

IMPALA PLATINUM LIMITED ON BEHALF OF INKOSI PLATINUM (PTY) LTD

BACKGROUND INFORMATION DOCUMENT FOR THE AMENDMENT OF THE PROSPECTING ENVIRONMENTAL MANAGEMENT PLAN (EMPlan)

June 2012

INTRODUCTION

Impala Platinum Limited (Impala), on behalf of Inkosi Platinum (Pty) Ltd (Inkosi) is proposing to amend its approved Environmental Management Plan (EMPlan) for prospecting for various portions of the farm Hartbeespoort B 410 JQ (referred to as the Greater Inkosi Area). This farm is located near Brits in the North West Province. In this regard the proposed EMP amendment will cater for the 32 boreholes which have already been drilled or are currently in progress as well as an additional 12 boreholes which Inkosi plans to drill on the farm Hartbeespoort B 410 JQ (Figure 1) between 2012 and 2015.

ENVIRONMENTAL AUTHORISATION PROCESS

Current prospecting related activities are carried out in accordance with Inkosi's approved prospecting EMPlan (NW/30/5/1/1/2/150PR). (Inkosi submitted an application to the DMR to renew this prospecting right in 2010). The amendment of this EMPlan requires the undertaking of an environmental process in accordance with the Mineral and Petroleum Resources Development Act, 28 of 2002 (MPRDA) in order to include the additional boreholes.

SLR Consulting (Africa) (Pty) Ltd (SLR Africa), formerly Metago Environmental Engineers (Pty) Ltd, an independent firm of environmental consultants was commissioned by Impala on behalf of Inkosi to manage the environmental process.

PURPOSE OF THIS DOCUMENT

This background information document has been prepared by SLR Africa to inform you about:

- * the proposed amendment of the prospecting EMPlan
- * the relevant environmental authorisation process
- * description of the current environment
- * potential environmental impacts
- * how you can have input into the environmental authorisation process.

SLR Consulting (Africa) (Pty) Ltd

PARTIES INVOLVED IN THE ENVIRONMENTAL AUTHORISATION PROCESS

Project Proponent

- Impala Platinum Limited on behalf of Inkosi (Platinum) (Pty) Ltd

Project team

- SLR Consulting (Africa) (Pty) Ltd

IAPs

- Land owners and occupiers on and surrounding the prospecting area
- Surrounding community structures

Regulatory authorities

- Department of Mineral Resources (DMR)
- Department of Agriculture (DA)
- Department of Water Affairs (DWA)
- Department of Economic Development, Environment, Conservation and Tourism (DEDECT)
- South African Heritage Resource Agency (SAHRA)
- Department of Rural Development and Land Reform (DRDL)

Please let us know if there are any additional parties

YOUR ROLE

You have been identified as an interested and affected party (IAP) who may want to be informed about the proposed prospecting EMPlan amendment project. IAPs may provide input into the environmental authorisation process, the description of the current environment as well as the potential impacts identified by the project team (see page 3).

All comments and concerns received will be recorded and included in the report submitted to the DMR for decision-making purposes.

HOW TO RESPOND

Responses to this document can be submitted by means of the attached comments sheet and/or through communication with the persons listed below.

WHO TO CONTACT

Caitlin Pringle

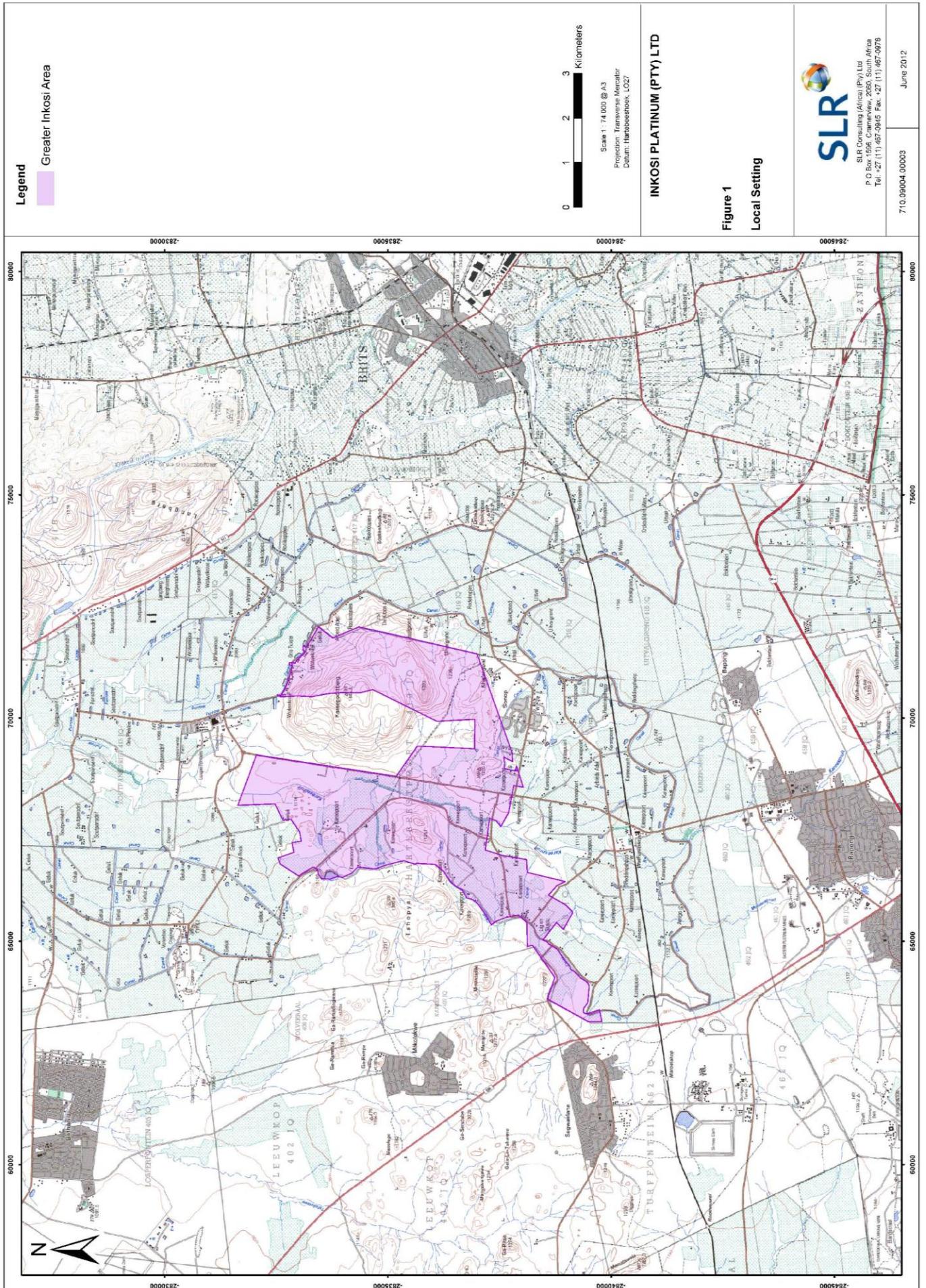
(011) 467 0945 (Tel) or

(011) 467 0978 (Fax) or

cpringle@slrconsulting.com

DMR Ref no.: NW30/5/1/1/3/2/1/150PR

Figure 1: Locality map



PROJECT OVERVIEW

The proposed EMPlan amendment will cater for the 32 boreholes which have been or are currently being drilled as well as an additional 12 boreholes which Inkosi plans to drill over the next three years.

Further to this, the following facilities and activities are required for the additional boreholes:

- the establishment of temporary access tracks;
- plastic lined sumps;
- temporary storage of hazardous and non-hazardous waste;
- concrete drilling slabs and dill rig; and
- the demarcation of the prospecting sites

It is proposed to drill these boreholes between 2012 and 2015.

CURRENT ENVIRONMENT

A description of the current environment relative to the surrounding area and the proposed area for the additional boreholes is provided below.

Current land use

Land use within the area is a mixture of natural bushveld and farming activities such as crop cultivation and grazing for livestock. The proposed new drilling area consists of a mixture of cultivated land and grazing for cattle. In addition to this there is some granite dimension mining in the area.

Soil types

Soils types relevant to the area consist of strongly structured black soils, commonly referred to as "black turf".

Vegetation

The vegetation in the area is classified as a mixed bushveld which comprises dense, short bushveld grasses to a rather open tree Savannah, with Acacia and Sicklebush being the most common species.

The proposed site is mostly cultivated and used for cattle grazing and therefore little natural vegetation still occurs.

Animals

Animals that occur in the area include rodents, bats, monkeys, baboons, rabbits, porcupines, jackals, small antelope including numerous bird and reptile species such as lizards and snakes.

The proposed new drilling area is mostly used for cultivation and grazing, therefore natural animal life is limited to small animal and bird life.

Surface Water

There are several small streams and tributaries in the area. Surface water is used for livestock watering and irrigation.

Groundwater

The water table is estimated to be at a depth of 70m. Given the agricultural activities which take place in the area, the groundwater is used predominantly by landowners and land users such as farmers.

Heritage

Heritage resources may potentially be identified on the farm Hartbeespoort B 410 JQ. This is being investigated through a specialist study conducted by a heritage specialist which has been commissioned by Impala.

POTENTIAL ENVIRONMENTAL IMPACTS

The following preliminary list of **potential** impacts has been identified. This list is based on SLR (Africa's) experience with prospecting type projects. Due to the small scale and temporary nature of the proposed prospecting activities, it is expected that the impacts associated with the project will be minimal. In addition, Inkosi strives to have the least environmental impact by conducting exploration drilling in accordance with the approved EMPlan. Closure objectives include returning the site to its pre-prospecting state as far as is practically possible.

Potential impacts include:

- Safety risks posed by infrastructure and excavations
- Soil erosion, compaction and/or pollution
- Loss of plant and animal species at the drill site
- General pollution of water resources
- Generation of dust
- Increase in ambient noise levels
- Loss of heritage resources (including graves) if present on site
- Loss of land use and capability
- Socio-economic benefits through the extension of existing employment contracts.

ENVIRONMENTAL PROCESS

The environmental process relative to the EMPlan amendment is as follows:

STEPS IN THE ENVIRONMENTAL PROCESSES

- Notify IAPs about the proposed amendment to the EMPlan- *we are currently here*
- Record of consultation
- Amending the existing approved EMPlan
- Updating of financial provision as required
- Submission of the above mentioned documents to the DMR by 2 July 2012 for decision-making (Should IAPs wish to review a copy please feel free to request a copy from SLR (Africa).

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 ENVIRONMENTAL MANAGEMENT PLAN (EMPlan)
 REGISTRATION AND RESPONSE FORM FOR INTERESTED AND AFFECTED PARTIES**

DATE		TIME	
PARTICULARS OF THE INTERESTED AND AFFECTED PARTY			
NAME			
POSTAL ADDRESS			
		POSTAL CODE	
STREET ADDRESS			
		POSTAL CODE	
WORK/ DAY TELEPHONE NUMBER		WORK/ DAY FAX NUMBER	
CELL PHONE NUMBER		E-MAIL ADDRESS	

PLEASE IDENTIFY YOUR INTEREST IN THE PROPOSED PROJECT

PLEASE WRITE YOUR COMMENTS AND QUESTIONS HERE

Please return completed forms to:

**Caitlin Pringle
 SLR Consulting (Africa) (Pty) Ltd
 Fax: (011) 467-0978
 Project Number: 710.09004.00003 (please quote on all correspondence)
 (Any comments received will be forwarded to the DMR)**