

11 November 2016

DOORKOP PLATS (Pty) Ltd

ATTENTION: INTERESTED & AFFECTED PARTIES

Dear Sir/Madam

APPLICATION FOR PROSPECTING ACTIVITIES ON PORTIONS 3, 4 & 6 OF THE FARM PAARDEKRAAL 422JS AND PORTIONS 1, 3, 5, 6, 9, 11, 15, 16, 18, 21 & REMAINDER OF THE FARM GENERAALSDRAAI 423JS, 15 KM SOUTH WEST OF BELFAST IN MPUMALANGA

(Department of Mineral Resources Prospecting Application ref. MP30/5/1/1/2/14517 PR)

1. INTRODUCTION

Doornkop Plats (Pty) Ltd (Doornkop Plats) has submitted an application for a prospecting right for platinum group metals, chrome, cobalt, copper, nickel and gold on portions 3, 4 & 6 of the farm Paardekraal 422JS and portions 1, 3, 5, 6, 9, 11, 15, 16, 18, 21 & remainder of farm Generaalsdraai 423JS, located approximately 15 km south west of Belfast in Mpumalanga (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) and is a listed activity (Activity 20) of GNR 983 of the Environmental Impact Assessment (EIA) Regulations, 2014. An application for environmental authorisation is to be supported by a Basic Impact Assessment and Public Participation Process undertaken in accordance with the EIA Regulations, 2014. **This letter serves to give notice of the application in accordance with Section 41 (2) (b) of the EIA Regulations (GNR 983).**

EXM Advisory Services has been appointed as the independent Environmental Assessment Practitioner, responsible for undertaking the Basic Assessment and Public Participation Process on behalf of Doornkop Plats.

Purpose

This document serves to:

- Notify you of the application for prospecting activities.
- Describe the environmental basic assessment process.
- Inform you of 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 Closure Plan.

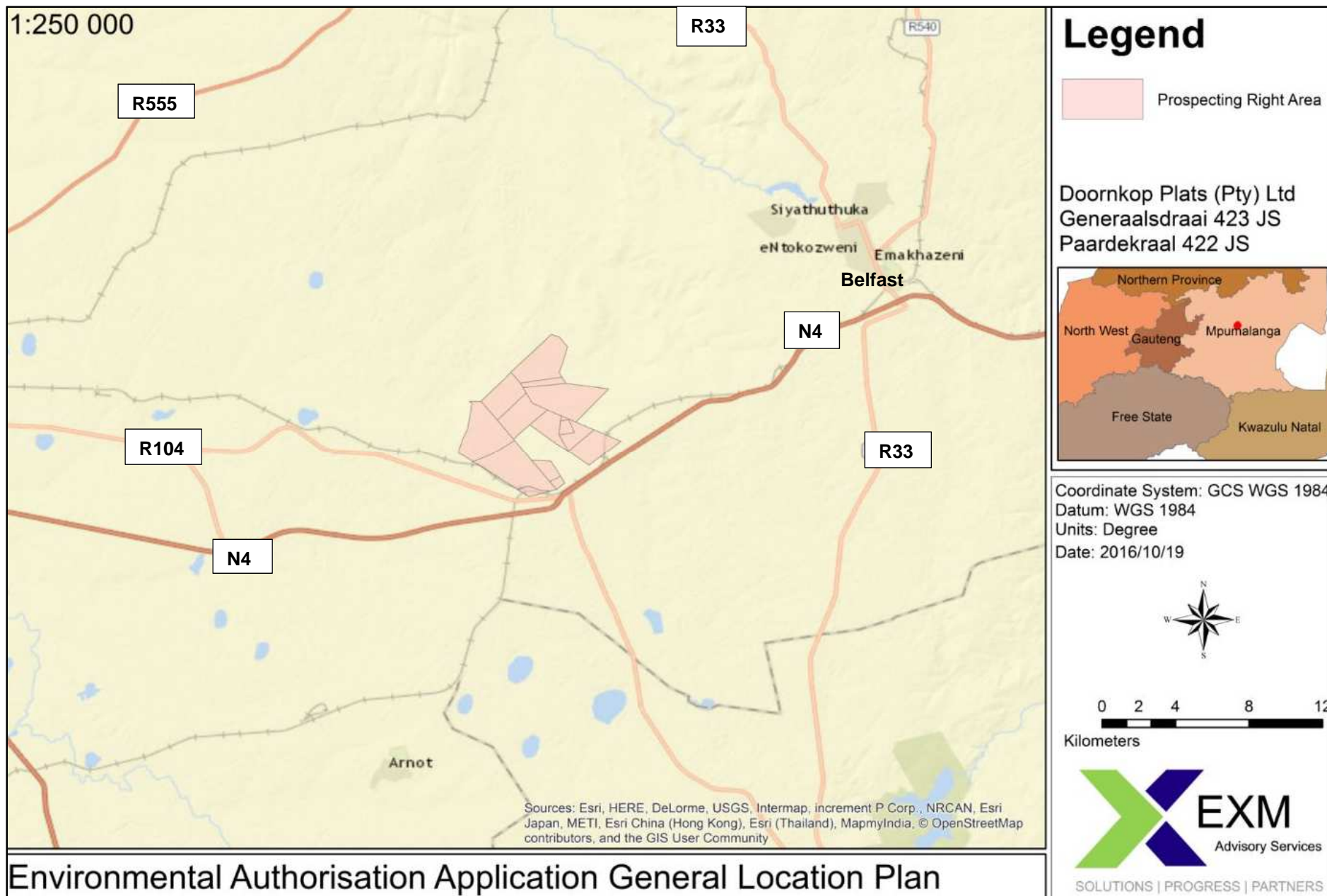


Figure 1: Location of Prospecting Right Application Area

Hierdie brief is ook in Afrikaans beskikbaar.

2. PROSPECTING ACTIVITIES

The duration of the prospecting right is 5 years, with the option of renewing the right for a further 3 year period. The activities will be carried out over this period. The following prospecting activities will be carried out over this period.

Geophysical surveys and analysis

The extensive government database of magnetic, electromagnetic, and gravity data will be studied, interrogated, and interpreted to focus ongoing exploration. Early stage exploration may require higher resolution magnetic surveys to be flown, or reflection seismic lines to be carried out to provide additional information of the area prior to diamond drilling.

Geological Prospecting work

Reconnaissance-scale geological mapping of the application area will be undertaken. This will allow for the compilation of existing and historical geological information in order to focus the ongoing activities on target areas. Dependent on the results of the geological, geophysical and geochemical work, it is likely that the decision would be taken to proceed directly to diamond drilling, rather than do any further fieldwork. Diamond drilling may be performed to investigate the source of geochemical and geophysical anomalies, or prospect for blind targets concealed by overlying strata.

Geochemical work

Rock chip sampling will be completed as the area is mapped, and will be submitted for appropriate geochemical analysis together with mineralogical analysis. Soil geochemical surveys at an appropriate sample spacing and depth for the target mineralisation will be done.

Resource Evaluation

Should potentially economic mineralisation be identified by any of the activities outlined above, the focus of the project will be to define a Mineral Resource. Initially, diamond drilling will be done at widely spaced intervals of nominally 500 to 1000m for this style of mineralisation to provide an Inferred Mineral Resource. The final drill spacing required will depend on a range of geological factors. Should the economic potential justify continuation of the project, ongoing diamond drilling will be done to define an Indicated Mineral Resource. Typically, a drill spacing of 250 to 500m is required to achieve an Indicated Mineral Resource.

Site Drilling Procedure

Site drilling will be conducted using a diamond drill whereby rock samples will be collected for analysis in a laboratory. The disturbance area of each drill site is generally smaller than 500 m². An example of a typical drill site is given in Figure 2 and a photo of a drill is shown in Figure 3. All drill sites will be rehabilitated back to the pre-drilling state 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.

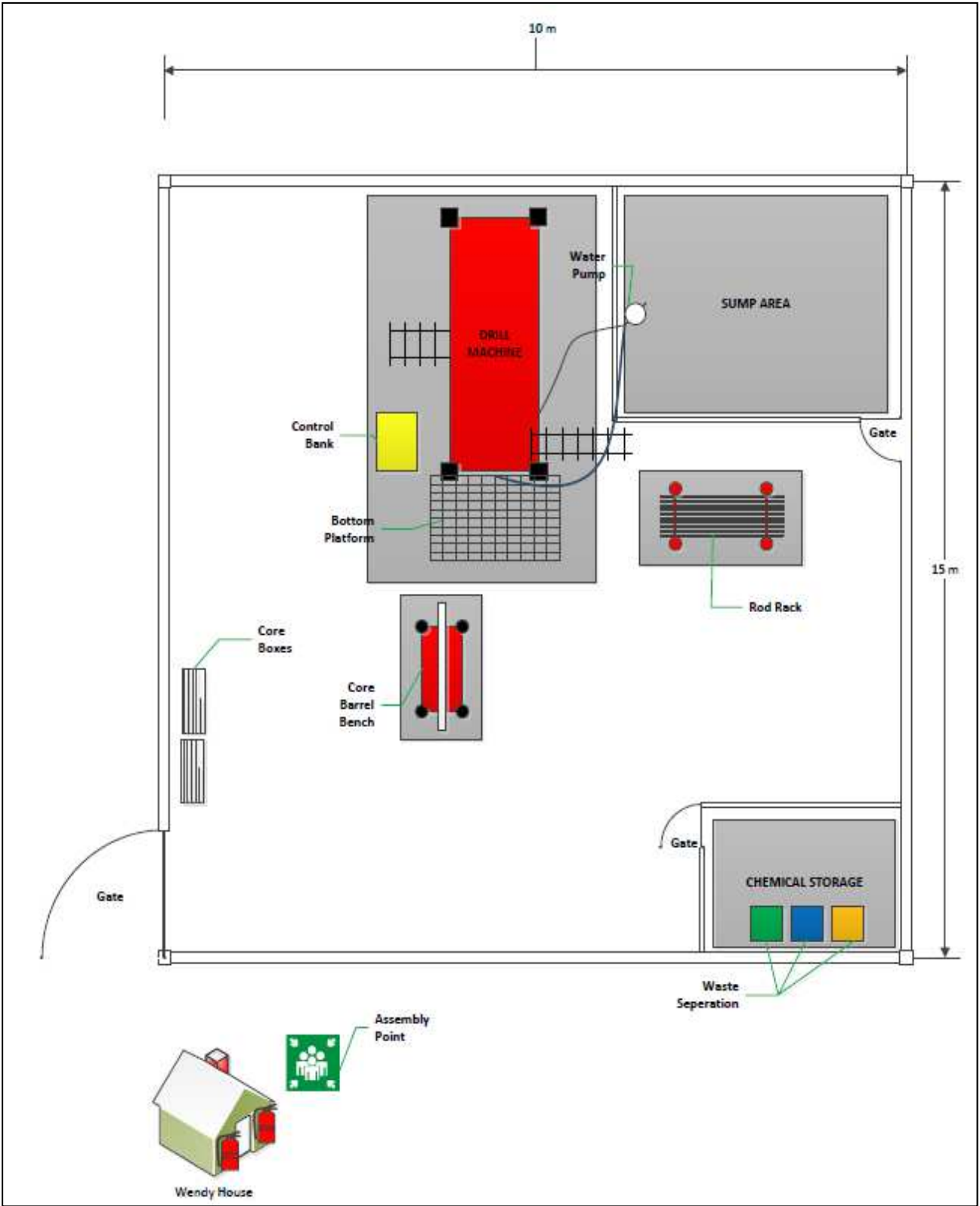


Figure 2: Layout of Typical Drill Site



Figure 3: Typical Drill Site

The number and distribution of drill holes is dependent on the nature of the findings of the prospecting activities and initial drilling programme. More drill holes may be drilled, should initial results deem it feasible for more drilling to take place. The actual location of the prospecting holes is dependent on the impact of the environment, economic activities on the property, and underlying geology.

The reporting stage involves documenting and interpreting the rock samples that were collected during the drilling activities.

3. PUBLIC PARTICIPATION PROCESS

The public participation process involves the following phases:

- | | |
|----------------------------------------------------------------------|-----------------------|
| ➤ Identification and notification of interested and affected parties | 10 - 14 November 2016 |
| ➤ Submission of initial issues and concerns | 14 December 2016 |
| ➤ Review of Basic Assessment Report | January-February 2017 |
| ➤ Submission of comments on Basic Assessment Report | February 2017 |

3.1 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
- A basic 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	Activity Causing Impact	Typical Mitigation Measures	Anticipated Impact Significance after Mitigation
Groundwater pollution	Drilling hole contamination	Waste management. Compliance with the Environmental Management Programme (EMP), compliance with relevant standards and regulations	Low
Surface water pollution	Cleared drill site	Stormwater management. Compliance with the EMP, compliance with relevant standards and regulations	Low
Noise generation	Drilling/ vehicles	Noise management. Compliance with the EMP, compliance with relevant standards and regulations	Low
Dust generation	Vehicles	Compliance with the EMP, compliance with relevant standards and regulations.	Low
Loss of plants/ animals	Clearing of drill site	Site clearance plan, management of sensitive sites as identified. Compliance with the EMP, compliance with relevant standards and regulations.	Low

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

3.2 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:

Paardekraal/Generaalsdraai Prospecting

Attention: Kerry Fairley and Shelley Seton-Rogers

EXM Advisory Services (Pty) Ltd

Tel: 010 007 3617

Fax: 086 616 0443

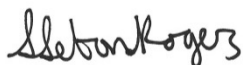
Post: PO Box 1822, Rivonia, 2128

Email: kerry@exm.co.za or shelley@exm.co.za

INITIAL COMMENTS SHOULD BE SUBMITTED BY 14 DECEMBER 2016

All comments, issues and concerns will be incorporated into a basic environmental impact assessment report for consideration by the Department of Mineral Resources. Please do not hesitate to contact the undersigned with any queries.

Kind regards,



Shelley Seton-Rogers

Environmental Scientist

