



Submitted to: Votorantim Metals Namibia
(Pty) Ltd
Attention: Mr Samuel Boucas Do Lago
P O Box 97957
Maerua Mall
Windhoek, Namibia

REPORT:

BACKGROUND INFORMATION DOCUMENT FOR EXPLORATION ACTIVITIES ON EPLs 7963,7973 & 8050 & 8051, KHOMAS/HARDAP REGION, NAMIBIA.

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Client Company Name: Votorantim Metals Namibia (Pty) Ltd

Client Name: Mr Samuel Boucas Do Lago

Authors: Monique Jarrett

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ENVIRONMENTAL COMPLIANCE CONSULTANCY CONTACT DETAILS:

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



Environmental Compliance Consultancy
PO Box 91193, Klein Windhoek, Namibia
Tel: +264 81 669 7608
Email: info@eccenvironmental.com

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1 BACKGROUND INFORMATION DOCUMENT

1.2 PURPOSE OF THIS DOCUMENT

Environmental Compliance Consultancy (ECC) has been contracted by Votorantim Metals Namibia (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 Khomas/Hardap 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
- Next steps and the way forward

1.3 DESCRIPTION OF THE PROPOSED PROJECT

The Proponent intends to carry out exploration activities of rare, base, and precious metals and industrial minerals on the Exclusive Prospecting Licences (EPLs) 7963, 7973, 8050 & 8051. The Proponent will conduct geological mapping, geochemical surveys, geophysical surveys, and core drilling.

The proposed Projects are located in the following areas. EPL 7963 is approximately 87 km southwest of Rehoboth and can be accessed via the B1 and then turn off onto the C24 in the Khomas/Hardap Region. EPL 7973 is approximately 95 km southeast of Windhoek. EPL 8050 and 8051 are located approximately 75 km southeast of Windhoek. These three EPLs can be accessed via the B6 road SE of Windhoek, Khomas Region as set out in Figure 1.

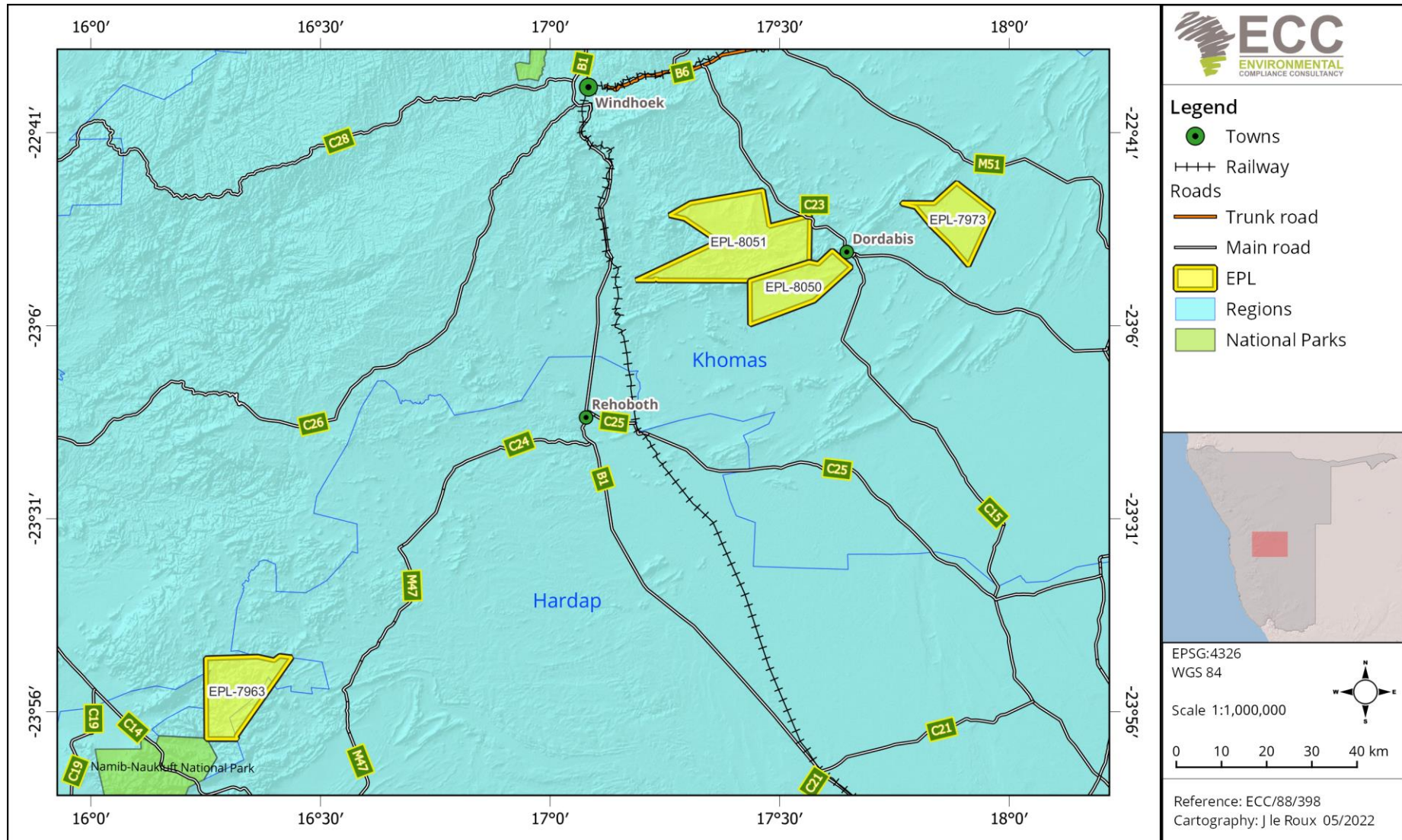


Figure 1 - EPL 7963, 7973, 8050 & 8051 Locality Map

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 mining project. The mining activity triggers the listed activities as per the Environmental Management Act Regulations. The relevant activities list provided later in the BID.

1.4 NEED FOR THE PROJECT

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

Namibia is rich in natural resources and the minerals sector is a key contributor to the nation's GDP 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.

1.5 CONSTRUCTION AND OPERATIONAL PHASES

The following are envisioned during the proposed Project:

- **Geological mapping**
- **Geo-chemical surveys**
Soil samples will be collected, and the bulk samples will be stored while a small subsample will be dispatched to a laboratory further analysis.
- **Geo-physical surveys**
This will be carried out by collecting information through remote sensing and ground and airborne electromagnetic surveys.
- **RAB, RC and diamond drilling**

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 7963, 7973, 8050 & 8051, which was granted by the MME to Votorantim Metals Namibia (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 Votorantim Metals Namibia (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.



PUBLIC PARTICIPATION

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	EIA SCREENING FINDING
<p>MINING AND QUARRYING ACTIVITIES</p> <p>(3.1) The construction of facilities for any process or activities which requires a licence, right or other forms of authorisation, and the renewal of a licence, right or other forms of authorisation, 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 7963,7973,8050 & 8051 which will include geochemical surveys, geophysical surveys and RAB and RC drilling.
<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, to the extent possible. • A portable toilet, long drop hole for a toilet or chemical toilets will be used during exploration activities by the diamond drill crew.

LISTED ACTIVITY	EIA SCREENING FINDING
<p>FORESTRY ACTIVITIES (4.) The clearance of forest areas, deforestation, afforestation, timber harvesting or any other related activity that requires authorisation in term of the Forest Act, 2001 (Act 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 DEVELOPMENTS (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, ground water may need to be abstracted, or water will be sourced.
<p>HAZARDOUS SUBSTANCE TREATMENT, HANDLING AND STORAGE (9.2) Any process or activity which requires a permit, licence or other form of authorisation, or the modification of or changes to existing facilities for any process or activity which requires an amendment of an existing permit, licence or authorisation or which requires a new permit, licence or authorisation in terms of a law governing the generation or release of emissions, pollution, effluent or waste.</p>	<ul style="list-style-type: none"> Portable toilets, long drop holes for toilets, or chemical toilets will be used during the exploration activities. Bulk fuel may be required for the onsite generation of electricity, and for refuelling the prospecting crews and fleet. Consumer installation certificates are required for bulk fuel storage and dispensing. Smaller volumes of hazardous chemicals (oil, grease, diesel etc.) will be stored in drip trays to avoid contamination/pollution. 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&AP's. 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:

- Power and water supply;
- Water use, contamination, and management;
- Waste management;
- Waste resource management;
- Visual impacts;
- Biodiversity impacts;
- Jobs will be created as a result of the proposed exploration activities;
- Potential to unearth, damage or destroy undiscovered heritage remains;
- Occupational health and safety; and
- Minor disruptions to residents of neighbouring farms, due to potential noise and dust generation as a result of the proposed exploration activities.

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 commitments 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 Votorantim Metals Namibia (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-on-epls-79637973-8050-8051-for-base-and-rare-metals-and-industrial-minerals-and-precious-metals-hardap-khomas-region-namibia/>

Registration as an I&AP should be submitted on or before **26 July 2022**.

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

Environmental Compliance Consultancy (ECC)

info@eccenvironmental.com

Tel: +264 816 697 608

www.eccenvironmental.com

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