The National Treasury hereby releases the draft Schedules 1 to 4 to the 4th and final draft of the Mineral and Petroleum Resources Royalty Bill, for comment. The determinations as per Schedule 3 are probably already covered in the Bill itself and might therefore be superfluous. The deadline for public comment is **Friday 13 June 2008 at 15:00**.

Comments must be sent to sharon.payne@treasury.gov.za and mmule.majola@treasury.gov.za.

Readily saleable condition

SCHEDULE 1

REFINED CONDITION OF MINERAL RESOURCES

Mineral resource name	Refined condition
Cobalt	Cobalt is refined once processed into cobalt metal or cobalt sulphate. 99.5 % refined
Copper	Copper is refined once processed into copper metal slabs, blister copper or cathode copper of at least 99.0 % purity.
Germanium	99.99% refined product
Gold	Refined and smelted to a 99.5 % purity
Lead	Lead is refined once processed into bars and billets containing at least 99.0 % pure lead.
Lithium	99.5% $LiCO_3$ in concentrate (lithium carbonate)
Mercury	99.9% purity
Nickel (Base metal)	Nickel is refined once processed into a metal, or other form (e.g. ferro nickel, nickel metal or nickel sulphate). 99.5% purity
Platinum Group Metals (iridium, palladium, platinum, rhodium, ruthenium and osmium)	Refined and smelted to a 99.9 % purity
Molybdenum	99.99% refined product
Silicon	98.5% Si
Silver	Silver is refined once processed to silver metal or silver nitrate. 99.5% refined
Talc	98.5% and minus 325 µm mesh
Zinc	Zinc is refined once processed into zinc metal, plates or slabs containing at least 98.5 % pure zinc.

<u>Oil and Gas</u>

Oil	At inlet of refinery
Gas	At inlet of refinery

Readily saleable condition

SCHEDULE 2

UNREFINED CONDITION OF MINERAL RESOURCES

Mineral resource name	**Unrefined condition**
Aggregates	Bulk
Antimony	65% Sb content in the concentrate
Barite	Concentrates with 97% $BaSO_4$
Beryllium	70% beryl concentrate
Chromium in lump, chip or fine	(i) 34% to 46% Cr_2O_3 in concentrate; (ii) 4% to 10% SiO_2 and a (iii) Cr/Fe ratio of 1.3 to 1.15 (**chip and lump**) or (iv) 0.8% to 6% SiO_2 and (v) Cr/Fe ratio of 1.3 to 1.6 (**fine < 1mm**)
Clay used for bricks Kaolinite clay used by paper and ceramic sectors	Bulk
Coal	Grade A: *in situ* calorific value equal or greater than 27.5 GMJ/kg Grade B: *in situ* calorific value equal of greater than 26.5 GMJ/kg and less than 27.5 GMJ/kg Grade C: *in situ* calorific value equal or greater than 25.5GMJ/kg and less than 26.5 GMJ/kg Grade D: *in situ* calorific value less than 25.5 GMJ/kg
Cobalt	7% Co in a polymineralic matte
Copper	20% to 30% Cu
Diamond	Rough Diamonds
Dimension stone: Granite, Sandstone, Slate, Shale, Gneiss, Marble	Bulk
Fluorspar	80% concentrate
Graphite	86% carbon content
Iron	61% to 64% Fe content
Lead	Concentrate with a minimum of 50% Pb

Limestone	Concentrate with a minimum of 54% $CaCO_3$
Manganese	Manganese ore: Mn 48% and Si + Al less than 11%
Mica	48% concentrate
Mineral Sand (Titanium)	
Ilmenite	(43% to 50% TiO_2 in ilmenite) concentrate grades – ilmenite % content
Rutile	80% TiO_2 Rutile concentrate
Zircon	85% ZrO_2 Zircon concentrate
Nickel	1.4% Ni content
Noibium	45% Ni_2O_5 in concentrate
Platinum Group Metals (iridium, palladium, platinum, rhodium, ruthenium and osmium)	concentrate (150 ppm)
Sand	Bulk
Silver	800g/t Ag in polymineralic base metal
Tantalum	In concentrate 30% Ta_2O_5, Max 0.5% U_3O_8 and ThO_2 combined
Tin	80% cassiterite concentration
Tungsten (CaWO4) and Wolram	Minimum 65% WO_3 in concentrate
Uranium	80% uranium in concentrate. Oxide (yellow cake) and Uranium Hexafluoride.
Vanadium	Concentrate > 1% V_2O_5 equivalent and less than 2% calcium and silica bearing gangue minerals (SiO_2 + CaO)
Zinc (Base metal)	27% Zn in concentrate
Other Minerals not listed elsewhere	Concentrate or bulk. e.g. Phosphate Rock, Vermiculite, Semi-precious gemstones (like rose quartz, tiger's eye; corundum; etc), Precious gemstones (like sugilite), Feldspar, Garnet, Peat, Perlite, Rare Earth Elements, Silica, Soda Ash, Wollastonite, Zeolite, etc.

Value determination of readily saleable condition

REFINED CONDITION OF MINERAL RESOURCES

SCHEDULE 3

Mineral resource name	**Refined condition**
Cobalt	Market price or arms length price
Copper	Market price or arms length price
Germanium	Market price or arms length price
Gold	Market price or arms length price
Lead	Market price or arms length price
Lithium	Market price or arms length price
Mercury	Market price or arms length price
Nickel	Market price or arms length price
Platinum Group Metals (iridium, palladium, platinum, rhodium, ruthenium and osmium)	Market price or arms length price
Molybdenum	Market price or arms length price
Silver	Market price or arms length price
Talc	Market price or arms length price
Zinc	Market price or arms length price

Oil and Gas

Oil	Value: Condensate price (US$/bbl) = Brent crude price (US$/bbl) + 2
Gas	Value: Derived gas price (US$/GJ) = 0.0508 x Brent crude price (US$/bbl) + 0.2303

Value determination of readily saleable condition

UNREFINED CONDITION OF MINERAL RESOURCES

SCHEDULE 4

Mineral resource name	**Unrefined condition**
Aggregates	To be determined
Antimony	Market price or arms length price
Barite	Market price or arms length price
Beryllium	Market price or arms length price
Chromium	Market price or arms length price
Clay used for bricks Kaolinite clay used by paper and ceramic sectors	To be determined Market price or arms length price
Coal	Market price or arms length price
Cobalt	**80% of market price of refined cobalt**
Copper	**80% of market price of refined copper**
Diamond	**Value as determined by the State Diamond Valuator**
Dimension stone: Granite, Sandstone, Slate, Shale, Gneiss, Marble	Market price or arms length contract price? To be determined?
Fluorspar	Market price or arms length price
Graphite	Market price or arms length price
Iron	Market price or arms length price
Lead (Base metal)	**80% of market price of refined lead**
Limestone	To be determined – agreed formula
Manganese	Market price or arms length
Mica	Arms length contract price
Mineral Sand (Titanium)	
Ilemenite	Market price or arms length contract price to be determined / Agreed formula

Rutile	Market price or arms length contract price to be determined / Agreed formula
Zircon	Market price or arms length contract price to be determined / Agreed formula
Nickel	Market price or arms length price
Noibium	Market price or arms length price
Platinum group metals (iridium, palladium, platinum, rhodium, ruthenium and osmium)	**80% of market price of refined PGM**
Sand	Market price or arms length price? To be determined
Silver	**80% of market price of refined silver**
Tantalum	**Market price or arms length price**
Tin	Market price or arms length price
Tungsten (CaWO4) and Wolram	Market price or arms length price
Uranium	Market price or arms length price
Zinc (Base metal)	Market price or arms length price
Other Minerals not listed elsewhere	To be determine