Consolidated media response version

Below are the matters Letšeng has been requested to respond to:

✓1. That since you came into existence, Maloraneng, Patising and Feeane streams have been polluted, and as result, residents who drink the water from these streams suffer from illnesses. One lady told us her nine-year-old baby died after drinking the river water.

✓2. Our test results for all three streams revealed elevated levels of Escherichia coli (E. coli) bacteria and nitrates, which were discharged by the mine and flowed through the villages of Patising, Lithakong, and Maloraneng before entering the Khubelu River. Why is the mine not ensuring that its effluent is safe for people and animals downstream before its discharged?

✓3. We were told that you often blast to get the raw diamond, and dust from the blasting covers the grass where the community graze animals, which ends up poisoning the animals and affecting residents. What is your take on this?

✓4. Also, locals said your slime dams constructed upstream of Patising Village are a concern and may swallow the village if they burst. How is the mine addressing this issue?

✓5. Fishers said they usually got fishes in Khubelu River but more mining activities at Letšeng have stopped fish like yellowfish due to the suspected chemicals. How has the mine compensated the communities for this loss?

✓6. Before your existence, the previous mine activities had no negative impact as residents had good water to drink but your existence has spoiled their source of drinking water, according to sources we spoke with. What is your comment on this?

Q1 Water quality

Gem Diamonds has always been, and remains, open and transparent with all its stakeholders (including government departments, communities, shareholders, and other interested parties) in its efforts regarding water stewardship at each of its operations, and for the purposes of this response specifically Letšeng Diamonds. 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.

Case studies have been published since 2014 showing the dedicated focus of the Group in managing water stewardship including significant investment in innovative technologies such as our newly constructed bioremediation plant to address nitrate levels at our Letšeng diamond mine caused primarily by blasting activities in the normal course of mining activities. These case studies can be found at:

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

In 2022, Gem Diamonds won the Responsible Water Management and Protection of Biodiversity awards at the Investing in African Mining Indaba 2022 (Junior ESG Awards). This achievement acknowledges our commitment to the environment and all our work on water management and biodiversity offsetting. Additionally, we adhere to the highest environmental management standards. We are also proud to report that Gem Diamonds' work in sustainable water treatment and community water initiatives was recognised by the award in the Water category conferred by the Mining Indaba Sustainability Committee Junior ESG Awards Committee in February 2023.

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Although elevated nitrate levels are often associated with mining activities it is also attributed to agricultural and human settlement activities, such as the application of fertilizers, and human and animal waste. Nitrates are also naturally present because of soil nitrification processes from the mineralisation and mobilisation of nitrate from natural soil or host rock lithologies.

Our comprehensive water analysis processes and ongoing sampling over the years at the Letšeng mine identified elevated levels of nitrates in water leaching from our waste rock dumps due mainly to explosive residue. This is also shown to be seasonal with elevated levels being higher in the dry season. Therefore in 2014, in response to the elevated levels of nitrate levels, Letšeng Diamonds commissioned an extensive nitrate management study to find and implement solutions to reduce nitrate levels before water leaves the mine lease area. An internal nitrate task team within the environmental department, which works in collaboration with the mining department and the relevant departments within the Lesotho Government, was established to assess, implement, and manage effective solutions derived from this study. The combined effect of existing initiatives (previously implemented) and the additional initiatives implemented following the study have been far-reaching and effective. These are highlighted below:

1. We constructed a wetland and put in place an environmental rehabilitation programme. Refer to "*Nurturing nature's functional beauty: Letšeng's wetland and sponge projects*" Case Study at **https://www.gemdiamonds.com/case-studies/2015/Ensuring-long-term-environmental-well-being/Nurturing-natures-functional-beauty.php**

2. We continually refine and optimise our blasting practices and procedures (eg. saver plugs, reduced drill hole diameters, etc.) to reduce the use of explosives in the mining process, thereby reducing nitrates resulting from blasting.

3. We partnered with environmental, water and conservation experts to explore and trial the feasibility of bioremediation and fertigation as nitrate treatment methods. We also conducted extensive leach testing to better understand the cause, fluctuating levels and potential solutions for water with higher levels of nitrates.

4. Trials of bioremediation (a passive treatment technology) were successfully conducted with leading experts, iWater. The results from two pilot bioremediation plants constructed on site proved bioremediation to be an effective denitrification process for our unique operating environment at the Letšeng mine. As a result, in 2023 we commenced the construction of a bioremediation treatment plant, with the capacity to treat ~300 kilolitres of water per day. The first module of this plant was commissioned at the end of 2023, with the remaining five modules recently commissioned at the end of February 2024. See Case Studies regarding "*Water Stewardship"*, "Managing Our Impacts Through Bioremediation", and others at **https://www.gemdiamonds.com/sustainability-case-studies.php**.

We are aware of higher levels of nitrates that leach off our waste rock dumps and to a lesser extent our coarse tailings dumps, and have put the following in place to reduce nitrate levels before leaving the mine lease area and minimise the impact of this on the environment and our PAC's:

- We have retention dams and a wetland that respectively trap and dilute the water leaching from these areas.
- To minimise the potential for nitrates leaving the mine lease boundary, water in these dams is either reprocessed through our ore treatment plants or treated through our newly constructed bioremediation plant.
- We provide potable water for our communities where we believe water is contaminated with E.coli or other bacteria (this is not caused by the mine, see below) or may contain higher levels of nitrates (i.e. boreholes, spring water standpipes to access points, water tanks, etc.)
- As mentioned above we have recently completed the commissioning of a bioremediation plant to significantly reduce the nitrate levels of water leaching off the active waste rock dump which we capture in a retention dam. Seepage from this dam is trapped in a second pond to be pumped back to the retention dam and treated through the bioremediation plant. Initial results of denitrification are very positive and all water leaching from the dumps will be treated to environmentally acceptable standards before leaving the mine lease area.

Our aim is to prevent any water with elevated levels of nitrates from leaving our site.

Although we are aware of elevated levels of nitrates in the stream flowing from the active waste rock dump, we are positive the above actions will reduce this considerably. Regarding the Khubelu river, the most recent independent water quality assessment, conducted by an accredited laboratory in South Africa, 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 potable water standards.

Letšeng Diamonds is not aware of the alleged death of a nine-year old child nor the source of this information. This has not been raised by community or government stakeholders at any of our regular community engagement meetings or through our grievance reporting channels.

Q2 – E coli

It should at the outset be noted that the Letšeng mine does not contribute to the E. coli levels at our neighbouring villages/communities. E. coli bacteria normally live in the intestines of healthy people and animals. When E. coli is found in surface water around human settlements, it is common that such water has been contaminated with faeces from humans and/or animals and is not caused by our mining operations.

Our water quality testing protocol at our communities includes the monitoring of other biological parameters, notably Escherichia coli (E. coli) and total Coliforms. High levels of E. coli and Coliforms are especially common in rural subsistence farming communities with livestock, as is common at Letšeng Diamond's neighbouring communities.

Most types of E. coli and Coliforms are generally harmless, sometimes causing only brief diarrhoea. A few strains, however, can cause severe stomach cramps and pain, severe and bloody diarrhoea, nausea and vomiting and bacterial dermatitis (skin rashes). Healthy adults usually recover from infection from E. coli within a week. Young children and older adults have a greater risk of developing a life-threatening form of kidney failure if not medically treated.

Independent water quality assessments 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 from livestock fouling the surrounding surface water sources.

The E. coli contamination is therefore caused by livestock fouling the surface water sources around the villages. The elevated nitrate concentrations discussed above do not cause gastrointestinal issues (such as diarrhoea or cramping).

To assist our communities, we regularly monitor the water quality of the surface water (streams and rivers), 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. When and where high levels of E. coli have been detected we support our communities by providing clean potable water (i.e. boreholes, spring water standpipes and water tanks), thereby reducing the risk of bacterial infection from the E. coli being produced by livestock fouling.

Letšeng Diamonds has focused on installing water provision infrastructure for the communities since 2010 to assist in addressing the high levels of E. coli.

Letšeng Diamonds is proud of our history of corporate social responsibility and partnership with our communities to ensure shared benefit. Our on-site clinic also provides emergency and primary health care for community members, including the treatment of bacterial gastroenteritis cases primarily caused by E. coli. In addition, the provision by Letšeng Diamonds of potable water has resulted in a significant decrease in gastro-cases in the communities. Additionally, to the provision of water, Letšeng Diamonds has a proud history of commitment to developing the nation of Lesotho. See our Annual and Sustainability Reports at **www.gemdiamonds.com** and Case Study: "*Our Corporate Social Investment in Lesotho*"

at https://www.gemdiamonds.com/case-studies/2024/tcfd/our-corporate-social-investment-in-lesotho.php

Elevated nitrate levels are being addressed through the initiatives discussed above, including the newly constructed bioremediation plant, constructed and maintained wetlands, reduced explosive usage, retention dams and reprocessing of water to be reused in our treatment plants. The high levels of E. coli are not caused by the mine but rather primarily through the communities' livestock fouling. Nevertheless, Letšeng Diamonds through our CSRI programmes supports our communities through the provision of potable water to mitigate the impact of E. coli.

Through our dedicated and regular Stakeholder engagements, Letšeng Diamonds maintains a good relationship with our communities and management appropriately addresses any issues raised timeously. To date Letšeng Diamonds has not received any formal grievance from the Patising or Maloraneng communities.

Q3: Dust

As stated above, Letšeng Diamonds has regular engagement sessions with our Project Affected Communities (PACs), together with well-established community grievance mechanisms that the communities use to communicate directly with Letšeng Diamonds' management, and *vice versa*. Letšeng Diamonds has a dust monitoring protocol in place. This includes monthly monitoring of dust buckets that are placed around the mine's boundary fence. These dust buckets are assessed by an external laboratory and the results have not shown any negative impact from the dust. These results have been communicated to the communities.

Letšeng Diamonds has, in accordance with its Social, Environmental Management Plan (SEMP), an established and rigorous air quality monitoring protocol. Dust suppression initiatives that are implemented at the mine are guided by international best practice guidelines. Regular dust and air quality monitoring at our mine lease boundary has not shown any exceedance of relevant air quality parameters. In December 2023, we received our annual external SEMP compliance audit report confirming Letšeng Diamonds's compliance with the conditions in the SEMP to mitigate the impacts of dust and other air emissions on human health and well-being, aesthetic value and flora and fauna.

The Letšeng Diamonds mine is situated on the edge of the Maloti Drakensberg Transfrontier Project and the Ukhahlamba Drakensberg World Heritage Site in the highlands of Lesotho. Mines have finite lifespans, and we acknowledge our responsibility to protect the biodiversity of indigenous flora and fauna surrounding our mine, during mining activity and post-closure. Partnerships play a critical role in our biodiversity protection work. We therefore collaborate extensively with our host countries, PACs, regulators, environmental experts and other industry stakeholders to implement practical environmental protection strategies and solutions.

Our partnerships with local subsistence farmers include implementing rotational grazing and veld management programmes to ensure that rangelands outside of the mine lease area are protected from overgrazing. Overgrowth within the mine lease area is managed by collaborating with local subsistence farmers to bring their livestock into the mine lease area to graze, to great success.

Letšeng Diamonds has not received any grievance from the farmers / communities about the health of their livestock grazing within or outside the mine lease area and certainly no reports of animals being poisoned from by dust.

Letšeng Diamonds has also implemented a biodiversity offset strategy that includes several mechanisms to protect and enhance diversity in the natural environment. These include:

- No-go areas
- A wetland rehabilitation and construction strategy; and
- Grazing and veld management programmes in collaboration with local subsistence farmers.

The effect of dust and grazing is therefore being well managed in accordance with the conditions set out in Letšeng Diamonds' SEMP and in collaboration with our communities and farmers.

Q4: Tailings Dam Management

We recognise the severe adverse impact poor residue storage facility (RSF) management could have on human lives, the natural environment, and our business. To this end, Letšeng Diamonds has reviewed all applicable international standards, codes and guidelines related to responsible RSF management and aligned our residue management system (RMS) to the Conformance Protocols on the Requirements of the Global Industry Standard on Tailings Management (GISTM) published by the International Council on Mining and Metals (ICMM). The RMS is a comprehensive framework that integrates people, resources, processes and practices related to RSF management to help the business achieve its performance objectives, manage risk and ensure safe, responsible management of its RSFs. The RMS is aligned and integrated with other relevant site-level systems, such as the site-wide environmental and social management system and systems related to water management.

Letšeng Diamonds has two RSFs and one freshwater dam on site:

1. The Patising RSF, which is currently in use for the deposition of coarse and fine tailings from the treatment plants.

2. The Old RSF, has reached capacity and is no longer used for any tailings deposition. Concurrent rehabilitation initiatives are currently being considered for implementation.

3. The Mothusi Dam, which is the mine's freshwater supply source.

Letšeng Diamonds' RSFs and freshwater dam were constructed using the centre line and downstream tipping method, being a safer method of construction than the "upstream" construction methods used in most recent dam failures reported in the mining industry. The RSFs and freshwater dam are managed in accordance with the adopted industry best practices and governance structures. No areas of concern have been noted at the established governance forums and the operational parameters are in line with the set targets. The condition of the RSFs and all risk mitigation measures are continuously monitored and well managed. The appointed engineer of record (EoR) and Independent Tailings Review Board (ITRB) have conducted their periodic and annual inspections of the respective facilities and have not noted any issues or concerns related to the stability and management of these facilities. There were no incidents of compromised dam or RSF integrity in 2023 or prior thereto. We recognise that ensuring the integrity of our RSFs and freshwater storage facilities is non-negotiable and integral in exercising our responsibility to safeguard our workforce, communities and environment to ensure business continuity. We remain focused and proactive in managing our RSFs according to adopted international best practice.

Retaining structures and embankments undergo stringent safety monitoring in the form of inspections and audits, which are conducted both internally and externally at regular intervals throughout the year. Stringent inspections and monitoring on a daily, weekly and monthly basis

include surveying various factors such as the densities of fines deposits, water levels, beach lengths and freeboard. Annual structural stability analysis is also conducted at our RSFs, and 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 quarterly to the Boards and Sustainability subcommittees at both operational and Group level. An external consultant was appointed to investigate the founding conditions of the RSFs, construct stratigraphic models for each of those, and conduct a stability analysis followed by a review and update of the previous dam breach analysis that was conducted in 2020. From the study results it was concluded that the stability of the RSFs at current height complies with the minimum safety requirements. Based on the in-depth stability assessment conducted on the RSFs at final height, the overall stability exceeds requirements and liquefaction risk is considered low (and largely inconsequential if it were to occur). The most credible mode of failure associated with a far-reaching zone of influence is thus linked only to the escape of impounded water.

Letšeng Diamonds provides the community and district-level stakeholders with balanced and objective information about the state and safety of its RSFs and freshwater storage dam. This is done during quarterly public gatherings attended by community representatives from nine neighbouring villages.

Consultations are held with these stakeholders on RSFs and dam-related safety activities and project decisions that directly or indirectly affect them. Letšeng Diamonds and six of the nine neighbouring villages jointly established the downstream emergency preparedness programme. The aim of this programme is to alert the community in the event of a RSF or dam incident or any other emergency that would require the communities to evacuate from the downstream villages.

We frequently conduct in-depth training of community members on how to respond in the unlikely event of an emergency. Emergency preparedness drills with community members are held every quarter. Assembly points have been identified and clearly marked in the villages. A two-way radio system is also in place and is regularly tested. Sirens have been installed in the six villages which are centrally controlled at the mine and manned 24 hours a day by the mine's Emergency Team. Letšeng Diamonds has the following stakeholder engagement platforms in place:

- Quarterly public gatherings with local communities.
- Daily, weekly and monthly engagement with community leaders.
- Biannual district-level stakeholder forums.
- Quarterly district leadership forums.
- Monthly district leadership meetings.
- Joint emergency preparedness drills.

For more information on Letšeng Diamonds' residue storage facility and dam management, please refer to our website **https://www.gemdiamonds.com/rsf-management.php#**

In particular, refer to our Annual Report and Accounts 2022 available on our website at www.gemdiamonds.com for full details on our RSF governance framework and assurance strategy.

Q5: Fish

Letšeng Diamonds is committed to mitigating environmental damage, protecting biodiversity and enhancing conservation efforts in the areas in which we operate. Our operations have matured and a detailed SEMP is in place that underpins 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 SEMPs 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 Diamonds and are reviewed annually.

An accredited laboratory conducts biannual water quality monitoring assessments at Letšeng Diamonds. This is a routine aquatic biomonitoring (biannual SASS5 monitoring, and quarterly diatom interpretation) and interpretation of monthly surface water chemistry results as per Letšeng Diamonds' water quality monitoring protocol. 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 that the Khubelu river system was in good ecological condition.

Nitrate levels from 0 – 40 ppm are generally safe for fish. Anything greater than 80 can be toxic. The most recent independent water quality assessment 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 remained within the potable water standard adopted from SANS141:2015 (South African Standard). There has therefore been little to no impact to the fish in the Khubelu river caused by mining activities given that tests and assessments done external experts (Groundtruth) show good to natural ecological conditions.

Q6: Community drinking water

Letšeng Diamonds (Pty) Ltd holds the mining lease that was granted in 1999 by the Government of Lesotho. Letšeng Diamonds has two shareholders; Gem Diamonds Limited, which owns 70% and the Government of the Kingdom of Lesotho, which owns the remaining 30%. Letšeng Diamonds was previously operated by De Beers from 1977 to 1982 and then reopened in 2004 and was acquired by Gem Diamonds in 2006. Letšeng Diamonds has been fully operational within the Gem Diamonds group for the past 18 years.

The Letšeng mine is in a remote part of Lesotho's Maluti Mountains, where there is limited public infrastructure and challenging transport routes, providing daily challenges for the mine and PACs. As a good corporate citizen, our responsibility extends beyond protecting our communities against potential mining risks; we also strive to create sustainable shared value that will benefit PACs for generations to come.

Our operations rely on a continuous supply of water and the effective stewardship of surrounding water resources. The Letšeng mine operates on the watershed between the Khubelu and Matsoku drainages, 3 275 metres above sea level. To ensure clean water flows

into these systems and to our PACs, we prioritise water management and stewardship throughout our value chain.

Due to inadequate access to basic public services and water supply infrastructure, our PACs primarily rely on surface water sources (streams and springs) as their primary water supply. Historical subsistence farming contributed to coliform contamination of surface water sources, which result in human gastrointestinal disease. To mitigate this and protect the water bodies, Letšeng Diamonds provides water and basic sanitation infrastructure to local villages. To date, we have equipped 13 schools and eight villages with safe potable water and dignified sanitation facilities. Additionally in 2024, one of Letšeng Diamonds' community projects includes assisting with the provision of water supply to Lithakong and Patising villages. This project aims to source water from natural spring wells into a storage tank. Standpipes have been constructed to allow the community members to draw potable water. The Lithakong's project has been successfully completed. The Patising village water supply project is still ongoing and is estimated to be completed by the end of April

Letšeng Diamonds has a comprehensive water monitoring and stewardship plan, informed by bi-annual water footprint assessments, including a detailed water monitoring protocol for analysing water quality on site and downstream, and monitoring consumption volumes through mining, treatment and other site projects and activities. During 2023, Letšeng Diamonds implemented a detailed, integrated water management programme based on updated surface water quality monitoring protocols.

Since 2010, we have provided communities with access to safe potable water and dignified sanitation facilities through our CSI programme. These facilities have not only improved the health and hygiene of students at the schools and inhabitants of the villages, but also the health of the water-related ecosystems that were previously polluted with E. coli caused by livestock.

As discussed above, the existence of the mine has not spoiled the source of drinking water to our PACs but rather the mine has assisted in the provision of potable water primarily to mitigate the impact of E. coli caused mainly by animal fouling in the streams surrounding certain villages.