

CAMEL THORN GROUP (PTY) LTD

Background Information Document

PUBLIC PARTICIPATION PROCESS

PUBLIC PARTICIPATION PROCESS FOR AN APPLICATION FOR A PROSPECTING RIGHT FOR DIAMONDS, MANGANESE AND IRON ORE IN TERMS OF THE MINERAL AND PETROLEUM RESOURCES DEVELOPMENT ACT, 2002 (ACT 28 OF 2002), THE NATIONAL ENVIRONMENTAL MANAGEMENT ACT, 1998 (ACT 107 OF 1998); THE ENVIRONMENTAL IMPACT ASSESSMENT REGULATIONS 2014; THE NATIONAL ENVIRONMENTAL MANAGEMENT: WASTE ACT, 2008 (ACT NO. 59 OF 2008) AND THE NATIONAL WATER ACT 1998, (ACT 36 OF 1998).

NC 30/5/1/1/2/13707PR

Portions 1, 2 and 3 of Farm No. 543 and Portion 2 of Farm 542 (Diamonds excluded) within the Administrative District of Hay measuring 4116,7217 ha in extent.

Located in the Hay District, Northern Cape Province

Compiled by Ms. R.H. Oosthuizen

Wadala Mining and Consulting (Pty) Ltd

BACKGROUND INFORMATION DOCUMENT

1. INTRODUCTION

We hereby inform you that Camel Thorn Group (Pty) Ltd (“The applicant”) has applied for a Prospecting Right on Portions 1, 2 and 3 of Farm No. 543 and Portion 2 of Farm 542 located in the Hay District, Northern Cape Province.

The application was submitted to the Regional Manager, Department of Mineral Resources and Energy, Kimberley (“DMRE”) situated at 41 Schmidtsdrift Street, Kimberley, 8301 with contact number 053-807 1700 and facsimile 053-832 8593. The mentioned application was accepted on 15 September 2023 and the prescribed Basic Assessment Report and Environmental Management Programme must be submitted in line with legislated timelines.

2. PURPOSE OF THE BACKGROUND INFORMATION DOCUMENT

The purpose of this document is:

- To notify potential stakeholders of the application for a Prospecting Right for Diamonds, Manganese and Iron Ore which was submitted to the Department of Mineral Resources and Energy (DMRE) on 17 July 2023 and accepted on 15 September 2023 with Reference NC 30/5/1/1/2/13707PR (diamonds is excluded on Portion 2 of Farm 542).
- Provide background information regarding the proposed Prospecting Right application for Camel Thorn Group (Pty) Ltd.
- Invite potential stakeholders to register themselves as interested and affected parties and to raise issues of importance, share their input, comments and or concerns which will be incorporated into the Environmental Management Programme.
- To inform the Affected and Interested Parties of the requirements in terms of all Governing Legislation applicable to this process.

The Camel Thorn Group (Pty) Ltd seeks to gather comments, suggestions, issues and concerns from all stakeholders.

3. A BRIEF OVERVIEW

Camel Thorn Group (Pty) Ltd (“The applicant”) has applied for a Prospecting Right on the above mentioned area situated in the Magisterial District of Hay, Northern Cape Province to prospect for Diamonds, Manganese and Iron Ore.

The project area is situated approximately 26 km south-west of Postmasburg, 87 km north-west of Griquatown and 222 km north-west of Kimberley.

3.1 Proposed activity description

The entire proposed prospecting project will be conducted in four phases as described below over a period of 60 months. This prospecting will consist of non-invasive and invasive (drilling) activities. The review of available information that exists over the area of interest will be undertaken by means of conducting a literature review from satellite images and other available information.

Non – invasive Prospecting work to be performed.

Phase 1 – (months 1 – 12)

Geological Mapping (months 3 to 10)

The mapping exercise is two-fold, the first being the mapping of geological contacts in undisturbed areas to obtain a general layout of the orebody/s. This information will also be substantiated by the geophysical survey. The second exercise will be the detailed mapping of all old excavations, which include face sampling to determine grade distributions. All the information will be put on plan.

Geophysical survey (months 3 to 4)

A pre-planned grid will be surveyed in to do a 3-D micro gravity survey. A ground magnetic survey will be done concurrently to the gravity survey. The results thereof will be plotted and used in conjunction with the geological information.

Preliminary Geophysical Report (month 10)

A report will be drafted, and the data will be modelled to indicate the geometry of the orebody in 3-D. This information will be used for drill hole planning, the execution of the drilling program and, in conjunction with the geological report at the end of month 11, to determine the resource base of the deposit.

Preliminary Geological Report (month 12)

A report will be drafted, and the data will be modelled, also applying the geophysical results, to confirm the geometry of the orebody with grade interpolations. The resulting resource classification will be used to inform the directors of the company and used as motivation to raise further funds to continue with the rest of the exploration programme.

Invasive Prospecting work to be performed.

Phase 2 – Initial drilling (months 12 - 18)

Initial Drilling

The initial drilling will cover the total area of interest on a 200m grid to verify the gravity survey and to adjust it where necessary, secondly to obtain a basic knowledge of the volumes

and grade distribution throughout the orebody/s and finally to indicate areas of interest for follow-up work.

Phases 3 – (months 25 - 36)

Primary infill drilling

The primary infill drilling will cover the total area of interest on a 100m grid to verify the positive initial drilling results and to adjust it where necessary, secondly to obtain a basic knowledge of the volumes and grade distribution throughout the orebody/s and finally to indicate further areas of interest for follow-up work.

Phases 4 – Drill planning (months 37 - 48)

Secondary infill drilling

The secondary infill drilling will cover the total area of interest on a 50m grid to verify the positive primary drilling results and to adjust it where necessary, secondly to obtain a in depth knowledge of the volumes and grade distribution throughout the orebody/s and finally to indicate further areas of interest for follow-up work.

Phase 5 – Drill planning (months 49 – 60)

Tertiary infill drilling

The tertiary infill drilling will cover the areas of importance on a 25m grid to verify the positive secondary drilling results and to adjust it where necessary, secondly to obtain a in depth knowledge of the volumes and grade distribution throughout the positive holes in the orebody/s.

3.2 Rehabilitation

On completion of the prospecting operation, the various surfaces, including the access road, and the prospecting area, will finally be rehabilitated as follows:

- Rehabilitation of drill-sites will be done immediately as each hole is completed. Rehabilitated sites will be monitored after drilling has been completed to ensure that vegetation regrowth occurs.
- Access road rehabilitation is carried out when all prospecting phases are completed at the end of the drilling activity.
- All infrastructures, equipment, and other items used during the operational period will be removed from the site.
- Rehabilitation of drill-holes
Drill-sites will be rehabilitated immediately as each hole is completed. Rehabilitated sites will be monitored to ensure that vegetation growth re-occurs.

- Final rehabilitation of roads
After rehabilitation has been completed, all roads will be ripped or ploughed, fertilized and seeded, providing the landowner does not want them to remain that way and with written approval from the Director Mineral Development of the Department of Mineral Resources and Energy.
- Submission of information
Reports on rehabilitation and monitoring will be submitted annually to the Department of Mineral Resources and Energy - Kimberley, as described in the NEMA regulations published 20 November 2015, Appendix 3.
- Maintenance (Aftercare)
Maintenance after closure will mainly concern the regular inspection and monitoring and/or completion of the re-vegetation programme.

The aim of this Environmental Management Plan is for rehabilitation to be stable and self-sufficient, so that the least possible aftercare is required.

The aim with the closure of the prospecting area will be to create an acceptable post-drill environment and land-use. Therefore, all agreed commitments will be implemented by the applicant.

- After-effects following closure
 - Acid mine drainage
There is no potential for bad quality leachate or acid mine drainage development after prospecting.
 - Long term impact on ground water.
No after effect on the groundwater yield or quality is expected.
 - Long-term stability of rehabilitated land
One of the main aims of any rehabilitated ground will be to obtain a self-sustaining and stable end result.

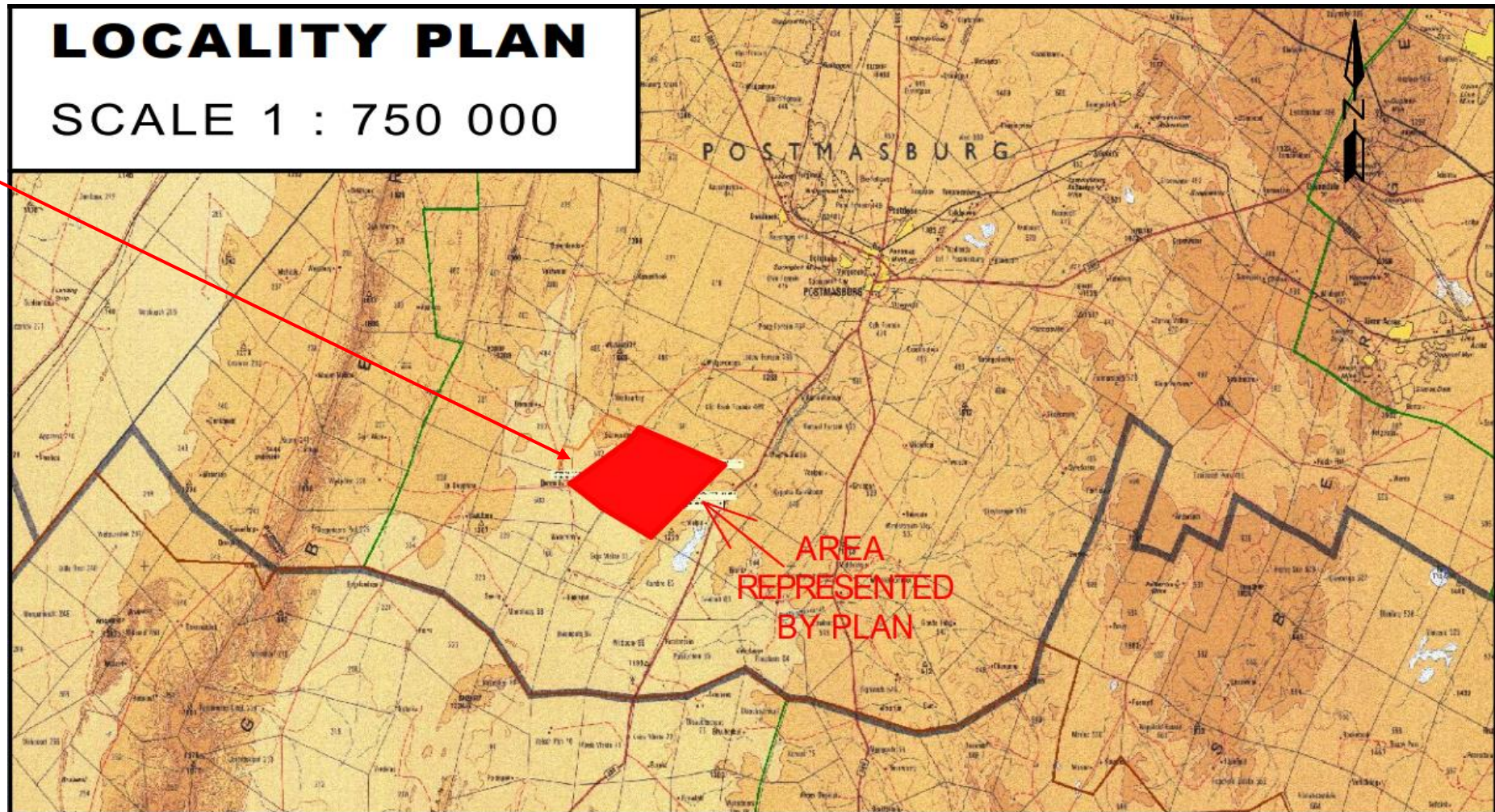


Figure 1. The locality of the proposed Prospecting Right area is indicated with a RED BLOCK.

The exact location of the drilling holes will only be determined when the first phases of the prospecting programme have been completed.

3.3 Foreseen Environmental Impacts

3.3.1 Air quality deterioration

Source of the impact

Sources of atmospheric emissions associated with the prospecting operation are likely to include fugitive dust from drilling operations if the invasive phase of prospecting takes place and vehicle entrainment of gravel roads.

Description of the impact

During the construction and operation of the prospecting operation dust can be generated through the use of access roads. Air pollution through vehicle entrainment is expected to be negligible due to the small scale of the project and dust suppression measures that will be implemented by the mine. Air pollution from exhaust fumes may also occur although limited prospecting equipment will be used in this operation.

3.3.2 Soil pollution

Source of the impact

Spillage of hazardous material; runoff.

Description of the impact

During the construction and operation of the mine, there is a possibility that equipment might leak oil, thus causing surface spillages. The hydrocarbon soil contamination will render the soil unusable unless they are decontaminated. The storage of fuels on site might have an impact on soil if the facilities that are available on site are not properly monitored and maintained to avoid leakages. Then there is the potential that contaminated soil can be carried through runoff to contaminate water resources. Soil pollution is therefore possible, but through mitigation it can be minimised. The impact will have minimal severity and slight effect on extent.

3.3.3 Loss of soil fertility

Source of the impact

During the removal of topsoil; stockpiling.

Description of the impact

Improper topsoil stripping and soil compaction can result in soil sterilisation. Leaching can also occur, resulting in the loss of nutrients.

3.3.4 Soil erosion

Source of the impact

Establishment of the drilling site; topsoil removal; potential runoff.

Description of the impact

The establishment of the drill areas and facilities in the prospecting area can result in loss of soil due to erosion. Vegetation will be stripped in preparation for placement of the drill rig although very limited, and therefore the areas will be bare and susceptible to erosion.

The topsoil that is stripped and stockpiled on surrounding areas can be eroded by wind and rain. The soil may be carried away during runoff. The cleared areas will be rehabilitated, but full restoration of soils might only occur over a number of months, subsequent to the re-establishment of vegetation. Therefore, the impact will have a moderate severity, throughout the duration of the prospecting operation.

3.3.5 Broad-scale ecological processes

Source of the impact

The construction of roads (tracks), drill pads as well as other necessary infrastructure; and the clearing of vegetation for prospecting.

Description of the impact

Transformation of intact habitat on a cumulative basis would contribute to the fragmentation of the landscape and would potentially disrupt the connectivity of the landscape for fauna and flora and impair their ability to respond to environmental fluctuations. Due to the small size of the operation in the area, this impact should be negligible.

3.3.6 Changes to surface topography

Source of the impact

Development of infrastructure (chemical toilet), drill-pads.

Description of the impact

The infrastructure and drill pads will alter the topography by adding features to the landscape. Topsoil removal and prospecting (drill rig) will change the topography. Due to the small size of the operation in the area, this impact should be negligible.

3.3.7 Visual impacts

Source of the impact

The construction of prospecting infrastructure (chemical toilet), drill pads and dust.

Description of the impact

Visual impact of the prospecting infrastructure (chemical toilet), drill pads and visibility of dust.

3.3.8 Traffic

Source of the impact

The number of vehicles will increase with the prospecting in the area.

Description of the impact

Potential negative impacts on traffic safety and deterioration of the existing road networks.

3.3.9 Heritage resources

Source of the impact

The prospecting operations can prospect through or destroy sites of cultural and heritage importance.

Description of the impact

The deterioration or destruction of sites of cultural and heritage importance.

3.3.10 Socio-economic

Source of the impact

The prospecting operation can create limited job opportunities for local people. The applicant can also destroy the land capability and land use while prospecting.

Description of the impact

Loss of potential for the area; influx of workers to the area increases health risks and loitering (resulting in lack of security and safety) although limited; negative impact of employment loss during closure.

3.3.11 Interested and affected parties

Source of the impact

The setting up of a prospecting operation for Diamonds, Manganese, and Iron Ore on Portions 1, 2 and 3 of Farm No. 543 and Portion 2 of Farm 542 located in the Hay District, Northern Cape Province

Description of the impact

Loss of trust and a good standing relationship between the IAPs and the applicant.

3.3.12 Land capability

Source of the impact

Diamonds, Manganese, and Iron Ore prospecting operation.

Description of the impact

Loss of land capability through topsoil removal if drilling takes place, disturbances and loss of soil fertility if the drilling during the prospecting operation starts.

3.3.13 Land use

Source of the impact

Diamonds, Manganese and Iron Ore prospecting operation.

Description of the impact

Loss of land use due to poor placement of infrastructure and ineffective rehabilitation.

3.3.14 Ground water

Source of the impact

Potential chemical spills if the prospecting operation do drill.
Equipment parking area – Potential diesel and lubricant spills.
Equipment servicing – Potential diesel and lubricant spills.
Chemical Toilets – Potential infiltration of contaminants through substrata.

Description of the impact

Possible pollution of underground water sources. Construction of measures to prevent seepage into the groundwater by biological and engineering means. Implementation of the necessary management programs to ensure the integrity of ground water resources will minimise the impact.

3.3.15 Surface water

Source of the impact

Potential chemical spills due to prospecting operations.
Equipment servicing – Potential diesel and lubricant spills.
Equipment parking area – Potential diesel and lubricant spills.

Description of the impact

During the prospecting operation, there is a possibility that equipment might leak oil, thus causing surface spillages. The storage of fuels on site might have an impact on surface water if the containers, tanks that are available on site are not properly monitored and maintained to avoid leakages. There is the potential that contaminated soil can be carried through runoff to contaminate water resources and soil stockpiled for rehabilitation. Surface water pollution is therefore possible, but through mitigation it can be minimised. The impact will have minimal severity and slight effect on extent.

3.3.16 Disturbance, displacement and killing of fauna

Source of the impact

Vegetation clearing for drilling; increase in noise and vibration; human and vehicular movement on site resulting from prospecting activities.

Description of the impact

The transformation of natural habitats due to prospecting operation and associated infrastructure will result in the loss of habitat affected individual species, and ecological processes. In turn this will result in the displacement of faunal species dependent upon such habitat. Increased noise and vibration due to prospecting activities will disturb and possibly displace birds and other wildlife. Fast moving vehicles take a heavy toll in the form of road kills of small mammals, birds, reptiles, amphibians and a large number of invertebrates.

3.3.17 Fauna Loss, damage and fragmentation of natural habitats

Source of the impact

Clearance of vegetation; prospecting activities.

Description of the impact

The construction of the prospecting operation and associated infrastructure will result in the loss of connectivity and fragmentation of natural habitat. Fragmentation of habitat will lead to the loss of migration corridors, in turn resulting in degeneration of the affected population's genetic make-up. This results in a subsequent loss of genetic variability between meta-populations occurring within the study site. Pockets of fragmented natural habitats hinder the growth and development of populations.

3.3.18 Encouragement of bush encroachment

Source of the impact

Clearing of vegetation; disturbances through prospecting activities.

Description of the impact

The possibility exists that bush encroaching species can multiply as a result of the disturbance interference in the natural ecosystem. While general clearing of the area and prospecting activities destroy natural vegetation, bush encroaching plants can increase due to their opportunistic nature in disturbed areas. If encroaching plants establish in disturbed areas, it may lower potential for future land use and decrease biodiversity. With proper mitigation, the impacts can be substantially reduced.

3.3.19 Proliferation of alien vegetation

Source of the impact

Clearing of vegetation; prospecting activities.

Description of the impact

The extent of alien invasive species in the area can increase as a result of the prospecting in the natural ecosystem. While general clearing of the area and prospecting activities destroy natural vegetation, invasive plants can increase due to their opportunistic nature in disturbed areas. If invasive plants establish in disturbed areas, it may cause an impact beyond the boundaries of the prospecting site. These alien invasive species are thus a threat to surrounding natural vegetation and can result in the decrease of biodiversity and ecological value of the area. Therefore, if alien invasive species are not controlled and managed, their propagation into new areas could have a high impact on the surrounding natural vegetation in the long term. With proper mitigation, the impacts can be substantially reduced.

3.3.20 Loss of flora with conservation concern

Source of the impact

Removal of listed or protected plant species; during the construction of roads, drill pads, as well as other necessary infrastructure; and the clearing of vegetation for prospecting.

Description of the impact

It is possible that protected species will be destroyed during the prospecting operation.

3.3.21 Loss of, and disturbance to indigenous vegetation

Source of the impact

The construction of roads, drill pads as well as other necessary infrastructure; and the clearing of vegetation for prospecting and topsoil stockpiles; vehicular movement.

Description of the impact

Construction and prospecting activities on site will reduce the natural habitat for ecological systems to continue their operation. It is not expected that the areas of high ecological function will rehabilitate following disturbance events. Vehicle traffic generates lots of dust which can reduce the growth success and seed dispersal of many small plant species.

3.3.22 Noise and vibration:

Source of the impact

Noise generated by the vehicles and prospecting equipment.

Description of the impact

The prospecting operation may increase continuous noise levels; the disruption of current ambient noise levels; and the disruption of sensitive receptors by means of increased noise and vibration. This is particularly relevant to IAPs that reside in close proximity to the prospecting site and prospecting location.

3.3.23 Land use:

Source of the impact

Diamonds, Manganese, and Iron Ore prospecting operation.

Description of the impact

Loss of economic function of disturbed area during prospecting activities and potential loss of land capability post prospecting (limited to the prospecting areas).

3.4 Listed Activities applied for in terms of the National Environmental Management Act, 1998 Act 107 of 1998 (NEMA)

Table 1: Listed and Specified Activities

NAME OF ACTIVITY (E.g. for prospecting – drill site, site camp, ablution facility, accommodation, equipment storage, sample storage, site office, access route, etc. ... etc. ... etc. E.g. for prospecting – excavations, blasing, stockpiles, discard dumps or dams, Loading, hauling and transport, Water supply dams and boreholes, accommodation, offices, ablution, stores, workshops, processing plant, storm water control, berms, roads, pipelines, power lines, conveyors, etc. ... etc. ... etc.)	Aerial extent of the Activity Ha or m²	LISTED ACTIVITY (Mark with an X where applicable or affected).	APPLICABLE LISTING NOTICE (GNR 544, GNR 545 or GNR 546)	WASTE MANAGEMENT AUTHORISATION (Indicate whether an authorisation is required in terms of the Waste Management Act). (Mark with an X)
Activity 20 of Listing Notice 1 Any activity including the operation of that activity which requires a prospecting right in terms of section 16 of the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002), including associated infrastructure, structures and earthworks, directly related to prospecting of a mineral resource, including activities for which an exemption has been issued in terms of section 106 of the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002).	4 116.7217 ha application lodged for ONLY DRILLING INVASIVE WILL BE DONE WHICH WILL BE (initially 25 HOLES) ±5ha	X	NEMA LN 1 (GNR 327)	
Activity 24 of Listing Notice 1 The development of a road- (i) For which an environmental authorization was obtained for the route determination in terms of activity 5 in Government Notice 545 of 2010; or	Tracs for the drill rig	X	NEMA LN 1 (GNR 327)	

<p>(ii) With a reserve wider than 13,5 meters, or where no reserve exists where the road is wider than 8 meters</p>														
<p>Activity 27 of Listing Notice 1 The clearance of an area of 1 hectares or more, but less than 20 hectares of indigenous vegetation, except where such clearance of indigenous vegetation is required for— (i) the undertaking of a linear activity; or (ii) maintenance purposes undertaken in accordance with a maintenance management plan.</p>	<p>4 116.7217 ha on the total hectares of the area a total of initially 25 DRILL HOLES will be disturbed with the drill pads, drill holes.</p>	<p>X</p>	<p>NEMA LN1 (GNR 327)</p>											
<p>Activity 12(g) i & ii of Listing Notice 3 The clearance of an area of 300 square metres or more of indigenous vegetation except where such clearance of indigenous vegetation is required for maintenance purposes undertaken in accordance with a maintenance management plan. - i. Within any critically endangered or endangered ecosystem listed in terms of section 52 of the NEMBA or prior to the publication of such a list, within an area that has been identified as critically endangered in the National Spatial Biodiversity Assessment 2004; ii. Within critically biodiversity areas identified in bioregional plans;</p>	<p>4 116.7217 ha on the total hectares of the area a total of ±5 ha will be disturbed with the drill pads, drill holes.</p> <p>In terms of the screening tool the area falls into Ecological support area.</p> <table border="1" data-bbox="925 938 1485 1098"> <thead> <tr> <th>Sensitivity</th> <th>Feature(s)</th> </tr> </thead> <tbody> <tr> <td>Very High</td> <td>FEPA Subcatchment</td> </tr> <tr> <td>Very High</td> <td>Rivers_AB</td> </tr> <tr> <td>Very High</td> <td>Wetlands_(River)</td> </tr> <tr> <td>Very High</td> <td>Wetlands_Eastern Kalahari Bushveld Bioregion (Depres</td> </tr> </tbody> </table>	Sensitivity	Feature(s)	Very High	FEPA Subcatchment	Very High	Rivers_AB	Very High	Wetlands_(River)	Very High	Wetlands_Eastern Kalahari Bushveld Bioregion (Depres	<p>X</p>	<p>NEMA LN3 (GNR 324)</p>	
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Very High	FEPA Subcatchment													
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OTHER ACTIVITIES (Associated infrastructure not considered to be listed activities) Ablution Facilities	±25m ²		NOT LISTED	
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3.5 Decommissioning phase/ Closure Period:

The decommissioning phase will only commence once all the prospecting is completed. During decommissioning all temporary erected structures, e.g. chemical toilets, fences on demarcated areas, equipment and access roads on permission of the surface owners will be rehabilitated to their previous state. Rehabilitation will be done concurrently with the prospecting and only limited outstanding work will be necessary when prospecting is ceased.

4 CONCLUSION

It is clear that the destruction of the natural habitat in the prospecting area is inevitable and that there would be both positive and negative impacts related to the prospecting activities. The significance of these impacts will however be determined by the success of the mitigation measures that will be implemented by mine management in line with the Approved Environmental Management Programme.



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