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Innovation in Sustainability

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Minutes for the Focus Group Meeting held for the:

Proposed Doornhoek Fluorspar Mine

DMR Reference No:
NW30/5/1/2/2/10110MR
MW30/5/1/2/2/10110EM

Date: 12 December 2016 **Focus Group Meeting – Minutes**
Time: 10:00 **Place: Doornhoek Prospecting Site Office, nearby Zeerust**
Attendees:

Michael Grobler (MG)	EXIGO – Independent Environmental Assessment Practitioner
Chantal Uys (CU)	EXIGO – Independent Environmental Assessment Practitioner
Allan E Saad (Snr) (AES)	Project Manager/Applicant Representative – SA Fluorite Pty Ltd
Allan D Saad (Jnr) (ADS)	Project Manager/Applicant Representative - Project
Hendrik Hanekom (HH)	Witkop Fluorspar Mine – Mine Manager
Peter Phefo (PP)	Mmutlwa wa Noko Committee – Committee Member
Brian Sheer (BS)	Mmutlwa wa Noko Committee - Chairperson
Jeanne Kemack (JK)	Mmutlwa wa Noko Committee - Secretary
Jeanne A. du Toit (JdT)	Strydfontein landowner & resident
Trevor Dowdle (TD)	Long term resident in the area
Michelle (M)	Long term resident in area, nature lover and conservationist

These meeting minutes serve as a summary of the Focus Group Meeting containing key issues raised and discussed. Please note that the meeting notes provided below relate to the slides presented at the meeting. A copy of the presentation is also included as an annexure hereto.

Slide	Notes	Action
1-2	**Welcoming & Introductions** Mr Michael Grobler (MG) welcomed everyone to the meeting. Everyone introduced themselves. MG stated that a presentation with background was prepared for the meeting. The consultants will revert back on any technical specialist matters which cannot be answered during the meeting. An attendance register was circulated. He also requested confirmation that the meeting be recorded for minute purposes (all agreed).	

3	**Purpose of the meeting** MG briefly gave the purpose of the meeting as follows: 1. To provide background on the proposed Doornhoek Fluorspar Mine Environmental Authorisation (EA) and Mining Right Application (MRA) Process to Mmutlwa wa Noko (MWN) 2. To discuss comments received to date. 3. Any technical matters will be presented to specialist team and revert back to MWN It was agreed that there will be time for questions and discussion following the presentation; however MG stated that questions throughout the presentation were also welcome.	
4-5	**Project Description** MG gave a brief overview of the project description. The site is to the east of the existing Witkop open pit fluorspar mine. The current application is for a 30 year Life of Mine (LOM). The mining right area is significantly larger than the actual activity footprint area. MG informed the meeting attendees that at full production the resource is proposed to be mined at 1.5 Million tons per annum. He stated that there are 3 resource areas, namely Resource Area A, C and D. He indicated the proposed mining schedule for each resource area. Mining depth would be from 60 to 90 m. There would be an initial construction period of 5 years. He listed the farms which are included in the MRA. He listed the farm portions on which the open pits and mine infrastructure would be located. He listed the mine infrastructure that is proposed to be constructed. All the information provided in the presentation was also included in the Draft Environmental Impact Assessment and Environmental Management Programme (EIA&EMPR), of which a hard copy had been provided to the Mmutlwa Wa Noko Committee at the meeting.	
6-7	**Fluorspar Primary Uses** MG briefly described the uses of fluorspar. Primary use is a flux in steel and iron processes, amongst others. Refer to Slide 6. Mr Allan Daniel Saad (ADS) added that fluorspar is a carbon negative mineral, as it reduces the melting temperature that is required for steel and thus results in a reduced carbon footprint. ADS stated that fluorspar is used in all the gasses used for aircons and refrigerators, amongst others. Mr Hennie Hanekom (HH) added to this by stating that the more fluorspar you use in these gasses the more user friendly it becomes. There is no alternative product currently on the market or in existence which is as efficient. ADS further stated that fluorspar has a stabilising effect and is non-flammable. It is also added to drinking water in the USA to assist with tooth decay as well as toothpaste. Ms Jeanne Kemack (JK) differed in her view of the use of fluorspar to fight tooth decay. MG stated that the uses of fluorspar were relevant with regards to the required need & desirability of the project. Calcium fluoride is a critical commodity for all industrialized nations and it a strategic mineral according to Department of Trade and Industry's (DTI) Fluorochemical Expansion Initiative and is also included in the Department of Mineral Resources' Beneficiation Strategy for the Minerals Industry of South Africa. Refer to Slide 7.	Noted.
8-9	**Ownership** ADS explained the ownership of the project. The major shareholder was SA	A further

	Fluorite (Pty) Ltd who is also the applicant. ERG is the main shareholder (51%), a large international company. 26 % is owned by a BEE consortium and the remaining 23% by others. Please refer to slide 9.	discussion in this regard took place later during the meeting.
10	**Project Location** ADS indicated the locality of the proposed mine on a map. He stated that the project is an extension of the Witkop Fluorspar Mine ore body. The mining right area is quite large however mining infrastructure and activities are much smaller, similar to Witkop. They were securing the larger mining area against possible competitors. HH asked for clarification with regards to the areas proposed to be mined. ADS explained the mining schedule. Michelle asked that if the large mining right area boundary was to secure the area against "predators", who were these "predators"? ADS stated that this is the world's largest fluorspar deposit and the DTI and other governmental parties as well as the Chinese have a keen interest in it. MG stated that the MRA was linked to the prospecting right area which was for the entire larger area. Michelle wanted confirmation that the applicant is therefore a private company? ADS confirmed that they were a private company. Michelle stated if they did not go ahead with the project or did not receive authorisation, then possibly the government or a Chinese company could take over the project? ADS answered in the affirmative. The Chinese are the biggest producers of fluorspar products at the moment. HH added that this is the biggest deposit in SA. ADS confirmed the same.	
11	**Work completed since acquisition** ADS gave a brief overview of the work which has been done to date. Michelle asked if this work was privately done or by the government. ADS stated that the project was privately owned. Michelle asked what guarantee was there that if the Mining Right (MR) was granted that the project would not be then sold to the government. ADS stated that it was a possibility that the project could be sold however the authorised EMPR will still be binding to new owners. Should the MR not be granted, any other party will need to re-apply and conduct a new EIA/MRA process. Ms Jeanne du Toit (JdT) asked about the dark brown/black areas indicated on the project locality map on the farms Rhenosterfontein and Strydfontein. ADS and HH answered that the MR for these areas were owned by Witkop and could therefore not be applied for as part of this application. HH stated that the relevant properties were Portion 6 of Rhenosterfontein and Portion 18 of Strydfontein. HH listed the other farms which were owned by Witkop. MG and ADS indicated the proposed mining right area on a map. Mr Brian Sheer (BS) asked for clarification of the areas owned by Witkop and those included in the Doornhoek application. ADS and HH clarified the ownership of the areas on the map. BS asked what work has been done in the project area? ADS gave an overview of the work which has been completed to date. Michelle asked who the financial "backer" for the project is. ADS stated that it was the main shareholder, ERG. He explained that the project was initially owned and financed by Central African Mining and Exploration Company (CAMEC) who were bought out by ERG. Michelle asked who is presently financing the project. ADS answered that ERG is but the prospecting is currently in care and maintenance and no exploration activities are taking place due to the MRA which had been submitted.	

	JdT stated that on the Witrand farm there is an old lead mine and asked what exactly is going on there. ADS stated there was an old lead mine which was being mined for lead) in that area. The tailings dumps are still present on surface and still contain a large amount of lead due to the technology which was used in the past. These tailings dumps do not fall under a MR as they are considered movable objects. These old tailings dumps were currently being processed. The applicant had attempted to oppose this but with no success. JdT asked what the landowners could do is this regard? ADS stated that he did not know but that they could not start mining, but merely rework the old tailings dumps. JdT asked whether there was any impact on the environment and groundwater from reworking the old tailings dumps. HH stated that it is lead, and surface impacts can possibly impact groundwater. HH stated that the Witkop tailings was mostly agricultural lime and that they were currently selling it for agricultural use as the ingredients used in the plant was environmentally friendly. ADS stated that the same would apply to the proposed Doornhoek Mine Tailings dams. MG stated that these lead reworking activities would require authorisation and proposed that this subject be discussed further following the meeting. ADS elaborated on the environmental studies and monitoring (water and dust) conducted to date for the project to establish an environmental baseline for the project area as well as the Preliminary Economical Assessment (PEA) which had been conducted by a Canadian company (Roscoe Postle Associates Inc (RPA)).	
12	**Geology Overview** ADS gave a brief overview of the geology of the project area. This fluorspar deposit is one of very few "clean" deposits in the world and contained no harmful impurities.	
13	**Proposed Mining Areas & Layout** ADS indicated the resource areas as well as location of plant and TSF on a map. HH asked whether the existing road system will be used. MG answered in the affirmative and stated that a Traffic Impact Assessment was conducted for the project and extensive road and safety upgrades were required. ADS stated that existing roads will be used as far as possible in order to minimise any impacts as much as possible.	
14	**Economic Analysis** Economic analysis indicated that mining was feasible for a 30 year LOM. Mining was proposed to be opencast however underground mining could possibly also be undertaken in future. There was a small global demand for fluorspar and therefore the operations will be small due to the small market. Michelle stated that this did not make sense if other companies were all fighting to gain access to the fluorspar, why was the demand so low. HH and ADS stated that the Chinese were the biggest produces however their supply was decreasing and therefore they needed to obtain resources from elsewhere and there is therefore a demand for fluorspar. ADS however explained that the proposed mining operation will be small compared to that of iron ore mining, for example.	
15	**Contained Fluorspar Comparison** Mr Trevor Dowdle (TD) stated that South Africa has some of the biggest fluorspar deposits in the world, and asked where else it was being mined and or prospected for. ADS indicated the other fluorspar producers around the world on a graph (refer to slide 15). China was currently the largest producer. Doornhoek however has the largest deposit in the world. TD asked how many other parties have put in applications for this particular mine. ADS stated that this current application is the only one, however if the application is denied	

	then another party could apply. MG explained the prospecting right and MRA process. Michelle clarified again that the applicant had nothing to do with the government, but had ties with Canada? ADS answered in the negative and stated that a Canadian engineering company had conducted the PEA. The applicant was a Luxembourg based company. JdT asked who Sallies (Pty) Ltd (South Africa) is. ADS stated that this is Witkop. She asked which one's were located in South Africa. ADS answered that the only projects in SA is Vergenoeg, Witkop and Doornhoek. TD asked if these were the only large deposits in SA. ADS stated that there are two other deposits in Gauteng. Michelle asked who owns the project in Gauteng, Vergenoeg. Mr Allan E Saad (AES) answered a Spanish company, Mimosa. Michelle asked whether they would be going hand to hand with Vergenoeg. ADS answered in the negative and stated that Vergenoeg wished to purchase product from the proposed Doornhoek Mine to blend with their product. Michelle asked whether they were a consumer? ADS answered in the affirmative. HH stated that this was similar to other companies who purchases fluorspar from Witkop to blend with their product.	
16	**Value Add through Beneficiation** ADS gave an overview of the value of fluorspar. HH elaborated on the current beneficiation ongoing in SA. Currently fluorspar is being exported apart from a small beneficiation plant in Pelindaba. ADS stated that government is in favour of local beneficiation and not exporting the product for beneficiation, and then having to buy it back at inflated prices. MG stated that SA had the largest deposits in the world but the least beneficiation at present. He stated that beneficiation projects will be subject to separate Environmental Authorisation (EA) applications. ADS stated that beneficiation plant would not necessarily have to be located in Zeerust, but could be transported by rail to Johannesburg or Rustenburg.	
17	**Social and Socio-economic** ADS stated that Zeerust had a large unemployment figure. Michelle and TD stated that the entire country has a problem with unemployment. ADS gave the employment figures as well socio-economic benefits in terms of economic growth for the project. Michelle disagreed and stated that the surface areas should rather be used for planting and growing crops to feed people as 222 positions is limited and not sufficient to reduce unemployment. MG stated that agricultural sterilisation was a valid point and a socio-economic assessment has been conducted in this regard. She also stated that the local people do not benefit in her view. MG explained the multiplier effect and downstream benefits from mining. BS stated that this does not float either as downstream multiplier effect will not be relevant in the local area. TD asked where skilled labour will be sourced from? ADS stated that labour from Witkop who already had the relevant skills could be employed by Doornhoek. It was the company's intention that local labour will be used as far as possible. Technically skilled labour could be sourced from all over SA and did not necessarily need to come from overseas. BS asked that the number of people from Witkop and the relevant technical skills be quantified. He asked whether this has been investigated or if this is a "thumbsuck". He asked if these people have been engaged at present? ADS answered in the negative	Noted. Please refer to Appendix 7.1 SEIA

	and stated that the company wished to employ the local workers in the area but first needed to obtain a MR. BS asked whether an undertaking that can be taken public can be made that the proposed mine will offer employment to local skilled labour who were previously employed by Witkop? AES answered in the negative. MG stated that reference should be made to the Social Labour Plan (SLP) and commitments therein which are legally binding with regards to percentages of local employment. ADS elaborated on projects which were considered for the SLP. BS asked if the SLP is available in the Draft EIA&EMPR which had been provided. MG answered in affirmative. MG stated that the socio-economic study and the employment benefits therein should be reviewed. The socio-economic assessment was conducted by Urban-Econ Development Economists.	Please refer to Appendix 7.18 SLP Please refer to Appendix 7.1 SEIA.
18	**Applicable Legislation** MG gave an overview of the applicable legislation to the MR and Environmental Authorisation (EA) applications as well as other relevant licences and permits. He listed the key Acts which are applicable to the project. The application was subject to the integrated process in terms of NEMA and the MPRDA. The submission of the MR and EA applications were acknowledged by DMR in July 2016. An Integrated Water Use Licence Application (IWULA) will be submitted to the Department of Water and Sanitation (DWS), not yet been submitted. Land development application in terms of SPLUMA has to be submitted to the municipality along with the EA and MR. Focus group meetings with the municipalities have taken place.	
19	**EIA Process** MG explained the EIA process which is being followed. A registration and notification period was allowed for prior to submission of the application over and above what is required legally. The Draft Scoping Report (SR) was made available for review and comment for a period of 30 days. The Draft EIA&EMPR is currently available for review and comment.	
20-21	**Specialist Studies being conducted** MG listed the specialist studies which were conducted for the project in line with regulatory requirements and following from Interested and Affected Parties (I&AP's) comments. Michelle asked when feedback on these specialist studies will be provided. MG stated that the Draft EIA&EMPR with the relevant specialist reports is currently available for review and comment. A Public meeting is taking place on 12 January with the associated technical feedback.. All comments will be integrated in the Comments and Response Register (CRR) and submitted with the Final EIA&EMPR for consideration by the competent authority. Michelle asked when they could get access to the specialist reports. MG and CU clarified that the specialist reports were included to the Draft EIA&EMPR. MG offered a 5 minute coffee break. Everyone declined.	
22	**PP Way Forward** The Draft EIA&EMPR is currently out for review till the 26th January 2017. Submission of the Final EIA&EMPR will take place in February 2017. A Public meeting on 12 January 2017. Notification of Departmental decision within 14 days from date of decision. Appeals can be lodged within 20 days of decision/notification of decision.	
23-33	**Comments received to date from MWN** MG stated that this was preliminary feedback to comments raised in a letter by the MWN dated the 15th of August 2016. 1. With regards to potential water quality impacts on the Groot Marico River, a Hydrogeological and Geochemical Assessment was conducted.	

	The contaminant transport plume for the Tailings Storage Facility and overburden dumps was simulated. The plume does not reach the Klein Marico River under the modelled scenarios. Mitigation measures are also provided in the EIA&EMPR. MG stated that an invitation to meet with the hydrogeological specialist has been extended to Mr Collins from RESILIM. He asked JK if Mr Collins was affiliated with them. JK answered in the affirmative.	Noted
	MG indicated the simulated contaminant plume on 3 maps for the TSF and overburden dumps. He stated that the plumes were contained as the open pits acted as a sink to contain the plume. JK asked for the location of the Klein Marico River in relation to the mining right area. MG indicated the Klein Marico River on the site layout map. JK asked for the names of farms through which the Klein Marico River runs. MG stated that the farms were portions of Doornhoek 305, Farm 306 and Knoflookfontein 310. MG stated that an aquatic study was undertaken by SAS. A wetland study and separate groundwater and surface water studies were also conducted.	
	2. With regards to the potential impact on groundwater, MG stated that groundwater is preferred for water supply. A conservative dewatering zone of influence has been simulated from the open pit. Compartments are caused by dykes in the area. Compartment 1 and 2 is anticipated to be impacted in terms of mine dewatering. MG indicated the relevant compartments on a map. A regional water balance study has been conducted. MG stated that a conservative approach was taken in terms of the complexity of the surface and groundwater resources in the area. Michelle stated that all water systems are connected. She used the analogy of cutting a vein in a body that which if remained unhealed will cause the body to bleed out. MG stated that some dykes are impermeable which would make water flow across compartments difficult and others aren't. Strenuous mitigation measures have been proposed. MG invited everyone to read through some key points from the hydrogeological study included to the slide. MG stated that inflows from the Klein Marico River can take place, and offsets have therefore been proposed. MG stated that the specialists have conservatively modelled at 900 m3/d from the Klein Marico River resulting in an approximate impact of 4% on quaternary catchment A31D.	Noted
	3. In terms of air quality, soils, loss of biodiversity and socio-economic impacts, specialist studies were conducted in this regard. Detailed feedback will be provided during the public meeting. Allowance has also been made in the closure costs assessment which calls for financial guarantees. Michelle stated no mining has ever had a good history or any rehabilitation and that in her opinion, rehabilitation is impossible once something has been destroyed, not in their lifetime or their children's. BS added that their children will not have a place to live. Michelle added that she knows the consultants have done all they can but this is her experience.	Noted Noted
	TD asked that if the application is turned down for any reason, what the next process is. MG answered that the applicant has an opportunity to appeal the Departmental decision if it's a negative EA. If it's a positive EA,	

	then the public has a right to appeal. Thereafter the project will once again be open to a new application process based on new merits. Michelle asked how one can apply again for something which had been proven to not be conducive to the environment, their livelihoods, i.e. not feasible. MG stated that they would get back to them after consultation with their legal advisors with regards to relevant legislation. AES stated that it is open to anyone to apply and is largely dependent upon politics. HH stated that the DMR could override any decision. Michelle stated she has seen people with good intentions and it appears that the consultants have good intentions, but they have no guarantee that the current applicant will not sell to someone else who is only there for financial gain.	Exigo to respond after assessment Noted
	MG stated that the EMPR is legally binding and that audits are now open for public review. He stated that the legislation is very stringent. Michelle stated that she does not agree with anything presented by Government. MG stated that these audits are very stringent. MG stated that a copy of the EMPr is available to I&AP's to verify whether non-compliance is taking place. Michelle stated that they have to give up their time to attend the meeting and now had to take further time to check up on the mine. She stated that they wanted a quiet peaceful life and now had to contend with this and it changes their whole lifestyle. ADS stated that you could then also argue for farming to have to be stopped as everything has an impact, and it depends on whether you lessen your impact or not. Michelle answered that she has a positive impact on the planet.	Noted
	JdT asked where labour will be housed? MG stated that there will be no on-site housing, locals to be housed in existing residential areas in Zeerust. Employees will be bussed in. JdT stated that there is an existing informal settlement already in the area, but no new informal settlements should be established. MG agreed. JdT asked the percentage of skilled versus unskilled labour to be employed by the mine. MG offered to revert back as figures were included in the Socio-Economic Study. AES stated that an estimated 20% will probably be skilled and 50% unskilled and then the balance. AES stated that it is logical to employ people closest to the project, i.e. from Zeerust, from an economic point of view. Michelle stated that if people were employed from the local area it would also limit the need for land for new housing and additional services such as sewerage, etc. MG stated that a commitment was made for the appointment of a social monitor to manage and monitor social impacts.	Noted and agreed. Skilled labour will account for approximately 37% with unskilled and semi-skilled accounting for for approximately 50% of the workforce. Please refer Appendix 7.1 SEIA and Appendix 7.18 SLP.
	JdT asked about the corporate social responsibility and what research has been done to determine what is needed in the area and by whom. MG stated that a series of workshops with the municipalities have been conducted to assist with determining which projects to include in the SLP. This was specifically relevant to problems experienced in terms of service delivery and water supply which was taken into account in the SLP. JK	Please refer to Appendix 7.18 SLP. Beulah Africa were appointed to compile the SLP

	asked where the SLP was. CU answered that it is included in the Draft EIA&EMPR as Appendix 7.18. MG stated that people were appointed who would have a positive social impact to conduct the SLP. Michelle noted that the service delivery in terms of waste collection was none existent. MG stated that they were aware of the problems which were currently experienced with the Sewage Treatment Facility where untreated water was being directly discharged into the river. JdT stated that the Chief Director of the Department of Water and Sanitation (DWS) was aware of the problems but nothing has been done as the people who have been appointed to fix the problem were not doing their jobs. HH stated that the DMR can revoke your licence should the commitments in the SLP not be complied with. HH elaborated on projects that have that been done by Witkop and been audited by the Department. 4. With regards to the comment on the existing fluorspar mine in the area. MG stated that Doornhoek has a different grade of fluorspar. The PEA which was conducted for the project also found the project to be feasible and feasibility is a matter that has been considered by the applicant. 5. With regards to the notification and consultation with downstream communities, the local affected communities are Zeerust, Dinkana, Lehurutse, Ntsheweletsoko, Lenig River and Kruisrivier. The Pella, Koffiekraal, Uitkyk, Brakkruil and Pachsdraai communities are not directly affected. Impacts were however assessed on a regional scale in the SLP and the project was also advertised.	Noted
34	**Discussion & Questions** MG opened the floor for discussion and questions. HH stated that Witkop is currently in care and maintenance and not closed. Fluorspar market and prices are anticipated to go up towards the end of 2017, and Witkop has indicated to the DMR that they might start up again at that time depending upon the market. Collaboration between Witkop and Doornhoek is desirable if at all feasible. TD asked if there were any fluorspar deposits elsewhere in area. AES stated that there was a deposit at the tribal community at Sendelingspos on tribal land. He had consulted with the chief to be involved in the current project but he was not interested. AES stated that this was the only one he was aware of but there could be others if exploration was carried out. JK asked if this is a reserve or is being mined. AES stated that it was a deposit which had been mined in the past, 1940/50's. TD asked whether any other minerals occurred in the area. AES stated that there were no deposits of major economic significance that he was aware of. Michelle asked why De Beers wished to prospect in the area. AES replied that diamonds occurred in the area. Michelle stated that they were aware that Marico was very rich in minerals. AES gave a brief overview of the other mineral deposits in the area and the uses thereof. HH elaborated upon this. TD asked whether there were any other minerals which would draw large companies? AES stated not which he was aware of apart from diamonds. MG stated that the EIA&EMPR is very tedious document to read as it is compiled on the new DMR template and apologised in advance. BS confirmed that Michael and Chantal are from Exigo and Allan and Allan Junior were	Noted

	independent geologists employed by Exigo. MG responded in the negative and stated that Mr Allan Saad Snr and Jnr were employed by the applicant. BS asked if a representative from the applicant was present. AES stated that he was a representative for the applicant. BS asked what they intended to do with the minutes of the meeting. MG stated that the minutes will be distributed for comment and will be included as part of the comments and response register. BS stated that he wished to put on record that the meeting was not called by them but by the consultants. He stated that it was misrepresenting them to state that they had called for the meeting. He stated that a CIPRO and google search of the two companies did not reveal any members of the companies and the mother company, East African Exploration Company, is apparently closed. He asked who SA Fluorite is. AES stated that 51% is owned by ERG, 23% is owned by others and 26% is owned by a BEE consortium. TD asked about the 23% held by others. AES clarified that these were outside shareholders including himself. BS asked whether Mr Saad had shares and a direct interest in the granting of the MR. AES answered in the affirmative. He explained the ownership per prospecting area in detail as follows: SA Fluorite is 51% owned by ERG, 23% by others including him and 26% by a BEE consortium. Southern Palace is 74% owned by ERG and 26% by a BEE consortium. He stated that the PR's are in the name of Southern Palace and SA Fluorite and will be combined in one MRA in the name of SA fluorite. BS stated that Southern Palace is mostly owned by an international company with no South African ties. AES answered that the BEE consortium was South African. BS asked who the BEE partner is and stated that he needed to understand how the BEE ownership worked. AES stated that it was a consortium and listed some of the BEE companies in the consortium. BS asked for the registered address for ERG's offices. AES stated that the offices are in Pomona, Johannesburg and this information is easily available. Michelle stated that ERG is not a South African company. BS stated that he had requested this information from Ms Uys and she had referred it to her client. He stated in terms of Section 113 of the Companies Act, the registered address and membership list should be open to the public but that this information was not available on CIPRO. He stated that he wished to understand the structure and who the BEE partner is. AES volunteered to supply this information. CU stated that this information had been requested and AES offered to follow-up in this regard. BS stated that he was confused that the EAP didn't know the details of the company they were working for. MG replied that they never said they did not know only that it was up to the company to provide the information, specifically with regards to the membership and shareholders. BS asked when the prospecting right was granted. AES stated that the Southern Palace PR was granted in 2008 and the SA Fluorite PR in 2005. They then applied for a MR prior to the lapsing of the PR. Michelle asked until when they had these rights. AES replied until the DMR either accepts or rejects the MRA. BS asked why ERG created separate companies for the PR's. AES stated that he had created the separate companies in 2005 and 2008 and explained why he had done so (due to the different percentage ownership of ERG).The rights were owned at that stage by CAMEC and later purchased by ERG. Southern Palace and SA Fluorite were shelf companies. BS stated that the majority of the proposed mining is going to take place on the PR area for SA	Noted AES to supply information

	Fluorite. BS asked what ERG is going to do when their 74% shareholding ran out in 5 years' time. AES answered that the shareholders agreement will be amended in this regard and consolidated. BS clarified that the BEE consortium owned 26% of both Southern Palace and SA Fluorite. AES answered in the affirmative. BS asked for the names of the BEE partners. AES stated that he would find out and supply this information. BS asked if both PR's were in terms of the new MPRDA. AES replied in the affirmative. BS asked if public participation information was available with regards to obtaining the PR licences. ADS answered in the affirmative. BS asked why they wished to open a new mine if there's an existing mine such as Witkop in the area. He stated that the reason which was supplied was that Witkop is not functioning however information provided by Witkop is that they will be mining again in future and subject to market conditions. There clearly therefore was no communication with Witkop. He asked why open a new mine taking into account the existing mine and market conditions. MG stated that the PEA has indicated that the project is feasible and that focus group meetings had in fact taken place with Witkop. AES added that the Doornhoek deposit has a higher grade and that Witkop has been mining since the 1970's and therefore their higher grade fluorspar is mostly depleted. Witkop's cost would therefore be higher and their production rate probably lower while Doornhoek's cost would be lower and their production rate higher. AES stated that there is a possibility for a consolidation between Witkop and Doornhoek leading to one operation. BS asked what will happen to the big hole in the ground if they had already commenced with mining but had no money to continue due to market conditions. AES stated that you could not commence with mining until you've done a feasibility study.BS asked where the money for the rehabilitation would come from. MG stated that an amount had to be provided upfront for rehabilitation for a "lights-out scenario". This amount is payable prior to the granting of the MR. BS stated that he wished to place on record that they needed to read the Draft EIA&EMPR and cannot comment on environmental destruction and water impacts at this stage. They will review the report carefully and provide comments. JK asked why no exploration has yet taken place on the farms Saamgevoeg and Paardeplaats which is part of the PR's. ADS and AES stated that no prospecting has taken place yet on these farms and this will be considered as a long term resource in future. She asked about purchasing of properties from landowners. AES stated that properties have been purchased and more will be purchased to create a buffer around mining activities. She asked which properties have been purchased. AES answered various portions in the larger area. MG volunteered to provide a map. CU stated that a map was provided in notification letter. JK stated that they will refer to the map in the notification letter provided. JdT asked what farms water supply will be sourced from. MG and CU stated from farms in compartment 1, mostly Farm 306. JK asked for a map indicating the location of the Klein Marico River in proximity to the operations. MG stated that maps were included in Draft EIA&EMPR. CU stated that the first file contained the EIR and that key maps	AES to supply BEE information Noted Noted

	from the specialist reports were included in the EIR as well as the individual specialist studies. No further questions were raised.	
	Closing MG thanked everyone for attending the meeting and stated that the meeting minutes would be distributed in due course. MD thanked the consultants for being upfront "if they really are". JK stated that they would next meet at the public meeting in one month's time. Meeting adjourned.	Noted.

Minutes taken by C Uys

Annexure A: Meeting Presentation

An EOH Company

Proposed Doornhoek Fluorspar Mine - MWN I&AP Focus Group Meeting

INTRODUCTIONS – PROJECT TEAM (present)

Innovation in Sustainability

- **Environmental Assessment Practitioners (Exigo)**
  - Michael Grobler – Lead EAP & Project Manager
  - Chantal Uys – EAP & Public Participation Coordinator
- **Applicant (SA Fluorite Pty Ltd & Southern Palace Pty Ltd)**
  - Allan E. Saad – Project manager/Applicant representative
  - Allan D. Saad – Project Geologist

PURPOSE OF THE MEETING

Innovation in Sustainability

1. To provide background on the proposed Doornhoek Fluorspar Mine Environmental Authorisation and Mining Right Application Process to Mmutlwa wa Noko (MWN)
2. To discuss comments received
3. Any technical matters will be presented to specialist team and revert back to MWN

PROJECT DESCRIPTION

Innovation in Sustainability

1. Location: Jurisdiction of the Ditsobotla and Ramotshere Moiloa Local Municipalities ; the Ngaka Modiri Molema District Municipality. Site is adjacent to the Witkop open pit fluorspar mine. Centre point of the site: Latitude: 25°44'11.85"S; Longitude: 26°10'29.75"E

2. Surface and underground resources sufficient to justify an initial life of mine of 30 years. At full production the resource is proposed to be mined at 1.5 million tonnes per annum as follows:

    - Resource Area A: Opencast mining up to a depth of aprrox 60 m from year 5 to 10.
    - Resource Area C: Opencast mining up to a depth of aprrox 90 m from year 20 to 30.
    - Resource Area D: Opencast mining to a depth of aprrox 90 m from year 10 to 20 with the possible mining of the areas to the side of the resource - from year 20 to 30.
    - Construction of the mining infrastructure and access road(s) - during year 1 to 5.

PROJECT DESCRIPTION - SURFACE INFRASTRUCTURE

Innovation in Sustainability

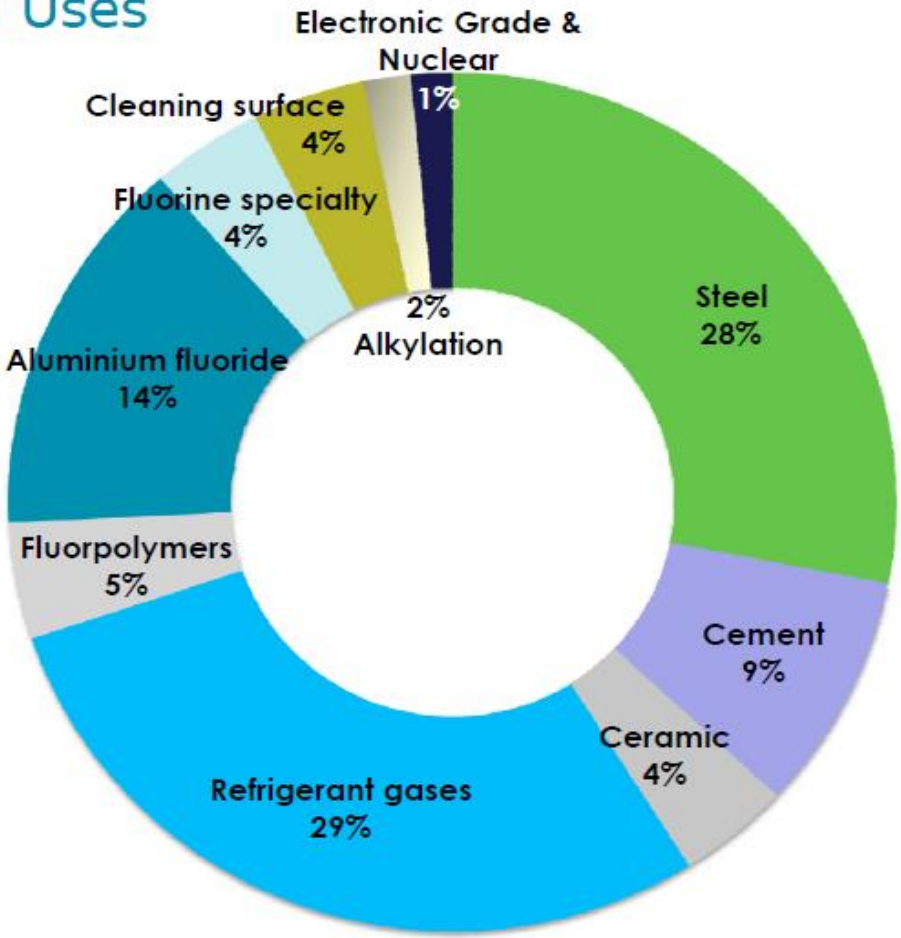
1. Mining right application includes various portions of farms Doornhoek 305 JP, Farm 306 JP, Knoflookfontein 310 JP, Strydfontein 326 JP, Rhenosterfontein 304 JP, Kwaggafonteing 297 JP, Paardeplaats 296 JP, Saamgevoeg 320 JP and Witrand 325 JP; mining infrastructure is only planned to be located on the following portions:
    - Farm 306 JP (Portion 1, 5, 24, 25, 26, 27, 29, 30)
    - Rhenosterfontein 304 JP (Portion 9, 10)
    - Possible future extension onto Knoflookfontein 310 JP (Portion 1)
2. Mine infrastructure : Ore Handling and Storage facilities, Overburden and topsoil dumps; General Buildings; Potable and Service Water Dams (including Storm Water Dams), Processing Plant, Emergency and Power facilities (substations), Fuel Storage, Site Access Road and Haul Roads, Tailings Storage Facility (TSF), Water and sewage reticulation, Sewage and Water Treatment Plant.

FLUORSPAR (CaF2), PRIMARY USES

Innovation in Sustainability

Fluorspar – Final Uses

Uses: flux in steelmaking, iron and steel casting, primary aluminium production, glass manufacture and cement production, as well as in the production of lubricants, refrigerants and cookware.



Energy benefits

The addition of fluorspar to the steel and cement processes allows the furnace or kiln to operate at a lower temperature, thus saving fuel and electrical energy. Subsequent positive impact on the carbon footprint of the industries

MINERAL BACKGROUND / USES

Innovation in Sustainability

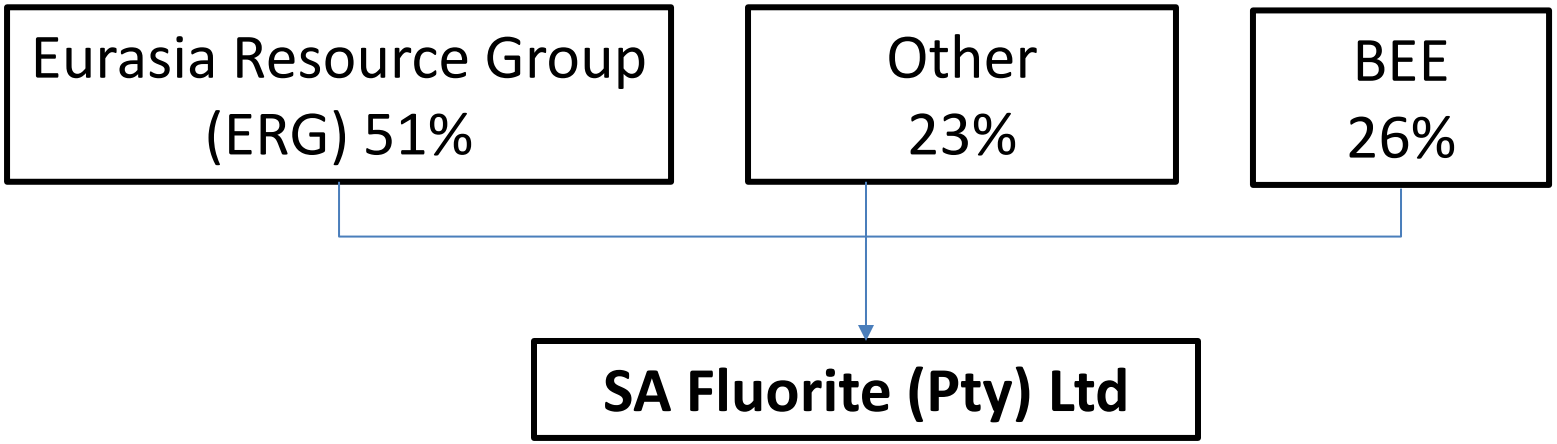
1. Calcium fluoride (“CaF2“) is a critical commodity for all industrialized nations, it is included in the USA’s top 5 list of foreign source-reliant minerals and the European Union’s list of 14 most critical minerals.
2. With a reserve of 41Mt, South Africa is the largest reserve in the world.
3. Strategic Mineral in SA - Department of Trade and Industry's ("DTI") Fluorochemical Expansion Initiative ("FEI") in 2009.
4. The Department of Mineral Resources - Beneficiation Strategy for the Minerals Industry of South Africa, June 2011.

Doornhoek Fluorspar Project

“The worlds largest known fluorspar exploration project”

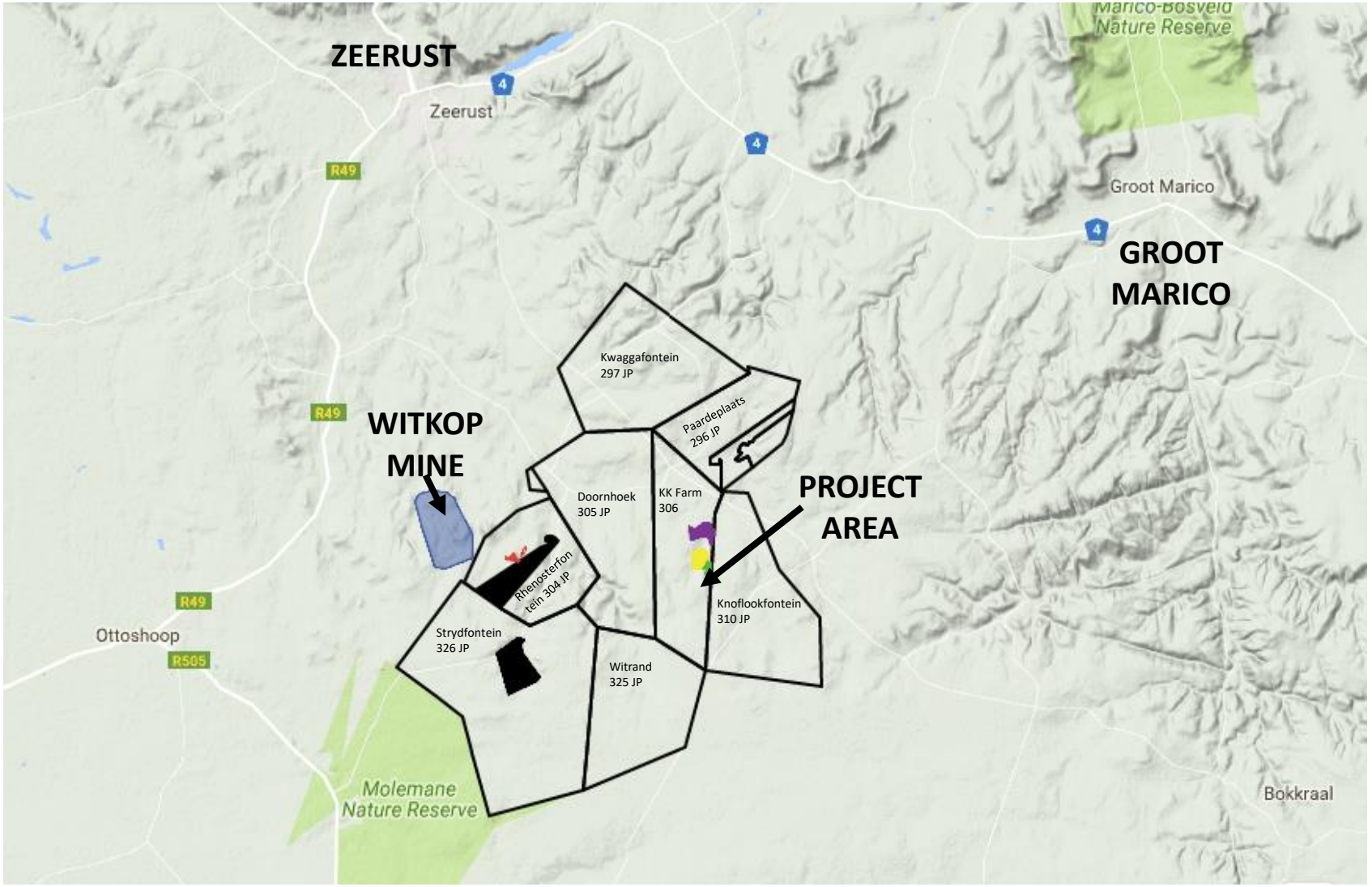
SA Fluorite (Pty) Ltd and
Southern Palace (Pty) Ltd
Northwest Province - South Africa

OWNERSHIP



- ERG is a Luxembourg-based leading diversified natural resources group.
- It operates in:
  - Kazakhstan,
  - Africa
  - and Brazil
- ERG is the world's largest ferrochrome producer by chrome content and one of the key producers of iron ore and alumina worldwide
- ERG is represented by more than 75,000 people globally

PROJECT LOCATION

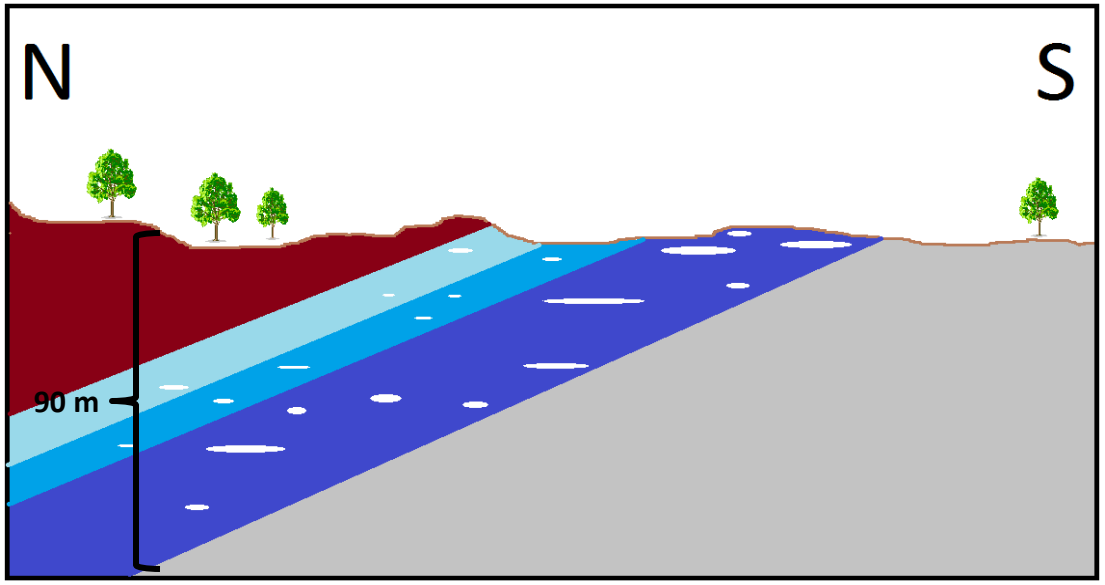


WORK COMPLETED SINCE ACQUISITION

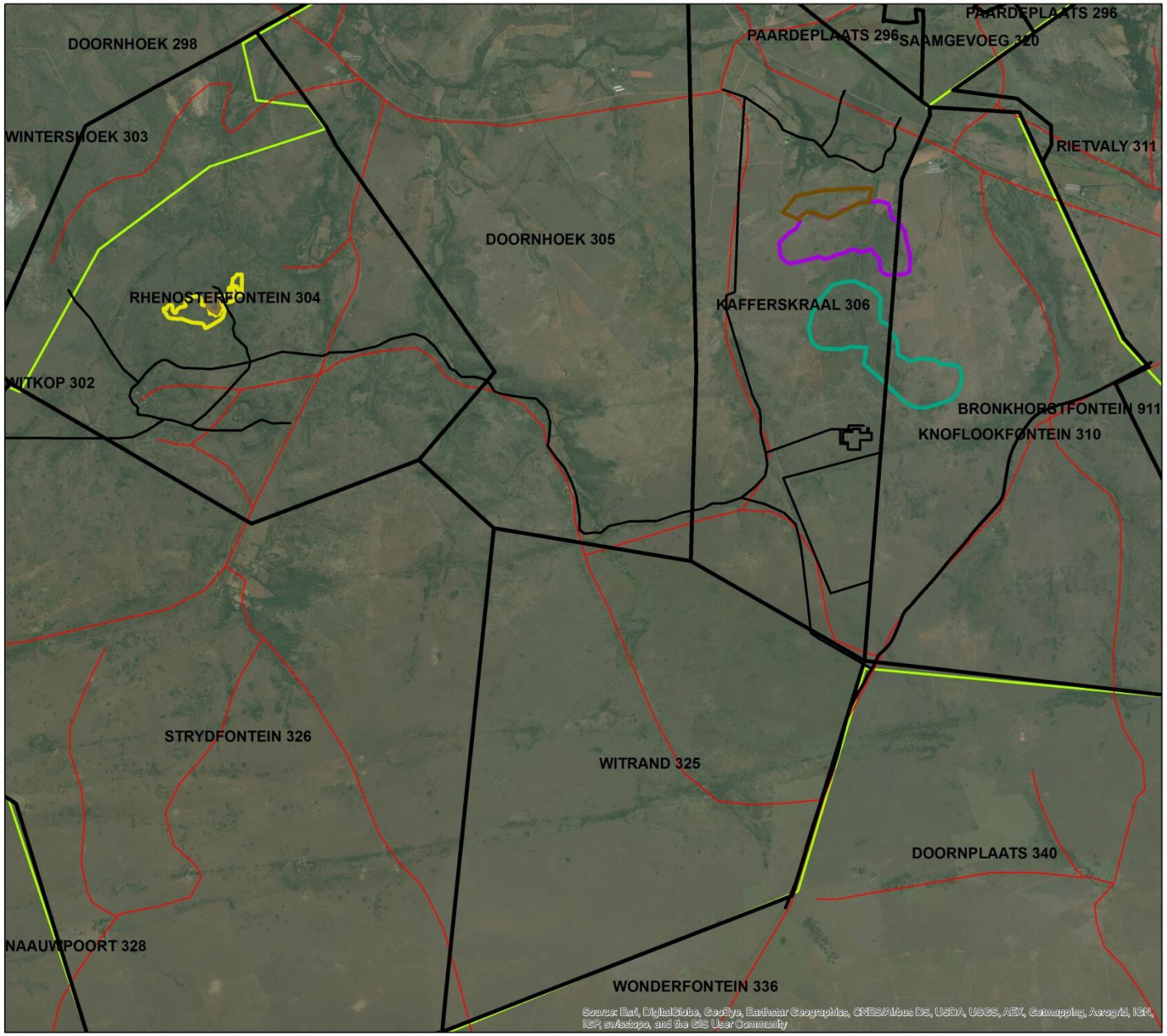
- **Prospecting**
- **Geological mapping –** detailed groundwork
- **Aerial Surveys-** Aeromagnetic and Lidar
- **Surface rights acquisitions** – strategic landholding
- **Metallurgical test work**
- **Environmental studies** – since 2013 remain in progress
- **Preliminary Economic Assessment**

GEOLOGY OVERVIEW

- The Ore is an extension of that found at the Witkop Mine
- The Fluorspar is found hosted within the Dolomite rocks therefore no acid mine draining is expected
- It is a very clean fluorspar product – No contaminants
- Partial outcrop on surface dipping underground to a maximum drilled depth of 90m
- Further down-dip extensions not drilled.
- High Grade zones targeted



PROPOSED MINING AREAS & LAYOUT



Doornhoek Fluorspar Mine
Draft Site Plan

Legend

N

- Layout 4 Processing Plant
- Layout option 4 TSF optimized
- Overburden Dump 1
- Overburden Dump 3
- Resource Area A
- Resource Area C
- Resource Area D
- Roads
- Project Area

Scale:

Meters
0 850 1,700 3,400

Exigo 3

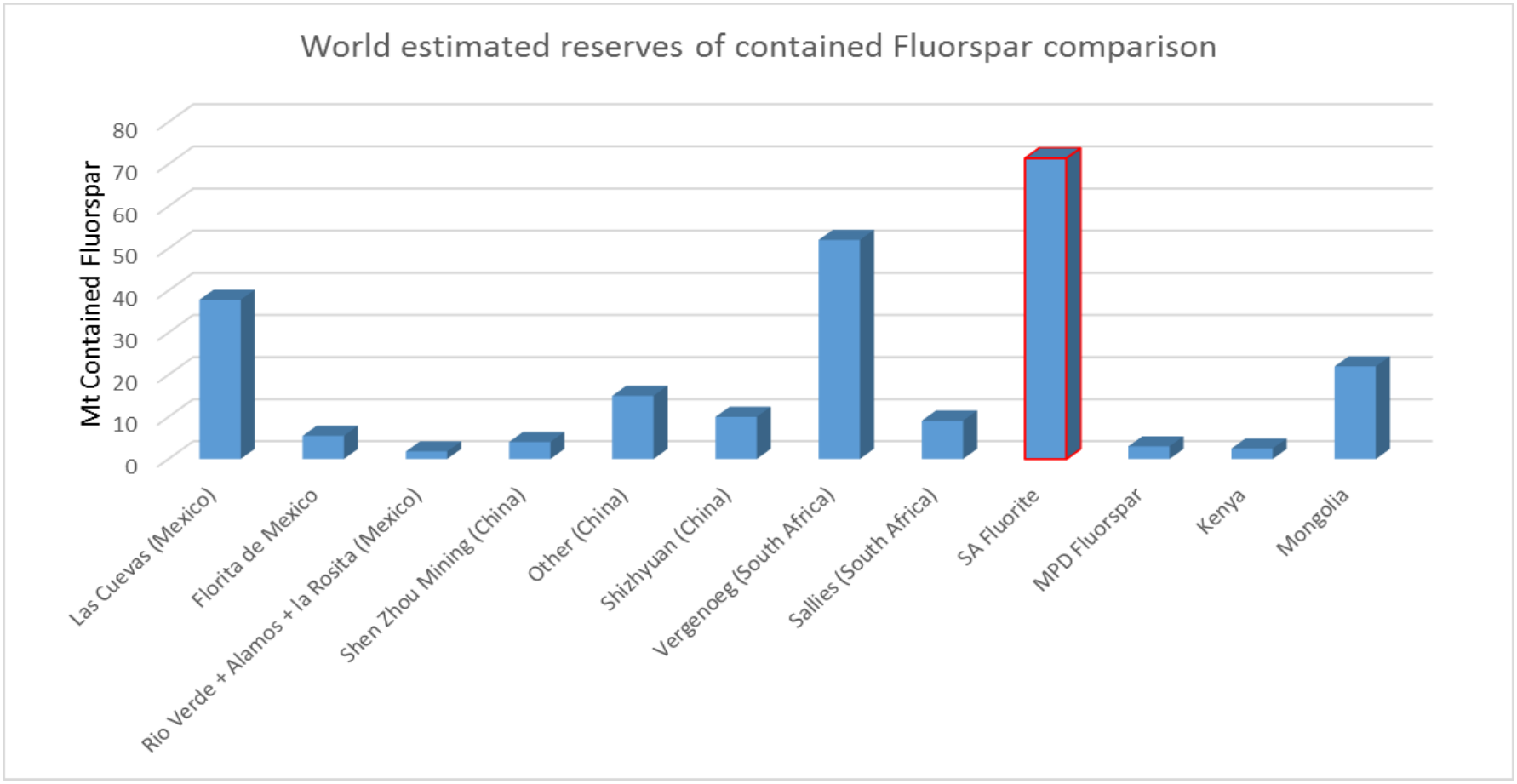
Eulophia Corner Building 1
38 General van Reyneveld Street
Persequor Park, 0020
Tel: +27 12 751 2160
Fax:+27 86 607 2406

Date 2016-11-01	
Compiled by C Uys	Version 1
Datum WGS 84	Projection Geographic

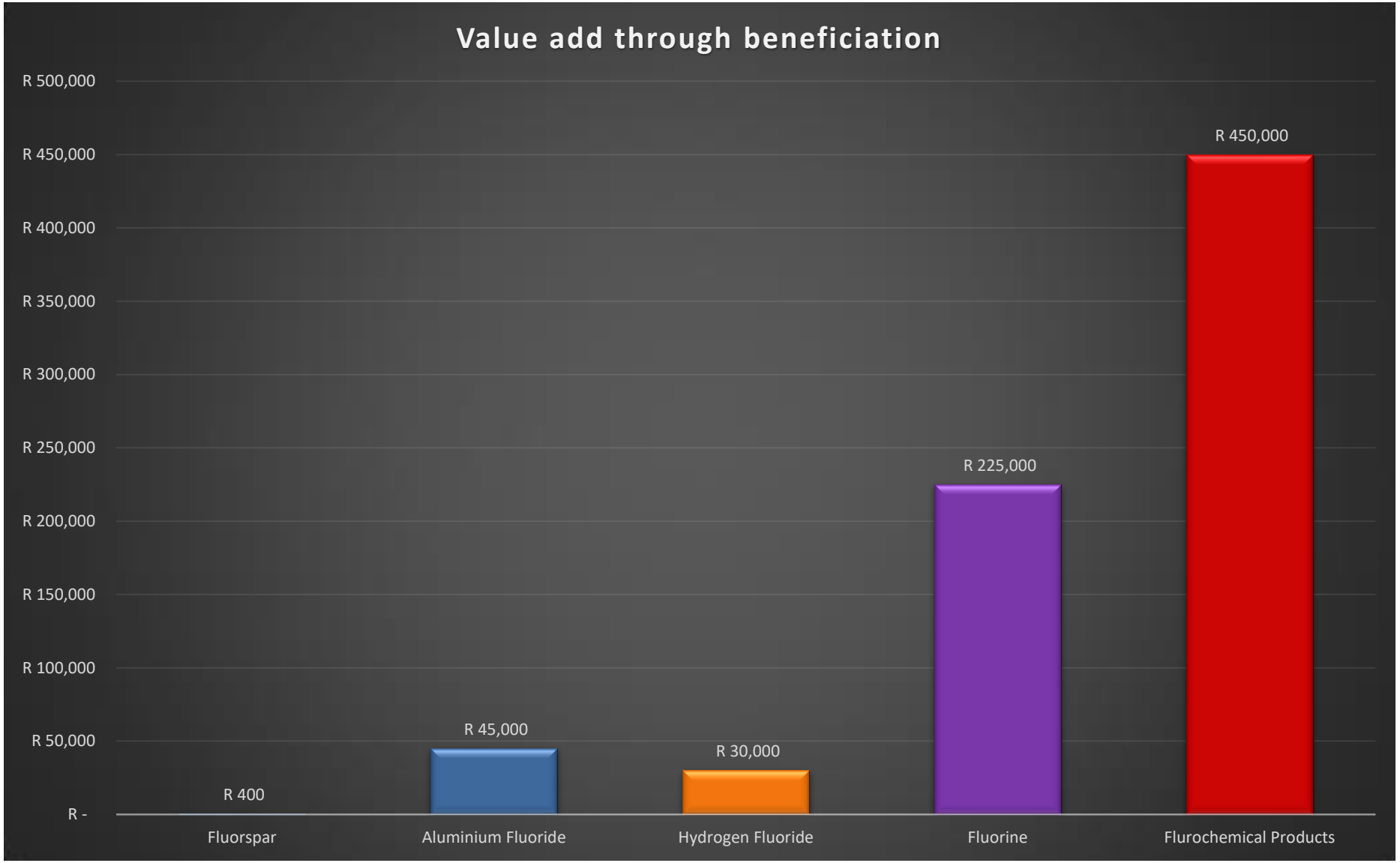
ECONOMIC ANALYSIS

- Pre Feasibility Economic analysis is calculated on a 30 year mine life
- Focus on thick opencast orebodies
- Small Global market demand
- Size and quality make it favourable for downstream processing and development of secondary industries

CONTAINED FLUORSPAR COMPARISON



VALUE ADD THROUGH BENEFICIATION



Social en socio-economic

- Direct employment of 222 persons at the mine
- Production-induced impact filters through economy, a further 502 FTE person-years will be generated
- Approx R1 048 million - revenue will be generated p.a once the steady state production
- Multiplier effect=creation of additional R837 mill. p.a;
- About half (55.9%) due mining - 44% will be distributed other sectors (transport and communication) benefitting the most
- Local economic growth - Ditsobotla by 8% or the Ramotshere by 18%

APPLICABLE LEGISLATION

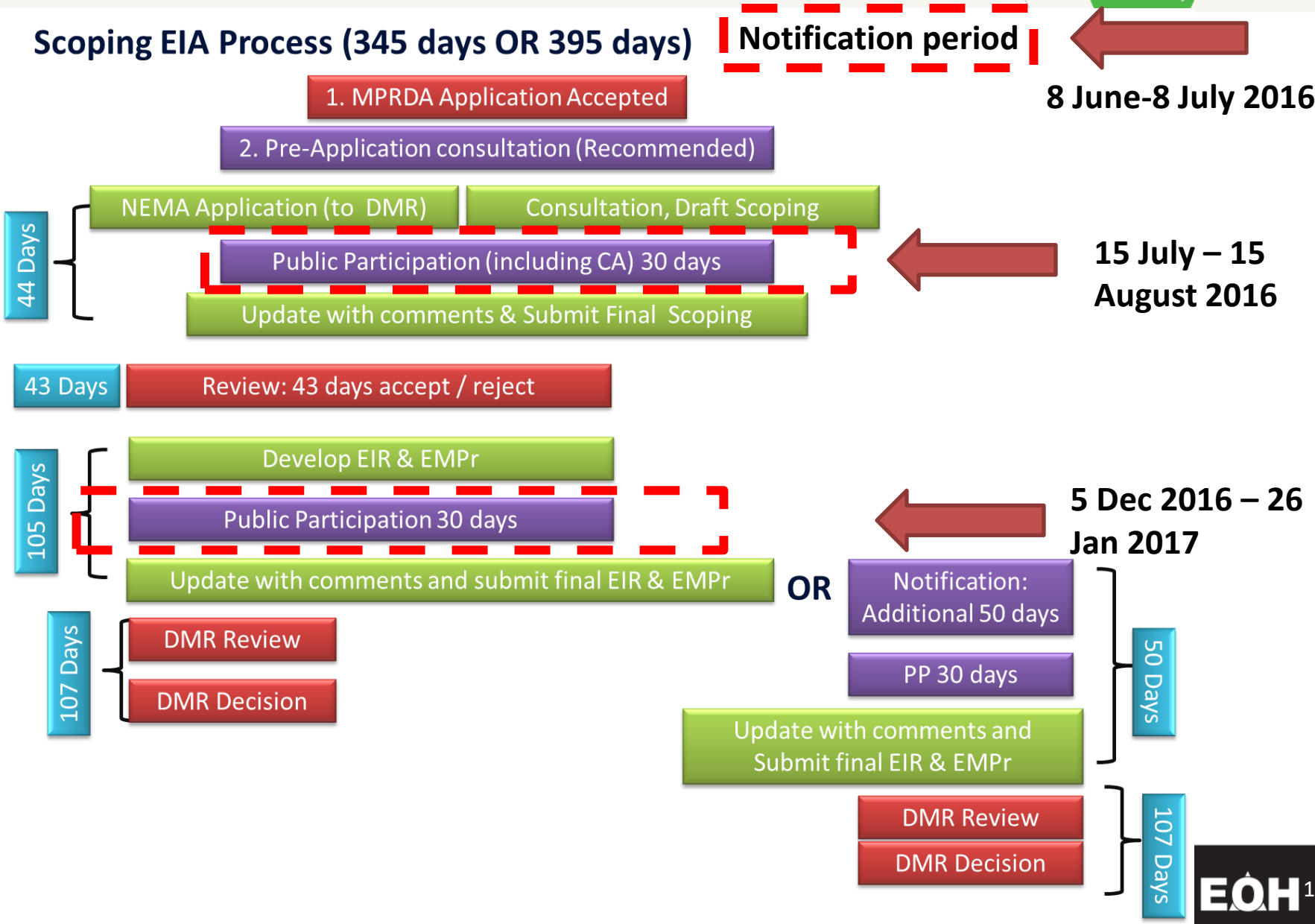
Innovation in Sustainability

Some of the applicable legislation (not comprehensive– relevant section in EIA&EMPR):

- NWA, NEMA and NEMWA
- MPRDA
- Competent Authority: Department of Mineral Resources
- EA (NEMA and MPRDA) Application acknowledged by DMR: 13 July 2016
- DMR acknowledgement of receipt letter received: 20 July 2016
- Various Listed activities applied for in terms of the EIA Regulations
- IWUL Application in terms of NWA to be submitted to the Department of Water Sanitation (DWS) during the Environmental Authorisation process
- A Land Development Application will be submitted to the relevant municipality along with the EA and MR in terms of SPLUMA

mineral resources
Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA

EIA PROCESS


Innovation in Sustainability
Scoping EIA Process (345 days OR 395 days)
Notification period
8 June-8 July 2016
1. MPRDA Application Accepted
2. Pre-Application consultation (Recommended)
44 Days
NEMA Application (to DMR)
Consultation, Draft Scoping
Public Participation (including CA) 30 days
Update with comments & Submit Final Scoping
15 July – 15 August 2016
43 Days
Review: 43 days accept / reject
105 Days
Develop EIR & EMPr
Public Participation 30 days
Update with comments and submit final EIR & EMPr
5 Dec 2016 – 26 Jan 2017
OR
Notification: Additional 50 days
PP 30 days
Update with comments and Submit final EIR & EMPr
50 Days
107 Days
DMR Review
DMR Decision
DMR Review
DMR Decision
107 Days

SPECIALIST STUDIES CONDUCTED

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- Land Use & Soil Potential Assessment (Exigo)
- Floodline Determination and Stormwater Management Plan (CWT)
- Hydrogeological Impact Assessment (Exigo)
- Water supply options analysis (Exigo)
- Geochemical Numerical Model & Waste Classification (GeoDyn)
- Ecological Impact Assessment (Exigo)
- Wetland Delineation & Impact Assessment (Exigo)
- Traffic Impact Assessment (Havenga Transportation Engineers)
- Aquatic Impact Assessment (SAS)
- Archaeological Impact Assessment (Exigo)
- Palaeontological Desktop Assessment (Dr Francois du Randt)

SPECIALIST STUDIES CONDUCTED

Innovation in Sustainability

- Blasting & Vibration Impact Assessment (Blast Management & Consulting)
- Air Quality Impact Assessment (Airshed)
- Noise Impact Assessment (EARES)
- Visual Impact Study (Newtown Landscape Architects)
- Socio-Economic Impact Assessment (Urban-Econ)
- Closure Provision and Rehabilitation Plan (REDE)

PP WAY FORWARD

Innovation in Sustainability

PUBLIC REVIEW OF DRAFT EIA&EMPR: TILL **26 JANUARY 2017**

PUBLIC MEETING

Thursday, 12 January 2017 *at 18h00 at the Ramotshere Moiloa Local Municipality Hall (C/O President & Coetzee Street, Zeerust – behind the municipal building)*

SUBMISSION OF FINAL EIA&EMPR TO DMR (February 2017)

AUTHORITY DECISION

- Public notification within 14 days

APPEAL PROCESS

- 20 days from date of Authorisation/from date of notification of decision

COMMENTS RECEIVED TO DATE FROM MWN

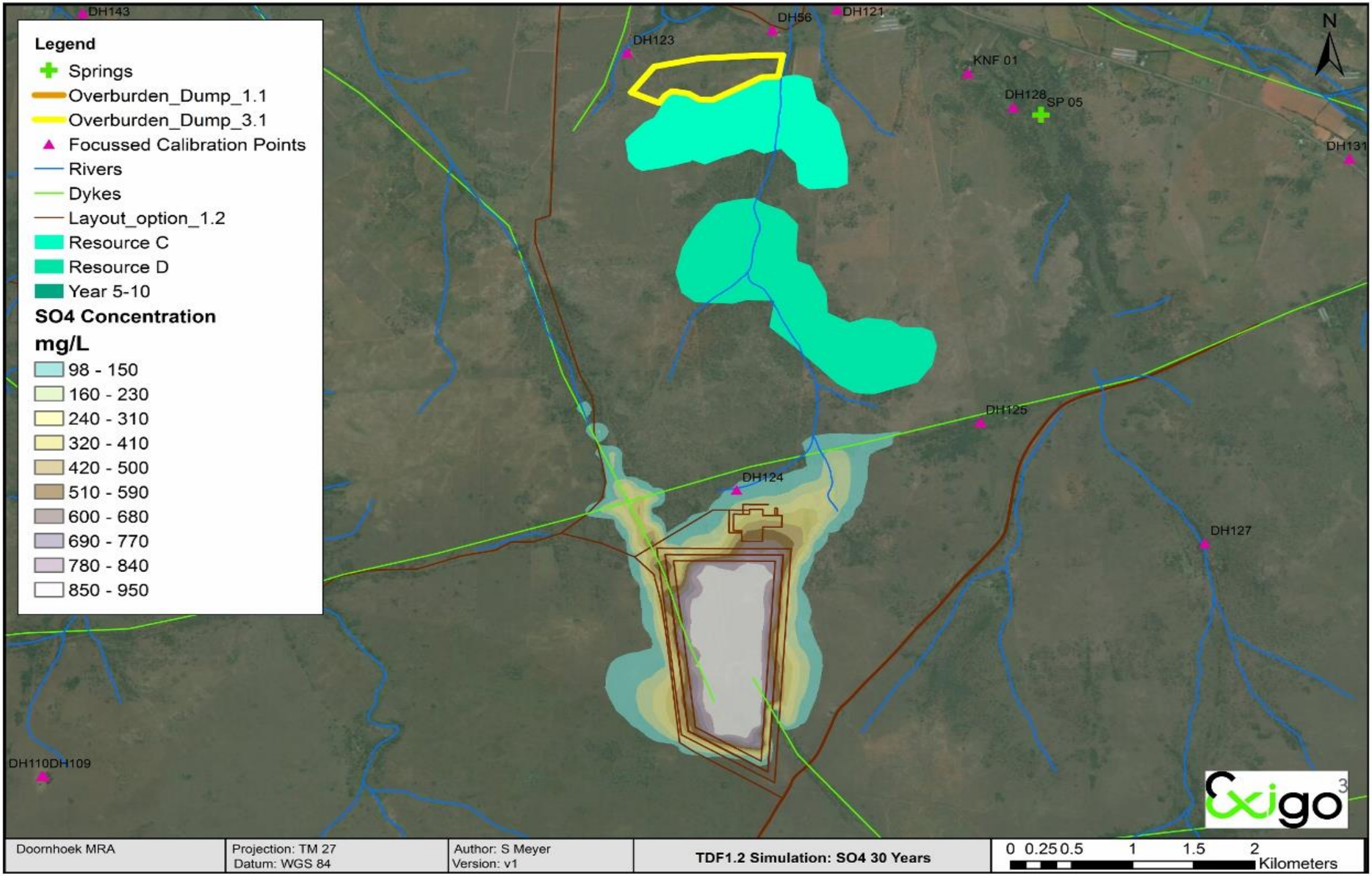
Innovation in Sustainability

Potential water quality impact on Groot Marico River

- Hydrogeological and Geochemical Assessments (Appendix 7.8 and 7.18)
- Contaminant plume was simulated
- The simulated contaminant transport of the overburden dumps does not reach the Klein Marico River
- Mitigation measures are provided in the EIA&EMPR (Table 23)

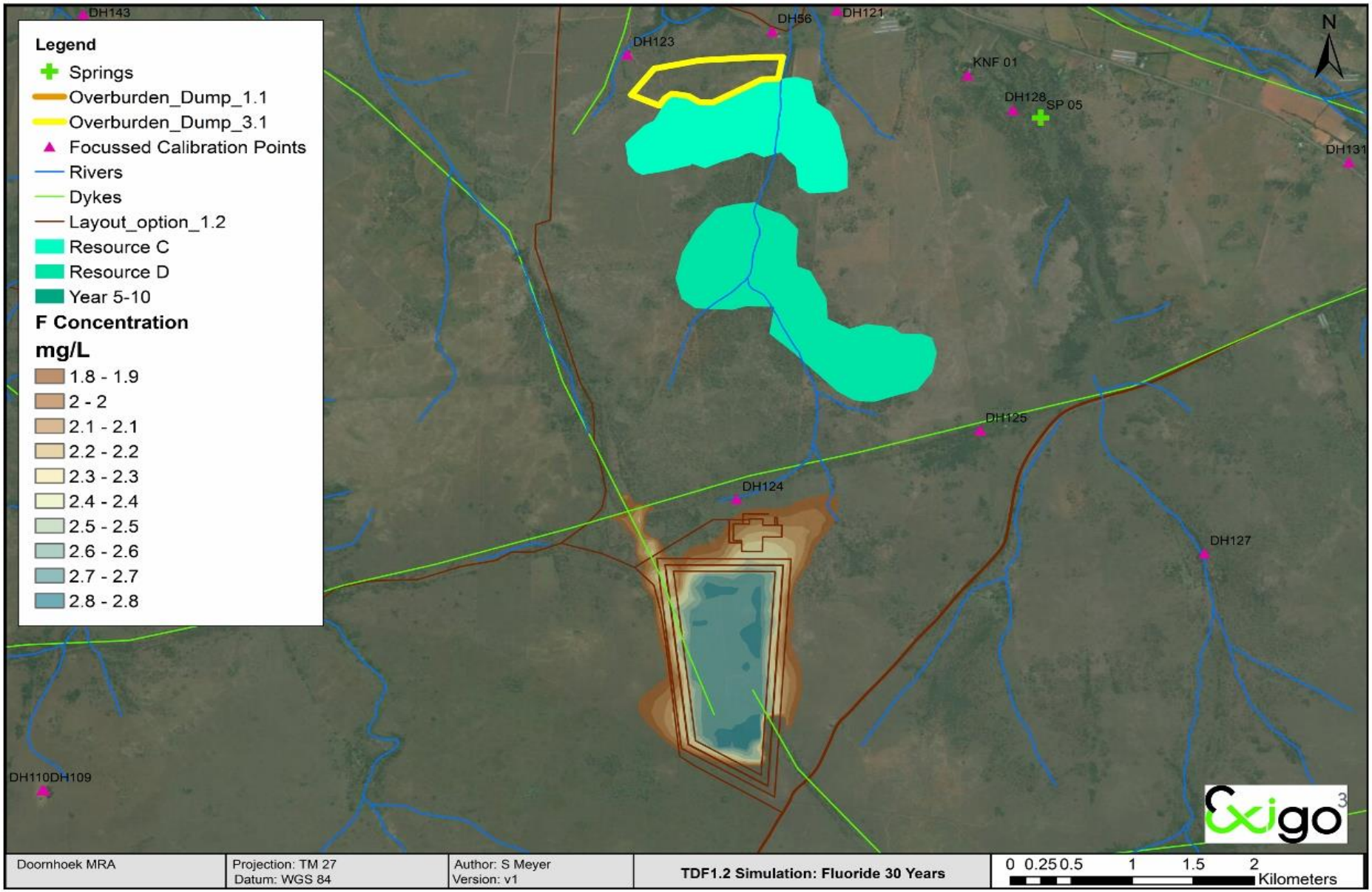
CONTAMINANT PLUME MAP

Innovation in Sustainability



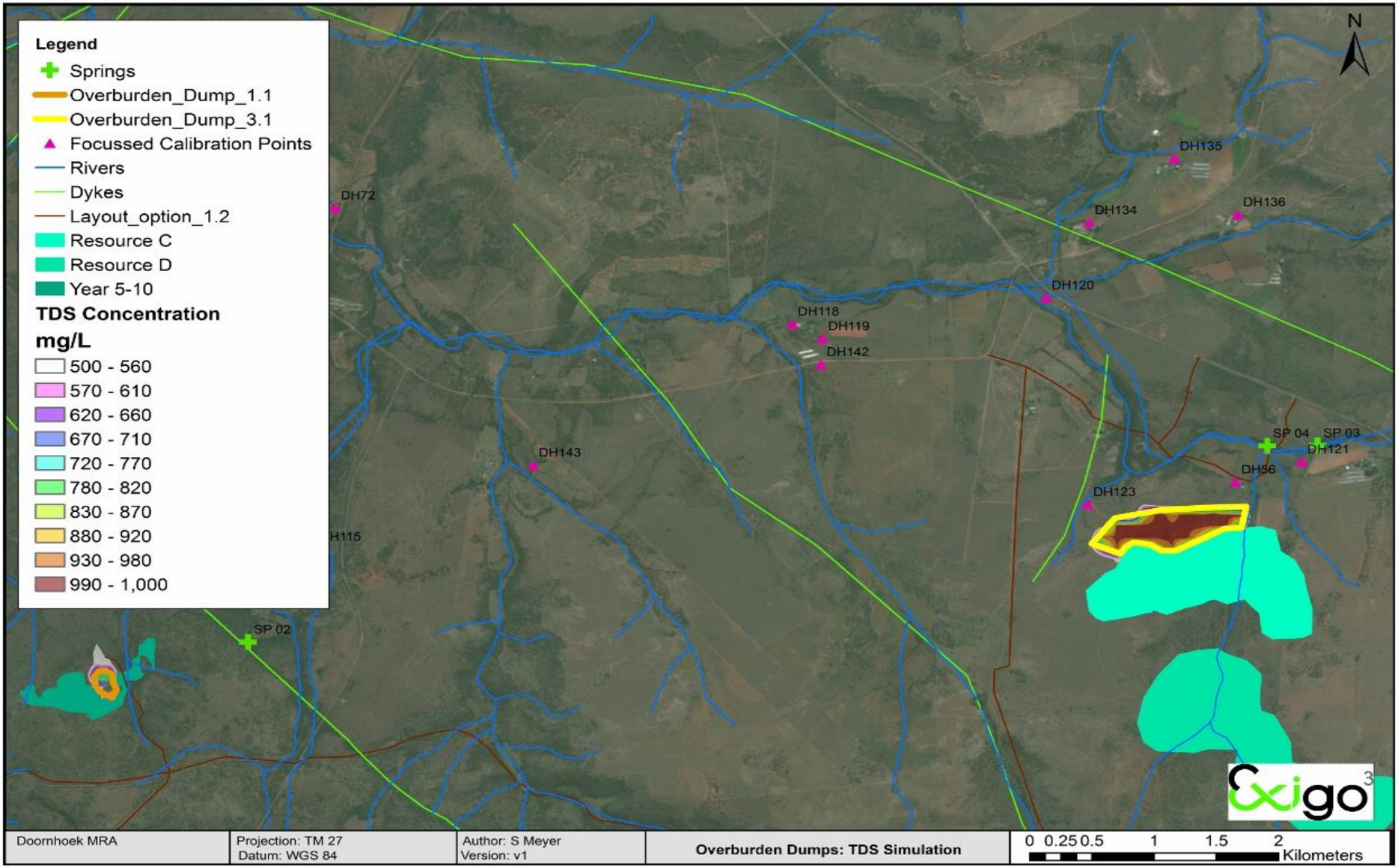
CONTAMINANT PLUME MAP

Innovation in Sustainability



CONTAMINANT PLUME MAP

Innovation in Sustainability

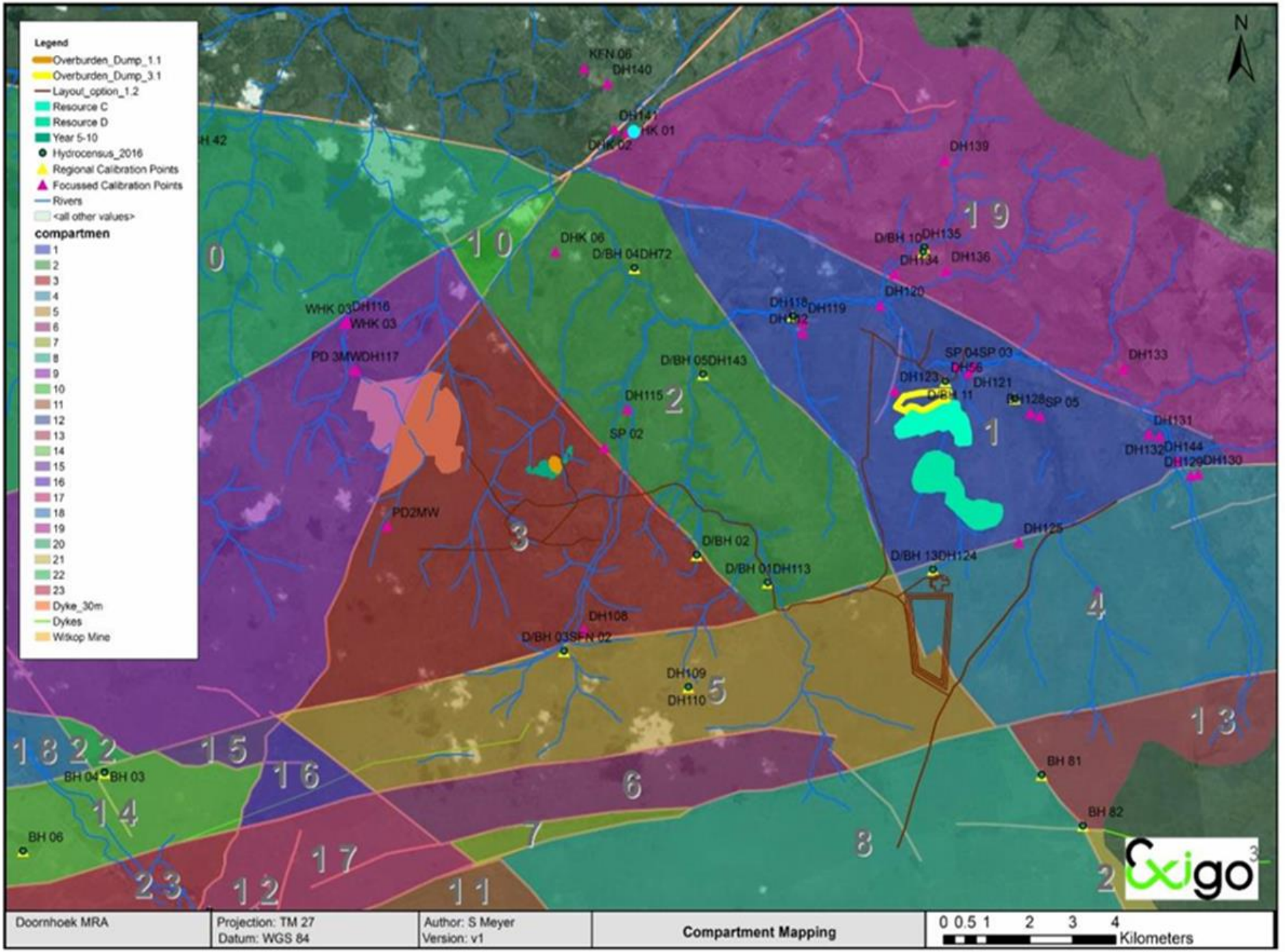


COMMENTS RECEIVED TO DATE FROM MWN

Innovation in Sustainability

Potential impact on groundwater:

- Water supply: groundwater identified as preferred, subject to IWULA
- Compartment mapping: it is anticipated that dewatering impacts will be limited to Compartment 1, 2, 4 and 5
- Dewatering ZOI
- Maximum simulated inflows from the Klein Marico River reached approximately 900 m^3/d resulting in less than 4% impact on the simulated surface water runoff in the A31D quaternary catchment
- Mitigation measures are provided in the EIA&EMPR (Table 23)


Legend
Overburden_Dump_1.1
Overburden_Dump_3.1
Layout_option_1.2
Resource C
Resource D
Year 5-10
Hydrocensus_2016
Regional Calibration Points
Focussed Calibration Points
Rivers
<all other values>
compartmen
1
2
3
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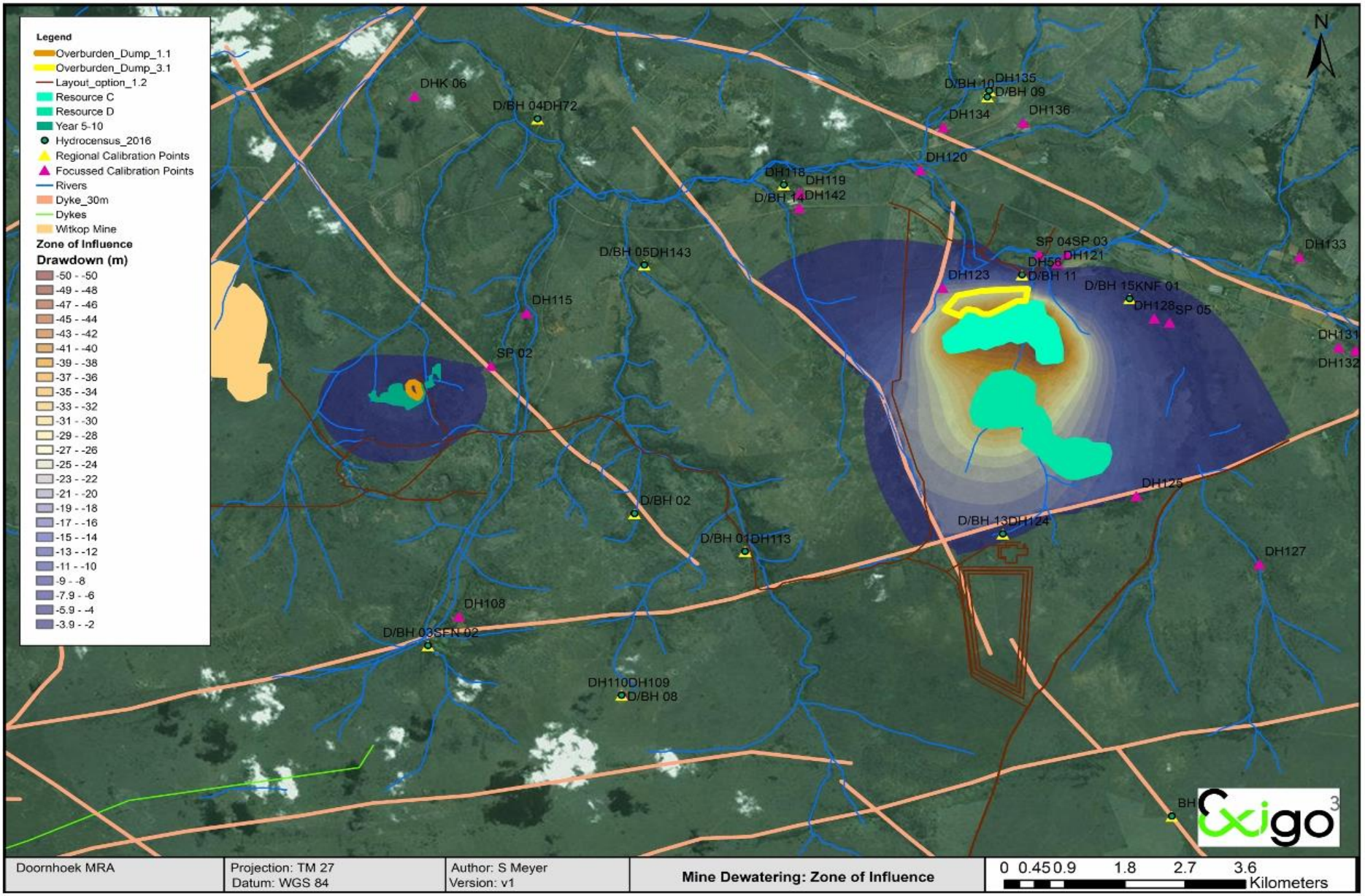
22
23
Dyke_30m
Dykes
Witkop Mine
N
KEN 06
DH140
DH141
HK 01
HK 02
DH139
DHK 06
D/BH 04
DH72
D/BH 10
DH135
DH134
DH136
DH120
DH118
DH119
WHK 03
DH116
WHK 03
PD 3MW
DH117
D/BH 05
DH143
DH133
SP 04
SP 03
DH56
DH123
DH121
D/BH 11
DH128
SP 05
DH131
DH132
DH144
DH129
DH130
DH115
SP 02
PD2MW
D/BH 02
D/BH 01
DH113
DH125
D/BH 13
DH124
DH108
D/BH 03
SFN 02
DH109
DH110
BH 04
BH 03
BH 06
BH 81
BH 82
Exigo
Doornhoek MRA
Projection: TM 27
Datum: WGS 84
Author: S Meyer
Version: v1
Compartment Mapping
0 0.5 1 2 3 4
Kilometers

DEWATERING ZOI MAP



COMMENTS RECEIVED TO DATE FROM MWN

Innovation in Sustainability

Mine dewatering, water supply and mass transport mitigation measures

- Point 6. Possible inflow from the Klein Marico River into the open pit mine. Water collected in the open pit mine (or dewatering wells) should be sampled and tested with hydrochemical and isotope finger printing monthly to verify the origin. If the origin is established to be from the Klein Marico River, the water should be treated to an acceptable quality and discharged back into the Klein Marico River. If it is confirmed that the water seepage into the open pit mine is a diluted combination between surface water from the Klein Marico River and groundwater, then the dilution ratios should be calculated and the surface water quantities should be released back into the river. The groundwater component should be licensed and could be used in the mine circuit if the license is granted (Section 6.4.1, page 72).
- Point 25. Flow measurements in the Klein Marico River should be taken upstream and downstream of the mine site. The flow measures should be recorded on ongoing basis to monitor possible impacts and flow reductions caused by the mine dewatering. Alien vegetation eradication should be implemented to off-set the possible flow reduction and increase the water balance of the local catchment Section 6.4.2, page 74).

COMMENTS RECEIVED TO DATE FROM MWN

Innovation in Sustainability

Potential air, soil quality, loss of biodiversity and socio-economic impacts:

- The following specialist studies were conducted in this regard (amongst other) (Appendix 7):
  - Air Quality Impact Assessment
  - Soils, Agricultural Potential and Land Capability Study
  - Ecological Impact Assessment
  - Wetland Assessment
  - Aquatic Impact Assessment
  - Socio-economic Impact Assessment
- Comments – present to specialist team and revert back
- Mitigation measures are provided in the EIA&EMPR (Table 23)
- Closure costs

COMMENTS RECEIVED TO DATE FROM MWN

Innovation in Sustainability

Existence of fluorspar mine in the area

- Doornhoek – significantly higher grades -adjoining Witkop Mine
- A preliminary Economic Assessment and Pre-feasibility Study have been undertaken for the project. In light of the determined feasibility of the project, regional socio-economic impacts have been assessed including the need and desirability associated with this application

COMMENTS RECEIVED TO DATE FROM MWN

Innovation in Sustainability

Notification and consultation with downstream communities:

- Please refer to EIA&EMPR for PPP followed to date
- Catchment Communities in the vicinity of the project area are Zeerust, Dinkana, Lehurutse, Ntsheweletsoko, Lenig River and Kruisrivier (closest to site)
- The Pella, Koffiekraal, Uitkyk, Brakkruil and Pachsdraai communities are more than 40 km's away from the project site as the crow flies
- Socio-economic Assessment - benefits on a regional scale

DISCUSSION & QUESTIONS

Innovation in Sustainability

THANK YOU

For any comments or queries please contact:

Chantal Uys

Address: Exigo Sustainability (Pty) Ltd, Postnet 74, Private Bag X07, Arcadia, 0007.

Telephone: (012) 751 2160

Fax: 086 607 2406.

Email: chantal@exigo3.com

Annexure B: Attendance Register

I&AP FOCUS GROUP MEETING

DATE: 12 DECEMBER 2016

VENUE: ZEERUST

ATTENDANCE REGISTER: PROPOSED DOORNHOEK FLUORSPAR MINE, NORTH-WEST PROVINCE

NAME	ADRESS	CONTACT NUMBER	EMAIL/FAX NUMBER	SIGNATURE
Allan Saad		082 356 1375	AllanSaad@gmail.com	
TREVOR DOWDLE	KOEDOESFONTEIN	0783926232	TEMINAFRICA @ GMAIL.COM	
PETER PHETO	MADIKOE	078 312 145	—	
BRIAN SAGER	RIETVALLEI	082 330 7265		
Jeanne A. du Toit	strydFontein	0731310803	countrywide@vodamail.co.za	
Jeanne Kemack	Rietvallei	079 274 2914	maricorat@webmail.co.za	
Hendrik Hanekom	Witkop Mine	0795174083	hendrik.hanekom@sallies.co.za	
Michael Grobler	Exigo	0824754246	michael@exigo3.com	
Allan Saad	SA Fluorite	082 881 7850	asaad@mweb.co.za	

NAME	ADRESS	CONTACT NUMBER	EMAIL/FAX NUMBER	SIGNATURE
Chantal Llys	Exigo Sustainability	012 751 2160	chantal@exigo3.com