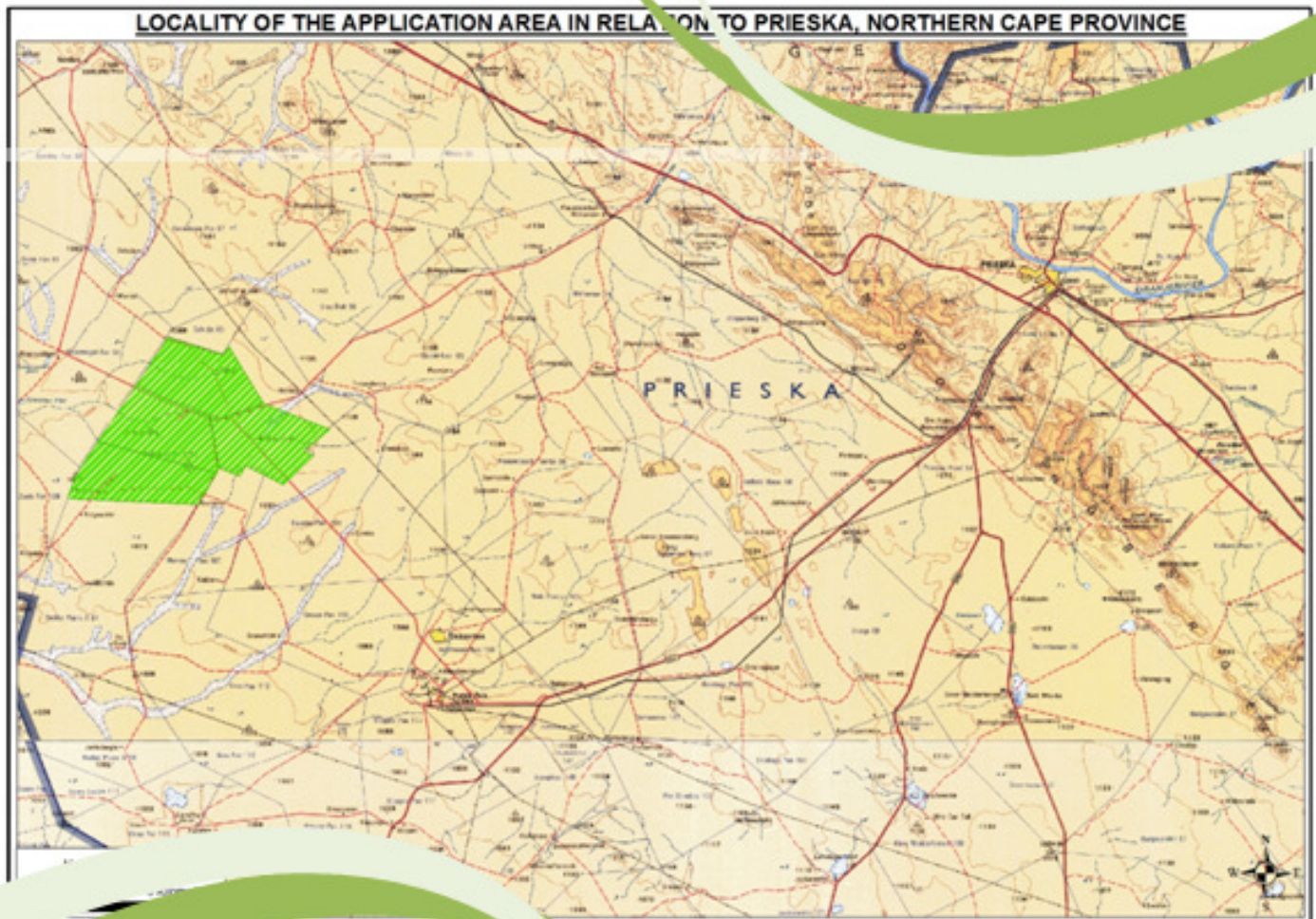


# BACKGROUND INFORMATION DOCUMENT

GOLDIPRO (PTY) LTD



Prospecting Right application over:

Portions 2, 3, 4 and 5 of the Farm Hedley Plains A 64,  
Prieska District, Northern Cape Province

Prepared by:



June 2017

## BACKGROUND

M and S Consulting (Pty) Ltd as an independent company of consultants has been appointed by Goldipro (Pty) Ltd (hereinafter referred to as 'Goldipro') to conduct the Prospecting Right application process in terms of the Mineral and Petroleum Resources Development Act, 2002 (No. 28 of 2002) as amended by Act 49 of 2008 and in terms of the National Environmental Management Act, 1998 (No. 107 of 1998) as amended on behalf of the applicant.

Goldipro applied for a Prospecting Right for Copper, Zinc, Lead, Gold, Silver, Cobalt, Sulphur, Barytes, Pyrite, Molybdenum, Chrome, Platinum Group Metals, Nickel, Tungsten, Limestone, Stone Aggregate and Sand over Portions 2, 3, 4 and 5 of the Farm Hedley Plains A 64, situated in the Prieska District, Northern Cape Province (hereinafter referred to as 'Hedley Plains') which application was accepted by the Department of Mineral Resources (hereinafter referred to as 'DMR').

## LOCALITY

Hedley Plains is situated approximately 50km south-west of Prieska and approximately 15km north-west of the small town of Copperton in the Northern Cape Province.

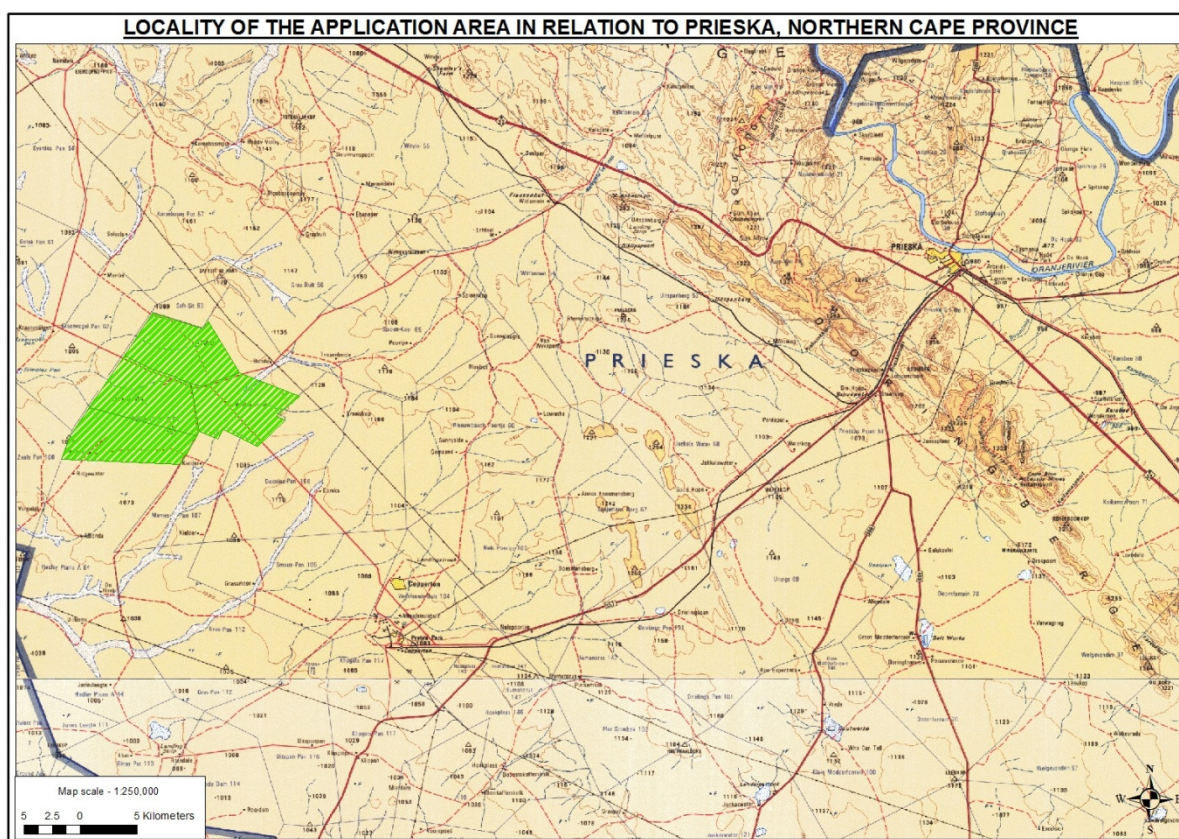


Figure 1 – Locality Map

## PROPOSED ACTIVITY

Goldipro's prospecting activities are planned to be conducted in phases over a period of five years.

Phase	Activity <small>(what are the activities that are planned to achieve optimal prospecting)</small>	Skill(s) required <small>(refers to the competent personnel that will be employed to achieve the required results)</small>	Timeframe <small>(in months) for the activity)</small>	Outcome <small>(What is the expected deliverable, e.g. Geological report, analytical results, feasibility study, etc.)</small>	Timeframe for outcome <small>(deadline for the expected outcome to be delivered)</small>	What technical expert will sign off on the outcome? <small>(e.g. geologist, mining engineer, surveyor, economist, etc)</small>
1	<b>Non-invasive Prospecting</b> Review of historical activities	Geologist	Month 1 – 6	Maps, Plan & Report	Month 7	Geologist
2	<b>Non-invasive Prospecting</b> Geological Mapping	Geologist	Month 7 - 12	Map & Report	Month 13	Geologist
3	<b>Non-invasive Prospecting</b> Geophysical Survey	Geophysicist	Month 13 - 18	Map & Report	Month 19	Geologist
4	<b>Invasive Prospecting</b> Percussion drilling	Geologist & Drilling contractor	Month 19 - 24	Drill logs	Month 24	Geologist
5	<b>Non-invasive Prospecting</b> Analysis of drill samples	Laboratory	Month 25 - 30	<ul style="list-style-type: none"> <li>• Laboratory report</li> <li>• Map &amp; Report</li> </ul>	Month 31	Laboratory & Geologist
6	<b>Invasive Prospecting</b> Core drilling	Geologist & Drilling contractor	Month 31 - 36	Drill logs	Month 36	Geologist
7	<b>Non-invasive Prospecting</b> Analysis of drill samples	Laboratory	Month 37 - 42	<ul style="list-style-type: none"> <li>• Laboratory report</li> <li>• Map &amp; Report</li> </ul>	Month 43	Laboratory & Geologist
8	<b>Invasive Prospecting</b> Trenching	Geologist & Drilling contractor	Month 43 - 48	Drill logs	Month 48	Geologist
9	<b>Non-invasive Prospecting</b> Analysis of trench samples	Laboratory	Month 49 - 54	<ul style="list-style-type: none"> <li>• Laboratory report</li> <li>• Map &amp; report</li> </ul>	Month 54	Laboratory & Geologist
10	<b>Non-invasive Prospecting</b> Feasibility study	Geologist	Month 55 - 60	Resource Calculations to evaluate economic viability of the project	Month 60	Geologist & CEO

**(i) Description of planned non-invasive activities:**

(These activities do not disturb the land where prospecting will take place)

**Phase 1:**

In order to direct the exploration programme in an efficient manner, there will be a review of all available information and data gathered by previous exploration on the farm. A desktop study will be undertaken of the base metal potential of the area. A site investigation of the target areas will be undertaken to identify infrastructure and determine any potential problems that may need to be addressed.

**Phase 2:**

Any anomalous features identified will be mapped in detail. The various rock types and their contacts will also be mapped.

**Phase 3:**

A 3 line kilometer magnetic survey (or any other suitable geophysical method) will be undertaken using a proton 5 magnetometer over selected areas as identified during the desktop study. This study will result in identifying potential base metal / sulphide mineralization.

**Phases 5 & 7 & 9:**

Drill samples will be collected in one meter intervals and logging will be done by a qualified geologist who will record the lithology, mineralogy, degree of mineralization and structural features. Mineralized samples will be analyzed at an internationally recognized (ISO certified) laboratory.

**Phase 10:**

A detailed feasibility report, containing resource calculations, will be compiled after drilling operations have been completed to evaluate the economic viability of the project.

(ii) **Description of planned invasive activities:**  
(These activities result in land disturbances)

**Phase 4: Percussion drilling**

Percussion drilling will be used initially to identify the position of a suspected base metal deposit. The position of the boreholes is dependent on the results of the review of historical activities, geological mapping, desktop study and geophysical survey.

Fourty boreholes, on average 50m deep each, are planned. The collar position of all boreholes will be surveyed. All drilling will be short term and undertaken by a contractor using truck-mounted equipment.

Angled percussion holes are planned to locate and intersect the mineralization. A traverse line or grid drilling is used to identify and define the extent of any mineralization. The sizes of the boreholes drilled will be determined by such factors as cost, proposed sampling, availability of drilling machines and the volume of sample required, among others.

Each drill site will be rehabilitated before a new site is established. The boreholes will be filled with drill chips and covered with topsoil.

**Phase 6: Core drilling**

Depending on the results from the non-invasive prospecting activities as well as the percussion drilling phase, further confirmation and exploratory drilling may be required. Core drilling will only be used if mineralization has been found. The position of the boreholes is dependent on the results of the non-invasive activities.

Twenty boreholes, on average 75m deep each, are planned for phase 6, but depending on results this could be more. The collar position of all boreholes will be surveyed. All drilling will be short term and undertaken by a contractor using truck-mounted equipment.

Each drill site will be rehabilitated before a new site is established. The boreholes will be covered with a metal plate and 0.2m previously stored topsoil. All drilling

material, liquid spills and refuse will be cleared and transported to the relevant municipal landfill.

### **Phase 8: Trenching**

This phase will only be undertaken should positive drilling results be achieved in the foregoing phases. In order to determine the true location and width of the surface outcrop of the mineralized oxide zone, trenches with a north-east striking, approximately 2m deep and 1m wide will be made. Ten trenches of 15m length on average are planned at this stage but depending on drilling results this could be more.

#### **(iii) Description of pre-/feasibility studies**

(Activities in this section includes but are not limited to: initial, geological modeling, resource determination, possible future funding models, etc)

All prospecting data will be captured in a GIS database and should a mineralized deposit found during drilling then it will be modeled to obtain a final interpretation of the potential of the deposit. A detailed feasibility report will be compiled. Should the project prove feasible an application for a Mining Right will be submitted.

## SITE DESCRIPTION

A temporary site shall be established at each drilling site consisting of the following:

- Drill rig.
- Water tank for domestic use.
- Chemical toilets.

Each drilling site shall be rehabilitated before a new drilling site is established.

A temporary site shall be established at each trenching site consisting of the following:

- 20T excavator.
- Water tank for domestic use.
- Chemical toilets.

Each trench shall be rehabilitated before a new trench site is established.

Goldipro shall make use of offices in the town of Copperton for its administrative needs and contractors shall reside off-site in a nearby town (i.e. Copperton / Prieska) during the invasive prospecting phases.

## PUBLIC PARTICIPATION PROCESS

The purpose of this document is to inform the surface owners, surrounding surface owners and other interested and/or affected parties of the proposed prospecting activities planned to be undertaken by Goldipro, and to ensure that the rights and needs of all parties are taken into account.

## Goldipro (Pty) Ltd

Registering as an I&AP will ensure that you are placed on a database of persons to be informed of any progress regarding the proposed activity. Copies of all relevant documentation will be made available to registered I&AP's.

Attached hereto find a response form for comment by Interested and Affected Parties. Please complete this form and direct any comments, concerns or queries to:

M&S Consulting  
Ms. T. Jooste  
P.O. Box 2473  
Kimberley  
8300  
Tel: 053 861 1765  
Fax: 086 636 0731  
E-Mail: ms.consulting@vodamail.co.za

## BASIC ASSESSMENT REPORT AND ENVIRONMENTAL MANAGEMENT PROGRAMME REPORT

The purpose of the Basic Assessment Report and Environmental Management Programme Report (hereinafter referred to as 'BAR/EMPR') is to detail findings from a desktop analysis of the receiving environment that may be affected by the proposed prospecting activities.

The report gives an overview of the anticipated impacts expected from the prospecting operations and whether feasible alternatives and/or mitigations could be implemented to minimize such impacts to acceptable standards.

The analysis of the receiving environment before any invasive prospecting activities takes place shall provide a baseline against which impacts will be measured. The receiving environment shall be determined as follows:

- Desktop analysis.
- Information obtained through the public participation process.
- Site visit to the properties.

The BAR/EMPR is available to all registered interested and/or affected parties, upon written request thereof, for perusal and comment before submission thereof to the Department of Mineral Resources.

## PROJECT TEAM

Applicant:  
Goldipro (Pty) Ltd  
Mr. B. van Deventer  
94 Central Road  
Kimberley  
8301  
Cell: 083 297 6060 / E-Mail: berend@inext.co.za

Consultant:  
M&S Consulting  
Ms. T. Jooste  
P.O. Box 2473  
Kimberley  
8300  
Tel: 053 861 1765  
Fax: 086 636 0731  
E-Mail: ms.consulting@vodamail.co.za

## WAY FORWARD

Meetings will be scheduled with the surface owners to discuss the proposed prospecting activities and potential impact on the properties. Other Interested and Affected Parties wishing to comment on the proposed activity or requesting a one-on-one meeting are requested to register as an I&AP and to forward their written comments (with reasons) to M and S Consulting (Pty) Ltd.

A copy of the BAR/EMPR is available to all registered interested and/or affected parties, upon written request thereof, for perusal and comment before submission thereof to the Department of Mineral Resources.

All comments received will be incorporated into the Basic Assessment Report and Environmental Management Programme Report. The BAR & EMPR will then be submitted to the Department of Mineral Resources for their review and comments. The public participation process will continue throughout the application process.



## BACKGROUND INFORMATION DOCUMENT

### PROPOSED PROSPECTING OPERATION BY GOLDIPRO (PTY) LTD ON PORTIONS 2, 3, 4 AND 5 OF THE FARM HEDLEY PLAINS A 64, PRIESKA DISTRICT, NORTHERN CAPE PROVINCE

JUNE 2017

DMR REF. NO: (NC) 30/5/1/1/2/11972 PR

#### Response Form for comment by Interested and Affected Parties

Please return this page to M&S Consulting via fax, post or e-mail.

**Attention:** Ms. T. Jooste

**Postal address:** P.O. Box 2473, Kimberley, 8300

**Tel:** 053 861 1765

**Fax:** 086 636 0731

**Email:** ms.consulting@vodamail.co.za

TITLE		FIRST NAME	
INITIALS		SURNAME	
ORGANISATION		E-MAIL	
POSTAL ADDRESS			
		POSTAL CODE	
TEL NR		FAX NR	
CELL NR		LANGUAGE	
Do you have any direct interest in the approval or refusal of the proposed prospecting right project?			
YES	NO		

INTEREST:	

Do you wish to receive a copy of BAR / EMPR for perusal	Yes	No
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Please mark applicable box.



