



ECC-117-323-NTS-03-D

NON-TECHNICAL SUMMARY

EXPLORATION ACTIVITIES ON EPL 7729 (ETJO GOLD PROJECT)

FOR BASE AND RARE METALS, AND PRECIOUS METALS

PREPARED FOR

CHEETAH MINERALS EXPLORATION (PTY) LTD

NOVEMBER 2020

NON-TECHNICAL SUMMARY

PROPOSED EXPLORATION ACTIVITIES ON EPL 7729 (ETJO GOLD PROJECT)

FOR BASE AND RARE METALS, AND PRECIOUS METALS IN THE OTJOZONDJUPA REGION

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 and Social Impact Assessment (ESIA) process.

The proposed project involves exploration activities for base and rare, and precious metals on Exclusive Prospecting License (EPL) 7729, operated by Cheetah Minerals Exploration (Pty) Ltd, a Namibian company.

Through registering for the project, all I&APs will be kept informed throughout the ESIA process. A platform for participation will be provided to submit comments / recommendations pertaining to the project.

This NTS includes the following information:

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

2 DESCRIPTION OF PROPOSED PROJECT

2.1 BRIEF INTRODUCTION

Environmental Compliance Consultancy (ECC) has been engaged by the proponent Cheetah Minerals Exploration (Pty) Ltd to undertake an ESIA 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 relevant competent authorities; the Ministry of Mines and Energy (MME) and Ministry of Environment, Forestry and Tourism (MEFT).

2.2 LOCATION

Cheetah Minerals Exploration (Pty) Ltd proposes to explore on EPL 7729 in an area potentially prospective for gold east of Omaruru and in the vicinity of the Etjo Mountains in the Otjozondjupa Region of Namibia. The EPL can be accessed via the district roads D2187 and D2404 west of the B1 main road between Okahandja and Otjiwarongo. The location is shown in Figure 1.

2.3 WHAT IS PROPOSED

The exploration program will be most likely be operated in a Joint Venture with Cheetah Minerals Exploration (Pty) Ltd in the search for base and rare metals, and precious metals. Various exploration techniques and methods will be used on the EPL as set out in Section 2.5.

Cheetah Minerals Exploration (Pty) Ltd adheres fully to the norms of Health, Safety, Environment and Community, as will its Joint Venture partner, if appointed.

2.4 WHY IS THE PROJECT NEEDED

Cheetah Minerals Exploration (Pty) Ltd intends to pursue exploration opportunities with the aim of identifying new mining prospects. Exploration could possibly lead to mining activities, which would contribute to the national and local economies.

2.5 OPERATION PHASE

The proposed exploration activities are generally low-impact and non-intrusive. The exploration activities to be used may be 'scaled up' depending on exploration findings. The following are envisaged during the proposed project term:

- Preliminary field inspection of onsite geology (non-invasive);
- Potential creation of access tracks, where existing tracks cannot be utilised;
- Limited vegetation clearing for the creation of tracks, and survey access; and
- Ground exploration activities may include soil and stream sediment geochemical sampling, geophysical surveys, geological mapping and drilling.

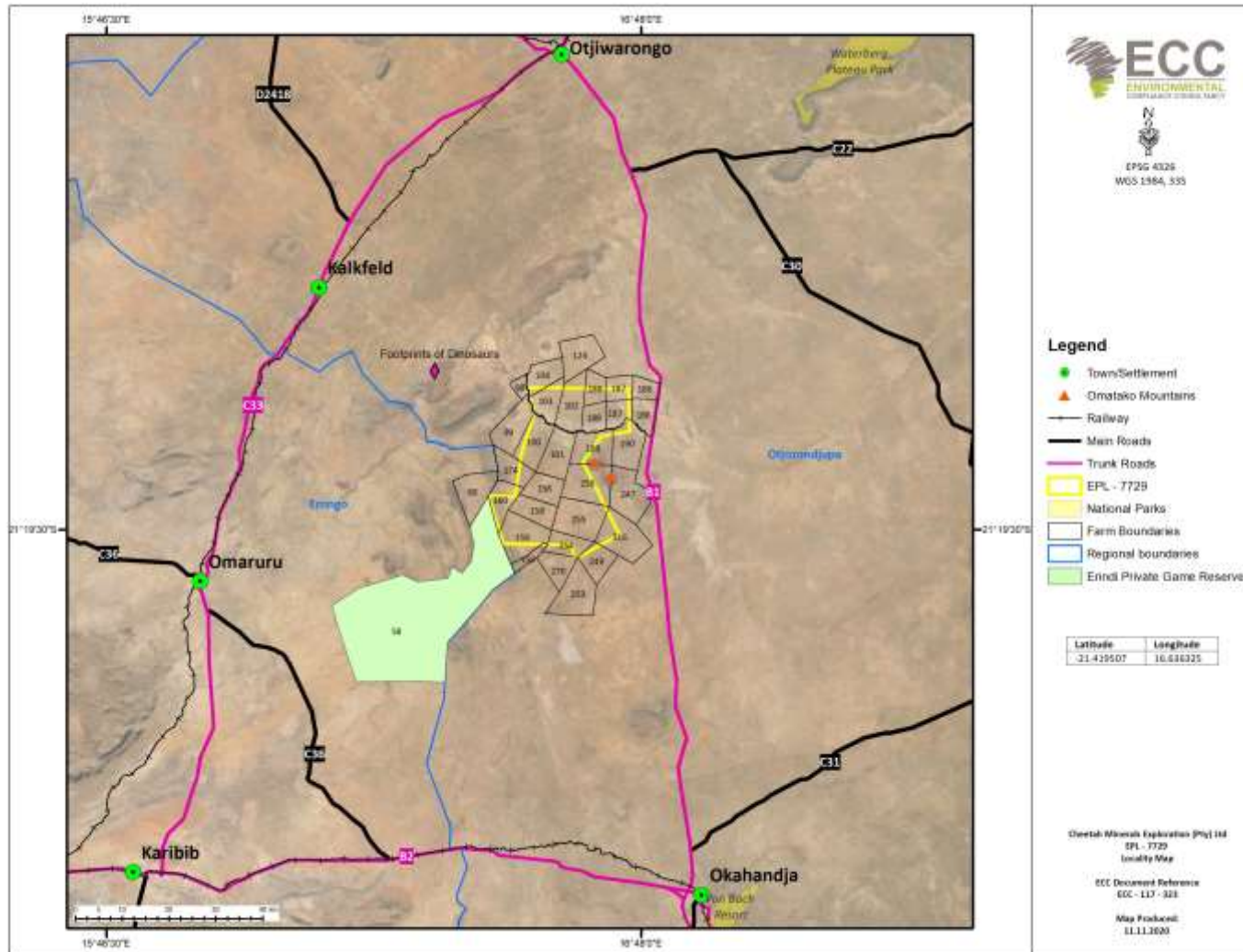


FIGURE 1 – LOCATION MAP OF THE PROPOSED PROJECT

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, 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;
- Some jobs will be created as a result of the project; 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; the vegetation is expected to recover fully during ensuing rain seasons;
- Potential use of natural resources, including groundwater in liaison with the farmers; and
- Minor risk of loss of contaminants as a result of hydrocarbon, chemical or drill fluids from exploration activities potentially leading to localised soil contamination; this aspect will be controlled at all times.

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 goals of the proposed project; the activities shall be specific to the EPL, which were granted by the MME.

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

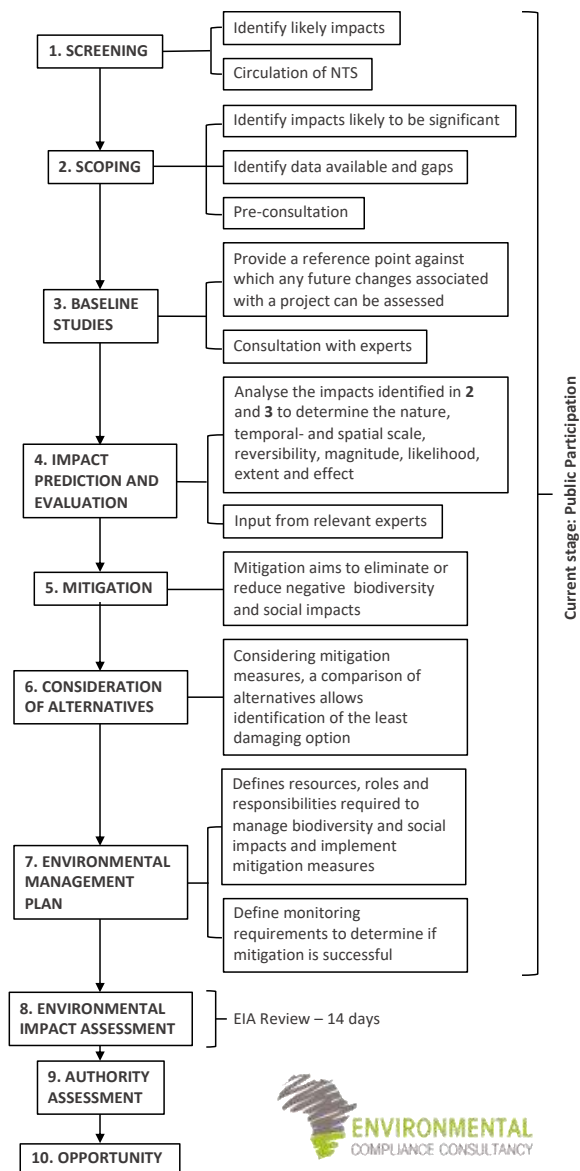


FIGURE 2 - FLOWCHART OF THE ENVIRONMENTAL ASSESSMENT PROCESS

4.1 SCREENING

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

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, No. 12 of 2001 or any other law.

- Limited vegetation clearing may be required for tracks and survey access creation, and possibly for the set up for survey teams' field camps.

WATER RESOURCE DEVELOPMENT

(8.1) The abstraction of ground or surface water for industrial or commercial purposes

- Due to the exploration activities, groundwater will need to be abstracted, or sourced particularly for the drilling phase.

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

- This listed activity infers the provisions of the Act under a different license category as a basis upon which certain activities qualify for an EIA. The Act defines prospecting and exploration activities under the lawful ownership of an EPL. An EPL excludes any mining activities, but includes activities strictly relating to exploration work. Hence the current project strictly focuses on exploration and not mining.

(3.2) Other forms of mining or extraction of any natural resources whether regulated by law or not

- All extraction during exploration will be for geochemical and geological sampling purposes only.

4.2 BASELINE STUDIES

For the proposed project, baseline information will be obtained through desktop studies and site verification.

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.

4.3 IMPACT ASSESSMENT

Impacts will be assessed using the ECC ESIA methodology. The ESIA 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 IFC standards in particular Performance Standard 1 'Assessment and management of environmental and social risks and impacts' (IFC, 2012) and Namibian Draft Procedures and Guidance for ESIA and EMP (GRN, 2008) including international and national best practice with over 25 years of combined ESIA experience.

4.4 ENVIRONMENTAL 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, respecting the surrounding environment and community.

4.5 PUBLIC PARTICIPATION AND ADVERTISING

Public participation is an important part of the ESIA 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, municipalities, 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 onsite at or near the boundary of the EPL on selected access roads.
- 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 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 I&AP comments to the project team for consideration of project design.

Comments must be submitted in writing and can be emailed using the contact details as given below.

CONTACT US

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

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