DIAMONDS - Lesotho

Letšeng Update

Currently conducting primary, secondary and tertiary crushing tests of the Letšeng kimberlite to determine future mining feasibility and evaluate Alluvial Ventures' position in Letšeng in the medium- and long-term.

Storm Mountain (formerly known as Kao) Update

As this is a relatively new project for Batla, a few summary bullets:
- The Kao Kimberlite pipe is the largest diamondiferous pipe in Lesotho, and the 4th largest in Southern Africa.
- Mine development is planned in two phases to mitigate financial risk.
- Phase I (2010 – 2014) will develop the quarry (k6) portion of the pipe, which has produced the highest revenues per ton of all known Lesotho kimberlites, and will begin mining of the weathered kimberlite. Production is planned for June 2011.

Recent progress at Storm Mountain:
- Metallurgical test work completed. The first parcel of 6,200 carats was sent to tender in late October.
- Phase I pre-production will continue into 2011, with commercial production to begin mid-year.

Recent Tenders
- **Letšeng**: Three successful tenders from the Letšeng Mine were held in Belgium during 3rd quarter.
- **Storm Mountain**: First tender from Storm Mountain was held in Johannesburg in October and achieved a total tender price of $1.89 million.

Goals for Q4
- **Letšeng**: On the basis of crushing test results, Alluvial Ventures and Letšeng will develop a medium- and long-term mining plan.
- **Storm Mountain**: Continue with Phase I pre-production work and design the plant for the weathered kimberlite.

Uranium – Austin's Post RSA

Update
- Started alkaline and acid leaching tests (1-meter columns) at Mintek.
- Progress to date shows positive uranium recoveries for both the alkaline and acid column leaches (almost 80% for the alkaline and 70% for the acid leaches).
- Completed and submitted Prospecting Rights renewals.

Goals for Q4
- Receive final column leaching report from Mintek.
- Based on results, make a final decision regarding mine planning tasks.
- Decide on the final grade cut-off to be mined and proceed with mine planning tasks.
- Produce baseline environmental study.
- Complete and submit all Environmental Management Plans.
- Commission an engineering company to determine preliminary CAPEX and OPEX requirements.

Tungsten – Piketberg RSA	Granite – Malmesbury RSA
Update The Prospecting Rights application submitted by Bongani Minerals was accepted by the DMR. **Goals for Q4** - Receive DMR's decision on Prospecting Rights. - Begin environmental impact assessment work.	**Update** - Received permission to appeal decision by High Court denying our right to mine based on Malmesbury municipality's application of the Western Cape Land Use Planning Ordinance (LUPO). - Working with other mining companies in a similar position relative to LUPO. Between 200 and 300 mining companies face similar LUPO issues in Western Cape. - Working in parallel with our legal options, we have submitted an application for rezoning of the mining area. **Goals for Q4** - Gain clarity regarding future operations and sales of granite aggregate at the Elsana Quarry.

Coalbed Methane – Namibia and South Africa

Update
- Visited China to begin conversations with probable partners.
- **Namibia**: Drill rigs moved onto site at the Waterberg location.
- **South Africa**: Continuing with data analysis.

Goals for Q4
- Formalize partnerships to build energy plants at the Namibian and/or South African CBM sites.
- Obtain results of initial core drilling at Waterberg site.

Administration

The Batla Minerals' AGM was held 29 September in Beziers, France. Directors and auditors were present to address shareholder questions. All proposed resolutions were passed.

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