

Ref No: KZN 30/5/1/1/2/10747 PR

Applicant:

Imvukuzane Resources (Pty) Ltd P.O. Box 653749 Benmore

2010

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BACKGROUND INFORMATION DOCUMENT

22 May 2018

To whom it may concern

RE: NOTICE OF AN APPLICATION FOR ENVIRONMENTAL AUTHORISATION LODGED IN TERMS OF SECTION 24 OF THE NATIONAL ENVIRONMENTAL MANAGEMENT ACT, 1998 (ACT 107 OF 1998 NEMA) READ WITH REGULATION 19 OF THE ENVIRONMENTAL IMPACT ASSESSMENT REGULATIONS, 2014 (AS AMENDED APRIL 2017) FOR A PROSPECTING RIGHT AND RELATED INFRASTRUCTURAL ACTIVITIES ON FULENI RESERVE 14375 GU, PORTION 0. LISTED ACTIVITIES TRIGGERED BY APPLICATIONS IN TERMS OF THE MPRDA, 2002, (AS AMENDED)

Imvukuzane Resources (Pty) Ltd (the "Applicant") applied for a prospecting right for coal, pseudocoal, torbanite, clay and aggregate on Portion 0 of Fuleni Reserve 14375 GU, Magisterial District Empangeni, KwaZulu-Natal Province.

SITE DESCRIPTION

The proposed 14 717 ha prospecting area is situated approximately 23 km north of Empangeni, and 30 km northwest of Richards Bay, on Portion 0 of Fuleni Reserve 14375 GU. The GPS coordinates of the proposed prospecting area is as follows:

| NUMBER | DEGREES, MINUTES, SECONDS | | DECIMAL DEGREES | |
|--------|---------------------------|--------------|-----------------|------------|
| | LAT (S) | LONG (E) | LAT (S) | LONG (E) |
| 0 | 28°25'38.65" | 31°50′08.80" | -28.427404° | 31.8357780 |
| 1 | 28°26'44.53" | 31°51'49.19" | -28.445704° | 31.863664° |
| 2 | 28°27'01.83" | 31°51'35.97" | -28.450507° | 31.859992° |
| 3 | 28°27'21.95" | 31°51'45.62" | -28.456097° | 31.8626730 |
| 4 | 28°29'38.38" | 31°50′25.40″ | -28.493995° | 31.840389° |
| 5 | 28°34'16.10" | 31°53′49.45" | -28.571140° | 31.897070° |
| 6 | 28°29'07.61" | 31°55'20.58" | -28.485447° | 31.9223820 |
| 7 | 28°26'46.07" | 31°57′17.07" | -28.446131° | 31.9547420 |
| 8 | 28°24'32.24" | 32°00′55.51" | -28.408955° | 32.0154190 |
| 9 | 28°23'02.41" | 31°59′23.03″ | -28.384003° | 31.989731° |
| 10 | 28°22'54.61" | 32°01'32.01" | -28.381836° | 32.025558° |

the goal isn't to live forever, it is to protect a planet that will

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| 11 | 28°21'39.81" | 32°00'49.70" | -28.361057° | 32.013805° |
|----|--------------|--------------|-------------|------------|
| 12 | 28°20'59.28" | 31°58'53.96" | -28.349800° | 31.981655° |
| 13 | 28°24'20.75" | 31°57'45.62" | -28.405764° | 31.9626710 |

LEGAL COMPLIANCE

The Applicant submitted an application for a prospecting right without bulk sampling in terms of Section 16, read together with Regulation 7(1), of the Mineral and Petroleum Resources Development Act, 2002 (Act No 28 of 2002) to the Department of Mineral Resources on 26 April 2018.

The proposed project triggers the following listed activities in terms of the National Environmental Management Act, 1998 (Act 107 of 1998) and the Environmental Impact Assessment Regulations, 2014 (as amended 2017) and therefore requires a basic assessment process to obtain environmental authorisation:

■ GNR 327 Environmental Impact Assessment Regulations Listing Notice 1 of 2017 Activity 20:

Any activity including the operation of that activity which requires a prospecting right in terms of section 16 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 resources including winning, extraction, classifying, concentrating, crushing, screening or washing.

GNR 324 Environmental Impact Assessment Regulations Listing Notice 3 of 2017 Activity 12:

The clearance of an area of 300 square metres or more of indigenous vegetation d) KwaZulu-Natal i) Transfrontier protected areas managed under international conventions; ii) Community Conservation Areas; iii) Biodiversity Stewardship Programme Biodiversity Agreement areas; iv) Within any critically endangered or endangered ecosystem listed in terms of section 52 of the NEMBA or prior to the publication of such a list, within an area that has been identified as critically endangered in the National Spatial Biodiversity Assessment 2004; v) Critical biodiversity areas as identified in systematic biodiversity plans adopted by the competent authority or in bioregional plans; vii) On land, where, at the time of the coming into effect of this Notice or thereafter such land was zoned open space, conservation or had an equivalent zoning; viii) A protected area identified in terms of NEMPAA, excluding conservancies; ix) World Heritage Sites; x) Sites or areas identified in terms of an international convention; xi) Areas designated for conservation use in Spatial Development Frameworks adopted by the competent authority or zoned for a conservation purpose; xii) Sensitive areas as identified in an environmental management framework as contemplated in chapter 5 of the Act and as adopted by the competent authority.

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PROJECT DESCRIPTION

NON-INVASIVE ACTIVITIES:

The non-invasive activities associated with the proposed project entails the following:

Desktop Studies:

The desktop studies will involve accessing all available public information on the geology, mineral occurrence and topography of the prospecting right application area, and all information on past work carried out in the area from geophysics, geochemistry, image interpretation, drilling and mining. Any literature accessed will be reviewed, collated and archived for reference.

Spatial Database Compilation:

Spatial information will be compiled into a GIS database for access, correlation and evaluation. The GIS system will be used and maintained for the period of the prospecting right exploration program and regularly updated as new information is generated by the exploration program.

Land Survey:

All spatial information accessed and collected in the field will be standardized using the WGS84 datum.

Remote sensing:

As part of the initial review, public domain aerial photos will be acquired and a detailed geological and structural interpretation will be done on these to aid in identifying target areas that are not readily evident on the ground and to provide an independent interpretation of the geology of the area. Satellite imagery will also be acquired to provide a more regional viewpoint of the area of interest. As before a detailed geological and structural interpretation will be done on these images to provide a more regional viewpoint on the target areas. Satellite imagery is used to complement the aerial photos interpretations as the combination of multi-spectral bands can be used to highlight certain lithology's, vegetation types, soil types, alteration minerals, etc.

Geophysical survey to be undertaken

Both airborne and ground geophysical surveys may be undertaken for the prospecting right area, depending on the results of the desktop study. A small airborne magnetic/radiometric survey may be carried out over the prospect and surrounding areas to map the structural geology of the area. Follow up ground geophysical surveys will be carried out on coincident targets from the compilation of geological and geophysical data. These surveys may include ground gravity, ground electromagnetics, IP and controlled source audio magnetotellurics (CSAMT).

INVASIVE ACTIVITIES:

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The invasive activities associated with the proposed project entails the following:

Drilling:

The exact location where drilling will be carried out will be determined by the results of geophysical and geological work carried out in Phase 1 of the prospecting programme. It will be assumed that a drill hole will be located in intervals of 350 meters (measured resource as per SAMREC code) with no more than 2 holes being actively drilled at any given time. The initial holes will be drilled on the Prospecting area that forms part of this application. A maximum amount of 275 holes will be drilled. All drill holes will be approved by the team's environmental manager prior to approval thereof. The environmental management plan related to this project will consider environmental sensitivities and advise on the location of drilling holes. By the quarter of exploration, there will be clearly defined targets that will warrant testing by diamond, reverse circulation or percussions drilling. It is envisaged that a combination of HQ (63.5 mm) and NQ (47.63 mm) drilling will be used to drill targets. The borehole depths are expected to vary between 25 m and 125 m with an average of approximately 70 m. The core will be logged, cut and sampled at a core yard to be located near the prospecting site. The samples will be crushed and milled and then analysed at an accredited laboratory in for coal quality.

MAIN PROSPECTING ACTIVITIES:

Drill site establishment:

A drill site of approximately 400 m² will be established that will require:

- Clearing of vegetation for sumps and the drill entrance point;
- Earth sumps for water recycling;
- Laydown area for drill rods, fuel and chemical storage;
- Chemical toilets.
- Drilling and removal of geological cores:

Drilling a hole of approximately 110 mm in diameter and removing of rock core. Number of boreholes will be finalised once non-invasive prospecting is completed.

Casing of boreholes:

1m² per borehole. Number of boreholes limited to 275.

Rehabilitation of drill sites.

PRE-FEASIBILITY STUDIES:

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Following the invasive prospecting activities and laboratory analysis the following activities will be covered during the pre-feasibility study:

- Geological Modelling with suitable software to generate contour plans of all quality parameters as well as the depth and thickness of the ore body;
- Initial mining method evaluation with a superficial cost study and financial model;
- A preliminary marketing study to determine the pricing and demand for the product;
- A funding plan.

ACCESS ROUTES:

The existing farm roads/tracks will be used as far as practically possible. No additional roads are foreseen to be constructed.

BRIEF SITE DESCRIPTION

VISUAL EXPOSURE:

- The proposed prospecting footprint falls within a rural area partially altered through subsistence farming and the presence of community areas.
- As mentioned earlier, a maximum of 2 holes (400 m²/holes) will be actively drilled at any given time, with drill sites reinstated as the activity progress. In light of this the invasive activities associated with the proposed prospecting project will impact the aesthetics of the study area at the location of each drill site. However, due to the nature of the project the significance of the impact on the receiving environment is deemed to be low.
- In an attempt to mitigate the visual impact, the applicant will ensure good housekeeping on-site.

EXISTING INFRASTRUCTURE:

- The existing infrastructure, such as housing, power lines, roads etc. within the footprint of the proposed prospecting area will be accommodated and no drill sites will require the demolition/removal of existing infrastructure.
- Further to the above, the applicant will contain all activities to the 400 m² boundaries of each drill site.

VEGETATION COVER:

- The foremost part of the prospecting area comprises of natural vegetated areas representative of the Zululand Lowveld, -Sourveld, and -Coastal Thornveld vegetation types.
- The drill sites will necessitate the removal of a small amount of indigenous vegetation per site.

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The environmental impact assessment will investigate the presence of sensitive vegetated areas within the proposed prospecting footprint, and advise on the positioning of the drill sites in order to minimise the impact of the activity on the receiving natural environment.

SURFACE AND GROUND WATER:

As with the vegetation cover the environmental impact assessment will identify water resource within the proposed footprint area, and prescribe no-go buffer areas to be managed throughout the invasive phase of the prospecting activity.

SITES OF ARCHAEOLOGICAL AND CULTURAL INTEREST

A heritage specialist will conduct a heritage impact assessment of the proposed footprint area to determine the presence of sites of archaeological or cultural importance to be conserved throughout the operational phase of the activity.

FAUNA:

The fauna at the site will not be impacted by the proposed prospecting activity as it will be able to move away or through the site, without being harmed.

REHABILITATION

- Progressive rehabilitation will entail the ongoing reinstatement of drilled sites during the invasive phase of the project.
- Upon final rehabilitation, all infrastructures, equipment, and other items used during the prospecting period will be removed from the prospecting footprint (section 44 of the MPRDA).
- Waste material of any description, including receptacles, scrap, rubble and tyres, will be removed entirely from the prospecting area and disposed of at a recognized landfill facility. It will not be permitted to be buried or burned on the site.
- The environmental management programme to be approved for the project will prescribe the rehabilitation objectives to be implemented both during progressive rehabilitation as well as the final closure of the prospecting area. Final rehabilitation shall be completed within a period specified by the Regional Manager.

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PUBLIC INVOLVEMENT

This document is to inform you about the proposed activity and to determine whether there are any concerns or objections from interested and affected parties (I&AP's) that need to be considered.

As interested and affected party you are kindly requested to complete the comments form and give any comment/concern or input with regard to the current land use of the area, the environment as well as socio-economic conditions that you feel might be affected by the proposed activity. When submitting response please provide suggestions to mitigate the anticipated impact of each identified activity.

Please contact Christine Fouche at the contact details as presented in the letterhead or at christine.f@greenmined.co.za through any means should you need more information, have concerns or comments that need to be considered or if you want to be registered as an interested and/or affected party and would like to receive a copy of the draft Basic Assessment Report (DBAR) on or before 22 June 2018. If we do not receive any comments from you within 30 days of receipt of this notice, it will be accepted that you do not have any objections/comments with regard to the project.

A register of interested and affected parties (I&AP's) will be opened and maintained containing the names, contact details and address of all persons who have submitted written comments, attended meetings or have in writing requested to be registered and all organs of state which have jurisdiction in respect of the activity. Please note that only registered I&AP's and stakeholders will be entitled to comment on reports and plans to be submitted to the Department provided that the party provide its name, contact details and address and discloses any direct business, financial, personal or other interest which he/she may have in the approval or refusal of the applications.

The DBAR will be submitted to the Department of Mineral Resources – KZN (DMR) for review purposes. This report will also be made available to registered I&AP's and stakeholders for a 30-days review period. An electronic copy of the report can be requested from Greenmined Environmental. Upon laps of the commenting period the DBAR will be updated to reflect the comments received during the public commenting period upon which the final Basic Assessment Report & Environmental Management Programme will be submitted to DMR for its consideration as part of the authorization process in terms of the NEMA regulation. A copy of the final BAR will be made available upon request. All registered I&AP's and stakeholders will be notified in writing within 14 days of the date of the decision of the outcome of the application, including the reasons for the decision and the right of appeal.

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CONTACT DETAILS

| Name/Name | |
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| Interest/Belange | |
| Postal Address/Pos | |
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| Tel | |
| Fax/Faks | |
| E-mail/E-pos | |

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COMMENTS/ OPMERKINGS

| No Objection: | |
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| Request additional | |
| i coquest additional | |
| information: | |
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| Signature: |
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BACKGROUND INFORMATION DOCUMENT

Are there any other organisations or individuals that you feel should be invited to comment? If so, please provide their contact details:

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| Contact name: |
| Organisation (if applicable): |
| Address: |
| |
| Tel: |
| Fax |
| E-mail |
| our feedback is valued and will be addressed appropriately. |

Kind Regards

Christine Fouche

Greenmined Environmental