



DIAMONDS - Lesotho

Letšeng Update

- Operations are ongoing.
- We continue in discussions with Letšeng regarding future contract work.

Stormberg (formerly known as Kao) Update

- We continue to dialog with Namakwa Diamonds regarding future operations, assets and equipment.
- Operations are targeted to begin in 2011.

Social Investment

- Malherbe Rust Architects were selected to design the orphanage in Maseru. They have been on site and have begun the design process.

Recent Tenders

- Successful tenders were held in April and May.

Goals for Q3

- Work with Namakwa Diamonds toward 2011 operational readiness at the Stormberg Mine.

Uranium – Austin's Post RSA

Update

- Excavated the trench and retrieved two 5-metric ton ore samples (one low grade, one high grade) for further test work at Mintek. Mintek has started agglomeration testing and 1-meter column leaching test work on the samples. Various conditions of acid and alkaline leaching will be tested to determine the optimal leaching process and associated re-agent consumption.
- A draft resource statement has been produced and is being finalized.
- Some preliminary plant design work has been done.



Goals for Q3

- Complete the test work.
- Apply test work results to determine project capabilities and operations and overall project viability.
- Complete the resource statement and start the mine and pit design work.
- Perform exploration drilling where required.

Tungsten – Piketberg RSA	Granite – Malmesbury RSA
<p>Update</p> <ul style="list-style-type: none"> - Bongani Minerals submitted a prospecting application to the Department of Minerals & Energy, and withdrew the previously submitted mining rights application. - A public participation process included editorial adverts in 3 newspapers, distribution of the background documents to 500+ interested parties, focus groups with NGOs, CBOs, commenting authorities, and directly affected landowners. A public information day was held in Piketberg. - Bongani also submitted the draft Prospecting Environmental Management Plan to the DME. - To read the submitted application and draft EMP, go to www.withersenviro.co.za <p>Goals for Q3</p> <ul style="list-style-type: none"> - Support Bongani in cooperating with the DME in the prospecting application process and provide information as requested. 	<p>Update</p> <ul style="list-style-type: none"> - Progress has been halted at Elsana Quarry pending court decisions (to be made in August). <p>Goals for Q3</p> <ul style="list-style-type: none"> - Proceed with operations per court and municipal decisions. - Begin selling aggregate.
Coalbed Methane – Namibia and South Africa	
<p>Update</p> <ul style="list-style-type: none"> - Namibia: We are formulating a partnership to expand rights to include the Waterberg area. - Namibia: Moving drill rigs into place at Waterberg site to execute core drilling. - South Africa: Continuing with data analysis. <p>Goals for Q3</p> <ul style="list-style-type: none"> - Formalize partnerships to build energy plants at the Namibian and/or South African CBM sites. - Begin core drilling at Waterberg site by end of August. 	
Administration	
<p>South Africa: The Stellenbosch personnel moved into a new building/office complex in Technopark. We're still getting settled, but it's great to have all personnel in one office suite.</p>	
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