

IZAZI MINING RESOURCES (PTY) LTD

Date: 2015-08-25

ATTENTION: INTERESTED & AFFECTED PARTIES

Dear Sir/ Ma'am

APPLICATION FOR A PROSPECTING RIGHT FOR COAL, TORBANITE AND PSEUDOCOAL, BETWEEN SASOLBURG, KOPPIES AND HEILBRON

1. INTRODUCTION

Izazi Mining Resources (Pty) Ltd has submitted an application for the a prospecting right for coal, torbanite and pseudocoal on 33 644 ha of land located 20 km south of Sasolburg, 15 km north east of Koppies and 30 km north west of Heilbron, between the N1 and R57 in the Free State Province (See Figure 1).

This letter serves to **notify you as a landowner, lawful occupier or affected party of the application in accordance with Section 16(4) of the Minerals & Petroleum Resources Development Act (No. 28 of 2002).**

Any activity involving prospecting or associated activities requires an environmental authorisation under Section 24 of the National Environmental Management Act (No. 107 of 1998). Application for environmental authorisation is to be supported by a Basic Impact Assessment and Public Participation Process undertaken in accordance with the Environmental Impact Assessment Regulations, 2014. **This letter serves to give notice of the application in accordance with Section 41(b) of the EIA Regulations (GNR 983).**

EXM Consulting has been appointed as independent Environmental Assessment Practitioner, responsible for undertaking the Basic Assessment and Public Participation Process on behalf of Izazi Mining Resources.

Purpose

This document serves to:

- Notify you of the application for the prospecting right and environmental authorisation
- Describe the environmental assessment process
- Inform you how you can provide input into the process.

Your Role

As an interested and affected party, your role is to:

- Raise issues and concerns
- Review and provide comment on the Basic Impact Assessment Report
- Review and provide comment on the Environmental Management Programme.

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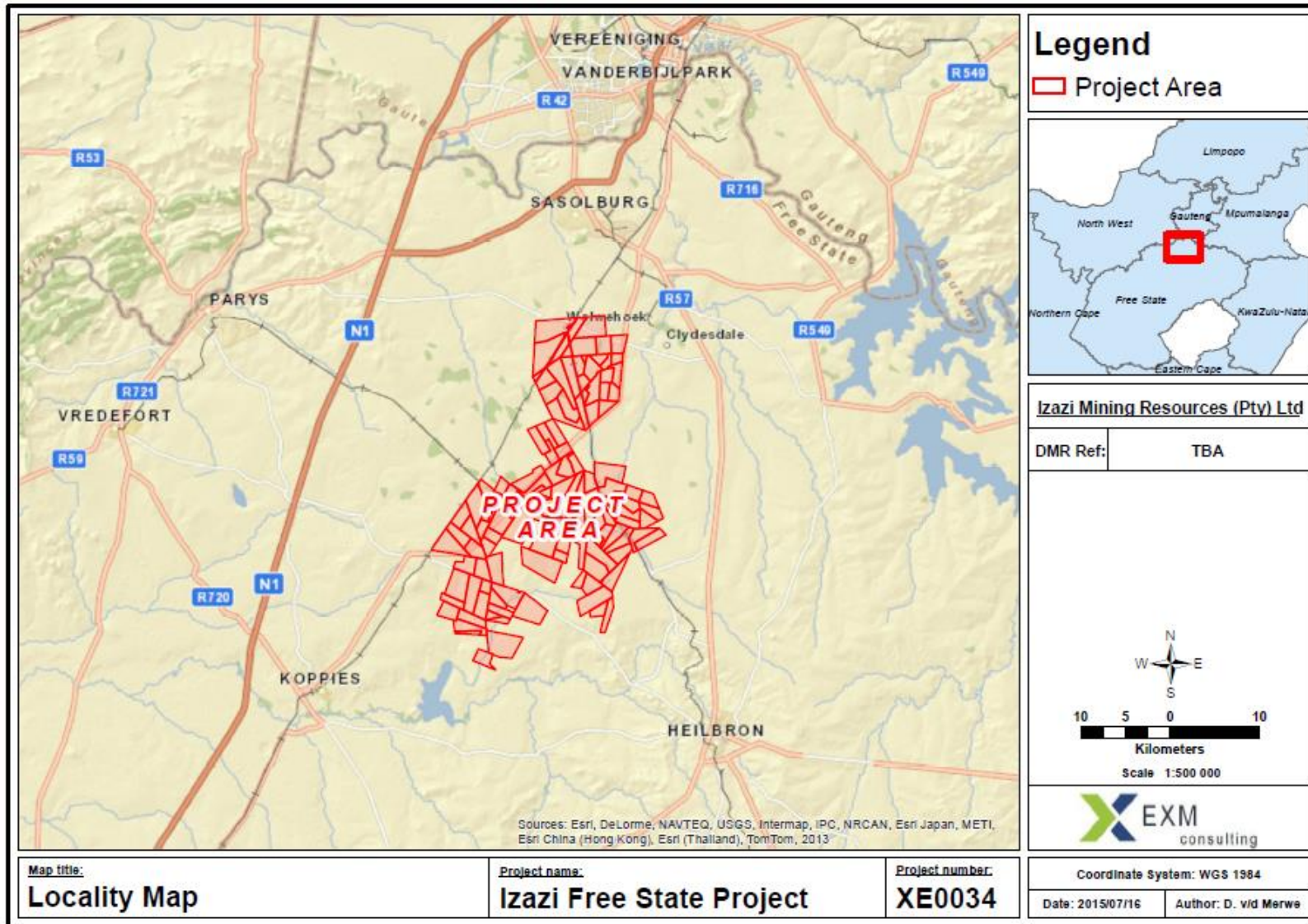


Figure 1: Location of Prospecting Right Application Area

Hierdie brief is ook in Afrikaans beskikbaar.

2. PROSPECTING ACTIVITIES

Upon the Department of Mineral Resources granting the prospecting right the prospecting process will be conducted in three phases:



The prospecting right is valid for 3 years, after which the right holder has the option to extend it for a further 3 years.

2.1. Desktop Study

The desktop study will involve reviewing historical data on the presence of coal, torbanite and pseudocoal in the regional area. In addition a detailed assessment of the project location geology will be undertaken to ascertain the presence of possible manganese and chromium as well as potential locations to commence site drilling.

2.2. Site Drilling

Site drilling is an invasive activity and will involve the mobilisation of two to three drill rigs (see Plate 1) that is accompanied by approximately six personnel to operate the rig. The total area of the prospecting right is 33 644 hectares while the drill site footprint is generally smaller than 500 m². Site drilling will be conducted using rotary core and percussion methods whereby rock samples (see Plate 2) will be collected for analysis in a laboratory. All drill sites will be rehabilitated back to pre-drilling to ensure minimum impact on the environment. Site drilling can take place for between one month and five years depending on the outcomes of the rock samples.

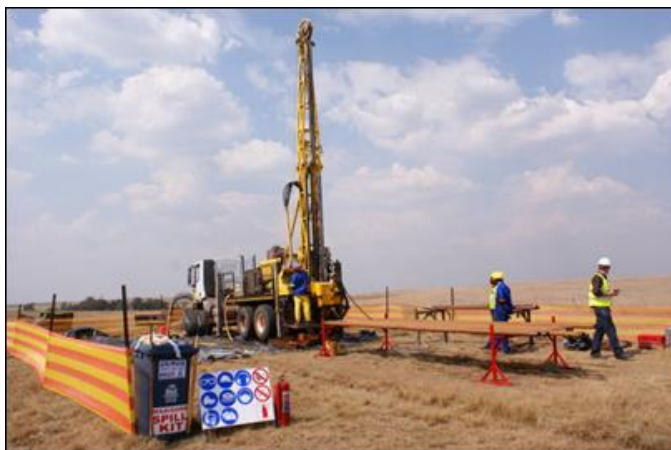


Plate 1: Typical Drill Site

The amount of holes to be drilled will be identified from the desktop study. It is however anticipated that should a coal resource be identified that the area will be drilled to a measured resource whereby a hole is required in 350 m intervals on the prospecting right area. The location of the prospecting holes is however dependent on the impact of the environment, economic activities on the property and underlying geology.



Plate 2: Geological Core Samples from Prospecting Drilling

2.3. Reporting

The reporting stage will involve documenting and interpreting the rock samples that was collected during the drilling activities. Reporting is not an invasive site activity and will be conducted by consultants in their offices. A competent persons report will be submitted to Izazi on conclusion of prospecting activities. The reporting stage may advise further drilling to take place and the three stage process will be repeated during the lifespan of the prospecting right.

3. PUBLIC PARTICIPATION PROCESS

The public participation process involves the following phases:

- | | |
|--|------------------------------|
| ➤ Identification and notification of interested and affected parties | by 25 Aug 2015 |
| ➤ Public Meetings | on 8 Sept 2015 |
| ➤ Submission of issues and concerns | by 11 Sept 2015 |
| ➤ Review of Basic Assessment Report | 22 Sept – 22 Oct 2015 |
| ➤ Submission of comments on Basic Assessment Report | by 22 Oct 2015 |

3.1. Public Meetings

You are invited to attend either of the following public information-sharing meetings:

Sasolburg

Date: Tuesday 8 September 2015

Time: 10h00

Venue: Casa Mia Guest House,
16 Billingham Street,
Sasolburg

Koppies

Date: Tuesday 8 September 2015

Time: 14h00

Venue: Friesland Hotel
North Street,
Koppies

3.2. Basic Assessment Report

The Basic Assessment Report (BAR) documents the outcomes of the environmental assessment and the public participation process. It is compiled in a standard format prescribed by the Department of Mineral Resources and includes:

- A description of the environment
- Description of the proposed prospecting activities
- An environmental impact assessment
- An environmental management programme (including rehabilitation plan)
- A calculation of financial provision required for the rehabilitation of disturbance.

Anticipated key environmental impacts related to prospecting activities include:

Environmental Impact	Anticipated Impact Significance after Mitigation	Activity Causing Impact
Groundwater pollution	Low	Drilling hole contamination
Surface water pollution	Low	Cleared drill site
Noise generation	Low	Drilling/ vehicles
Dust generation	Low	Vehicles
Loss of plants/ animals	Low	Clearing of drill site

The Department of Mineral Resources is the competent authority responsible for issuing the prospecting right and the environmental authorisation.

3.3. Submitting Issues and Concerns

Should you wish to provide any comments, raise issues or concerns or request further information on the project you can complete and submit the attached comments sheet.

All correspondence and submissions can be made to:

Izazi Prospecting Right

Attention: Divan van der Merwe

Tel: 073 378 7845

Fax: 086 407 9911

Post: PO Box 1822, Rivonia, 2128

Email: info@exm.co.za

All comments, issues and concerns will be incorporated into a basic environmental impact assessment report for consideration by the Department of Mineral Resources

PUBLIC INPUT SHEET FOR THE IZAZI PROSPECTING RIGHT APPLICATION

Name:	
Address:	
Telephone/cell phone:	
Fax:	
E-mail:	
Date:	
Signature:	

If you know of others who should be informed of this application, please provide us with their contact details:

Name:	
Address:	
Telephone/cell phone:	
Fax:	
E-mail:	

ISSUES, CONCERNS AND QUESTIONS
