

Background Information Document For Prospecting Right Application by ASGS Holdings in respect of Coal on portion of Portion 1 of the Farm Albert 429 IS, situated in the Magisterial District of Msukaligwa in Mpumalanga Province.

DMRE REF: MP 30/5/1/1/2/17839 PR

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1. PROJECT BACKGROUND

ASGS Holdings proposes to undertake prospecting activities for coal in portion of Portion 1 of the Farm Albert 429 IS within the Jurisdiction of Msukaligwa Local Municipality, Gert Sibande District Municipality in Mpumalanga Province.

The proposed prospecting activities triggered listed activities in terms of the Environmental Impact Assessment (EIA) Regulations of 2017 gazetted in terms of the National Environmental Management Act (NEMA), No 107 of 1998. The EIA process must therefore be undertaken by an independent Environmental Assessment Practitioner (EAP). ASGS has appointed Singo Consulting (Pty) Ltd, an independent consulting company, to conduct the Environmental Impact Assessment (EIA) process in terms of the EIA Regulations of 2017, to evaluate the potential impacts of the proposed project.

2. PROJECT LOCATION

The proposed prospecting activities will be undertaken in portion of Portion 1 of the Farm Albert 429 IS within the jurisdiction of Msukaligwa Local Municipality under the administrative district of Gert Sibande District Municipality in Mpumalanga Province. The proposed site is located approximately 24.46 West of Ermelo. Refer to figure 1 below.

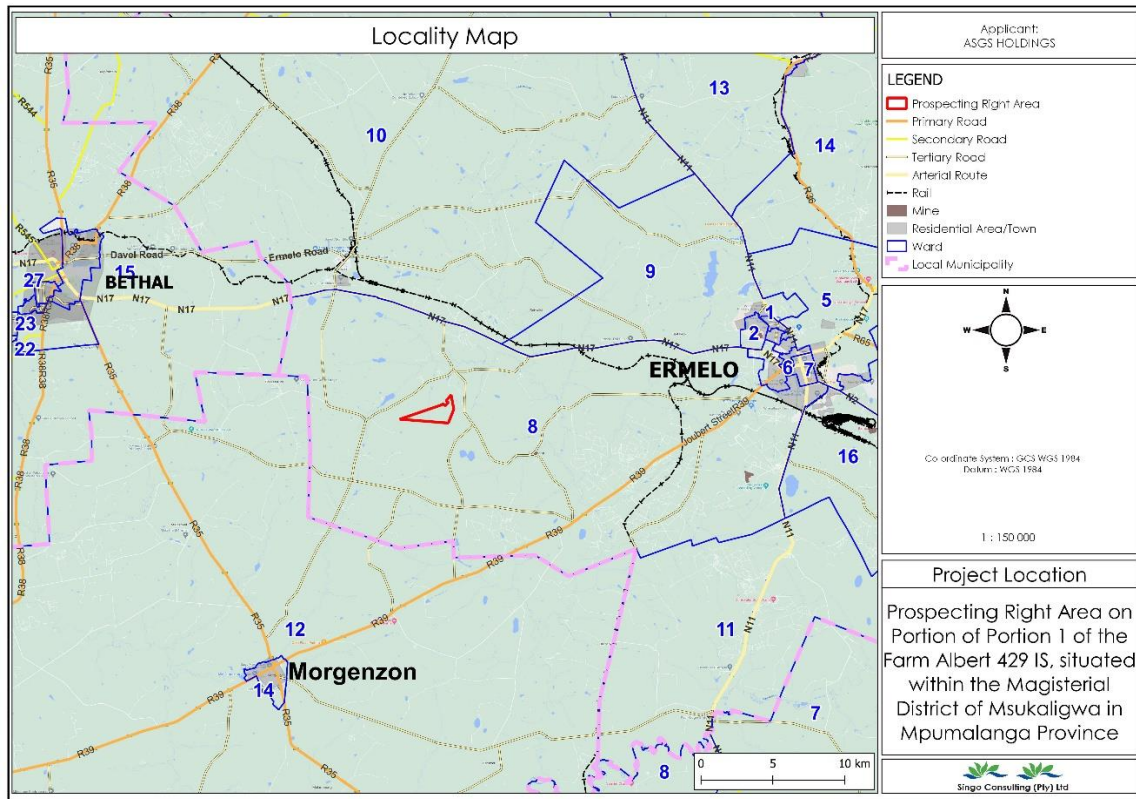


Figure 1: Locality Map

3. DESCRIPTIONS OF THE PROPOSED ACTIVITIES

Prospecting is the search of clues that indicates that there are ore deposits beneath the surface. It is generally the search of coal seams to determine if they are mineable at a profit. The confidence of coal deposit is gained through the use of maps and historical data, geophysics, ground truthing, geochemistry which are considered non-invasive activities.

When the local geology is understood, siting for drilling can then be undertaken. Drilling is done with fairly large machinery that use diamond-tipped, hollow drill 'bits' which produce varying amounts of 'core' depending on the extensiveness of the drill program. Diamond-tipped bits are used because they can go through the hardest of rock, and the core produced is cylindrical and not typically more than a couple inches in diameter. The details of each drill hole (including direction and depth) are recorded in much detail, each meter of core is marked with the depth that it came from and which hole, if there's been multiple drilled.

Once core has been obtained, samples are then sent to a laboratory facility to be 'assayed', which is essentially assessing the ore body physical and chemical properties in the rock. Using this data from the assaying, along with the records of where the assayed drill core came from, the data is re-interpreted to determine subsequent phases of follow-up drilling. If drilling continues, different drilling techniques are used to build confidence in the deposit by determining the size and grade of the 'strike' and 'dip'.

The objective will be to produce a 3D resource model of where and how the coal seams is located underground. All this information is used to complete an 'official resource estimate', which is a non-biased report that is required to have been developed by a 'Qualified Person' (QP). The 'Official Resource Estimate' will outline the categories of coal resource (inferred, indicated, and measured) as well as the quantity and grade of each resource category.

Prospecting activities will be undertaken in different phases of which each is dependent on the preceding phase. Each phase will provide information that will determine whether the prospecting activities should be continued or abolished. The prospecting phases are as follows:

Phase 1: Literature Review and Field Mapping;

Phase 2: Geophysical Survey;

Phase 3: Discovery Drilling and Sampling;

Phase 4: Sample analysis/ Assaying;

Phase 5: Preliminary economic assessment;

Phase 6: Resource drilling and sampling;

Phase 7: Pre-feasibility study.

Other activities associated with the proposed prospecting:

- ✓ Site Access
- ✓ Access roads
- ✓ Drill station establishment
- ✓ Core Drilling
- ✓ Project scheduling

4. THE EIA PROCESS

The proposed ore prospecting activities have triggered activities listed in Listing Notice 1 (GNR 327, amended as GNR 517) of the EIA Regulations and therefore require a Basic Assessment Process to be undertaken

4.1 LISTED ACTIVITIES

NAME OF ACTIVITY	Aerial extent of the Activity Ha or m ²	LISTED ACTIVITY	APPLICABLE LISTING NOTICE	WASTE MANAGEMENT AUTHORISATION (Mark with an X)
<p>Any 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).</p> <p>Establishment of prospecting site camps comprising of the:</p> <ul style="list-style-type: none"> - drill site with sumps - parking for the drill rig, - parking for vehicles, - equipment storage, - geologist logging area, - water storage, - waste bins and - portable toilets. 	<p>Extent of application area:</p> <p>319.490 Hectares</p>	Activity 20	GNR 517 Listing Notice 1 (June 2021)	N/A

4.2 THE PROJECT'S EIA PROCESS

As discussed above the proposed prospecting activities have triggered activity in Listing Notice 1 (GNR 327, amended as GNR 517)) and therefore a Basic Assessment process must be undertaken. Refer to figure 2 for Basic Assessment

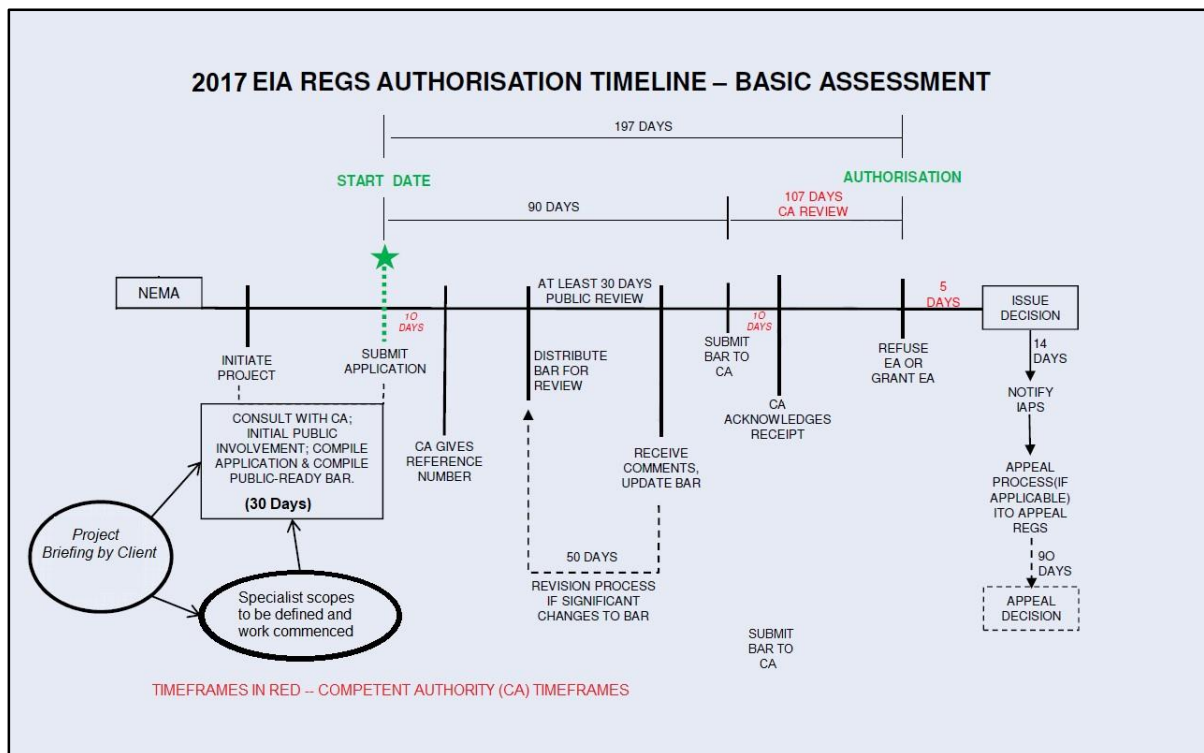


Figure 2: Basic Assessment Process

5. PROBABLE IMPACTS

- ✓ South African coal reserve mapping
- ✓ Loss of Vegetation;
- ✓ Loss of habitats;
- ✓ Loss of pasture;

- ✓ Loss of arable land;
- ✓ Water Contamination;
- ✓ Dust Generations;
- ✓ Introduction of alien invasive plants; and ▯ Land use conflicts.

6. PUBLIC PARTICIPATION PROCESS

The public participation process is the process of identifying, inviting and engaging with potential and registered interested and affected parties (I&APs). According to Chapter 6 of the EIA Regulation of 2017 (GNR 326), the I&APs (potential and registered) must be notified about the proposed prospecting activities through fixed notices, newspaper advert, and written notices (SMS, WhatsApp, emails, etc.).

The registered I&APs must in terms of this regulation be provided with a minimum of 30 days to review all environmental reports which in minimum must be the Basic Assessment Report and the Environmental Management Programme.

An I&APs register will be maintained for submission to Mpumalanga Department of Mineral Resources and Energy on completion of the Public Participation Process. All the received correspondence will be included in the final reports to be submitted to the Mpumalanga DMRE.

What Public Participation is not?

- Not a public relations exercise;
- Not a means to satisfy personal grievances – rather to record issues related to the proposed activities and to respond to them.

What is expected from the Public?

- The Public is expected to participate and be involved in the decision making by giving relevant comments to the project in order for adequate mitigations to be implemented.

6.1 HOW CAN YOU GET INVOLVED

- By responding (by phone, fax or e-mail) to our invitation and confirm your involvement in the process;
- By completing the attached comment sheet/ form and mailing or faxing before the 30 days' public participation time period is over; and
- By telephonically contacting consultants if you have a query, comment on the project during the public participation process period.

6.2 NOTICE OF ENVIRONMENTAL REPORT:

The Environmental Reports will be made available to all registered Interested and Affected Parties through emails and Public Library for review for a period of 30 days from the 21st of February to 23rd March 2023. Electronic copies of the DBAR and EMPR will be made available upon request via emails, Dropbox link, Google drive, We Transfer, etc. from Singo Consulting (Pty) Ltd using the contact details of the EAP below.

6.3 HOW TO CONTACT US

In order to participate in the process and/or provide comments and or to register as an Interested and Affected Party (I&APs) pertaining to the above-proposed activity, you are invited to contact Singo Consulting (Pty) Ltd within the prescribed time period running until the 23rd of March 2023. We may be contacted as follows:

Principal EAP	Kenneth Singo (Pr.Sci.Nat; Reg. EAP) kenneth@singoconsulting.co.za / 013 692 0041
Environmental Technician	Tshepo Mkhabela tshepo@singoconsulting.co.za /072 924 0633
Address	Office 870,5 Balalaika Street, Tasbet Park Ext 2, Witbank
Telephone	013 692 0041
Fax	086 514 4103
Preferred Email	tshepo@singoconsulting.co.za admin@singoconsulting.co.za

SEE THE COMMENT SHEET APPENDED TO THIS BID. YOU MAY PROVIDE COMMENTS IN YOUR OWN LETTER HEAD OR ANY FORMAT BESIDES OUR PROVIDED COMMENT SHEET.

 Singo Consulting (Pty) Ltd	Office No 870, 5 Balalaika Street Tasbet park Ext 2, eMalahleni, 1040 Cell: +27 72 924 0633 Tel: +27 13 692 0041 Fax: +27 86 5144 103 Email: tshepo@singoconsulting.co.za :admin@singoconsulting.co.za
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REGISTRATION & COMMENT SHEET

Prospecting Right and Environmental Authorization application for coal on portion of Portion 1 of the farm Albert 429 IS, situated in the Magisterial District of Msukaligwa in Mpumalanga Province (DMRE Ref: MP 30/5/1/1/2/ 17839 PR)

Attention: **Ms Tshepo Mkhabela**

Email: tshepo@singoconsulting.co.za

Title	Name	Surname		
Company				
Designation				
Address				
Tel No.		Fax No.		
E-mail		Cell No.		
I would like to receive my notifications be (mark with "X"):		Post:	<input type="checkbox"/>	E-mail:
		SMS:	<input type="checkbox"/>	Fax:
Please indicate why you would have an interest in the above-mentioned project.				
Please provide your comments and questions here:				

<i>Please feel free to attach a separate document</i>			
Please add any person you think may be interested and affected parties:			
Full name		Company	
Address			
E-mail		Contact No.	