



STURNS

BUSINESS RESCUE PRACTITIONERS

PRESS RELEASE

LILY MINE

08 September 2016

There has been numerous speculations and comments in the media regarding the investigations into the reasons for the disaster that occurred at the Lily Mine on 5 February 2016. That day a crown pillar collapsed trapping three miners in a container and they remain buried below the surface.

After any such accident the Mine is required to conduct an investigation and produce a report on the accident. This report must identify the underlying causes of the incident, identify any unsafe conditions, acts or procedures that contributed to the accident and then make recommendations to prevent a similar accident. This report must be delivered to the Principal Inspector of Mines and the Health and Safety Committee.

The Chief Inspector of Mines will also conduct an independent inquiry as to the cause of the accident. The Lily Mine commenced its investigations immediately after rescue operations were halted and this was done in collaboration with the DMR and the Union. Investigations are currently ongoing and it is anticipated that the Investigation Report will be submitted to the Committee by the end of October 2016.

The Company has appointed an external investigation team to determine the cause of the accident. The team is led by Geotechnical firm SRK Consulting. These experts have been appointed to address the specific aspects of mine design, mining methods, monitoring and compliance to procedures and legislation. The investigation also will include submissions from the Union and Safety Officers.

Due to the complexity of the investigation and number of experts required, the investigation is a lengthy one. It is further hampered by the fact that access to the underground workings is not possible until a new safe decline has been established.

The process that is underway is a process that is defined by the law and the Company and the Practitioner are in regular contact with the Department of Mineral Resources regarding the progress of the investigation.

The Practitioner due the nature of his appointment and duties is involved in this process and will ensure that the investigation is effective and transparent.

Regarding the retrieval of the container, three attempts to retrieve it have been made during the initial rescue period in February 2016.

Current conditions on and within the mine are still extremely dangerous and the mine has been declared closed and remains so due to unstable and unsafe conditions. Once the new decline has been established in safe conditions, retrieval operations of the container will commence.

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