

1.1.2. Project rationale

The proposed activity responds to Namibia's strategic vision 2030 and the NDP5 of creating a conducive environment within which its citizens prospers and contribute to the national development goals by creating employment opportunities. Overall, this activity contribute to the nation's efforts of elevating poverty amongst the rural citizens.

Critically, going ahead with the proposed activity on EPL 7246 creates a potential for the following marginal net benefits:

- Contribution Taxes and Royalty
- Preservation of the Ovaherero people of Namibia's identity and cultural heritage
- Creates the most needed employment opportunities

1.2. PROJECT LOCATION

The EPL 9672 is situated about 40 km west of the Skeleton Coast National Park and 160 km North-west of the Etosha National Park and it covers an area of 100846.08 hectare (**Fig. 1**).

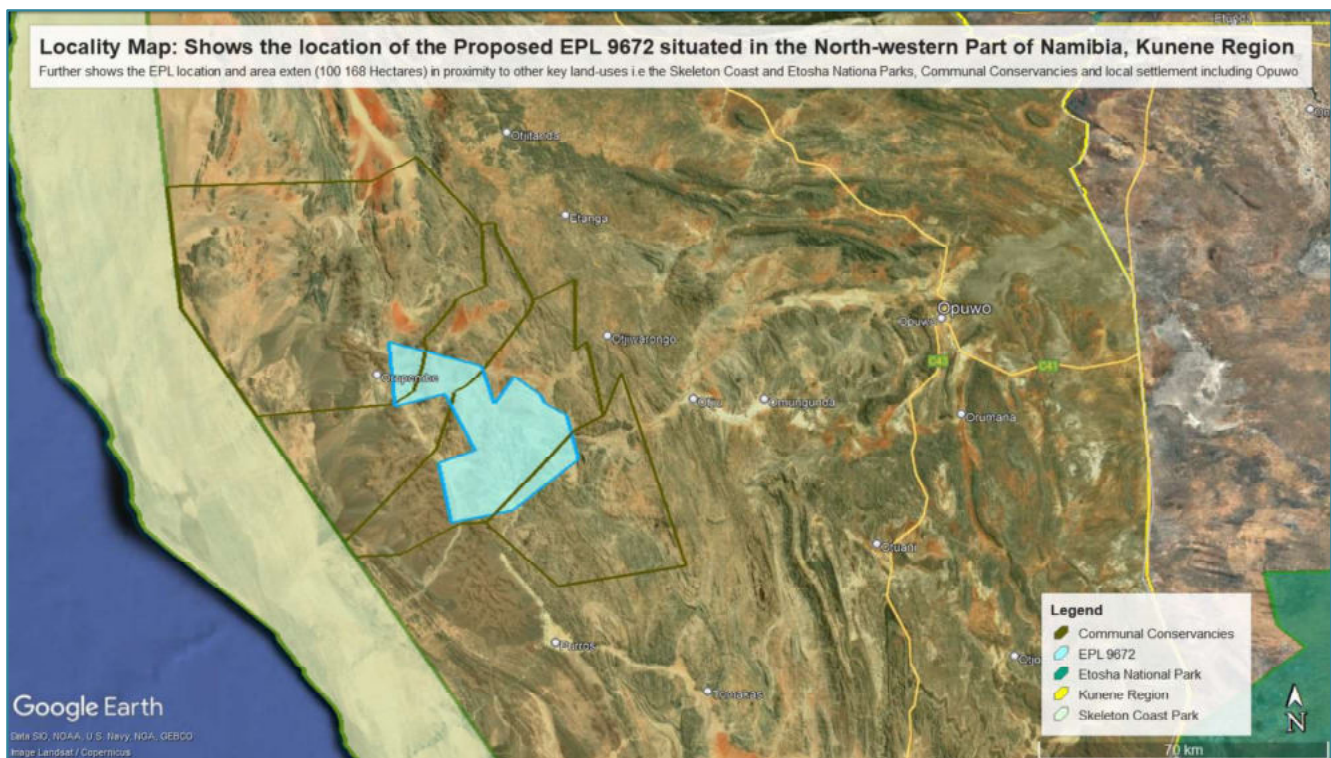


Fig. 1: Locality map of the proposed exploration activity's site or area in the Otjozondjupa Region, Namibia.

The exploration activities will however only be conducted in selected section of the EPL area and is dependent on initial desktop geological survey. Equally the base-camp will be situated in one of the farm covered by the EPL and determined in respect to the previous activities on the EPL.

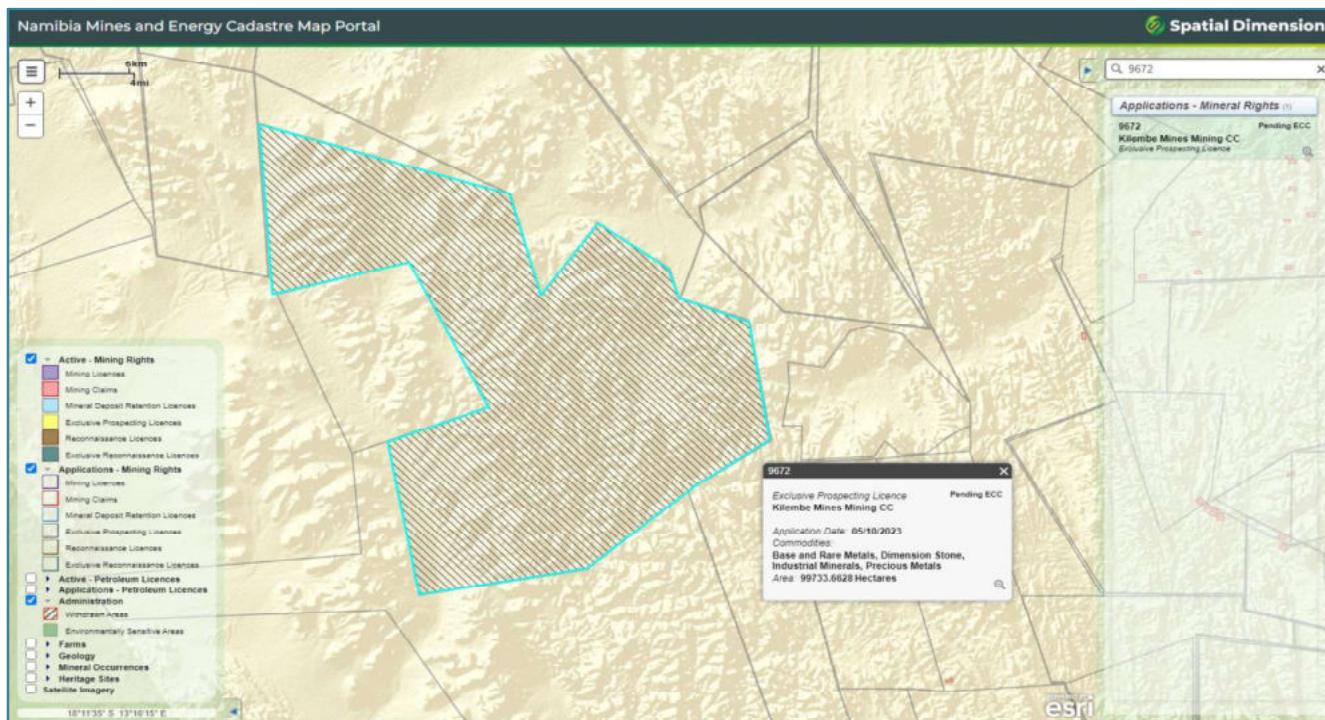


Fig. 2: Show the proposed EPL 9672 in rural Kunene Region, extending (100864.08 Ha) across various farms.

1.3 SUPPORTING INFRASTRUCTURE

1.3.1. BASECAMP

An administration, accommodation and maintenance camp shall be identified in consultation with the farms/land owners and setup within the EPL area, and will be cordoned off and off-limits to those not part of the exploration team. The camp is anticipated to host between 5 and 20 staff members consisting of geologists, field assistants, geo-technicians, drilling crew and semi/unskilled personnel.

The camp site will consist of tents, caravans and/or make-shift buildings and temporary ablution facilities. The predominant type of waste that will be generated during the exploration activities, in small volumes, is domestic waste (non-hazardous).

Domestic waste will be stored in a manner that there can be no discharge of contamination to the environment and disposed of correctly (refer to EMP commitments). Potential hydrocarbon spills from vehicles and drilling equipment might lead to soil contamination and needs to be treated as a hazardous waste if not bio-remediated.

1.3.2 WATER SUPPLY

Water will be required for diamond-core drilling and for dust suppression. Water can be supplied through existing farm boreholes (with the permission of the land owners, **Fig. 3**) and or if necessary new boreholes shall be developed explicitly for the exploration activities by Kilembe Mines Mining (Pty) Ltd. in which case a permits must be obtained.