

BACKGROUND INFORMATION DOCUMENT (BID)

ENVIRONMENTAL SCOPING ASSESSMENT (ESA) FOR THE EXCLUSIVE PROSPECTING LICENCE (EPL) No. 10278 LOCATED NEAR NORTH WEST OF OPUWO, KUNENE REGION, NAMIBIA.

Environmental Consultant: Excel Dynamic Solutions (Pty) Ltd

Proponent: Steeltide Investment 9Pty) Ltd

1 INTRODUCTION AND BACKGROUND

Steeltide Investment (Pty) Ltd (*The Proponent*) has applied to the Ministry of Environment, Tourism and Forestry (MEFT) to be granted an Environmental Clearance Certificate (ECC) for the Exclusive Prospecting License (EPL) EPL 10278. Excel Dynamic Solutions (Pty) Ltd (*The Consultant*) was appointed to act on behalf of the proponent in obtaining the ECC. The EPL covers a total surface area of 29977.8518 hectares (ha) and is located about 48 km north west of Kunene Region. The EPL covers a small portion of the Ombazu and Ombombo Conservancies, as shown in (**Figure 2**). The target commodities for prospecting and exploration are **Base & Rare Metals, Dimension Stones, Industrial Minerals, Nuclear Fuel Minerals, and Precious Metals**.

Exploration and all mining-related activities are among the listed activities that may not be undertaken without an ECC under the Environmental Management Act (EMA) (2007) and its 2012 Environmental Impact Assessment (EIA) Regulations. The relevant listed activities as per EIA regulations are:

- *3.1 The construction of facilities for any process or activities which requires a license, right of other forms of authorization, and the renewal of a license, right, or other form of authorization, 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.*
- *3.3 Resource extraction, manipulation, conservation, and related activities.*

The Proponent is therefore, required to obtain an ECC before the commencement of exploration works on the EPL. To fulfill the legal requirements, the Proponent has appointed Excel Dynamic Solutions (Pty) Ltd, an independent team of Environmental Consultants, to conduct the required Environmental Assessment (EA) process and submit the ECC application to the Department of Environmental Affairs and Forestry (DEAF) at the Ministry of Environment, Forestry & Tourism (MEFT).

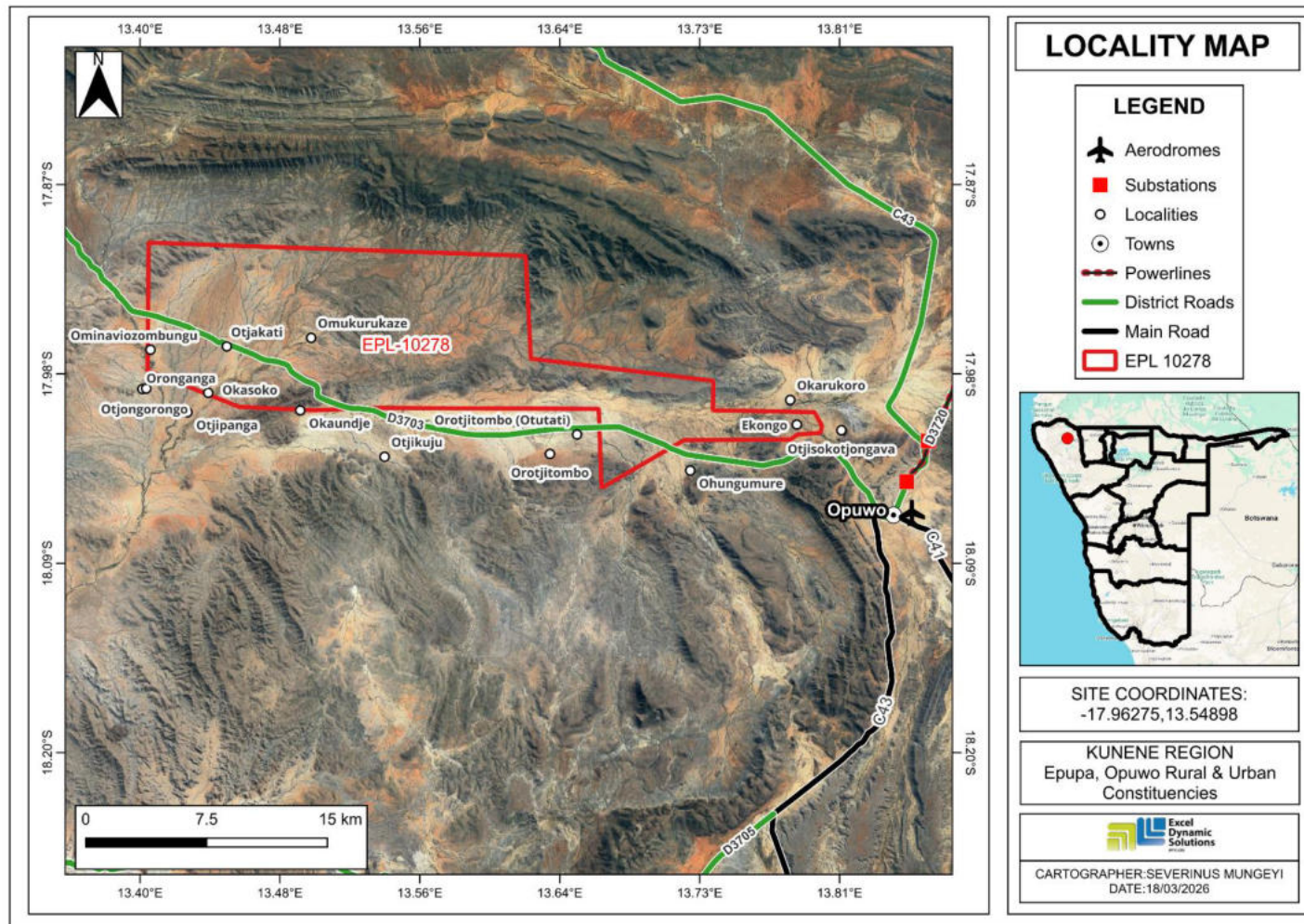


Figure 1: Locality Map for EPL 10278

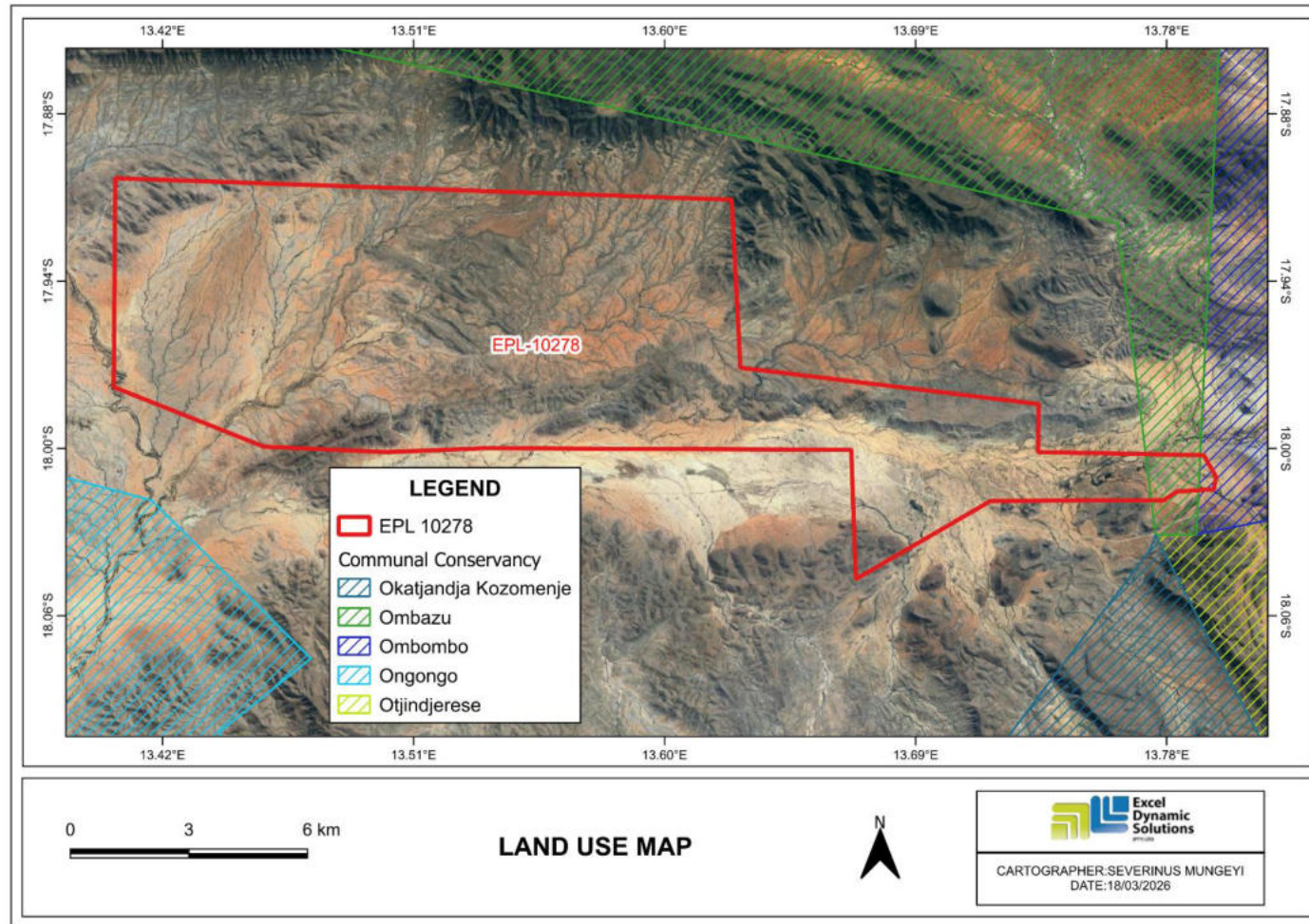


Figure 2: Land use Map for EPL 1027

2 PURPOSE OF THIS DOCUMENT

It should be noted that the Background Information Document (BID) is not an EA Report but a non-technical summary of the EA, aimed for information purposes and a basis for public involvement from the beginning of the EA process. The motivation behind this document is to:

- Give background information of the proposed activity to I&APs, and give I&APs a chance to get information, remark and raise issues concerning the approval measure.
- Give background information to I&APs of the task, along these lines giving a chance to them (I&APs) to get information, remark and raise issues concerning the approval measure.
- Invite members of the public to register as I&APs and get added to the EA database in order to stay informed about the EA's progress throughout its process; and
- Provide all I&APs with an opportunity to comment or provide inputs/concerns on the proposed project activities, which entails concerns/issues on the biophysical and socio-economic aspects, and any other issues of concern related to the proposed project. The information from I&APs will form the basis of the EA and EMP documents which help the regulatory and competent authorities MEFT and MME, respectively; to pass judgment on the acceptability of the undertaking.

3 NEED AND DESIRABILITY OF THE ACTIVITY

The mining industry is one of the largest contributor to the Namibian economy; therefore, it contributes to the improvement of livelihoods. In Namibia, exploration for minerals is done mainly by the private sector. Exploration activities have a great potential to enhance and contribute to the development of other sectors and its activities do provide temporary employment, and taxes that fund social infrastructural development. The minerals sector yields foreign exchange and account for a significant portion of gross domestic product (GDP). Additionally, the industry produces a trained workforce and small businesses that can serve communities and may initiate related businesses. Several associated activities that are fostered include, such as manufacturing of exploration and mining equipment, provision of engineering and environmental services and others. The mineral exploration sector forms the vital part of some of Namibia's development plans, namely: Vision 2030, National Development Plan 5 (NDP5) and Harambee Prosperity Plans (HPPs) I and II. Therefore, successful exploration on EPL-10278 would lead to the target commodity, which would feed into the national development plans.

4 PROJECT DESCRIPTION

The proposed activities entail detailed exploration activities and delineating the mineral deposits to determine whether the deposits for targeted commodities are economically feasible (to advance to the resources development and mining phase).

The prospecting and exploration of minerals are the first components of any potential mining project. This is done to acquire the necessary data required for further decision-making and investment options. These activities are anticipated to last for about three years or more, depending on the programmes and subsequent actual exploration processes. The planned activities and required resources and infrastructure are briefly described below. The detailed exploration methods (techniques) will be presented in the Environmental Scoping Report.

The proposed phased approach for the exploration works is presented below. However, it should be noted that these activities will only be undertaken upon the approval of the ESA Report and issuance of an ECC by the Environmental commissioner.

Once the Proponent has been issued with an ECC and obtained all relevant and required permitting licensing (such as consent and land use agreements), and is ready to commence with the actual exploration activities (with financial, technical, and human resources in place), the planned activities will commence on site.

4.1 Project Processes

The proposed exploration activities (methods) are divided into the following categories:

- **Phase 1: Non-invasive techniques (prospecting)** - This phase includes geological field mapping and ground-based surveys, reviewing of existing geological maps and historical drilling data as well as field evaluation and sampling, to select and verify the target areas.
- **Phase 2: Invasive techniques (detailed exploration)** – The techniques involved herein include soil survey, rock sampling, trenching, drilling and/ or pitting.
- Once the target areas have been selected and verified under the prospecting phase, detailed exploration works will follow.

4.2 Human Resources, Services, and infrastructure

The following services and infrastructure as provided below will be required for the project activities:

- **Human resources and accommodation:** About 8-12 people will be employed during the exploration phase. The exploration workforce will be accommodated in nearest town or on site upon reaching an agreement and consent is signed between the Proponent and the respective landowner or custodian before setting up accommodation structures (tented camps).
- **Working Space (Administration and Control):** Movable shade facility near the working spots and prefabricated temporary offices will be erected on-site (subject to the approval of the landowner/custodian or authority).
- **Water supply:** About 5000 liters of water will be required per month for exploration activities. This water will be used for cooling down and washing equipment, drilling-related activities, and ablution. Potable water will also be made available for the exploration crew (workers) on site in industry water storage tanks.
- The water will be sourced from local groundwater resources, utilizing the existing boreholes with permits
- **Fuel Supply (machinery and equipment):** Solar energy and diesel will be used for machinery and equipment and fuel generator.
- **Accessibility (roads):** The EPL is accessible via D3703 that goes through the EPL. Therefore, project-related vehicles will be using these existing roads to access the EPL. The Proponent may need to do some upgrades on the site access road to ensure that it fit to accommodate project-related vehicles, such as heavy trucks.
- **Waste management:** Different waste will be handled as follows:
 - **Sewage:** Mobile chemical ablution facilities will be provided on-site. The wastewater will then be transported offsite to the treatment facility either by the Proponent or a designated/appointed external waste management contractor.
 - **General and domestic waste:** Sufficient waste containers will be made available at exploration sites and campsites for waste storage. The bins will be emptied into the main onsite container for disposal at the nearest landfill site, when necessary (upon reaching full capacity of the main waste container onsite).
 - **Hazardous waste:** All vehicles, machinery, and fuel-consuming equipment will be provided with drip trays to capture potential fuel spills and waste oils. The waste fuel/oils will be carefully stored in a standardized container until such a time that they can be disposed of at the nearest approved hazardous waste management facility. The nearest considered facility town is Opuwo; therefore, a waste disposal agreement will be reached between the Proponent and the Town Council.

- **Health and Safety:** Adequate and appropriate Personal Protective Equipment (PPE) will be provided to every project personnel while working at the site. A minimum of two first aid kits will be readily available at exploration sites to attend to potential minor injuries, while major injuries will need to be attended by transporting the injured to the nearest healthcare facility for treatment and necessary care.
- **Potential Accidental Fire Outbreaks:** A minimum of basic firefighting equipment, i.e., two fire extinguishers will be readily available in vehicles, at the working sites and campsite.

4.3 Project Equipment, Material, Machinery, and Vehicles

The following equipment and machinery will be required:

- 4X4 vehicles
- Truck
- Drill rigs
- Excavator / front-end loader
- Dozer/s (to clear vegetation along planned drilling site access roads)
- Drilling fluids stored in manufacturers approved containers
- Air compressors
- Generator for power supply

This equipment, machinery, and vehicles will be kept at a designated storage site that will be established within the EPL.

5 DECOMMISSIONING: REHABILITATION OF EXPLORED SITE

Decommissioning refers to the cessation of exploration activities, either upon discovering an economically feasible and worthy deposit or in the event of unsuccessful exploration results works. The Proponent will need to properly decommission the activity to either prepare the selected areas of the EPL for the next phase or upon unsuccessful exploration results, to rehabilitate the explored sites.

6 ENVIRONMENTAL ASSESSMENT

This ESA process is conducted following the provisions stated in the Environmental Management Act (No 7 of 2007) and its Environmental Impact Assessment Regulations (2012). The primary objective of the EA will be to identify potential negative impacts associated with the proposed activity, assess them, and recommend practical and effective mitigation measures to be implemented by the Proponent, to minimize these impacts while maximizing positive impacts.

The main objectives of this ESA are to:

- Comply with Namibia's Environmental Management Act (2007) and its EIA regulations (2012).
- Identify potential impacts associated with the proposed activity.
- Inform Interested and Affected Parties (I&APs) and relevant authorities about the mining activities and provide them with a reasonable opportunity to participate during the EA process.
- Assess the significance of issues and concerns raised.
- Compile a report addressing all identified issues and potential impacts related to various aspects of the activity.
- Compile a Draft Environmental Management Plan (EMP) which includes impacts management and mitigation measures.

7 POTENTIAL IMPACTS

The following potential impacts have been identified so far for the surrounding towns, settlements, and property:

Positive:

- Socio-economic development through employment creation and skills transfer,
- Opens up other investment opportunities and infrastructure-related development benefits,
- Produce a trained workforce and small businesses that can service communities and may initiate related businesses,
- Boosting the local economic growth and regional economic development.

- Improved geological understanding of the area regarding targeted commodity, and
- Increased support for local businesses through the procurement of consumable items such as Personal Protective Equipment (PPE), machinery spare parts, lubricants, etc.

Negative:

- Potential disturbance of existing pastoral systems,
- Physical land/soil disturbance: Invasive exploration activities could lead to soil disturbance. The potential damage to subgrade due to traffic compaction along access roads,
- Impact on local biodiversity (fauna and flora) and habitat disturbance: some vegetation may be disturbed e.g., by off-road driving or being removed to create access roads and working spaces. There are possibilities of illegal hunting (wildlife and domesticated animal) in the surrounding areas.
- Potential impact on water resources and soils particularly due to pollution,
- Air quality issue: dust may be generated from driving on-site, surface excavation, drilling, and diamond wire sawing could temporarily compromise the surrounding air,
- Visual impacts due to scars – May occur on the landscape and relief
- Potential occupational health and safety risks- May occur due to the movement / operating of machinery and equipment on site.
- Vehicular traffic safety and impact on services infrastructure (local roads): the temporary potential increase in vehicular traffic during exploration may exert additional pressure on the local roads, especially by heavy vehicles such as trucks carrying project materials and equipment (drilling rigs),
- Vibrations and noise associated with drilling activities may be a nuisance to locals,
- Environmental pollution through different types of waste generated on the site, particularly from the mishandling of hydrocarbons (fuels) and wastewater,
- Archaeological or cultural heritage impact through unintentional uncovering of unknown archaeological objects or sites by certain project activities such as exploration drilling and excavation as well as known and marked heritage sites on targeted sites on the EPL and surroundings,
- Potential social nuisance and conflicts between affected farmers/landowners and or neighboring land users and Proponents due to the lack of communication or cooperation on raised issues and land use during exploration.

The potential impacts listed above are pre-identified and therefore should not be deemed as final or the only ones. Other potential impacts will be identified as the EA process progresses i.e., upon site visit and consultation with the public (I&APs). All impacts and public concerns/comments will be incorporated and addressed in the Environmental Assessment Report and EMP.

8 PUBLIC CONSULTATION

Public consultation is an important part of the EA process. During the consultation process, interested or affected members of the public are allowed to find out more about the activity and raise any issues or concerns about the environmental assessment.

To comment or receive further information on the project, **please register with Excel Dynamic Solutions (Pty) Ltd** as an Interested and Affected Party (I&AP)

All registered I&APs will be kept informed throughout the various stages of the project.

Public consultation meeting details will be communicated with all the registered I&APs in due course (contact details herein)

