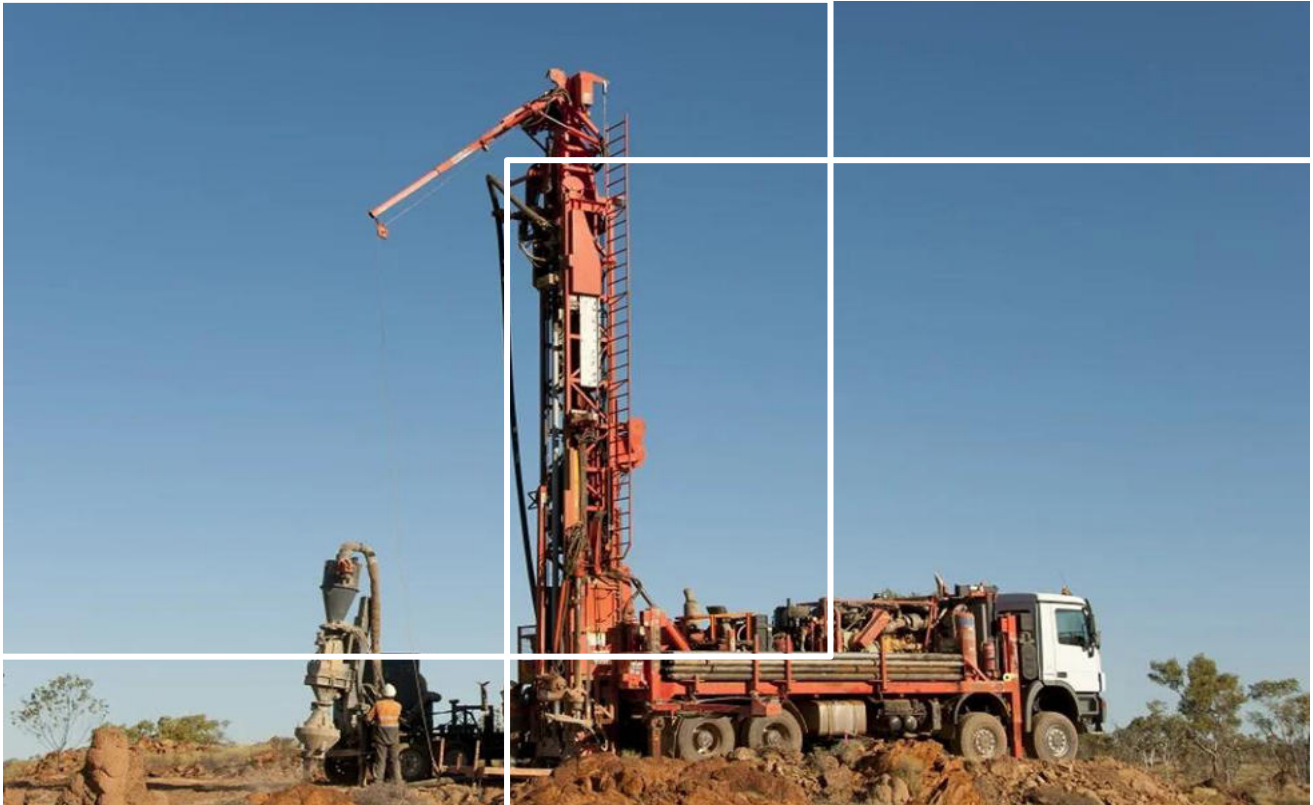




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REPORT:

BACKGROUND INFORMATION DOCUMENT - EXPLORATION ON EPL 8729, OTJOZONDJUPA REGION

PROJECT NUMBER: ECC-163-607-BID-10-D

REPORT VERSION: REV 01

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EXECUTIVE SUMMARY

Environmental Compliance Consultancy (Pty) Ltd (ECC) (herein referred to as the environmental assessment practitioner (EAP)), has been engaged by Mr. Innocent Simasiku (hereafter referred to as “the Proponent”) to conduct an environmental and social impact assessment (ESIA) process for the exploration of base and rare metals, dimension stone, industrial minerals and precious metals on exclusive prospecting licence (EPL) 8729, Otjozondjupa Region, Namibia.

In line with the requirements of the Environmental Management Act (No. 7 of 2007) (EMA) and associated 2012 Regulations, the Proponent must obtain an environmental clearance certificate before commencing with exploration. The application will be submitted to the mining commissioner as the competent authority of the Ministry of Industries, Mines and Energy (MIME) and reviewed by the environmental commissioner of the Ministry of Environment, Forestry and Tourism (MEFT) for a record of decision (RoD).

The ESIA process includes:

- Screening of listed activities under the EMA, such as mineral extraction, limited vegetation clearing, waste generation and possible groundwater abstraction for drilling;
- Scoping plus impact assessment, define the baseline and identify potential environmental and social receptors, supported by field and desktop assessments;
- Stakeholder engagement, including notification to authorities, adjacent landowners, potential interested and affected parties (I&APs) and the public through direct communication and newspaper adverts; and
- Development of a combined scoping plus impact assessment with an environmental and social management plan (ESMP) to ensure responsible management of identified impacts.

Potential impacts include:

Socio-economic environment:

- Employment;
- Visual;
- Noise;
- Air quality;
- Heritage and cultural artifacts; and
- Occupational health and safety.

Biophysical environment:

- Water use, contamination and management;
- Waste management;
- Biodiversity impacts; and
- Soil impacts.

The impacts are anticipated to be low in significance and will be readily mitigable through adherence to the ESMP.

Public participation is a key part of the ESIA process, therefore, I&APs are invited to register and submit comments on the Project by 27 March 2026. This will ensure stakeholder inputs are considered and integrated into the Project and the ESIA,

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ABBREVIATIONS

Abbreviation	Description
%	percentage
BID	background information document
DD	diamond drilling
DEAF	Department of Environmental Affairs and Forestry
DWA	Department of Water Affairs
EAP	environmental assessment practitioner
EC	Environmental Commissioner
ECC	Environmental Compliance Consultancy (Pty) Ltd
EMA	Environmental Management Act, No. 7 of 2007
EPL	exclusive prospecting licence
ESIA	environmental and social impact assessment
ESMP	environmental and social management plan
GDP	gross domestic product
GN	government notice
HLEM	horizontal loop electromagnetic
I&APs	interested and affected parties
MAFWLR	Ministry of Agriculture, Fisheries, Water and Land Reform
MC	Mining Commissioner
MEFT	Ministry of Environment, Forestry and Tourism
MIME	Ministry of Industries, Mines and Energy
ORC	Otjozondjupa Regional Council
OM	Otjiwarongo Municipality
RAB	rotary air blast
RC	reverse circulation
RoD	record of decision
S	south

1 BACKGROUND INFORMATION DOCUMENT

1.1 PURPOSE OF THIS DOCUMENT

Environmental Compliance Consultancy (Pty) Ltd (ECC) (herein referred to as the environmental assessment practitioner (EAP)), has been engaged by Mr. Innocent Simasiku (hereafter referred to as “the Proponent”) to conduct an environmental and social impact assessment (ESIA) process for the exploration of base and rare metals, dimension stone, industrial minerals and precious metals on exclusive prospecting licence (EPL) 8729, Otjozondjupa Region, Namibia.

In terms of the Environmental Management Act No. 7 of 2007 (EMA) and its associated 2012 Regulations, an environmental clearance certificate application is being compiled and will be submitted to the Mining Commissioner (MC) as the competent authority at the Ministry of Industries, Mines and Energy (MIME). The application will then be forwarded to the Environmental Commissioner (EC) at the Ministry of Environment, Forestry and Tourism (MEFT) for review and to make a record of decision (RoD) regarding the proposed Project.

The purpose of this background information document (BID) is to provide stakeholders and interested and affected parties (I&APs) with an overview of the proposed Project and the ESIA steps/process. In addition, this is an invitation to all stakeholders and I&APs to register for the Project to ensure continued engagement throughout the ESIA process.

Registration provides a platform for participants to submit comments, concerns, or recommendations regarding the proposed Project. This BID includes the following information:

- Description of the proposed Project and location;
- The necessity of the Project, benefits or significant adverse impacts anticipated;
- The alternatives considered within the Project to reduce any adverse impacts or enhance any potential benefits that will be considered and assessed;
- Description of how the ESIA and environmental clearance certificate application process works;
- Description of the public participation process and how to get involved; and
- Next steps and the way forward.

1.2 DESCRIPTION OF THE PROPOSED PROJECT

Mr. Simasiku received a notice of preparedness to grant from MIME for base and rare metals, dimension stone, industrial minerals and precious metals on EPL 8729.

The Project involves the following activities:

- Minimal ground clearing for access tracks and drilling sites, where required;

- Geophysical ground surveying (e.g. horizontal loop electromagnetic (HLEM) surveys to define palaeochannels and airborne radiometric surveys);
- Electromagnetic surveys; and
- Drilling: rotary air blast (RAB), reverse circulation (RC) or diamond drilling (DD) to provide samples for density determination, mineralogical studies and geochemical and disequilibrium analysis.

EPL 8729 is located south (S) of Otjiwarongo in the Otjozondjupa Region. The EPL can be accessed via the B1 road, approximately 50 km south of Otjiwarongo, as shown in **Error!**
Reference source not found..

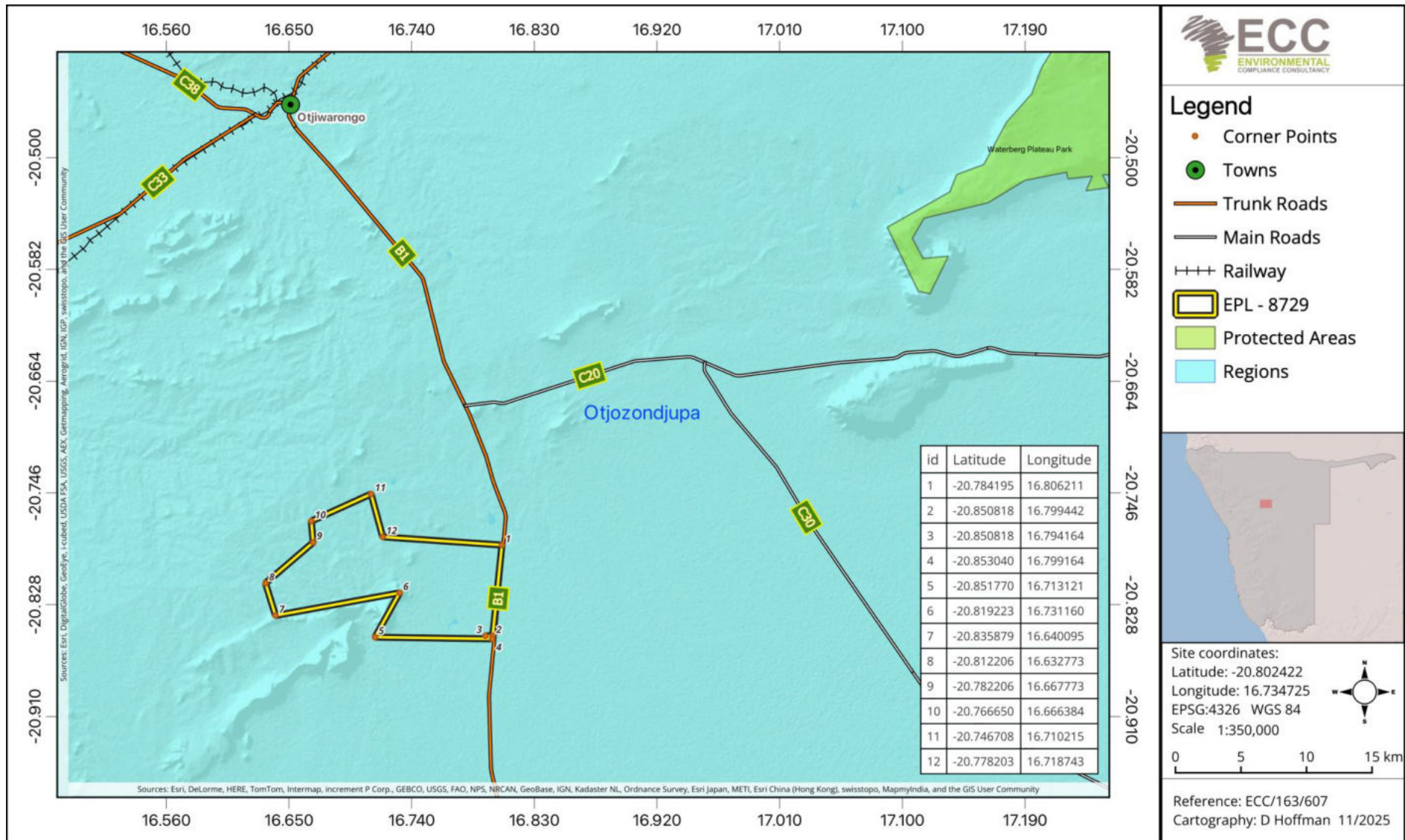


Figure 1 - Location of EPL 8729, Otjozondjupa Region, Namibia

1.3 NEED FOR THE PROJECT

Mining remains a cornerstone of the Namibian economy and continues to be the country's leading economic sector. In 2024, the mining industry contributed approximately 13.3% to national gross domestic product (GDP) and generated an estimated N\$52.3 billion in revenue. Furthermore, mineral exploration expenditure increased substantially during the same period, rising by 66.6% to N\$1.485 billion (Chamber of Mines of Namibia, 2025). This upward trend reflects sustained investor confidence in Namibia's mineral potential and highlights the sector's ongoing importance to national economic development.

The Proponent's proposed mineral exploration programme aligns with national economic objectives by supporting sector growth and resource knowledge development. Although exploration activities are temporary and limited in scale compared to full mining operations, they are expected to deliver tangible socio-economic benefits at both national and local levels. These include contributions to government revenue through taxes and royalties (where applicable), direct and indirect employment opportunities, skills development and the procurement of goods and services from local and regional suppliers.

1.4 EXPLORATION PHASE

The following exploration activities are envisaged over the life of EPL tenure (3 years), which can be renewed for another two (2) years should results prove positive:

- Minimal ground clearing for tracks access and drilling sites, where required;
- Geophysical ground surveying (e.g. HLEM surveys to define palaeochannels and airborne radiometric surveys);
- Electromagnetic surveys; and
- Drilling: RAB, RC or DD to provide samples for density determination, mineralogical studies and geochemical and disequilibrium analysis.

2 CONSIDERATION OF ALTERNATIVES

Best practice in environmental assessment methodology requires the identification and evaluation of feasible alternatives to a proposed Project. However, for a project of this nature, it is challenging to identify viable alternatives that would be feasible and meet the same project objectives.

However, during the ESIA assessment, the following alternatives may arise for consideration of optimisation and using eco-friendly solutions to reduce potential impacts. These could include:

- Different types of technology or operation;
- Different access routes; and
- Different exploration techniques.

3 THE ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT PROCESS

The ESIA for the proposed Project being conducted by the EAP will be undertaken in terms of the EMA and its 2012 Regulations. The process followed for this ESIA is set out in the flowchart in Figure 2.

A record of decision relating to the above-mentioned application will be made by MEFT, Department of Environmental Affairs and Forestry (DEAF).

The ESIA process for this Project will include:

1. Screening phase (completed);
2. Scoping phase, which includes biophysical and social baseline studies (desktop studies and field-based heritage assessment) and Project description; and
3. Assessment phase, which includes impact prediction and evaluation of alternatives, assigning mitigation measures and developing monitoring and conceptual rehabilitation plans. This phase culminates in the drafting of the scoping plus impact assessment and the environmental and social management plan (ESMP) and submission to MIME as the competent authority and MEFT to make a RoD.

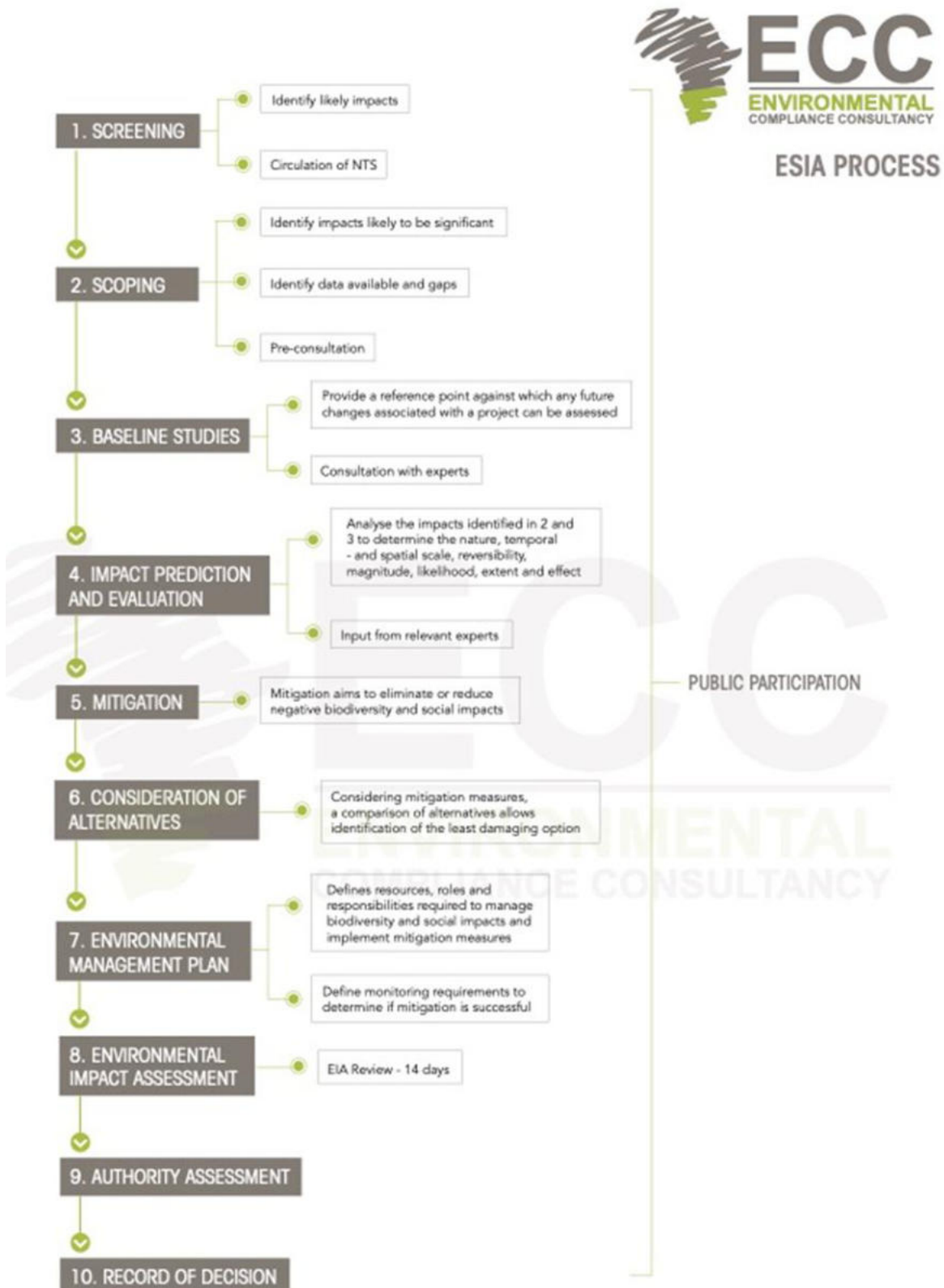


Figure 2 - Flowchart of the ESIA process

3.1 SCREENING

A review of the planned Project was undertaken and the screening findings against the listed activities were identified, the findings of which are summarised in Table 1.

Table 1 – Listed activities potentially triggered by the Project

Source: Environmental Management Act, No. 7 of 2007, and its 2012 Regulations

Listed activity	As defined by the Regulations of Act	Relevance to the Project
Waste management, treatment, handling and disposal activities	2.3 The importing, processing, use and recycling, temporary storage, transit, or exporting, of waste.	– General, hazardous and hydrocarbon waste generated throughout the exploration program will be sorted, removed by a skip and disposed off at the Otjiwarongo municipal landfill site or closest licenced hazardous waste facility. – Portable toilet or chemical toilets will be used during field exploration activities. Domestic effluent will be removed by a registered service provider and disposed off at the Otjiwarongo sewage treatment works.
Mining and quarrying activities	3.1 The construction of facilities for any process or activities that require a license, right or other form of authorisation, and the renewal of a licence, right or other form of authorisation, in terms of the Minerals (Prospecting and Mining) Act, 1992. 3.2 Other forms of mining or extraction of any natural resources, whether regulated by law or not.	– The proposed Project requires an environmental clearance from DEAF/MEFT for the exploration activities. – Base and rare metals, dimension stone, industrial minerals and precious metals will be explored within the Project's footprint. – The Proponent will also undertake RAB, RC, and DD drilling, if results are positive.

Listed activity	As defined by the Regulations of Act	Relevance to the Project
	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 authorisation in terms of the Forest Act, 2001 (No. 12 of 2001) or any other law.	– Limited vegetation clearing may be required for tracks and drilling access. – No protected plant species will be removed.
Water resource developments	(8.1) The abstraction of ground or surface water for industrial or commercial purposes.	– For drilling of exploration boreholes, groundwater may need to be abstracted or sourced from external suppliers. A licence to abstract and use water will be obtained from the Department of Water Affairs (DWA) of the Ministry of Agriculture, Fisheries, Water and Land Reform (MAFWLR).
Hazardous substance treatment, handling, and storage	(9.1) The manufacturing, storage, handling or processing of a hazardous substance is defined in the Hazardous Substances Ordinance, 1974.	– Portable toilets or chemical toilets will be used during field exploration activities. – Potential release of fuels, oils and lubricants during exploration activities.

3.2 STAKEHOLDER ENGAGEMENT

A notice must be provided to the public and key stakeholders to inform them about the Project and to invite them to register as I&APs. ECC's stakeholder engagement process follows the outlined procedure as per Section 21 of the Environmental Impact Assessment Regulations (GN 30 of 2012), which is summarised as follows:

- Written notice is given to all identified stakeholders and I&APs, and the owners and occupiers of land adjacent to the site where the activity is or is to be undertaken or to any alternative site. For this Project that includes:
 - o The relevant farm owners;
 - o The general public with an interest in the Project;
 - o MEFT, MIME and MAFWLR;
 - o Otjozondjupa Regional Council (ORC); and
 - o Otjiwarongo Municipality (OM).
- Site notices will be erected on the boundary of EPL 8729 (coordinates will be provided in the scoping and impact assessment report);
- Adverts published in the following newspapers for two (2) consecutive weeks: (Republikein, Namibian Sun and the Allgemeine Zeitung);
- The registered I&APs, local authorities and government offices are given seven (7) days to review the draft scoping report and impact assessment report and the preliminary ESMP before it is finalised to be submitted to the competent authority and MEFT for a RoD; and
- An I&AP register will be maintained for the duration of the assessment and I&APs are allowed to register and submit comments until the final ESIA and ESMP are submitted to MIME and MEFT for a RoD.

3.2.1 SCOPING AND IMPACT ASSESSMENT REPORT

These two (2) reports are combined into one (1) for this scale of Project because the Project is relatively small and the activities of the Project are deemed non- or minimally invasive. Furthermore, the impacts of Projects such as this are usually non-significant or low. Any identified impacts are usually easy to mitigate or manage. Therefore, a standalone ESIA with multiple detailed specialist studies is not required.

The scoping, with impact assessment report will contain a description of the Project and the biophysical and socio-economic environments (baseline), specialist studies undertaken (where required), the stakeholder engagement report and the assessment of identified significant impacts and alternatives (if any).

The potential social, economic and biophysical impacts to be considered with due regard to the nature and scale of the proposed operations, its location within the broader ecological, commercial and social environments that have been anticipated may include the following:

Socio-economic environment:

- Employment;
- Visual;
- Noise;
- Air quality;
- Heritage and cultural artifacts; and
- Occupational health and safety.

Biophysical environment:

- Water use, contamination and management;
- Waste management;
- Biodiversity impacts; and
- Soil impacts.

3.2.2 DRAFT ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN (ESMP)

An ESMP shall be developed for the proposed Project setting out auditable management actions for the Project to ensure careful and sustainable management measures are implemented for their activities in respect of the surrounding environment and community. The ESMP becomes the legally binding commitments upon approval and issuing of the environmental clearance certificate. Environmental clearance certificates are generally issued for a period of three (3) years, and renewal is subject to compliance with the provisions and conditions of the environmental clearance certificate. Further to this, the EPL will only be officially granted and become active on receipt of the approved ESMP and environmental clearance certificate by MIME.

The draft scoping with impact assessment report and ESMP will be drafted and made available to the registered I&APs for comment for seven (7) days. Thereafter, the final reports will be submitted to the Mining Commissioner (MIME) and Environmental Commissioner (MEFT), for a RoD.

4 THE WAY FORWARD – PUBLIC PARTICIPATION

Public participation is an important part of the ESIA process. It allows you, the public and stakeholders to raise concerns or provide valuable local environmental knowledge that can benefit the assessment process as well as aid the planning process for the scoping phase plus impact assessment process. At this phase ECC will perform the following:

- Identify relevant key stakeholders, authorities, municipalities, environmental groups and I&APs;
- Conduct a public consultation process in accordance with Regulation 21 of the EMA 2007 as outlined in Section 3.2; and
- Prepare the draft scoping with impact assessment report for public and stakeholder review for seven (7) days.

Your request for registration as an I&AP as well as any comments on the BID or Project must be submitted in writing and can be emailed using the details in the contact us section below. Registration as an I&AP for the Project can be completed online on ECCs website on the Projects page, or by using this link: <https://eccenvironmental.com/projects/>

Registration as an I&AP should be submitted on or before **27 March 2026**.

We welcome any enquiries regarding this document and its content. Please contact:

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