OFFICE OF THE ENVIRONMENTAL COMMISSIONER

The Managing Director
Skorpion Zinc Mine
Private Bag 2003
Rosh Pinah
Namibia

Dear Sir/Madam

SUBJECT: ENVIRONMENTAL CLEARANCE CERTIFICATE FOR THE EXCLUSIVE EXPLORATION ACTIVITIES ON EXCLUSIVE PROSPECTING LICENCES 5261-5264 SITUATED IN OTJOZONDJUPA AND OSHIKOTO REGIONS

The Environmental Management Plan submitted is sufficient as it made provisions of the environmental management concerning the proposed activities. From this perspective, regular environmental monitoring and evaluations on environmental performance should be conducted. Targets for improvements should be established and monitored throughout this process.

This Ministry reserves the right to attach further legislative and regulatory conditions during the operational phase of the project.

On the basis of the above, this letter serves as an environmental clearance certificate for the project to continue. However, this clearance letter does not in any way hold the Ministry of Environment and Tourism accountable for any misleading information, nor any adverse effects that may arise from this project’s activities. Instead, full accountability rests with Skorpion Zinc Mine.

This environmental clearance is valid for a period of 3 (three) years, from the date of issue unless withdrawn by this office.

Yours sincerely,

Teofilus Nghitila
ENVIRONMENTAL COMMISSIONER

"Stop the poaching of our rhinos"

All official correspondence must be addressed to the Permanent Secretary
20 August 2020

Mr. Timoteus Mufeti  
Environment Commissioner  
Ministry of Environment and Tourism  
Phillip Triskle Building  
Private Bag 13306  
Windhoek  
Namibia

Dear Mr. Mufeti,

SUBJECT: ENVIRONMENTAL CLEARANCE CERTIFICATE FOR THE EXCLUSIVE EXPLORATION ACTIVITIES ON EXCLUSIVE PROSPECTING LICENCE 5263 SITUATED IN THE OSHIKOTO REGION

EPL 5263 is subject to a Joint Venture (JV) between the THL Zinc Namibia Holdings (Pty) Ltd (a Vedanta subsidiary and the exploration operator and funder) and the Namibian partner, Epangelo Mining Company (Pty) Ltd (the EPL holder).

Previously the JV agreement also included EPLs 5261, EPL5262 and EPL5264, however THL Zinc Namibia Holdings (Pty) Ltd has subsequently withdrawn its interest in these areas from the JV agreement. No exploration activities have been conducted on EPLs 5261, EPL5262 and EPL5264 since the environmental clearance certificate was renewed on 20 September 2017 and responsibility for continued exploration on these properties reverted to the EPL holder. It is our understanding that Epangelo Mining Company (Pty) Ltd have since relinquished EPLs 5261, EPL5262 and EPL5264 through the Ministry of Mines and Energy.

EPL 5263 will therefore remain the focus for mineral exploration efforts in the foreseeable future. The technical results continue to highlight EPL 5263 as having high potential. The EPL is situated in a favourable position with respect to its structural setting as well as the underlying Otavi Group stratigraphy and is therefore considered highly prospective for a potential new discovery of a Tschudi or Tsunmbé stylitic crosscutting body.

In May 2014 THL Zinc Holdings (Pty) Ltd commissioned an Environmental Scoping Report and Management Plan for the planned exploration activities as per EPLs 5261, 5262, 5263 and 5264. As described above, the company now intends only to continue with exploration activities on EPL5263, however the planned activities remain within the scope of the 2014 Environmental Scoping Report and Management Plan.

Since the previous reporting period Skorpion Mining Company has completed an airborne electromagnetic survey (VTM) over the EPL in March 2018, as well as a soil geochemistry sampling campaign over selected areas. These activities are non-invasive with negligible environmental impact, but were nonetheless performed in accordance with the EMP. A report detailing the soil sampling program methodology and resulting follow-up targets is attached along with this letter. The Company intends to continue with exploration on EPL5263 with a follow-up RC drill program of some five (5) targets once the environmental clearance certificate can be renewed.

We, therefore, trust that our motivation for the renewal of the Environmental Clearance Certificate for EPL 5263 will be well received.

Sincerely,

Dr. Markus Schaefer  
GM Exploration VZI & Vedanta Exploration Africa

Directors: K K Rajagopal**, A Kumar*, D Naidoo**, I Simataa  
(* Indian)  
(** South African)