

AFPLATS (PTY) LTD

BACKGROUND INFORMATION DOCUMENT FOR THE CLOSURE OF THE WOLVEKRAAL KAREEPOORT PROSPECTING RIGHT

September 2020

INTRODUCTION

Afplats (Pty) Ltd (Afplats) holds a prospecting right on Portion 2 of the farm Wolvekraal 408 JQ and Portion 1 of the farm Kareepoort 407 JQ from the Department of Mineral Resources (now referred to as the Department of Mineral Resource and Energy). This prospecting right is referred to as the Wolvekraal Kareepoort prospecting right. The prospecting right area is approximately 16 km west of Brits within the Rustenburg Local Municipality and Bojanala Platinum District Municipality in the North West Province (Figure 1).

Between 2007 and 2014, Afplats undertook prospecting activities on the above-mentioned portions of the farms Wolvekraal 408 JQ and Kareepoort 407 JQ, during which time 13 approved exploration drill holes were drilled.

Afplats is now planning to close its Wolvekraal Kareepoort prospecting right.

ENVIRONMENTAL AUTHORISATION PROCESS

Prior to the proposed closure of the prospecting right, an environmental authorisation is required from Department of Mineral Resources (now referred to as the Department of Mineral Resource and Energy (DMRE)). In support of this, Afplats is required to submit a closure application in terms of Section 43(4) of the Mineral and Petroleum Resources Development Act (No. 28 of 2002) (MPRDA).

In addition, the decommissioning of any activity requiring a closure certificate in terms of Section 43 of the MPRDA is an activity in Listing Notice 1 under the Environmental Impact Assessment (EIA) Regulations, 2014 (as amended) and a Basic Assessment Process in terms of the National Environmental Management Act (No. 107 of 1998) (NEMA) is required. In this regard, the EIA Regulations being followed are Government Notice Regulation (GNR) 982 of 4 December 2014, as amended.

The EIA process being undertaken will address the closure requirements of the MPRDA and NEMA.

PURPOSE OF THIS DOCUMENT

This document has been prepared by SLR to inform you about:

- The proposed prospecting right closure;
- The prospecting right area;
- The environmental assessment process being followed (Basic Assessment Process);
- Possible environmental/cultural/socio-economic impacts; and
- How you can have input into the environmental assessment process.

YOUR ROLE

You have been identified as an interested and/or affected party (I&AP) who may want to be informed about the proposed project and have input into the environmental process and report. To register as an I&AP, please submit your name, contact information and interest in the matter in writing to the contact person(s) given below by **29 September 2020**.

Any I&APs registered on the project database will also be given the opportunity to review and comment on the Draft Basic Assessment Report (BAR) and Closure Plan Report when it becomes available for public review in **October 2020**. Where responses to this document or comments are received by **29 September 2020** these will be included in the BAR and Closure Plan Report for public review, however I&APs will have the opportunity to submit comments until the end of the BAR and Closure Plan Report review period.

All comments received will be recorded and included in the report submitted to the DMRE for decision-making.

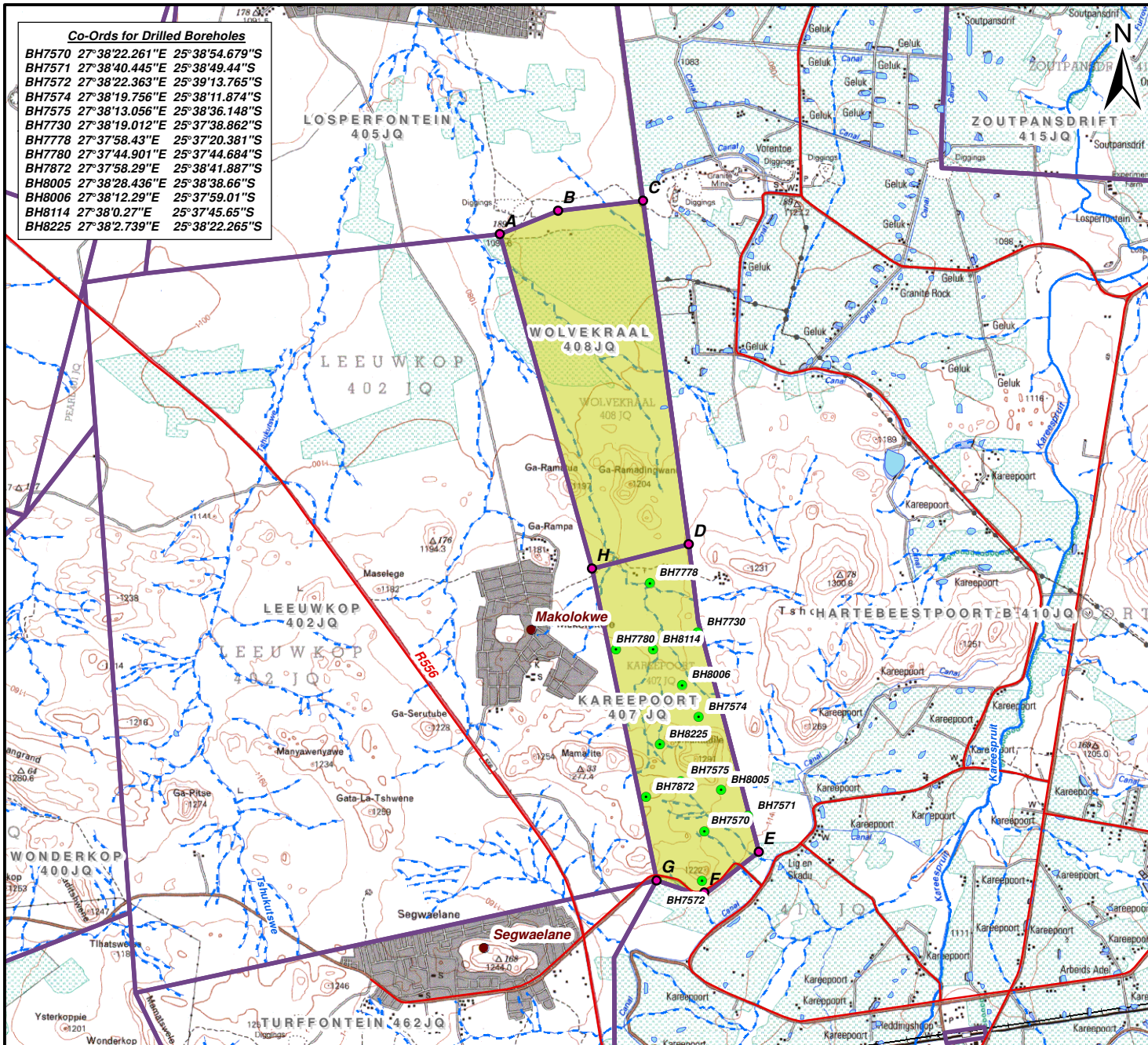
HOW TO RESPOND

Responses to this document can be submitted by means of the attached comments sheet and/or through communication with the person listed below.

WHO TO CONTACT

Reinett Mogotshi
(011) 467 0945 (Tel) or
(011) 467 0978 (Fax) or
rmogotshi@slrconsulting.com

SLR Consulting (Africa) (Pty) Ltd (SLR), an independent firm of environmental consultants, has been appointed by Afplats (Pty) Ltd to manage the environmental assessment process.



Co-Ords for Drilled Boreholes

BH7570	27°38'22.261"E	25°38'54.679"S
BH7571	27°38'40.445"E	25°38'49.44"S
BH7572	27°38'22.363"E	25°39'13.765"S
BH7574	27°38'19.756"E	25°38'11.874"S
BH7575	27°38'13.056"E	25°38'36.148"S
BH7730	27°38'19.012"E	25°37'38.862"S
BH7778	27°37'58.43"E	25°37'20.381"S
BH7780	27°37'44.901"E	25°37'44.684"S
BH7872	27°37'58.29"E	25°38'41.887"S
BH8005	27°38'28.436"E	25°38'38.66"S
BH8006	27°38'12.29"E	25°37'59.01"S
BH8114	27°38'0.27"E	25°37'45.65"S
BH8225	27°38'2.739"E	25°38'22.265"S

Co-Ords for Wolvekraal/Kareepoort Prospecting Right Area

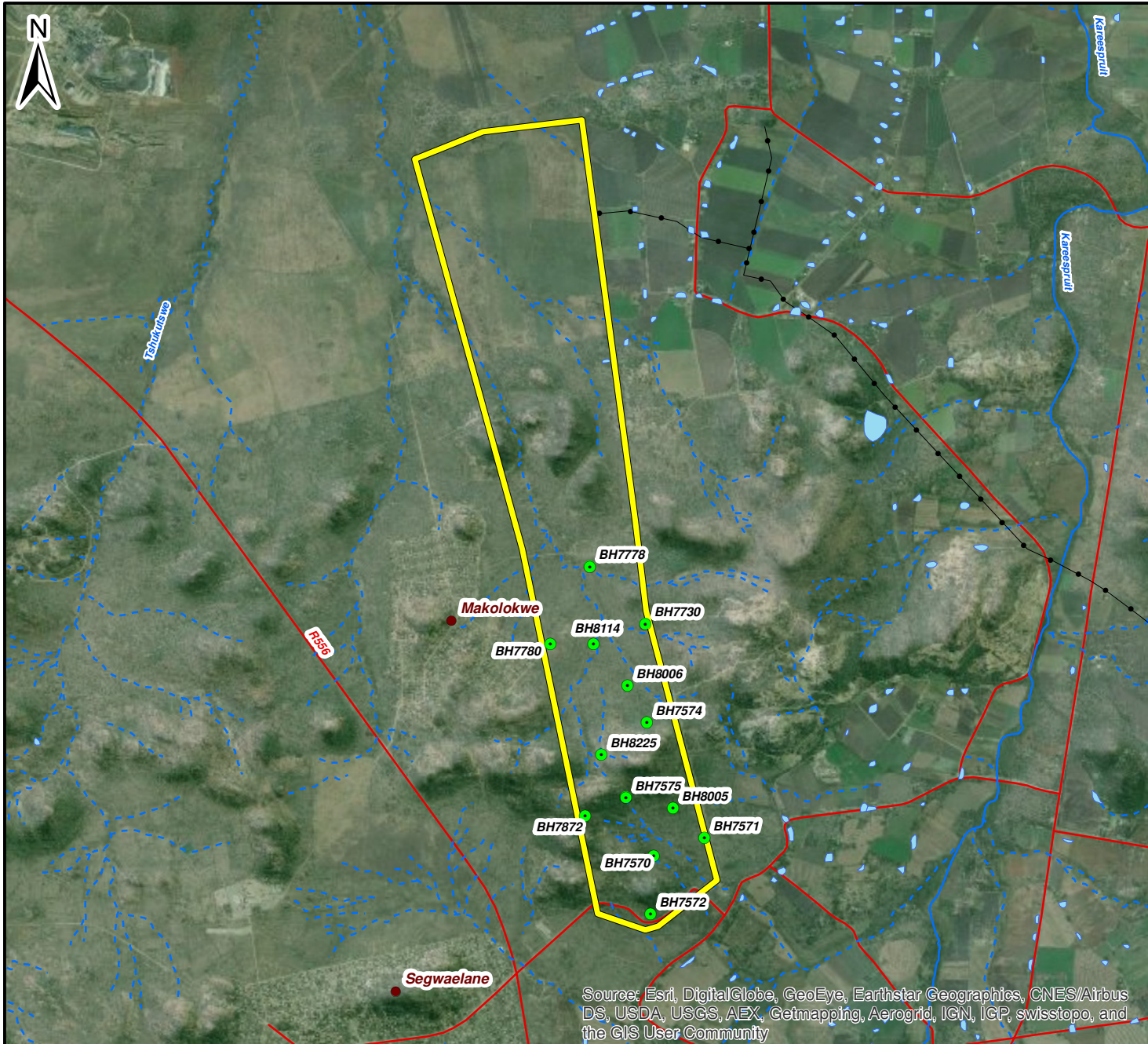
A	27°36'54.356"E	25°35'5.896"S
B	27°37'19.659"E	25°34'57.302"S
C	27°37'55.906"E	25°34'53.61"S
D	27°38'15.71"E	25°34'7.731"S
E	27°38'46.382"E	25°39'3.071"S
F	27°38'23.055"E	25°39'18.734"S
G	27°38'3.129"E	25°39'13.87"S
H	27°37'35.191"E	25°37'14.101"S

- Legend**
- Prospecting Right Area
 - Villages / Towns
 - Farm Boundaries
 - Roads
 - Power Lines
 - Railway Lines
 - Perennial Rivers
 - Non-Perennial Rivers
 - Dams
 - Drill Sites

Scale: 1:70 000 @ A4
 Projection: Transverse Mercator
 Datum: Hartbeeshoek, Lo27

Aiplats (Pty) Ltd

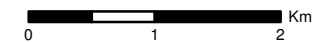
Figure 1
Local Setting of Wolvekraal/ Kareepoort Prospecting Right Area



Legend

- Prospecting Right Area
- Villages / Towns
- Power Lines
- Roads
- Perennial Rivers
- - - Non-Perennial Rivers
- Dams
- Drill Sites

<u>Co-Ords for Drilled Boreholes</u>	
BH7570	27°38'22.261"E 25°38'54.679"S
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Scale: 1:60 000 @ A4
 Projection: Transverse Mercator
 Datum: Harthebeeshoek, Lo27

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Figure 2

Layout of Decommissioned Prospecting Drill Sites



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 Tel: +27 (11) 467-0945 Fax: +27 (11) 467-0978

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

PROJECT OVERVIEW

OVERVIEW

The Wolvekraal Kareepoort prospecting right (DMRE reference number (NW 30/5/1/1/2/1033 PR)) is for platinum group metals and associated minerals (but excluding dimension stone) and is located approximately 16 km west of Brits within the Rustenburg Local Municipality and Bojanala Platinum District Municipality in the North West Province. This prospecting right covers Portion 2 of the farm Wolvekraal 408 JQ and Portion 1 of the farm Kareepoort 407 JQ.

Between 2007 and 2014, Afplats undertook prospecting activities on the above-mentioned portions of the farms Wolvekraal 408 JQ and Kareepoort 407 JQ, during which time 13 approved exploration drill holes were drilled (figure 2).

Prospecting activities included the establishment of temporary portable ablution facilities, camps, and temporary access tracks when deviations from existing access roads were required. For each drill site, once drilling was complete, the site was decommissioned in line with the approved Environmental Management Programme. Decommissioning included the capping and sealing of the drill holes, removal of any drilling equipment, chemicals and waste as well as removal and filling of sumps and ripping of compacted soils (at drill sites and access tracks) to allow for re-vegetation of the site.

MOTIVATION FOR THE CLOSURE OF THE PROSPECTING RIGHT

The Wolvekraal Kareepoort prospecting right expired on 7 February 2020, with no further option to renew, which requires a closure application in terms of the MPRDA and NEMA, as outlined in the Environmental Authorisation Process.

Afplats submitted an application to include the Wolvekraal Kareepoort prospecting right area into the adjacent Leeuwkop mining right 40/2008 (DMRE ref: NW 30/5/1/2/2/256 MR) in June 2013, which is still pending a decision by the DMRE.

STATUS OF ENVIRONMENT

This section provides a short description of the baseline conditions within the prospecting right area.

The climate of the prospecting right area is semi-arid, with summer rainfall of approximately 622 mm per annum and temperatures in excess of 40°C during summer months. The winters are dry, with mild temperatures and only occasional frost. The topography of the prospecting right area is characterised by gentle undulating plains and flat terrain to the north with semi-mountainous and rugged areas to the south. The local relief varies from about 1080 to 1290 metres above sea level.

Geologically, the prospecting right area comprises of various lithologies of the Rustenburg Layered Suites of the Bushveld Igneous Complex. The outcropping rocks consist of pyramid gabbro-norites interlayered with anorthosites underlain by the lithologies of the Mathagama norite-anorthosites which host the Merensky riff. The soil types characteristic of the prospecting right area and surrounds consist of strongly structured black soils known as Calcic Vertisols and Lithic Leptosols. Calcic Vertisols have a very high clay content and are suitable for agriculture provided that there is plenty of rainfall or irrigation water.

The prospecting right area falls within the Savanna Biome consisting of the Marikana Thornveld and the Norite Koppies Bushveld vegetation types. This area is classified as a Critical Biodiversity Areas (CBAs) and an Ecological Support Areas and is considered as an important habitat for vultures. All drill sites are located within the CBAs.

The prospecting right area is located within the A21K and A21J quaternary catchments. These catchments fall within the Crocodile West and Inkomati-Usuthu water management area. The prospecting area is mostly dominated by non-perennial tributaries which periodically flows to the Tshukutswe and Kereespruit Rivers.

There are several heritage resources identified within the prospecting right area, these include Motse (village) of Kgosi Mmamogale of the Bakwena Bamôgôpa, a structure in Mmamogola village, a formal graveyard as well as a cave where several people were buried. These heritage resources are of high significance and are protected in terms of the National Heritage Resources Act (NHA) (No 25 of 1999). The identified sites and graveyard were not affected by the prospecting activities.

The land use within the prospecting right area and surrounds is a mixture of natural bushveld, agriculture, and granite quarrying.

POTENTIAL ENVIRONMENTAL/CULTURAL/SOCIO-ECONOMIC IMPACTS

Given the nature of the prospecting right closure, impacts are expected to be limited to:

- Loss of biodiversity and pre-mining land use if any residual contamination exists (considered unlikely) and if revegetation isn't successful (to be determined);
- Dust generation (if site is not appropriately rehabilitated);
- Potential loss of social and economic benefits to contractors by not continuing with the prospecting, but it's assumed that contractors would find contracts elsewhere; and
- Resource becomes available for other potential prospectors.

ENVIRONMENTAL AUTHORISATION PROCESS

The environmental assessment process provides:

- Information on the project and environment in which it is being undertaken;
- Identifies, in consultation with I&APs, the potential negative as well as positive environmental/ cultural/ socio-economic impacts; and
- Reports on management measures required to mitigate impacts and incorporates requirements for monitoring programmes (where required).

The likely process steps and timeframes are provided below.

PHASE I - Pre-application phase (September 2020)

- Project notification meeting with Communal Property Association, Tribal Authority and ward councillors; and
- Notify commenting authorities and I&APs of proposed project and environmental assessment (via newspaper advert, site notices and BID).

PHASE II – BAR phase (September to November 2020)

- Submission of NEMA application to DMRE;
- Compile BAR and summary, distribute to I&APs and commenting authorities for 30-day review (October 2020); and
- Update the BAR with comments received during the public review period.

PHASE III – Competent authority review phase (November 2020 to March 2021)

- Submit BAR (inclusive of comments raised during the review period) to the DMRE for decision making (November 2020) (107 days legislated decision-making period); and
- Circulate decision to I&APs on project database.

PARTIES INVOLVED IN THE ENVIRONMENTAL ASSESSMENT PROCESS

I&APs

- Landowners and land users within the prospecting right area; and
- Parastatals.

COMPETENT AND COMMENTING AUTHORITIES

- North West DMRE;
- North West Department of Economic Development, Environment, Conservation and Tourism (DEDECT);
- North West Department of Water and Sanitation (DWS);
- North West Department of Rural Development and Land Reform (DRDLR);
- South Africa Heritage Resource Agency (SAHRA) and/or North West Provincial Heritage Resource Authority (NWPHERA); and
- North West Department of Agriculture, Forestry and Fisheries (DAFF).

LOCAL AUTHORITIES

- Madibeng and Rustenburg Local Municipalities (incl. ward councillors); and
- Bojanala Platinum District Municipality.

TRADITIONAL AUTHORITY

- Bakwena Ba Mokgopa.

Please let us know if there are any additional parties that should be involved.

Figure 1: Typical example of a similar rehabilitated drill site



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DATE		TIME			
PARTICULARS OF THE INTERESTED AND AFFECTED PARTY					
NAME					
INTEREST IN THE PROPOSED PROJECT					
POSTAL / STREET ADDRESS					
		POSTAL CODE			
WORK/ DAY TELEPHONE NUMBER		WORK/ DAY FAX NUMBER			
CELL PHONE NUMBER		E-MAIL ADDRESS			
PLEASE REGISTER ME AS AN INTERESTED & AFFECTED PARTY (I&AP) SO THAT I MAY RECEIVE FURTHER INFORMATION AND NOTIFICATIONS DURING THE ENVIRONMENTAL IMPACT ASSESSMENT PROCESS			<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">YES</td> <td style="width: 50%; text-align: center;">NO</td> </tr> </table>	YES	NO
YES	NO				
HOW WOULD YOU LIKE TO RECEIVE YOUR NOTIFICATIONS?			E-MAIL		
			REGISTERED MAIL (POST)		
			FAX		

PLEASE WRITE YOUR COMMENTS AND QUESTIONS HERE (please use separate sheets if you wish)

PLEASE INCLUDE THE FOLLOWING OF MY COLLEAGUES/FRIENDS/NEIGHBOURS AS I&APS FOR THIS PROJECT:

Please return completed forms to:

Reinett Mogotshi
SLR Consulting (South Africa) (Pty) Ltd
(011) 467 0945 (Tel) and/or (011) 467 0978 (Fax)
rmogotshi@slrconsulting.com

THANK YOU FOR YOUR CONTRIBUTION!!!