

BACKGROUND INFORMATION DOCUMENT (BID) FOR THE PROPOSED COAL PROSPECTING ACTIVITIES IN PORTION 02 OF THE ZALFLAGER NO. 525-HU, PORTION 01 AND RE OF FARM ONGEMAAKT NO. 301-HU AND PORTIONS 02, 08 AND 13 OF THE FARM MADEMOISELLE NO. 123-HU NO 8548 GT WITHIN THE JURISDICTION OF ZULU LAND DISTRICT MUNICIPALITY IN KWA-ZULU NATAL PROVINCE.

COMPETENT AUTHORITY: Department of Mineral Resources KZN Region

APPLICATION REFERENCE: KZN 30/5/1/1/2/11180 PR

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1 PROJECT BACKGROUND

Coal Africa Mining Pty Ltd proposes to undertake prospecting activities for coal in Portion 02 of the Farm Zalflager No. 525-HU; Portion 01 and RE of Farm Ongemaakt No. 301-HU and Portions 02, 08 and 13 of the Farm Mademoiselle No. 123-HU No 8548 GT within the Jurisdiction of Zulu Land District Municipality in Kwa-Zulu Natal 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). Colt Resources Pty Ltd has appointed Mielelani Consultancy, 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 02 of the Farm Zalflager No. 525-HU; Portion 01 and RE of Farm Ongemaakt No. 301-HU and Portions 02, 08 and 13 of the Farm Mademoiselle No. 123-HU No 8548 GT within the jurisdiction of AbaQulusi Local Municipality under the administrative district of Zulu Land District Municipality in Kwa-Zulu Natal Province. The proposed site is located approximately 22.40 km east of Vryheid Town.

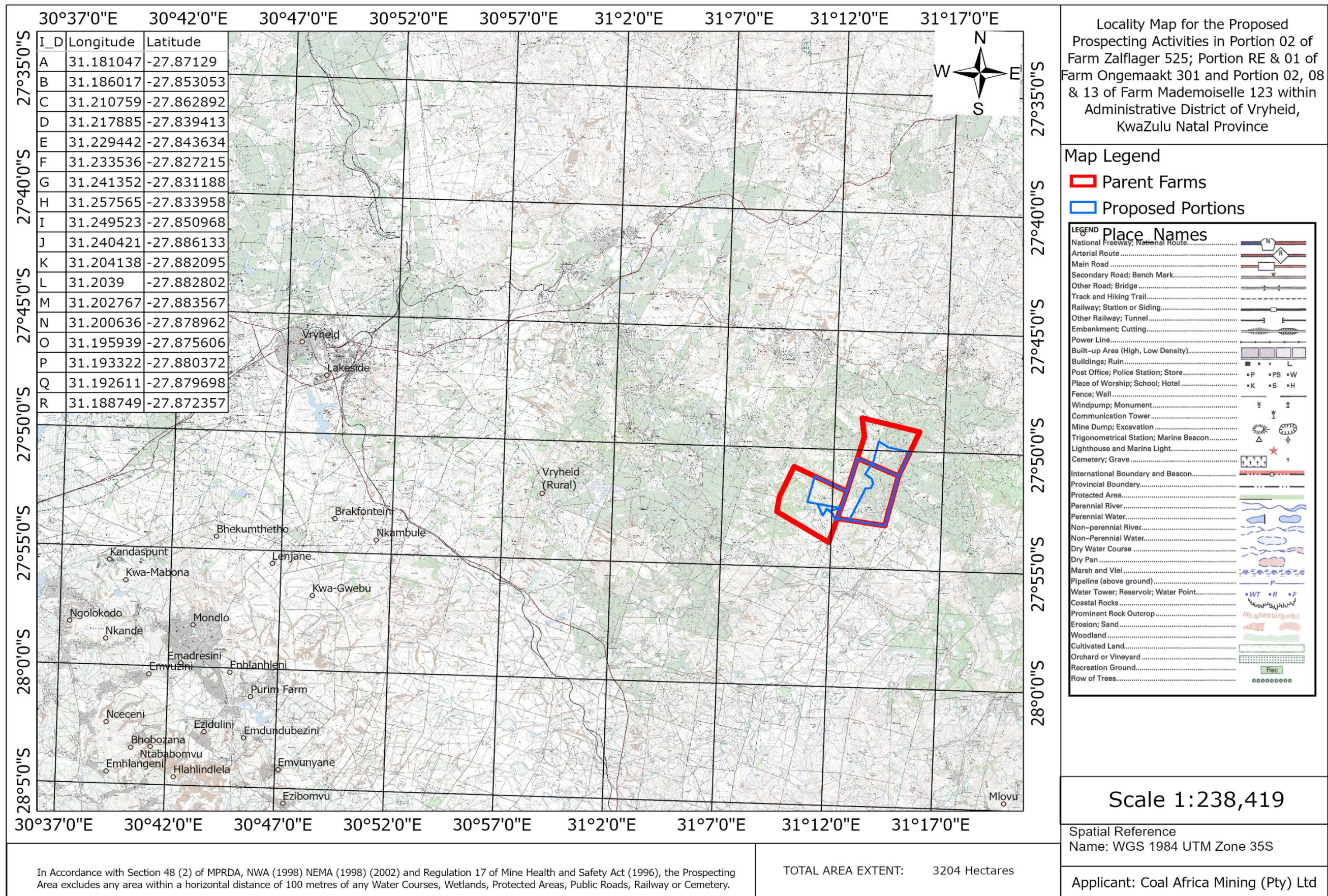


Figure 2-1: Locality Map

3 DESCRIPTION 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

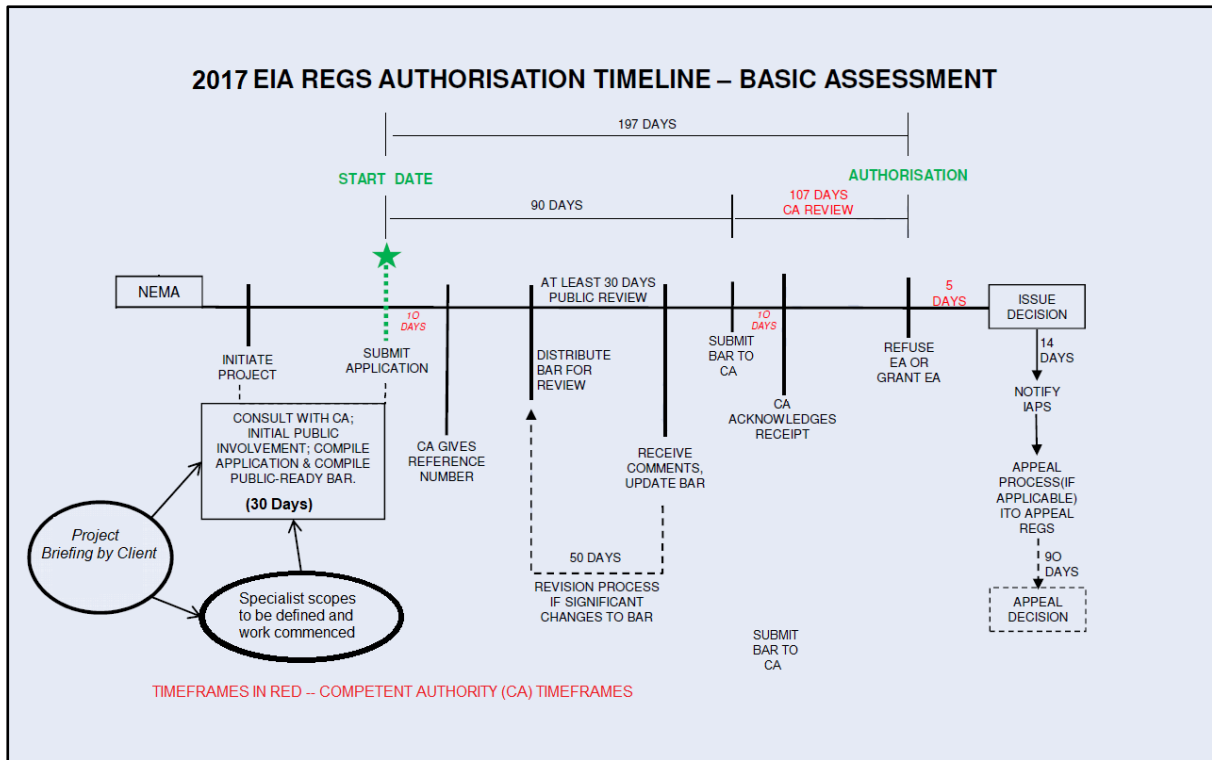
The proposed ore prospecting activities have triggered activities listed in Listing Notice 1 (GNR 327) of the EIA Regulations and therefore require a Basic Assessment Process to be undertaken

4.1 LISTED ACTIVITIES

Applicable Listing Notice	Activity No and Description	Listed Activity relevancy to the project
GNR 327 of 2017	<p>Listing Notice 1: Activity 20:</p> <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>	Coal Africa Mining Pty Ltd proposes to undertake ore prospecting activities in various properties.
GNR 327 of 2017	<p>Listing Notice 1: Activity 20:</p> <p>Any activity which requires clearing of more than 1 ha of indigenous vegetation but less than 20 ha excluding linear activities</p>	Vegetation approximately 1.5 ha will be cleared to established drill stations and associated access roads.

4.2 THE PROJECT'S EIA PROCESS

As discussed above the proposed prospecting activities have triggered activity in Listing Notice 1 (GNR 327) and therefore a Basic Assessment process must be undertaken.



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 Kwa-Zulu Natal 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 KZN 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.

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 01 February to 03 March 2022. The reports will also be emailed upon request.

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 Mielelani Consultancy within the prescribed time period running until 17:00 on the 03rd of March 2022. We may be contacted as follows:

Principal EAP	Khuliso V Ramulondi (Pr.Sci.Nat; Reg. EAP) khuliso@mielelani.co.za / 081 312 3951
EAP	Phathutshedzo Mugagadeli Phathu@mielelani.co.za / 073 796 6769
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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.

