

To whom it may concern,

Motivational letter for Outcrop Mining (Rehabilitation) south of Benoni CBD

Background

The company K2015073261 (SA) Pty Limited (trading as, and hereinafter referred to as "GoldOre"), holds a prospecting right (GP10448 PR)over its Benoni South Gold Project, comprising the New Kleinfontein and Turnbridge Sections.



Image showing GoldOre's PR area, located directly south of Benoni CBD

This area comprises multiple closely spaced gold reefs, some of which have been heavily mined almost to surface. However, the numerous remaining pillars and unmined reefs make this a particularly attractive target for illegal miners, due to its proximity to surface and numerous shafts for easy access. Previous attempts by the DMR to seal these shafts have all been unsuccessful and there is daily evidence of illegal mining activities.

As evidenced recently in the media, about 2km along the outcrop to the east, along Golden Drive in Putfontein, enormous 5m wide steep voids have been created by thousands of illegal miners, destroying the surface and making it a catastrophic no-go zone.



The outcrop area where GoldOre holds a prospecting permit, has a significant number of shafts along the outcrop and is ominously close to numerous residences, urban roads, service and rail networks. If illegal mining activities are not halted, it will result in very extensive infrastructure damage and a regional economic, social and environmental disaster over the entire Benoni South area, negatively affecting many thousands of inhabitants on an ongoing basis for decades.

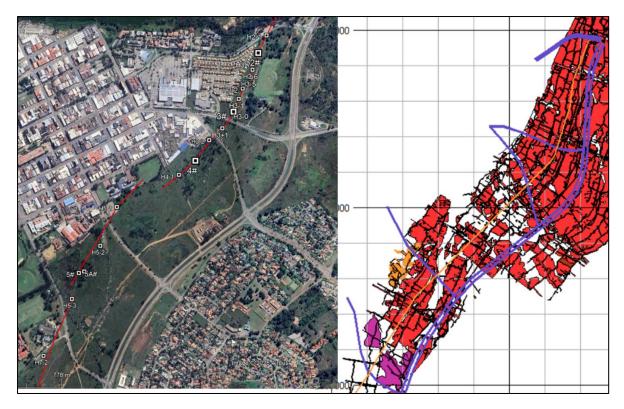
Description of the Problems

1. New Kleinfontein Section

The Figure below is a Google Map over the New Kleinfontein portion of Benoni South, and it indicates the position of the underground mining relative to the surface infrastructure. In places it is less than 30m from residential areas, and the existing underground infrastructure undercuts all the major infrastructure in the area. Of particular importance that stand to being affected by illegal mining are:

- 1. Directly adjacent residential areas.
- 2. The already undermined tarred access roads
- 3. Directly adjacent Schools and sports grounds
- 4. Undermining a major Transnet Rail line
- 5. Potential damage to the recently installed regional sewage line.
- 6. Sterilization of prime open ground is available for future expansion of Benoni.

Because there is numerous gold reefs closely spaced to each other, this area has the potential to be the target of illegal miners for decades, if access is not sealed.



Aerial view of the current shallow underground mining extent in relation to the surface infrastructure

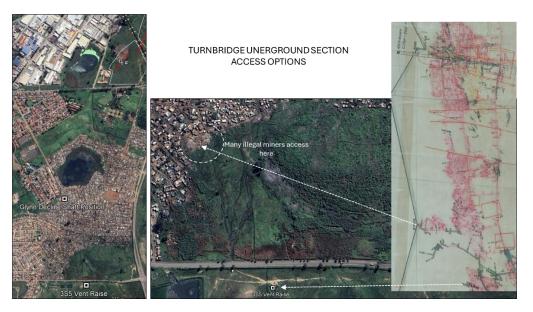
2. Turnbridge Underground Section

In the image below, the potential underground access positions and problems related thereto are described. In the Prospecting Right (GP10448 PR), GoldOre was granted permission to access the underground workings via Glynn Decline Shaft. However, due to the delay in receiving the Permit, informal housing had sprung up around Glynn Shaft, and it was not possible or safe to re-open the shaft to gain underground access. GoldOre therefore concentrated on finding alternative access options, and in the process have discovered other entrances that are currently being used by illegal miners to access the underground workings

GoldOre is currently determining the surface ownership of these areas with the plan to secure surface ownership and then develop proper controls in terms of underground access and secure these entrances. Gold Ore specifically requests that the DMPR assists in the following:

- 1. GoldOre urgently requires that the DMPR secure these access points from illegal miners, until surface ownership can be secured.
- 2. GoldOre also requires the DMPR to grant its prospecting renewal programme, which is tailored to the proper usage of these underground access entrances.

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View of the Turnbridge Section showing the various underground access options

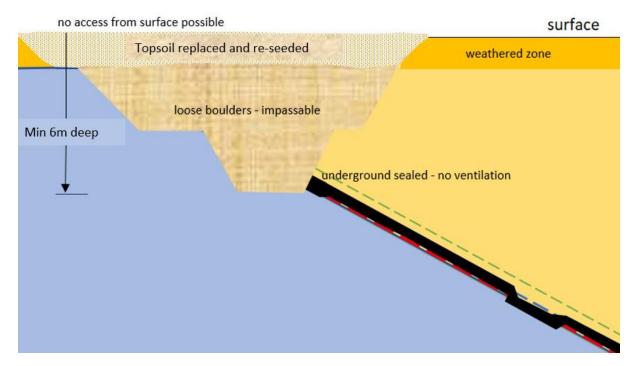
Proposed Solutions

1. New Kleinfontein Section

GoldOre has proposed that in order to prevent illegal mining access, it intends to complete a deep (minimum of 5-6m) excavation all along the outcrop- initially exposing all the underground access points and shallow mining areas:

- 1. Gold Ore plans to remove all shallow ore, and create temporary storing the generated waste rock stockpiles along the highwall of the excavations
- 2. Then it plans to fill up the voids with broken waste rock derived from the excavation process, and thereafter compact it to provide an impassable plug, prohibiting access to or from underground workings.
- 3. Finally, GoldOre plans to cover the excavated area with the stored original topsoil and apply the necessary re-seeding to promote indigenous vegetation growth.

GoldOre thereafter plans to constantly monitor the area to ensure no new disturbances occur and is of the opinion that if future underground access is attempted, it would require significant disturbances that would attract immediate attention.



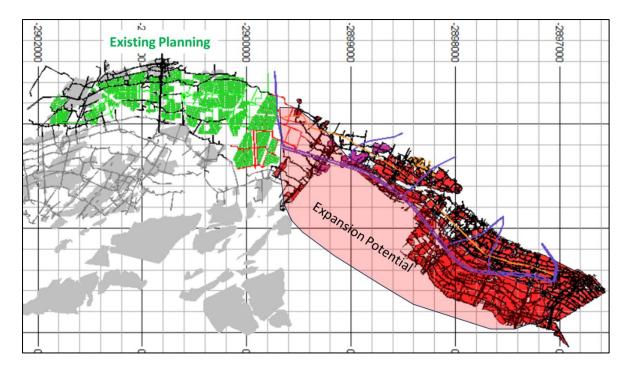
Sketch illustrating the use of shallow trench mining as an effective access plug

2. Turnbridge Underground Section

GoldOre has been developing a business plan aimed at creating a sustainable gold mining operation over the Turnbridge Section of the Benoni South Gold Project, and current planning has indicated the creation of a minimum of 600 permanent jobs over a minimum period of 8-10 years. The Turnbridge Section is currently not connected via underground development to the New Kleinfontein Section.

However, with the successful sealing of illegal mining access on New Kleinfontein as envisaged in this proposal, GoldOre then can increase underground production by including New Kleinfontein, which would result in the creation of over 800 permanent jobs with a 20-year life-of mine. The project currently expects to employ over R200 million in startup Capital with Life-Of-Mine expenses of over R1.5 billion. In addition, a comprehensive Social and Labour Plan with meaningful input from all stakeholders is envisaged, which will have a significant impact in uplifting the lives of the surrounding communities and preserving the structural integrity of the surface infrastructure. This planned operation will provide an enormous economic boost to the area, not just in terms of direct jobs and investment, but also in terms of numerous supporting businesses.

However, no investors will be prepared to invest in this mining opportunity if the ongoing threat of illegal mining activities is not adequately dealt with.



Plan indicating the potential increase in Project size if illegal mining can be halted

In terms of the existing access points on the Turnbridge Section. GoldOre plans to utilize 3S5 Winze south of Dube Street (south of the ash dump that has the massive influx of illegal miners) as the primary entrance to access the underground workings until a raisebore shaft is sunk, whilst using the ash dump entrance as a secondary escapeway and ventilation shaft. GoldOre plans to seal Glynn Shaft from underground once it can access those workings.

Once the planned Raisebore shaft is complete, Gold Ore plans to utilize 3S5 winze as the second escape/ventilation shaft and then will permanently close the ash dump entrance with underground seals.

Conclusion

GoldOre requires a permanent resolution to the illegal mining activities to realize its long-term objectives as stated above. The Company is actively seeking the support of the authorities and all stakeholders to be able to produce a lasting solution to the illegal mining threat in the area.

Yours sincerely,

Sean Meadon

GoldOre-Director