













ECC-105-235-NTS-01-A

NON-TECHNICAL SUMMARY EXPLORATION ACTIVITIES ON EPL 7699

INCLUDING THE EXPLORATION AND SMALL-SCALE MINING ACTIVITIES ON MINING CLAIMS 68855

- 68661 AND 67633

PREPARED FOR MERTENS MINING AND TRADING (PTY) LTD

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NON-TECHNICAL SUMMARY

PROPOSED EXPLORATION ACTIVITIES ON EPL 7699 INCLUDING THE EXPLORATION AND SMALL-SCALE MINING ACTIVITIES ON MINING CLAIMS 68855 – 68861 AND 67633 KHOMAS AND HARDAP REGIONS

1 PURPOSE OF THIS DOCUMENT

The purpose of this Non-Technical Summary (NTS) 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 Impact Assessment (EIA) process. By registering, all I&APs will be kept informed throughout the project. Through the EIA process a platform for participation is provided to submit comments / recommendations pertaining to the project.

This NTS includes the following information on:

- The proposed project and location
- The necessity of the project, benefits or adverse impacts anticipated
- The alternatives to the project have been considered and assessed
- How the EIA process works
- The public participation process and how to become involved, and
- Next steps and the way forward.

2 DESCRIPTION OF THE PROPOSED PROJECT

2.1 Brief Introduction

Environmental Compliance Consultancy (ECC) has been engaged by the proponent, Mertens Mining and Trading (Pty) Ltd, to undertake an Environmental Impact Assessment (EIA) and an Environmental Management Plan (EMP) in terms of the Environmental Management Act, No.7 of 2007 and its regulations. An environmental clearance application will be submitted to the competent authority, the Ministry of Mines and Energy (MME), as well as the Ministry of Environment, Tourism and Forestry (MEFT).

2.2 LOCATION

Mertens Mining and Trading (Pty) Ltd proposes to explore in an area 25km east-southeast of Rehoboth. Although the largest part of the EPL is located in the Khomas Region, a small portion of it overlaps with the Hardap Region (see also the location map provided in Figure 1). A number of farms overlap and neighbour the EPL.

2.3 WHAT IS PROPOSED

Mertens Mining and Trading (Pty) Ltd (registration number 2007/0308) proposes to undertake bulk sampling, exploration activities and trial processing on EPL 7699. The existing mining claims 68855 – 68861 and 67633 will be converted and consolidated as part of EPL 7699.

2.4 OPERATION PHASE

The proposed exploration activities are low-impact and non-intrusive. The following are envisaged during the proposed project:

- Potential creation of access tracks, where existing tracks are not available
- Limited vegetation clearing for the creation of access routes and exploration activities
- Drilling of exploration boreholes
- Exploration methods may include mapping, soil sampling, electromagnetic surveys and drilling, trenching and bulk sampling, and
- Crushing and trial processing in an on-site pilot 10t/h flotation plant, including on-site power generation by a diesel generator.

2.5 WHY IS THE PROJECT NEEDED

Based on the host rock geology of the area, Mertens Mining and Trading (Pty) Ltd intends to pursue exploration opportunities with the aim of identifying new mining prospects. Namibia is rich in natural resources and the minerals sector is a key contributor to GDP. Exploration could lead to mining activities, which would contribute to the national and local economy.



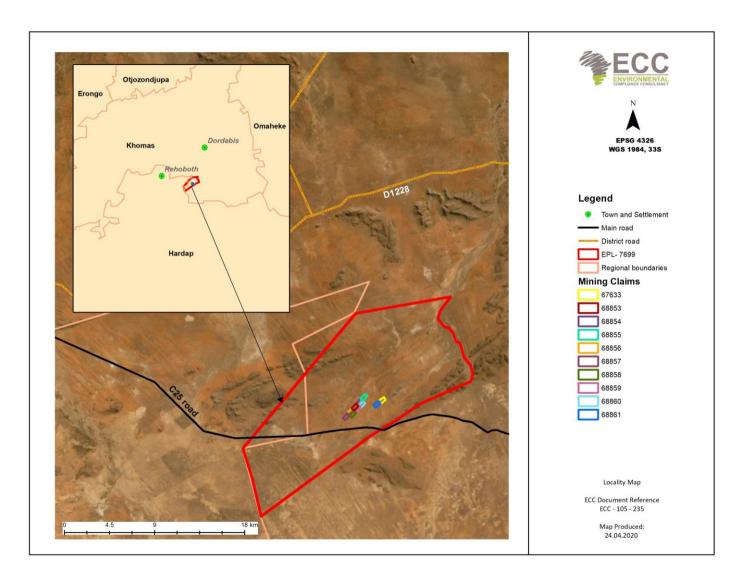


FIGURE 1 – LOCATION MAP OF THE PROPOSED PROJECT



2.6 POTENTIAL IMPACTS OF THE PROJECT

2.6.1 SOCIO-ECONOMIC

The potential social impacts are anticipated to be of low significance, and those that may transpire shall be confined within the EPL site, these potential impacts may include the following:

- Potential to unearth, damage or destroy undiscovered heritage remains
- Minor disruption to the residents of the farms within the EPL, including some increase in noise levels and dust arising from drilling and vehicle use; and
- There will be economic benefits due to increased investment and investor confidence in the Namibian minerals sector.

2.6.2 ENVIRONMENTAL

The potential environmental impacts are anticipated to be of minor significance, and those that may occur shall be contained within the EPL site, these potential impacts may include the following:

- Some potential vegetation loss due to possible tracks creation and preparing of drill pads;
- Potential use of resources, including groundwater; and
- Minor risk of loss of contaminant of hydrocarbon, chemical or drill fluids from exploration activities potentially leading to localised soil contamination.

3 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 the EPL 7699.

During the assessment, alternatives will take the form of a consideration of optimisation and efficiency to reduce potential effects e.g. different types of technology or operations, route access and exploration methods.

4 THE ENVIRONMENTAL ASSESSMENT PROCESS

This EIA, conducted by ECC, is undertaken in terms of the Environmental Management Act, No.7 of 2007 and its regulations. The process followed in this EIA is set out in the flowchart in Figure 2.

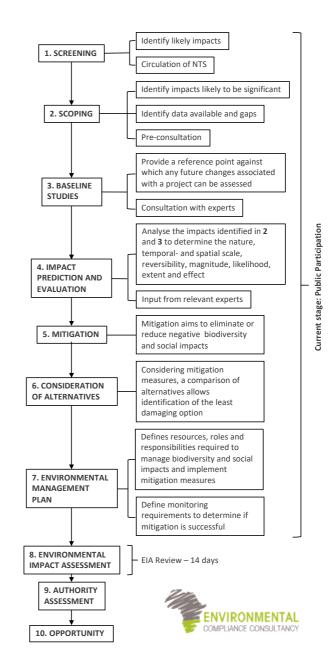


FIGURE 2 - FLOWCHART OF THE ENVIRONMENTAL ASSESSMENT PROCESS



4.1 SCREENING

A review of the proposed project screening findings against the listed activities was conducted; the findings of which are summarised below.

ENERGY GENERATION, TRANSMISSION AND STORAGE ACTIVITIES

- (1) The construction of facilities for the generation of electricity the transmission and supply of electricity
 - Power will be generated on-site by a diesel generator

MINING AND QUARRYING ACTIVITIES

- (3.1) The construction of facilities for any process or activities which requires a licence, 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, No. 33 of 1992
 - The proposed project requires a licence for creating drill sites and access roads
- (3.2) Other forms of mining or extraction of any natural resources whether regulated by law or not
 - Minerals will be sampled and extracted from within the EPL 7699.
- (3.3) Resource extraction, manipulation, conservation and related activities
 - The proposed project by its nature, involves resource extraction

WATER RESOURCE DEVELOPMENT

- (8.1) The abstraction of ground or surface water for industrial or commercial purposes
 - Groundwater will be abstracted for domestic and other uses as a result of the activities

The potential environmental and social effects are anticipated to be of minor significance, and those that may occur shall be contained on the EPL 7699 site.

4.2 SCOPING

Due to the nature of the proposed project, and the implementation of industry best practice mitigation measures during the mineral exploration phase of the project, the effects on the environment and society are expected to be minimal and localised.

4.3 BASELINE STUDIES

For the proposed project, baseline information was obtained through a desk-based study and site

verification processes through focusing 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.

4.4 IMPACT ASSESSMENT

Impacts will be assessed using ECC's EIA methodology. The EIA will be conducted in terms of the Environmental Management Act, No.7 of 2007 and its regulations. ECC's methodology for impact assessments was developed using standards of the International Finance Corporation, in particular Performance Standard 1 'Assessment and management of environmental and social risks and impacts' (IFC 2012, 2017), the Namibian Draft Procedures and Guidance for EIA and EMP (GRN, 2008), international and national best practice and over 25 years of combined EIA experience.

4.5 ENVIRONMENTAL MANAGEMENT PLAN

An EMP shall be developed for the proposed project setting out auditable management actions for Mertens Mining and Trading (Pty) Ltd to ensure careful and sustainable management measures are implemented for activities in respect of the surrounding environment and community.

4.6 Public Participation and

ADVERTISING

Public participation is an important part of the EIA process; it allows the public and other stakeholders to raise concerns or provide valuable local environmental knowledge that can benefit the assessment, in addition it can aid the design process. This project is currently at the scoping phase and public participation phase.

At this phase ECC will perform the following:

- Identify key stakeholders, authorities, environmental groups and interested or affected members of the public, hereafter referred to as I&APs
- Distribute the NTS for the proposed project (this document)



- Advertise the environmental application in two national newspapers
- Place notices on-site at or near the boundary
- If required host a public meeting to encourage stakeholder participation and engagement, and provide details of issues identified by the environmental practitioner, stakeholders and I&APs
- Record all comments of I&APs and present such as comments, as well as responses provided by ECC, in the comments and responses report, which will be included in the scoping report that shall be submitted with the application, and
- Circulate comments of I&APs to the project team for consideration of project design.

Comments must be submitted in writing and can be emailed using the details in the section below.

CONTACT US

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

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