

APPLICANT: ZAMA MINING RESOURCES (PTY) LTD

MACARTHY-ZAMA – APPLICATION FOR A MINING RIGHT, ENVIRONMENTAL AUTHORISATION AND WATER USE LICENCE FOR OPEN PIT MINING AND PROSPECTING ACTIVITIES

10 January 2023

Dear Sir/Madam,

1. Introduction

Zama Mining Resources (Pty) Ltd (Zama Mining) is applying for a mining right for iron ore and other minerals on the farms listed below located within the Tsantsabane and Gamagara Local Municipal areas. The application areas are situated approximately 24 km south of Kathu, immediately east of Olifantshoek and 35 km north of Postmasburg, Northern Cape (as indicated in Figure 1). Application is also being made for Environmental Authorisation (EA) and a Water Use Licence (WUL) for the proposed mining and prospecting activities within the mining right application area. Properties designated for mining and prospecting activities are outlined in the table below.

Compass 665 RE**	Dikepeng 661 PT 2	Hartley 573 RE	Lucknow 652 RE	Mamatlun 651 RE	Uys 663 PT 3**
Cox 571 RE	Dikepeng 661 PT 4	Hilliard 664 RE**	MaCarthy 559 RE*	Mamatlun 651 PT 2	Uys 663 PT 4**
Cox 571 PT 1	Gamaliets 659 RE	Hilliard 664 PT 1**	Makala 646 RE	Tomkins 657 RE	Uys 663 PT 6**
Cox 571 PT 2	Gamaliets 659 PT 1	Knapp 658 RE	Makala 646 PT 1	Tomkins 657 PT 1	Knapp 658 PT 4
Cox 571 PT 3	Gaston 650 RE	Knapp 658 PT 1	Mamaghodi 654 RE	Tomkins 657 PT 2	Knapp 658 PT 5
Crossley 660 RE**	Gaston 650 PT 1	Knapp 658 PT 2	Mamaghodi 654 PT 1	Tomkins 657 PT 3	Knapp 658 PT 7
Dikepeng 661 PT 1	Groot Venn 777 RE**	Knapp 658 PT 3	Uys 663 PT 1	Uys 663 PT 2	

*proposed mining activities

**prospecting priority areas

This letter serves to notify owners, persons in control of, and occupiers of land in the application area or on land adjacent to the site, local government, municipalities, and organ of state with jurisdiction in the area of the application for a mining right, environmental authorisation and water use licence.

Application is being sought by Zama Mining (Pty) Ltd for authorisation in terms of:

- Section 22 of the Minerals and Petroleum Resources Development Act for a mining right.
- Environmental Impact Assessment Regulations (GNR. 982 of 4 December 2014, as amended) for Activities 1, 9, 10, 14, 14, 17, 27 & 56 of Listing Notice 1 (GNR 983) and Activities 4, 6, 15, 17 & 27 of Listing Notice 2 (GNR 984).
- GNR. 921 as amended by GN. 633 of 24 July 2015 published under National Environmental Management: Waste Act for Activities 7, 10, and 11 of Category B for the development of waste rock dumps and backfilling of mined out pits at MaCarthy, and for the disposal of drill residue originating from prospecting activities.
- Section 2(a), (c&i), (g) and, (j) of the National Water Act (No. 36 of 1998) for water uses associated with the mining activities.

The environmental and mining right applications will be supported by a Scoping and full Environmental Impact Assessment process. EXM Advisory Services (Pty) Ltd has been appointed as the independent Environmental Assessment Practitioner (EAP), responsible for administrating the environmental authorisation process and associated public consultation process.

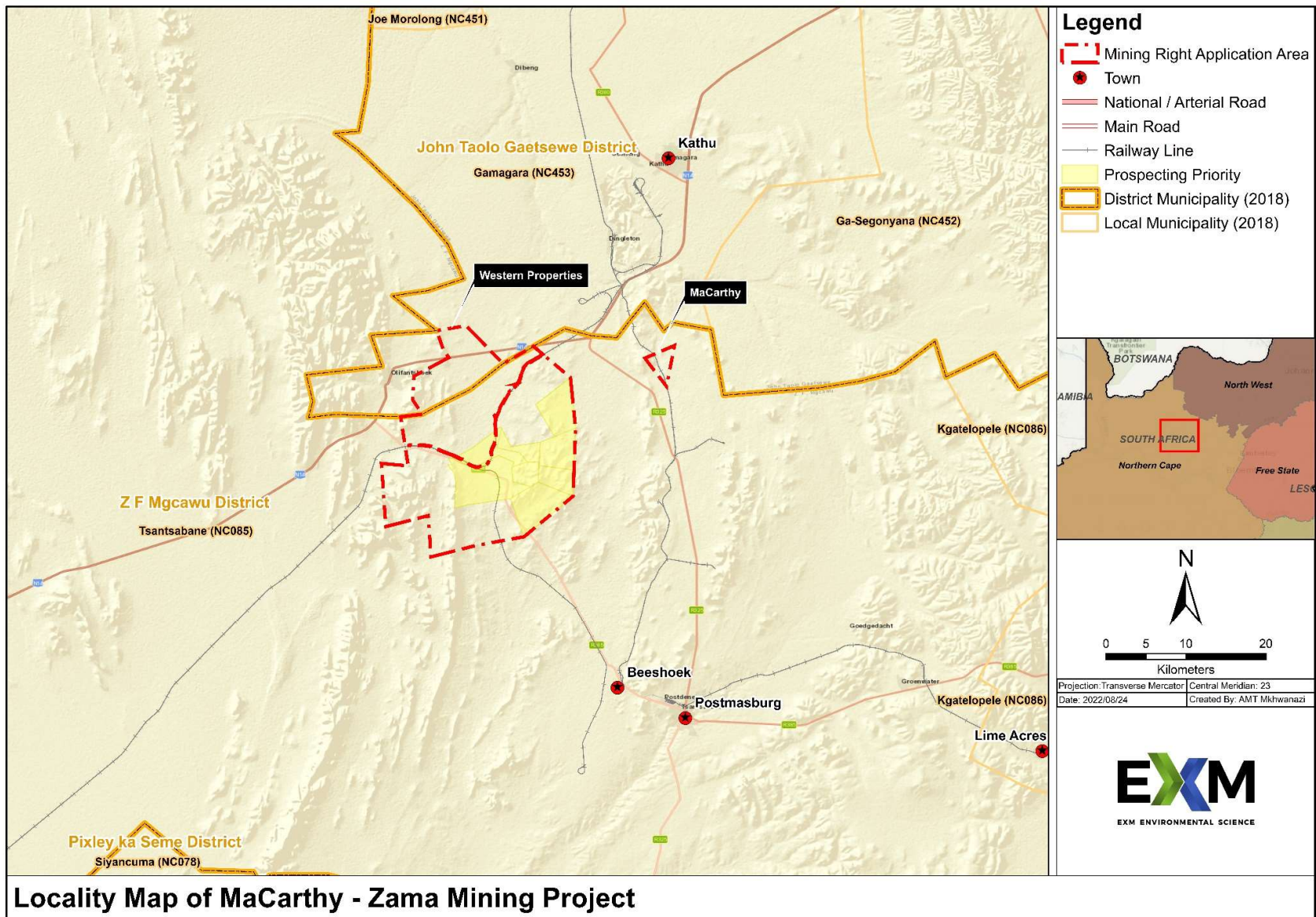


FIGURE 1: LOCATION OF MACARTHY-ZAMA MINING RIGHT APPLICATION AREA

2. PROPOSED PROSPECTING AND MINING ACTIVITIES

Zama Mining is applying for a mining right on areas located between Olifantshoek, Kathu and Postmasburg within the Gamagara and Tsantsabane Local Municipal area. Zama Mining has been the holder of prospecting rights for iron ore and manganese on these properties since 2013.

For the purpose of the mining right application, the properties have been divided into 2 areas: MaCarthy (consisting of the Farm MaCarthy) and the Western Properties (all other farms).

Zama Mining is planning to commence with mining **only** at MaCarthy. Iron ore will be extracted from several open pits by means of conventional drill, blast and haul methods. No processing is currently planned to be undertaken at MaCarthy and iron ore will be trucked/hailed to an offsite processing facility.

The current duration of the MaCarthy section is estimated at 12 years including 1 year for construction and a final year for rehabilitation. Construction is planned to commence in 2024 and the initial ore being extracted in 2025. Mining activities have the potential to be expanded in this section in the future e.g., to include manganese and potentially on-site processing. The proposed infrastructure for the MaCarthy section is shown in Figure 2. The proposed activities are subject to a Scoping and full Environmental Impact Assessment (EIA) including several specialist environmental studies in support of Environmental Authorisation, environmental application and the water use license.

Furthermore, prospecting activities are also planned for the Western Properties (as indicated in Figure 1 and listed below) with the intention of expanding the mining activities in the future. Any future mining activities for the Western Properties will require a separate Environmental Application and full public participation process. Priority areas have been identified which will be targeted for the initial prospecting activities which include the following farms:

Compass 665 RE	Hilliard 664 RE	Hilliard 664 Portion 1	Groot Venn 777 RE
Uys 663 Portion 3	Uys 663 Portion 4	Uys 663 Portion 6	Crossley 660 RE

Prospecting will involve diamond and percussion drilling. Activities include clearance of areas for the establishment of the drill rigs and associated infrastructure (e.g., wooden hut, portable toilet, safety barricades and waste bins), drill water supply, management and disposal of drill sludge and drill chips and ongoing rehabilitation of drill sites. The EIA will include a screening of environmental sensitivities on the priority areas and the prospecting works programme (i.e. location of boreholes) will be planned to avoid impacts on sensitive areas.

The prospecting activities will be expanded in the future to include additional farms based on the outcome of the initial planned prospecting activities. The additional areas will need to be subjected to further environmental assessment and authorisation prior to commencement. The impacts of the prospecting activities on the initial areas will be assessed as part of the EIA.

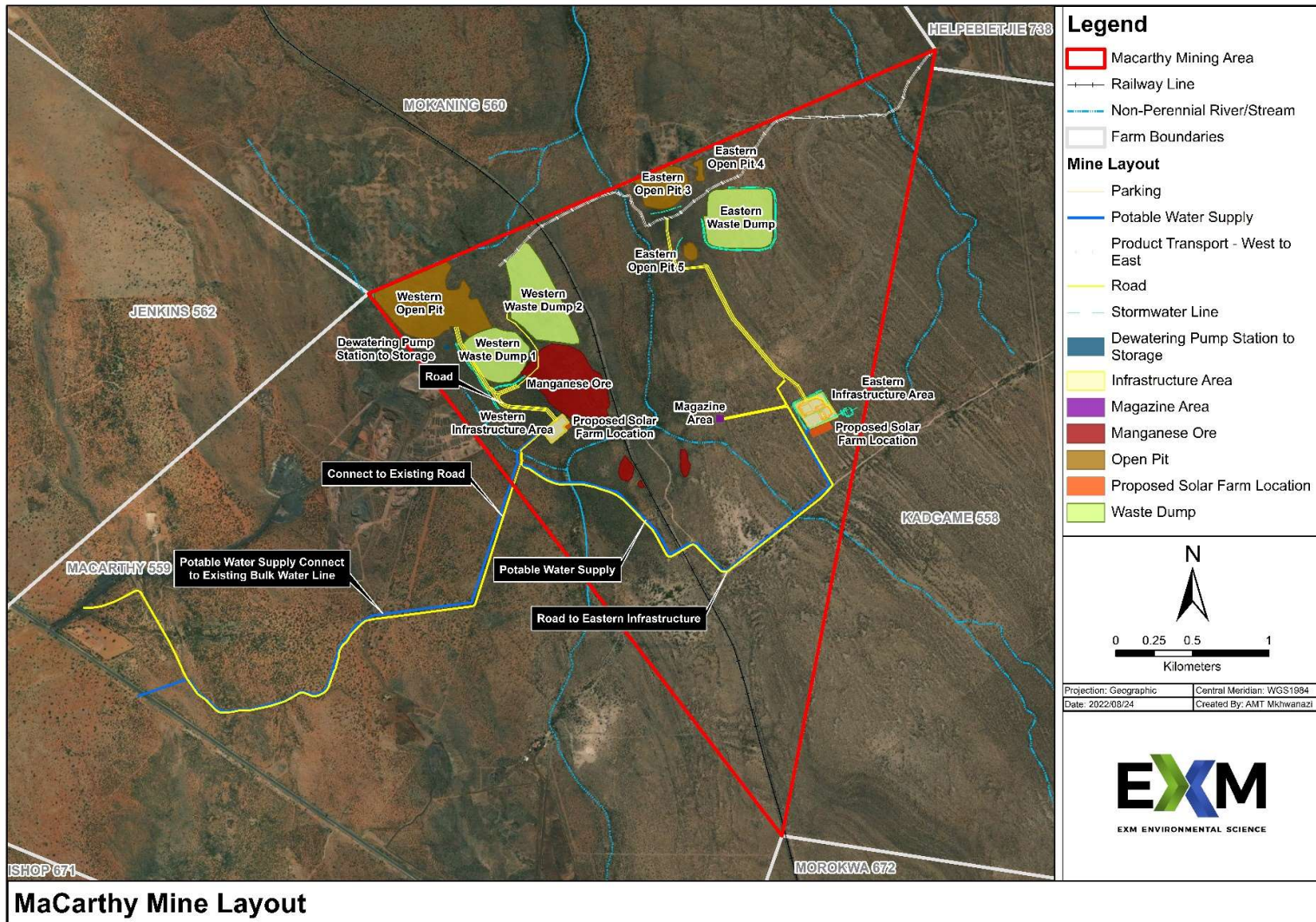


FIGURE 2: LOCATION OF INFRASTRUCTURE AT MACARTHLY

3. LEGAL PROCESSES

3.1. Minerals & Petroleum Resources Development Act (No. 28 of 2008)

Zama Mining has submitted an application to the Department of Mineral Resources and Energy (DMRE) in terms of Section 22 of the Minerals and Petroleum Resources Development Act for a mining right for iron ore and other minerals on the MaCarthy and the Western Properties.

3.2. National Environmental Management Act (No. 107 of 1998)

Zama Mining is in the process to apply for an EA in terms of Section 24 of the NEMA for the proposed mining and prospecting activities at MaCarthy and the Western Properties. The following activities listed in terms of the EIA Regulations and Listing Notices 1 and 2 have been included in the application.

EIA LISTED ACTIVITIES

Activity No	Description
Listing Notice 1	
1	Development of infrastructure for the generation of electricity from a renewable resource.
9	Development of dewatering pipeline.
10	Development of infrastructure for transportation of sewage and other waste.
12	Development of infrastructure within 32 m of the edge of a watercourse.
14	Storage of dangerous goods.
17	Activities requiring a mining right.
27	Clearance of vegetation.
56	The widening and lengthening of roads.
Listing Notice 2	
4	Storage of dangerous goods i.e. fuel storage and explosives.
6	Development of infrastructure that requires a licence for emissions, pollution, or effluent.
15	Clearance of vegetation.
17	Activities requiring a mining right.
27	Development of roads.

3.3 National Environmental Management: Waste Act (No. 59 of 2008)

In terms of Section 19 of the National Environmental Management: Waste Act, a list of waste management activities that are likely to have a detrimental effect on the environment was promulgated in Regulation GN. 921 (November 2013). The listed activities were amended by GN. 633 of 24 July 2015 to include the development of mine residue storage and disposal facilities.

An integrated application for the authorisation of EIA Listed and Waste Activities has been made to the Regional Department of Mineral Resources and Energy. This application will be supported by a Scoping and EIA process. The application provides for activities 7, 10, and 11 for the development of waste rock dumps and backfilling of mined out pits at MaCarthy, and for the disposal of drill residue originating from prospecting activities.

3.4 National Water Act (No. 36 of 1998)

Water use activities requiring approval by the Regional Department of Water & Sanitation (DWS) are listed in Section 21 of the National Water Act. Specific and related water use activities are still being identified, but it is envisaged that the water use license application will entail the following Section 21 water use activities:

- Abstraction of water from groundwater for use in mining and prospecting activities (Section 21a).
- Potential disturbances of watercourses for the development of mining infrastructure (Sections 21c&i);
- Disposal of waste in a manner which may detrimentally impact on a water resource for waste rock dumps, residue disposal and pollution control dams (Section 21g); and
- Removing of water from underground (Section 21j) to allow for safe mining conditions.

4. Environmental Impact Assessment Process

An EIA is a study undertaken to determine the effect that planned mining operations will have on the environment and surrounding communities.

Scoping Study

Scoping involves the identification of environmental issues and concerns. The EIA study is planned, and the terms of reference set out are aimed at addressing the issues identified. Public input is a key component of the scoping phase of the assessment.

IAPs will be notified when the Scoping Report is available for public review. The EAP will ensure that issues raised by IAPs have been adequately captured in the report and will be assessed in the impact assessment.

Impact Assessment Study

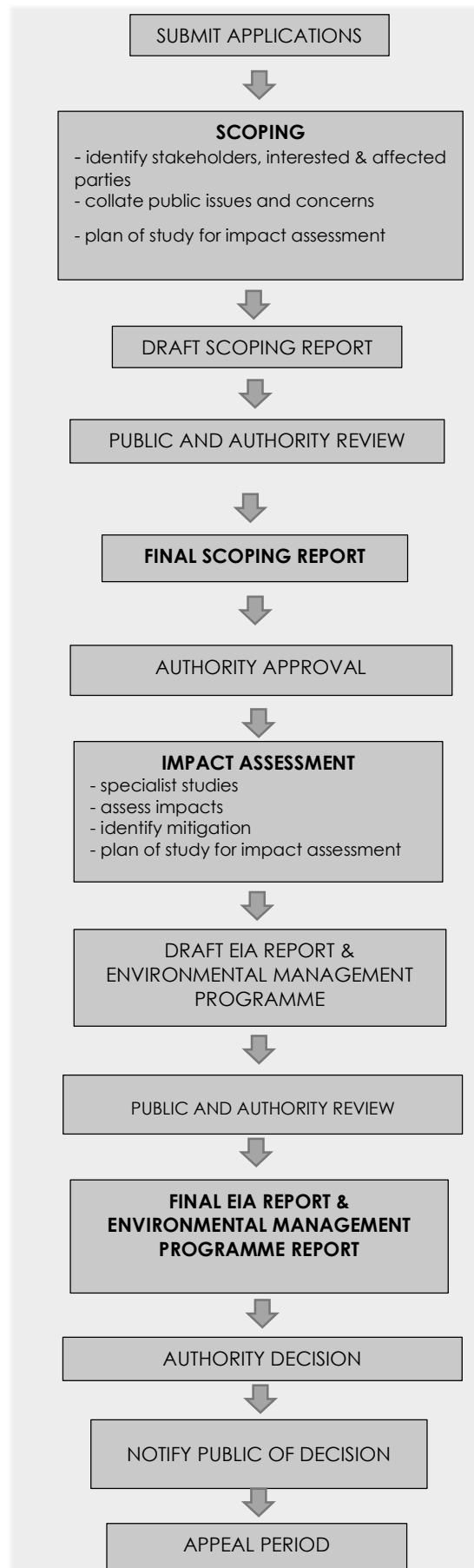
This involves the review of available environmental information as well as the collation of additional information to identify pollution sources and to assess the impact on the environment. Specialists are involved to provide expert opinion on the likely impacts and often utilise computer modelling to assist with their studies.

Specialist studies will include assessments of impacts on air quality, groundwater, freshwater ecology, aquatic biodiversity, terrestrial biodiversity, agriculture, noise levels, traffic, visual environment, civil aviation, cultural heritage, archaeology, palaeontology, social environment & communities.

The findings of the impact assessment and the proposed measures identified to mitigate such impacts will be documented in an EIA Report. The findings will be presented and discussed with the public during a public feedback meeting. IAPs will be notified via post, fax or email when the draft report and final report is available for public comment.

Environmental Management Programme (EMPr)

An EMPr will aim at addressing impacts identified and reducing risks to acceptable levels. Recommendations of the specialists are used to assist in developing the EMPr. The EMPr will be made available for public review.



5. Public Participation Process

Interested & affected parties (IAPs) are invited to participate in the environmental and water use license application processes. You can provide input by:

- Registering as an IAP;
- Asking questions and raising issues and concerns;
- Attending public meetings;
- Reviewing and providing comment on environmental reports; and
- Reviewing environmental authorisations.

Should your issues and concerns not be addressed through the process, you have the right to appeal should environmental authorisation be granted.

Should you have questions or require more information, **please do not hesitate to contact:**

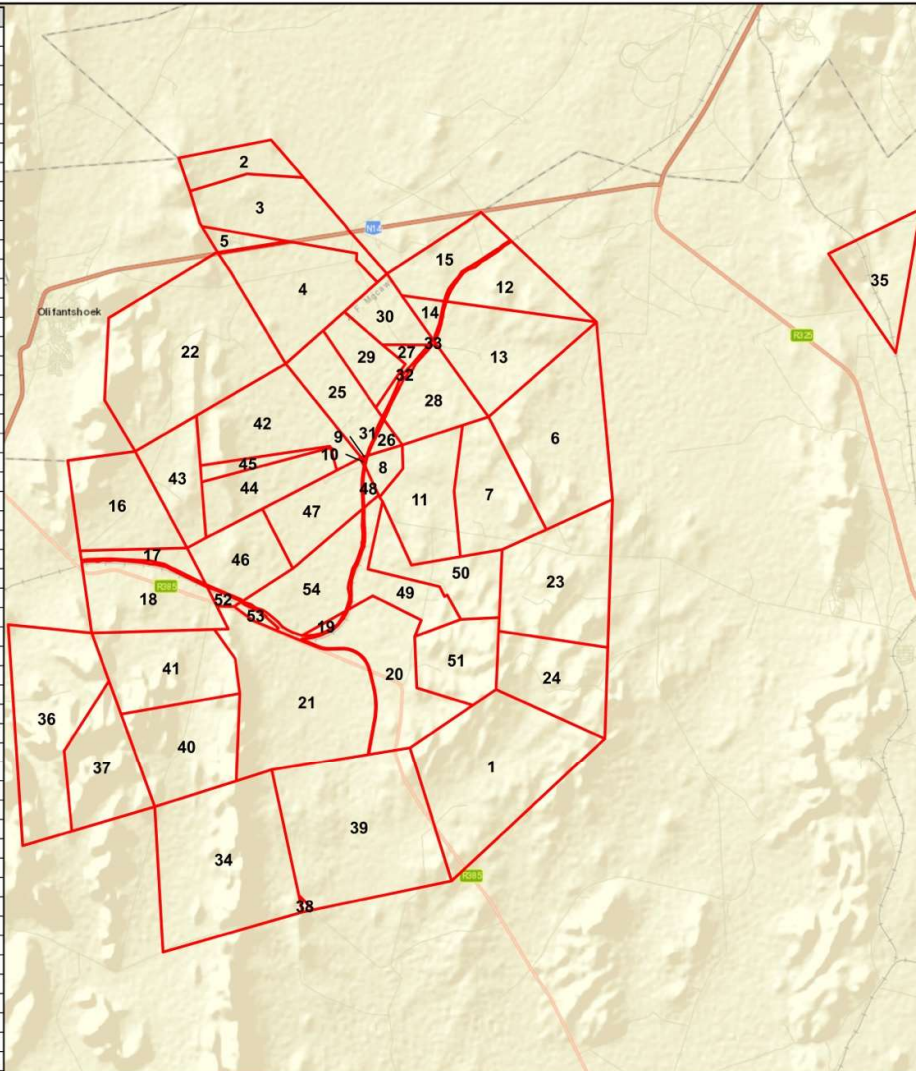
Trevor Hallat

EXM Advisory Services

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No.	SG Code	Farm Name	Portion
1	C0410000000066500000	Compass 665	665
2	C0410000000057100002	Cox 571	2/571
3	C0410000000057100000	Cox 571	RE/571
4	C0410000000057100001	Cox 571	1/571
5	C0410000000057100003	Cox 571	3/571
6	C0410000000066000000	Crossley 660	RE/660
7	C0410000000066100001	Dikepeng 661	1/661
8	C0410000000066100002	Dikepeng 661	2/661
9	C0410000000066100002	Dikepeng 661	2/661
10	C0410000000066100002	Dikepeng 661	2/661
11	C0410000000066100004	Dikepeng 661	4/661
12	C0410000000065900000	Gamaliets 659	RE/659
13	C0410000000065900001	Gamaliets 659	1/659
14	C0410000000065900001	Gamaliets 659	1/659
15	C0410000000065900000	Gamaliets 659	RE/659
16	C0410000000065000000	Gaston 650	RE/650
17	C0410000000065000001	Gaston 650	1/650
18	C0410000000065000001	Gaston 650	1/650
19	C0410000000077700000	Groot Venn 777	RE/777
20	C0410000000077700000	Groot Venn 777	RE/777
21	C0410000000077700000	Groot Venn 777	RE/777
22	C0410000000057300000	Hartley 573	RE/573
23	C0410000000066400000	Hilliard 664	RE/664
24	C0410000000066400001	Hilliard 664	1/664
25	C0410000000065800000	Knapp 658	RE/658
26	C0410000000065800000	Knapp 658	RE/658
27	C0410000000065800001	Knapp 658	1/658
28	C0410000000065800001	Knapp 658	1/658
29	C0410000000065800002	Knapp 658	2/658
30	C0410000000065800003	Knapp 658	3/658
31	C0410000000065800004	Knapp 658	4/658
32	C0410000000065800005	Knapp 658	5/658
33	C0410000000065800007	Knapp 658	7/658
34	C0410000000065200000	Lucknow 652	652
35	C0410000000055900000	Macarthy 559	RE/559
36	C0410000000064600000	Makala 646	RE/646
37	C0410000000064600001	Makala 646	1/646
38	C0410000000065400001	Mamaghodi 654	1/654
39	C0410000000065400000	Mamaghodi 654	RE/654
40	C0410000000065100002	Mamatlun 651	2/651
41	C0410000000065100000	Mamatlun 651	RE/651
42	C0410000000065700000	Tomkins 657	RE/657
43	C0410000000065700001	Tomkins 657	1/657
44	C0410000000065700002	Tomkins 657	2/657
45	C0410000000065700003	Tomkins 657	3/657
46	C0410000000066300001	Uys 663	1/663
47	C0410000000066300002	Uys 663	2/663
48	C0410000000066300002	Uys 663	2/663
49	C0410000000066300003	Uys 663	3/663
50	C0410000000066300004	Uys 663	4/663
51	C0410000000066300006	Uys 663	6/663
52	C0410000000066300001	Uys 663	1/663
53	C0410000000066300003	Uys 663	3/663
54	C0410000000066300003	Uys 663	3/663



Legend

- Prospecting Right Farms
- National / Arterial Road
- Main Road
- Secondary Road
- Railway Line

N

0 2 4 8
Kilometers

Projection: Transverse Mercator | Central Meridian: 23
Date: 2022/08/25 | Created By: AMT Mkhwanazi

EXM
EXM ENVIRONMENTAL SCIENCE

MaCarthy-Zama – Mining Right Application Properties