

BACKGROUND INFORMATION DOCUMENT

ALIDABIX (PTY) LTD

LOCALITY OF THE APPLICATION AREA IN RELATION TO THE TOWN OF PRIESKA



Prospecting Right application over:

Portion 3 (a portion of Portion 1 – Stomp Oor A) of the Farm Stomp
Oor 109, Prieska District, Northern Cape Province

Prepared by:



May 2018

BACKGROUND

M and S Consulting (Pty) Ltd as an independent company of consultants has been appointed by Alidabix (Pty) Ltd (hereinafter referred to as 'Alidabix') 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.

Alidabix applied for a Prospecting Right for Copper, Zinc, Gold, Silver, Diamond General, Diamond Alluvial, Diamond in Kimberlite, Molybdenum, Nickel and Platinum Group Metals over Portion 3 (a portion of Portion 1 – Stomp Oor A) of the Farm Stomp Oor 109, situated in the Prieska District, Northern Cape Province (hereinafter referred to as 'Stomp Oor') which application was accepted by the Department of Mineral Resources (hereinafter referred to as 'DMR').

LOCALITY

Stomp Oor is situated approximately 45km north-west of the small town of Copperton in the Northern Cape Province.

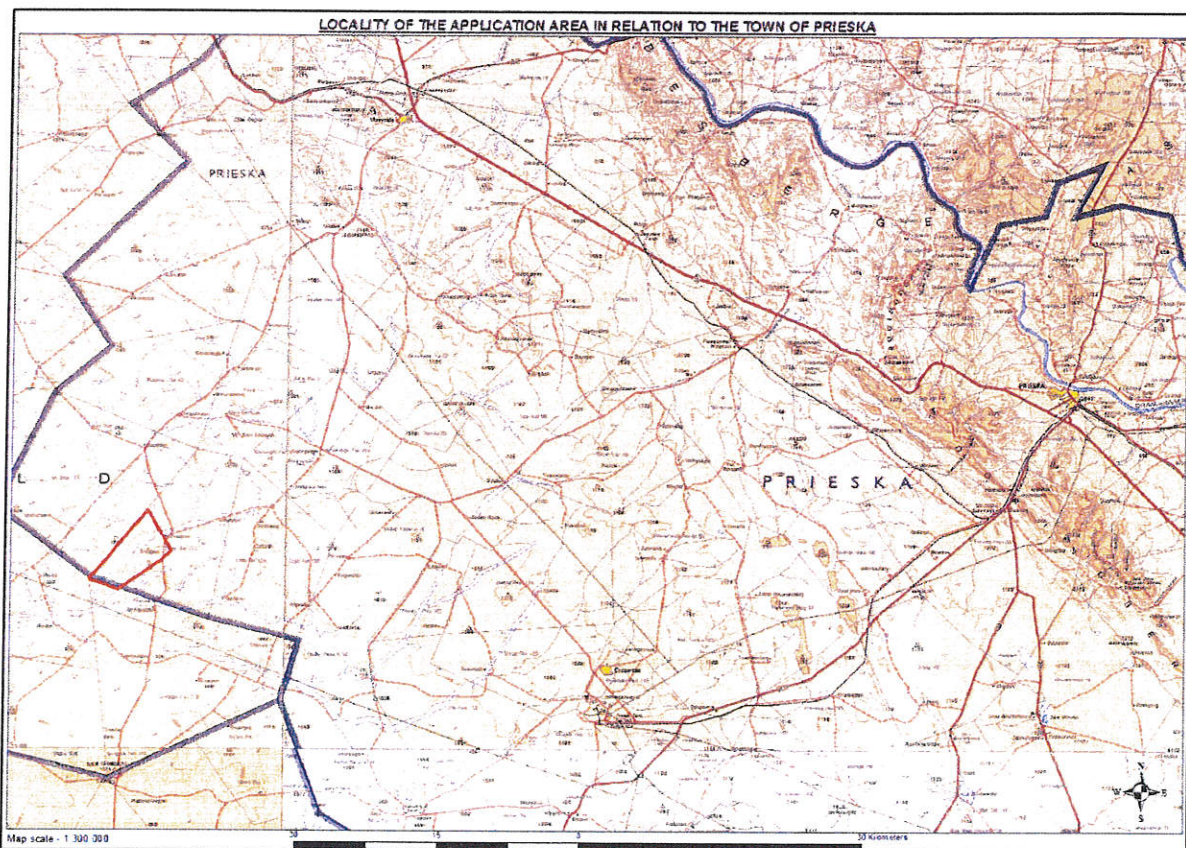


Figure 1 – Locality Map

PROPOSED ACTIVITY

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

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

(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.

Twenty-five boreholes, on average 50m deep each, are planned for phase 4. 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. The boreholes will be filled with drill chips and covered with topsoil.

Phases 6 & 8: Core drilling

Dependent on the results from the non-invasive prospecting activities, 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.

Ten boreholes, planned 50m depth each (can be more or less depending on results), are planned for phase 6 and five for phase 8. The collar position of all boreholes will be surveyed. All drilling will be short term and undertaken by a contractor using skid-mounted equipment.

Each drill site will be rehabilitated once completed. The boreholes will be covered with a metal plate and 1m previously stored topsoil. All drilling material, liquid spills and refuse will be cleared and transported to the relevant municipal landfill.

(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 the drill sampling data will then be modeled to obtain a final interpretation of the potential of the deposit. A detailed feasibility report, containing resource calculations, will be compiled after drilling operations have been completed to evaluate the economic viability of the project.

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.

Alidabix shall make use of offices in the town of Prieska for its administrative needs and contractors shall reside off-site in 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 Alidabix, and to ensure that the rights and needs of all parties are taken into account.

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 and S Consulting (Pty) Ltd
 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 property.

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:

Alidabix (Pty) Ltd
Mr. B. van Deventer (Director)
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Cell: 083 297 6060
E-Mail: berend@inext.co.za

Consultant:

M and S Consulting (Pty) Ltd
Ms. T. Jooste
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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 owner 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.



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BACKGROUND INFORMATION DOCUMENT

PROPOSED PROSPECTING OPERATION BY ALIDABIX (PTY) LTD ON PORTION 3 (A PORTION OF PORTION 1 – STOMP OOR A) OF THE FARM STOMP OOR 109, PRIESKA DISTRICT, NORTHERN CAPE PROVINCE

MAY 2018

DMR REF. NO: (NC) 30/5/1/2/12131 PR

Response Form for comment by Interested and Affected Parties

Please return this page to M and S Consulting (Pty) Ltd 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.

Please list any colleagues/friends or organizations that you feel should also be registered as an Interested and Affected Party for this Prospecting Right application process: (with contact details if available)

NAME/ORGANISATION	POSTAL ADDRESS	TEL NR	FAX NO

Please comment on any issues or concerns you may have:
(please use a separate sheet if you wish)

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Thank you for your comments