

BACKGROUND INFORMATION DOCUMENT

Ngomangaliso Makhulu Diamond (Pty) Ltd

PROPOSED PROSPECTING ACTIVITIES FOR DIAMONDS OVER SEVERAL PROPERTIES IN THE NAMA KHOI LOCAL MUNICIPAL AREA NORTHERN CAPE PROVINCE

REFERENCE: NC30/5/1/1/2/13619PR

DATE: October 2023

INTRODUCTION AND BACKGROUND

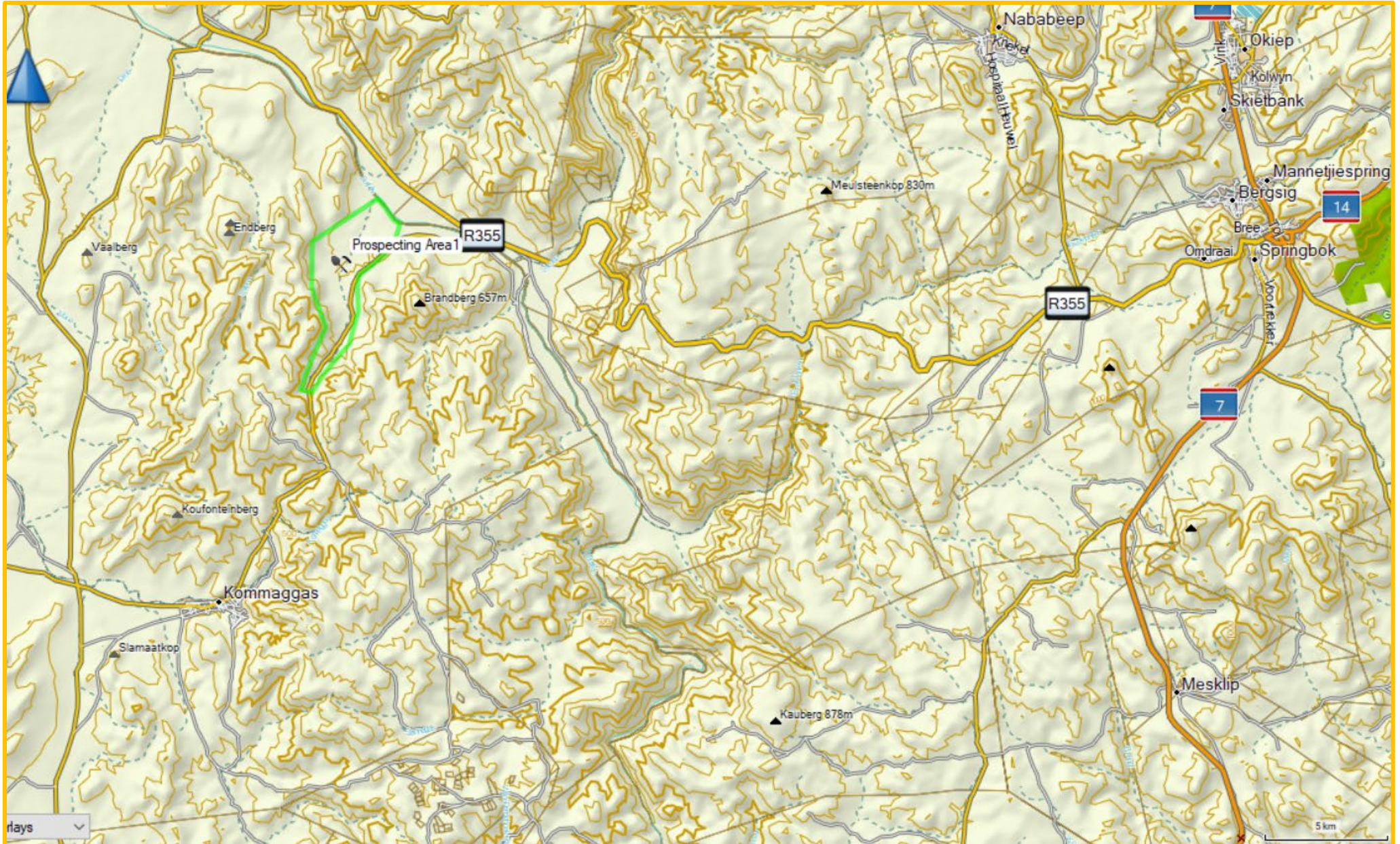
The applicant, Ngomangaliso Makhulu Diamond (Pty) Ltd (Reg. No 2022/598073/07) proposes to undertake prospecting activities for Diamonds on the following properties:

Farm	Portion	Size (Ha)		LPI	Deed	Owner
		Property	Application			
Kamaggas 200	5	59817.3613	1182	05300000000020000005	T102440/1998CTN	Gemeenskap van Komaggas

The total prospecting area is 1182Ha and located within the Namakwa District Municipality and Nama Khoi Local Municipality of the Northern Cape Province (Refer to Figure 1). The prospecting area is located approximately 50 Km west of Springbok on the R355.

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.

Figure 1: Locality plan with major Towns and Routes



PROPOSED PROSPECTING ACTIVITIES

Prospecting for Diamonds 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 and prospecting pits) prospecting methods. Prospecting activities may be terminated at any stage if the results are negative and/or the ore body is uneconomic. The following is a summary and brief description of the activities to be undertaken for each phase of work:

Construction Phase: Development of infrastructure and logistics

- Access and service roads: Access to the exploration works will be via existing farm tracks as shown in Figure 1 and Figure 3. Existing tracks will be used for service roads, or if required driving off-road will be possible without clearing any vegetation. Leaving roots intact will prevent soil loss and enable vegetation to coppice and regrow. Incremental clearing of ground cover should take place to avoid unnecessary exposed surfaces.
- Water supply: No process water is required as part of the preliminary evaluation phase.
- Electricity supply: No Electrical supply is required as part of the preliminary evaluation phase.
- Logistics: No permanent infrastructure is present or will be required due to the small scale of operations and the close proximity of Buffelsrivier and Komaggas settlement.
- No workshops or service and wash bay are required as no equipment will be used during prospecting activities except for one excavator that will only be required on an ad hoc basis. The earth moving contractor will be responsible for maintenance of equipment off-site. Emergency maintenance will be done with the necessary pollution prevention mitigating measures.
- Limited waste management facilities will be provided during the invasive phase and will consist of the following:
 - Plastic containers for domestic waste, which will be transported daily to the municipal solid waste disposal facility;
 - Temporary storage area for used lubrication products and other hazardous chemicals for the collection of the small volume of waste before it is removed to a registered disposal site; and,
 - Hydrocarbon management systems will consist of drip trays for stationary equipment and mobile fuel trailer in bunded parking area.

Operational Phase:

The evaluation of a diamond deposit is the process followed to establish economic viability and to identify the “footprint” of the deposit. The “footprint” is a profile of the type of diamonds present, which may be important for market planning. Economic sensitivity analyses indicate that all diamond deposits are most sensitive to diamond value and grade, and these are the dominant factors that influence the decision to proceed with a project. The objective of the preliminary evaluation phase is to establish the global macro diamond grade and an initial estimate of value per carat to arrive at an Inferred Resource. If the results of this work are favourable, the project may move on to the evaluation phase (bulk sampling), where local grades and macro diamond values are established to arrive at a Measured Resource. If conceptual economic modelling of the measured resource indicates that the deposit may be viable, then the project will move to the feasibility and mining phase.

A risk decision is made each time a project moves or does not move from one phase to the next. A risk decision may be made to skip phases of the process for example the project may proceed to feasibility and mining directly from the preliminary evaluation stage. The way risk decisions are managed is to enter the available geological data into economic models with variables such as operating costs, capital costs, recovery factors, dilution, stripping ratios, etc.

In this way, projects that are most likely and least likely to be viable can be prioritised, held or abandoned. The effect of changes in parameters such as diamond values, new technology, royalties, etc, can then be recognised in terms of their effect on the potential return on investment for the project.

The objective of the preliminary evaluation phase is to determine a ballpark estimate of grade and size and thus possible in-situ value of the deposit. This is normally established by collecting mini samples by the most cost-effective method available. Due to the relative shallow overburden prospecting pits is the most common technique, and will be employed on areas where bedrock elevation is less than 5 meters. Provision is however also made for reverse circulation drilling where bedrock elevation is more than 5 meters and up to 10 meters.

Pit development will be the same as for trench development (Bulk Sampling) as shown in the diagrams below but on a much smaller scale. There will only ever be three prospecting pits open at any given time, one in the process of rehabilitation, one that is operational and one in the process of development and it is anticipated that no more than 10 such pits will be developed. After results are logged the pit will be backfilled immediately for security and safety reasons before the project moved to the next pit position. In case of sudden closure of the project there will only be one open pit to be dealt with as part of final decommissioning and rehabilitation.

The following volumes requiring earthmoving is only an estimation used in the costing exercise (Refer figure 2):

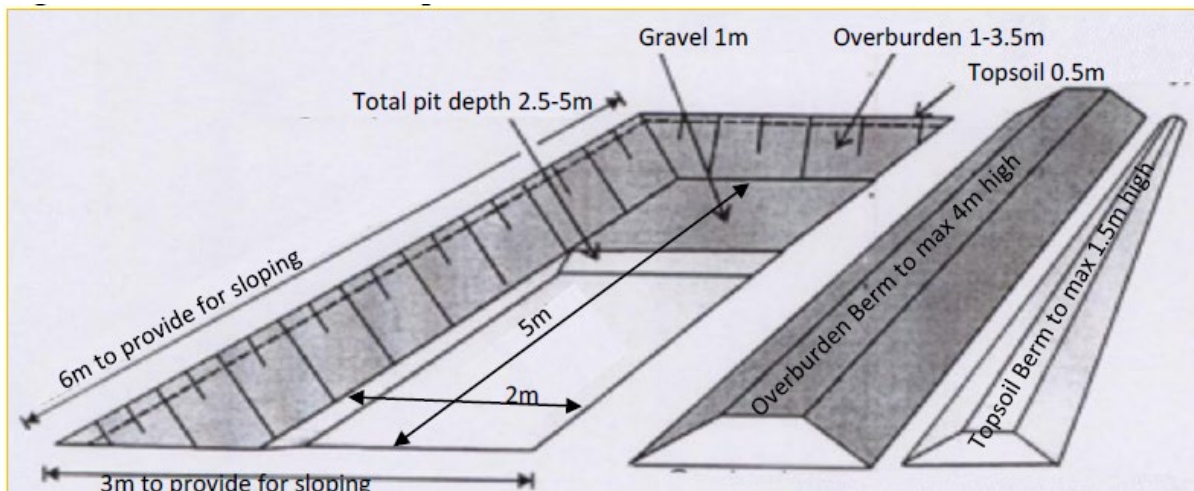
- Pit floor to inspect and logged the gravel: 5.0m long and 2.0m wide (10m²)
- Depth of Topsoil to be stockpiled separate from overburden: 0.5m
- Depth of Overburden to be stockpiled separate from topsoil: Max 3.5m but information on surrounding area has shown that bedrock elevation is rarely more than 2m with little or no topsoil. For budgeting purposes, an average depth of 3m is used
- Depth of Gravel to be logged and photographed: 1m
- Total Depth of Prospecting Pit: 2-5m max
- Footprint including sloping: 6m long x 3m wide (18m²)
- Volume topsoil: 18m² X 0.5m = 9m³
- Volume overburden (average for 18m² top & 10m² bottom): 14m² X 2m = 28m³
- Volume gravel: 10m² X 1m = 10m³

Total footprint of surface disturbance from 10 Prospecting pits: 180m²

Total earthmoving from 10 Prospecting pits: 9m³ topsoil + 28m³ overburden X 10 pits = 370m³

Note that gravel from the pits is not taken out and treated but left intact and closed after logging of results.

Figure 2: Schematic Pit Development



Decommissioning and Closure Phase:

Planning for closure and restoration from the beginning of an operation makes the process easier; waste can be removed as it is created; drilling pads can be planned so that topography restoration is less complicated; and, topsoil can be re-used at shorter intervals. The decommissioning and closure phase at the end of the life of the mine will consist of implementing the Final Rehabilitation, Decommissioning and Closure Plan, included in the BAR.

Rehabilitation is carried out on a continuous basis as part of the annual rehabilitation plan. The rehabilitation work will be conducted in-house under the supervision of an ECO and be monitored continuously to ensure effective restoration and revegetation of disturbed areas.

The post closure objective is to restore the land to its pre-prospecting land use for stock farming. Re-vegetation of the disturbed areas on virgin land will follow a process of natural plant succession starting with pioneer plants. Post prospecting topography for most of the area will follow the original landform shape.

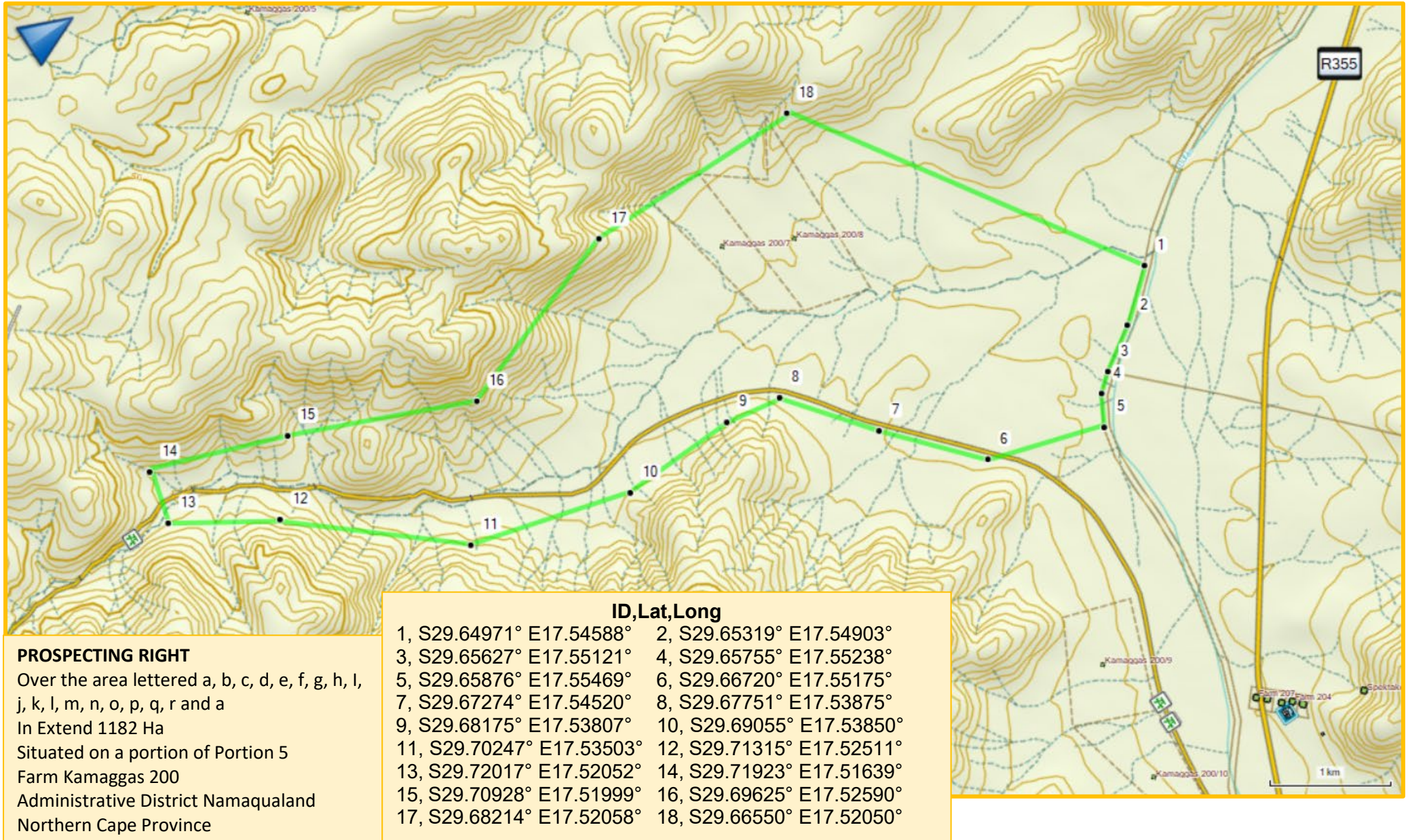
Rehabilitation will involve backfilling of the small pits and shaping to construct the required profile and compacted areas will be ripped to promote natural re-vegetation.

The operation will not create any overburden or fine residue dumps. No water reticulation will be laid-on to the mine work area(s) either. No processing plant and services will be developed on the prospecting area and no offices and accommodation will be provided onsite that need decommissioning. Roads, access control and fencing will remain as part of agricultural operations.

Table 1: Prospecting activities with timeframes

Phase	Activity	Skill(s) required	Timeframe	Outcome	Timeframe for outcome	What technical expert will sign off on the outcome?
Non-invasive						
1	Literature Study Imagery Analysis Geological Mapping	Geologist Geophysicist	Month 1-12	Maps, plan Digital data & Report	Month 24	Geologist Geophysicist
	Ground Resistivity measurements		Month 13 -24	Bedrock elevation contours and potential diamond traps		
Invasive						
2	Preliminary evaluation Prospecting Pits where bedrock elevation is less than 5 meters Reverse Circulation drilling where bedrock elevation is more than 5 meters and up to 10 meters	Geologist Drill foreman	Month 24-36	Diamond Ore Characterization (DOC) study for metallurgical purposes	Month 48	Geologist
Pre-Feasibility						
3	Analytical Desktop Study Application for Renewal to provide for Evaluation phase Bulk sampling (Trenching) if necessary.	Geologist	Month 48-60	Maps, Final Exploration Report with mapping	Month 60	CEO/Geologist Mining engineer

Figure 3: Layout plan



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 1: Listed activities which are triggered by the proposed prospecting operation

NAME OF ACTIVITY	Aerial extent Ha or m ²	LISTED ACTIVITY	APPLICABLE LISTING NOTICE	WASTE MANAGEMENT AUTHORISATION
<p>The operation directly relates to prospecting of a mineral resource (diamonds) and requires a prospecting right in terms of section 16 of the MPRDA</p> <ul style="list-style-type: none"> • Refer to Figure 1 and 2: Mine Layout • Accessing the site via existing tracks and access roads to the area. • Prospecting pits will be developed as shown in Fig 3 • After results are logged the pit will be backfilled immediately for security and safety reasons before the project moved to the next pit position. • In case of sudden closure of the project there will only be one open pit to be dealt with as part of final decommissioning and rehabilitation. • No water will be extracted or used during exploration activities. • No processing will take place and no Tailings and Fine residue (slimes) dumps will be created. • Temporary stockpiling of topsoil, and overburden in separate stockpiles as shown in Fig 3. • Refuse collection containers. • Mobile ablution facilities 	1182 Ha	X	<p>GNR 983 Listing notice 1 of 2014 as amended by GNR 327 of 7 April 2017 and GNR 517 of 2021 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, as well as any other applicable activity as contained in Listing Notice 1 or in Listing Notice 3 of 2014, required to exercise the prospecting right.”</p>	

<p>OTHER ACTIVITIES (Associated infrastructure not considered to be listed activities) Access (temporary, jeep track roads less than 4m wide) Storage Facilities Waste Management Facilities Ablution Facilities Storage of fuel for the generators will be in a bunded area and will be less than 80m³</p>	<p>< 1Km < 0.5Ha <80m³</p>	<p>Not listed</p>		
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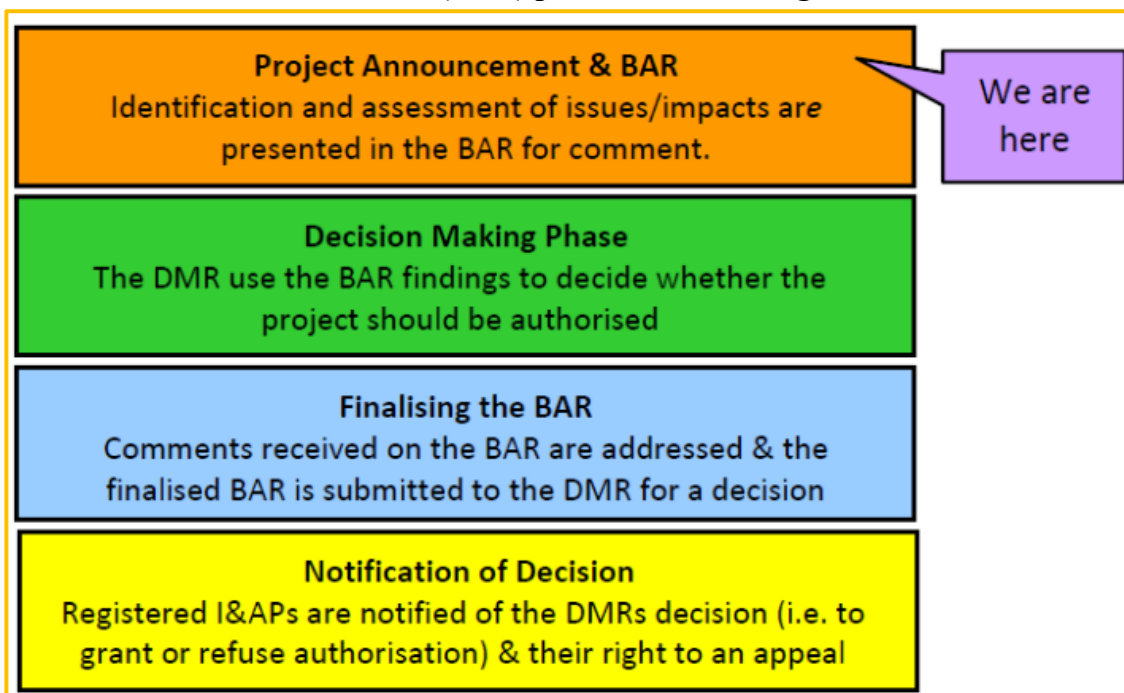
Mitigation measures will be implemented to prevent disruption to the day to day running of the farms and to minimize any negative environmental impacts. Where such impacts are unavoidable, they shall be further reduced through close liaison with the lawful occupiers of the land and through specialists' input. The potential environmental impacts associated with the proposed prospecting activities are managed through a comprehensive Environmental Management Plan

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 (BAR) process that is being undertaken



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 BAR 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 BAR process.

This proposed prospecting operation and BAR 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. **NC30/5/1/1/2/13619PR**;
- 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.

Application to register as I&A Party and written comments should be submitted to the contact person listed below:

Ngomangaliso Makhulu Diamond (Pty) Ltd
NC30/5/1/1/2/13619PR
PO. Box 255, Springbok, 8240;
Email: vanzyl.eap@gmail.com

WAY FORWARD

The applicant will make the **Draft BAR and EMPr** available by **13 October 2023** 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 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. Any personal information obtained from this document will only be in accordance with applicable data protection laws including the Protection of Personal Information Act, 2013 (POPI), and shall not be used for marketing purposes

The information below is requested purely for use in the compilation of the Environmental Management Plan	For Attention: Ngomangaliso Makhulu Diamond (Pty) Ltd
DMR Reference: NC30/5/1/1/2/13619PR	PO. Box 255, Springbok, 8240; Email: vanzyl.eap@gmail.com

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.	Any other comment not included above.
14.	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	