

### **Background Information Document**

Stakeholder Engagement Process as part of the compilation of the Environmental Management Plan in the application for a Prospecting Right

Farms 87 and 88, Barkly West

Applicant: Finsch Diamond Mine (Pty) Ltd

Consultant: Lizelle Prosch Environmental and Sustainability Consulting Services (Pty) Ltd

14 August 2013



# Background Information Document and Call for Stakeholder Registration

Reference Number: (NC)30/5/1/1/1/10965PR

Finsch Diamond Mine (Pty) Ltd (owned by Petra Diamonds) submitted an application for the prospecting of diamonds (alluvial and kimberlite) in terms of Section 16 of the Mineral and Petroleum Resources Development Act 28 of 2002 ("MPRDA" or "the act"). The application was accepted by the Department of Mineral Resources ("DMR" or "the department") on the 24<sup>th</sup> of July 2013.

The applicant is now required to prepare and submit an Environmental Management Plan and undertake stakeholder consultation in accordance with the act.

The department will review the Environmental Management Plan and the stakeholder consultation information prior to making a decision whether to grant a prospecting right.

#### 1. Location of the Planned Prospecting Activities

The Prospecting Right Application is in respect of farms in the Barkly West District, Northern Cape. The farms being applied for include Farm 87 and Farm 88 (refer to the locality plan attached as Addendum A).

#### 2. Purpose of Stakeholder Consultation

The purpose of the stakeholder consultation process is to:

- 1. Engage with stakeholders as part of a process to identify the potential social and environmental impacts which may result from the planned prospecting activities.
- 2. Develop an understanding of the views, concerns and expectations of stakeholders.
- 3. Engage with stakeholders to determine the closure objectives as input into the development of a rehabilitation plan.

#### 3. Consultation Process

The stakeholder consultation process is undertaken as detailed below:

- 1. Key stakeholders have been identified including:
  - (a) Landowners and/or occupiers located on land portions directly adjacent to the farms where prospecting will take place.
  - (b) Government bodies / organs of state that have jurisdiction over the area where prospecting will take place.
  - (c) Ward Councillors are consulted to ensure that host communities in proximity to the site are afforded the opportunity to participate.
  - (d) The Department of Rural Development and Land Reform are contacted to confirm land claims and if applicable, land claimants

**Legal Framework** (including but not limited to):

Section 16 of the MPRDA – As part of an application for a prospecting right, a stakeholder consultation process must be undertaken.

Section 39 of the MPRDA – The Environmental Management Plan must meet the requirements of Section 39 of the act.

Section 52 of the MPRDA
Regulations - Prescribes the
content of the
Environmental
Management Plan and the
extent of the stakeholder
consultation process.

Notice is hereby given in terms of Section 16 of the MPRDA.



will be registered as stakeholders.

- (e) Associations and non-governmental organisations that might have an interest in the area.
- 2. The identified stakeholders are contacted and requested to register (the registration process is described in Section 5 below) to become part of the consultation process.
- 3. All stakeholders are afforded the opportunity to share their views, raise concerns and clarify their expectations as it relates to the planned prospecting activities. Comments and concerns can be submitted in writing via email or fax (details provided in Section 5). Registered stakeholders will also be invited to a stakeholder meeting (to be scheduled at a suitable time and venue) at which time the following will be presented:
  - (a) An overview of the application process;
  - (b) The planned prospecting activities (also outlined in Section 4 below);
  - (c) The anticipated social and environmental impacts and the measures to manage these impacts; and
  - (d) The objectives for closure and rehabilitation.

Stakeholder comments and concerns will be used to further identify social and environmental impacts, develop management measures, and determine closure objectives and rehabilitation activities.

- 4. Documents, maps, presentations and other relevant information will also be posted on the website <a href="http://lizelleproschconsulting.com/">http://lizelleproschconsulting.com/</a>.
- 5. A written record of the stakeholder engagement process, the stakeholder comments and concerns will be submitted to the DMR for consideration.
- 6. All registered stakeholders will be provided with written feedback to address any questions and concerns.
- 7. All registered stakeholders will be informed of the department's decision regarding whether a prospecting right was granted or not.

#### 4. Overview of the Planned Prospecting Activities

The detailed geology and diamond potential of the area is relatively unknown, and exploration work will commence at a very basic level. The prospecting will be undertaken in three (3) in phases, each phase will be conditional on the success of the previous phase.

#### Phase 1: Data Acquisition and Desktop Survey

A desktop study of all available data for the area will be undertaken to accumulate as much regional and historical data around the area as possible. This includes published geological reports, infrastructure mapping, satellite imagery and existing geophysical information (if available), both primary (kimberlite or lamproite) and secondary (alluvial) diamond deposits will be targeted.

#### Phase 2: Target Generation, ground truthing and delineation

If the initial results of the desktop study be encouraging, further data will be generated through wide spaced grid loam sampling and ground (or possibly airborne geophysical work) in order to determine if there are positive indications of the existence of either a primary or secondary diamondiferous deposit on the exploration area. Targets generated during the sampling and geophysical surveys will be ground-truthed / verified and tested through drilling if deemed necessary.



If any of the exploration targets give a positive result, a drilling program will be undertaken in order to delineate and give a preliminary assessment of the diamond potential of the deposit identified.

#### Phase 3: Bulk Sampling and Feasibility Assessment

Should delineation and initial evaluation of the deposit indicate a sufficient size and grade to warrant further evaluation, an appropriate bulk sampling program will be undertaken in order to establish grade and confirm the viability of mining.

#### 5. How to register as a Stakeholder

Register to take part in the stakeholder consultation process through submitting your details via one of the following methods:

Email: barklywes@lizelleproschconsulting.com

Fax: 086 718 1695

Phone or SMS: 082 804 4024

Online (Web) Registration: <a href="http://lizelleproschconsulting.com/">http://lizelleproschconsulting.com/</a>

Please submit the following details:

- 1. Your name and surname;
- 2. Your telephone and/or cellular phone number (cellular phone numbers may be used for SMS notification if required);
- 3. Your physical and postal address; and
- 4. Your organisation and/or capacity (for example "Ward Councillor, Ward Number, Municipal Area" or "Landowner / Resident, Farm Name and Number").

## To receive an invitation to the stakeholder meeting, registration must be submitted on or before 23 August 2013.

(The final date of the meeting will be communicated; it is anticipated that the meeting will be held on a day during the last week of August 2013)

#### Comments and concerns can be submitted on or before 30 August 2013.

(All comments and concerns submitted on or before 30 August 2013 will be accepted regardless whether stakeholder registration was completed by the 23<sup>rd</sup> of August 2013)