

African Exploration Mining and Finance Corporation (AEMFC) Prospecting Right Application: Public Consultation Report

Report

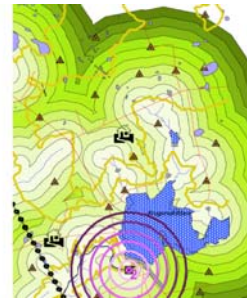
Version - 1

February 2010

Client Name: African Exploration Mining and Finance Corporation (Pty) Ltd (AEMFC)

Project Number: 00236/000/000/10-056

DMR Reference Number: WC 30/5/1/1/2/422 PR



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1. INTRODUCTION

African Exploration Mining and Finance Corporation (Pty) Ltd (hereafter referred to as "AEMFC"), has applied for prospecting rights in terms of Section 16 of the Mineral and Petroleum Resources Development Act (Act No. 28 of 2002) (MPRDA) in the Magisterial District of Cape Town of the farms: Highlands 195, Hooggelegen 193, Hooggelegen 194, De Grendel 256 and De Grendel 255 in the Magisterial District of Cape Town for the following minerals: Tin Ore, Zinc Ore, Lead Ore, Lithium Ore, Copper Ore, Manganese Ore and Silver Ore (DMR Reference Number: WC 30/5/1/1/2/422 PR).

In terms of the requirements of Section 16(4b) of the MPRDA AEMFC are required, to notify in writing and / or consult with the landowner or lawful occupier of the applicable land and any other affected party and submit the result of the consultation to the DMR.

This document serves as the Interested and Affected Party (I&AP) Consultation Report, which is submitted, to the DMR in support of the AEMFC Prospecting Right Application.

2. APPLICANT DETAILS

AEMFC is a wholly owned subsidiary of the Central Energy Fund (CEF) of South Africa. AEMFC is mandated by the Department of Mineral Resources (DMR) (previously known as the Department of Minerals and Energy or 'DME') to acquire and hold exploration and mineral rights in respect of all energy related and other minerals on behalf of the state; and engage in the mining thereof.

CEF, incorporated in terms of the Central Energy Fund Act, is mandated by the South African Government to engage in the acquisition, exploration, generation, marketing and distribution of any energy form and to engage in research relating to the energy sector. CEF is controlled by the Minister of the DMR. All shares are held by the State and are not transferable.

African Exploration has been mandated to support ESKOM and PetroSA by ensuring that there is a secure supply of feedstock for sustainable power generation and development of indigenous fuels (Coal to Liquids). African Exploration's current portfolio includes coal, lime/limestone and uranium that constitute its strategic mineral resources. However, AEMFC has started to capitalise itself through diversification to other unrelated minerals.

African Exploration will make strategic equity investments and enter into joint venture partnership.

AEMFC seek to:

- (i) Diversify exploration risk;
- (ii) Consider acquisition of operating entities;
- (iii) Diversify into non coal mineral resources; and
- (iv) Enter into regional markets (Botswana, Swaziland and Mozambique).

At present, the company is in a start up phase and continues with mining and exploration activities throughout South Africa.

The details of the applicant are provided in Table 1 overleaf.

Table 1: Details of the Applicant

Company Name:	African Exploration Mining And Finance Corporation (AEMFC)
Company Registration Number:	
Contact Person's Name and Surname:	Bethual Solomon Maloka
Telephone Number:	011 201 4839
Fax Number:	011 201 8202
Cell Phone Number:	082 925 0330
Physical Address:	CEF House Block C Upper Grayston Office Park 152 Ann Crescent Strathavon Sandton 2031 Johannesburg
Postal Address:	PO Box 786 141 Sandton 2146
E-mail Address:	bethualm@aemfc.co.za

3. AREA TO WHICH THE APPLICATION RELATES

The following table relates to the proposed Prospecting Right Application.

Table 2: Farms and Farm Portions to which the application relates

Farm Name	Farm Number	Registration Division	Portion #	Surface Right Owner	Title Deed Number
Hooggelegen	193	Cape RD		HOOGGELEGEN ONTWIKKELINGS PTY LTD	T31571/1977
Highlands	195	Cape RD		HOOGGELEGEN ONTWIKKELINGS PTY LTD	T29452/1977
Highlands	195	Cape RD	1	PIENAAR PIETER NEETHLING	T45800/1990
Highlands	195	Cape RD	2	*** NO LONGER EXISTS - SEE ENDORSEMENTS ***	-
Highlands	195	Cape RD	3	SUCCESS VENTURES PTY LTD	T55419/2000
Highlands	195	Cape RD	4	HOOGGELEGEN ONTWIKKELINGS PTY LTD	T29452/1977
Highlands	195	Cape RD	8	HOOGGELEGEN ONTWIKKELINGS PTY LTD	T4233/1980
Highlands	195	Cape RD	10	HOOGGELEGEN ONTWIKKELINGS PTY LTD	T81584/1998
De Grendel	255	Cape RD		CITY OF CAPE TOWN	T77180/2006
De Grendel	256	Cape RD			

4. MINERALS TO BE PROSPECTED FOR

The type of minerals for which the prospecting right is required is detailed in Table 3. The information supplied is obtained from List 2 in Form B (Annexure I) of the MPRDA.

Table 3: The Minerals to be prospected for

Commodity	Code	Type Code	Type Description
Tin Ore	SN	B	Ferrous and Base Metals
Zinc Ore	Zn	B	Ferrous and Base Metals
Lead Ore	Pb	B	Ferrous and Base Metals
Lithium Ore	Li	B	Ferrous and Base Metals
Copper Ore	Cu	B	Ferrous and Base Metals
Manganese Ore	Mn	B	Ferrous and Base Metals
Silver Ore	Ag	GC	Gemstones (except diamonds)

5. CONSULTATION PROCESS

The public participation process is undertaken in a manner that ensures close integration with the EMP process. A public participation and communication process attempts to maximise the social benefits and to minimise the social costs of the proposed project.

In this regard, the I&APs must be consulted and afforded the opportunity to participate. In so doing, ownership of the project is vested in both the project proponent and the community. I&APs must have sufficiently detailed, accurate and understandable information to ensure that their inputs are well informed.

GCS received confirmation of appointment by AEMFC for conducting the public participation and compilation of the EMP on 3 February 2010. At this time the prospecting right applications were already lodged with the Department of Mineral Resources, for which specific timeframes for submission were requested in the prospecting acceptance letter to AEMFC which was issued on 13 January 2010 by the DMR.

This delay ensured that the public participation process could only be initiated on Monday 8 February 2010.

GCS will however ensure that consultation with I&APs continue throughout the compilation of EMP phase. A comment period of a month has been allowed for, as I&APs were informed to submit any comments and concerns on the project on or before 9 March 2010.

6. IDENTIFICATION OF LAND OWNERS

A title deed search was performed during the compilation of the Prospecting Right Application. From the title deeds, GCS was able to obtain the name of the owner of the properties in question.

Two representatives from GCS went to the proposed prospecting areas to hand out Background Information Documents (BIDs). Everyone who received a BID from GCS, signed as proof of acceptance thereof (please see Appendix D).

7. NOTIFICATION

(v) Background Information Documents (BID's)

BIDs were sent to all registered I&APs to explain the Prospecting Right Application procedure to date (see Appendix B for a copy). A map depicting the area was included in the letter.

Contact details were included in order for people to contact GCS with any queries. A I&AP registration form was included as Page 5 of the documents. This was included in order for people to raise any issues or concerns they may have with the project.

BIDs were also left at numerous public places to inform a wider audience of the proposed prospecting activities. BID's were left at the following locations:

- The Cape Town Municipality Information Desk;
- The Pick and Pay at the Platteklouf Village Shopping Centre;
- The Internet Café at the Aurora Shopping Centre;
- At Asmat Retail centre;
- At the Mount Restaurant;
- At Hillcrest farm.

Numerous completed BIDs (page 5) were received to date. This has been incorporated into the stakeholder database, attached herewith as Appendix F.

(vi) Advertisements

It was decided that advertisements would be placed in three different publications, and not only in the local newspaper as discussed with the DMR. This was done in an effort to reach more people in order to notify the public of the proposed Prospecting Right Application.

Advertisements were placed in the following newspapers (See Appendix C for proof thereof):

- The Cape Times on Wednesday 10 February 2010; and
- The Cape Argus on Wednesday 10 February 2010.

An advertisement will be placed in the Eikestad Nuus on Friday 19 February 2010 - the advertisement was supposed to run on 12 February 2010, but the proof of payment deadline was not reached.

(vii) Site notices

Four (4) site notices were placed in public areas to notify people of the proposed Prospecting Right Application.

Site notices were placed in the following locations:

- The Pick and Pay at the Platteklouf Village Shopping Centre;
- The Checkers at the Burgundy Estate Shopping Centre notice board (GCS was only allowed to put up one BID as a notice and not a A2 Site notice); and
- Internet Café at the Aurora Shopping Centre.



Figure 7-1: Site Notice on the Pick and Pay Platteklouf Village Shopping Centre.



Figure 7-2: Site Notice on the community board at the Checkers at Burgundy Estate.

8. SURFACE RIGHT OWNERS RESULT OF CONSULTATION

Please see **Appendix D** and **Appendix E** for proof of consultation to date. Comments received from I&APs are mentioned in Appendix F.

Comments received from all I&APs will be included and addressed in a detailed issues trail as part of the Prospecting Environmental Management Plan (EMP) to be submitted to the DMR 12 March 2010.

9. WAY FORWARD

GCS will continue to notify and consult with I&APs throughout compilation of the EMP.

All comments received from the I&APs will be included in a detailed issues trail as part of the Prospecting Environmental Management Plan, which will be submitted to the DMR on or before 12 March 2010.

APPENDIX A

PROSPECTING RIGHT APPLICATION ACCEPTANCE NOTICE

APPENDIX B

BACKGROUND INFORMATION DOCUMENT

APPENDIX C

PROOF OF PLACEMENT OF ADVERTISEMENTS

APPENDIX D

PROOF OF EMAIL CORRESPONDENCE

APPENDIX E

PROOF OF BID ACCEPTANCE

APPENDIX F

PUBLIC PARTICIPATION DATABASE