

Background Information Document (BID) for the proposed prospecting right application on Portions 35 (A portion of portion 1), 40 (A portion of Portion 5), 42(A portion of Portion 5), 50(A portion of Portion 5), 52(A portion of Portion 5), 53(A portion of Portion 5), 53(A portion of Portion 5), 54(A portion of Portion 5), 102, 102(A portion of Portion 35), 103(A portion of Portion 35), 106(A portion of Portion 35), 121(A portion of Portion 109), 123(A portion of Portion 109), 124(A portion of Portion 109), 125(A portion of Portion 109), 128(A portion of Portion 40), 146(A portion of Portion 35), 147(A portion of Portion 107), 211, 223(A portion of Portion 102), 224(A portion of Portion 103), 228, 233, 245(A portion of Portion 142), 246(A portion of Portion 142), 247, 248, 249(A portion of Portion 142), 250, 264, (A portion of Portion 211), 265, 266(A portion of Portion 50), 272, 283(A portion of Portion 103), 344(A portion of Portion 40), 362, 363(A portion of Portion 223), 364,365,366(A portion of Portion 247), 367(A portion of Portion 224), and 368 of the Farm Zandfontein 447 JQ; Situated in the Magisterial District of Brits within Bojanala Platinum District, North West Province.

APPLICANT: MVL MINING

MAY 2022

Table of Contents

1. Introduction	3
1.1. Purpose of this document	3
1.2. About the project	3
1.3. Proponent Details	4
1.4. Details of the EAP	4
1.5. Policy and Legislative Context	5
2. Project Description	7
3. Project Location	8
4. Need and Desirability	9
5. Potential impacts	9
6. Basic Assessment Process	10
6.1. Triggered Activities	10
6.2. EIA Process	11
6.3. Objectives of EIA (Basic Assessment)	11
7. Public Participation	12
7.1. Responsibilities of I&APs and How to get involved	13
7.2. How to Comment	13
7.3. Contact Details of the EAP	14

List of Figures

Figure 1: Locality Map	8
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List of Tables

Table 1: Applicable Legislation	5
Table 2: Potential Impacts	9
Table 3: Triggered Activities	10
Table 4: Basic Assessment Process Flow	12

1. Introduction

1.1. Purpose of this document

This document, the Background Information Document (BID), is hereby providing information about the Environmental Impact Assessment (EIA) being undertaken for the proposed prospecting right application and provides:

- An overview of the project;
- An overview of the legislative context and a description of the manner in which the EIA will be undertaken;
- An overview of the project activities and potential impacts;
- An indication of how Interested and Affected Parties (I&APs) may become involved in the project; and
- Contact details of the person to whom I&APs may submit their issues and concerns associated with the projects.

1.2. About the project

MVL Mining appointed Gough Holdings (Pty) Ltd to be independent Environmental Assessment Practitioners, to conduct Environmental Impact Assessment (EIA) process (Basic Assessment) in terms of the National Environmental Management Act (NEMA, Act No 107 of 1998) & the 2014 Environmental Impact Assessment (EIA) Regulations (as amended 7 April 2017). EIA is undertaken for the proposed Chrome ore, Cobalt, Copper, Gold ore, Nickel ore, Platinum Group Metals (PGM), Silver ore and Zinc ore right application on on Portions 35 (A portion of portion 1), 40 (A portion of Portion 5), 42(A portion of Portion 5), 50(A portion of Portion 5), 52(A portion of Portion 5), 53(A portion of Portion 5), 53(A portion of Portion 5), 54(A portion of Portion 5), 102, 102(A portion of Portion 35), 103(A portion of Portion 35), 106(A portion of Portion 35), 121(A portion of Portion 109), 123(A portion of Portion 109), 124(A portion of Portion 109), 125(A portion of Portion 109), 128(A portion of Portion 40), 146(A portion of Portion 35), 147(A portion of Portion 107), 211, 223(A portion of Portion 102), 224(A portion of Portion 103), 228, 233, 245(A portion of Portion 142), 246(A portion of Portion 142), 247, 248, 249(A portion of Portion 142), 250, 264, (A portion of Portion 211), 265, 266(A portion of Portion 50), 272, 283(A portion of Portion 103), 344(A portion of Portion 40), 362, 363(A portion of Portion 223), 364,365,366(A portion of Portion 247), 367(A portion of Portion 224), and 368 of the Farm Zandfontein 447 JQ; Situated in the Magisterial District of Brits within Bojanala Platinum District, North West Province.

The Competent authority in this project is Department of Mineral Resources and Energy (DMRE) North West Region

1.3. Proponent Details

Organization	MVL Mining
Contact Person	Vincent Tshingwala
Postal Address	45 Nuwe Hoop Alphen Park Pretoria 0181
Email	info@dgeo.co.za

1.4. Details of the EAP

Organization	Gough Holdings (Pty) Ltd
Name of the EAP	Vhangani Mugeru
Physical Address	1171 Paul Street, Unit 18 Mayflower Complex Moreletapark Pretoria 0181
Contact details	Cell: 081 464 0109 Email: Vmugeri17@gmail.com

1.5. Policy and Legislative Context

Table 1: Applicable Legislation

APPLICABLE LEGISLATION AND GUIDELINES USED TO COMPILE THE REPORT	REFERENCE WHERE APPLIED	HOW DOES THIS DEVELOPMENT COMPLY WITH AND RESPOND TO THE LEGISLATION AND POLICY CONTEXT.
Constitution of the Republic of South Africa, 1996	During Operational and Decommissioning phase of the proposed development	Rights of all personnel who are directly or indirectly involved in the project has been respected and their concerns attended to during public consultation
National Environmental Management Act, 1998 (Act No. 107 of 1998)	During Planning phase of the project, the proposed development is listed in GNR 327 Listing Notices 1. Activity Number 20 is triggered.	This is the key national legislation underpinning environmental Authorisations in South Africa. In terms of NEMA a Basic Assessment has been applied for. An impact Assessment is included and the appropriate mitigation measures and recommendations are made.
Mineral and Petroleum Resources Development Act	The prospecting right activities requires the prospecting right from the Department of Mineral Resources	A Prospecting Right Application has been submitted to the DMR by the Applicant (NW 30/5/1/1/3/2/13358 PR
National Heritage Resources Act (Act No 25 of 1999	All cultural and heritage resources should be protected if or when encountered	A permit may be required if identified cultural/heritage sites on the proposed site will be disturbed or destroyed as a result of the prospecting activities.
National Environmental Management: Air Quality Act (Act No 39 of 2004)	Minimal Dust from moving vehicles and drilling can be generated.	Standards for particulates and dust used in Impact Assessment to regulate the concentration of a substance that can be tolerated without any environmental deterioration
Occupational Health and Safety Act (No 85 Of 1993)	During operational phase, contractors and employees should adhere to the	The Act provides for the health and safety of persons at work and for the health and safety of persons in connection with the use of

	requirements of this legislation for a safe working environment.	machinery; the protection of persons other than persons at work, against hazards to health and safety arising out of or in connection with the activities of persons at work.
National Environmental Management: Biodiversity Act (Act No 10 of 2004)	The prospecting activities may encounter critical endangered species	The appropriate buffer areas and sensitive areas to be excluded are applied. Species of conservation concern are protected or where required, a search and rescue operation will be carried out by a professional registered scientist. Alien invasive species management
National Forests Act (Act No. 84 of 1998)	During the Site establishment, there may be a clearance of vegetation which includes trees.	In terms of S5(1) no person may cut, disturb, damage or destroy any protected tree or possess, collect, remove, transport, export, purchase, sell donate or in any other manner acquire or dispose of any protected tree or any forest product derived from a protected tree.
Mine Health and Safety Act ,1996 (No. 29 of 1996	The mine Health and Safety Act, 1996 (No, 29 of 1996) provides for the protection of the health and safety of employees and other persons at mines and, for that purpose- promote culture of health and safety	Bay Tower Properties 19 cc will be required to meet the requirements of the Mine Health and Safety Act during invasive and non-invasive prospecting phases.
National Water Act (Act No. 36 of 1998)	The proposed activities requires minimum use of water, however it will not consume enough water to trigger a water use license application.	No water use license is required for this application.
National Environmental Management: Waste Act, Act 59 of 2008	Management measures environmental awareness plan	The generation of potential waste will be minimized through ensuring employees of the drilling contractor are subjected to the appropriate environmental awareness campaign before commencement of drilling. All waste generated during drilling activities will be disposed of in a responsible legal manner.

Conservation of Agricultural Resources Act, 1983	The overall Prospecting Activities	The project should promote the conservation of soil, water and vegetation
Section 34 of the Local Government: Municipal Systems Act, 2000 (ACT 32 of 2000)	The overall prospecting activities	Municipal System Act compels municipalities to draw up the IDP's as a singular inclusive and strategic development plan. In terms of section 26 of the MSA, A municipality produces an IDP every five year.
National Development Plan 2030	The overall prospecting activities	The NDP aims to eliminate poverty and reduce inequality by 2030. According to the plan, South Africa can realize these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnership throughout society.

2. Project Description

MVL Mining has applied for an Environmental Authorisation for the proposed prospecting activities for the following minerals Chrome ore, Cobalt, Copper, Gold ore, Nickel ore, Platinum Group Metals (PGM), Silver ore and Zinc ore without bulk sampling on Portions 35 (A portion of portion 1), 40 (A portion of Portion 5), 42(A portion of Portion 5), 50(A portion of Portion 5), 52(A portion of Portion 5), 53(A portion of Portion 5), 53(A portion of Portion 5), 54(A portion of Portion 5), 102, 102(A portion of Portion 35), 103(A portion of Portion 35), 106(A portion of Portion 35), 121(A portion of Portion 109), 123(A portion of Portion 109), 124(A portion of Portion 109), 125(A portion of Portion 109), 128(A portion of Portion 40), 146(A portion of Portion 35), 147(A portion of Portion 107), 211, 223(A portion of Portion 102), 224(A portion of Portion 103), 228, 233, 245(A portion of Portion 142), 246(A portion of Portion 142), 247, 248, 249(A portion of Portion 142), 250, 264, (A portion of Portion 211), 265, 266(A portion of Portion 50), 272, 283(A portion of Portion 103), 344(A portion of Portion 40), 362, 363(A portion of Portion 223), 364,365,366(A portion of Portion 247), 367(A portion of Portion 224), and 368 of the Farm Zandfontein 447 JQ; Situated in the Magisterial District of Brits within Bojanala Platinum District, North West Province.

The application has been lodged in terms of Regulation 16 of the National Environmental Management Act (Act 107 of 1998) (NEMA): Environmental Impact Assessment (EIA) Regulations, 2014 and Section 16 of the Mineral and Petroleum Resources Development Act, 2002 (Act 28 of 2002). In terms of the NEMA (Act 107 of 1998). EIA regulations of 2014 (amended April 2017), the proposed prospecting activity triggers Activity 20 and 22 of Listing Notice 1 GNR 327 and the applicant cannot proceed without an Environmental Authorisation.

Gough Holdings (Pty) Ltd has been appointed by MVL Mining as an independent environmental assessment practitioner (EAP) to undertake the Environmental Impact Assessment for the proposed prospecting right project. The purpose of the study is to identify and assess all the possible impacts that

may arise from the implementation of the proposed project and also to find the most effective way of enhancing environmental benefits and mitigating potential impacts to encourage sustainable development in the area.

The proposed prospecting activities will be undertaken over a period of five (5) years and the activities will be conducted in progressive phases which include Non-invasive and invasive methods. The Non-invasive method will include desktop studies and geological mapping, whereas Invasive methods will include drilling and sampling.

The potential risks and key issues identified were based on consultation with I&APs, internal process based on similar projects and the current state of the environment of the site.

3. Project Location

The proposed project is located on Portions 35 (A portion of portion 1), 40 (A portion of Portion 5), 42(A portion of Portion 5), 50(A portion of Portion 5), 52(A portion of Portion 5), 53(A portion of Portion 5), 53(A portion of Portion 5), 54(A portion of Portion 5), 102, 102(A portion of Portion 35), 103(A portion of Portion 35), 106(A portion of Portion 35), 121(A portion of Portion 109), 123(A portion of Portion 109), 124(A portion of Portion 109), 125(A portion of Portion 109), 128(A portion of Portion 40), 146(A portion of Portion 35), 147(A portion of Portion 107), 211, 223(A portion of Portion 102), 224(A portion of Portion 103), 228, 233, 245(A portion of Portion 142), 246(A portion of Portion 142), 247, 248, 249(A portion of Portion 142), 250, 264, (A portion of Portion 211), 265, 266(A portion of Portion 50), 272, 283(A portion of Portion 103), 344(A portion of Portion 40), 362, 363(A portion of Portion 223), 364,365,366(A portion of Portion 247), 367(A portion of Portion 224), and 368 of the Farm Zandfontein 447 JQ; Situated in the Magisterial District of Brits within Bojanala Platinum District, North West Province.

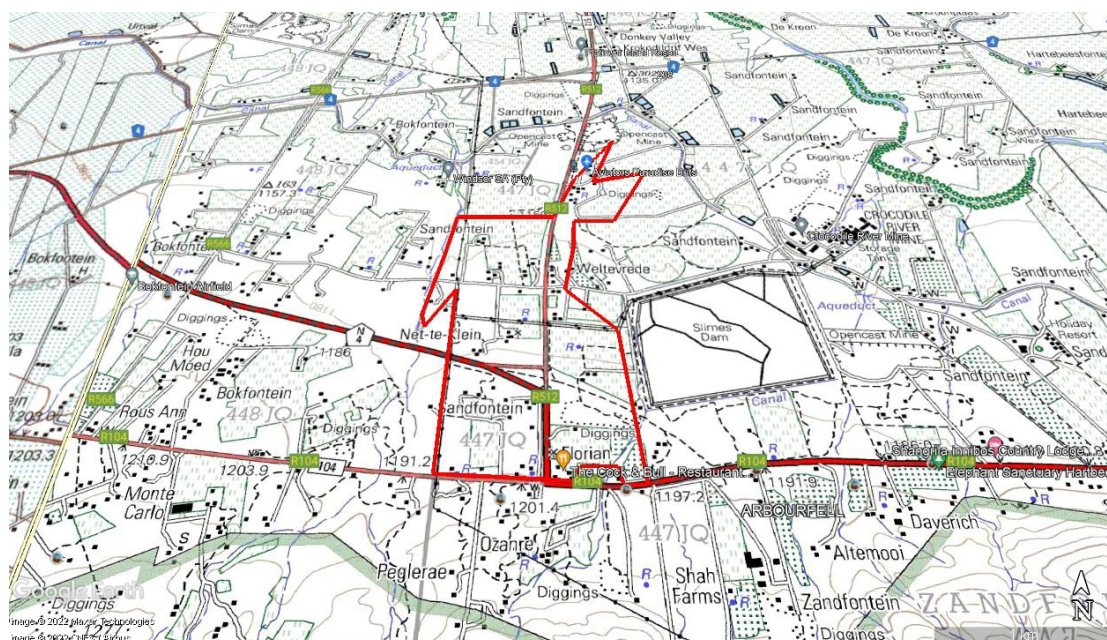


Figure 1: Locality Map

4. Need and Desirability

Should prospecting prove successful and a resource is quantified, it would indicate a potential viable economic activity in the form of mining. Mining will contribute greatly to local economic growth through direct employment, future business opportunities, royalties and tax revenues.

The potential benefits of the proposed project are:

- Infrastructure development in the neighboring town.
- Needed job creation and other local, provincial and national socio-economic benefits.
- Local growth in the economy in the surrounding areas, and for local businesses
- Economic benefits for contractors and other suppliers of goods and services.

The proposed site was selected based on extensive research and also following on information from previous prospecting activities in the area. There are known platinum group metals deposits in the area and there are companies that have mined in the past for platinum and some are still mining not far from the preferred site.

5. Potential impacts

Prospecting activities do not necessarily pose severe social and environmental impacts. However, environmentally, the proposed prospecting activities will affect the soil, biodiversity and potential ground water contamination during the drilling activities. The removal of topsoil as the proposed plan indicates that various structures and infrastructure will be required. The proposed prospecting area is approximately 2ha and the prospecting activities will disturb the biodiversity in terms of clearing vegetation and destruction of animal habitat. The proposed prospecting activities will lead to loss of habitat to various animal species. The noise from the drilling activities has potential impact to animal species that may relocate from their current habitat. The prospecting activities may contaminate the ground water during drilling activities and potential spillages containing hydrocarbons. All forecasted environmental impacts will be mitigated to acceptable measure. Table 2 below highlights list of potential impacts and description, the comprehensive impact assessment with mitigations is contained in the Draft Basic Assessment Report and Environmental Management Programme.

Table 2: Potential Impacts

Impacts	Phase	Description
Policy requirements	Planning	Identification of legislative requirements
Flora	Construction	Destruction / loss of indigenous natural vegetation due to site preparation activities. The proposed prospecting will

		clear approximately 0.8 ha of land for boreholes and site establishment.
Fauna	Construction, Operational	Disturbance of species habitats, the proposed location has large number of baboons that may lose habitat due to prospecting activities.
Groundwater	Construction and Operational	Spillage of fuels, lubricants and other chemicals
Geology	Operational	Removal of rocks and debris for analysis, disturbance of local geological formation.
Soils	Construction and operational	Disturbance of soils during site clearance and during drilling operations.
Air Quality	Construction and Operational	Dust stemming from drilling and vehicles going to site
Traffic	Construction and decommissioning	Increase of traffic in the area as vehicles access and exit the site
Noise nuisance	Construction and Operational	Noise caused by moving vehicles and drill rigs, the noise may disturb the animals around the study area.
Economic	Operational	Project expenditure (incl. direct capital investment)
Socio-economic	Planning Phase	Potential friction with IAPs and Landowners, part time employment opportunities
Visual	Construction, Operational and Decommissioning	Visual disturbances with all the vehicles, signs and drilling rigs.
Cultural/Heritage - historical	Construction and Operational	Disturbance of artefacts of cultural and heritage importance (i.e. unidentified grave sites).
Waste	Construction and Operational Phase	Generation of solid waste on site.

6. Basic Assessment Process

In terms of EIA Regulations 2014, published in Government Notice R324, R325, R326 and R327 as amended in 7 April 2017 under Section 24 (5) of the National Environmental Management (NEMA), the application for a Prospecting is subjected to an Application for Environmental Authorization. Government Notice R325, R326 and R327 schedules listed activities which require environmental authorization. The proposed Prospecting activities trigger the following activity(s) under GNR 327 which is subject to a Basic Assessment Report:

6.1. Triggered Activities

Table 3: Triggered Activities

NAME OF ACTIVITY (E.g. For prospecting - drill site, site)	Aerial extent of the Activity Ha or m ²	LISTED ACTIVITY	APPLICABLE LISTING NOTICE
Drilling	282 Ha is the cadastral area for the prospecting area but the footprint of all 90 boreholes will be 0.015 Ha and	X	GNR 327 (as amended 07 April 2017) Listed Activity 20

	one borehole will be 0.0050 Ha (50 m ²) per drilling site		
Rehabilitation of drilling site	0,405 Ha	X	GNR 327 (as amended 07 April 2017) Listed Activity 22
Site Preparation	0.2 Ha		
Access Roads	0.045 ha		
Sampling and storage	Less than 100 m ²		

6.2. EIA Process

Step 1: Apply for prospecting right with the Competent Authority which is the North West Province Department of Mineral Resources.

Step 2: Notify Interested and Affected Parties (IAPs) and identify issues. The BA process has been announced through an advert on local newspaper. The advert is to inform IAPs of the proposed project and invite them to register on the database for the Basic Assessment (BA) process. Letters will be sent to IAP to register and this database will be updated throughout the BA process. IAPs will be provided with opportunity to raise any issues of concern related to the project, for inclusion in the Draft Basic Assessment Report.

Step 3: Prepare a Consultation Basic Assessment Report and release for IAP review. All issues raised will be investigated and responded to by the BA team, with findings provided in the Consultation Basic Assessment Report. This report will include an issues trail and will be released for a 30 day comment period. All IAPs on the project database will be notified in writing of the opportunity to comment on the report, and provided with a concise summary of the Draft Basic Assessment Report.

Step 4: Compile a Final Basic Assessment Report and submit to authorities. The Final Basic Assessment Report, Comments and Responses Trail, will be compiled for submission to the authorities for decision making. All I&APs on the project database will be notified in writing of the outcome of the application, including reasons for the decision and the appeal process.

6.3. Objectives of EIA (Basic Assessment)

- Determine the policy and legislative context within which the activity is located and note how the proposed activity complies with and responds to the policy and legislative context;
- Describe the need and desirability of the proposed activity, including the need and desirability of the activity in the context of the preferred location;

- Identify the location of the development footprint within the preferred site based on an impact and risk assessment process inclusive of cumulative impacts and a ranking process of all the identified development footprint alternatives focusing on the geographical, physical, biological, social, economic, heritage and cultural aspects of the environment;
- Determine the nature, significance, consequence, extent, duration and probability of the impacts occurring to inform identified preferred alternatives; and the degree to which these impacts (a) can be reversed; (b) may cause irreplaceable loss of resources, and (c) can be avoided, managed or mitigated;
- Identify the most ideal location for the activity within the preferred site based on the lowest level of environmental sensitivity identified during the assessment
- Identify, assess, and rank the impacts the activity will impose on the preferred location through the life of the activity;
- Identify suitable measures to avoid, manage or mitigate identified impacts; and
- Identify residual risks that need to be managed and monitored.

Table 4: Basic Assessment Process Flow

Phase	Task	Timeframe
Application	Submit application and supporting documents (with application fee)	10 DAYS
	Receive acknowledgment of receipt of application (within 10 days)	
Basic Assessment	Submit Basic Assessment Report for Public Review (at least 30 days)	90 DAYS
	Submit Basic Assessment Report to Authorities that reflects incorporation of comments received (within 90 days after submitting application)	
Environmental Authorization	Authorities to grant or refuse environmental authorization (within 107 days of receiving the Basic Assessment Report)	107 DAYS
	Applicant to notify IAPs of EA (within 14 days)	14 DAYS

7. Public Participation

The process of public participation seeks to ensure inclusion of stakeholders and interested and affected parties during the process of Environmental Impact Assessment.

Chapter 6, Regulations 40 – 44 of the EIA Regulations, 2014 (amended April 2017), the applicant is required to consult with IAPs. Comments received from the, IAPs will be recorded and included in the

Public Consultation report which will be submitted to the competent authority (DMRE). The public participation aims to ensure that:

- Information that contains all the relevant facts in respect of an application is made available to IAPs for review.
- IAP participation is facilitated in such a manner that stakeholders are provided with a reasonable opportunity to comment on a proposed project.
- An adequate review period is provided for IAPs to comment on the findings of the draft Basic Assessment Report.

7.1. Responsibilities of I&APs and How to get involved

Your attention is drawn to your responsibilities as the Interested and Affected Parties (I&APs):

- In order to participate in this process, you must register yourself on the project database.
- You must ensure that any comments/queries regarding the proposed project are submitted within the stipulated timeframes.
- In terms of the EIA Regulations, 2014 (amended April 2017) you are required to disclose any direct business, financial, personal or other interest that you may have in the approval or refusal of the application for the proposed project.

Communication will be continuous with registered parties and we will ensure that you will be kept informed of the progress of the environmental assessment process. You will be advised when documentation is available for review and comment. As an I&APs, your input is considered an important part of this process, and we urge you to become involved with.

7.2. How to Comment

- By responding via phone call, sms or e-mail to the invitation for your involvement/ registration.
- By returning the attached Comments and Registration Sheet to the relevant contact person.
- By contacting the public participation consultants with queries or comments.
- By reviewing and commenting on the draft Basic Assessment Report within the stipulated 30-day public reviews period.

Your input forms a key element of the process. If you consider yourself an I&AP for this proposed project, we urge you to make use of the opportunities created by the public participation process to provide comment, raise issues and concerns which affect and/or interest you or request further information.

7.3. Contact Details of the EAP

CONTACT PERSON	CONTACT NUMBER	EMAIL ADDRESS
Vhangani Mugeru	081 464 0109	Vmugeru17@gmail.com