



BACKGROUND INFORMATION DOCUMENT
MINING PERMIT APPLICATION AND ENVIRONMENTAL AUTHORISATION
FOR
HUDSON KAY (PTY) LTD
DMR REF: LP30/5/1/3/2/11965MP

April 2023

Directors: M.I Nengwani

Email: lreen@geoluken.co.za | Website: www.geoluken.co.za | Address: 13 Neville Avenue, Clayville, Olifantsfontein, 1666

GEOLUKEN CONSULTING (PTY) LTD: CONTACT INFORMATION

Table 1: Geoluken Consulting Contact Information

COMPANY NAME:	Geoluken Consulting(Pty) Ltd
CONTACT DETAILS OF RESPONSIBLE PERSON WHO WILL ACT ON BEHALF OF THE COMPANY	
Name and Surname:	Lufuno Nengwani
Telephone number:	+27 81 506 4814
Fax number:	+27 82 832 9378
e-Mail Address:	Lufuno@geoluken.co.za



PURPOSE OF THE BACKGROUND INFORMATION DOCUMENT

The purpose of this document is to:

- This Background Information Document (BID) provides you, as an Interested and Affected Party (I&AP), with an overview of the proposed project;
- Provide background information to interested and affected parties (I&APs) on the proposed prospecting activities;
- Describe the Mining Permit Application and the process being undertaken to obtain environmental authorisation according to relevant South African legislation;
- Consult stakeholders and provide them the opportunity to register as I & Aps;
- The BID invites you, as an I&AP to participate in the required Public Participation Process (PPP);
- Announce the availability of a draft BAR/ EMPr report available for public review and comment; and
- The BID also provides you, as an I&AP an opportunity to provide the project team with your comments, concerns and objections to the proposed project.

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INTRODUCTION

Hudson Kay Consultant (Pty) Ltd (“the Applicant”) (“herewith Hudson Kay”) submitted an application for a Mining Permit and an Environmental Authorisation in order to prospect for the following commodities:

- Iron Ore,
- Aluminium,
- Nitrate,
- Titanium,
- Zinc Ore, and
- Zircon

Hudson Kay require a Mining Permit (PR) in terms of the Mineral and Petroleum Resources Development Act, 2002 (MPRDA, Act No. 28 of 2002). Hudson Kay also required to obtain an Environmental Authorisation (EA) in terms of the National Environmental Management Act, 1998 (NEMA, Act No. 107 of 1998) which involves the submission of a Basic Assessment Report (BAR) and Environmental Management Programme (EMP). Geoluken Consulting (Pty) Ltd have been appointed by Hudson Kay as the Environmental Assessment Practitioner (EAP) to assist in complying with these requirements.

AIM OF THE BID

Public Participation forms an integral part of the Basic Assessment process. The BID offers the reader the opportunity to obtain information, comment, raise issues of concern and collaborate in the development of the process. The distribution of this document is a crucial step in advising the reader on how to become involved in the process.

This document aims to provide the reader with basic information regarding the proposed project and this includes:

- An introduction of the project, including location details;
- An indication of the proposed activities and the legal framework in which the project is executed;
- An overview of the environmental baseline information and environmental impacts that may potentially occur;

- An explanation of the Public Participation Process (PPP) to be followed; and
- An explanation of how to get involved as an Interested and Affected Party (I&AP).

PROJECT LOCATION

Mining Permit area is located on Part of Remaining Extent Portion of Driekop 253 KT Farm situated in Sekhukhune local Municipality in the Magisterial District of Sekhukhune in the Limpopo Province of South Africa. The size of the area is 5 hectares.

Error! Reference source not found. below indicates the locality of the proposed prospecting area.

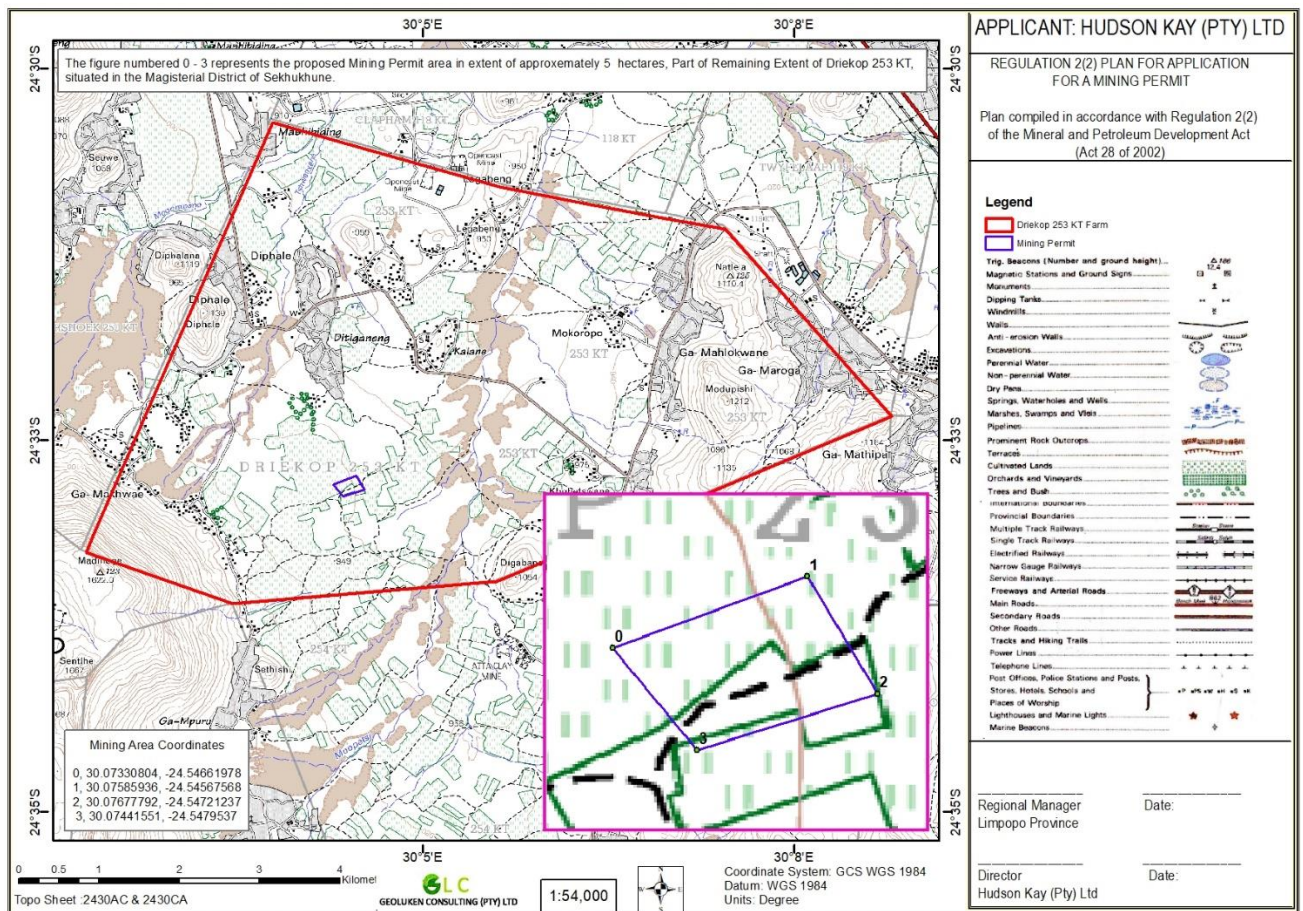


Figure 1: Locality Map of the project area

PROJECT DESCRIPTION

The commodities proposed to be mined are Iron Ore, Aluminium, Nitrate, Titanium, Zinc Ore, and Zircon. The method that will be employed is a very basic form of open pit mining, and a 5 ha area will be demarcated for mining. Prior to mining, trenches will be excavated in order to delineate the outcrop. This will be followed by blasting and subsequent mining of the orebody utilising a truck and shovel operation. The mined ore will be crushed and screened using a mobile crushing and screening plant. A front-end loader will be used to load the material into haulage trucks which will be processed off-site. The mine will operate for a two (2) year permit period with an option to renew for three (3) periods, each of which may not exceed one (1) year if the mining programme is not yet completed.

REGULATORY REQUIREMENTS

South African law requires that the Environmental Authorisation be sought for certain activities prior to commencement. As part of the application process for Environmental Authorisation it is necessary to assess the environmental and social impacts associated with the activities, so as to identify any potential negative and/or positive consequences as a result thereof; following which measures must be proposed to avoid or minimise these impacts.

In terms of NEMA and its EIA Regulations (GN 327/GN 325/GN 324), the following listed activities may be applicable to the proposed project; as such the application is subject to a Basic Assessment Report process:

GN 327, Activity 21: Any activity including the operation of that activity which requires a mining permit in terms of Section 27 of the Mineral and Petroleum Resources Act, 2002 (Act 28 of 2002), including (a) associated infrastructure, structures and earthworks, directly related to the extraction of a mineral resource; or (b) the primary processing of a mineral resource including winning, extraction, classifying, concentrating, crushing, screening or washing; but excluding the secondary processing of a mineral resource, including the smelting, beneficiation, reduction, refining, calcining or gasification of the mineral resource in which case activity 6 in Listing Notice 2 applies.

GN 327, Activity 27: 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.

GN 324, Activity 12(h): 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 (iv) critical biodiversity areas as identified in systematic biodiversity plans adopted by the competent authority; (v) sensitive areas as identified in an environmental management framework as contemplated in Chapter 5 of the Act and as adopted by the competent authority.

PROJECT INFRASTRUCTURE AND ACTIVITIES

The project infrastructure and activities will include the following:

- Site clearance
- Removal of topsoil and overburden and stockpiling
- Site establishment – establishment of an access route, mobilisation of equipment and preparation of area for mining
- Excavation of trenches and an open pit
- Blasting
- Loading zone
- Loading and dust control
- Crushing and screening of ore
- Hauling and transporting of ore
- Ablution facilities and waste storage area
- Rehabilitation of site

TYPICAL IMPACTS ASSOCIATED WITH THESE ACTIVITIES

The following impacts (positive and negative) *inter alia* will be included and assessed in the Basic Assessment Report:

- Job creation
- Economic development

- Safety and security risks to landowners and lawful occupiers
- Interference with existing land uses
- Sense of place
- Loss of habitat, habitat fragmentation and edge effect
- Perceptions and expectations
- Soil compaction
- Erosion and sedimentation
- Flora direct and indirect mortality
- Disturbance/damage/destruction of graves and cemeteries and unmarked graves
- Habitat fragmentation and edge effect
- Soil pollution/ contamination
- Introduction of alien invasive species
- Hydrocarbon spills/contamination
- Groundwater contamination
- Displacement of faunal species
- Generation and disposal of waste
- Disturbance to communities in the vicinity
- Noise
- Vibration
- Fugitive dust emissions

BASIC ASSESSMENT PROCESS IN TERMS OF NEMA ACT

The key steps involved in a typical Basic Assessment process are described below:

❖ **Initiation & Application**

- ✓ Identification of I&APs
- ✓ **Preparation of notification documents (BID, letter, advert, site notice, registration form)**
- ✓ Notification of I&APs and relevant stakeholders of the project
- ✓ Placement of site notices and advertisement

❖ **Basic Assessment Report (BAR) and Environmental Management Programme Report (EMPR)**

- ✓ Compilation of baseline environment data and identification of potential impacts associated with the project
- ✓ Assessment of alternative project aspects
- ✓ Specialist studies undertaken (if applicable)
- ✓ Potential impacts are rated and mitigation measures proposed
- ✓ Monitoring programmes proposed to ensure mitigation measures are efficient
- ✓ Draft BAR/EMPR is made available to the public and Authorities for public review and comment
- ✓ Final BAR/EMPR is updated to include all comments prior to submission to the DMR
- ✓ DMR accepts the BAR/EMPR or requests additional information

❖ **Record of Decision**

- ✓ DMR makes a decision and either approves or rejects the application for Environmental Authorisation
- ✓ All I&APs are notified of the outcome of the application, and their right to appeal

Public Participation/ consultation will be ongoing throughout the Basic Assessment Process. Figure 2 below indicates the BA process that will be undertaken.

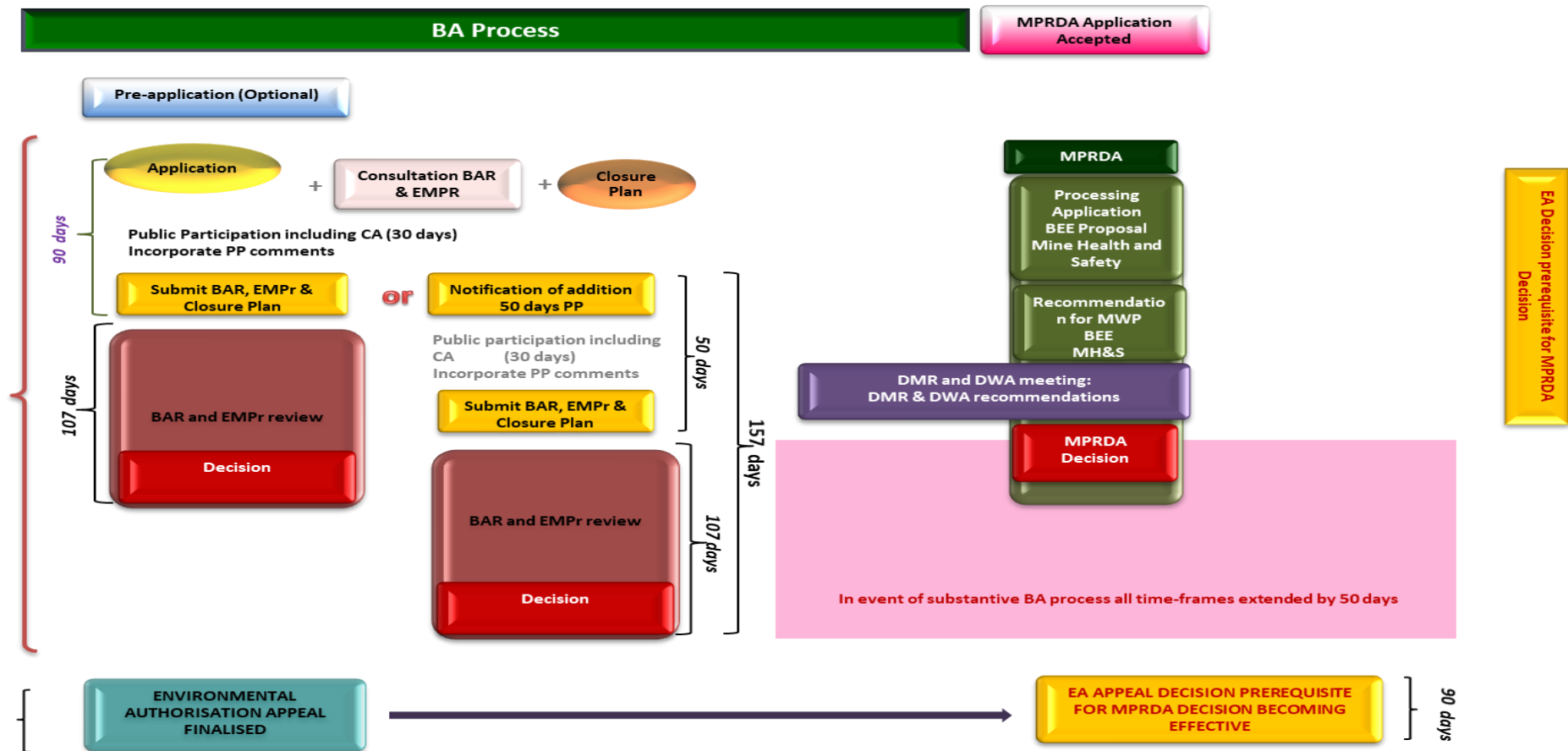


Figure 2: BA Process

INVITATION TO REGISTER AS AN INTERESTED AND AFFECTED PARTY (I&AP)

You are hereby invited to register as an I&AP and to participate in the EIA Process by the following means:

- Reviewing the enclosed Background Information Document;
- Registering as an I&AP; and
- Submit issues, concerns, and any comments regarding the proposed project via email, facsimile, registered post, or telephone.

Registering as an I&APs will ensure that you are placed on a data base to be informed of any progress regarding the project.

Should you wish to register as an I&AP and kept informed on this project kindly complete the attached Registration Form and return to Geoluken Consulting using the contact details below:

Contact person: Lufuno Nengwani

Tel: +27 81 506 4814

Email: Lufuno@geoluken.co.za

Postal Address: PO Box 48231, Hercules, 0082