

DIGBY WELLS

ENVIRONMENTAL

BACKGROUND INFORMATION DOCUMENT

Mining Permit Application on Farm De Grooteboom for Cobalt and Associated Platinum Group Metals, near Steelpoort, Tubatse Local Municipality

April 2015

Project Code:

UAR2967

Prepared for:

De Groote Boom Minerals (Pty) Ltd

For any project related information, please contact:

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1 PURPOSE OF THE DOCUMENT

De Groote Boom Minerals (Pty) Ltd (De Groote Boom) is proposing the development of an open pit mine with associated infrastructure on a site located near Steelpoort Town in Limpopo Province (the proposed project). This Background Information Document (BID) has been developed to:

- Provide a description of the proposed project;
- Provide an overview of the Environmental Management Plan (EMP) which will be undertaken; and
- Provide details of the Public Participation Process (PPP) and how stakeholders can become involved.

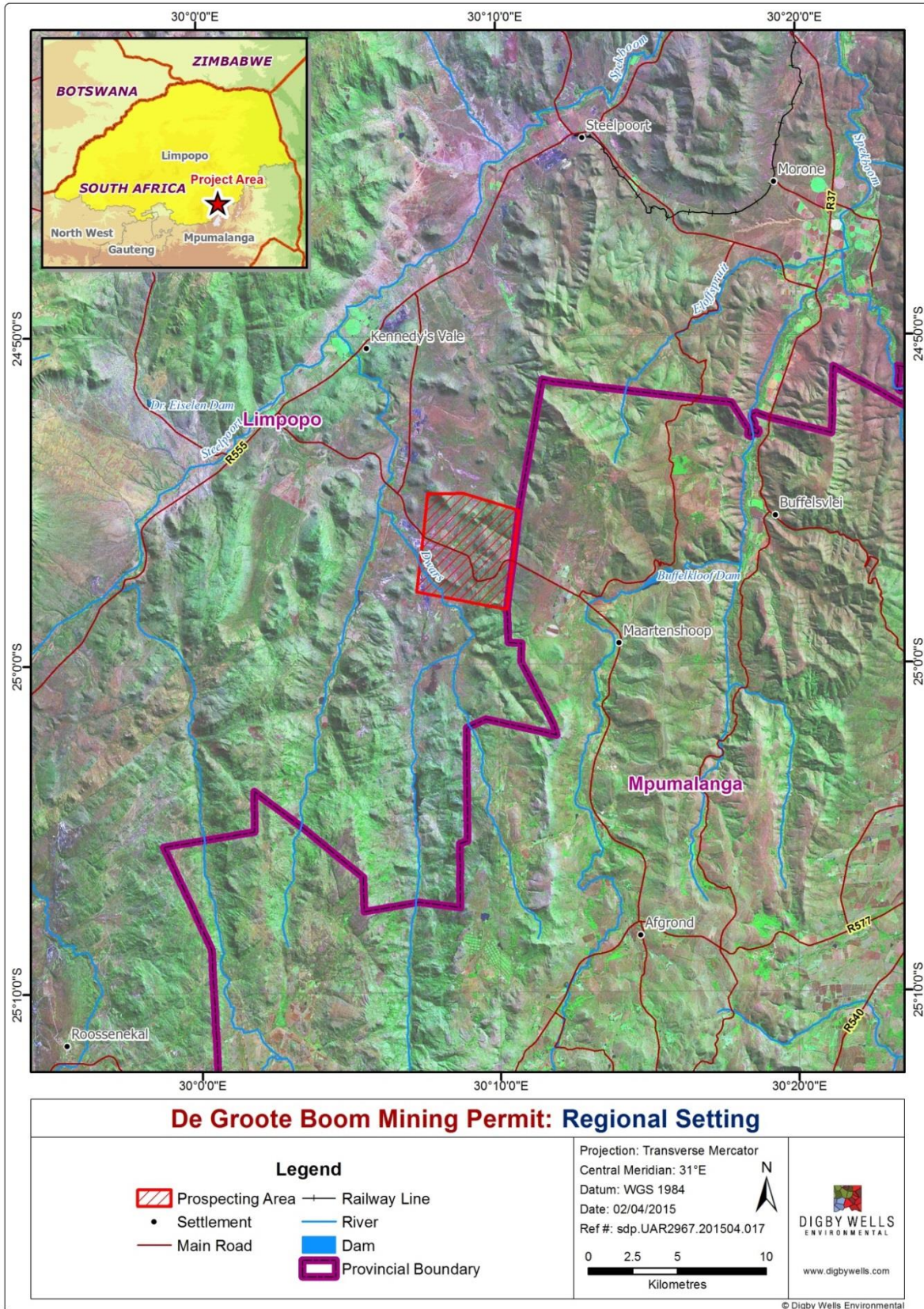
2 PROJECT DESCRIPTION

2.1 Background

De Groote Boom has submitted a Mining Permit Application (MPA) to mine Cobalt and Platinum Group Metals (PGMs) to the Department of Mineral Resources (DMR). De Groote Boom has been instructed by the DMR to prepare an Environmental Management Plan (EMP) and undertake a Public Participation Process (PPP). Digby Wells Environmental (Digby Wells) has been appointed as the independent Environmental Assessment Practitioner (EAP) to compile and submit the EMP and undertake the PPP.

2.2 Project Location

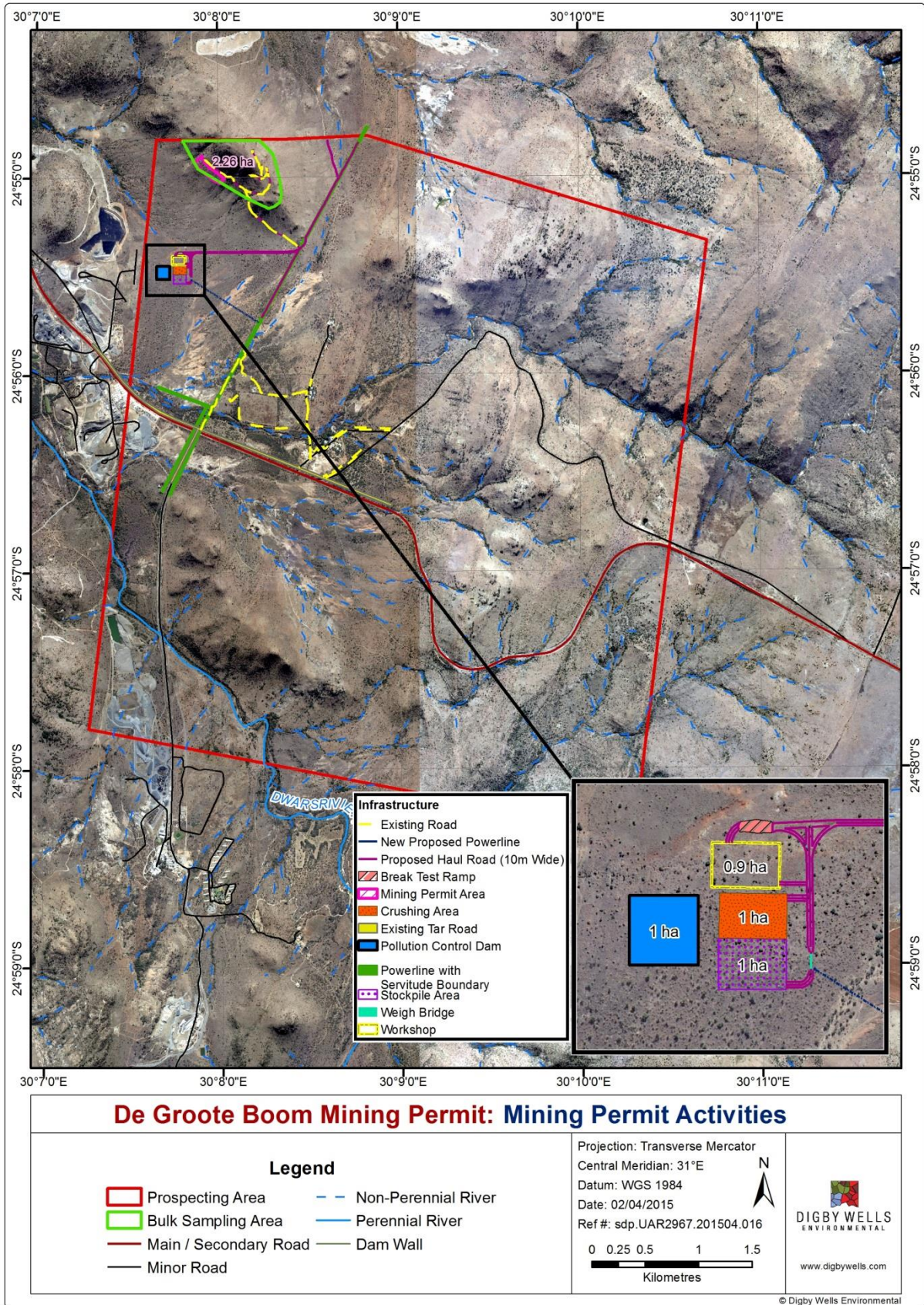
The proposed project is situated on the farm De Grooteboom 373 KT, 35 km South East of Steelpoort Town, within the Greater Tubatse Local Municipality in the Limpopo Province (see regional setting).



Plan 1: Regional Setting

2.3 Project Description

De Groote Boom currently holds an approved Bulk Sample Prospecting Right valid for three years, the company has applied for a mining permit which will allow for the mining of primarily Cobalt and associated Platinum Group Metals (PGMs) covering an extent of not more than 5 ha on the Remaining Extent and Portion 2 of the farm De Grooteboom 373 KT. It is possible that after completing work under the mining permit, De Groote Boom will commence with full scale mining of Cobalt and PGMs in terms of a mining right that would be applied for at that stage. Mining under the mining permit will be undertaken by open pit methods and the ore will be transported to a mobile plant for crushing and screening. The ore will be stockpiled until transported off site by truck. The mining permit area is adjacent to the Bulk Sample area and the operational and related infrastructure areas. See Mining Permit Activities map. The project entails a construction phase, mining phase and potentially a decommissioning phase. The decommissioning phase will only be applicable if the project does not prove to be viable.



Plan 2: Mining Permit Activities

2.4 Project Infrastructure and Activities

The project infrastructure and activities will include the following:

- Upgrading of existing roads;
- Construction of a Pollution Control Dam;
- Construction of a weigh bridge;
- Storage of fuel and oils in temporary storage facilities;
- Site clearance by topsoil removal and stockpiling;
- Workshops, ablution facilities and offices;
- Extraction and hauling of ore;
- Crushing and screening of ore in mobile plant and stockpiling;
- Dirty and clean water management; and
- Waste generation and disposal of waste including sewage.

3 ENVIRONMENTAL AUTHORISATION

The environmental authorisation for the proposed project will require the compilation and submission of a Mining Permit Application and Environmental Management Plan (EMP) in terms of the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002) to the Limpopo Department of Mineral Resources (DMR).

3.1 Specialist Studies

In order to compile the EMP various specialist studies will be undertaken to assess the potential impacts the project might have, including:

- | | | |
|---------------------------------|-------------------|----------------|
| ■ Soils and Land Use Capability | ■ Noise | ■ Hydrology |
| ■ Closure and Rehabilitation | ■ Air Quality | ■ Hydrogeology |
| ■ Wetlands | ■ Heritage | ■ Social |
| ■ Aquatics | ■ Fauna and Flora | ■ Visual |

3.2 Public Participation Process

Any Stakeholder affected by or who may be interested in the proposed project is invited to register as an Interested and Affected Party (I&AP) and to become involved in the EMP development for the proposed project. I&APs will be informed of availability of the EMP which will also simultaneously send to the DMR for a decision about the proposed project.

Registered I&APs will be informed about availability of reports and scheduled stakeholder meetings via their preferred means of communication (SMS, email, post or fax). Comments raised by stakeholders will assist in informed decision-making for authorities and provides information to be considered by the project team and specialists conducting the EMP process. Please complete the attached Registration and Comment Form to submit your comments and to register as an I&AP.