

BLACK MOUNTAIN MINING PTY LTD

GROOT KOLK PROSPECTING RIGHT PROJECT

BACKGROUND INFORMATION DOCUMENT

DMR REFERENCE NUMBER:

NC30/5/1/1/2/12392 PR

PROJECT INTRODUCTION:

Environmental Impact Management Services (Pty) Ltd (EIMS), an independent environmental consulting firm, has been appointed by Black Mountain Mining (Pty) Ltd, (the applicant), to assist in preparing and submitting, in support of an Environmental Authorisation application, a Basic Assessment Report (BAR), Environmental Management Programme (EMPR), as well as an Integrated Interested and Affected Party Consultation (I&AP) for a prospecting right application.

AIM OF THE BACKGROUND INFORMATION DOCUMENT (BID):

The aim of the BID is to:

- Provide an overview of the Environmental Authorisation Process which will be undertaken for the proposed Black Mountain Mining Prospecting Right in terms of the Mineral and Petroleum Resources Development Act (MPRDA, Act 28 of 2002, as amended) and the listed activities in terms of the National Environmental Management Act (NEMA, Act 107 of 1998).
- Allow I&AP's the opportunity to obtain a broad understanding of the proposed project and submit any initial comments, concerns and objections with regard to the project.
- Notify I&AP's of the compilation of a Basic Assessment Report (BAR) which will address all comments received and in turn will be submitted to the Relevant Authority for decision making.

LOCATION, SCALE, AND EXTENT OF THE PROPOSED PROJECT:

The proposed prospecting activity area is located approximately 187 kilometres South West of the town of Upington and 193 km kilometres South East of the town of Aggeneys, Northern Cape Province. Groot Kolk covers an area of 30 150,5 hectares, the affected properties are described in Table 1 below.

PROJECT DESCRIPTION:

The applicant, Black Mountain Mining (Pty) Ltd, is applying for a prospecting right application in order to ascertain if economically viable mineral deposits exist within the application area for the following : Ferrous & base metals (Copper, Iron, Lead, Zinc, Manganese, Nickel, Molybdenum) and all associated metals and minerals, precious metals (Gold, Silver) and all associated metals and minerals. Both non-invasive and invasive prospecting techniques will be utilized. The target geological formation is the Bushmanland Group.

The application will follow a phased approach, and project is divided into several sequential phases. The different phases and timeframes of the prospecting envisaged are, by their nature, dependent on the results obtained during the preceding phases of prospecting. The project will include the use of Non-Invasive and Invasive prospecting techniques. It is anticipated that invasive activities will only be utilized after the second year of prospecting.

Non-Invasive Prospecting Techniques:

The project will include the following non-invasive activities:

- Desktop Study/Literature review
- Regional Airborne Geophysical Survey
- Ground Geophysical Surveys and Geological Field Mapping
- Compilation, Interpretation and Modelling of Data
- Detailed Ground Geophysical Survey on individual positively mineralized targets to define possible extent
- Analytical Desktop Pre-Feasibility Study

Invasive Prospecting Techniques:

Invasive techniques that will be utilized during prospecting include the following:

- Exploration Boreholes
- Boreholes to confirm continuity of mineralization & potential deposit size
- Resource Definition Drilling

DURATION OF ACTIVITY:

The Prospecting Right Project is scheduled to take place over a period of 5 years.

NEMA LISTED ACTIVITIES:

The following NEMA listed activities have been applied for in this application:

- Listing Notice 1 Activity 20: Activities directly related to prospecting of a mineral resource, 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 associated infrastructure, structures and earthworks, directly related to prospecting of a mineral resource.
- Listing Notice 1 Activity 27: The clearance of an area of 1 hectares or more, but less than 20 hectares of indigenous vegetation.
- Listing Notice 3 Activity 12 (g) (ii): The clearance of an area of 300 square metres or more of indigenous vegetation within critical biodiversity areas identified in bioregional plans.

TYPICAL IMPACTS ASSOCIATED WITH THESE ACTIVITIES:

Non-invasive and invasive prospecting techniques will be utilised. Site access will be required for during the topographical and geophysical surveys. Potential impacts that may occur as a result of the proposed activities are as follows:

- Top Soil Removal;
- Vegetation Clearance;
- Surface and Groundwater Contamination;
- Noise and Air Pollution; and
- General and Hazardous Waste Generation.

HOW TO GET INVOLVED:

As an I&AP you need to ensure that you are registered as an I&AP for the Prospecting Right and that you forward through any comments, concerns or objections to EIMS within the stipulated timeframes provided. You may register as an I&AP in any of the following ways:

1. Via E-mail, Fax, Letter or Telephone Call addressed to the contact person stipulated at the end of this document;
2. Through the review and comment on Reports.

In order to ensure that you are identified and registered as an interested and affected party (I&AP) please submit your name, contact details and the reason for your interest, in writing or telephonically, to Environmental Impact Management Services (Pty) Ltd. Comments will be included in the final BAR, to be submitted to the DMR at the end of the process. Please include comments, concerns and suggestions to be submitted and considered by the DMR. Please note that only registered I&AP's will be included in future correspondence regarding this project. Please submit any queries, comments, concerns or issues (including the reference number 1304-5) to:

Environmental Impact Management Services (Pty) Ltd

Contact Person: GP Kriel

Reference Number: 1304-5

Postal Address: PO.Box 19731, Tecoma, 5214

Telephone: (043) 722 7572 / **Fax:** 086 571 9047

E-mail: grootkolk@eims.co.za

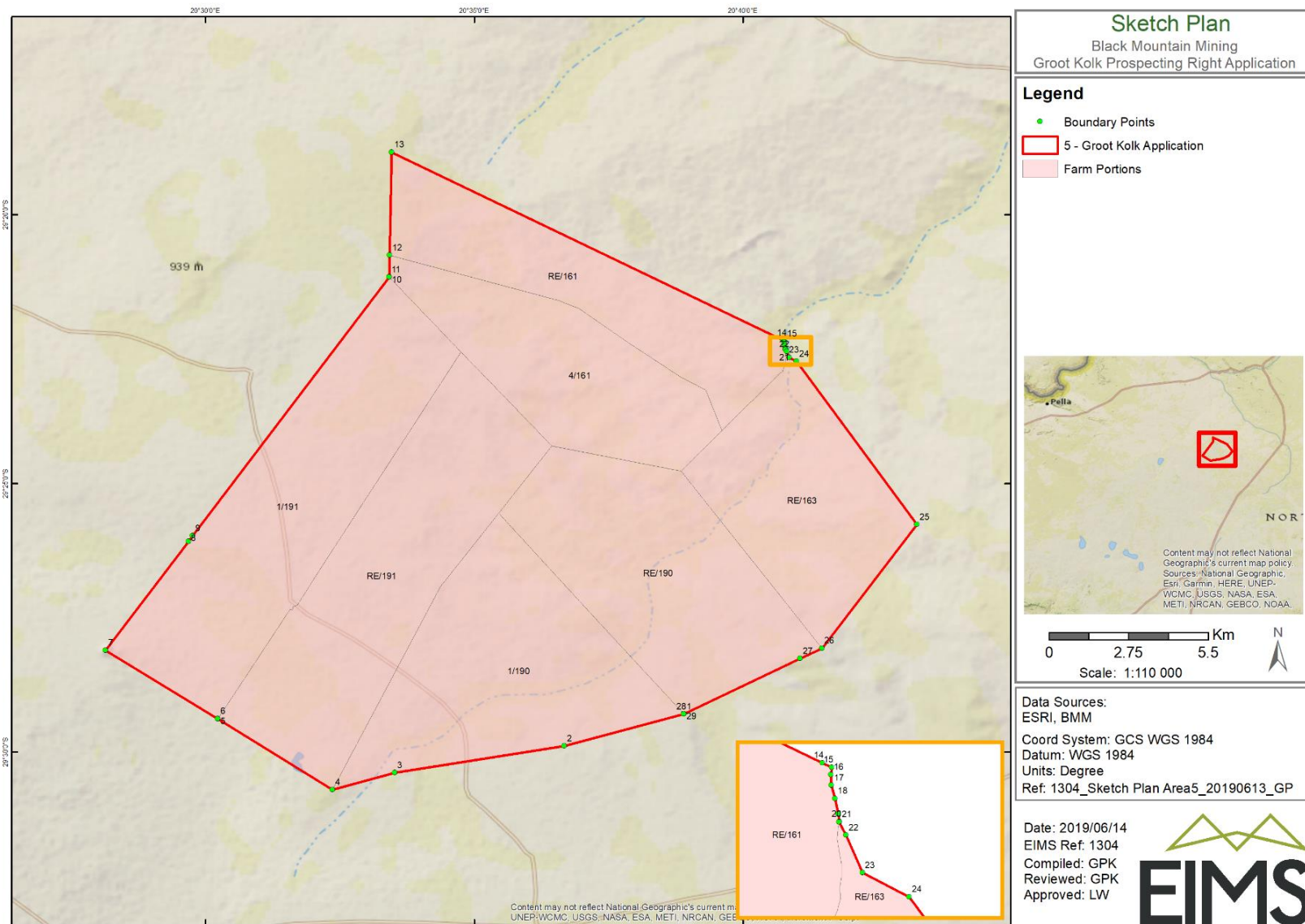


Figure 1: Locality Map

Table 1: List of properties affected by Groot Kolk application

Nr.	Registered Land Description	Magisterial District	Extent (Ha)	Title Deed/Diagram Deed	SG Code
1	Farm De Tuin Noord 161 Portion 0 RE	Kenhardt Rd	3316,574775	T57793/2016CTN	C03600000000016100000
2	Farm De Tuin Noord 161 Portion 4	Kenhardt Rd	3322,791447	T57792/2016CTN	C03600000000016100004
3	Farm De Tuin Zuid 163 Portion 0 RE	Kenhardt Rd	3471,292509	T24554/1971CTN	C03600000000016300000
4	Farm Groot Kolk 190 Portion 0 RE	Kenhardt Rd	4565,285821	T67338/2007CTN	C03600000000019000000
5	Farm Groot Kolk 190 Portion 1	Kenhardt Rd	4629,074162	T55618/1996	C03600000000019000001
6	Farm Annex Groot Kolk 191 Portion 0 RE	Kenhardt Rd	5322,130701	T1681/1987CTN	C03600000000019100000
7	Farm Annex Groot Kolk 191 Portion 1	Kenhardt Rd	5523,361777	T23349/1986	C03600000000019100001
	TOTAL AREA (HA)		30 150,5		

It should be noted that these properties may change after acceptance of the Prospecting Right Applications by the DMR. Should the application area change, the updated properties will be provided in the draft Basic Assessment Report which will be available for public comment.