



# LETŠENG DIAMONDS

Letšeng Diamonds House Cnr Kingsway and Old School Road Maseru 100 Lesotho PO Box 12508 Maseru 100 Lesotho

T +266 2222 1800 F +266 2231 0546 [www.letsengdiamonds.co.ls](http://www.letsengdiamonds.co.ls)

23 May 2022

## **Response to recent inaccurate media reports**

Letšeng Diamonds notes certain recent inaccurate and misleading media reports regarding its water stewardship activities. In response, Letšeng Diamonds publishes this note, to ensure interested parties have access to the correct facts regarding the company's responsible, transparent and effective approach to water stewardship, our environment and our communities. This note corrects certain material inaccuracies and misleading statements, but Letšeng Diamonds may expand further on this response in order to make further corrections, as necessary.

Letšeng Diamonds has always been, and remains, open and transparent with all its stakeholders in its efforts regarding water stewardship, including government departments, communities, shareholders, and other interested parties.

Case studies have been published since 2014 showing the investment being made in innovative technology aimed at managing water stewardship such as nitrate levels at our Letšeng mine and maturing the process and technology that we use. The case studies can be found here:

<https://www.gemdiamonds.com/sustainability-case-studies.php>

Elevated nitrate levels are often associated with mining activities but are also attributed to the application of fertilizers, human and animal waste and other sources. Nitrates may also be naturally present as a result of soil nitrification processes from the mineralisation and mobilisation of nitrate from natural soil or host rock lithologies. At Letšeng, ongoing water analysis over the years has indicated an increase in nitrates in our water due mainly to mining explosives' residue. In 2014, in response to the increase in nitrate levels, Letšeng commissioned a nitrate management study to find and implement solutions for nitrate-infused water leaving the lease area. The study was extensive, and the solutions put in place have been far-reaching and effective. An official nitrate task team, which works in collaboration with the relevant departments within the Lesotho Government, was also established. Since the commissioning of the nitrate management study, the operation has implemented the following solutions to conserve water quality:

- Commissioned a wetland construction and rehabilitation programme.
- Refined and amended blasting practices and procedures to limit the volume of nitrates from explosives released into the environment.
- Partnered with water conservation experts to trial the feasibility of fertigation and bioremediation as treatment methods and conducted leach testing to better understand the management options.

**Letšeng Diamonds (Pty) Ltd**

Reg. No. i95/259

**DIRECTORS** B de Bruin (SA) CT Elphick (SA) PJ Houman (SA)

K Leisanyane (LS) M Michael (SA) L Moreke (LS) S Rabale (LS) M Tsepa (LS) GE Turner (British)

- During 2021 we were able to successfully complete the bioremediation pilot project at Letšeng to treat water leaching from the waste rock dumps with potentially higher volumes of nitrates, and a full-scale bioremediation plant is now being designed for commissioning at the end of 2022. This bioremediation plant will treat water seeping from the mine waste rock dumps, and the treated water will be discharged from the plant into a newly constructed wetland before leaving the mine lease area.

We prioritise the needs of all our stakeholders in our approach to water management, and our water strategy is based on international best practice standards. Letšeng Diamonds has a comprehensive water monitoring and stewardship plan that includes the external and independent assessment of water quality inside and outside our mine lease area.

The most recent independent water quality assessment, conducted through an accredited laboratory, confirmed that nitrate levels in the Khubelu surface water sources at the downstream communities of Patising (23km away from the Letšeng mine) and Maloraneng (20km away from the Letšeng mine) have consistently been within the drinking water standards including over the October 2021 - April 2022 period specifically mentioned in the media reports.

Our water quality testing protocol also includes the monitoring of biological parameters, notably E. coli and total Coliforms. Escherichia coli (E. coli) bacteria normally live in the intestines of healthy people and animals. When E.coli is found in surface water, that water has been contaminated with faeces from humans or animals and are not caused by our mining operations. High levels of E. coli and coliforms are especially common in rural subsistence farming communities with livestock such as our communities. It should be noted that elevated levels of nitrate do not cause gastrointestinal issues.

Most types of E. coli are harmless or cause brief diarrhoea. A few strains, however, can cause severe stomach cramps, bloody diarrhoea, vomiting and bacterial dermatitis. Healthy adults usually recover from infection with E. coli within a week. Young children and older adults have a greater risk of developing a life-threatening form of kidney failure.

Signs and symptoms of E. coli infection usually begin three or four days after exposure to the bacteria and include:

- Diarrhoea, which may range from mild and watery to severe and bloody
- Stomach cramping, pain or tenderness
- Nausea and vomiting, in some people
- Bacterial Dermatitis (skin rash)

The independent water quality assessment, conducted through an accredited laboratory, have consistently found elevated levels of E. coli and total coliforms in the Maloraneng Village (20km away from the Letšeng mine), Patising Village and the Lithakong Village (23km away from the Letšeng mine) surface water sources:

- Elevated E. coli (Notably 436/ 100mL in January 2021)
- Elevated Total coliforms (Notably 1414/ 100mL in January 2021)

The E. coli contamination is as a result of livestock fouling the surface water sources around the villages.

Letšeng Diamonds is proud of our history of corporate social responsibility and partnership with our communities to ensure shared benefit. Our on-site clinic provides emergency and

primary health care for community members when required, and the considerable number of bacterial gastroenteritis cases treated through our clinic resulted in a decision to assist communities with the provision of potable drinking water since 2014. The provision of safe drinking water, not contaminated by *E. coli* from livestock, has resulted in a significant decrease in gastro-cases in the communities.

In addition to the provision of water, Letšeng has a proud history of commitment to developing the nation of Lesotho. Our community projects and the history of successful implementation of those are outlined in the attached annex.

## Letšeng’s response to article, “*Lesotho communities blame diamond mine pollution for trail of sickness, death and ‘poisoned pasture’*”, by Pascalinah Kabi, published 15 May 2022.

<u>Article Content</u>	<u>Letšeng’s Response</u>
<p><i>“This water causes stomachaches and diarrhoea,” the soft-spoken Lematla said in an exclusive interview with MNN Centre for Investigative Journalism.</i></p> <p><i>Clad in her purple blouse, dark sweater and white sunhat, Lematla says her Patising community is always battling diseases such as diarrhoea. She has lost count of how many times she’s fallen ill from drinking the contaminated water.</i></p> <p><i>“I am one person who has serious difficulties using this water; it upsets my system,” says Lematla who had diarrhoea and severe stomachache for two weeks between January and February this year.</i></p>	<p>Please see the section on <i>E. coli</i>. <i>E. coli</i> contamination of surface water sources at the Patising, Maloraneng and Lithakong Village is as a result of livestock fouling in streams and springs. Nitrate does not cause gastrointestinal issues (such as diarrhoea or cramping).</p> <p>Letšeng has appointed independent, external water, wetlands, and environmental engineering firm “GroundTruth” to conduct its Biannual Water Quality monitoring report in support of its SEMP Commitments.</p> <p>Water samples that are collected (in accordance with scientific methodology) GroundTruth are sent to a SANAS and ISO 17025 accredited water laboratory within South Africa (no accredited laboratories exist within Lesotho) for chemical, microbiological and environmental analysis.</p> <p>The Biannual Water Quality Monitoring Report informs our Annual Environmental Performance Report that is submitted to the Lesotho Department of Environment.</p> <p>As part of the Water Monitoring Protocol, Letšeng has allocated monitoring/ sampling sites within the Patising and RTZ Catchments, as well as the Khubelu River System.</p> <p>During 2021 the GroundTruth Water Quality Monitoring found elevated levels of <i>E. coli</i> and total coliforms in the Maloraneng Village, Patising Village and the Lithakong Village:</p> <ul style="list-style-type: none"> <li>• Elevated <i>E. coli</i> (Notably 436/ 100mL in January 2021)</li> <li>• Elevated Total coliforms (Notably 1414/ 100mL in January 2021)</li> </ul> <p>Please see the section on <i>E. coli</i>. <i>E. coli</i> contamination of surface water sources at the Patising, Maloraneng and Lithakong Village is as a result of livestock fouling in</p>

	<p>streams and springs. Nitrate does not cause gastrointestinal issues (such as diarrhoea or cramping).</p> <p>We also regularly monitor natural springs and local boreholes in and around our communities. Over the years, we have seen an increase of E. coli bacteria from livestock fouling the community water sources while grazing or drinking. To assist the communities and mitigate the risk of bacterial infection from the E. coli, we provide clean potable water to local communities.</p> <p>Historically elevated levels of E. coli and total coliforms is what motivated the Letšeng Diamond Mine to install water provision infrastructure for the communities in 2014.</p>
<p><i>“I had diarrhoea for whole two weeks, constantly running to the toilet. We have discussed water contamination issues with Letšeng many times,” adds Lematla, who also explains that some residents living in the older residential side of Patising, Ka Lithakong, depend on the stream for daily water needs.</i></p>	<p>The issue of ill health suspected to be caused by the water discharged from the mine has never been raised as a grievance or reported through any channels, including the community leaders such as the area chief and community counsellors.</p> <p>Please see the section on E. coli contamination.</p> <p>During 2021 the GroundTruth Water Quality Monitoring Found elevated levels of E. coli and total coliforms in the Maloraneng Village, Patising Village and the Lithakong Village:</p> <ul style="list-style-type: none"> <li>• Elevated E. coli (Notably 436/ 100mL in January 2021)</li> <li>• Elevated Total coliforms (Notably 1414/ 100mL in January 2021)</li> </ul> <p>Please see the section on E. coli. E. coli contamination of surface water sources at the Patising, Maloraneng and Lithakong Village is as a result of livestock fouling in streams and springs. Nitrate does not cause gastrointestinal issues (such as diarrhoea or cramping).</p>
<p><i>“The contaminated water causes diarrhoea, a rash that I don’t know what name I can give to but there is that rash which forces people to scratch themselves, particularly small children. It also causes something similar to flu, people cough a lot, causing us to think that maybe they have tuberculosis,” Moletsane said.</i></p>	<p>Please see the section on E. coli. E. coli contamination of surface water sources at the Patising, Maloraneng and Lithakong Village is as a result of livestock fouling in streams and springs. Nitrate does not cause gastrointestinal issues (such as diarrhoea or cramping). Bacterial dermatitis is common when water is contaminated with coliforms and bacteria such as E. coli. Some common symptoms of bacterial infection and dermatitis include tenderness of the skin and rashes resulting in itching and pain.</p> <p>Neither the Patising nor Maloraneng villagers have lodged a grievance with the mine during 2021 or 2022 complaining that they got sick from using water from the Patising stream.</p>
<p><i>Matubatuba says his son, who was crippled shortly after his fifth birthday, succumbed to diarrhoea and sharp stomachache after inhaling</i></p>	<p>The mine has regular engagement sessions with our Project Affected Communities, as well as a well-established community grievance mechanism that the communities and leadership make use of to communicate with Letšeng. In respect of dust and/or smoke, we have not received any</p>

<p><i>polluted air coming from a Letšeng blasting operation.</i></p> <p><i>Matubatuba’s son inhaled the “odour from the smoke coming from Letšeng”. The next day, the deceased had diarrhoea that lasted for a month, leading to his death.</i></p> <p><i>“A dark emission came towards the village and an odour was smelled all over the place. He complained about the odour. The following day, he woke up with diarrhoea.</i></p> <p><i>“We thought this was the result of the smoke and the water since we drew it from the stream. The water was blue and salty. We didn’t have any access to clean water and depended on the stream water. I thought the smoke and the air were a cause of his sickness – the diarrhoea that went on until he died.</i></p> <p><i>“He complained of a severe stomachache before he died. The suspicion is that the cause of his death is the smoke and the water from the stream,” Matubatuba said.</i></p>	<p>grievances from Maloraneng, Patising or any other downstream village.</p> <p>The mine also has established, in accordance with its SEMP, a rigorous air quality monitoring protocol. The dust and air quality monitoring at our mine lease boundary does not indicate any exceedance of relevant air quality parameters.</p> <p>Please see the section on <i>E. coli</i>. <i>E. coli</i> contamination of surface water sources at the Patising, Maloraneng and Lithakong Village is as a result of livestock fouling in streams and springs. Nitrate does not cause gastrointestinal issues (such as diarrhoea or cramping).</p>
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**Tailings Management**

In addition to the challenges faced by community members as a result of their natural and built environment, it is our responsibility to guard our communities against any potential risks posed by our operations. Tailings storage dams, while an integral part of mining, also present one of the most significant potential hazards associated with the industry - if not responsibly managed. Recent tragedies involving tailings dam failures have placed the mining industry under intense scrutiny, highlighting that risk management is crucial at every stage of the lifecycle of our tailings facilities.

In response to these tragedies, the International Council on Mining and Metal’s Global Industry Standard on Tailings Management was established to strive to achieve the ultimate goal of zero harm to people and the environment with zero tolerance for human fatality. It requires operators to take responsibility and prioritise the safety of tailings facilities, through all phases of a facility’s lifecycle, including closure and post-closure. It also requires the disclosure of relevant information to support public accountability. Gem Diamonds has committed to and adopted The Global Industry Standard on Tailings Management.

We recognise that ensuring the integrity of our mining waste and fresh-water storage facilities is non-negotiable and integral in exercising our responsibility to safeguard our communities. We take a proactive approach and ensure that dam safety is continually

managed according to international best practice. Dam walls undergo stringent safety monitoring in the form of inspections and audits, which are conducted both internally and externally at regular intervals throughout the year.

To protect our host communities from potential dam-related hazards, we monitor three facilities at our Letšeng mine: the Patising tailings storage facility (TSF), the Old TSF, and the Mothusi Dam - our fresh-water-supply resource. All facilities undergo stringent inspections on a daily, weekly and monthly basis, surveying various factors such as water level, beach length, freeboard and overall structural stability. Furthermore, an early-warning system, together with community training and awareness programmes, are used to ensure the emergency readiness of communities that could be affected in the unlikely event of a failure. The nearest village is located 20km downstream from the mine.

The findings and recommendations stemming from these investigations and audits are reported to the appropriate Sustainability Sub-Committees and Boards.

Additional resources:

<https://globaltailingsreview.org/global-industry-standard/>

<https://www.churchofengland.org/about/leadership-and-governance/church-england-pensions-board/pensions-board-investments/investor-3>

<b>Article Content</b>	<b>Letšeng's Response</b>
<p><i>Many residents in the Patising and Maloraneng communities, who live downstream from Letšeng Diamond Mine and rely on surrounding natural water sources for drinking and other household chores, tell stories of the blue and black water and believe this pollution is the cause of illness and death. Lematla describes how the Patising stream sometimes overflows with mine tailings (motoro in local language).</i></p>	<p>Letšeng has never had a case of tailings overflowing or breaching a tailings containment facility. Refer to the tailings management section for more information on our approach and best practice standards.</p>
<p><i>Two years ago, 19 Patising villagers asked the Lesotho high court to order the Letšeng Diamond Mine to relocate them because they fear being engulfed by the mine's slime dams in case of flooding. They also claimed the stream water was no longer safe for consumption.</i></p>	<p>This claim has been refuted in court. The Maluti Community Development Forum (MCDF) attempted to blame the mine for flooding which was as a result of elevated rainfall within the Mokhotlong region. The Patising Headman, the Community Councillors and the Area Chief were informed that the heavy rains and hailstorm of January/February 2021 did not cause the dams at the mine to overflow and all water and tailings management systems functioned exactly as intended.</p> <p>The Patising village have raised their fears with the mine concerning the threat which they assume is posed by the mine's slimes dam. The villagers have been reassured on numerous occasions that the water and tailings dams are safe and structurally sound. To reassure them further, the Patising villagers were invited to visit the mine in order to view the slimes dams. Following that visit, they clearly</p>

	communicated that they were satisfied and assured that the dam posed little threat to their village.
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<b>Article Content</b>	<b>Letšeng's Response</b>
<p><i>Maluti Community Development Forum (MCDF), an interest group that defends the rights of the poor communities in the Lesotho's mining areas, claims there have been at least two deaths suspected to be associated with the water contamination in Patising and Maloraneng villages.</i></p> <p><i>"One of those incidents, in Maloraneng, concerns a one-year-old infant who died on the back of his grandmother while walking twelve kilometres to access public transport to health services," reads a MCDF report</i></p>	<p>This matter has never been brought to the attention of the mine as a grievance, a report through community leaders or in any manner.</p> <p>Letšeng has a long history of dealing with MCDF's false and unsubstantiated allegations.</p> <p>By way of example, the MCDF published a Tweet last February 2021 in which it stated that the flooding of properties in the Patising village during heavy rains was caused by water escaping from one of the Letšeng mine's slimes dams. This was simply untrue and when Letšeng pointed out this false claim, the MCDF did nothing to correct the false statement.</p>

### **Biodiversity**

Letšeng is committed to mitigating environmental damage, protecting biodiversity and enhancing conservation efforts in the areas in which we operate.

Our operations have mature and detailed social and environmental plans in place that underpin all our biodiversity and conservation efforts. These plans take into consideration all threatened, migratory and endemic species within our mine lease areas as well as the regional ecosystems.

All potential biodiversity and environmental impacts of the mining activities were assessed as part of the Social and Environmental Impact Assessment (SEIA) process and the SEMP's include consideration for the management and mitigation of direct, indirect and cumulative impacts. Operational Biodiversity Management Plans have been developed by external biodiversity specialists for Letšeng and are reviewed annually.

<b>Article Content</b>	<b>Letšeng's Response</b>
<p><i>Maloraneng sub-chief, Lentsoete Mohai, says the contaminated water kills everything, from livestock to plantations, and fish.</i></p> <p><i>"Our association planted trees here," Mohai said, adding "the</i></p>	<p>As part of the Water Monitoring Protocol, Letšeng has designated monitoring/ sampling sites within the Patising and RTZ Catchments, as well as the Khubelu River System to monitor the biological condition of the rivers and streams.</p> <p>During 2021, GroundTruth undertook Biological River Monitoring of the river systems in the Maloraneng Village, Patising Village and Lithakong Village. The monitoring included diatom assessment in compliance with the SASS5</p>

<p>dust (from the mine) left trails on the topsoil”.</p> <p>“We used to catch plentiful fishes until the Letšeng mine started doing their operations resulting in this type of water, we no longer have fishes here. Those beautiful fishes have gone extinct. We have now learned that this polluted water is killing us,” Mohai said. Leisanyane denies these claims.</p>	<p>biological monitoring standard. The SASS5 system is an empirical, carefully designed and refined methodology used to provide a scientific and credible assessment of the status or health of a river by means of examining the aquatic macroinvertebrates or 'water insects', found in a particular reach of river. The results showed:</p> <ul style="list-style-type: none"> <li>• The RTZ river system was in good ecological condition.</li> <li>• The Khubelu river system was in good ecological condition.</li> </ul> <p>Nitrate levels from 0 - 40 ppm are generally safe for fish. Anything greater than 80 can be toxic.</p> <p>The most recent independent water quality assessment, conducted through an accredited laboratory, confirmed that nitrate levels in the Khubelu surface water sources at the downstream communities of Patising (23km away from the Letšeng mine) and Maloraneng (20km away from the Letšeng mine) have consistently been within the drinking water standards over the October 2021 - April 2022 period.</p>
<p>He thinks that, at that time, there was just too much of that blue dust in the environment affecting the ecosystem in the area.</p> <p>“When watering the trees, there would be a blue colour in the small hole made for the tree. The tree would then display undesirable results like its leaves drying up,” Mohai said.</p> <p>With the blue dust settling on grazing grass, Maloraneng livestock grazed from the “poisoned pasture”. Mohai says: “We don’t know what killed them (livestock) but one thinks they are dying from this thing because they never died before its arrival”.</p>	<p>The matter of “blue dust” has never been brought to the attention of the mine as a grievance, a report through community leaders or in any manner.</p> <p>The Letšeng diamond mine has implemented a biodiversity offset strategy that includes a number of mechanisms to protect and enhance diversity in the natural environment. These include:</p> <ul style="list-style-type: none"> <li>• No-go areas</li> <li>• A wetland rehabilitation and construction strategy; and</li> <li>• Grazing and veld management programmes in collaboration with local subsistence farmers.</li> </ul> <p>Our offset strategy is supported by a comprehensive monitoring programme, which enables us to record and track species numbers and diversity within the mine lease area and region.</p> <p>During 2021, we achieved three notable successes at our Letšeng operation:</p> <ul style="list-style-type: none"> <li>• The Spiral Aloe is an endangered plant threatened to near extinction. The initiatives at Letšeng have enabled this plant to successfully re-establish a growing population within the mine lease area.</li> <li>• The on-site no-go areas at our Letšeng mine have also ensured that the mammalian species diversity within our mine lease area has not declined over the life of the mine. Approximately 39% of all mammalian species found within Lesotho is hosted within the mine lease area.</li> <li>• The Maluti River Frog, also a threatened species, has naturally reintroduced itself into the rehabilitated and constructed wetlands surrounding the Letšeng mine.</li> </ul>

	<p>The successful protection of endangered plant and animal species has been testament to the initiatives and programmes implemented at Letšeng.</p> <p>We have collaborated with local subsistence farmers to bring their livestock into the mine lease area to graze, to great success. None of the farmers we work with have ever complained of adverse health effects to livestock grazing within or outside of our mine lease area.</p>
<p><i>“Human activities like mining pose a threat of pollution and destruction to the wetland”.</i></p> <p><i>She estimates that the Khubelu wetlands, fast degrading, value M7.6-million, 58% of the M12.8-billion Lesotho got from selling 17,503 million cubic metres of water to South Africa between 1996 and 2021.</i></p> <p><i>Failure to rehabilitate these wetlands could mean that: “Both the quality and quantity of water (in Polihali Dam) will be affected”, according to Moqekela.</i></p>	<p>Letšeng has long been a custodian of wetlands within the Khubelu valley.</p> <p>Notably, in 2021, the Lesotho Department of Water Affairs acknowledged the work Letšeng conducted in collaboration with the Department in completing the Khubelu Sponges Project. The project aims to rehabilitate and conserve wetlands, improve rangelands surrounding wetlands and protect wetlands from overgrazing.</p> <p><a href="https://www.thereporter.co.ls/2021/03/03/letseng-water-initiative-lauded/">https://www.thereporter.co.ls/2021/03/03/letseng-water-initiative-lauded/</a></p> <p>Towards the end of 2013, Letšeng initiated a wetland rehabilitation project, along the southern tributary of the Qaqa River. Our wetland rehabilitation project is focused on rehabilitating natural wetlands and bolstering natural capacity for water treatment.</p> <p>The Qaqa engineered wetland was constructed downstream of the Qaqa waste rock dump. In addition to rehabilitating the area, it is anticipated that the wetland, perhaps the highest man-made wetland in southern Africa, will improve water quality through natural biological and chemical filtering in the wetland biomass. Since 2013, the wetland has continued to develop naturally, allowing for indigenous vegetation to flourish. Through weekly volume control and water quality monitoring, there has been slow but steady progress with regards to wetland establishment and water quality improvement. We anticipate that results will improve as the wetland continues to establish itself over a longer period.</p> <p>In 2015, Letšeng partnered with the Lesotho government on the sponge project, to protect and conserve the ‘sponges’ or wetlands in the Khubelu catchment through the sustainable management of these wetlands.</p> <p>The wetlands are crucial to the sustenance of the ecosystems and biodiversity in the catchment, which provide human beings with sources of livelihoods, sustain livestock and regulate water storage, quality and flow. These benefits are not only important for the livelihoods of the local communities, but also for the growth of the economy of Lesotho. Conservation of the wetlands is expected to reverse the losses that are already experienced due to the degradation of the wetlands and</p>

	<p>ensure a sustainable flow of the services/benefits from the wetlands.</p> <p>One major challenge facing this valuable natural resource, however, is that livestock overgrazing and trampling are affecting the rate of erosion of the wetlands. Overgrazing harms wetlands through soil compaction, removal of vegetation, and stream bank destabilisation. Wetlands offer some of the best forage for livestock as well as a water source and cover, so livestock tend to spend a disproportionately large time in wetlands.</p> <p>Proper management of wetlands rests on effective rotational grazing that allows the wetlands to rest. The initial stages of this project, therefore, have involved educating local herdsman about sustainable grazing practices, ensuring that areas are grazed evenly, decreasing the risk of erosion. Following better grazing practices, the groundwater level is expected to increase, allowing the wetland to rehabilitate and sustain itself naturally.</p>
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**Letšeng’s response to article, “Villagers take mining firm to court over polluted blue water, toxic to plants and animals” by Pascalinah Kabi, published 15 May 2022.**

<b>Article Content</b>	<b>Letšeng’s Response</b>
<p><i>In a confidential report to Lesotho’s Department of Environment, seen by the MNN, the mine admits: “Seepages from the waste rock dumps and overflows from dirty water containment facilities allow receiving surface water environments to become polluted with especially nitrates and sulphate”.</i></p>	<p>The audit report states that “Considering the extent of mining operations and the nature of the environment in which LDM operates a very high level of compliance with the SEMP conditions is achieved. This is commendable.”</p> <p>Letšeng Diamonds have been open and transparent with all its stakeholders on its efforts regarding water stewardship, including government departments, communities, shareholders and other interested parties. Our website lists a number of case studies (which have been published since 2014) on how we have been investing in innovative technology aimed at managing nitrate levels at our Letšeng mine and maturing the process and technology that we use.</p> <p>Although water largely remains in a closed loop system, some water emanating from the site as a result of stormwater runoff is affected by nitrate. The most recent independent water quality assessment, conducted through an accredited lab, confirmed that nitrate levels in the Khubelu surface water sources at the downstream communities of Patising (23km away from the Letšeng</p>

	<p>mine) and Maloraneng (20km away from the Letšeng mine) have consistently been within the drinking water standards over the October 2021 - April 2022 period.</p> <p>Both the March 2021 and September 2021 Independent Ground Truth Water Monitoring Report state that sulphates did not exceed any water quality limits.</p>
<p><i>The social and environmental management plan compliance audit report states: “Standards for nitrate are consistently exceeding in Patising [sic].</i></p> <p><i>“Despite the implementation of several mitigatory measures to clean the seepage [dilution and engineered wetlands], the system remains polluted with nitrate to levels exceeding domestic and livestock guidelines.</i></p>	<p>The audit report states: “A high level of achievement of the mitigation measures required to minimise the potential social and environmental impacts are noted.”</p> <p>The audit report found, in regard to nitrate:</p> <p>Letšeng implements a nitrate management plan for nitrates emanating from mining activities at Letšeng (Nitrate Management Plan for Letšeng Diamond Mine, 2019 update, version 3.0). Several catchment-wide positive outcomes are being noted, including:</p> <ul style="list-style-type: none"> <li>• The Mothusi Dam provides significant assimilation and dilution of nitrate, as by the time water leaves the dam nitrate levels are down to 2.3 mg/L in the Mokoalibane River system (on average from 2017 to 2019). The nitrate data trends show that the Mothusi Dam effectively reduces nitrates by over 95% throughout the year</li> <li>• Nitrate trends for the Patising River system show that the new and old tailings storage facilities (TSFs) are reasonably effective at assimilating nitrate - the combined effect of both small water bodies reduced nitrates by 35% on average, up to a maximum of 88%.</li> <li>• The engineered wetland immediately below the Qaqa waste rock dump was able to reduce nitrate by 13% in the Qaqa compared to only 7% in years prior to 2018.</li> <li>• Positive results were also shown from the pilot denitrification plant aimed to reduce nitrate and nitrite concentrations over the long term. Initial studies show that 100% denitrification can be achieved within these bioremediation plants.</li> </ul> <p>Nitrate rich wastewater is captured and re-used in a variety of different ways at Letšeng Diamonds. For instance, seepage water from Patiseng TSF is captured within a seepage collection dam and returned to the Process Water Dam for make-up water and re-use in the process. Further thereto, seepage water from the Old Slimes Dam is captured in Mothusi Dam.</p>
<p><i>“Standards for the nitrates are consistently exceeded in the Patising, Qaqa and RTZ systems while biomonitoring results show the Patising system to be in a poor condition, mostly owing to elevated salts and organic pollution [biannual</i></p>	<p>The audit report states: “A high level of achievement of the mitigation measures required to minimise the potential social and environmental impacts are noted.”</p> <p>The audit report also highlights the positive recent results as a result of the mitigation measures implemented: “Recent results from August to October</p>

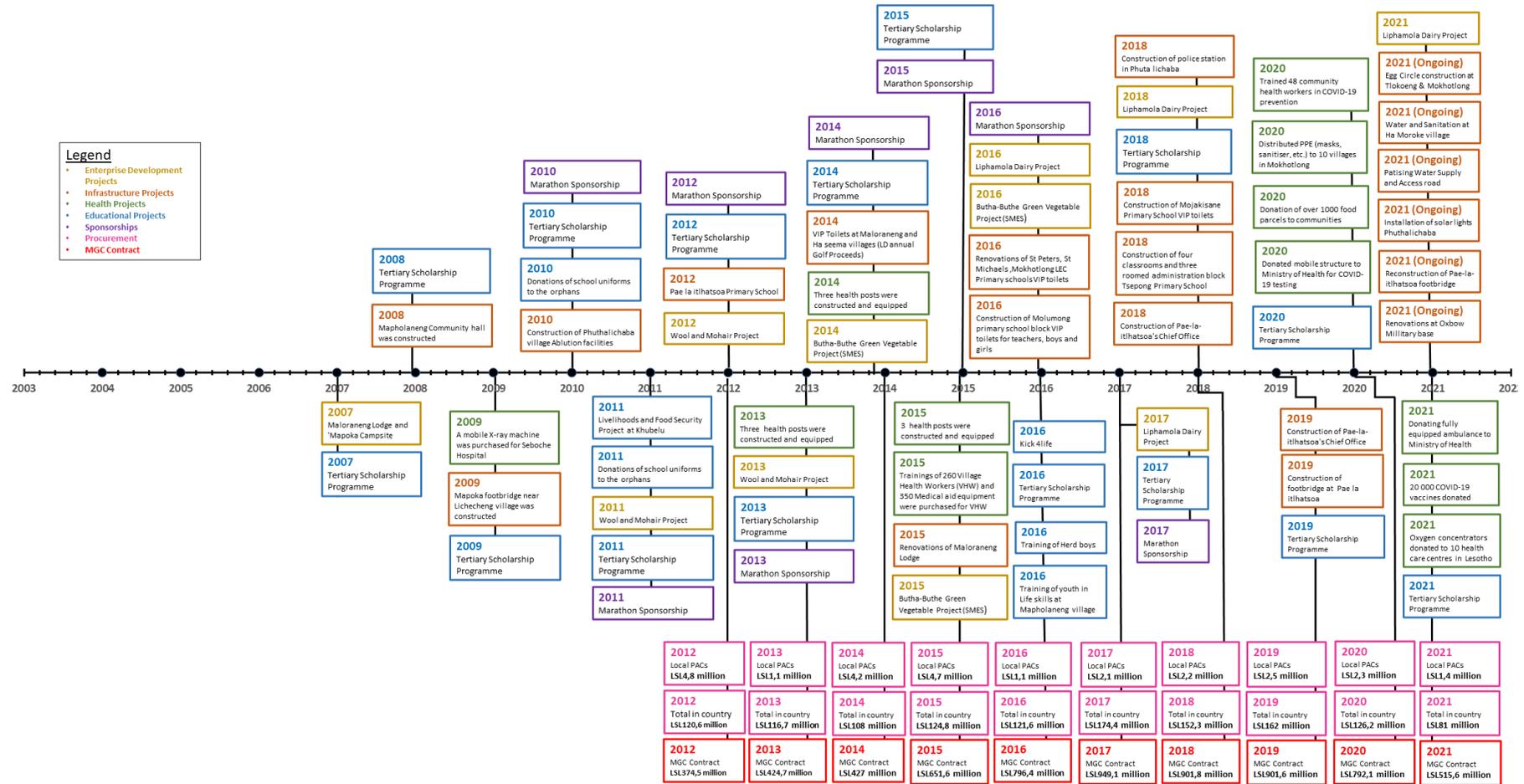
<p><i>water quality monitoring report of March 2021].”</i></p>	<p>2021 do show improving conditions in the Patiseng system mostly owing to the return water dam constructed as a specific measure to manage the nitrates.”</p> <p>The audit report also highlights the successful avoidance of direct or indirect damage to streams and wetlands habitat and water quality: “Many of these natural systems are considered no-go areas. Disturbances are kept to a minimum and direct damage to streams, riverbanks and natural riverine vegetation are as a result avoided.”</p>
<p><i>The report further reveals the RTZ system, a structure built to treat water in the mine, has recorded increasing levels of nitrate and sulphate since 2014, which suggests the mine has been aware of its impact on Mokhotlong’s water sources for years.</i></p>	<p>The RTZ is a Waste Rock Dumping Facility, not a water treatment system. The RTZ Waste Rock Dump is managed in line with best practice standards and permits issued by the relevant department, as indicated in the audit report:</p> <p>“The Standard Operating Procedure (LET-MRM-021) for the design and operation of waste rock dumps highlights procedures to ensure that best practice is followed regarding long-term physical and chemical stability, even after closure. Daily and weekly inspections are also conducted on the waste rock dumps. A copy of a weekly inspection sheet was provided by the auditee which shows that the presence of cracks, slumping, ponding, the conditions of safety berms, bulging and the potential for creeping are inspected. The sheet dated 13 November 2021 indicated that all the above were in order.”</p>
<p><i>Shangoni’s findings coincide with two independent research studies undertaken by the Maluti Community Development Forum, an interest group that defends the rights of Lesotho’s poor communities in mining areas as well as a masters study by Cape Peninsula University of Technology (CPUT) student Bokang Shakhane.</i></p> <p><i>The forum’s report states: “A high concentration of nitrates [NO3] was found in water samples near tailing sites in Letšeng and Maloraneng villages”.</i></p> <p><i>“While most natural streams in Lesotho have been found extremely clean in terms of water quality, nitrate levels up to 18 mg/l are not uncommon. However, the levels found in the samples from Letšeng and Maloraneng exceeded the detection limit of the measurement instrument</i></p>	<p>This is not an accurate reflection of the environmental practice or performance at the Letšeng Mine. The alleged water quality results by MCDF do not coincide with the results from independent accredited laboratories referenced by Shangoni.</p> <p>Although water largely remains in a closed loop system, some water emanating from the site as a result of stormwater runoff is affected by nitrate. The most recent independent water quality assessment, conducted through an accredited lab, confirmed that nitrate levels in the Khubelu surface water sources at the downstream communities of Patising (23km away from the Letšeng mine) and Maloraneng (20km away from the Letšeng mine) have consistently been within the drinking water standards over the October 2021 - April 2022 period.</p> <p>The National University of Lesotho does not have accreditation to conduct these types of water quality testing and no scientific methodology or evidence of water collection is provided.</p>

<p><i>[absorbance of 3 000, equivalent to 86.18 mg/l NO<sub>3</sub>].”</i></p> <p><i>The forum engaged experts from the National University of Lesotho to test water samples through ultraviolet-visible spectrophotometry.</i></p>	
<p><i>He says ammonia, also distributed across all the sampled locations but highest at Patising, ranged from 0.17 - 1.89 mg/l and 0.15 - 0.68 mg/l in the dry and wet seasons respectively.</i></p>	<p>The World Health Organisation (WHO) states in its Guidelines for Drinking-water Quality that ammonia in water is an indicator of possible bacterial, sewage and animal waste pollution. The WHO also indicates that ammonia in drinking water is not of immediate health relevance, and therefore no health-based guideline value is proposed. The South African water standards indicate that a concentration of greater than 10mg/l is unacceptable for domestic water. The quoted range of ammonia in the article is therefore well within the acceptable limits</p>
<p><i>Another heavy metal, copper ranged from 0.039 - 0.219 mg/l and 0.011 - 0.029 in the dry and wet season respectively while the levels of lead ranged from 0 - 0.020 mg/l and that of chromium were found to lie between 0 and 0.046 mg/l.</i></p>	<p>The WHO Guideline value for Copper in Drinking Water is 2mg/l.</p> <p>The WHO does not have a health-based guideline value for lead, but have issued a provisional guideline value 0.01 mg/l. The guideline value is designated as provisional because of treatment performance and analytical achievability. It should be noted that the independent water analysis by GroundTruth has never indicated lead to be an element of concern.</p> <p>The WHO Guideline value for chromium in Drinking Water is 0.05 mg/l.</p>
<p><i>“The results obtained in the present study indicated that there was a definite pollution in the Khubelu River catchment with respect to HMs [heavy metals] and nutrients studied,” Shakhane said, stressing that these metals can have serious health implications for all animals and plants.</i></p>	<p>Not only are the concentrations of metals noted in the report not of concern, but it also complies (without any active treatment taking place) with the WHO and South African drinking water standards.</p> <p>During 2021 the GroundTruth Biological River Monitoring Found:</p> <p>Maloraneng Village, Patising Village &amp; Lithakong Village:</p> <ul style="list-style-type: none"> <li>• The diatom results for the RTZ system were in good ecological condition.</li> <li>• The diatom results found the Khubelu system to be in good ecological condition</li> </ul>
<p><i>In Patising alone, the mine yielded to community pressure and constructed a solar-powered water project, which pumps water from the Khubelu River into a tank for purification. The solar-powered system has collapsed due to the</i></p>	<p>In 2021, localised flooding in the Mokhotlong district impacted the accessibility of seven of the nine villages located downstream from the mine. Roads were washed away and villages became inaccessible. We responded swiftly to support and assist our communities affected by the floods, and immediately started work to re-establish damaged infrastructure (including footbridges, access roads, water provision infrastructure (including the</p>

*overflowing Khubelu River and in 2022, Letšeng Diamond Mine succumbed to mounting pressure from villagers and constructed a borehole in Patising.*

Patising borehole) and schools). We are well versed in assisting our PACs during extreme weather events, and pride ourselves on our resilience to these events both operationally and in assisting our communities.

# Annexure:



## INFRASTRUCTURE

LSL 20.8 million

- Maloraneng Lodge and Mapoka Campsite
- Footbridge construction and road repairs
- Water and sanitation facilities constructed
- Classrooms and school kitchens built and equipped
- VIP toilet construction for school
- Police station built

## OPERATIONAL SUPPORT

- Moteng Pass Rescue
- A1 Motor vehicle incidents and medical emergency response
- Village medical emergency response
- Housing of vulnerable community members during extreme weather events
- Community water support
- Support and repair of national roads for road agency

## ENTERPRISE DEVELOPMENT

LSL 15.6 million

- Wool and Mohair project
- Butha Buthe vegetable project
- Liphamola Dairy Project

## LOCAL EMPLOYMENT

- 98% Basotho workforce
- LSL 3.2 billion employee wages

## TAXES AND ROYALTIES

LSL 4.5 billion paid in taxes and royalties from 2012 - 2020



# DEVELOPING THE LESOTHO NATION



## HEALTH CARE

- LSL 38.3 million
- Medical equipment donated to Seboche & Mokhotlong hospitals
- Health posts constructed and equipped
- Healthcare workers trained and equipped
- COVID-19 programme onsite
- Vaccine, ambulance, testing clinic and PPE donation
- Food parcels donated

## PROCUREMENT

- LSL 1.6 billion spent on procurement within Lesotho from 2012 - 2020
- Project Affected Community: LSL 25.9 million
- Mokhatlong District: LSL 314.3 million
- In country: LSL 1.3 billion

## EDUCATION

- LSL 15.1 million
- Employee skills development and training programme
- Student scholarship programme:
  - LSL 14.3 million
  - 45 scholarships
  - Mining, Engineering, Emergency medical care and Finance

## IN-COUNTRY CONTRACTS

- LSL 6.7 billion
- MGC Mining 2012-2021