



Submitted to: Three Musketeers
Investment (Pty) Ltd
Attention: Mr Andre Neethling
P O Box 1321
Tsumeb
Namibia

BACKGROUND INFORMATION DOCUMENT

PROPOSED SMALL-SCALE MINING AND QUARRYING ACTIVITIES ON MINING CLAIMS 73963 ON FARM !URIS 481, OSHIKOTO REGION, NAMIBIA

PROJECT NUMBER: ECC-105-568-BID-02-D

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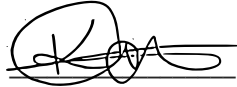
We welcome any enquiries regarding this document and its content. Please contact:



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

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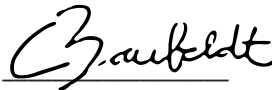
Authors:



Kelly Ochs

Environmental Compliance Consultancy

Checked By:



Carlene Baufeldt

Environmental Compliance Consultancy

Approved By:



Jessica Bezuidenhout

Environmental Compliance Consultancy

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ABBREVIATIONS

ABBREVIATION	DESCRIPTION
%	percentage
BID	background information document
Cu	copper
DEA	Directorate of Environmental Affairs
DPMT	Dundee Precious Metals Tsumeb
EAP	environmental assessment practitioner
ECC	Environmental Compliance Consultancy
ECC	environmental clearance certificate
EIA	environmental impact assessment
EMA	Environmental Management Act
EMP	environmental management plan
ESIA	environmental and social impact assessment
ha	hectares
I&AP's	interested and affected parties
km	kilometre
MEFT	Ministry of Environment, Forestry and Tourism
MME	Ministry of Mines and Energy
Mt	million tonnes
RoD	record of decision

1 BACKGROUND INFORMATION DOCUMENT

1.1 PURPOSE OF THIS DOCUMENT

Environmental Compliance Consultancy (Pty) Ltd (ECC) has been engaged by Three Musketeers Investment (Pty) Ltd (herein referred to as the Proponent), to conduct an environmental and social impact assessment (ESIA) and develop an environmental management plan (EMP) in terms of the Environmental Management Act, No. 7 of 2007 and its associated 2012 Regulations. An environmental clearance certificate application will be submitted to the competent authority, Ministry of Mines and Energy (MME) and Ministry of Environment, Forestry and Tourism (MEFT), to make a record of decision (RoD) with regards to the proposed Project.

This background information document (BID) serves to invite interested and affected parties (I&APs) to register as part of the environmental scoping and assessment process. A platform for I&APs to submit comments, concerns or recommendations will be established and all registered I&APs will be informed about the proposed Project as the ESIA process advances.

This BID includes the following:

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

1.2 DESCRIPTION OF THE PROPOSED PROJECT

The proposed project involves the small-scale quarrying activities on mining claim 73963, within Farm !Uris No. 481 (Figure 1). The Proponent intends to collect silica gravel from the quarrying activities and deliver it to the Sinomine Resource Group Tsumeb smelter, previously owned and operated by Dundee Precious Metals Tsumeb (DPMT). The proposed Project area will be 17.6 ha and the envisioned quarrying quantities per month are 1,500 Mt per month (after crushing and screening), while the amount to be loaded, including the fines, might be up to 3,000 Mt per month. It is expected that operations will continue for a period of 10 years.

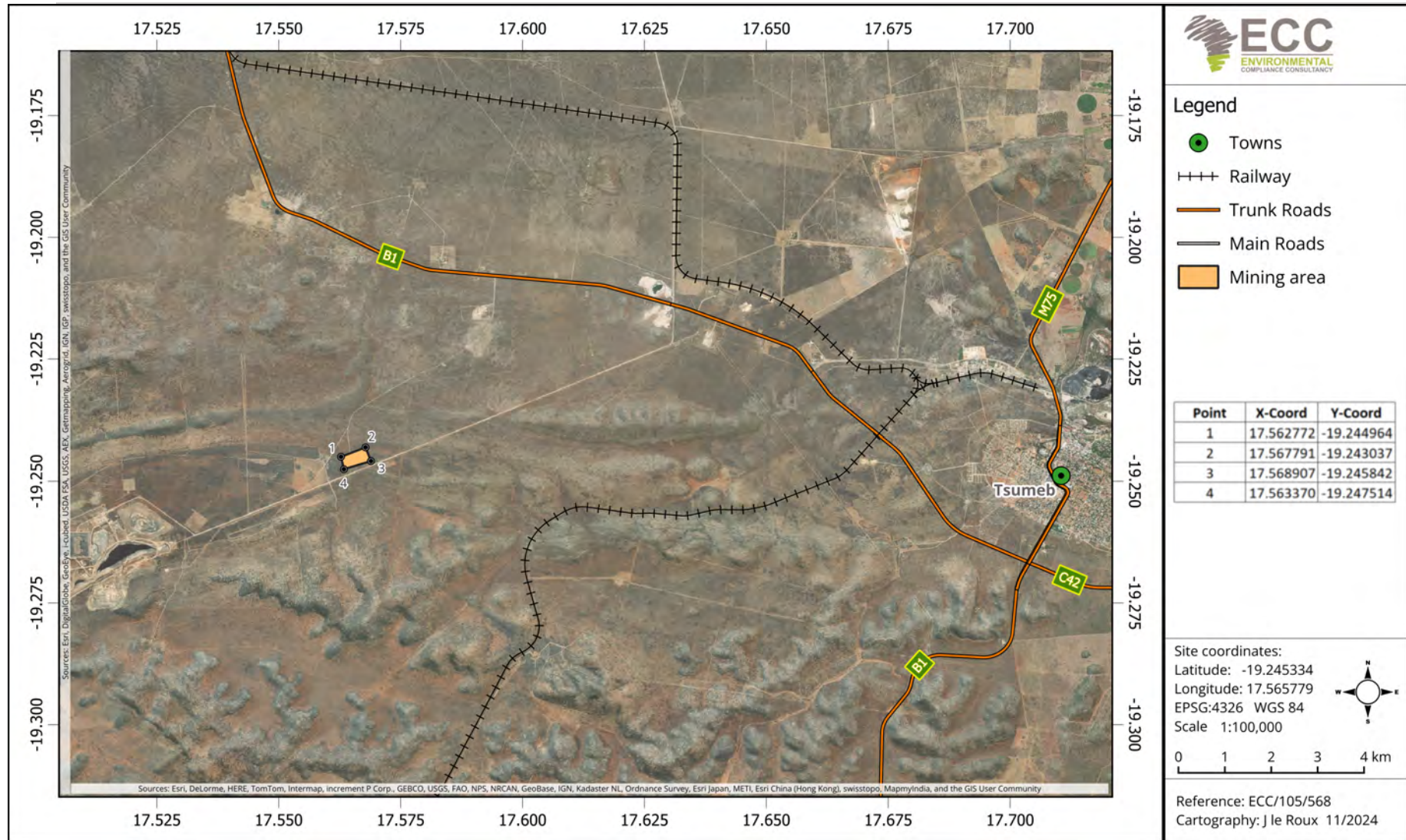


Figure 1 – Locality of the proposed Project

1.3 NEED FOR THE PROJECT

The purpose of the study is to collect silica from quarrying activities carried out on the mining claim 73963 on Farm !Uris No. 481. Silica will then be delivered to the Sinomine Resource Group Tsumeb smelter, previously owned and operated by Dundee Precious Metals Tsumeb (DPMT). The distance between the Tsumeb smelter and mining claim 73963 is approximately 15 km. Silica is used in the smelter processes and plant operations. The smelter was constructed in the early 1960's to process concentrates from the Tsumeb copper mine and is one of only five commercial-scale smelters in Africa, linked to the port of Walvis Bay by railway. The smelter is located in Tsumeb, the Oshikoto Region of Namibia. Silica is a raw material among others such as coal, concentrates and ore, which are commonly imported and transported by rail. The smelter produces blister copper (98.5% Cu) which is then refined in Europe and Asia, and sulphuric acid as a by-product, which is sold to third-party clients for use in uranium and copper mining.

1.4 OPERATIONAL PHASE

The following are envisioned during the proposed Project:

- The quarrying activities are estimated to be 3,000 Mt per month, including the fines;
- Supplying the loose gravel to the Tsumeb smelter; and
- Obtaining a forest permit for harvesting prior to the removal of encroacher bush from approximately 17.6 ha of land.

1.5 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 are specific to the site. During the assessment, alternatives will consider optimisation and using eco-friendly solutions to reduce potential impacts.

2 THE ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT PROCESS

The assessment for the proposed Project is being conducted by ECC and will be undertaken in terms of the Environmental Management Act, 2007 and its 2012 Regulations. The process followed for this assessment is set out in the flowchart in Figure 2.

ECC has been engaged by Three Musketeers Investment (Pty) Ltd as the independent environmental assessment practitioner (EAP) to facilitate the entire assessment 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 and specialist studies.
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 assessment report and draft environmental management plan (EMP) and submission to the appropriate competent authorities.

The main objectives of the assessment are to:

- a) Provide information describing the proposed operational 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

2.1 SCREENING

A review of the planned Project was undertaken and the screening findings against the listed activities was conducted; the findings of which are summarised in Table 1.

Table 1 - Listed activities triggered by the proposed Project

Listed activity	EIA screening finding
Mining and Quarrying activities (3.2) Other forms of mining or extraction of any natural resources whether regulated by law or not (3.3) Resource extraction, manipulation, conservation and related activities	The extraction of loose silica gravel will be used to provide this material to the nearby Sinomine Resource Group Tsumeb smelter, previously owned and operated by Dundee Precious Metals Tsumeb (DPMT). The quarrying activities are estimated to be 3,000 Mt per month, including the fines.
Forestry activities (4) The clearance of forest areas, deforestation, afforestation, timber harvesting or any other related activity that requires authorization in terms of the Forest Act, 2001 9Act No. 12 of 2001) or any other law.	- The area required to be disturbed by the Project is heavily encroached by invasive species and will need to be cleared to grant the operations of the Project. The total area to be cleared is equivalent to 17.6 ha. - The relevant forestry permit (forest permit for harvesting) would be obtained for land clearing activities.

2.2 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.

2.3 BASELINE STUDIES

The assessment 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 broken into three sections, the baseline context, environmental (physical and biological), and social (including economic).

Desktop studies as well as all available field surveys from the Project area will be used to help define the baseline. These studies also give a further indication of whether any local or regional future developments 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, infectious

disease), occupation and livelihood (economic activities, employment rates) and access to services.

2.4 STAKEHOLDER ENGAGEMENT

The public and key stakeholders receive invitations to register as I&APs. After the presentation of the proposed Project and assessment 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.

2.5 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 and baseline studies, and a stakeholder engagement section.

2.6 ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT PHASE

2.6.1 POTENTIAL IMPACTS

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

- Biodiversity, topography, landscape and soil impacts from vegetation clearance;
- Surface water and groundwater impacts due to the quarrying activities;
- Waste management during operations;
- Air quality and noise generation from small-scale quarrying and other mining activities on sensitive receptors;
- Heritage impacts;
- Visual impacts; and
- Economic and socio-economic impacts due to continued supply of silica to the Tsumeb smelter with less reliance on imported raw material and occupational health and safety

2.6.2 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.

3 THE WAY FORWARD – PUBLIC PARTICIPATION

Public participation is an important part of the assessment process. It allows 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 small-scale mining and quarrying activities on mining claim 73963 on Farm !Uris 481 No xx.
 - 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/projects/>

Registration as an I&AP should be submitted on or before 21 February 2025.

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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