



MEDIA RELEASE

LILY MINE

29 September 2016

We refer to our Media release of 28 September 2016.

A risk assessment of the situation was undertaken yesterday by Mine Rescue Services which included detailed video footage of the recently drilled rescue shaft and of the original ventilation shaft. The results of the assessment are as follows;

- Inspection of the 600mm rescue shaft revealed deterioration of the side walls in numerous places rendering it unsafe to hoist personnel out of the mine in the event of an emergency. As a result of this deterioration this second outlet has been totally compromised. This second rescue shaft was developed as a temporary safety measure during the initial rescue operations.
- The ventilation shaft, which allows access to the underground workings, shows significant deterioration as evidenced by new fractures and “bulging” of the sidewalls. While the ladder way remains stable and intact, the risk of an incident upon entry has increased since the area was last visited. This ventilation shaft which is adjacent to the sinkhole has been in place since the inception of the mine and has only been compromised as a result of the further deterioration of localised ground conditions.

Mining Safety Regulations require that the employer must prevent employees from being trapped underground by providing two exits from the underground work place. The two exits must be connected to separate means of “egress” or escape to the surface.

Given that the rescue shaft has been totally compromised, there is no second outlet and the planned inspection cannot proceed. Furthermore, underground access through the ventilation shaft would

be extremely unwise and endanger the lives of the investigation team, which included Expert Rock Engineers, Department of Mineral Resources and Union representatives, Senior Mine Management and Mine Rescue Services Personnel.

A collective decision between Mine Management, The Union and Mine Rescue Services has been made to abort the attempts to inspect the localised geological conditions underground. The Department of Mineral Resources and the Chamber of Mines have been informed of our decision.

The original plan to develop a new decline remains in place. This is sited 400m from the disturbed area and represents the best option to access the underground workings safely. Plans to implement this remain on track.

JOINT STATEMENT

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