

BACKGROUND INFORMATION DOCUMENT

For the proposed minerals
exploration for Base and rare
metals, industrial minerals,
nuclear fuels, and precious
metals within EPL 9055

Kunene Region

Date: November 2023

Proponent: KoBold Metals Namibia (Pty)
Ltd



INTRODUCTION

Alliance Environmental Consultancy CC (AEC) (herein referred to as the consultant) has been appointed by KoBold Metals Namibia (Pty) Ltd (herein referred to as the proponent) to act on their behalf in obtaining an Environmental Clearance Certificate (ECC) for their proposed minerals exploration on Exclusive Prospecting License (EPL) 9055. The project area is located within the Khorixas constituency covering a total area of approximately 75,887 Hectares across the Torra and Doro !Nawas Area 1 communal conservancies, Kunene Region.

The EPL site is accessible via several tracks that branch through the EPL from the C39/M0065 main road and D2612 district road from Khorixas. The major towns/settlements in and around the project area include Khorixas, De Riet, Bergsig, and Driefontein. Figures 1 & 2 provides a detailed overview layout of the project area in the Kunene Region and as represented on the Ministry of Mines and Energy (MME) licences Cadastre <https://maps.landfolio.com/Namibia/>.

The land - use of the larger area includes agriculture and freehold tourism and it covers farmlands and portions of the farms reflected in

Figure 1 & Table 1.

TABLE 1 - FARMS OVERLAYING THE KOBOLD EPL, KUNENE REGION

NO	FARM NAME
721	KRONE

PURPOSE OF THE DOCUMENT

This document serves the purpose of informing interested and affected parties (I&AP) of the following:

- Proposed project location;
- Proposed activities pertaining to the project;
- The EIA process to be followed;
- How you can get involved.

As an identified or registered interested and or affected party (I&AP) you are encouraged to submit your comment/inputs/concerns on the proposed project activities. You will have the opportunity to review and comment on the EIA documents for the project.

Your comments will add value and enrich the Environmental Scoping & Impact Assessment (EIA) Report as well as the Environmental Management Plan (EMP) that will be submitted to the competent authorities for decision making.

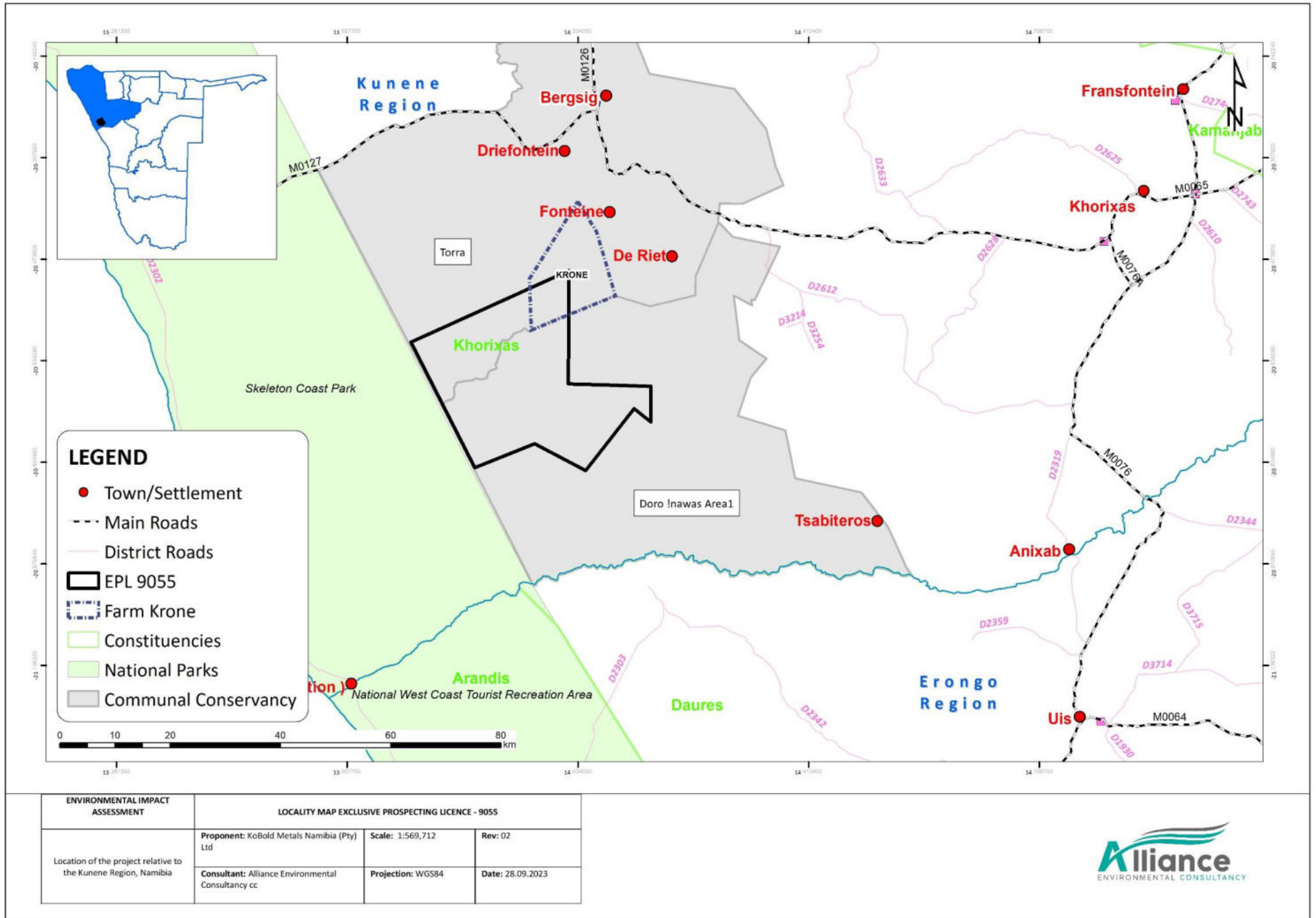


FIGURE 1 - PROJECT LOCALITY MAP

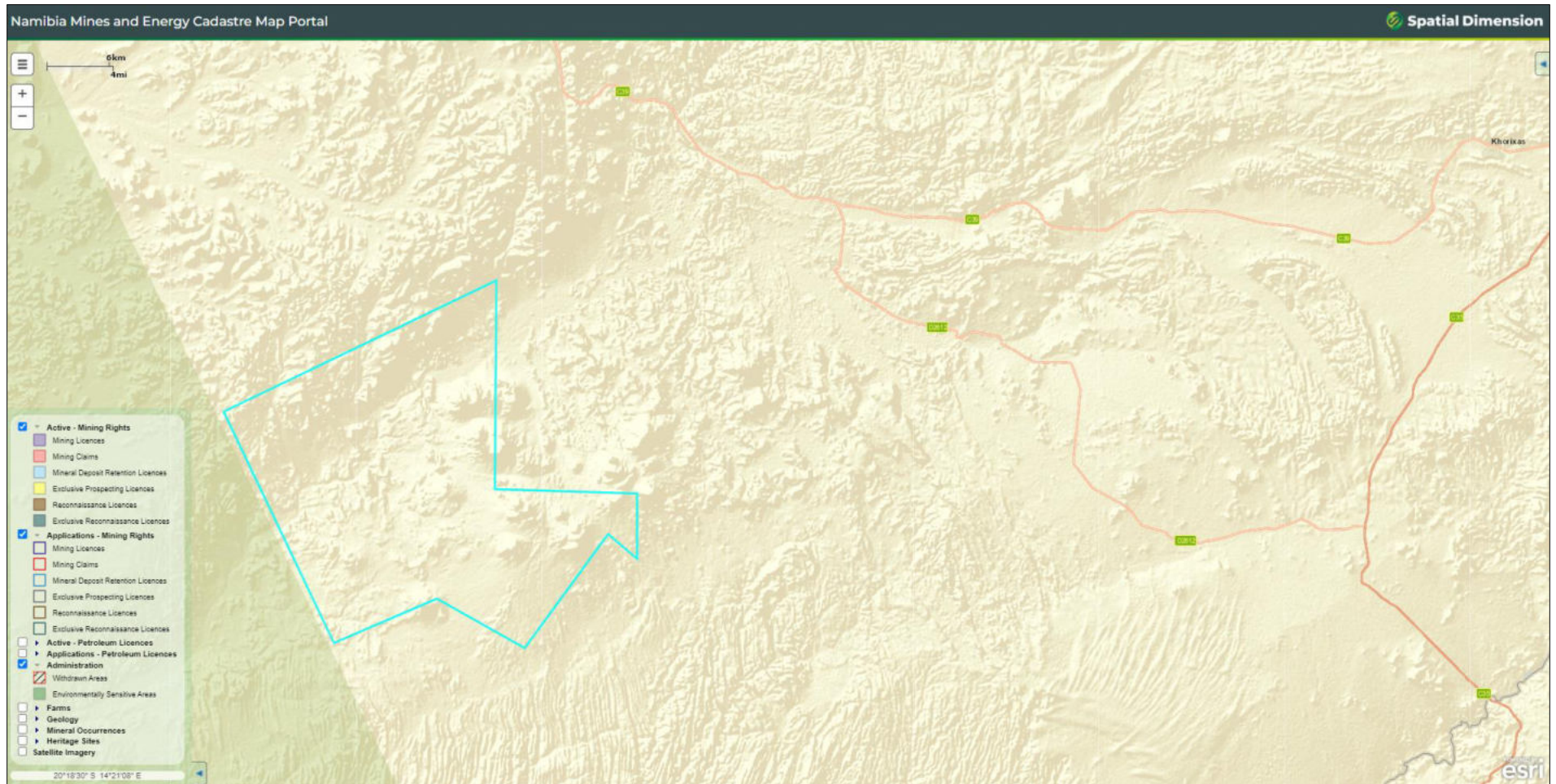


FIGURE 2 – EPL AS DISPLAYED ON THE MME LICENSE CADASTRE

THE PROPONENT

KoBold Metals is a mineral exploration company driving the clean energy future by accelerating the discovery of critical metals, with a primary focus on battery metals (cobalt, nickel, lithium, and copper). KoBold invests over 60 million USD annually across more than 60 projects, on 3 continents. KoBold is prepared to extend their footprint into the Namibian minerals prospecting industry and have applied for several prospecting licences in the country.

KoBold also leads the world's largest exploration research and development (R&D) effort to advance the frontier of exploration technology with artificial intelligence (AI) and novel hardware. More details can be accessed via: <https://www.koboldmetals.com/>.

WHO WE ARE

Alliance Environmental Consultancy CC (herein referred to as AEC) is a dynamic Namibian independent environmental consulting firm that provides cutting-edge environmental management services. We develop and implement solutions for a variety of projects by combining solid scientific expertise, legislative understanding, and fieldwork to uphold environmental safety and management standards throughout a projects' development, operational and decommissioning phases. We assess and monitor the social and environmental impacts for projects related to minerals exploration and

mining, transport, construction, energy, biomass, tourism, and other sectors. Our wide range of capabilities, disciplines, and services are fundamentally based on proactively delivering advice and solutions with the outlook of sustainability.

Our expertise in environmental management for mining projects has been taking dominance in the company. We have been involved in the compilation of Environmental Impact Assessments (EIA) and Environmental Management Plans (EMP) for activities on Exclusive Prospecting Licences (EPLs), Mining Claims and Mining Licenses as lead practitioners and assistant practitioners. We are also involved in projects operational environmental compliance monitoring.

Our reputation is built on our unique techniques, experience, and exceptional client service. We strive to provide high-quality, cost-effective, and responsive environmental solutions for our clients by taking pride and staying current with environmental trends and regulatory changes.

POTENTIAL INTERESTED AND OR AFFECTED PARTIES

Parties to be involved in the environmental assessment process are identified below.

Local landowner's & public

- Immediate farm owners and residents
- Conservancies (Torra and Doro !Nawas (Area 1)
- Lodges and tour operators within the surrounding area
- Relevant businesses/industries in the region
- Non-Governmental Organizations (NGOs) such as Namibia Chamber of Environment (NCE)
- Namibian Chamber of Mines
- General members of the public

Government

- Ministry of Environment, Forestry, and Tourism (MEFT)
- Ministry of Mines and Energy (MME)
- Ministry of Agriculture, Water, and Land Reform (MAWLR)
- Ministry of Health and Social Services
- National Heritage Council of Namibia (NHCN)

Local and Regional Government (Councilors and Traditional Authorities)

- Kunene Regional Council
- Village Councils
- Affected Traditional Authorities

Parastatals

- NamWater
- NamPower
- Roads Authority
- Namibia Tourism Board

ENVIRONMENTAL AUTHORIZATION

In terms of the Environmental Management Act No.7 of 2007 and the Environmental Impact Assessment (EIA) Regulations of 2012, the project triggers listed activities that cannot be undertaken without an Environmental Clearance Certificate (ECC). An environmental clearance application will be submitted to the Ministry of Mines and Energy (competent authority) and the Ministry of Environmental, Forestry, and Tourism (MEFT) for decision making before the commencement of the anticipated project activities.

The provision of the listed activities are as follows:

WASTE MANAGEMENT, TREATMENT, HANDLING AND DISPOSAL ACTIVITIES

2.1 The construction of facilities for waste sites, treatment of waste and disposal of waste.

2.3 The import, processing, use and recycling, temporary storage, transit, or export of waste.

MINING AND QUARRYING ACTIVITIES

3.1 The construction of facilities for any process or activities which requires a license, right, or other forms of authorization, and the renewal of a license, right, or any other form of authorization in terms of Minerals (Prospecting and Mining Act), 1992.

3.2 Other forms of mining or extraction of natural resources whether regulated by law or not.

3.3 Resource extraction, manipulation, conservation, and related activities.

FORESTRY ACTIVITIES

4. The clearance of forest areas, deforestation, afforestation, timber harvesting, or any other related activity that requires authorization in terms of the Forest Act, 2001 (No. 12 of 2001) or any other law.

WATER RESOURCE DEVELOPMENT

8.1 The abstraction of ground or surface water for industrial or commercial purposes.

HAZARDOUS SUBSTANCE TREATMENT, HANDLING AND STORAGE

9.2 Any process or activity which requires a permit, Licence or other forms of authorization, or the modification of or changes to existing facilities for any process or activity which requires amendment of an existing permit, Licence or authorization or which requires a new permit, Licence or authorization in terms of a governing the generation or release of emissions, pollution, effluent or waste.

9.4 The storage and handling of dangerous goods, including petrol, diesel, liquid petroleum gas or paraffin, in containers with a combined capacity of more than 30 cubic meters at any one location.

PROJECT MOTIVATION

Mining activities in Namibia is the biggest contributor to the country's revenue and one of the largest economic sectors in the country. Although during exploration activities there are limited social benefits associated with the project, the following are the possible benefits of the proposed project activities:

- Contributions to annual license fees to the government through the Ministry of Mines and Energy (MME).
- Payments of lease agreements and services rendered.
- Provisional contracting opportunities for companies interested in mineral explorations are carried out throughout the mineral prospecting phase, which might take several years.
- Provision of contractual employment opportunities.
- Increase in knowledge on the subsurface which then contributes to development, and geoscience research.
- Contribute to the socio-economic development of the local area and region, even more, should viable discoveries be made.

PROPOSED PROJECT PLAN AND ACTIVITIES

The projected mineral exploration activities are summarized as follows:

1. Exploration activities include a desktop review of existing data as well as past research. This is conducted in the general area to see if there are any prospective targets. This is done by purchasing high-resolution data from the Government and interpreting it as part of the first stage of exploration.
2. Regional reconnaissance assessment, which includes field-based activities such as regional mapping and sampling to identify and validate prospective targeted areas identified during stage 1. This step is only carried out if the stage 1 has identified some possible targets that need to be explored further.
3. Initial field-based activities such as widely distributed geological mapping, sampling, geo-physical surveying, and maybe widely spaced trenching and drilling to verify the feasibility of any identified local target based on the regional data acquired in step 2 above. The degree or depth of exploration carried out at this stage is contingent on the discovery of viable/prospective mineral resources.
4. To assess the viability of the delineated local targets, detailed local field-based operations such as localized site-specific detailed geology mapping, trenching, bulk sample, surveying, and detailed drilling are

carried out. The most commonly used drilling techniques are Reverse Circulation Drilling (RC) or Diamond Drilling. Both methods are applied in exploration, resource evaluation and subsequently in defining an ore reserve.

5. If the detailed exploration activities yield positive results, the exploration data will be compiled into a pre-feasibility report, and if the prefeasibility results are positive, a detailed feasibility study will be conducted on the identified site-specific area, which will include detailed site-specific drilling, bulk sampling, and laboratory testing/test mining.

Exploration will largely entail low impact activities. The following is a summary of the envisaged project development process that will be implemented during the proposed exploration activities:

- Planning and permitting
- Site preparation for the exploration team if required (temporary camps).
- Supporting infrastructure, access, energy, and water supply.
- Preparation of drill sites and drilling operations
- Decommissioning, final rehabilitation

ACCESS AND TRANSPORT

The EPL sites are accessible via several tracks that branch through the EPL from the C39/M0065 main road and D2612 district road from Khorixas. New access roads will be assessed for any environmental sensitivity and

will be done in consultation with the landowners. Permission from landowners and appropriate authorities is required for any new tracks.

If the Proponent intends to continue with field-based activities, it is the Proponent's responsibility to negotiate access agreements with landowners and to ensure that all security measures to protect the land and the landowner's interests are always observed and as may be agreed upon with the landowners individually.

RESOURCES (WATER AND ELECTRICITY)

Exploration activities usually need a supply of water which will be brought to the site. The required volume of water needed will depend on the exploration program. Water needs in the initial phases of mineral exploration will be minimal, limited to human consumption and ablution facilities. If diamond drilling is required to test a target, then larger volumes will be required.

Should the company find good groundwater during the exploration activity, a borehole may be used as a water source. Permission must be sought from the rightful landowners and the necessary abstraction permit to be attained from the Department of Water Affairs (DWA). Alternatively, if there are existing boreholes in the vicinity, they could be utilized with the landowner's permission and necessary permits in place. Again, only sustainable yields may be abstracted.

The company will evaluate what electrical supplies are readily available to the project. A diesel-powered generator may be used in remote locations for short-term work as needed for exploration equipment and lighting for the project. Alternatively, the use of solar power could be an option to be considered at a later stage in semi-permanent camps and long-term work.

ACCOMMODATION, AND SUPPORTING INFRASTRUCTURE

- The exploration workforce will be accommodated in rented farmhouses, commercial and community campsites, or campsites closer to the project sites. Semi-permanent infrastructure may be built to accommodate the growing work force.
- The exploration team is envisioned to consist of fifteen (15) skilled and non-skilled workers. Initially the company may start with 2-3 exploration geologists and 2-3 field technicians. Additional support like logistics, labourers, cooks etc., will likely be needed and will ramp employment up as needed in each phase. Laborers will be sourced from the communities nearest to the projects.
- Flushing toilets at farmhouses/campsites will be utilized with the possibility of long drop toilets or portable toilets on-site in some locations. These will be regularly emptied/serviced.
- At the initial stages of mineral exploration, the company will use 4x4 vehicles. Heavy machinery will be used from drilling stages.

The number of vehicles will depend on the work program. Heavy machinery may include drill rigs and trucks to be used during the drilling stages of exploration.

- Waste will be collected and deposited to the nearest municipal dumpsite e.g., Karasburg.
- Considering the distance from site to the nearest towns hydrocarbon tanks/drums less than 200 litres could be stored on-site. All hydrocarbon tanks will be appropriately stored and banded to hold 110% of the capacity of the tanks/drum and all relevant permits will be applied for by the proponent as required.

EXPLORATION DRILLING METHOD

- The most commonly used drilling techniques are Reverse Circulation Drilling (RC) or Diamond Drilling. Both methods are applied in exploration, resource evaluation and subsequently in defining an ore reserve. The method is further explained in the EIA scoping report.

ALTERNATIVES CONSIDERED

In terms of the Environmental Management Act, No. 7 of 2007 and EIA Regulations, alternatives considered should be analyzed. This is to ensure that during the design evolution and decision-making process, potential environmental impacts, costs, and technical feasibility have been considered, which leads to the best option(s) being identified.

Site Location

Minerals Occurrence Location: Several economic deposits are known to exist in various locations of Namibia, some of which have been explored by various companies throughout the years.

The proponent proposes to explore / prospect for potential economic minerals occurrences in these specific EPL. Target minerals are nickel, lithium, copper, cobalt associated with mafic rocks and pegmatitic intrusive rocks. These rocks/lithologies are only outcropping in certain parts of the country, thus the area consideration. The company could consider alternative areas depending on availability. At present there are no alternative locations considered for exploration.

Equipment and infrastructure

The equipment and infrastructure options considered by the proponent are deemed sufficient at this stage of the project. However, in the world of revolving technology, the proponent may opt to employ other improved equipment/infrastructure in the future when deemed necessary to maximize the project output.

SPECIALIST STUDIES TO FORM PART OF THE EIA PROCESS

At this stage of the project the following specialist studies will be undertaken as part of this EIA:

- Heritage Impact Assessment (HIA)
- Biodiversity Impact Assessment (BIA)

ENVIRONMENTAL ASSESSMENT PROCESS AND STEPS

The EIA and EMP methodology applied for this project takes into account the provisions of the Environmental Impact Assessment (EIA) Regulations, 2012, and the Environmental Management Act (EMA) Act No. 7 of 2007. The process followed is detailed below and in Figure 2,

- a. Preparation of the Background Information Document (BID).
- b. Project registration or notification through the MEFT online Portal (www.eia.met.gov.na) or hand submission to the DEA.
- c. Project screening process.
- d. Preparation of the public notice to be published in two local newspapers twice for two consecutive weeks as well as site notices as part of the public consultation process as well. This process runs for (21 days). However, comments received after the stipulated period and before submission to the competent authority are also welcome. At this stage, public focus meetings could be conducted.
- e. Preparation of the first Draft EIA/ Scoping and EMP Reports for client review, public and stakeholder inputs.
- f. Incorporation of comments and inputs from the client and I&APs into the reports for finalization.
- g. The final EIA/ Scoping and EMP reports are submitted to the competent authorities and the Environmental Commissioner in

fulfilment of all the requirements of the Act and its Regulations.

- h. Stakeholders who are interested or affected by the proposed project will have additional fourteen (14) days to submit comments directly to the Environmental Commissioner (EC). The application will be made available for additional comments on the MEFT digital Portal www.eia.met.gov.na.
- i. If the Environmental Commissioner requires additional information about the project, the environmental practitioner will be alerted. Once provided-
- j. Wait for the Record of Decisions.

The process is also depicted in the diagram presented in Figure 3.

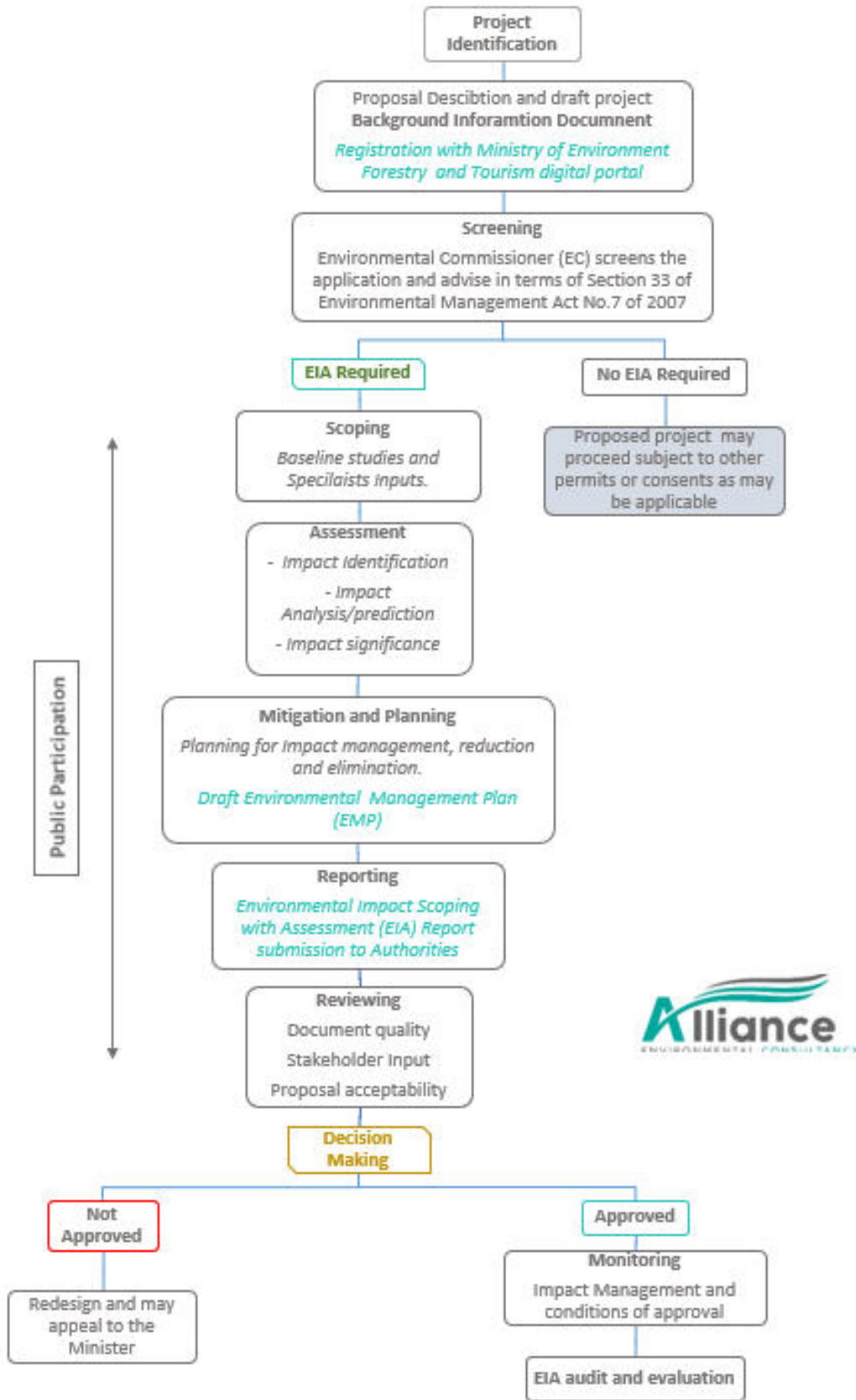


FIGURE 3 - EIA FLOW CHART BY AEC

EVALUATION OF POTENTIAL ENVIRONMENTAL IMPACTS

Impacts are assessed and evaluated to identify the most pertinent environmental impacts by describing certain quantifiable aspects of these impacts and to provide possible mitigation measures to avoid and/or minimize the magnitude of the impacts that are possibly deriving from the various activities that constitute the proposed exploration activities by the proponent.

The identification of potential impacts included impacts that may occur during the exploration phases of the project. The assessment of impacts includes direct, indirect as well as cumulative impacts. In order to identify potential impacts (both positive and negative) it is important that the nature of the proposed projects is well understood so that the impacts associated with the projects can be assessed.

The process of identification and assessment of impacts includes:

- Determining the current environmental conditions in sufficient detail to establish a baseline against which impacts can be identified and measured.
- Determining future changes to the environment that will occur in a case where the activity does not proceed.
- Develop an understanding of the activity in detail to understand its consequences; and

- The identification of significant impacts which are likely to occur if the activity is undertaken.

The following potential impacts on the social environment during exploration and activities have been identified below and further discussed in the table that follows:

- Dust & Noise
- Health & Safety
- Visual
- Waste
- Ecological
- Groundwater and surface water
- Heritage & Socio-Economic

POTENTIAL ENVIRONMENTAL ISSUES AND MITIGATION MEASURES

The following table summarizes the potential environmental impacts associated with the proposed project.

POTENTIAL IMPACTS
NEGATIVE
– Possible destruction of vegetation and fauna through disturbance of the surface. The area hosts a variety of biodiversity and due to the extent of the project, a biodiversity assessment will be conducted.
– Mining projects if not proceeding with necessary precautions are likely to cause soil and water contamination, due to hazardous chemical spills and leaks from machinery/ heavy vehicles
– Noise pollution from sources such as power generation, drill rig operations, heavy vehicle engines as well as other sources
– Air pollution from the emission of carbon dioxide by machinery during the exploration of minerals
– Exploration activities are accompanied by huge equipment and camping which are foreign to the environment and therefore causes a visual impact to the environment and the community members.
– Possible disturbance to heritage/historically important area of interest.

POSITIVE
– The project will positively contribute to the socio-economic development of the country by creating wealth, job creation, the country's GDP through tax and license payments
– This proposed project will however also contribute to achieving the country's national goals of poverty reduction through skills and human development (improving living conditions of locals)

Any negative environmental impacts that may arise from the proposed activities will be substantially minimized, avoided, and/or mitigated in accordance with the Best Practices Industry Standards contained within the Environmental Management Plan (EMP).

PUBLIC PARTICIPATION PROCESS

Public participation is the cornerstone of the Environmental Impact Assessment process. These include the ongoing provision of sufficient information (in a transparent manner) to interested and affected parties (I&APs). During the public participation process, I&APs will be given the opportunity to comment on the findings of the reports, during the specified comment periods.

The public is notified through:

- Newspaper advertisement;
- Public site notices;
- Phone calls/WhatsApp Text messages ;
- Emails;
- Registered Post Mails;
- Face to Face public meetings, and
- Notification through government/regional and local organizations.

I&APs are hereby invited to comment on environmental, social, and economic issues relating to the proposed project. The inputs from a broad variety of stakeholders will complement the EIA.

GET INVOLVED

To ensure that you are registered as an Interested & Affected party, complete the form with your comments, issues/concerns below and forward it to ppp2@enviro-aec.com & info@enviro-aec.com

Cell: +264 81 602 2082

Your involvement is highly appreciated.

FOR THE PROPOSED MINERALS EXPLORATION ON EPL 9055 KUNENE REGION

REGISTRATION AND RESPONSE FORM FOR INTERESTED AND AFFECTED PARTIES

<i>DETAILS OF THE INTERESTED AND AFFECTED PARTY</i>	
FULL NAME:	
NAME OF ORGANIZATION:	
POSTAL ADDRESS:	POSTAL CODE:
STREET ADDRESS:	POSTAL CODE:
TELEPHONE NUMBER:	FAX NUMBER:
CELL PHONE NUMBER:	E-MAIL ADDRESS:
INTEREST IN THE PROPOSED PROJECT:	
COMMENTS/QUESTIONS:	