



*A proven South
African diamond
explorer*

*"A diamond is
forever, and so too
the legacy of those
that find them".*



**BACKGROUND INFORMATION DOCUMENT AND BASIC
ASSESSMENT PROCESS FOR THE PROPOSED PROSPECTING
ACTIVITIES FOR DIAMONDS**

ON

**Portion 1, 3, 17, 18, 19, 20, 21, 22, 23, 24 and 31 Farm Marsfontein 91KS
in the Capricorn District Municipality and Polokwane Local Municipality
of the Limpopo Province**

DATE: JANUARY 2019

REFERENCE: LP30/5/1/1/2/13306PR

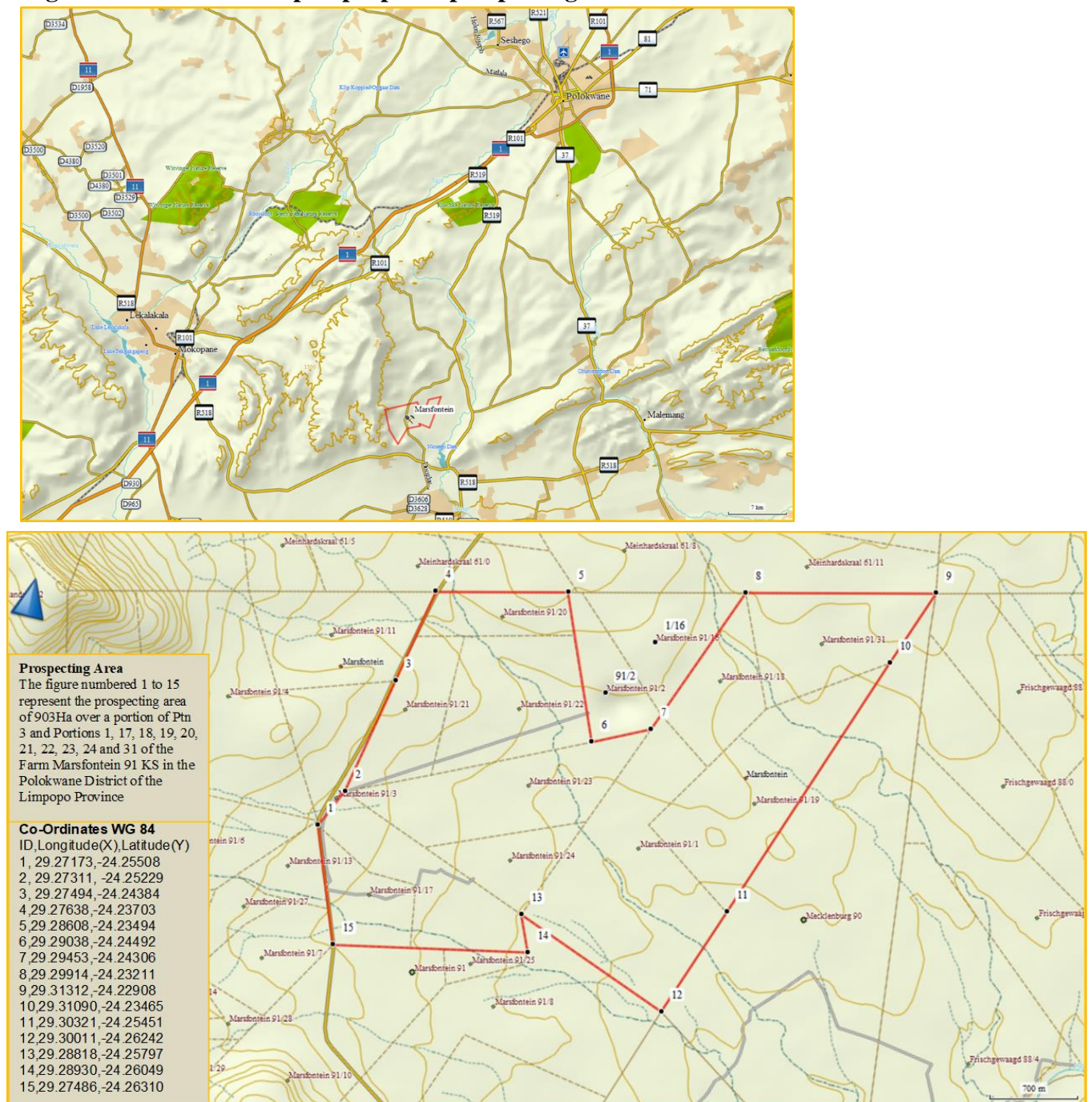
INTRODUCTION AND BACKGROUND

The applicant, Razorbill Properties 12 (Pty) Limited (Reg. No 1999/017737/07) a sister company of Vutomi Mining, proposes to undertake prospecting activities for diamonds on the following properties:

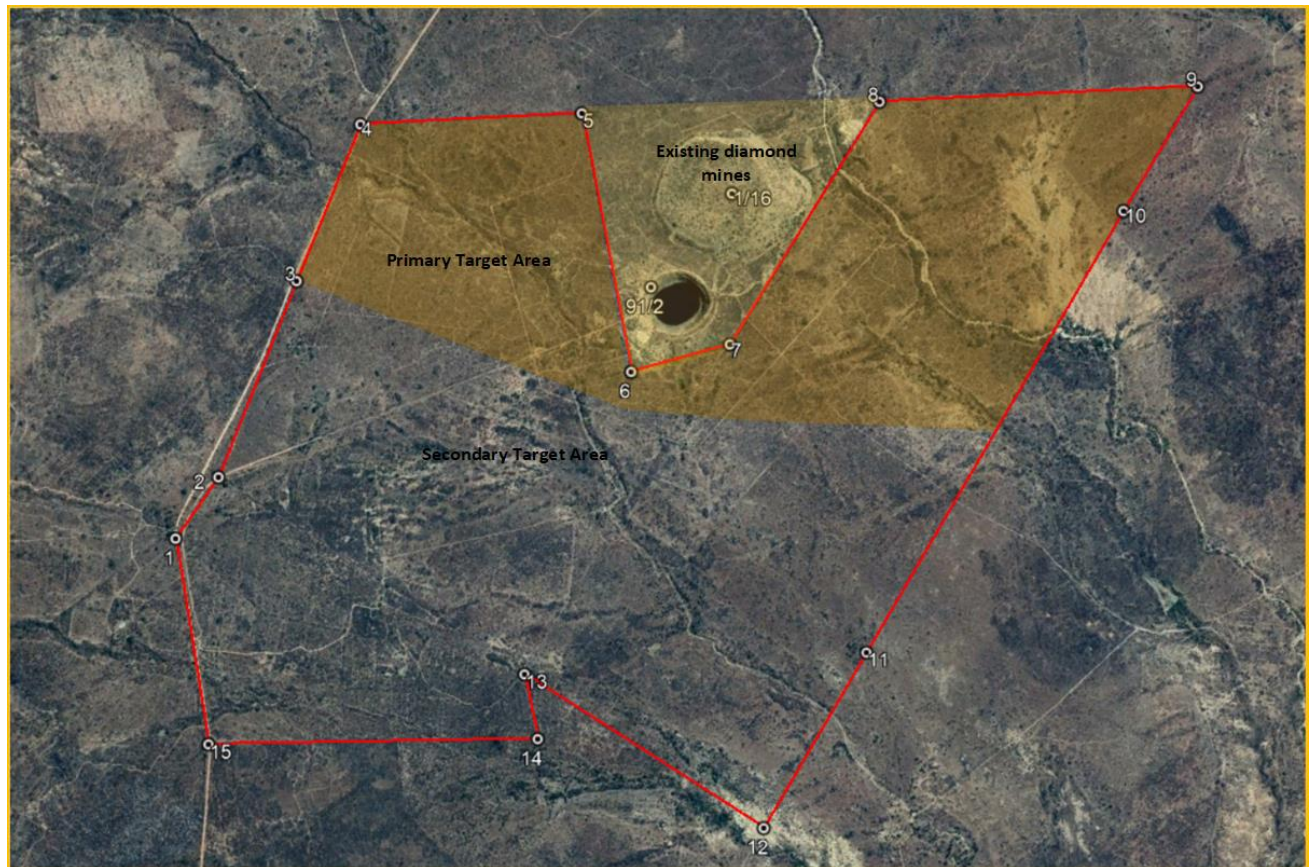
Portion 1, 3, 17, 18, 19, 20, 21, 22, 23, 24 and 31 Farm Marsfontein 91KS in extend 903Ha. Registered in the name of the National Government Republic of South Africa by virtue of Title deed T85368/2006.

The prospecting area is located in a remote farming area approximately 40 Km South of Polokwane within the Capricorn District Municipality and Polokwane Local Municipality of the Limpopo Province (Refer to Figure 1a).

Figures 1a: Location Map of proposed prospecting area



Figures 1b: Site Plan showing landscape and existing agricultural and diamond mining activities - the position of drilling activities 6 holes per kimberlite can only be determined after completion of non-invasive investigations and discovery of potential kimberlite pipes



The proposed prospecting activity triggers listed activities in terms of the National Environmental Management Act, Act 107 of 1998 (NEMA) Environmental Impact Assessment (EIA) Regulations of 2014 all as amended, and therefore requires an Environmental Authorisation (EA) from the Department of Mineral Resources (DMR), before prospecting may commence.

PROPOSED PROSPECTING ACTIVITIES

Prospecting for Kimberlite is a dynamic and result-driven operation which proceeds in phases, the outcome of which cannot be predicted or predetermined. Prospecting activities will consist of non-invasive (desktop studies and ground geophysics) and invasive (drilling) prospecting methods. Prospecting activities may be terminated at any stage if the results are negative and/or the Kimberlite is uneconomic. The following is a summary and brief description of the activities to be undertaken for each phase of work:

6 0 M o n t h s	1 2 M o n t h s	Phase 1a Desktop studies	<ul style="list-style-type: none"> • Review of available information: and • Selection of appropriate prospecting techniques.
	1 2 M o n t h s	Phase 1b Target delineation	<ul style="list-style-type: none"> • Geological mapping; • Ground geophysical surveying (Magnetic and gravity methods): and • Interpretation of the new information. • Soil and stream sampling
	1 2 M o n t h s	Phase 2 Testing of target, Kimberlite delineation & microdiamond evaluation	<ul style="list-style-type: none"> • Detailed geophysical surveys; • Initial drilling (85 mm hole diameter) (8m x 20m footprint) Max 15 holes at 200m depth, core logging & drill samples; • Laboratory analysis of drill samples for indicator minerals and/or microdiamonds and • Integration & interpretation of new information. • Detailed geophysical surveys and modeling; • Infill drilling (85 mm hole diameter) (8m x 20m footprint) Max 5 holes at 200m depth, core logging & drill samples • Laboratory analysis of drill samples for indicator minerals and/or microdiamonds and • Interpretation of the new information and planning.
	1 2 M o n t h s	Phase 3 Target delineation	<ul style="list-style-type: none"> • Large diameter drilling (17' or 65cm) (20m x40m footprint) Max 2 holes at 200m depth (sample 50 tons): • Diamond recovery and examination: and • Integration & interpretation of new info.
	1 2 M o n t h s	Phase 4 Analytical Desktop Study Resource statement	<ul style="list-style-type: none"> • Final exploration report. • Resource statement and decision <ul style="list-style-type: none"> - Application for a Mining Right and mine planning - Final rehabilitation and closure of project.

- **Phase 1: Review of historical prospecting and production records:**

Phase 1 will comprise of a desktop study of all available and the latest published literature and geological data on the history and distribution of diamonds in the surrounding area. During this phase a Geophysical Survey by means of a detailed magnetic survey will also be completed to locate potential kimberlite pipe systems.

Phase 1 will also comprise of geological mapping and modelling using the latest available remote sensing images and technology and geological and geomorphological modelling to determine the most likely location of kimberlite pipe systems.

After completion of this phase the prospecting will be reduced significantly as all properties without kimberlite pipe systems discovered will be relinquished.

- **Phase 2 and 3: Physical Prospecting Work**

Scout Percussion Drilling on a grid pattern as indicated by the magnetic survey. Percussion drill holes (usually up to 85mm in diameter) will be positioned at targets identified during geological mapping and the geophysical surveys. Provision is made for a maximum of 20 boreholes during this phase with an average depth of 200 m although experience has shown that no more than 5 bore holes is required per kimberlite discovered.

The second phase of drilling will be large diameter drilling (17 inch or 65cm) at potential kimberlite pipe systems where positive results are encountered during the scout drilling phase. Provision is made for a maximum of 5 holes to a depth of 200 m although experience has shown that no more than 1 bore holes is required per kimberlite discovered to produce a sample of average 50 tonnes. During this drilling program data will be recorded regarding grade and morphology of any pipes discovered. A resource calculation would then be completed following a detailed analysis of the chip samples. It is important to test for G10 garnets and to obtain an idea as to what standard the pipe is mineralized.

Associated infrastructure during this phase includes an equipment laydown/storage area as part of the drill platform and access tracks. Rehabilitation (i.e. Backfilling drill holes and rehabilitation of disturbed areas such as jeep track) will be carried out on a continuous basis as work progresses. After logging of the results, the drill platforms will be rehabilitated and the drill holes filled with drill chips and covered with topsoil.

- **Phase 4: Analytical Desktop Studies**

The project geologist monitors the programme, consolidates and processes the data and amends the programme depending on the results. This is a continuous process throughout the programme and continues even when no prospecting is done on the ground. Each physical phase of prospecting is followed by desktop studies involving interpretation and modelling of all data gathered. These studies will determine the manner in which the work programme is to proceed in terms of activity, quantity, resources, expenditure and duration. A GIS based database will be constructed capturing all exploration data.

A final outcome to this phase is to determine if an application for a mining right will be applied for or if the project will be closed.

BASIC ASSESSEMENT REPORT & ENVIRONMENTAL MANAGEMENT PROGRAMME FOR PROSPECTING ACTIVITIES

To undertake the proposed prospecting activities on the site the applicant needs to obtain an Environmental Authorisation (EA) from the DMR to lawfully undertake activities that are triggered (Table 2) in the Listing Notices of the EIA Regulations, 2014 as amended, promulgated in terms of the NEMA.

Table 2: Listed activities which are triggered by the proposed prospecting operation

Activity No(s):	Provide the relevant Basic Assessment Activity(ies) as set out in Listing Notice 1	Describe the portion of the proposed project to which the applicable listed activity relates.
GNR 327 (7/04/2017) LN1 Activity 20	Any activity including the operation of that activity which requires a prospecting right in terms of section 16 of the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002), including (a) associated infrastructure, structures and earthworks, directly related to prospecting of a mineral resource. (b) the primary processing of a mineral resource including winning, extraction, classifying, concentrating, crushing, screening or washing; but excluding the secondary processing of a mineral resource, including the smelting, beneficiation, reduction, refining, calcining or gasification of the mineral resource	A prospecting right in terms of Section 16 of the Mineral and Petroleum Resources Development Act (Act 28 of 2002) is required.
GNR 327 (7/04/2017) LN1 Activity 22	The decommissioning of any activity requiring – (i) a closure certificate in terms of section 43 of the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002); or (ii) a prospecting right, mining right, mining permit, production right or exploration right, where the throughput of the activity has reduced by 90% or more over a period of 5 years excluding where the competent authority has in writing agreed that such reduction in throughput does not constitute closure; but excluding the decommissioning of an activity relating to the secondary processing of a – (a) mineral resource, including the smelting, beneficiation, reduction, refining, calcining or gasification of the mineral resource; or (b) petroleum resource, including the refining of gas, beneficiation, oil or petroleum products	A closure certificate in terms of Section 43 of the Mineral and Petroleum Resources Development Act (Act 28 of 2002) is required after final decommissioning and closure of the operation.

Mitigation measures will be implemented to prevent disruption to the day to day running of the farm and to minimize any negative environmental impacts. Where such impacts are unavoidable, they shall be further reduced through close liaison with the lawful occupiers of the land and through specialists' input.

The potential environmental impacts associated with the proposed prospecting activities are managed through a comprehensive Environmental Management Plan

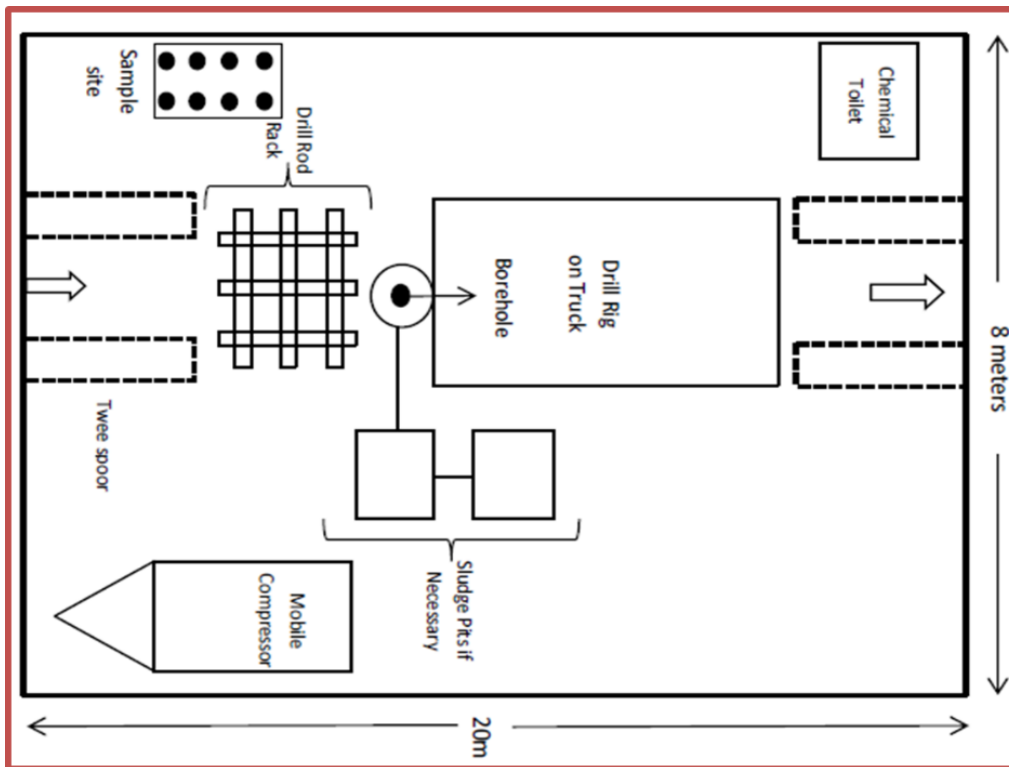
Initial prospecting phase

Phases 1 and 4 involve desktop studies and ground geophysical surveys. These activities are not invasive and do not have any lasting impact on the environment.

Operational phase

Reverse circulation and core drilling will be done in phases 2 with the possibility of large diameter drilling in phase 3 that involve invasive activities. Drilling operations are restricted to small areas around the drill site. No physical construction activities will take place as no permanent infrastructure will be established. Drill site establishment entails controlled clearing of grass and shrubs to prepare the area for the setup and alignment of the drill rig and supporting equipment. Where portable sumps are not available, it may be necessary to dig a small sump for drilling water circulation. The entire established site is typically 8m x 20m (Figure 3) or 20m x 40m in size for core drilling and Large Diameter Drilling (LDD) respectively.

Figure 3: Typical layout of a drill platform



Mitigation measures will be put in place to prevent soil and water contamination (e.g. lining the sump with heavy duty plastic sheet and placing drip trays underneath the machinery). A site waste management plan will be established and maintained throughout the prospecting activities. The site establishment will be done with closure in mind taking into consideration that the rehabilitated area must be re-vegetated, safe, stable, non-polluting, and non-eroding and in a state that is suitable for the agreed post closure land use.

Potential impacts: Impacts on fauna and flora; dust, general waste generation, hydrocarbon spillages and potential soil erosion.

Rehabilitation phase

The activity will involve the removal of all equipment and personnel from site. The sump lining and drill spoil/sludge will be removed and disposed in an environmentally responsible manner in line with the waste management standard. The borehole shall be covered and made safe. Once all equipment has been removed the sump will be backfilled and the area levelled with the top soil as stockpiled during the clearing activities. The stored rocks and stones will be

replaced evenly over site to prevent wind and water erosion, trap seeds and aid water retention and re-vegetation.

Potential impacts: Soil erosion, dust, plants and animals

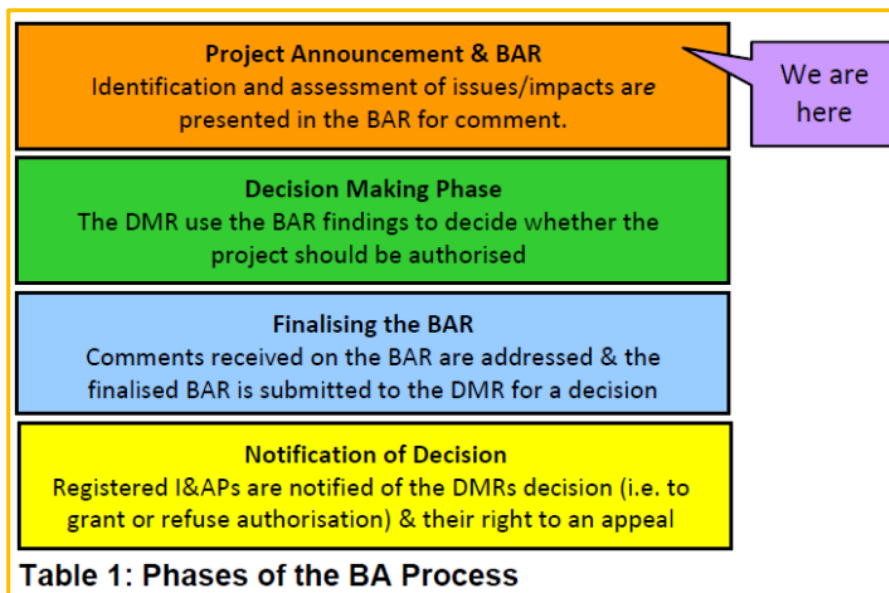
NB: It is important to note that the prospecting activities described above do not involve mining and/or mining related activities and/or trenching/pitting as part of bulk sampling.

PURPOSE OF THIS BACKGROUND INFORMATION DOCUMENT

The purpose of this Background Information Document (BID) is to:

- Consult stakeholders and provide them with an opportunity to register as Interested and Affected Parties (I&APs).
- Provide interested and affected parties (I&APs) with details on the proposed project and prospecting activities to be undertaken
- Describe potential impacts associated with the prospecting activities and how these will be managed.
- Obtain stakeholder (IAP's) comments and contribution and incorporate these into a detailed Environmental Management Plan Report.

Outline of the Basic Assessment (BA) process that is being undertaken; and



PUBLIC PARTICIPATION PROCESS

The Public Participation Process (PPP) offers Interested and Affected Parties (I&APs) the opportunity to familiarise themselves with the proposed project and the BA process being undertaken, and provides them with opportunities to:

- Raise issues of concern and suggestions for enhanced benefit;
- Contribute their local knowledge to the project;
- Ask questions related to the project or the BA Process; and to
- Comment on the proposed project and on the documentation made available as part of the BA process.

This proposed prospecting operation and BA process is being announced through:

- Providing this BID to all landowners of the properties covered by this application and adjacent to these properties.
- By an advertisement published in the Local Newspaper and by a site notice that will be placed at the application site and other public places.
- I&APs responding to these notices will then also be provided with this BID.

As part of this BID, I&APs are invited to register and comment on the proposed project in any of the following manners:

- Complete the Registration and Comment sheet below, and return it to the address provided; or
- Mail, fax or e-mail your comments or request to be added to the register of interested and affected parties to the contact person listed below.

Any submission by I&APs should please include the following information:

- DMR's Reference No. **LP30/5/1/1/2/13306PR**;
- The I&APs name, contact details (postal address, fax number and e-mail address); and
- An indication of any direct business, financial, personal or other interest which they may have in the application.

You will only be registered as an I&AP and receive the Draft Basic Assessment and any further correspondence relating to this application if you return the attached Registration and Comment sheet, or if you request that your name be added to the register of registered I&APs.

I&APs will have time till **01 March 2019** to register as I&APs and/or provide written comments on the draft BAR document.

The **Draft Basic Assessment Report (BAR) and EMPr** will be made available to all registered I&AP's on **28 January 2019**.

Application to register as I&A Party and written comments Draft Basic Assessment Report (BAR) and EMPr should be submitted to the contact person listed below on or before **01 March 2019**:

For Attention: Mr Jacques Nienaber

Postal Address: PO. Box 95037, Waterkloof, Pretoria, 0145;

Tel: 082 7718883;

Fax: 012 9960823;

Email: jacques@vutomi.co.za

WAY FORWARD

The applicant will make the **Draft BAR and EMPr** available to all **registered I&AP** for a **30-day period** to supply **comments and inputs**. Comments received on the draft BAR and EMPr will be collated and responded to in a **finalised BAR and EMPr** which will be submitted to the DMR on the 08th of March 2019 for decision making (along with copies of the original written comments received by our office). Upon receipt of the **decision from the DMR**, all **registered I&APs will be informed of the decision** and of their right to an appeal and the **details of the appeal process**.

REGISTRATION FORM AS INTERESTED AND AFFECTED PARTY AND QUESTIONNAIRE FOR INTERESTED AND AFFECTED PARTIES IN RESPECT OF PROSPECTING RIGHT APPLICATIONS			
The information below is requested purely for use in the compilation of the Environmental Management Plan for the property referred to as: Portion 1, 3, 17, 18, 19, 20, 21, 22, 23, 24 and 31 Farm Marsfontein 91KS Capricorn District Municipality and Polokwane Local Municipality of the Limpopo Province		Please send the completed form to: Mr. Jacques Nienaber Postal address: PO. Box 95037 Waterkloof, Pretoria, 0145 Tel: 012 9960823 Fax: 012 9960823 Email: jacques@vutomi.co.za	
DMR Reference: LP30/5/1/1/2/13306PR			
Please complete this section if you wish to register as interested and affected party and return the completed form to the contact details above			
Title, Name and Surname (respondent):			
Capacity (e.g. owner, tenant, etc):			
Postal Address:		Postal Code:	
Tel:		Fax:	
Cell:		E-mail:	
Organisation Represented (if any):			
I have the following interest(s) in this application (direct business, financial, personal or other):			

Please complete this section if you wish to provide preliminary comments on the proposed development that should be considered as part of the Draft BAR & EMPr and return the completed form to the contact details above	
Your Comments	
1.	Please provide a description on the current land use and location within the area under Consideration (e.g.: Crop production, cattle farming etc.)
2.	Do access roads, if any, pass through other privately-owned property, if so, what are the requirements to use such road (e.g.: permission from neighbours or other surface owners?)
3.	Please provide information on how you consider the proposed activities will have an impact on you or your socio-economic condition.
4.	Please make proposals as to how the potential impacts in 3 above can be managed, avoided or remedied.

5.	Please provide information on the location of the environmental features on site that may be impacted by the proposed activities.
6.	Is there to your opinion any concern regarding the biophysical, heritage or cultural environment that may be impacted during the proposed activities.
7.	Please make proposals as to how and to what standard the impacts in 6 above can be remedied, managed or avoided.
8.	Is the project area to your knowledge subjected to any land claims or developments
9.	If you are the owner of the property, are you the sole owner or are there other individuals, trusts or companies that share legal title? If so, please provide contact details so that we can consult them too:
10.	Is there any tribal authority or community near your farm that we should communicate with?
11.	Please inform the local newspaper name(s) which are most used in your area:
12.	Please indicate whether or not you have an objection, comment or approval in regard to the proposed project.
13.	I suggest that the following person(s) should be included in this public participation process [please provide contact details if possible]:
	Thank you for your participation