

MOTHEHO MINING & INVESTMENTS (PTY) LTD

APPLICATION FOR A PROSPECTING RIGHT AND ASSOCIATED ENVIRONMENTAL AUTHORISATION FOR
THE VLAKFONTEIN PROJECT

MSUKALIGWA MAGISTERIAL DISTRICT, MPUMALANGA

1. INTRODUCTION

The Vlakfontein proposed Prospecting Right Area is within the Gert Sibande District Municipality, Msukaligwa Local Municipality (MP302) Mpumalanga Province and the Msukaligwa Magisterial District. The site is located 5 km south-east of Breyten, 7.5 km south-west of Chrissiesmeer and 14.5 km north-east of Ermelo.

The Vlakfontein Project has been extensively investigated over the past several years. In past years Optimum Vlakfontein Mining and Exploration (Pty) Ltd (Vlakfontein) held prospecting rights over the properties (and others), which they acquired from Ingwe Collieries Ltd. Vlakfontein submitted an application to convert the Prospecting Right to a Mining Right, following promising prospecting results. Subsequent to the submission of the application, but before concluding the application process, Vlakfontein was obtained by Tegeta Exploration and Resources. Due to circumstances no further activity has taken place by the previous Holder of the Mineral Rights.

The prospecting right application is subject to a Basic Assessment Process as described in the EIA Regulations, 2014 (as amended).

In Summary, the Project relates to:

- The prospecting for coal, which will be desktop-based, considering the existing available information.
- Potential verification drilling (maximum 3 boreholes) may be considered by the Applicant, though it is not planned at this stage.
- Existing farm roads and tracks made by previous prospecting operations and the farmer(s) will be used to access various areas on the site if required for verification drilling and / or further studies IF existing information proves insufficient.

2. SUMMARY OF LEGAL REQUIREMENTS

The legal requirements for the Prospecting Right are as follows:

- National Environmental Management Act, 1998 (Act No 107 of 1998) (NEMA) and EIA Regulations 2014 (as amended): undertaking this Basic Assessment, applying for Environmental Authorisation in terms of NEMA and its regulations, and the compilation of the EMP to ensure that potential environmental impacts from prospecting are identified and managed, the proposed prospecting responds to the legal requirements set out by NEMA and the EIA Regulations.
- Mineral and Petroleum Resources Development Act, 2002 (MPRDA): this application relates specifically to the acquisition of rights over properties where the extent and economic viability of the coal resource is largely known, but not being extracted by the previous holder in accordance with the principles of the MPRDA.

3. PURPOSE OF THIS DOCUMENT

Cabanga Environmental has been appointed as the independent Environmental Assessment Practitioner (EAP) to undertake a Basic Assessment (BA) in terms of the prospecting right application.

The Recipients of this document have been identified as potential Interested and Affected Parties (I&AP) in terms of the prospecting right application.

This document (the Background Information Document or "BID") has been compiled to provide I&APs with information on the proposed prospecting and the application processes.

The Reader is hereby invited to participate in the BA process freely and submit any questions or information you feel may contribute to the process to us. All comments received will be recorded and addressed as part of the BA process.

Please complete the attached questionnaire and return to us on Fax: 011 794 6946 or lelani@cabangaenvironmental.co.za to register as an I&AP. You can also contact us telephonically on 011 794 7534.

4. PROJECT OVERVIEW

Mineral: Coal

Farm Properties: Portions 2 and 11 of the Farm Vlakfontein 108 IT and Portions 1, 7, 11, 12 and 14 of the Farm Welgelegen 107 IT

Prospecting Method: it is anticipated that activities will be limited to desktop investigation of existing prospecting results from previous investigations undertaken at the site.

If needed, verification drilling, which will be limited to a maximum of 3 boreholes across the entire application area, may be undertaken but this is not expected to be required. No further prospecting activity is required given the extensive data that is available from past studies.

Access: Existing farm roads and tracks made by previous prospecting operations and farming activities will be used to access various areas on the site if required.

Activities Triggered By Prospecting:

- GN R 983 (as amended), Activity 20 (any activity that requires a Prospecting Right)

Activities also being applied for but not currently planned: GN R 985 (as amended) Activity 12 (f) (i) & (ii) Clearance of more than 300m² of indigenous vegetation in sensitive biodiversity areas – This will only be required if review of existing data indicates the need to undertake additional drilling.

There will most likely not be any activity on the site which has been studied extensively under previous mineral rights by other parties.

5. APPLICATION PROCESS

An application for an environmental authorisation has been submitted to the Department of Mineral Resources (DMR), as required in terms of NEMA.

As the application relates to Prospecting, a Basic Assessment process will be followed. The steps in this process are briefly outlined herein:

- **PHASE 1: Preparation**
 - Submit Application Forms to the DMR
 - Identify I&APs
 - Desktop investigations of the baseline environment

- Identify potential impacts for further consideration
- Impacts are rated and mitigation measures proposed
- Monitoring programmes proposed to ensure mitigation measures are efficient;
- Draft Report is compiled.
- **PHASE 2: Public Participation**
 - Circulate BIDs, place site notices and advertisements
 - Make Draft Report available for a comment period of 30 days.
 - Comments from the public review and comment period are incorporated into the final report for submission to DMR.
 - The Report must be submitted to DMR within **90 days** from submission of the Application.
- **PHASE 3: DMR Evaluation**
 - DMR makes a decision on the application and issues a record of decision (within 107 days of receipt of the Reports)
 - All I&APs are notified of the outcome of application, and their right to appeal.

The report has been compiled in the format prescribed by the DMR, in accordance with NEMA.

The Draft Report will be made available on the Cabanga website (www.cabangaenvironmental.co.za) and Hard Copy; sms's and emails will be circulated once the report is available for review. Electronic copies can be distributed on request.

The overall timeframe for the environmental authorisation process is approximately 197 days as regulated by NEMA.

For queries and comments related to the **BA Process**, and/or any other queries, please contact:

Contact: Lelani Claassen
Company: Cabanga Environmental
E-Mail: lelani@cabangaenvironmental.co.za
Tel: 011 794 7534

6. POTENTIAL ENVIRONMENTAL IMPACTS

The following environmental impacts are only expected in the worst-case scenario and if any activity occurs on site which is not anticipated:

- Damage to / destruction of sensitive flora species / habitats.
- Loss of soils due to pollution or compaction.
- Veld fires and resultant damage to infrastructure, fauna & flora etc from contractors making fires on site.
- Alteration of surface water flow patterns, erosion on disturbed sites and subsequent siltation of downstream water resources.
- Pollution (soil, water, air) from incorrect waste management and disposal.
- Alteration of the visual resource.
- Damage to / destruction of unique / protected species.
- Damage to / /destruction of heritage resources.
- Security concerns due to strangers in the area.
- Impacts on groundwater resources.

7. PUBLIC PARTICIPATION PROCESS

Public involvement is an essential component of the application process. It addresses the right of I&APs to be informed of the proposed activities and to be involved in decisions that may affect them. It also affords the EAP an opportunity to assess and address the issues and concerns raised by I&APs thus allowing the EAP to assess all the potential impacts of the proposed project.

As a Registered I&AP you will be kept informed of the BA Process and review draft reports compiled in terms of the application. Furthermore, all comments that registered I&APs submit in terms of the Application will be included in the relevant reports, and addressed throughout the process.

HOW TO REGISTER

Please register as an I&AP by completing the attached form and returning it to Cabanga Environmental at the contact details provided, or by submitting written comments in any other format to Cabanga Environmental.

Please ensure that Cabanga Environmental has the required contact details so that the communication of all information regarding the BA process can be efficient.



Contact Person: Lelani Claassen

Tel: 011 794 7534 Fax: 011 794 6946

lelani@cabangaenvironmental.co.za

www.cabangaenvironmental.co.za

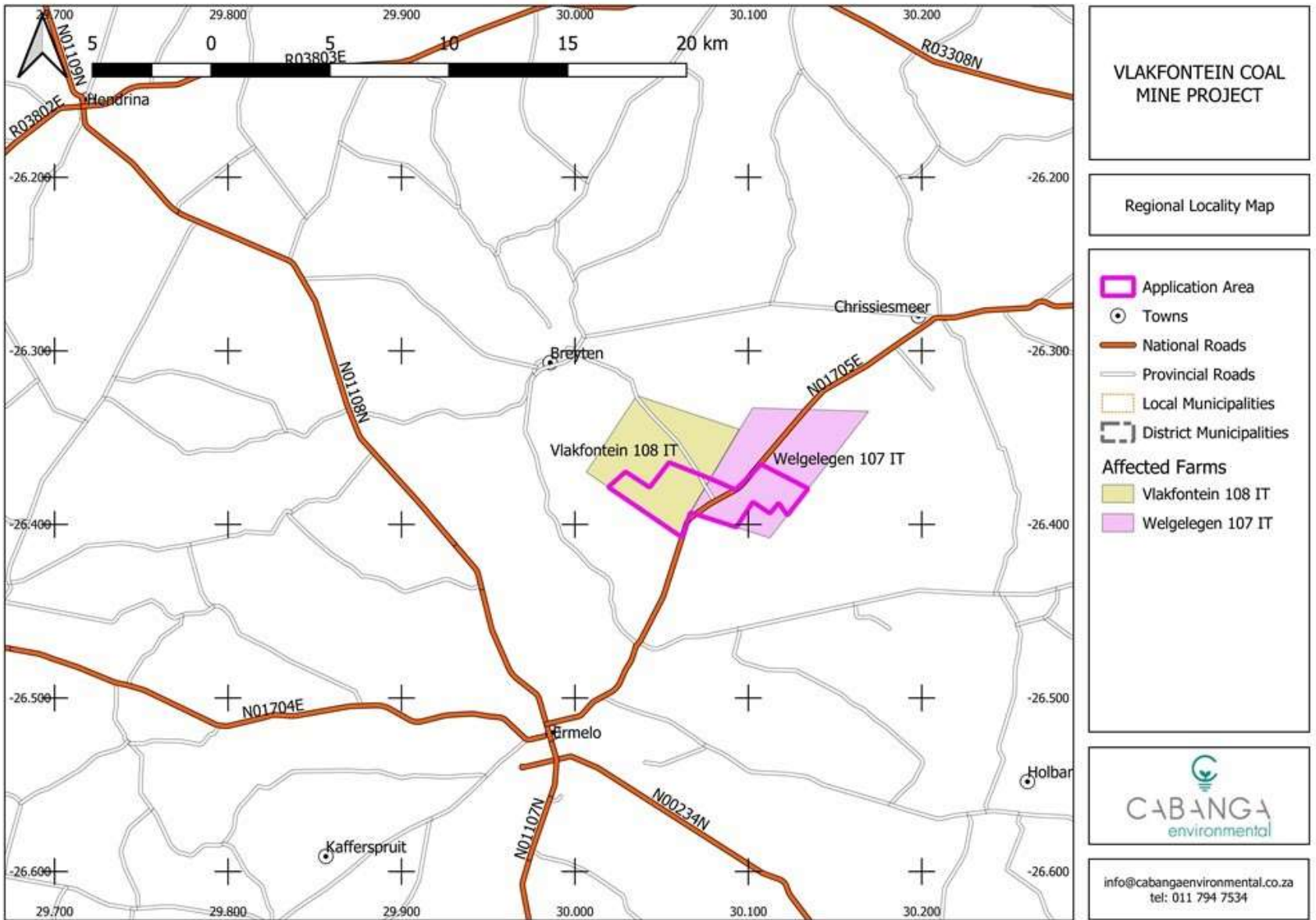


Figure 1: Regional Locality Plan

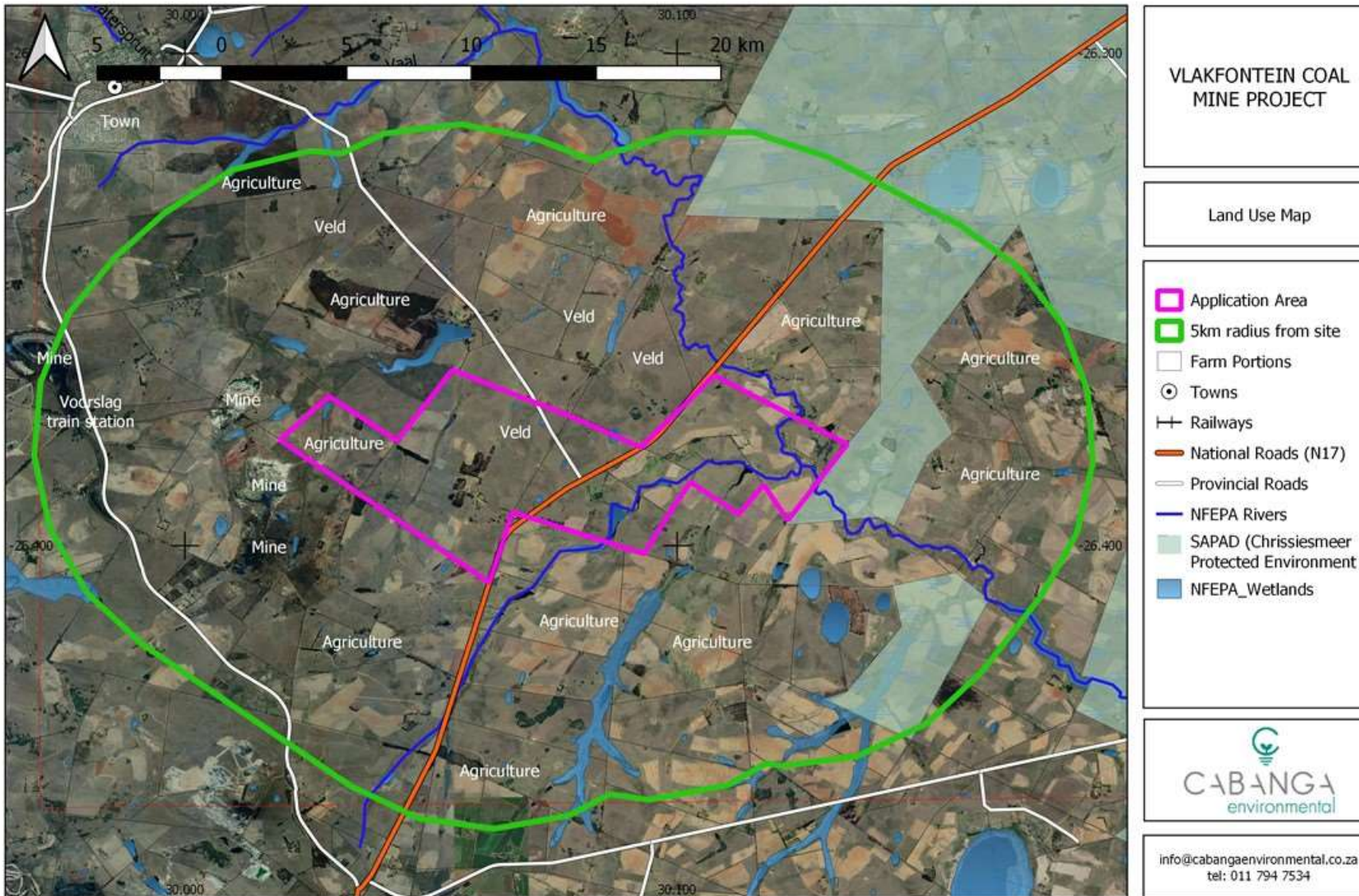


Figure 2: Landuse map

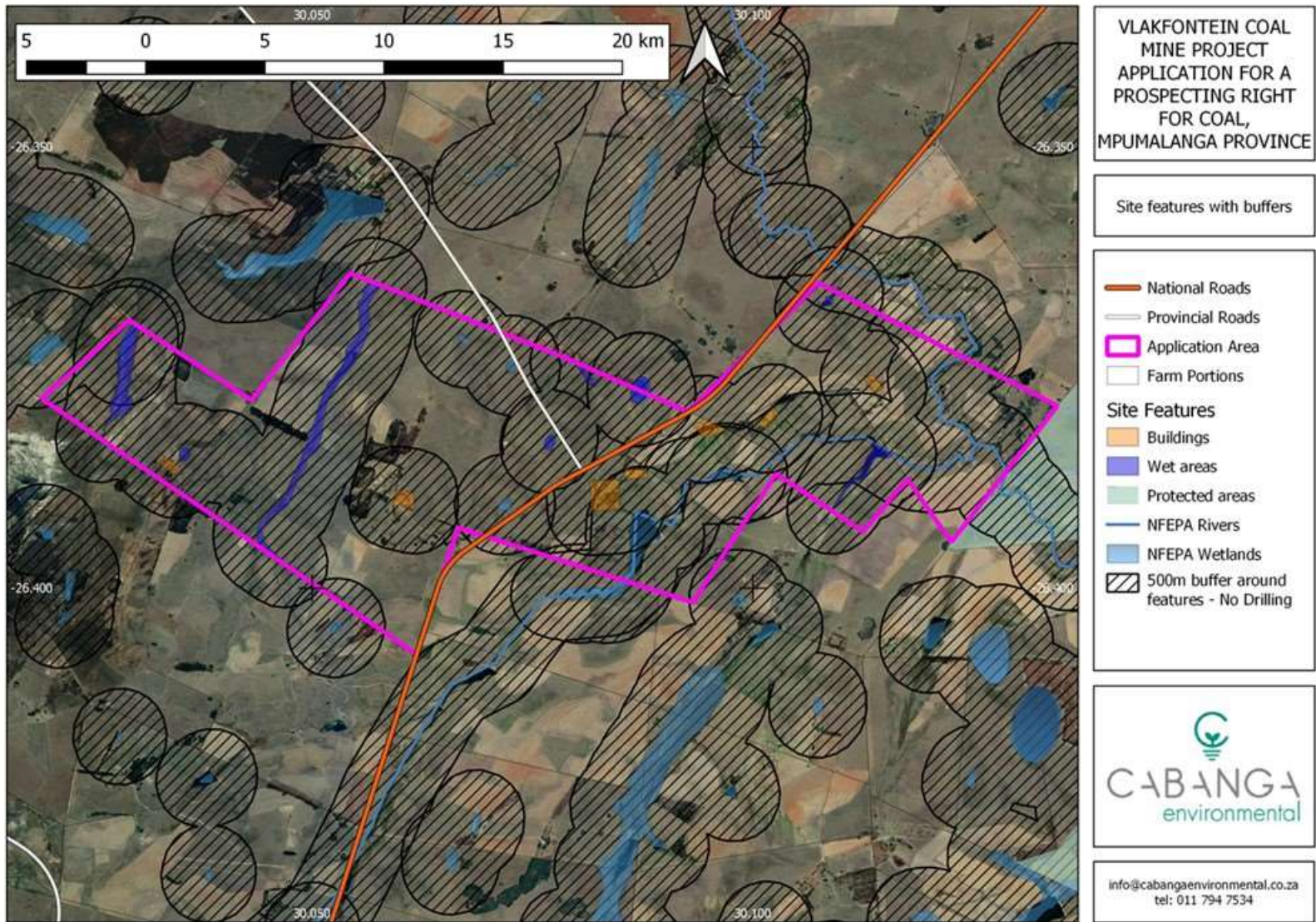


Figure 3: Sensitivity map

PUBLIC PARTICIPATION QUESTIONNAIRE: VLAKFONTEIN COAL PROJECT (PROSPECTING)

To register as an I&AP, please complete and return to Cabanga via e-mail, fax or post:



lelani@cabangaenvironmental.co.za; Fax: (011) 794 6946

Postnet Suite 470, P/Bag X3, Northriding, 2162

Alternatively, please register on www.cabangaenvironmental.co.za click on "Public Participation"

Name:		Surname:	
Telephone No.:		Fax No.:	
Post:			
E-mail:			
How would you prefer to be contacted:	<input type="checkbox"/> E-mail <input type="checkbox"/> Fax <input type="checkbox"/> Post <input type="checkbox"/> Telephone <input type="checkbox"/> SMS		
Are you an immediately affected or adjacent land owner or user? If no, what is your interest in the project? If yes, please indicate your farm / property name as well as details on the current land use.	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Do you have any vested interest in the approval or refusal of this project? If yes, please elaborate (feel free to attach separate pages).	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Do you feel that the proposed activities will impact on you and / or your socio-economic conditions? How? (feel free to attach pages).	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Are you aware of any additional impacts not yet identified? (feel free to attach pages).			
Are you aware of any sensitive areas that should be avoided (i.e. graves, cultural sites, endangered species, special environmental features or areas etc.) (feel free to attach separate pages)			
Do you have any alternative mitigation measures to propose? (feel free to attach separate pages).			
Do you know of any other persons, organisations or parties that should be notified? Please provide contact details.	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Do you have any additional comments, concerns or queries? (feel free to attach pages).			