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South African Heritage Resource Agency P.O. Box 4637 Cape Town 8000

Attention: Mr. A. Salomon

APPLICATION FOR ENVIRONMENTAL AUTHORISATION THROUGH S&EIR FOR A PROSPECTING RIGHT ON THE REMAINDER, PORTION 16 AND PORTION 1 OF THE FARM JAGERSFONTEIN 14, FAURESMITH DISTRICT, FREE STATE

Purpose of this document

The main purpose of this Notification and Background Information Document is to summarise the activities that will be associated with the proposed prospecting for diamonds by Jagersfontein Developments (Pty) Ltd ("JD") (the "Project") on the Remainder, Portion 1 and Portion 16 of the Farm Jagersfontein 14 IS, Fauriesmith District, Xhariep District Municipality, Free State ("Prospecting Area").

This BID also provides stakeholders and / or identified Interested and Affected Parties ("**I&AP**") with the opportunity to comment on the proposed scope of work and to indicate their interest.

Project Description

Turn 180 Environmental Consultants will submit an application to obtain Environmental Authorisation ("EA") in terms of the EIA Regulations of 2014 as amended in 2017 under the National Environmental Management Act 107 of 1998 ("NEMA") for the prospecting right in terms of section 16 of the Minerals and Petroleum Resources Development Act 28 of 2002 ("MPRDA") to the Department of Mineral Resources ("DMR") in order to prospect for diamonds on the Prospecting Area. A Scoping and Environmental Impact Reporting process will be followed to obtain EA.

Prospecting will be done by determining the presence and distribution of any mineral resource which may contain diamonds (i.e. Kimberlites). Geological and geophysical information will be comprehensively reviewed, and the area will be surveyed. Should Kimberlites be located during the surveys, further drilling and excavation will be conducted to test the material samples for economic potential.

This will be followed by bulk sampling (i.e. large diameter drilling and excavations) to define the mineral resource. If the bulk sampling results are encouraging a pre-feasibility study will be conducted to determine the viability of the economic exploitation thereof.

Locality

The activity will occur on the Prospecting Area as indicated above. Refer to the locality map and site plan as included in the Draft Scoping Report attached to this letter.

Relevant legislation

The application will be made in terms of the following legislation:

• Application for EA for the following activity according to GN R. 325 (7 April 2017), published under NEMA:

Activity 19 reads as follows:

"The removal and disposal of minerals contemplated in terms of section 20 of the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002), including—

(a) associated infrastructure, structures and earthworks directly related to prospecting of a mineral resource; or

(b) the primary processing of a mineral resource including winning, extraction, classifying, concentrating, crushing, screening or washing;

but excluding the secondary processing of a mineral resource, including the smelting, beneficiation, reduction, refining, calcining or gasification of the mineral resource in which case activity 6 in this Notice applies."

The process will include the following:

- S&EIR process;
- Public Participation Process; and
- Specialist studies (if required).

S&EIR process

The impacts of all activities associated with the Project will be assessed in the S&EIR. Draft reports will be made available to all registered I&APs for comment. Comments received will be addressed and incorporated into the final reports, which will then also be made available to the registered I&APs for comment.

An Environmental Management Programme will also be developed for all activities associated with the Project, wherein mitigation and management measures will be proposed that should be implemented during all phases of the Project. The final reports will be submitted to the Department of Mineral Resources ("**DMR**") for processing.

Invitation to participate

You are requested to send any issues and/or concerns regarding the proposed Project to Louis De Villiers at Turn 180 Environmental Consultants:

Suite 221, Private Bag X01, Brandhof, 9324

072 967 7962 (Tel), or

louis@turn180.co.za

Comments must be sent within 30 days of the date of this BID. The issues received will be recorded and addressed accordingly.

We trust that you find this in order.

Kind Regards

Louis De Villiers