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REPORT: **BACKGROUND INFORMATION DOCUMENT FOR EXPLORATION ACTIVITIES ON EPLs 8571,8572 AND 8573, KUNENE REGION, NAMIBIA.**

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1 BACKGROUND INFORMATION DOCUMENT

PURPOSE OF THIS DOCUMENT

Environmental Compliance Consultancy (ECC) has been contracted by Skorpion Mining Company (Pty) Ltd to conduct an environmental and social impact assessment (ESIA) and develop an environmental management plan (EMP), for exploration activities for base, rare and precious metals and industrial materials in the Kunene Region, Namibia. Consistent with the Environmental Management Act, 2007 and its regulations, an environmental clearance certificate application will be submitted to the Ministry of Environment, Forestry and Tourism (MEFT) for the Project, which is the relevant authority to make a record of decision (RoD) with regards to the proposed project.

The purpose of this background information document (BID) is to provide interested and affected parties (I&APs) a background to the proposed Project and to invite I&APs to register as part of the environmental social impact assessment (ESIA) process.

All those who register as an I&AP will be kept informed 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:

- The proposed project and location;
- The necessity of the project, benefits or adverse impacts anticipated;
- The alternatives within the project that will be considered and assessed;
- How the ESIA process works;
- The public participation process and how to become involved; and
- Next steps and the way forward.

DESCRIPTION OF THE PROPOSED PROJECT

The Proponent intends to carry out exploration activities for rare, base, and precious metals and industrial minerals on the Exclusive Prospecting Licences (EPLs) 8571, 8572 and 8573. The Proponent will conduct geological mapping, geochemical surveys, geophysical surveys (airborne and ground), and reverse circulation (RC) and diamond drilling.

The proposed Project is located within the Opuwo District, in the Kunene Region and is accessible via a network of main roads C41 and the C43 and gravel roads such as the D3703, D3705, D3707 and D3720 as set out in Figure 1.

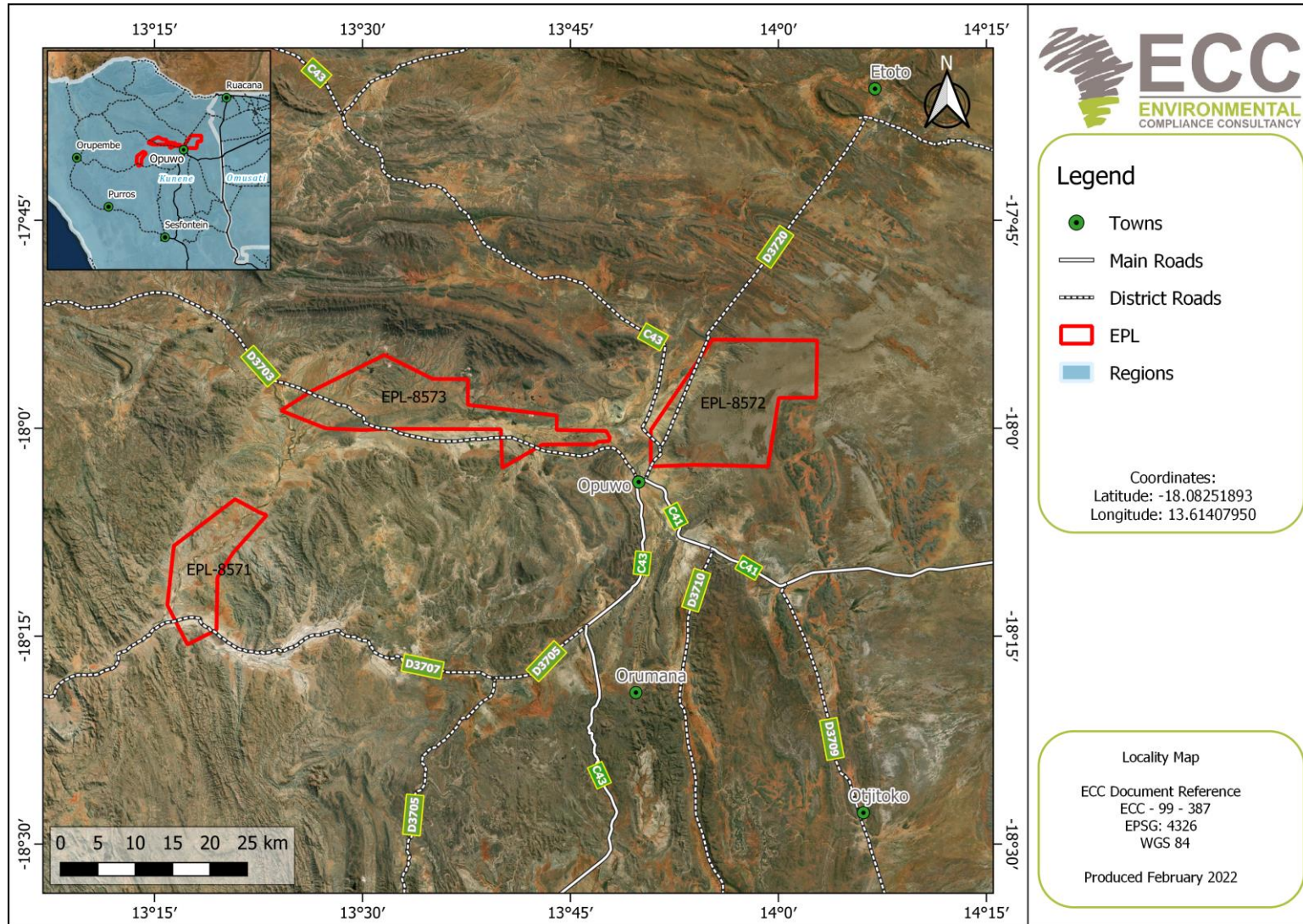


Figure 1 – EPL 8571, 8572 & 8573 locality map and access roads

In terms of Section 32 (1) of the Environmental Management Act, No. 7 of 2007, ECC has determined that the Ministry of Mines and Energy (MME) is the competent authority for the proposed exploration project. The project triggers listed activities as per the Environmental Management Act regulations as set out in this document.

NEED FOR THE PROJECT

The Proponent intends to pursue exploration activities in Namibia with the aim of identifying new mineral deposits that could contribute to the national and local economies and may have a positive impact on the country's economy.

Namibia is rich in natural resources and the minerals sector is a key contributor to the nation's gross domestic product in Namibia. Exploration could lead to mining activities, which would contribute to the national and local economy. The project is consistent with the National development plan.

CONSTRUCTION AND OPERATIONAL PHASES

The following are envisioned during the proposed Project:

- **Geological mapping**
Non-invasive exploration, usually conducted by a small team of geologists measuring and recording rock types, structural readings and potential showings of mineralisation.
- **Geo-chemical surveys**
Soil samples will be collected in the field and taken to a central location for analyses. A small subsample may be dispatched to a laboratory further analysis. As with geological mapping, geochemical surveys are largely non-invasive, with individual samples typically not exceeding 1kg.
- **Geo-physical surveys**
This will be carried out by collecting information through active and passive means, meaning some surveys measure passively signatures (magnetic intensity, gamma emissions etc.) from natural sources in the ground (passive), while other surveys send a signal into the ground and measure the "echo" from anomalies underground (active). These surveys include airborne and ground surveys. Airborne surveys are done by fixed-wing aircraft, helicopters or drones, while the ground surveys are conducted by a small team of technicians in the field.
- **RC and/or diamond drilling**
Drilling typically takes place for advanced targets when it is confirmed that anomalies is present, which could indicate mineralisation. If mineralisation is discovered, it will initially be tested through RC drilling and if these results are further positive, diamond drilling is normally then utilised.

2 CONSIDERATION OF ALTERNATIVES

Best practice environmental assessment methodology calls for consideration and assessment of alternatives to a proposed project. In a project such as this one, it is difficult to identify alternatives to satisfy the need of the proposed Project; the activities shall be specific to EPLs 8571, 8572 and 8573, which was granted by the MME to Skorpion Mining Company (Pty) Ltd.

During the ESIA assessment, alternatives will take the form of consideration of optimisation and using eco-friendly solutions to reduce potential impacts. Some aspects where alternatives may be required could include:

- Different types of technology or operation
- Different access routes
- Different exploration techniques

3 THE ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT PROCESS

The ESIA for the proposed project is being conducted by ECC and will be undertaken in terms of the Environmental Management Act, 2007 and its regulations. The process followed for this ESIA is set out in the flowchart in Figure 2.

ECC has been contracted by Skorpion Mining Company (Pty) Ltd as the independent Environmental Assessment Practitioner (EPA) to facilitate the entire ESIA process. Prior to the start of the proposed project, an environmental clearance certificate is required in terms of the Environmental Management Act, 7 of 2007 and the associated EIA Regulations.

A final decision relating to the above-mentioned application will be made by Ministry of Environment, Forestry and Tourism (MEFT): Department of Environmental Affairs (DEA).

The related environmental process will include:

1. Screening phase (completed)
2. Scoping phase which includes baseline studies and the development of the terms of reference (ToR) for the ESIA (initiated)
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 ESIA report and draft environmental management plan (EMP) and submission to the appropriate competent authorities

The main objectives of the ESIA are to:

- a) Provide information describing the proposed exploration activities;
- b) Provide an independent environmental and social assessment of the activities associated with the proposed project; and
- c) Develop management and mitigation measures associated with any identified potential impacts where necessary.



Figure 2 - Flowchart of the environmental and social assessment 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 triggered by the proposed project

LISTED ACTIVITY	MINING ACTIVITY
<p>WASTE MANAGEMENT, TREATMENT, HANDLING AND DISPOSAL ACTIVITIES</p> <p>(2.1) The construction of facilities for waste sites, treatment of waste and disposal of waste.</p> <p>(2.3) The import, processing, use and recycling, temporary storage, transit or export of waste</p>	<ul style="list-style-type: none"> • Waste generated which will be mainly solid waste and general waste during the exploration phase will be removed by a skip and will be disposed of at the nearest landfill site. • Waste will be recycled, where possible. • A portable chemical toilet, long drop hole for a toilet or chemical toilets will be used during exploration activities by the diamond drill crew
<p>MINING AND QUARRYING ACTIVITIES</p> <p>(3.1) The construction of facilities for any process or activities which requires a license, right or another form of authorization, and the renewal of a license, right or another form of authorization, in terms of the Minerals (Prospecting and Mining Act), 1992.</p> <p>(3.2) Other forms of mining or extraction of any natural resources whether regulated by law or not.</p> <p>(3.3) Resource extraction, manipulation, conservation, and related activities</p>	<ul style="list-style-type: none"> • The proposed project has obtained an EPL from MME; now requires an environmental clearance from DEA/MEFT for the search of base and rare metals, industrial minerals and precious metals. • The proponent will be undertaking exploration activities on EPL 8571,8572 & 8573 which will include: geological mapping, geochemical sampling, remote sensing, soil sampling, airborne and ground geophysics, RC drilling and diamond drilling. The exact exploration strategy depends largely on success.

LISTED ACTIVITY	MINING ACTIVITY
<p>FORESTRY ACTIVITIES</p> <p>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.</p>	<ul style="list-style-type: none"> • Limited vegetation clearing may be required for tracks and survey access creation, and possibly for the set up for survey and drilling teams' field camps. Clearing of large trees will be avoided.
<p>WATER RESOURCE DEVELOPMENT</p> <p>(8.1) The abstraction of ground or surface water for industrial or commercial purposes.</p>	<ul style="list-style-type: none"> • For the drilling of exploration boreholes, groundwater may need to be abstracted, or water will be carted in from nearby approved sources.
<p>HAZARDOUS SUBSTANCE TREATMENT, HANDLING AND STORAGE</p> <p>(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.</p> <p>(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.</p>	<ul style="list-style-type: none"> • Chemical toilets can be used during the Project • Bulk fuel may be required for the onsite generation of electricity, and for refuelling the mining fleet. • Consumer installation certificates are required for bulk fuel storage and dispensing. • MSDS sheets will be kept onsite, accessible, and used for all dangerous materials, chemicals, solvents, lubricants, and related substances. The MSDS sheets ensure proper transport, handling, storage, use, disposal, and response in the event of an incident.

3.2 SCOPING

The scoping phase is directed towards defining the range and nature of anticipated potential impacts that may have significance to the biophysical and social environments at the scale of the proposed operations. The appropriate available data and the literature are identified forming the starting point for the assessment of the required baseline and specialist studies that may be required for assessment of the project impacts.

3.3 BASELINE STUDIES

The ESIA will focus on the environmental receptors that could be affected by the proposed project. ECC will also engage with stakeholders, I&APs and the proponents to seek input into the assessment. The baseline studies chapter is divided into three sections:

- the baseline context;
- environmental (physical and biological); and
- social (including economic).

Desktop studies as well as all available field surveys and specialist studies from the project area will be used to help define the baseline. These studies also give a further indication whether there are any local or regional future developments that could impact the project or vice versa.

Lastly the socio-economic section of the baseline studies helps to gain information on the governance, demographic profile, social stratification (employment, education, crime, infectious disease), occupation and livelihood (economic activities, occupations in study area, employment rates), land patterns (noise and vibrations) and access to services (drinking water, sanitation, healthcare facilities etc.).

3.4 TERMS OF REFERENCE

Based on the stakeholder engagement through the defined public consultation process including any written correspondence and the baseline studies, the ToR for the impact assessment will be finalised and confirmed with the Environmental Commissioner.

3.5 STAKEHOLDER ENGAGEMENT

The public and key stakeholders receive invitations to register as I&APs. After the presentation of the proposed project and ESIA process through the defined public consultation process, a period of time for input will be granted for the environmental assessment practitioner (EAP) to receive any additional concerns or comments from registered I&APs between the 27th June to 10th July 2022. All feedback from the initial public consultation process will be incorporated into the scoping report.

3.6 SCOPING REPORT

The scoping report will be drafted and made available to the registered I&APs for comment before being submitted to the competent authority and MEFT. The scoping report will contain a description of the project and the biophysical and socio-economic environments, the specialist baseline studies, the stakeholder engagement report and the terms of reference for the ESIA.

3.7 ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT PHASE

3.7.1 POTENTIAL IMPACTS

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

- Heritage impacts;
- Power and water supply;
- Water use, contamination, and management;
- Waste management;
- Waste resource management;
- Visual impacts;
- Biodiversity impacts;
- Socioeconomic and social impacts, such as job creation;
- Potential pollution impacts; and
- Rehabilitation.

3.7.2 DRAFT ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN

An EMP 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 EMP becomes the legally binding commitment upon approval of the EMP and issuing of the environmental clearance certificate. Environmental clearance certificates are issued for a period of 3 years and renewal is subject to compliance with the provisions and conditions of the environmental clearance certificate.

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 of the defined assessment process. At this phase ECC will perform the following:

- Prepare and submit the application for the environmental clearance certificate in the prescribed manner
- Identify relevant key stakeholders, authorities, municipalities, environmental groups and interested or affected members of the public, hereafter referred to as I&APs
- Carry out a public consultation process in accordance with Regulation 21 of the EMA 2007 including:
 - o Distribute the BID for the proposed Skorpion Mining Company (Pty) Ltd exploration project (this document)
 - o Advertise the environmental application and call for registration of I&APs in two national newspapers
 - o Open the project I&AP register and record all comments of I&APs and present both comments and responses provided by ECC, in the comments and responses report, which will be included in the scoping report and submitted with the application
- Prepare a scoping report and provide it to registered I&APs for comment
- Submit the scoping report and the I&AP comments to the competent authority and Environmental Commissioner for a record of decision

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/download/the-proposed-exploration-activities-for-base-rare-and-precious-metals-and-industrial-materials-on-epls-8571-8572-8573-kunene-region-namibia/>

Registration as an I&AP should be submitted on or before **10th July 2022**.

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

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