BACKGROUND INFORMATION DOCUMENT (BID)

An Amendment to an Environmental Clearance Certificate to allow for Exploration Mining of Industrial Minerals on Four Mining Claims Pegged on a Private Farmland

Omaruru District, Erongo Region

June 2023

INTRODUCTION

Mr Jeano Foelscher, a Small-scale Miner (SSM) has been a beneficiary owner of four (4) Mining Claims (MCs) with these numbers (MC-68922, MC-67923, MC-68561 & MC-68562) for a period of about fifteen years. All four MCs are pegged on a Omapyu Süd, a privately owned commercial farm situated in the Omaruru District in the Erongo Region. Semi-precious stones (SPS) are the target minerals extracted on the MCs. Mining activities on the MCs have been permitted by an Environmental Clearance Certificate (**ECC – AP10483**) issued on 14 September 2022 and is due to expire on 14 September 2025.

RATIONALE FOR AMENDMENT

Recently, the SSM has made a new discovery of Industrial Minerals (IMs) consisting of lithium, tin and tantalite on all four MCs. The proponent would like to conduct exploration mining for the said IMs in order to ascertain the size and extent of their mineralisation and if they can be mined economically. Since the MCs have been granted for SPS, for the SSM to engage in exploration mining for IMs when such minerals are not included on the aforesaid MCs would constitute an illegal activity in terms of the Minerals (Prospecting & Mining) Act.

Upon notifying the Mining Commissioner of the new discovery and requesting for such IMs to be included on the Registration Certificate of the MCs, the SSM was advised by the Mining Commissioner to do the following:

- To have the discovered IMs confirmed by an accredit laboratory.
- To have the ECC amended to allow for exploration mining of the discovered IMs.

STATUS OF THE MINING CLAIMS

The current status of the MCs and the desired status to be achieved once the two conditions as prescribed by the Ministry of Mines & Energy (MME) have been fulfilled are as tabulated in **Table 1**, below:

 Table 1: Current and Desired Status of MCs

| MC Numbers | Current Status with Authorities | Size (ha) | Minerals Allowed for Mining | New Minerals Discovered | Minerals Desired for Mining |
|--------------------|--|-----------|-----------------------------------|----------------------------|--------------------------------|
| MC-67922 | MME - All active MEFT - mining of SPS allowed via ECC – AP10483 | 15.22 | SPS | IMs | SPS & IMs |
| MC-67923 | | 19.53 | SPS | IMs | SPS & IMs |
| MC-68561 | | 18.51 | SPS | IMs | SPS & IMs |
| MC-68562 | | 17.70 | SPS | IMs | SPS & IMs |
| Total sizes of MCs | | 70.96 | Exploration Mining Footprint | | 75% @ 53.22 ha |

EKWAO CONSULTING

Ekwao has been appointed by the SMM to handle the amendment of its ECC. The scale and footprint of the envisaged exploration mining for IMS are completely different to that of mining for SPS. The proposed exploration mining is likely to have a footprint of 75% of the total MCs combined geographical areas. Ekwao has advised the promoter that a full EIA will be required.

MINING PROJECT PROPOSAL

The proposal of the SSM is to conduct exploration mining targeting the lithium-tin bearing pegmatite occurring within all four MCs. The objective of the exploration mining is, first and foremost, to determine the shape, characteristics of the deposit and any volumetric contained IMs. Two companies conducting exploration work in the same locality have discovered similar IMs with high grades and there are talks of a possible development of a lithium processing facility to be operated on a toll basis. Indications are that the processing facility will either be developed in Omaruru or Karibib.

At this stage the volume of the ore to be mined and delivered for processing is unknown as such will depend on the outcome of the exploration mining programme that has first to be carried out.

PROJECT LOCATION

All four MCs are pegged on the farm Omapyu Süd, which is accessed via C36 – the gravel road which connects the settlement of Wilhelmstal to the town of Omaruru. The nearest town to the project site is therefore Omaruru. The settlement of Wilhelmstal is about 40 km from the project site (Fig. 1).

COMMENTS AND OR INPUTS

Given that all four MCs are located on a private farmland and that mining activities have been operated on the same MCs since October 2007, a public meeting has been waived.

However, interested and affected parties (IAPs) are hereby invited to provide their comments and/or inputs with respect to the EIA being conducted to Ekwao Consulting. Comments or inputs can be provided via email, fax, text messages or social media platforms such as WhatsApp on or before the 14 July 2023.

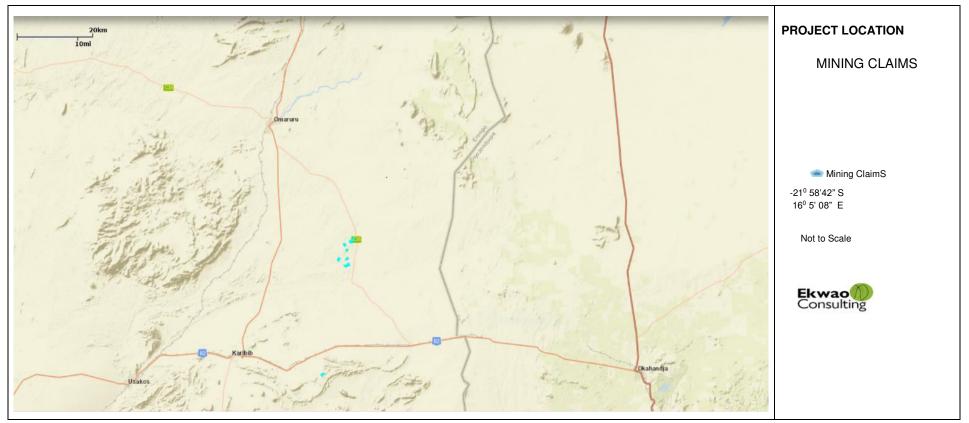


Fig. 1: Location of the Mining Claims