

BACKGROUND INFORMATION DOCUMENT

BASIC ASSESSMENT PROCESS FOR AN APPLICATION FOR ENVIRONMENTAL AUTHORISATION FOR A PROSPECTING RIGHT (Reference Number: NW 30/5/1/1/3/2/1/12271PR)

The purpose of the Background Information Document (BID) is to provide information to assist stakeholders in participating in the Basic Assessment process for the proposed project. This BID has been developed to:

- Share information about the proposed project;
- Present the Basic Assessment (BA) process that will be followed to obtain an Environmental Authorisation (EA) according to the NEMA and MPRDA
- Provide more details about the Public Participation Process (PPP) which will be followed.

Project Description

It is Matai Mining (Pty) Ltd ("Matai") intention to apply for an Environmental Authorisation ("EA") in support of a Prospecting Right in terms of Section 24 of the National Environmental Management Act, 1998 (Act No. 107 of 1998) ("NEMA") read with Regulation 19 of the EIA Regulations, 2014 (amended April 2017) and in terms of Section 16 of the Minerals and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002) ("MPRDA"), as amended by Section 12 of the MPRDA, 2008 (Act No. 49 of 2008), for prospecting activities for the following minerals: *Vanadium, Titanium and Magnetite*.

The proposed prospecting activities will be undertaken on the following farms and/or farm portions:

Table 1: Prospecting Area being applied for

Farm(s) Name	Farm No.	Farm Portions
Rhenosterfontein	86 JQ	01, 02, 06, 08 and Remaining Extent (RE)
Hartbeestspruit	88 JQ	Whole farm
999999	999999 IQ	Whole farm

The proposed prospecting area is situated within the Magisterial District of Mogwase,

Moses Kotane Local Municipality and Rustenburg Local, North West

Province (refer to Figure 1). The environmental authorisation application was lodged with Department of Mineral Resources ("DMR") on *15 December 2017*. Prospecting activities will enable Matai to determine if economically-viable mineral deposits exist within the area being applied for.

Proposed Prospecting Activities

Prospecting activities will be undertaken over a period of approximately 5 years. The application is for both non-invasive and invasive methods of prospecting.

Planned Non-Invasive Activities

Desktop Studies

- » In order to direct the exploration programme in an efficient manner, there will be a phase of acquisition and subsequent review of information and data obtained during previous exploration on the property (and in the general area).
- » Compilation of all available geological, remote sensing and exploration data.
- » Based on this a preliminary geological model and resource estimate will be developed and an economic costing study

undertaken to determine the likely mineral concentration required in making the project feasible (and directing further work).

- » This may also include photo geological and satellite interpretations. Data will be sourced from the Council for Geosciences, Universities and other libraries and previous explorers may be approached with a view to obtaining their results.
- » It is believed that considerable time should be spent on this activity to prevent costly duplication of data when the programme enters the sampling and drilling phases.

Planned Invasive Activities

Drilling

- » Diamond core drilling will be conducted in order to delineate and quantify the mineral resource. A total number of *fifteen (15)* boreholes will be drilled at a depth of 60m, with a 60m diameter, at a spacing of 350m-1000m. The area to be disturbed, for each drill site (borehole) will be 100m² (10m x 10m).
- » An independent and experienced drilling contractor will be used to complete the drilling in accordance with industry best practice and in compliance with the Mine Health and Safety Act (Act No. 29 of 1996).
- » It is envisaged that skid or truck mounted rigs will be used to drill the vertical holes. Plastic lining to prevent oil spillage will be used under the rig as well as within any water sumps that are required. The area will be cordoned off and, if required, firebreaks will be established.
- » Borehole sites will be GPS located and pegged with a steel dropper. The site will

be inspected and photographed prior to any disturbance.

- » A drill pad will be then cleared, keeping disturbance to the native vegetation to an absolute minimum. Any topsoil removed will be stored separately for later reuse.
- » After the drilling operation is completed, each borehole collar will be surveyed by an independent surveyor using a high-accuracy differential GPS. Thereafter the site will be rehabilitated and photographed according to the procedures as stipulated in the Environmental Management Programme ("EMPR") (to be submitted as part of the Basic Assessment Report) and will be closely monitored to ensure that standards are not compromised and there is compliance with the EMPr. The drill site will be only considered rehabilitated when the project geologist has signed the standard drill pad rehabilitation checklist.

Logging and Sampling

- » Drilled samples will be placed in chip trays and removed to a central storage facility for further processing.
- » A qualified and experienced senior geologist will log and sample all drill holes in accordance to best practice procedures and methodologies, including quality control and assurance. The logging will record core losses, structures, lithology types and thicknesses, and weathering.
- » Each sample will be given a unique sample number, with labelling outside and inside the bag.
- » Sampling will be done at lengths to yield a sufficient sample weight for the required analytical procedure.

Analyses and other Test work

- » Normal industry practice in terms of base metal XRF analyses and mineralogical investigation will be done on all VTM samples.
- » The analyses will be done by an accredited laboratory for XRF and Fire assay.
- » The analyses and metallurgical test work will be undertaken using chip samples.

Pre-feasibility Studies

After completion of the drilling on the project, additional consulting disciplines will be contracted to supply expert opinion and initial estimates for mining, processing and engineering aspects.

Potential Environmental Impacts Associated with the Proposed Project

Potential impacts relate to:

- » Air quality - fugitive dust may occur due to movement of vehicles and operation equipment on site. Limited gaseous or particulate emissions are also anticipated from exhaust emissions from operation vehicles and equipment.
- » Traffic - movement of haulage trucks transporting the drill rig to and from site, as well the movement of the drill rig from one borehole site to the next may cause road traffic incidents and traffic impact on surrounding road network.
- » Noise - The operation of machinery (e.g. drill rig) and movement of vehicles within the prospecting area are expected to be very minimal and of a low significant. They will be short term and localised in nature and extent. They will however add to the cumulative noise impacts currently experienced in the broader surrounding areas of the site.

- » Soil and groundwater pollution - soil and groundwater pollution may occur due to leaks from site operation equipment (e.g. drill rig) and from heavy duty vehicles that will access the site.
- » Socio and economic impacts - prospecting may result in positive socio-economic opportunities in terms of local employment.

Environmental Impact Assessment Process

The proposed project will trigger Activity 20 from GN R. 327 Listing Notice 1 of 2014 (amended April 2017) in terms of the NEMA, 1998. In this regard a Basic Assessment process needs to be undertaken (see Figure 2 for the Basic Assessment process diagram).

- » *Activity 20 of GN R. 327:* Any activity including the operation of that activity which requires a prospecting right in terms of section 16 of the MPRDA, 2002 [...].

In respect of this, Matai has appointed Disokena Consulting Services (Pty) Ltd ("Disokena") as the Independent Environmental Assessment Practitioner (EAP) to undertake the Basic Assessment and EA application process as prescribed in NEMA, 1998 and EIA Regulations, 2014 (amended April 2017).

For this proposed project, the EA has to be granted by the DMR as the competent before Matai can obtain a Prospecting Right and commence with their proposed activities.

Public Participation Process

The aim of the Public Participation Process ("PPP") is to allow Interested and Affected

Parties ("I&APs") the opportunity to gain an understanding of the project and consider all facets of the proposed development. The PPP will:

- » Provide I&APs with information about the proposed development and associated potential impacts;
- » Allow I&APs the opportunity to raise concerns on the proposed project; and
- » Incorporate the concerns raised by I&APs in the study and ultimate decision-making process.

The following activities will take place during the public participation process:

- » Advertising the BA Process (in local press). Advertisements will be placed in the local newspaper and site notices will be placed at the project site and public venues;
- » Registering I&APs and key stakeholders on the database. BIDs will be distributed to I&APs informing them that EA application is being applied for by Matai. The draft BAR and EMPr will be available for a 30-day public and authority review period;
- » Recording all comments, issues and concerns raised by I&APs and preparation of a PPP report and Comments & Responses Report.
- » Updating of the BAR and EMPr taking into consideration all comments received; and
- » Submission of the final BAR and EMPr to DMR for Authorisation.

Getting Involved

Surrounding communities, government and other stakeholders such as traditional authorities, community leaders, Non-

Governmental Organisations (NGOs) and others are invited to register as I&APs.

Stakeholders have the opportunity to comment on the draft BAR and EMPr and these comments will be incorporated into the final report and a separate public participation report will be compiled and submitted to the relevant authorities. Stakeholders are being offered an opportunity to comment on the project by filling in the attached comments page. Stakeholders will be duly notified once a decision has been made on the application.

How to get involved?

All persons who wish to take part in the Public Participation Process by commenting on or raising any concerns regarding the development are invited to do so through the following means:

- 1) Registering as an Interested and Affected Party (In writing at the details provided below);
- 2) Submit any comments in writing on the response sheet attached to this document if you have any (and return to us within timeframes provided; and
- 3) Review the Draft BAR and EMPr and raise any concerns or comments.

Contact Details for Registering as an I&AP and commenting on the proposed project

Contact: Dilona Somai (Environmental Assessment Practitioner- EAP)
E-mail: disokena@gmail.com; Cell/ Mobile: +27 61 077 9739, Post: Unit 174 The View, 87 Broadacres Drive, Johannesburg, 2191 or Fax: 086 560 5142

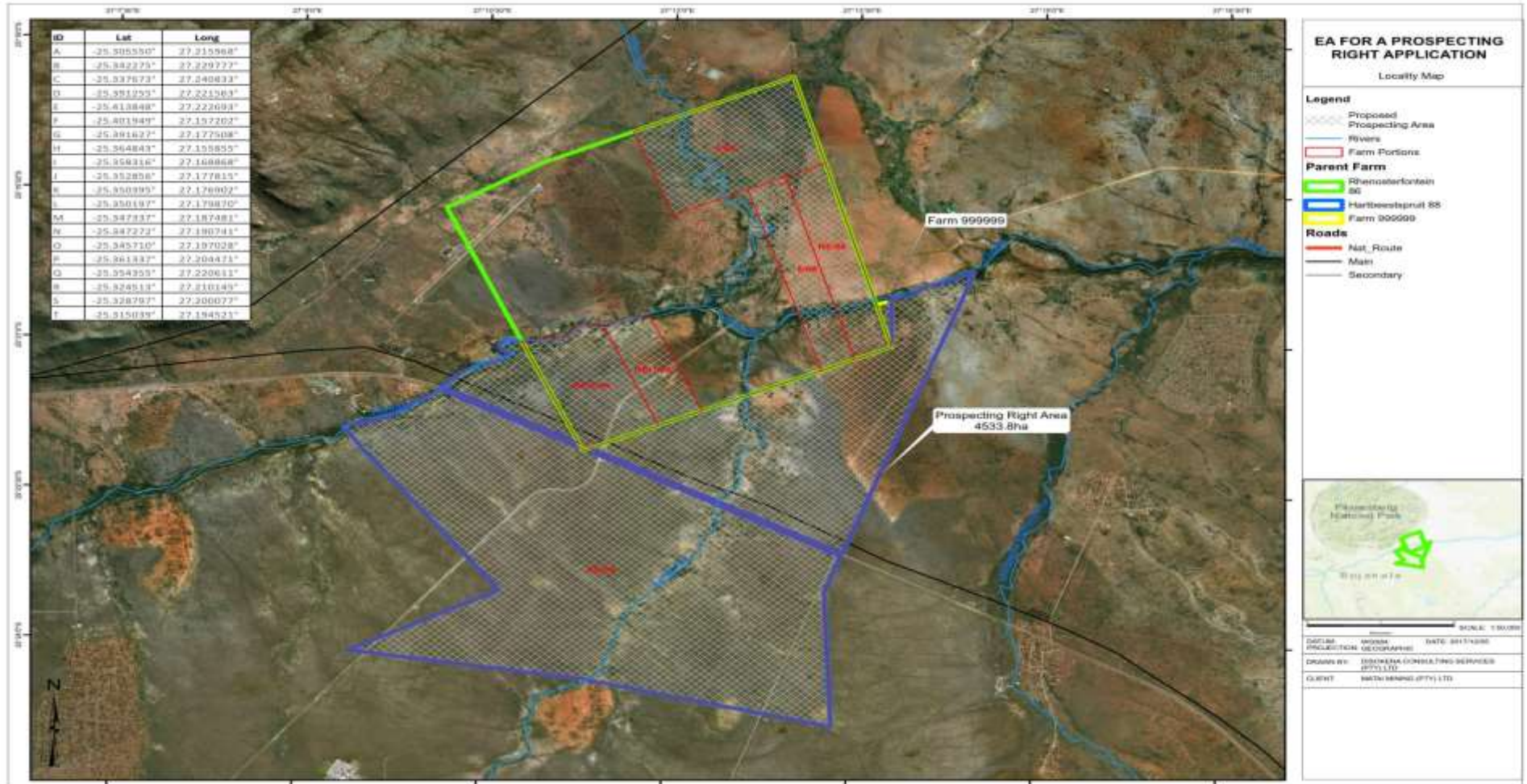


Figure 1: Locality Map

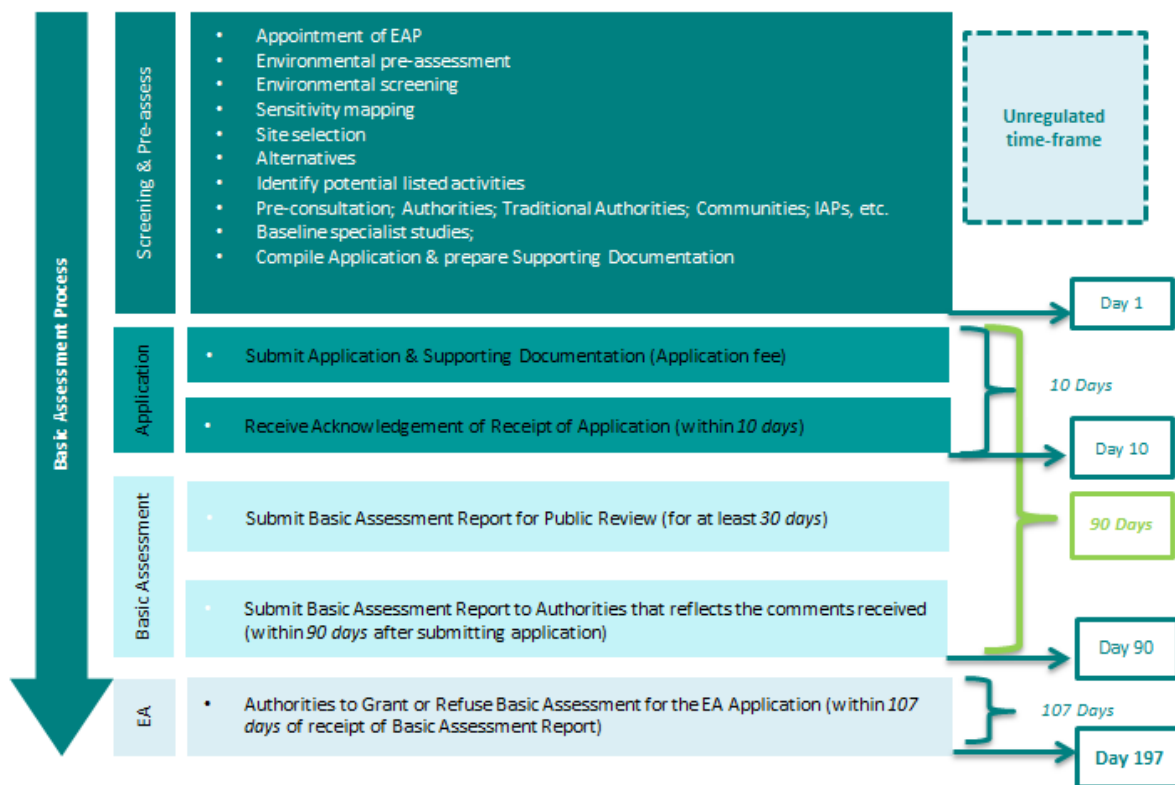


Figure 2: Basic Assessment Process



COMMENTS AND REGISTRATION FORM
REFERENCE NUMBER: NW 30/5/1/1/3/2/1/12271PR

Please provide your complete contact details:

Name and Surname:	
Organisation and Designation:	
Physical Address:	
Postal Address (if differ to the Physical Address):	
Contact Number (Landline and/or Mobile/Cell):	
E-mail Address:	

Would you like to register as an interested and affected party (I&AP)?

YES

NO

Please Note: Once registered on the project database, your details may be included in public documentation.

Please state your interest in the Proposed Project (insert additional pages if necessary):

Please list your questions, views or concerns regarding the Proposed Project (insert additional pages if necessary):

Please provide contact details of other persons who you may regard as a potential I&AP:

(Include Name & surname, contact number, email, etc.)

Contact Details for Registering as an I&AP and commenting on the proposed project

Dilona Somai (Environmental Assessment Practitioner)

E-mail: disokena@gmail.com; Cell/ Mobile: +27 61 077 9739, Post: Unit 174 The View, 87 Broadacres Drive, Johannesburg, 2191 or Fax: 086 560 5142