

Riviera Tungsten Project Update – November 2012

This article provides an update on Bongani Minerals' proposed development of the Riviera Tungsten deposit.

- The Departure Application in terms of the Land Use Planning Ordinance, 1985, for the Purpose of Prospecting Minerals was submitted to the Berg River Municipality on 29 August, 2012. Bongani is awaiting the Municipality's decision, and believes the municipality is able to make a fair and timely decision regarding this matter, in accordance with the law, without violating legal processes and procedures as some opponents of the project have alleged.
- Bongani is awaiting final laboratory results from the one prospecting drill hole that was completed before Bongani was interdicted by the Berg River Municipality from proceeding with its prospecting. Bongani did not oppose the interdict in order to avoid extensive delay and costs. The results received to date show consistency with, and even improvement over, the historic results as determined in the late '70s by Anglo American and Union Carbide.
- Should the Municipality grant Bongani temporary approval for prospecting activities, the Company (and Municipality and Province) will be able to determine the full extent of the deposit. If the deposit matches (or exceeds) historic estimations (potentially the 11th largest tungsten deposit in the world), the site would be strategically important to the West Coast region, the Western Cape Province and the country as a whole. In addition to tungsten, the deposit also contains rare earth elements, molybdenum, silver and zinc.
- The Berg River Municipality desperately needs economic diversification to ensure the long-term welfare of the community. There has been a decline in productivity (and subsequent contribution to the regional GDP) of the agriculture and fishery industries, both of which have historically been strong and upon which the regional economy has been heavily reliant.
- **If the mineral deposit is found to be as expected, the Moutonshoek Valley will become an area of strategic economic importance (creating jobs, expanding existing businesses and creating demand for new businesses).** For example, nearby accommodation is scarce. An influx of consultants at the present requires a commute from Cape Town. These outcomes (more jobs, stronger businesses) are consistent with the objectives and strategies of the Western Cape Province Spatial Development Framework, the West Coast District Integrated Development Plan and Spatial Development Framework, and the Berg River Integrated Development Plan and Spatial Development Framework. **It is conservatively estimated that the Riviera Project (if the deposit is as expected) could provide an initial direct investment into the local Berg River economy of R1.2 to R1.5 billion during the first 5 years of full operations. The mining phase (should the project proceed to that stage) will generate more than 400 direct employment opportunities, with roughly 50% of these being for semi and unskilled labourers.** In a 2012 Bafokeng-funded study (in partnership with the SA Institute for Mining and Metallurgy), it was reported that for each person who works on a mine in South Africa, 26 other people benefit. Extending these numbers, it is possible to imagine that 10,800 people could benefit from the Riviera Mine project. **However, prospecting needs to take place before the true potential of the mineral resource can be established.**
- Additional prospecting information is required to refine a mine model and to investigate the feasibility of an underground mine or a combination of underground and open cast. The mine design has a significant impact on the protection/ rehabilitation of the natural and developed environment should mining proceed.
- In terms of conservation, the land identified for the prospecting drill sites falls only on agricultural areas and does not touch or affect critical biodiversity (water) areas.
- A comprehensive Environmental Management Plan has been approved by the DMR to ensure that the prospecting activities have a negligible impact on the environment and farming activities. An Environmental Control Officer has been and will continue to be engaged in auditing prospecting activities to minimize impact and maximize rehabilitation.
- The rights of land owners will not and cannot be ignored. Affected landowners will be compensated for any loss or damage during the prospecting phase. If the project does proceed to mining, landowners will receive fair compensation for their land as provided for in the Mineral and Petroleum Resources Development Act, 28 of 2002, or as agreed to between Bongani and the landowner.



Core sample from April 2012 drilling



Drill rig used in April 2012 on site

- Denying prospecting infringes on the rights and potential benefits of nearby residents, the region and Bongani Minerals.
- As Bongani Minerals partners with local leaders, the team will drive the project against triple bottom line measures (people, planet, profit); i.e., the project must be beneficial for affected people, have minimal harm to the planet, and be profitable for the company, the Western Cape, and the country.

The prospecting activities are necessary to confirm key information about the mineral deposit, which will allow local authorities and Bongani Minerals to make informed decisions about the possibility of a future mining project.

If you have questions about the project, please send an e-mail to info@batla.net.