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PO Box 11805
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Attention: Steve Lambert

10 March 2011

Re: Survival Tyre Survey Carried on Diesel Powers Six Komatsu 465's Off High Way Trucks:

Site: Butterfly Mine Witbank Mpumalanga:

Site Contact: Mr. Anton Joubert

Cell Number: 071 686 9119

Dear Steve,

This serves to confirm that our Survival Technician inspected the following Plant Numbers on 1st of March 2011:

Fleet No: 6

Fleet No: 7

Fleet No: 8

Fleet No: 9

Fleet No: 10

Fleet No: 11

Findings:

- All tyre Serial Numbers were crossed referenced to the Machine Serial Numbers to ensure no tyre changes had taken place since Survival installation.
- A report recording the tyre pressures for each Fleet Number are attached.
- All tyre's were inspected for "HOT PRESSURE" readings.
- All tyre's still their valve caps attached with the exception of the tyre in position 3 of fleet number 8.

Conclusion:

- All 6 off highway trucks installed with Survival have operated for an average of 485 hours since the last survey done on the 27th of January 2011.
- All tyre pressures were found to be between 6.20 bar and 6.8 bar with the exception of tyres in position 1 and 5 on Fleet Number 6 which shall be addressed later in the report.
- The above range of pressure is within the 20% "Tolerance allowed for Heat Build up".
- The average tyre pressure for all 36 (Thirty Six) tyres was 6.448 Bar which is almost identical to the average of 6.472 Bar calculated on 27 January 2011.

Comparison:

Fleet Number 1 (Hours 793) tyre pressures were surveyed. (No Survival Installed)

Findings with Comparison:

- The tyres fitted to Number 1 are all in a similar condition to fleet numbers 6, 7, 8,9,10 &11.
- Tyres in position 1, 2, 3 and 6 could only be recorded as rear inner tyres numbers 4 and 5 had no valve extensions fitted. We recommend extensions are fitted wherever necessary
- Pressures recorded varied between 6.9 and 7.2 bar.
- The average tyre pressure was 7.05 bars.
- This illustrates that the tyre's installed with Survival on Fleet Numbers 6, 7, 8, 9, 11 are operating at a 9.3% LOWER TEMPERATURES in comparison to Fleet number 1 not installed with Survival.

Findings on tyres in positions 1 and 5 of fleet number 6

- The tyre in position 1 was on 5.90 bar and the pressure in tyre 5 was 5.6Bar
- These are the only 2 tyres out of 36 tyres installed with Survival that were slightly underinflated
- It can be concluded that both of these tyres suffered penetrations that Survival sealed permanently
- Substantial Savings were made by Saving Down time by not having to Stop the machine for at least 2 tyre changes and reduced the risk of the 2 tyres being Permanently Destroyed by Run Flat Damage

Summary of actual cost saved

In our initial proposal we presented a calculation indicating a possible cost saving of 50% reduction in Down Time and a 15% improvement in tyre life.

Thus far we have proven the following:

- **0% DOWN TIME THUS FAR**
- **LOWER OPERATING TEMPERATURES OF 9.2% and consistent tyre pressures within the recommended .**
- **The actual Down Time Saving achieved thus far is a minimum of 2 penetrations that sealed. The additional cost of possibly replacing 2 tyres as a result of being Run to Destruction.**
- **ACTUAL COSTS SAVED TO DATE:**
 - DOWN TIME FOR AT LEAST 2 PENETRATIONS**
 - EXTENDED TYRE LIFE**
- **ADDITIONAL POSSIBLE COST**
 - PREMATURE FAILURE OF REPLACING AT LEAST 2 TYRES**

ADDITIONAL COSTS NOT ACCOUNTED FOR:

- **OVERTIME PAID TO SUPPORT CREWE**
- **CALL OUT CHARGE TO REPLACE TYRES**
- **COST OF SUPPORT VEHICLES AND EQUIPMENT TO ENABLE TYRE CHANGES TO TAKE PLACE**

Summary of Additional Cost Saving Solutions:

- **Less standing time is taken to inflate tyres.**
- **Increased machine availability and production.**
- **Consistent tyre pressures ensuring the correct tyre life is achieved and reducing the chance of side wall penetrations due to under inflation.**
- **Reduced Cost of Support Personnel and Equipment.**
- **Optimal Fuel Consumption due to correct inflated tyres.**
- **Enhanced Safety on the mine.**
- **Lower Cost per Cubic /Ton moved.**

Jeff Dorrington from Yellow Metal Spares and I would like at meet at your earliest convenience to discuss the report and findings in greater detail.

Kind Regards

Mark Bentley

Director