



INFORMATION DOCUMENT

PURPOSE OF THIS DOCUMENT

The purpose of this Document is to:

- Create awareness of the proposed prospecting activities;
- Advise on the processes to be followed during the application process; and
- Invite you, as I&AP, to participate and provide input.

INTRODUCTION

Dalinox (Pty) Ltd. (the Applicant) submitted an application for a prospecting right for the potential future exploration of heavy minerals on various portions of the Farms Maanhaar 6 IU, Tothierto 7IU, Kalverraal 8IU and Steynburg 166IT, in Mpumalanga Province.

The application was submitted to the Department of Mineral Resources (DMR): Directorate Mineral Regulation, in terms of Section 16 of the Mineral and Petroleum Resource Development Act (Act No. 28 of 2002) (MPRDA).

The DMR issued a letter of acceptance of the application, and instructed the Applicant to proceed with consultation with Interested and/or Affected Parties (I &APs), and the preparation of an Environmental Management Plan (EMP), as per the requirements of Sections 16(4), 17(4) and 29 of the MPRDA.

The Applicant appointed the MSA Group (MSA), as independent environmental and mineral tenure consultants, to undertake the I&AP consultation process and compile the EMP for the proposed prospecting activities.

LOCATION

The proposed area of exploration is located near Barberton in Mpumalanga. The extent of the area required for prospecting is approximately 5337.624 hectares.

The Prospecting Right Application includes the following properties:

- Maanhaar 6 IU;
- Tothierto 7 IU;
- Kalverraal 8 IU; and
- Steynburg 166 IT

Please refer to the enclosed Locality Map.

DESCRIPTION OF THE PROPOSED ACTIVITY

The Applicant wishes to prospect for Gold; Nickel, Copper, Lead and Zinc on the above mentioned properties.

It is envisaged that the proposed prospecting will be conducted over a period of 5 years. The proposed exploration programme involves both invasive and non-invasive prospecting methods, and will include drilling, sampling, analysis and resource estimation.

Field mapping will be undertaken and the results combined with remote data sets to produce a project specific geological map. The mapping will be followed by further ground work that will include stream sediment sampling, focussed detailed mapping; detailed soil geochemical surveys; airborne and ground geophysical surveys to define drilling targets.

Various phases of drilling will be employed to delineate and define the resource to SAMREC specifications.

All the ground work will be followed by geological and resource modelling.

LEGAL FRAMEWORK

In terms of the Mineral and Petroleum Resources Development Act (MPRDA) (Act No. 28 of 2002), the proposed prospecting activities can only commence once the applicant has received authorisation from the Department of Mineral Resources (DMR).

The application for a prospecting right was submitted to the DMR and accepted on 19 June 2012. In order to further this application, the Applicant has to consult I &APs within 30 days of acceptance. A consultation report has to be submitted to the DMR within this timeframe.

In addition, an EMP must be compiled and submitted to the DMR within 60 days from the date of acceptance of the application. This report will identify possible environmental risks and impacts, which may occur as a result of the prospecting activities. It will also identify mitigation measures, to ensure that potential negative environmental impacts are reduced as far as possible.

ANTICIPATED POTENTIAL ENVIRONMENTAL IMPACTS

The following preliminary potential environmental areas of impact have been identified and will be considered during the compilation of the EMP:

- Impacts on fauna and flora (ecology/biodiversity);
- Impacts on soil and/or agricultural resources;
- Impacts on water resources;
- Noise impacts;
- Impacts of vibration;
- Increased traffic; and
- Impacts on cultural / heritage resources.

Management guidelines will be developed for the abovementioned issues and incorporated in the EMP.

You are welcome to comment on the above list and provide additional anticipated environmental issues and possible impacts which should be addressed.

CONSULTATION WITH I &APS

The public consultation process provides people, who may be affected by the proposed prospecting activities, with an opportunity to provide comments and to raise issues of concern, or to make suggestions that may result in enhanced benefits for the project.

Your involvement will enable the project team to produce comprehensive reports for submission to the approving authority, enabling them to make informed decisions.

You can become involved in the project by:

- Registering as an I&AP;
- Proposing ideas during the consultation process;
- Voicing your concerns;
- Assisting with the provision of information that will contribute to the compilation of a complete EMP.

Should you wish to participate, please register as an I&AP as soon as possible and forward any comments you may have to MSA. A registration sheet is attached for your convenience, please complete this form and return to MSA.

As mentioned above, the MPRDA makes provision for a consultation period of 30 days from the date of the acceptance of the application by the DMR. Kindly submit your comments / input to MSA no later than **Tuesday, 24 July 2012**.

If you have any additional queries, please contact:

Ms. Pamela Mqulwana

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Fax: 011 880 2184

Email: pamelam@msagroupservices.com

The MSA Group

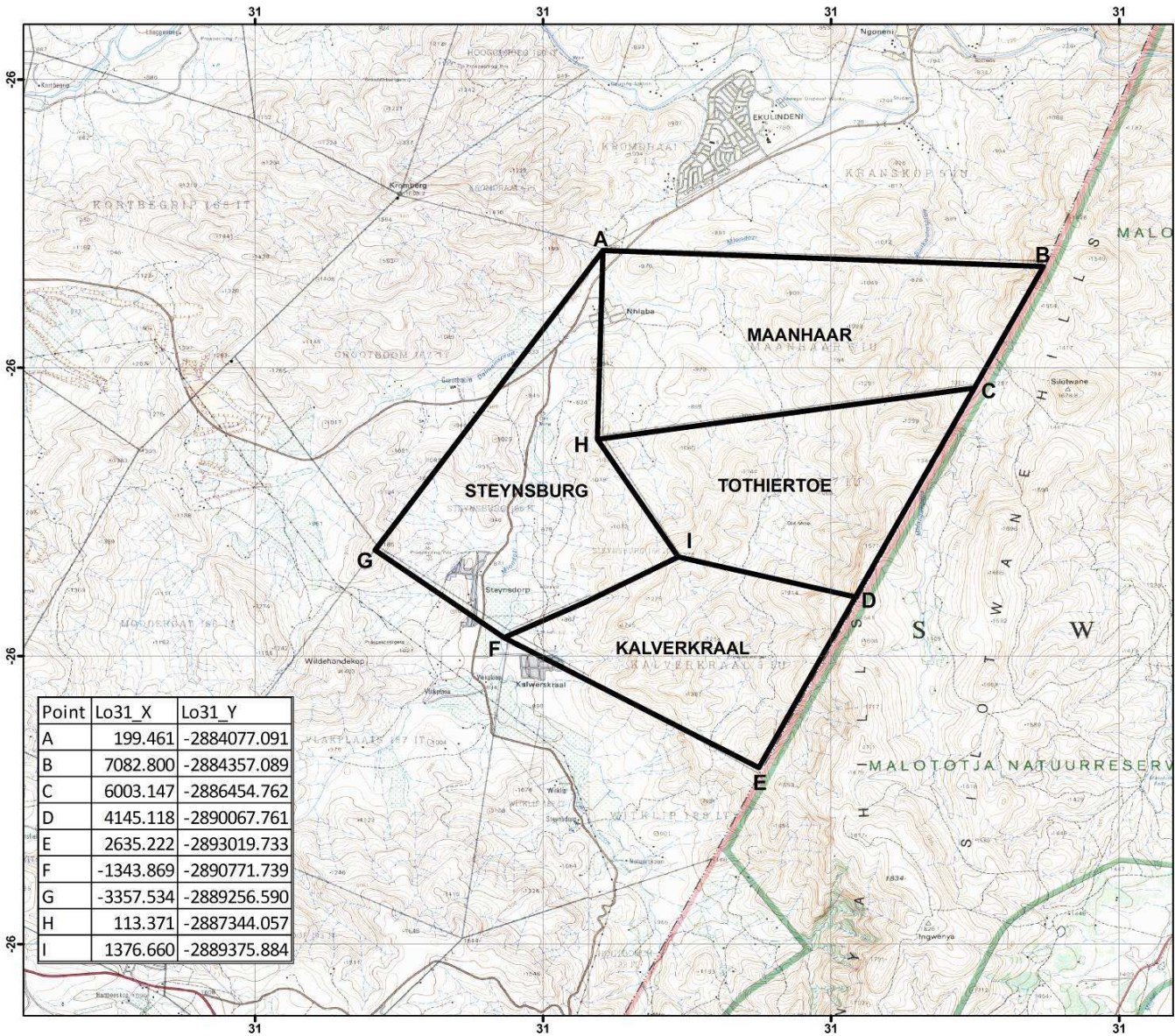
P.O. Box 81356

Parkhurst

Gauteng

2120





Point	Lo31_X	Lo31_Y
A	199.461	-2884077.091
B	7082.800	-2884357.089
C	6003.147	-2886454.762
D	4145.118	-2890067.761
E	2635.222	-2893019.733
F	-1343.869	-2890771.739
G	-3357.534	-2889256.590
H	113.371	-2887344.057
I	1376.660	-2889375.884

DALINOX

Application for a Prospecting Right over the farms Steynsburg 1661T, Maanhaar 6IU, Tothiertoe 7IU, Kalverkraal 8IU

Approximately 5337.624 ha

Plan Compiled in accordance with Regulation 2(2) of the Mineral & Petroleum Resources Development Act, 2002 (Act 28 of 2002)

Applicant _____

Date _____

N

 0 1 2 Km
 LO31, WGS84