

Background Information Document

APPLICATION:	Environmental Authorisation for Prospecting Activities	REF NO: NW 12443 PR
APPLICANT:	Khuma Mining and Exploration (Pty) Ltd	
MINERALS:	Gold, Silver and associated precious metals	
LOCATION:	Stilfontein in the North West Province	
EAP:	Mr Andrew Nicholson of Umhlaba Environmental Consulting CC	
DEADLINE FOR COMMENT:	23 November 2018	

PROJECT LOCATION

The application area covers 4046 Ha over various farms located immediately north and east of the town Stilfontein in the North West Province. Figure 1 provides the location of the project area (to be known as the NES Project) in relation to major infrastructure and the properties affected.

PROJECT DESCRIPTION

The overall goal of the prospecting activities is to investigate the economic viability of the target minerals throughout the application area. This is proposed through implementing phases 1 – 4 as described below.

Phase 1 (non-invasive): The initial prospecting activities will involve extensive desktop studies to gather and consolidate all historical mineral and other information concerning the prospecting area. This will aid in confirming possible drill sites which will be finalised in agreement with the relevant landowners.

Phase 2 & 3 (invasive): These phases will initially involve the drilling of 4 boreholes and analysing the core associated with these holes. The future prospecting programme is dependent on the outcome of these initial 4 boreholes. Based on existing available knowledge, the proposed position of the initial 4 boreholes is shown in Figure 2 (still to be finalised during phase 1).

If the initial boreholes reveal no viable prospects for an economic resource, invasive prospecting in this area will be stopped. If a possible resource is indicated then prospecting activities will proceed to the infill drilling phase which could require a further 20 boreholes targeting three different demarcated areas (see Figure 2) including 14 holes in Area 1, 4 holes in Area 2 and 2 holes in Area 3. There is a large section of the prospecting area where no drilling is required due to the fact that these areas have already been mined and there is extensive information available about the areas in the existing underground plans.

When drilling is undertaken, the following procedure is proposed:

- Buffer restrictions to be implemented (such as 100m from a river or known water course, 50m from any sensitive infrastructure, 50m from any known heritage site).
- Existing access tracks to be used where possible.
- Photographs to be taken of the identified access route and drill pad area prior to any physical impact.
- A drill pad of approximately 20 x 20m to be scraped, levelled and demarcated with a temporary fence. Topsoil to be stored adjacent to the drill site
- Two sumps to be dug per drill site and lined with plastic
- A temporary storage area to be demarcated within the drill pad location
- After drilling (percussion/diamond) the core to be taken to a dedicated core shed for cutting and processing
- Samples to be sent to an approved laboratory for analysis

Once drilling is completed, all equipment will be removed. The plastic lining taken out of the sump and the sump refilled. The borehole will be capped at least 0.5 m below the ground and covered. The area will be re-covered with the soil that was removed. Photographs will be taken of the rehabilitated sites and landowner acceptance of the rehabilitation will be obtained.

Phase 4 (non-invasive): If both phases 2 & 3 above are positive, the information gained from drilling and sampling will be used to support the development of a resource statement and implementation of both a pre-feasibility and feasibility study. These studies may involve the commissioning of various specialists to determine the viability of future mining. Depending on the study, specialist may require access to land to complete their studies. Potential shafts which could be utilised for future mining purposes will be inspected and assessed. All the information gained during this phase will be used to compile a mining right application.

ENVIRONMENTAL AUTHORISATIONS TRIGGERED

The following environmental authorisations are required to facilitate all the proposed activities;

- Listing Notice 1: Activity 20 – application for a prospecting right.
- Listing Notice 1: Activity 27 – clearing of indigenous vegetation greater than 1ha.

These activities require that a Basic Assessment process (BA) contemplated in Regulations 19 and 20 of the 2014 EIA regulations (as amended) must be followed.

BASIC ASSESSMENT PROCESS

In brief this process includes:

- Compiling a draft Basic Assessment Report (BAR) following the DMR template which provides detail on the activities proposed, record of public participation, an assessment of the identified impacts, and an outline of measures to manage these impacts.
- Making this draft BAR available for review to registered I&AP's for a 30 day period. The draft BAR will be available at www.umhlaba.co.za or at the Stilfontein Library from **24 Oct to 23 Nov 2018**.
- Incorporating I&AP feedback and finalising the BAR for submission to the DMR (within 90 days of submitting the application)
- Evaluation of the submitted BAR by the DMR to either grant or refuse the authorisation (within 107 days of submitting the final BAR).
- Notification of registered I&AP's of the RoD and process to appeal the decision.

PUBLIC PARTICIPATION PROCESS

If you are interested in this project you are requested to:

- **Register** as an I&AP with Umhlaba, who will include you on the "I&AP Register" in order for you to receive future project information and/or formally record issues and concerns (comments). To register, please complete and return the attached comment form to the contact details provided.
- **Access** project information that is made available to you (only registered I&AP's will be notified) in order to provide feedback within the required timeframe. Information will be made available on the Umhlaba website and notifications will be sent via email and sms.
- **Attend** the public meeting.
- **Communicate** with the EAP to raise your further comments in order that they can be included and addressed within the application documents submitted to the DMR.

PUBLIC MEETING

You are invited to attend a public meeting scheduled for **16h00 on the 14 Nov 2018 at the Stilfontein Golf Club (Eagles Creek Golf Estate)**. This will be confirmed to all registered I&AP's closer to the date by way of email and sms notifications.

CONTACT US

Please contact **Andrew Nicholson** of Umhlaba Environmental Consulting CC who is the appointed EAP for this application, **before 23 Nov 2018**, to raise your queries or comments on the draft BAR (available for review and comment electronically at www.umhlaba.co.za and in hard copy at the Stilfontein Library from **24 Oct to 23 Nov 2018**), or any other concerns regarding this application. Please use the attached comment form or alternatively submit your comments directly in writing to the following contact details:

Tel: 011 791 3389

Fax: 011 791 3384

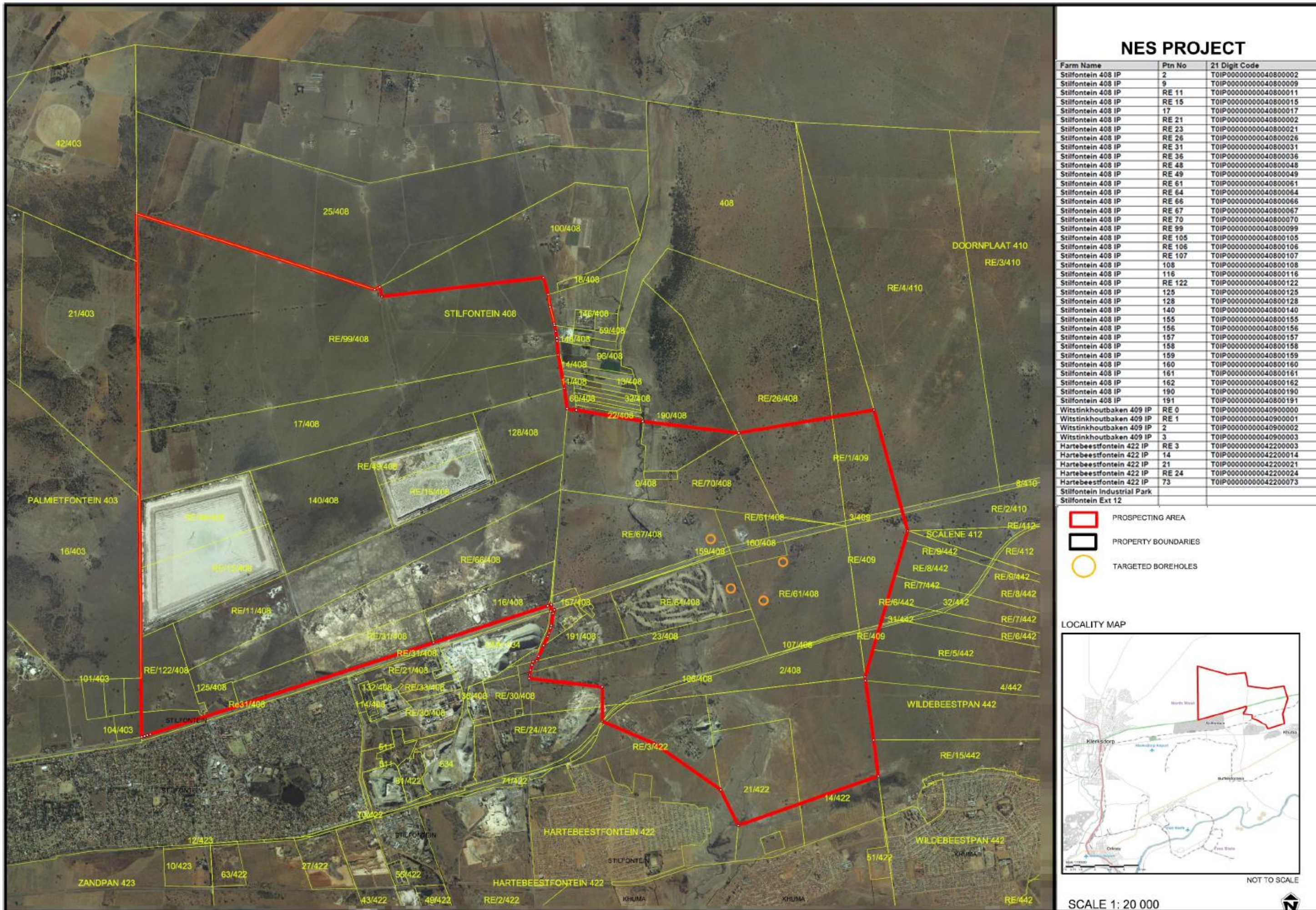
Email: andrew@umhlaba.co.za

Postal: PO Box 731504, Fairland, 2030

Website: www.umhlaba.co.za

LIST OF ACRONYMS

BA	Basic Assessment
BAR	Basic Assessment Report
CA	Competent Authority
DMR	Department of Mineral Resources
EA	Environmental Authorisation
EAP	Environmental Assessment Practitioner
EIA	Environmental Impact Assessment
I&AP	Interested and Affected Parties
MPRDA	Mineral and Petroleum Resources Development Act
NEMA	National Environmental Management Act
RoD	Record of Decision

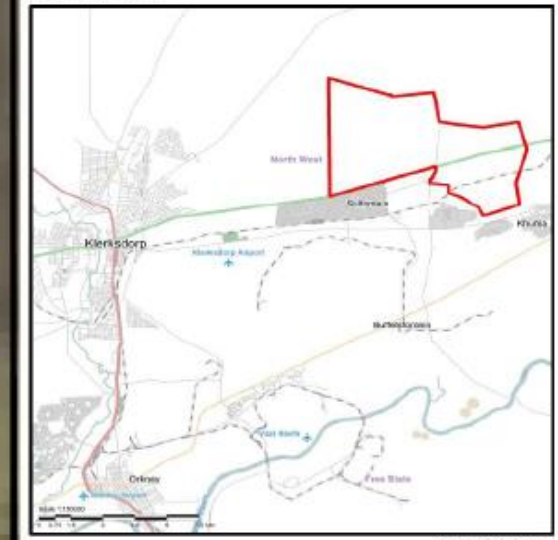


NES PROJECT

Farm Name	Ptn No	21 Digit Code
Stilfontein 408 IP	2	T0IP0000000040800002
Stilfontein 408 IP	9	T0IP0000000040800009
Stilfontein 408 IP	RE 11	T0IP0000000040800011
Stilfontein 408 IP	RE 15	T0IP0000000040800015
Stilfontein 408 IP	17	T0IP0000000040800017
Stilfontein 408 IP	RE 21	T0IP0000000040800021
Stilfontein 408 IP	RE 23	T0IP0000000040800023
Stilfontein 408 IP	RE 25	T0IP0000000040800025
Stilfontein 408 IP	RE 31	T0IP0000000040800031
Stilfontein 408 IP	RE 36	T0IP0000000040800036
Stilfontein 408 IP	RE 48	T0IP0000000040800048
Stilfontein 408 IP	RE 49	T0IP0000000040800049
Stilfontein 408 IP	RE 61	T0IP0000000040800061
Stilfontein 408 IP	RE 64	T0IP0000000040800064
Stilfontein 408 IP	RE 66	T0IP0000000040800066
Stilfontein 408 IP	RE 67	T0IP0000000040800067
Stilfontein 408 IP	RE 70	T0IP0000000040800070
Stilfontein 408 IP	RE 99	T0IP0000000040800099
Stilfontein 408 IP	RE 105	T0IP0000000040800105
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Stilfontein 408 IP	116	T0IP0000000040800116
Stilfontein 408 IP	RE 122	T0IP0000000040800122
Stilfontein 408 IP	125	T0IP0000000040800125
Stilfontein 408 IP	128	T0IP0000000040800128
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Stilfontein 408 IP	162	T0IP0000000040800162
Stilfontein 408 IP	190	T0IP0000000040800190
Stilfontein 408 IP	191	T0IP0000000040800191
Witstinkhoutbaken 409 IP	RE 0	T0IP0000000040900000
Witstinkhoutbaken 409 IP	RE 1	T0IP0000000040900001
Witstinkhoutbaken 409 IP	2	T0IP0000000040900002
Witstinkhoutbaken 409 IP	3	T0IP0000000040900003
Hartebeestfontein 422 IP	RE 3	T0IP0000000042200003
Hartebeestfontein 422 IP	14	T0IP0000000042200014
Hartebeestfontein 422 IP	21	T0IP0000000042200021
Hartebeestfontein 422 IP	RE 24	T0IP0000000042200024
Hartebeestfontein 422 IP	73	T0IP0000000042200073
Stilfontein Industrial Park		
Stilfontein Ext 12		

- PROSPECTING AREA
- PROPERTY BOUNDARIES
- TARGETED BOREHOLES

LOCALITY MAP



SCALE 1: 20 000

Figure 1: Location and extent of the prospecting right application area in relation to existing developments, infrastructure and property boundaries.



Figure 2: Indication of the preliminary positions of the initial 4 drill sites and the proposed further areas 1 - 3 for possible further drilling.

PUBLIC COMMENT FORM
Prospecting Right Application – NW 12443 PR

Your Name: _____ Date: _____
Property _____
Description: _____

Contact Details:

Tel: _____ Email: _____
Cel: _____
Your preferred method of communication: SMS Email

What is your Interest in the Project: Mark with (X)

Business / Financial <input type="checkbox"/>	Legal Representative <input type="checkbox"/>
Residential / Community <input type="checkbox"/>	Surrounding Landowner <input type="checkbox"/>
Other <input type="checkbox"/> Specify: _____	

Comments / Concerns / Suggestions (attach additional pages if necessary):

Examples of questions to ask yourself:

- What are your current land uses (e.g. residential, agricultural, retail, any other) how will the activities impact on this use?
- How do you consider the proposed activities will impact on you or your socio-economic conditions?
- Are there any specific environmental / cultural / heritage features on site which you feel require protection.
- What impacts do you believe the activities will have on you?

Return to: Andrew Nicholson
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Fax: 011 791 3384