



Environmental Audit Report for Exclusive Prospecting License (EPL) No. 7030 near Dordabis Settlement in the Khomas Region, Namibia.

ECC Number: ECC- 00441

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Author(s): Ms Rose Mtuleni	Client: Aloe Investments Two Hundred and Thirty-Seven (Pty) Ltd
Reviewer: Mr. Nerson Tjelos	Contact person: Mr Ivor Kahimise
Company: Excel Dynamic Solutions (Pty) Ltd	Telephone: +264 (0)61 429 851
Telephone: +264 (0) 61 259 530	Email: ivorkahimise60@gmail.com
Fax2email: +264 (0) 886 560 836	
Email: info@edsnamibia.com	

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1 INTRODUCTION

1.1 Project Background

This bi-annual environmental audit report is prepared on behalf of Aloe Investments Two Hundred and Thirty-Seven (Pty) Ltd (hereinafter referred to as Aloe Investments 237/The Proponent), the holder of Exclusive Prospecting License (EPL) 7030. Aloe Investments 237 were granted Environmental Clearance Certificate (ECC-00441) on the 19 December 2019, to permit exploration works on EPL 7030. The last environmental audit report for this EPL had been submitted to the Ministry of Environment, Forestry and Tourism (MEFT) in March 2022. This audit report provides a summary of the environmental performance on EPL 7030, since the last environmental audit in March 2022. The report covers environmental performance between April and September 2022.

Prospecting and exploration activities on EPL 7030 commenced in January 2021 with geophysical surveys. During the time of preparation of this report, airborne electromagnetic surveys and mapping are the only exploration activities that have occurred on EPL 7030. No ground activities, including land clearing or excavation of any kind has occurred on the EPL. The locality map of EPL 7030 site is shown in **Figure 1**.

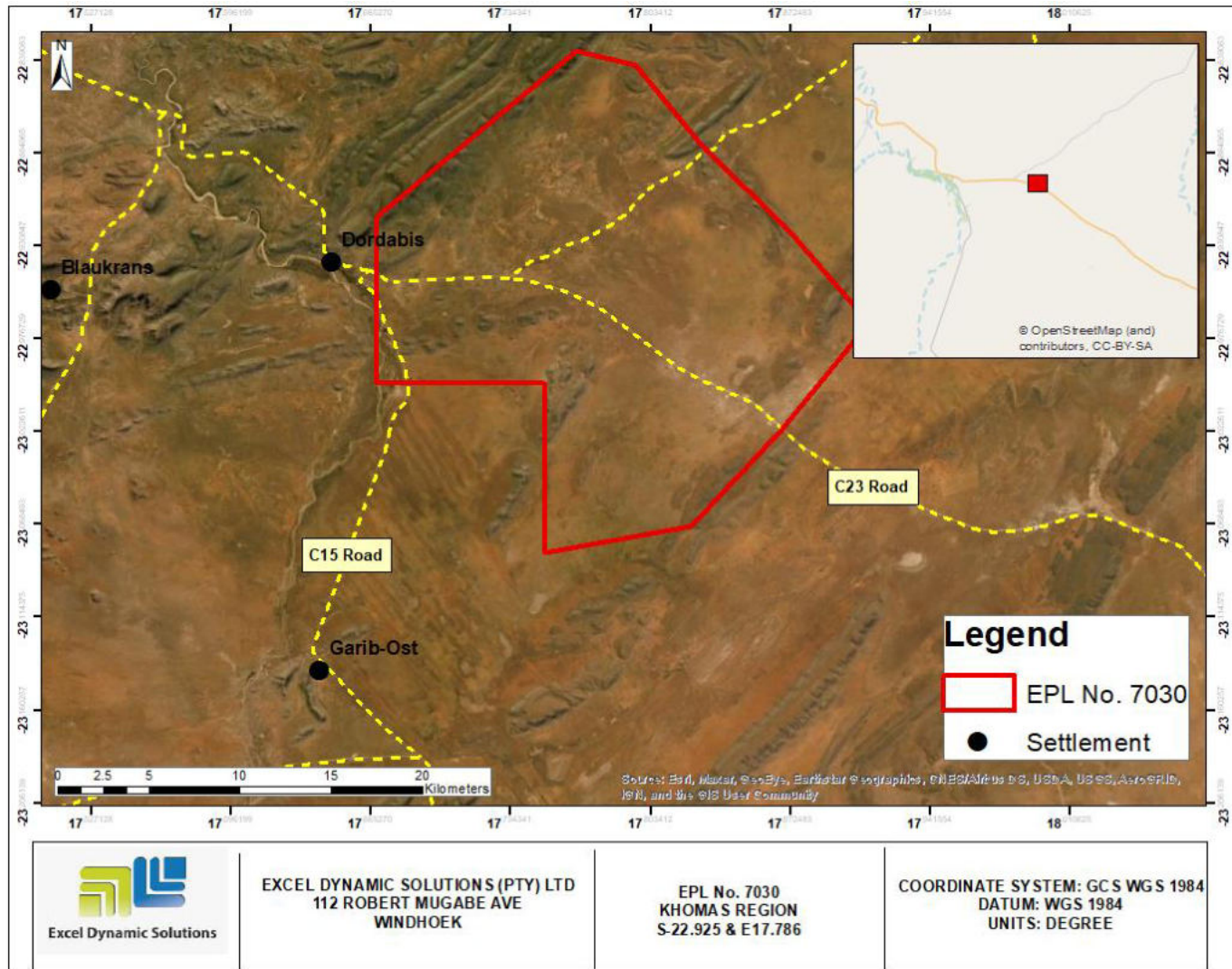


Figure 1: Locality Map - EPL 7030

1.2 Purpose of the Environmental Compliance (Audit) Report

An Environmental Audit Report provides the link between the impacts identified in the EIA Process and the required environmental management on the ground during project implementation and operation, as assessed during compliance monitoring.

The compilation of this Environmental Audit Report was one of the requirements (scope of work) presented to the Environmental Consultant by Aloe Investments 237, to ensure environmental compliance with reference to the Environmental Management Plan (EMP), which has been prepared as a legal requirement by Section 8 of the Environmental Management Act (EMA), No.7 of 2007 and its 2012 Environmental Impact Assessment (EIA) Regulations.

This Environmental Audit Report serves to document the progress made on the exploration and prospecting works of EPL 7030. The phases of the proposed exploration activities are summarized below:

- **Operation and maintenance** - This is the phase during operation, where the proponent prospects/explores for target commodities and undertakes related activities on site. It is also the phase during which maintenance of the area, equipment and machinery is expected to be done by the Proponent.
- **Environmental Monitoring Requirements** - In order to support and ensure that the proposed mitigation measures are achieving the desired results, a monitoring plan must be implemented alongside the mitigation plan.
- **Decommissioning and Rehabilitation** – This is the phase during which the exploration activities cease. The decommissioning of the exploration operations may be considered due to poor exploration results or declining market value of target resources. During the operational phase and before decommissioning, the Proponent will need to put site rehabilitation measures in place.

It is expected from Aloe Investments 237 and their employees and/or contractors in guiding them during the exploration work, to ensure that impacts on the environment are avoided or limited if they cannot be avoided completely.

1.3 Appointed Environmental Assessment Practitioner

Aloe Investments 237 has appointed Excel Dynamic Solutions (Pty) Ltd (Environmental Consultants) to conduct the required Environmental Assessment (EA) process and prepare a detailed Environmental Management Plan that can be used as guide to monitor compliance to the recommendations made in the EA; and thereafter, submit the ECC application to the Ministry of Environment, Forestry and Tourism and Ministry of Mines and Energy on their behalf.

Excel Dynamic Solutions (Pty) Ltd has been appointed as the external Environmental Control Officer (ECO) to ensure EMP compliance throughout the project life cycle, with the conditions of authorization, in performing environmental monitoring and auditing, in order to produce the subsequent bi-annual environmental compliance reports.

This document was compiled by Ms. Rose Mtuleni, and reviewed by Mr. Nerson Tjelos.

1.4 Environmental Auditing

The current baseline is expected to be reviewed and progress inspected according to the EMP provided as part of the application for the ECC (ECC -00441), rendering a bi-annual compliance report a requisite part of environmental monitoring on EPL 7030. In addition to the compliance audit and review in Tables 3 and 4, the EMP will be revised and gaps identified; additional best practice measures that were absent from the previous EMP; will be implemented.

2 EMP ROLES AND RESPONSIBILITIES

As the holder of EPL 7030, Aloe Investments 237 is ultimately responsible for the implementation of the EMP, and has delegated the responsibility for the effective implementation of the EMP to Excel Dynamic Solutions (Pty) Ltd.

2.1 Environmental Management Plan Actions and Audit

The aim of the management actions of the EMP is to avoid potential negative impacts where possible. Where impacts cannot be avoided, measures are provided to reduce the significance of these impacts. It is therefore important for the Proponent/Environmental Manager to be sure to adhere to the management actions.

Management actions recommended for the potential impacts rated in the EA carried out for the prospecting and exploration activities were based on the three project phases listed below:

- Phase 1: Operation (surveys, drilling, sampling...) (**Table 3**)
- Phase 2: Monitoring (**Table 4**)
- Phase 3: Decommissioning

The responsible persons at Aloe Investments 237 must assess these commitments in detail and should acknowledge their commitment to the specific management actions detailed in the phases given under the following subchapters. The compliance levels, thereof, are measured in **Tables 3 and 4**.

2.2 Key Potential Environmental Impacts to be managed

From the EIA conducted, the following key potential negative impacts have been identified per project phase and are summarized in **Table 2** below.

Table 1: Summary of key potential environmental impacts per project phase

	Potential negative impacts identified in the EA
1	Biodiversity loss, Dust, Waste, Noise, Health and safety, soil erosion
2	Access to site
3	Visual impacts on landscape, Sufficiency of rehabilitation measures

2.3 Phase 1: Operation (and Maintenance) Phase Management Action Plans

The management action plans recommended for this phase are presented in **Table 3** below.

Table 2: Management action plans for the Operation and Maintenance Phase and EMP Audit

Environmental Feature	Management Actions	Observations	Compliance comment	Corrective Action/Recommendation
EMP training	<ul style="list-style-type: none"> Employees appointed for operation and maintenance on respective site must ensure that all personnel are aware of necessary health, safety and environmental considerations applicable to their respective works. 	Contractors working on the project have been informed of all the OHS&E issues	COMPLIANT	A formal induction is being designed for future drilling activities
Monitoring	<ul style="list-style-type: none"> The ECO or the Proponent should monitor the implementation of this EMP. 	Undertaken on a weekly basis	COMPLIANT	N/A
	<ul style="list-style-type: none"> An EMP non-compliance penalty system should be implemented on site 	No general non-compliance penalty system in place for the exploration project. Some penalties (animal-related) are included in the access agreement.	PARTIALLY COMPLIANT	Implement a non-compliance penalty system based on the environmental features identified in the project's EMP, in order to ensure effectiveness of EMP mitigation measures for exploration works.

Environmental Feature	Management Actions	Observations	Compliance comment	Corrective Action/Recommendation
Visual Impacts (sense of place)	<ul style="list-style-type: none"> All the necessary options to improve the aesthetic of the site should be considered and incorporated in the activities of the prospecting and exploration program. 	There are no ground activities occurring on site yet.	COMPLIANT	N/A
Biodiversity	<ul style="list-style-type: none"> Vegetation found on the site, but not in the targeted areas of exploration should not be removed, but left to preserve biodiversity on the site. 	No vegetation has been removed on the sites.	COMPLIANT	N/A
	<ul style="list-style-type: none"> Shrubs, trees or grasses found along and around drilling and sampling areas on sites, should not be unnecessarily removed. Therefore, care should be taken when exploring for target mineral without destroying the vegetation. 	All staff are made aware.	COMPLIANT	N/A
	<ul style="list-style-type: none"> Workers should refrain from killing or snaring animals' species (big or small) that may be found on the site. 	All staff are made aware.	COMPLIANT	N/A

Environmental Feature	Management Actions	Observations	Compliance comment	Corrective Action/Recommendation
	<ul style="list-style-type: none"> Environmental awareness on the importance of biodiversity preservation should be provided to the workers 	This measure is not separately implemented, but addressed through the two measures above, on protection of animals and vegetation.	COMPLIANT	N/A
Employment	<ul style="list-style-type: none"> Preference for casual and general labour during the operational phase should be given to the local residents of Dordabis and settlements or farms near the EPL. 	Local employment will be prioritised unless landholders require otherwise	COMPLIANT	N/A
	<ul style="list-style-type: none"> No recruitment should be done on site. 	No recruitment will be done on site	COMPLIANT	N/A
Air Quality	<ul style="list-style-type: none"> Exploration schedule should be limited to weekdays only, and between 08h00 and 17h00. This will keep the vehicle-related dust levels minimal in the area. 	The work hours are adhered to.	COMPLIANT	N/A
	<ul style="list-style-type: none"> Vehicles and machinery on site should be serviced regularly to prevent emission of harmful gases. 	Modern vehicles will be hired	COMPLIANT	N/A

Environmental Feature	Management Actions	Observations	Compliance comment	Corrective Action/Recommendation
Waste Generation	<ul style="list-style-type: none"> Workers should be sensitised to responsible waste disposal methods. 	No major waste-producing activities are occurring on the sites, as there are no ground activities on sites	COMPLIANT	N/A
	<ul style="list-style-type: none"> After each daily works, the Proponent should ensure that there are no waste left at the site of works. 	No major waste-producing activities are occurring on the sites, as there are no ground activities on sites.	COMPLIANT	N/A
	<ul style="list-style-type: none"> All domestic and general operational waste produced on a daily basis should be contained until such that time it is transported to designated waste sites. 	No major waste-producing activities are occurring on the sites, as there are no ground activities on sites.	COMPLIANT	N/A
	<ul style="list-style-type: none"> No waste may be buried or burned on site or anywhere else. 	No major waste-producing activities are occurring on the sites, as there are no ground activities on sites.	COMPLIANT	N/A
	<ul style="list-style-type: none"> The exploration site should be equipped with separate waste bins for hazardous, general/domestic and/or recyclable waste. 	No major waste-producing activities are occurring on the sites, as there are no ground activities on sites.	COMPLIANT	N/A

Environmental Feature	Management Actions	Observations	Compliance comment	Corrective Action/Recommendation
	<ul style="list-style-type: none"> A penalty system for irresponsible disposal of waste on site and anywhere in the area should implemented. 	No major waste-producing activities are occurring on the sites, as there are no ground activities on sites.	PARTIALLY COMPLIANT	Implement a non-compliance penalty system based on the environmental features identified in the project's EMP, in order to ensure effectiveness of EMP mitigation measures in preparation for exploration works.
Health and Safety	<ul style="list-style-type: none"> As part of their induction, the workers should be provided with an awareness training of the risks of mishandling equipment and materials on site. 	New induction for drilling is under preparation	COMPLIANT	N/A
	<ul style="list-style-type: none"> During operations on site, employees should be properly equipped with personal protective equipment (PPE) such as coveralls, gloves, safety boots, earplugs, safety glasses, hard hat etc. 	There are no heavy duty works or ground activities on the sites that may require PPE to handle equipment.	COMPLIANT	N/A

Environmental Feature	Management Actions	Observations	Compliance comment	Corrective Action/Recommendation
	<ul style="list-style-type: none"> Workers should not be allowed to consume alcohol or any other intoxicants prior to and during working hours as this may lead to mishandling of equipment which results into injuries and other health and safety risks. 	Consumption of alcohol/intoxicants is prohibited on sites during working hours.	COMPLIANT	N/A
	<ul style="list-style-type: none"> Employees should not be allowed on site if under the influence of alcohol. 	Consumption of alcohol/intoxicants is prohibited on sites during working hours.	COMPLIANT	N/A
Noise	<ul style="list-style-type: none"> During exploration, the operational times should be set such that, no activity is carried out during the night or very early in the mornings. 	No activities are carried out during the early and late hours on the sites.	COMPLIANT	N/A
	<ul style="list-style-type: none"> Exploration hours should be restricted to between 08h00 and 17h00 to avoid noise generated by exploration equipment and the movement of vehicles before or after hours. 	No activities are carried out during the early and late hours on the sites.	COMPLIANT	N/A
	<ul style="list-style-type: none"> When operating the drilling machinery onsite, workers should be equipped with personal protective equipment (PPE) such as earplugs to reduce noise exposure 	No drilling machinery is operated on the sites at this stage.	COMPLIANT	N/A

Environmental Feature	Management Actions	Observations	Compliance comment	Corrective Action/Recommendation
Soils	<ul style="list-style-type: none"> Spill control preventative measures should be put in place to manage soil contamination, no matter how small the amount of pollution (spill) is. 	No ground activities occurring on sites at this stage	COMPLIANT	N/A
	<ul style="list-style-type: none"> Site soils should not be unnecessarily disturbed. 	No ground activities occurring on sites at this stage	COMPLIANT	N/A
	<ul style="list-style-type: none"> Overburden material should be handled more efficiently during exploration operations to avoid erosion when subjected erosional processes. 	No ground activities occurring on sites at this stage	COMPLIANT	N/A
	<ul style="list-style-type: none"> Prevent the creation of huge piles of waste materials by performing sequential backfilling where possible 	No ground activities occurring on sites at this stage	COMPLIANT	N/A
Archaeology and cultural heritage	<ul style="list-style-type: none"> Caution should be exercised when carrying out excavations associated with the exploration activities in the event that archaeological/heritage remains are discovered. 	No ground activities occurring, and no sites of heritage/archaeological significance discovered on sites at this stage.	COMPLIANT	N/A
	<ul style="list-style-type: none"> The worksite/exploration manager should familiarise themselves with the National Heritage Council's regulations 	The Environmental Consultant will provide updates and information to the Project	COMPLIANT	N/A

Environmental Feature	Management Actions	Observations	Compliance comment	Corrective Action/Recommendation
Communication	<ul style="list-style-type: none"> The Proponent should appoint a Public Relation Officer (PRO) to liaise with the farmers/landowners. 	Relationships with farmers/landowners established.	COMPLIANT	N/A
	<ul style="list-style-type: none"> The PRO should be introduced to the farm owners and his or her contact details provided to them prior to undertaking activities for easy communication during the exploration activities. 	Relationships with farmers/landowners established.	COMPLIANT	N/A
	<ul style="list-style-type: none"> The Proponent should compile a clear communication procedure/plan which should include a grievance mechanism 	Relationships with farmers/landowners established, and access agreements are in place.	COMPLIANT	N/A
	<ul style="list-style-type: none"> The Proponent should enter into a written agreement with landowners before carrying out exploration on their land. 	Relationships with farmers/landowners established, and access agreements are in place.	COMPLIANT	N/A
COVID-19	<ul style="list-style-type: none"> The workers should be engaged in health talks and training about the dangers of infections such as COVID-19. 	Included in Induction, all workers will need to be vaccinated as per Landholder agreement	COMPLIANT	N/A

Environmental Feature	Management Actions	Observations	Compliance comment	Corrective Action/Recommendation
	<ul style="list-style-type: none"> Provision of any available public health education information to workers. 	Included in new induction	COMPLIANT	Provide COVID-19 information to workers, including sites for testing, vaccination etc.

2.4 Phase 2: Monitoring Phase Management Action Plans

In order to support and ensure that the proposed mitigation measures are achieving the desired results, a monitoring plan must be implemented. The management action plans recommended for exploration work are presented in **Table 4** below.

Table 3: Management Action Plans for the Monitoring phase and EMP Audit

Environmental Feature	Management Actions/Monitoring Objectives	Frequency (Effective upon commencement of operations)	Observation	Compliance	Recommended Action
Soils	<ul style="list-style-type: none"> All measures should be considered to prevent the loss of top soil 	Weekly	No ground activities occur on the sites at this stage	COMPLIANT	N/A
Monitoring	<ul style="list-style-type: none"> The ECO or the Proponent/Contractor should monitor the implementation of the EMP, in order to ensure compliance. 	Daily	Regular monitoring (daily and weekly) occurs, and is audited bi-annually by Consultant	COMPLIANT	N/A
	<ul style="list-style-type: none"> The ECO(s) should inspect the site throughout the exploration period and after completion. 	Daily	Frequent environmental inspections are observed. Environmental audits occur bi-annually and will continue until rehabilitation and closure phase of mine.	COMPLIANT	N/A

Environmental Feature	Management Actions/Monitoring Objectives	Frequency (Effective upon commencement of operations)	Observation	Compliance	Recommended Action
Biodiversity	<ul style="list-style-type: none"> Clear only minimal access tracks when necessary, to maintain as much of the remaining natural vegetation on site and to prevent habitat loss outside areas of interest for exploration. 	Weekly	No new tracks created on sites, as no ground activities occur on the sites at this stage.	COMPLIANT	N/A
	<ul style="list-style-type: none"> No equipment should be left leaning on or on top of shrubs or trees on site, during and after exploration work 	Weekly	No equipment is left on sites. No ground activities occur at this stage	COMPLIANT	N/A

Environmental Feature	Management Actions/Monitoring Objectives	Frequency (Effective upon commencement of operations)	Observation	Compliance	Recommended Action
Health and Safety	<ul style="list-style-type: none"> Exploration workers should be trained on how to properly handle materials and equipment on site (if they do not have the skills) in order to avoid injuries. 	Daily/Weekly	Lifting training will be included in Induction	COMPLIANT	N/A
	<ul style="list-style-type: none"> Exploration equipment and materials transported to site should be securely fastened to the vehicles (trucks and cars). This is to ensure that the materials and equipment do not fall off the vehicles and cause injury during transportation. 	Daily/Weekly	No heavy equipment utilised on sites. No ground activities occur at this stage	COMPLIANT	N/A

Environmental Feature	Management Actions/Monitoring Objectives	Frequency (Effective upon commencement of operations)	Observation	Compliance	Recommended Action
	<ul style="list-style-type: none"> The proponent and ECO/SHE Officer should ensure that all personnel are provided with appropriate personal protective equipment (PPE), such as gloves, safety boots, safety glasses and hard hats at all times during exploration (operation) hours on site to prevent injuries and/or loss of life. 	Daily/Weekly	No heavy duty works occur on sites at this stage.	COMPLIANT	N/A

Environmental Feature	Management Actions/Monitoring Objectives	Frequency (Effective upon commencement of operations)	Observation	Compliance	Recommended Action
	<ul style="list-style-type: none"> No employee should be allowed to consume alcohol or any other intoxicants prior to and during working hours as this may lead to mishandling of equipment which may result into injury and/or other health and safety risks. 	Daily/Weekly	Regularly monitored	COMPLIANT	N/A
Neighbours to the site	<ul style="list-style-type: none"> Exploration works schedule should be limited to normal working hours, between 08h00 and 17h00. This is to ensure that noise generated during operation does not disturb residents during home hours. 	Weekly	The working hours are adhered to.	COMPLIANT	N/A

Environmental Feature	Management Actions/Monitoring Objectives	Frequency (Effective upon commencement of operations)	Observation	Compliance	Recommended Action
Waste	<ul style="list-style-type: none"> The exploration site should be kept tidy at all times. 	Daily	No major waste-producing activities are occurring on the sites at this stage. No ground activities on sites	COMPLIANT	N/A
	<ul style="list-style-type: none"> All domestic and general construction waste produced on a daily basis should be collected and contained daily to prevent environmental pollution. 	Daily	No major waste-producing activities are occurring on the sites, as there are no ground activities on sites	COMPLIANT	N/A
	<ul style="list-style-type: none"> avoid combining of hazardous and non-hazardous waste by providing separate waste containers (bins) for hazardous and domestic / general waste must be provided on site to 	Daily	No major waste-producing activities are occurring on the sites, as there are no ground activities on sites	COMPLIANT	N/A

Environmental Feature	Management Actions/Monitoring Objectives	Frequency (Effective upon commencement of operations)	Observation	Compliance	Recommended Action
Transport	<ul style="list-style-type: none"> Exploration workers should be transported to and from site in a suitable passenger vehicle, preventing frequent exposure to high levels of dust. 	Daily	Suitable transport with seatbelts will be provided. Included in contracts with Contractors.	COMPLIANT	N/A
Vehicular traffic safety	<ul style="list-style-type: none"> All drivers of the project vehicles should be in possession of valid and appropriate driving licenses to operate such vehicles. 	Weekly	Checks will be required on all Contractors qualifications	COMPLIANT	N/A
	<ul style="list-style-type: none"> Project vehicles should be in a road worthy condition and regularly serviced in order to prevent accidents as a result of mechanical faults. 	Weekly	Service undertaken as and when necessary.	COMPLIANT	N/A

Environmental Feature	Management Actions/Monitoring Objectives	Frequency (Effective upon commencement of operations)	Observation	Compliance	Recommended Action
	<ul style="list-style-type: none"> Vehicle drivers should not be allowed to operate vehicles while under the influence of alcohol or any other intoxicants. 	Weekly	Monitored Regularly	COMPLIANT	N/A
	<ul style="list-style-type: none"> No heavy trucks or project related vehicles should be parked next to the residents' properties or obstruct the local traffic in any way. 	Weekly	No heavy material/equipment utilised on sites at this stage. No ground activities on sites.	COMPLIANT	N/A

SUMMARY OF COMPLIANCE

This environmental audit has identified 37 management actions and 18 monitoring actions. After on site observation, two (2) out of the 37 management actions have been identified as ***Partially Compliant***. 35 of the management actions were observed as ***Compliant***. All 18 monitoring actions were identified as ***Compliant***. Due to the limited activity occurring on the site at the time of preparation of this report, all management and monitoring actions that are not applicable to current activity on site are categorized as Compliant. These actions remain labeled as Compliant until such a time that further works occur beyond the airborne electromagnetic surveys and mapping on the sites.

The large proportion of *Compliant* action recorded for the environmental audit, therefore, renders the general state of the ongoing Operations and Maintenance phase of the project ***Compliant***. Aloe investments 237 have, thus far, paid attention to the environmental aspects and compliance of this project. There were no issues of Non-Compliance identified during this Environmental Audit.

This environmental audit has identified two issues of partial compliance, which may be regarded jointly as one issue, requiring a single solution/intervention. The identified issue has, thus far, had no significant negative effects to the exploration operations, the employees and the environment; and is, therefore, regarded as minor. The issue of Partial Compliance identified is:

1. There is no general non-compliance penalty system in place for the exploration project (including waste management actions)

Although, insignificant at the current stage of the exploration process, an environmental management penalty system for the project will be relevant and significant upon commencement of exploration works that require ground activities.

3 CONCLUSION AND RECOMMENDATIONS

The minor non-compliances identified in this biannual environmental audit report need immediate corrective action in order for the mining operations of Aloe Investments Two Hundred and Thirty-Seven (Pty) Ltd to reach a 100% Compliance rate. Recommendations for corrective action are as follows:

- Implement a penalty system for EMP Compliance to enforce accountability towards environmental management within exploration operations.

The potential positive and negative impacts OF the exploration activities were identified, assessed and mitigation measures made thereof. Mitigation measures need to be adhered to at all times. Most importantly, monitoring of the environmental components described in the Environmental Management Plan should be conducted by the Proponent and an appointed Environmental Officer or any applicable Competent Authority.

The next site inspection will be undertaken in April 2023, and a resultant biannual report will be produced thereafter.