 JANUARY 2020	6 187,16	SELVIN VAN WYK	160	SELVIN VAN WYK
59 RHOUSE	RENTAL OF HOUSE HOSPITAALSTRAAT 2A JANUARY 2020	504,00	HW SWARTBOOI	84	HW SWARTBOOI
60 RHOUSE	RENTAL OF HOUSE HOSPITAALSTRAAT 2B JANUARY 2020	605,00	DAME SOW	110	DAME SOW
61 RHOUSE	RENTAL OF HOUSE KEEROMSTEEG 1 JANUARY 2020	566,50	S. VAN WYK	103	S. VAN WYK
61 RHOUSE	SUBSIDY	-360,50	S. VAN WYK	5.	VAN WYK
62 RHOUSE	RENTAL OF HOUSE KEEROMSTEEG 2 JANUARY 2020	484,00	WEST PROSPECT MINING	88	WEST PROSPECT MINING
63 RHOUSE	RENTAL OF HOUSE KEEROMSTEEG 3 JANUARY 2020	660,00	MAGRIETA CLOETE	120	MAGRIETA CLOETE
64 RHOUSE	RENTAL OF HOUSE KEEROMSTEEG 4 JANUARY 2020	456,50	BRADLEY PEDDY	83	BRADLEY PEDDY
65 RHOUSE	RENTAL OF HOUSE KERKPLEINWEG 1 JANUARY 2020	957,00	WEST PROSPECT MINING	174	WEST PROSPECT MINING
66 RHOUSE	RENTAL OF HOUSE KERKPLEINWEG 2 JANUARY 2020	1 149,50	VARGASEC (PTY) LTD.	209	VARGASEC (PTY) LTD.
67 RHOUSE	RENTAL OF HOUSE KERKPLEINWEG 3 DECEMBER2019	859,05	WA HORNINGMANN	249	WA HORNINGMANN
68 RHOUSE	RENTAL OF HOUSE KIEWIETLAAN 3 JANUARY 2020	1 133,00	GAFFIE MAREE LAERSKOOL	206	GAFFIE MAREE LAERSKOOL
68 RHOUSE	SUBSIDY	-721,00	GAFFIE MAREE LAERSKOOL		
69 RHOUSE	RENTAL OF HOUSE KLIPSPRINGER 5 JANUARY 2020	935,00	CMF Ertke Diamond Trading	170	CMF Ertke Diamond Trading
70 RHOUSE	RENTAL OF HOUSE KLIPSPRINGER 7 JANUARY 2020	935,00	OCEAN DIGGERS CC	170	OCEAN DIGGERS CC
71 RHOUSE	RENTAL OF HOUSE KLIPSPRINGER 8 JANUARY 2020	935,00	MI SAUNDERS	170	MI SAUNDERS
72 RHOUSE	RENTAL OF HOUSE KLIPSPRINGER 10 JANUARY 2020	1 020,00	FRANCECAN ENGELBRECHT	170	FRANCECAN ENGELBRECHT
73 RHOUSE	RENTAL OF HOUSE KLIPSPRINGER 11 JANUARY 2020	935,00	CAPTAIN JS KELLY	170	CAPTAIN JS KELLY
74 RHOUSE	RENTAL OF HOUSE KLIPSPRINGER 12 JANUARY 2020	913,00	A.J. VAN WYK	166	A.J. VAN WYK
75 RHOUSE	RENTAL OF HOUSE KOKERBOOMLAAN 2 JANUARY 2020	913,00	DAROHNE MINING	166	DAROHNE MINING
76 RHOUSE	RENTAL OF HOUSE KOKERBOOMLAAN 6 JANUARY 2020	913,00	TAEMANE MINING	166	TAEMANE MINING
77 RHOUSE	RENTAL OF HOUSE KOKERBOOMLAAN 7 JANUARY 2020	913,00	AMBICOR 200 (PTY) LTD.	166	AMBICOR 200 (PTY) LTD.
78 RHOUSE	RENTAL OF HOUSE KOKERBOOMLAAN 8 JANUARY 2020	996,00	LINKS AND CLOETE GENERAL TRADERS	166	LINKS AND CLOETE GENERAL TRADERS
79 RHOUSE	RENTAL OF HOUSE KOKERBOOMLAAN 10 JANUARY 2020	996,00	REBECCA DE WET		REBECCA DE WET
80 RHOUSE	RENTAL OF HOUSE KORTDOORN JANUARY 2020	55,00	P.A. ENGELBRECHT	10	P.A. ENGELBRECHT
81 RHOUSE	RENTAL OF HOUSE KORTLAAN 1 JANUARY 2020	495,00	J.D. CLOETE	90	R.C. CLOETE
82 RHOUSE	RENTAL OF HOUSE KORTLAAN 2 JANUARY 2020	484,00	WYNAND STEWE	88	WYNAND STEWE
83 RHOUSE	RENTAL OF HOUSE KROMSTEEG 10 JANUARY 2020	561,00	J.M. OWIES	102	J.M. OWIES
84 RHOUSE	RENTAL OF HOUSE KROMSTEEG 1 JANUARY 2020	588,50	F.V. FORTUIN	107	F.V. FORTUIN
85 RHOUSE	RENTAL OF HOUSE KROMSTEEG 2 JANUARY 2020	588,50	M.W. SAUL	107	M.W. SAUL
86 RHOUSE	RENTAL OF HOUSE KROMSTEEG 3 JANUARY 2020	588,50	D.S. FREDERICKS	107	D.S. FREDERICKS
87 RHOUSE	RENTAL OF HOUSE KROMSTEEG 4 JANUARY 2020	588,50	DEPARTEMENT GESONDHEID	107	DEPARTEMENT GESONDHEID
88 RHOUSE	RENTAL OF HOUSE KROMSTEEG 5 JANUARY 2020	588,50	JORDANS CROSSING DIVING CC	107	JORDANS CROSSING DIVING CC
89 RHOUSE	RENTAL OF HOUSE KROMSTEEG 6 JANUARY 2020	588,50	JORDANS CROSSING DIVING CC	107	JORDANS CROSSING DIVING CC
90 RHOUSE	RENTAL OF HOUSE KROMSTEEG 7 JANUARY 2020	588,50	DKV DIAMONDS	107	DKV DIAMONDS
91 RHOUSE	RENTAL OF HOUSE KROMSTEEG 8 JANUARY 2020	588,50	GEWERS TRADING	107	GEWERS TRADING
92 RHOUSE	RENTAL OF HOUSE KROMSTEEG 11 JANUARY 2020	687,50	D.FORTUIN	125	D.FORTUIN
93 RHOUSE	RENTAL OF HOUSE KROMSTEEG 12 JANUARY 2020	612,00	B BOOIS	102	B BOOIS
94 RHOUSE	RENTAL OF HOUSE KROMSTEEG 14 JANUARY 2020	612,00	JG CLOETE	102	JG CLOETE
95 RHOUSE	RENTAL OF HOUSE KROMSTEEG 15 JANUARY 2020	687,50	WILHELMINA PHILLIPS	125	WILHELMINA PHILLIPS
96 RHOUSE	RENTAL OF HOUSE KROMSTEEG 1 JANUARY 2020	1 017,50	TAEMANE MINING	185	TAEMANE MINING
97 RHOUSE	RENTAL OF HOUSE KROKKELAAN 1 JANUARY 2020	643,00	AGNES WITBOOI	117	AGNES WITBOOI
98 RHOUSE	RENTAL OF HOUSE KWARSTRAT 11 JANUARY 2020	643,00	DANIEL MOATSHÉ	117	DANIEL MOATSHÉ
99 RHOUSE	RENTAL OF HOUSE KWARSTRAT 12 JANUARY 2020	539,00	C.M. JOSEPH	98	C.M. JOSEPH
100 RHOUSE	RENTAL OF HOUSE KWARSTRAT 1 JANUARY 2020	643,50	BLUE CHIP MINING & DRILLING	117	BLUE CHIP MINING & DRILLING
101 RHOUSE	RENTAL OF HOUSE KWARSTRAT 2 JANUARY 2020	539,00	E SWARTBOOI	98	E SWARTBOOI
102 RHOUSE	RENTAL OF HOUSE KWARSTRAT 3 JANUARY 2020	539,00	ELIZABETH SLANDER	98	ELIZABETH SLANDER
103 RHOUSE	RENTAL OF HOUSE KWARSTRAT 4 JANUARY 2020	605,00	VMICL	110	VMICL MINING SA (PTY) LTD.
104 RHOUSE	RENTAL OF HOUSE KWARSTRAT 5 JANUARY 2020	484,00	BOC MARINE INVESTMENT	88	BOC MARINE INVESTMENT
105 RHOUSE	RENTAL OF HOUSE KWARTSTRAAT 6 JANUARY 2020	478,50	C. ROSS	87	C. ROSS

106	RHOUSE	RENTAL OF HOUSE KWARTSTRAAT 7 JANUARY 2020	478,50	MOSES ABRAHAM'S	87	MOSES ABRAHAM'S
107	RHOUSE	RENTAL OF HOUSE KWARTSTRAAT 9 JANUARY 2020	484,00	NXANTATHU	88	NXANTATHU
108	RHOUSE	RENTAL OF HOUSE MADELIEFELAAN 1 JANUARY 2020	996,00	SHAWN UYS	166	SHAWN UYS
109	RHOUSE	RENTAL OF HOUSE MADELIEFELAAN 4 JANUARY 2020	913,00	LENCAVIC VENTURES CC	166	LENCAVIC MARINE CC
110	RHOUSE	RENTAL OF HOUSE MADELIEFELAAN 4 JANUARY 2020	913,00	OCEAN DIGGERS CC	166	OCEAN DIGGERS CC
111	RHOUSE	RENTAL OF HOUSE MADELIEFELAAN 5 JANUARY 2020	913,00	E.G. LOUW	166	E.G. LOUW
112	RHOUSE	RENTAL OF HOUSE MADELIEFELAAN 6 JANUARY 2020	913,00	LENCAVIC VENTURES CC	166	LENCAVIC MARINE CC
113	RHOUSE	RENTAL OF HOUSE MADELIEFELAAN 7 JANUARY 2020	913,00	GAFFIE MARÉE LAERSKOOI	166	GAFFIE MARÉE LAERSKOOI
113	RHOUSE	SUBSIDY	-581,00	GAFFIE MARÉE LAERSKOOI	166	NXANTATHU
114	RHOUSE	RENTAL OF HOUSE MADELIEFELAAN 8 JANUARY 2020	913,00	NXANTATHU	166	ORANGE RIVER DIGGINGS
115	RHOUSE	RENTAL OF HOUSE MADELIEFELAAN 9 JANUARY 2020	913,00	ORANGE RIVER DIGGINGS	166	C.W. GODBEER
116	RHOUSE	RENTAL OF HOUSE MADELIEFELAAN 11 JANUARY 2020	913,00	C.W. GODBEER	155	B.M. FORTUIN
117	RHOUSE	RENTAL OF HOUSE MALMOKKIEELAAN 2 JANUARY 2020	852,50	B.M. FORTUIN	140	E.A. JAMES
118	RHOUSE	RENTAL OF HOUSE MALMOKKIEELAAN 3 JANUARY 2020	770,00	E.A. JAMES	140	L. DIERGAARDT
119	RHOUSE	RENTAL OF HOUSE MALMOKKIEELAAN 5 JANUARY 2020	840,00	L. DIERGAARDT	140	ALZANNE SERION
120	RHOUSE	RENTAL OF HOUSE MALMOKKIEELAAN 6 JANUARY 2020	770,00	ALZANNE SERION	114	WILLEM DE WET
121	RHOUSE	RENTAL OF HOUSE MALMOKKIEELAAN 7 JANUARY 2020	627,00	WILLEM DE WET	114	G.P. POTGIETER
122	RHOUSE	RENTAL OF HOUSE MALMOKKIEELAAN 8 JANUARY 2020	627,00	G.P. POTGIETER	114	G.P. POTGIETER
123	RHOUSE	RENTAL OF HOUSE MARKSTRAAT 15 JANUARY 2020	935,00	A. JOSEPH	170	A. JOSEPH
124	RHOUSE	RENTAL OF HOUSE MARKSTRAAT 16 JANUARY 2020	6 573,86	DH HEIN	170	DH HEIN
125	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 1 JANUARY 2020	649,00	ELSA DE WET	118	ELSA DE WET
126	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 8 JANUARY 2020	690,00	A. BOYCE	115	A. BOYCE
127	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 10 JANUARY 2020	690,00	EA CLOETE	115	EA CLOETE
128	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 11 JANUARY 2020	495,00	THELMA MATTHYS	90	THELMA MATTHYS
129	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 13 JANUARY 2020	495,00	LORRAINE PICK	90	LORRAINE PICK
130	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 14 JANUARY 2020	540,00	EL OBIES	90	EL OBIES
131	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 15 JANUARY 2020	495,00	THELMA CLOETE	90	THELMA CLOETE
132	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 16 JANUARY 2020	495,00	C. KOALANE	90	C. KOALANE
133	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 17 JANUARY 2020	495,00	W. SOBHUZA	90	W. SOBHUZA
134	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 18 JANUARY 2020	495,00	E.A. COETZEE	90	E.A. COETZEE
134	RHOUSE	SUBSIDY	-315,00	E.A. COETZEE	90	E.A. COETZEE
135	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 19 JANUARY 2020	495,00	TAEMANE MINING	90	TAEMANE MINING
136	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 2 JANUARY 2020	649,00	IZAK MOOS	118	IZAK MOOS
137	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 3 JANUARY 2020	632,00	NXANTATHU	115	NXANTATHU
138	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 20 JANUARY 2020	495,00	JULETTA LOSPER	90	JULETTA LOSPER
139	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 22 JANUARY 2020	473,00	AMBICOR 200 CC	86	AMBICOR 200 (PTY) LTD.
140	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 23 JANUARY 2020	516,00	A. OVIES	86	A. OVIES
141	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 24 JANUARY 2020	473,00	C. CUPIDO	86	C. CUPIDO
142	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 25 JANUARY 2020	473,00	D. CLOETE	86	D. CLOETE
142	RHOUSE	SUBSIDY	-301,00	D. CLOETE	86	D. CLOETE
143	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 26 JANUARY 2020	473,00	POWER SANDBLASTING AND LABOUR HIR	86	POWER SANDBLASTING
144	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 27 JANUARY 2020	516,00	L. PIETERS	86	L. PIETERS
145	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 28 JANUARY 2020	473,00	A. STEENKAMP	86	A. STEENKAMP
146	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 29 JANUARY 2020	473,00	V.N. VAN DEN HEEVER	86	V.N. VAN DEN HEEVER
147	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 30 JANUARY 2020	473,00	PAN AFRICAN MARINE (PTY) Ltd	86	PAN AFRICAN MARINE (PTY) Ltd
148	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 31 JANUARY 2020	516,00	E. STUURMAN	86	E. STUURMAN
149	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 32 JANUARY 2020	473,00	ALLAN PETERSEN	86	ALLAN PETERSEN
150	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 33 JANUARY 2020	473,00	JOHANNES NGININGWA	86	JOHANNES NGININGWA
151	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 37 JANUARY 2020	588,50	REDNEB	107	REDNEB
152	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 38 JANUARY 2020	588,50	D.R.P. VRIES	107	D.R.P. VRIES
153	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 5 JANUARY 2020	632,50	DESIRE DE WET	115	DESIRE DE WET
154	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 9 JANUARY 2020	632,50	J.K. BOYCE	115	J.K. BOYCE
155	RHOUSE	RENTAL OF HOUSE MERENSKYLAAN 1 JANUARY 2020	561,00	WEST COAST BEACH MINING CC	102	WEST COAST BEACH MINING CC
156	RHOUSE	RENTAL OF HOUSE MOSSIELAAN 1 JANUARY 2020	913,00	J. PAYNE	166	J. PAYNE
157	RHOUSE	RENTAL OF HOUSE MOSSIELAAN 2 JANUARY 2020	913,00	ALFONS APRIL	166	ALFONS APRIL
158	RHOUSE	RENTAL OF HOUSE MOSSIELAAN 3 JANUARY 2020	913,00	MULTI FACET (I)	166	MULTI FACET (I)
159	RHOUSE	RENTAL OF HOUSE MOSSIELAAN 4 JANUARY 2020	996,00	S. DIERGAARDT	166	S. DIERGAARDT

160	RHOUSE	RENTAL OF HOUSE MOSSIELAAN 6 JANUARY 2020	913,00	SDMC NUMBER ONE (PTY) LTD.	166	SDMC NUMBER ONE (PTY) LTD.
161	RHOUSE	RENTAL OF HOUSE MOSSIELAAN 7 JANUARY 2020	913,00	MICHAEL HAVES	166	MICHAEL J HAVES
162	RHOUSE	RENTAL OF HOUSE NAMAKWALAAN 10 JANUARY 2020	576,00	BA JOSEPH	96	BA JOSEPH
163	RHOUSE	RENTAL OF HOUSE NAMAKWALAAN 11 JANUARY 2020	528,00	AMBIKOR 200 (PTY) LTD.	96	AMBIKOR 200 (PTY) LTD.
164	RHOUSE	RENTAL OF HOUSE NAMAKWALAAN 12 JANUARY 2020	467,50	BLUE CHIP MINING & DRILLING	85	BLUE CHIP MINING & DRILLING
165	RHOUSE	RENTAL OF HOUSE NAMAKWALAAN 13 JANUARY 2020	522,50	GAFFIE MAREE LAERSKOOI	95	GAFFIE MAREE LAERSKOOI
165	RHOUSE	SUBSIDY	-332,50	GAFFIE MAREE LAERSKOOI		GAFFIE MAREE LAERSKOOI
166	RHOUSE	RENTAL OF HOUSE NAMAKWALAAN 14 JANUARY 2020	528,00	RICHTERSVELD BLESSING AND REPAIR MA	96	RICHTERSVELD BLESSING AND REPAIR MAINTENANCE
167	RHOUSE	RENTAL OF HOUSE NAMAKWALAAN 15 JANUARY 2020	576,00	L FORTUIN	96	L FORTUIN
168	RHOUSE	RENTAL OF HOUSE NAMAKWALAAN 16 JANUARY 2020	510,00	BRENDAN DE WET	85	BRENDAN DE WET
169	RHOUSE	RENTAL OF HOUSE NAMAKWALAAN 19 JANUARY 2020	484,00	DAROHNE MINING	88	DAROHNE MINING
170	RHOUSE	RENTAL OF HOUSE NAMAKWALAAN 21 JANUARY 2020	808,50	J. JOSEPH	147	J. JOSEPH
171	RHOUSE	RENTAL OF HOUSE NAMAKWALAAN 22 JANUARY 2020	880,00	CHRISTEN GEMEENTE	160	DIE CHRISTEN GEMEENTES
172	RHOUSE	RENTAL OF HOUSE NAMAKWALAAN 3 JANUARY 2020	726,00	SL. TRANSPORT	132	SL. TRANSPORT
173	RHOUSE	RENTAL OF HOUSE NAMAKWALAAN 5 JANUARY 2020	847,00	J.A. (BERTUS) FARMER	154	J.A. (BERTUS) FARMER
174	RHOUSE	RENTAL OF HOUSE NAMAKWALAAN 6 JANUARY 2020	605,00	NXANTATHU	110	NXANTATHU
175	RHOUSE	RENTAL OF HOUSE NAMAKWALAAN 7 JANUARY 2020	495,00	PATRICK OBIES	90	PATRICK OBIES
176	RHOUSE	RENTAL OF HOUSE NAMIBLAAN 3 JANUARY 2020	720,00	KHOINAM (PTY) LTD	120	KHOI NAM (PTY) LTD
177	RHOUSE	RENTAL OF HOUSE NAMIBLAAN 4 JANUARY 2020	484,00	DAROHNE MINING	88	DAROHNE MINING
178	RHOUSE	RENTAL OF HOUSE NAMIBLAAN 5 JANUARY 2020	539,00	GAFFIE MAREE LAERSKOOI	98	GAFFIE MAREE LAERSKOOI
178	RHOUSE	SUBSIDY	-343,00	GAFFIE MAREE LAERSKOOI		GAFFIE MAREE LAERSKOOI
179	RHOUSE	RENTAL OF HOUSE NAMIBLAAN 6 JANUARY 2020	539,00	GAFFIE MAREE LAERSKOOI	98	GAFFIE MAREE LAERSKOOI
179	RHOUSE	SUBSIDY	-343,00	GAFFIE MAREE LAERSKOOI		GAFFIE MAREE LAERSKOOI
180	RHOUSE	RENTAL OF HOUSE ORANIEWEG 3 JANUARY 2020	1 100,00	HOERSKOOI ALEXANDERBAAI	200	HOERSKOOI ALEXANDERBAAI
180	RHOUSE	SUBSIDY	-700,00	HOERSKOOI ALEXANDERBAAI		HOERSKOOI ALEXANDERBAAI
181	RHOUSE	RENTAL OF HOUSE PALMIETLAAN 1 JANUARY 2020	913,00	ASTROSTONE 132 CC	166	ASTROSTONE 132 CC
182	RHOUSE	RENTAL OF HOUSE PALMIETLAAN 3 JANUARY 2020	913,00	WEST PROSPECT MINING	166	WEST PROSPECT MINING
183	RHOUSE	RENTAL OF HOUSE PALMIETLAAN 4 JANUARY 2020	913,00	NXANTATHU	166	NXANTATHU
184	RHOUSE	RENTAL OF HOUSE PALMIETLAAN 5 JANUARY 2020	913,00	M.A.W. SMIT	166	M.A.W. SMIT
185	RHOUSE	RENTAL OF HOUSE PARKHOM 1 PN JANUARY 2020	335,50	LEE-ROY D. LOUW	61	LEE-ROY D. LOUW
186	RHOUSE	RENTAL OF HOUSE PARKHOM 3 PN JANUARY 2020	335,50	R.E. BOYCE	61	R.E. BOYCE
187	RHOUSE	RENTAL OF HOUSE PARKHOM 5 PN JANUARY 2020	335,50	C.C. SIMPSON	61	C.C. SIMPSON
188	RHOUSE	RENTAL OF HOUSE PARKHOM 6 PN JANUARY 2020	335,50	ZANZIBAR DIAMANTE (I)	61	ZANZIBAR DIAMANTE (I)
189	RHOUSE	RENTAL OF HOUSE PARKHOM 7 PN JANUARY 2020	335,50	JBDE DIAMANTE	61	JBDE DIAMANTE
190	RHOUSE	RENTAL OF HOUSE PARKHOM 8 PN JANUARY 2020	335,50	ABUTI 1103	61	ABUTI 1103
191	RHOUSE	RENTAL OF HOUSE PARKHOM 9 PN JANUARY 2020	300,00	INSHORE MINING JV	55	IMVJ MINING
192	RHOUSE	RENTAL OF HOUSE PARKHOM 10 PN JANUARY 2020	335,50	ZANZIBAR DIAMANTE (I)	61	ZANZIBAR DIAMANTE (I)
193	RHOUSE	RENTAL OF HOUSE PARKSTRAAT 1 JANUARY 2020	544,50	N. OPPERMAN	99	N. OPPERMAN
194	RHOUSE	RENTAL OF HOUSE PARKSTRAAT 2 JANUARY 2020	643,50	ELFIE PIEK	117	ELFIE PIEK
195	RHOUSE	RENTAL OF HOUSE PARKSTRAAT 3 JANUARY 2020	544,40	GEORGE FARMER	99	GEORGE FARMER
196	RHOUSE	RENTAL OF HOUSE PARKSTRAAT 5 JANUARY 2020	643,50	GOLDEN REWARDS 1476 CC	117	GOLDEN REWARDS 1476 CC
197	RHOUSE	RENTAL OF HOUSE PARKSTRAAT 7 JANUARY 2020	643,50	QUADRO RATS MARINE (I)	117	QUADRO RATS MARINE
198	RHOUSE	RENTAL OF HOUSE PARKSTRAAT 11 JANUARY 2020	544,50	SHAHID KHAN	99	SHAHID KHAN
199	RHOUSE	RENTAL OF HOUSE PARKSTRAAT 12 JANUARY 2020	643,50	HIRED UIS (PTY.) LTD.	117	HIRED UIS (PTY.) LTD.
200	RHOUSE	RENTAL OF HOUSE PASTORIELAAN 1 JANUARY 2020	1 963,50	VOILE EVANGELIE KERK	357	VOILE EVANGELIE KERK
201	RHOUSE	RENTAL OF HOUSE PELIKAANLAAN 2 JANUARY 2020	1 122,00	ALLUVIAL MINING	204	ALLUVIAL MINING
202	RHOUSE	RENTAL OF HOUSE PELIKAANLAAN 4 JANUARY 2020	1 122,00	J.M. COETZEE (ANNAMARIE)	204	J.M. COETZEE (ANNAMARIE)
203	RHOUSE	RENTAL OF HOUSE PELIKAANLAAN 5 JANUARY 2020	1 122,00	SIKIELELA DIAMONDS	204	SIKIELELA DIAMONDS
204	RHOUSE	RENTAL OF HOUSE PELIKAANLAAN 6 JANUARY 2020	1 463,00	A.M. JANSEN	266	A.M. JANSEN
205	RHOUSE	RENTAL OF HOUSE PIONIERSWEG 2 JANUARY 2020	896,50	WILLEM JOSEPH	163	WILLEM JOSEPH
206	RHOUSE	RENTAL OF HOUSE PIONIERSWEG 3 JANUARY 2020	984,00	CJ OPERATIONS (PTY) LTD	164	CJ OPERATIONS (PTY) LTD
207	RHOUSE	RENTAL OF HOUSE PIONIERSWEG 4 JANUARY 2020	972,00	AMBIKOR 200 (PTY) LTD.	162	AMBIKOR 200 (PTY) LTD.
208	RHOUSE	RENTAL OF HOUSE PIONIERSWEG 5 JANUARY 2020	1 133,00	ZEREN (PTY) LTD.	206	ZEREN (PTY) LTD.
209	RHOUSE	RENTAL OF HOUSE PROTALAAN 1 JANUARY 2020	544,50	HOERSKOOI ALEXANDERBAAI	99	HOERSKOOI ALEXANDERBAAI
209	RHOUSE	SUBSIDY	-346,50	HOERSKOOI ALEXANDERBAAI		HOERSKOOI ALEXANDERBAAI
210	RHOUSE	RENTAL OF HOUSE PROTALAAN 11 JANUARY 2020	726,00	HOERSKOOI ALEXANDERBAAI	132	DS BAILE
210	RHOUSE	SUBSIDY	-462,00	HOERSKOOI ALEXANDERBAAI		HOERSKOOI ALEXANDERBAAI

211	RHOUSE	RENTAL OF HOUSE PROTETALAN 2 JANUARY 2020	484,00	W.N. OBIES	88	W.N. OBIES
212	RHOUSE	RENTAL OF HOUSE PROTETALAN 3 JANUARY 2020	649,00	GAFFIE MAREE LAERSKOO	118	GAFFIE MAREE LAERSKOO
212	RHOUSE	SUBSIDY	-413,00	GAFFIE MAREE LAERSKOO		GAFFIE MAREE LAERSKOO
213	RHOUSE	RENTAL OF HOUSE PROTETALAN 5 JANUARY 2020	583,00	AMBIKOR 200 CC	106	AMBIKOR 200 (PTY) LTD.
214	RHOUSE	RENTAL OF HOUSE PROTETALAN 6 JANUARY 2020	583,00	P.S. CLOETE	143	P.S. CLOETE
215	RHOUSE	RENTAL OF HOUSE PROTETALAN 7 JANUARY 2020	726,00	BARLOWORLD EQUIPMENT	132	BARLOWORLD EQUIPMENT
216	RHOUSE	RENTAL OF HOUSE PROTETALAN 8 JANUARY 2020	792,00	C.P. ROOI	132	C.P. ROOI
217	RHOUSE	RENTAL OF HOUSE PROTETALAN 9 JANUARY 2020	852,00	ARNO SWARTBOOI	142	ARNO SWARTBOOI
218	RHOUSE	RENTAL OF HOUSE RIETRIJAN 2 JANUARY 2020	913,00	AMBIKOR 200 (PTY) LTD.	166	AMBIKOR 200 (PTY) LTD.
219	RHOUSE	RENTAL OF HOUSE RIETRIJAN 4 JANUARY 2020	913,00	WEST PROSPECT MINING	166	WEST PROSPECT MINING
220	RHOUSE	RENTAL OF HOUSE RIETRIJAN 5 JANUARY 2020	913,00	GULLY DIAMOND MINING (I)	166	GULLY DIAMOND MINING (I)
221	RHOUSE	RENTAL OF HOUSE RIETRIJAN 6 JANUARY 2020	913,00	GULLY DIAMOND MINING (II)	166	GULLY DIAMOND MINING (I)
222	RHOUSE	RENTAL OF HOUSE SEEMEULAN 3 JANUARY 2020	913,00	SIKELELA DIAMONDS	166	SIKELELA DIAMONDS
223	RHOUSE	RENTAL OF HOUSE SEEMEULAN 4 JANUARY 2020	913,00	IZEMBI TRADING	166	IZEMBI TRADING
224	RHOUSE	RENTAL OF HOUSE SEEMEULAN 5 JANUARY 2020	913,00	G.B. PEDDIE	166	G.B. PEDDIE
225	RHOUSE	RENTAL OF HOUSE SEEMEULAN 6 JANUARY 2020	913,00	MULTI FACET (I)	166	MULTI FACET (I)
226	RHOUSE	RENTAL OF HOUSE SPORRIELAN 1 JANUARY 2020	913,00	G.P. HUYSAMEN	166	G.P. HUYSAMEN
227	RHOUSE	RENTAL OF HOUSE SPORRIELAN 1 JANUARY 2021	498,00	J.A. CHRISTIAAN	166	J.A. CHRISTIAAN
228	RHOUSE	RENTAL OF HOUSE SPORRIELAN 9 JANUARY 2020	913,00	P.A. ENGELBRECHT	166	P.A. ENGELBRECHT
229	RHOUSE	RENTAL OF HOUSE SPORRIELAN 10 JANUARY 2020	996,00	R. DIERGARDT	166	R. DIERGARDT
230	RHOUSE	RENTAL OF HOUSE SPORRIELAN 11 JANUARY 2020	913,00	REDNEX TRADING	166	REDNEX TRADING
231	RHOUSE	RENTAL OF HOUSE SPORRIELAN 4 JANUARY 2020	913,00	SAMAJOR MOSHEA	166	SAMAJOR K.E. MASHEA
232	RHOUSE	RENTAL OF HOUSE SPORRIELAN 5 JANUARY 2020	913,00	A.J. BAKKER	166	A. BAKKER
233	RHOUSE	RENTAL OF HOUSE STEENBOKLAAN 1 JANUARY 2020	935,00	VMICL MINING SA (PTY) LTD.	170	VMICL MINING SA (PTY) LTD.
234	RHOUSE	RENTAL OF HOUSE STEENBOKLAAN 3 JANUARY 2020	1 020,00	MARINDA HAYES	170	MARINDA HAYES
235	RHOUSE	RENTAL OF HOUSE STEENBOKLAAN 7 JANUARY 2020	1 020,00	G.W. HEUGH (RETRENCHED)	170	G.W. HEUGH (RETRENCHED)
236	RHOUSE	RENTAL OF HOUSE STEENBOKLAAN 8 JANUARY 2020	935,00	A.S.R. VAN WYK	170	JOHAN VAN WYK
237	RHOUSE	RENTAL OF HOUSE STEENBOKLAAN 11 JANUARY 2020	996,00	KAPTEIN D VAN WYNGAARDT	166	KAPTEIN D VAN WYNGAARDT
238	RHOUSE	RENTAL OF HOUSE TARENTAL LAAN 1 JANUARY 2020	1 236,00	AM DE WET	206	AM DE WET
239	RHOUSE	RENTAL OF HOUSE UITSIGLAAN 2 JANUARY 2020	1 012,00	S.S. PRESLEY	184	S.S. PRESLEY
240	RHOUSE	RENTAL OF HOUSE VALKLAAN 1 JANUARY 2020	913,00	ALLUVIAL MINING	166	ALLUVIAL MINING
241	RHOUSE	RENTAL OF HOUSE VALKLAAN 2 JANUARY 2020	913,00	GAFFIE MAREE LAERSKOO	166	GAFFIE MAREE LAERSKOO
241	RHOUSE	SUBSIDY	-581,00	GAFFIE MAREE LAERSKOO		GAFFIE MAREE LAERSKOO
242	RHOUSE	RENTAL OF HOUSE VALKLAAN 5 JANUARY 2020	996,00	VAAT MINERAL SAND (PTY) LTD	166	VAAT MINERAL SAND (PTY) LTD
243	RHOUSE	RENTAL OF HOUSE VALKLAAN 6 JANUARY 2020	913,00	S.H. BASSON	166	S.H. BASSON
244	RHOUSE	RENTAL OF HOUSE VALKLAAN 7 JANUARY 2020	913,00	ALLUVIAL MINING	166	ALLUVIAL MINING
245	RHOUSE	RENTAL OF HOUSE VINKLAAN 3 JANUARY 2020	913,00	H.H. VOLLGRAAF	166	H.H. VOLLGRAAF
246	RHOUSE	RENTAL OF HOUSE VINKLAAN 4 JANUARY 2020	913,00	TAEMANE MINING	166	TAEMANE MINING
247	RHOUSE	RENTAL OF HOUSE VINKLAAN 5 JANUARY 2020	913,00	VAAT MINERAL SANDS (PTY) LTD	166	VAAT MINERAL SAND (PTY) LTD
248	RHOUSE	RENTAL OF HOUSE VINKLAAN 6 JANUARY 2020	913,00	MARCO LOUW	166	M.A. LOUW
249	RHOUSE	RENTAL OF HOUSE VINKLAAN 7 JANUARY 2020	913,00	G.J. LINKS	166	G.J. LINKS
249	RHOUSE	SUBSIDY	-581,00	G.J. LINKS		G.J. LINKS
250	RHOUSE	RENTAL OF HOUSE VYGGIELAN 10 JANUARY 2020	588,50	LOUIS CLOETE	107	LOUIS CLOETE
251	RHOUSE	RENTAL OF HOUSE VYGGIELAN 13 JANUARY 2020	588,50	BARLOWORLD EQUIPMENT	107	BARLOWORLD EQUIPMENT
252	RHOUSE	RENTAL OF HOUSE VYGGIELAN 16 JANUARY 2020	594,00	WH HANS	99	WH HANS
253	RHOUSE	RENTAL OF HOUSE VYGGIELAN 17 JANUARY 2020	588,50	TAEMANE MINING	107	TAEMANE MINING
254	RHOUSE	RENTAL OF HOUSE VYGGIELAN 19 JANUARY 2020	847,00	J. CLOETE	154	J. CLOETE
255	RHOUSE	RENTAL OF HOUSE VYGGIELAN 21 JANUARY 2020	577,50	A.J. VAN SCHALKWYK	105	A.J. VAN SCHALKWYK
255	RHOUSE	SUBSIDY	-367,50	A.J. VAN SCHALKWYK		A.J. VAN SCHALKWYK
256	RHOUSE	RENTAL OF HOUSE VYGGIELAN 20 JANUARY 2020	786,50	REVERT	143	REVERT
257	RHOUSE	RENTAL OF HOUSE VYGGIELAN 21 JANUARY 2020	665,50	K.A. CLOETE	121	KAREN PETRO
258	RHOUSE	RENTAL OF HOUSE VYGGIELAN 21 JANUARY 2020	517,00	TAEMANE MINING	94	TAEMANE MINING
259	RHOUSE	RENTAL OF HOUSE VYGGIELAN 7 JANUARY 2020	643,50	HOERSKOO ALEXANDERBAAI	117	HOERSKOO ALEXANDERBAAI
259	RHOUSE	SUBSIDY	-409,50	HOERSKOO ALEXANDERBAAI		HOERSKOO ALEXANDERBAAI
260	RHOUSE	RENTAL OF HOUSE VYGGIELAN 8 JANUARY 2020	522,50	GAFFIE MAREE LAERSKOO	95	GAFFIE MAREE LAERSKOO
260	RHOUSE	SUBSIDY	-332,50	GAFFIE MAREE LAERSKOO		GAFFIE MAREE LAERSKOO
261	RHOUSE	RENTAL OF HOUSE VYGGIELAN 9 JANUARY 2020	561,00	AMBIKOR 200 CC	102	AMBIKOR 200 (PTY) LTD.

262	RHOUSE	RENTAL OF HOUSE VYFDESTRAAT 8 PN JANUARY 2020	7 347,25	ASHLEY FORTUIN	190	ASHLEY FORTUIN
263	RHOUSE	RENTAL OF HOUSE VYFDESTRAAT 9 PN JANUARY 2020	6 573,86	HG DE WEE	170	HG DE WEE
264	RHOUSE	RENTAL OF HOUSE VYFDESTRAAT 12 PN JANUARY 2020	621,50	W.J.FARMER	113	W.J.FARMER
265	RHOUSE	RENTAL OF HOUSE VYFDESTRAAT WOONSTEL 10 PN JANUARY 2020	3 054,91	JGF UYS	79	JGF UYS

204 344,99

ANNEXURE 2

REVENUE SPLIT PROPOSAL

REVENUE SPLIT PROPOSAL

1. INTRODUCTION

One of the deliverables of the Administrator is to propose an alternate revenue sharing model. The purpose of this report is to propose alternative revenue sharing splits with its respective advantages and disadvantages. The proposed revenue sharing splits are made in the event that the planned Section 54 (2) (e) application is rejected and that Alexkor will continue to participate in the mining activities of the Pooling and Sharing Joint Venture (PSJV).

2. BACKGROUND

In 1998 the Richtersveld Community filed a land claim against the Government for dispossession of land under the guidance of the Restitution of Land Rights Act 22 of 1994. The land and mineral rights were awarded to the community and a Deed of Settlement was signed in 2007. The Government through Alexkor owns the Marine mining rights. Alexkor and the Richtersveld Mining Company (RMC) entered into a joint venture, the PSJV, with Alexkor being the 51% partner and the RMC the 49% partner. The mining rights of both Alexkor and the RMC is under the full control of a Joint Board of the PSJV. The PSJV is an Unincorporated Joint Venture and is governed by the Deed of Settlement (DoS) and the Unanimous Resolution (UR) which are an order of the Court and sets out the governance framework from an operational perspective.

Because the PSJV is an Unincorporated Joint Venture, it has significant governance challenges, as it does not have to comply with the Companies Act or the Public Finance Management Act (PFMA), neither has it adopted any of the best practices contained with either of the Acts mentioned above. The DoS and the UR creates further governance challenges, as an example, one of the clauses in the DoS stipulates that for the Joint Board to take a decision there must be a minimum of two Alexkor members and two RMC members. Because of this, disagreement around a decision results in a stalemate which negatively impacts operations. Certain clauses such as 8.3.13 within the DoS, which broadly states that the appointment of the mining contractors is a decision of the Executive Committee even if the Joint Board refuses such an appointment. These seems to be a hinderance to the effective operating of the mine and are being used by the current PSJV management to push back against any changes to the current structures and operations

of the mine. Alexkor as the 51% shareholder has never been able to exercise its right as a majority shareholder.

The PSJV is facing serious financial challenges which can be attributed to the lack of governance, poor management and board decision making etc. The mine is currently technically insolvent and is unable to pay its creditors as the debts fall due. Some of these outstanding debts are statutory payments to the South African Revenue Service (SARS), medical aid contributions and pension payments on behalf of the staff.

Due to the precarious financial position and the lack of technical capacity, the PSJV has never done a comprehensive exploration programme to take the resource to measured or indicated levels. This is normal practice in any mining activity and is the cornerstone of mining projects throughout the world. It is this lack of geological data that has resulted in the PSJV entering into contracts that benefit the contractors more than the PSJV. This is a significant contributor to the current financial situation as the current revenue splits favour the contractors. Due to the lack of geological information the PSJV has been mining on an inferred resource which should not have been allowed particularly for a diamond mine as the viability of the resource is normally measured using carats per hundred tons (CPHT) and the dollar price per ton to de-risk the project. No bank will fund a mining project that is based on an inferred resource.

Geological Information

The land mining right area covers in excess of 865 374 520 m² with the coastal length of approximately 100km. There are twelve main concessions within the mining right. In April 2012, Z Star Mineral Resource Consultants was contracted to do a due diligence report for the on-shore minerals. They were requested to use the base input from a 2004 estimation exercise. The due diligence exercise included a review of:

- The geological model
- The sampling data
- The estimation methodology and associated historical estimation reports
- The official Alexkor 2004 mineral resource figures
- The mineral resource classification

Note the following comments from the Z Star Mineral Resource Consultants' Report:

- The Alexkor diamonds are 95% gem quality and the stone sizes decrease in a northwards direction from the river mouth.

- Lack of prospecting activity resulting in the Mineral Resources Management (MRM) information not being updated. Vital MRM tools are depletion history, resource and reserve performance.
- Alexkor was mined on an inferred level of confidence – it should be measured or indicated, particularly for a diamond mine.

Z Star came to the following conclusion:

"The Alexkor 2004 Mineral Resource or any of its derivatives are not considered to be a fair reflection of the on-land Alexkor diamond asset as at April 2012. From the data and information provided, the Alexkor 2004 Mineral Resource appears significantly over-inflated."

They further state: *"Proceeding to a mining phase with the existing mineral resource is not a viable option"*.

Quick Wins

Based on the current revenue splits at the mine, the following proposed changes are the low hanging fruit that can possibly be implemented immediately.

The contract mining for the PSJV takes place on the land and the marine. The land mining right is owned by the Richtersveld Mining Company (RMC) and the Marine mining right is owned by Alexkor.

The land mining consists of the following:

1. Land Mining
2. Bedrock Sweeping
3. Dumps Processing

The marine mining consists of the following:

- The shore units which includes the North, Middle and South
- The boats which includes the North, Middle, South, Far South, Deep (up to 17.5 metres water depth), Mid Waters (10m to 30m in Concession 1A)
- Beach Mining
- Cofferdam Mining
- IMDSA
 - Sea Concession 1C, 1B, 4B
 - Sea Concession 1B, 4B

The bigger carat sizes are found in the North and the sizes reduce as you move to the South. See the attached graph and spreadsheet produced by the PSJV.

Year to Date Revenue Contribution Percentage for the current Financial Year:

- Revenue for the North 33%
- Revenue for the Middle 10%
- Revenue for the South 7%
- Revenue for the Mid Waters (Deep Water) 20%

The above shows that the marine contributes 70% of the current Year to Date Revenue.

- Revenue for the Land 14%
- Beach including Cofferdams 16%

The overall picture shows that the deeper waters has the best mining potential without an understanding of the geology.

Going forward, having boats in the mid-waters will help to address the lack of sea days for the divers during the winter season.

1. LAND MINING

Bedrock Sweeping – Current Revenue Split

Historically the split for the bedrock sweeping was 80:20 in favour of the contractor for all diamonds mined. This was changed during the 2018/19 financial year to the current staggered split listed below.

- 0 – 200 carats the split is 80/20 in favour of the contractor
- 201 – 700 carats the split is 60/40 in favour of the contractor
- Greater than 700 carats the split is 50/50

The diamonds of 6.8 carats and greater in size and any exceptional stones with an individual value of a R1m or more irrespective of size, the split is 50/50.

To encourage the contract miners to process more volume which will be to the benefit of the contractors and the PSJV, the following splits have been introduced:

- 0 – 100 carats the split is 80/20 in favour of the contractors
- 101 – 200 carats the split is 60/40 in favour of the contractors
- Greater than 200 carats the split is 50/50

Proposal:

No change in the current model for the bedrock sweeping contracts. According to experts, if the contracting model were to change, it will have to be based on tonnage processed and net revenue split.

Dumps (Coarse Tailings) – Current Revenue Split

The revenue share is based on a staggered split depending on the capital intensive nature of the operation.

- 0 – 1,500 carats the split is 70/30 in favour of the contractors
- Greater than 1,500 carats the split is 60/40 in favour of the contractors

The diamonds of 6.8 carats and greater in size and any exceptional stones with an individual value of a R1m or more, irrespective of the size, the revenue split is 50/50.

Proposal:

- 0 – 500 carats the split should be 70/30 in favour of the contractors
- Greater than 500 carats split should be 60/40 in favour of the contractors

Land Mining – Current Revenue Split

The revenue share is 80/20 for all the diamonds mined.

The diamonds of 6.8 carats and greater in size and any exceptional stones with an individual value of a R1m or more, irrespective of the size, the revenue split is 50/50.

Proposal:

- 0 – 500 carats the split should be 80/20 in favour of the contractors
- Greater than 500 carats split should be 60/40

2. MARINE MINING

SHORE UNITS/LAND UNITS

North – Current Revenue Split

The current revenue split is 48/52 in favour of the PSJV. This is based on the average stone sizes in the area.

The diamonds of 6.8 carats and greater in size and any exceptional stones with an individual value of a R1m or more, irrespective of the size, the revenue split is 48/52 in favour of the PSJV.

Proposal:

No change to the current revenue split.

Middle – Current Revenue Split

The current revenue split is 60/40 in favour of the contractors. This is based on the average stone sizes in the area.

The diamonds of 6.8 carats and greater in size and any exceptional stones with an individual value of a R1m or more, irrespective of the size, the revenue split is 50/50.

Proposal:

No change to the current revenue split.

South – Current Revenue Split

The current revenue split is 70/30 in favour of the contractors. This is based on the average stone sizes in the area.

The diamonds of 6.8 carats and greater in size and any exceptional stones with an individual value of a R1m or more, irrespective of the size, the revenue split is 50/50.

Proposal:

No change to the current revenue split.

Far South – Current Revenue Split

The current revenue split is 75/25 in favour of the contractors. This is based on the average stone sizes in the area.

The diamonds of 6.8 carats and greater in size and any exceptional stones with an individual value of a R1m or more, irrespective of the size, the revenue split is 50/50.

Proposal:

No change to the current revenue split.

BOATS / SEA UNITS

North – Current Revenue Split

The current revenue split is 48/52 in favour of the PSJV. This is based on the average stone sizes in the area.

The diamonds of 6.8 carats and greater in size and any exceptional stones with an individual value of a R1m or more, irrespective of the size, the revenue split is 48/52 in favour of the PSJV.

Proposal:

No change to the current revenue split.

Middle – Current Revenue Split

The current revenue split is 60/40 in favour of the contractors. This is based on the average stone sizes in the area.

The diamonds of 6.8 carats and greater in size and any exceptional stones with an individual value of a R1m or more, irrespective of the size, the revenue split is 50/50.

Proposal:

No change to the current revenue split.

South – Current Revenue Split

The current revenue split is 70/30 in favour of the contractors. This is based on the average stone sizes in the area.

The diamonds of 6.8 carats and greater in size and any exceptional stones with an individual value of a R1m or more, irrespective of the size, the revenue split is 50/50.

Proposal:

No change to the current revenue split.

Far South – Current Revenue Split

The current revenue split is 75/25 in favour of the contractors. This is based on the average stone sizes in the area.

The diamonds of 6.8 carats and greater in size and any exceptional stones with an individual value of a R1m or more, irrespective of the size, the revenue split is 50/50.

Proposal:

No change to the current revenue split.

Deep (Up to 17.5 metres water depth) – Current Revenue Split

The current revenue split is 70/30 in favour of the contractors. This is based on the capital expenses being incurred for the deeper diving operations.

The diamonds of 6.8 carats and greater in size and any exceptional stones with an individual value of a R1m or more, irrespective of the size, the revenue split is 50/50.

Proposal:

The revenue split should change to 60/40 in favour of the contractors

Mid Waters (10 to 30 metres in Concession 1A) – Current Revenue Split

The current revenue split is 70/30 in favour of the contractors. This is based on the capital expenses being incurred for the deeper diving operations.

The diamonds of 6.8 carats and greater in size and any exceptional stones with an individual value of a R1m or more, irrespective of the size, the revenue split is 50/50.

Proposal:

The revenue split should change to 60/40 in favour of the contractors

BEACH MINING – Current Revenue Split

The current revenue split is 70/30 in favour of the contractors. This is based on the capital intensive nature of the operation.

The diamonds of 6.8 carats and greater in size and any exceptional stones with an individual value of a R1m or more, irrespective of the size, the revenue split is 50/50.

Proposal:

A staggered revenue split as follows:

- **0 – 500 carats the split should be 70/30 in favour of the contractors**
- **Greater than 500 carats the split should be 60/40 in favour of the contractors**

COFFER DAM – Current Revenue Split

The current revenue split is 75/25 in favour of the contractors. This is based on the capital intensive nature of the operation.

The diamonds of 6.8 carats and greater in size and any exceptional stones with an individual value of a R1m or more, irrespective of the size, the revenue split is 60/40 in favour of the contractor.

Proposal:

A staggered revenue split as follows:

- **0 – 500 carats the split should be 70/30 in favour of the contractors**
- **Greater than 500 carats the split should be 60/40 in favour of the contractors**

3. IMDSA

Sea Concession 1C, 1B, 4B – Current Revenue Split

The current revenue split is 85/15 in favour of the contractors. This is based on the capital intensive nature of the operation.

Proposal:

No change to the current revenue split.

Sea Concession 1B, 4B – Mid Water Sub Contractor – Current Revenue Split

This concession is currently being mined by a sub-contractor of IMDSA. The current revenue split is 70/24/6 (Sub-Contractor, PSJV, IMDSA). This is based on the capital intensive nature of the operation.

The diamonds of 6.8 carats and greater in size and any exceptional stones with an individual value of a R1m or more, irrespective of the size, the revenue split is 50/44/6 (Sub-Contractor/PSJV/IMDSA).

Proposal:

- **The revenue split should change to 64/30/6 (Sub-Contractor, PSJV, IMDSA)**
- **The diamonds of 6.8 carats and greater in size and any exceptional stones with an individual value of a R1m or more, irrespective of the size, the revenue split should change to 44/50/6 (Sub-Contractor/PSJV/IMDSA).**

CONCLUSION:

Based on the production of the current Financial Year and taking into account the above proposed changes to the revenue splits, the increase in Gross Profit will be R4.3m which is insignificant as the PSJV's monthly costs are in the region of R7m a month.

4. RECOMMENDATION:

The following proposals can be considered:

1. PSJV does its own mining

Advantages:

The PSJV will be in control of its own mining operations and can determine the depletion rates. Furthermore, the revenue will be 100% for the PSJV and the life of mine and mine will be determined and controlled by the PSJV.

Disadvantages:

The PSJV does not have the necessary financial and technical resources to undertake its own mining operations. The capital expenditure for such an undertaking is significant and will take time to be implemented.

2. The contractors mine and the PSJV owns 100% of the diamonds

Advantages:

The PSJV will own 100% of the diamonds and will not have to share the revenue with the contractors. The PSJV will contract with the contractors on a cost-plus basis and the contractors will have an open book policy.

Disadvantages:

The PSJV will need the upfront cash to be able to compensate the contractors. Extra human resources will be required to do the monthly financial analysis. Contracts will have to be drafted in such a manner that the PSJV does not become liable for the inefficiencies of the contractors.

3. The PSJV does the exploration and the contractors mine on behalf of the PSJV

Advantages:

The exploration will be undertaken and the resource estimate will be completed. The PSJV will know what the resource is and where and how to mine it. The PSJV will be able to contract on a much more favourable revenue split for the PSJV and be able to forecast its mining production on a more accurate manner. This will result in better planning and a more profitable PSJV.

Based on the current Financial Year production, the Land contributes 14% to revenue year to date. Doing the exploration can increase this contribution and this is the area that can be mined all year regardless of the weather.

Furthermore, the marine contributes 70% of the current Financial Year to Date revenue. Having this geological data will add significantly to the PSJV's revenue as a result of the change in the revenue splits.

Disadvantages:

The exploration costs of \$22.5 million will have to be incurred and there is no guarantee that there will be a sustainable resource. The mine will have to be adequately staffed and this will come at a cost.

PREFERRED OPTION:

The preferred option is option 3 as it is a win-win for the contractors and the PSJV. The PSJV will be able to have a life of mine plan and can forecast its mining operations to ensure that it is profitable. The contractors will not have to spend their resources on exploration before they start to mine. This will result in quicker turnaround times for the diamonds to be mined as the geological data will inform where the mining should take place.

ANNEXURE 3

PFMA ALIGNMENT OF ALEXKOR AND PSJV SCM POLICIES

Alexkor SCM Policy vs PSJV SCM Policy

Alexkor in line with the following	PSJV in line with the following
The Constitution of South Africa, Act 108 of 1996	The Constitution of South Africa, Act 108 of 1996
The Public Finance Management Act, Act 1 of 1999 (as amended)	Not compliant
Preferential Procurement Policy Framework Act, Act 5 of 2000	Preferential Procurement Policy Framework Act, Act 5 of 2000
Preferential Procurement Regulations, 2017	Not compliant
Supply Chain Management Guideline for Accounting Officers	Not compliant
Broad Based Black Economic Empowerment Act, Act 53 of 2003 as amended	Broad Based Black Economic Empowerment Act, Act 53 of 2003 as amended
Mining Charter on Social and Labour Plans	Mining charter, 2004 as amended
Alexkor Delegation of Authority	PSJV Delegation of Authority
National Treasury Circulars, Practice Notes and Guidelines	Not compliant

SCM procurement thresholds

Alexkor thresholds		PSJV thresholds	
Thresholds (VAT inclusive)	Procurement methods	Thresholds (VAT inclusive)	Procurement methods
Less than R2 000	Petty Cash	More than R3 000 less than R10 000	One (1) written quotation
More than R2 000 Less than R30 000	Three (3) written quotation	More than R10 000 less than R30 000	Two (2) written quotation
More than R30 000 Less than R500 000	Three (3) written quotation	More than R30 000 less than R500 000	Three (3) written quotation

More than R500 000 Less than R10 million	Competitive bidding process, through Advertisement Bid committees to be involved: <ul style="list-style-type: none"> • Bid Specification Committee • Bid Evaluation Committee • Bid Adjudication Committee 	More than R500 000 less than R2 500 000	Three (3) written quotation Formal competitive bidding process
		More than R2 500 000 less than R5 000 000	Competitive bidding process through advertisement Bid committees to be involved: <ul style="list-style-type: none"> • Bid Specification Committee • Bid Evaluation Committee • Bid Adjudication Committee
		More than R5 000 000	Competitive bidding process through advertisement Bid committees to be involved: <ul style="list-style-type: none"> • Bid Specification Committee • Bid Evaluation Committee • Bid Adjudication Committee

Advertisement of Tenders

- Alexkor advertise tenders to the newspapers, E-tender from National Treasury and Alexkor website.
- PSJV advertise tenders to the newspapers and notice boards around the area(s).

Sourcing of suppliers

- Alexkor source supplier from Central Supplier Database (CSD) from National Treasury
- PSJV source supplier from their Internal supplier database.

SCM policy approval

- Alexkor SCM policy was approved by Alexkor Board
- PSJV SCM policy was approved by PSJV Board

Preferential points system as Regulation 2017

- Alexkor apply preferential points system as follows
 - ✓ 80/20 points for all acquisitions of goods and services more than R30 000 less than R50 million
 - ✓ 90/10 points for all acquisitions for goods and services more than R50 million
- PSJV from their policy no indication how they apply the above preferential points

Irregular Expenditure

- Alexkor deal with irregular expenditure as per the Irregular Expenditure Framework issued in terms of Treasury Instruction 02 of 2019/2020 and also the Alexkor SCM policy is aligned accordingly.
- PSJV from their SCM policy no indication how do they deal with Irregular Expenditure.

ANNEXURE 4

ALEKKOR EXPLORATION PROPOSAL



ALEKKOR RESOURCE DEVELOPMENT STRATEGY PROPOSAL

1. Introduction

The Alekkor diamond resources have been extensively exploited over the decades, both at sea and on land; still, a substantial resource base is expected to be remaining. Historical exploration and mining ventures were predominantly based on outdated techniques and equipment, that most certainly missed the discovery and exploitation of numerous sub-deposits. This is evident when looking at production results achieved by the IMDH Group in recent years.

The successful discovery of diamond deposits is closely linked to a sound scientific approach as the IMDH Group has soundly demonstrated over the past years, by adhering to a resource development strategy that has been developed and refined over two decades.

2. IMDH Resource Development Strategy

The primary objective of a resource development strategy is to ensure that effective and cost-efficient methods are adopted in the diamonds' exploration and the subsequent recovery thereof (both during the exploration and mining phases). The guidelines summarised below (in broad terms) incorporate principles and approaches that have been developed and tested over past experience in the marine diamond industry, and are intended to demonstrate the logical progression of operations and the management of information used for identifying and exploiting the diamond resources in prospective areas.

GEOPHYSICAL SURVEYS - In marine and alluvial diamond exploration, *accurate geophysical data is the essential foundation on which sampling programs are built, resources delineated and successful mining undertaken.* The quality of the geophysical data depends on the accuracy of the navigation, including the latest technology of geophysical equipment used, the survey line spacing (data coverage) and the diligence and experience of the geologists/geophysicists that interpret the data. IMDH Group has established itself as a leader in marine geophysical surveys to map out the seafloor and define sub-bottom footwall/bedrock topography to pinpoint high potential diamond trap sites.

GEOLOGICAL MODELLING - A wide variety of depositional environments exist along the west coast, which is the culmination of the interaction between marine, fluvial, aeolian and ephemeral processes super imposed on geomorphological, structural and bedrock characteristics. A geological model must define the depositional environment and deposit geometry that will eventually dictate the line spacing density of geophysical surveys and optimal placement of samples to identify mineralization.

SAMPLING – Sampling is conducted in three stages, with increasing focus on locating and defining mineralized areas.

Stage 1: Reconnaissance sampling. The objective of this regional sampling program is to prove the

presence of diamonds in a target feature. Drill site selection is based on wide sample spacings (low density), but carefully planned on the basis of depressions or terraces as indicated on high-resolution bedrock/footwall Digital Elevation Models (DEM).

Stage 2: Infill Sampling. The objective of infill sampling is to determine the outline, shape and character of mineralised areas indicated by the reconnaissance program. Sample spacing is of moderate density to give an indication of possible grade and resource.

Stage 3: Resource Development Sampling. The objective of the resource development sampling is to determine the grade and character of a demarcated mineralised area for resource estimations. Sample spacing is of moderate to high density as to give an accurate reflection of grade and resource.

3. Potential Alexkor Remaining Resources

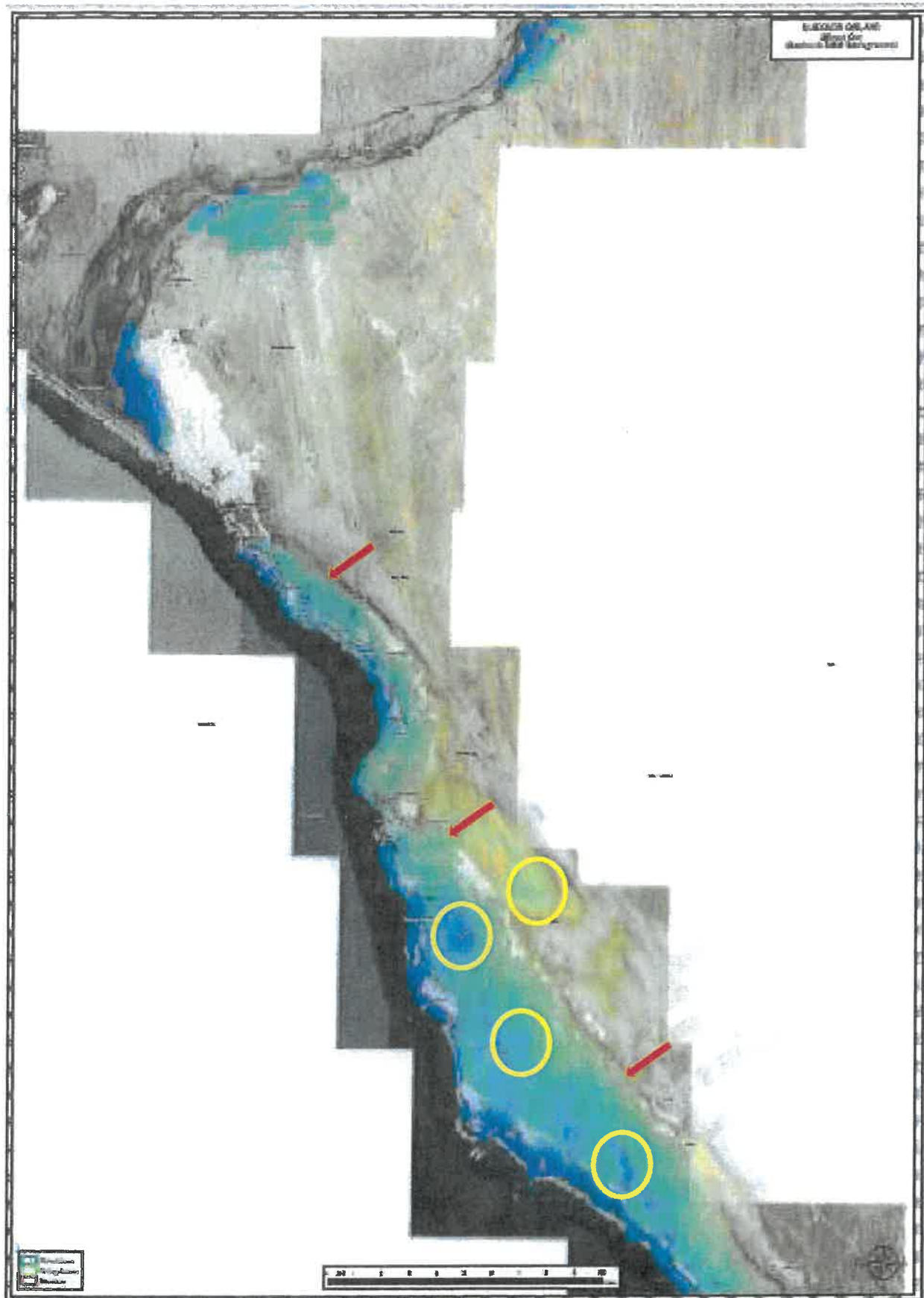
Limited Alexkor's data are available to make an in-depth assessment of the remaining potential of the properties. E.g., on-land mining data dates back to 2005 only, drill hole positions are known with mostly no gravel thickness results attached, and shallow water diving operator results are sketchy. Trench sampling results are available, but a question mark remains on the Quality Assurance & Quality Control (QAQC) procedures undertaken. The scrutiny of full data sets up to the present will greatly assist in compiling a more detailed assessment. A quantitative assessment is however possible at this stage.

An overview of the historical Alexkor operations shows that no clear resource development strategy was followed, in both marine and on-land environments. This is especially true of geophysical surveys. Apart from the full set of geophysical surveys conducted by IMDH in the mid-waters, as far as known, only the 1A-concession was covered by a Multibeam Echosounder survey (MBES). Although the MBES survey in Concession 1A provides a valuable tool, the lack of sub-bottom profiling makes target selection for divers and remote mining operations a guessing game. Precise targets can only be effectively generated when the thickness of gravel and overburden is established by means of sub-bottom geophysics.

A very high number of boreholes were drilled on-land, again on a somewhat random grid without the benefit of an established detailed footwall/bedrock topography surface. The borehole data available do not reflect stratigraphic units or even gravel thickness.

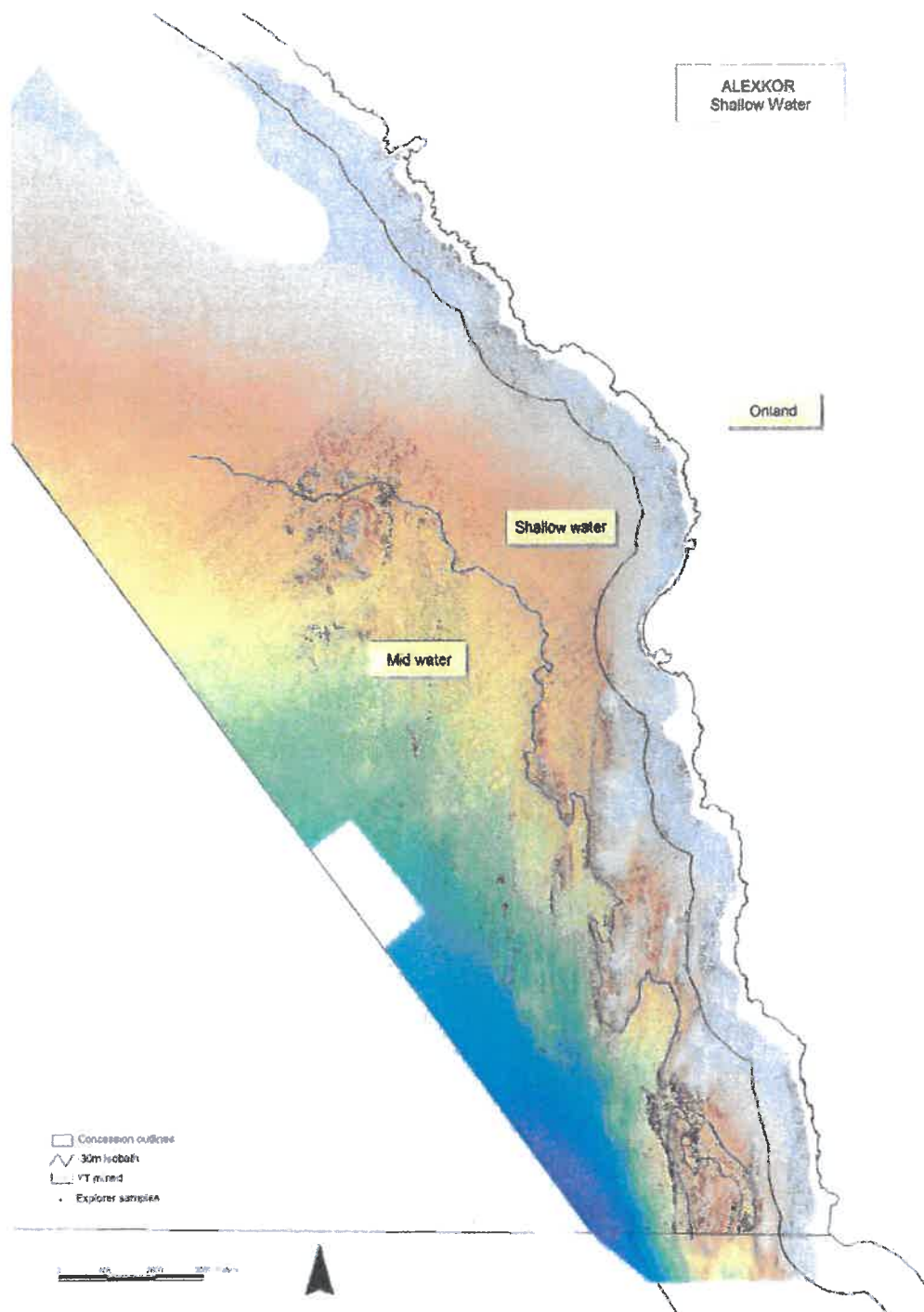
In creating a crude bedrock DEM from the borehole thickness data, it is apparent that numerous portions of terraces and bedrock depressions were not historically fully explored. On the map below, the yellow circles indicate examples of depressions and channels not fully explored. The red arrows indicate examples of breaks between historical mining blocks (white areas) along the upper terrace likely to still carry mineralisation.

These poorly explored areas have a high potential to host numerous sub-deposits that could be established by applying the correct resource development strategy.



4. Alexkor Exploration Proposal

The Alexkor potential resources, can broadly be divided into on-land, shallow water, mid-water and deep-water deposits.



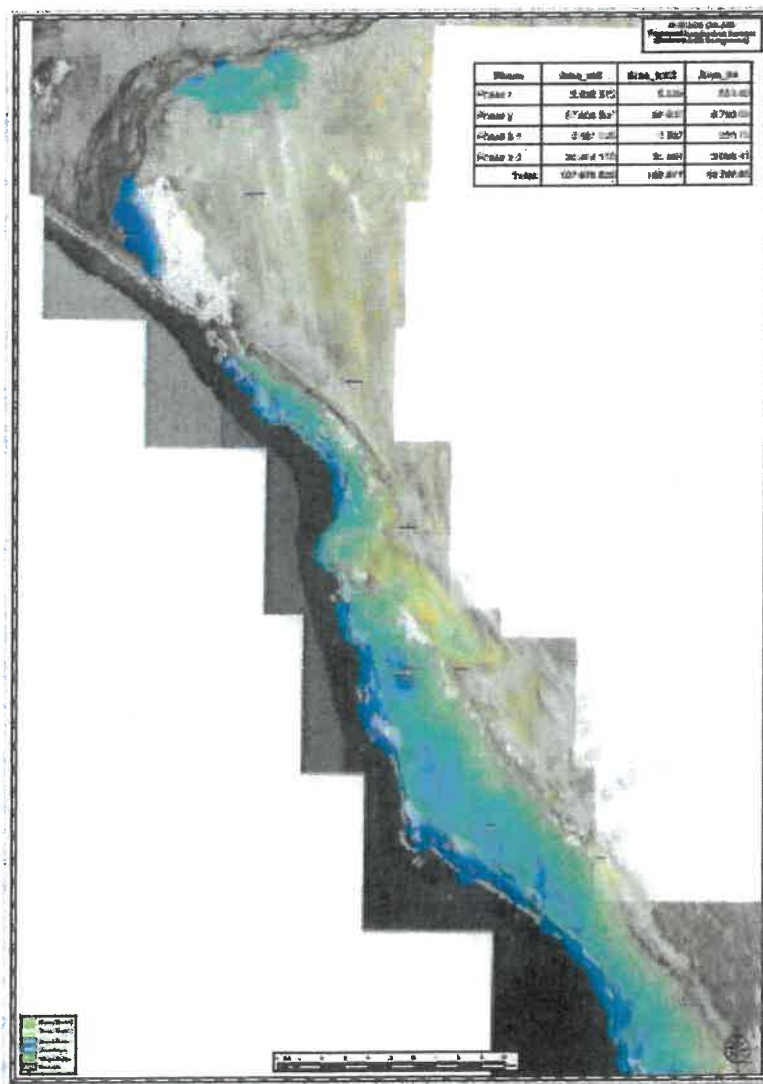
4.1 On-land Resource Development Proposal

IMDH Group has limited information regarding on-land remaining Resources/Reserves or future exploration targets, and therefore cannot fully comment on this conventional earthmoving environment. The potential, however, is believed to be high, with economical deposits becoming available after a full exploration program is implemented as summarised below.

4.1.1 Geophysical surveys

Airborne magnetic or electromagnetic surveys should initially be undertaken in selected areas as depicted on the map below, targeting the upper terraces and depressions/channels in the bedrock. The purpose of the surveys will be to indicate gravel rich environs that will highlight areas of depositional interest.

On the basis of magnetic anomalies, Electrical Resistivity Tomography (EMT) surveys will be planned in specific areas to map out the bedrock topography in preparation for drilling targets.



Directors: P. Looijen, P. Esposito, M. Mofolo

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The surveys will be planned and executed in 3 phases, ranking from the highest potential to lesser potential, as well as initially targeting areas with potential bigger average stone sizes.

Phase 1. Area close to the Orange River mouth (if an environmental clearance certificate for this area is valid).

Phase 2. Upper terraces, progressing from north to south.

Phase 3. Depressions and channels identified in the bedrock.

4.1.2 Sonic drilling

Once a high-resolution DEM of the bedrock has been established by geophysics, the highest potential targets will be probed by utilising the IMDH Group Sonic drill to verify gravel thickness and to assess the quality of gravel.

Geotechnical and mineral studies will be performed on the recovered Sonic cores, to establish the mine-ability and precise volumetric nature of the gravel and overburden.

It is envisaged that drilling will be initially on an ongoing basis for at least a year, in the aim to complete around 1000 drill holes presenting an aggregate length of approximately (7 000m).

4.1.3 Trenching

Trenching will be planned and undertaken following the outcome of the geophysical and Sonic drill results. The length and placement of trenches will be closely linked to likely deposit outlines after all information and data have been analysed.

4.1.4 Costing

A preliminary indicative costing by phases is given in the table below. The total duration for the project will span a minimum of 2.5 years at a current estimated cost of US\$ 6.34 million.

Phase 1	Area (km ²)	No of lines holes trenches	Lkms meters tons	Line Spacing (m)	Duration (weeks)	Unit Cost (US\$)	Cost (US\$)
Aeromag	5.54	111	111	50	0.0	\$17	\$1 861
ERT	1.38	28	28	50	3.9	\$809	\$22 315
Sonic	1.38	110	773	50 x 250	4.4	\$116	\$89 258
Trenching	1.38	6	77 280	250	0.7	\$2.9	\$227 203

TOTAL					9.1		\$340 638
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Phase 2	Area (km ²)	No of lines holes trenches	Lkms meters tons	Line Spacing (m)	Duration (weeks)	Unit Cost (US\$)	Cost (US\$)
Aeromag	67.91	1358	1358	50	0.5	\$17	\$22 818
ERT	16.98	340	340	50	48.5	\$809	\$274 567
Sonic	16.98	1358	9509	50 x 250	54.3	\$116	\$1 098 266
Trenching	16.98	68	950 880	250	9.1	\$2.9	\$2 795 587
TOTAL					112.4		\$4 191 238

Phase 3,1	Area (km ²)	No of lines holes trenches	Lkms meters tons	Line Spacing (m)	Duration (weeks)	Unit Cost (US\$)	Cost (US\$)
Aeromag	3.57	71	71	50	0.0	\$17	\$1 200
ERT	0.89	18	18	50	2.5	\$809	\$14 391
Sonic	0.89	71	498	50 x 250	2.8	\$116	\$57 565
Trenching	0.89	4	49 840	250	0.5	\$2.9	\$146 530
TOTAL							\$219 686

Phase 3,2	Area (km ²)	No of lines holes trenches	Lkms meters tons	Line Spacing (m)	Duration (weeks)	Unit Cost (US\$)	Cost (US\$)
Aeromag	30.96	619	619	50	0.2	\$17	\$10 403
ERT	7.74	155	155	50	22.1	\$809	\$125 156
Sonic	7.74	619	4334	50 x 250	24.8	\$116	\$500 623
Trenching	7.74	31	433 440	250	4.1	\$2.9	\$1 274 314
TOTAL							\$1 910 495

Total	Duration (weeks)	Cost (US\$)
Aeromag	1	\$36 281
ERT	77	\$436 428
Sonic	86	\$1 745 713
Trenching	14	\$4 443 634
TOTAL	122	\$6 662 056

1107 million

4.2 Shallow Water Resource Development Proposal

This zone is situated between the surf zone and the -30m isobath, and has mainly been exploited by diving operations in the past. The area can further be subdivided into reef outcrops and sediment covered areas.

The *reef outcrops* have historically been targeted extensively by divers and mostly so in less than -14m water depth. Limited diving operations have been undertaken between the -14 to -30m depths due to restricted working time available on the seafloor at these depths.

In the majority of historical cases, divers have operated “blind” with no pre-established plan to target high potential specific areas. This stems from the fact that seafloor gully maps were mostly not available or software was not utilised to navigate these targets. This resulted in many wasted reconnaissance diving hours in finding suitable gullies on the seafloor before mining could commence. Once a gully is located, the divers also have no knowledge of the thickness of gravel that will be encountered, and hard work can be nullified by not being able to reach the bedrock.

A successful shallow water diving operation needs to be approach scientifically to allow optimum chances of success. The following approach is needed:

- A full coverage 1m resolution Multibeam Echosounder (MBES) survey of all shallow water reef areas to be conducted to clearly show bedrock gullies and associated water depths.
- Topas sub-bottom profiling with a line spacing of 10m over high potential target areas to be acquired and interpreted to indicate thickness of sediment in gullies and depressions.
- Guidance and geological support for divers is of utmost importance.
- Diving operation targets need to be carefully planned jointly by the operator and the geology department.
- Simplistic GIS software to be used in conjunction with the diver vessel’s GPS system in order to precisely navigate gullied terrain.

The *sediment covered* shallow water areas will need a similar geophysical survey approach:

- Full MBES and Topas coverage with emphasis on establishing a detailed bedrock topography map or digital terrain model (DEM) to demarcate and target bedrock depressions.
- Sand covered areas with less than 3m overburden to be mapped out and made available to diving operations with vessels that are equipped with “blowers”.
- Vessels with greater capacity remote mining systems can also be deployed in this zone.
- IMDH is currently undertaking research to establish its own shallow water mining/sampling vessel to enable mining relative high volumes in the shallow water zone not accessible to the m/v Ya Toivo and m/v The Explorer.

The shallow water zone, with over 50 km² of reef outcrops (only in the 1a/b concessions), has vast potential and remains mostly untapped.

The Geophysical surveys can be undertaken in 3 phases in order of priority.

An indicative cost for the geophysical surveys is tabled below.

Concession		1A	1B	2A	3A	4A	4B	Total
Total Area (km ²)		35,98	168,15	35,15	35,24	32,33	95,45	402,29
Completed Survey Coverage (km ²)		0,00	89,13	0,00	0,00	0,00	5,63	94,76
Survey Coverage Remaining Shallow water(km ²)		35,98	36,49	35,15	35,24	32,33	40,56	215,75
Survey Coverage Remaining Deeper Water (km ²)		0,00	42,53	0,00	0,00	0,00	49,26	91,79
Shallow water Vessel	Survey unit cost (\$/km ²)	\$3 500	\$3 500	\$3 500	\$3 500	\$3 500	\$3 500	
	Survey Coverage Remaining cost *	\$125 930	\$127 715	\$123 025	\$123 340	\$113 155	\$141 960	\$755 125
DP Star Vessel	Survey unit cost (\$/km ²)		\$5 834				\$5 834	
	Survey Coverage Remaining cost *		\$248 120				\$287 383	\$535 503
Total								\$1 290 628

Phase	Concession	Total Cost
Phase 1	1A, 1B	\$501 765
Phase 2	2A, 3A	\$246 635
Phase 3	4A, 4B	\$542 498

Shallow water sampling will be planned on the basis of geophysical survey results, where the most prospective trap sites will be targeted. This area of less than -30m water depth is however not accessible to the m/v The Explorer and a dedicated sampling vessel specifically designed for shallow waters needs to be sourced and equipped. The technical ability of such a vessel will need to mimic that of the Explorer and therefor the cost will likely be similar to that of the m/v The Explorer.

A 1000 samples will be targeted per year, which equates to 30 days of sampling. To cover the shallow water areas on a reconnaissance basis will take at least 6 campaigns.

Samples/day	Days	Total samples	Vessel cost (\$/day)	Total campaign cost (\$)
35	30	1050	Us\$ 82 000	Us\$ 2 460 000

6 Campaigns **Us\$ 14 760 000**

4.3 Mid Water Resource Development Proposal

The mid water area between -30 to -80m water depths will continue to be explored and developed by the IMDH Group. Emphasis in this zone is placed on geotechnical character of the soil and mineable deposits will be exploited while difficult soil conditions will be referred to a later stage when mechanical cutters (or similar developed devices) on the crawler have been developed (subject to enhanced advanced rate vis-à-vis to available grade).

Real potential remains in the mid water zone.

4.4 Deep Water Resource Development Proposal

A Resource of 163 000 carats has been demarcated in sea concession 1C and will be exploited once mechanical cutters (or similar developed devices) have been developed for the m/v Ya Toivo crawler (subject to enhanced advanced rate vis-à-vis to available grade).

5. Additional On-land Interests

Of further on-land interest, is the potential that the numerous *historic plant tailing dumps* may contain economic diamond grades. This should be investigated on the basis of:

- Tabulation of historic grade results and average stone size recovered through each plant.
- Dates when each plant were operational and a historic effectiveness assigned to each.
- Consequent ranking of tailing dumps in order from most prospective to least.
- Bulk sampling (at least 10 000 tons) of the dumps with the most potential.
- Final recoveries by means of Bourevestnik or Tomra systems to capture additional type 2 diamonds would be desirable.
- Stockpiled X-ray tailings also to be treated with above systems.

It is known that the rivers from the interior also brought gold, platinum and other heavy minerals to the sea, therefor testing the *slimes dams* for precious metals and other mineral content might pave the way to add value to the on-land operations.

6. Summary

The proposed development of the Alexkor resources will incorporate the following:

Database and GIS:

- Consolidation of historical exploration and mining data to be systematically captured and amalgamated into a GIS database. This consolidation and representation of all available data will be a priority to summarise historical activities, as it can assist in future exploration planning.
- Spatial representation of all geological, sampling, production and diamond sales data.
- Establishment of grade and diamond size trends, bedrock/footwall topography, overburden thickness, caprock covered gravel, mud belt extent, etc.
- Demarcation and prioritising areas of exploration interest.

Exploration:

- Geophysical surveys will be undertaken across all of Alexkor concessions both marine and terrestrial to the highest industry standards. A dedicated shallow water geophysical survey vessel will be added to the IMDH fleet in the near future as supplemental to the DP Star to fast track shallow water surveys.
- An extensive sampling plan will be implemented on the basis of survey results and prioritised from high to lower potential areas.
- Total cost for a full exploration program is tabulated below

	Cost (\$)
On Land exploration	Us\$ 6 344 816
Marine geophysics	Us\$ 1 290 628
Marine sampling	Us\$ 14 760 000
Total	Us\$ 22 395 444

Mine planning:

- Initial planning and production will be focused on the highest-grade/biggest average stone size areas to assist with establishing a positive cashflow as quickly as possible.
- A bulk sample of 10 000 tons from the tailings dump to be processed to establish if economical grades are achievable and possibly a quick fix to a positive cash flow.

The IMDH Group has the management, experience and expertise, as its track record indicates, to execute a full resource development program from exploration through to production.

For IMDH group.



D. Ludick

- 5) In February 2017 the VMS team met with the PSJV board in Cape Town and presented the VMS heavy mineral sands project and discussed the MOU.
- 6) Alexkor SOC responded to the PSJV informing them that SOC only had the rights for diamond mining and recovery in Alexander Bay and were not interested in or able to process the slime dams for heavy mineral sands.
- 7) In May 2017, the PSJV notified VMS that the relevant Board approvals had been granted and the PSJV were ready to conclude an MOU with VMS.
- 8) The draft MOU was sent to the PSJV in May 2017
- 9) In May 2017 I, Marius Pienaar met with the Alexkor SOC Board member Mr. Trevor Haasbroek to work through and finalize the agreement especially the diamond recovery contract.
- 10) On 28 June 2017, the final agreement was completed and signed on 30 June 2017 in Stellenbosch. Mr. Danana from Alexkor SOC was a co-signatory on the agreement.

VMS entered into an agreement with the PSJV on the 30th of June 2017 to process and rehabilitate the slime dams on farm 1 of Alexander Bay. As you can appreciate from the notes above, due process was followed to get to this important stage.

- a) The agreement also catered for the community and was written to comply with the mining charter according to the MPRDA. VMS insisted to include the RMC Either as an equity participant or and equity equivalent participant in accordance with the Mining Charter.

The Department of Mineral Resources required VMS to apply for a Waste Management License (WML) to extract and trade in heavy mineral sands. The necessary authority to apply for the WML was received from Alexkor and the application was submitted. VMS was granted the WML on the 6th September 2018, following which-

- a) The rehabilitation fee was paid to start with operations on targeted areas.
- b) The benefit for Alexkor SOC was that all rehabilitation liabilities for the 6 slime dams under the WML was now no longer part of Alexkor's liability.

While the agreement also catered for the recovery of diamonds this not strategic for VMS. Additionally, the potential of significant diamond recovery is minimal if not non existent since the material in the slime dams are below 2mm.

As is clear from this summary, in all processes and applications and subsequent authorisations Vast Minerals Sands has always followed due process meticulously.

For completeness and to ensure all stakeholders are fully appraised of VMS intentions, on 27th August 2018 we wrote to the Minister of Public Enterprises, The Honourable Mr. Gordhan to introduce our company and show our commitment to the area through this project. At this time both the prospecting right and the WML were granted to VMS. VMS wrote a follow up email to the office of the Minister in September 2018. The Ministers office delegated the meeting to Mr. Nkomfe, Advisor to the Minister. The meeting was held on the 23rd November 2018 in Pretoria with the acting Director General, Mr. Khathatso Tihakudi. VMS presented a very detailed profile of its project, covering all aspects of the investment, including the WML. This was also sent to the office of the Minister.

VMS has done extensive testing and significant financial resources have been spent on drilling and laboratory analysis to date. The pilot plant is already being built and this will further analyse the heavy mineral sands and create a flowsheet for the fixed plant. Work is progressing to satisfactory levels on the WML and the pilot plants will be functional within the next 2 months on the authorized area.

During our meeting held on 9 October 2019, we were therefore surprised and concerned at the same time with the issues raised by yourself regarding due process. We have briefly demonstrated that due process was followed and had been informed that both The Alexkor Board and the PSJV Board were properly constituted and followed due process in making

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this decision. VMS has, and continues to expend resources to develop the asset to the benefit of all stakeholders. We have and continue to keep the Ministry of Public Enterprises apprised of our progress.

We again would like to show our full support to Alexander Bay and the community at large and believe this project will deliver significant value for all stakeholders.

Kind Regards

A handwritten signature in black ink, appearing to read 'Marius Pienaar', with a long horizontal stroke extending to the left.

Marius Pienaar
CEO

ANNEXURE 6

NOTES ON ILLEGAL MINING

NOTES ON ILLEGAL MINING AT THE PSJV OPERATIONS

Overview

The growth in illegal mining, could be attributed to the combination of a difficult socio-economic climate and limited resources at the disposal of law enforcement agencies such as police, immigration, border controls and prosecuting authorities (Minerals Council SA).

The Mineral and Petroleum Resources Development Act 28 of 2002 (MPRDA) specifically prohibits mining without the required statutory authorisation (Section 5(4)). This means that illegal mining is a criminal activity, which also involves at least trespassing and theft. In South Africa, it is illegal to be in possession of unwrought precious metal, platinum group metals (PGMs), gold-bearing material and rough diamonds without the required statutory authorisation. (Minerals Council SA).

Illegal mining and organised crime are inter-related. Very often, illegal mining is spearheaded by globally connected criminal syndicates. Zama zamas, as illegal miners are known in South Africa, are often heavily armed, have explosives and, when trespassing on operating mines, set ambushes and booby traps for employees, security personnel and rival groups of illegal miners. Following the severe drought in 2016, the excessive use of water by zama zamas to process the gold-bearing material became apparent, which directly impacts on local communities. (Minerals Council SA).

Illegal mining has a range of negative social and financial impacts on the state, employees, companies, the mining sector and the country because of loss of revenue, taxes, employment opportunities, capital expenditure, exports, foreign exchange earnings and procurement, among others. It also presents a serious risk to the sustainability of the industry and its ability to contribute to a meaningful future for all South Africans. (Minerals Council SA).

Mining houses are thus basically responsible for managing the situation, but it has become uncontrollable and a risk and burden to the sustainability of mining operations. No single stakeholder can address the challenge of illegal mining and collaboration is key.

High risk areas

1. Witvoorkop – along the river close to Alexander Bay, Port Nolloth Sandrift, Koeboes and Lekkersing
2. Arriesdrift – along the river close to Alexander Bay, Port Nolloth Sandrift, Koeboes and Lekkersing
3. Muisvlak – 10 km out of Port Nolloth town towards Alexander Bay
4. Obeep
5. Seemansrus

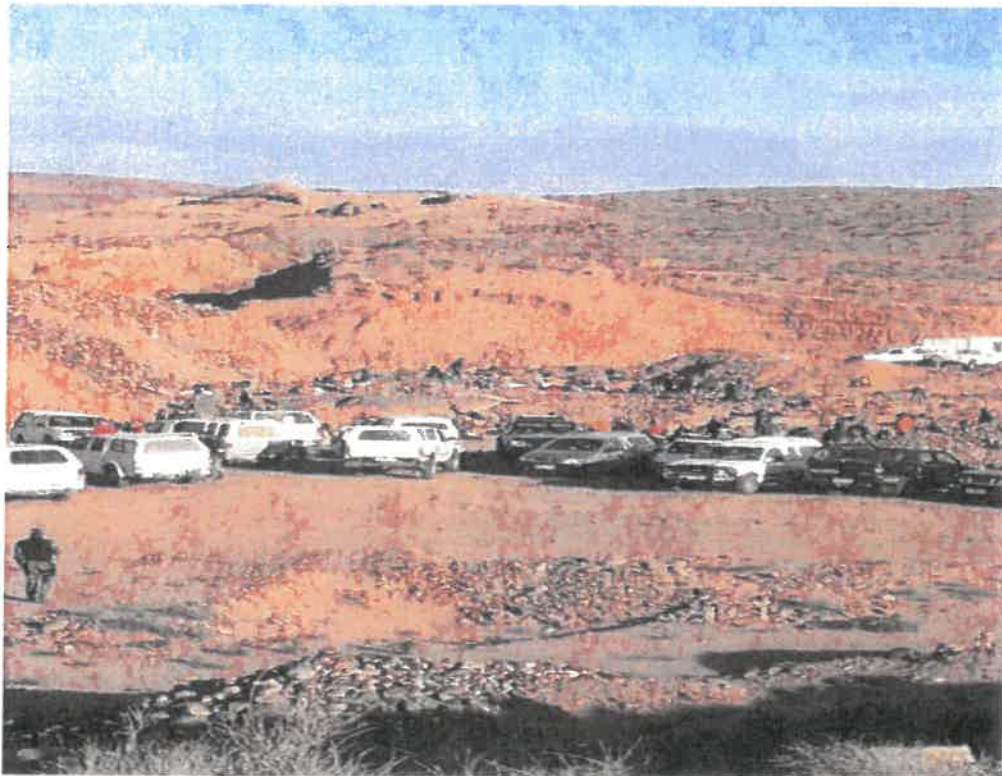
Challenges

- Illegal miners entering the mine in huge numbers
- Internal security resources limited to handle large crowds
- Police assistance poor, due to a shortage in manpower and vehicles
- Damaging mine property (damaging fences, equipment etc)

- Remote mining areas (Poor network coverage, poor road conditions)
- Illegal miners acting violent towards security and police due to limited personnel attending to incidents



Illegal Miners at Witvoorkop

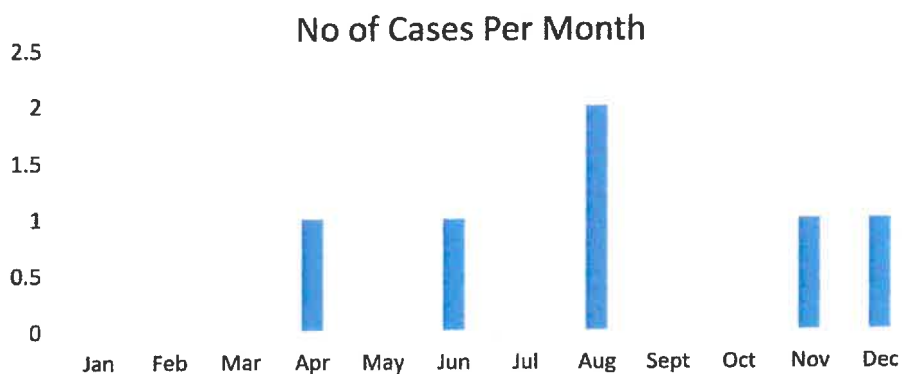


Illegal Miners showing their vehicles at Witvoorkop

tistics

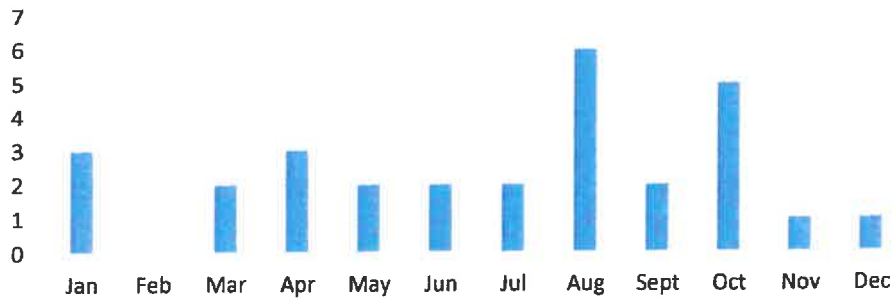
- The following register is based on arrests that were made in 2018, 2019 and 2020. The number of people arrested, area of arrest and case numbers are noted.

2018						
Cases	Date	Misconduct	No of suspects Arrested	Case nr.	Area	Investigator
1	Apr-18	Illegal Mining 17/04/2018 Obiep	1	CAS 41/04/2018	Port Nolloth	Kpt Van Rooyen
1	Jun-18	Illegal Mining 20/06/2018 Arriesdrift	2	03/06/2018 Springbok OC Enquiry	Alexanderbay	Adj Bruwer
2	Aug-18	Illegal Mining A/Bay Rietfontein-Noord 27/08/2018	1	24/08/2018	Alexanderbay	Adj Bruwer
	Aug-18	Illegal Mining 30/08/2018 P/N Julieshoog	3	52/08/2018	Port Nolloth	Adj Bruwer
1	Nov-18	Illegal Mining Alexanderbay Boegoeberg 01/11/2018	3	16/11/2018	Alexanderbay	Adj Bruwer
1	18-Dec	Illegal Mining Alexanderbay Town	3	33/12/2018	Alexanderbay	Adj Smit
6			13			



2019						
Cases	Date	Misconduct	No of suspects Arrested	Case nr.	Area	Investigator
3	Jan-19	Illegal Mining 05/01/2019 Seemansrus	4	21/01/2019	Port Nolloth	Adj Smit
		Illegal Mining 11/01/2019 Seemansrus	4	32/01/2019	Port Nolloth	Adj Smit
		Illegal Mining 28/01/2019	3	107/01/2019	Port Nolloth	Adj Bruwer
2	Mar-19	Illegal Mining 03/03/2019	3	15/03/2019	Port Nolloth	Adj Bruwer
		Trespassing 24/03/2019 Julieshoog	3	70/3/2019	Port Nolloth	Adj Bruwer
3	Apr-19	Illegal Mining 18/04/2019 Obiep	2	70/04/2019	Port Nolloth Port Nolloth	Adj Smit
		Illegal Mining 29/04/2019 Julieshoog	3	109/04/2019	Port Nolloth	Adj Bruwer
		Illegal Mining 30/04/2019 Obiep	2	01/05/2019	Port Nolloth	Adj Bruwer
		Illegal Mining 01/05/2019 Arriesdrift	2	01/05/2019	Alexanderbay	Adj Bruwer
2	May-19	Illegal Mining 03/05/2019 Obiep	2	14/05/2019	Port Nolloth	Adj Bruwer
		Illegal Mining 01/06/2019 Arriesdrift	2	01/06/2019	Alexanderbay	Adj Bruwer
2	Jun-19	Illegal Mining 07/06/2019 Obiep	2	16/06/2019	Port Nolloth	Adj Bruwer
		Illegal Mining 04/07/2019 Seemansrus	3	04/07/2019	Port Nolloth	Adj Bruwer
2	Jul-19	Illegal Mining 18/07/2019 Obiep	3	19/07/2019	Port Nolloth	Adj Bruwer
		Illegal Mining 06/08/2019 Laangpan	6	32/08/2019	Port Nolloth Port Nolloth Port Nolloth Port Nolloth Port Nolloth	Adj Bruwer
5	Aug-19	Illegal Mining 13/08/2019 Witvoorkop	4	19/08/2019	Alexanderbay	Adj Bruwer
		Illegal Mining 14/08/2019 Witvoorkop	15	20/08/2019	Alexanderbay	Adj Bruwer
		Illegal Mining 15/08/2019 Witvoorkop	7	22/08/2019	Alexanderbay	Adj Bruwer
		Illegal Mining 16/08/2019 Arriesdrift	1	23/08/2019	Alexanderbay	Adj Bruwer
		Illegal Mining 28/08/2019 Witvoorkop	2	52/08/2019	Alexanderbay	Adj Bruwer
		Illegal Mining 24/09/2019 Muisvlak Stilbaai	1	62/09/2019	Port Nolloth	Adj Bruwer
		Illegal Mining 26/09/2019 Muisvlak Stilbaai	2	64/09/2019	Port Nolloth	Adj Bruwer
5	Oct-19	Trespassing 17/10/2019 Muisvlak Stilbaai	2	44/10/2019	Port Nolloth	Adj Bruwer
		Illegal Mining 17/10/2019 Muisvlak	2	46/10/2019	Port Nolloth	Adj Bruwer
		Illegal Mining 08/10/2019 Muisvlak	1	17/10/2019	Port Nolloth	Adj Bruwer
		Illegal Mining 13/10/2019 Witvoorkop	1	26/10/2019	Alexanderbay	Adj Bruwer
		Illegal Mining 23/10/2019 Witvoorkop	6	38/10/2019	Alexanderbay	Adj Bruwer
		Tresspass 13/11/2019 A/Bay Workshop	1	25/11/2019	Alexanderbay	
		Illegal Mining 29/12/2019 Block73 M/Vlak	4	161/12/2019	Port Nolloth	Adj Bruwer
29			93			

No of Cases per Month - 2019



2020						
Cases	Date	Misconduct	No of suspects Arrested	Case nr.	Area	Investigator
3	Jan-20	Illegal Mining, 03/01/2020	1	39/01/2020	Port Nolloth	Adj Bruwer
		Illegal Mining, 15-01-2020	4	15/01/2020	Alexanderbay	Adj Bruwer
		Illegal Mining, 26/01/2020	1	162/01/2020	Muisvlak	Adj Bruwer
1	Feb-20	Trespassing and Illegal Mining, 24/02/2020	3	42/02/2020	Alexanderbay	Adj Bruwer
4			9			

No of Cases per Month - 20202



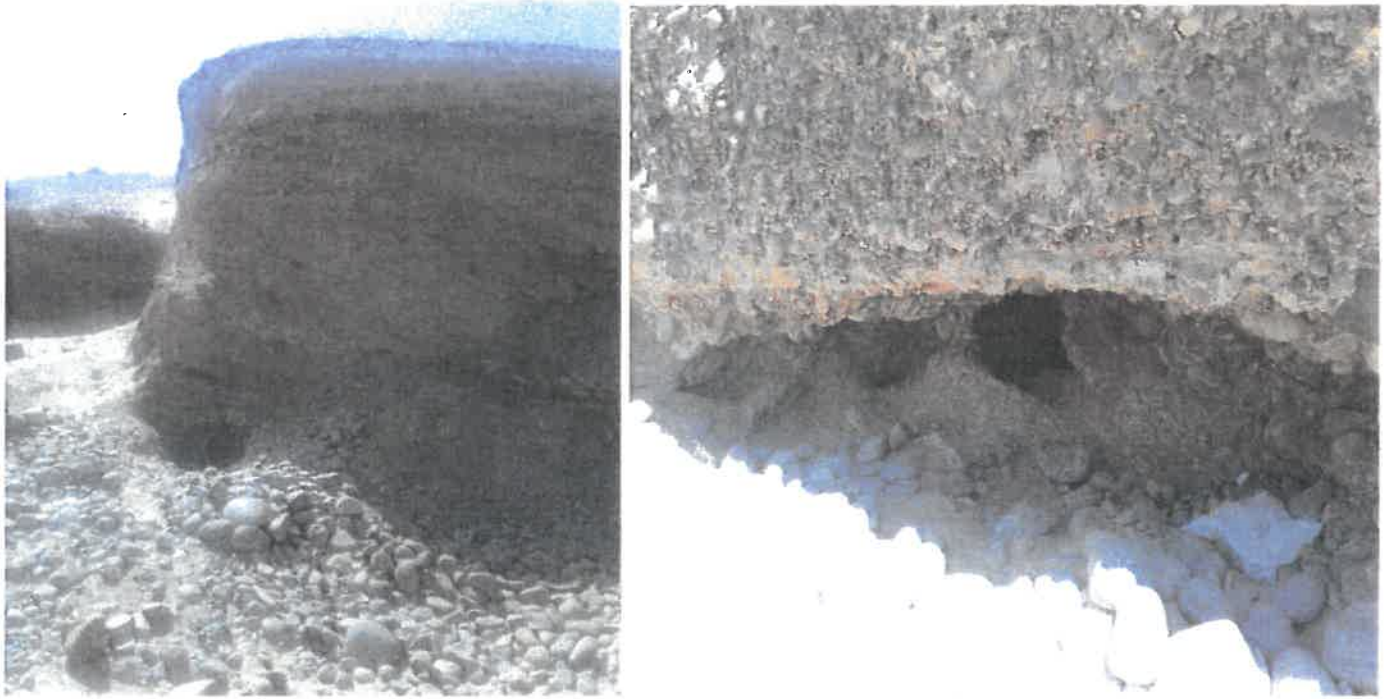
Environmental Impacts

Currently there is no Governance System or policy specifically aimed at artisanal miners. The concerns related to the latter are that the impacts and processes of small-scale miners differs significantly from that of industrial miners. Uncertainty exists on how the DMR intend to deal with impacts of small-scale miners.

- Mining areas have progressively been degraded; the following is of concern:
- Rehabilitation Expectations are increasing
- Overall rehabilitation costs to increase, illegal mining sites are left un-rehabilitated; thus causing the overall liability of the PSJV to increase.
- Waste and Pollution Management
- Safety and Security of future permit holders
- Compliance and Enforcement Monitoring

Health and Safety Impacts

The illegal miners often tunnel into sidewalls without any proper support. Therefore there is a high risk of these tunnels collapsing onto miners. There were various incidents/fatalities in this regard reported at neighbouring mines. If this occurs we will be liable for the fatality under the MINE HEALTH AND SAFETY ACT NO. 29 OF 1996, which might result in loss of production due to mine closure for an extended period. The mine has closed-off these tunnels but it has not deterred the illegal miners.



Examples of Tunnelling at Witvoorkop

Conclusion

Mining houses are basically responsible for managing the situation, but it has become uncontrollable and a risk and burden to the sustainability of mining operations. No single stakeholder can address the challenge of illegal mining and collaboration is key.

Illegal digging subsides with additional Police presence (POP's) in the area. Although we do receive assistance from the provincial Police, it is a temporary solution, because as soon as they leave the area, the illegal digging activities increase. Hence require a more sustainable solution.