

SADEEZA GROUP (PTY) LTD

FARM DRIEFONTEIN 151HU PORTIONS 2 – 10 PROSPECTING RIGHT PROJECT

BACKGROUND INFORMATION DOCUMENT

DMR REFERENCE NUMBER: KZN30/5/1/1/2//10952PR

PROJECT INTRODUCTION:

Sadeeza Group (PTY) LTD submitted an application for a coal Prospecting Right and an Environmental Authorisation. The application for the Prospecting Right was accepted by the Kwa-Zulu Natal Province Department of Mineral Resources on the 6th of February 2020. The aim of the proposed project is to explore and quantify the potential coal reserve. In order to undertake prospecting activities, the Applicant requires a granted Prospecting Right (PR) in terms of the Mineral and Petroleum Resources Development Act (MPRDA, Act No.28 of 2002). The Applicant is also required to obtain an Environmental Authorisation (EA) in terms of the National Environmental Management Act (NEMA, Act No. 107 of 1998) which requires the submission of a Basic Assessment Report (BAR) and an Environmental Management Programme (EMPR). Geopoint Africa (Pty) Ltd has been appointed by Sadeeza Group (PTY) LTD as the Environmental Assessment Practitioner (EAP) to assist in complying with these requirements, which will be reviewed by an external reviewer.

AIM OF THE BID:

- To provide background information to landowners and interested and affected parties (I&APs) on the proposed prospecting activities and the legal framework.
- To give an overview of environmental baseline information and environmental impacts that may potentially occur.
- To explain the Public Participation Process (PPP) to be followed.
- To consult stakeholders and provide them the opportunity to register as I&APs.

LOCATION, SCALE AND EXTENT OF THE PROPOSED PROJECT:

The proposed prospecting activity area is located approximately 35 km east of Vryheid which is located within the Zululand District Municipality, Kwa-Zulu Natal Province. Farm Driefontein 151HU portions 2 - 10 covers an area of 1615.28 hectares.

PROJECT DESCRIPTION:

The applicant, Sadeeza Group (Pty) Ltd, is applying for a prospecting right application in order to ascertain if economically viable mineral deposits exist within the application area for coal. The application will follow a phased approach, and project is divided into several sequential phases. The different phases and timeframes of the prospecting envisaged are, by their nature, dependent on the results obtained during the preceding phases of prospecting. The project will include the use of Non-Invasive and Invasive prospecting techniques.

Non-Invasive Prospecting Techniques:

The project will include the following non-invasive activities:

- Desktop Study
- Ground Geophysical Surveys and Geological Field Mapping
- Compilation, Interpretation and Modelling of Data
- Detailed Ground Geophysical Survey on individual positively mineralized targets to define possible extent
- Analytical Desktop Pre-Feasibility Study

Invasive Prospecting Techniques:

Invasive techniques that will be utilized during prospecting include the following:

- Drilling
- Trenching

DURATION OF ACTIVITY:

- The Prospecting Right Project is scheduled to take place over a period of 5 years with an option to extend for an additional 3 years therefore a total of 8 years.

NEMA LISTED ACTIVITIES:

The following NEMA listed activities have been applied for in this application:

- The Mineral and Petroleum Resources Development Act, 2002 (act no.28 of 2002) ("MPRDA"). In terms of the MPRDA, the application for a prospecting right is subject to an application for an environmental authorisation in terms of NEMA.
- NEMA GN 983, Listing Notice 1, Activity Number 20: Any activity including the operation of that activity which requires a prospecting right in terms of section 16 of the MPRDA (Act No. 28 of 2002), including associated infrastructure, structures and earthworks, directly related to the prospecting of a mineral resource.
- NEMA GN 983, Listing Notice 1, Activity Number 27: The clearance of an area of 1 hectare or more, but less than 20 hectares of indigenous vegetation.

BASIC ASSESSMENT PROCESS

The Basic Assessment (BA) Process is a tool used to obtain an objective view of the potential impacts of a proposed project including environmental, social and economic impacts. A BAR is compiled as part of the Prospecting Right Application to ensure that potential impacts associated with the proposed prospecting activity are identified, considered and mitigated. It is intended to supply the competent authority with sufficient information to make an informed decision in granting or refusing an environmental authorisation associated with the prospecting right application.

The Basic Assessment Report will encompass the following:

- Description of the local environment including environmental conditions, historic and cultural aspects and socio economic conditions,
- Identification and assessment of the significance of potential impacts of the proposed prospecting activities on the local environment,
- Evaluation of the proposed mitigation and management options available to minimise any negative impacts and to enhance any positive impacts,
- A record of any issues, comments and concerns raised by I&AP's and minutes

of any meetings held with stakeholders.

The BA can be described as two interlinked processes which result in a BAR. Namely the Technical Process and the Public Participation Process:

I. **Technical process involves:**

- ✓ Submitting an Application form to the DMR via online portal;
- ✓ Compiling the Draft BAR
- ✓ Submit the Draft Bar to the DMR and I&APs for comment
- ✓ Incorporate comments into final Draft BAR
- ✓ Submit final BAR to the DMR

II. **Public participation:**

Public input is an important legislated requirement of the prospecting right application process. The proposed PPP for this study will include a number of steps, as listed below:

- ✓ Issuing notification of this proposal to:
 - ❖ Owners and occupiers of the farms as well as those adjacent to the site;
 - ❖ The municipal councillor and local taxpayers association;
 - ❖ The municipality which has jurisdiction;

- ❖ Any organ of the state having jurisdiction;
- ✓ Placing an advert in a local newspaper;
- ✓ Placing a notice on the site;
- ✓ Meetings with landowners and key I&APs, as required; and
- ✓ Public review of the BAR.
- ✓ Documenting stakeholder correspondence within the Draft BAR that will be made available for public review.
- ✓ Notifying the stakeholders when the final BAR is available for public review and the submission thereof
- ✓ Notifying stakeholders when the Environmental Authorisation is issued.

TYPICAL ENVIRONMENTAL IMPACTS ASSOCIATED WITH THESE ACTIVITIES:

Potential environmental impacts that may occur as a result of the proposed activities are as follows:

- Top Soil Removal
- Vegetation Clearance
- Surface and Groundwater Contamination
- Noise and Air Pollution
- General and Hazardous Waste Generation.
- Veld fire

HOW TO GET INVOLVED

As an I&AP you need to ensure that you are registered as an I&AP for the Prospecting Right and that you forward through any comments, concerns or objections to Geopoint Africa (PTY) LTD within the stipulated timeframes provided. You may register as an I&AP in any of the following ways:

1. Via E-mail, Fax, Letter or Telephone Call addressed to the contact person stipulated.
2. Through the reviewing and commenting on Reports.

TIMEFRAMES AND IMPORTANT DATES

The Draft BAR and EMP Report will be available as an electronic copy and will be made available for download via dropbox or hardcopy upon request.

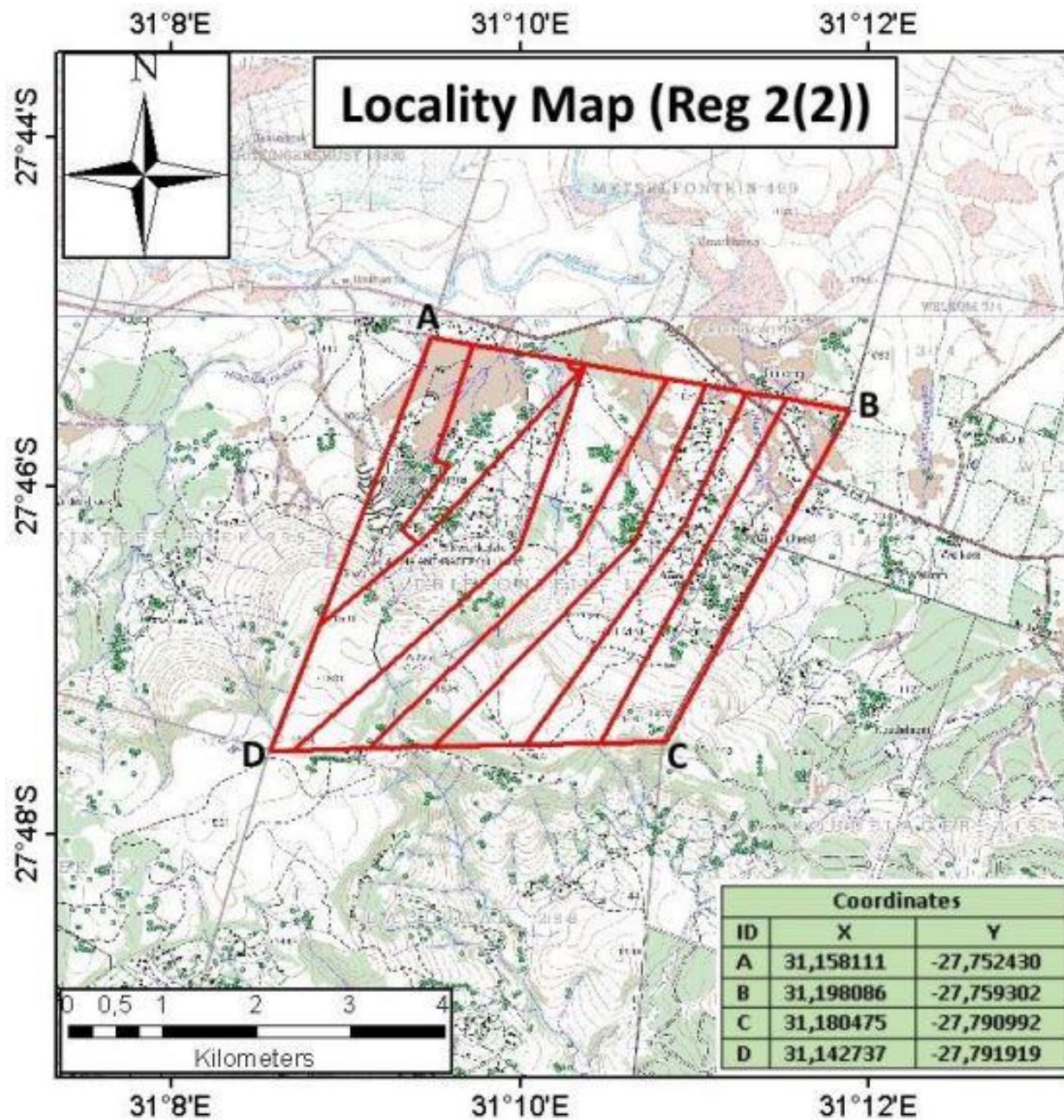
In due course a public notice will be advertised within a local Newspaper that will inform I&APs about the public meeting date, venue and time. I&AP's are invited to review the report and kindly submit any comments to Miss Martha Monoke by no later than the 20th of April 2020 using the contact details below:

Email: martha@geopointafrica.co.za

Fax: 086 605 6763

Tel: 012 991 2771

Postal: P.O Box 40192, Faerie Glen, 0043



Sadeeza GROUP
Reg No.: 2019/587227/07
Registered in the MINERAL & PETROLEUM TITLES
REGISTRATION OFFICE
In the Registrar of Plans and Diagrams
on the day of
under
P.P. DIRECTOR-GENERAL DEPARTMENT OF
MINERAL RESOURCES

Signature Applicant Signature Regional Manager
.....
Date Date

IN TERMS OF REGULATION 2(2) OF MINERAL ACT 2002
THE FIGURE LABELLED A,B,C,D REPRESENTS A PROSPECTING
RIGHT AREA WITH AN AERIAL EXTENT OF 1615,28
Ha ON PORTIONS 2,3,4,5,6,7,8,9& 10 OF DRIEFONTEIN
151 HU SITUATED IN THE VRYHEID MAGISTERIAL DISTRICT,
KWAZULU NATAL, IN RESPECT OF WHICH AN APPLICATION
IS MADE IN TERMS OF SECTION 16 OF THE MINERAL
AND PETROLEUM RESOURCES DEVELOPMENT ACT
(ACT 28 OF 2002), BUT SUBJECT TO THE PROVISION OF
REGULATION 17 OF THE MINE AND SAFETY ACT.

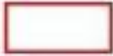

LEGEND
 PROSPECTING RIGHT AREA
 GEOGRAPHIC COORDINATE SYSTEM
WGS_1984

Figure 1: Locality Map of Farm Driefontein 151HU Portions 2 – 10.