

ATOLL MODDERFONTEIN PROSPECTING RIGHT

Atoll Metal Recovery (Pty) Ltd

<p>PURPOSE OF THIS DOCUMENT:</p> <ul style="list-style-type: none">• This Background Information Document (BID) provides you, as an Interested and Affected Party (I&AP), an overview of the proposed project.• The BID invites you, as an I&AP to participate in the required Public Participation Process.• The BID provides you, as an I&AP with an opportunity to contribute and participate in the formulation of the Basic Assessment Report (BAR).• The BID also provides you, as an I&AP an opportunity to provide the project team with your comments, concerns and objections to the proposed project.	<p style="text-align: center;">BACKGROUND INFORMATION DOCUMENT</p> <p>DMR Reference Number: GP 30/5/1/1/3/2/1 (10415) EM (GP) 30/5/1/1/2 (10415) PR</p> <p style="text-align: center;">Project Introduction:</p> <p>Environmental Impact Management Services (Pty) Ltd (EIMS) has been appointed by Atoll Metal Recovery (Pty) Ltd (the applicant) to assist in preparing and submitting a Basic Assessment Report (BAR) and undertaking a Public Participation Process, in support of a Prospecting Right Application.</p> <p style="text-align: center;">Aim of the Background Information Document (BID):</p> <p>The aim of the BID is to:</p> <ul style="list-style-type: none">○ Provide an overview of the Environmental Authorisation Process which will be undertaken for the proposed Atoll Modderfontein Prospecting Right in terms of the Mineral and Petroleum Resources Development Act (MPRDA, Act 28 of 2002, as amended) and the National Environmental Management Act (NEMA, Act 107 of 1998).○ Allow I&AP's the opportunity to obtain a broad understanding of the proposed project as well as register and submit any initial comments or concerns with regard to the proposed project.○ Notify I&AP's of the compilation of a Basic Assessment Report (BAR) which will address all comment received and in turn will be submitted to the Relevant Authority for decision making.
<p style="text-align: center;">LOCATION, SCALE, AND EXTENT OF THE PROPOSED PROJECT:</p> <p>The proposed Atoll Modderfontein Prospecting Right area is located over a portion of portion 1 of the farm Modderfontein 761R which is located approximately 5 km east of Benoni and 5 km north of Brakpan, in Gauteng, South Africa. The application area being applied for (or area of interest) is approximately 86.55 ha in extent. A locality map is included as Figure 1.</p> <p style="text-align: center;">PROJECT DESCRIPTION:</p> <p>The applicant has applied for a prospecting right that will enable them to ascertain if economically viable deposits of aggregate (Quartzite, conglomerate, diamictite, sandstone) and dolomite exist within areas applied for. The area is disturbed by previous mining activities. Due to the nature of data collection and the historical borehole datasets, no invasive sampling/drilling will be necessary. As such there will be no disturbance on the land as a result of the proposed prospecting right.</p> <p>The application will follow a phased approach, where the prospecting work program is divided into several sequential phases. At the end of each phase there will be a brief period of compiling and evaluating results. The results will not only determine whether prospecting proceeds, but also the manner in which it will go forward. The applicant will only action the next phase of prospecting, once satisfied with the results obtained in the previous phases.</p> <p>The project will therefore only include the following non-invasive activities:</p> <p>Data Collection and Literature Survey</p> <p>The proposed prospecting area is known to have detailed borehole drilling over the area. The literature survey will involve the gathering of existing information in the form of historical borehole information, cadastral maps, geological maps, and geophysical surveys. Furthermore, the information pertaining to previous exploration or mining will be consulted and integrated.</p> <p>Data Capture, Database Development</p> <p>The data collected during the first year will be collated and captured in a database for use in spatial mapping (GIS) and modelling of the geological resource.</p> <p>Topographical/Geophysical Survey</p> <p>Cadastral surveys of the surrounding areas will be obtained from the Surveyor General's Office, as a benchmark for locality reference. The topography of the prospecting Right Area will be surveyed to determine the original ground level (OGL), positions of historic prospecting; the locality of historic waste rock dumps and their dimensions will be determined</p>	

to obtain 3-dimensional points for accurate calculations. The surveys will include the positions of previously drilled borehole/test pits emanating from past exploration of the area.

Resource Modelling

A 3-dimensional geological model will be constructed from which the extent of the resources can be determined. This would reveal the volume of suitable aggregate, dolomite and topsoil within the area.

DURATION OF ACTIVITY:

The Atoll Modderfontein Prospecting Right is scheduled to take place over 5 years.

NEMA LISTED ACTIVITIES APPLICATION:

The listed activities applied for under the NEMA process in terms of Government Regulation (GNR) (983), are as follows:

- Activities directly related to prospecting of a mineral resource, 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 associated infrastructure, structures and earthworks.

TYPICAL IMPACTS ASSOCIATED WITH THESE ACTIVITIES:

Due to the availability of historical geological data, only non-invasive prospecting techniques will be utilized. Site access will only be required for the topographical and geophysical surveys. Potential impacts that may occur as a result of the proposed prospecting activities are:

- Potential for deterioration and damage to existing roads or access tracks;
- Safety and security risks to landowners and lawful occupiers;
- Interference with existing landuses; and
- Generation and disposal of waste.

The above potential impacts, although unlikely, have been identified as possibly occurring when the site is accessed to undertake topographical and geophysical surveys. Should such impacts occur, they would however be of very limited significance due to their non-invasive nature. The identified impacts shall however be assessed in detail during the compilation of the Basic Assessment Report (BAR) which shall also include appropriate avoidance and mitigation measures. The compilation of the BAR shall also take into account the results of consultation with I&AP's.

HOW TO GET INVOLVED :

Should you feel that you may be interested in or affected by this project, it is essential that you register as an Interested and Affected Party (I&AP) in which case you will be kept informed regarding the project and afforded an opportunity to participate in the process. Please note that only registered I&AP's will be included in future correspondence regarding the project and associated updates.

You may register as an I&AP in any of the following ways up until **11th February 2016**:

1. Complete the attached I&AP registration form and questionnaire and return it to EIMS via email, fax or letter;
2. Via telephone call addressed to the contact person stipulated at the end of this document.

I&AP's are invited to submit any comments, queries or concerns regarding the project within the stipulated timeframes provided. Comments may be submitted by registered I&AP's in any of the following ways:

1. Complete the attached I&AP registration form and questionnaire and return it to EIMS via email, fax or letter;
2. Submit written comments in a format of your choosing to EIMS via email, fax or letter;

It is important to note that these are legally stipulated timeframes and as such we request that you ensure that registration requests and comments are submitted to EIMS (contact details provided below) by no later than 11th February 2016, in order to ensure your continued and valuable involvement in the project.

Please note that all registered I&AP's will be also afforded an opportunity (a period of 30 days) to review the BAR once this document has been completed and to provide any additional comment, queries or concerns regarding the project at that time.

Environmental Impact Management Services (Pty) Ltd

Contact Person: Zizo Siwendu

Reference Number: 1048 Atoll Modderfontein Prospecting Right

Postal Address: P.O.Box 2083, Pinetown, 2123

Telephone: (011) 789 7170 / **Fax:** (011) 787 3059

E-mail: modderfontein@eims.co.za

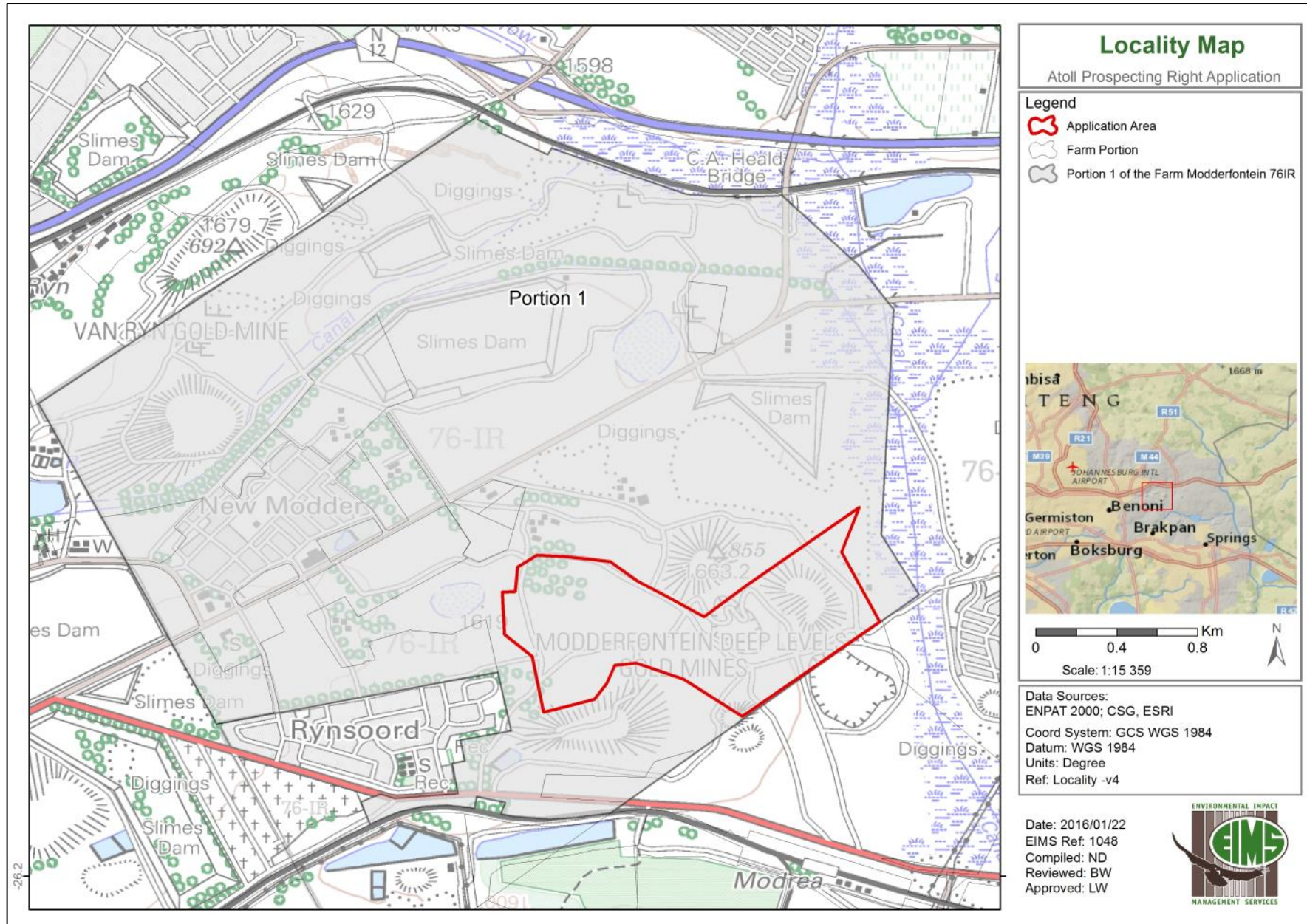


Figure 1: Locality Map