GLOSSARY OF TERMS

Assay

To determine the mineral content.

Competent person

The SAMREC Code defines a Competent Person as a person who is registered with any one of SACNASP, ECSA, PLATO or any other statutory South African or international body that is recognised by SAMREC. A Competent Person should have a minimum of five years' experience relevant to the style of mineralisation and type of deposit under consideration and to the activity, which that person is undertaking.

Cut-off grade

The grade at which the ore-body is mined with no profit or loss, i.e. the breakeven grade.

Depletion

The decrease in quantity of ore in a deposit or property resulting from extraction or production.

Development

Activities (including shaft sinking and on-reef tunnelling) required to prepare for mining activities and maintain a planned production level and those costs to enable the conversion of mineralised material to reserves.

Dilution

Waste, which is mined with ore inthe mining process.

ECSA

The Engineering Council of South Africa.

EMPR

Environmental Management Programme Report.

Exploration

Activities associated with ascertaining the existence, location, extent or quality of mineralised material, including economic and technical evaluation of mineralised material.

Faulting

The process of fracturing that produces a displacement of rock.

Footwall

The underlying side of a fault, ore-body or stope.

g

Gramme.

g/t

Gramme per tonne.

Grade

The quantity of metal per unit mass or ore expressed as a percentage as ounces or grammes per tonne of ore.

Hangingwall

The overlying side of a fault, ore-body or stope.

Head grade

The grade of the ore as delivered to the metallurgical plant.

In situ

In place, i.e. within unbroken rock.

Indicated Mineral Resource

An "Indicated Mineral Resource" is the part of a Mineral Resource for which tonnage; densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

Inferred Mineral Resource

An "Inferred Mineral Resource" is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. Itis inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that may be limited or of uncertain quality and reliability.

JSE

JSE Securities Exchange, SA.

KBH

Khumo Bathong Holdings.

kg

Kilogram.

Level

The workings or tunnels of an underground mine which are on the same horizontal plane.

m

Metre.

MINERAL RESERVE AND MINERAL RESOURCE OVERVIEW

Measured Mineral Resource

A "Measured Mineral Resource" is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological continuity.

Metallurgical plant

Processing plant used to treat ore and extract the contained metals.

Mill/Milling

The comminution of the ore, although the terms have come to cover the broad range of machinery inside the treatment plant where the mineral is separated from the ore.

Mineable

That portion of a mineralised deposit for which extraction is technically and economically feasible.

Mineral Reserve

A "Mineral Reserve" is the economically mineable material derived from a Measured and/or Indicated Mineral Resource. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified. Mineral Reserves are sub-divided in order of increasing confidence into Probable Mineral Reserves and Proved Mineral Reserves.

Mineral Resource

A "Mineral Resource" is a concentration (or occurrence) of material of economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, estimated from specific geological evidence and knowledge, or interpreted from a well-constrained and portrayed geological model. Mineral Resources are subdivided, in order of increasing confidence in respect of geoscientific evidence, into Inferred, Indicated and Measured categories.

Mine Call Factor ("MCF")

The ratio of the grade of material received at the mill to the grade of the ore calculated by sampling in stopes.

Mineralisation

The presence of a target mineral in a mass of host rock.

mt

Million tonnes.

Ore

A mixture of mineralised material from which at least one of the contained minerals can be minedand processed at an economic profit.

Ounce

One troy ounce which equals 31.1035 grammes.

Pay-limit

The break-even grade at which the ore-body can be mined without profit or loss, calculated using forecast commodity prices, working costs and recovery factors.

PLATO

The South African Council for Professional Land Surveyors and Technical Surveyors.

Probable Mineral Reserve

A "Probable Mineral Reserve" is the mineable material derived from a Measured and/or Indicated Mineral Resource. It is estimated with a lower level of confidence than a Proved Mineral Reserve. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified.

Production

The day-to-day activities directed to obtaining saleable product from the Mineral Resource on a commercial scale. It includes extraction and other processing prior to sale.

Proved Mineral Reserve

A "Proved Mineral Reserve" is the economically mineable material derived from a Measured Mineral Reserve. It is estimated with a high level of confidence. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies,

have been carried out, including consideration or and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified.

Recovery grade

The actual grade or ore realised after the mining and treatment process.

Reef

A mineralised horizon containing economic levels of metal.

Rehabilitation

The process of restoring mined land to a condition approximating its original state.

SACNASP

The South African Council for Natural Scientific Professions.

Shaft

A shaft provides principal access to the underground workings for transporting personnel, equipment, supplies, ore and waste. A shaft is also used for ventilation and as an auxiliary exit. It is equipped with a hoist system that lowers and raises conveyances for men, material and ore in the shaft.

Stope

The underground excavation within the ore-body where the main production takes place.

Strike

The direction in which a horizontal line can be drawn on a plane.

The SAMREC Code

The South African Code for Reporting of Mineral Resources and Mineral Reserves including the guidelines contained therein.

Tonnage

Quantities where the ton or tonne is an appropriate unit of measure.

Tonne

One tonne is equal to 1 000 kg (also known as a metric ton).

Tailings

Finely ground rock from which valuable minerals have been extracted by milling.

Tailings dam

Dams or dumps created from waste material from processed ore after the economically recoverable metal has beenextracted.

tpa

Tonnes per annum.

tpm

Tonnes per month.

tpm^3

Tonnes per cubic metre.

Yield/Recovered grade

The actual grade of ore realised after the mining treatment process.

Additional information regarding Mineral Reserves and Mineral Resources is available on our website:

www.durbans.com