

AGES Gauteng

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For attention:

AGES Reference:

Sishen HEF Plant

Interested & Affected Party

DENC Reference:

NC/EIA/14/JTG/GAM/SISI/2013

29 November 2013

NCP/EIA/0000250/2013

Dear Sir / Madam

ENVIRONMENTAL IMPACT ASSESSMENT PROCESS FOR THE PROPOSED NEW HIGH ENERGY FUEL (HEF) PLANT OR THE ALTERNATIVE OF A TANK FARM ON SISHEN IRON ORE MINE AT KATHU, NORTHERN CAPE.

You are hereby invited to participate in the Environmental Impact Assessment process in terms of Regulation 54(2) of GNR 543 of 18 June 2010 published under section 24(5) of the National Environmental Management Act (Act no. 107 of 1998).

Sishen Iron Ore Company (SIOC) appointed Africa Geo-Environmental Services Gauteng (Pty) Ltd (AGES Gauteng) as an independent environmental consultancy to facilitate the Environmental Impact Assessment (EIA) for the project.

1 PROJECT DESCRIPTION

I) HEF PLANT OR ALTERNATIVE OF A TANK FARM

The High Energy Fuel (HEF) Plant or the alternative of the tank farm is proposed to be located on Remaining Extent (RE) of Woon 469, RE/portion 1 of Sacha 468 and portion 11 of Sacha 468 at Kathu, Northern Cape.

The general coordinates of the proposed project are:

Latitude: 27°41'44.26" S

Longitude: 22°57'03.73" E

The project will include the construction of:

- A HEF manufacturing facility consisting of:

- Bulk storage facility for ANCN (Ammonium Nitrate Calcium Nitrate) ;
- A Bulk storage facility for oil and fuel;
- A Store for product storage (Thiouria, Sulphamic acid, Sodium nitrate, E23);
- A Store for spares and tyre storage;
- A Bulk storage facility for manufactured HEF;
- A Laboratory for quality control;
- A Weighbridge;
- Bulk storage facility for ANCN (Ammonium Nitrate Calcium Nitrate) ;
- A Bulk storage facility for oil and fuel;
- A Store for product storage (Thiouria, Sulphamic acid, Sodium nitrate, E23);
- A Store for spares and tyre storage;
- A Bulk storage facility for manufactured HEF;
- A Laboratory for quality control; and
- A Weighbridge;
- A Bulk PPAN storage facility;
- A Explosives magazine facility;
- A Administration building supporting the facilities;
- A Ablution and change house facility;
- A Wash bay facility;
- A Calibration facility for explosives trucks;
- All infrastructure required in supporting the abovementioned facilities;
- A rail line for offloading PPAN
- Establishment of boreholes to monitor ground water quality.

Refer to Figure 1 for the location of the proposed HEF Plant.

An alternative is the construction of a tank farm. This will be investigated in more detail during the Scoping process.

The following activities listed in GNR 544, 545 and 546 of 18 June 2010 are applicable to this proposed project and require an environmental authorisation: GNR 544: item 22, 37, 47 and 53. GNR 545: item 3, 5, 11 and 26. GNR 546: item 14.

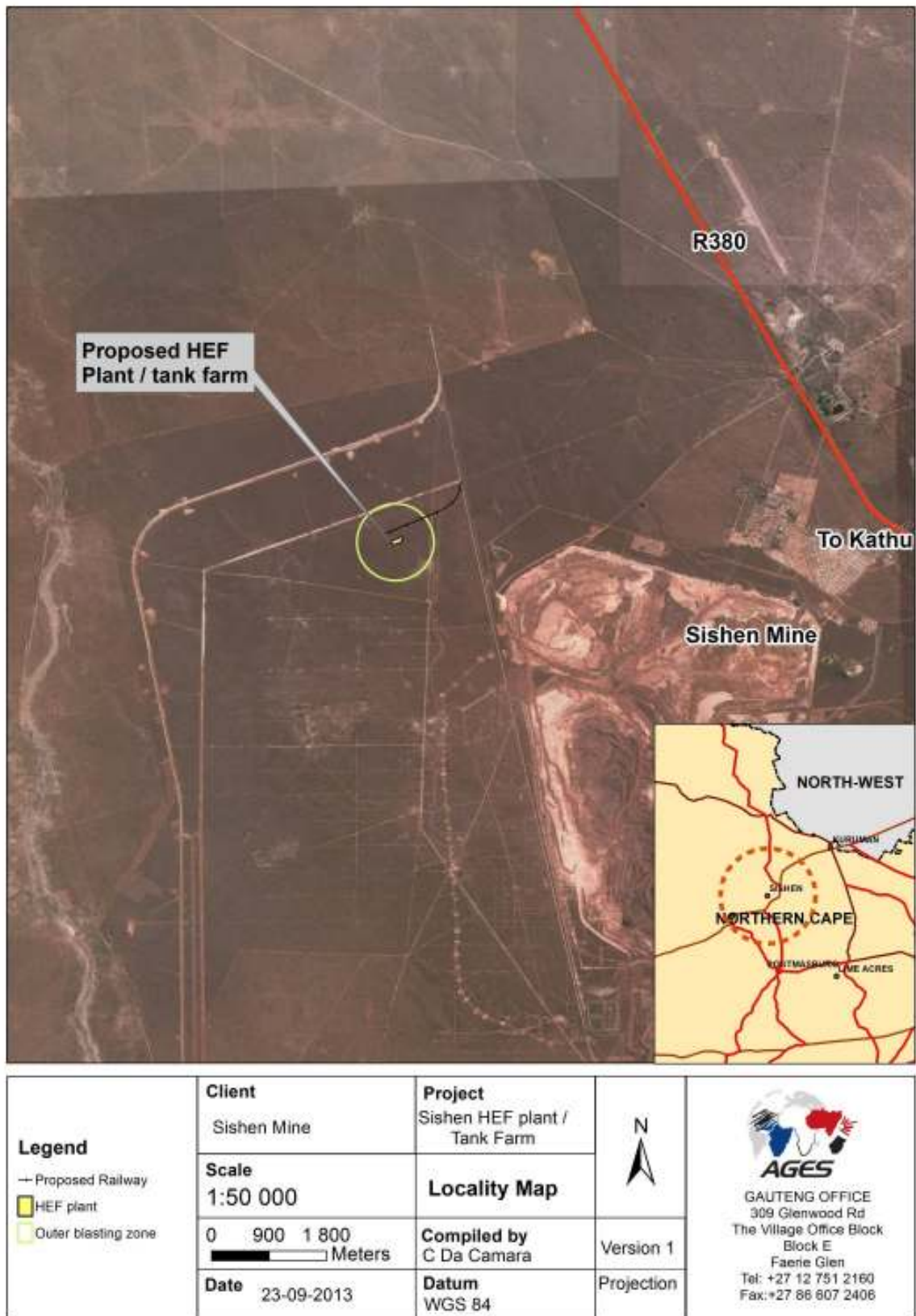


Figure 1: Proposed HEF Plant Locality Map

2 AUTHORISATION PROCESSES REQUIRED

An application for the amendment of the Sishen Mine's approved Environmental Management Programme (EMPR) under Section 102 of the Mineral and Petroleum Resource Development Act (Act no. 28 of 2002) (MPRDA) will be done. In addition, the following authorizations will be required:

Environmental Authorisation: An Environmental Impact Assessment in terms of the National Environmental Management Act (Act no. 107 of 1998) (NEMA) read with the Environmental Impact Assessment Regulations, 2010 (GNR 543 of 2 August 2010) is required. The application was submitted to the Northern Cape Department of Environment and Nature Conservation (DENC). The proposed HEF plant will require an Environmental Impact Assessment Process.

Amendment of the Water Use Licence: An application for amendment of the Integrated Water Use Licence (IWUL) in terms of section 40 and 41(4) of the National Water Act (Act 36 of 1998) will be submitted to the Department of Water Affairs (DWA).

Waste Management Licence in terms of section 20 of the National Environmental Management: Waste Act (Act no. 59 of 2008) (NEMWA). The application will be submitted to the Department of Environmental Affairs.

Atmospheric Emission Licence in terms of section 37 of the National Environmental Management: Air Quality Act, 2004 (Act no. 39 of 2004) (NEMAQA). The application will be submitted to the John Taolo Gaetsewe District Municipality.

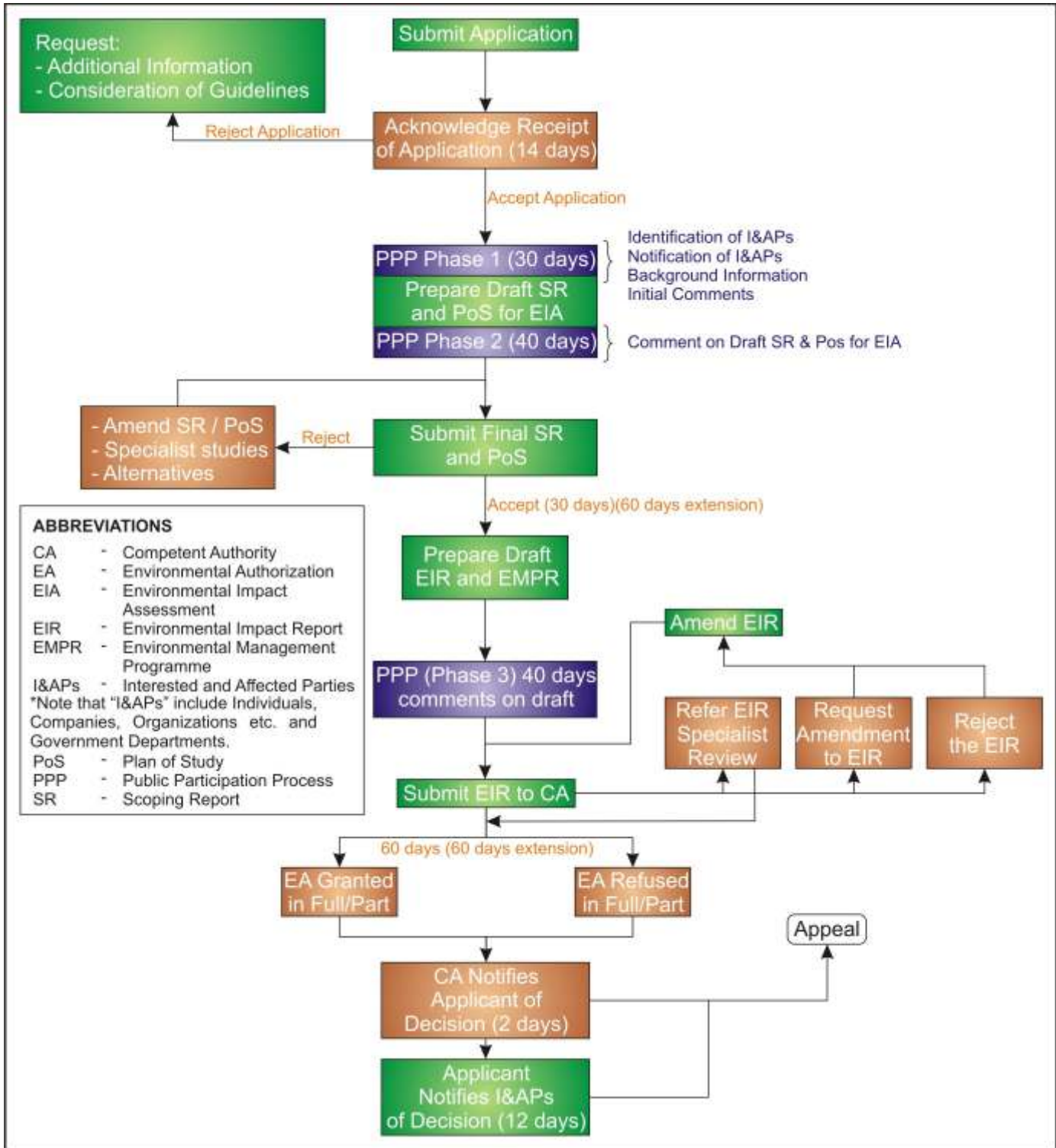
3 POSSIBLE ENVIRONMENTAL IMPACTS

The following studies are being undertaken as part of the Environmental Authorisation processes. Should any additional studies be required after the public participation phase it will form part of the Environmental Impact Assessment.

- Ecological impact
- Heritage impact
- Water Quantity and Quality impact (surface water and ground water)
- Air quality impact
- Traffic Impacts

4 PROCESS FLOW DIAGRAMS

Environmental Impact Assessment (proposed HEF Plant):



5 HOW TO BECOME INVOLVED

In order to ensure that you are identified as an interested or affected party (IA&P,) or if you require further information in respect of the application and/or activities, please submit your name, contact information, interest and relevant issues on the matter in writing by **20 January 2014** to:

Attention: Catherine da Camara

Postal Address: AGES Gauteng, Postnet suite 74, Private Bag X07, Arcadia, 0007.

Telephone: (012) 751 2160

Fax: 086 607 2406.

Email: cdacamara@ages-group.com

Reference: Sishen Mine HEF Plant

You are welcome to use the attached registration form:

REGISTRATION FORM ENVIRONMENTAL IMPACT ASSESSMENT PROCESS FOR THE PROPOSED NEW HIGH ENERGY FUEL (HEF) PLANT OR THE ALTERNATIVE OF A TANK FARM ON SISHEN IRON ORE MINE AT KATHU, NORTHERN CAPE.			
DENC REF: NC/EIA/14/JTG/GAM/SISI/2013 NCP/EIA/0000250/2013		AGES REF: Sishen HEF Plant	
Title:		Tel number (Work):	
First Name:		Tel number (Cell):	
Surname:		Fax number (Work):	
Capacity/Interest		E-mail address:	
Postal/Residential Address			
Comments on the proposed development (You are welcome to use separate sheets)			
1. Environmental Issues:	(such as water, ecology, soil pollution etc.)	2. Socio-economic Issues:	(such as job creation, safety and security)
3. Cultural/Historical Issues:	(such demolition of graves/oldbuildings.)	4. Any other Issues or Comments:	
Please return this registration sheet by no later than the 20th of January 2014 via any of the following communication methods, attention to:			
Mrs Catherine da Camara Fax: 086 607 2406 Tel: 012 751 2160 Email: cdacamara@ages-group.com Post: Postnet 74, Private Bag X07, Arcadia, 0007			
Your comments are highly appreciated and they will form part of the final documentation to be submitted to the decision-making authority.			