

LEHATING MINING (PTY) LTD

BACKGROUND INFORMATION ON THE ENVIRONMENTAL ASSESSMENT FOR A NEW UNDERGROUND MANGANESE MINING OPERATION ON THE FARM LEHATING 741

September 2012

INTRODUCTION

Lehating Mining (Pty) Ltd (Lehating), proposes to establish a new manganese mining project. The proposed mining project will consist of underground mining, crushing and screening, stockpiling, a tailings disposal facility, as well as various support infrastructure and services including the transportation of the product via road. The proposed mining operations will be located on Portion 1 of the farm Lehating 741 in the John Taolo Gaetsewe District Municipality of the Northern Cape Province (Figure 1). Access to the project area will be through Portion 2 of the farm Wessels 227.

SLR Consulting (Africa) (Pty) Ltd (SLR), an independent firm of environmental consultants, has been appointed by Lehating to manage the environmental assessment process.

ENVIRONMENTAL APPROVAL

Prior to the commencement of the proposed project an environmental assessment process including: a scoping phase, environmental impact assessment (EIA) phase and an environmental management programme (EMP) must be conducted in terms of both the Mineral and Petroleum Resources Development Act, 28 of 2002 and the National Environmental Management Act (NEMA), 107 of 1998. Both laws apply because the proposed project is a mine and it incorporates a number of listed/identified activities from Regulations R.544, R.545 and R.546 promulgated in terms of NEMA. Aspects of the project will also require authorisation in terms of the National Water Act (NWA), 36 of 1998, amongst others.

PURPOSE OF THIS DOCUMENT

This document has been prepared by SLR to inform you:

- about the proposed project;
- about the environmental assessment process to be followed;
- of possible environmental impacts; and
- of how you can have input into the environmental assessment process.

YOUR ROLE

Public involvement is an essential part of the environmental assessment process.

You have been identified as an interested and affected party (IAP) who may want to be informed about the proposed project and have input into the environmental assessment process.

All comments will be recorded and presented to the project team. You will receive feedback on how your comments have been taken into account and the outcome of the assessment.

HOW TO RESPOND

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

If you would like your comments to be included in the scoping report to be submitted to the relevant authorities please submit them to SLR by

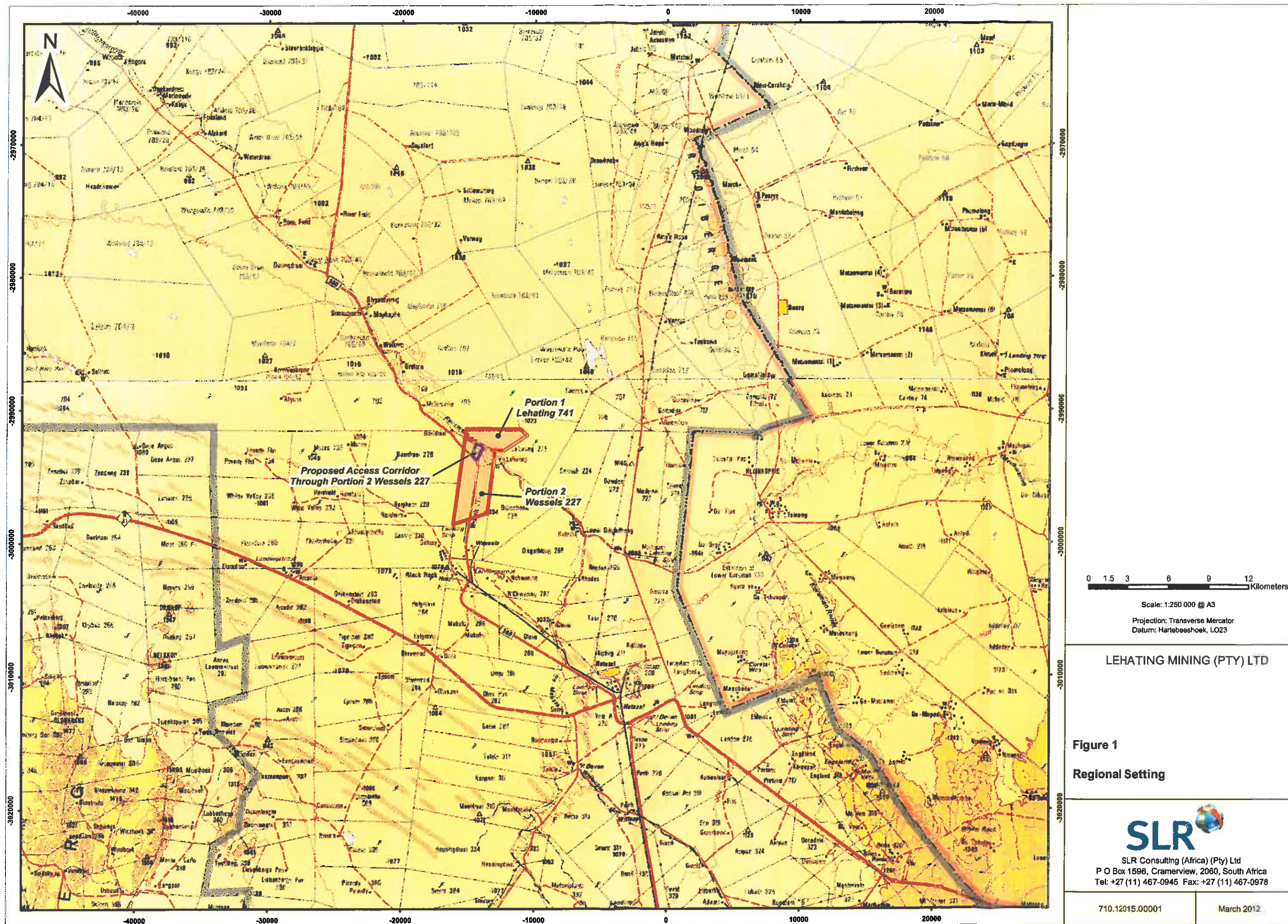
2 November 2012

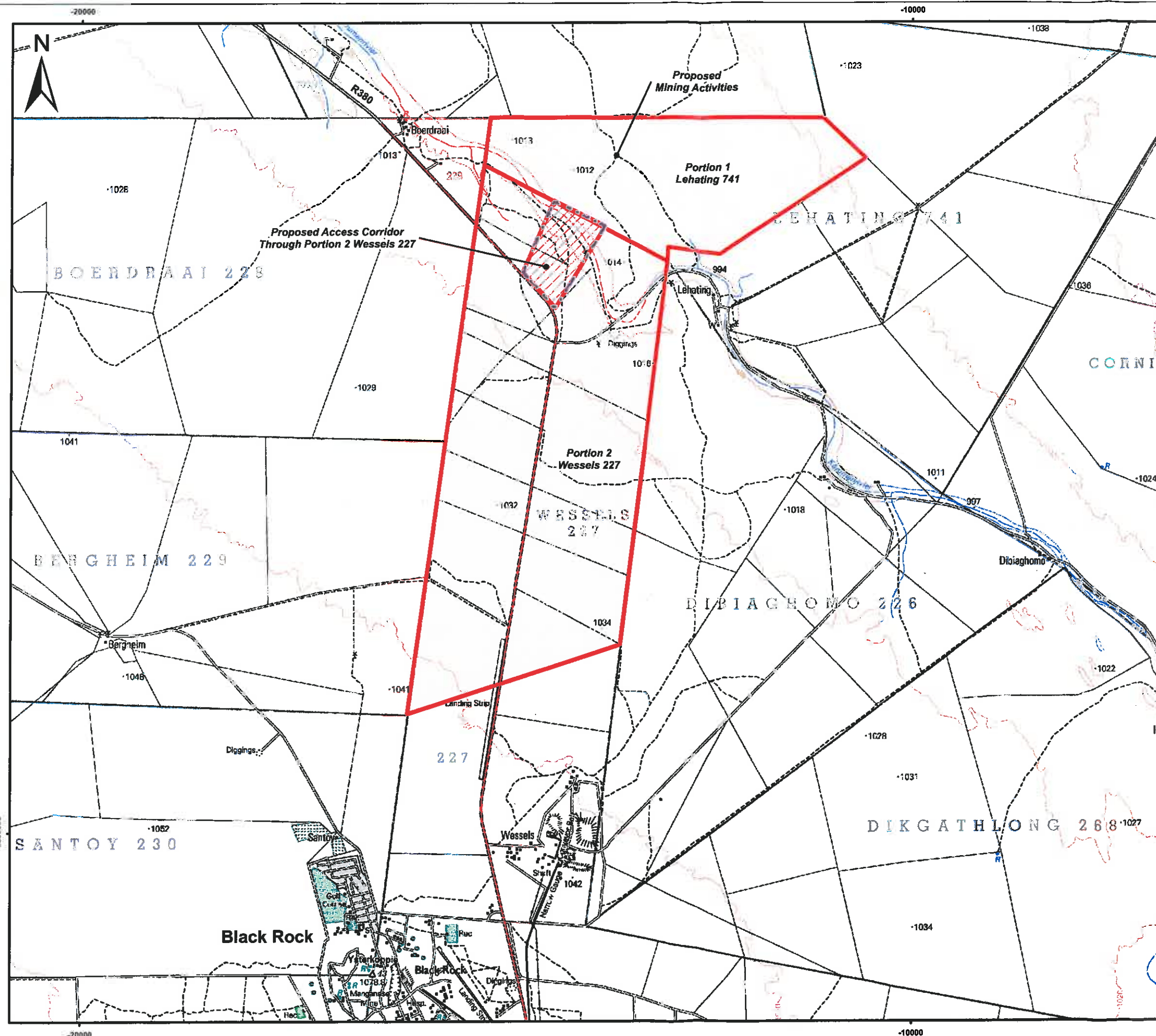
Comments received thereafter will be included in the EIA/EMP report.

For further information you can contact the person listed below.

WHO TO CONTACT

Victoria Tucker on
(011) 467 0945 (tel) or
(011) 467 0978 (fax) or
vtucker@slrconsulting.com





0 0.3 0.6 1.2 1.8 2.4 Kilometers

Scale: 1:45000 @ A3
Projection: Transverse Mercator
Datum: Hartbeeshoek, L023

LEHATING MINING (PTY) LTD

Figure 2
Local Setting



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710.12015.00001

March 2012

DETAILED PROJECT DESCRIPTION

MINING AND PROCESSING

The resource to be mined is the manganese ore body of the Kalahari Manganese field. It is planned to mine the ore body using underground mining methods. In this regard, access to the ore body will be via a proposed vertical shaft. Mined material will then be brought to surface via the shaft and will be crushed and screened according to grade and size.

SUPPORTIVE SERVICES

Stockpiles

The product will be stockpiled on-site for loading and transport via road.

Access

An access road off the R380 is proposed (Figure 1). All project transportation will be by road.

Power

Power will be supplied by on-site generators until such time as Eskom power is available.

Water

Process and potable water will be provided by boreholes and mine dewatering.

Stores

Storage facilities will be established on-site for the storage of general consumables, spares and hazardous materials (such as explosives, fuel and lubricants).

Workshops

Maintenance of project equipment will be carried out at on-site workshops and wash-bays.

Staff facilities

Ablutions, change houses as well as administration and security facilities will also be required. Staff will be sourced from surrounding communities and no housing facilities are therefore proposed. A temporary construction camp is planned for use during the construction phase.

WASTE

The crushing and screening process will generate a slurry which will be disposed of in a proposed tailings disposal facility. Waste rock from shaft sinking and ore body access will be stockpiled on-site and/or used for construction. Construction, general and hazardous (eg. used lubricants) waste will be temporarily stored on site prior to disposal at appropriate facilities. Sewage will be treated at an on-site treatment facility.

MOTIVATION FOR THE PROPOSED PROJECT

Lehating will produce various grades and sizes of manganese products to suit market demand. The anticipated market prices in the medium and long-term are considered to be favourable for project development. Furthermore, the project will create several hundred direct jobs and will have a positive impact on both indirect businesses and employment.

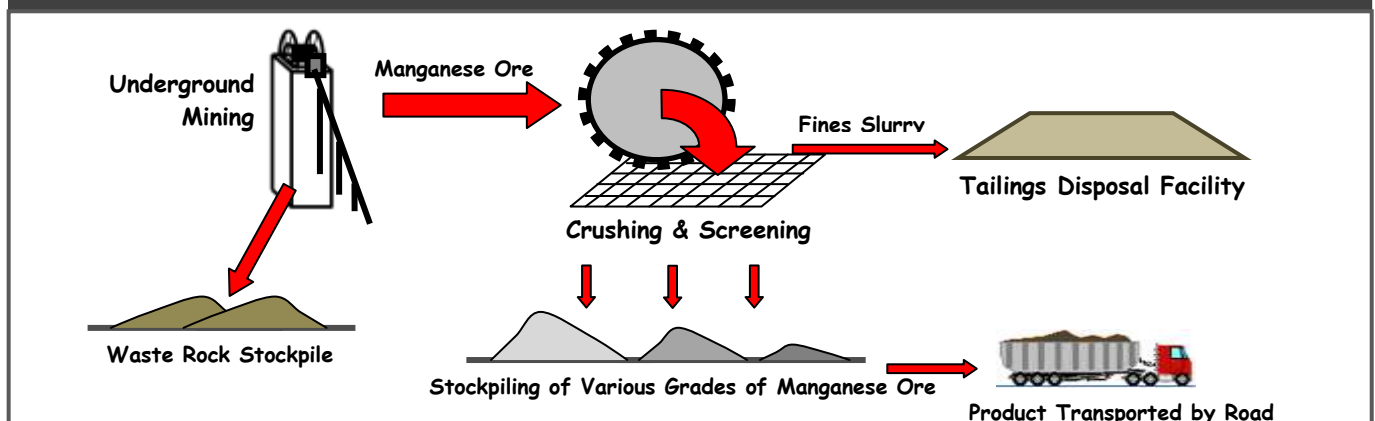
ALTERNATIVES CONSIDERED

The process of considering alternatives will form part of the scoping phase of the environmental assessment process. More information will be provided at the scoping meetings.

PLANNED TIMING OF THE PROJECT

If the project is approved, mining will commence in 2015. The life of mine (LOM) on current planning is between 15 and 20 years.

CONCEPTUAL PROCESS FLOW DIAGRAM



ENVIRONMENTAL ASSESSMENT PROCESS

The environmental assessment process provides:

- Information on the proposed project and the environment in which it is being undertaken;
- Identifies, in consultation with Interested and/or Affected Parties (IAPs), the potential negative as well as positive impacts of the proposed project; and
- Reports on management measures required to mitigate such impacts to an acceptable level.

IAPs and other stakeholders will receive notification of meetings and report review periods at least two weeks in advance.

STEPS IN THE ASSESSMENT PROCESS

PHASE 1 – Environmental Application (March – September 2012)

- Conduct site visit and commence with baseline studies and identify potential impacts
- Submit application to DMR (*MPRDA*) and DENC (*NEMA*)
- Discussions with key regulatory authorities, if required a regulatory authority scoping meeting will be arranged

PHASE II – Scoping (September – October 2012)

- Notify all regulatory authorities and IAPs of the proposed project (via direct consultation, newspaper advertisements, site notices, this document)
- Arrange a public scoping meeting
- Define outstanding issues and terms of reference for addressing potential environmental impacts
- Compile scoping report and make it available for comment by IAPs, DMR and other Regulatory Authorities
- Collect and forward IAP comments to Regulatory Authorities

PHASE III – EIA / EMP (August 2012 – February 2013)

- Assess impacts of proposed project and compile EIA/EMP report
- Make this available to IAPs, DMR and other Regulatory Authorities for review
- Collect and forward IAP comments to Regulatory Authorities

RECORD OF DECISION (February 2013 – June 2013)

- Circulate notification of record of decision to IAPs (upon receipt from DMR and DENC)

PARTIES INVOLVED IN THE ASSESSMENT PROCESS

PROJECT PROPONENT

- Lehating Mining (Pty) Ltd

PROJECT TEAM

- SLR
- Mine design and planning team
- Specialist consultants

IAPS

- Surrounding landowners/users
- Surrounding communities
- Surrounding industries
- Non-government organisations and associations in the area

REGULATORY AUTHORITIES

- Department of Mineral Resources (DMR);
- Department of Environment and Nature Conservation (DENC)
- Department of Water Affairs (DWA)
- South African Heritage Resources Agency (SAHRA)
- Department of Land Affairs (DLA)
- John Taolo Gaetseane District Municipality
- Joe Morolong Local Municipality

Please let us know if there are any additional parties that should be involved.

ENVIRONMENTAL PERMISSIONS TO BE OBTAINED

- Environmental authorisation (DENC)
- Mining right and decision on EMP (DMR)
- Water use licence (DWA)
- Paleontological permit (SAHRA) (if applicable)
- Waste licence (DEA) (if applicable)
- Protected plant species removal permit (DAFF) (if applicable)

POTENTIAL ENVIRONMENTAL ISSUES

The list below is based on issues typically associated with projects of this nature as well as issues raised by various IAPs during previous environmental assessments in the region. Any additional issues raised by IAPs during the proposed scoping phase, will be added to the list.

POTENTIAL ISSUES		PROPOSED STUDY TEAM
GEOLOGY	<ul style="list-style-type: none"> ▪ Loss of a mineral resources 	Lehating & SLR
SOILS AND LAND USE	<ul style="list-style-type: none"> ▪ Loss of soil resource ▪ Changes to land capability 	ARC-Institute for Soil, Climate & Water
BIODIVERSITY	<ul style="list-style-type: none"> ▪ Loss of habitat ▪ General disturbance to wildlife 	Ecological Management Services
AIR QUALITY	<ul style="list-style-type: none"> ▪ Dust and air emissions 	Airshed Planning Professionals (Pty) Ltd
SURFACE WATER	<ul style="list-style-type: none"> ▪ Changes to drainage patterns ▪ Surface water contamination 	SLR
GROUNDWATER	<ul style="list-style-type: none"> ▪ Lowering of water table ▪ Contamination of groundwater 	SLR
BLASTING	<ul style="list-style-type: none"> ▪ Impacts relating to ground vibrations 	SLR
TRAFFIC	<ul style="list-style-type: none"> ▪ Impacts on service levels of roads ▪ Impacts on other road users 	Siyazi Gauteng
NOISE	<ul style="list-style-type: none"> ▪ General noise pollution 	SLR
VISUAL	<ul style="list-style-type: none"> ▪ Changes to the visual landscape 	SLR
HERITAGE	<ul style="list-style-type: none"> ▪ Loss of heritage resources ▪ 	Professional Grave Solutions (Heritage)
PALAEONTOLOGY	<ul style="list-style-type: none"> ▪ Loss of fossil resources 	Metsi Metseng Geological and Environmental Services (Palaeontology)
SOCIO-ECONOMIC	<ul style="list-style-type: none"> ▪ Investment in local and regional economy ▪ Employment opportunities and influx of job seekers ▪ Impact on the lifestyle and services of surrounding communities ▪ Land use analysis 	SLR and Strategy4Good

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ON THE FARM LEHATING 741
REGISTRATION AND RESPONSE FORM FOR INTERESTED AND AFFECTED PARTIES

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

[illegible]

Please return completed forms to:

Victoria Tucker
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P O Box 1596, Cramerview, 2060
Fax: (011) 467-0978
Email: vtucker@slrconsulting.com