

Background Information Document (BID)

Environmental Scoping Assessment (ESA) For the Proposed Prospecting and Exploration Activities on Exclusive Prospecting License (EPL) No. 10621 Located Southeast of Khorixas in the Otjozondjupa and Erongo Regions, Namibia.

Proponent: Desertcore Mining CC

Consultant: Excel Dynamic Solutions Pty Ltd

1 INTRODUCTION: BACKGROUND

Desertcore Mining CC (*hereinafter referred to as the Proponent*) has been granted an Exclusive Prospecting License (EPL) No. 10621 by the Ministry of Industries, Mines and Energy (MIME). The EPL cover an area of 8540.6234 hectares (ha), located approximately 30 km southeast of Khorixas in the Otjozondjupa and Erongo Regions as shown in **(Figure 1)**. The EPL overlies the following farms: **Osoguruquena No.63, Ombujomujete No.69, Shafeneck No.62, Kakombo North East, Klein Okombahe North No.205 and Boskloof No.206** shown in **(Figure 2)**. The Proponent is interested in exploring **Base and Rare Metals, Dimension Stones, Industrial Minerals, Nuclear Fuel Minerals, Precious Metals and Semi-Precious Stones**.

Exploration and all mining-related activities are among the listed activities that may not be undertaken without an Environmental Clearance Certificate (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 as follows:

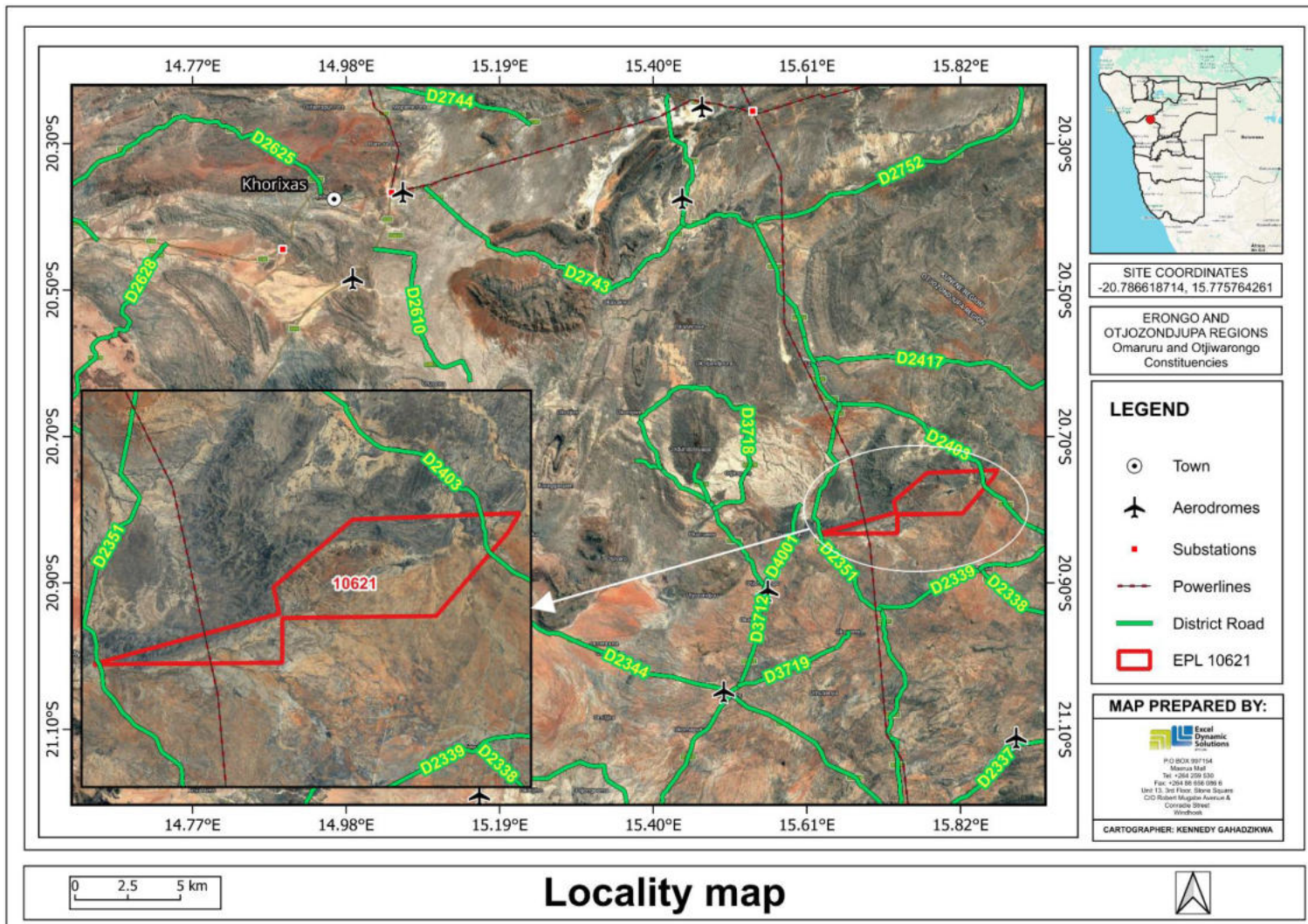
- 3.1 The construction of facilities for any process or activities which requires a license, the right of other forms of authorization, and the renewal of a license, right or other forms of authorization, in terms of the Minerals (Prospecting and Mining Act, 1992).*
- 3.2 other forms of mining or extraction 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 for the approval of the EPL before the commencement of work on the EPL. To fulfill the legal requirements, the Proponent has appointed Excel Dynamic Solutions (Pty) Ltd, an independent team of Environmental Consultants / Assessment Practitioners (EAP), to conduct the required Environmental Scoping Assessment (ESA) process and submit the ECC application to the Department of Environmental Affairs and Forestry (DEAF) at the Ministry of Environment, Forestry & Tourism (MEFT).

2 PURPOSE OF THE DOCUMENT

This Background Information Document (BID) is a non-technical document of the ESA and not an ESA Report. The BID is aimed at:

- Introducing the proposed project and related activities to potential interested and affected parties (I&APs) and stakeholders, and afford them an opportunity to raise issues, concerns and submit comments about the proposed project.



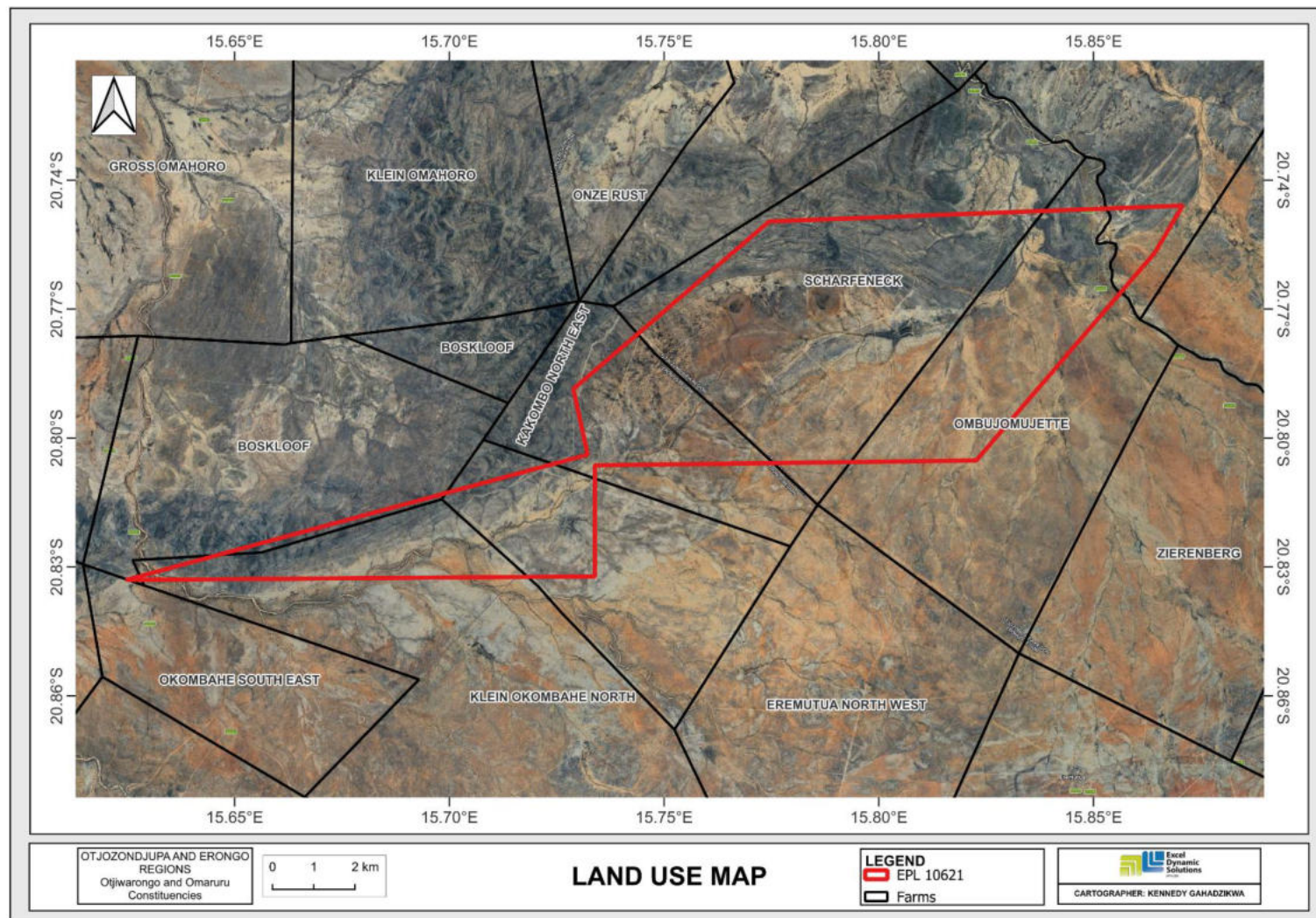


Figure 2: The land-use map of EPL No. 10621

3 PROJECT DESCRIPTION

Once the Proponent has been issued with the ECC and obtained all required permits such as land use consents, where necessary, and is ready to commence the exploration activities, the planned activities will commence.

The proposed activities entail prospecting and detailed exploration activities to delineate the mineral deposits. This is to determine whether the deposit for the targeted commodities is 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.

Exploration activities are anticipated to last for about three years or sometimes longer (depending on the various factors such as turnaround time between exploration data analysis and availability of funds between project phases, etc.).

3.1 Project Activities

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

- Phase 1: Non-invasive techniques (prospecting) – mapping/surveys.
- Phase 2: Invasive techniques (detailed exploration) – soil sampling, trenching, and exploration drilling.

Once the target areas have been selected and verified under the prospecting phase, detailed exploration works will follow.

3.2 Human Resources, Services and infrastructure

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

-Human resources and accommodation: Around 5-10 people will be employed on-site during the exploration phase and will be accommodated in tented camps or provided with suitable accommodation.

-Water supply: Water will be required for the project activities such as drilling, equipment cooling, washing, and drinking. However, the estimated volumes will be confirmed and provided in the ESA report.

-Fuel Supply (machinery and equipment): Diesel will be used for machinery and equipment and fuel generator.

-Accessibility (roads): The EPL is accessible via the D2351 and D2403 district roads. All project- related vehicles will be using the existing roads.

Waste management:

Sewage: Mobile chemical ablution facilities will be provided on-site. The wastewater will be transported offsite for treatment at a facility.

Solid waste: Sufficient waste bins (containers) will be made available at exploration sites and campsites for waste storage and later disposal at the nearest approved waste facility.

Hazardous waste: The waste fuel/oils will be carefully stored in a standardized container for disposal at an approved hazardous waste management facility at the nearest town.

-Health and Safety: Adequate and appropriate Personal Protective Equipment (PPE) will be provided to project personnel. A minimum of two first aid kits will be readily available onsite.

-Potential Accidental Fire Outbreaks: Fire extinguishers will be readily available in vehicles, at the sites, and at campsites.

-Project Equipment, Material, Machinery, and Vehicles: Among others, two or three 4X4 vehicles, drilling supporting truck, excavator / front-end loader, dozer, air compressor, drilling fluids stored in manufacturers approved containers, generator for power supply, etc.

Upon completion of exploration works, the disturbed sites will be rehabilitated as practically possible. This will include backfilling of exploration trenches, and boreholes, levelling of stockpiled topsoil, and cleaning of site areas.

4 ENVIRONMENTAL ASSESSMENT

This ESA process is conducted in accordance with the provisions stated in the EMA No 7 of 2007 and its 2012 EIA Regulations.

The primary objective of the ESA is to identify potential negative impacts associated with the project and assess them. Practical and effective mitigation measures will be recommended for implementation.

The main objective of this ESA is to:

- Identify potential impacts associated with the proposed activity.
- Inform I&APs and relevant authorities about the project and provide them with an opportunity to participate during the ESA process.
- Assess the significance of issues and concerns raised.
- Compile a report addressing all identified issues and potential impacts.
- Compile a draft Environmental Management Plan (EMP) which includes impacts management and mitigation measures.

4.1 Potential Impacts

The following potential impacts have been identified:

4.1.1 Positive:

- Socio-economic development: employment creation and skills transfer.
- Investment opportunities or infrastructure-related development benefits,
- Produce a trained workforce and small businesses in the area.
- Boosting local economic and regional economic development.
- Increased support for local businesses through the procurement of locally available goods and services.

4.1.2 Adverse (Negative) Impacts:

- Disturbance of existing grazing areas,
- Physical land/soil disturbance and prone to erosion.
- Impact on fauna and flora (habitat disturbance and poaching).
- Water resources (over-abstraction of water) and soil pollution.
- Air quality issue owing to dust generation

- Occupational and community health and safety risks or hazards.
- Vehicular traffic safety and services infrastructure (local roads).
- Vibrations and noise associated with drilling activities.
- Environmental pollution from poor waste management.
- Archaeological or cultural heritage impact.
- Potential social nuisance and land use conflicts.

Other potential impacts may be identified as the ESA process progresses. All impacts and public concerns/comments will be incorporated and addressed in the Environmental Report and EMP.

4.2 Public Consultation Registration

Public consultation is an important part of the EA process. During the consultation process, I&APs are given an opportunity to raise any issues or concerns pertaining to the project activities.

Furthermore, the consultation meeting details will be communicated to the registered I&APs.

For comments and or further information requests, please contact the EDS Consultant on the details provided below:

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