

BACKGROUND INFORMATION DOCUMENT (BID) & INVITATION TO COMMENT

APPLICATION FOR PROSPECTING RIGHT

AIM OF THIS DOCUMENT

The purpose of this document is to ensure people who are interested in or affected by the proposed project are provided with information about the potential project, the process being followed and that they are provided with an opportunity to be involved in the process for the Application for a prospecting right over various portions of land in the magisterial district of Bojanala, North West Province. DMR ref: NW 30/5/1/1/3/2/1/ (12380) EM

Registering as an Interested and/or Affected Party (I&AP) allows individuals or groups to contribute ideas, issues, and concerns relating to the project. I&APs also have an opportunity to review all of the reports and submit their comments on these reports. All of the comments that are received will be included in the final reports that are submitted to the relevant Competent Authority (DMR).

INTRODUCTION

EOH Coastal & Environmental Services has been appointed by K2015268783 (South Africa) (Pty) Ltd., to undertake an Environmental Assessment process for a prospecting right for mineral commodities such as copper, lead, zinc, nickel and cobalt (Base Metals) and gold and silver (Precious Metals) on the following properties 68 km southwest from the town of Thabazimbi within Magisterial District of Bojanala, North West Province (Figure 1 overleaf):

- The Farm De Paarl 246 KP,
- The Farm Goedgedacht 255 KP,
- The Farm Bedford 254 KP and
- The Farm Syferbult 257 KP,

According to the Minerals and Petroleum Resource Development Act (Act No. 28 of 2002, as amended in 2013), prospecting is defined as follows:

“The intentional searching of any mineral by means of any method -

- *Which disturbs the surface or the subsurface of the earth including any portion of earth that is under the sea or under water, or*
- *In or on any residue stockpile or residue deposit of any mineral to determine the extent and the economical value, or*
- *In the sea or other water or on land”.*

PROJECT DESCRIPTION

The proponent intends to prospect mineral commodities such as Copper, Lead, Zinc, Nickel (Ni) and Cobalt (Co) (Base metals) and, Gold and Silver (Precious metals), over four (4) portions of land approximately 10,036 hectares in extent.

The project will entail a one (1) year non-invasive geophysical survey period (Phase 1) and a four (4) year invasive drilling period (Phase 2 & 3). Phase 2 (24 months) will consist of approximately 20 drill holes approximately 200 m deep, soil geochemical survey (approximately 5,000 samples) and trenching (approximately 4,000 m). Phase 3 (24 months) will consist of approximately 50 drill holes 200 m deep.

For drilling, Reverse Circulation and Diamond Core drilling methods will be used. Drilling rigs are mounted on a 4 x 4 truck or trailer. The hole diameter for Reverse Circulation holes is typically 80-123 mm and for diamond core 50-80 mm. The mineralisation is present from surface and will be targeted up to a depth of approximately 200 m. Drill hole sites will be GPS located and pegged. Drill sites are inspected and photographed prior to any disturbance.

After each drill hole is complete, logged and sampled, the borehole collar will be surveyed by an independent surveyor using a high-accuracy differential GPS. Thereafter the drill sumps will be filled in, the drill area rehabilitated and photographed according to the procedures as stipulated in the Environmental Management Plan.

The boreholes will be logged and mineralised horizons sampled by qualified geologists. Samples will be submitted for analyses to determine the metal content. Each sample will be logged, halved, bagged and numbered at a central core yard by the geologist and field assistants. The bagged samples will then be dispatched to the contracted laboratory. The remaining core and other half sample will be stored for future test work. Analysis to determine the metal content (gold, silver, copper, lead, zinc and nickel) is conducted off site at an accredited independent Laboratory.

In terms of trenching, an excavator or similar equipment will be used at regular intervals and perpendicular to geophysical and geochemical anomalies. Trenches will typically be 1 m wide and from a few centimetres deep (where hard rock is near the surface) to 0.5 metres deep. The edges of the trenches will be geologically mapped and channel samples collected for laboratory analysis. Trenches will be GPS located and pegged. Rehabilitation of the trenches will be undertaken as soon as practical following surface disturbance. The soil and rock is returned to the hole before the topsoil is replaced. The surface is left slightly mounded to allow for subsidence. Trenches will be inspected and photographed prior to and after excavation.

Soil samples are collected on a rectangular pattern, generally with closer spacing of sample sites (20-100 m apart) along more widely spaced sample lines (200 m to 500 m apart). The sampling lines are oriented normal, or at a high angle, to the expected longer dimension of the target. Samples are obtained by digging a small hole with a long-handled pick, usually down to the “B” horizon, typically between 20 cm and 30 cm below surface. A 300-500 g sample is collected and placed in chemical-free paper (geochemical) bags suitable for air drying or drying in an oven. The sample hole is back-filled immediately after collection of the sample. Samples are submitted to an off-site laboratory for preparation (incl. sieving) and analyses.

It should be noted that no new access roads will be required. A camp site of approximately 100 m x 100 m (10,000 m²) will be established at a suitable location on site.

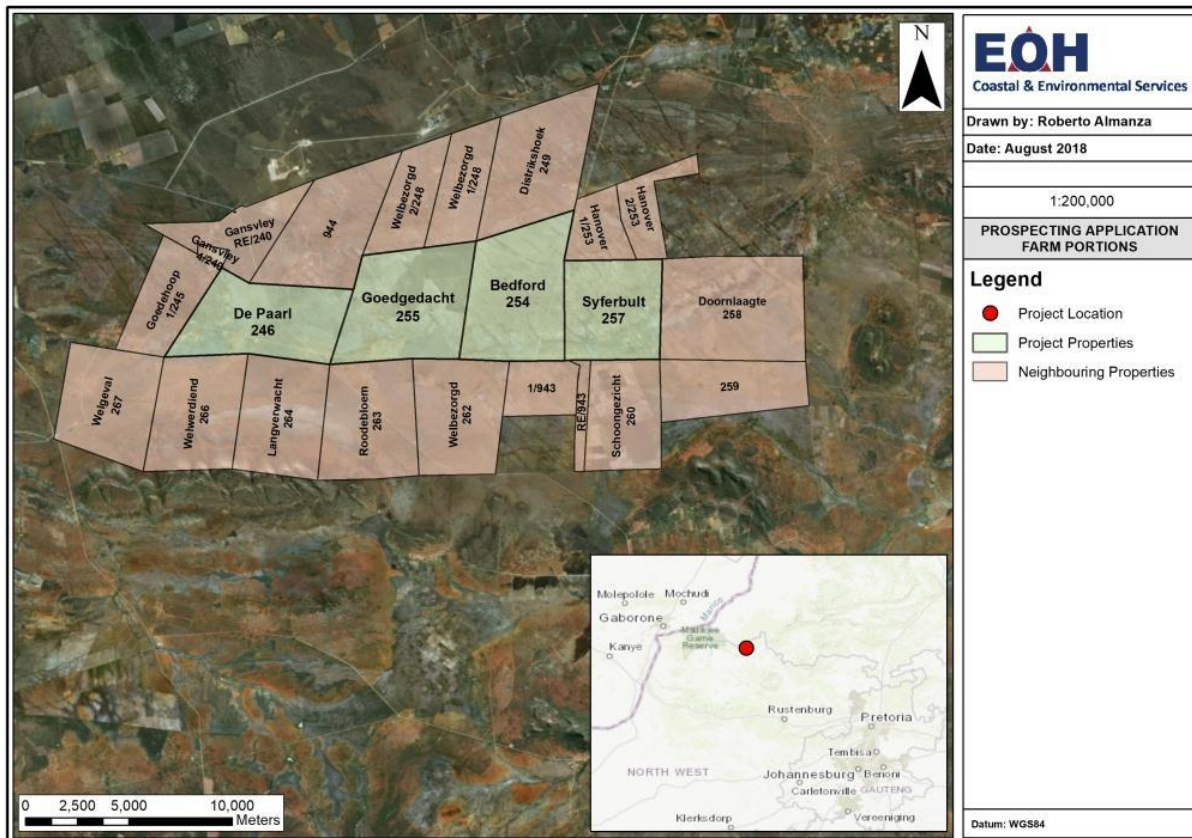


Figure 1: Locality map of the proposed Prospecting Right (demarcated in green) in the North West Province.

APPLICABLE LEGISLATION

This prospecting right triggers activities 20, 22 and 27 contained in Listing Notice 1 (GNR. 327) as well as activity 12 in Listing Notice 3 (GNR. 324) of the Amended EIA Regulations (2017), which requires a Basic Assessment. The Competent Authority (CA) for the application of the prospecting right as well as the application for environmental authorisation is the Department of Mineral Resources (DMR) in the North West Province.

Other relevant legislation includes the following:

- National Environmental Management: Air Quality Act (Act 39 of 2004) with subsequent amendments and Regulations;
- National Environmental Management Act, (Act 107 of 1998); with subsequent amendments and Regulations;
- National Environmental Management: Biodiversity Act (Act 10 of 2004);
- National Heritage Resources Act, (Act 25 of 1999);
- National Veld and Forest Fire Act, (Act 101 of 1998);
- National Water Act, (Act 36 of 1998) with subsequent amendments and Regulations; and
- The Occupational Health and Safety Act, (Act 85 of 1993).

It should be noted that this consultation process is required as part of the prospecting right application process and will serve as the inception public participation process (PPP) for the environmental authorisation that is legislated in the NEMA 2014 EIA Regulations and subsequent 2017 amendments. The process to obtain prospecting rights is prescribed in the Mineral and Petroleum Resources Development Act [MPRDA] (Act No. 28 of 2002, as amended). This should be read in conjunction with the National Environmental Management Act (Act 107 of 1998 and subsequent amendments).

In terms of section 16 (4) of the Mineral and Petroleum Resources Development Act (MPRDA, Act 28 of 2002 as amended in 2013), as well as Regulation 41 (2) of the National Environmental Management Act (NEMA, Act 107 of 1998 and subsequent amendments), the applicant must consult with the landowners, occupiers, surrounding landowners as well as any other potential interested and affected party and submit the results of such consultation to DMR for decision making.

POTENTIAL IMPACTS

The following preliminary environmental issues have been identified and will be investigated during the prospecting right application process:

- Impact of the prospecting activities and infrastructure on the physical environment;
- Loss of sense of place by surrounding property owners;
- Surface and groundwater pollution, as a result of prospecting activities and construction equipment;
- Contamination of soils as a result of spillages or leakages; and
- Loss of biodiversity.

Prospecting operations are typically small-scale and disturbance to the environment and farming activities are minimal. It is also a requirement that the areas that are disturbed are rehabilitated to conditions as close as possible to their pre-prospecting condition.

HOW CAN YOU BE INVOLVED?

A **Public Participation Process (PPP)** is being conducted as part of the Prospecting Right Application. The purpose of the PPP is to enable land owners, lawful occupiers, directly affected individuals, and / or other Interested and Affected Parties (I&APs) to raise any issues, concerns and / or comments regarding the proposed prospecting activities.

The PPP includes, *but is not limited to*:

- On-site Signage;

- Circulation of the BID (*this document*) to all Registered I&APs;
- Comments periods; and
- Review of the reports by all registered I&APs.

A Proof of Consultation Report will be compiled and submitted to the Department of Mineral Resources (DMR). It should be noted that the Proof of Consultation Report does not include detailed verifications of issues of concern but provides recommendations with regard to any fatal flaws that may restrict and / or limit any prospecting activities.

If you consider yourself an interested and/or affected person/party, it is important that you become and remain involved in the PPP. In order to do so please follow the steps below in order to ensure that you are continually informed of the project developments and will ensure your opportunity to raise issues and concerns pertaining to the project.

STEP 1: Please register by responding to our notification and invitation, with your name and contact details (details provided on cover page and below). As a registered I&AP you will be informed of all meetings, report reviews and project developments throughout the Basic Assessment process.

STEP 2: Register by returning the slip at the back of this document to EOH CES.

STEP 3: Attend any meetings that may be held during process.

EOH CES is required to engage with all private and public parties that may be interested and/or affected by the proposed project in order to distribute information for review and comment in a transparent manner.

In the same light, it is important for I&APs to note the following:

1. In order for EOH CES to continue engaging with you, please ENSURE that you register on our database by contacting the person below.
2. As the Basic Assessment process is regulated by specific review and comment timeframes, it is your responsibility to submit your comments within these timeframes.

Please send your Completed I&AP Registration Forms, Enquiries and/or Comments to:

E-mail: chantel.bezuidenhout@eoh.co.za or roberto.almanza@eoh.co.za

Postal Address: 13 Stanley Street, Richmond Hill, Port Elizabeth, 6001

Telephone number: 041 585 1715

All comments must be submitted no later than the 26th of October 2018.

**I hereby wish to register as an Interested and Affected Party (I&AP) for the Proposed
Prospecting Right Application, Thabazimbi, North West Province**

Name & Surname:

Email Address:

Telephone/Mobile Number:

Fax Number:

My initial comments, issues or concerns are:

Other individuals, stakeholders, organisations or entities that should be registered are:

Name & Surname:

Reason for Registration:

Contact Details:
