

BACKGROUND INFORMATION DOCUMENT

NDALO MINING (PTY) LTD

APPLICATION FOR A

PROSPECTING RIGHT

LIMPOPO PROVINCE

PURPOSE OF THIS DOCUMENT

To provide Interested & Affected Parties (I&APs) with information on the proposed project, and the associated licensing process.

INTRODUCTION:

Ndalo Mining has submitted an application for a prospecting right in terms of Section 16 of the Minerals and Petroleum Resources Development Act, Act 28 of 2002 ("MPRDA") over the farm Frischgewaagd 359 KT, seated in the magisterial district of Greater Tubatse Fetakgomo (Steelpoort), in Limpopo Province.

This application for a prospecting right (PR) is also subject to an application for an Environmental Authorisation (EA) in terms of the National Environmental Management Act (NEMA), Act 107 of 1998. The EA will also be applied for through the DMR and will be completed by Lindelwa as an independent Environmental Assessment Practitioner (EAP).

LOCALITY:

The Project is located some 31 km NE from the town Steelpoort.

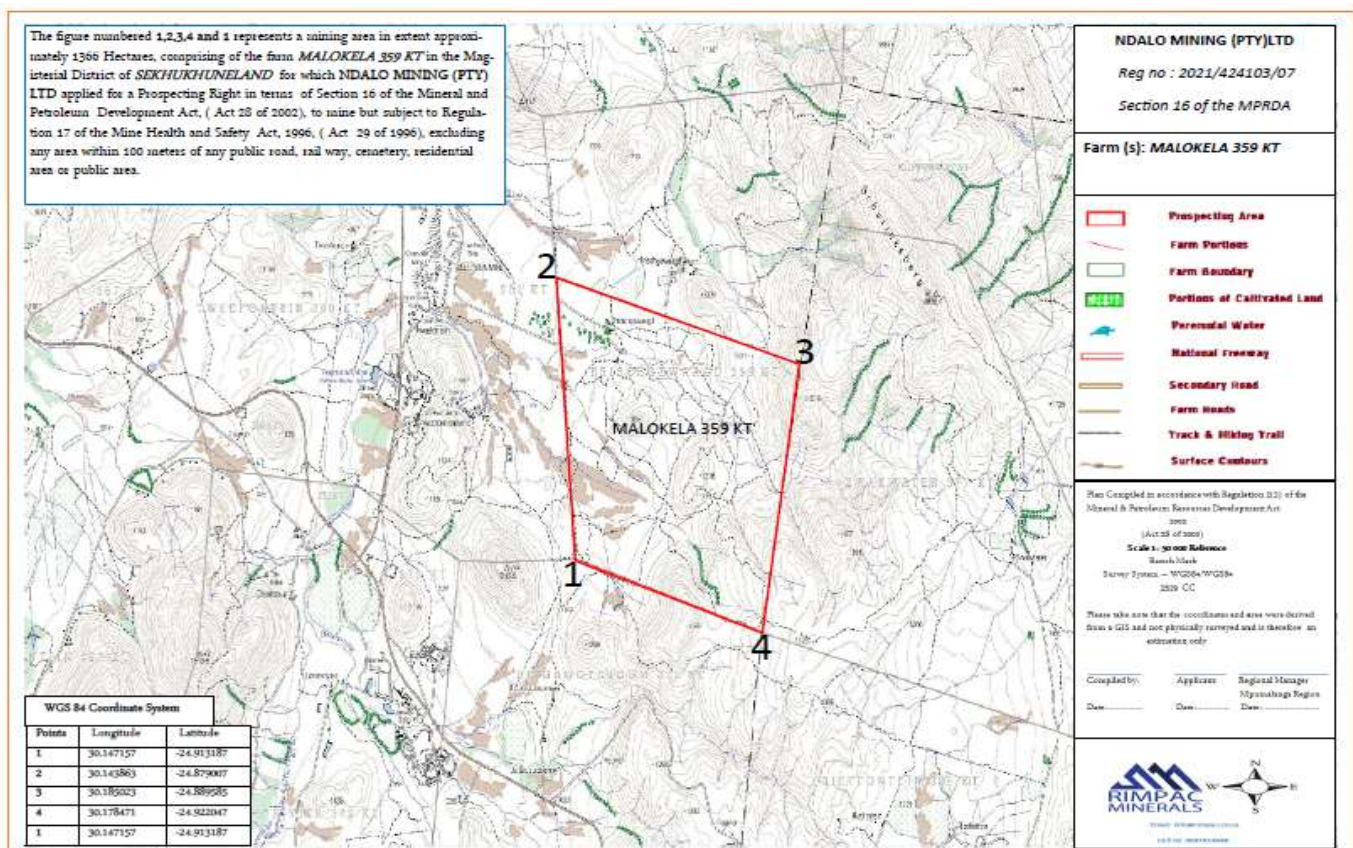


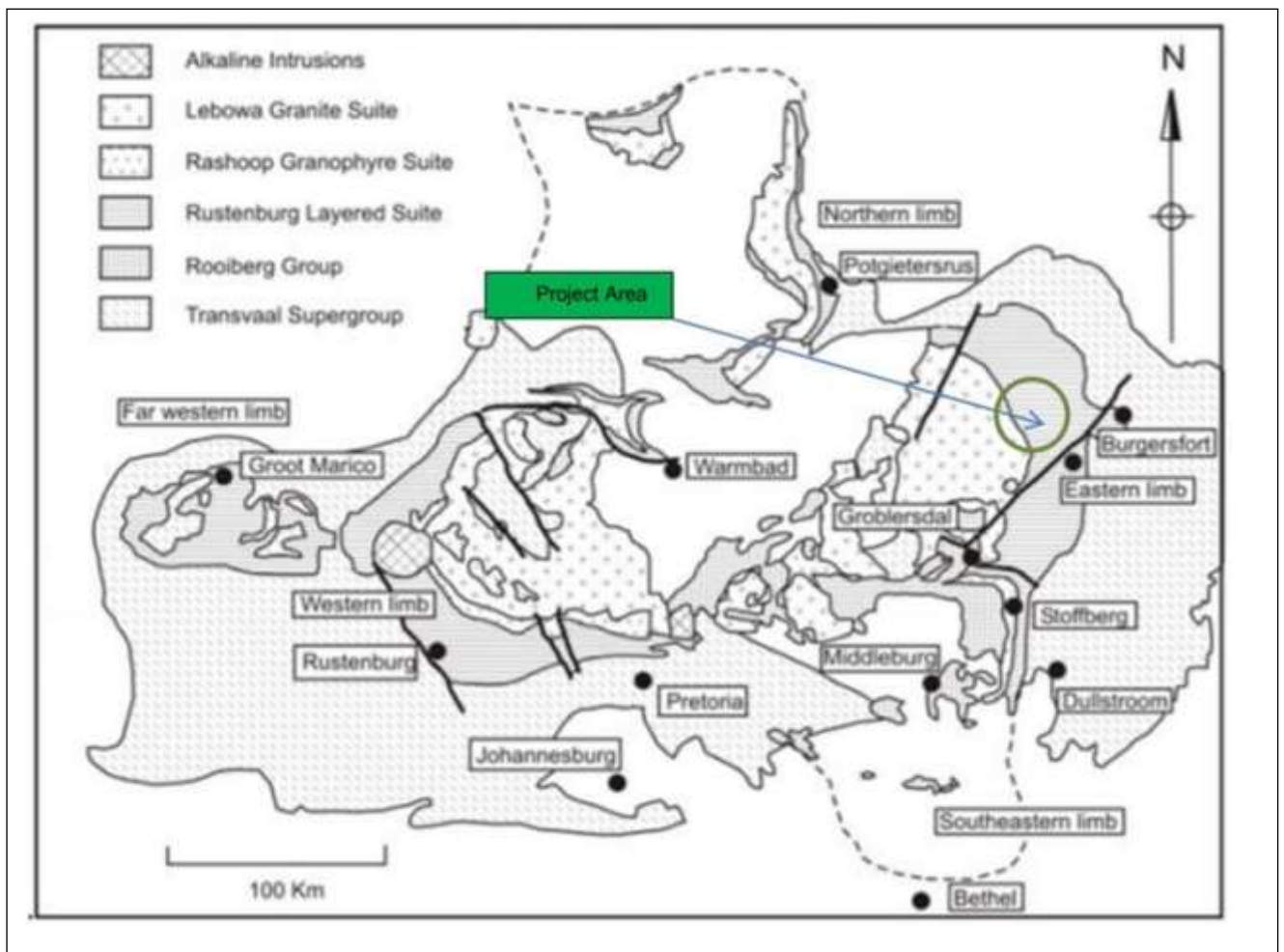
Figure 1: Locality map

Regional Geological setting of the project area:

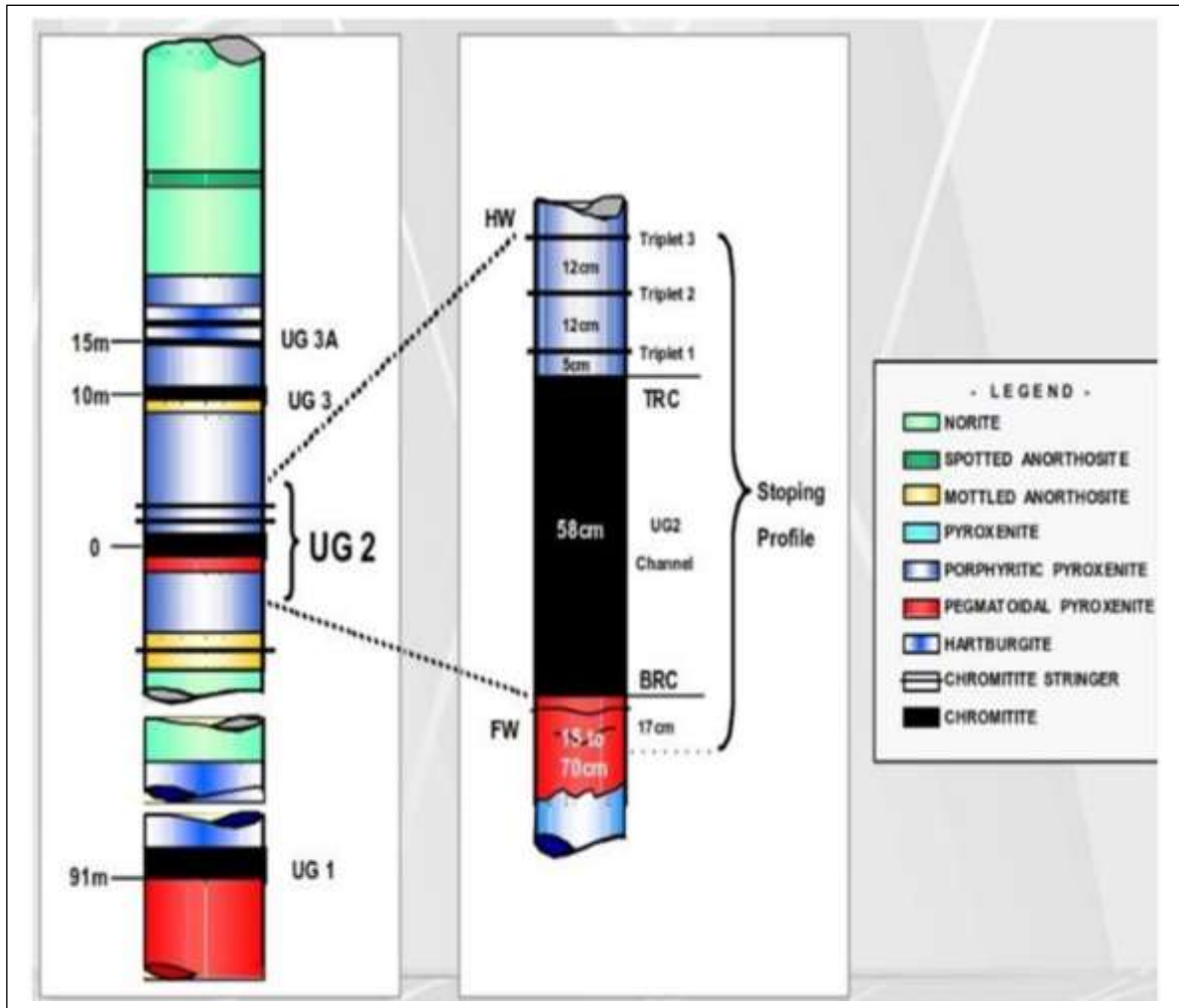
The project area is located within the Eastern Limb of the bushveld Igneous Complex and it consists of the Transvaal Supergroup, The Rooiberg Group, The Rustenburg layered suite, Lebowa Granite and Rahoop Granophyre Suite. The project area is mainly dominated by the Rustenburg Layered Suite of the Bushveld Igneous Complex. The RLS was emplaced at a shallow crustal levels beneath the volcanic pile of the Rooiberg felsites and Rahoop granophyres as sills in the Transvaal Supergroup. North of Burgersfort, emplacement occurred at the level of the Magalliesburg quartzite, but to the south it transgressed upwards through more than 2 Km of sediments so that

near Stoffberg basaltic rocks of the Dullstroom Formation (at the base of the Rooiberg Group) are preserved in the floor. The crescentic outcrop pattern of the RLS is comprised of four exposed sectors, the eastern limb, the western limb and the northern limb, with the fifth limb, the south-eastern Bethal limb, obscured by younger sediments. The main western and eastern lobes are disrupted by domes and diapirs of floor rocks, the largest of which are the Crocodile River, the Moos River and the Marble Hall fragments. Exposure is poor in the northern and western limbs, but the 200 km long eastern limb extending from Chuniespoort to Stoffberg underlies rugged terrain where surface exposures are far better

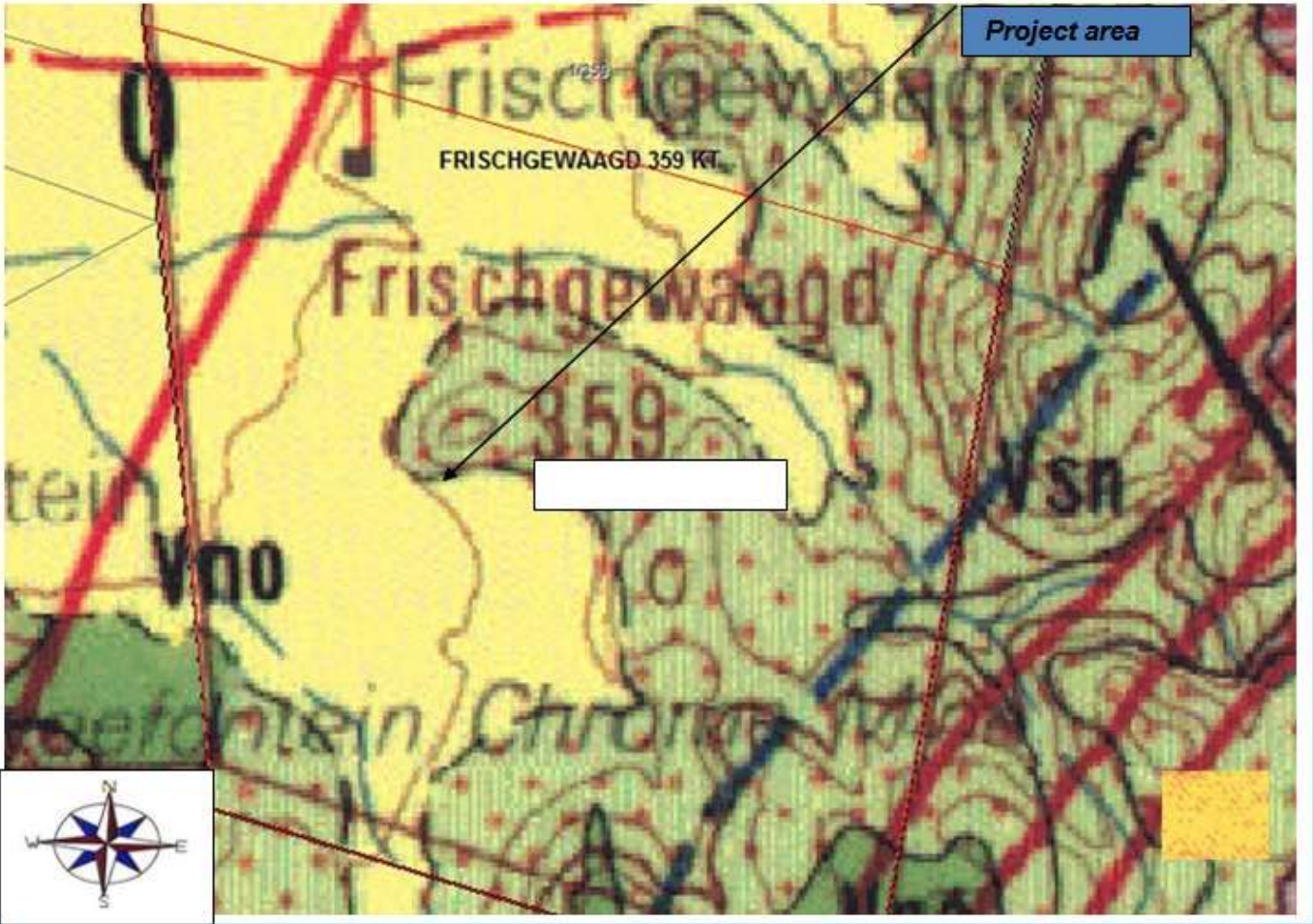
The following depicts the limbs of the Bushveld Igneous Complex:



The following depicts the stratigraphic column of the Bushveld Igneous Complex:



Geological map of the project area:



Access to Land:

During the BAR/EMP process, it will be necessary for specialists to complete site visits to assess the current status of the environment. Please be aware that the team will contact you to arrange prior permission for access in this regard.

Should you be aware of any specific environmental, cultural or social aspects relevant to the site that could assist in completing a comprehensive understanding of the sensitive features on site, please do so in the attached questionnaire.

PROJECT DESCRIPTION:

The following explains the techniques to be used once the license is issued by the DMR.

PHASE: 01 DESKTOP STUDY AND LITERATURE SURVERY, AERIAL PHOTOGRAPHY AND SATELLITE IMAGES:

A comprehensive literature survey will be undertaken in order to compile and collate all available information relevant to the style and type of chrome mineralization anticipated to occur within the area. Once this information has been assessed in detail, it will be used to further develop and refine the ongoing prospecting activities. Arial photographs and high resolution satellite images will be acquired for the PRA so that a target identification process using both can be carried out. Both interpretations will be used to focus future prospecting activities. This phase is planned for five months commencing within an acceptable timeframe from the granting of the Prospecting Right, after necessary contracts and agreements have been finalized.

PHASE: 02 GRAVITY SURVEY:

Gravity survey will be employed to provide targets for drilling. The gravity method works by measuring and comparing the densities of materials, chrome and other dense commodities like iron ore can be easily detected with this geophysical survey because they will be denser when compared to the surround material.

PHASE: 03 DRILLING OF 10 EXPLORATION BOREHOLES:

The prospecting drilling campaign will be aimed at defining the extent of mineralization and will demonstrate geological continuity of the mineralized zone across the entire area under investigation. Numerous samples will be collected and tested at an accredited laboratory. The phase of drilling, spanning 10 months will consist of diamond core drilling, and will consists of drilling 10 boreholes.

PHASE: 04 DRILLING OF 30 EXPLORATION BOREHOLES:

The detailed delineation drilling will be aimed at further defining the extent of mineralization and generating sufficient geological and geochemical data (from sample assays) to allow for detailed geological and grade models (resource models) to develop to at least an indicated resource level of confidence in terms of the SAMREC Code. A diamond core drill will be used. Additional 30 boreholes will be drilled in order to obtain reliable geological and sampling information. This drilling will take 12 months to complete.

PHASE: 05 & 06 PRE-/ FEASIBILITY STUDIES:

A preliminary feasibility study will be scoped and undertaken towards the end of year 3. This PFS will collate and analyze the technical data gathered during the first three years of prospecting with the aim of determining, to the appropriate level of technical and economic confidence (accuracy). The feasibility study is planned to commence in the third quarter of year 4 and span twelve months to the end of the second quarter of year five (the final year of the PWP). The final activity contemplated in the PWP will be the formulation and development of an appropriate Mining Right Application. This MRA will be informed by the results of the FS. The MRA is planned for completion and submission within an acceptable time frame prior to the end of the full term of this five year PWP.

LEGAL REQUIREMENTS & CONTEXT:

South African Law requires that the environmental and social impacts associated with mining activities be assessed to identify any potential negative and / or positive consequences as result thereof. Following which measures must be proposed to avoid or minimise these impacts.

The BAR/EMP reports will be compiled in the format prescribed by the lead authority, being the DMR, in accordance with the NEMA.

The following listed activities as per NEMA's EIA Regulations are applicable to the application:

- **GNR983 , Listing 20 : Drilling activities.**
- **GNR 983, Listing 27 : Site clearance**

BAR

The purpose of the BAR/EMP process is to inform the licensing authority in the decision-making process. As such the process will be approached in an integrated manner using input for Interested & Affected Parties in the area as well as the findings of desktop studies and site visits undertaken by the environmental professionals.



Preliminary Impact Assessment & Management Plan:

The following potential impacts and management measures have been identified at this first stage of the project:

Activities	Identified Impacts:	Proposed Management:
Desktop study & Literature survey	None identified	No mitigation proposed
Activities	Identified Impacts:	Proposed Management:
Ground Electromagnetics	Loss of livestock	<ul style="list-style-type: none"> • Access control procedures must be agreed on with farm owners and all staff trained on these procedures. • Farm owners must be consulted and informed before entering their property.
Nuisance noise impact on communities and land owners.	Noise generation.	<ul style="list-style-type: none"> • No mitigation proposed
Poor access control resulting in impacts on live stock	Noise generation	<ul style="list-style-type: none"> • Access control procedures must be agreed on with farm owners and all staff trained on these procedures.
Vehicle traffic noise impact affecting cattle/wild life	Loss of cattle/nuisance creation.	<ul style="list-style-type: none"> • Site activities will be conducted during daytime hours 07h00-17h30 to avoid night time noise disturbances and night collisions with fauna.

Poor housekeeping could result in littering and the associated impacts this will have on the aesthetics of the area.	Loss of aesthetic value, loss of water resources, loss of fauna and flora.	<ul style="list-style-type: none"> • A waste management system will be implemented and sufficient waste bins will be provided for onsite. A fine system will be implemented to further prohibit littering and poor housekeeping practices.
Destruction and/or disturbance of onsite fauna and flora	Loss of fauna and flora.	<ul style="list-style-type: none"> • Map indicating the location of each of the drilling site must be submitted to the relevant land owners. • Use of existing track and roads in all instances as far as is practicable. • Vehicle speed will be reduced, particularly in highly vegetated areas is one way to avoid deaths by vehicle impacts.
Soil compaction resulting from repeated use of access roads to drill site.	Loss of soil resources.	<ul style="list-style-type: none"> • Where track clearing is necessary, raised blade clearing be conducted to minimize disturbances and aid rehabilitation efforts. • As part of rehabilitation, all compacted roads and drill pads will be ripped and re-vegetated.
Activities	Identified Impacts:	Proposed Management:
Potential destruction of heritage resources.	Loss of cultural and/or heritage significance.	<ul style="list-style-type: none"> • Prior to the establishment of access roads, a heritage impact assessment must be undertaken and mitigation and/or management measure for the protection of such resources must be implemented.
Dust emissions resulting from site clearing, soil stripping and construction activities.	Dust emissions	<ul style="list-style-type: none"> • Based on visual observation, wet dust suppression will be undertaken to manage dust emissions from vehicles movement and other construction activities and when needed.
Visual impact character and sense of place.	Loss of aesthetics.	<ul style="list-style-type: none"> • The shaded office area, portable ablution facilities, vertical water tanks and any other infrastructure should be acquired with a consideration for color. Natural earth, green and mat black options which will blend in well with the surrounding area must be favoured.

Influx of persons to site as a result of incidents of theft and opportunistic crime	Increase in petty crime.	<ul style="list-style-type: none"> Casual labor will not be recruited at the site to eliminate the incentive for persons travelling to site seeking employment. The landowner will be notified of unauthorized person's encountered onsite. Deemed necessary, the South African Police services will be informed of unauthorized person's encountered onsite.
Water and soil pollution resulting from disposal of drill fluids.	Loss of water resources, loss of soil resources.	<ul style="list-style-type: none"> A sump will be constructed with sufficient capacity to receive drill fluids and allow for evaporation. The sump will be constructed to divert storm water away and/or around the sump to avoid clean storm water inflow.
Continued soil erosion from top soil stockpile and soil compaction from drill pad platform.	Loss of soil resources	<ul style="list-style-type: none"> In the event that raise blasé clearing is not undertaken, and drill pad is cleared, topsoil will be stockpiled to a maximum height of 1.5 m with a side slope of not more than 1: 3 The topsoil stockpile will be shaped to divert storm water around the drill pad to minimize soil erosion of the pad.
Potential water and soil pollution resulting from hydrocarbon spills and drill maintenance activities	Loss of water resources, loss of soil resources.	<ul style="list-style-type: none"> Fuel storage tanks will have a secondary contaminant structure with a capacity of 110% of the total tank capacity. Oils and lubricant will be stored within secondary contaminant structures. Where practicable, vehicle maintenance will be undertaken off-site.

		<ul style="list-style-type: none"> In the event that vehicle maintenance is undertaken onsite, drip trays and/or UPVC sheets will be used to prevent spills and leaks onto the soil. Unused machinery must be completely drained of oil and other hydrocarbons to ensure that leaks are identified early and rectified. A sufficient number of waste receptacles will be provided.
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Activities	Identified Impacts:	Proposed Management:
Destruction and/or disturbance of onsite fauna.	Loss of sensitive environments, loss of fauna and flora.	<ul style="list-style-type: none"> • Drill holes must be temporarily plugged immediately after drilling is completed and remain plugged until they are permanently plugged below ground to eliminate the risk posed to fauna by open drill holes. • Drill holes must be permanently capped as soon as is practicable.
Potential water and soil pollution resulting from hydrocarbon spills.	Loss of water and soil resources.	<ul style="list-style-type: none"> • All fuel storage tanks will be emptied prior to removal. • Wastes will be removed and disposed of at an appropriately licensed landfill and recyclables will be taken to a licensed recycling facility.
Soil erosion resulting from the re-spreading of topsoil before vegetation is re-established	Loss of soil resources	<ul style="list-style-type: none"> • Mechanical erosion control methods will be implemented if required. This may include the use of geotextiles. • Re-vegetation will be conducted through hand seeding exposed areas using indigenous grass species as determined by a suitably qualified ecologist. • Re-vegetation efforts will be monitored every second month for a period of six months after initial seeding. • An effective vegetation cover of 45% must be achieved. Re-seeding will be undertaken if this cover has months.

Impact Assessment & Mitigation:

Should you be aware of any additional impacts; or should you wish to propose an alternative management measure please do so in the attached questionnaire.

PUBLIC PARTICIPATION PROCESS (PPP) – Your Involvement:

You are hereby invited to participate freely and submit any questions or information you feel may contribute to the BAR/EMP process.

Public involvement is an essential component of the process. It addresses the right of Interested and Affected Parties (I&APs) to be informed of the proposed activities and to be involved in decisions that affect them. It also affords the environmental practitioner the opportunity to assess and address the issues and concerns raised by I&AP's thus allowing us to assess all the potential impacts of the proposed project.

Kindly, complete the attached questionnaire and return this to us by post or by e- mail: dlaminilindelwa20@gmail.com

The purpose of this questionnaire is to register you as an I&AP and to highlight any environmental or socio-economic aspects or impacts you may be aware of / concerned about in order that these be sufficiently addressed in the Scoping and EIA/EMP report.

Invitation to comment:

It is envisaged at this stage that two public meetings will be scheduled during the course of the application. An initial meeting has been scheduled (see front cover) to introduce the project and discuss the proposed way forward regarding the applications. An EIA/EMP Phase feedback meeting will be held to report back specialist findings, the final impacts

identified by specialists focusing on critical or sensitive impacts identified and the mitigation of these impacts. You will be notified by SMS or E-mail of the proposed time and location of the EIA/EMP Phase meeting, once you have registered as an I&AP

The EMP report will be made available for public review and comment for a period of thirty

(30) days. The report will be available at the following locations:

LOCATION:
PublicLibrary
Municipality
Community Library
Ndalo Mining (Pty)Ltd

Contact Us

Please forward all questions and comments to the following address:

Name	Tel:	Email:
Lindelwa Dlamini	0832062461	dlaminilindelwa20@gmail.com

PUBLIC PARTICIPATION QUESTIONNAIRE: PR Application

Please complete and return it to us via e-mail: dlaminilindelwa20@gmail.com

Name:		Surname:	
TelephoneNo.:		Fax No.:	
Post:			
E-mail:			
How would you prefer to be contacted:	<input type="checkbox"/> E-mail <input type="checkbox"/> Fax <input type="checkbox"/> Post <input type="checkbox"/> Telephone <input type="checkbox"/> SMS		
Are you an immediately affected or adjacent landowner or user? If no, what is your interest in the project? If yes, please indicate your farm / property name as well as details on the current land use.	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Do you have any vested interest in the approval or refusal of this project? If yes, please elaborate.	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Do you feel that the proposed activities will impact on you and / or your socio-economic conditions? How?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Are you aware of any sensitive areas that should be avoided (i.e. graves, cultural sites, endangered species, special environmental features or areas etc.)			
Are you aware of any additional impacts that may have been overlooked?			
Do you have any suggestions on how the proposed impacts as listed in the BID can be managed/ remedied?			

Do you have any other questions or concerns regarding the project?	
Do you know of any other persons, organisations or parties that should be notified? Please provide contact details.	<input type="checkbox"/> Yes <input type="checkbox"/> No