



*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

**Remainder and Portion 1 Farm Rietkuil
Remainder and Portion 1 of the Farm Vlakfontein 1173
Xhariep District Municipality and Kopanong Local Municipality of the
Free State Province**

DATE: JANUARY 2019

REFERENCE: FS30/5/1/1/2/10532PR

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:

Remainder of the Farm Rietkuil 21 in extend 1712.4074Ha registered in the name of LOUW DESIREE-ADMINISTRATORS by virtue of Title deed T14/1962. LPI Code F0110000000002100000.

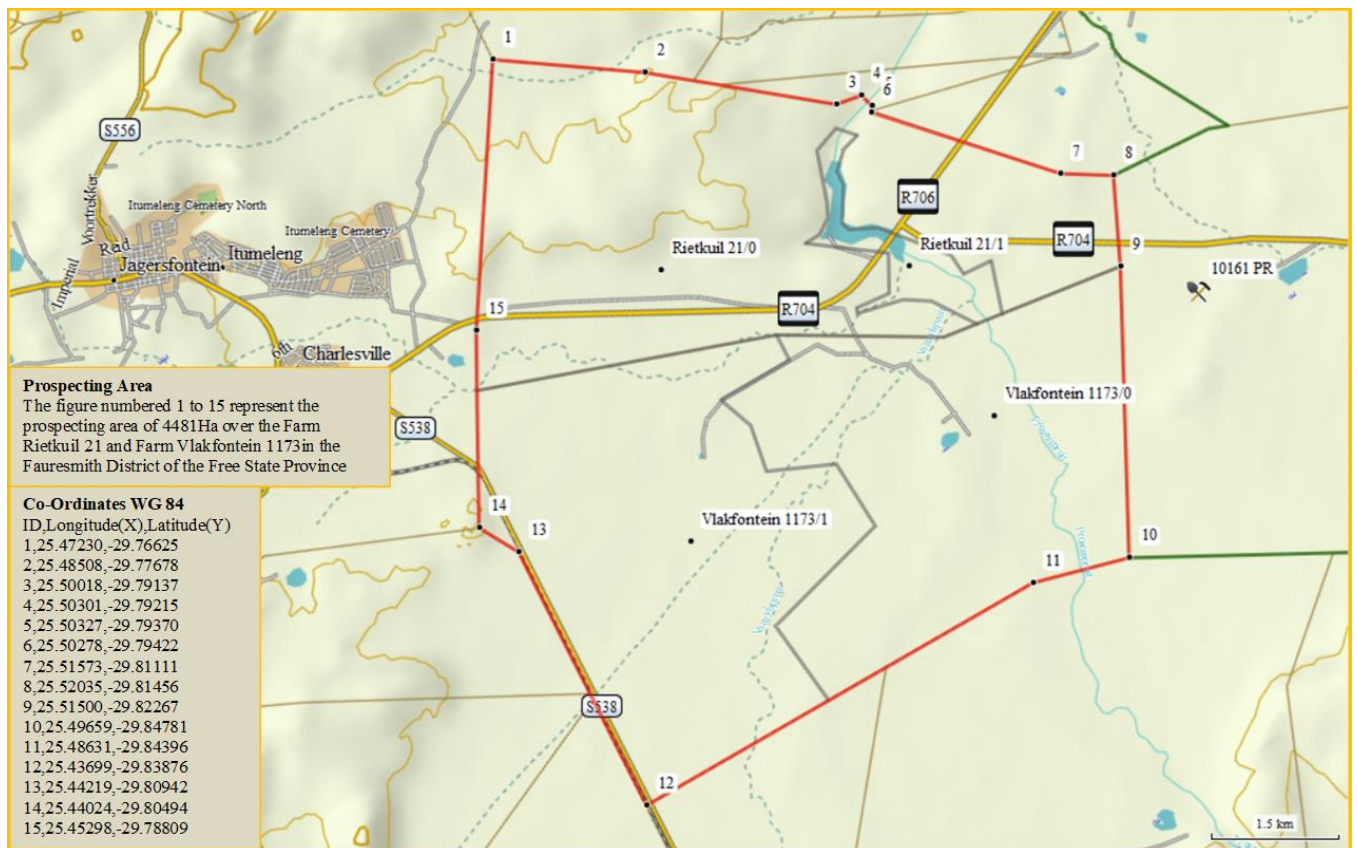
Portion 1 of the Farm Rietkuil 21 in extend 121.6275Ha registered in the name of KOPANONG LOCAL MUNICIPALITY by virtue of Title deed T5960/1973. LPI Code F0110000000002100001.

Remainder of the Farm Vlakfontein 1173 in extend 1248.5212Ha registered in the name of CORNELIUS JOHANNES LOUW TESTAMENTERE TRUST by virtue of Title deed T6724/1989. LPI Code F01100000000117300000.

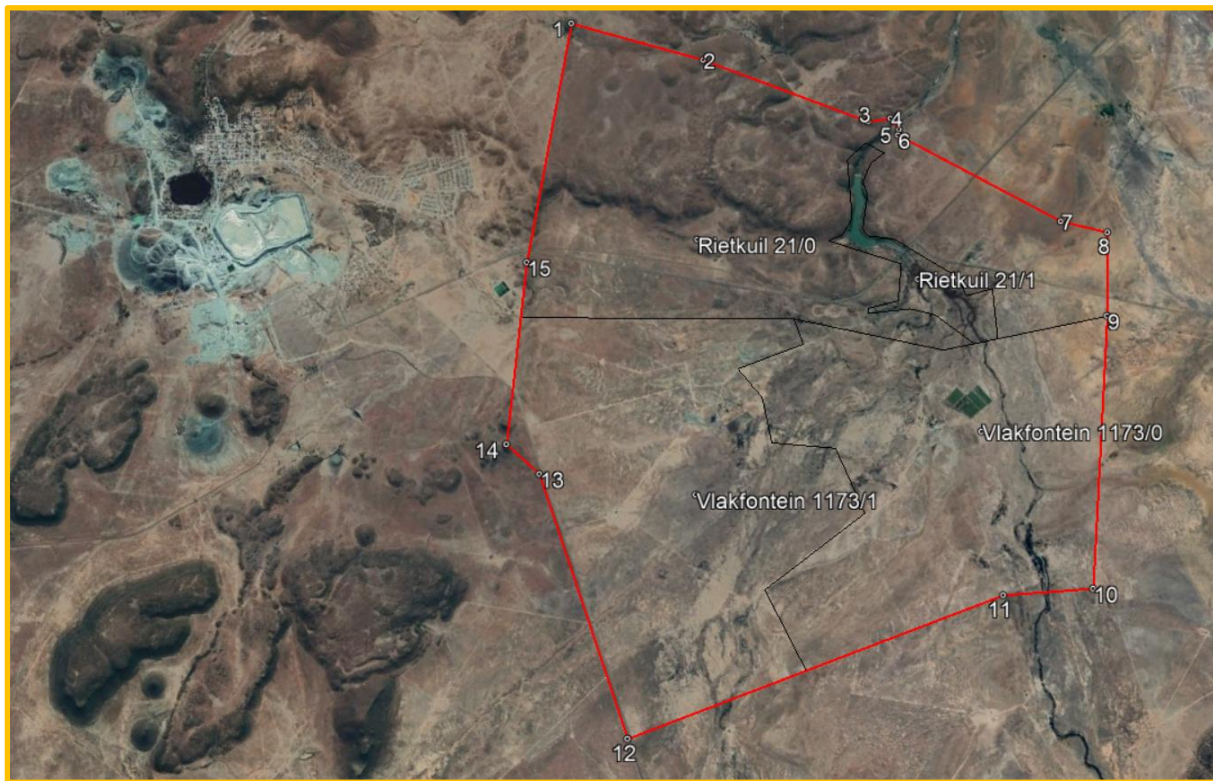
Portion 1 of the Farm Vlakfontein 1173 in extend 1376.0000Ha registered in the name of CORNELIUS JOHANNES LOUW TESTAMENTERE TRUST by virtue of Title deed T4429/1982. LPI Code F01100000000117300001.

The prospecting area is located in a remote farming area approximately 10 km east of Jagersfontein within the Xhariep District Municipality and Kopanong Local Municipality of the Free State 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.

The prospecting activities will take place in four phases:

- 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 on a grid of 5m X 5m 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 165mm 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. During this drilling program the collar position of all boreholes will be surveyed and samples will be collected every metre. Logging of results will be

done by a qualified geologist who will also record the lithology as apart from gravel resources calculations the drilling information will also be used to construct gravel thickness, overburden thickness and bedrock elevation contour plans.

The second phase of drilling will be large diameter (18 inch) percussion drilling 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. 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

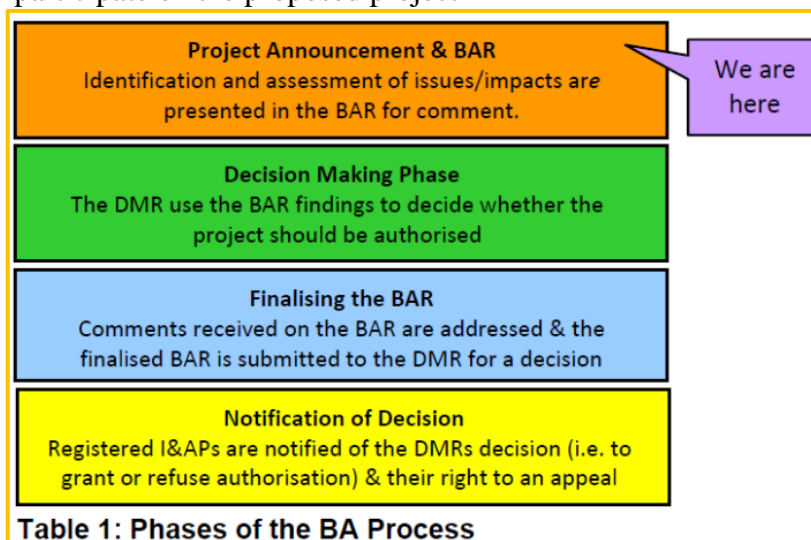
The project geologist monitors the programme, consolidates and processes the data and amends the programme depending on the results. This is a continuous process throughout the programme and continues even when no prospecting is done on the ground. Each physical phase of prospecting is followed by desktop 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.

PURPOSE OF THIS BACKGROUND INFORMATION DOCUMENT

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

- To provide interested and affected parties (I&APs) with background information on the proposed project;
- To provide an outline of the Basic Assessment (BA) process that is being undertaken; and
- To provide details on how you, the public, can register as an I&AP, comment and participate on the proposed project



BASIC ASSESSMENT PROCESS

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 in the Listing Notices of the EIA Regulations, 2014 as amended, promulgated in terms of the NEMA.

Table 2 describes the listed activities which are triggered by the proposed Activity.

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.
<p>GNR 327 (7/04/2017) LN1 Activity 20</p>	<p>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</p> <p>(a) associated infrastructure, structures and earthworks, directly related to prospecting of a mineral resource.</p> <p>(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</p>	<p>A prospecting right in terms of Section 16 of the Mineral and Petroleum Resources Development Act (Act 28 of 2002) is required.</p>
<p>GNR 327 (7/04/2017) LN1 Activity 22</p>	<p>The decommissioning of any activity requiring –</p> <p>(i) a closure certificate in terms of section 43 of the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002); or</p> <p>(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 –</p> <p>(a) mineral resource, including the smelting, beneficiation, reduction, refining, calcining or gasification of the mineral resource; or</p> <p>(b) petroleum resource, including the refining of gas, beneficiation, oil or petroleum products</p>	<p>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.</p>

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 attached to this BID, 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. **FS30/5/1/1/2/10532PR**;
- 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**.

