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ENVIRONMENTAL
COMPLIANCE CONSULTANCY



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BACKGROUND INFORMATION DOCUMENT

EXPLORATION ACTIVITIES ON EPL 8127

FOR BASE AND RARE METALS, INDUSTRIAL MINERALS, AND PRECIOUS METALS

PREPARED FOR

VOTORANTIM METALS NAMIBIA (PTY) LTD



JUNE 2021

BACKGROUND INFORMATION DOCUMENT

PROPOSED EXPLORATION ACTIVITIES ON EPL 8127

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

1 PURPOSE OF THIS DOCUMENT

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 and Social Impact Assessment (ESIA) process.

The proposed project involves exploration activities for base and rare metals, precious metals on Exclusive Prospecting Licence (EPL) 8127, held by Votorantim Metals Namibia (Pty) Ltd.

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

This BID includes the following information:

- The proposed project and location;
- The necessity of the project, potential 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

(Votorantim Metals Namibia (Pty) Ltd) to undertake an ESIA and an Environmental Management Plan (EMP) in terms of the Environmental Management Act, 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

Votorantim Metals proposes to explore in the Otjozondjupa Region in an area approximately 40km southeast of Otavi and 5km northeast of Kombat via the B8 road. The EPL can be accessed via the D2806 road. The location is shown in Figure 1.

2.3 WHAT IS PROPOSED

Votorantim Metals provides metal and mineral mining services worldwide. Votorantim Metals undertakes mineral exploration in Namibia and propose to undertake low impact exploration activities on EPL 8127.

2.4 WHY IS THE PROJECT NEEDED

Votorantim Metals intends to pursue exploration opportunities in Namibia with the aim of identifying new mining prospects. Namibia is rich with natural resources and the minerals sector is a key contributor to the nations GDP in Namibia. Exploration could lead to mining activities, which would

contribute to the national and local economy.

2.5 OPERATION PHASE

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

- Soil sampling
- Regional geological mapping
- Limited vegetation clearing for the creation of tracks;
- Potential creation of cut-lines for geophysical surveys;
- Ground and airborne geophysical surveys;
- Opening access tracks in bush-encroached areas, where there are not sufficient existing tracks; and
- Drilling exploration boreholes.

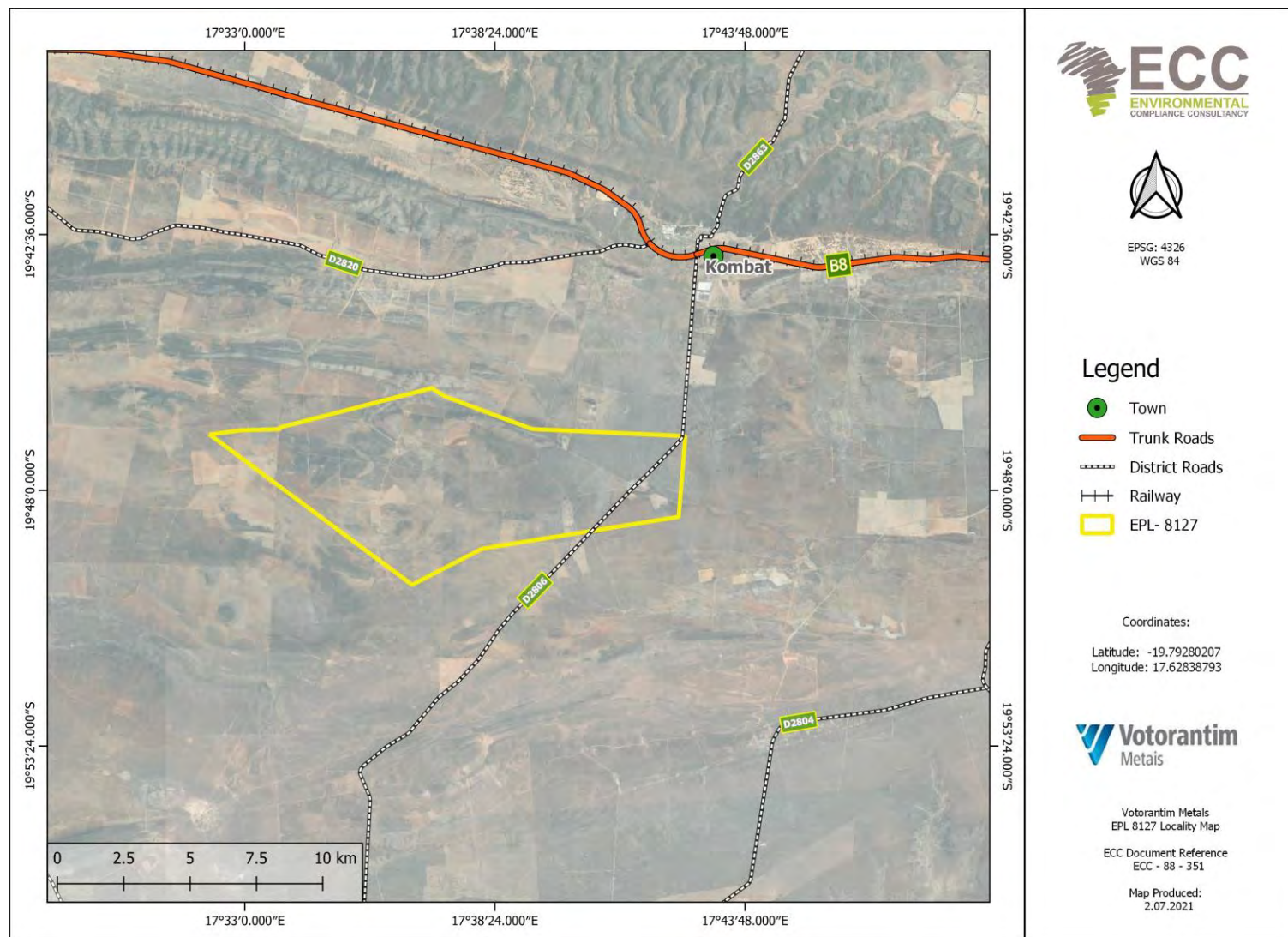


FIGURE 1 – LOCATION MAP OF THE PROPOSED PROJECT

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 potential increase in noise levels and dust arising from drilling and vehicle use;
- Potential poaching/ livestock theft impacts due to the increased movement of people in the area;
- Potential risk of uncontrolled fire occurrences, possibly from the exploration team camping on site;
- 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 clearing of bush-encroached areas for access on foot and by car; the vegetation is expected to recover fully during ensuing rain seasons;
- Potential use of resources, including groundwater; and
- Minor risk of spillage of hydrocarbon, chemical or drill fluids from exploration activities may potentially lead to localised ground 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 need of the proposed project; the activities shall be specific to the EPL 8127, which was granted by the MME on the 25th of March 2021.

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, 2007 and its regulations. The process followed in this ESIA is set out in the flowchart in Figure 2.

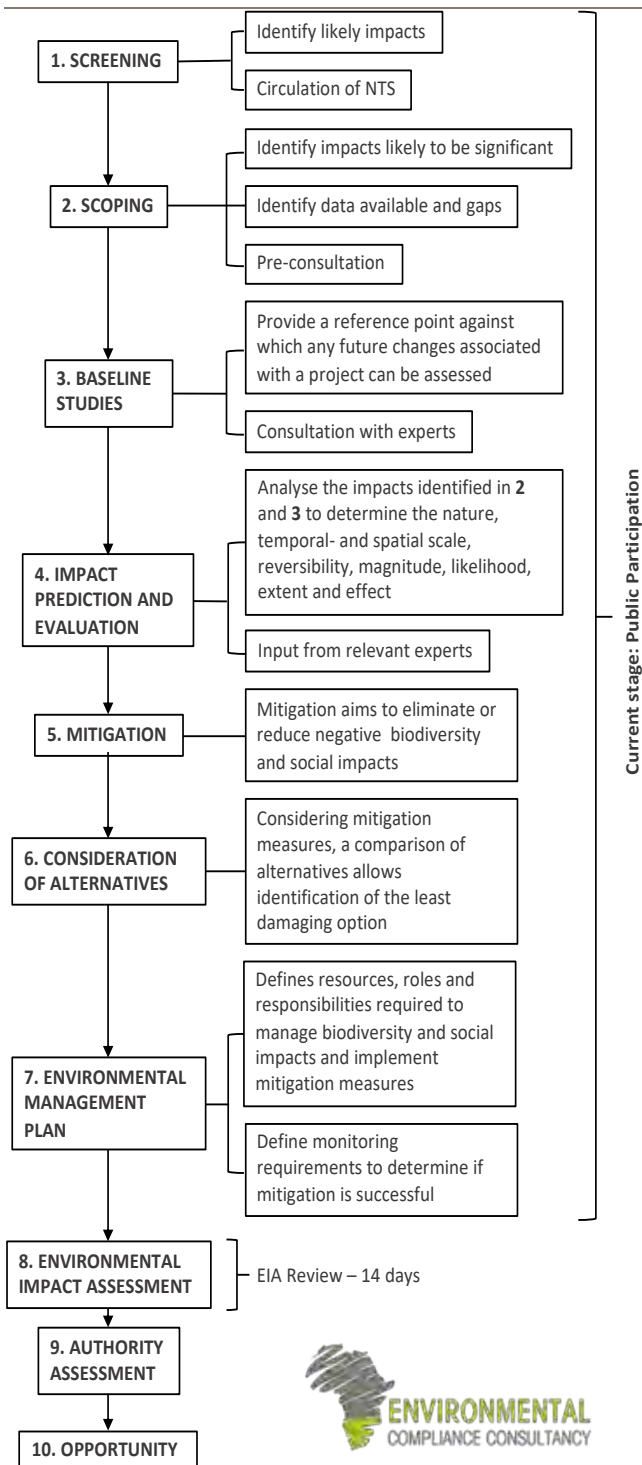


FIGURE 2 - FLOWCHART OF THE ENVIRONMENTAL ASSESSMENT PROCESS

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, 2001 (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 and drilling teams' field camps.

WATER RESOURCE DEVELOPMENT

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

- For the drilling of exploration boreholes, ground water may need to be abstracted, or water will be sourced.

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), 1992

- 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.

- Minerals (e.g. soil and sand) will be sampled within selected target areas of the project area.

The potential environmental and social effects are anticipated to be of minor significance, and those that may occur shall be contained on the EPL 8127 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 the ECC ESIA methodology. The ESIA will be conducted in terms of the Environmental Management Act, 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, 2017) 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.

4.5 ENVIRONMENTAL MANAGEMENT PLAN

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

4.6 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 BID 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 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

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- 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 details in the contact us section below.

CONTACT US

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

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