



DIAMONDS – Lesotho



Letšeng Mine

- Alluvial Ventures' two plants are currently operating at full production capacity.
- Over the past several months, there have been a number of operational issues due to inclement weather (snow, ice and frozen equipment), and pit/road access.
- For the most recent 5 months (April – August), Alluvial Ventures met, on average, 86% of its carat recovery targets and 89% of its ore processing targets.

- Six successful tenders have been held in the 2012 calendar year. The next two tenders show promise of strong value and meeting our targets/expectations.

Kolo Mine

- On 30 March, 2012 the application for the final liquidation of Angel Diamonds (Pty) Ltd (in liquidation) was argued in the Lesotho High Court. The Judge reserved judgement [whether to make the order final] until 1 November.
- The shareholders of Angel Diamonds (Pty) Ltd (in liquidation), in their capacity as interested parties, brought an ex parte application against the Minister of Mining and Energy, interdicting the Minister, Reskol Diamond Mining and other interested parties from entering the mining area. The purported basis for the interdict is that the Minister was not authorized to grant the mining lease to Reskol as Angel Diamonds purportedly had previously lodged a mining lease application over the same area. The Minister and Reskol are opposing the application and the interdict. The matters will be heard on the 10th and 11th December, 2012 in the High Court of Lesotho.
- Once liquidation matters are resolved, Reskol Diamond Mining will take the appropriate steps to begin operations.
- We hope trial mining (60,000 tons) can be started in early 2013.

Storm Mountain Mine

- Toro Diamonds, Namakwa Diamonds and the Minister of Mines and Energy all submitted their heads of argument to the Court of Appeals, Lesotho. All parties have agreed to set the matter down on 12 October, 2012. At present we are waiting for confirmation of the date from the Registrar of the Court of Appeals.

URANIUM – Austin's Post RSA

Recent accomplishments

- A draft Environmental Impact Assessment report and draft Environmental Management Plan was presented for comment at the second public meeting in June.
- Specialist baseline studies were completed, and specialist impact assessments are near completion.
- Several meetings were held with authorities: Department of Water Affairs and Department of Agriculture, Xhariep District and Kapanong Municipality.
- Meeting was held with the National Nuclear Regulator (NNR) and work commenced on a Radiation Management Plan, as required to convert our NNR registration from prospecting to a mining certificate.
- Equipment suppliers/vendors were approached to provide budget estimates on processing equipment.



Goals for 4th quarter

- Receive the Mintek precipitation test results.
- Submit the final Environmental Impact Assessment report to Environmental Affairs, and the EMP to the DMR.
- Submit the NNR conversion application.
- Update CAPEX numbers based on potential equipment suppliers' budget estimates.
- Continue detailed design and planning work with regard to: pond and pad design; blasting plan; chemical/reagent make-up plant; uranium recovery and precipitation plant; and the stormwater/pollution control plan.
- Establish the daily analytical tests required when the mine becomes operational and confirm the laboratory equipment needed to do these tests.
- Appoint a wetlands specialist.
- Submit the integrated water user license application and integrated water and waste management plan.



Recent accomplishments

- Borehole E-200 (previously drilled by Anglo American Exploration) was 'twinned' by drilling a hole approximately 10m to the east. The granite-wall rock contact was intersected at a slightly deeper elevation. Similar to the historic sample, scheelite and molybdenite mineralization was confirmed in the skarnified granite ore zone.
- The core samples from nine historic holes and the one twinned hole (see below) have been sent to Genalysis in Perth for analysis.
- Due to the municipality's interdict, and the Constitutional Court's decision (on another case) that the granting of a mining right and mining permit is given subject to other relevant laws (which includes the Land Use and Planning Ordinance [LUPO]), prospect drilling was stopped after completion of the first drill hole.
- The project team has met with municipal and provincial leaders to determine the way forward.
- Bongani Minerals is in the process of applying for (or has applied for) various licenses and permits as required.

Goals for 4th quarter

- Receive laboratory results on core sample from the nine historic holes and one twinned hole.
- Submit/obtain necessary documentation for licenses and permits to continue with the prospecting programme.

ADMINISTRATIVE UPDATE

The Batla Minerals SA AGM will be held on 27 September, 2012 in France.

Batla Minerals, SA

www.batlaminerals.com