

**FINAL BASIC ASSESSMENT REPORT FOR THE
PROPOSED PROSPECTING IN SEA CONCESSION AREA
7C BY TRANS ATLANTIC DIAMONDS (PTY) LTD**

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Appendix 8:
Motivation for no other alternatives

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Motivation for the overall preferred site, activities and technology alternative.

Kimberlite pipes are believed to have formed by high-pressure and deep-rooted volcanic eruptions. They are igneous intrusions or “pipes” projecting through the Earth’s crust and a major source of diamonds and other minerals such as rutile, zircon, garnets, ilmenite and magnetite (Gurney *et al.* 1991; Penney *et al.* 2007). These pipes transport the diamonds and minerals from the upper mantle to the surface of the Earth. These deposits were then further transported by means of erosion, wind, rain and rivers and deposited primarily in the sea in gravel terraces along riverbanks and on the coast. The Orange and Olifants rivers are believed to be the major westward transport mechanisms responsible for the deposition of diamondiferous sediments along west coast of South Africa and southern Namibia (Gurney *et al.* 1991; Penney *et al.* 2007). With the influence of currents, swell and tidal action, diamonds gradually accumulated on gravel beaches along the coast (Penney *et al.* 2007). Today, these deposits extend from the coast down to 150 m depth (approximately 50–60 km offshore) where they are found in gullies and potholes which have been covered with sediment over time. It is this marine diamondiferous gravel which is of interest to the modern marine diamond mining industry (Penney *et al.* 2007).

With the Benguela region being rich in diamond, mineral and other deposits, the former Department of Minerals and Energy (now the Department of Mineral Resources and Energy — DMRE) established designated mineral sea concession areas in 1994, extending from Saldanha Bay to the Orange River mouth on the west coast of South Africa. Prospecting and mining activities are only permitted by individuals that are in possession of a mining or prospecting right, and only within specially designated areas that allow the industry, the trade of commodities, the associated activities and potential impacts, environmental management and the responsible extraction of minerals, to be monitored. Companies can apply for prospecting and/ or mining rights within concession areas for which rights are available. As this is a competitive industry, few concession areas are available at any given time. The Applicant has applied for prospecting rights in four other concession areas of which the results are still pending. Although several other concession areas were also considered by the applicant, the prospecting and mining rights for many of these were already held by other companies.

As the intention of the proposed prospecting activity is to search for diamondiferous, gemstone, mineral and metal deposits, and to ensure the economic feasibility of mining within a certain concession area, an area known to contain these resources needs to be selected. As such, few location alternatives exist. Diamonds and other commodities have been discovered in neighbouring “C” concession areas and some are actively mined. In addition, the preferred site is thought to contain palaeo-beach deposits which are known from prospecting and mining in other concession areas, to contain diamondiferous gravels.

The preferred activities, i.e. geophysical surveys and drilling, are the primary methods used for mineral prospecting, and will facilitate the discovery and estimation of mineral resources within the concession area. These activities will include invasive and non-invasive methods such as geophysical surveys, drilling and baseline biological sampling outlined in section 5.5 above. These methods have been developed through many years of research and development by the mining industry and are the preferred methods for resource estimation and cannot easily be replaced by any other methods.