

INKOSI MINING (PTY) LTD

BACKGROUND INFORMATION DOCUMENT FOR THE CLOSURE OF THE HARTEBEESTPOORT B 410 JQ PROSPECTING RIGHT

January 2020

INTRODUCTION

Inkosi Mining (Pty) Limited (Inkosi) holds a prospecting right (DMR reference number (NW30/5/1/1/3/2/2/1/150 PR) for platinum group metals, chrome ore, copper ore and nickel ore on various portions of the farm Hartebeestpoort B 410 JQ. The prospecting area is approximately 7 km from Brits within the Madibeng Local Municipality and Bojanala Platinum District Municipality in the North West Province (Figure 1).

Between 2005 and 2014, Inkosi undertook prospecting activities on the farm Hartebeestpoort B 410 JQ, during which time 40 approved exploration drill holes were drilled.

Inkosi is now planning to close its Hartebeestpoort B 410 JQ prospecting right.

ENVIRONMENTAL AUTHORISATION PROCESS

Prior to the proposed closure of the prospecting right, an environmental authorisation is required from the Department of Mineral Resources (DMR). In support of this, Inkosi 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 **13 February 2020**.

Any I&APs registered on the project database will also be given the opportunity to review and comment on the BAR when it becomes available for public review in **February/March 2020**. Where responses to this document or comments are received by **13 February 2020** these will be included in the Draft Basic Assessment Report (BAR) for public review, however I&APs will have the opportunity to submit comments until the end of the BAR review period.

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

HOW TO RESPOND

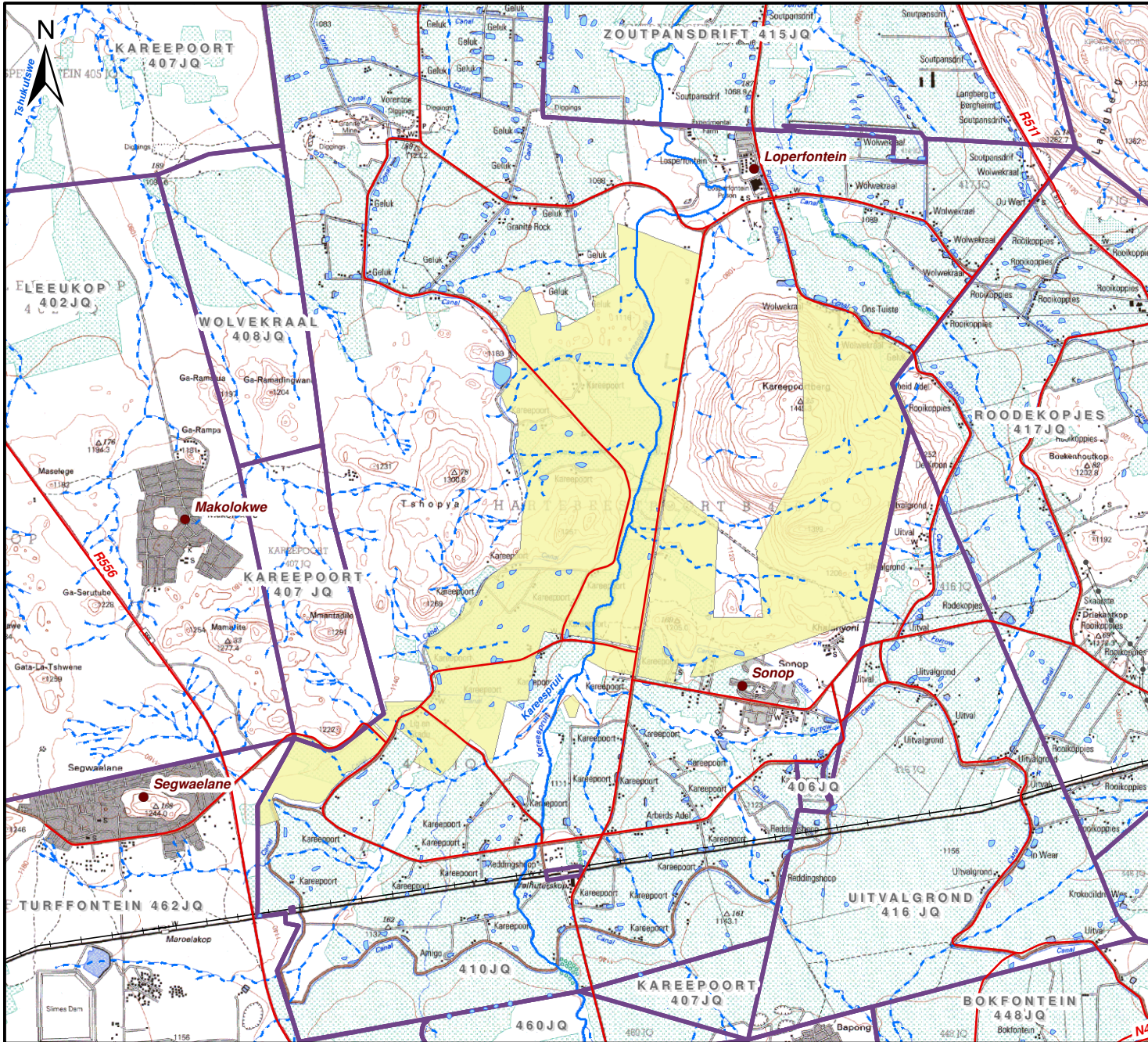
Responses to this document can be submitted by means of the attached comments sheet and/or through communication with the person listed below.

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 Inkosi Mining (Pty) Ltd to manage the environmental assessment process.



Legend

- Villages / Towns
- ▭ Farm Boundaries
- Roads
- +— Railway Lines
- Perennial Rivers
- - - Non-Perennial Rivers
- Dams
- Inkosi Prospecting Right Area

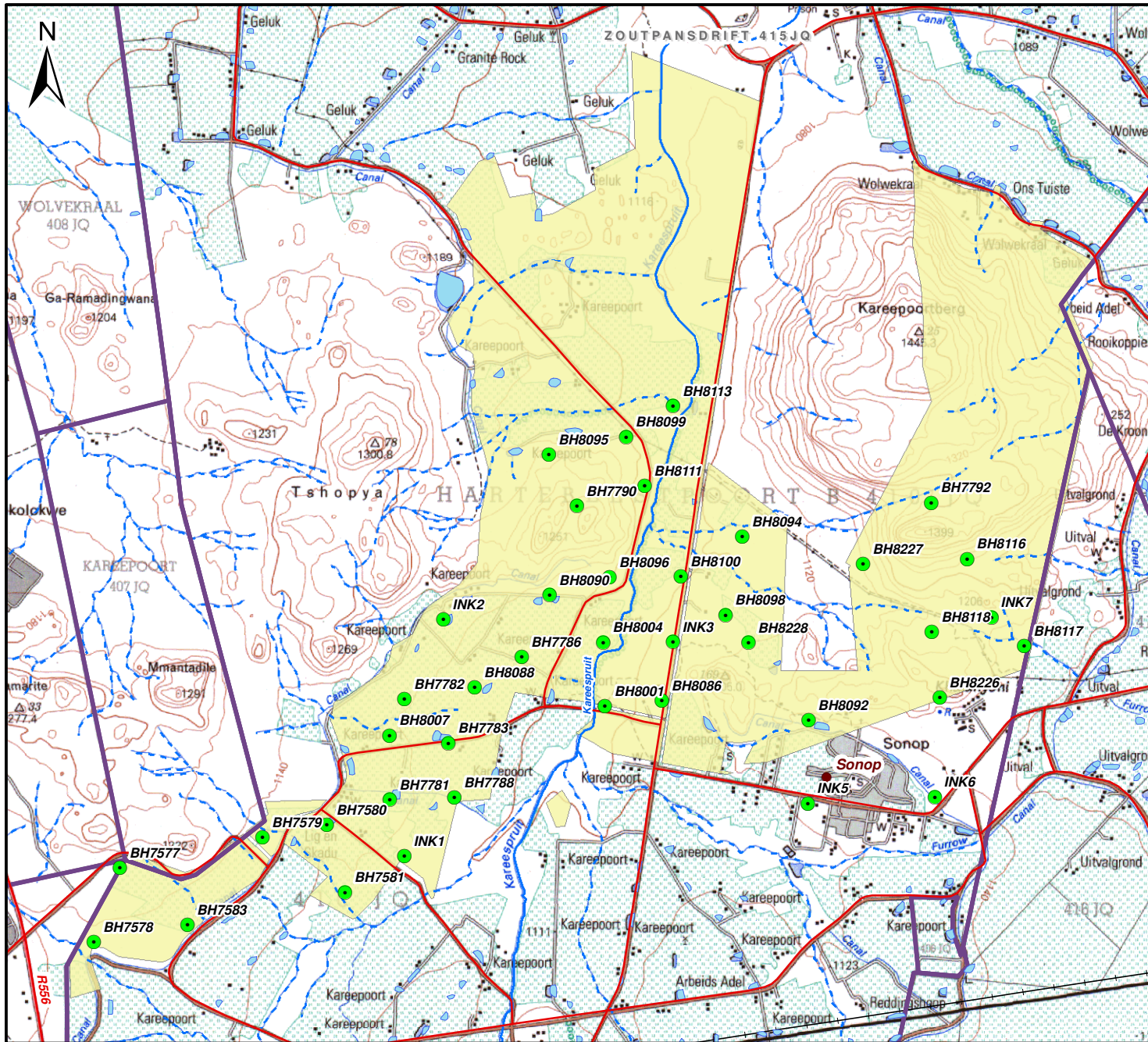
0 1 2 3 Km
 Scale: 1:80 000 @ A4
 Projection: Transverse Mercator
 Datum: Hartebeeshoek, Lo27

Inkosi Platinum (Pty) Ltd

Figure 1

Local Setting of Inkosi Prospecting Right Closure

SLR SLR Consulting (Africa) (Pty) Ltd
 P O Box 1596, Cramerview, 2060, South Africa
 Tel: +27 (11) 467-0945 Fax: +27 (11) 467-0978



Legend

- Villages / Towns
- ▭ Farm Boundaries
- Roads
- +— Railway Lines
- Perennial Rivers
- - - Non-Perennial Rivers
- Dams
- Inkosi Prospecting Right Area
- Drill Sites

0 1 Km
 Scale: 1:51 000 @ A4
 Projection: Transverse Mercator
 Datum: Hartebeeshoek, Lo27

Inkosi Platinum (Pty) Ltd

Figure 2

The Location of Drill holes within the Prospecting Right Area



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PROJECT OVERVIEW

OVERVIEW

The Inkosi prospecting right covers the various portions of the farm Hartebeestpoort B 410 JQ (Hartebeestpoort) (Figure 2).

Between 2005 to 2014, Inkosi undertook prospecting activities on the farm Hartebeestpoort, during which time 40 approved exploration drill holes were drilled.

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. Decommissioning catered for the capping and sealing of boreholes, removal of any drilling equipment, chemicals and waste, removal and filling of sumps and ripping of compacted soils (at drill sites and access tracks) to allow for re-vegetation of the site.

Inkosi proposes to close its Hartebeestpoort prospecting right (see motivation below). The areas disturbed by the prospecting activities have been allowed to re-vegetate for use by landowners and land users.

MOTIVATION FOR THE CLOSURE OF THE PROSPECTING RIGHT

After completion of the pre-feasibility work, the Inkosi Board made the decision not to apply for a mining right and to commence with mining, as it was found that the project is not economically viable at the expected economic parameters (i.e. cost, funding, prices). Inkosi has decided to exit from this prospecting right via a closure application. Abandoning the prospecting right would allow for new third-party applications to be lodged with the DMR.

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 29 mm per annum and I 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 and surrounding area is characterised by gentle undulating plains and flat terrain to the west with prominent hills to the east. The altitude ranges from between approximately 1080 and 1445 metres above mean sea level.

Geologically, the prospecting right area comprises of various lithologies of the Rustenburg Layered Suites of the Bushveld Igneous Complex. The outcropping rocks recorded consists of pyramid gabbro-norites interlayered with anorthosites underlain by the lithologies of the Mathagama norite-anorthosites which host the Merensky riff.

The soils types characteristic of the prospecting right area and surrounds consist of strongly structured black soils known as Calcic Vertisols and Umbric 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 Area and an Ecological Support Area and is considered as an important habitat for vultures.

The prospecting right area is located within the upper reaches of the A21J quaternary catchment of the Crocodile West. The prospecting area is mostly dominated by non-perennial tributaries. The perennial Kareespruit, which is moderately modified transverses through the boundary of the prospecting right area. Water from the Kareespruit is used for domestic and agricultural purposes.

There are several heritage resources identified within the prospecting right area, these include Late Iron Age sites, as well as two graveyards. These graveyards are of high significance and are protected in terms of the National Heritage Resources Act (NHA) (No 25 of 1999).

The land use within the prospecting right area and surrounds is a mixture of natural bushveld, farming, residential and mining activities.

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 (January to February 2020)

- Project announcement 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 (February to April 2020)

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

PHASE III – Competent authority review phase (May to August 2020)

- Submit BAR (inclusive of comments raised during the review period) to the DMR for decision making (May 2020) (107 days legislated decision-making period); and
- Circulate decisions 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 Department of Mineral Resources (DMR);
- 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 (NWDRDLR);
- South Africa Heritage Resource Agency (SAHRA) and/or North West Provincial Heritage Resource Authority (NWPHERA); and
- North West Department of Agriculture, Forestry and Fisheries (NWDAFF).

LOCAL AUTHORITIES

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

TRADITIONAL AUTHORITY

- * Bapo Ba Mogale.

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

Figure 1: Example of rehabilitated drill site within the planned prospecting right closure area



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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:

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| |
| |

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!!!